

**TOWN OF SOUTH KINGSTOWN,
RHODE ISLAND**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2021**



PREPARED BY: FINANCE DEPARTMENT

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
ANNUAL COMPREHENSIVE FINANCIAL REPORT
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Introductory Section

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Town of South Kingstown, Rhode Island

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Tel. 401-789-9331

FINANCE DEPARTMENT

January 27, 2022

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

The comprehensive annual financial report of the Town of South Kingstown, Rhode Island, for the fiscal year ended June 30, 2021, is hereby submitted as mandated by both State statutes and the Town charter. State laws require that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants licensed to practice in the State of Rhode Island.

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

The Town of South Kingstown's financial statements have been audited by CliftonLarsonAllen LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Town of South Kingstown for the fiscal year ended June 30, 2021, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town of South Kingstown's financial statements for the fiscal year ended June 30, 2021, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section on page 1 of this report.

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

emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are included in the Single Audit section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Town of South Kingstown's MD&A can be found immediately following the report of the independent auditors beginning on page 4.

PROFILE OF THE GOVERNMENT

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

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

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

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

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

PROFILE OF THE GOVERNMENT (Continued)

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

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

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

Budget-to-actual comparisons are provided in this report for the general fund and the school unrestricted fund on pages 89-91 and page 92, respectively, as part of the basic financial statements.

FACTORS AFFECTING FINANCIAL CONDITION

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

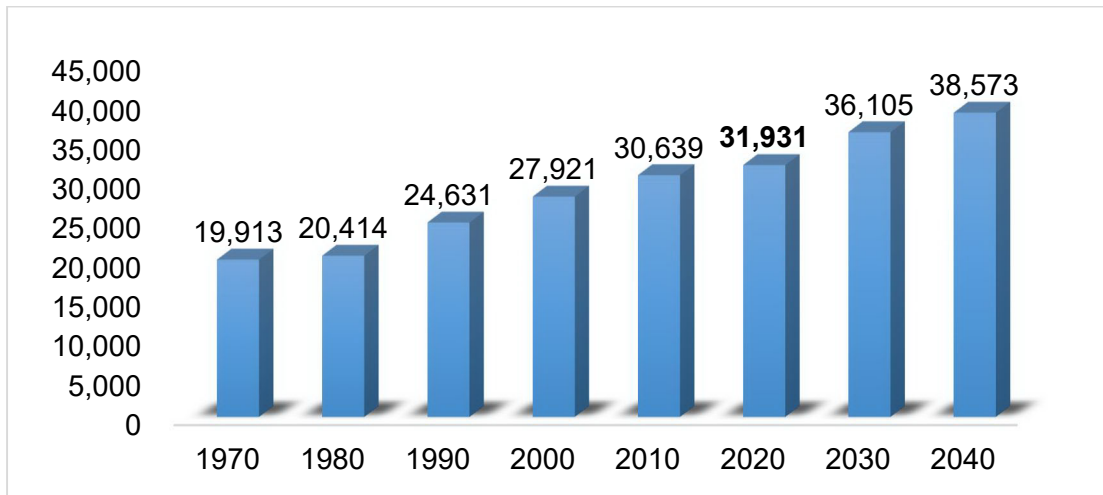
Population, Housing, and Industry Characteristics: The current population of South Kingstown is estimated to be 31,931.¹ While statewide trends show slow population growth, the population of South Kingstown is projected to increase steadily over the next 20 years, with as many as 38,573 persons living in South Kingstown in 2040.²

¹ 2020 U.S. Census Quick Facts. U.S. Census Bureau.

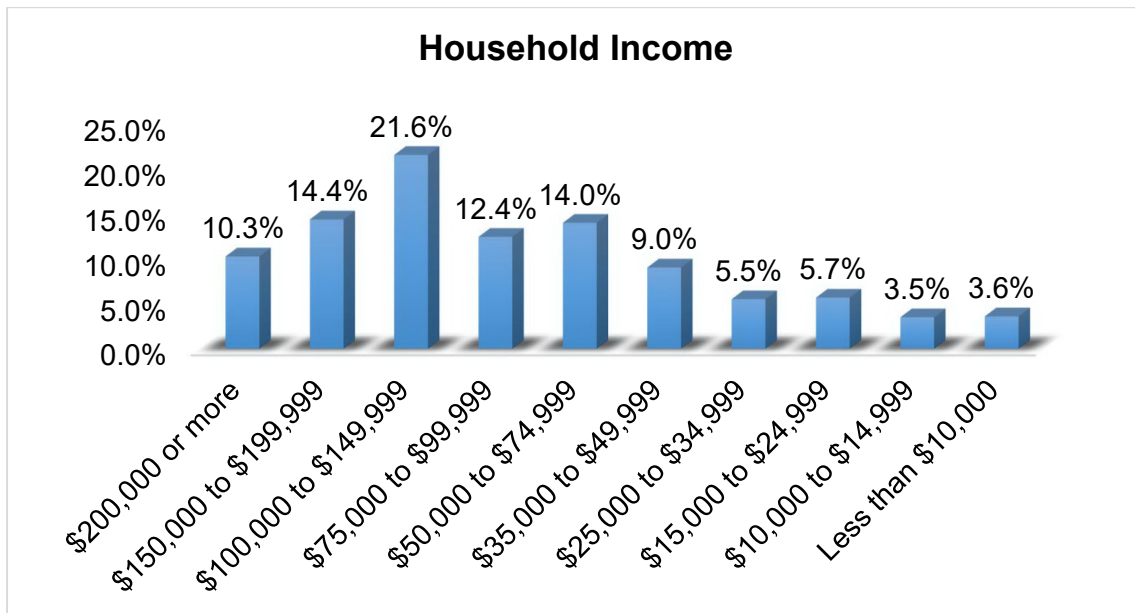
² City and Town Population Projections. Rhode Island Statewide Planning Program. Website, <http://www.planning.ri.gov/documents/census/tp162.pdf>. Accessed 12/22/2021.

FACTORS AFFECTING FINANCIAL CONDITION (Continued)

Population Change in South Kingstown



As of 2019, the median household income in South Kingstown was \$89,917,³ which represents an approximate 26.3% increase from the 2010 median household income of \$71,192.⁴ Additionally, 46.3% of all South Kingstown households earn over \$100,000 annually.⁵ Over 95.6% of South Kingstown's population are high school graduates or higher, compared to 88.8% statewide. Over 55.7% of the population holds a bachelor's degree or higher, compared to 34.2% statewide.⁶



³ 2019 American Community Survey 5-Year Estimates. U.S. Census Bureau.

⁴ 2010 American Community Survey 5-Year Estimates. U.S. Census Bureau.

⁵ 2019 American Community Survey 5-Year Estimates. U.S. Census Bureau.

⁶ 2019 American Community Survey 5-Year Estimates. U.S. Census Bureau.

FACTORS AFFECTING FINANCIAL CONDITION (Continued)

The median sales price for a single-family home has continued to improve since the crash in the late 2000s. The median single-family home sales price value increased to \$419,900 in 2020. In 2015, median single-family home sales price in South Kingstown was \$329,822. The five year comparison for South Kingstown indicates a 27% increase in single family home prices.⁷ Median home sales price continues to approach the 2005 high of \$374,500.⁸

As of March 2021, the Rhode Island seasonally-adjusted unemployment rate was 7.0%, up from 4.0% in March 2020. At June 2021, the Rhode Island seasonally-adjusted unemployment rate was 5.9%, down from 10.9% in the prior year, due to the economic shutdown as a result of the COVID-19 pandemic. South Kingstown's not seasonally-adjusted unemployment rate was 5.7% as of March 2021, up from 3.5% in March 2020. South Kingstown's not seasonally-adjusted unemployment rate at June 2021 was 4.6%.⁹

Between 2015 and 2019, employment in South Kingstown increased from 13,757 full-time equivalent jobs to 14,012, an increase of 255 (1.9%) jobs. Private sector employers reported a gain of 410 (4.1%) jobs, and the public sector employment decreased by 156 (4.1%) jobs for the same time period.

In 2020, the top five employment sectors in South Kingstown were government (3,578 employees), health care and social assistance (2,840 employees), accommodations and food service (1,292 employees), retail trade (1,145 employees), and manufacturing (526 employees). Since 2015, employment in the health care and social assistance sector has increased 1.2%, up from 2,806 employees. Employment in the accommodations and food service sector has decreased by 10.7% over the same time frame, down from 1,447 employees in 2015.¹⁰ The fluctuations in these sectors is the result of the COVID-19 pandemic and its impact on the service industries.

Local economy: South Kingstown's economy is heavily influenced by the University of Rhode Island (URI), which had an enrollment of 17,649 students, including online students, for the 2020-2021 academic year, this represents a slight increase from the 17,473 of the 2019-2020 annual enrollment.¹¹ This enrollment is supported by a faculty of 1,180 (full time teaching faculty of 776 and part time teaching faculty of 404). The University has a full time support staff of 1,827 and part time support staff of 170. Of the student population, approximately 5,600 students live on campus.¹²

The University's total budget for the most recent fiscal year was \$812.2 million. The University has invested, or is in the process of investing, more than \$902 million in capital improvements and projects over the past 12 years across all four campuses.

⁷ 2021 Housing Fact Book - HousingWorksRI at RWU.

⁸ 2006 Housing Fact Book - HousingWorksRI at RWU.

⁹ Local Area Unemployment Statistics. RI Department of Labor and Training.

<http://www.dlt.ri.gov/lmi/laus/town/town.htm>.

¹⁰ RI Department of Labor and Training, Website, <https://dlt.ri.gov/documents/pdf/lmi/town20ann.pdf>.

¹¹ University of Rhode Island. RIBOE2019 & RIBOE20. Website, <https://web.uri.edu/ir/data/enrollment-data/>.

¹² University of Rhode Island. Website, <https://www.uri.edu/about/facts/>.

FACTORS AFFECTING FINANCIAL CONDITION (Continued)

At the University, capital project development has continued over the past year. Based on information found in URI's Capital Improvement Program for FY 2021-2025, the University anticipates investing over \$550 million in capital projects in the next eight (8) years. Major projects under development or substantially completed in 2020-2021:

- Health & Counseling Center. This proposed facility will enhance the availability of seamless care in meeting the psychological and physical wellbeing of students that will contribute positively to retention, graduation, and life success.
- Memorial Union Renovation & Addition. The Memorial Union, a 133,000 sq. ft., four-story building, was constructed in 1953 with subsequent additions in 1963 and 1991. The University proposes to renovate the building, including a small 9,000 sf. addition, and improve adjacent parking and landscaping.
- Narragansett Bay Campus Renewal Phase II. This proposed project is focused on the replacement of Horn Laboratories and the construction of the Ocean Technology Research and Education Center.

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

- **South Shore Country Club**, a condominium development composed of a golf course and 303 manufactured homes for persons aged 55 and over is under construction. Over 70 of the homes have been sold. Homes are available from \$431,000 to \$500,000+. Construction is ongoing at this project.
- **The Woods at Stone Soup**, a 7 lot, 8-unit residential development, is ongoing.
- **Wakefield Alzheimer's Facility**, measuring approximately 30,800 square feet in area, located at 521 Main Street, the Preliminary Plan was approved and is currently waiting for submission for final approvals.
- **Bouchard Solar Energy Systems**, a five (5) megawatt ground-mounted principal solar energy system, measuring approximately 20 acres in size, at 681 Fairgrounds Road awaiting determination from the RI Department of Energy Resources before proceeding through the Major Land Development Process.
- **Wakefield Place Cottages**, has completed the pre-application phase to construct a cottage type development for nine (9) dwelling units at 93 Columbia Street.
- **1860 Kingstown Road**, a project to construct a new 7,545 square foot retail building is currently pending Development Plan Review with the Planning Board.
- **Marina & Shellfish Hatchery Operations**, a proposed plan to develop a 3,600 square foot, two-story shellfish hatchery, and parking as a principal use, at 650 Succotash Road, received Final Plan approval.
- **221 Robinson Street**, a proposal to construct a second story to existing retail building to contain ten (10) residential units is currently pending combined Conceptual Master Plan and Preliminary Plan approval.
- **Hillside Commons**, proposed development of 18 residential units, including a combination of detached structures has received Preliminary Plan approval and is in the process of completing the Final Plan submission.

FACTORS AFFECTING FINANCIAL CONDITION (Continued)

- **Residences on Holly**, is a proposed Major Multi-Household Land Development Project, to construction of twelve (12) 2-bedroom dwelling units within six (6) duplex structures and associated site improvements (three units to be deed restricted for low to moderate income ownership or occupancy). The project has received Conceptual Master Plan approval and the applicant has submitted for Preliminary Plan approval.
- **Village at Curtis Corner**, a proposed Comprehensive Permit subdivision to create twenty-four (24) parcels at 55 Curtis Corner Road containing a total of thirty-two (32) dwelling units of which 8 units will be rented to Low and a Moderate Income (LMI) families received Preliminary Plan approval phase. Infrastructure (Road, utilities and storm drainage) associated with the project is under construction. Project still requires final plan approval to begin residential construction beyond one residential unit.
- **Tower Hill Landings Annex**, the proposed construction of an 11-unit multi-household structure at 2095 Kingstown Road received Preliminary Plan approval and is under construction.
- **Shepard's Run**, the Planning Board approved the Conceptual Master Plan and recommended approval of a text amendment and associated Zoning Map change which was approved by the Town Council for the redevelopment of the former Convent of the Sisters of the Cross and Passion. This change allowed the property to be redeveloped into a destination estate winery, resort, and event venue set on thirty-six acres just behind the Prout School located at 4780 Tower Hill Road (Route 1) called "Shepard's Run". This project received Preliminary Plan and Final Plan approval from the Planning Board. Interior, exterior and site renovations have been completed and site is open for business.
- **Matunuck Beach Road Condominiums**, an application for a Comprehensive Permit to create 12 units in 6 buildings has received Conceptual Master Plan approval for this Major Land Development project. Applicant has submitted an application for Preliminary Plan approval.
- **Westerly Community Credit Union**, change to a previously approved plan for proposed construction of a small overflow parking lot for Westerly Community Credit Union employees and guests received approval.
- **Medical Marijuana Compassion Centers**, the Planning Board has also reviewed and/or is in the process of reviewing five (5) applications for medical marijuana compassion centers at the following locations that are competing for a single state license to be issued for the South County area:
 - South County Compassion Center - 703 Kingstown Road, N&N Associates, Inc., *applicant*, 703 Kingstown Road, LLC, *owner*
 - Wakefield Compassion Center - 40 Charles Street, Seven Point, Inc., *applicant*, Belmont Shoppers Park, Inc., *owner*
 - Rhode Island Care Concepts, Inc. – 711 Kingstown Road, Rhode Island Care Concepts, Inc., *applicant*, RSP Realty, LLC, *owner*.
 - The Winding Rhode Compassion Center, Inc. – 682 Kingstown Road, The Winding Rhode Compassion Center, Inc., *applicant*, Scot V. Hallberg, *owner*
 - Plant Based Compassionate Care, Inc. – 91 Pershing Ave, Plant Based Compassionate Care, Inc., *applicant*, Brian McLaughlin, *owner*

FACTORS AFFECTING FINANCIAL CONDITION (Continued)

- **1860 Kingstown Road**, proposed stand-alone retail development (7,500 sq.ft. building and associated improvements). The Planning Board granted advisory Development Plan approval and made a favorable recommendation to the Zoning Board of Review. The Town's Zoning Board of Review denied the application which was appealed by the applicant Garret Homes, LLC. Settlement discussion are underway between the Town and the applicant.
- **North Woods**, a sixteen (16) lot major flexible residential design subdivision to contain fifteen (15) single-family dwellings and one (1) duplex structure for a total of seventeen (17) dwelling units, with fourteen (14) of these units being market-rate housing units and remaining three (3) being restricted low- and moderate-income housing units, located near the intersection of Curtis Corner Road and South Road. Preliminary Plan application submitted, currently awaiting resubmission of incomplete items prior to being scheduled for review.
- **Lavender Waves Farm**, request to allow accessory farm events including weddings, events, and accessory farm retail uses. Application currently pending completeness and rescheduling upon direction from the applicant.
- **Magnolia Court Multi-Household Land Development Project**, construction of two (2) 2-unit duplexes on a single lot off Magnolia Court (formerly Wilson & Tarn Streets). Application has started the Conceptual Master Plan process and is pending a Public Informational Meeting with the Planning Board in January 2022.
- **South County Hospital**, initial review of an updated Master Plan has been modified to the review of zoning text and map amendments for the hospital in an effort to address the Institutional Master Plan submission requirements for health care institutions within GI Zoning Districts. Review of text amendments are currently pending and scheduled to be heard by the Planning Board in January 2022.
- **Union Fire Station - Matunuck (Station 7)**, application to demolish and reconstruct the fire station with an ancillary building for the Town of South Kingstown's Emergency Medical Services (EMS) ambulatory use. Application received an advisory from the Planning Board and is pending review and approval by the Zoning Board of Review.
- **South County Trail Subdivision**, change to a previously approved plan for revisions due to the placement of an asphalt driveway through a required no-cut buffer on the front of the property. Currently pending review with the Planning Board in January 2022.
- **Health Concepts Ltd.**, proposed 900 square foot utility building addition for fire pump and tank expansion. Review conducted and approval granted in September 2021.
- **Onarol, LLC**, change of use from chemical manufacturing to dry cleaning and commercial laundry operations. Planning Board review completed and favorable recommendation issued to the Zoning Board in August 2021.

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

Long-term capital financial planning. As a part of the annual budget process, the Town Manager prepares and presents a six-year capital improvement plan. This plan identifies costs and financing methods for those capital projects that the Town anticipates funding over the next six years. The 2021-2022 fiscal year capital improvement plan projects needs through fiscal year

FACTORS AFFECTING FINANCIAL CONDITION (Continued)

2026-2027. The plan provides for the needs of the general government and addresses such issues as infrastructure, major equipment replacement, school facilities, public safety, recreation and open space purchases.

This plan estimates total project costs over the six-year period of approximately \$114,496,647. Financing, net of third party funding sources for these projects by debt issuance, approximates \$86,160,000. In addition, \$17,676,338 in capital projects to be funded on a “pay as you go” basis is projected over the same six-year period. The total estimated cost of the two components of the six-year capital improvement plan is \$132,172,985.

Major projects planned in the capital improvement program include: recreational fields and open space programs, affordable housing, village infrastructure, and senior services for \$1,470,000; neighborhood guild renovations for \$1,125,000; town beach and marina improvements for \$620,101; general municipal improvements for \$14,491,946; school improvements for \$95,789,600; and utilities improvements \$1,000,000.

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

The Town engaged the services of an Investment Advisor to assist the Town and the Finance Director with the Town’s first written investment policy that complies with the Government Finance Officers’ Association recommendation that municipalities create an investment policy as a best practice. This policy provides for future opportunities with longer term investment durations in US Treasuries and Federal Agency obligations for the Town’s pooled cash, ‘core’ funds and Town’s pooled cash liquidity ‘cushion’ funds which are short term or within FDIC. The 2020-2021 fiscal year recognized a decrease in the average investment rate of 0.96%; from 1.96% in the prior year to 1.0%.

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

The Town of South Kingstown also provides postretirement healthcare benefits for certain retirees and their dependents. As of the end of the current fiscal year, there were 81 retired School Department and Town employees receiving these benefits. The Town has completed their required update of the OPEB obligations with a valuation date of June 30, 2021. The Town has established an irrevocable trust fund for the funding of Other Post-Employment Benefits and as such the financial statements include an OPEB Trust Fund and the related disclosure requirements and required supplementary information in accordance with GASB Statement No.74 and No. 75.

Additional information on the Town of South Kingstown's pension arrangements and post-employment benefits can be found in Note 10 on pages 48-62 and Note 11 on pages 63-69, respectively, in the notes to the financial statements.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of South Kingstown for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2020. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The Town of South Kingstown has received a Certificate of Achievement for the last thirty-one consecutive fiscal years (fiscal years ended June 30, 1990-2020). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

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

Respectfully submitted,



Zachary J. Saul
Finance Director

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
TOWN OFFICIALS
June 30, 2021

TOWN COUNCIL

Abel G. Collins, President

Rory H. McEntee, Vice President
Deborah D. Bergner

Deborah J. Kelso
Jessica L. Rose

INTERIM TOWN MANAGER

Theresa L. Murphy

TOWN ATTORNEYS

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

PROBATE JUDGE

James P. Howe

DEPARTMENT HEADS

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

James G. Gorman
Zachary J. Saul
Rex A. Eberly
Laurel A. Clark
James D. Rabbitt
Joel J. Ewing Chow
Jon R. Schock
Jean-Paul Bouchard
Susan M. Flynn



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of South Kingstown
Rhode Island**

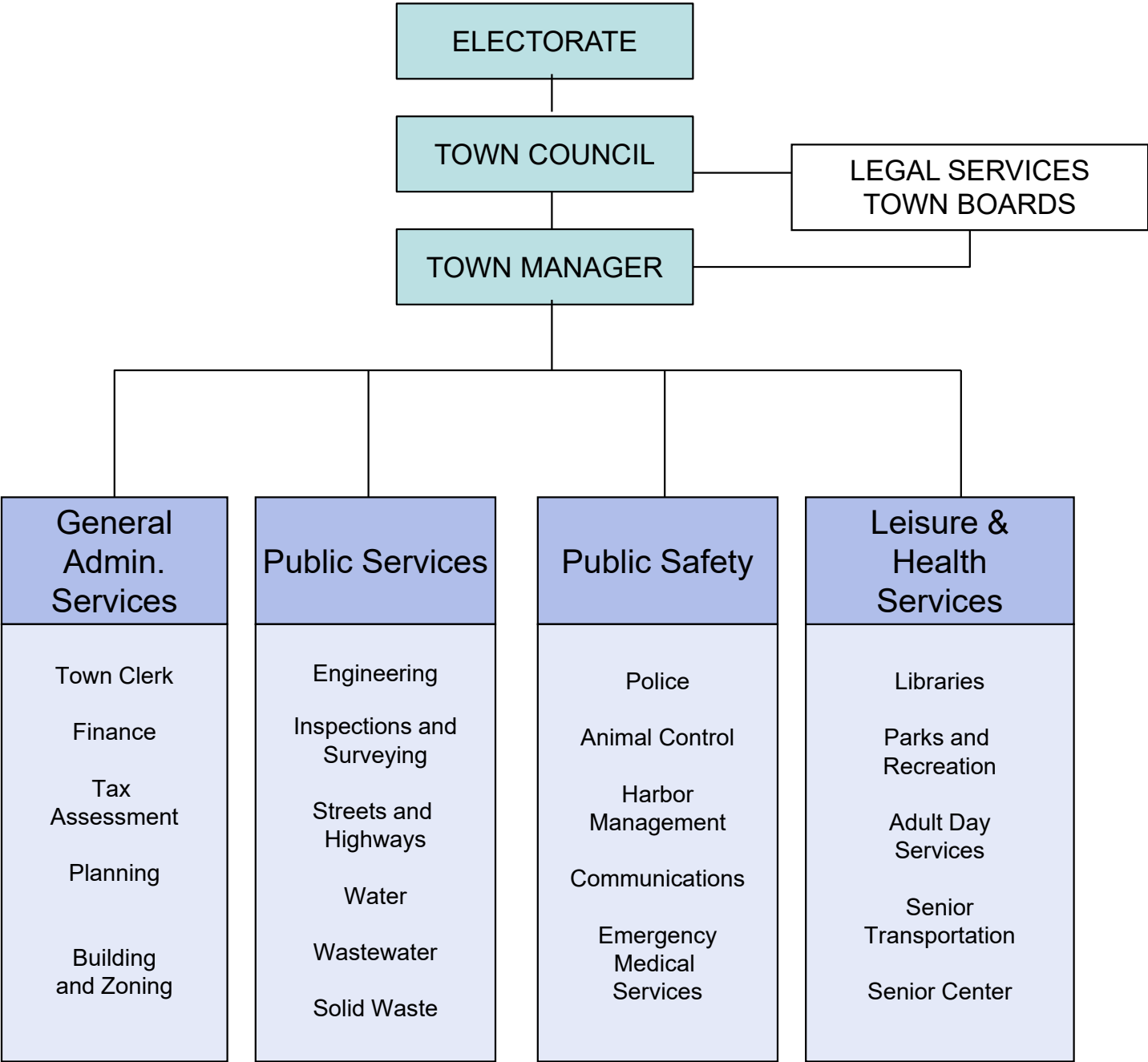
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

Town of South Kingstown



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Financial Section

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Independent Auditors' Report

To the Honorable Town Council
Town of South Kingstown, Rhode Island

Report on the Financial Statements

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

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.

Auditors' 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 of 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 auditors' 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, each major fund and the aggregate remaining fund information of the Town of South Kingstown, 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 a Matter

During fiscal year ended June 30, 2021, the Town of South Kingstown, Rhode Island, adopted GASB Statement No. 84, *Fiduciary Activities*. As a result of the implementation of this standard the Town of South Kingstown, Rhode Island, reported a restatement for the change in accounting principle (see Note 16). Our auditors' opinion was not modified with respect to the restatement.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information and the pension and OPEB schedules, as listed in the table of contents, 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

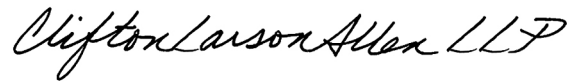
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of South Kingstown, Rhode Island's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, Annual Supplemental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

The combining and individual nonmajor fund financial statements and schedules, Annual Supplemental Transparency Report and schedule of expenditures of 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 and individual nonmajor fund financial statements and schedules, Annual Supplemental Transparency Report and schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have 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 them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2022 on our consideration of the Town of South Kingstown, Rhode Island's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of South Kingstown, Rhode Island's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

West Hartford, Connecticut
January 27, 2022

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MANAGEMENT'S DISCUSSION AND ANALYSIS

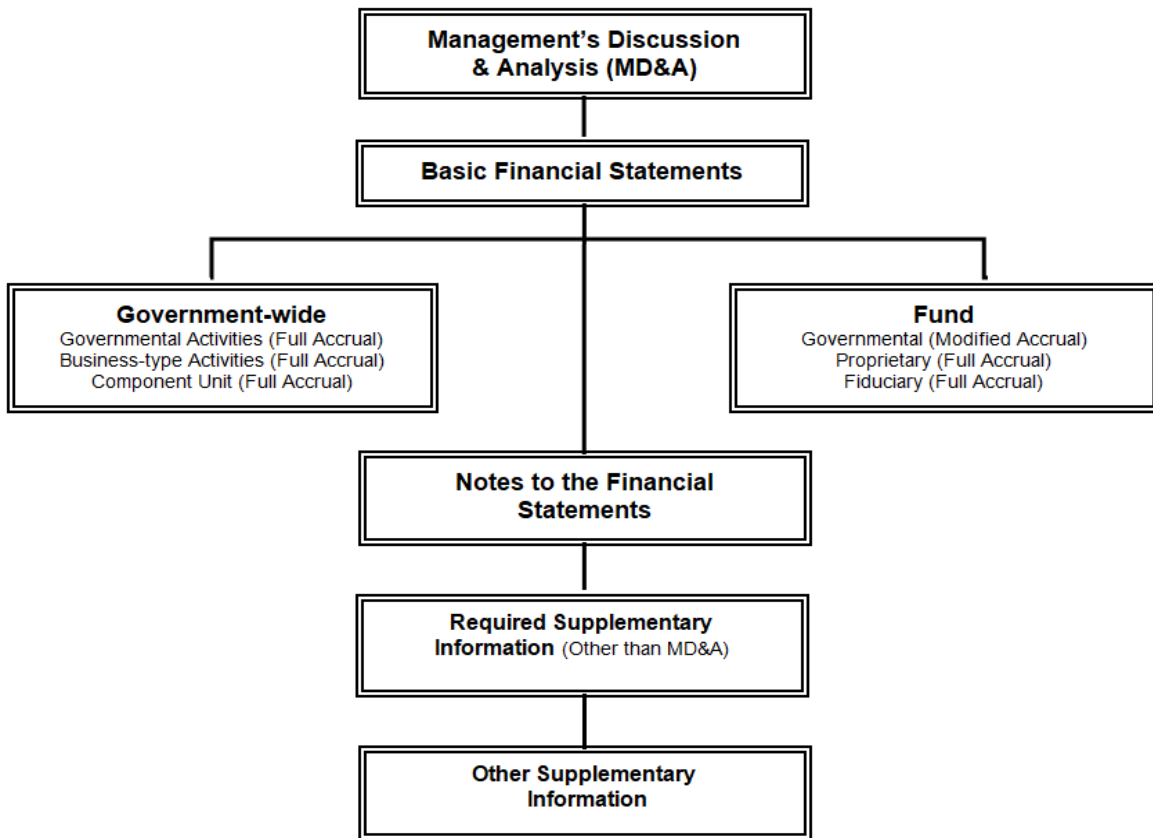
As management of the Town of South Kingstown, we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-x of this report as well as the Town's basic financial statements that follow this section. All amounts in the tables in this MD&A are expressed in thousands. All amounts in the narrative portion are expressed in real dollars.

Financial Highlights

- At the end of the fiscal year, the Town's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$107,695,084, or 8.6%, from the prior year's amount of \$99,518,881. Net position was comprised mainly of \$94,923,506 attributable to the Town's net investment in capital assets, \$34,420,016 restricted, and (\$21,648,438) unrestricted.
- The governmental activities total net position increased by \$7,957,363, an increase of 12.5% over the prior year due to positive operating results. Business-type activities net position increased by \$218,840 an increase of 0.6% over the prior year.
- The Town's unrestricted deficit decreased by \$651,316. The Town has significant investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding.
- As of the close of the current fiscal year, the Town of South Kingstown's governmental funds reported combined ending fund balances of \$66,878,221. Approximately 23.6% of this total amount, \$15,765,271, is available for use at the government's discretion (unassigned fund balance).
- The remaining fund balance of \$51,112,950 includes \$914,222 in nonspendable funds, \$27,070,516 in restricted funds and \$23,128,212 in committed funds.
- The Town's total bonded debt decreased by \$1,570,435 during the current fiscal year. Government activities decreased by \$1,370,000 and Business-type activities decreased by \$200,435.
- Long-term liabilities reported a decrease of \$4,395,141 which is the result of a net decrease in general obligation bonds and bond premiums of \$1,786,464, net pension liability of \$2,728,911, and claims and judgements decreased \$78,348. There was an increase in compensated absences of \$198,582.

Overview of the Financial Statements

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



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

Government-wide Financial Statements

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

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

- **Governmental Activities** - Most of the Town's basic services including general government, public safety, streets and highways, planning, libraries, education and recreation are reported here. The majority of these activities are supported by property taxes, other local taxes and federal and state funding.
- **Business-type Activities** - The Town's water, wastewater operations, solid waste and school cafeteria funds are reported here. Fees charged to customers to help cover the costs of providing these services.

- **Component Unit** - Included as a blended component unit is the Friends of South Kingstown Parks and Recreation Fund. Although legally separate, this component unit is part of the Primary Government's operations.

Fund Financial Statements

The fund financial statements provide detailed information about the Town's most significant funds and not the Town as a whole. Funds are an accounting tool that the Town uses to track resources that are segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Other funds are established to control and manage money for particular purposes or to show that the Town is using specific revenue sources such as taxes and grants for their intended purposes. The Town has three types of funds: governmental, proprietary, and fiduciary.

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

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

- **Proprietary Funds** – Services for which the Town charges customers a fee are generally reported in proprietary funds. Like the government-wide statements, proprietary funds statements provide both long-and short-term financial information. The Town maintains two types of proprietary funds:
 - **Enterprise Funds** – Similar to business-type activities included in the government-wide statements, the enterprise fund financial statements provide more detail and additional information, such as cash-flow.
 - **Internal Service Funds** – The Town uses internal service funds to report activities that provide supplies and services for the Town's other programs and activities. This is an accounting device used to accumulate and allocate costs internally among the Town's various functions. The Town uses three types of internal service funds: (1) for medical costs incurred by persons covered by the health insurance plans and for plan administrative expenses, (2) accounting for accrued sick and vacation time for various governmental funds, and (3) for future purchases and/or replacements of nonmajor information technology (IT) systems and equipment to keep the Town's infrastructure up-to-date and within industry best practices. Because these funds predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

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

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

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

Notes to the Financial Statements

The notes to the financial statements provide information that is essential for a full understanding of the information provided in the government-wide and fund financial statements. The notes also present certain required supplementary information. Included in the notes is the information pertaining to the Town’s funding obligation to provide pension and OPEB benefits to its employees. The notes to the financial statements can be found on pages 29-74 of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. This section includes budgetary comparison schedules, a reconciliation between the statutory fund balance for budgetary purposes and the fund balances for the General Fund and School Fund, as presented in the governmental fund financial statements. Required supplementary information can be found on pages 75-86 of this report following the notes to the financial statements.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 87-107.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. The Town of South Kingstown’s combined net position, assets and deferred outflow of resources exceeded liabilities by \$107,695,084 (government and business-type activities), at the close of the most recent fiscal year.

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NET POSITION
For the Fiscal Years Ended June 30, 2021 and 2020 (in 000s)

| | Governmental Activities | | Business-Type Activities | | Total | |
|---|-------------------------|------------------|--------------------------|------------------|-------------------|------------------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Current and other assets | \$ 82,081 | \$ 68,799 | \$ 14,527 | \$ 14,591 | \$ 96,608 | \$ 83,390 |
| Capital assets, net of accumulated depreciation | 84,361 | 86,623 | 22,982 | 23,244 | 107,343 | 109,867 |
| Total assets | <u>166,442</u> | <u>155,422</u> | <u>37,509</u> | <u>37,835</u> | <u>203,951</u> | <u>193,257</u> |
| Deferred outflows of resources | 17,999 | 17,488 | | | 17,999 | 17,488 |
| Current liabilities | 9,140 | 8,494 | 1,095 | 1,388 | 10,235 | 9,882 |
| Long-term liabilities outstanding | 83,335 | 87,655 | 576 | 828 | 83,911 | 88,483 |
| Total liabilities | <u>92,475</u> | <u>96,149</u> | <u>1,671</u> | <u>2,216</u> | <u>94,146</u> | <u>98,365</u> |
| Deferred inflows of resources | 20,109 | 13,227 | | | 20,109 | 13,227 |
| Net Position: | | | | | | |
| Net investment in capital assets | 72,555 | 77,139 | 22,369 | 22,431 | 94,924 | 99,570 |
| Restricted | 34,414 | 21,883 | 6 | | 34,420 | 21,883 |
| Unrestricted | <u>(35,112)</u> | <u>(35,488)</u> | <u>13,463</u> | <u>13,188</u> | <u>(21,649)</u> | <u>(22,300)</u> |
| Total Net Position | <u>\$ 71,857</u> | <u>\$ 63,534</u> | <u>\$ 35,838</u> | <u>\$ 35,619</u> | <u>\$ 107,695</u> | <u>\$ 99,153</u> |

FY 2021, total assets for the Primary Government were \$203,951,131, an increase from prior year total assets by \$10,668,680. Total assets for only governmental activities were \$166,442,410, an increase of \$10,995,408 or 7.1%. Total assets from business-type activities decreased by \$326,728. The largest portion of the Town’s net position, 91.7%, reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment); less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Total liabilities were \$94,145,915, a decrease of \$4,245,177 from \$98,391,092 in FY 2020. Total liabilities associated with governmental type activities decreased by \$3,699,609 or 3.8% while total liabilities associated with business-type activities decreased \$545,568 or 24.6% when compared to FY 2020.

A portion of the Town’s net position (10.2% or \$10,948,188) represents resources that are subject to external restrictions on how they may be used. This includes \$6,429,092 for Pensions and OPEB.

At the end of the current fiscal year, the Town of South Kingstown, with one exception, is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The reported deficit for the unrestricted portion of net position decreased by approximately \$804,085 and is a result of the continuation of disclosing and reporting for Pension and OPEB, compounded with the Town’s continued investment in capital assets.

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
CHANGES IN NET POSITION
For the Fiscal Years Ended June 30, 2021 and 2020 (in 000s)

| | Governmental Activities | | Business-Type Activities | | Total | |
|---|----------------------------|------------------|-----------------------------|------------------|-------------------|------------------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 6,429 | \$ 5,982 | \$ 5,834 | \$ 7,821 | \$ 12,263 | \$ 13,803 |
| Operating grants and contributions | 13,103 | 11,403 | 724 | 308 | 13,827 | 11,711 |
| Capital grants and contributions | 935 | 1,130 | 7 | | 942 | 1,130 |
| General revenues: | | | | | | |
| Property taxes | 77,281 | 76,896 | | | 77,281 | 76,896 |
| Motor vehicle phase-out taxes | 322 | 773 | | | 322 | 773 |
| Telephone and hotel taxes | 122 | 229 | | | 122 | 229 |
| Grants not restricted to specific programs | 1,200 | 1,318 | | | 1,200 | 1,318 |
| Unrestricted investment earnings | 5,518 | 2,358 | 7 | 419 | 5,525 | 2,777 |
| Total revenues | <u>104,910</u> | <u>100,089</u> | <u>6,572</u> | <u>8,548</u> | <u>111,482</u> | <u>108,637</u> |
| Expenses: | | | | | | |
| General government | 6,800 | 6,439 | | | 6,800 | 6,439 |
| Public safety | 12,473 | 12,853 | | | 12,473 | 12,853 |
| Public works | 4,333 | 4,618 | | | 4,333 | 4,618 |
| Human service | 700 | 908 | | | 700 | 908 |
| Public libraries | 1,997 | 1,433 | | | 1,997 | 1,433 |
| Education | 65,664 | 66,487 | | | 65,664 | 66,487 |
| Recreation | 4,788 | 3,813 | | | 4,788 | 3,813 |
| Interest on long-term debt | 194 | 416 | | | 194 | 416 |
| Wastewater | | | 3,849 | 3,742 | 3,849 | 3,742 |
| Solid waste | | | 642 | 589 | 642 | 589 |
| Water | | | 1,128 | 1,042 | 1,128 | 1,042 |
| School Cafeteria | | | 738 | 758 | 738 | 758 |
| Total expenses | <u>96,949</u> | <u>96,967</u> | <u>6,357</u> | <u>6,131</u> | <u>103,306</u> | <u>103,098</u> |
| Change in net position before transfers | 7,961 | 3,122 | 215 | 2,417 | 8,176 | 5,539 |
| Transfers | (4) | (13) | 4 | 13 | - | - |
| Change in net position | <u>7,957</u> | <u>3,109</u> | <u>219</u> | <u>2,430</u> | <u>8,176</u> | <u>5,539</u> |
| Net Position at Beginning of Year (as restated) | <u>63,534</u> | <u>60,425</u> | <u>35,619</u> | <u>33,189</u> | <u>99,153</u> | <u>93,614</u> |
| Restatement | <u>366</u> | | | | <u>366</u> | |
| Net Position at End of Year | <u>\$ 71,857</u> | <u>\$ 63,534</u> | <u>\$ 35,838</u> | <u>\$ 35,619</u> | <u>\$ 107,695</u> | <u>\$ 99,153</u> |

Activities

In FY 2021, the Town's net position increased by \$8,176,203. Primary Government revenues increased from the prior year by \$2,844,692 or 2.6% to \$111,482,318. Program revenues (charges for services, grants and contributions) of \$27,032,903 accounted for 24.2% of all Primary Government revenues, while property and state taxes attributable to governmental activities accounted for \$77,724,830, 69.7%, of which property taxes is a major revenue source accounting for \$77,281,357. Grants and contributions not restricted to specific programs and unrestricted investment earnings account for the remaining \$6,724,585 or 6.0%.

Governmental Activities

Total revenues for all governmental activities were \$104,910,812. Governmental Activities' program revenues of \$20,466,864 accounted for 19.5%.

- Property tax revenues recorded for the 2021 fiscal year increased by \$384,869 or 0.5% over prior year. This increase is due to an increase in the amount of current and prior year taxes received.
- The Town's tax rate of \$14.45 per thousand dollars of assessed valuation remained level from the prior. The growth in the total assessed value of taxable property, excluding motor vehicles, was 1.0%. Total net assessed value of all taxable property increased by \$27,427,331 from \$5,218,486,497 to \$5,245,913,828.
- Motor vehicle values decreased by \$23,251,962 over the prior year, from \$168,826,026 to \$145,574,064 and assumed utilizing an exemption value of \$4,000 per vehicle. Motor vehicle values are assessed at a rate of \$18.71 per thousand dollars of assessed value. This rate has been frozen by the State since FY1998. The impact of the decreases in value for all taxable property is directly related to the adopted Governor's FY 2017-2018 Recommended State Budget which changes the assessment criteria for determining vehicle value prior to calculating the motor vehicle excise tax beginning in the 2017-2018 fiscal year. The budget article proposes to reduce assessment values from 100% of National Automobile Dealers Association (NADA) clean retail value to 70% - similar to the approach used by the State of Connecticut. The proposal does not change municipal vehicle exemption amounts or tax rates.
- Charges for services increased by \$447,755. The increase was the result of an overall increase in revenue relating to various building and permitting fees, fair share fees, and real estate conveyance taxes of approximately \$343,081 when compared to the prior year. Annual variances in several other functions were reported.
- Operating grants and contributions increased by \$1,699,677 or 14.9% from the previous fiscal year. During FY 2021 the Town received \$1,399,277 in COVID Relief Fund via the State's Municipal COVID-19 Response Fund. The Fund was established under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and could be used to pay for costs incurred in response to the COVID-19 public health emergency. The school department recognized an overall increase of \$573,435. This is the net result of a decrease in funding for unrestricted state aid based on the revised State funding formula for education aid, an increase in restricted grants, and fund transfers. Also, the school recognized pension contributions on-behalf of the district from the State in accordance with generally accepted accounting principles.
- Unrestricted investment earnings for the 2021 fiscal year were \$5,518,993, representing an increase of \$3,161,068 when compared to the prior fiscal year. The School Trust Fund experienced investment income of \$4,956,005. An increase of \$4,066,188 over the prior year. The increase was the result of favorable equity market conditions. The Town's investment policy provides for future opportunities in longer term investment durations in US Treasuries and Federal Agency obligations for the Town's pooled cash, "core" funds and Town's pooled cash liquidity "cushion" funds which are short term or within FDIC limits.

Total expenses for Primary Government were \$103,306,115. Five activities: general government, public safety, education, recreation and business-type activities accounted for the majority of the expenses, as depicted in the following amounts and percentages: \$6,799,564 (6.6%), \$12,473,336 (12.1%), \$65,664,371 (63.6%), \$4,787,715 (4.6%) and \$6,356,886 (6.2%), respectively. The Changes in Net Position table is provided for the Town's government-wide activities for the years ended June 30, 2021 and 2020. Major expense factors included:

- Governmental activities expenses decreased by \$17,688 from \$96,966,937 to \$96,949,249, (0.02%). Overall decreases in spending for all governmental activities except for general government, public libraries, and recreation. The increase for these programs are reflective of the recognition of depreciation expense in the governmental activities programs of \$3,098,001 an increase of \$1,089,732 from the prior year, as well as accounting for increases in compensated absence liabilities for all employees who accrued sick and vacation accruals at year end. All labor contracts for the town employees had a 2.5% cost of living increase, with the exception of Council 94 (2.0%) and IBPO (3.0%). The recognition of Municipal Employees' Retirement System is also recorded within each function of the governmental activities.
- General government expenses within governmental activities increased by \$360,293. Operating expenses increased approximately \$1,074,986 when compared to the prior year. The increase in operating expenses offset the decrease in expenses attributable to the recognition of depreciation expense, the addition of capital assets, pension adjustments, and the accounting for compensated absences balances when compared to the prior year in the amount of \$714,693.
- Public safety expenses within governmental activities have decreased by \$379,960. Expenses related to salaries, overtime, longevity, pension contributions, healthcare benefits and OPEB contributions increased \$340,487. A substantial portion of the decrease is attributable to the recognition of depreciation expense, and accounting for compensated absences balances from the prior year in the amount of \$720,447.
- Public works expenses within governmental activities decreased \$284,608. Expenses related to operations and grants decreased by \$176,006. Expenses related to the recognition of depreciation expense, the addition of capital assets, and accounting for compensated absences balances from the prior year decreased \$108,602.
- Human service expenses within governmental activities decreased \$207,375. The decrease in expenses can be attributable to the closure of the Adult Day Care. The Town elected to cease operating the Adult Day Care during the current fiscal year. The decrease in expenses related to the Adult Day Care in the current fiscal year was approximately \$267,000.
- Public libraries expenses within governmental activities increased \$563,999. A substantial portion of the increase is attributable to the recognition of depreciation expense, the addition of capital assets, and accounting for compensated absences balances from the prior year in the amount of \$634,401. Operating expenses decreased approximately \$70,402 when compared to the prior year.
- Recreation expenses within governmental activities increased \$974,965. Operating expenses decreased approximately \$159,836 when compared to the prior year. The majority of the increase in overall expenses is due to an increase in the recognition of depreciation expense, the addition of capital assets, and accounting for compensated absences balances from the prior year in the amount of \$1,134,801.

Business-type activities. Net position in business-type activities increased by \$218,840 resulting in a 0.6% increase in business-type net position.

Charges for services for business-type activities accounted for 88.9% of the total program revenue sources. The balance of revenues for business-type activities was from operating grants and contributions, 11.1%. The increase in fair market value of investments experienced a gain of \$5,467 at year-end.

- Charges for services for business-type activities decreased from \$7,820,733 to \$5,834,354, a decrease of \$1,986,379, 25.39%. The wastewater fund accounted for \$1,586,972 of the overall decrease in this category. The School Cafeteria program decreased \$436,695 due to a decline in food service sales as a result of remote learning per the executive orders that were implemented by the Governor in response to the COVID-19 pandemic. Operating grants and contributions recognized an increase of \$415,918 in the School Cafeteria program. A review of the school cafeteria fund reports a negative change in net position of (\$5,136) for the fiscal year, thus decreasing the unrestricted net position from \$85,735 to \$80,599. The Town will continue to monitor the school cafeteria operations since a deficit has been reported in prior fiscal years.

Wastewater treatment expenses account for approximately 60.5% of the total expenses within the business-type activities of the Town. The school cafeteria fund, water fund and solid waste fund expenses account for 11.6%, 17.8%, and 10.1% respectively of the total business-type activities expenses for the 2021 fiscal year.

- Expenses in the wastewater fund increased by \$107,241 due cost related to treatment and sludge, pumping, capital improvements, depreciation expense, utility costs, and administrative costs. The \$85,707 increase in water fund expenses was related to increases in repairs and maintenance, capital improvements, contractual obligations, and depreciation expense.
- Costs to operate the cafeteria fund decreased by \$20,278 related to contractual obligations that were reduced as a result of remote learning per the executive orders that were implemented by the Governor in response to the COVID-19 pandemic.

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

Financial Analysis of the Government's Funds

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

As of the end of the current fiscal year, the Town of South Kingstown's governmental funds reported combined ending fund balances of \$66,878,221. Of this amount, \$15,765,271 is available for spending at the government's discretion (unassigned) within the Town. The remaining fund balance of \$51,112,950 includes \$1,813,410 committed to help finance the 2021-2022 town and school operating budgets. The remaining amount of \$49,299,540 consists of nonspendable fund balance of \$914,222, restricted fund balance of \$27,070,516 and committed fund balance of \$21,314,802.

The General Fund is the chief operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund. The School Unrestricted Fund is used to report all financial transactions of the South Kingstown School Department but is considered a department of the Town since its major source of revenue is property tax dollars and is not a separate taxing authority. Therefore, the School Unrestricted Fund is reported within the Town Operating Fund. At the end of the current fiscal year, excluding the School Fund amount, the total General Fund balance was \$17,348,213 which represents an increase of \$313,390 over the prior year. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund budgeted expenditures. Unassigned fund balance represents 18.3% of the 2022 FY Adopted General Fund Expenditure Budget, while total fund balance represents 20.2% of that same amount.

The fund balance of the Town of South Kingstown's General Fund, excluding the School Fund, increased by \$313,390 as compared to the June 30, 2020 fund balance. This increase is the result positive operating results in the General Fund. Key factors in this increase are as follows:

- The Town committed \$361,061 of fund balance to help finance the 2020-2021 General Fund budget. The planned drawdown of fund balance was a decrease of \$188,939 from the prior year commitment of fund balance. The difference between the GAAP basis of accounting and the budgetary basis of accounting is the result of recognizing the fund balance commitment of \$361,061, as a revenue source under the budgetary basis but not the GAAP basis.
- On a budgetary basis, the operating surplus in the General Fund was \$1,073,049 for 2020-2021. Expenditures under budget contributed \$765,418 to the surplus, while revenues finished the fiscal year with a \$593,356 surplus. Other financing sources (uses) over budget decreased the surplus by \$285,725.
- The deferral of filling vacant positions and/or the decision to eliminate a position through attrition allowed the Town to achieve personnel savings. In addition, the Town abides by conservative spending guidelines when seeking to purchase commodities and other services. Favorable expenditure variances of significance, when compared to the budget, included savings in public safety \$327,530, public works \$150,027, and recreation \$239,967. General government, public libraries, and miscellaneous expenditures recognized a combined savings of \$47,894.
- Tax collections resulted in a negative budget variance in property taxes of \$315,269. While the Town's collection rate remained high. The variance in the taxes can be attributed to the timing of when motor vehicle tax bills were sent to taxpayers. The State of Rhode Island delayed passage of its fiscal 2021 operating budget. Included in this budget were key provisions relating to the motor vehicle phase-out. As a result, the Town had to wait to calculate taxes due until the phase-out provisions were known. Additionally, all state aid revenues were lower than anticipated by \$1,105,190. Meals and beverage taxes, hotel taxes, and state motor vehicle phase-out revenue were lower than the budget by \$236,031, \$88,416 and \$653,816 respectively. However, the State did provide COVID Relief Funding to all cities and Towns to address loss of revenue. The Town received \$1,399,277 in fiscal 2021. Departmental revenues exceeded the budget by \$151,090. Business and nonbusiness licenses and fees of \$415,319 contributed to the budgetary surplus as well. A success investment year was recognized by the surplus of \$48,129 in short term investment income. Positive variances were recognized in four of the five revenue categories.

The fund balance of the School Unrestricted Fund decreased by \$764,989 as compared to the June 30, 2020 fund balance. Key factors in this decrease are as follows:

- The School committed \$450,000 of fund balance to help finance the 2020-2021 school's operating budget. The planned drawdown of fund balance was not recognized in the current fiscal year. The School had committed to reimburse the Town \$1,097,937 from the fund balance as a result of operational savings committed from fiscal year 2020. The School commitment to return these funds back to the Town in fiscal 2021 was to provide relief to taxpayers due to unexpected cost the Town had to incur resulting from the COVID-19 pandemic.
- On a budgetary basis, the operating surplus in the School Fund was \$306,302 for 2020-2021. Expenditures under budget contributed \$793,623 to the surplus, while revenues finished the fiscal year with a \$490,443 deficit. Other financing sources (uses) over budget increased the surplus by \$3,122.
- A decrease in revenue of \$490,443 was reported for the fiscal year. Attributing to this deficit in revenue was a decrease of \$106,736 in miscellaneous revenue. Also, \$450,000 from use of fund balance was not recognized. The surplus in expenses of 793,623 was attributed to savings in salaries and benefits of \$602,706, 75.9%.

The school fund has a total fund balance of \$3,468,894 of which \$55,551 is committed to liquidate contracts and purchase orders of the prior period, \$7,902 is recognized as nonspendable for prepaid expenditures and \$493,202 is committed to help finance the 2021-2022 fiscal year budget. The remaining balance of \$2,912,239 is available to help finance future years' school budgets.

The fund balance of the Debt Service Fund increased by \$885,241 as compared to the June 30, 2020 fund balance. The majority of the increase was the result of a decrease in debt service of \$231,242 and the increase of transfers in from other funds of \$435,285.

The fund balance of the School Improvement Fund decreased by \$972,633. The decrease was the result of expenses related to capital improvement projects for the parking lot at Peace Dale Elementary School and the necessity for school construction projects.

The fund balance for the Solid Waste and Water Funds increased by \$31,556 and \$66,866 respectively. The change in these fund balances are attributed to the increase in operating expenses. Solid Waste Fund increased \$53,884 and the Water Fund increased \$85,707. The operating revenues for the Solid Waste and the Water Funds increased \$14,308 and \$26,191 respectively.

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

Unrestricted net position in the wastewater fund at the end of the fiscal year totaled \$9,044,594 an increase of \$168,380 over the prior year. Unrestricted net position in the water fund increased by \$214,690 to a total of \$3,896,774. The school cafeteria operation maintains a surplus position of \$80,599 of which \$74,532 is unrestricted while the solid waste fund finished the year with unrestricted net position of \$447,178 which was a decrease in value of \$99,829 mainly attributed to legal and consulting fees associated with the closed West Kingston and Rose Hill landfills and depreciation expense of capital assets. The restricted fund balance of \$6,186 is related to grant revenues received by Rhode Island Resource Recovery for the purpose of training and educating the residence on the importance of recycling in our community, the balance remains unchanged from the prior year. The Town has been actively educating the importance of the recycling program.

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

General Fund Budgetary Highlights

Overall, the Town finished the 2020-2021 fiscal year with a \$1,379,351 budgetary surplus (excess of revenues over expenditures). Differences between the original budget and the final amended budget involved transferring funds from departments with expenditure surpluses to departments with expenditure deficits. In order to effectively manage the unassigned fund balance and support the financing of capital projects and multi-year obligations, at the end of each fiscal year the Town Manager and Finance Director request the Town Council to transfer unexpended balances to specific capital projects or multi-year obligation accounts. At the end of the fiscal year the Town executed transfers to various capital and other multi-year funds in the amount of \$750,000. The State provided COVID Relief Funding to all cities and Towns to address loss revenue due to COVID-19. The Town received \$1,399,277 in fiscal 2021. The Town Manger's Office within General Government experienced a net negative variance in the amount of \$202,023. This variance was the result of sick and vacation time payouts in the amount of \$97,300 and severance payments of approximately \$120,000.

Capital Asset and Debt Administration

Capital assets. The Town of South Kingstown's investment in capital assets for its governmental and business type activities as of June 30, 2021 amounts to \$107,342,805 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, park facilities, infrastructure, and construction in progress. The 2021 fiscal year resulted in a decrease in value of investment in capital assets of \$2,524,574. The total decrease in the Town of South Kingstown's investment in capital assets for the current fiscal year was 2.3%. Depreciation expense as compared to the amount of capitalized

assets recognized in the 2021 fiscal year, specifically, the amount of new capital assets being depreciated was \$4,269,784 for the governmental activities, however, the amount of depreciation expense was \$4,735,506, in comparison to the prior year of new capital assets of \$5,187,216 and depreciation expense of \$4,664,015.

Town of South Kingstown’s Capital Assets
(Net of accumulated depreciation) in 000s

| | Governmental Activities | | Business-Type Activities | | Total | |
|--------------------------|-------------------------|------------------|--------------------------|------------------|-------------------|-------------------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Land | \$ 14,170 | \$ 14,170 | \$ 1,587 | \$ 1,587 | \$ 15,757 | \$ 15,757 |
| Construction in progress | 2,040 | 3,831 | 3,401 | 2,804 | 5,441 | 6,635 |
| Land improvements | 8,644 | 7,397 | 1,688 | 1,734 | 10,332 | 9,131 |
| Buildings | 17,526 | 18,266 | 2,162 | 2,352 | 19,688 | 20,618 |
| Building improvements | 18,606 | 19,926 | 1,427 | 1,535 | 20,033 | 21,461 |
| Equipment | 2,264 | 2,335 | 1,832 | 2,090 | 4,096 | 4,425 |
| Vehicles | 2,745 | 2,911 | 149 | 119 | 2,894 | 3,030 |
| Infrastructure | 18,162 | 17,532 | 10,646 | 10,913 | 28,808 | 28,445 |
| Intangibles | 204 | 255 | 90 | 110 | 294 | 365 |
| Total | \$ 84,361 | \$ 86,623 | \$ 22,982 | \$ 23,244 | \$ 107,343 | \$ 109,867 |

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

- Town-wide purchases of new vehicles and equipment accounted for \$915,184 during the fiscal year these were mainly attributed to public safety, 42.4%, public services, 11.4%, and parks and recreation, 39.1%.
- During the fiscal year reconfiguration and redesign was completed for the parking lot at Peace Dale Elementary School. The project increased the number of parking spaces, enhanced traffic flow, and alleviated traffic congestion during peak times. This project accounted for \$755,486 to address the needs in the School Departments educational and safety programs.
- Town building improvements accounted for \$130,228 of improvements. The projects included the renovation and upgrade to the bunk room at the Emergency Medical Services’ South Station. In addition, security and protective enhancements were installed at the Public Services facility.
- A variety of road construction projects were completed and capitalized. Projects capitalized as infrastructure totaled \$2,548,927, which included work completed on Matunuck Beach Road Seawall Phase 1, drainage improvements for the Narrow River TMDL, and the Bike Path Connector at Broad Rock and the Commons. The Bike Path Connector was also funded with a grant from the RI Department of Environmental Management. Other minor upgrades and reconstruction work was completed.

Additional information on the Town of South Kingstown’s capital assets can be found in Note 7 on pages 42-43 of this report.

Long-term debt. At the end of the current fiscal year, the Town of South Kingstown had total bonded debt outstanding of \$12,077,152, entirely backed by the full faith and credit of the Town. Bonds authorized but unissued totaled an additional \$11,105,000.

State statutes limit the amount of general obligation bonded debt a town can issue to 3% of net assessed property values. However, all bonds approved through State enabling legislation and voter referendums are exempt from the limit. At June 30, 2021, the Town had a debt limit of \$157,377,415. Of the Town's \$12,077,152 in debt outstanding, \$2,669,751 is subject to the Town's legal debt limit. A balance of \$154,707,664 exists within the legal limit for additional bonds to be issued.

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

| | Governmental Activities | | Business-Type Activities | | Total | |
|--|------------------------------------|------------------|-------------------------------------|---------------|---------------|------------------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| | General Obligation Bonds | \$ <u>11,464</u> | \$ <u>12,834</u> | \$ <u>613</u> | \$ <u>814</u> | \$ <u>12,077</u> |

The Town's total bonded debt decreased by \$1,570,435, 11.5% during the 2021 fiscal year.

There were no issuances of general obligation debt during the fiscal year ending June 30, 2021. It should be noted, on April 8, 2020, the Town Manager and Finance Director met with the Town's bond rating agency, Moody's Investors Services, to affirm the Town's Aa1 rating which is the highest local municipal rating in the State. In their credit opinion report issued on April 14, 2020, Moody's noted the Town's "moderately strong liquidity and reserve positions, manageable debt burden and sound management of long-term liabilities as credit strengths when determining the basis for their review and consideration. South Kingstown is one of only four Rhode Island communities that have a bond rating of Aa1. The Moody's credit report cited the following factors for the affirmation:

- The Aa1 rating reflects the Town's sizable tax base with elevated wealth and income levels, moderately strong financial position with adequate reserves, and a low debt burden
- Experienced management team who employs conservative budgeting and financial management practices that develop a well-defined capital plan, multi-year budget, and has supportive fund balance, and liquidity policies
- University of Rhode Island is one of the anchors to the Town's economy and tax base
- Low debt burden and sound funding of OPEB liability
- Locally administered pension plans have strong funded ratios

Additional information on the Town of South Kingstown's long-term debt can be found in Note 9 on pages 46-48 of this report.

Economic Factors and Next Year's Budgets and Rates

- As of June 2021, the labor force in South Kingstown was 15,579 with employment at 14,858 yielding an unemployment rate of 4.6%, a decrease of 4.0% from the prior fiscal year. It should be noted that the significant fluctuations in unemployment is the result of the COVID-19 pandemic that is affecting all state and local municipalities across the country.
- The final budget for 2022 was adopted in the amount of \$86,052,143 which represents an increase of \$48,559, or 0.05% from the prior fiscal year. This increase was in response to the difficult economic environment in which the Town and the State of Rhode Island have been operating under.
- Property tax revenues for the fiscal year 2022 reflect an increase in the Town's tax levy of \$675,049 or 0.88% higher than the previous fiscal year. The property tax rate remained level at \$14.45 per thousand dollars of assessed value. Total taxable property increased by \$43,399,019 from \$5,245,913,828 to \$5,289,312,847.

During the current fiscal year, the fund balance in the General Fund increased to \$17,348,213. The Town of South Kingstown has committed \$1,320,208 of this amount for spending in the 2022 fiscal year budget, \$32,936 is committed for future municipal planning projects and \$214,731 is committed for outstanding purchase orders at June 30, 2021. \$1,067 is recognized as nonspendable for prepaid expenditures. The Town maintains an unassigned fund balance of \$15,779,271 to use at its discretion.

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

Basic Financial Statements

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TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
STATEMENT OF NET POSITION
JUNE 30, 2021

| | <u>Governmental Activities</u> | <u>Business-Type Activities</u> | <u>Total</u> |
|--|------------------------------------|-------------------------------------|-----------------------|
| ASSETS | | | |
| Current Assets: | | | |
| Cash and cash equivalents | \$ 30,326,156 | \$ 4,451,150 | \$ 34,777,306 |
| Investments | 43,478,750 | 9,028,755 | 52,507,505 |
| Receivables, net of allowance for uncollectibles | 1,502,801 | 815,753 | 2,318,554 |
| Due from federal and state governments | 465,195 | 101,705 | 566,900 |
| Internal balances | (129,559) | 129,559 | - |
| Prepaid items | 8,969 | | 8,969 |
| Total current assets | <u>75,652,312</u> | <u>14,526,922</u> | <u>90,179,234</u> |
| Noncurrent Assets: | | | |
| Net pension asset | 582,123 | | 582,123 |
| Net OPEB asset | 5,846,969 | | 5,846,969 |
| Capital assets not being depreciated | 16,209,700 | 4,987,075 | 21,196,775 |
| Capital assets, net of accumulated depreciation | 68,151,306 | 17,994,724 | 86,146,030 |
| Total noncurrent assets | <u>90,790,098</u> | <u>22,981,799</u> | <u>113,771,897</u> |
| Total assets | <u>166,442,410</u> | <u>37,508,721</u> | <u>203,951,131</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred charge on refunding | 129,936 | | 129,936 |
| Deferred outflows of resources related to pensions | 15,562,354 | | 15,562,354 |
| Deferred outflows of resources related to OPEB | 2,306,230 | | 2,306,230 |
| Total deferred outflows of resources | <u>17,998,520</u> | <u>-</u> | <u>17,998,520</u> |
| LIABILITIES | | | |
| Current Liabilities: | | | |
| Accounts payable | 2,406,954 | 408,889 | 2,815,843 |
| Accrued liabilities | 2,866,042 | 181,013 | 3,047,055 |
| Due to federal and state governments | 134,044 | | 134,044 |
| Due to fiduciary trust funds | 1 | | 1 |
| Unearned revenue | 350,769 | 200,312 | 551,081 |
| Deposits held in custody of others | 191,910 | | 191,910 |
| Current maturities of long-term obligations | 3,190,040 | 304,244 | 3,494,284 |
| Total current liabilities | <u>9,139,760</u> | <u>1,094,458</u> | <u>10,234,218</u> |
| Noncurrent liabilities: | | | |
| Due in more than one year | 83,335,345 | 576,352 | 83,911,697 |
| Total liabilities | <u>92,475,105</u> | <u>1,670,810</u> | <u>94,145,915</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred inflows of resources related to pensions | 10,416,376 | | 10,416,376 |
| Deferred inflows of resources related to OPEB | 9,556,540 | | 9,556,540 |
| Advance property tax collections | 135,736 | | 135,736 |
| Total deferred inflows of resources | <u>20,108,652</u> | <u>-</u> | <u>20,108,652</u> |
| NET POSITION | | | |
| Net investment in capital assets | 72,554,859 | 22,368,647 | 94,923,506 |
| Restricted for: | | | |
| Pension and OPEB | 6,429,092 | | 6,429,092 |
| Trust Purposes: | | | |
| Expendable | 2,294,090 | | 2,294,090 |
| Nonexpendable | 914,222 | | 914,222 |
| Student activity | 348,667 | | 348,667 |
| Unused grants and donations | 297,003 | 6,186 | 303,189 |
| Recreational and educational | 24,130,756 | | 24,130,756 |
| Unrestricted | <u>(35,111,516)</u> | <u>13,463,078</u> | <u>(21,648,438)</u> |
| Total Net Position | <u>\$ 71,857,173</u> | <u>\$ 35,837,911</u> | <u>\$ 107,695,084</u> |

The accompanying notes are an integral part of the financial statements

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

| Function/Program Activities | Program Revenues | | | | Net Revenue (Expense) and Changes in Net Position | | |
|--|-----------------------|----------------------|------------------------------------|----------------------------------|---|--------------------------|-----------------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-Type Activities | Total |
| Governmental activities: | | | | | | | |
| General government | \$ 6,799,564 | \$ 714,333 | \$ 1,593,157 | \$ | \$ (4,492,074) | \$ | \$ (4,492,074) |
| Public safety | 12,473,336 | 1,588,164 | 114,512 | | (10,770,660) | | (10,770,660) |
| Public works | 4,333,110 | 1,201,770 | | 383,410 | (2,747,930) | | (2,747,930) |
| Human service | 700,428 | 90,668 | 99,988 | | (509,772) | | (509,772) |
| Public libraries | 1,996,552 | 3,842 | 276,077 | 84,856 | (1,631,777) | | (1,631,777) |
| Education | 65,664,371 | 1,097,662 | 11,003,827 | | (53,562,882) | | (53,562,882) |
| Recreation | 4,787,715 | 1,732,874 | 15,224 | 466,500 | (2,573,117) | | (2,573,117) |
| Interest and fiscal charges | 194,173 | | | | (194,173) | | (194,173) |
| Total governmental activities | <u>96,949,249</u> | <u>6,429,313</u> | <u>13,102,785</u> | <u>934,766</u> | <u>(76,482,385)</u> | <u>-</u> | <u>(76,482,385)</u> |
| Business-type activities: | | | | | | | |
| Wastewater | 3,849,075 | 3,965,456 | | | | 116,381 | 116,381 |
| Solid waste | 641,520 | 672,999 | | | | 31,479 | 31,479 |
| Water | 1,128,155 | 1,194,604 | | | | 66,449 | 66,449 |
| School cafeteria | 738,116 | 1,295 | 724,213 | 7,472 | | (5,136) | (5,136) |
| Total business-type activities | <u>6,356,866</u> | <u>5,834,354</u> | <u>724,213</u> | <u>7,472</u> | <u>-</u> | <u>209,173</u> | <u>209,173</u> |
| Total | <u>\$ 103,306,115</u> | <u>\$ 12,263,667</u> | <u>\$ 13,826,998</u> | <u>\$ 942,238</u> | <u>(76,482,385)</u> | <u>209,173</u> | <u>(76,273,212)</u> |
| General revenues: | | | | | | | |
| Property taxes | | | | | 77,281,357 | | 77,281,357 |
| Motor vehicle phase-out taxes | | | | | 321,889 | | 321,889 |
| Telephone and hotel taxes | | | | | 121,584 | | 121,584 |
| Grants and contributions not restricted to specific programs | | | | | 1,200,125 | | 1,200,125 |
| Unrestricted investment earnings | | | | | 5,518,993 | 5,467 | 5,524,460 |
| Transfers: | | | | | (4,200) | 4,200 | - |
| Total general revenues and transfers | | | | | <u>84,439,748</u> | <u>9,667</u> | <u>84,449,415</u> |
| Change in Net Position | | | | | 7,957,363 | 218,840 | 8,176,203 |
| Net Position at Beginning of Year, as Restated | | | | | <u>63,899,810</u> | <u>35,619,071</u> | <u>99,518,881</u> |
| Net Position at End of Year | | | | | <u>\$ 71,857,173</u> | <u>\$ 35,837,911</u> | <u>\$ 107,695,084</u> |

The accompanying notes are an integral part of the financial statements

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2021

| | General | School Trust Fund | Debt Service Fund | School Improvement Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|---|----------------------|-------------------------|-------------------------|-------------------------------|-----------------------------------|--------------------------------|
| ASSETS | | | | | | |
| Cash and cash equivalents | \$ 25,092,932 | \$ 716,739 | \$ | \$ | \$ 3,783,960 | \$ 29,593,631 |
| Investments | 12,575,078 | 23,136,040 | | | 7,767,632 | 43,478,750 |
| Accounts and other receivable, net | 1,378,057 | 17,142 | | | 107,602 | 1,502,801 |
| Due from federal and state governments | 67,564 | | | | 397,631 | 465,195 |
| Due from other funds | 266,662 | 5 | 1,769,414 | 135,751 | 9,380,167 | 11,551,999 |
| Prepaid items | 8,969 | | | | | 8,969 |
| Total Assets | <u>\$ 39,389,262</u> | <u>\$ 23,869,926</u> | <u>\$ 1,769,414</u> | <u>\$ 135,751</u> | <u>\$ 21,436,992</u> | <u>\$ 86,601,345</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | | | |
| Liabilities: | | | | | | |
| Accounts payable | \$ 1,731,372 | \$ 20 | \$ | \$ 13,101 | \$ 654,358 | \$ 2,398,851 |
| Accrued liabilities | 2,715,230 | | | | 89,557 | 2,804,787 |
| Due to state and federal governments | 127,968 | | | | 6,076 | 134,044 |
| Due to other funds | 12,788,738 | | | | 250,845 | 13,039,583 |
| Unearned revenue | 215,214 | | | | 135,555 | 350,769 |
| Deposits held in custody of others | 190,453 | | | | 1,457 | 191,910 |
| Total liabilities | <u>17,768,975</u> | <u>20</u> | <u>-</u> | <u>13,101</u> | <u>1,137,848</u> | <u>18,919,944</u> |
| Deferred inflows of resources: | | | | | | |
| Unavailable revenue - property taxes | 667,444 | | | | | 667,444 |
| Advance property tax collections | 135,736 | | | | | 135,736 |
| Total deferred inflows of resources | <u>803,180</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>803,180</u> |
| Fund balances: | | | | | | |
| Nonspendable | 8,969 | 413,233 | | | 492,020 | 914,222 |
| Restricted | | 23,456,673 | | | 3,613,843 | 27,070,516 |
| Committed | 5,028,867 | | 1,769,414 | 122,650 | 16,207,281 | 23,128,212 |
| Unassigned | 15,779,271 | | | | (14,000) | 15,765,271 |
| Total fund balances | <u>20,817,107</u> | <u>23,869,906</u> | <u>1,769,414</u> | <u>122,650</u> | <u>20,299,144</u> | <u>66,878,221</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$ 39,389,262</u> | <u>\$ 23,869,926</u> | <u>\$ 1,769,414</u> | <u>\$ 135,751</u> | <u>\$ 21,436,992</u> | <u>\$ 86,601,345</u> |

(Continued on next page)

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2021

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

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

| | |
|--|---------------|
| Fund balances - total governmental funds (Exhibit III) | \$ 66,878,221 |
|--|---------------|

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

| | | |
|-------------------------------|---------------------|------------|
| Governmental capital assets | \$ 175,893,949 | |
| Less accumulated depreciation | <u>(91,532,943)</u> | |
| Net capital assets | | 84,361,006 |

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

| | |
|--|------------|
| Property tax receivables greater than 60 days | 667,444 |
| Net pension asset | 582,123 |
| Net OPEB asset | 5,846,969 |
| Deferred outflows of resources related to pensions | 15,562,354 |
| Deferred outflows of resources related to OPEB | 2,306,230 |

| | |
|--|-----------|
| Internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities in the statement of net position. | 2,082,446 |
|--|-----------|

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

| | |
|---|--------------------|
| Bonds payable | (11,464,000) |
| Deferred charges on refunding | 129,936 |
| Deferred inflows of resources related to pensions | (10,416,376) |
| Deferred inflows of resources related to OPEB | (9,556,540) |
| Unamortized bond issue premium | (472,083) |
| Interest payable on bonds | (61,255) |
| Compensated absences | (4,963,488) |
| Net pension liability | (68,552,248) |
| Claims and judgments | <u>(1,073,566)</u> |

| | |
|---|----------------------|
| Net Position of Governmental Activities (Exhibit I) | <u>\$ 71,857,173</u> |
|---|----------------------|

The accompanying notes are an integral part of the financial statements

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

| | General | School Trust Fund | Debt Service Fund | School Improvement Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|---|----------------------|-------------------------|-------------------------|-------------------------------|-----------------------------------|--------------------------------|
| Revenues: | | | | | | |
| Property taxes, interest and lien fees | \$ 77,235,788 | \$ | \$ | \$ | \$ | \$ 77,235,788 |
| Intergovernmental revenues | 8,160,584 | | 323,532 | 60,000 | 3,091,331 | 11,635,447 |
| Licenses and fees | 2,071,990 | | | | 928,890 | 3,000,880 |
| Investment income | 63,743 | 4,956,005 | | | 498,057 | 5,517,805 |
| Fines and charges | 38,030 | | | | 1,658,002 | 1,696,032 |
| Departmental Contributions | 1,178,065 | | | | | 1,178,065 |
| State on-behalf pension contribution | 2,948,281 | | | | 646,529 | 646,529 |
| Other revenues | 449,253 | | | | 48,882 | 2,948,281 |
| Total revenues | <u>92,145,734</u> | <u>4,956,005</u> | <u>323,532</u> | <u>60,000</u> | <u>6,871,691</u> | <u>104,356,962</u> |
| Expenditures: | | | | | | |
| Current: | | | | | | |
| General government | 5,850,939 | 84,528 | 1,000 | | 241,158 | 6,177,625 |
| Public safety | 12,123,593 | | | | 555,482 | 12,679,075 |
| Public works | 2,813,666 | | | | 44,428 | 2,858,094 |
| Human service agency contribution | 110,000 | | | | 590,428 | 700,428 |
| Public libraries | 1,273,336 | | | | 20,642 | 1,293,978 |
| Education | 63,984,844 | | | | 2,776,494 | 66,761,338 |
| Recreation | 1,765,405 | | | | 1,255,687 | 3,021,092 |
| Debt service: | | | | | | |
| Principal retirement | | | 1,370,000 | | | 1,370,000 |
| Interest and other charges | | | 382,452 | | | 382,452 |
| Capital outlay | | | | 1,032,633 | 1,359,808 | 2,392,441 |
| Total expenditures | <u>87,921,783</u> | <u>84,528</u> | <u>1,753,452</u> | <u>1,032,633</u> | <u>6,844,127</u> | <u>97,636,523</u> |
| Excess (Deficiency) of Revenues over Expenditures | 4,223,951 | 4,871,477 | (1,429,920) | (972,633) | 27,564 | 6,720,439 |
| Other Financing Sources (Uses): | | | | | | |
| Transfers in from other funds | 983,700 | | 2,315,161 | | 4,145,568 | 7,444,429 |
| Transfers out to other funds | (5,659,250) | (492,838) | | | (1,471,541) | (7,623,629) |
| Total other financing sources (uses) | <u>(4,675,550)</u> | <u>(492,838)</u> | <u>2,315,161</u> | <u>-</u> | <u>2,674,027</u> | <u>(179,200)</u> |
| Net Change in Fund Balances | (451,599) | 4,378,639 | 885,241 | (972,633) | 2,701,591 | 6,541,239 |
| Fund Balances at Beginning of Year, as Restated | 21,268,706 | 19,491,267 | 884,173 | 1,095,283 | 17,597,553 | 60,336,982 |
| Fund Balances at End of Year | <u>\$ 20,817,107</u> | <u>\$ 23,869,906</u> | <u>\$ 1,769,414</u> | <u>\$ 122,650</u> | <u>\$ 20,299,144</u> | <u>\$ 66,878,221</u> |

(Continued on next page)

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities:

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

| | |
|---|--------------|
| Net change in fund balances - total governmental funds (Exhibit IV) | \$ 6,541,239 |
|---|--------------|

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

| | |
|---------------------------------------|-------------|
| Capital outlay | 2,478,571 |
| Depreciation expense | (4,735,506) |
| Loss on disposition of capital assets | (5,120) |

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

| | |
|--|-----------|
| Property taxes collected after 60 days | 45,569 |
| Change in net pension asset | 39,830 |
| Change in net OPEB asset | 5,551,192 |
| Change in deferred outflows of resources related to pensions | (399,080) |
| Change in deferred outflows of resources related to OPEB | 9,698 |

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

| | |
|--------------------|-----------|
| Principal payments | 1,370,000 |
|--------------------|-----------|

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

| | |
|---|-------------|
| Amortization of deferred charges in refunding | (33,198) |
| Change in deferred inflows of resources related to pensions | (3,122,796) |
| Change in deferred inflows of resources related to OPEB | (2,766,744) |
| Amortization of bond premiums | 216,029 |
| Accrued interest | 5,448 |
| Change in long-term compensated absences | (244,099) |
| Change in net pension liability | 2,728,911 |
| Change in claims and judgments | 78,348 |

| | |
|---|----------------|
| The net expense of the internal service funds is reported with governmental activities. | <u>199,071</u> |
|---|----------------|

| | |
|--|---------------------|
| Change in Net Position of Governmental Activities (Exhibit II) | <u>\$ 7,957,363</u> |
|--|---------------------|

The accompanying notes are an integral part of the financial statements

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2021

| | Business-Type Activities - Enterprise Funds | | | | | Governmental |
|---|---|---------------------|---------------------|------------------|----------------------|------------------------|
| | Major Funds | | | Nonmajor | Total | Activities |
| | Wastewater | Solid Waste | Water | School Cafeteria | | Internal Service Funds |
| Assets: | | | | | | |
| Current assets: | | | | | | |
| Cash and cash equivalents | \$ 3,257,787 | \$ 91,148 | \$ 1,093,212 | \$ 9,003 | \$ 4,451,150 | \$ 732,525 |
| Investments | 5,950,225 | 375,659 | 2,702,871 | | 9,028,755 | |
| Accounts and other receivables, net | 479,449 | 56,189 | 280,115 | | 815,753 | |
| Due from federal and state governments | | | | 101,705 | 101,705 | |
| Due from other funds | | 1 | | 135,975 | 135,976 | 1,367,424 |
| Total current assets | <u>9,687,461</u> | <u>522,997</u> | <u>4,076,198</u> | <u>246,683</u> | <u>14,533,339</u> | <u>2,099,949</u> |
| Noncurrent assets: | | | | | | |
| Capital assets not being depreciated | 2,839,808 | 1,005,003 | 1,142,264 | | 4,987,075 | |
| Capital assets, net of accumulated depreciation | 12,798,060 | 1,680,502 | 3,510,095 | 6,067 | 17,994,724 | |
| Total noncurrent assets | <u>15,637,868</u> | <u>2,685,505</u> | <u>4,652,359</u> | <u>6,067</u> | <u>22,981,799</u> | <u>-</u> |
| Total assets | <u>25,325,329</u> | <u>3,208,502</u> | <u>8,728,557</u> | <u>252,750</u> | <u>37,515,138</u> | <u>2,099,949</u> |
| Liabilities: | | | | | | |
| Current liabilities: | | | | | | |
| Accounts payable | 209,073 | 40,398 | 70,484 | 88,934 | 408,889 | 8,103 |
| Accrued liabilities | 142,622 | 2,822 | 35,569 | | 181,013 | |
| Due to other funds | 1,287 | | 5,130 | | 6,417 | 9,400 |
| Unearned revenue | 117,095 | | | 83,217 | 200,312 | |
| Current portion of compensated absences | 61,794 | 7,801 | 29,818 | | 99,413 | |
| Current portion of bonds payable | 28,000 | 176,831 | | | 204,831 | |
| Total current liabilities | <u>559,871</u> | <u>227,852</u> | <u>141,001</u> | <u>172,151</u> | <u>1,100,875</u> | <u>17,503</u> |
| Noncurrent liabilities: | | | | | | |
| Compensated absences | 110,996 | 18,612 | 38,423 | | 168,031 | |
| Bonds payable after one year | 59,000 | 349,321 | | | 408,321 | |
| Total noncurrent liabilities | <u>169,996</u> | <u>367,933</u> | <u>38,423</u> | <u>-</u> | <u>576,352</u> | <u>-</u> |
| Total liabilities | <u>729,867</u> | <u>595,785</u> | <u>179,424</u> | <u>172,151</u> | <u>1,677,227</u> | <u>17,503</u> |
| Net Position: | | | | | | |
| Net investment in capital assets | 15,550,868 | 2,159,353 | 4,652,359 | 6,067 | 22,368,647 | |
| Restricted for grants | | 6,186 | | | 6,186 | |
| Unrestricted | 9,044,594 | 447,178 | 3,896,774 | 74,532 | 13,463,078 | 2,082,446 |
| Total Net Position | <u>\$ 24,595,462</u> | <u>\$ 2,612,717</u> | <u>\$ 8,549,133</u> | <u>\$ 80,599</u> | <u>\$ 35,837,911</u> | <u>\$ 2,082,446</u> |

The accompanying notes are an integral part of the financial statements

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

| | Business-Type Activities - Enterprise Funds | | | | | Governmental |
|--|---|---------------------|---------------------|------------------|----------------------|------------------------|
| | Major Funds | | | Nonmajor | | Activities |
| | Wastewater | Solid Waste | Water | School Cafeteria | Total | Internal Service Funds |
| Operating Revenues: | | | | | | |
| Charges for services | \$ 3,889,274 | \$ 676,210 | \$ 1,185,217 | \$ 1,295 | \$ 5,751,996 | \$ 133,916 |
| Other | 76,182 | | 9,387 | | 85,569 | |
| Total operating revenues | <u>3,965,456</u> | <u>676,210</u> | <u>1,194,604</u> | <u>1,295</u> | <u>5,837,565</u> | <u>133,916</u> |
| Operating Expenses: | | | | | | |
| Wells | | | 300,535 | | 300,535 | |
| Pumping | 642,793 | | 22,534 | | 665,327 | |
| Distribution | | | 39,766 | | 39,766 | |
| Treating and sludge | 2,089,708 | | | | 2,089,708 | |
| Transportation and disposal | | 412,485 | | | 412,485 | |
| Administrative and general | 261,442 | 103,110 | 411,689 | | 776,241 | |
| Depreciation | 691,943 | 41,050 | 225,406 | 2,819 | 961,218 | |
| Repairs and maintenance | (3,471) | | 128,225 | 230 | 124,984 | |
| Health care management | | | | | - | 9,400 |
| Compensated absences | | | | | - | |
| School cafeteria operations | | | | 735,067 | 735,067 | |
| Other operating | 137,948 | 75,029 | | | 212,977 | 101,633 |
| Total operating expenses | <u>3,820,363</u> | <u>631,674</u> | <u>1,128,155</u> | <u>738,116</u> | <u>6,318,308</u> | <u>111,033</u> |
| Operating Income (Loss) | <u>145,093</u> | <u>44,536</u> | <u>66,449</u> | <u>(736,821)</u> | <u>(480,743)</u> | <u>22,883</u> |
| Nonoperating Revenues (Expenses): | | | | | | |
| Income on investments | 4,973 | 77 | 417 | | 5,467 | 1,188 |
| Other revenue | (26,622) | (3,211) | | 7,472 | (22,361) | |
| Intergovernmental | | | | 724,213 | 724,213 | |
| Interest expense | (2,090) | (9,846) | | | (11,936) | |
| Total nonoperating revenues (expenses) | <u>(23,739)</u> | <u>(12,980)</u> | <u>417</u> | <u>731,685</u> | <u>695,383</u> | <u>1,188</u> |
| Income Before Transfer: | 121,354 | 31,556 | 66,866 | (5,136) | 214,640 | 24,071 |
| Transfers In | 4,200 | | | | 4,200 | 175,000 |
| Change in Net Position | 125,554 | 31,556 | 66,866 | (5,136) | 218,840 | 199,071 |
| Net Position at Beginning of Year | 24,469,908 | 2,581,161 | 8,482,267 | 85,735 | 35,619,071 | 1,883,375 |
| Net Position at End of Year | <u>\$ 24,595,462</u> | <u>\$ 2,612,717</u> | <u>\$ 8,549,133</u> | <u>\$ 80,599</u> | <u>\$ 35,837,911</u> | <u>\$ 2,082,446</u> |

The accompanying notes are an integral part of the financial statements

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

| | Business-Type Activities - Enterprise Funds | | | | | Governmental |
|--|---|-------------|--------------|------------------|--------------|------------------------|
| | Major Funds | | | | | Activities |
| | Wastewater | Solid Waste | Water | School Cafeteria | Total | Internal Service Funds |
| Cash Flows from Operating Activities: | | | | | | |
| Receipts from customers and users | \$ 4,153,737 | \$ 675,630 | \$ 1,188,973 | \$ 3,352 | \$ 6,021,692 | \$ - |
| Receipts from providing services | | | | | - | (63,967) |
| Payments to suppliers | (3,467,354) | (588,016) | (958,678) | (726,624) | (5,740,672) | (101,633) |
| Payments for claims | | | | | - | (9,400) |
| Net cash provided by (used in) operating activities | 686,383 | 87,614 | 230,295 | (723,272) | 281,020 | (175,000) |
| Cash Flows from Noncapital Financing Activities: | | | | | | |
| Transfers in from other funds | 4,200 | | | | 4,200 | 175,000 |
| Nonoperating grants received | | | | 731,685 | 731,685 | |
| Net cash provided by (used in) noncapital financing activities | 4,200 | - | - | 731,685 | 735,885 | 175,000 |
| Cash Flows from Capital and Related Financing Activities: | | | | | | |
| Additions to property, plant and equipment | (647,739) | | (77,582) | | (725,321) | |
| Principal paid on bonds | (28,000) | (172,435) | | | (200,435) | |
| Interest paid on bonds | (2,090) | (9,846) | | | (11,936) | |
| Net cash provided by (used in) capital and related financing activities | (677,829) | (182,281) | (77,582) | - | (937,692) | - |
| Cash Flows from Investing Activities: | | | | | | |
| Sales of investments | 10,719 | (2,771) | 3,027 | | 10,975 | |
| Interest on investments | | | | | - | 1,188 |
| Net cash provided by (used in) investing activities | 10,719 | (2,771) | 3,027 | - | 10,975 | 1,188 |
| Net Increase (Decrease) in Cash and Cash Equivalents | 23,473 | (97,438) | 155,740 | 8,413 | 90,188 | 1,188 |
| Cash and Cash Equivalents at Beginning of Year | 3,234,314 | 188,586 | 937,472 | 590 | 4,360,962 | 731,337 |
| Cash and Cash Equivalents at End of Year | \$ 3,257,787 | \$ 91,148 | \$ 1,093,212 | \$ 9,003 | \$ 4,451,150 | \$ 732,525 |
| Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities: | | | | | | |
| Operating income (loss) | \$ 145,093 | \$ 44,536 | \$ 66,449 | \$ (736,821) | \$ (480,743) | \$ 22,883 |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: | | | | | | |
| Depreciation | 691,943 | 41,050 | 225,406 | 2,819 | 961,218 | |
| Change in assets and liabilities: | | | | | | |
| (Increase) decrease in accounts receivable | 216,281 | (580) | (5,631) | | 210,070 | |
| (Increase) decrease in due from other governments | | | | (82,501) | (82,501) | |
| (Increase) decrease in due from other funds | | 104 | | 13,780 | 13,884 | (215,386) |
| Increase (decrease) in accounts payable and accrued items | (318,223) | (609) | (32,235) | 77,394 | (273,673) | 8,103 |
| Increase (decrease) in due to other funds | (592) | | 4,817 | | 4,225 | 9,400 |
| Increase (decrease) in deferred revenue | (28,000) | | | 2,057 | (25,943) | |
| Increase (decrease) in compensated absences | (20,119) | 3,113 | (28,511) | | (45,517) | |
| Total adjustments | 541,290 | 43,078 | 163,846 | 13,549 | 761,763 | (197,883) |
| Net Cash Provided by (Used in) Operating Activities | \$ 686,383 | \$ 87,614 | \$ 230,295 | \$ (723,272) | \$ 281,020 | \$ (175,000) |
| Noncash Investing, Capital, and Financing Activities: | | | | | | |
| Capital assets contributed by Capital Projects Fund | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

The accompanying notes are an integral part of the financial statements

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
STATEMENT OF NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2021**

| | Cemetery Care Private - Purpose Trust Funds | OPEB Trust Fund |
|---------------------------------------|--|----------------------------|
| Assets: | | |
| Cash and cash equivalents | \$ 126,799 | \$ |
| Due from other funds | 1 | |
| Investments: | | |
| Mutual funds | | 23,479,437 |
| Total assets | 126,800 | 23,479,437 |
| Liabilities: | | |
| Accounts payable and accrued expenses | 2,345 | |
| Total liabilities | 2,345 | - |
| Net Position: | | |
| Restricted for care and maintenance | 124,455 | |
| Restricted for OPEB benefits | | 23,479,437 |
| Total Net Position | \$ 124,455 | \$ 23,479,437 |

The accompanying notes are an integral part of the financial statements

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

| | Cemetery Care Private - Purpose Trust Funds | OPEB Trust Fund |
|---|--|----------------------------|
| Additions: | | |
| Employer contributions | \$ | \$ 2,100,581 |
| Net change in fair value of investments | | 3,925,595 |
| Interest and dividends | 525 | 427,256 |
| Other revenues | 3,000 | |
| Total additions | <u>3,525</u> | <u>6,453,432</u> |
| Deductions: | | |
| Benefit payments | | 1,347,422 |
| Operating expenses in accordance with agreement | 9,800 | |
| Administrative expense | | 53,448 |
| Total deductions | <u>9,800</u> | <u>1,400,870</u> |
| Change in Net Position | (6,275) | 5,052,562 |
| Net Position at Beginning of Year | <u>130,730</u> | <u>18,426,875</u> |
| Net Position at End of Year | <u>\$ 124,455</u> | <u>\$ 23,479,437</u> |

The accompanying notes are an integral part of the financial statements

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Government-Wide Financial Statements

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

B. Reporting Entity

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

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

Blended Component Unit

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

Fiduciary Component Unit

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

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

C. Basis of Presentation - Government-Wide Financial Statements

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

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

D. Basis of Presentation - Fund Financial Statements

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

The Town reports the following major governmental funds:

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

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

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

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

The Town reports the following major proprietary funds:

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

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

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

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Additionally, the Town reports the following fund types:

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

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

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

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

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

E. Measurement Focus and Basis of Accounting

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as

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under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, charges for services, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the government.

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

F. Assets, Liabilities and Equity

Cash and Cash Equivalents

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

Investments

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

Inventories and Prepaid Items

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

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

Capital Assets

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

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

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

| <u>Assets</u> | <u>Years</u> |
|-----------------------|--------------|
| Land Improvements | 15 |
| Buildings | 30-50 |
| Building Improvements | 10-40 |
| Equipment | 5-15 |
| Vehicles | 3-10 |
| Infrastructure | 20-50 |

Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports advance property tax collections in the government-wide statement of net position and in the governmental funds balance sheet and deferred inflow of resources related to pensions and OPEB in the government-wide statement of net position. Advance property tax collections represent taxes inherently associated with a future period. This amount is recognized during the period in which the revenue is associated. A deferred inflow of resources related to pension/OPEB results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension/OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension/OPEB plan (active employees and inactive employees). For governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources (revenue) in the period in which the amounts become available.

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Equity

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

Net Investment in Capital Assets

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

Restricted

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

Unrestricted

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

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

Nonspendable Fund Balance

This represents amounts that cannot be spent due to form (e.g., inventories and prepaid amounts).

Restricted Fund Balance

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

Committed Fund Balance

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

Assigned Fund Balance

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

Unassigned Fund Balance

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

Fund Balance Policies

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the

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resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

G. Revenues and Expenditures/Expenses

Program Revenues

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

Property Taxes

Property taxes attach as an enforceable lien on real property. Current tax collections for the Town, including the 60-day collections, were approximately 99.07% of the total 2020 levy. The Town's fiscal 2020-2021 property taxes were levied on July 1, 2020 on assessed valuation as of December 31, 2019. Upon levy, taxes are due and payable on August 1 or may be paid in equal quarterly installments on August 1, November 1, February 1 and May 1 following the levy date. The taxpayer may elect to pay the taxes in full by September 1, annually. Taxes due and unpaid after the respective due dates are subject to interest at a rate of 12% per annum calculated on the unpaid portion of the total tax. Property taxes levied are recorded as receivables in the fiscal year of the levy.

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

During the year ended June 30, 2021, the Town received \$321,889 from the State of Rhode Island as payment in accordance with legislation regarding the phase-out of motor vehicle tax. Motor vehicle values are assessed at a rate of \$18.71 per thousand dollars of assessed value. This rate has been frozen by the State since fiscal year 1998. In addition to freezing the tax rate, the State instituted a program to phase-out the taxation of motor vehicles over a ten-year period, by replacing the loss of motor vehicle tax income with State revenue. This program was restructured in fiscal year 2010-2011 whereby State reimbursement was limited to a maximum of \$500 per vehicle. In addition, the Town provides an additional \$2,500 exemption.

Pensions

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

Postemployment Benefits Other than Pension (OPEB)

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

Compensated Absences

Vacation and Sick Leave

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

Proprietary Funds Operating and Nonoperating Revenues and Expenses

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

H. Accounting Estimates

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

I. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through January 27, 2022, the date that the financial statements were available to be issued.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

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

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

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

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

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

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

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

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

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

B. Deficit Fund Equity and Accumulated Deficits

The Guild Renovation Fund, a nonmajor capital project governmental fund, has a deficit \$14,000 at June 30, 2021. This deficit will be funded with future authorized debt issuances.

3. CASH DEPOSITS WITH FINANCIAL INSTITUTIONS

A. Deposits

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

Deposit Custodial Credit Risk

Custodial credit risk in the case of deposits is the risk that in the event of a bank failure, the government's deposits may not be returned. Rhode Island public law requires 100% of public deposits in a qualified public depository with maturities greater than sixty (60) days are collateralized with either bank segregated assets, in a trust department or in custodial accounts at a Federal Reserve Bank or federal home loan bank. The Town has adopted a "statement of investment objectives, goals and policy guidelines" for investments held in the School Trust Fund. In addition, the Town has guidelines for deposits authorized by Town Code Sec. 4233.H. As such, the entire bank balance of the Town as of June 30, 2021 of \$34,528,280 was insured or collateralized.

B. Cash Equivalents

Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and purchased within 90 days of maturity. As of June 30, 2021, the cash equivalent amounted to \$759,526. The cash equivalents consisted of certificates of deposit and money market mutual funds held at banking institutions and were not rated.

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4. INVESTMENTS

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

| <u>Investment Type</u> | <u>Credit Rating</u> | <u>Fair Value</u> | <u>Investment Maturities (Years)</u> | | |
|-------------------------------|----------------------|----------------------|--------------------------------------|----------------------|---------------------|
| | | | <u>Less Than 1</u> | <u>1 - 10</u> | <u>More Than 10</u> |
| Interest-bearing investments: | | | | | |
| U.S. Government securities | Aaa | \$ 4,251,301 | \$ | \$ 4,251,301 | \$ |
| U.S. Government agencies | Aaa | 20,233,226 | | 20,233,226 | |
| Corporate bonds | Aaa | <u>2,698,294</u> | | <u>2,698,294</u> | |
| Total | | 27,182,821 | \$ <u>-</u> | \$ <u>27,182,821</u> | \$ <u>-</u> |
| Other investments: | | | | | |
| Common stock | | 48,228 | | | |
| Mutual Funds | | 37,015,769 | | | |
| Exchange Traded Funds | | <u>11,740,124</u> | | | |
| Total Investments | | \$ <u>75,986,942</u> | | | |

Interest Rate Risk

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

Credit Risk

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

Concentration of Credit Risk

At June 30, 2021, the Town had a diversified portfolio and was not deemed to be concentrated in any one investment category. Although approximately 64% of the investments were held in common stock and mutual funds, these investments were in a wide range of companies and various industries enabling the Town to minimize its risk.

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

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Custodial Credit Risk

For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not believe that it has a significant custodial credit risk as substantially all investment securities are registered and held in the name of the Town.

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets or with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements). The Town has the following recurring fair value measurements as of June 30, 2021:

| | June 30, 2021 | Fair Value Measurements Using | | |
|--|----------------------|-------------------------------|---------------------|-------------|
| | | Level 1 | Level 2 | Level 3 |
| Investments by fair value level: | | | | |
| U.S. Government securities | \$ 4,251,301 | \$ 4,251,301 | \$ | \$ |
| U.S. Government agencies | 20,233,226 | 20,233,226 | | |
| Corporate bonds | 2,698,294 | | 2,698,294 | |
| Common stock | 48,228 | 48,228 | | |
| Mutual funds | 37,015,769 | 37,015,769 | | |
| Exchange Traded Funds | 11,740,124 | 11,740,124 | | |
| Total Investments by Fair Value Level | \$ 75,986,942 | \$ 73,288,648 | \$ 2,698,294 | \$ - |

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

5. RECEIVABLES

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

| | General | School Trust Fund | Wastewater | Solid Waste | Water | Nonmajor and Other Funds | Total |
|-----------------------------------|---------------------|-------------------------|-------------------|------------------|-------------------|--------------------------------|---------------------|
| Receivables: | | | | | | | |
| Accounts | \$ 390,411 | \$ 17,142 | \$ 466,160 | \$ 56,189 | \$ 281,115 | \$ 107,602 | \$ 1,318,619 |
| Property taxes | 1,320,812 | | | | | | 1,320,812 |
| Tax liens | 372,926 | | | | | | 372,926 |
| Other governments | 67,564 | | | | | 499,336 | 566,900 |
| Special assessments | | | 30,789 | | | | 30,789 |
| Gross receivables | <u>2,151,713</u> | <u>17,142</u> | <u>496,949</u> | <u>56,189</u> | <u>281,115</u> | <u>606,938</u> | <u>3,610,046</u> |
| Less allowance for uncollectibles | <u>(706,092)</u> | | <u>(17,500)</u> | | <u>(1,000)</u> | | <u>(724,592)</u> |
| Net Total Receivables | <u>\$ 1,445,621</u> | <u>\$ 17,142</u> | <u>\$ 479,449</u> | <u>\$ 56,189</u> | <u>\$ 280,115</u> | <u>\$ 606,938</u> | <u>\$ 2,885,454</u> |

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

6. INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS

A. Interfund Receivables and Payables

The composition of interfund balances as of June 30, 2021 is as follows:

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> |
|-----------------------------|-----------------------------|----------------------|
| School Trust Fund | General Fund | \$ 5 |
| Debt Service Fund | General Fund | 1,769,414 |
| Solid Waste Fund | General Fund | 1 |
| School Cafeteria | General Fund | 135,975 |
| Internal Service Fund | General Fund | 1,367,424 |
| Fiduciary Funds | General Fund | 1 |
| Nonmajor governmental funds | General Fund | 9,380,167 |
| School Improvement Fund | General Fund | 135,751 |
| General Fund | Wastewater Fund | 1,287 |
| General Fund | Internal Service Fund | 9,400 |
| General Fund | Water Fund | 5,130 |
| General Fund | Nonmajor governmental funds | <u>250,845</u> |
| Total | | <u>\$ 13,055,400</u> |

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

B. Interfund Transfers

The composition of interfund transfers for the year ended June 30, 2021 is as follows:

| | <u>Transfers In</u> | | | | | <u>Total Transfers Out</u> |
|-----------------------------|-------------------------|----------------------------------|----------------------------|---------------------------------------|--|------------------------------------|
| | <u>General Fund</u> | <u>Debt Service Fund</u> | <u>Wastewater Fund</u> | <u>Internal Service Funds</u> | <u>Nonmajor Governmental Funds</u> | |
| Transfers out: | | | | | | |
| General Fund | \$ | \$ 1,945,232 | \$ 4,200 | \$ | \$ 3,709,818 | \$ 5,659,250 |
| School Trust Fund | 57,088 | | | | 435,750 | 492,838 |
| Nonmajor Governmental Funds | <u>926,612</u> | <u>369,929</u> | | <u>175,000</u> | | <u>1,471,541</u> |
| Transfers In | <u>\$ 983,700</u> | <u>\$ 2,315,161</u> | <u>\$ 4,200</u> | <u>\$ 175,000</u> | <u>\$ 4,145,568</u> | <u>\$ 7,623,629</u> |

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

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

7. CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2021 for governmental activity was as follows:

| | <u>Beginning Balance</u> | <u>Adjustments/ Increases</u> | <u>Adjustments/ Decreases</u> | <u>Ending Balance</u> |
|---|------------------------------|-----------------------------------|-----------------------------------|---------------------------|
| Governmental activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 14,170,066 | \$ | \$ | \$ 14,170,066 |
| Construction in progress | 3,830,847 | 1,717,933 | 3,509,146 | 2,039,634 |
| Total capital assets not being depreciated | <u>18,000,913</u> | <u>1,717,933</u> | <u>3,509,146</u> | <u>16,209,700</u> |
| Capital assets being depreciated: | | | | |
| Land improvements | 10,996,498 | 1,453,467 | | 12,449,965 |
| Buildings | 37,826,872 | | | 37,826,872 |
| Building improvements | 46,921,795 | 146,532 | | 47,068,327 |
| Equipment | 6,997,198 | 315,840 | 21,378 | 7,291,660 |
| Vehicles | 7,271,915 | 505,257 | 308,382 | 7,468,790 |
| Infrastructure | 45,213,199 | 1,848,688 | | 47,061,887 |
| Intangibles | 516,748 | | | 516,748 |
| Total capital assets being depreciated | <u>155,744,225</u> | <u>4,269,784</u> | <u>329,760</u> | <u>159,684,249</u> |
| Less accumulated depreciation for: | | | | |
| Land improvements | 3,599,364 | 207,086 | | 3,806,450 |
| Buildings | 19,561,069 | 739,931 | | 20,301,000 |
| Building improvements | 26,996,410 | 1,464,464 | | 28,460,874 |
| Equipment | 4,661,706 | 384,937 | 18,528 | 5,028,115 |
| Vehicles | 4,361,305 | 668,135 | 306,112 | 4,723,328 |
| Infrastructure | 27,680,797 | 1,219,513 | | 28,900,310 |
| Intangibles | 261,426 | 51,440 | | 312,866 |
| Total accumulated depreciation | <u>87,122,077</u> | <u>4,735,506</u> | <u>324,640</u> | <u>91,532,943</u> |
| Total capital assets being depreciated, net | <u>68,622,148</u> | <u>(465,722)</u> | <u>5,120</u> | <u>68,151,306</u> |
| Governmental Activities Capital Assets, Net | <u>\$ 86,623,061</u> | <u>\$ 1,252,211</u> | <u>\$ 3,514,266</u> | <u>\$ 84,361,006</u> |

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

| | |
|--------------------------|---------------------|
| Governmental activities: | |
| General government | \$ 197,291 |
| Public safety | 492,018 |
| Public works | 1,535,332 |
| Public libraries | 669,741 |
| Education | 112,117 |
| Recreation | 1,727,543 |
| Water | <u>1,464</u> |
| Total | <u>\$ 4,735,506</u> |

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Capital assets activity for the year ended June 30, 2021 for business-type activity was as follows:

| | <u>Beginning Balance</u> | <u>Adjustments/ Increases</u> | <u>Adjustments/ Decreases</u> | <u>Ending Balance</u> |
|--|------------------------------|-----------------------------------|-----------------------------------|---------------------------|
| Business-type activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 1,586,530 | \$ | \$ | \$ 1,586,530 |
| Construction in progress | 2,803,694 | 596,851 | | 3,400,545 |
| Total capital assets not being depreciated | <u>4,390,224</u> | <u>596,851</u> | <u>-</u> | <u>4,987,075</u> |
| Capital assets being depreciated: | | | | |
| Land improvements | 2,682,148 | | | 2,682,148 |
| Buildings | 10,563,287 | | | 10,563,287 |
| Building improvements | 3,241,676 | | | 3,241,676 |
| Equipment | 7,187,877 | 19,900 | | 7,207,777 |
| Vehicles | 469,391 | 108,571 | 88,234 | 489,728 |
| Infrastructure | 20,843,425 | | | 20,843,425 |
| Intangibles | 199,692 | | | 199,692 |
| Total capital assets being depreciated | <u>45,187,496</u> | <u>128,471</u> | <u>88,234</u> | <u>45,227,733</u> |
| Less accumulated depreciation for: | | | | |
| Land improvements | 948,275 | 45,496 | | 993,771 |
| Buildings | 8,211,192 | 189,800 | | 8,400,992 |
| Building improvements | 1,705,277 | 109,270 | | 1,814,547 |
| Equipment | 5,098,357 | 277,400 | | 5,375,757 |
| Vehicles | 350,465 | 51,954 | 61,611 | 340,808 |
| Infrastructure | 9,929,933 | 267,329 | | 10,197,262 |
| Intangibles | 89,903 | 19,969 | | 109,872 |
| Total accumulated depreciation | <u>26,333,402</u> | <u>961,218</u> | <u>61,611</u> | <u>27,233,009</u> |
| Total capital assets being depreciated, net | <u>18,854,094</u> | <u>(832,747)</u> | <u>26,623</u> | <u>17,994,724</u> |
| Business-Type Activities Capital Assets, Net | <u>\$ 23,244,318</u> | <u>\$ (235,896)</u> | <u>\$ 26,623</u> | <u>\$ 22,981,799</u> |

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

| | |
|---------------------------|-------------------|
| Business-type activities: | |
| Wastewater | \$ 691,943 |
| Solid Waste | 41,050 |
| Water | 225,406 |
| Cafeteria | <u>2,819</u> |
| Total | <u>\$ 961,218</u> |

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

8. FUND BALANCE

The components of fund balance for the governmental funds at June 30, 2021 are as follows:

| | General Fund | School Trust Fund | Debt Service Fund | School Improvement Fund | Nonmajor Governmental Funds | Total |
|---|-----------------|-------------------------|-------------------------|-------------------------------|-----------------------------------|---------------|
| Fund balances: | | | | | | |
| Nonspendable for: | | | | | | |
| Prepays | \$ 8,969 | | | | | \$ 8,969 |
| Endowment for recreation and education | | 413,233 | | | | 413,233 |
| Permanent funds | | | | | 492,020 | 492,020 |
| Restricted for: | | | | | | |
| Recreational and educational | | 23,456,673 | | | 674,083 | 24,130,756 |
| Asset forfeiture | | | | | 201,361 | 201,361 |
| Libraries operations | | | | | 1,988,832 | 1,988,832 |
| K-9 Grant | | | | | 13,755 | 13,755 |
| Recycling program | | | | | 55,896 | 55,896 |
| Miscellaneous donations fund | | | | | 25,991 | 25,991 |
| Student Activity | | | | | 348,667 | 348,667 |
| Human services | | | | | 305,258 | 305,258 |
| Committed to: | | | | | | |
| Debt service | | | 1,769,414 | | | 1,769,414 |
| Open space acquisition | | | | | 875,823 | 875,823 |
| General government - encumbrances | 16,487 | | | | | 16,487 |
| Public safety department - encumbrances | 195,610 | | | | | 195,610 |
| Public works - encumbrances | 300 | | | | | 300 |
| Human Services - encumbrances | 2,334 | | | | | 2,334 |
| Municipal planning | 32,936 | | | | | 32,936 |
| To balance future budgets - Town | 1,320,208 | | | | | 1,320,208 |
| To balance future budgets - Schools | 493,202 | | | | | 493,202 |
| Education encumbrances | 55,551 | | | | | 55,551 |
| Education | 2,912,239 | | | | | 2,912,239 |
| Affordable housing | | | | | 86,233 | 86,233 |
| Animal shelter renovations | | | | | 420,708 | 420,708 |
| Elderly services | | | | | 264,062 | 264,062 |
| Public safety support | | | | | 1,723,795 | 1,723,795 |
| Operation of Peacedale Office Building | | | | | 199,710 | 199,710 |
| Property revaluation | | | | | 415,664 | 415,664 |
| Maintenance of South Road School | | | | | 349,783 | 349,783 |
| Municipal planning services grant | | | | | 30,346 | 30,346 |
| School restricted | | | | | 1 | 1 |
| Community development | | | | | 35,885 | 35,885 |
| Capital equipment acquisitions | | | | | 1,827,520 | 1,827,520 |
| Data processing improvements | | | | | 246,046 | 246,046 |
| Neighborhood Guild | | | | | 104,989 | 104,989 |
| Park construction and maintenance | | | | | 40,280 | 40,280 |
| Library improvements | | | | | 309,794 | 309,794 |
| Public safety building improvement | | | | | 483,188 | 483,188 |
| Public service office building improvements | | | | | 46,282 | 46,282 |
| Infrastructure improvements | | | | | 1,317,125 | 1,317,125 |
| Recreation facility improvement | | | | | 753,562 | 753,562 |
| Maintenance of historical records | | | | | 143,881 | 143,881 |
| School improvement | | | | 122,650 | | 122,650 |
| Library | | | | | 113,291 | 113,291 |
| Kingstown Recreation Fund | | | | | 203,790 | 203,790 |
| Senior Services Center Construction | | | | | 75,004 | 75,004 |
| Village Infrastructure | | | | | 10,000 | 10,000 |
| Wastewater Construction | | | | | 5,677,971 | 5,677,971 |
| Town hall improvements | | | | | 452,548 | 452,548 |
| Unassigned | 15,779,271 | | | | (14,000) | 15,765,271 |
| Total Fund Balances | \$ 20,817,107 | \$ 23,869,906 | \$ 1,769,414 | \$ 122,650 | \$ 20,299,144 | \$ 66,878,221 |

Major encumbrances of \$270,282 are reported in the committed fund balance of the General Fund and represent action taken by the governing body, Town Council, to commit future resources for the settlement of these commitments.

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Endowments Received

| | <u>School Trust Fund</u> |
|---------------------------------|----------------------------------|
| Original principal received | \$ 413,233 |
| Net appreciation on investments | <u>23,456,673</u> |
| Total Value | <u>\$ 23,869,906</u> |

The original principal remains in the net position on the Statement of Activities and is restricted for the trust principal on the balance sheet - governmental funds. The net appreciation of \$23,456,673 can be authorized for expenditure by the Trustees of South Kingstown School Funds. Income is distributed in keeping with the provisions of the appropriate deed of gift.

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

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

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

9. LONG-TERM LIABILITIES

A. General Obligation Bonds

The government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds generally are issued as serial bonds with equal amounts of principal maturing each year with maturities that range from 15 to 20 years. General obligation bonds outstanding at June 30, 2021 are as follows:

| Description | Date of Issue | Date of Maturity | Interest Rate (%) | Amount of Original Issue | Balance Outstanding June 30, 2021 |
|---|---------------|------------------|-------------------|--------------------------|-----------------------------------|
| Governmental activities: | | | | | |
| General obligation bonds: | | | | | |
| School Improvement Series 2009 A | 11/12/09 | 11/01/29 | 2.55% - 5.00% | \$ 1,200,000 | \$ 540,000 |
| Advance refunding | 11/13/12 | 06/15/24 | 1.90% | 4,263,000 | 779,000 |
| Advance refunding | 04/08/15 | 06/15/27 | 2.00% - 4.00% | 6,935,000 | 1,930,000 |
| Community Gymnasium / School Imp. Series 2017 | 08/16/17 | 08/15/37 | 2.00% - 4.00% | 5,420,000 | 4,535,000 |
| School Improvement Series 2020 A | 05/12/20 | 05/15/40 | 2.75% - 4.00% | 3,875,000 | 3,680,000 |
| Total governmental activities | | | | <u>21,693,000</u> | <u>11,464,000</u> |
| Business Type Activities: | | | | | |
| General obligation bonds: | | | | | |
| Wastewater fund - GO bond | 11/13/02 | 09/01/23 | 1.38% | 500,000 | 87,000 |
| Solid waste fund - GO bond | 09/03/02 | 09/01/22 | 1.14% | 2,000,000 | 253,152 |
| Solid waste fund - GO bond | 11/22/05 | 09/01/25 | 1.34% | 950,000 | 273,000 |
| Total business-type activities | | | | <u>3,450,000</u> | <u>613,152</u> |
| Total Outstanding | | | | <u>\$ 25,143,000</u> | <u>\$ 12,077,152</u> |

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

B. Legal Debt Margin

Of the Town's \$12,077,152 total bonds payable (including bonds payable for the wastewater and solid-waste enterprise funds), approximately \$2,669,751 is subject to its legal debt limits. The \$2,669,751 outstanding does not exceed the Town's legal debt limit of \$153,010,193 which is 3% of the assessed value (\$5,100,339,764) of taxable property of the Town as of December 31, 2019. The total long-term debt bond obligations of the Town of \$12,077,152 represent approximately 0.24% of the assessed value of the taxable property of the Town at June 30, 2021 (assessment date December 31, 2019).

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
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C. Authorized But Unissued Bond Authority

The Town has the following remaining authorized but unissued bond authority as of June 30, 2021:

| <u>Purpose</u> | <u>Authorized Amount</u> | <u>Issued</u> | <u>Authorized and Unissued</u> |
|------------------------------------|------------------------------|----------------------|------------------------------------|
| School capital improvements | \$ 4,000,000 | \$ 3,980,000 | \$ 20,000 |
| Town hall improvements | 300,000 | | 300,000 |
| Municipal land bank reserve | 750,000 | | 750,000 |
| School/community gymnasium | 4,150,000 | 4,055,000 | 95,000 |
| Capital transportation improvement | 400,000 | 385,000 | 15,000 |
| Open space | 3,000,000 | 700,000 | 2,300,000 |
| Neighborhood Guild | 1,000,000 | | 1,000,000 |
| School improvements | 4,000,000 | 3,875,000 | 125,000 |
| Town infrastructure | 6,500,000 | | 6,500,000 |
| Total | <u>\$ 24,100,000</u> | <u>\$ 12,995,000</u> | <u>\$ 11,105,000</u> |

D. Changes in Long-Term Liabilities

Changes in the government's long-term liabilities for the year ended June 30, 2021 are as follows:

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending Balance</u> | <u>Due Within One Year</u> |
|---|------------------------------|---------------------|---------------------|---------------------------|--------------------------------|
| Governmental Activities: | | | | | |
| Bonds payable: | | | | | |
| General obligation bonds | \$ 12,834,000 | \$ - | \$ 1,370,000 | \$ 11,464,000 | \$ 1,353,000 |
| Issuance premium on bonds | 688,112 | | 216,029 | 472,083 | |
| Total bonds payable | 13,522,112 | - | 1,586,029 | 11,936,083 | 1,353,000 |
| Compensated absences | 4,719,389 | 1,815,674 | 1,571,575 | 4,963,488 | 1,769,942 |
| Net pension liability | 71,281,159 | | 2,728,911 | 68,552,248 | |
| Claims and judgments | 1,151,914 | | 78,348 | 1,073,566 | 67,098 |
| Total Governmental Activities Long-Term Liabilities | <u>\$ 90,674,574</u> | <u>\$ 1,815,674</u> | <u>\$ 5,964,863</u> | <u>\$ 86,525,385</u> | <u>\$ 3,190,040</u> |
| Business-Type Activities: | | | | | |
| Bonds payable: | | | | | |
| General obligation bonds | \$ 813,587 | \$ - | \$ 200,435 | \$ 613,152 | \$ 204,831 |
| Compensated absences | 312,961 | 52,957 | 98,474 | 267,444 | 99,413 |
| Total Business-Type Activities Long-Term Liabilities | <u>\$ 1,126,548</u> | <u>\$ 52,957</u> | <u>\$ 298,909</u> | <u>\$ 880,596</u> | <u>\$ 304,244</u> |

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

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
 NOTES TO FINANCIAL STATEMENTS
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The debt service requirements for the government’s bonds are as follows:

| | Governmental Activities | | Business-Type Activities | |
|-----------|--------------------------------|---------------------|---------------------------------|------------------|
| | Principal | Interest | Principal | Interest |
| 2022 | \$ 1,353,000 | \$ 345,608 | \$ 204,831 | \$ 9,530 |
| 2023 | 1,128,000 | 306,278 | 210,321 | 5,834 |
| 2024 | 1,003,000 | 270,486 | 84,000 | 3,112 |
| 2025 | 975,000 | 236,869 | 55,000 | 1,722 |
| 2026 | 825,000 | 206,069 | 59,000 | 589 |
| 2027-2031 | 2,695,000 | 737,823 | | |
| 2032-2036 | 2,225,000 | 369,588 | | |
| 2037-2041 | <u>1,260,000</u> | <u>71,525</u> | | |
| Total | <u>\$ 11,464,000</u> | <u>\$ 2,544,246</u> | <u>\$ 613,152</u> | <u>\$ 20,787</u> |

10. DEFINED BENEFIT PENSION PLANS

A. Municipal Employees’ Retirement System of the State of Rhode Island - General, Police and EMT

General Information about the Pension Plan

Plan Description

All full-time town, noncertified school department general employees, police and emergency medical technicians participate in the Municipal Employees’ Retirement System (MERS) - an agent multiple-employer defined benefit pension plan - provides certain retirement, disability and death benefits to plan members and beneficiaries. MERS was established under Rhode Island General Law and placed under the management of the Employee’s Retirement System of Rhode Island (ERSRI) Board to provide retirement allowances to employees of municipalities, housing authorities, water and sewer districts, and municipal police and fire persons that have elected to participate. Benefit provisions are subject to amendment by the General Assembly.

MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing the ERSRI website at www.ersri.org.

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.

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

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

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

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.

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

Police and EMT Employees

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

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

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

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

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

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

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

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

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.

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

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

- A. The COLA will be suspended for any unit whose funding level is less than 80%; however, an interim COLA may be granted in four-year intervals while the COLA is suspended. The first interim COLA may begin January 1, 2018.
- B. Effective July 1, 2015, the COLA is determined based on 50% of the plan's five-year average investment rate of return less 5.5% limited to a range of 0.0% to 4.0%, plus 50% of the lesser of 3.0% or last year's CPI-U increase for a total maximum increase of 3.50%. Previously, it was the plan's five-year average investment rate of return less 5.5% limited to a range of 0.0% to 4.0%
- C. The COLA will be limited to the first \$25,000 of the member's annual pension benefit. For retirees and beneficiaries who retired on or before July 1, 2015, years in which a COLA is payable based on every fourth year provision described in (a) above will be limited to the first \$30,000. These limits will be indexed annually to increase in the same manner as COLAs, with the known values of \$25,000 for 2013, \$25,000 for 2014, \$25,168 for 2015, \$25,855 for 2016, and \$26,098 for 2017.

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

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

Employees Covered by Benefit Terms

At the June 30, 2019 valuation date, the following employees were covered by the benefit terms:

| | <u>Municipal</u> | <u>Police</u> | <u>EMT</u> |
|------------------------------|-------------------|-------------------|------------------|
| Retirees and Beneficiaries | 220 | 50 | 5 |
| Inactive, Nonretired Members | 158 | 14 | 16 |
| Active Members | <u>295</u> | <u>55</u> | <u>16</u> |
| Total | <u><u>673</u></u> | <u><u>119</u></u> | <u><u>37</u></u> |

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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% of their salaries. General employees with more than 20 years of service as of June 30, 2012 are required to contribute 9.25%. Public safety employees are required to contribute 10% of their salaries. The Town contributes at a rate of covered employee payroll as determined by an independent actuary on an annual basis. The General Assembly can amend the amount of these contribution requirements. The Town contributed \$2,737,922 in the year ended June 30, 2021 which was 15.12% of annual covered payroll.

Net Pension Liability (Asset)

The total pension liability (asset) 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 | 7.00% |
| Projected Salary Increases | General Employees - 3.50% to 7.25% ; Police & Fire Employees - 4.00% to 14.00% |
| Inflation | 2.50% |
| Mortality | Mortality - variants of the PUB (10) Tables for Healthy and Disabled Retirees, projected with Scale Ultimate MP16. |
| Cost of Living Adjustments | The known COLA for certain MERS units in calendar years 2019 and 2020 were 1.86% and 1.56%, respectively, and this was reflected in the June 30, 2019 valuation. All future COLAs were assumed to be 2.1% per annum for all MERS units with the COLA provision. |

The actuarial assumptions used in the June 30, 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, 2016.

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The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from 34 sources. The June 30, 2020 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

| <u>Type of Investments</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|-----------------------------------|--------------------------|---|
| Global Equity | | |
| U.S. Equity | 23.00% | 6.31% |
| International Developed Equity | 12.10% | 6.71% |
| Emerging Markets Equity | 4.90% | 8.69% |
| Private Growth | | |
| Private Equity | 11.25% | 9.71% |
| Non-Core Real Estate | 2.25% | 5.66% |
| Opportunistic Private Credit | 1.50% | 9.71% |
| 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% |
| Crisis Protection Class | | |
| Treasury Duration | 5.00% | 0.10% |
| Systematic Trend | 5.00% | 3.84% |
| Inflation Protection Class | | |
| Core Real Estate | 3.60% | 5.66% |
| Private Infrastructure | 2.40% | 6.06% |
| TIPs | 2.00% | 0.74% |
| Volatility Protection | | |
| IG Fixed Income | 3.25% | 1.54% |
| Securitized Credit | 3.25% | 1.54% |
| Absolute Return | 6.50% | 3.84% |
| Cash | 2.00% | 0.10% |
| | <u>100.0%</u> | |

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

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Discount Rate

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

Changes in Net Pension Liabilities (Assets)

| Municipal Employee's Retirement System - General Employees | | | |
|---|--------------------------------|------------------------------------|------------------------------|
| | Increase (Decrease) | | |
| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability |
| Balances as of July 1, 2020 | \$ 71,633,678 | \$ 58,827,306 | \$ 12,806,372 |
| Changes for the Year | | | |
| Service cost | 1,152,324 | | 1,152,324 |
| Interest on the total pension liability | 4,917,590 | | 4,917,590 |
| Difference between expected and actual experience | (916,985) | | (916,985) |
| Changes in assumptions | (605,921) | | (605,921) |
| Employer contributions | | 1,616,178 | (1,616,178) |
| Employee contributions | | 388,409 | (388,409) |
| Net investment income | | 2,164,425 | (2,164,425) |
| Benefit payments, including employee refunds | (3,917,097) | (3,917,097) | - |
| Administrative expense | | (59,635) | 59,635 |
| Other changes | | 266,883 | (266,883) |
| Net changes | <u>629,911</u> | <u>459,163</u> | <u>170,748</u> |
| Balances as of June 30, 2021 | <u>\$ 72,263,589</u> | <u>\$ 59,286,469</u> | <u>\$ 12,977,120</u> |

| Municipal Employee's Retirement System - Police | | | |
|--|--------------------------------|------------------------------------|------------------------------|
| | Increase (Decrease) | | |
| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability |
| Balances as of July 1, 2020 | \$ 34,693,391 | \$ 25,276,494 | \$ 9,416,897 |
| Changes for the Year | | | |
| Service cost | 778,731 | | 778,731 |
| Interest on the total pension liability | 2,390,723 | | 2,390,723 |
| Difference between expected and actual experience | (1,151,920) | | (1,151,920) |
| Changes in assumptions | 558,650 | | 558,650 |
| Employer contributions | | 1,045,441 | (1,045,441) |
| Employee contributions | | 382,105 | (382,105) |
| Net investment income | | 941,449 | (941,449) |
| Benefit payments, including employee refunds | (1,859,146) | (1,859,146) | - |
| Administrative expense | | (25,939) | 25,939 |
| Other changes | | 27,120 | (27,120) |
| Net changes | <u>717,038</u> | <u>511,030</u> | <u>206,008</u> |
| Balances as of June 30, 2021 | <u>\$ 35,410,429</u> | <u>\$ 25,787,524</u> | <u>\$ 9,622,905</u> |

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Municipal Employee's Retirement System - EMT

| | Increase (Decrease) | | |
|---|----------------------------|--------------------------------|-------------------------------------|
| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability (Asset) |
| Balances as of July 1, 2020 | \$ 4,032,235 | \$ 4,574,528 | \$ (542,293) |
| Changes for the Year | | | |
| Service cost | 210,513 | | 210,513 |
| Interest on the total pension liability | 284,831 | | 284,831 |
| Difference between expected and actual experience | (102,946) | | (102,946) |
| Changes in assumptions | (39,995) | | (39,995) |
| Employer contributions | | 68,073 | (68,073) |
| Employee contributions | | 99,722 | (99,722) |
| Net investment income | | 176,331 | (176,331) |
| Benefit payments, including employee refunds | (136,960) | (136,960) | - |
| Administrative expense | | (4,858) | 4,858 |
| Other changes | | 52,965 | (52,965) |
| Net changes | <u>215,443</u> | <u>255,273</u> | <u>(39,830)</u> |
| Balances as of June 30, 2021 | <u>\$ 4,247,678</u> | <u>\$ 4,829,801</u> | <u>\$ (582,123)</u> |

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

The following presents the net pension liability (asset) of the employers calculated using the current discount rate, as well as what the employers' net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate.

| | Current Discount | | |
|-------------------|-----------------------|----------------|-----------------------|
| | 1% Decrease (6.0%) | Rate (7.0%) | 1% Increase (8.0%) |
| General Employees | \$ 19,471,757 | \$ 12,977,120 | \$ 5,138,683 |
| Police | 12,800,790 | 9,622,905 | 5,787,820 |
| EMT | (208,474) | (582,123) | (1,033,209) |

Pension Plan Fiduciary Net Position

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

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

For the year ended June 30, 2021, the employer recognized pension expense of \$3,933,331. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

| | <u>Municipal</u> | <u>Police</u> | <u>EMT</u> | <u>Total</u> |
|--|---------------------|---------------------|-------------------|---------------------|
| Deferred outflows of resources: | | | | |
| Difference between expected and actual experience | \$ 311,104 | \$ 529,861 | \$ 52,018 | \$ 892,983 |
| Changes of assumptions | 366,033 | 1,118,359 | 102,183 | 1,586,575 |
| Net difference between projected and actual earnings on pension plan investments | 1,066,251 | 453,466 | 80,038 | 1,599,755 |
| Town contributions subsequent to measurement date | <u>1,639,644</u> | <u>1,084,233</u> | <u>37,862</u> | <u>2,761,739</u> |
| Total Deferred Outflows of Resources | <u>\$ 3,383,032</u> | <u>\$ 3,185,919</u> | <u>\$ 272,101</u> | <u>\$ 6,841,052</u> |
| | | | | |
| | <u>Municipal</u> | <u>Police</u> | <u>EMT</u> | <u>Total</u> |
| Deferred inflows of resources: | | | | |
| Difference between expected and actual experience | \$ 715,201 | \$ 1,679,909 | \$ 540,255 | \$ 2,935,365 |
| Changes of assumptions | <u>472,587</u> | <u>18,193</u> | <u>34,047</u> | <u>524,827</u> |
| Total Deferred Inflows of Resources | <u>\$ 1,187,788</u> | <u>\$ 1,698,102</u> | <u>\$ 574,302</u> | <u>\$ 3,460,192</u> |

Total of the Town contributions subsequent to measurement date of \$2,761,739 reported as deferred outflows of resources related to pensions above will be recognized as a reduction of the net pension liability in the subsequent period.

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

| <u>Year Ending June 30,</u> | <u>Municipal</u> | <u>Police</u> | <u>EMT</u> |
|-----------------------------|-------------------|-------------------|---------------------|
| 2022 | \$ 108,818 | \$ (67,565) | \$ (98,983) |
| 2023 | 106,691 | 271,826 | (67,002) |
| 2024 | 143,763 | 275,782 | (59,148) |
| 2025 | 196,328 | 18,751 | (56,748) |
| 2026 | | (95,210) | (42,783) |
| Thereafter | | | <u>(15,399)</u> |
| Total | <u>\$ 555,600</u> | <u>\$ 403,584</u> | <u>\$ (340,063)</u> |

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

Plan Description

All full-time teachers, principals, school nurses and certain other school officials (including the superintendent) in the town's school system must participate in a cost-sharing multiple-employer defined benefit pension plan - the Employees' Retirement System plan - administered by the Employees' Retirement System of the State of Rhode Island (System). Under a cost-sharing plan, pension obligations for employees of all employers are pooled and plan assets are available to pay the benefits of the employees of any participating employer providing pension benefits through the plan, regardless of the status of the employers' payment of its pension obligation to the plan. The plan provides retirement and disability benefits and death benefits to plan members and beneficiaries.

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

Eligibility and Plan Benefits

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

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

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

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

Contributions

The funding policy, as set forth in the General Laws, Section 16-16-22, provides for actuarially determined periodic contributions to the plan. For fiscal 2019, full-time teachers, principals, school nurses and certain other school officials were required to contribute 3.75% of their annual covered salary, except for teachers with 20 or more years of service as of June 30, 2012 must contribute 11% of their annual covered salary. The State and the School are required to contribute at an actuarially determined rate, 40% of which is to be paid by the state and the remaining 60% is to be paid by the

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School; the rates were 10.75% and 14.50% of annual covered payroll for the fiscal year ended June 30, 2021 for the state and School, respectively. The School contributed \$3,976,714, \$3,760,382 and \$3,838,124 for the fiscal years ended June 30, 2021, 2020 and 2019, respectively, equal to 100% of the required contributions for each year.

For the year ended June 30, 2021, the amount of “on-behalf” contributions made by the State was \$2,948,281 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

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

At June 30, 2021, the School reported a liability of \$45,952,223 for its proportionate share of the net pension liability that reflected a reduction for contributions made by the state. The amount recognized by the School as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with the School were as follows:

| | |
|---|-----------------------------|
| School's proportionate share of the net pension liability | \$ 45,952,223 |
| State's proportionate share of the net pension liability associated with the School | <u>34,143,627</u> |
| Total Net Pension Liability | <u><u>\$ 80,095,850</u></u> |

The net pension liability was measured as of June 30, 2020, the measurement date, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020. The School's proportion of the net pension liability was based on a projection of the School's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the state, actuarially determined. At June 30, 2020 the School's proportion was 1.44%.

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For the year ended June 30, 2021, the School recognized gross pension expense of \$7,120,207 and revenue of \$3,455,375 for support provided by the State in Exhibit II. At June 30, 2021 the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | |
|---|-------------------------|
| Deferred outflows of resources: | |
| Difference between expected and actual experience | \$ 449,290 |
| Changes of assumption | 2,051,381 |
| Net difference between projected and actual earning on pension plan investments | |
| Changes in proportionate share of employer contributions | 1,310,995 |
| Net difference between projected and actual earning on pension plan investments | 932,922 |
| Contributions subsequent to the measurement date | <u>3,976,714</u> |
| Total Deferred Outflows of Resources | \$ <u>8,721,302</u> |
| Deferred inflows of resources: | |
| Difference between expected and actual experience | \$ 895,539 |
| Change of assumptions | 1,070,840 |
| Changes in proportionate share of employer contributions | <u>4,989,805</u> |
| Total Deferred Inflows of Resources | \$ <u>6,956,184</u> |

The \$3,976,714 reported as deferred outflows of resources related to pensions resulting from the School contributions in fiscal year 2021 subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| <u>Year Ending June 30,</u> | |
|-----------------------------|---------------------------|
| 2022 | \$ (772,987) |
| 2023 | (152,568) |
| 2024 | (25,824) |
| 2025 | (232,874) |
| 2026 | (475,713) |
| Thereafter | <u>(551,630)</u> |
| Total | \$ <u>(2,211,596)</u> |

Actuarial Assumptions

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

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

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Mortality - variants of the RP-2014 mortality tables - for the improvement scale, update to the ultimate rates of the MP-2016 projection scale.

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:

| <u>Type of Investments</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|-----------------------------------|--------------------------|---|
| Global Equity | | |
| U.S. Equity | 23.00% | 6.31% |
| International Developed Equity | 12.10% | 6.71% |
| Emerging Markets Equity | 4.90% | 8.69% |
| Private Growth | | |
| Private Equity | 11.25% | 9.71% |
| Non-Core Real Estate | 2.25% | 5.66% |
| Opportunistic Private Credit | 1.50% | 9.71% |
| 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% |
| Crisis Protection Class | | |
| Treasury Duration | 5.00% | 0.10% |
| Systematic Trend | 5.00% | 3.84% |
| Inflation Protection Class | | |
| Core Real Estate | 3.60% | 5.66% |
| Private Infrastructure | 2.40% | 6.06% |
| TIPs | 2.00% | 0.74% |
| Volatility Protection | | |
| IG Fixed Income | 3.25% | 1.54% |
| Securitized Credit | 3.25% | 1.54% |
| Absolute Return | 6.50% | 3.84% |
| Cash | 2.00% | 0.10% |
| | <u>100.0%</u> | |

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

Discount Rate

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

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

The following presents the net pension liability calculated using the current discount rate as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate.

| | 1% Decrease | Current Discount | 1% Increase |
|--|-----------------------------|-----------------------------|-----------------------------|
| | (6.0%) | Rate | (8.0%) |
| | <u> </u> | <u> </u> | <u> </u> |
| | \$ 55,135,399 | \$ 45,952,223 | \$ 34,869,638 |

Pension Plan Fiduciary Net Position

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

C. Aggregated Pension Information

The Town recognized the following amounts related to pension plans as of and for the year ended June 30, 2021:

| | MERS | MERS | MERS | ERS | Total |
|--|------------------|---------------|-------------|------------|--------------|
| | Municipal | Police | EMT | | |
| Net pension asset | \$ | \$ | \$ 582,123 | \$ | \$ 582,123 |
| Deferred outflows of resources related to pensions | 3,383,032 | 3,185,919 | 272,101 | 8,721,302 | 15,562,354 |
| Net pension liability | 12,977,120 | 9,622,905 | | 45,952,223 | 68,552,248 |
| Deferred inflows of resources related to pensions | 1,187,788 | 1,698,102 | 574,302 | 6,956,184 | 10,416,376 |
| Pension expense | 2,652,860 | 1,299,819 | (19,348) | 3,664,832 | 7,598,163 |

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

Plan Description

Employees participating in the defined benefit plan with less than 20 years of service as of June 30, 2012, as described above, also participate in a defined contribution plan authorized by General Law Chapter 36-10.3. The defined contribution plan is established under IRS section 401(a) and is administered by TIAA-CREF. Employees may choose among various investment options available to plan participants. Employees contribute 5% of their annual covered salary and employers contribute between 1% and 1.5% of annual covered salary depending on the employee's total years of service as

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of June 30, 2012. Employee contributions are immediately vested while employer contributions and any investment earnings thereon are vested after three years of contributory service. Benefit terms and contributions required under the plan by both the employee and employer are established by the General Laws, which are subject to amendment by the General Assembly.

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

Teachers that Contribute to Social Security

Plan Funding Policy

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

| | <u>Employee Contribution</u> | <u>Employer Contribution</u> |
|--|--|--|
| ERS - teachers - contribute to Social Security - less than 20 years of service at 7/1/2012 | 5% | 1% to 1.5% depending on years of service |
| ERS - teachers - more than 20 years of service on July 1, 2012 | No DC plan contributions (employee and employer) after July 1, 2015 | |

The plan members and town contributed \$1,463,550 and \$340,254, respectively, during the fiscal year ended June 30, 2021 for teacher plan members.

General Employees in MERS that Contribute to Social Security

Plan Funding Policy

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

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

The plan members and town contributed \$364,221 and \$81,899, respectively, during the fiscal year ended June 30, 2021 for town plan members.

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

11. OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN

The Town of South Kingstown OPEB Trust (the Trust)

Plan Description

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

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

Benefits Provided

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

Eligibility

General Employees

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

Police and EMT

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

Teachers and Administrators

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

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Employees Covered by Benefit Terms

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

| | <u>Participants</u> |
|------------------|---------------------|
| Active employees | 635 |
| Retirees | <u>81</u> |
| Total | <u><u>716</u></u> |

Contributions

Town Employees hired before July 1, 2006

30 years of service: For 4 years, the Town shall pay \$5,500 per year toward the annual cost, and the retiree shall pay the difference, payable on a monthly basis, until Medicare eligible;

25 years of service: For 3 years, the Town shall pay \$4,500 per year toward the annual cost, and the retiree shall pay the difference, payable on a monthly basis, until Medicare eligible;

20 years of service: For 3 years, the Town shall pay \$2,500 per year toward the annual cost, and the retiree shall pay the difference, payable on a monthly basis, until Medicare eligible.

Town Employees hired after July 1, 2006

30 years of service: For 3 years, the Town shall pay \$4,000 per year toward the annual cost, and the retiree shall pay the difference, payable on a monthly basis, until Medicare eligible;

25 years of service: For 3 years, the Town shall pay \$2,666 per year toward the annual cost, and the retiree shall pay the difference, payable on a monthly basis, until Medicare eligible;

20 years of service: For 3 years, the Town shall pay \$1,333 per year toward the annual cost, and the retiree shall pay the difference, payable on a monthly basis, until Medicare eligible.

Police Employees

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

EMT Employees

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

Public Works Employees hired before July 1, 2005

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

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Public Works Employees hired after July 1, 2005

30 years of service: For 3 years, the Town shall pay \$4,000 per year toward the annual cost, and the retiree shall pay the difference, payable on a monthly basis, until Medicare eligible;

25 years of service: For 3 years, the Town shall pay \$2,666 per year toward the annual cost, and the retiree shall pay the difference, payable on a monthly basis, until Medicare eligible;

20 years of service: For 3 years, the Town shall pay \$1,333 per year toward the annual cost, and the retiree shall pay the difference, payable on a monthly basis, until Medicare eligible.

School Employees

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

To be eligible for post-employment benefits, the employee must be eligible to retire under the MERS.

For the year ended June 30, 2021, town and school plan members contributed \$179,199 of premium payments. The Town is required to contribute the balance of the current premium cost and may contribute an additional amount as determined by the Town in order to prefund benefits.

Investments

Investment Policy

The Trust's policy in regard to the allocation of invested assets is established and may be amended by the VIAS discretionary investment management agreement approved and signed by the Town's plan administrator and any other investment policy established by the Town. It is the policy of the Town to pursue an investment strategy that reduced risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The Town's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short term span.

Rate of Return

For the year ended June 30, 2021 the annual money-weighted rate of return on investments, net of investment expense, was 20.81%. The money weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Asset of the Town

The components of the net OPEB asset of the Town at June 30, 2021, were as follows:

| | |
|---|------------------------------|
| Total OPEB liability | \$ 17,632,468 |
| Plan fiduciary net position | <u>23,479,437</u> |
| Town's Net OPEB Asset | <u><u>\$ (5,846,969)</u></u> |
| Plan fiduciary net position as a percentage of the total OPEB liability | 133.2% |

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The Town's net OPEB asset was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

| | |
|----------------------------|---|
| Inflation | 2.10% per year |
| Projected Salary Increases | 3.25% |
| Investment Rate of Return | 6.25% |
| Healthcare Cost Trend Rate | Initial rate of 7.50% decreasing by 0.50% annually to an ultimate rate of 4.50% |

Mortality rates were based on the following:

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

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

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|--------------------------|--------------------------|---|
| U.S. Equity | 34.00% | 5.30% |
| Non-U.S. Equity | 21.00% | 8.00% |
| U.S. Aggregate Bonds | 15.00% | 3.10% |
| Intermediate-Term Credit | 10.00% | 3.60% |
| Short-Term Credit | 5.00% | 3.50% |
| Intermediate-Term TIPS | 10.00% | 2.80% |
| REITs | <u>5.00%</u> | 4.80% |
| Total | <u><u>100%</u></u> | |

Discount Rate

The discount rate used to measure the total OPEB liability at June 30, 2021 and 2020 was 6.25% and 6.50%, respectively. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

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Changes in the Net OPEB Liability (Asset)

| | Increase (Decrease) | | |
|---|---------------------------------|--|---------------------------------------|
| | Total OPEB Liability | Plan Fiduciary Net Position | Net OPEB Liability (Asset) |
| Balances as of July 1, 2020 | \$ 18,131,098 | \$ 18,426,875 | \$ (295,777) |
| Changes for the Year | | | |
| Service cost | 624,785 | | 624,785 |
| Interest on the total pension liability | 1,176,031 | | 1,176,031 |
| Changes in assumptions | 277,949 | | 277,949 |
| Difference between expected and actual experience | (1,229,973) | | (1,229,973) |
| Employer contributions | | 2,100,581 | (2,100,581) |
| Net investment income | | 4,352,851 | (4,352,851) |
| Benefit payments | (1,347,422) | (1,347,422) | - |
| Administrative expense | | (53,448) | 53,448 |
| Net changes | <u>(498,630)</u> | <u>5,052,562</u> | <u>(5,551,192)</u> |
| Balances as of June 30, 2021 | <u>\$ 17,632,468</u> | <u>\$ 23,479,437</u> | <u>\$ (5,846,969)</u> |

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

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

| | 1% Decrease (5.25%) | Current Discount (6.25%) | 1% Increase (7.25%) |
|----------------------------|--------------------------------|---|--------------------------------|
| Net OPEB Asset (Liability) | \$ (4,682,702) | \$ (5,846,969) | \$ (6,927,765) |

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

The following presents the net OPEB asset (liability) of the Town, as well as what the Town's net OPEB asset (liability) would be if it were calculated using healthcare cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

| | 1% Decrease (6.50% Decreasing to 3.50%) | Healthcare Cost Trend Rates (7.50% Decreasing to 4.50%) | 1% Increase (8.50% Decreasing to 5.50%) |
|----------------------------|--|--|--|
| Net OPEB Asset (Liability) | \$ (7,401,674) | \$ (5,846,969) | \$ (4,062,582) |

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

For the year ended June 30, 2021, the Town recognized OPEB expense of (\$693,565). At June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| Difference between expected and actual experience | \$ | \$ (7,109,515) |
| Changes of assumptions | 2,306,230 | |
| Net difference between projected and actual earnings on OPEB plan investments | | <u>(2,447,025)</u> |
| Total | <u>\$ 2,306,230</u> | <u>\$ (9,556,540)</u> |

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

| <u>Year Ending June 30,</u> | <u>Net Deferred Outflow (Inflow) of Resources</u> |
|---------------------------------|---|
| 2022 | \$ (1,240,295) |
| 2023 | (1,245,230) |
| 2024 | (1,223,172) |
| 2025 | (1,255,952) |
| 2026 | (629,406) |
| Thereafter | <u>(1,656,255)</u> |
| Total | <u>\$ (7,250,310)</u> |

12. TAX ABATEMENTS

As of June 30, 2021, the Town provides tax abatements through multiple programs:

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

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The Welcome House of South County Program (Welcome House Program) provides real property tax abatements to encourage emergency shelter, transitional and permanent supportive housing to homeless men, women and families in Washington County. Authority for the Welcome House Program is granted under Rhode Island General Assembly (Public Laws of 2003, Chapter 220). Eligibility requirements for the Welcome House Program are that guests are required to complete community service weekly, refrain from any drug or alcohol use, actively seek employment, meet weekly with a case manager, save income and look to better their lives. The abatement is granted on 75% of the taxes and are assessed at the 25% remaining value excluding the administrative building and homeless shelter which are tax exempt. For the fiscal year ended June 30, 2021, taxes abated through this program total \$37,118. There are no provisions to recapture abated taxes under this program, however any sale or transfer of the premises to any other entity will terminate the agreement effective upon the date in which the sale or transfer occurs. No other commitments have been made by the Town to the abatement recipient under this program.

The Jewish Children's Home of Rhode Island Program (Camp JORI) provides real property tax abatements for the provision of a summer camp for disadvantaged Jewish children including full-pay tuition. Authority for the Camp JORI abatement program is granted under Rhode Island General Assembly (Public Laws of 2003, Chapter 220). Eligibility requirements for the Camp JORI are that the program provide disadvantaged children with opportunities and allows the children cultural enrichment. The abatement is granted on the excess land value generally assessed as "open space" and carrying a value of \$500 to \$5,000 per acre. A payment in lieu of taxes is made annually and is based on the current year tax rate. For the fiscal year ended June 30, 2021, taxes abated through this program total \$61,476. There are no provisions to recapture abated taxes under this program; however, any sale or transfer of the premises to any other entity will terminate the agreement effective upon the date in which the sale or transfer occurs. No other commitments have been made by the Town to the abatement recipient under this program.

The South Kingstown Land Trust Abatement Program (SK Land Trust) provides real property tax abatements to encourage the conservation of natural resources of the Town through preservation and stewardship of open spaces. Authority for the SK Land Trust Program is granted under Rhode Island General Assembly (Public Laws of 2003, Chapter 220). Eligibility requirements are that the recipient provides lasting protection of the Town's open spaces, wildlife habitats, farm and forest lands, aquifers and recharge areas and coastal ecosystems. The abatement is granted on 50% of the property value. For the fiscal year ended June 30, 2021, taxes abated through this program total \$4,134. There are no provisions to recapture abated taxes under this program, however any sale or transfer of the premises to any other entity will terminate the agreement effective upon the date in which the sale or transfer occurs. No other commitments have been made by the Town to the abatement recipient under this program.

The South County Hospital Abatement Program (So Co Hospital) provides real property tax abatements to property owned by So Co Hospital and leased to for-profit business corporations in order to encourage the construction of such facilities. Authority for the So Co Hospital Abatement Program is granted under Rhode Island General Assembly (Public Laws of 1997, Chapter 245). Eligibility requirements are that the property being leased in the aforementioned manner is not to exceed 85% of the space. The abatement is granted on 100% of the property value being leased to the commercial entities with a payment in lieu of taxes made instead that is based on an agreed-upon value modified by the current tax rate. For the fiscal year ended June 30, 2021, taxes abated through this program total \$637,326. There are no provisions to recapture abated taxes under this program; however, any sale or transfer of the premises to any other entity will terminate the agreement effective upon the date in which the sale or transfer occurs. No other commitments have been made by the Town to the abatement recipient under this program.

13. SIGNIFICANT COMMITMENTS

Community Septic System Loan Program

On August 30, 2002, the Town entered into an agreement with the Rhode Island Clean Water Finance Agency to finance the Town’s Community Septic System Loan Program. The loan agreement provides the Town with a \$300,000 non-restoring line of credit. The proceeds of the loan shall be used by the Town for the establishment of an operation of a Community Septic System Loan Program. The Program provides for the Town to make loans to property owners of the Town for the repair or replacement of failed or failing septic systems. The individual loans to be made to property owners shall be underwritten by the Town with the assistance of the Rhode Island Housing Mortgage Finance Corporation (RIHMFC). RIHMFC, on behalf of the Town, shall perform all administrative functions related to servicing the individual loans, including disbursing loans to property owners and collecting and remitting borrower loan payments. The loan has a zero interest rate to the Town and 4% to property owners. The Town is only required to make principal repayments in the event that individual property owners default on their loans. Accordingly, the potential liability has not been accrued (reported) in the Town’s financial statements. As of June 30, 2021, there are \$300,000 in loans issued and an available (non-restoring) line-of-credit balance of \$-0-.

In June 2005, the Town Council authorized and entered into a second agreement with Rhode Island Clean Water Finance Agency to finance the Town’s Community Septic System Loan Program. The loan agreement provides the Town with an additional \$1,000,000 nonrestoring line of credit that will be funded in three increments of \$300,000 and a final increment of \$100,000. Each increment will be funded only upon the complete drawdown of all prior increments. The proceeds of the loan shall be used by the Town towards the operation of the community Septic System Loan Program. The terms of the loan program are consistent with the terms described in the above-noted paragraph except that the new agreement has a 2% (versus 4%) interest rate to property owners. As of June 30, 2021, there are \$1,000,000 in loans issued and an available (non-restoring) line-of-credit balance of \$-0-.

In August 2010, the Board of Directors of the Rhode Island Clean Water Finance Agency, pursuant to policies and procedures adopted in accordance with Title VI of the Federal Clean Water Act and Chapter 12.2 of the Rhode Island General Laws, notified the Town that it has been approved for an additional \$1,000,000 of funding for the Community Septic System Loan Program. The loan total will be funded in three increments of \$300,000 and a final increment of \$100,000. As of June 30, 2021, there are 7 closings totaling \$139,309 in loans issued and an available line-of-credit balance of \$121,886.

Operating Leases

The Town participates in various operating lease agreements for equipment. The following are the future minimum required payments under operating lease agreements as of June 30, 2021:

| <u>Year Ending June 30</u> | |
|----------------------------|-------------------|
| 2022 | \$ 201,773 |
| 2023 | 108,806 |
| 2024 | <u>37,589</u> |
| Total | <u>\$ 348,168</u> |

14. RISK MANAGEMENT

A. Rhode Island Inter-Local Risk Management Trust

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

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

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

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

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

B. Internal Service Funds - Health Care Management Fund

During September 1992, the Town established the Health Care Management Fund to account for its health and dental coverage programs.

Over the past 20 years, the Town has used a combination of the following financing plans to pay for its medical and dental programs for all eligible employees of the Town and School Department and their dependents. The plans consist of the following:

- Prospective Premium Basis - a fully insured plan that was used by the Town in fiscal 2008, and
- Cost Plus Basis - the Town pays for the actual cost of covered health care services plus a fee to the provider for the administration of the program (used by the Town from the period of July 1, 2008 through June 30, 2016)

Due to the School and Town experiencing significant increases in claims payments over prior fiscal years which initiated the need to research and consider the fully-insured option. In December 2015, the Town issued a request for proposal from the Trust and West Bay to evaluate which option was in the best interest of the Town and School and determined that at the current time given the escalating claims experience being fully-insured was a less risky option for both entities and, as of July 1, 2016 transferred the relationship to The Trust.

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Payments within the Health Care Management Fund related to claims incurred and outstanding prior to July 1, 2016 were completed during the year ended June 30, 2018 with the settlement of amounts owed to the fund for overfunded claims resolved during the year ended June 30, 2019. No future liability for claims incurred by not reported (IBNR) remains as of June 30, 2021.

15. CONTINGENCIES

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

The Town has been notified by the Environmental Protection Agency (EPA) that two former landfills have been placed on the Superfund list. The Rose Hill Regional Landfill was previously operated by the towns of South Kingstown and Narragansett, Rhode Island. A Record of Decision (ROD) was issued in December 1999, which delineates EPA's approved remediation strategy for the site. Consent Decree negotiations with EPA began in November 2000 and were completed in January 2003. The towns have paid \$4,125,000 to settle all past and future federal liabilities associated with the Rose Hill site. South Kingstown's \$2,000,000 payment to the Federal Government was funded with a 20-year general obligation bond sold in September 2002 at an interest rate of 1.648%. Repayment of the debt service associated with this bond will be provided from funds held in reserve within the Solid Waste Fund and from property taxes. The Town also paid \$504,932 for state natural resource damages and \$62,500 for its share of federal natural resource damages. The Consent Decree also requires reimbursement of 30% of the State of Rhode Island costs associated with the remediation of this landfill site and ongoing operation and maintenance costs. This cost of \$3,941,566 will also be shared equally between the two towns. The remaining balance of the Town's share of the estimated cost of reimbursing the State is \$1,073,566 at June 30, 2021. Accordingly, this amount has been reported as a liability in the government-wide financial statements. This balance will be paid off during fiscal year ending 2037.

In addition to the above, the government is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the government's legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the government.

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

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 JUNE 30, 2021**

16. PRIOR PERIOD ADJUSTMENT AND RESTATEMENT

The Town previously reported the activities of the Student Activities Agency Fund and the Unclaimed Estates Fund as fiduciary funds. As a result of implementation of GASB No. 84, *Fiduciary Activities*, as of July 1, 2020, the Town made the following reporting changes: The activities of the Unclaimed Estates Fund are reported with the general fund activities, and the Student Activities Fund is reported as a special revenue fund. Accordingly, the Town restated beginning balances of the assets, liabilities, fund balance and net position as follows:

| Governmental Funds: | Governmental Activities Net Position | Nonmajor Governmental Funds Fund Balance |
|---|---|---|
| | <u> </u> | <u> </u> |
| Balance as previously reported June 30, 2020 | \$ 63,533,785 | \$ 17,231,528 |
| Adjustment: | | |
| Student Activities now reported as a Special Revenue Fund | <u>366,025</u> | <u>366,025</u> |
| Balance as restated July 1, 2020 | <u>\$ 63,899,810</u> | <u>\$ 17,597,553</u> |

Required Supplementary Information

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TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

| | Budgeted Amounts | | Actual | Variance with |
|--|--------------------|--------------------|---------------------|--|
| | Original | Final | | Final Budget - Positive (Negative) |
| Revenues: | | | | |
| Property tax revenues | \$ 77,623,913 | \$ 77,623,913 | \$ 77,308,644 | \$ (315,269) |
| Intergovernmental revenues | 7,732,875 | 7,732,875 | 8,087,806 | 354,931 |
| Licenses, fees, tuition and rent | 1,503,599 | 1,503,599 | 1,921,835 | 418,236 |
| Other local revenues | 1,942,182 | 1,942,182 | 2,037,197 | 95,015 |
| Use of fund balance | 811,061 | 811,061 | 361,061 | (450,000) |
| Total revenues | <u>89,613,630</u> | <u>89,613,630</u> | <u>89,716,543</u> | <u>102,913</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 4,868,493 | 4,771,404 | 4,752,407 | 18,997 |
| Public safety | 12,796,435 | 12,795,322 | 12,467,792 | 327,530 |
| Public works | 3,244,855 | 3,244,393 | 3,094,366 | 150,027 |
| Human service agency contribution | | 99,000 | 99,000 | - |
| Recreation | 2,036,016 | 2,036,016 | 1,796,049 | 239,967 |
| Public libraries | 1,316,529 | 1,316,193 | 1,283,262 | 32,931 |
| Education | 61,856,830 | 61,856,830 | 61,063,207 | 793,623 |
| Pension and other employee benefits | 1,137,233 | 1,137,233 | 1,141,267 | (4,034) |
| Total expenditures | <u>87,256,391</u> | <u>87,256,391</u> | <u>85,697,350</u> | <u>1,559,041</u> |
| Excess of Revenues over Expenditures | <u>2,357,239</u> | <u>2,357,239</u> | <u>4,019,193</u> | <u>1,661,954</u> |
| Other Financing Uses: | | | | |
| Transfers in | 1,154,074 | 1,154,074 | 1,171,471 | 17,397 |
| Transfers out | <u>(3,511,313)</u> | <u>(3,511,313)</u> | <u>(3,811,313)</u> | <u>(300,000)</u> |
| Total Other Financing Uses | <u>(2,357,239)</u> | <u>(2,357,239)</u> | <u>(2,639,842)</u> | <u>(282,603)</u> |
| Excess of Revenues and Other Sources | \$ <u>-</u> | \$ <u>-</u> | 1,379,351 | \$ <u>1,379,351</u> |
| Budgetary excess of revenues over expenditures is different than GAAP net change in fund balance because of the following reconciling items: | | | | |
| Use of fund balance is not a GAAP revenue | | | (361,061) | |
| Cancellation of prior year encumbrances is not a GAAP revenue | | | (108,361) | |
| Reimbursement of fund balance from School Dept to Town-prior year | | | (1,097,937) | |
| Recognition of fair market value of investments | | | (236,918) | |
| Change in encumbrances | | | <u>(26,673)</u> | |
| Total Net Change in Fund Balance - GAAP basis | | | \$ <u>(451,599)</u> | |

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

| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| A. Total pension liability | | | | | | | |
| Service Cost | \$ 1,152,324 | \$ 1,203,577 | \$ 1,218,311 | \$ 1,188,057 | \$ 1,177,994 | \$ 1,178,841 | \$ 1,187,868 |
| Interest on the Total Pension Liability | 4,917,590 | 4,749,160 | 4,576,056 | 4,486,906 | 4,294,016 | 4,112,669 | 3,904,997 |
| Changes of benefit terms | | | | | | 1,025,090 | |
| Difference between expected and actual experience | (916,985) | 315,654 | 308,036 | 213,561 | 388,521 | (897,943) | |
| Changes of assumptions | (605,921) | | | 3,074,881 | | | 431,607 |
| Benefit payments, including refunds of employee contributions | <u>(3,917,097)</u> | <u>(3,756,129)</u> | <u>(3,488,130)</u> | <u>(3,375,303)</u> | <u>(3,212,066)</u> | <u>(2,788,503)</u> | <u>(2,713,486)</u> |
| Net change in total pension liability | 629,911 | 2,512,262 | 2,614,273 | 5,588,102 | 2,648,465 | 2,630,154 | 2,810,986 |
| Total pension liability - beginning | <u>71,633,678</u> | <u>69,121,416</u> | <u>66,507,143</u> | <u>60,919,041</u> | <u>58,270,576</u> | <u>55,640,422</u> | <u>52,829,436</u> |
| Total pension liability - ending (a) | <u>\$ 72,263,589</u> | <u>\$ 71,633,678</u> | <u>\$ 69,121,416</u> | <u>\$ 66,507,143</u> | <u>\$ 60,919,041</u> | <u>\$ 58,270,576</u> | <u>\$ 55,640,422</u> |
| B. Plan fiduciary net position | | | | | | | |
| Contributions - employer | \$ 1,616,179 | \$ 1,574,009 | \$ 1,454,110 | \$ 1,481,417 | \$ 1,392,328 | \$ 1,420,102 | \$ 1,298,368 |
| Contributions - employee | 388,409 | 398,154 | 416,695 | 431,900 | 420,375 | 246,747 | 247,508 |
| Net investment income (loss) | 2,164,425 | 3,642,487 | 4,285,588 | 5,792,423 | (6,478) | 1,213,363 | 6,851,087 |
| Benefit payments, including refunds of employee contributions | (3,917,097) | (3,756,129) | (3,488,130) | (3,375,303) | (3,212,066) | (2,788,503) | (2,713,486) |
| Pension Plan Administrative Expense | (59,635) | (56,923) | (57,052) | (54,725) | (57,861) | (48,275) | (42,901) |
| Other | <u>266,883</u> | <u>(246,782)</u> | <u>116,920</u> | <u>36,837</u> | <u>(79,911)</u> | <u>293,093</u> | <u>4,317</u> |
| Net change in plan fiduciary net position | 459,164 | 1,554,816 | 2,728,131 | 4,312,549 | (1,543,613) | 336,527 | 5,644,893 |
| Plan fiduciary net position - beginning | <u>58,827,306</u> | <u>57,272,490</u> | <u>54,544,359</u> | <u>50,231,810</u> | <u>51,775,423</u> | <u>51,438,896</u> | <u>45,794,003</u> |
| Plan fiduciary net position - ending (b) | <u>59,286,470</u> | <u>58,827,306</u> | <u>57,272,490</u> | <u>54,544,359</u> | <u>50,231,810</u> | <u>51,775,423</u> | <u>51,438,896</u> |
| C. Net pension liability - ending (a) - (b) | <u>\$ 12,977,119</u> | <u>\$ 12,806,372</u> | <u>\$ 11,848,926</u> | <u>\$ 11,962,784</u> | <u>\$ 10,687,231</u> | <u>\$ 6,495,153</u> | <u>\$ 4,201,526</u> |
| D. Plan fiduciary net position as a percentage of the total pension liability | 82.04% | 82.12% | 82.86% | 82.01% | 82.46% | 88.85% | 92.45% |
| E. Covered payroll | \$ 13,290,936 | \$ 13,373,078 | \$ 12,946,981 | \$ 12,761,089 | \$ 12,335,012 | \$ 12,266,819 | \$ 11,878,682 |
| F. Net pension liability as a percentage of covered payroll | 97.64% | 95.76% | 91.52% | 93.74% | 86.64% | 52.95% | 35.37% |

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

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

| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| A. Total pension liability | | | | | | | |
| Service Cost | \$ 778,731 | \$ 753,057 | \$ 712,220 | \$ 611,529 | \$ 600,941 | \$ 553,069 | \$ 550,738 |
| Interest on the Total Pension Liability | 2,390,723 | 2,320,873 | 2,169,463 | 2,164,555 | 2,186,552 | 2,031,908 | 1,977,138 |
| Changes of benefit terms | | | | | | 948,578 | |
| Difference between expected and actual experience of the Total Pension Liability | (1,151,920) | (265,606) | 1,045,056 | (687,204) | (1,391,195) | 163,450 | |
| Changes of assumptions | 558,650 | | | 1,737,944 | | | (164,150) |
| Benefit payments, including refunds of employee contributions | <u>(1,859,146)</u> | <u>(1,787,461)</u> | <u>(1,780,867)</u> | <u>(1,710,279)</u> | <u>(1,679,490)</u> | <u>(1,638,543)</u> | <u>(1,630,699)</u> |
| Net change in total pension liability | 717,038 | 1,020,863 | 2,145,872 | 2,116,545 | (283,192) | 2,058,462 | 733,027 |
| Total pension liability - beginning | <u>34,693,391</u> | <u>33,672,528</u> | <u>31,526,656</u> | <u>29,410,111</u> | <u>29,693,303</u> | <u>27,634,841</u> | <u>26,901,814</u> |
| Total pension liability - ending (a) | \$ <u>35,410,429</u> | \$ <u>34,693,391</u> | \$ <u>33,672,528</u> | \$ <u>31,526,656</u> | \$ <u>29,410,111</u> | \$ <u>29,693,303</u> | \$ <u>27,634,841</u> |
| B. Plan fiduciary net position | | | | | | | |
| Contributions - employer | \$ 1,045,441 | \$ 819,275 | \$ 786,772 | \$ 825,285 | \$ 794,657 | \$ 712,921 | \$ 468,675 |
| Contributions - employee | 382,105 | 367,885 | 346,748 | 328,146 | 319,163 | 251,692 | 257,164 |
| Net investment income (loss) | 941,449 | 1,565,078 | 1,814,095 | 2,453,239 | (7,368) | 511,433 | 2,930,811 |
| Benefit payments, including refunds of employee contributions | (1,859,146) | (1,787,461) | (1,780,867) | (1,710,279) | (1,679,490) | (1,638,543) | (1,630,699) |
| Pension Plan Administrative Expense | (25,939) | (24,458) | (24,150) | (23,177) | (19,819) | (19,499) | (18,353) |
| Other | 27,120 | 92,649 | | 2,262 | (5,036) | 416 | 801 |
| Net change in plan fiduciary net position | 511,030 | 1,032,968 | 1,142,598 | 1,875,476 | (597,893) | (181,580) | 2,008,399 |
| Plan fiduciary net position - beginning | <u>25,276,494</u> | <u>24,243,526</u> | <u>23,100,928</u> | <u>21,225,452</u> | <u>21,823,345</u> | <u>22,004,925</u> | <u>19,996,526</u> |
| Plan fiduciary net position - ending (b) | <u>25,787,524</u> | <u>25,276,494</u> | <u>24,243,526</u> | <u>23,100,928</u> | <u>21,225,452</u> | <u>21,823,345</u> | <u>22,004,925</u> |
| C. Net pension liability - ending (a) - (b) | \$ <u>9,622,905</u> | \$ <u>9,416,897</u> | \$ <u>9,429,002</u> | \$ <u>8,425,728</u> | \$ <u>8,184,659</u> | \$ <u>7,869,958</u> | \$ <u>5,629,916</u> |
| D. Plan fiduciary net position as a percentage of the total pension liability | 72.82% | 72.86% | 72.00% | 73.27% | 72.17% | 73.50% | 79.63% |
| E. Covered payroll | \$ 3,821,056 | \$ 3,678,831 | \$ 3,467,480 | \$ 3,284,260 | \$ 3,213,589 | \$ 3,128,217 | \$ 3,120,331 |
| F. Net pension liability as a percentage of covered payroll | 251.84% | 255.98% | 271.93% | 256.55% | 254.69% | 251.58% | 180.43% |

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

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

| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| A. Total pension liability | | | | | | | |
| Service Cost | \$ 210,513 | \$ 177,617 | \$ 157,663 | \$ 152,115 | \$ 144,725 | \$ 144,842 | \$ 135,144 |
| Interest on the Total Pension Liability | 284,831 | 290,630 | 278,283 | 257,163 | 245,078 | 219,726 | 204,900 |
| Changes of benefit terms | | | | | | 180,010 | |
| Difference between expected and actual experience of the Total Pension Liability | (102,946) | (435,897) | (111,537) | 97,946 | (119,389) | (85,523) | |
| Changes of assumptions | (39,995) | | | 192,403 | | | (41,805) |
| Benefit payments, including refunds of employee contributions | <u>(136,960)</u> | <u>(126,334)</u> | <u>(189,661)</u> | <u>(121,882)</u> | <u>(104,062)</u> | <u>(137,877)</u> | <u>(72,944)</u> |
| Net change in total pension liability | 215,443 | (93,984) | 134,748 | 577,745 | 166,352 | 321,178 | 225,295 |
| Total pension liability - beginning | <u>4,032,235</u> | <u>4,126,219</u> | <u>3,991,471</u> | <u>3,413,726</u> | <u>3,247,374</u> | <u>2,926,196</u> | <u>2,700,901</u> |
| Total pension liability - ending (a) | <u>\$ 4,247,678</u> | <u>\$ 4,032,235</u> | <u>\$ 4,126,219</u> | <u>\$ 3,991,471</u> | <u>\$ 3,413,726</u> | <u>\$ 3,247,374</u> | <u>\$ 2,926,196</u> |
| B. Plan fiduciary net position | | | | | | | |
| Contributions - employer | \$ 68,073 | \$ 41,620 | \$ 26,042 | \$ 39,491 | \$ 41,920 | \$ 49,050 | \$ 33,018 |
| Contributions - employee | 99,722 | 83,742 | 74,194 | 80,103 | 77,657 | 65,837 | 63,498 |
| Net investment income (loss) | 176,331 | 283,247 | 321,512 | 434,255 | (1,271) | 85,550 | 478,328 |
| Benefit payments, including refunds of employee contributions | (136,960) | (126,334) | (189,661) | (121,882) | (104,062) | (137,877) | (72,944) |
| Pension Plan Administrative Expense | (4,858) | (4,426) | (4,280) | (4,103) | (3,419) | (3,431) | (2,995) |
| Other | <u>52,965</u> | <u>(1)</u> | <u>(20,290)</u> | <u>(9)</u> | <u>(1)</u> | <u>1</u> | <u>155</u> |
| Net change in plan fiduciary net position | 255,273 | 277,848 | 207,517 | 427,855 | 10,824 | 59,130 | 499,060 |
| Plan fiduciary net position - beginning | <u>4,574,528</u> | <u>4,296,680</u> | <u>4,089,163</u> | <u>3,661,308</u> | <u>3,650,484</u> | <u>3,591,354</u> | <u>3,092,294</u> |
| Plan fiduciary net position - ending (b) | <u>4,829,801</u> | <u>4,574,528</u> | <u>4,296,680</u> | <u>4,089,163</u> | <u>3,661,308</u> | <u>3,650,484</u> | <u>3,591,354</u> |
| C. Net pension liability (asset) - ending (a) - (b) | <u>\$ (582,123)</u> | <u>\$ (542,293)</u> | <u>\$ (170,461)</u> | <u>\$ (97,692)</u> | <u>\$ (247,582)</u> | <u>\$ (403,110)</u> | <u>\$ (665,158)</u> |
| D. Plan fiduciary net position as a percentage of the total pension liability | 113.70% | 113.45% | 104.13% | 102.45% | 107.25% | 112.41% | 122.73% |
| E. Covered payroll | \$ 997,221 | \$ 837,419 | \$ 741,945 | \$ 801,028 | \$ 778,090 | \$ 822,966 | \$ 790,777 |
| F. Net pension asset as a percentage of covered payroll | 58.37% | 64.76% | 22.97% | 12.20% | 31.82% | 48.98% | 84.11% |

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

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

| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Actuarially determined contribution | \$ 1,639,644 | \$ 1,616,179 | \$ 1,574,009 | \$ 1,454,110 | \$ 1,481,417 | \$ 1,392,328 | \$ 1,420,102 |
| Contributions in relation to the actuarially determined contribution | 1,639,644 | 1,616,179 | 1,574,009 | 1,454,110 | 1,481,417 | 1,392,328 | 1,420,102 |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Covered payroll | \$ 13,148,725 | \$ 13,290,936 | \$ 13,373,078 | \$ 12,946,981 | \$ 12,761,089 | \$ 12,335,012 | \$ 12,266,819 |
| Contributions as a percentage of covered payroll | 12.47% | 12.16% | 11.77% | 11.23% | 11.61% | 11.29% | 11.58% |

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

Notes to Schedule:

Valuation date: June 30, 2019

Measurement date: June 30, 2020

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

Methods and assumptions used to determine contribution rates:

| | |
|-------------------------------|---|
| Actuarial cost method | Entry age normal |
| Amortization method | Level percentage of payroll, closed |
| Remaining amortization period | 18 years |
| Asset valuation method | 5-year smoothed market |
| Inflation | 2.50% |
| Salary Increases | 3.00% to 14.00% including inflation |
| Investment rate of return | 7.00% |
| Retirement age | Experience-based table of rates that are specific to the type of eligibility conditions. Last updated for 2017 valuation. |
| Mortality | Male: RP-2014 Combined Healthy for Males with Blue Collar adjustments, projected with the ultimate values of the MP Scale (through 2019). Female: RP-2014 Combined Healthy for Females, projected with the ultimate values of the MP Scale (through 2019). |

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

| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--|------------------|------------------|----------------|----------------|----------------|----------------|----------------|
| Actuarially determined contribution | \$ 1,084,233 | \$ 1,045,441 | \$ 819,275 | \$ 786,772 | \$ 825,285 | \$ 794,657 | \$ 712,921 |
| Contributions in relation to the actuarially determined contribution | <u>1,084,233</u> | <u>1,045,441</u> | <u>819,275</u> | <u>786,772</u> | <u>825,285</u> | <u>794,657</u> | <u>712,921</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Covered payroll | \$ 3,893,748 | \$ 3,821,056 | \$ 3,678,831 | \$ 3,467,480 | \$ 3,284,260 | \$ 3,213,589 | \$ 3,128,217 |
| Contributions as a percentage of covered payroll | 27.85% | 27.36% | 22.27% | 22.69% | 25.13% | 24.73% | 22.79% |

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

Notes to Schedule:

Valuation date: June 30, 2019

Measurement date: June 30, 2020

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method: Entry age normal

Amortization method: Level percentage of payroll, closed

Remaining amortization period: 18 years

Asset valuation method: 5-year smoothed market

Inflation: 2.50%

Salary Increases: 3.00% to 14.00% including inflation

Investment rate of return: 7.00%

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

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

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

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

| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Actuarially determined contribution | \$ 37,862 | \$ 68,073 | \$ 41,620 | \$ 26,042 | \$ 39,491 | \$ 41,920 | \$ 49,050 |
| Contributions in relation to the actuarially determined contribution | <u>37,862</u> | <u>68,073</u> | <u>41,620</u> | <u>26,042</u> | <u>39,491</u> | <u>41,920</u> | <u>49,050</u> |
| Contribution deficiency (excess) | \$ <u>-</u> | \$ <u>-</u> | \$ <u>-</u> | \$ <u>-</u> | \$ <u>-</u> | \$ <u>-</u> | \$ <u>-</u> |
| Covered payroll | \$ 1,082,963 | \$ 997,221 | \$ 837,419 | \$ 741,945 | \$ 801,028 | \$ 778,090 | \$ 822,966 |
| Contributions as a percentage of covered payroll | 3.50% | 6.83% | 4.97% | 3.51% | 4.93% | 5.39% | 5.96% |

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

Notes to Schedule:

Valuation date: June 30, 2019

Measurement date: June 30, 2020

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

Methods and assumptions used to determine contribution rates:

- Actuarial cost method Entry age normal
- Amortization method Level percentage of payroll, closed
- Remaining amortization period 22 years
- Asset valuation method 5-year smoothed market
- Inflation 2.50%
- Salary Increases 3.00% to 14.00% including inflation
- Investment rate of return 7.00%
- Retirement age Experience-based table of rates that are specific to the type of eligibility conditions. Last updated for 2017 valuation.
- Mortality Male: RP-2014 Combined Healthy for Males with Blue Collar adjustments, projected with the ultimate values of the MP Scale (through 2019).
 Female: RP-2014 Combined Healthy for Females, projected with the ultimate values of the MP Scale (through 2019).

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
EMPLOYEES' RETIREMENT SYSTEM - TEACHERS
LAST SEVEN FISCAL YEARS***

| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Town's proportion of the net pension liability | 1.44% | 1.54% | 1.49% | 1.56% | 1.66% | 1.62% | 1.64% |
| Town's proportionate share of the net pension liability | \$ 45,952,223 | \$ 49,057,890 | \$ 47,392,970 | \$ 49,047,536 | \$ 49,461,027 | \$ 44,674,781 | \$ 39,917,633 |
| State's proportionate share of the net pension liability associated with the school district | <u>34,143,627</u> | <u>36,749,440</u> | <u>35,351,752</u> | <u>37,068,153</u> | <u>33,873,541</u> | <u>30,520,408</u> | <u>27,373,360</u> |
| Total | <u>\$ 80,095,850</u> | <u>\$ 85,807,330</u> | <u>\$ 82,744,722</u> | <u>\$ 86,115,689</u> | <u>\$ 83,334,568</u> | <u>\$ 75,195,189</u> | <u>\$ 67,290,993</u> |
| Town's covered payroll | \$ 29,195,257 | \$ 27,832,994 | \$ 28,005,990 | \$ 26,970,899 | \$ 26,698,936 | \$ 25,552,372 | \$ 31,370,787 |
| Town's proportionate share of the net pension liability as a percentage of its covered payroll | 157.40% | 176.26% | 169.22% | 181.85% | 185.25% | 174.84% | 127.24% |
| Plan fiduciary net position as a percentage of the total pension liability | 54.30% | 54.60% | 54.30% | 54.00% | 54.06% | 57.55% | 61.40% |

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

Note:

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

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

| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Actuarially determined contribution | \$ 3,976,714 | \$ 3,760,382 | \$ 3,838,124 | \$ 3,629,676 | \$ 3,636,144 | \$ 3,739,438 | \$ 3,584,110 |
| Contributions in relation to the actuarially determined contribution | <u>3,976,714</u> | <u>3,760,382</u> | <u>3,838,124</u> | <u>3,629,676</u> | <u>3,636,144</u> | <u>3,739,438</u> | <u>3,584,110</u> |
| Contribution Deficiency (Excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Covered payroll | \$ 29,195,257 | \$ 27,832,994 | \$ 28,005,990 | \$ 26,970,899 | \$ 26,698,936 | \$ 25,552,372 | \$ 31,370,787 |
| Contributions as a percentage of covered payroll | 13.62% | 13.51% | 13.70% | 13.46% | 13.62% | 14.63% | 11.42% |

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

Notes:

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

Notes to Schedule:

Valuation date: June 30, 2019
Measurement date: June 30, 2020

Methods and assumptions used to determine contribution rates:

Actuarial cost method Entry age normal
Amortization method Level percentage of payroll, closed
Remaining amortization period 18 years at June 30, 2019
Inflation 2.50%
Salary Increases Teachers - 3.0% to 13.0%
Investment rate of return 7.00%
Mortality State employees and teachers: Variants of the PUB (10) Tables for Health and Disabled Retirees, projected with Scale Ultimate MP16.

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

| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> |
|--|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Total OPEB Liability | | | | | | |
| Service Cost | \$ 624,785 | \$ 734,058 | \$ 719,293 | \$ 719,381 | \$ 719,382 | \$ 820,802 |
| Interest on the total OPEB liability | 1,176,031 | 1,368,716 | 1,411,561 | 1,283,580 | 1,199,145 | 1,416,126 |
| Changes of benefit terms | | | | 25,908 | | |
| Changes of assumptions | 277,949 | 120,308 | | 2,214,123 | | 788,258 |
| Differences between expected and actual experience | (1,229,973) | (2,962,117) | (1,530,172) | (1,155,474) | (214,423) | (3,006,059) |
| Benefit payments | (1,347,422) | (1,324,528) | (1,178,252) | (1,204,160) | (1,142,035) | (1,127,619) |
| Net change in total OPEB liability | (498,630) | (2,063,563) | (577,570) | 1,883,358 | 562,069 | (1,108,492) |
| Total OPEB liability - beginning | 18,131,098 | 20,194,661 | 20,772,231 | 18,888,873 | 18,326,804 | 19,435,296 |
| Total OPEB liability - ending | <u>\$ 17,632,468</u> | <u>\$ 18,131,098</u> | <u>\$ 20,194,661</u> | <u>\$ 20,772,231</u> | <u>\$ 18,888,873</u> | <u>\$ 18,326,804</u> |
| Plan Fiduciary Net Position | | | | | | |
| Contributions - employer | \$ 2,100,581 | \$ 1,909,528 | \$ 2,778,252 | \$ 2,704,160 | \$ 1,742,035 | \$ 1,727,619 |
| Net investment income | 4,352,851 | 994,076 | 1,120,738 | 828,458 | 1,143,920 | (62,732) |
| Benefit payments | (1,347,422) | (1,324,528) | (1,178,252) | (1,204,160) | (1,142,035) | (1,127,619) |
| OPEB Plan Administrative Expense | (53,448) | (38,206) | (34,629) | (29,855) | (38,915) | (55,503) |
| Net change in plan fiduciary net position | 5,052,562 | 1,540,870 | 2,686,109 | 2,298,603 | 1,705,005 | 481,765 |
| Plan fiduciary net position - beginning | 18,426,875 | 16,886,005 | 14,199,896 | 11,901,293 | 10,196,288 | 9,714,523 |
| Plan fiduciary net position - ending (b) | <u>23,479,437</u> | <u>18,426,875</u> | <u>16,886,005</u> | <u>14,199,896</u> | <u>11,901,293</u> | <u>10,196,288</u> |
| Net OPEB Liability (Asset) - Ending | <u>\$ (5,846,969)</u> | <u>\$ (295,777)</u> | <u>\$ 3,308,656</u> | <u>\$ 6,572,335</u> | <u>\$ 6,987,580</u> | <u>\$ 8,130,516</u> |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability | 133.16% | 101.63% | 83.62% | 68.36% | 63.01% | 55.64% |
| Covered-Employee Payroll | \$ 45,574,729 | \$ 42,866,121 | \$ 44,236,539 | \$ 43,253,947 | \$ 42,186,979 | \$ 40,859,060 |
| Net OPEB Liability (Asset) as a Percentage of Covered-Employee Payroll | -12.83% | -0.69% | 7.48% | 15.19% | 16.56% | 19.90% |

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

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

| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|--|---------------------|---------------------|---------------------|---------------------|-------------------|------------------|-----------------------|-----------------------|-----------------------|---------------------|
| Actuarially determined contribution (1) | \$ 1,347,422 | \$ 1,392,198 | \$ 1,857,859 | \$ 1,829,061 | \$ 1,863,644 | \$ 1,812,425 | \$ 1,665,055 | \$ 1,722,851 | \$ 1,878,000 | \$ 1,878,000 |
| Contributions in relation to the actuarially determined contribution | 2,100,581 | 1,909,528 | 2,778,252 | 2,704,160 | 1,742,035 | 1,727,619 | 4,859,217 | 2,948,054 | 2,896,704 | 1,986,031 |
| Contribution Deficiency (Excess) | <u>\$ (753,159)</u> | <u>\$ (517,330)</u> | <u>\$ (920,393)</u> | <u>\$ (875,099)</u> | <u>\$ 121,609</u> | <u>\$ 84,806</u> | <u>\$ (3,194,162)</u> | <u>\$ (1,225,203)</u> | <u>\$ (1,018,704)</u> | <u>\$ (108,031)</u> |
| Covered-employee payroll | \$ 45,574,729 | \$ 42,866,121 | \$ 44,236,539 | \$ 43,253,947 | \$ 42,186,979 | \$ 40,859,060 | \$ 42,546,253 | \$ 42,546,253 | \$ 43,016,000 | \$ 43,016,000 |
| Contributions as a percentage of covered-employee payroll | 4.61% | 4.45% | 6.28% | 6.25% | 4.13% | 4.23% | 11.42% | 6.93% | 6.73% | 4.62% |

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

Notes to Schedule:

Valuation date: June 30, 2021
Measurement date: June 30, 2021

Methods and assumptions used to determine contribution rates:

Actuarial cost method: Entry Age Normal Level % of Salary.
Discount rate: 6.50% and will be updated annually to reflect market conditions
Payroll: Level percentage of payroll, closed
Asset valuation method: Market value of assets
Inflation: 2.10%
Salary Increases: For amortization purposes: 3.25%
For valuation purposes: 14.0%-4% for IBPO/EMT and 7.25%-3.25% for all others
Investment rate of return: 6.50%
Healthcare trend rates: Initial 8.0% decreasing by 0.5% annually to an ultimate rate of 4.50%
Disability/Termination/Retirement rates: Experience-based table of rates that are specific to the type of eligibility conditions.
Mortality: SOA Pub-2010 tables varying by participant group using scale MP-2019.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
 SCHEDULE OF INVESTMENT RETURNS
 OPEB TRUST FUND
 LAST SIX FISCAL YEARS***

| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|
| Annual money-weighted rate of return, net of investment expense | 20.81% | 5.60% | 7.13% | 12.24% | 6.87% | 6.64% |

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

**Supplementary
Combining and Individual
Fund Statements and
Schedules**

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General Fund

GENERAL FUND

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

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

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
COMBINING BALANCE SHEET - GENERAL FUND
JUNE 30, 2021**

| | <u>General Fund</u> | <u>School Unrestricted Fund</u> | <u>Eliminations</u> | <u>Total General Fund</u> |
|---|-------------------------|---|-----------------------|-----------------------------------|
| ASSETS | | | | |
| Cash and cash equivalents | \$ 25,092,732 | \$ 200 | \$ | \$ 25,092,932 |
| Investments | 12,575,078 | | | 12,575,078 |
| Accounts and other receivable, net | 1,301,918 | 76,139 | | 1,378,057 |
| Due from federal and state governments | 13,526 | 54,038 | | 67,564 |
| Due from other funds | 187,192 | 6,447,823 | (6,368,353) | 266,662 |
| Prepaid items | 1,067 | 7,902 | | 8,969 |
| Total Assets | <u>\$ 39,171,513</u> | <u>\$ 6,586,102</u> | <u>\$ (6,368,353)</u> | <u>\$ 39,389,262</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 459,357 | \$ 1,272,015 | \$ | \$ 1,731,372 |
| Accrued liabilities | 1,053,729 | 1,661,501 | | 2,715,230 |
| Due to state and federal governments | 127,968 | | | 127,968 |
| Due to other funds | 18,973,399 | 183,692 | (6,368,353) | 12,788,738 |
| Unearned revenue | 215,214 | | | 215,214 |
| Deposits held in custody of others | 190,453 | | | 190,453 |
| Total liabilities | <u>21,020,120</u> | <u>3,117,208</u> | <u>(6,368,353)</u> | <u>17,768,975</u> |
| Deferred inflows of resources: | | | | |
| Unavailable revenue - property taxes | 667,444 | | | 667,444 |
| Advance property tax collections | 135,736 | | | 135,736 |
| Total deferred inflows of resources | <u>803,180</u> | <u>-</u> | <u>-</u> | <u>803,180</u> |
| Fund balances: | | | | |
| Nonspendable | 1,067 | 7,902 | | 8,969 |
| Committed | 1,567,875 | 3,460,992 | | 5,028,867 |
| Unassigned | 15,779,271 | | | 15,779,271 |
| Total fund balances | <u>17,348,213</u> | <u>3,468,894</u> | <u>-</u> | <u>20,817,107</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$ 39,171,513</u> | <u>\$ 6,586,102</u> | <u>\$ (6,368,353)</u> | <u>\$ 39,389,262</u> |

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES - GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2021**

| | <u>General Fund</u> | <u>School Unrestricted Fund</u> | <u>Eliminations</u> | <u>Total General Fund</u> |
|--|-------------------------|---|---------------------|-----------------------------------|
| Revenues: | | | | |
| Property taxes, interest and lien fees | \$ 77,235,788 | \$ | \$ | \$ 77,235,788 |
| Intergovernmental revenues | 3,434,683 | 4,725,901 | | 8,160,584 |
| Licenses and fees | 1,944,091 | 127,899 | | 2,071,990 |
| Investment income | 61,211 | 2,532 | | 63,743 |
| Fines and charges for services | | 38,030 | | 38,030 |
| Departmental | 1,178,065 | | | 1,178,065 |
| State on behalf pension contribution | | 2,948,281 | | 2,948,281 |
| Other local revenues | | 449,253 | | 449,253 |
| Total revenues | <u>83,853,838</u> | <u>8,291,896</u> | <u>-</u> | <u>92,145,734</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 5,850,939 | | | 5,850,939 |
| Public safety | 12,123,593 | | | 12,123,593 |
| Public works | 2,813,666 | | | 2,813,666 |
| Human service agency contribution | 110,000 | | | 110,000 |
| Public libraries | 1,273,336 | | | 1,273,336 |
| Education | | 63,984,844 | | 63,984,844 |
| Recreation | 1,765,405 | | | 1,765,405 |
| Total expenditures | <u>23,936,939</u> | <u>63,984,844</u> | <u>-</u> | <u>87,921,783</u> |
| Excess (Deficiency) of Revenues over Expenditures | <u>59,916,899</u> | <u>(55,692,948)</u> | <u>-</u> | <u>4,223,951</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers in from other funds | 952,577 | 56,025,896 | (55,994,773) | 983,700 |
| Transfers out to other funds | <u>(60,556,086)</u> | <u>(1,097,937)</u> | <u>55,994,773</u> | <u>(5,659,250)</u> |
| Total other financing sources (uses) | <u>(59,603,509)</u> | <u>54,927,959</u> | <u>-</u> | <u>(4,675,550)</u> |
| Net Change in Fund Balances | 313,390 | (764,989) | - | (451,599) |
| Fund Balances at Beginning of Year | <u>17,034,823</u> | <u>4,233,883</u> | <u>-</u> | <u>21,268,706</u> |
| Fund Balances at End of Year | <u>\$ 17,348,213</u> | <u>\$ 3,468,894</u> | <u>\$ -</u> | <u>\$ 20,817,107</u> |

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES (USES) -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

| | Budgeted Amounts | | Actual | Variance with |
|--|------------------|---------------|---------------|--|
| | Original | Final | | Final Budget - Positive (Negative) |
| Revenues and Use of Fund Balance: | | | | |
| Property taxes: | | | | |
| Current taxes | \$ 76,315,671 | \$ 76,315,671 | \$ 75,987,103 | \$ (328,568) |
| Prior taxes | 530,000 | 530,000 | 504,462 | (25,538) |
| Total taxes current and prior | 76,845,671 | 76,845,671 | 76,491,565 | (354,106) |
| Pilot - Federal Aid | 8,000 | 8,000 | 7,676 | (324) |
| FEMA - Covid revenue | | | 72,856 | 72,856 |
| Interest on taxes | 348,250 | 348,250 | 316,888 | (31,362) |
| Payment in lieu of taxes | 421,992 | 421,992 | 419,659 | (2,333) |
| Total property taxes | 77,623,913 | 77,623,913 | 77,308,644 | (315,269) |
| State aid - Town: | | | | |
| General state aid | 210,219 | 210,219 | 87,591 | (122,628) |
| Telephone tax | 387,095 | 387,095 | 382,796 | (4,299) |
| Meals and beverage tax | 1,053,360 | 1,053,360 | 817,329 | (236,031) |
| State library general aid | 212,544 | 212,544 | 215,634 | 3,090 |
| State library endowment aid | 18,895 | 18,895 | 15,805 | (3,090) |
| State motor vehicle phase-out | 975,705 | 975,705 | 321,889 | (653,816) |
| Hotel tax | 210,000 | 210,000 | 121,584 | (88,416) |
| State CRF Distribution | | | 1,399,277 | 1,399,277 |
| Total state aid - Town | 3,067,818 | 3,067,818 | 3,361,905 | 294,087 |
| Licenses, fees and rents: | | | | |
| Business licenses and fees | 487,910 | 487,910 | 651,568 | 163,658 |
| Nonbusiness licenses and fees | 348,600 | 348,600 | 514,543 | 165,943 |
| Real Estate conveyance fees | 95,000 | 95,000 | 169,127 | 74,127 |
| Rental of Town properties | 413,089 | 413,089 | 424,680 | 11,591 |
| Total licenses, fees and rents | 1,344,599 | 1,344,599 | 1,759,918 | 415,319 |
| Investment income - short term | 250,000 | 250,000 | 298,129 | 48,129 |
| Revenues and Use of Fund Balance: | | | | |
| Departmental revenues: | | | | |
| Police department revenue | 287,650 | 287,650 | 238,831 | (48,819) |
| Park rental revenue | 31,000 | 31,000 | 40,307 | 9,307 |
| Town beach parking | 210,440 | 210,440 | 290,853 | 80,413 |
| Boat and mooring | 36,000 | 36,000 | 43,829 | 7,829 |
| Animal control fees | 1,400 | 1,400 | 765 | (635) |
| Library fines and misc. | 7,200 | 7,200 | 780 | (6,420) |
| Dog/cat licenses and fines | 4,500 | 4,500 | 4,274 | (226) |
| Recreation department | 119,394 | 119,394 | 80,873 | (38,521) |
| Recreation self-support program | 163,900 | 163,900 | 184,899 | 20,999 |
| Planning department | 5,000 | 5,000 | 9,690 | 4,690 |
| Communications department revenue | | | 3,100 | 3,100 |
| Copy charges | 16,500 | 16,500 | 2,036 | (14,464) |
| Recreation department - Outside sponsors | 6,200 | 6,200 | 1,215 | (4,985) |
| Stepping stone - creative | 73,848 | 73,848 | 58,532 | (15,316) |
| Stepping stone - self supported | | | 1,630 | 1,630 |
| Geographic information systems program | 350 | 350 | 416 | 66 |
| Narragansett - Dog Pound | 70,500 | 70,500 | 70,500 | - |
| Miscellaneous - Town | 98,300 | 98,300 | 250,742 | 152,442 |
| Total departmental revenues | 1,132,182 | 1,132,182 | 1,283,272 | 151,090 |
| Use of fund balance | 361,061 | 361,061 | 361,061 | - |
| Total revenues and use of fund balance | 83,779,573 | 83,779,573 | 84,372,929 | 593,356 |

(Continued on next page)

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES (USES) -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

| | Budgeted Amounts | | | Variance with Final Budget - Positive (Negative) |
|--|------------------|------------|------------|---|
| | Original | Final | Actual | |
| Expenditures: | | | | |
| General government: | | | | |
| Town council | \$ 25,546 | \$ 25,546 | \$ 21,582 | \$ 3,964 |
| Financial town meeting | 13,033 | 12,894 | 3,014 | 9,880 |
| Legal staff | 203,082 | 203,082 | 214,664 | (11,582) |
| Probate judge | 7,536 | 7,536 | 7,536 | - |
| Town clerk | 463,731 | 459,731 | 425,060 | 34,671 |
| Canvassing authority | 136,713 | 140,852 | 117,455 | 23,397 |
| Town manager's office | 446,165 | 446,165 | 648,188 | (202,023) |
| Personnel administration | 166,474 | 166,474 | 137,981 | 28,493 |
| Town hall operations | 483,602 | 483,049 | 471,119 | 11,930 |
| Finance department | 832,761 | 832,761 | 801,267 | 31,494 |
| Tax assessor's office | 369,525 | 369,525 | 359,807 | 9,718 |
| Information technology | 512,709 | 515,173 | 496,209 | 18,964 |
| Geographic information systems | 144,698 | 143,698 | 140,769 | 2,929 |
| Planning department | 439,417 | 440,417 | 433,676 | 6,741 |
| Conservation commission | 650 | 650 | 935 | (285) |
| Zoning/building inspection | 456,281 | 456,281 | 405,575 | 50,706 |
| Outside agencies | 166,570 | 67,570 | 67,570 | - |
| Total general government | 4,868,493 | 4,771,404 | 4,752,407 | 18,997 |
| Public safety: | | | | |
| Police department | 8,428,357 | 8,427,239 | 8,150,223 | 277,016 |
| Police civilians | 583,704 | 583,704 | 573,850 | 9,854 |
| Police dispatch | 870,263 | 870,431 | 837,435 | 32,996 |
| Animal control - RD/shelter | 450,309 | 450,146 | 306,422 | 143,724 |
| Communications | 299,232 | 299,232 | 278,706 | 20,526 |
| Harbor patrol | 37,504 | 37,504 | 26,095 | 11,409 |
| Emergency medical services | 2,127,066 | 2,127,066 | 2,295,061 | (167,995) |
| Total public safety | 12,796,435 | 12,795,322 | 12,467,792 | 327,530 |
| Public works: | | | | |
| Public works administration | 443,139 | 443,139 | 422,849 | 20,290 |
| Streets and highway | 2,595,028 | 2,577,747 | 2,462,084 | 115,663 |
| Tree warden/ Street lighting | 206,688 | 223,507 | 209,433 | 14,074 |
| Total public works | 3,244,855 | 3,244,393 | 3,094,366 | 150,027 |
| Human service agency contributions: | | | | |
| Jonnycake Center | | 30,000 | 30,000 | - |
| Cane Day Care Center | | 9,000 | 9,000 | - |
| Welcome House of South County | | 20,000 | 20,000 | - |
| Domestic Violence Resource Center | | 5,000 | 5,000 | - |
| Education Exchange | | 15,000 | 15,000 | - |
| Boys and Girls Club | | 20,000 | 20,000 | - |
| Total human service agency contributions | - | 99,000 | 99,000 | - |

(Continued on next page)

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES (USES) -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

| | Budgeted Amounts | | Actual | Variance with Final Budget - Positive (Negative) |
|---|------------------|--------------|--------------|---|
| | Original | Final | | |
| Recreation: | | | | |
| Recreation department | \$ 2,036,016 | \$ 2,036,016 | \$ 1,796,049 | \$ 239,967 |
| Public libraries | 1,316,529 | 1,316,193 | 1,283,262 | 32,931 |
| Miscellaneous: | | | | |
| Unemployment insurance | 12,500 | 12,500 | 40,790 | (28,290) |
| Insurance | 423,331 | 423,331 | 463,570 | (40,239) |
| Contingency | 54,000 | 54,000 | 22,553 | 31,447 |
| OPEB funding | 425,000 | 425,000 | 425,000 | - |
| Workers' compensation | 222,402 | 222,402 | 189,354 | 33,048 |
| Total miscellaneous | 1,137,233 | 1,137,233 | 1,141,267 | (4,034) |
| Total expenditures | 25,399,561 | 25,399,561 | 24,634,143 | 765,418 |
| Excess of Revenues over Expenditures | 58,380,012 | 58,380,012 | 59,738,786 | 1,358,774 |
| Other Financing Sources (Uses): | | | | |
| Transfers in: | | | | |
| From Special Revenue Funds | 1,126,074 | 1,126,074 | 1,140,349 | 14,275 |
| Transfers out: | | | | |
| Wastewater Fund | (4,200) | (4,200) | (4,200) | - |
| Elderly services | (479,828) | (479,828) | (479,828) | - |
| Tax Transfer to School | (55,994,773) | (55,994,773) | (55,994,773) | - |
| Misc Tax Dollar Transfer | 1,097,937 | 1,097,937 | 997,937 | (100,000) |
| Tax Transfer to Debt Service | (1,945,232) | (1,945,232) | (1,945,232) | - |
| Tax Transfer to Comm Rec Ctr | (349,000) | (349,000) | (349,000) | - |
| To Capital Project Funds | (1,830,990) | (1,830,990) | (2,030,990) | (200,000) |
| Total other financing sources (uses) | (58,380,012) | (58,380,012) | (58,665,737) | (285,725) |
| Excess of Revenues, Other Sources and Uses of Fund Balance over Expenditures and Other Financing Uses | \$ - | \$ - | 1,073,049 | \$ 1,073,049 |
| Budgetary excess of revenues over expenditures is different than GAAP net change in fund balance because of the following reconciling items: | | | | |
| Use of fund balance is not a GAAP revenue | | | (361,061) | |
| Cancellation of prior year encumbrances is not a GAAP revenue | | | (108,361) | |
| but in the year received for financial reporting purposes | | | (53,319) | |
| Recognition of fair market value of investments | | | (236,918) | |
| Total Net Change in Fund Balance - GAAP basis | | | \$ 313,390 | |

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES -
BUDGET AND ACTUAL - BUDGETARY BASIS - SCHOOL UNRESTRICTED FUND
FOR THE YEAR ENDED JUNE 30, 2021

| | <u>Budgeted Amounts</u> | | | <u>Variance with Final Budget - Positive (Negative)</u> |
|---|-------------------------|---------------------|---------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues and Designated Fund Balance: | | | | |
| State aid | \$ 4,665,057 | \$ 4,665,057 | \$ 4,725,901 | \$ 60,844 |
| Tuition | 159,000 | 159,000 | 161,917 | 2,917 |
| Investment Income | - | - | 2,532 | 2,532 |
| Miscellaneous | 560,000 | 560,000 | 453,264 | (106,736) |
| Total revenues | <u>5,384,057</u> | <u>5,384,057</u> | <u>5,343,614</u> | <u>(40,443)</u> |
| Use of fund balance | <u>450,000</u> | <u>450,000</u> | <u>-</u> | <u>(450,000)</u> |
| Total Revenues and Use of Fund Balance | <u>5,834,057</u> | <u>5,834,057</u> | <u>5,343,614</u> | <u>(490,443)</u> |
| Expenditures: | | | | |
| Salaries | 33,914,928 | 33,914,928 | 33,699,084 | 215,844 |
| Employee benefits | 14,744,652 | 14,744,652 | 14,357,790 | 386,862 |
| Purchased services | 11,040,918 | 11,040,918 | 10,870,319 | 170,599 |
| Supplies and materials | 2,156,332 | 2,156,332 | 2,136,014 | 20,318 |
| Total expenditures | <u>61,856,830</u> | <u>61,856,830</u> | <u>61,063,207</u> | <u>793,623</u> |
| Excess (Deficiency) of Revenues over Expenditures | <u>(56,022,773)</u> | <u>(56,022,773)</u> | <u>(55,719,593)</u> | <u>303,180</u> |
| Other Financing Sources: | | | | |
| Transfers in: | | | | |
| Town of South Kingstown General Fund | 55,994,773 | 55,994,773 | 55,994,773 | - |
| Trust Fund Income | <u>28,000</u> | <u>28,000</u> | <u>31,122</u> | <u>3,122</u> |
| Total other financing sources | <u>56,022,773</u> | <u>56,022,773</u> | <u>56,025,895</u> | <u>3,122</u> |
| Excess of Revenues, Other Sources and Uses of Fund Balance over Expenditures and Other Financing Uses | <u>\$ -</u> | <u>\$ -</u> | <u>306,302</u> | <u>\$ 306,302</u> |
| Budgetary excess of revenues over expenditures is different than GAAP net change in fund balance because of the following reconciling items: | | | | |
| Reimbursement of fund balance from School Department to Town - prior year | | | (1,097,937) | |
| Change in encumbrances | | | <u>26,646</u> | |
| Total Net Change in Fund Balance - GAAP basis | | | <u>\$ (764,989)</u> | |

Nonmajor Governmental Funds

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

TOWN FUNDS

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

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

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

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

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

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

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

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

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

| | |
|------------------------------------|--|
| Affordable Housing | Miscellaneous Donations Fund |
| Animal Shelter Benefit | Municipal Planning Services Reserve Fund |
| Asset Forfeiture Fund | Statewide Planning Grant |
| Community Recreation Center | Substance Abuse |
| Public Safety Grants | Historical and Vital Recording Fees |
| Drug Free Community Grant | K-9 Grant Fund |
| Friends of SK Parks and Recreation | |

SCHOOL FUNDS

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

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

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

CAPITAL PROJECTS FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

PERMANENT FUNDS

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

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

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

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

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

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

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2021

EXHIBIT B-1

| | Special Revenue Funds | | | | | | | Historical and Vital Recording Fees |
|--|-----------------------|-----------------------------|-----------------------|-----------------------------------|-----------------------------|-------------------|----------------------|-------------------------------------|
| | Affordable Housing | Animal Shelter Benefit Fund | Asset Forfeiture Fund | Community Development Block Grant | Community Recreation Center | Elderly Services | EMS Billing Services | |
| ASSETS | | | | | | | | |
| Cash and cash equivalents | \$ | \$ | \$ 740 | \$ | \$ 150 | \$ 334,605 | \$ 848,086 | \$ |
| Investments | | | | | | | 878,038 | |
| Accounts and other receivables | | | | | 144 | 8,194 | | |
| Due from federal and state governments | | | 1,049 | 34,259 | | | | |
| Due from other funds | 88,524 | 432,907 | 201,264 | 16,159 | 146,029 | | | 146,202 |
| Prepays | | | | | | | | |
| Total Assets | \$ 88,524 | \$ 432,907 | \$ 203,053 | \$ 50,418 | \$ 146,323 | \$ 342,799 | \$ 1,726,124 | \$ 146,202 |
| LIABILITIES AND FUND BALANCES | | | | | | | | |
| Liabilities: | | | | | | | | |
| Accounts payable | \$ 2,291 | \$ 259 | \$ 1,692 | \$ 14,533 | \$ 6,719 | \$ 198 | \$ 2,329 | \$ 2,321 |
| Accrued liabilities | | 10,670 | | | 8,327 | 13,340 | | |
| Due to federal and state governments | | 1,270 | | | | 4,806 | | |
| Due to other funds | | | | | | 60,393 | | |
| Unearned revenue | | | | | 21,289 | | | |
| Deposits held in custody of others | | | | | | | | |
| Total liabilities | 2,291 | 12,199 | 1,692 | 14,533 | 36,335 | 78,737 | 2,329 | 2,321 |
| Fund Balances: | | | | | | | | |
| Nonspendable | | | | | | | | |
| Restricted | | | 201,361 | | | | | |
| Committed | 86,233 | 420,708 | | 35,885 | 109,988 | 264,062 | 1,723,795 | 143,881 |
| Unassigned | | | | | | | | |
| Total fund balances | 86,233 | 420,708 | 201,361 | 35,885 | 109,988 | 264,062 | 1,723,795 | 143,881 |
| Total Liabilities and Fund Balances | \$ 88,524 | \$ 432,907 | \$ 203,053 | \$ 50,418 | \$ 146,323 | \$ 342,799 | \$ 1,726,124 | \$ 146,202 |

(Continued on next page)

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
 COMBINING BALANCE SHEET (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2021

EXHIBIT B-1

| | Special Revenue Funds | | | | | | | |
|--|-------------------------|-----------------------|----------------------------------|--|-------------------------------------|----------------------------|--------------------|---------------------------------|
| | Narragansett Library | Neighborhood Guild | Peace Dale Office Building | Property Revaluation Reserve Fund | RI Resource Recovery Grant | Public Safety Grants | Substance Abuse | Drug Free Community Grant |
| ASSETS | | | | | | | | |
| Cash and cash equivalents | \$ 65,368 | \$ 112,518 | \$ 211,598 | \$ | \$ | \$ | \$ | \$ |
| Investments | 48,228 | | | | | | | |
| Accounts and other receivables | | 94,875 | 4,389 | | | | | |
| Due from federal and state governments | | | | | | 4,660 | | |
| Due from other funds | | | | 503,890 | 55,896 | | | |
| Prepays | | | | | | | | |
| Total Assets | \$ 113,596 | \$ 207,393 | \$ 215,987 | \$ 503,890 | \$ 55,896 | \$ 4,660 | \$ - | \$ - |
| LIABILITIES AND FUND BALANCES | | | | | | | | |
| Liabilities: | | | | | | | | |
| Accounts payable | \$ 30 | \$ 20,228 | \$ 1,334 | \$ 88,226 | \$ | \$ | \$ | \$ |
| Accrued liabilities | | 8,053 | 4,438 | | | 1,576 | | |
| Due to federal and state governments | | | | | | | | |
| Due to other funds | 275 | 41,871 | 10,218 | | | 3,084 | | |
| Unearned revenue | | 32,252 | 287 | | | | | |
| Deposits held in custody of others | | | | | | | | |
| Total liabilities | 305 | 102,404 | 16,277 | 88,226 | - | 4,660 | - | - |
| Fund Balances: | | | | | | | | |
| Nonspendable | | | | | | | | |
| Restricted | | | | | 55,896 | | | |
| Committed | 113,291 | 104,989 | 199,710 | 415,664 | | | | |
| Unassigned | | | | | | | | |
| Total fund balances | 113,291 | 104,989 | 199,710 | 415,664 | 55,896 | - | - | - |
| Total Liabilities and Fund Balances | \$ 113,596 | \$ 207,393 | \$ 215,987 | \$ 503,890 | \$ 55,896 | \$ 4,660 | \$ - | \$ - |

(Continued on next page)

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
 COMBINING BALANCE SHEET (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2021

EXHIBIT B-1

| | Special Revenue Funds | | | | | | | Total Special Revenue Funds |
|--|------------------------------------|--|------------------------------|------------------------------|------------------------------------|----------------------|--|--------------------------------------|
| | Nancy Brown Memorial Fund | Municipal Planning Services Reserve Fund | School Restricted Fund | Student Activity Funds | Miscellaneous Donations Fund | K-9 Grant Fund | Friends of SK Parks and Recreation | |
| ASSETS | | | | | | | | |
| Cash and cash equivalents | \$ 3,143 | \$ | \$ | \$ 350,124 | \$ | \$ | \$ 44,215 | \$ 1,970,547 |
| Investments | | | | | | | | 926,266 |
| Accounts and other receivables | | | | | | | | 107,602 |
| Due from federal and state governments | | | 291,163 | | | | | 331,131 |
| Due from other funds | | 30,346 | 47,717 | | 26,446 | 13,755 | | 1,709,135 |
| Prepays | | | | | | | | - |
| Total Assets | \$ 3,143 | \$ 30,346 | \$ 338,880 | \$ 350,124 | \$ 26,446 | \$ 13,755 | \$ 44,215 | \$ 5,044,681 |
| LIABILITIES AND FUND BALANCES | | | | | | | | |
| Liabilities: | | | | | | | | |
| Accounts payable | \$ | \$ | \$ 134,259 | \$ | \$ 455 | \$ | \$ 3,935 | \$ 278,809 |
| Accrued liabilities | (270) | | 43,423 | | | | | 89,557 |
| Due to federal and state governments | | | | | | | | 6,076 |
| Due to other funds | | | 79,470 | | | | | 195,311 |
| Unearned revenue | | | 81,727 | | | | | 135,555 |
| Deposits held in custody of others | | | | 1,457 | | | | 1,457 |
| Total liabilities | (270) | - | 338,879 | 1,457 | 455 | - | 3,935 | 706,765 |
| Fund Balances: | | | | | | | | |
| Nonspendable | | | | | | | | - |
| Restricted | 3,413 | | | 348,667 | 25,991 | 13,755 | | 649,083 |
| Committed | | 30,346 | 1 | | | | 40,280 | 3,688,833 |
| Unassigned | | | | | | | | - |
| Total fund balances | 3,413 | 30,346 | 1 | 348,667 | 25,991 | 13,755 | 40,280 | 4,337,916 |
| Total Liabilities and Fund Balances | \$ 3,143 | \$ 30,346 | \$ 338,880 | \$ 350,124 | \$ 26,446 | \$ 13,755 | \$ 44,215 | \$ 5,044,681 |

(Continued on next page)

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
 COMBINING BALANCE SHEET (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2021

EXHIBIT B-1

| | Capital Project Funds | | | | | | | | |
|--|-----------------------------------|------------------------|------------------------|-------------------------------|--------------------|---------------------------|---|--------------------------|------------------------------|
| | Capital Equipment and Replacement | Technology Improvement | Fair Share Development | Library Building Construction | Open Space Reserve | Public Safety Improvement | Public Services Office Building Improvement | Public Works Improvement | Recreation Minor Improvement |
| ASSETS | | | | | | | | | |
| Cash and cash equivalents | \$ | \$ | \$ | \$ 195,358 | \$ | \$ | \$ | \$ | \$ |
| Investments | | | | | | | | | |
| Accounts and other receivables | | | | | | | | | |
| Due from federal and state governments | | | | | | | | | 66,500 |
| Due from other funds | 1,884,718 | 246,046 | 670,670 | 114,436 | 875,823 | 499,492 | 46,282 | 1,338,350 | 389,292 |
| Prepays | | | | | | | | | |
| Total Assets | \$ 1,884,718 | \$ 246,046 | \$ 670,670 | \$ 309,794 | \$ 875,823 | \$ 499,492 | \$ 46,282 | \$ 1,338,350 | \$ 455,792 |
| LIABILITIES AND FUND BALANCES | | | | | | | | | |
| Liabilities: | | | | | | | | | |
| Accounts payable | \$ 57,198 | \$ | \$ | \$ | \$ | \$ 16,304 | \$ | \$ 21,225 | \$ 23,000 |
| Accrued liabilities | | | | | | | | | |
| Due to federal and state governments | | | | | | | | | |
| Due to other funds | | | | | | | | | |
| Unearned revenue | | | | | | | | | |
| Deposits held in custody of others | | | | | | | | | |
| Total liabilities | 57,198 | - | - | - | - | 16,304 | - | 21,225 | 23,000 |
| Fund Balances: | | | | | | | | | |
| Nonspendable | | | | | | | | | |
| Restricted | | | 670,670 | | | | | | |
| Committed | 1,827,520 | 246,046 | | 309,794 | 875,823 | 483,188 | 46,282 | 1,317,125 | 432,792 |
| Unassigned | | | | | | | | | |
| Total fund balances | 1,827,520 | 246,046 | 670,670 | 309,794 | 875,823 | 483,188 | 46,282 | 1,317,125 | 432,792 |
| Total Liabilities and Fund Balances | \$ 1,884,718 | \$ 246,046 | \$ 670,670 | \$ 309,794 | \$ 875,823 | \$ 499,492 | \$ 46,282 | \$ 1,338,350 | \$ 455,792 |

(Continued on next page)

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
 COMBINING BALANCE SHEET (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2021

EXHIBIT B-1

| | Capital Projects Funds | | | | | | | | Total Capital Project Funds | |
|--|------------------------|---------------------------|--|------------------------------|--|-----------------------------|-----------------------------------|----------------------------|--------------------------------------|-------------------|
| | Guild Renovation | Recreation Improvement | Senior Services Center Construction | Recreation Center Fund | South Road School Reserve Fund | Town Hall Improvement | Village Infrastructure Fund | Wastewater Construction | | |
| ASSETS | | | | | | | | | | |
| Cash and cash equivalents | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | 1,356,544 | \$ 1,551,902 |
| Investments | | | | | | | | | 4,275,233 | 4,275,233 |
| Accounts and other receivables | | | | | | | | | | - |
| Due from federal and state governments | | | | | | | | | | 66,500 |
| Due from other funds | | 238,942 | 75,004 | 203,790 | 351,430 | 680,563 | 10,000 | 46,194 | | 7,671,032 |
| Prepays | | | | | | | | | | - |
| Total Assets | \$ - | \$ 238,942 | \$ 75,004 | \$ 203,790 | \$ 351,430 | \$ 680,563 | \$ 10,000 | \$ 5,677,971 | \$ 13,564,667 | |
| LIABILITIES AND FUND BALANCES | | | | | | | | | | |
| Liabilities: | | | | | | | | | | |
| Accounts payable | \$ | \$ 28,160 | \$ | \$ | \$ 1,647 | \$ 228,015 | \$ | \$ | | \$ 375,549 |
| Accrued liabilities | | | | | | | | | | - |
| Due to federal and state governments | | | | | | | | | | - |
| Due to other funds | 14,000 | | | | | | | | | 14,000 |
| Unearned revenue | | | | | | | | | | - |
| Deposits held in custody of others | | | | | | | | | | - |
| Total liabilities | 14,000 | 28,160 | - | - | 1,647 | 228,015 | - | - | - | 389,549 |
| Fund Balances: | | | | | | | | | | |
| Nonspendable | | | | | | | | | | - |
| Restricted | | | | | | | | | | 670,670 |
| Committed | | 210,782 | 75,004 | 203,790 | 349,783 | 452,548 | 10,000 | 5,677,971 | | 12,518,448 |
| Unassigned | (14,000) | | | | | | | | | (14,000) |
| Total fund balances | (14,000) | 210,782 | 75,004 | 203,790 | 349,783 | 452,548 | 10,000 | 5,677,971 | - | 13,175,118 |
| Total Liabilities and Fund Balances | \$ - | \$ 238,942 | \$ 75,004 | \$ 203,790 | \$ 351,430 | \$ 680,563 | \$ 10,000 | \$ 5,677,971 | \$ 13,564,667 | |

(Continued on next page)

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
 COMBINING BALANCE SHEET (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2021

EXHIBIT B-1

| | Permanent Funds | | | | | | Total |
|--|-----------------------|----------------------|--------------------|------------------------|-----------------------------|-----------------------|----------------------|
| | Hazard Memorial Trust | Irving Knowles Trust | Oliver Watson Home | Walter W. Watson Trust | Kingston Free Library Trust | Total Permanent Funds | |
| ASSETS | | | | | | | |
| Cash and cash equivalents | \$ 248,292 | \$ 4,639 | \$ 1,298 | \$ - | \$ 7,282 | \$ 261,511 | \$ 3,783,960 |
| Investments | 324,343 | 575,009 | 216,490 | 208,932 | 1,241,359 | 2,566,133 | 7,767,632 |
| Accounts and other receivables | | | | | | - | 107,602 |
| Due from federal and state governments | | | | | | - | 397,631 |
| Due from other funds | | | | | | - | 9,380,167 |
| Prepays | | | | | | - | - |
| Total Assets | \$ 572,635 | \$ 579,648 | \$ 217,788 | \$ 208,932 | \$ 1,248,641 | \$ 2,827,644 | \$ 21,436,992 |
| LIABILITIES AND FUND BALANCES | | | | | | | |
| Liabilities: | | | | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 654,358 |
| Accrued liabilities | | | | | | | 89,557 |
| Due to federal and state governments | | | | | | | 6,076 |
| Due to other funds | | | 40,645 | 889 | | 41,534 | 250,845 |
| Unearned revenue | | | | | | | 135,555 |
| Deposits held in custody of others | | | | | | | 1,457 |
| Total liabilities | - | - | 40,645 | 889 | - | 41,534 | 1,137,848 |
| Fund Balances: | | | | | | | |
| Nonspendable | 20,000 | 2,000 | 39,000 | 40,928 | 390,092 | 492,020 | 492,020 |
| Restricted | 552,635 | 577,648 | 138,143 | 167,115 | 858,549 | 2,294,090 | 3,613,843 |
| Committed | | | | | | | 16,207,281 |
| Unassigned | | | | | | | (14,000) |
| Total fund balances | 572,635 | 579,648 | 177,143 | 208,043 | 1,248,641 | 2,786,110 | 20,299,144 |
| Total Liabilities and Fund Balances | \$ 572,635 | \$ 579,648 | \$ 217,788 | \$ 208,932 | \$ 1,248,641 | \$ 2,827,644 | \$ 21,436,992 |

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

EXHIBIT B-2

| | Special Revenue Funds | | | | | | | |
|---|-----------------------|-----------------------------|-----------------------|-----------------------------------|-----------------------------|-------------------|---------------------------|-------------------------------------|
| | Affordable Housing | Animal Shelter Benefit Fund | Asset Forfeiture Fund | Community Development Block Grant | Community Recreation Center | Elderly Services | EMS Billing Services Fund | Historical and Vital Recording Fees |
| Revenues: | | | | | | | | |
| Intergovernmental revenues | \$ | \$ | \$ 9,752 | \$ 46,728 | \$ | \$ 101,966 | \$ | \$ |
| Licenses and fees | | 10,367 | | | | | | 51,171 |
| Fines and charges | | | | | 128,413 | 47,699 | 1,163,466 | |
| Investment income (loss) | | | | | 144 | 1,073 | 2,283 | |
| Contributions | | 3,505 | | | | | | |
| Other revenue | | 20,171 | 19,870 | | | | | |
| Total revenues | <u>-</u> | <u>34,043</u> | <u>29,622</u> | <u>46,728</u> | <u>128,557</u> | <u>150,738</u> | <u>1,165,749</u> | <u>51,171</u> |
| Expenditures: | | | | | | | | |
| Education | | | | | | | | |
| Recreation | | | | | 478,209 | | | |
| Other expenditures | 21,845 | 3,638 | 68,450 | 46,728 | | 568,583 | 335,014 | 38,973 |
| Capital outlay | | | | | | | | |
| Total expenditures | <u>21,845</u> | <u>3,638</u> | <u>68,450</u> | <u>46,728</u> | <u>478,209</u> | <u>568,583</u> | <u>335,014</u> | <u>38,973</u> |
| Excess (Deficiency) of Revenues over Expenditures | <u>(21,845)</u> | <u>30,405</u> | <u>(38,828)</u> | <u>-</u> | <u>(349,652)</u> | <u>(417,845)</u> | <u>830,735</u> | <u>12,198</u> |
| Other Financing Sources (Uses): | | | | | | | | |
| Transfers in | 37,500 | | | | 349,000 | 504,828 | | |
| Transfers out | | | | | | (60,000) | (850,000) | |
| Total other financing sources (uses) | <u>37,500</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>349,000</u> | <u>444,828</u> | <u>(850,000)</u> | <u>-</u> |
| Net Change in Fund Balances | 15,655 | 30,405 | (38,828) | - | (652) | 26,983 | (19,265) | 12,198 |
| Fund Balances at Beginning of Year, as Restated | <u>70,578</u> | <u>390,303</u> | <u>240,189</u> | <u>35,885</u> | <u>110,640</u> | <u>237,079</u> | <u>1,743,060</u> | <u>131,683</u> |
| Fund Balances at End of Year | <u>\$ 86,233</u> | <u>\$ 420,708</u> | <u>\$ 201,361</u> | <u>\$ 35,885</u> | <u>\$ 109,988</u> | <u>\$ 264,062</u> | <u>\$ 1,723,795</u> | <u>\$ 143,881</u> |

(Continued on next page)

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

EXHIBIT B-2

| | Special Revenue Funds | | | | | | | |
|--|-------------------------|-----------------------|----------------------------------|--|-------------------------------------|----------------------------|--------------------|---------------------------------|
| | Narragansett Library | Neighborhood Guild | Peace Dale Office Building | Property Revaluation Reserve Fund | RI Resource Recovery Grant | Public Safety Grants | Substance Abuse | Drug Free Community Grant |
| Revenues: | | | | | | | | |
| Intergovernmental revenues | \$ | \$ | \$ 1,545 | \$ | \$ | \$ 80,888 | \$ | \$ 30,119 |
| Licenses and fees | | | | | | | | |
| Fines and charges | | 188,176 | 94,273 | | | | | |
| Investment income (loss) | 16,731 | 415 | 790 | | | | | |
| Contributions | 44,638 | | | | | | | |
| Other revenue | | | | | | | 5,000 | |
| Total revenues | <u>61,369</u> | <u>188,591</u> | <u>96,608</u> | <u>-</u> | <u>-</u> | <u>80,888</u> | <u>5,000</u> | <u>30,119</u> |
| Expenditures: | | | | | | | | |
| Education | | | | | | | | |
| Recreation | | 671,013 | 81,266 | | | | | |
| Other expenditures | 30 | | | 195,552 | | 80,888 | 22,069 | 30,119 |
| Capital outlay | | | | | | | | |
| Total expenditures | <u>30</u> | <u>671,013</u> | <u>81,266</u> | <u>195,552</u> | <u>-</u> | <u>80,888</u> | <u>22,069</u> | <u>30,119</u> |
| Excess (Deficiency) of Revenues over Expenditures | <u>61,339</u> | <u>(482,422)</u> | <u>15,342</u> | <u>(195,552)</u> | <u>-</u> | <u>-</u> | <u>(17,069)</u> | <u>-</u> |
| Other Financing Sources (Uses): | | | | | | | | |
| Transfers in | 4,531 | 435,750 | | 343,300 | | | | |
| Transfers out | (49,227) | | | | | | | |
| Total other financing sources (uses) | <u>(44,696)</u> | <u>435,750</u> | <u>-</u> | <u>343,300</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Change in Fund Balances | 16,643 | (46,672) | 15,342 | 147,748 | - | - | (17,069) | - |
| Fund Balances at Beginning of Year, as Restated | <u>96,648</u> | <u>151,661</u> | <u>184,368</u> | <u>267,916</u> | <u>55,896</u> | <u>-</u> | <u>17,069</u> | <u>-</u> |
| Fund Balances at End of Year | <u>\$ 113,291</u> | <u>\$ 104,989</u> | <u>\$ 199,710</u> | <u>\$ 415,664</u> | <u>\$ 55,896</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

(Continued on next page)

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

EXHIBIT B-2

| | Special Revenue Funds | | | | | | | Total Special Revenue Funds |
|--|------------------------------------|--|------------------------------|------------------------------|------------------------------------|----------------------|--|--------------------------------------|
| | Nancy Brown Memorial Fund | Municipal Planning Services Reserve Fund | School Restricted Fund | Student Activity Funds | Miscellaneous Donations Fund | K-9 Grant Fund | Friends of SK Parks and Recreation | |
| Revenues: | | | | | | | | |
| Intergovernmental revenues | \$ 1 | \$ | \$ 2,638,283 | \$ 99,892 | \$ | \$ 16,830 | \$ | \$ 3,026,004 |
| Licenses and fees | | | | | | | | 61,538 |
| Fines and charges | | | | | | | | 1,622,027 |
| Investment income (loss) | | | | | | | 193 | 21,629 |
| Contributions | | | 24,375 | | 7,431 | | 15,224 | 95,173 |
| Other revenue | | | | | | | | 45,041 |
| Total revenues | <u>1</u> | <u>-</u> | <u>2,662,658</u> | <u>99,892</u> | <u>7,431</u> | <u>16,830</u> | <u>15,417</u> | <u>4,871,412</u> |
| Expenditures: | | | | | | | | |
| Education | | | 2,662,657 | 113,837 | | | | 2,776,494 |
| Recreation | | | | | | | 24,035 | 1,254,523 |
| Other expenditures | | | | | 6,633 | 15,304 | | 1,433,826 |
| Capital outlay | | | | | | | | - |
| Total expenditures | <u>-</u> | <u>-</u> | <u>2,662,657</u> | <u>113,837</u> | <u>6,633</u> | <u>15,304</u> | <u>24,035</u> | <u>5,464,843</u> |
| Excess (Deficiency) of Revenues over Expenditures | <u>1</u> | <u>-</u> | <u>1</u> | <u>(13,945)</u> | <u>798</u> | <u>1,526</u> | <u>(8,618)</u> | <u>(593,431)</u> |
| Other Financing Sources (Uses): | | | | | | | | |
| Transfers in | | 30,000 | | | | | | 1,704,909 |
| Transfers out | | | | | | | | (959,227) |
| Total other financing sources (uses) | <u>-</u> | <u>30,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>745,682</u> |
| Net Change in Fund Balances | 1 | 30,000 | 1 | (13,945) | 798 | 1,526 | (8,618) | 152,251 |
| Fund Balances at Beginning of Year, as Restated | 3,412 | 346 | - | 362,612 | 25,193 | 12,229 | 48,898 | 4,185,665 |
| Fund Balances at End of Year | <u>\$ 3,413</u> | <u>\$ 30,346</u> | <u>\$ 1</u> | <u>\$ 348,667</u> | <u>\$ 25,991</u> | <u>\$ 13,755</u> | <u>\$ 40,280</u> | <u>\$ 4,337,916</u> |

(Continued on next page)

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

EXHIBIT B-2

| | Capital Projects Funds | | | | | | | | |
|---|-----------------------------------|------------------------|------------------------|-------------------------------|--------------------|---------------------------|---|--------------------------|------------------------------|
| | Capital Equipment and Replacement | Technology Improvement | Fair Share Development | Library Building Construction | Open Space Reserve | Public Safety Improvement | Public Services Office Building Improvement | Public Works Improvement | Recreation Minor Improvement |
| Revenues: | | | | | | | | | |
| Intergovernmental revenues | \$ 56,827 | | \$ 291,631 | | \$ 575,721 | | | | |
| Licenses and fees | | | | | | | | | |
| Fines and charges | | | | | | | | | |
| Investment income (loss) | | | | 792 | | | | | |
| Contributions | | | | 84,856 | | | | | 466,500 |
| Other revenue | | | | | | | | | |
| Total revenues | <u>56,827</u> | <u>-</u> | <u>291,631</u> | <u>85,648</u> | <u>575,721</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>466,500</u> |
| Expenditures: | | | | | | | | | |
| Education | | | | | | | | | |
| Recreation | | | | | | | | | |
| Other expenditures | | | | | | | | (2,300) | |
| Capital outlay | 323,451 | 50,654 | | 4,228 | | 49,007 | 79,100 | 353,151 | 124,796 |
| Total expenditures | <u>323,451</u> | <u>50,654</u> | <u>-</u> | <u>4,228</u> | <u>-</u> | <u>49,007</u> | <u>79,100</u> | <u>350,851</u> | <u>124,796</u> |
| Excess (Deficiency) of Revenues over Expenditures | <u>(266,624)</u> | <u>(50,654)</u> | <u>291,631</u> | <u>81,420</u> | <u>575,721</u> | <u>(49,007)</u> | <u>(79,100)</u> | <u>(350,851)</u> | <u>341,704</u> |
| Other Financing Sources (Uses): | | | | | | | | | |
| Transfers in | 831,000 | 183,200 | | 25,000 | | 130,000 | | 713,000 | 330,000 |
| Transfers out | | | (110,586) | | (297,500) | | | | |
| Total other financing sources (uses) | <u>831,000</u> | <u>183,200</u> | <u>(110,586)</u> | <u>25,000</u> | <u>(297,500)</u> | <u>130,000</u> | <u>-</u> | <u>713,000</u> | <u>330,000</u> |
| Net Change in Fund Balances | 564,376 | 132,546 | 181,045 | 106,420 | 278,221 | 80,993 | (79,100) | 362,149 | 671,704 |
| Fund Balances at Beginning of Year, as Restated | <u>1,263,144</u> | <u>113,500</u> | <u>489,625</u> | <u>203,374</u> | <u>597,602</u> | <u>402,195</u> | <u>125,382</u> | <u>954,976</u> | <u>(238,912)</u> |
| Fund Balances at End of Year | <u>\$ 1,827,520</u> | <u>\$ 246,046</u> | <u>\$ 670,670</u> | <u>\$ 309,794</u> | <u>\$ 875,823</u> | <u>\$ 483,188</u> | <u>\$ 46,282</u> | <u>\$ 1,317,125</u> | <u>\$ 432,792</u> |

(Continued on next page)

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

EXHIBIT B-2

| | Capital Project Funds | | | | | | | Total Capital Project Funds | |
|--|-----------------------|------------------------------|--|------------------------------|--|-----------------------------|-----------------------------------|--------------------------------------|----------------------------|
| | Guild Renovation | Recreation Major Projects | Senior Services Center Construction | Recreation Center Fund | South Road School Reserve Fund | Town Hall Improvement | Village Infrastructure Fund | | Wastewater Construction |
| Revenues: | | | | | | | | | |
| Intergovernmental revenues | \$ | \$ | \$ | \$ | \$ | 8,500 | \$ | \$ | 65,327 |
| Licenses and fees | | | | | | | | | 867,352 |
| Fines and charges | | | | | 6,675 | | | 29,300 | 35,975 |
| Investment income (loss) | | | | | | | | 2,363 | 3,155 |
| Contributions | | | | | | | | | 551,356 |
| Other revenue | | 3,841 | | | | | | | 3,841 |
| Total revenues | <u>-</u> | <u>3,841</u> | <u>-</u> | <u>-</u> | <u>6,675</u> | <u>8,500</u> | <u>-</u> | <u>31,663</u> | <u>1,527,006</u> |
| Expenditures: | | | | | | | | | |
| Education | | | | | | | | | - |
| Recreation | | | | | | | | | - |
| Other expenditures | | | | | | | | | (2,300) |
| Capital outlay | | 28,160 | | | 36,968 | 310,293 | | | 1,359,808 |
| Total expenditures | <u>-</u> | <u>28,160</u> | <u>-</u> | <u>-</u> | <u>36,968</u> | <u>310,293</u> | <u>-</u> | <u>-</u> | <u>1,357,508</u> |
| Excess (Deficiency) of Revenues over Expenditures | <u>-</u> | <u>(24,319)</u> | <u>-</u> | <u>-</u> | <u>(30,293)</u> | <u>(301,793)</u> | <u>-</u> | <u>31,663</u> | <u>169,498</u> |
| Other Financing Sources (Uses): | | | | | | | | | |
| Transfers in | | 32,990 | 50,000 | | | 97,500 | 10,000 | | 2,402,690 |
| Transfers out | | | | | (9,343) | | | | (417,429) |
| Total other financing sources (uses) | <u>-</u> | <u>32,990</u> | <u>50,000</u> | <u>-</u> | <u>(9,343)</u> | <u>97,500</u> | <u>10,000</u> | <u>-</u> | <u>1,985,261</u> |
| Net Change in Fund Balances | - | 8,671 | 50,000 | - | (39,636) | (204,293) | 10,000 | 31,663 | 2,154,759 |
| Fund Balances at Beginning of Year, as Restated | (14,000) | 202,111 | 25,004 | 203,790 | 389,419 | 656,841 | - | 5,646,308 | 11,020,359 |
| Fund Balances at End of Year | <u>\$ (14,000)</u> | <u>\$ 210,782</u> | <u>\$ 75,004</u> | <u>\$ 203,790</u> | <u>\$ 349,783</u> | <u>\$ 452,548</u> | <u>\$ 10,000</u> | <u>\$ 5,677,971</u> | <u>\$ 13,175,118</u> |

(Continued on next page)

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

EXHIBIT B-2

| | Permanent Funds | | | | | | Eliminations | Total |
|---|-----------------------|----------------------|--------------------|------------------------|-----------------------------|-----------------------|--------------|----------------------|
| | Hazard Memorial Trust | Irving Knowles Trust | Oliver Watson Home | Walter W. Watson Trust | Kingston Free Library Trust | Total Permanent Funds | | |
| Revenues: | | | | | | | | |
| Intergovernmental revenues | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ 3,091,331 |
| Licenses and fees | | | | | | - | | 928,890 |
| Fines and charges | | | | | | - | | 1,658,002 |
| Investment income (loss) | 94,829 | 116,607 | (203) | (201) | 262,241 | 473,273 | | 498,057 |
| Contributions | | | | | | - | | 646,529 |
| Other revenue | | | | | | - | | 48,882 |
| Total revenues | <u>94,829</u> | <u>116,607</u> | <u>(203)</u> | <u>(201)</u> | <u>262,241</u> | <u>473,273</u> | <u>-</u> | <u>6,871,691</u> |
| Expenditures: | | | | | | | | |
| Education | | | | | | - | | 2,776,494 |
| Recreation | | | 664 | 500 | | 1,164 | | 1,255,687 |
| Other expenditures | 15,974 | | | | 4,638 | 20,612 | | 1,452,138 |
| Capital outlay | | | | | | - | | 1,359,808 |
| Total expenditures | <u>15,974</u> | <u>-</u> | <u>664</u> | <u>500</u> | <u>4,638</u> | <u>21,776</u> | <u>-</u> | <u>6,844,127</u> |
| Excess (Deficiency) of Revenues over Expenditures | <u>78,855</u> | <u>116,607</u> | <u>(867)</u> | <u>(701)</u> | <u>257,603</u> | <u>451,497</u> | <u>-</u> | <u>27,564</u> |
| Other Financing Sources (Uses): | | | | | | | | |
| Transfers in | | | | | | - | 37,969 | 4,145,568 |
| Transfers out | | (4,531) | (25,000) | | (27,385) | (56,916) | (37,969) | (1,471,541) |
| Total other financing sources (uses) | <u>-</u> | <u>(4,531)</u> | <u>(25,000)</u> | <u>-</u> | <u>(27,385)</u> | <u>(56,916)</u> | <u>-</u> | <u>2,674,027</u> |
| Net Change in Fund Balances | 78,855 | 112,076 | (25,867) | (701) | 230,218 | 394,581 | - | 2,701,591 |
| Fund Balances at Beginning of Year, as Restated | <u>493,780</u> | <u>467,572</u> | <u>203,010</u> | <u>208,744</u> | <u>1,018,423</u> | <u>2,391,529</u> | <u>-</u> | <u>17,597,553</u> |
| Fund Balances at End of Year | <u>\$ 572,635</u> | <u>\$ 579,648</u> | <u>\$ 177,143</u> | <u>\$ 208,043</u> | <u>\$ 1,248,641</u> | <u>\$ 2,786,110</u> | <u>\$ -</u> | <u>\$ 20,299,144</u> |

Internal Service Funds

INTERNAL SERVICE FUNDS

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

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

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

Non-major Technology Reserve Fund - To account for all funds held for the purposes of non-major technology purchases.

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
COMBINING STATEMENT OF NET POSITION - INTERNAL SERVICE FUNDS
JUNE 30, 2021

| | <u>Health Care Management Fund</u> | <u>Compensated Absences Fund</u> | <u>Non-major Technology Reserve Fund</u> | <u>Total</u> |
|-------------------------------------|--|--|--|---------------------|
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | \$ 679,243 | \$ 53,282 | \$ - | \$ 732,525 |
| Due from other funds | <u>-</u> | <u>1,140,131</u> | <u>227,293</u> | <u>1,367,424</u> |
| Total Assets | <u>679,243</u> | <u>1,193,413</u> | <u>227,293</u> | <u>2,099,949</u> |
| LIABILITIES AND NET POSITION | | | | |
| Liabilities: | | | | |
| Accounts payable | | | 8,103 | 8,103 |
| Due to other funds | <u>9,400</u> | | | <u>9,400</u> |
| Total liabilities | <u>9,400</u> | <u>-</u> | <u>8,103</u> | <u>17,503</u> |
| Net Position: | | | | |
| Unrestricted | <u>\$ 669,843</u> | <u>\$ 1,193,413</u> | <u>\$ 219,190</u> | <u>\$ 2,082,446</u> |

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN FUND NET POSITION - INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

| | Health Care Management Fund | Compensated Absences Fund | Non-major Technology Reserve Fund | Total |
|-----------------------------------|--|--|--|---------------------|
| Operating Revenues: | | | | |
| Charges for services | \$ | \$ | \$ 133,916 | \$ 133,916 |
| Total operating revenues | <u>-</u> | <u>-</u> | <u>133,916</u> | <u>133,916</u> |
| Operating Expenses: | | | | |
| Health care management | 9,400 | | | 9,400 |
| Other | | | 101,633 | 101,633 |
| Total operating expenses | <u>9,400</u> | <u>-</u> | <u>101,633</u> | <u>111,033</u> |
| Operating Income (Loss) | (9,400) | - | 32,283 | 22,883 |
| Nonoperating Income: | | | | |
| Income on investments | 972 | 216 | | 1,188 |
| Transfers in | | 175,000 | | 175,000 |
| Change in Net Position | (8,428) | 175,216 | 32,283 | 199,071 |
| Net Position at Beginning of Year | <u>678,271</u> | <u>1,018,197</u> | <u>186,907</u> | <u>1,883,375</u> |
| Net Position at End of Year | <u>\$ 669,843</u> | <u>\$ 1,193,413</u> | <u>\$ 219,190</u> | <u>\$ 2,082,446</u> |

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

| | Health Care Management Fund | Compensated Absences Fund | Non-major Technology Reserve Fund | Total |
|--|-----------------------------------|---------------------------------|---|---------------------|
| Cash Flows from Operating Activities: | | | | |
| Receipts from providing services | \$ 9,400 | \$ (175,000) | \$ 101,633 | \$ (63,967) |
| Payments to suppliers | | | (101,633) | (101,633) |
| Payments for claims | (9,400) | | | (9,400) |
| Net cash provided by (used in) operating activities | <u>-</u> | <u>(175,000)</u> | <u>-</u> | <u>(175,000)</u> |
| Cash Flows from Noncapital Financing Activities: | | | | |
| Transfers in from other funds | | 175,000 | | 175,000 |
| Net cash provided by (used in) by noncapita financing activities | <u>-</u> | <u>175,000</u> | <u>-</u> | <u>175,000</u> |
| Cash Flows from Investing Activities: | | | | |
| Sales of investments | | | | - |
| Purchases of investments | | | | - |
| Interest on investments | 972 | 216 | | 1,188 |
| Net cash provided by (used in) investing activities | <u>972</u> | <u>216</u> | <u>-</u> | <u>1,188</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | 972 | 216 | - | 1,188 |
| Cash and Cash Equivalents at Beginning of Year | <u>678,271</u> | <u>53,066</u> | <u>-</u> | <u>731,337</u> |
| Cash and Cash Equivalents at End of Year | <u>\$ 679,243</u> | <u>\$ 53,282</u> | <u>\$ -</u> | <u>\$ 732,525</u> |
| Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities: | | | | |
| Operating income (loss) | \$ (9,400) | \$ - | \$ 32,283 | \$ 22,883 |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: | | | | |
| Change in assets and liabilities: | | | | |
| (Increase) decrease in due from other funds | | (175,000) | (40,386) | (215,386) |
| Increase (decrease) in accounts payable and accrued items | | | 8,103 | 8,103 |
| Increase (decrease) in due to other funds | 9,400 | | | 9,400 |
| Total adjustments | <u>9,400</u> | <u>(175,000)</u> | <u>(32,283)</u> | <u>(197,883)</u> |
| Net Cash Provided by (Used in) Operating Activities | <u>\$ -</u> | <u>\$ (175,000)</u> | <u>\$ -</u> | <u>\$ (175,000)</u> |

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Other Schedules

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**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
SCHEDULE OF PROPERTY TAXES RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2021**

| <u>Year</u> | <u>Mill Rate</u> | <u>Property Taxes Receivable July 1, 2020</u> | <u>Current Year Assessment</u> | <u>Transfers Addendums (Net)</u> | <u>Abatements and Adjustments</u> | <u>Amount to be Collected</u> | <u>Collections Net of Refunds</u> | <u>Property Taxes Receivable June 30, 2021</u> |
|--|------------------|---|--------------------------------|----------------------------------|-----------------------------------|-------------------------------|-----------------------------------|--|
| 2020 | 14.450 | \$ | \$ 76,422,435 | \$ 105,518 | \$ 29,544 | \$ 76,498,409 | \$ 75,710,075 | \$ 788,334 |
| 2019 | 14.450 | 908,690 | | | 568 | 908,122 | 705,567 | 202,555 |
| 2018 | 15.680 | 115,407 | | | 152 | 115,255 | 51,096 | 64,159 |
| 2017 | 15.310 | 65,495 | | | 288 | 65,207 | 19,487 | 45,720 |
| 2016 | 15.090 | 59,581 | | | 289 | 59,292 | 12,670 | 46,622 |
| 2015 | 15.520 | 40,130 | | | | 40,130 | 3,333 | 36,797 |
| 2014 | 15.482 | 38,776 | | | | 38,776 | 1,819 | 36,957 |
| 2013 | 15.470 | 33,031 | | | | 33,031 | 328 | 32,703 |
| 2012 | 14.501 | 33,114 | | | | 33,114 | 235 | 32,879 |
| 2011 | 14.510 | 35,272 | | | | 35,272 | 1,186 | 34,086 |
| 2010 | 14.190 | 51,801 | | | 50,889 | 912 | 912 | - |
| Subtotal | | 1,381,297 | \$ <u>76,422,435</u> | \$ <u>105,518</u> | \$ <u>81,730</u> | \$ <u>77,827,520</u> | \$ <u>76,506,708</u> | 1,320,812 |
| Less: estimated allowance for uncollectable accounts | | <u>424,078</u> | | | | | | <u>333,166</u> |
| Net property taxes receivable | | \$ <u>957,219</u> | | | | | | \$ <u>987,646</u> |

(Continued on next page)

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
SCHEDULE OF PROPERTY TAXES RECEIVABLE (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

Collections

| <u>Year</u> | July - August 2019 Collections Subject to 60-Day FY19 Accrual | September - June 2020 Collections | Total FY 2020 Collections | July - August 2020 Collections Subject to 60-Day FY20 Accrual |
|-------------|--|--|--------------------------------------|--|
| 2020 | \$ | \$ 75,710,075 | \$ 75,710,075 | \$ 275,018 |
| 2019 | 318,299 | 387,268 | 705,567 | 39,607 |
| 2018 | 7,935 | 43,161 | 51,096 | 1,265 |
| 2017 | 2,916 | 16,571 | 19,487 | 952 |
| 2016 | 5,447 | 7,223 | 12,670 | 1,676 |
| 2015 | 278 | 3,055 | 3,333 | 1,220 |
| 2014 | 61 | 1,758 | 1,819 | 465 |
| 2013 | 45 | 283 | 328 | |
| 2012 | 76 | 159 | 235 | |
| 2011 | 230 | 956 | 1,186 | |
| 2010 | 59 | | 912 | |
| Total | \$ <u>335,346</u> | \$ <u>76,171,362</u> | \$ <u>76,506,708</u> | \$ <u>320,203</u> |

(Continued on next page)

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
SCHEDULE OF PROPERTY TAXES RECEIVABLE (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

| Schedule of Net Assessed Property Value by Category | | | Reconciliation of Current Year Property Tax Revenue | |
|--|--------------------------------|-----------------------------|--|-----------------------------|
| Assessed December 31, 2019 | | | | |
| Description of Property | Valuations | Levy | | |
| Real property | \$ 5,047,009,300 | \$ 72,929,284 | Current year collections | \$ 76,506,708 |
| Motor vehicle | 222,096,894 | 4,155,433 | Revenue received 60 days subsequent to fiscal year ending June 30, 2020 | <u>320,203</u> |
| Tangible property | <u>114,464,194</u> | <u>1,654,008</u> | Subtotal | <u>76,826,911</u> |
| Total | 5,383,570,388 | 78,738,725 | Prior year revenue received in current year (2019 60 day rule) | <u>(335,346)</u> |
| Exemptions and adjustments | <u>137,656,560</u> | <u>2,316,290</u> | Current Year Property Tax Revenue | \$ <u><u>76,491,565</u></u> |
| Net Assessed Value | \$ <u><u>5,245,913,828</u></u> | \$ <u><u>76,422,435</u></u> | | |

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Other Supplementary Information

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

- Annual Supplemental Transparency Report (MTP2) - Revenue
- Annual Supplemental Transparency Report (MTP2) - Expenditures
- Combining Schedule of Reportable Government Services with Reconciliation to MTP2 - Municipal
- Combining Schedule of Reportable Government Services with Reconciliation to MTP2 - Education Department
- Notes to Supplementary Information - Annual Supplemental Transparency Report (MTP2)

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

EXHIBIT E-1

| <u>REVENUE</u> | <u>Municipal</u> | <u>Education Department</u> |
|--|----------------------|---------------------------------|
| Current Year Levy Tax Collection | \$ 75,985,859 | \$ - |
| Last Year's Levy Tax Collection | 424,863 | - |
| Prior Years Property Tax Collection | 79,599 | - |
| Interest & Penalty | 318,132 | - |
| PILOT & Tax Treaty (excluded from levy) Collection | 419,659 | - |
| Other Local Property Taxes | - | - |
| Licenses and Permits | 1,335,237 | - |
| Fines and Forfeitures | 921 | - |
| Investment Income | 79,698 | - |
| Departmental | 1,681,080 | - |
| Rescue Run Revenue | 1,163,466 | - |
| Police & Fire Detail | 1,385 | - |
| Other Local Non-Property Tax Revenues | 426,580 | - |
| Tuition | - | 161,917 |
| Impact Aid | - | - |
| Medicaid | - | 349,816 |
| Federal Stabilization Funds | - | - |
| Federal Food Service Reimbursement | - | 664,634 |
| CDBG | - | - |
| COPS Grants | - | - |
| SAFER Grants | - | - |
| Other Federal Aid Funds | 7,676 | 1,875,890 |
| COVID - ESSER | - | 315,949 |
| COVID - CRF | 1,399,277 | 423,093 |
| COVID - CDBG | - | - |
| COVID - FEMA | 72,856 | - |
| COVID - Other | - | - |
| COVID - ARPA | - | - |
| MV Excise Tax Reimbursement | 142,445 | - |
| State PILOT Program | 87,591 | - |
| Distressed Community Relief Fund | - | - |
| Library Resource Aid | 231,439 | - |
| Library Construction Aid | - | - |
| Public Service Corporation Tax | 382,796 | - |
| Meals & Beverage Tax / Hotel Tax | 938,913 | - |
| LEA Aid | - | 4,725,901 |
| Group Home | - | - |
| Housing Aid Capital Projects | - | - |
| Housing Aid Bonded Debt | 323,532 | - |
| State Food Service Revenue | - | 10,021 |
| Incentive Aid | - | - |
| Property Revaluation Reimbursement | - | - |
| Other State Revenue | - | 33,310 |
| Motor Vehicle Phase Out | 179,444 | - |
| Other Revenue | - | 260,179 |
| Local Appropriation for Education | - | 55,994,773 |
| Regional Appropriation for Education | - | - |
| Supplemental Appropriation for Education | - | - |
| Regional Supplemental Appropriation for Education | - | - |
| Other Education Appropriation | - | - |
| Rounding | - | - |
| Total Revenue | <u>\$ 85,682,448</u> | <u>\$ 64,815,483</u> |
| Financing Sources: Transfer from Capital Funds | \$ - | \$ - |
| Financing Sources: Transfer from Other Funds | 538,327 | - |
| Financing Sources: Debt Proceeds | - | - |
| Financing Sources: Other | 394,925 | - |
| Rounding | - | - |
| Total Other Financing Sources | <u>\$ 933,252</u> | <u>\$ -</u> |

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

EXHIBIT E-1

| EXPENDITURES | General | | Social | Centralized | Planning | Libraries | Public Works | Parks and Rec | Police Department |
|---|---------------------|---------------------|-------------------|-------------------|-------------------|---------------------|---------------------|---------------------|---------------------|
| | Government | Finance | Services | IT | | | | | |
| Compensation- Group A | \$ 1,095,627 | \$ 921,589 | \$ 319,451 | \$ 277,468 | \$ 673,744 | \$ 765,196 | \$ 1,244,191 | \$ 1,314,502 | \$ 4,036,456 |
| Compensation - Group B | - | - | - | - | - | - | - | - | 389,166 |
| Compensation - Group C | - | - | - | - | - | - | - | - | - |
| Compensation -Volunteer | - | - | - | - | - | - | - | - | - |
| Overtime- Group A | 18,350 | 1,207 | 268 | 260 | 4,753 | - | 44,704 | 20,113 | 492,368 |
| Overtime - Group B | - | - | - | - | - | - | - | - | 872 |
| Overtime - Group C | - | - | - | - | - | - | - | - | - |
| Police & Fire Detail | - | - | - | - | - | - | - | - | - |
| Active Medical Insurance - Group A | 176,760 | 109,984 | 73,084 | 46,990 | 77,941 | 116,716 | 204,273 | 176,476 | 718,697 |
| Active Medical Insurance- Group B | - | - | - | - | - | - | - | - | 98,468 |
| Active Medical Insurance- Group C | - | - | - | - | - | - | - | - | - |
| Active Dental insurance- Group A | 10,464 | 6,546 | 4,865 | 2,013 | 6,399 | 6,003 | 12,276 | 10,811 | 43,151 |
| Active Dental Insurance- Group B | - | - | - | - | - | - | - | - | 5,342 |
| Active Dental Insurance- Group C | - | - | - | - | - | - | - | - | - |
| Payroll Taxes | 74,869 | 69,248 | 23,109 | 20,322 | 51,380 | 56,410 | 94,885 | 98,897 | 354,683 |
| Life Insurance | 366 | 347 | 161 | 86 | 262 | 278 | 623 | 475 | 4,330 |
| State Defined Contribution- Group A | 7,749 | 8,650 | 3,324 | 3,549 | 6,091 | 6,252 | 10,891 | 9,706 | - |
| State Defined Contribution - Group B | - | - | - | - | - | - | - | - | 3,452 |
| State Defined Contribution - Group C | - | - | - | - | - | - | - | - | - |
| Other Benefits- Group A | 5,074 | 2,068 | 12,406 | 705 | 7,430 | 5,878 | 69,959 | 54,037 | 25,724 |
| Other Benefits- Group B | - | - | - | - | - | - | - | - | 7,270 |
| 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 | 105,185 | 106,591 | 36,580 | 34,592 | 73,713 | 79,651 | 148,670 | 116,552 | 1,084,233 |
| State Defined Benefit Pension - Group B | - | - | - | - | - | - | - | - | 48,518 |
| State Defined Benefit Pension - Group C | - | - | - | - | - | - | - | - | - |
| Other Defined Benefit / Contribution | - | - | - | - | - | - | - | - | - |
| Purchased Services | 324,327 | 40,679 | 7,501 | 15,896 | 14,027 | 59,242 | 440,058 | 320,758 | 29,950 |
| Materials/Supplies | 7,415 | 5,917 | 3,740 | 897 | 3,495 | 95,299 | 130,246 | 100,534 | 40,385 |
| Software Licenses | 1,818 | 275 | 3,062 | 84,145 | 7,928 | 6,336 | 5,597 | 4,087 | 33,696 |
| Capital Outlays | 388 | 4,171 | 281 | 1,144 | 78 | - | 4,600 | 4,631 | 9,553 |
| Insurance | 536,433 | - | - | - | - | - | - | - | - |
| Maintenance | 14,658 | - | 9,593 | - | - | 18,767 | 4,342 | 49,544 | 18,818 |
| Vehicle Operations | 4,078 | 177 | 7,173 | - | 3,018 | 244 | 115,558 | 34,592 | 351,060 |
| Utilities | 37,577 | 1,200 | 38,468 | 3,949 | - | 38,833 | 48,178 | 100,478 | 93,943 |
| Contingency | - | - | - | - | - | - | - | - | - |
| Street Lighting | - | - | - | - | - | - | 145,859 | - | - |
| Revaluation | - | 195,552 | - | - | - | - | - | - | - |
| Snow Removal-Raw Material & External Contracts | - | - | - | - | - | - | 92,808 | - | - |
| Trash Removal & Recycling | - | - | - | - | - | - | 21,843 | - | - |
| Claims & Settlements | - | - | - | - | - | - | - | - | - |
| Community Support | 155,116 | - | - | - | - | - | - | - | - |
| Other Operation Expenditures | 67,051 | 13,150 | 7,806 | 5,146 | 19,168 | 20,431 | 23,215 | 32,401 | 157,452 |
| 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 | \$ 2,643,305 | \$ 1,487,351 | \$ 550,872 | \$ 497,162 | \$ 949,427 | \$ 1,275,536 | \$ 2,862,776 | \$ 2,448,594 | \$ 8,047,587 |

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

EXHIBIT E-1

| EXPENDITURES | Fire Department | Centralized Dispatch | Public Safety Other | Education Appropriation | Debt | OPEB | Total Municipal | Education Department |
|---|--------------------|-------------------------|------------------------|----------------------------|---------------------|-------------------|----------------------|-------------------------|
| Compensation- Group A | \$ - | \$ 440,228 | \$ 1,588,869 | \$ - | \$ - | \$ - | \$ 12,677,321 | \$ 26,554,074 |
| Compensation - Group B | - | - | - | - | - | - | 389,166 | 3,408,033 |
| Compensation - Group C | - | - | - | - | - | - | - | 4,465,937 |
| Compensation -Volunteer | - | - | - | - | - | - | - | - |
| Overtime- Group A | - | 119,603 | 573,728 | - | - | - | 1,275,354 | - |
| Overtime - Group B | - | - | - | - | - | - | 872 | - |
| Overtime - Group C | - | - | - | - | - | - | - | 82,729 |
| Police & Fire Detail | - | - | - | - | - | - | - | - |
| Active Medical Insurance - Group A | - | 104,437 | 304,538 | - | - | - | 2,109,896 | 3,800,320 |
| Active Medical Insurance- Group B | - | - | - | - | - | - | 98,468 | 361,941 |
| Active Medical Insurance- Group C | - | - | - | - | - | - | - | 1,413,713 |
| Active Dental insurance- Group A | - | 5,039 | 15,941 | - | - | - | 123,508 | 245,610 |
| Active Dental Insurance- Group B | - | - | - | - | - | - | 5,342 | 23,438 |
| Active Dental Insurance- Group C | - | - | - | - | - | - | - | 84,415 |
| Payroll Taxes | - | 40,603 | 154,790 | - | - | - | 1,039,196 | 2,565,042 |
| Life Insurance | - | 236 | 1,594 | - | - | - | 8,758 | 233,501 |
| State Defined Contribution- Group A | - | 4,832 | 2,569 | - | - | - | 63,613 | 156,223 |
| State Defined Contribution - Group B | - | - | - | - | - | - | 3,452 | 35,196 |
| State Defined Contribution - Group C | - | - | - | - | - | - | - | 40,445 |
| Other Benefits- Group A | - | 1,353 | 20,516 | - | - | - | 205,150 | 355,266 |
| Other Benefits- Group B | - | - | - | - | - | - | 7,270 | - |
| 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 | - | 51,582 | 75,860 | - | - | - | 1,913,209 | 3,735,227 |
| State Defined Benefit Pension - Group B | - | - | - | - | - | - | 48,518 | 468,923 |
| State Defined Benefit Pension - Group C | - | - | - | - | - | - | - | 517,045 |
| Other Defined Benefit / Contribution | - | - | - | - | - | - | - | - |
| Purchased Services | - | 1,701 | 361,891 | - | - | - | 1,616,030 | 11,485,356 |
| Materials/Supplies | - | 1,218 | 30,307 | - | - | - | 419,453 | 903,490 |
| Software Licenses | - | 4,577 | 6,834 | - | - | - | 158,355 | 233,470 |
| Capital Outlays | - | 3,218 | 8,204 | - | - | - | 36,268 | 556,181 |
| Insurance | - | - | - | - | - | - | 536,433 | 288,067 |
| Maintenance | - | 2,554 | 7,304 | - | - | - | 125,580 | 404,712 |
| Vehicle Operations | - | - | 42,860 | - | - | - | 558,760 | 5,350 |
| Utilities | - | 11,657 | 24,461 | - | - | - | 398,744 | 1,102,593 |
| Contingency | - | - | - | - | - | - | - | - |
| Street Lighting | - | - | - | - | - | - | 145,859 | - |
| Revaluation | - | - | - | - | - | - | 195,552 | - |
| Snow Removal-Raw Material & External Contracts | - | - | - | - | - | - | 92,808 | - |
| Trash Removal & Recycling | - | - | - | - | - | - | 21,843 | - |
| Claims & Settlements | - | - | - | - | - | - | - | - |
| Community Support | - | - | - | - | - | - | 155,116 | - |
| Other Operation Expenditures | - | 7,486 | 41,848 | - | - | - | 395,154 | 190,040 |
| Tipping Fees | - | - | - | - | - | - | - | - |
| Local Appropriation for Education | - | - | - | 55,994,773 | - | - | 55,994,773 | - |
| Regional Appropriation for Education | - | - | - | - | - | - | - | - |
| Supplemental Appropriation for Education | - | - | - | - | - | - | - | - |
| Regional Supplemental Appropriation for Education | - | - | - | - | - | - | - | - |
| Other Education Appropriation | - | - | - | - | - | - | - | - |
| Municipal Debt- Principal | - | - | - | - | 750,093 | - | 750,093 | - |
| Municipal Debt- Interest | - | - | - | - | 169,739 | - | 169,739 | - |
| School Debt- Principal | - | - | - | - | 619,907 | - | 619,907 | - |
| School Debt- Interest | - | - | - | - | 212,713 | - | 212,713 | - |
| Retiree Medical Insurance- Total | - | - | - | - | - | - | - | 566,604 |
| Retiree Dental Insurance- Total | - | - | - | - | - | - | - | 40,856 |
| OPEB Contribution- Total | - | - | - | - | - | 883,053 | 883,053 | 175,000 |
| Rounding | - | - | - | - | - | - | - | - |
| Total Expenditures | \$ - | \$ 800,324 | \$ 3,262,114 | \$ 55,994,773 | \$ 1,752,452 | \$ 883,053 | \$ 83,455,326 | \$ 64,498,796 |

| | | |
|--|----------------------|---------------------|
| Financing Uses: Transfer to Capital Funds | \$ 2,090,990 | \$ - |
| Financing Uses: Transfer to Other Funds | (988,041) | 1,097,937 |
| Financing Uses: Payment to Bond Escrow Agent | - | - |
| Financing Uses: Other | 750,000 | - |
| Total Other Financing Uses | <u>\$ 1,852,949</u> | <u>\$ 1,097,937</u> |
| Net Change in Fund Balance¹ | 1,307,425 | (781,250) |
| Fund Balance1- beginning of year | \$20,318,713 | \$4,310,731 |
| Funds removed from Reportable Government Services (RGS) | - | - |
| Funds added to Reportable Government Services (RGS) | - | - |
| Prior period adjustments | - | 362,612 |
| Misc. Adjustment | (1) | 1 |
| Fund Balance¹ - beginning of year adjusted | <u>20,318,712</u> | <u>4,673,344</u> |
| Rounding | | |
| Fund Balance¹ - end of year | <u>\$ 21,626,137</u> | <u>\$ 3,892,094</u> |

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

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

EXHIBIT E-1

| 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 | | | | | | \$ 20,318,713 | - | \$ 20,318,713 | |
| <i>No funds removed from RGS for fiscal 2020</i> | | | | | | - | - | - | |
| <i>No funds added to RGS for Fiscal 2020</i> | | | | | | - | - | - | |
| <i>Misc. adjustments made for fiscal 2020</i> | | | | | | (1) | - | (1) | |
| Fund Balance¹ - per MTP-2 at June 30, 2021 adjusted | | | | | | <u>\$ 20,318,712</u> | <u>-</u> | <u>\$ 20,318,712</u> | |
| General Fund | \$ 83,853,838 | \$ 952,577 | \$ 23,936,939 | \$ 60,556,086 | \$ 313,390 | \$ 17,034,823 | \$ - | \$ 17,034,823 | \$ 17,348,213 |
| Debt Service | 323,532 | 2,315,161 | 1,753,452 | - | 885,241 | 884,173 | - | 884,173 | 1,769,414 |
| Elderly (Senior) Services | 150,738 | 504,828 | 568,583 | 60,000 | 26,983 | 237,079 | - | 237,079 | 264,062 |
| EMS Billing | 1,165,749 | - | 335,014 | 850,000 | (19,265) | 1,743,060 | - | 1,743,060 | 1,723,795 |
| Neighborhood Guild | 188,591 | 435,750 | 671,013 | - | (46,672) | 151,661 | - | 151,661 | 104,989 |
| Property Revaluation | - | 343,300 | 195,552 | - | 147,748 | 267,916 | - | 267,916 | 415,664 |
| Totals per audited financial statements | <u>\$ 85,682,448</u> | <u>\$ 4,551,616</u> | <u>\$ 27,460,553</u> | <u>\$ 61,466,086</u> | <u>\$ 1,307,425</u> | <u>\$ 20,318,712</u> | <u>\$ -</u> | <u>\$ 20,318,712</u> | <u>\$ 21,626,137</u> |
| <u>Reconciliation from financial statements to MTP2</u> | | | | | | | | | |
| Reclassify transfer of municipal appropriation to Education Department as expenditure on MTP2 | \$ - | \$ - | \$ 55,994,773.00 | \$ (55,994,773.00) | \$ - | \$ - | \$ - | \$ - | \$ - |
| Eliminate transfers between Funds reported on MTP2: | - | - | - | - | - | - | - | - | - |
| - from General Fund to Debt Service | - | (1,945,232) | - | (1,945,232) | - | - | - | - | - |
| - from General Fund to Senior Services | - | (479,828) | - | (479,828) | - | - | - | - | - |
| - from EMS Billing to General Fund | - | (850,000) | - | (850,000) | - | - | - | - | - |
| - from General Fund to Property Revaluation | - | (343,304) | - | (343,304) | - | - | - | - | - |
| Rounding | - | - | - | - | - | - | - | - | - |
| Totals Per MTP2 | <u>\$ 85,682,448</u> | <u>\$ 933,252</u> | <u>\$ 83,455,326</u> | <u>\$ 1,852,949</u> | <u>\$ 1,307,425</u> | <u>\$ 20,318,712</u> | <u>\$ -</u> | <u>\$ 20,318,712</u> | <u>\$ 21,626,137</u> |

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

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

EXHIBIT E-1

| 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 | | | | | | \$ 4,310,731 | 362,612 | \$ 4,673,343 | |
| <i>Misc adjustment due to audit rounding in FY20 for capital assets net of depreciation</i> | | | | | | <u>1</u> | - | <u>1</u> | |
| Fund Balance¹ - per MTP-2 at June 30, 2021 adjusted | | | | | | <u>\$ 4,310,732</u> | 362,612 | <u>\$ 4,673,344</u> | |
| School Unrestricted Fund | \$ 8,291,896 | \$ 56,025,896 | \$ 63,984,844 | \$ 1,097,937 | \$ (764,989) | \$ 4,233,883 | \$ - | \$ 4,233,883 | \$ 3,468,894 |
| Enterprise Fund | 732,980 | - | 738,116 | - | (5,136) | 85,735 | - | 85,735 | 80,599 |
| School Special Revenue Funds | 2,662,658 | - | 2,662,657 | - | 1 | - | - | - | 1 |
| School Special Revenue Funds-Student Activity funds | 99,892 | - | 113,837 | - | (13,945) | - | 362,612 | 362,612 | 348,667 |
| Totals per audited financial statements | <u>\$ 11,787,426</u> | <u>\$ 56,025,896</u> | <u>\$ 67,499,454</u> | <u>\$ 1,097,937</u> | <u>\$ (784,069)</u> | <u>\$ 4,319,618</u> | <u>\$ 362,612</u> | <u>\$ 4,682,230</u> | <u>\$ 3,898,161</u> |
| <u>Reconciliation from financial statements to MTP2</u> | | | | | | | | | |
| Municipal appropriation for Education reported as a transfer on financial statements but a revenue on MTP2 | \$ 56,025,896 | \$ (56,025,896) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| State contributions on behalf of teacher pensions are reported as revenue and expenditures on financial statements only | (2,948,281) | - | (2,948,281) | - | - | - | - | - | - |
| Depreciation expense recognized on financials not on MPT2 | - | - | (2,819) | - | 2,819 | (8,886) | - | (8,886) | (6,067) |
| Less Commodities reported from GAAP financials - not in MPT2 | (49,558) | - | (49,558) | - | - | - | - | - | - |
| Rounding | - | - | - | - | - | - | - | - | - |
| Totals Per MTP2 | <u>\$ 64,815,483</u> | <u>\$ -</u> | <u>\$ 64,498,796</u> | <u>\$ 1,097,937</u> | <u>\$ (781,250)</u> | <u>\$ 4,310,732</u> | <u>\$ 362,612</u> | <u>\$ 4,673,344</u> | <u>\$ 3,892,094</u> |
| <u>Reconciliation from MTP2 to UCOA</u> | | | | | | | | | |
| Miscellaneous variance between MTP2 & UCOA | <u>1</u> | | | | <u>(1)</u> | | | | |
| Totals per UCOA Validated Totals Report | <u>\$ 64,815,484</u> | | | | <u>\$ 64,498,795</u> | | | | |

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

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**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO ANNUAL SUPPLEMENTAL TRANSPARENCY REPORT (MTP2)
JUNE 30, 2021**

NOTE 1. BASIS OF PRESENTATION

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

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

NOTE 2. REPORTABLE GOVERNMENT SERVICES

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

NOTE 3. ALLOCATIONS

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

NOTE 4. EMPLOYEE GROUPS

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

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

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

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO ANNUAL SUPPLEMENTAL TRANSPARENCY REPORT (MTP2)
JUNE 30, 2021

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

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

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

NOTE 5. EDUCATION REVENUE AND EXPENDITURES

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

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

Statistical Section

Statistical Section Information

The objectives of statistical section information are to provide financial statement users with additional historical perspective, context and detail to assist in using the information in the financial statements, notes to financial statements and required supplementary information to understand and assess economic condition.

Statistical section information is presented in the following categories:

- *Financial trends information* is intended to assist users in understanding and assessing how financial position has changed over time.
- *Revenue capacity information* is intended to assist users in understanding and assessing the factors affecting the ability to generate *own-source revenues* (property taxes, charges for services, etc.).
- *Debt capacity information* is intended to assist users in understanding and assessing debt burden and the ability to issue additional debt.
- *Demographic and economic information* is intended 1) to assist users in understanding the socioeconomic environment and 2) to provide information that facilitates comparisons of financial statement information over time and among governments.
- *Operating information* is intended to provide contextual information about operations and resources to assist readers in using financial statement information to understand and assess economic condition.

The accompanying tables are presented in the above order. Refer to the Table of Contents for applicable page number locations.

Sources: Unless otherwise noted, the information in the tables is derived from the annual comprehensive financial reports for the relevant year.

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NET POSITION BY COMPONENT
LAST TEN YEARS

| | Fiscal Year Ended June 30 | | | | | | | | | |
|---|---------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|-----------------------|
| | 2021 | 2020 | 2019 | 2018 | Restated 2017 | Restated 2016 | Restated 2015 | 2014 | 2013 | 2012 |
| Governmental activities: | | | | | | | | | | |
| Net investment in capital assets | \$ 72,554,859 | \$ 77,139,083 | \$ 75,386,786 | \$ 72,453,601 | \$ 77,888,860 | \$ 70,479,567 | \$ 67,772,956 | \$ 65,788,311 | \$ 67,088,741 | \$ 66,167,452 |
| Restricted | 34,413,830 | 21,882,796 | 2,749,974 | 2,688,675 | 2,509,938 | 2,788,004 | 17,686,826 | 17,649,052 | 15,968,722 | 15,885,876 |
| Unrestricted | (35,111,516) | (35,488,094) | (17,219,511) | (16,739,201) | (25,186,040) | (17,776,078) | (30,877,110) | (54,454,652) | 35,089,366 | 31,781,810 |
| Total governmental activities net position | <u>71,857,173</u> | <u>63,533,785</u> | <u>60,917,249</u> | <u>58,403,075</u> | <u>55,212,758</u> | <u>55,491,493</u> | <u>54,582,672</u> | <u>28,982,711</u> | <u>118,146,829</u> | <u>113,835,138</u> |
| Business-type activities: | | | | | | | | | | |
| Net investment in capital assets | 22,368,647 | 22,430,731 | 20,395,273 | 21,099,965 | 21,560,136 | 20,764,646 | 20,379,758 | 20,653,037 | 21,169,022 | 21,551,897 |
| Restricted | 6,186 | | | | | | | | | |
| Unrestricted | 13,463,078 | 13,188,340 | 12,793,391 | 11,148,345 | 10,316,138 | 9,590,963 | 8,602,953 | 7,806,604 | 7,020,437 | 6,215,290 |
| Total business-type activities net position | <u>35,837,911</u> | <u>35,619,071</u> | <u>33,188,664</u> | <u>32,248,310</u> | <u>31,876,274</u> | <u>30,355,609</u> | <u>28,982,711</u> | <u>28,459,641</u> | <u>28,189,459</u> | <u>27,767,187</u> |
| Primary government: | | | | | | | | | | |
| Net investment in capital assets | 94,923,506 | 99,569,814 | 95,782,059 | 93,553,566 | 99,448,996 | 91,244,213 | 88,152,714 | 86,441,348 | 88,257,763 | 87,719,349 |
| Restricted | 34,420,016 | 2,804,762 | 2,257,954 | 2,196,655 | 2,509,938 | 2,295,984 | 17,686,826 | 17,649,052 | 15,968,722 | 15,885,876 |
| Unrestricted | (21,648,438) | (3,221,720) | (4,426,120) | (5,590,856) | (14,869,902) | (8,185,115) | (22,274,157) | (46,648,048) | 42,109,803 | 37,997,100 |
| Total Primary Government Net Position | <u>\$ 107,695,084</u> | <u>\$ 99,152,856</u> | <u>\$ 93,613,893</u> | <u>\$ 90,159,365</u> | <u>\$ 87,089,032</u> | <u>\$ 85,355,082</u> | <u>\$ 83,565,383</u> | <u>\$ 57,442,352</u> | <u>\$ 146,336,288</u> | <u>\$ 141,602,325</u> |

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS
GOVERNMENTAL ACTIVITIES
(Accrual Basis of Accounting)

| | For the Fiscal Year Ended June 30, | | | | | | | | | |
|--|------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
| Expenses | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| General government | \$ 6,799,564 | \$ 6,439,271 | \$ 5,566,611 | \$ 5,485,016 | \$ 6,009,770 | \$ 4,959,774 | \$ 4,132,116 | \$ 4,841,301 | \$ 10,084,503 | \$ 8,998,934 |
| Public safety | 12,473,336 | 12,853,296 | 11,889,791 | 12,533,561 | 11,959,463 | 13,020,538 | 10,223,505 | 10,045,222 | 7,077,376 | 6,982,529 |
| Public works | 4,333,110 | 4,617,718 | 4,395,606 | 2,925,740 | 3,287,040 | 3,084,179 | 4,621,350 | 4,299,775 | 3,648,193 | 2,867,358 |
| Human service agency contributions | 700,428 | 907,803 | 1,005,331 | 840,591 | 950,422 | 943,812 | 928,691 | 923,218 | 145,400 | 145,400 |
| Public libraries | 1,996,552 | 1,432,553 | 1,487,098 | 1,832,064 | 1,813,159 | 1,506,903 | 1,282,647 | 1,231,188 | 1,051,446 | 1,033,043 |
| Education | 65,664,371 | 66,487,416 | 66,456,058 | 65,482,766 | 66,089,552 | 65,100,240 | 61,776,176 | 61,622,756 | 62,189,433 | 62,121,226 |
| Recreation | 4,787,715 | 3,812,750 | 4,003,871 | 4,699,805 | 4,428,491 | 4,135,318 | 2,648,392 | 2,723,576 | 2,264,670 | 2,242,208 |
| Interest on long-term debt | 194,173 | 416,130 | 289,363 | 413,293 | 245,795 | 321,314 | 819,950 | 860,844 | 730,633 | 916,407 |
| Total governmental activities | <u>96,949,249</u> | <u>96,966,937</u> | <u>95,093,729</u> | <u>94,212,836</u> | <u>94,783,692</u> | <u>93,072,078</u> | <u>86,432,827</u> | <u>86,547,880</u> | <u>87,191,654</u> | <u>85,307,105</u> |
| Business-type activities: | | | | | | | | | | |
| Wastewater | 3,849,075 | 3,741,834 | 3,726,503 | 3,394,506 | 3,355,328 | 3,105,813 | 3,223,580 | 2,829,421 | 2,768,557 | 3,024,608 |
| Solid Waste | 641,520 | 589,050 | 613,073 | 559,798 | 500,390 | 498,920 | 477,057 | 457,313 | 474,459 | 522,638 |
| Water | 1,128,155 | 1,042,448 | 917,238 | 970,691 | 896,198 | 818,052 | 927,477 | 845,888 | 768,278 | 852,845 |
| School Cafeteria | 738,116 | 758,394 | 1,026,582 | 1,020,300 | 985,643 | 983,204 | 939,795 | 973,067 | 957,920 | 984,046 |
| Total business-type activities | <u>6,356,866</u> | <u>6,131,726</u> | <u>6,283,396</u> | <u>5,945,295</u> | <u>5,737,559</u> | <u>5,405,989</u> | <u>5,567,909</u> | <u>5,105,689</u> | <u>4,969,214</u> | <u>5,384,137</u> |
| Total Primary Government Expense | <u>\$ 103,306,115</u> | <u>\$ 103,098,663</u> | <u>\$ 101,377,125</u> | <u>\$ 100,158,131</u> | <u>\$ 100,521,251</u> | <u>\$ 98,478,067</u> | <u>\$ 92,000,736</u> | <u>\$ 91,653,569</u> | <u>\$ 92,160,868</u> | <u>\$ 90,691,242</u> |
| Program Revenues | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| General government | \$ 714,333 | \$ 612,142 | \$ 559,679 | \$ 495,600 | \$ 626,747 | \$ 561,391 | \$ 538,276 | \$ 3,188,727 | \$ 3,447,815 | \$ 3,140,696 |
| Public safety | 1,588,164 | 1,480,139 | 1,542,615 | 1,468,888 | 1,260,869 | 1,391,139 | 1,358,084 | 348,997 | 1,169,260 | 689,271 |
| Human service | 1,201,770 | 1,125,256 | 960,699 | 1,065,694 | 882,677 | 754,636 | 908,990 | 139,704 | | 150 |
| Public works | 90,668 | 161,627 | 234,328 | 174,401 | 142,466 | 162,652 | 123,738 | | 324,340 | 5,500 |
| Public libraries | 3,842 | 10,265 | 17,740 | 22,001 | 23,267 | 20,855 | 21,686 | 24,491 | 24,283 | 24,784 |
| Education | 1,097,662 | 897,537 | 881,720 | 631,480 | 670,514 | 833,574 | 883,368 | 791,124 | 824,591 | 734,695 |
| Interest and fiscal charges | - | | | | | | | | | |
| Recreation | 1,732,874 | 1,694,592 | 1,811,103 | 1,677,624 | 1,618,619 | 1,609,412 | 1,585,138 | 1,015,206 | 958,750 | 980,159 |
| Operating grants and contributions | 13,102,785 | 11,403,108 | 11,861,271 | 13,065,446 | 13,491,181 | 14,611,427 | 12,940,772 | 13,186,891 | 13,639,256 | 14,373,951 |
| Capital grants and contributions | 934,766 | 1,129,967 | 829,442 | 1,799,851 | 2,276,533 | 3,217,518 | 524,381 | 92,439 | 107,725 | 877,125 |
| Total governmental activities program revenues | <u>20,466,864</u> | <u>18,514,633</u> | <u>18,698,597</u> | <u>20,400,985</u> | <u>20,992,873</u> | <u>23,162,604</u> | <u>18,884,433</u> | <u>18,787,579</u> | <u>20,496,020</u> | <u>20,826,331</u> |
| Business-type activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Wastewater | 3,965,456 | 5,552,428 | 3,949,473 | 3,608,923 | 4,052,754 | 3,285,671 | 3,494,268 | 3,049,347 | 3,251,827 | 3,248,469 |
| Solid Waste | 672,999 | 661,902 | 638,302 | 561,226 | 501,178 | 506,858 | 528,250 | 492,264 | 544,766 | 565,191 |
| Water | 1,194,604 | 1,168,413 | 1,171,727 | 1,137,826 | 1,139,920 | 1,158,964 | 1,141,522 | 1,010,389 | 973,530 | 946,523 |
| School Cafeteria | 1,295 | 437,990 | 615,381 | 619,381 | 579,252 | 560,875 | 579,529 | 601,848 | 633,393 | 680,055 |
| Operating grants and contributions | 724,213 | 308,295 | 391,410 | 413,975 | 402,182 | 427,718 | 432,055 | 368,165 | 325,227 | 293,285 |
| Capital grants and contributions | 7,472 | | | 18,069 | | | | | | 168,650 |
| Total business-type activities | <u>6,566,039</u> | <u>8,129,028</u> | <u>6,766,293</u> | <u>6,359,400</u> | <u>6,675,286</u> | <u>5,940,086</u> | <u>6,175,624</u> | <u>5,522,013</u> | <u>5,728,743</u> | <u>5,902,173</u> |
| Total Primary Government Program Revenues | <u>\$ 27,032,903</u> | <u>\$ 26,643,661</u> | <u>\$ 25,464,890</u> | <u>\$ 26,760,385</u> | <u>\$ 27,668,159</u> | <u>\$ 29,102,690</u> | <u>\$ 25,060,057</u> | <u>\$ 24,309,592</u> | <u>\$ 26,224,763</u> | <u>\$ 26,728,504</u> |

(Continued on next page)

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS (CONTINUED)
GOVERNMENTAL ACTIVITIES
(Accrual Basis of Accounting)

| | For the Fiscal Year Ended June 30, | | | | | | | | | |
|---|------------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
| Net Revenue (Expense) | | | | | | | | | | |
| Governmental activities | \$ (76,482,385) | \$ (78,452,304) | \$ (76,395,132) | \$ (73,811,851) | \$ (73,790,819) | \$ (69,909,474) | \$ (67,548,394) | \$ (67,760,301) | \$ (66,695,634) | \$ (64,480,774) |
| Business-type activities | 209,173 | 1,997,302 | 482,897 | 414,105 | 937,727 | 534,097 | 607,715 | 416,324 | 759,529 | 518,036 |
| Total Primary Government Net Expense | \$ (76,273,212) | \$ (76,455,002) | \$ (75,912,235) | \$ (73,397,746) | \$ (72,853,092) | \$ (69,375,377) | \$ (66,940,679) | \$ (67,343,977) | \$ (65,936,105) | \$ (63,962,738) |
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Property taxes | \$ 77,281,357 | \$ 76,896,488 | \$ 74,364,196 | \$ 72,166,222 | \$ 70,994,758 | \$ 69,126,888 | \$ 66,953,388 | \$ 66,953,388 | \$ 66,659,301 | \$ 66,472,251 |
| Motor vehicle phase-out taxes | 321,889 | 772,534 | 353,601 | 483,828 | 142,445 | 139,730 | 170,945 | 170,945 | 165,446 | 167,774 |
| Telephone and hotel taxes | 121,584 | 229,153 | 195,877 | 199,400 | 164,020 | 159,174 | 509,604 | 509,604 | 495,631 | 463,552 |
| Grants and aid not restricted for a specific program | 1,200,125 | 1,317,593 | 1,338,723 | 1,663,617 | 1,353,836 | 1,340,500 | 1,837,885 | 1,837,885 | 1,663,378 | 1,657,207 |
| Unrestricted investment earnings | 5,518,993 | 2,357,925 | 2,375,895 | 1,971,233 | 1,940,657 | 193,395 | 2,568,515 | 2,568,515 | 1,990,301 | 481,121 |
| Transfers | (4,200) | (12,833) | (18,986) | 25,848 | (591,612) | (803,982) | 163,057 | 163,057 | 357,608 | 2,318 |
| Total governmental activities | 84,439,748 | 81,560,860 | 78,609,306 | 76,510,148 | 74,004,104 | 70,155,705 | 72,203,394 | 72,203,394 | 71,331,665 | 69,244,223 |
| Business-type activities: | | | | | | | | | | |
| Unrestricted investment earnings | 5,467 | 420,272 | 438,471 | (16,221) | (8,674) | 34,819 | 16,915 | 16,915 | 20,351 | 16,940 |
| Transfers | 4,200 | 12,833 | 18,986 | (25,848) | 591,612 | 803,982 | (163,057) | (163,057) | (357,608) | (2,318) |
| Total business type activities | 9,667 | 433,105 | 457,457 | (42,069) | 582,938 | 838,801 | (146,142) | (146,142) | (337,257) | 14,622 |
| Total Primary Government | \$ 84,449,415 | \$ 81,993,965 | \$ 79,066,763 | \$ 76,468,079 | \$ 74,587,042 | \$ 70,994,506 | \$ 72,057,252 | \$ 72,057,252 | \$ 70,994,408 | \$ 69,258,845 |
| Change in Net Position | | | | | | | | | | |
| Governmental activities | \$ 7,957,363 | \$ 3,108,556 | \$ 2,514,174 | \$ 2,698,297 | \$ 213,285 | \$ 246,231 | \$ 4,655,000 | \$ 4,443,093 | \$ 4,636,031 | \$ 4,763,449 |
| Business-type activities | 218,840 | 2,430,407 | 940,354 | 372,036 | 1,520,665 | 1,372,898 | 461,573 | 270,182 | 422,272 | 532,658 |
| Total Primary Government | \$ 8,176,203 | \$ 5,538,963 | \$ 3,454,528 | \$ 3,070,333 | \$ 1,733,950 | \$ 1,619,129 | \$ 5,116,573 | \$ 4,713,275 | \$ 5,058,303 | \$ 5,296,107 |

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
 FUND BALANCES, GOVERNMENTAL FUNDS, LAST TEN FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

| | Fiscal Year Ended June 30, | | | | | | | | | |
|---|----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
| General Fund: | | | | | | | | | | |
| Restricted | \$ 8,969 | \$ 1,200 | \$ 27,529 | \$ 9,598 | \$ 36,956 | \$ 15,726 | \$ 38,193 | \$ 63,678 | \$ 21,926 | \$ 30,361 |
| Unrestricted | 20,808,138 | 21,267,506 | 17,025,520 | 16,346,328 | 16,077,082 | 15,570,027 | 14,984,306 | 15,914,055 | 15,443,286 | 15,048,648 |
| Total General Fund | \$ 20,817,107 | \$ 21,268,706 | \$ 17,053,049 | \$ 16,355,926 | \$ 16,114,038 | \$ 15,585,753 | \$ 15,022,499 | \$ 15,977,733 | \$ 15,465,212 | \$ 15,079,009 |
| All Other Governmental Funds: | | | | | | | | | | |
| Restricted | \$ 27,975,769 | \$ 24,567,695 | \$ 23,968,163 | \$ 23,333,520 | \$ 22,102,238 | \$ 22,090,114 | \$ 22,901,688 | \$ 27,111,926 | \$ 25,031,275 | \$ 23,540,103 |
| Unrestricted, reported in: | | | | | | | | | | |
| Special revenue funds | 5,458,247 | 3,056,898 | 2,821,443 | 2,565,363 | 2,206,848 | 2,498,058 | 2,345,147 | 2,399,180 | 2,246,126 | 2,453,669 |
| Capital project funds | 12,627,098 | 11,077,659 | 8,968,301 | 11,640,433 | 5,128,522 | 9,518,148 | 9,525,428 | 3,931,006 | 4,140,305 | 4,134,410 |
| Permanent funds | | | | | | | | | | |
| Total All Other Governmental Funds | \$ 46,061,114 | \$ 38,702,252 | \$ 35,757,907 | \$ 37,539,316 | \$ 29,437,608 | \$ 34,106,320 | \$ 34,772,263 | \$ 33,442,112 | \$ 31,417,706 | \$ 30,128,182 |

Notes:

* Town and School fund balances were combined for reporting purposes beginning 6/30/12 in accordance with the audit firm's interpretation of GASB 54.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS, LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

| | For the Fiscal Year Ended June 30, | | | | | | | | | |
|---|------------------------------------|---------------------|-----------------------|---------------------|-----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
| Revenues: | | | | | | | | | | |
| Property taxes and interest | \$ 77,235,788 | \$ 76,736,260 | \$ 74,523,011 | \$ 72,138,721 | \$ 71,023,350 | \$ 69,170,273 | \$ 68,282,410 | \$ 67,434,952 | \$ 66,626,623 | \$ 66,517,515 |
| Intergovernmental revenues | 11,635,447 | 10,434,074 | 11,559,695 | 13,084,043 | 14,124,443 | 14,224,265 | 13,519,811 | 13,313,778 | 13,809,380 | 15,000,408 |
| Licenses, fees and rents | 3,000,880 | 2,479,459 | 2,079,483 | 2,220,604 | 2,027,110 | 1,800,653 | 2,091,978 | 1,936,129 | 2,122,082 | 1,850,827 |
| Interest on investments | 5,517,805 | 2,348,787 | 2,356,901 | 1,959,452 | 1,940,088 | 192,667 | 661,351 | 2,562,349 | 1,913,743 | 463,169 |
| Fines and charges | 1,696,032 | 1,887,213 | 2,081,198 | 1,934,102 | 1,454,328 | 1,668,007 | 1,685,331 | 1,720,729 | 1,707,372 | 1,514,469 |
| Department revenue | 1,178,065 | 1,099,591 | 1,258,470 | 1,085,472 | 1,382,810 | 1,319,990 | 1,153,858 | 1,131,332 | 924,693 | 1,255,012 |
| Other revenue | 1,144,664 | 856,695 | 734,822 | 921,296 | 834,428 | 853,428 | 777,521 | 765,504 | 1,812,880 | 1,015,744 |
| State on-behalf pension | 2,948,281 | 2,793,656 | 2,991,987 | 2,666,045 | 2,683,099 | 2,449,310 | 2,369,227 | 2,185,581 | 2,119,728 | 2,478,404 |
| Total revenues | <u>104,356,962</u> | <u>98,635,735</u> | <u>97,585,567</u> | <u>96,009,735</u> | <u>95,469,656</u> | <u>91,678,593</u> | <u>90,541,487</u> | <u>91,050,354</u> | <u>91,036,501</u> | <u>90,095,548</u> |
| Expenditures: | | | | | | | | | | |
| Current: | | | | | | | | | | |
| General government | 6,177,625 | 5,102,639 | 5,274,466 | 3,839,267 | 3,751,923 | 3,776,694 | 3,571,502 | 3,632,029 | 2,660,861 | 2,549,948 |
| Public safety | 12,679,075 | 12,338,588 | 11,510,894 | 11,265,691 | 10,897,960 | 10,559,201 | 9,639,003 | 9,281,517 | 6,672,979 | 6,743,188 |
| Public services | 2,858,094 | 3,034,100 | 3,051,979 | 2,935,749 | 3,627,204 | 2,984,847 | 2,735,979 | 2,491,439 | 2,398,155 | 1,644,637 |
| Public health contributions | 700,428 | 994,947 | 1,020,829 | 964,008 | 950,422 | 940,061 | 125,400 | 147,400 | 145,400 | 145,400 |
| Recreation | 3,021,092 | 3,180,928 | 3,187,746 | 2,957,302 | 2,924,312 | 2,658,792 | 2,572,574 | 2,358,758 | 2,035,546 | 2,029,877 |
| Public libraries | 1,293,978 | 1,364,380 | 1,317,350 | 1,259,498 | 1,210,348 | 1,180,796 | 1,173,634 | 1,134,945 | 914,695 | 943,655 |
| Educational | 66,761,338 | 62,641,377 | 65,632,870 | 63,976,130 | 63,158,612 | 62,196,819 | 61,834,589 | 60,988,629 | 61,524,508 | 61,576,314 |
| Capital improvements | 2,392,441 | 4,822,247 | 5,481,376 | 2,806,741 | 10,161,698 | 3,508,744 | 3,011,018 | 2,906,979 | 1,842,708 | 2,229,942 |
| Miscellaneous | | | | 1,191,713 | 1,040,289 | 967,255 | 928,093 | 2,361,875 | 7,550,463 | 6,965,814 |
| Debt service: (2) | | | | | | | | | | |
| Principal | 1,370,000 | 1,694,000 | 1,842,000 | 1,682,000 | 1,710,000 | 2,044,000 | 2,371,000 | 2,680,000 | 2,981,000 | 3,260,000 |
| Interest | 382,452 | 424,824 | 331,357 | 378,262 | 257,434 | 334,933 | 618,393 | 592,913 | 717,211 | 898,394 |
| Total expenditures | <u>97,636,523</u> | <u>95,598,030</u> | <u>98,650,867</u> | <u>93,256,361</u> | <u>99,690,202</u> | <u>91,152,142</u> | <u>88,581,185</u> | <u>88,576,484</u> | <u>89,443,526</u> | <u>88,987,169</u> |
| Excess of revenues over (under) expenditures | <u>6,720,439</u> | <u>3,037,705</u> | <u>(1,065,300)</u> | <u>2,753,374</u> | <u>(4,220,546)</u> | <u>526,451</u> | <u>1,960,302</u> | <u>2,473,870</u> | <u>1,592,975</u> | <u>1,108,379</u> |
| Other Financing Sources (Uses): | | | | | | | | | | |
| Proceeds from borrowing | | 4,135,130 | | 5,639,374 | | | | | 4,263,000 | |
| Issuance of refunding bonds | | | | | | | 6,935,000 | | | |
| Payment to refunding debt escrow | | | | | | | (7,218,900) | | -4,207,856 | |
| Transfers in | 7,444,429 | 5,486,875 | 5,697,095 | 5,523,866 | 5,700,651 | 5,860,074 | 5,996,250 | 4,571,217 | 3,907,648 | 3,513,401 |
| Transfers out | (7,623,629) | (5,499,708) | (5,716,081) | (5,573,018) | (5,710,706) | (6,489,214) | (5,892,553) | (4,508,160) | (3,880,040) | (3,511,083) |
| Total other financing sources (uses) | <u>(179,200)</u> | <u>4,122,297</u> | <u>(18,986)</u> | <u>5,590,222</u> | <u>(10,055)</u> | <u>(629,140)</u> | <u>(180,203)</u> | <u>63,057</u> | <u>82,752</u> | <u>2,318</u> |
| Net Change in Fund Balances | <u>\$ 6,541,239</u> | <u>\$ 7,160,002</u> | <u>\$ (1,084,286)</u> | <u>\$ 8,343,596</u> | <u>\$ (4,230,601)</u> | <u>\$ (102,689)</u> | <u>\$ 1,780,099</u> | <u>\$ 2,536,927</u> | <u>\$ 1,675,727</u> | <u>\$ 1,110,697</u> |
| Debt Service as a Percentage of Noncapital Expenditures (1) | <u>1.84%</u> | <u>2.34%</u> | <u>2.28%</u> | <u>1.97%</u> | <u>2.61%</u> | <u>3.37%</u> | <u>3.70%</u> | <u>4.13%</u> | <u>4.67%</u> | <u>4.88%</u> |

Notes:

- (1) The percentage calculation uses the capital outlay figure from Note 1. This differs from the Capital Improvements figure due to capitalizable items included within other functional categories of current expenditures.
(2) Debt Service is broken out into principal and interest and other costs beginning with fiscal year 2003. Bond issuance costs and bank fees are further broken out from interest beginning fiscal year 2011.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
 ASSESSED VALUES AND ACTUAL VALUES OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS**

| Fiscal Year Ended June 30 | Assessed Value | | | | | | Total Taxable Assessed Value | Total Direct Tax Rate |
|------------------------------------|-------------------------|------------------------|--------------------------------|----------------------------------|-------------------|--------------------------------|---------------------------------------|--------------------------------|
| | Residential Property | Commercial Property | Industrial/Utility Property | Tangible Personal Property | Motor Vehicles | Less Tax Exempt Property | | |
| 2021 | \$ 4,494,020,600 | \$ 510,107,200 | \$ 42,881,500 | \$ 114,464,194 | \$ 145,574,064 | \$ 61,133,730 | \$ 5,245,913,828 | \$ 14.57 |
| 2020 | 4,453,849,000 | 502,741,200 | 42,881,500 | 114,091,164 | 168,826,026 | 63,902,393 | 5,218,486,497 | 14.59 |
| 2019 | 3,941,833,700 | 407,514,885 | 74,711,715 | 113,421,110 | 175,178,185 | 59,619,313 | 4,653,040,282 | 15.79 |
| 2018 | 3,902,377,700 | 406,099,681 | 73,106,419 | 112,676,078 | 184,249,032 | 60,393,721 | 4,618,115,189 | 15.45 |
| 2017 | 3,874,286,600 | 417,248,697 | 74,538,903 | 113,800,099 | 198,929,263 | 61,210,855 | 4,617,592,707 | 15.25 |
| 2016 | 3,663,352,700 | 388,285,575 | 75,493,525 | 113,540,016 | 194,264,022 | 60,187,116 | 4,374,748,722 | 15.66 |
| 2015 | 3,528,766,791 | 493,273,045 | 73,836,764 | 106,473,897 | 187,325,550 | 61,825,012 | 4,327,851,035 | 15.48 |
| 2014 | 4,327,013,284 | 420,199,912 | 40,682,402 | 117,242,736 | 185,876,659 | 793,673,400 | 4,297,341,593 | 15.47 |
| 2013 | 4,434,004,364 | 476,108,659 | 41,715,054 | 202,728,309 | 182,251,511 | 810,728,300 | 4,526,079,597 | 14.50 |
| 2012 | 4,438,109,285 | 440,496,805 | 40,110,400 | 232,546,219 | 170,642,925 | 814,832,689 | 4,507,072,945 | 14.67 |

Source: Town of South Kingstown, Rhode Island Assessor

Notes:

Prior to the adoption of Senate Bill - 3050 Sub A at the close of the 2006 legislative session, Rhode Island had a 5.5% cap on property tax growth in all cities and towns. The State's enactment of the 2006 amendments to the local property tax cap provisions revised the tax cap to apply only to the prior year levy beginning in FY 2007-2008 and to further reduce the cap to 4% by FY 2012-2013 in 0.25% increments. The tax cap was 4% for fiscal year 2020.

The Town had a full revaluation of real property as of December 31, 2012, effective for the 2013-14 fiscal year. The full revaluation is required by state law every 9 years. Statistical updates are required every 3 years. A statistical update of real property was completed as of December 31, 2015 for the 2016-2017 fiscal year. Property is assessed at actual value, therefore, the assessed values are equal to actual value. Tax rates are per \$1,000 of assessed value.

Inventory taxes were phased out under RI General Law 44-3-29.1. Under the law, 2008 was the final year of inventory taxation.

Total Direct Rate represents the weighted average of all individual direct rates applied by the Town. Prior to 2000, all property was taxed at the same rate. At that time, the motor vehicle tax rate was frozen at \$18.71. For fiscal year 2021, the property tax rate, exclusive of motor vehicles, was \$14.45

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
 ASSESSED VALUES AND ACTUAL VALUES OF TAXABLE PROPERTY (CONTINUED)
 CALCULATION OF TOTAL DIRECT TAX RATE FOR FISCAL YEAR ENDED JUNE 30, 2021**

Note: Excludes Exempt Property

| <u>Category</u> | <u>Assessed Value</u> | <u>Assessed Value</u> | <u>Direct Rate Per \$1000</u> | <u>Total Tax Levy</u> |
|--------------------------------|------------------------|-----------------------|---------------------------------------|-----------------------|
| Real Estate | \$ 5,047,009,300 | | | |
| Less Exemptions | 61,133,730 | | | |
| Net Real Estate | | \$ 4,985,875,570 | \$ 14.4500 | \$ 72,045,700 |
| Tangible/Personal Inventory | | 114,464,194 | 14.4500 | 1,654,004 |
| Motor Vehicle | 222,096,894 | | | |
| Less Exemptions | 76,522,830 | | | |
| Net Motor Vehicle | | <u>145,574,064</u> | 18.71 | <u>2,722,732</u> |
| | | \$ 5,245,913,828 | | \$ 76,422,435 |
| | Total Assessed Value: | \$ 5,245,913,828 | | |
| | Divided by Total Levy: | 76,422,435 | | |
| | (Times 1000) | <u>\$ 14.57</u> | Weighted Avg/Total Direct Rate | |

TABLE 6

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

| | 2021 | | | 2012 | | |
|--|------------------------|------|--|------------------------|------|--|
| | Taxable Assessed Value | Rank | Percent of Total City Taxable Assessed Value | Taxable Assessed Value | Rank | Percent of Total City Taxable Assessed Value |
| Harbor Village Apts (formerly Grandville) | \$ 41,431,600 | 1 | 0.79% | \$ 34,714,600 | 2 | 0.77% |
| Schneider Electric (formerly APC) | 28,618,527 | 2 | 0.55% | 65,980,103 | 1 | 1.46% |
| Brightview Commons, LLC (formerly SHP III) | 25,322,600 | 3 | 0.49% | 16,858,875 | 4 | 0.37% |
| Narragansett Electric | 24,205,758 | 4 | 0.46% | 23,598,315 | 3 | 0.52% |
| SCC Investments II, LLC | 21,530,100 | 5 | 0.41% | 13,124,800 | 7 | 0.29% |
| HCP HB2 South Bay Manor LLC | 15,387,700 | 6 | 0.29% | 14,017,600 | 5 | 0.31% |
| Jerry Brown Farm Association | 14,573,200 | 7 | 0.28% | 13,634,300 | 6 | 0.30% |
| Wakefield Mall, LLC | 12,483,200 | 8 | 0.24% | 12,823,700 | 8 | 0.28% |
| Tower Hill Landings, LLC | 8,399,300 | 9 | 0.16% | | | |
| Belmont Shoppers Park Inc. | 8,393,200 | 10 | 0.16% | | | |
| SCC Investments, LLC | | | | 9,944,900 | 9 | 0.22% |
| Hallkeen CDT Kingston LTD | | | | 9,920,900 | 10 | 0.22% |
| Total | <u>\$ 200,345,185</u> | | <u>3.84%</u> | <u>\$ 214,618,093</u> | | <u>4.76%</u> |

Source: Town of South Kingstown Assessor

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

| Fiscal Year | Actual Tax Rate | Gross Levy | Addendums and Adjustments | Abatements and Adjustments | Net Levy | Uncollected (2) | | | |
|-------------|-----------------|---------------|---------------------------|----------------------------|---------------|----------------------|---------------|---------------|---------------|
| | | | | | | End of Year Levy (1) | % of Net Levy | As of 8/30/21 | % of Net Levy |
| 2020-21 | 14.45 \$ | 76,422,435 \$ | 105,518 \$ | 29,544 \$ | 76,498,409 \$ | 788,334 | 1.03% | 513,316 \$ | 0.67% |
| 2019-20 | 14.45 | 76,125,309 | 149,486 | 33,221 | 76,241,574 | 908,690 | 1.19% | 590,391 | 0.77% |
| 2018-19 | 15.68 | 73,489,680 | 159,788 | 64,966 | 73,584,502 | 765,373 | 1.04% | 417,857 | 0.57% |
| 2017-18 | 15.31 | 71,328,981 | 134,783 | 28,622 | 71,435,142 | 109,041 | 0.15% | 93,753 | 0.13% |
| 2016-17 | 15.09 | 70,398,298 | 78,533 | 55,227 | 67,698,861 | 70,486 | 0.10% | 66,310 | 0.10% |
| 2015-16 | 15.52 | 68,504,982 | 93,912 | 43,927 | 65,885,154 | 48,649 | 0.07% | 47,689 | 0.07% |
| 2014-15 | 15.48 | 67,607,641 | 114,775 | 23,555 | 65,199,289 | 41,358 | 0.06% | 41,087 | 0.06% |
| 2013-14 | 15.47 | 67,082,117 | 175,914 | 348,216 | 64,231,377 | 36,625 | 0.06% | 36,382 | 0.06% |
| 2012-13 | 14.50 | 66,399,782 | 99,701 | 372,420 | 66,127,063 | 36,367 | 0.05% | 36,089 | 0.05% |
| 2011-12 | 14.51 | 66,120,832 | 124,683 | 360,361 | 65,885,154 | 35,746 | 0.05% | 52,028 | 0.08% |
| 2010-11 | 14.19 | 65,499,433 | 109,275 | 409,419 | 65,199,289 | 52,194 | 0.08% | 51,941 | 0.08% |

Source: Town of South Kingstown Tax Collector

Notes:

- (1) Reflects current year tax collection through 60 days after the close of the fiscal year.
- (2) Uncollected @ 6/30/10 is net of the following adjustments: write off of uncollectible real estate, tangible and motor vehicle taxes for tax years 1994, 1995, 1998 and 1999 in the amount of \$70,258; and a reclassification of Town-held tax liens in the amount of \$5,704.
- Uncollected @ 6/30/11 is net of the following adjustments: write off of uncollectible real estate, tangible and motor vehicle taxes for tax years 1998-2009 in the amount of \$21,898; and a reclassification of Town-held tax liens in the amount of \$750.
- Uncollected @ 6/30/12 is net of the following adjustments: write off of uncollectible tangible and motor vehicle taxes for tax years 1997-2001 and misc. taxes for tax years 2006-2009 in the amount of \$30,015; reclassification of 2010 and 2011 Town-held tax liens in the amount of \$270.

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

| General Bonded Debt | | | | | | | | |
|---------------------------------|---|------------------------------|---------------------------------------|--|--|---|-----------------------|--|
| Fiscal Year June 30, | General Obligation Bonds | Bonds Premiums | Taxable Assessed Value | Percent of Taxable Assessed Value | (2010 is actual) U.S. Census Estimated Population | Per Capita | | |
| 2021 | \$ 11,464,000 | \$ 472,083 | \$ 5,245,913,828 | 0.22% | 30,454 | \$ 376 | | |
| 2020 | 12,834,000 | 688,112 | 5,218,486,497 | 0.25% | 30,348 | 423 | | |
| 2019 | 10,653,000 | 478,687 | 4,653,040,282 | 0.23% | 30,650 | 348 | | |
| 2018 | 12,495,000 | 529,392 | 4,618,115,189 | 0.27% | 30,788 | 406 | | |
| 2017 | 8,757,000 | 360,675 | 4,617,592,707 | 0.19% | 30,791 | 284 | | |
| 2016 | 10,467,000 | 400,412 | 4,374,748,722 | 0.24% | 30,826 | 340 | | |
| 2015 | 12,511,000 | 440,149 | 4,327,851,035 | 0.29% | 30,750 | 407 | | |
| 2014 | 14,967,000 | 96,209 | 4,297,341,593 | 0.35% | 30,615 | 489 | | |
| 2013 | 17,647,000 | 128,650 | 4,526,079,597 | 0.39% | 30,363 | 581 | | |
| 2012 | 20,390,000 | 161,091 | 4,507,072,945 | 0.45% | 30,378 | 671 | | |
| Business-Type Activities | | | | | | | | |
| Fiscal Year June 30, | Wastewater Bonds | Solid Waste Bonds | Water Bonds | Total Primary Government | Total Personal Income | Percent of Personal Income * | Per Capita | |
| 2021 | \$ 87,000 | \$ 526,152 | \$ - | \$ 12,549,235 | Not Available | Not Available | \$ 412 | |
| 2020 | 115,000 | 698,587 | - | 14,335,699 | Not Available | Not Available | 472 | |
| 2019 | 142,000 | 866,719 | - | 12,140,406 | 1,193,112,550 | 1.02% | 396 | |
| 2018 | 169,000 | 1,030,638 | - | 14,224,030 | 1,110,492,372 | 1.28% | 462 | |
| 2017 | 195,000 | 1,190,432 | - | 10,503,107 | 1,101,763,562 | 0.95% | 341 | |
| 2016 | 221,000 | 1,346,185 | - | 12,434,597 | 1,044,569,836 | 1.19% | 403 | |
| 2015 | 246,000 | 1,498,979 | - | 14,696,128 | 1,002,204,000 | 1.47% | 478 | |
| 2014 | 271,000 | 1,647,896 | - | 16,982,105 | 1,030,776,435 | 1.65% | 555 | |
| 2013 | 295,000 | 1,793,014 | 84,000 | 19,947,664 | 1,088,665,365 | 1.83% | 657 | |
| 2012 | 380,205 | 1,934,409 | 166,000 | 23,031,705 | 1,033,064,646 | 2.23% | 758 | |

Notes:

Details regarding the Town's outstanding debt can be found in the Notes to Financial Statements.

* See Schedule 11 for personal income and population data used to calculate these ratios.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(rate per \$1,000 of assessed value)**

| Fiscal Year Ended June 30 | Total Direct Tax Rate | | Overlapping Rates | | |
|---------------------------------|------------------------------------|---------------|------------------------|------------------------------|---------------------------|
| | Real Estate / Personal Property | Motor Vehicle | Union Fire District | Indian Lake Fire District | Kingston Fire District |
| | 2021 | \$ 14.45 | \$ 18.71 | \$ 0.76 | \$ 1.33 |
| 2020 | 14.45 | 18.71 | 0.77 | 1.22 | 0.94 |
| 2019 | 15.68 | 18.71 | 0.87 | 1.30 | 1.02 |
| 2018 | 15.31 | 18.71 | 0.86 | 1.22 | 1.00 |
| 2017 | 15.09 | 18.71 | 0.85 | 1.22 | 0.97 |
| 2016 | 15.52 | 18.71 | 0.88 | 1.38 | 0.98 |
| 2015 | 15.48 | 18.71 | 0.82 | 1.38 | 0.96 |
| 2014 | 15.47 | 18.71 | 0.79 | 1.13 | 0.92 |
| 2013 | 14.50 | 18.71 | 0.71 | 0.95 | 0.87 |
| 2012 | 14.51 | 18.71 | 0.62 | 1.02 | 0.82 |

Notes:

Beginning in the 2012-2013 fiscal year, the Town's basic tax rate increase cannot exceed 4% of the prior year's rate unless the State of Rhode Island approves such increase.

Overlapping rates are those of local fire districts that apply to property owners within the Town of South Kingstown. Not all overlapping rates apply to all Town of South Kingstown property owners. For example, although the Town's direct property tax rates apply to all Town property owners, a fire district tax applies only to those Town properties located within that district.

The Town of South Kingstown does not have any overlapping debt.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

| | Fiscal Year Ended June 30 | | | | | | | | | |
|---|---------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
| Total assessed value | \$ 5,245,913,828 | \$ 5,218,486,497 | \$ 4,653,040,282 | \$ 4,618,115,189 | \$ 4,617,592,707 | \$ 4,374,748,722 | \$ 4,327,851,035 | \$ 4,297,341,593 | \$ 4,526,079,597 | \$ 4,507,072,945 |
| Rhode Island General Law debt limitation as % of assessed value | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| Debt limit | 157,377,415 | 156,554,595 | 139,591,208 | 138,543,456 | 138,527,781 | 131,242,462 | 129,835,531 | 128,920,248 | 135,782,388 | 135,212,188 |
| Total net debt applicable to the limit | 2,669,751 | 3,189,898 | 3,873,337 | 4,315,645 | 3,875,854 | 4,362,607 | 4,745,677 | 5,443,192 | 4,299,513 | 4,747,717 |
| Legal debt margin | \$ 154,707,664 | \$ 153,364,697 | \$ 135,717,872 | \$ 134,227,810 | \$ 134,651,927 | \$ 126,879,855 | \$ 125,089,854 | \$ 123,477,056 | \$ 131,482,875 | \$ 130,464,471 |
| Total net debt applicable to the limit as a percentage of debt limit | 1.70% | 2.04% | 2.77% | 3.12% | 2.80% | 3.32% | 3.66% | 4.22% | 3.17% | 3.51% |

Notes:

The State Legislature may by special act permit the Town to incur indebtedness outside the limitations imposed by the 3% debt limit.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

| Fiscal Year June 30, | (3) Population | Per Capita Personal Income (1) | ESTIMATED Total Personal Income (1) (thousands) | School Enrollment | Unemployment Rate (2) |
|---------------------------------|---------------------------|---|--|------------------------------|----------------------------------|
| 2021 | 30,454 | Not Available | Not Available | 2,708 | 6.9% |
| 2020 | 30,348 | Not Available | Not Available | 2,853 | 3.1% |
| 2019 | 30,650 | \$ 38,927 | \$ 1,193,113 | 2,931 | 3.6% |
| 2018 | 30,788 | 36,069 | 1,110,492 | 3,043 | 3.9% |
| 2017 | 30,791 | 35,782 | 1,101,764 | 3,111 | 4.9% |
| 2016 | 30,826 | 33,886 | 1,044,570 | 3,249 | 5.4% |
| 2015 | 30,750 | 32,592 | 1,002,204 | 3,275 | 6.9% |
| 2014 | 30,615 | 33,669 | 1,030,776 | 3,397 | 8.7% |
| 2013 | 30,363 | 35,855 | 1,088,665 | 3,357 | 9.1% |
| 2012 | 30,378 | 34,007 | 1,033,065 | 3,443 | 9.7% |
| 2011 | 30,639 | 42,589 | 1,304,884 | 3,523 | 10.3% |
| 2010 | 30,639 | 46,452 | 1,423,243 | 3,548 | 9.2% |

- (1) Per Bureau of Economic Analysis - Washington County. The income data released in April 2012 represents 2010 data. Personal income is only available at the county level. The Town's population is 24% of the County. Most recent Per Capita Personal Income per the US Census Bureau, 2015-2019 ACS 5-Year Estimate for FY 2019. Provided by RI Department of Labor and Training.
- (2) Rhode Island Department of Labor and Training; not seasonally adjusted, annual average for previous calendar year.
- (3) The non-census year statistics are estimates provided RI Department of Labor & Training by the RI Division of Planning. The 2010 fiscal year census statistic is actual U.S. census figure.

TABLE 12

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

| 2021 (1) | | | | 2012 (1) | | | |
|---|---------------|------|-------------------------------------|---|---------------|------|-------------------------------------|
| Employment Sector | Employees | Rank | Percentage of Total Town Employment | Employment Sector | Employees | Rank | Percentage of Total Town Employment |
| Government | 3,578 | 1 | 28.0% | Government | 3,751 | 1 | 27.9% |
| Health Care & Social Assistance | 2,840 | 2 | 22.2% | Health Care & Social Assistance | 2,622 | 2 | 19.5% |
| Accommodation & Food Services | 1,292 | 3 | 10.1% | Accommodation & Food Services | 1,366 | 3 | 10.2% |
| Retail Trade | 1,145 | 4 | 9.0% | Retail Trade | 1,241 | 4 | 9.2% |
| Manufacturing | 526 | 5 | 4.1% | Other Services (except Public Administration) | 788 | 5 | 5.9% |
| Construction | 495 | 6 | 3.9% | Wholesale Trade | 780 | 6 | 5.8% |
| Other Services (except Public Administration) | 484 | 7 | 3.8% | Manufacturing | 624 | 7 | 4.6% |
| Wholesale Trade | 460 | 8 | 3.6% | Construction | 283 | 8 | 2.1% |
| Professional & Technical Services | 370 | 9 | 2.9% | Administration Support & Waste Management | 283 | 9 | 2.1% |
| Educational Services | 356 | 10 | 2.8% | Finance & Insurance | 280 | 10 | 2.1% |
| Total | <u>11,546</u> | | <u>90.3%</u> | Total | <u>12,018</u> | | <u>89.4%</u> |

NOTES

(1) RI Department of Labor & Training Quarterly Census of Employment & Wages, City & Town Summary - previous year

Data by individual employer has been unavailable since 2010. Therefore, beginning with the 2012 CAFR, the principal employer data will be displayed by sector.

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
FULL-TIME EQUIVALENT TOWN GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

| | Fiscal Year Ended June 30, | | | | | | | | | |
|---------------------------|----------------------------|---------------------|---------------------|---------------------|---------------------|------------|------------|------------|------------|------------|
| | 2021 ⁽¹⁾ | 2020 ⁽¹⁾ | 2019 ⁽¹⁾ | 2018 ⁽¹⁾ | 2017 ⁽¹⁾ | 2016 | 2015 | 2014 | 2013 | 2012 |
| General Government: | 47 | 35 | 35 | 35 | 36 | 33 | 33 | 33 | 33 | 33 |
| Public Safety: | | | | | | | | | | |
| Police - Officers | 55 | 54 | 54 | 54 | 54 | 53 | 52 | 51 | 51 | 51 |
| Police - Civilians | 20 | 17 | 18 | 18 | 18 | 19 | 22 | 22 | 22 | 22 |
| Emer. Medical Services | 21 | 19 | 17 | 17 | 17 | 15 | 17 | 17 | 17 | 17 |
| Communications | <u>2</u> | <u>2</u> | <u>2</u> | <u>2</u> | <u>2</u> | <u>2</u> | <u>2</u> | <u>2</u> | <u>2</u> | <u>2</u> |
| | <u>98</u> | <u>92</u> | <u>91</u> | <u>91</u> | <u>91</u> | <u>89</u> | <u>93</u> | <u>92</u> | <u>92</u> | <u>92</u> |
| Public Works: | | | | | | | | | | |
| Streets & Highways | 19 | 19 | 20 | 20 | 19 | 17 | 18 | 17 | 17 | 17 |
| Administration | <u>7</u> | <u>4</u> | <u>4</u> | <u>4</u> | <u>4</u> | <u>4</u> | <u>4</u> | <u>4</u> | <u>4</u> | <u>4</u> |
| | <u>26</u> | <u>23</u> | <u>24</u> | <u>24</u> | <u>23</u> | <u>21</u> | <u>22</u> | <u>21</u> | <u>21</u> | <u>21</u> |
| Parks & Recreation | 20 | 19 | 19 | 18 | 18 | 11 | 11 | 11 | 11 | 11 |
| Libraries | 10 | 11 | 9 | 9 | 9 | 10 | 10 | 10 | 10 | 11 |
| TOTAL GENERAL FUND | 201 | 180 | 178 | 177 | 177 | 164 | 169 | 167 | 167 | 168 |
| Water | 2 | 3 | 3 | 3 | 3 | 3 | 3 | 4 | 4 | 4 |
| Wastewater | 16 | 18 | 15 | 15 | 15 | 14 | 14 | 17 | 17 | 17 |
| Neighborhood Guild | 6 | 6 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Senior Services | 8 | 8 | 8 | 8 | 8 | 7 | 7 | 7 | 7 | 7 |
| Other | 6 | 6 | 6 | 6 | 6 | 1 | 1 | 1 | 1 | 1 |
| Public education: | | | | | | | | | | |
| Certified | 290 | 291 | 313 | 308 | 316 | 313 | 316 | 323 | 341 | 345 |
| Non-certified | 133 | 137 | 149 | 150 | 154 | 154 | 153 | 158 | 174 | 172 |
| Administrative | <u>22</u> | <u>22</u> | <u>24</u> | <u>24</u> | <u>24</u> | <u>25</u> | <u>24</u> | <u>24</u> | <u>24</u> | <u>20</u> |
| | <u>445</u> | <u>450</u> | <u>486</u> | <u>482</u> | <u>494</u> | <u>492</u> | <u>493</u> | <u>505</u> | <u>539</u> | <u>537</u> |
| Total | <u>683</u> | <u>671</u> | <u>701</u> | <u>696</u> | <u>708</u> | <u>686</u> | <u>692</u> | <u>706</u> | <u>740</u> | <u>739</u> |

Source: Town Budgets and School Department Budgets

NOTES

(1) Employee counts now reflect budgeted positions not actual staff.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

| <u>Function/Program</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Police: | | | | | | | | | | | |
| Physical arrests | 410 | 381 | 526 | 545 | 555 | 545 | 530 | 645 | 626 | 682 | 661 |
| Traffic violations | 2,304 | 2,067 | 2,706 | 1,975 | 1,862 | 2,021 | 1,751 | 2,696 | 2,764 | 3,718 | 2,354 |
| Parking violations | 848 | 1,375 | 1,301 | 1,195 | 1,984 | 2,428 | 1,152 | 1,257 | 742 | 987 | 1,032 |
| Emergency Medical Services: | | | | | | | | | | | |
| Number of calls answered | 3,364 | 3,241 | 3,325 | 3,112 | 3,034 | 2,930 | 2,750 | 2,852 | 2,807 | 2,652 | 2,707 |
| Animal Control: | | | | | | | | | | | |
| Number of complaints | 905 | 898 | 1,022 | 1,141 | 1,032 | 1,281 | 1,188 | 1,357 | 1,260 | 1,457 | 1,332 |
| Number of impoundments | 253 | 252 | 339 | 401 | 336 | 341 | 201 | 318 | 383 | 382 | 390 |
| Communications: | | | | | | | | | | | |
| Fire alarm activations | 41 | 48 | 32 | 23 | 30 | 64 | 202 | 227 | 262 | 222 | 241 |
| Streets & Highways: | | | | | | | | | | | |
| Street Sweeping (miles) | 145 | 145 | 151 | 151 | 151 | 148 | 151 | 151 | 151 | 151 | 150 |
| Road regrading (miles) | 14 | 14 | 19 | 19 | 31 | 44 | 45 | 45 | 45 | 45 | 45 |
| Street plowing/deicing (OT hours) | 922 | 375 | 818 | 1,422 | 1,588 | 1,055 | 2,814 | 1,568 | 1,965 | 344 | 2,394 |
| Culture & Recreation: | | | | | | | | | | | |
| Programs/Classes (enroll/attend) | 18,302 | 44,839 | 27,650 | 26,377 | 28,125 | 28,168 | 30,349 | 30,550 | 28,745 | 32,978 | 35,652 |
| Libraries: | | | | | | | | | | | |
| Volumes in Collection | 87,360 | 90,750 | 76,460 | 80,115 | 79,701 | 69,999 | 69,301 | 70,599 | 68,916 | 68,634 | 69,223 |
| Volumes borrowed | 195,459 | 225,480 | 262,068 | 218,461 | 216,904 | 247,197 | 257,137 | 267,491 | 262,456 | 278,828 | 287,607 |
| Reference requests filled | 15,562 | 21,969 | 28,777 | 27,480 | 26,263 | 25,907 | 26,158 | 29,025 | 28,136 | 27,949 | 26,362 |
| Water: | | | | | | | | | | | |
| New connections (net) | 9 | 9 | 8 | 8 | 12 | 7 | 10 | 12 | 4 | 0 | 16 |
| Average daily consumption (1) (thousands of gallons) | 410 | 399 | 337 | 327 | 329 | 391 | 250 | 324 | 315 | 313 | 325 |
| Wastewater: | | | | | | | | | | | |
| Average daily sewage treatment (thousands of gallons) | 2,481 | 2,676 | 3,031 | 2,653 | 2,469 | 2,430 | 2,368 | 2,589 | 2,520 | 2,700 | 2,517 |
| Senior Services: | | | | | | | | | | | |
| Adult Day Care services (client days) | - * | 2,008 * | 3,370 | 3,379 | 3,004 | 3,408 | 3,034 | 2,961 | 3,554 | 3,321 | 3,783 |
| Senior transportation (trips) | 28,535 ** | 11,361 ** | 7,409 | 5,883 | 5,868 | 5,758 | 7,042 | 6,246 | 7,730 | 7,645 | 6,244 |
| Congregate meals served | 30,875 | 16,989 | 10,219 | 10,075 | 11,273 | 9,831 | 9,375 | 9,648 | 11,149 | 11,977 | 11,422 |

Sources: Various Town departments

Notes:

Indicators are not available for the general government function.

* The Adult Day Care Center ceased operations March 13, 2020.

Newly announced RI Department of Health regulations call for significant operational adjustments in the Adult Day Setting, including a reduction in the number of participants per day to be allowed in our small facility. Because of these necessary changes, it has been determined that the program is financially unsustainable and the Town has made the difficult decision to delay re-opening until further notice. Presently the Town is committed to reopening the building and is currently seeking a third party Adult Day Services agency to operate the facility going forward.

** For FY2021 Senior transportation was almost exclusively for delivery of meals due to COVID-19.

(1) Purchased water not customer consumed water.

TABLE 15

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**

| Function/Program | Fiscal Year 2021 | Fiscal Year 2020 | Fiscal Year 2019 | Fiscal Year 2018 | Fiscal Year 2017 | Fiscal Year 2016 | Fiscal Year 2015 | Fiscal Year 2014 | Fiscal Year 2013 | Fiscal Year 2012 |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Police: | | | | | | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Patrol units | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 |
| Public works: | | | | | | | | | | |
| Streets (miles) | 150 | 150 | 150 | 150 | 150 | 149 | 151 | 151 | 151 | 149 |
| Culture and recreation: | | | | | | | | | | |
| Park acreage | 454 | 454 | 454 | 454 | 454 | 453 | 453 | 453 | 453 | 453 |
| Tennis courts | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 |
| Community centers | 2 | 2 | 2 | 2 | 2 | 1 | 1 | 1 | 1 | 1 |
| Libraries | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Water: | | | | | | | | | | |
| Water mains (miles) | 50 | 50 | 50 | 50 | 50 | 50 | 49 | 49 | 49 | 49 |
| Fire hydrants | 265 | 265 | 265 | 260 | 260 | 262 | 252 | 252 | 252 | 253 |
| Storage capacity (thousands of gallons-treated) | 800 | 800 | 800 | 800 | 800 | 800 | 800 | 800 | 800 | 800 |
| Wastewater: | | | | | | | | | | |
| Sanitary sewers (miles) | 62 | 62 | 62 | 54 | 54 | 54 | 54 | 54 | 54 | 54 |
| Storm drains (miles) | 55 | 55 | 54 | 54 | 54 | 53 | 53 | 53 | 53 | 53 |
| WWTF avg. daily design flow (thous. of gallons) | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 |

Sources: Various town departments

Note: No capital asset indicators are available for the general government function.

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Single Audit Section

Federal Single Audit

This section contains information regarding federal grant activity for the year ended June 30, 2021, which was audited in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States, and the he audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

| <u>Federal Grantor/Pass-Through Grantor/ Program or Cluster Title</u> | <u>Federal Assistance Listing Number</u> | <u>Passed Through to Subrecipients</u> | <u>Total Federal Expenditures</u> |
|--|--|--|---------------------------------------|
| United States Department of Agriculture | | | |
| <i>Passed Through the State of Rhode Island Department of Education:</i> | | | |
| Child Nutrition Cluster: | | | |
| National School Lunch Program | 10.555 | \$ 49,558 | |
| Summer Food Service Program for Children | 10.559 | 664,635 | |
| | | <u>664,635</u> | \$ <u>714,193</u> |
| United States Department of Education | | | |
| <i>Passed Through the State of Rhode Island Department of Education:</i> | | | |
| Special Education Cluster (IDEA): | | | |
| Special Education_Grants to States | 84.027 | 1,052,479 | |
| Special Education_Preschool Grants | 84.173 | <u>24,507</u> | |
| | | | 1,076,986 |
| Title I Grants to Local Educational Agencies | 84.010 | | 457,775 |
| Improving Teacher Quality State Grants | 84.367 | | 94,147 |
| English Language Acquisition State Grants | 84.365 | | 1,746 |
| Title IV | 84.424 | | 7,345 |
| Career and Technical Education -- Basic Grants to States | 84.048 | | 60,507 |
| COVID-19 ESSER I | 84.425D | | <u>315,949</u> |
| Total United States Department of Education | | \$ <u>-</u> | <u>2,014,455</u> |
| United States Department of the Treasury | | | |
| <i>Passed Through the State of Rhode Island Department of Treasury:</i> | | | |
| COVID-19 Supplemental Impact Educ Aid | 21.019 | 423,093 | |
| COVID-19 Coronavirus Relief Funds | 21.019 | <u>1,399,277</u> | |
| | | <u>-</u> | <u>1,822,370</u> |
| United States Department of Housing and Urban Development | | | |
| <i>Passed Through the State of Rhode Island Department of Public Health:</i> | | | |
| CDBG - Disaster Recovery Grants - Pub. L. No. 113-2 Cluster: | | | |
| Hurricane Sandy Community Development Block Grant Disaster Recovery Grants (CDBG-DR) | 14.269 | | 30,119 |
| <i>Passed Through the State of Rhode Island Office of Housing and Community Development:</i> | | | |
| Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii | 14.228 | | <u>46,728</u> |
| Total United States Department of Housing and Urban Development | | <u>-</u> | <u>76,847</u> |
| United States Department of Transportation | | | |
| <i>Passed Through the State of Rhode Island Department of Transportation:</i> | | | |
| Highway Safety Cluster: | | | |
| National Priority Safety Programs | 20.616 | 45,510 | |
| State and Community Highway Safety | 20.600 | <u>19,809</u> | |
| Total United States Department of Transportation | | <u>-</u> | <u>65,319</u> |

The accompanying notes are an integral part of this schedule

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

| Federal Grantor/Pass-Through Grantor/ Program or Cluster Title | Federal Assistance Listing Number | Passed Through to Subrecipients | Total Federal Expenditures |
|---|--|---------------------------------------|-------------------------------|
| United States Department of Justice | | | |
| <i>Passed Through the State of Rhode Island Department of Justice:</i> | | | |
| Edward Byrne Memorial Justice Assistance Grant Program | 16.738 | | \$ 6,204 |
| Law Enforcement Assistance_Narcotics and Dangerous Drugs Laboratory Analysis | 16.001 | | <u>21,231</u> |
| Total United States Department of Justice | | \$ <u>-</u> | <u>27,435</u> |
| United States Department of Health and Human Services | | | |
| <i>Passed Through the State of Rhode Island Department of Public Health:</i> | | | |
| Block Grants for Prevention and Treatment of Substance Abuse | 93.959 | <u>-</u> | <u>1,603</u> |
| United States Department of Homeland Security | | | |
| <i>Passed Through the State of Rhode Island Emergency Management Agency:</i> | | | |
| Disaster Grants - Public Assistance (Presidentially Declared Disasters) | 97.036 | | <u>72,856</u> |
| Total Federal Awards | | \$ <u><u>-</u></u> | \$ <u><u>4,795,078</u></u> |

The accompanying notes are an integral part of this schedule

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Town of South Kingstown, Rhode Island, under programs of the federal government for the year ended June 30, 2021. The information in the 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 Town of South Kingstown, Rhode Island, it is not intended to, and does not, present the financial position, changes in fund balance, changes in net position or cash flows of Town of South Kingstown, Rhode Island.

Basis of Accounting

Expenditures reported on the Schedule are reported using the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance for all awards with exception of assistance listing 21.019, which follows criteria determined by the Department of Treasury for allowability of costs. Under these principles certain types of expenditures are not allowable or are limited as to reimbursement.

2. INDIRECT COST RECOVERY

The Town of South Kingstown, Rhode Island, has elected not to use the 10% de minimis indirect cost rate provided under Section 200.414 of the Uniform Guidance.

3. NONCASH AWARDS

Donated commodities in the amount of \$49,558 are included in the Department of Agriculture's National School Lunch Program, assistance listing #10.555. The amount represents the market value of commodities received.

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**Independent Auditors' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in
Accordance With *Government Auditing Standards***

To the Members of the Town Council
Town of South Kingstown, Rhode Island

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of South Kingstown, Rhode Island, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town of South Kingstown, Rhode Island's basic financial statements, and have issued our report thereon dated January 27, 2022.

Internal Control Over Financial Reporting

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

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

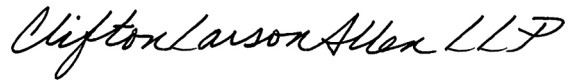
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

West Hartford, Connecticut
January 27, 2022



Independent Auditors' Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

To the Members of the Town Council
Town of South Kingstown, Rhode Island

Report on Compliance for Each Major Federal Program

We have audited Town of South Kingstown, 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 Town of South Kingstown, Rhode Island's major federal programs for the year ended June 30, 2021. Town of South Kingstown, Rhode Island's major federal programs are identified in the summary of auditors' 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.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Town of South Kingstown, 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, Cost 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 Town of South Kingstown, 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 Town of South Kingstown, Rhode Island's compliance.

Opinion on Each Major Federal Program

In our opinion, Town of South Kingstown, 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 Town of South Kingstown, 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 Town of South Kingstown, 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 Town of South Kingstown, 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.



CliftonLarsonAllen LLP

West Hartford, Connecticut
January 27, 2022

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED JUNE 30, 2021**

I. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

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

Federal Awards

Internal control over major programs:

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

Type of auditors' report issued on compliance for major programs: Unmodified

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

Major programs:

| Assistance Listing # | Name of Federal Program or Cluster |
|----------------------|------------------------------------|
| 21.019 | Coronavirus Relief Funds |
| 84.425D | ESSER I |

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

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

II. FINANCIAL STATEMENT FINDINGS

No matters were reported.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

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