

***TOWN OF NORTH SMITHFIELD, RHODE ISLAND
ANNUAL FINANCIAL STATEMENTS***

*For the Fiscal Year Ended
June 30, 2022*

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ANNUAL FINANCIAL STATEMENTS
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FINANCIAL SECTION

THIS SECTION CONTAINS THE FOLLOWING:

Independent Auditor's Report

Management Discussion and Analysis

Basic Financial Statements

Required Supplementary Information

Other Supplementary Information

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of North Smithfield, Rhode Island, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town of North Smithfield, Rhode Island's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of North Smithfield, Rhode Island, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of North Smithfield, Rhode Island and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of North Smithfield, Rhode Island's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of North Smithfield, Rhode Island's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of North Smithfield, Rhode Island's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and supplementary pension and other postemployment benefit information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements,

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of North Smithfield, Rhode Island's basic financial statements. The combining nonmajor fund financial statements, Annual Supplemental Transparency Report (MTP2), other supplementary information and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements, Annual Supplemental Transparency Report (MTP2), other supplementary information and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 17, 2023 on our consideration of the Town of North Smithfield, Rhode Island's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of North Smithfield, Rhode Island's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of North Smithfield, Rhode Island's internal control over financial reporting and compliance.

Bacon & Company CPAs, LLC

Warwick, Rhode Island
January 17, 2023

TOWN OF NORTH SMITHFIELD, RHODE ISLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management of the Town of North Smithfield provides this Management's Discussion and Analysis of the Town's Annual Financial Report for the readers of the Town's financial statements. This narrative overview and analysis of the financial statements of the Town of North Smithfield is for fiscal year ended June 30, 2022.

Included within our discussion will be a series of comparative tables, serving to more clearly illustrate changes in the Town's financial position. These tables will reflect governmental activities, business - type activities and total activities for the 2021 and 2022 fiscal years. We encourage readers to consider the information presented in this narrative in conjunction with additional information that we have provided herein.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

The first two statements are government-wide financial statements that provide both long-term and short-term information about the Town's overall status. The remaining statements are fund-financial statements that focus on individual parts of the Town government, reporting the Town's operations in more detail than the government wide statements.

The governmental fund statements tell how general government services, such as public safety, were financed in the short term as well as what remains for future spending.

Proprietary fund statements offer short- and long-term financial information about the activities the Government operates like a business, such as the water and sewer system.

Fiduciary fund statements provide information about assets that are held by the Town as a trustee or custodian for the benefit of someone or something other than the Town itself. The Town cannot use these assets to support its own programs.

The financial statements also include notes that provide more detailed data about some of the information in the financial statements. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. In addition to these required elements, we have included a section with combining statements that provide details about our non-major governmental funds, which are added together and presented in a single column in the basic financial statements. The Town of North Smithfield adopted the provision of Governmental Accounting Standards Board Statement No. 33, Accounting and Financial Reporting for Non-exchange Transactions and Governmental Accounting Standards Board Statement No. 34, Basic Financial statements Management's Discussion and Analysis – for State and Local Governments as of July 1, 2002.

Government-Wide Statements

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

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

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

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

Governmental activities - Most of the Town's basic services are included here, such as the police, fire, library, public works, parks & recreation and general administration. Property taxes, charges for services and state funding finance most of these activities.

Business-Type activities - The Town charges fees to customers to cover the costs of certain services it provides. The Town Water and Sewer Enterprise Funds are included here.

The government-wide financial statements are reported on pages 13 and 14.

Fund Financial Statements

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

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

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

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

The Town maintains 23 governmental funds; 3 are considered major funds for presentation purposes. That is, each major fund is presented in a separate column in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances. Data from the remaining 20 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of “combining statements” later in this report. The Town's three major governmental funds are:

1. General Fund
2. School Unrestricted Fund
3. American Rescue Plan Fund

The basic governmental fund financial statements can be found on pages 15 through 18 of this report.

Proprietary Funds - The Town maintains two enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town maintains an enterprise fund to account for its Water and Sewer operations. The basic proprietary fund financial statements can be found on pages 19 through 22 of this report.

Fiduciary Funds – The Town maintains one other post-employment benefits trust fund and one private-purpose trust fund. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary funds financial statements can be found on pages 23 and 24 of this report.

Notes to the financial statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements follow the basic financial statements and can be found on pages 25 through 78 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, which include reconciliation between the statutory revenues and expenditures for budgetary purposes and the revenues and expenditures for the General Fund and School Unrestricted Fund as presented in the governmental fund financial statements. Required supplementary information follows the notes to the financial statements and can be found beginning on page 79 of this report. The combining statements referred to earlier in connection with non-major governmental funds and other information related to the individual funds are presented immediately following the required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The Town's combined net position (government and business-type activities) totaled \$38,353,649 at the close of the most recent fiscal year.

Town of North Smithfield						
Net Position						
	June 30, 2022			June 30, 2021		
	Govern- mental Activities	Business- Type Activities	Total	Govern- mental Activities	Business- Type Activities	Total
<u>Assets</u>						
Current assets	\$ 23,752,730	\$ 4,673,621	\$ 28,426,351	\$ 21,308,377	\$ 3,921,853	\$ 25,230,230
Capital assets, net	57,486,792	10,050,685	67,537,477	57,362,566	10,492,604	67,855,170
Other noncurrent assets	7,741,991	2,111,134	9,853,125	2,997,871	2,417,013	5,414,884
Total assets	88,981,513	16,835,440	105,816,953	81,668,814	16,831,470	98,500,284
<u>Deferred outflow of resources</u>						
Deferred pension amounts	5,320,845	-	5,320,845	7,162,135	-	7,162,135
Deferred other post employment benefit amounts	4,030,686	-	4,030,686	2,085,301	-	2,085,301
Deferred amounts on refunding	768,836	23,278	792,114	895,545	26,603	922,148
Total deferred outflow of resources	10,120,367	23,278	10,143,645	10,142,981	26,603	10,169,584
<u>Liabilities</u>						
Current liabilities	8,023,854	668,042	8,691,896	5,944,259	566,549	6,510,808
Noncurrent liabilities	48,024,313	2,714,547	50,738,860	61,107,356	3,056,542	64,163,898
Total liabilities	56,048,167	3,382,589	59,430,756	67,051,615	3,623,091	70,674,706
<u>Deferred inflow of resources</u>						
Deferred pension amounts	12,153,155	-	12,153,155	3,826,429	-	3,826,429
Deferred other post employment benefit amounts	3,672,468	-	3,672,468	1,032,334	-	1,032,334
Deferred sewer assessments	-	2,350,570	2,350,570	-	2,778,722	2,778,722
Total deferred inflow of resources	15,825,623	2,350,570	18,176,193	4,858,763	2,778,722	7,637,485
<u>Net position</u>						
Net investment in capital assets	37,321,815	7,178,714	44,500,529	33,961,830	7,237,844	41,199,674
Restricted for specific use	2,971,403	-	2,971,403	3,203,799	-	3,203,799
Unrestricted	(13,065,128)	3,946,845	(9,118,283)	(17,264,212)	3,218,416	(14,045,796)
Total net position	\$ 27,228,090	\$ 11,125,559	\$ 38,353,649	\$ 19,901,417	\$ 10,456,260	\$ 30,357,677

The largest portion of the Town's net position, \$44,500,529 reflects its investment in capital such as land, building, equipment, and infrastructure, 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.

An additional portion of the Town's net position, \$2,971,403 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of

(\$9,118,283) may be used to meet the Town's ongoing obligations to citizens and creditors. Internally imposed designations of resources are not presented as restricted net position.

Changes in Net Position

Town of North Smithfield Changes in Net Position						
	June 30, 2022			June 30, 2021		
	Govern- mental Activities	Business- Type Activities	Total	Govern- mental Activities	Business- Type Activities	Total
Revenues						
Program revenues						
Charges for services	\$ 2,064,239	\$ 3,162,528	\$ 5,226,767	\$ 2,490,460	\$ 3,313,193	\$ 5,803,653
Operating grants	10,848,088	-	10,848,088	12,710,382	-	12,710,382
Capital grants	402,955	-	402,955	514,155	71,590	585,745
General Revenues						
Property taxes, levied for general purposes	36,162,022	-	36,162,022	35,541,071	-	35,541,071
State aid	2,925,638	-	2,925,638	1,156,659	-	1,156,659
Interest income	33,722	5,058	38,780	31,940	9,512	41,452
Miscellaneous	293,369	-	293,369	209,204	-	209,204
Total revenues	<u>52,730,033</u>	<u>3,167,586</u>	<u>55,897,619</u>	<u>52,653,871</u>	<u>3,394,295</u>	<u>56,048,166</u>
Expenses						
General government	2,553,537	-	2,553,537	2,029,905	-	2,029,905
Financial administration	978,846	-	978,846	1,124,754	-	1,124,754
Public safety	8,149,015	-	8,149,015	8,595,845	-	8,595,845
Public works	3,524,995	-	3,524,995	3,294,886	-	3,294,886
Grants & contributions	-	-	-	19,826	-	19,826
Settlements	-	-	-	47,243	-	47,243
Education	29,455,918	-	29,455,918	31,808,490	-	31,808,490
Interest	681,924	-	681,924	798,933	-	798,933
Water	-	565,219	565,219	-	548,296	548,296
Sewer	-	1,992,193	1,992,193	-	2,360,838	2,360,838
Total expenses	<u>45,344,235</u>	<u>2,557,412</u>	<u>47,901,647</u>	<u>47,719,882</u>	<u>2,909,134</u>	<u>50,629,016</u>
Excess (deficiency) of revenues over (under) expenses before transfers	7,385,798	610,174	7,995,972	4,933,989	485,161	5,419,150
Transfers in (out)	(59,125)	59,125	-	(79,787)	79,787	-
Change in net position	7,326,673	669,299	7,995,972	4,854,202	564,948	5,419,150
Net position - beginning	<u>19,901,417</u>	<u>10,456,260</u>	<u>30,357,677</u>	<u>15,047,215</u>	<u>9,891,312</u>	<u>24,938,527</u>
Net position - ending	<u>\$ 27,228,090</u>	<u>\$ 11,125,559</u>	<u>\$ 38,353,649</u>	<u>\$ 19,901,417</u>	<u>\$ 10,456,260</u>	<u>\$ 30,357,677</u>

Governmental Activities - To aid in the understanding of the Statement of Activities, some additional explanation is given. Of particular interest is the format which is different than a typical Statement of Revenues, Expenditures and Changes in Fund Balance. You will notice that expenses are listed in the first column with revenues from that particular program reported to the right. The result is a net (expense)/revenue. The reason for this kind of format is to highlight the relative financial burden to our taxpayers of each of the Town's functions. It also identifies how much each function draws from the general revenues or if it is self-financing through fees and grants. Governmental activities increased the Town's net position by \$7,326,673.

Business-Type activities - Business-type activities increased the Town's net position by \$669,299.

Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$17,978,098 an increase of \$700,132 (4.05%) in comparison with the prior year beginning fund balance. The General Fund and School Unrestricted Fund are the chief operating funds of the Town.

At the end of the current fiscal year, the total fund balance of the General Fund was \$12,127,480, of which \$8,842,097 is unassigned (72.91%). The General Fund total fund balance increased by \$1,228,942 (11.28%) during the current fiscal year. The unassigned fund balance in the General Fund represents 21.64% of the total Fiscal Year 2022 General Fund budgeted expenditures (excludes School Pass-thru).

At the end of the current fiscal year, the total fund balance of the School Unrestricted Fund was \$1,759,293, of which \$1,420,572 is restricted for education with the balance being assigned for specific purposes. There are no unassigned balances in the School Unrestricted Fund. The School Unrestricted Fund total fund balance has decreased by \$537,750 (23.41%) during the current fiscal year.

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

At the end of the current fiscal year, net position of the Water Fund amounted to \$2,625,442, an increase of \$137,519 (5.53%) from the prior year Net Position. In the Sewer Fund, net position amounted to \$8,500,117, an increase of \$531,780 (6.67%) from the prior year Net Position.

General Fund Budgetary Highlights

The following Revenue Sources had revenue that was materially over/(under) budget for the fiscal year:

Property Taxes were \$771,451 over budget. The positive variance is attributed to a higher collection percentage of billed taxes, use of collection agency and DMV registry blocks which aided in the collection of motor vehicle taxes.

Intergovernmental and grant revenue were \$64,089 over budget mostly due to increase in Meals and Beverage Tax.

Town Clerk licenses and fees were \$75,834 over budget due to real estate stamps as a result of low interest rates causing additional mortgage refinancing.

Other Departmental fines and fees were \$50,725 over budget due to increase in municipal court fees.

The following Departments had expenditures that were materially over/(under) budget for the fiscal year:

There was no significant variance from the expenditure budget.

Capital Assets and Debt Administration

Capital Assets - The Town's investment in capital assets for its governmental and business-type activities as of June 30, 2022, amounted to \$67,537,477 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, roads and construction in progress.

Additional information on the Town's capital assets can be found in the notes to the financial statements of this report. A summary of the Town's capital assets is presented below:

Town of North Smithfield Capital Assets (Net of Accumulated Depreciation)						
	June 30, 2022			June 30, 2021		
	Govern- mental Activities	Business Type Activities	Total	Govern- mental Activities	Business Type Activities	Total
Land	\$ 9,309,242	\$ 16,141	\$ 9,325,383	\$ 9,309,242	\$ 16,141	\$ 9,325,383
Construction in progress	18,105	44,605	62,710	120,796	-	120,796
Land improvements	2,378,504	11,120	2,389,624	1,463,845	11,983	1,475,828
Buildings and improvements	39,350,584	1,314,715	40,665,299	40,457,260	1,362,625	41,819,885
Infrastructure	3,076,788	6,953,295	10,030,083	3,132,678	7,163,717	10,296,395
Machinery, equipment and furniture	707,238	1,710,809	2,418,047	723,909	1,938,138	2,662,047
Vehicles	2,585,186	-	2,585,186	2,121,123	-	2,121,123
Leased Equipment	61,145	-	61,145	33,713	-	33,713
Total	<u>\$ 57,486,792</u>	<u>\$ 10,050,685</u>	<u>\$ 67,537,477</u>	<u>\$ 57,362,566</u>	<u>\$ 10,492,604</u>	<u>\$ 67,855,170</u>

Long-Term Obligations – At the end of the fiscal year, the Town had total debt outstanding of \$54,082,838. General obligation bonds are backed by the full faith and credit of the Town, including the Town's power to levy additional taxes to ensure repayment of the debt. A summary of the Town's Long-Term Obligations is presented below:

Town of North Smithfield Long-Term Obligations						
	June 30, 2022			June 30, 2021		
	Govern- mental Activities	Business- Type Activities	Total	Govern- mental Activities	Business- Type Activities	Total
General Obligation Bonds & Loans	\$ 20,373,223	\$ 2,869,035	\$ 23,242,258	\$ 23,608,045	\$ 3,251,404	\$ 26,859,449
Leases payable	77,089	-	77,089	40,606	-	40,606
Amortized premium on bonds	2,153,429	26,214	2,179,643	2,500,095	29,959	2,530,054
Accrued compensated absences	1,131,977	-	1,131,977	1,306,266	-	1,306,266
Settlements payable	100,100	-	100,100	100,100	-	100,100
Net OPEB obligation	9,838,369	-	9,838,369	10,448,082	-	10,448,082
Net pension liabilities	17,513,402	-	17,513,402	26,359,934	-	26,359,934
Totals	<u>\$ 51,187,589</u>	<u>\$ 2,895,249</u>	<u>\$ 54,082,838</u>	<u>\$ 64,363,128</u>	<u>\$ 3,281,363</u>	<u>\$ 67,644,491</u>

The Town retired bond debt of \$3,234,822 for Governmental Activities and \$382,369 for Business-Type Activities during the current fiscal year. State statute limits the amount of bonds a governmental entity can issue to 3% of its total assessed valuation. Currently, the Town is in compliance with the Legal Debt margin requirement.

Additional information on the Town's long-term obligations can be found in the notes to the financial statements.

Independent Audit

State statutes and the Town Charter require an annual audit by independent certified public accountants. The accounting firm of Bacon & Company CPAs, LLC provided this service for the purpose of issuing basic financial statements and supplementary information for the year ended June 30, 2022.

Economic Factors and Next Year's Budgets and Rates

The budget for fiscal year 2022-2023 is \$48,414,700, an increase of \$964,137 (2.03%) from the prior year. Education, at \$28,465,934 or 58.80% of the total budgeted expenditures. The increase for education was \$673,041, which is made up primarily of Town Appropriation.

For the fiscal year 2022-2023, the tax rate was broken down into three tiers: residential, commercial and personal property, with rates of \$13.914, \$18.944 and \$42.620, respectively. The breakdown consists of 41.20% for municipal and 58.80% for education. For the fiscal year 2021-2022, the tax rate was broken down into the same three tiers, with rates of \$16.346, \$19.441, and \$43.690, respectively. The breakdown consists of 41.43% for municipal and 58.57% for education.

Requests for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to the Finance Director, North Smithfield Town Hall, 83 Greene Street, North Smithfield, Rhode Island 02896.

Thank you very much!

Cynthia DeJesus
Finance Director

BASIC FINANCIAL STATEMENTS

THE BASIC FINANCIAL STATEMENTS INCLUDE:

Government-Wide Financial Statements

Fund Financial Statements:

- Governmental Funds**
- Proprietary Funds**
- Fiduciary Funds**

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

TOWN OF NORTH SMITHFIELD, RHODE ISLAND

Statement of Net Position

June 30, 2022

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets:			
Current assets:			
Cash and cash equivalents	\$ 22,111,304	\$ 3,371,916	\$ 25,483,220
Real estate and personal property tax receivable, net	886,506	-	886,506
Water and sewer use fees receivable, net	-	329,507	329,507
Sewer assessments receivable, net	-	328,325	328,325
Due from federal and state government	688,685	-	688,685
Accrued interest receivable, net	289,759	-	289,759
Other receivables	111,097	153,124	264,221
Internal balances	(490,749)	490,749	-
Prepaid expenses	156,128	-	156,128
Total current assets	<u>23,752,730</u>	<u>4,673,621</u>	<u>28,426,351</u>
Noncurrent assets:			
Sewer assessments receivable, net	-	2,111,134	2,111,134
Capital assets: (Note 6)			
Land and land easements	9,309,242	16,141	9,325,383
Construction in progress	18,105	44,605	62,710
Depreciable buildings, property, equipment, infrastructure, net	48,159,445	9,989,939	58,149,384
Capital assets, net	57,486,792	10,050,685	67,537,477
Net pension assets	7,741,991	-	7,741,991
Total noncurrent assets	<u>65,228,783</u>	<u>12,161,819</u>	<u>77,390,602</u>
Total assets	<u>88,981,513</u>	<u>16,835,440</u>	<u>105,816,953</u>
Deferred outflows of resources:			
Deferred pension amounts	5,320,845	-	5,320,845
Deferred other post-employment benefit amounts	4,030,686	-	4,030,686
Deferred amounts on refunding	768,836	23,278	792,114
Total deferred outflows of resources	<u>10,120,367</u>	<u>23,278</u>	<u>10,143,645</u>
Liabilities:			
Current liabilities:			
Accounts payable and accrued liabilities	1,495,499	347,809	1,843,308
Accrued interest payable	103,120	37,761	140,881
Performance bonds payable	1,426,141	-	1,426,141
Unearned revenue	1,835,818	-	1,835,818
Leases payable - due within one year	14,814	-	14,814
Settlements payable - due within one year	14,300	-	14,300
Long-term debt - due within one year (Note 7)	3,134,162	282,472	3,416,634
Total current liabilities	<u>8,023,854</u>	<u>668,042</u>	<u>8,691,896</u>
Noncurrent liabilities:			
Long-term debt - due in more than one year (Note 7)	19,392,490	2,612,777	22,005,267
Leases payable	62,275	-	62,275
Accrued compensated absences	1,131,977	-	1,131,977
Settlements payable - due in more than one year	85,800	-	85,800
Other liabilities	-	101,770	101,770
Net pension liabilities	17,513,402	-	17,513,402
Net other post-employment benefit liabilities	9,838,369	-	9,838,369
Total noncurrent liabilities	<u>48,024,313</u>	<u>2,714,547</u>	<u>50,738,860</u>
Total liabilities	<u>56,048,167</u>	<u>3,382,589</u>	<u>59,430,756</u>
Deferred Inflows of Resources:			
Deferred pension amounts	12,153,155	-	12,153,155
Deferred other post-employment benefit amounts	3,672,468	-	3,672,468
Deferred sewer assessments	-	2,350,570	2,350,570
Total deferred inflows of resources	<u>15,825,623</u>	<u>2,350,570</u>	<u>18,176,193</u>
Net Position:			
Net investment in capital assets	37,321,815	7,178,714	44,500,529
Restricted for:			
Education programs	1,798,663	-	1,798,663
Public safety programs	733,309	-	733,309
Historical records preservation	66,294	-	66,294
Other programs	373,137	-	373,137
Unrestricted	(13,065,128)	3,946,845	(9,118,283)
Total net position	<u>\$ 27,228,090</u>	<u>\$ 11,125,559</u>	<u>\$ 38,353,649</u>

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

TOWN OF NORTH SMITHFIELD, RHODE ISLAND

Statement of Activities

For the Fiscal Year Ended June 30, 2022

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Governmental Activities:							
General government	\$ 2,553,537	\$ 572,706	\$ 167,504	\$ -	\$ (1,813,327)	\$ -	\$ (1,813,327)
Financial administration	978,846	62,586	-	-	(916,260)	-	(916,260)
Public safety	8,149,015	794,709	76,477	-	(7,277,829)	-	(7,277,829)
Public works	3,524,995	364,767	5,300	-	(3,154,928)	-	(3,154,928)
Education	29,455,918	269,471	9,483,100	402,955	(19,300,392)	-	(19,300,392)
Interest on long-term debt	681,924	-	1,115,707	-	433,783	-	433,783
Total governmental activities	45,344,235	2,064,239	10,848,088	402,955	(32,028,953)	-	(32,028,953)
Business-Type Activities:							
Water	565,219	643,613	-	-	-	78,394	78,394
Sewer	1,992,193	2,518,915	-	-	-	526,722	526,722
Total business-type activities	2,557,412	3,162,528	-	-	-	605,116	605,116
Total	\$ 47,901,647	\$ 5,226,767	\$ 10,848,088	\$ 402,955	(32,028,953)	605,116	(31,423,837)
General Revenues:							
Taxes:							
Property taxes					36,162,022	-	36,162,022
State aid and in lieu of taxes, not restricted for a specific purpose					2,925,638	-	2,925,638
Investment earnings					33,722	5,058	38,780
Miscellaneous					293,369	-	293,369
Transfers					(59,125)	59,125	-
Total general revenues and transfers					39,355,626	64,183	39,419,809
Change in net position							
					7,326,673	669,299	7,995,972
Net position - beginning of year					19,901,417	10,456,260	30,357,677
Net position - end of year					\$ 27,228,090	\$ 11,125,559	\$ 38,353,649

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

TOWN OF NORTH SMITHFIELD, RHODE ISLAND

*Balance Sheet
Governmental Funds
June 30, 2022*

	<u>General Fund</u>	<u>School Unrestricted Fund</u>	<u>American Rescue Plan Fund</u>	<u>Other Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets					
Cash and cash equivalents	\$ 18,109,838	\$ 1,446,887	\$ -	\$ 2,554,579	\$ 22,111,304
Real estate and personal property tax receivable (net)	886,506	-	-	-	886,506
Due from federal and state governments	-	26,324	-	662,361	688,685
Other receivables	94,597	-	-	16,500	111,097
Due from other funds	39,624	1,094,686	1,855,496	1,569,688	4,559,494
Prepaid expenditures	156,128	-	-	-	156,128
Total assets	<u>\$ 19,286,693</u>	<u>\$ 2,567,897</u>	<u>\$ 1,855,496</u>	<u>\$ 4,803,128</u>	<u>\$ 28,513,214</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities:					
Accounts payable and accrued expenditures	\$ 743,538	\$ 512,924	\$ 19,678	\$ 133,798	\$ 1,409,938
Due to other funds	4,191,580	295,680	-	562,983	5,050,243
Performance bonds payable	1,426,141	-	-	-	1,426,141
Unearned revenue	-	-	1,835,818	-	1,835,818
Other liabilities	85,561	-	-	-	85,561
Total liabilities	<u>6,446,820</u>	<u>808,604</u>	<u>1,855,496</u>	<u>696,781</u>	<u>9,807,701</u>
Deferred Inflows of Resources:					
Deferred property taxes	712,393	-	-	-	712,393
Other deferred revenues	-	-	-	15,022	15,022
Total deferred inflows of resources	<u>712,393</u>	<u>-</u>	<u>-</u>	<u>15,022</u>	<u>727,415</u>
Fund Balances:					
Nonspendable:					
Prepaid expenditures	156,128	-	-	-	156,128
Restricted for:					
Education programs	-	1,420,572	-	378,091	1,798,663
Public safety programs	-	-	-	733,309	733,309
Historical records preservation	-	-	-	66,294	66,294
Capital projects	-	-	-	1,669,928	1,669,928
Other programs	-	-	-	358,115	358,115
Committed for:					
Road resurfacing and repairs	900,108	-	-	-	900,108
Revaluation	112,034	-	-	-	112,034
Capital assets and projects	512,649	-	-	824,268	1,336,917
Branch Village project	67,000	-	-	-	67,000
Public safety programs	19,947	-	-	61,320	81,267
Other	186,034	-	-	-	186,034
Assigned to:					
Road resurfacing and repairs	507,677	-	-	-	507,677
Capital assets and projects	340,704	-	-	-	340,704
Other	483,102	-	-	-	483,102
Building and field maintenance	-	261,725	-	-	261,725
Preschool program	-	51,298	-	-	51,298
Extraordinary special education costs	-	25,698	-	-	25,698
Unassigned	8,842,097	-	-	-	8,842,097
Total fund balances	<u>12,127,480</u>	<u>1,759,293</u>	<u>-</u>	<u>4,091,325</u>	<u>17,978,098</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 19,286,693</u>	<u>\$ 2,567,897</u>	<u>\$ 1,855,496</u>	<u>\$ 4,803,128</u>	<u>\$ 28,513,214</u>

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

TOWN OF NORTH SMITHFIELD, RHODE ISLAND
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2022

Total Fund Balances - Total Governmental Funds	\$ 17,978,098
 Amounts reported for Governmental Activities in the Statement of Net Position are different because:	
Capital assets used in Governmental Activities are not current financial resources and therefore are not reported in the Governmental Funds Balance Sheet. See note 6 to the financial statements.	57,486,792
Accrued interest receivable on property taxes is reported as revenue in Government-Wide financial statements in the period earned. In Governmental Funds financial statements, interest on property taxes is reported when received.	289,759
Other long-term receivables are not available to pay for current period expenditures and, therefore, are deferred in Governmental Funds financial statements.	15,022
Property taxes are recognized as revenue in the period for which levied in the Government-Wide financial statements, but are reported as revenue when received in Governmental Funds financial statements.	712,393
Interest payable on long-term debt does not require current financial resources. Therefore, interest payable is not reported as a liability in Governmental Funds Balance Sheet.	(103,120)
Long-term liabilities (including bonds and loans payable, leases payable, compensated absences, settlements, net other post-employment benefit liabilities, and net pension liabilities) are not due and payable in the current period and therefore are not reported in the Governmental Funds Balance Sheet. See Note 7 to the financial statements.	(51,187,589)
Deferred outflows related debt refunding are not reported in the Governmental Funds financial statements, but are reported in the Government-Wide financial statements.	768,836
Net pension assets are not available to pay for current period expenditures and, therefore, are not reported in Governmental Funds financial statements.	7,741,991
Deferred outflows and inflows related to pensions and other-post employment benefits are not reported in the Governmental Funds financial statements, but are reported in the Government-Wide financial statements.	
Deferred outflows - pension	5,320,845
Deferred inflows - pension	(12,153,155)
Deferred outflows - other post-employment benefits	4,030,686
Deferred inflows - other post-employment benefits	(3,672,468)
 Net Position of Governmental Activities	 \$ 27,228,090

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

TOWN OF NORTH SMITHFIELD, RHODE ISLAND
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2022

	<u>General Fund</u>	<u>School Unrestricted Fund</u>	<u>American Rescue Plan Fund</u>	<u>Other Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Property taxes	\$ 36,605,408	\$ -	\$ -	\$ -	\$ 36,605,408
Motor vehicle excise in lieu of tax	2,387,438	-	-	-	2,387,438
Intergovernmental and grant revenue	1,777,800	7,858,394	44,605	2,776,966	12,457,765
Town clerk licenses and fees	437,134	-	-	-	437,134
Other departmental fines and fees	666,939	224,216	-	75,992	967,147
Investment and interest income	29,580	-	-	4,142	33,722
Other revenues	333,404	167,057	-	673,033	1,173,494
Total revenues	<u>42,237,703</u>	<u>8,249,667</u>	<u>44,605</u>	<u>3,530,133</u>	<u>54,062,108</u>
Expenditures:					
Current:					
General government	2,545,056	-	-	21,624	2,566,680
Financial administration	1,041,200	-	-	-	1,041,200
Public safety	8,077,286	-	-	209,077	8,286,363
Public works	3,235,572	-	-	11,166	3,246,738
Education	-	29,030,380	-	2,495,371	31,525,751
Other	-	-	-	20,986	20,986
Capital outlay	808,288	-	-	1,699,452	2,507,740
Debt service:					
Principal	3,234,766	-	-	-	3,234,766
Interest and issuance costs	917,453	-	-	-	917,453
Total expenditures	<u>19,859,621</u>	<u>29,030,380</u>	<u>-</u>	<u>4,457,676</u>	<u>53,347,677</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	<u>22,378,082</u>	<u>(20,780,713)</u>	<u>44,605</u>	<u>(927,543)</u>	<u>714,431</u>
Other financing sources (uses):					
Lease issued	-	44,826	-	-	44,826
Transfers from other funds	-	21,101,519	-	936,483	22,038,002
Transfers to other funds	(21,149,140)	(903,382)	(44,605)	-	(22,097,127)
Total other financing sources (uses)	<u>(21,149,140)</u>	<u>20,242,963</u>	<u>(44,605)</u>	<u>936,483</u>	<u>(14,299)</u>
Net change in fund balances	1,228,942	(537,750)	-	8,940	700,132
Fund balances - beginning of year	<u>10,898,538</u>	<u>2,297,043</u>	<u>-</u>	<u>4,082,385</u>	<u>17,277,966</u>
Fund balances - end of year	<u>\$ 12,127,480</u>	<u>\$ 1,759,293</u>	<u>\$ -</u>	<u>\$ 4,091,325</u>	<u>\$ 17,978,098</u>

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

TOWN OF NORTH SMITHFIELD, RHODE ISLAND
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in the Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2022

Net Changes in Fund Balances - Total Governmental Funds \$ 700,132

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental Funds financial statements report capital outlays as expenditures. However, in the Government-Wide Statement of Activities, the cost of those assets is allocated over their estimated useful life as depreciation expense.

This is the amount of capital assets recorded in the current period. 2,685,497

Depreciation expense on capital assets is reported in the Government-Wide Statement of Activities, but does not require the use of current financial resources. Therefore, depreciation expense is not reported in the Governmental Funds financial statements. (2,530,776)

The loss on the disposal of capital assets does not require the use of current financial resources. Therefore, the loss on the disposal of capital assets is not reported as an expenditure in the Governmental Funds financial statements. (30,495)

Long-term compensated absences, net pension liabilities (assets) and net other post-employment benefit (OPEB) liabilities are reported in the Government-Wide financial statements, but do not require the use of current financial resources. Therefore, compensated absences, net pension liabilities (assets) and net OPEB liabilities are not reported as expenditures in Governmental Funds financial statements. This amount represents the change in these long-term liabilities from the prior year. 3,511,886

Bond and loan proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Government-Wide Statement of Net Position. Repayment of debt principal are expenditures or uses of current financial resources in Governmental Funds, but the payments reduce long-term liabilities in the Government-Wide Statement of Net Position. This amount represents long-term debt principal payments during the current period. 3,234,822

Debt issued at a premium provide current financial resources to Governmental Funds, but are deferred and amortized in the Government-Wide financial statements. Deferred amounts on refunding are expenditures in the Governmental Funds, but are deferred and amortized in the Government-Wide financial statements. This amount represents amortization of deferred amounts on refunding during the current period. (126,708)
This amount represents amortization of premium on debt during the current period. 346,666

Lease proceeds provide current financial resources to Governmental Funds, but issuing a lease increases long-term liabilities in the Government-Wide Statement of Net Position. Repayment of lease principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Government-Wide statements. This amount represents lease principal payments during the current period. 8,343
This amount represents leases issued during the current period.. (44,826)

Accrued interest expense on long-term debt is reported in the Government-Wide Statement of Activities, but does not require the use of current financial resources. Therefore, accrued interest expense is not reported as an expenditure in Governmental Funds financial statements. The following amount represents the change in accrued interest from prior year. 15,515

Revenues in the Statement of Activities that are not available in Governmental Funds are not reported as revenue in the Governmental Funds. (443,383)

Change in Net Position of Governmental Activities \$ 7,326,673

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

TOWN OF NORTH SMITHFIELD, RHODE ISLAND

Statement of Net Position

Proprietary Funds

June 30, 2022

	<i>Business-Type Activities</i>		
	<i>Enterprise Funds</i>		
	<i>Water</i>	<i>Sewer</i>	<i>Total</i>
	<i>Fund</i>	<i>Fund</i>	<i>Total</i>
Assets			
Current assets:			
Cash and cash equivalents	\$ -	\$ 3,371,916	\$ 3,371,916
Accounts receivable:			
Water and sewer use fees, net	198,202	131,305	329,507
Sewer assessments, net	-	328,325	328,325
Other	-	153,124	153,124
Due from other funds	499,105	-	499,105
Total current assets	697,307	3,984,670	4,681,977
Noncurrent assets:			
Sewer assessments receivable, net	-	2,111,134	2,111,134
Capital assets:			
Non-depreciable assets	60,746	-	60,746
Depreciable assets - net	3,278,296	6,711,643	9,989,939
Total noncurrent assets	3,339,042	8,822,777	12,161,819
Total assets	4,036,349	12,807,447	16,843,796
Deferred outflows of resources			
Deferred amounts on refunding	-	23,278	23,278
Total deferred outflows of resources	-	23,278	23,278
Liabilities			
Current liabilities:			
Accounts payable and accrued expenses	270,860	76,949	347,809
Accrued interest payable	25,914	11,847	37,761
Due to other funds	-	8,356	8,356
Current portion of long term debt	107,211	175,261	282,472
Total current liabilities	403,985	272,413	676,398
Noncurrent liabilities:			
Long-term debt	963,622	1,649,155	2,612,777
Other liabilities	43,300	58,470	101,770
Total noncurrent liabilities	1,006,922	1,707,625	2,714,547
Total liabilities	1,410,907	1,980,038	3,390,945
Deferred inflows of resources			
Deferred sewer assessments	-	2,350,570	2,350,570
Total deferred inflows of resources	-	2,350,570	2,350,570
Net position			
Net investment in capital assets	2,268,209	4,910,505	7,178,714
Unrestricted	357,233	3,589,612	3,946,845
Total net position	\$ 2,625,442	\$ 8,500,117	\$ 11,125,559

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

TOWN OF NORTH SMITHFIELD, RHODE ISLAND
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2022

	<i>Business-Type Activities</i>		
	<i>Enterprise Funds</i>		
	<i>Water</i>	<i>Sewer</i>	<i>Total</i>
	<i>Fund</i>	<i>Fund</i>	<i></i>
<i>Operating revenues</i>			
Assessments and user fees	\$ 628,299	\$ 2,413,721	\$ 3,042,020
Other revenues	15,314	105,194	120,508
<i>Total operating revenues</i>	643,613	2,518,915	3,162,528
<i>Operating expenses</i>			
Salaries and benefits	45,822	261,490	307,312
Service	315,225	1,083,857	1,399,082
Operating supplies	1,144	5,578	6,722
Fixed and general charges	61,343	190,843	252,186
Depreciation	107,088	423,985	531,073
<i>Total operating expenses</i>	530,622	1,965,753	2,496,375
<i>Operating income</i>	112,991	553,162	666,153
<i>Nonoperating revenues (expenses)</i>			
Interest income	-	5,058	5,058
Interest expense	(34,597)	(26,440)	(61,037)
<i>Total non-operating revenues (expenses)</i>	(34,597)	(21,382)	(55,979)
<i>Income before transfers</i>	78,394	531,780	610,174
<i>Transfer in</i>	59,125	-	59,125
<i>Change in net position</i>	137,519	531,780	669,299
<i>Total net position - beginning of year</i>	2,487,923	7,968,337	10,456,260
<i>Total net position - end of year</i>	\$ 2,625,442	\$ 8,500,117	\$ 11,125,559

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

TOWN OF NORTH SMITHFIELD, RHODE ISLAND

Statement of Cash Flows

Proprietary Funds

For the Fiscal Year Ended June 30, 2022

	<i>Business-Type Activities</i>		
	<i>Enterprise Funds</i>		
	<u><i>Water</i></u>	<u><i>Sewer</i></u>	<u><i>Total</i></u>
	<u><i>Fund</i></u>	<u><i>Fund</i></u>	
<i>Cash flows from operating activities</i>			
Cash received from customers	\$ 629,668	\$ 2,588,399	\$ 3,218,067
Cash payments to suppliers for goods and services	(294,026)	(1,357,009)	(1,651,035)
Cash payments to employees for services	(35,385)	(202,344)	(237,729)
 <i>Net cash provided by operating activities</i>	 <u>300,257</u>	 <u>1,029,046</u>	 <u>1,329,303</u>
 <i>Cash flows from non-capital financing activities</i>			
Transfers from other funds	59,125	-	59,125
Interfund transactions	(122,185)	(33,547)	(155,732)
 <i>Net cash used for non-capital financing activities</i>	 <u>(63,060)</u>	 <u>(33,547)</u>	 <u>(96,607)</u>
 <i>Cash flows from capital and related financing activities</i>			
Acquisition and construction of capital assets	(44,605)	(44,549)	(89,154)
Principal paid on bonds and loans	(154,960)	(227,409)	(382,369)
Interest paid on bonds and loans	(37,632)	(28,122)	(65,754)
 <i>Net cash used for capital and related financing activities</i>	 <u>(237,197)</u>	 <u>(300,080)</u>	 <u>(537,277)</u>
 <i>Cash flows from investing activities</i>			
Investment income	-	5,058	5,058
 <i>Net cash provided by investing activities</i>	 <u>-</u>	 <u>5,058</u>	 <u>5,058</u>
 <i>Net increase in cash and cash equivalents</i>	 -	 700,477	 700,477
 <i>Cash and cash equivalents, beginning of year</i>	 -	 2,671,439	 2,671,439
 <i>Cash and cash equivalents, end of year</i>	 <u>\$ -</u>	 <u>\$ 3,371,916</u>	 <u>\$ 3,371,916</u>

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

(Continued)

TOWN OF NORTH SMITHFIELD, RHODE ISLAND
Statement of Cash Flows (Continued)
Proprietary Funds
For the Fiscal Year Ended June 30, 2022

	<i>Business-Type Activities</i>		
	<i>Enterprise Funds</i>		
	<i>Water</i>	<i>Sewer</i>	<i>Total</i>
	<i>Fund</i>	<i>Fund</i>	<i></i>
<i>Reconciliation of operating income to net cash provided by operating activities</i>			
Operating income	\$ 112,991	\$ 553,162	\$ 666,153
<i>Adjustments to reconcile operating income to net cash provided by operating activities:</i>			
Depreciation	107,088	423,985	531,073
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(13,945)	424,264	410,319
Increase (decrease) in accounts payable and accrued expenses	94,123	55,787	149,910
Increase (decrease) in deferred sewer assessments	-	(428,152)	(428,152)
<i>Net cash provided by operating activities</i>	\$ 300,257	\$ 1,029,046	\$ 1,329,303

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

TOWN OF NORTH SMITHFIELD, RHODE ISLAND
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2022

	<i>Other Post-Employment Benefits Trust Fund</i>	<i>Private-Purpose Trust Buxton Family Association</i>
<i>Assets</i>		
Cash and cash equivalents	\$ -	\$ 832
Investments:		
Pooled investments	1,634,233	-
<i>Total assets</i>	1,634,233	832
 <i>Net position</i>		
Restricted for other post employment benefits and other purposes	\$ 1,634,233	\$ 832

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

TOWN OF NORTH SMITHFIELD, RHODE ISLAND
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2022

	<u><i>Other Post-Employment Benefits Trust Fund</i></u>	<u><i>Private-Purpose Trust Buxton Family Association</i></u>
<i>Additions</i>		
Contributions:		
Employer	\$ 737,422	\$ -
Total contributions	<u>737,422</u>	<u>-</u>
Investment earnings:		
Net increase (decrease) in fair value of investments	(251,352)	-
Interest and dividends	<u>-</u>	<u>2</u>
Total investment earnings	(251,352)	2
Less investment expense	<u>5,523</u>	<u>-</u>
Net investment income	<u>(256,875)</u>	<u>2</u>
<i>Total additions</i>	<u>480,547</u>	<u>2</u>
<i>Deductions</i>		
Benefits	460,741	-
<i>Total deductions</i>	<u>460,741</u>	<u>-</u>
<i>Change in net position</i>	19,806	2
<i>Net position - beginning of year</i>	<u>1,614,427</u>	<u>830</u>
<i>Net position - end of year</i>	<u>\$ 1,634,233</u>	<u>\$ 832</u>

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

TOWN OF NORTH SMITHFIELD, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

The Town of North Smithfield, Rhode Island was incorporated under the provisions of Chapter 728 of the Public Laws of Rhode Island. The Town operates under a Town Council-Administrator form of government and provides the following services as authorized by its charter: public safety (police and fire), highway and streets, sanitation, health and social services, culture-recreation, education, public improvements, planning, zoning and inspection, and general administrative services.

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

The Other Post-Employment Benefits Trust is an other post-employment benefit plan established by a trust agreement adopted effective August 21, 2017. The Other Post-Employment Benefits Trust does not have a governing board and the Town Council performs the duties of a governing board and, thus, can impose its will on the Other Post-Employment Benefits Trust. The fiscal year of the Other Post-Employment Benefits Trust ends on June 30. The Other Post-Employment Benefits Trust does not issue separate financial statements.

B. BASIS OF PRESENTATION AND ACCOUNTING

Government-Wide Financial Statements

The Town’s Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements report information about the reporting entity as a whole. Fiduciary activities of the Town are not included in these statements. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through property taxes, intergovernmental revenue, and other non-exchange revenues. Business-

TOWN OF NORTH SMITHFIELD, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

type activities are financed in whole or in part by fees charged to external parties for goods and services rendered.

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

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

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regard to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total column. In the Statement of Activities, those transactions between governmental and business-type activities have not been eliminated.

Fund Financial Statements

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

Governmental Fund Financial Statements

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

All governmental funds are accounted for on a spending or "*current financial resources*" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets,

TOWN OF NORTH SMITHFIELD, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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

Major Governmental Funds:

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

School Unrestricted Fund – The School Unrestricted Fund is used to account for the budgeted resources devoted to financing the general operations of the School Department.

American Rescue Plan Fund – The American Rescue Plan Fund is used to account for federal ARPA funds received by the Town.

Proprietary Fund Financial Statements

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

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

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

The Town has two Enterprise Funds, which are major funds, as follows:

TOWN OF NORTH SMITHFIELD, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

Water Fund – The Water Fund is used to account for the water use fees and the expenses associated with providing water services to Town residents.

Sewer Fund – The Sewer Fund is used to account for the sewer use and assessment fees and the expenses associated with providing sewer services to Town residents.

Fiduciary Fund Financial Statements

Fiduciary Fund Financial Statements include a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. The Town’s Fiduciary Funds include an Other Post-Employment Benefits Trust Fund and a Private Purpose Trust Fund. Fiduciary Funds are used to account for assets held by the Town in a trustee capacity or as a custodian for individuals, private organizations, or other governments. The Fiduciary Funds are accounted for on a spending or “*economic resources*” measurement focus and the accrual basis of accounting.

Other Post-Employment Benefits Trust Fund – This fund accounts for assets held under a trust arrangement to finance other post-employment benefits of Town employees and payments of these benefits as they come due.

Private Purpose Trust Funds – This fund accounts for assets held by the Town under a trust arrangement for the benefit of certain individuals.

C. RECENTLY ISSUED ACCOUNTING STANDARDS

The Town has implemented the following new accounting pronouncements:

- GASB Statement No. 87 – *Leases*, effective for the Town’s fiscal year ending June 30, 2022.
- GASB Statement No. 89 – *Accounting for Interest Cost Incurred before the End of a Construction Period*, effective for the Town’s fiscal year ending June 30, 2022.
- GASB Statement No. 92 – *Omnibus 2020*, effective for the Town’s fiscal year ending June 30, 2022, except for the requirements related to the effective date of Statement 87 and Implementation Guide 2019-3 which were effective upon issuance.
- GASB Statement No. 93 – *Replacement of Interbank Offered Rates*, paragraphs 11b, 13 and 14, effective for the Town’s fiscal year ending June 30, 2022.
- GASB Statement No. 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a suppression of GASB Statement No. 32*, effective for the Town’s fiscal year ending June 30, 2022, except for paragraphs 4 and 5 which were effective upon issuance.
- GASB Statement No. 98 – *The Annual Comprehensive Financial Report*, effective for the Town’s fiscal year ending June 30, 2022.

TOWN OF NORTH SMITHFIELD, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

- GASB Statement No. 99 – *Omnibus 2022*, effective upon issuance, except for requirements related to leases, PPPs and SBITAs which are effective for the Town’s fiscal year ending June 30, 2023 and requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 which are effective for the Town’s fiscal year ending June 30, 2024.

The adoption of GASB Statement No. 87, 89 and 98, and portions of GASB Statement No. 92, 93, 97 and 99 applicable in fiscal year 2022 did not have an impact on the Town’s financial position or results of operations.

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

- GASB Statement No. 91 – *Conduit Debt Obligations*, effective for the Town’s fiscal year ending June 30, 2023.
- GASB Statement No. 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, effective for the Town’s fiscal year ending June 30, 2023.
- GASB Statement No. 96 – *Subscription-Based Information Technology Arrangements*, effective for the Town’s fiscal year ending June 30, 2023.
- GASB Statement No. 99 – *Omnibus 2022*, requirements related to leases, PPPs and SBITAs effective for the Town’s fiscal year ending June 30, 2023 and requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 effective for the Town’s fiscal year ending June 30, 2024.
- GASB Statement No. 100 – *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*, effective for the Town’s fiscal year ending June 30, 2024.
- GASB Statement No. 101 – *Compensated Absences*, effective for the Town’s fiscal year ending June 30, 2025.

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

D. CASH AND CASH EQUIVALENTS

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

E. INVESTMENTS

The Town’s investments are reported at fair value, except for pooled investments which are reported at net asset value per share (which approximates fair value).

F. ACCOUNTS RECEIVABLE AND TAXES RECEIVABLE

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

TOWN OF NORTH SMITHFIELD, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

G. PREPAID ITEMS

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

H. CAPITAL ASSETS

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

All capital assets are recorded at cost or estimated historical cost. Donated capital assets are recorded at acquisition value as of the date received.

Capitalized assets are defined by the Town as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year.

Infrastructure assets are defined generally as capital assets that are immovable and of value only to the governmental unit, including roads, bridges, sidewalks, and street lighting.

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

	<u>Years</u>
Land improvements	20-50
Buildings and improvements	20-50
Motor vehicles, equipment, and heavy machinery	5-20
Furniture and office equipment	5-10
Infrastructure	25-40
Water lines and projects	30-65
Sewer mains and laterals	30-65

I. DEBT PREMIUMS

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

J. DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

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

TOWN OF NORTH SMITHFIELD, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

inflows of resources represent an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

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

K. PROPERTY TAXES

The Town is permitted by state law to levy property taxes. Current tax collections for the Town were approximately 98.5% of the total 2021 levy. The Town's fiscal 2021-2022 property taxes were levied on June 28, 2021 on assessed valuation as of December 31, 2020. Upon levy, taxes are due and payable on August 15 or may be paid quarterly on August 15, October 15, January 15, and April 15. Failure to mail payments by due dates will result in lien on taxpayer's property. Taxable assessed values are established by Tax Assessor's Office and are currently calculated at approximately 100% of current market value for real estate and 80% of current market value for motor vehicles.

L. COMPENSATED ABSENCES

Under the terms of various contracts and agreements, Town employees are granted vacation and sick leave in varying amounts based on length of service.

Vacation benefits are accrued as a liability based on the accumulated benefits earned on June 30. Sick leave benefits are accrued based on the sick leave accumulated as of June 30 by those employees who are currently eligible to receive termination payments and those employees for whom it is probable they will become eligible to receive termination benefits in the future. The liability is calculated at the rate of pay in effect on June 30, 2022.

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

M. ACCRUED LIABILITIES AND LONG-TERM DEBT

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

TOWN OF NORTH SMITHFIELD, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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

N. LEASES

The Town is lessee for noncancellable leases of office equipment. The Town recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the Government-Wide Financial Statements. At the commencement of the lease, the Town initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of the lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the Town determines the discount rate it uses to discount the expected leases payments to present value, lease term, and lease payments. The Town uses the interest rate charged by the lessor as the discount rate. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Town is reasonably certain to exercise. The Town monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term liabilities in the Government-Wide Statement of Net Position.

O. PENSIONS

For the purposes of measuring the net pension liabilities, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Employees' Retirement System of the State of Rhode Island, Teachers' Survivor Benefit and Municipal Employees' Retirement System plans and the additions to/ deductions from each plan's fiduciary net position have been determined on the same basis as they are reported by the plans. 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.

P. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net

TOWN OF NORTH SMITHFIELD, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

position of the Town of North Smithfield’s Other Post-Employment Benefits Plan (the plan) and additions to/deductions from the plan’s fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, the plan recognizes benefit payments when due and payable, in accordance with the benefit terms. Investments are reported at fair value.

Q. USE OF ESTIMATES

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

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. LEGAL DEBT MARGIN

The Town’s legal debt margin as set forth by State Statute is limited to three percent of total taxable assessed value, which approximates \$55,028,845. As of June 30, 2022, the Town’s debt subject to the legal debt margin is \$1,947,357 and the Town is under the debt limit by \$53,081,488. The debt subject to the debt limitation is based on the type of debt that is issued.

NOTE 3 – CASH DEPOSITS

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

	<i>Carrying</i>
	<i>Amount</i>
Total Deposits	\$25,482,902
Add: Petty cash	<u>1,150</u>
<i>Total Cash and Cash Equivalents</i>	
<i>Reported in the Financial Statements</i>	<u><u>\$25,484,052</u></u>

CUSTODIAL CREDIT RISK – custodial credit risk is the risk that in the event of the failure of a depository financial institution, the Town will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Town does not have a formal deposit policy for custodial credit risk but is governed by State laws as described below. As of June 30, 2022, \$25,093,523 of the Town’s bank balance of \$26,093,523 was exposed to custodial credit risk as follows:

TOWN OF NORTH SMITHFIELD, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

	<u>Bank Balance</u>
Insured (Federal depository insurance funds)	\$1,000,000
Collateralized with securities held by pledging financial institution or its agent in the Town's name	20,437,099
Collateralized with securities held by pledging financial institution or its agent, but not in the Town's name	4,656,424
Uninsured and uncollateralized	-
Total	<u>\$26,093,523</u>

Under Rhode Island general laws, depository institutions holding deposits of the State, its agencies, or governmental subdivisions of the State, shall at a minimum, insure or pledge eligible collateral equal to one hundred percent (100%) of the deposits, which are time deposits with maturities greater than sixty (60) days. Any of these institutions which do not meet minimum capital standards prescribed by federal regulators shall insure or pledge eligible collateral equal to one hundred percent (100%) of the deposits, regardless of maturity. On June 30, 2022, the Town had no uncollateralized deposits with institutions.

NOTE 4 – INVESTMENTS

On June 30, 2022, the Town's investment balances were as follows:

<u>Investment</u>	<u>Fair Value</u>
Trust OPEB Funding Program	<u>\$1,634,233</u>
Total Investments Reported in the Financial Statements	<u>\$1,634,233</u>

The Town's General Fund investments are governed by Title 35, Chapter 10, Section 11 of the State's General Laws. This law generally allows for short-term investments, such as certificate of deposits, money market funds, obligations guaranteed by the U.S. Government, etc. with the goal of seeking responsible income while preserving capital.

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

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

Concentration of Credit Risk – The Town does not have a formal policy that limits the amount that can be invested with one issuer.

Custodial Credit Risk – Custodial credit risk for investments is the risk that in the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have a policy governing custodial credit risk.

TOWN OF NORTH SMITHFIELD, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 5 – FAIR VALUE MEASUREMENTS

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

The Town had no recurring or nonrecurring fair value measurements as of June 30, 2022.

The valuation method for pooled investments measured at net asset value (NAV) per share (or its equivalent) is presented in the following table:

	<u><i>Fair Value</i></u>	<u><i>Redemption Frequency</i></u>	<u><i>Redemption Notice Period</i></u>
Trust OPEB Funding Program	\$1,634,233	Daily	None

The Trust OPEB Funding Program investment utilizes a balanced strategy seeking both a reasonable level of income and long-term growth of capital and income. The Program invests in seven index and mutual funds: total stock market index fund, total international stock index fund, total bond market index fund, intermediate-term investment grade fund, short-term investment grade fund, total international bond index fund, and REIT index fund. The fair values of the underlying investments are used to determine NAV per share (or its equivalent) of the Trust OPEB Funding Program investment.

TOWN OF NORTH SMITHFIELD, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June, 30, 2022 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities:				
Nondepreciable assets:				
Land and land easements	\$ 9,309,242	\$ -	\$ -	\$ 9,309,242
Construction in progress	120,796	18,105	120,796	18,105
	<u>9,430,038</u>	<u>18,105</u>	<u>120,796</u>	<u>9,327,347</u>
Depreciable assets:				
Land improvements	3,994,073	1,099,051	-	5,093,124
Buildings and improvements	65,877,263	345,570	-	66,222,833
Infrastructure	25,778,147	148,895	-	25,927,042
Machinery, equipment and furniture	4,213,670	137,215	-	4,350,885
Vehicles	5,288,927	1,012,631	235,825	6,065,733
Leased equipment	42,141	44,826	-	86,967
	<u>105,194,221</u>	<u>2,788,188</u>	<u>235,825</u>	<u>107,746,584</u>
Total capital assets	<u>114,624,259</u>	<u>2,806,293</u>	<u>356,621</u>	<u>117,073,931</u>
Less accumulated depreciation for:				
Land improvements	2,530,228	184,392	-	2,714,620
Buildings and improvements	25,420,003	1,452,246	-	26,872,249
Infrastructure	22,645,469	204,785	-	22,850,254
Machinery, equipment and furniture	3,489,761	153,886	-	3,643,647
Vehicles	3,167,804	518,073	205,330	3,480,547
Less accumulated amortization for:				
Leased equipment	8,428	17,394	-	25,822
Total accumulated depreciation and amortization	<u>57,261,693</u>	<u>2,530,776</u>	<u>205,330</u>	<u>59,587,139</u>
Governmental activities capital assets, net	<u>\$ 57,362,566</u>	<u>\$ 275,517</u>	<u>\$ 151,291</u>	<u>\$ 57,486,792</u>
Business-Type Activities				
Nondepreciable assets:				
Land	\$ 16,141	\$ -	\$ -	\$ 16,141
Construction in progress	-	44,605	-	44,605
	<u>16,141</u>	<u>44,605</u>	<u>-</u>	<u>60,746</u>
Depreciable assets:				
Land improvements	32,405	-	-	32,405
Buildings and improvements	2,395,497	-	-	2,395,497
Infrastructure	13,773,279	-	-	13,773,279
Machinery, equipment and furniture	19,293,485	44,549	-	19,338,034
Vehicles	139,110	-	-	139,110
	<u>35,633,776</u>	<u>44,549</u>	<u>-</u>	<u>35,678,325</u>
Total capital assets	<u>35,649,917</u>	<u>89,154</u>	<u>-</u>	<u>35,739,071</u>
Less accumulated depreciation for:				
Land improvements	20,422	863	-	21,285
Buildings and improvements	1,032,872	47,910	-	1,080,782
Infrastructure	6,609,562	210,422	-	6,819,984
Machinery, equipment and furniture	17,355,347	271,878	-	17,627,225
Vehicles	139,110	-	-	139,110
Total accumulated depreciation	<u>25,157,313</u>	<u>531,073</u>	<u>-</u>	<u>25,688,386</u>
Business-type activities capital assets, net	<u>\$ 10,492,604</u>	<u>\$ (441,919)</u>	<u>\$ -</u>	<u>\$ 10,050,685</u>

TOWN OF NORTH SMITHFIELD, RHODE ISLAND
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Depreciation and amortization expense was charged as follows:

Governmental activities:	
General government	\$ 141,321
Public safety	329,571
Public works	510,266
Education	1,549,618
Total depreciation and amortization expense, governmental activities	<u>\$ 2,530,776</u>
Business-type activities:	
Water fund	\$ 107,088
Sewer fund	423,985
Total depreciation expense, business-type activities	<u>\$ 531,073</u>

NOTE 7 – LONG-TERM LIABILITIES

A. LONG-TERM LIABILITIES:

Changes in long-term liabilities during the year ended June 30, 2022 were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental activities:					
Bonds and loans payable:					
Bonds and loans payable	\$ 21,678,045	\$ -	\$ 2,874,822	\$ 18,803,223	\$ 2,754,162
Bonds from direct placements	180,000	-	60,000	120,000	60,000
Loans from direct borrowings	1,750,000	-	300,000	1,450,000	320,000
	<u>23,608,045</u>	<u>-</u>	<u>3,234,822</u>	<u>20,373,223</u>	<u>3,134,162</u>
Plus amortized premium on bonds	2,500,095	-	346,666	2,153,429	-
Total bonds and loans	26,108,140	-	3,581,488	22,526,652	3,134,162
Other liabilities:					
Leases payable	40,606	44,826	8,343	77,089	14,814
Accrued compensated absences	1,306,266	25,485	199,774	1,131,977	-
Settlements payable	100,100	-	-	100,100	14,300
Net other post-employment benefit liabilities	10,448,082	-	609,713	9,838,369	-
Net pension liabilities	26,359,934	-	8,846,532	17,513,402	-
Total Governmental Activities Long-Term Liabilities	<u>\$ 64,363,128</u>	<u>\$ 70,311</u>	<u>\$ 13,245,850</u>	<u>\$ 51,187,589</u>	<u>\$ 3,163,276</u>
Business-type activities:					
Bonds and loans payable:					
Bonds payable	\$ 399,777	\$ -	\$ 103,838	\$ 295,939	\$ -
Bonds and loans from direct borrowings	2,851,627	-	278,531	2,573,096	282,472
	<u>3,251,404</u>	<u>-</u>	<u>382,369</u>	<u>2,869,035</u>	<u>282,472</u>
Plus amortized premium on bonds	29,959	-	3,745	26,214	-
Total bonds and loans	<u>3,281,363</u>	<u>-</u>	<u>386,114</u>	<u>2,895,249</u>	<u>282,472</u>
Total Business-Type Activities Long-Term Liabilities	<u>\$ 3,281,363</u>	<u>\$ -</u>	<u>\$ 386,114</u>	<u>\$ 2,895,249</u>	<u>\$ 282,472</u>

TOWN OF NORTH SMITHFIELD, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
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Loans from direct borrowings in Business-Type Activities include a loan issued on May 21, 2020 in the amount of \$1,400,000. The loan agreement includes principal forgiveness in the amount of \$850,000 for a net loan amount of \$550,000 that will be repaid by the Town. As of June 30, 2022, a loan payable of \$497,357 is reported in the Water Fund.

All debt of the Government Activities is general obligation debt. The payments on the bonds and loans are paid from the General Fund. The payments on the bonds and loans in the Business-Type Activities are paid from the Water Fund and Sewer Fund. The compensated absences are paid from the General Fund and School Unrestricted Fund. The net other post-employment benefit liabilities and net pension liabilities will be paid from the General Fund and School Unrestricted Fund.

B. GENERAL OBLIGATION BONDS AND LOANS DEBT SERVICE REQUIREMENTS

The debt service requirements on June 30, 2022 were as follows:

<i>Fiscal Year Ended June 30,</i>	<i>Governmental Activities Bonds and Loans Payable</i>		<i>Governmental Activities Bonds from Direct Placements</i>		<i>Governmental Activities Loans from Direct Borrowings</i>	
	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>
	2023	\$ 2,754,162	\$ 755,223	\$ 60,000	\$ 2,035	\$ 320,000
2024	2,854,163	646,356	60,000	678	350,000	43,392
2025	2,959,162	532,231	-	-	375,000	29,952
2026	3,060,559	412,684	-	-	405,000	15,552
2027	2,334,162	282,487	-	-	-	-
2028-2032	3,336,015	438,391	-	-	-	-
2033-2037	1,075,000	164,475	-	-	-	-
2038-2039	430,000	19,350	-	-	-	-
	<u>\$ 18,803,223</u>	<u>\$ 3,251,197</u>	<u>\$ 120,000</u>	<u>\$ 2,713</u>	<u>\$ 1,450,000</u>	<u>\$ 144,576</u>

<i>Fiscal Year Ended June 30,</i>	<i>Business-Type Activities Bonds Payable</i>		<i>Business-Type Activities Bonds and Loans from Direct Borrowings</i>	
	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>
	2023	\$ -	\$ 3,518	\$ 282,472
2024	55,837	5,919	252,495	51,801
2025	55,838	4,243	257,976	46,240
2026	54,442	3,141	264,037	40,333
2027	55,837	2,038	270,151	34,136
2028-2032	73,985	1,159	948,466	98,583
2033-2037	-	-	172,431	58,039
2038-2040	-	-	125,068	12,727
	<u>\$ 295,939</u>	<u>\$ 20,018</u>	<u>\$ 2,573,096</u>	<u>\$ 400,926</u>

TOWN OF NORTH SMITHFIELD, RHODE ISLAND

Notes to Financial Statements

June 30, 2022

C. SCHEDULE OF BONDS AND LOANS PAYABLE

<u>Purpose</u>	<u>Date Issued</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Authorized and Issued</u>	<u>Outstanding June 30, 2021</u>	<u>New Issues</u>	<u>Refundings/ Maturities During Year</u>	<u>Outstanding June 30, 2022</u>
Governmental Activities:								
Bonds and loans payable:								
Refunding bond	6/12/2012	1.89%	10/15/2021	\$ 2,068,000	\$ 192,055	\$ -	\$ 192,055	\$ -
Refunding bond	6/30/2016	2.00-4.00%	7/1/2028	1,441,624	1,055,990	-	147,767	908,223
General obligation bond	6/30/2016	2.00-4.00%	6/15/2026	7,350,000	3,935,000	-	755,000	3,180,000
Refunding loan	8/10/2016	2.00-5.00%	5/15/2028	17,115,000	12,625,000	-	1,565,000	11,060,000
School general obligation bond	5/16/2019	3.00-4.00%	5/15/2039	4,300,000	3,870,000	-	215,000	3,655,000
Bonds from direct placements:								
General obligation bond	12/30/2013	2.25%	12/15/2023	545,000	180,000	-	60,000	120,000
Loans from direct borrowings:								
School loan	9/2/2010	3.84%	4/1/2026	3,550,000	1,750,000	-	300,000	1,450,000
Total Governmental Activities				<u>36,369,624</u>	<u>23,608,045</u>	<u>-</u>	<u>3,234,822</u>	<u>20,373,223</u>
 Business-Type Activities:								
Water Fund:								
Bonds payable:								
Refunding bond	6/12/2012	1.89%	10/15/2021	517,000	48,000	-	48,000	-
Bonds and loans from direct borrowings:								
Water bond	5/11/1982	5.00%	5/11/2022	50,000	2,641	-	2,641	-
Water bond	8/26/1999	5.00%	8/26/2039	790,900	556,644	-	18,185	538,459
Shell oil bond	9/16/1997	5.50%	9/16/2022	500,000	68,508	-	33,491	35,017
Water loan	5/21/2020	0.77-1.20%	9/1/2030	1,400,000	550,000	-	52,643	497,357
				<u>3,257,900</u>	<u>1,225,793</u>	<u>-</u>	<u>154,960</u>	<u>1,070,833</u>
 Sewer Fund:								
Bonds payable:								
Refunding bond	6/30/2016	2.00-4.00%	7/1/2028	558,376	351,777	-	55,838	295,939
Bonds and loans from direct borrowings:								
Clean water revolving loan	10/6/2009	0.49-1.93%	9/1/2029	4,750,000	1,673,834	-	171,571	1,502,263
				<u>5,308,376</u>	<u>2,025,611</u>	<u>-</u>	<u>227,409</u>	<u>1,798,202</u>
Total Business-Type Activities				<u>8,566,276</u>	<u>3,251,404</u>	<u>-</u>	<u>382,369</u>	<u>2,869,035</u>
Total Bonds and Loans Payable				<u>\$ 44,935,900</u>	<u>\$ 26,859,449</u>	<u>\$ -</u>	<u>\$ 3,617,191</u>	<u>\$ 23,242,258</u>

TOWN OF NORTH SMITHFIELD, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

D. LEASES PAYABLE

The Town entered into two five-year lease agreements for the acquisition and use of office equipment in March 2021 and March 2022, respectively. An initial lease liability was recorded in the amount of \$44,826 during the current fiscal year. As of June 30, 2022, the value of the lease liabilities was \$77,089. The Town is required to make monthly principal and interest payments of \$952 and \$982, respectively. The leases have an interest rate of 12.7% and 11.3%, respectively. In addition, the Town will purchase the equipment for \$1 at the end of the lease term. The equipment has a 5-year estimated useful life. The value of the right-to-use assets as of the end of the current fiscal year was \$86,967 and accumulated amortization was \$25,822.

The future principal and interest lease payments as of June 30, 2022 were as follows:

<i>Fiscal Year</i> <i>Ended June 30,</i>	<i>Governmental Activities</i>		
	<i>Leases Payable</i>		
	<u><i>Principal</i></u>	<u><i>Interest</i></u>	<u><i>Total</i></u>
2023	\$ 14,814	\$ 8,395	\$ 23,209
2024	16,697	6,512	23,209
2025	18,820	4,390	23,210
2026	18,326	2,026	20,352
2027	8,432	403	8,835
	<u>\$ 77,089</u>	<u>\$ 21,726</u>	<u>\$ 98,815</u>

NOTE 8 – INTERFUND BALANCES

The Town reports interfund balances between many of its funds. Interfund balances on June 30, 2022 were as follows:

	<u><i>Due From:</i></u>				<u><i>Total</i></u>
	<u><i>General Fund</i></u>	<u><i>School Unrestricted Fund</i></u>	<u><i>Nonmajor Governmental Funds</i></u>	<u><i>Sewer Fund</i></u>	
<i>Due To:</i>					
General Fund	\$ -	\$ -	\$ 31,268	\$ 8,356	\$ 39,624
School Unrestricted Fund	562,971	-	531,715	-	1,094,686
American Rescue Plan Fund	1,855,496	-	-	-	1,855,496
Nonmajor Governmental Funds	1,274,008	295,680	-	-	1,569,688
Water Fund	499,105	-	-	-	499,105
<i>Total</i>	<u>\$ 4,191,580</u>	<u>\$ 295,680</u>	<u>\$ 562,983</u>	<u>\$ 8,356</u>	<u>\$ 5,058,599</u>

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

TOWN OF NORTH SMITHFIELD, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 9 – INTERFUND TRANSFERS

	<u>Transfer From:</u>			<u>Total</u>
	<u>General Fund</u>	<u>School Unrestricted Fund</u>	<u>American Rescue Plan Fund</u>	
Transfer To:				
School Unrestricted Fund	\$ 21,101,519	\$ -	\$ -	\$ 21,101,519
Nonmajor Governmental Funds	33,101	903,382	-	936,483
Water Fund	14,520	-	44,605	59,125
Total	<u>\$ 21,149,140</u>	<u>\$ 903,382</u>	<u>\$ 44,605</u>	<u>\$ 22,097,127</u>

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

NOTE 10 – DISAGGREGATION OF RECEIVABLE AND PAYABLE BALANCES

A. ACCOUNTS RECEIVABLE

The Town disaggregates significant components of receivables in the financial statements. Receivable balances determined immaterial are included as other receivables. The Town expects to receive all receivables within the subsequent year, except for CDBG loan receivables which are due in accordance with individual loan amortization schedules and sewer assessment receivables which are payable over 20 years. The following allowances for doubtful accounts are included in the financial statements:

<u>Fund/Description</u>	<u>Allowance for Doubtful Accounts</u>
Governmental Activities/General Fund – Real estate and personal property tax receivable	\$874,128
Governmental Activities – Accrued interest receivable	350,514
Business-Type Activities/Water Fund – Use fees receivable	2,002
Business-Type Activities/Sewer Fund – Use fees receivable	4,061
Business-Type Activities/Sewer Fund – Sewer assessments receivable	2,749

TOWN OF NORTH SMITHFIELD, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

B. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The accounts payable and accrued liabilities on June 30, 2022, were as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Other</u>	<u>Total</u>
Governmental Activities:				
General Fund	\$ 496,391	\$ 247,147	\$ -	\$ 743,538
School Unrestricted Fund	120,296	392,628	-	512,924
American Rescue Plan Fund	19,678	-	-	19,678
Nonmajor Governmental Funds	131,284	2,514	-	133,798
Reconciliation of balances in fund financial statements to government- wide financial statements	-	-	85,561	85,561
Total Governmental Activities	<u>\$ 767,649</u>	<u>\$ 642,289</u>	<u>\$ 85,561</u>	<u>\$ 1,495,499</u>
Business-Type Activities:				
Water Fund	\$ 159,227	\$ 11,277	\$ 100,356	\$ 270,860
Sewer Fund	13,050	63,899	-	76,949
Total Business-Type Activities	<u>\$ 172,277</u>	<u>\$ 75,176</u>	<u>\$ 100,356</u>	<u>\$ 347,809</u>

NOTE 11 – NET POSITION/FUND BALANCES

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

Net Investment in Capital Assets – This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balance of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

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

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

The Town considers restricted resources to have been spent when an expense is incurred for which both restricted and unrestricted net position is available.

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

TOWN OF NORTH SMITHFIELD, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
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which the Town is bound to honor constraints on the specific purpose for which amounts in those funds can be spent.

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

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

Committed Fund Balance – This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Town’s highest level of decision-making authority. These committed amounts cannot be used for any other purpose unless the Town removes or changes the specific use by taking the same type of action it employed to previously commit those amounts.

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

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

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

The Town has established the following fund balance policies:

- General Fund unassigned fund balance will be maintained at a minimum of 12% but not more than 16% of General Fund expenditures in any given year.
- Enterprise Funds unrestricted net position will be maintained at a minimum of three months operating expenses plus 25% of the accumulated depreciation of the capital assets of the fund.

TOWN OF NORTH SMITHFIELD, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 12 – DIFFERENCES BETWEEN GOVERNMENTAL FUNDS AND GOVERNMENT-WIDE FINANCIAL STATEMENTS

A. DIFFERENCES BETWEEN GOVERNMENTAL FUNDS BALANCE SHEET AND STATEMENT OF NET POSITION

The total fund balances for Governmental Funds of \$17,978,098 differs from the total net position for Governmental Activities of \$27,228,090 reported in the Statement of Net Position. The differences arise primarily from the long-term economic focus of the Statement of Net Position versus the current financial resources focus of the Governmental Funds Balance Sheet. The effect of the differences is illustrated below.

Balance Sheet/Statement of Net Position:

	Total Governmental Funds	Long-Term Assets/ Liabilities (1)	Reclassifications and Eliminations	Statement Net Position Totals
Assets:				
Cash and cash equivalents	\$ 22,111,304	\$ -	\$ -	\$ 22,111,304
Real and personal property				
tax receivable, net	886,506	-	-	886,506
Due from federal and state governments	688,685	-	-	688,685
Accrued interest receivable, net	-	289,759	-	289,759
Other receivables	111,097	-	-	111,097
Internal balances	4,559,494	-	(5,050,243)	(490,749)
Prepaid items	156,128	-	-	156,128
Capital assets, net	-	57,486,792	-	57,486,792
Net pension assets	-	7,741,991	-	7,741,991
Total assets	\$ 28,513,214	\$ 65,518,542	\$ (5,050,243)	\$ 88,981,513
Total deferred outflows of resources	\$ -	\$ 10,120,367	\$ -	\$ 10,120,367
Liabilities:				
Accounts payable and accrued expenditures	\$ 1,409,938	\$ -	\$ 85,561	\$ 1,495,499
Accrued interest payable	-	103,120	-	103,120
Internal balances	5,050,243	-	(5,050,243)	-
Performance bonds payable	1,426,141	-	-	1,426,141
Unearned revenue	1,835,818	-	-	1,835,818
Other liabilities	85,561	-	(85,561)	-
Long-term liabilities:				
Due within one year	-	3,163,276	-	3,163,276
Due in more than one year	-	48,024,313	-	48,024,313
Total liabilities	\$ 9,807,701	\$ 51,290,709	\$ (5,050,243)	\$ 56,048,167
Total deferred inflows of resources	\$ 727,415	\$ 15,098,208	\$ -	\$ 15,825,623
Total fund balances/net position	\$ 17,978,098	\$ 9,249,992	\$ -	\$ 27,228,090

TOWN OF NORTH SMITHFIELD, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

(1) When capital assets (land, buildings, equipment) that are to be used in Governmental Activities are purchased or constructed, the cost of these assets are reported as expenditures in Governmental Funds. However, the Statement of Net Position includes those capital assets of the Town as a whole.

Cost of capital assets	\$ 117,073,931
Accumulated depreciation and amortization	(59,587,139)
	\$ 57,486,792

Because the focus of Governmental Funds is on short term financing some assets will not be available to pay for current-period expenditures. Those assets (for example, receivables) are offset by deferred revenues in the Governmental Funds and thus are not included in the fund balances.

Adjustment of deferred revenue	\$ (727,415)
	\$ (727,415)

Accrued interest receivable on property taxes is reported as revenue in the Government-Wide financial statements in the period earned and in the Governmental Funds when received.

	\$ 289,759
	\$ 289,759

Long-term liabilities (assets) applicable to the Town's Governmental Activities are not due and payable in the current period and accordingly are not reported as fund assets or liabilities. All assets and liabilities, both current and long-term, are reported in the Statement of Net Position. Deferred inflows and outflows related to long-term liabilities (assets) are also not reported in the Governmental Funds.

Bonds and loans payable	\$ 22,526,652
Leases payable	77,089
Accrued compensated absences	1,131,977
Settlements payable	100,100
Net OPEB liabilities	9,838,369
Net pension liabilities	17,513,402
Accrued interest payable	103,120
	\$ 51,290,709
Deferred outflows - refunding	\$ 768,836
Net pension assets	\$ 7,741,991
Deferred outflows - pension	\$ 5,320,845
Deferred outflows - OPEB	4,030,686
	\$ 9,351,531
Deferred inflows - pension	\$ 12,153,155
Deferred inflows - OPEB	3,672,468
	\$ 15,825,623

TOWN OF NORTH SMITHFIELD, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

B. DIFFERENCES BETWEEN GOVERNMENTAL FUNDS OPERATING STATEMENT AND STATEMENT OF ACTIVITIES

The net change in the fund balances for Governmental Funds of \$700,132 differs from the change in net position for Governmental Activities of \$7,326,673 reported in the Statement of Activities. The differences arise primarily from the long-term economic focus of the Statement of Activities versus the current financial resources focus of the Governmental Funds. The effect of the differences is illustrated below.

Statement of Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities:

	<u>Total Governmental Funds</u>	<u>Long-Term Revenues/ Expenses (1)</u>	<u>Capital- Related Items (2)</u>	<u>Long-Term Liability Transactions (3)</u>	<u>Reclassifications and Eliminations</u>	<u>Statement of Activities Totals</u>
Revenues:						
Property taxes	\$ 36,605,408	\$ (443,383)	\$ -	\$ -	\$ (3)	\$ 36,162,022
Motor vehicle excise in lieu of tax	2,387,438	-	-	-	(2,387,438)	-
Intergovernmental and grant revenue	12,457,765	(950,356)	27,830	-	2,641,442	14,176,681
Town clerk licenses and fees	437,134	-	-	-	-	437,134
Other departmental fines and fees	967,147	-	-	-	659,958	1,627,105
Investment and interest income	33,722	-	-	-	-	33,722
Other revenues	1,173,494	-	33,833	-	(913,958)	293,369
Total revenues	<u>54,062,108</u>	<u>(1,393,739)</u>	<u>61,663</u>	<u>-</u>	<u>1</u>	<u>52,730,033</u>
Expenditures:						
Current:						
General government	2,566,680	-	141,321	(177,898)	23,434	2,553,537
Financial administration	1,041,200	-	-	(62,975)	621	978,846
Public safety	8,286,363	-	360,066	(678,383)	180,969	8,149,015
Public works	3,246,738	-	504,966	(256,871)	30,162	3,524,995
Education	31,525,751	(950,356)	1,222,252	(2,344,102)	2,373	29,455,918
Other	20,986	-	-	-	(20,986)	-
Capital outlay	2,507,740	-	(2,291,168)	-	(216,572)	-
Debt service:						
Principal	3,234,766	-	-	(3,234,822)	56	-
Interest	917,453	(15,515)	-	(219,958)	(56)	681,924
Total expenditures	<u>53,347,677</u>	<u>(965,871)</u>	<u>(62,563)</u>	<u>(6,975,009)</u>	<u>1</u>	<u>45,344,235</u>
Other financing sources (uses):						
Lease issued	44,826	-	-	(44,826)	-	-
Transfer from (to) other funds	(59,125)	-	-	-	-	(59,125)
Total other financing sources (uses)	<u>(14,299)</u>	<u>-</u>	<u>-</u>	<u>(44,826)</u>	<u>-</u>	<u>(59,125)</u>
Net change for the year	<u>\$ 700,132</u>	<u>\$ (427,868)</u>	<u>\$ 124,226</u>	<u>\$ 6,930,183</u>	<u>\$ -</u>	<u>\$ 7,326,673</u>

(1) Because some property taxes and other revenues will not be collected soon enough after the Town's fiscal year end, they are not considered to be "available" revenues in the Governmental Funds.

Change in deferred property taxes	\$ (377,311)
Change in accrued interest receivable	(66,072)
	<u>\$ (443,383)</u>

Accrued interest on long-term debt is reported in the Government-Wide Statement of Activities, but does not require the use of current financial resources. Therefore, it is not reported in the Governmental Funds financial statements.

Change in accrued interest payable	<u>\$ (15,515)</u>
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TOWN OF NORTH SMITHFIELD, RHODE ISLAND
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<p>Change in on-behalf pension payments made by the State related to recording the net pension liability in the Government-Wide Statement of Activities.</p>	<p>Change in intergovernmental and grant revenue \$ (950,356)</p> <p>Change in education expense \$ (950,356)</p>
<p>(2) When capital assets that are to be used in Governmental Activities are purchased or constructed, the resources expended for those assets are reported as expenditures in Governmental Funds. However, in the Statement of Activities, the cost of those assets is allocated over the estimated useful lives and reported as depreciation expense. As a result, fund balance decreases by the amount of financial resources expended, whereas net position decreases by the amount of depreciation expense charged for the year.</p>	<p>Capital outlay \$ (2,623,834)</p> <p>Depreciation expense 2,530,776</p> <p style="border-top: 1px solid black;">\$ (93,058)</p>
<p>Capital assets contributed to the Town or replaced through reimbursements do not provide current financial resources. Therefore, these items are not reported as a revenue in the Governmental Funds financial statements.</p>	<p style="border-top: 1px solid black;">\$ 61,663</p>
<p>The loss on the disposal of capital assets does not require the use of current financial resources. Therefore, the loss on the disposal of capital assets is not reported as an expenditure in the Governmental Funds financial statements.</p>	<p style="border-top: 1px solid black;">\$ 30,495</p>
<p>(3) Repayment of debt principal is reported as an expenditure in the Governmental Funds and, thus, has the effect of reducing fund balance because current financial resources have been used. For the Town as a whole, however, the principal payments reduce the liabilities in the Statement of Net Position and do not result in an expense in the Statement of Activities.</p>	<p>Bond and loan principal payments made \$ (3,234,822)</p>
<p>Lease proceeds provide current financial resources to Governmental Funds, but issuing a lease increases long-term liabilities in the Government-Wide Statement of Net Position. Repayment of lease principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Government-Wide financial statements.</p>	<p>Issuance of lease \$ (44,826)</p> <p>Lease principal payments made \$ (8,343)</p>
<p>Debt issued at a premium provide current financial resources to Governmental Funds, but are deferred and amortized in the Government-Wide financial statements. Deferred amounts on refunding are expenditures in the Governmental Funds, but are deferred and amortized in the Government-Wide financial statements.</p>	<p>Amortization of premium on long-term debt \$ (346,666)</p> <p>Amortization of deferred amounts on refunding 126,708</p> <p style="border-top: 1px solid black;">\$ (219,958)</p>
<p>Certain accrued expenditures that do not use current financial resources are not reported in the Governmental Funds financial statements. However, in the Statement of Activities these accrued expenses are recognized and charged to current activities.</p>	<p>Net decrease in compensated absences \$ (174,289)</p> <p>Net change in net OPEB liabilities and related deferred outflows/inflows 85,039</p> <p>Net change in net pension liabilities (assets) and related deferred outflows/inflows (3,422,636)</p> <p style="border-top: 1px solid black;">\$ (3,511,886)</p>

NOTE 13 – RISK MANAGEMENT

The Town of North Smithfield is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; injuries to employees; and natural disasters. As a result, the Town participates in a non-profit, public entity risk pool (Rhode Island Interlocal Risk Management Trust, Inc.) which provides coverage for property/liability claims and workers' compensation claims. Upon joining the Trust, the Town signed a participation agreement which outlines the rights and responsibilities of both the Trust and the Town. The agreement states that for premiums paid by the Town, the Trust will assume financial responsibility for the Town's losses up to the maximum amount of insurance purchased, minus the Town's deductible amounts. The Trust provides this insurance coverage through a pooled, self-insurance mechanism which includes

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reinsurance purchased by the Trust to protect against large, catastrophic claims above the losses the Trust retains internally for payment from the pooled contributions of its members. Settled claims resulting from these risks have not exceeded the Trust coverage in any of the past three fiscal years.

NOTE 14 – LITIGATION AND CONTINGENCIES

A. LITIGATION

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

B. FEDERALLY FUNDED PROGRAMS

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

NOTE 15 – OTHER POST-EMPLOYMENT BENEFIT PLANS

A. TOWN PLAN

Plan Description

Plan Administration - The Town of North Smithfield administers a single-employer, defined benefit post-employment benefit plan. This plan does not include the pension benefits discussed in Note 16. On August 21, 2017, the Town Council authorized the creation of an OPEB Trust Fund. The Finance Director is responsible for administration of the plan in accordance with the Trust Agreement effective August 21, 2017 with Town Council oversight. The plan is reported as a Trust Fund in the Town’s financial statements. The plan does not issue a publicly available financial report.

Plan Membership - As of June 30, 2022, the plan membership data is as follows:

Active employees	63
Inactive employees receiving benefits	15
	78
	78

Benefits Provided - The plan provides medical and dental insurance for eligible retirees and their dependents through the Town’s group insurance plans, which cover both active and retired members. Benefit provisions are established and amended by the union contracts through negotiations between the Town and the respective unions. The plan provides the following benefits based on employee group upon retirement:

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- **Police Officers** – Medical and dental coverage (single or family) for police officers who were hired on or before June 30, 2022 and retire on or after June 30, 1990 until the retiree secures employment with equivalent coverage or until Medicare eligible. Police officers hired on or after July 1, 2022 will be provided with single coverage only upon retirement. Police officers hired on or after July 1, 2022 have the option to purchase an additional single plan for his/her spouse but must contribute 100% of the cost of coverage. Effective July 1, 2007, the retiree will receive the same coverage in effect at the date of retirement and will continue to pay any co-share in effect at the date of retirement. Members who retire before July 1, 2007 will not contribute to the cost of coverage.
- **Local 937 Municipal and Public Works Employees** – Medical and dental coverage (single or family) for employees hired prior to July 1, 2005 who retire with 20 years of service. Coverage will continue for a period of 5 years from date of retirement.

Contributions - Contribution requirements are negotiated between the Town and the respective unions. The Town is required to contribute the cost of medical and dental benefits, less the amount of any applicable retiree share of premiums. For the year ended June 30, 2022, the Town's contribution was based on the current year cost of retiree benefits plus amounts committed for OPEB in the current fiscal year. For the fiscal year ended June 30, 2022, the Town contributed \$737,422 to the plan. Administrative costs are paid from plan assets.

Summary of Significant Accounting Policies

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

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

Investments

Investment Policy – The Finance Director may invest funds held in the OPEB Trust Fund in accordance with the Trust Agreement and State Law. The Town has selected a balanced investment strategy which seeks to provide capital appreciation and current income.

Rate of Return – For the year ended June 30, 2022, the annual money-weighted rate of return on investments, net of investment expense, was -14.07%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for changing amounts actually invested.

TOWN OF NORTH SMITHFIELD, RHODE ISLAND
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Net OPEB Liability of the Town Plan

The components of the net OPEB liability of the Town on June 30, 2022, were as follows:

Total OPEB Liability	\$7,749,410
OPEB Plan Fiduciary Net Position	<u>(1,634,233)</u>
Net OPEB Liability	<u>\$6,115,177</u>

Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	21.09%
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Actuarial Assumptions – The total OPEB liability was determined by an actuarial valuation as of July 1, 2021 rolled forward to June 30, 2022, the measurement date. The following actuarial assumptions applied to all periods in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal Cost Method
Salary Increases	3% per annum
Inflation	3% per annum
Discount Rate	4.09% (prior valuation - 2.18%)
Mortality	PUB-2010 mortality table with MP-2021 projection (prior valuation - RP-2006 mortality table with MP-2019 projection)

Health Care Trend Rates	<u>Year</u>	<u>Medical</u>	<u>Dental</u>
	1	8.0%	5.0%
	2	7.5%	5.0%
	3	7.0%	5.0%
	4	6.5%	5.0%
	5	6.0%	5.0%
	6	5.5%	5.0%
	7+	5.0%	5.0%

Discount Rate – The discount rate used to measure the OPEB liability was 4.09% for the Town Plan. The projection of cash flows used to determine the discount rate assumed that the plan was unfunded since the Trust Fund assets are low compared to the liabilities. Based on those assumptions, the Town Plan’s net fiduciary position was not projected to be available to make all projected future benefit payments of current plan members. The municipal bond rate of 4.09% (S&P Municipal Bond 20-year High Grade Rate Index) was applied to all years in the analysis. The prior valuation used a discount rate of 2.18%.

TOWN OF NORTH SMITHFIELD, RHODE ISLAND
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Town Plan - Changes in the Net OPEB Liability

	<i>Increase (Decrease)</i>		
	<i>Total OPEB Liability</i>	<i>Plan Fiduciary Net Position</i>	<i>Net OPEB Liability</i>
<i>Balances as of June 30, 2021</i>	\$6,656,639	\$1,614,427	\$5,042,212
Changes for the Year:			
Service cost	342,200	-	342,200
Interest on the total OPEB liability	140,093	-	140,093
Changes in benefits	-	-	-
Difference between expected and actual experience	2,376,297	-	2,376,297
Changes in assumptions	(1,305,078)	-	(1,305,078)
Employer contributions	-	737,422	(737,422)
Plan member contributions	-	-	-
Net investment income	-	(256,875)	256,875
Benefit payments, including employee refunds	(460,741)	(460,741)	-
Administrative expense	-	-	-
Other changes	-	-	-
Net changes	1,092,771	19,806	1,072,965
<i>Balances as of June 30, 2022</i>	\$7,749,410	\$1,634,233	\$6,115,177

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate - The following presents the net OPEB liability of the Town Plan, as well as what the Town Plan's net OPEB liability would be if it were calculated using a discount rate 1-percentage-point lower (3.09%) and 1-percentage-point higher (5.09%) than the current discount rate:

	<i>1% Decrease (3.09%)</i>	<i>Current Discount Rate (4.09%)</i>	<i>1% Increase (5.09%)</i>
Net OPEB Liability	\$6,946,771	\$6,115,177	\$5,395,126

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following presents the net OPEB liability of the Town Plan, as well as what the Town Plan's net OPEB liability would be if it were calculated using a healthcare cost trend rates 1-percentage-point lower (7% decreasing to 4%) and 1-percentage-point higher (9% decreasing to 6%) than the current healthcare cost trend rates:

	<i>1% Decrease (7% decreasing to 4%)</i>	<i>Current Healthcare Cost Trend Rates (8% decreasing to 5%)</i>	<i>1% Increase (9% decreasing to 6%)</i>
Net OPEB Liability	\$5,306,007	\$6,115,177	\$7,081,230

TOWN OF NORTH SMITHFIELD, RHODE ISLAND
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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, 2022, the Town recognized OPEB expense of \$653,889. On June 30, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<i>Deferred Outflows of Resources</i>	<i>Deferred Inflows of Resources</i>
Differences between expected and actual experience	\$2,558,280	\$205,346
Change of assumptions	442,483	1,160,069
Net difference between projected and actual earnings on OPEB plan investments	71,030	-
<i>Total</i>	\$3,071,793	\$1,365,415

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

Year ended June 30:

2023	\$205,340
2024	210,817
2025	217,537
2026	265,440
2027	207,026
Thereafter	600,218

B. SCHOOL PLAN

Plan Description

Plan Administration - The North Smithfield School Department's defined benefit OPEB plan (the plan) provides OPEB for administrators, certified teachers, and support staff of the School Department. The plan is a single-employer, defined benefit OPEB plan administered by the School Department. Benefit terms and financing requirements are established and amended by the union contracts through negotiations between the School Department and the respective unions or by School Committee policy for administrators. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Plan Membership - As of June 30, 2022, the following employees were covered by the benefit terms:

TOWN OF NORTH SMITHFIELD, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
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Active employees	220
Inactive employees receiving benefits	5
	225
	225

Benefits Provided - The Plan provides medical and dental insurance for eligible retirees through the School Department’s group health and dental insurance plans, which cover both active and inactive members. Benefit provisions are established and amended by the union contracts through negotiations between the School Department and the respective unions or by School Committee policy for administrators. The plan provides the following benefits based on employee group upon retirement:

- **Administrators** – For retirees who have completed at least 10 years of service, individual health and dental insurance for a maximum period of 7 years from retirement, but in no event beyond the date the retiree attains age 65. Eligible retirees may obtain a family plan from the School Department if the retiree pays the difference between the individual and family plan if no other employer-sponsored plan is available. Retirees shall contribute the same cost share as contributed by employees.
- **Certified Teachers** – For employees retiring on or after the completion of the 1997-1998 school year with 25 or more years of service in North Smithfield, individual health and dental insurance for a maximum period of 7 years from retirement, but in no event beyond the date the retiree attains age 65. For employees retiring upon the completion of the 2019-2020 school year only who are at least 58 years of age and have between 10 and 14 years of service in North Smithfield, individual health and dental insurance for a maximum period of 3 years from retirement, but in no event beyond the date the retiree attains age 65. For employees retiring upon the completion of the 2019-2020 school year only who are at least 58 years of age and have between 15 and 24 years of service in North Smithfield, individual health and dental insurance for a maximum period of 5 years from retirement, but in no event beyond the date the retiree attains age 65. Retirees receive the same health and dental insurance and shall contribute the same cost share as contributed by employees per the union agreement and successive union agreements. Benefits shall terminate if the retiree or spouse secures employment with comparable coverage or if the retiree becomes eligible for Medicare.
- **Support Staff** – For retirees who have completed 15 or more years of service in North Smithfield, individual health insurance for a maximum period of 5 years from retirement, but in no event beyond the date the retiree attains age 65. Retirees receive the same health insurance and shall contribute the same cost share as contributed by employees per the union agreement and successive union agreements. Eligible retirees may obtain a family plan from the School Department if the retiree pays the difference between the individual and family plan. The family plan is available until the earlier of the retiree’s or spouse’s attainment of age 65. Benefits shall terminate if the retiree or spouse secures employment with comparable coverage or if the retiree becomes eligible for Medicare.

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Total OPEB Liability of the School Plan

The School Department's total OPEB liability of \$3,723,192 was measured as of June 30, 2022, the measurement date, and was determined by an actuarial valuation as of July 1, 2021 rolled forward to June 30, 2022.

Actuarial Assumptions – The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal Cost Method
Salary Increases	3% per annum
Inflation	3% per annum
Discount Rate	4.09% (prior valuation - 2.18%)
Mortality	PUB-2010 mortality table with MP-2021 projection (prior valuation - RP-2006 mortality table with MP-2019 projection)
Health Care Trend Rates	
	<u>Year</u> <u>Medical</u> <u>Dental</u>
	1 8.0% 5.0%
	2 7.5% 5.0%
	3 7.0% 5.0%
	4 6.5% 5.0%
	5 6.0% 5.0%
	6 5.5% 5.0%
	7+ 5.0% 5.0%

The discount rate was based on the S&P Municipal Bond 20-year High Grade Rate Index. The prior valuation used a discount rate of 2.18%.

School Plan - Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at of June 30, 2021	<u>\$5,405,870</u>
Changes for the Year:	
Service cost	254,874
Interest on the total OPEB liability	116,928
Changes of benefit terms	-
Difference between expected and actual experience	(1,337,604)
Changes in assumptions and other inputs	(632,451)
Benefit payments	<u>(84,425)</u>
Net change	<u>(1,682,678)</u>
Balance at of June 30, 2022	<u><u>\$3,723,192</u></u>

TOWN OF NORTH SMITHFIELD, RHODE ISLAND
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Sensitivity of the Total OPEB Liability to Changes in the Discount Rate - The following presents the total OPEB liability of the School Department, as well as what the School Department's total OPEB liability would be if it were calculated using a discount rate 1-percentage-point lower (3.09%) and 1-percentage-point higher (5.09%) than the current discount rate:

	1% Decrease	Current Discount Rate	1% Increase
	<u>(3.09%)</u>	<u>(4.09%)</u>	<u>(5.09%)</u>
Total OPEB Liability	\$4,076,083	\$3,723,192	\$3,397,331

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following presents the total OPEB liability of the School Department, as well as what the School Department's total OPEB liability would be if it were calculated using a healthcare cost trend rates 1-percentage-point lower (7% decreasing to 4%) and 1-percentage-point higher (9% decreasing to 6%) than the current healthcare cost trend rates:

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
	<u>(7% decreasing to 4%)</u>	<u>(8% decreasing to 5%)</u>	<u>(9% decreasing to 6%)</u>
Total OPEB Liability	\$3,261,165	\$3,723,192	\$4,269,055

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

For the year ended June 30, 2022, the School Department recognized OPEB expense of \$252,997. On June 30, 2022, the School Department reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$405,980	\$1,732,098
Change of assumptions	552,913	574,955
Total	<u>\$958,893</u>	<u>\$2,307,053</u>

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

TOWN OF NORTH SMITHFIELD, RHODE ISLAND
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Year ended June 30:

2023	\$(118,805)
2024	(118,805)
2025	(118,805)
2026	(118,805)
2027	(118,805)
Thereafter	(754,135)

C. AGGREGATE OPEB AMOUNTS REPORTED IN THE FINANCIAL STATEMENTS

	<i>Deferred Outflows of Resources – OPEB Amounts</i>	<i>Deferred Inflows of Resources – OPEB Amounts</i>	<i>Net OPEB Liability</i>	<i>OPEB Expense</i>
Town Plan	\$3,071,793	\$1,365,415	\$6,115,177	\$653,889
School Plan	<u>958,893</u>	<u>2,307,053</u>	<u>3,723,192</u>	<u>252,997</u>
Total	<u>\$4,030,686</u>	<u>\$3,672,468</u>	<u>\$9,838,369</u>	<u>\$906,886</u>

NOTE 16 – PENSION PLANS

A. EMPLOYEES' RETIREMENT SYSTEM PLANS

Defined Benefit Plan

General Information about the Pension Plan

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

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

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Benefit Provisions – The level of benefits provided to participants is established by Chapter 36-10 of the General Laws, which is subject to amendment by the General Assembly. Member benefit provisions vary based on service credits accumulated at dates specified in various amendments to the General Laws outlining minimum retirement age, benefit accrual rates and maximum benefit provisions. In general, members accumulate service credits for each year of service subject to maximum benefit accruals of 80% or 75%. For those hired after June 30, 2012, the benefit accrual rate is 1% per year with a maximum benefit accrual of 40%. Members eligible to retire on 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 2022, North Smithfield School Department teachers were required to contribute 3.75% of their annual covered salary, except for teachers with twenty or more years of service as of June 30, 2012 must contribute 11% of their annual covered salary. The State and the North Smithfield School Department 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 North Smithfield School Department; the rates were 10.94% and 14.78% of annual covered payroll for the fiscal year ended June 30, 2022 for the State and the North Smithfield School Department, respectively. The North Smithfield School Department contributed \$2,031,681, \$1,897,166, and \$1,841,002 for the fiscal years ended June 30, 2022, 2021, and 2020, respectively, equal to 100% of the required contributions for each year. The State's share of contributions totaling \$1,447,960 for fiscal year 2022 are reflected as on-behalf payments and are included as both revenue and expenditures in the Governmental Funds financial statements.

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

On June 30, 2022, the North Smithfield School Department reported a liability of \$15,993,645 for its proportionate share of the net pension liability that reflected a reduction for contributions made

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by the State. The amount recognized by the North Smithfield School Department 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 North Smithfield School Department were as follows:

North Smithfield School Department’s proportionate share of the net pension liability	\$15,993,645
State’s proportionate share of the net pension liability associated with the North Smithfield School Department	<u>11,860,721</u>
Total net pension liability	<u><u>\$27,854,366</u></u>

The net pension liability was measured as of June 30, 2021, the measurement date, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021. The North Smithfield School Department’s proportion of the net pension liability was based on a projection of the North Smithfield School Department’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State, actuarially determined. On June 30, 2021, the North Smithfield School Department’s proportion was 0.67959791%.

For the year ended June 30, 2022, the North Smithfield School Department recognized in the Government-Wide financial statements gross pension expense of \$1,053,651 and revenue of \$497,604 for support provided by the State. On June 30, 2022, the North Smithfield School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred outflows of resources:	
Contributions subsequent to the measurement date	\$2,031,681
Change of assumptions	669,744
Differences between expected and actual experience	160,534
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>752,809</u>
Total	<u><u>\$3,614,768</u></u>

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Deferred inflows of resources:	
Change of assumptions	\$351,717
Differences between expected and actual experience	516,604
Changes in proportion and differences between employer contributions and proportionate share of contributions	898,605
Net difference between projected and actual earnings on pension plan investments	3,743,502
Total	\$5,510,428

\$2,031,681 reported as deferred outflows of resources related to pensions resulting from the North Smithfield School Department contributions in fiscal year 2022 subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2023	\$(846,839)
2024	(740,662)
2025	(829,244)
2026	(1,263,545)
2027	(195,241)
Thereafter	(51,810)

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

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

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

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

The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate

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

Asset Class	Long-Term Target Asset Allocation	Long-Term Expected Arithmetic Real Rate of Return
GROWTH		
Global Equity		
US Equity	23.20%	5.83%
International Developed Equity	11.80%	6.35%
Emerging Markets Equity	5.00%	8.04%
<i>Sub-total</i>	40.00%	
Private Growth		
Private Equity	11.25%	9.47%
Non-Core Real Estate	2.25%	5.32%
Opportunistic Private Credit	1.50%	9.47%
<i>Sub-total</i>	15.00%	
INCOME		
High Yield Infrastructure	1.00%	3.19%
REITS	1.00%	5.32%
Equity Options	2.00%	5.59%
EMD (50/50 Blend)	2.00%	1.96%
Liquid Credit	2.80%	3.19%
Private Credit	3.20%	3.19%
<i>Sub-total</i>	12.00%	
STABILITY		
Crisis Protection Class		
Treasury Duration	5.00%	-0.32%
Systematic Trend	5.00%	3.39%
<i>Sub-total</i>	10.00%	
Inflation Protection		
Core Real Estate	3.60%	5.32%
Private Infrastructure	2.40%	5.81%
TIPs	2.00%	0.30%
<i>Sub-total</i>	8.00%	
Volatility Protection		
IG Corp Credit	3.25%	1.14%
Securitized Credit	3.25%	1.14%
Absolute Return	6.50%	3.39%
Cash	2.00%	-0.32%
<i>Sub-total</i>	15.00%	
Total	100.00%	

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

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.0 percent 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.

<i>1.00% Decrease</i>	<i>Current Discount Rate</i>	<i>1.00 Increase</i>
<u>(6.0%)</u>	<u>(7.0%)</u>	<u>(8.0%)</u>
\$20,198,749	\$15,993,645	\$10,626,731

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

Defined Contribution Plan

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 7% of their annual covered salary and employers contribute between 3% and 3.5% of annual covered salary depending on the employee's total years of service as of June 30, 2012. The employer contribution is split between the State and the school department. 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.

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

The North Smithfield School Department recognized pension expense of \$399,606 for the fiscal year ended June 30, 2022. For financial reporting purposes, the State's share of contributions totaling \$56,349 for fiscal year 2022 are reflected as on behalf-payments and are included as both revenue and expenditures in the accompanying financial statements.

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

B. TEACHERS' SURVIVOR BENEFIT PLAN

General Information about the Pension Plan

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

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

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

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In January, a yearly cost-of-living adjustment for spouse’s benefits is paid and based on the annual social security adjustment.

Survivors are eligible for benefits if the member has made contributions for at least six months prior to death or retirement.

The TSB plan provides benefits based on the highest salary at the time of retirement of the teacher. Benefits are payable in accordance with the following table:

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

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

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

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

The North Smithfield School Department contributed \$18,975, \$18,630, and \$18,825, for the fiscal years ended June 30, 2022, 2021, and 2020, respectively, equal to 100% of the required contributions for each year.

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

On June 30, 2022, the North Smithfield School Department reported an asset of \$4,952,184 for its proportionate share of the net pension asset related to its participation in TSB. The net pension asset was measured as of June 30, 2021, the measurement date, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of June 30, 2020 rolled

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forward to June 30, 2021. The North Smithfield School Department’s proportion of the net pension asset was based on its share of contributions to the TSB for fiscal year 2021 relative to the total contributions of all participating employers for that fiscal year. On June 30, 2021, the North Smithfield School Department’s proportion was 2.53058541%.

For the year ended June 30, 2022 the North Smithfield School Department recognized pension expense of \$(550,428) – an increase in the net pension asset. On June 30, 2022, the North Smithfield School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<i>Deferred outflows of resources:</i>	
Contributions subsequent to the measurement date	\$18,975
Change of assumptions	155,422
Difference between expected and actual experience	183,523
Changes in proportion and differences between employer contributions and proportionate share of contributions	163,212
<i>Total</i>	<u><u>\$521,132</u></u>
<i>Deferred inflows of resources:</i>	
Difference between expected and actual experience	\$531,732
Change of assumptions	178,315
Changes in proportion and differences between employer contributions and proportionate share of contributions	58,754
Net difference between projected and actual earnings on pension plan investments	1,224,258
<i>Total</i>	<u><u>\$1,993,059</u></u>

\$18,975 reported as deferred outflows of resources related to pensions resulting from the North Smithfield School Department’s contributions in fiscal year 2022 subsequent to the measurement date will be recognized as an addition to the net pension asset 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:

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Year ended June 30:

2023	\$(307,761)
2024	(292,475)
2025	(351,201)
2026	(422,248)
2027	(76,618)
Thereafter	(40,599)

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

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

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

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

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

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

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Asset Class	Long-Term Target Asset Allocation	Long-Term Expected Arithmetic Real Rate of Return
GROWTH		
Global Equity		
US Equity	23.20%	5.83%
International Developed Equity	11.80%	6.35%
Emerging Markets Equity	5.00%	8.04%
<i>Sub-total</i>	<u>40.00%</u>	
Private Growth		
Private Equity	11.25%	9.47%
Non-Core Real Estate	2.25%	5.32%
Opportunistic Private Credit	1.50%	9.47%
<i>Sub-total</i>	<u>15.00%</u>	
INCOME		
High Yield Infrastructure	1.00%	3.19%
REITS	1.00%	5.32%
Equity Options	2.00%	5.59%
EMD (50/50 Blend)	2.00%	1.96%
Liquid Credit	2.80%	3.19%
Private Credit	3.20%	3.19%
<i>Sub-total</i>	<u>12.00%</u>	
STABILITY		
Crisis Protection Class		
Treasury Duration	5.00%	-0.32%
Systematic Trend	5.00%	3.39%
<i>Sub-total</i>	<u>10.00%</u>	
Inflation Protection		
Core Real Estate	3.60%	5.32%
Private Infrastructure	2.40%	5.81%
TIPs	2.00%	0.30%
<i>Sub-total</i>	<u>8.00%</u>	
Volatility Protection		
IG Corp Credit	3.25%	1.14%
Securitized Credit	3.25%	1.14%
Absolute Return	6.50%	3.39%
Cash	2.00%	-0.32%
<i>Sub-total</i>	<u>15.00%</u>	
Total	<u><u>100.00%</u></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.

Discount Rate - The discount rate used to measure the total pension liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from the employers

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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 Asset to Changes in the Discount Rate - The following presents the proportionate share of the net pension asset calculated using the discount rate of 7.0 percent as well as what the net pension 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.

<i>1.00% Decrease</i>	<i>Current Discount</i>	<i>1.00 Increase</i>
<u>(6.0%)</u>	<u>Rate</u>	<u>(8.0%)</u>
<u>(7.0%)</u>	<u>(7.0%)</u>	<u>(8.0%)</u>
\$4,453,484	\$4,952,184	\$5,588,878

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. MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM PLANS

Defined Benefit Plans

General Information about the Pension Plan

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

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

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

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firefighters are treated as belonging to a unit separate from the general employees, with separate contribution rates applicable. The Town of North Smithfield has only general employees and police officers that participate in the MERS Plan.

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

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

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

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.

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

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

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

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

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

Active members on June 30, 2012 may choose to retire at their prior retirement date if they continue to work and contribute until that date. If option is elected, the retirement benefit will be calculated using the 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 2.0% of the member's monthly FAC for each year of service, up to 37.5 years (75% of FAC maximum).

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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 2.0% of the member's FAC for each year of service after July 1, 2012. The benefit cannot exceed 75% of the member's FAC. The Town of North Smithfield has elected to participate in the 20-year retirement provision.

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

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

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

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

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

b) Effective July 1, 2015, the COLA is determined based on 50% of the plan's five-year average investment rate of return less 5.5% limited to a range of 0.0% to 4.0%, plus 50% of the lesser of 3.0% or last year's CPI-U increase for a total maximum increase of 3.5%. Previously, it was the plan's five-year average investment rate of return less 5.5% limited to a range of 0.0% to 4.0%.

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

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Employees Covered by Benefit Terms - At the June 30, 2020 valuation date, the following employees were covered by the benefit terms:

	General Employees Plan	Police Officers Plan
Retirees and Beneficiaries	76	23
Inactive, Nonretired Members	71	5
Active Members	95	25
Total	242	53

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%. Police officers are required to contribute 10% of their salaries. The Town of North Smithfield contributes at a rate of covered employee payroll as determined by an independent actuary on an annual basis. The General Assembly can amend the amount of these contribution requirements. The Town of North Smithfield contributed the following amounts in the year ended June 30, 2022: general employees plan - \$259,743 and police officers plan - \$487,870. The Town’s contributions represented the following percentages of annual covered payroll: general employees plan – 5.93%; and police officers plan –23.39%.

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

Summary of Actuarial Assumptions Used in the Valuations to Determine the Net Pension Liability at the June 30, 2021 Measurement Date (June 30, 2020 valuation rolled forward to June 30, 2021)	
Actuarial Cost Method	Entry Age Normal - The Individual Entry Age Actuarial Cost methodology is used
Amortization Method	Level Percent of Payroll – Closed
Actuarial Assumptions:	
Investment Rate of Return	7.0%
Projected Salary Increases	General Employees - 3.25% to 7.25%; Police Officers - 4.0% to 14.0%
Inflation	2.5%

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

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

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Asset Class	Long-Term Target Asset Allocation	Long-Term Expected Arithmetic Real Rate of Return
GROWTH		
Global Equity		
US Equity	23.20%	5.83%
International Developed Equity	11.80%	6.35%
Emerging Markets Equity	5.00%	8.04%
<i>Sub-total</i>	<u>40.00%</u>	
Private Growth		
Private Equity	11.25%	9.47%
Non-Core Real Estate	2.25%	5.32%
Opportunistic Private Credit	1.50%	9.47%
<i>Sub-total</i>	<u>15.00%</u>	
INCOME		
High Yield Infrastructure	1.00%	3.19%
REITS	1.00%	5.32%
Equity Options	2.00%	5.59%
EMD (50/50 Blend)	2.00%	1.96%
Liquid Credit	2.80%	3.19%
Private Credit	3.20%	3.19%
<i>Sub-total</i>	<u>12.00%</u>	
STABILITY		
Crisis Protection Class		
Treasury Duration	5.00%	-0.32%
Systematic Trend	5.00%	3.39%
<i>Sub-total</i>	<u>10.00%</u>	
Inflation Protection		
Core Real Estate	3.60%	5.32%
Private Infrastructure	2.40%	5.81%
TIPs	2.00%	0.30%
<i>Sub-total</i>	<u>8.00%</u>	
Volatility Protection		
IG Corp Credit	3.25%	1.14%
Securitized Credit	3.25%	1.14%
Absolute Return	6.50%	3.39%
Cash	2.00%	-0.32%
<i>Sub-total</i>	<u>15.00%</u>	
Total	<u><u>100.00%</u></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.

Discount Rate - The discount rate used to measure the total pension liability of the plans was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from the

TOWN OF NORTH SMITHFIELD, RHODE ISLAND
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employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	<i>Increase (Decrease)</i>		
	<i>Total Pension Liability</i>	<i>Plan Fiduciary Net Position</i>	<i>Net Pension (Asset) Liability</i>
<i>Balances as of June 30, 2020</i>	\$16,226,333	\$15,640,318	\$586,015
Changes for the Year:			
Service cost	352,880	-	352,880
Interest on the total pension liability	1,113,646	-	1,113,646
Changes in benefits	-	-	-
Difference between expected and actual experience	(239,220)	-	(239,220)
Changes in assumptions	-	-	-
Employer contributions	-	228,401	(228,401)
Employee contributions	-	97,357	(97,357)
Net investment income	-	4,164,880	(4,164,880)
Benefit payments, including employee refunds	(987,100)	(987,100)	-
Administrative expense	-	(15,869)	15,869
Other changes	-	128,359	(128,359)
Net changes	240,206	3,616,028	(3,375,822)
<i>Balances as of June 30, 2021</i>	\$16,466,539	\$19,256,346	\$(2,789,807)

TOWN OF NORTH SMITHFIELD, RHODE ISLAND
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Police Officers Plan
Changes in the Net Pension Liability

	<i>Increase (Decrease)</i>		
	<i>Plan</i>		
	<i>Total Pension Liability</i>	<i>Fiduciary Net Position</i>	<i>Net Pension Liability</i>
Balances as of June 30, 2020	\$14,449,631	\$10,603,403	\$3,846,228
Changes for the Year:			
Service cost	381,320	-	381,320
Interest on the total pension liability	997,729	-	997,729
Changes in benefits	-	-	-
Difference between expected and actual experience	(114,290)	-	(114,290)
Changes in assumptions	-	-	-
Employer contributions	-	498,153	(498,153)
Employee contributions	-	201,437	(201,437)
Net investment income	-	2,902,689	(2,902,689)
Benefit payments, including employee refunds	(774,035)	(774,035)	-
Administrative expense	-	(11,060)	11,060
Other changes	-	11	(11)
Net changes	490,724	2,817,195	(2,326,471)
Balances as of June 30, 2021	\$14,940,355	\$13,420,598	\$1,519,757

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

<i>Plan</i>	<i>Current Discount</i>		
	<i>1.00% Decrease (6.0%)</i>	<i>Rate (7.0%)</i>	<i>1.00 Increase (8.0%)</i>
General Employees	\$(1,352,636)	\$(2,789,807)	\$(4,623,869)
Police Officers	\$2,813,137	\$1,519,757	\$(130,811)

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

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

For the year ended June 30, 2022 the Town recognized pension expense as follows: general employees plan - \$(594,393); and police officers plan - \$(36,043). The employer reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

TOWN OF NORTH SMITHFIELD, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

	<i>General Employees Plan</i>	<i>Police Officers Plan</i>
<i>Deferred outflows of resources:</i>		
Contributions subsequent to the measurement date	\$259,743	\$487,870
Assumption changes	-	339,647
Difference between expected and actual Experience	96,422	1,263
<i>Total</i>	\$356,165	\$828,780
 <i>Deferred inflows of resources:</i>		
Assumption changes	\$127,977	\$7,194
Difference between expected and actual Experience	199,959	623,476
Net difference between projected and actual actual investment earnings	2,160,906	1,530,156
<i>Total</i>	\$2,488,842	\$2,160,826

The deferred outflows of resources related to pensions resulting from the Town contributions in fiscal year 2022 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:

<i>Year Ending June 30</i>	<i>Net Deferred Outflows/(Inflows) of Resources</i>	
	<i>General Employees Plan</i>	<i>Police Officers Plan</i>
2023	\$(603,628)	\$(412,552)
2024	(572,052)	(389,658)
2025	(577,720)	(385,105)
2026	(639,020)	(498,588)
2027	-	(62,511)
Thereafter	-	(71,502)

Defined Contribution Plan

Plan Description

Certain general 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 of the Employees' Retirement System as authorized by General Law Chapter 36-10.3. The defined

TOWN OF NORTH SMITHFIELD, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
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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.

Certain general employees contribute 5% of their annual covered salary and employers contribute between 1% and 1.5% of annual covered salary depending on the employee's total years of service as of June 30, 2012. Employee contributions are immediately vested while employer contributions and any investment earnings thereon are vested after three years of contributory service. Benefit terms and contributions required under the plan by both the employee and employer are established by the General Laws, which are subject to amendment by the General Assembly.

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

The Town of North Smithfield recognized pension expense of \$44,406 for the fiscal year ended June 30, 2022.

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

D. AGGREGATE PENSION AMOUNTS REPORTED IN THE FINANCIAL STATEMENTS

	<i>Deferred Outflows of Resources - Pension Amounts</i>	<i>Deferred Inflows of Resources - Pension Amounts</i>	<i>Net Pension Asset</i>	<i>Net Pension Liability</i>	<i>Pension Expense</i>
Employees' Retirement System Plan	\$ 3,614,768	\$ 5,510,428	\$ -	\$ 15,993,645	\$ 1,053,651
Teachers' Survivor Benefits Plan	521,132	1,993,059	4,952,184	-	(550,428)
General Employees Plan	356,165	2,488,842	2,789,807	-	(594,393)
Police Officers Plan	828,780	2,160,826	-	1,519,757	(36,043)
Total	\$ 5,320,845	\$ 12,153,155	\$ 7,741,991	\$ 17,513,402	\$ (127,213)

NOTE 17 – TAX ABATEMENTS

Renewable Energy Systems - The Town established in 2014 by ordinance a tax stabilization program for qualifying property that is used for renewable energy systems pursuant to Section 44-3-21 of Rhode Island General Laws. The purpose of the program is to encourage the development of cost-effective, domestically produced renewable energy.

The Town Council has the authority to exempt from payment of personal property taxes, in whole or in part, or to stabilize the amount of personal property taxes on property that will be used exclusively for the production of renewable energy for sale beyond the property. The Town shall

TOWN OF NORTH SMITHFIELD, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

enter into a contractual agreement approved by the Town Council.

The Town had two taxpayers participating in the tax stabilization program in fiscal year 2022.

<u>Effective Date</u>	<u>Term</u>	<u>Tangible Property Abatement Granted Fiscal Year 2022</u>
12/1/2014	20 years	\$57,166
12/31/2016	20 years	\$68,944

As the result of a change in the Rhode Island General Laws, which changes how cities and towns tax “renewable energy resources and associated equipment” the Town amended in October 2017 the ordinance establishing the tax stabilization program described above. The two taxpayers that have an agreement with the Town under the prior ordinance would not be affected by the change and will continue to pay taxes under the existing stabilization agreements.

On September 21, 2020, the Town entered into nine tax stabilization agreements related to a renewable energy project in accordance with Rhode Island General Laws and as approved by the Town Council. These agreements did not result in any abatements granted in fiscal year 2022.

Commercial Expansion and New Development – The Town established in 2017 by ordinance a tax stabilization program to encourage and facilitate the expansion of the Town’s real property tax base through the expansion, re-development, and rehabilitation of existing commercial property. The program does not apply to retail, residential or mixed-use property. The Town Council may authorize, for a period not to exceed 10 years, to exempt from payment in whole or in part real and/or personal property used for manufacturing or commercial purposes or to determine a stabilized amount of taxes to be paid on such property, notwithstanding the valuation or the rate of tax. Applications shall be filed with the Town Administrator. The Town Council shall conduct a public hearing and after the public hearing make a determination to grant or deny the tax exemption or stabilization. The granting of the exemption or stabilization will inure to the benefit of the Town by reason of:

- a) The willingness of the manufacturing or commercial firm or concern to locate in Town;
- b) The willingness of the manufacturing or commercial firm or concern to expand facilities with an increase in employment; or
- c) The willingness of the manufacturing or commercial firm or concern to replace, reconstruct, expand, or remodel existing buildings, facilities, fixtures, machinery or equipment with modern buildings, facilities, fixtures, machinery or equipment resulting in an increase in plant or commercial building investment by the firm or concern in the Town.

The Town has two taxpayers participating in the tax stabilization program. A five-year tax stabilization agreement for tangible property was granted on March 19, 2018 and became effective with the fiscal year 2020 tax bill. The tangible property abatement granted in fiscal year 2022 was \$15,527. A ten-year tax stabilization agreement for real property was granted on August 16, 2021. This agreement did not result in any abatements granted in fiscal year 2022.

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

Schedule of Changes in the Net OPEB Liability and Related Ratios – OPEB Plans

Schedule of Town Contributions – OPEB Plans

Schedule of Investment Returns – OPEB Plans

Schedule of Town’s Proportionate Share of the Net Pension Liability – Pension Plans

Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios – Pension Plans

Schedule of Town Contributions – Pension Plans

Budgetary Comparison Schedules - General Fund & School Unrestricted Fund

In addition, the notes to the required supplementary information are included to provide information that is essential to a user's understanding of the required supplementary information.

TOWN OF NORTH SMITHFIELD, RHODE ISLAND
Required Supplementary Information
Town Other Post Employment Benefit (OPEB) Plan
Schedule of Changes in the Net OPEB Liability and Related Ratios (I)
"Unaudited"

<i>Fiscal Year</i>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability:					
Service cost	\$ 342,200	\$ 295,920	\$ 247,948	\$ 209,996	\$ 213,275
Interest	140,093	158,362	167,014	157,289	162,163
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	2,376,297	93,360	(117,148)	583,511	(226,133)
Changes of assumptions	(1,305,078)	372,408	91,788	126,198	-
Benefits payments	(460,741)	(433,725)	(410,934)	(327,084)	(298,581)
Net change in total OPEB liability	<u>1,092,771</u>	<u>486,325</u>	<u>(21,332)</u>	<u>749,910</u>	<u>(149,276)</u>
Total OPEB liability - beginning	<u>6,656,639</u>	<u>6,170,314</u>	<u>6,191,646</u>	<u>5,441,736</u>	<u>5,591,012</u>
Total OPEB liability - ending (a)	<u>\$ 7,749,410</u>	<u>\$ 6,656,639</u>	<u>\$ 6,170,314</u>	<u>\$ 6,191,646</u>	<u>\$ 5,441,736</u>
Plan fiduciary net position:					
Contributions - employer	\$ 737,422	\$ 724,385	\$ 660,934	\$ 527,084	\$ 804,219
Net investment income	(256,875)	267,617	54,559	42,550	3,403
Benefits payments	(460,741)	(433,725)	(410,934)	(327,084)	(298,581)
Administrative expense	-	-	-	-	-
Other	-	-	-	-	-
Net change in plan fiduciary net position	<u>19,806</u>	<u>558,277</u>	<u>304,559</u>	<u>242,550</u>	<u>509,041</u>
Plan fiduciary net position - beginning	<u>1,614,427</u>	<u>1,056,150</u>	<u>751,591</u>	<u>509,041</u>	<u>-</u>
Plan fiduciary net position - ending (b)	<u>\$ 1,634,233</u>	<u>\$ 1,614,427</u>	<u>\$ 1,056,150</u>	<u>\$ 751,591</u>	<u>\$ 509,041</u>
Town's net OPEB liability - ending (a) - (b)	<u>\$ 6,115,177</u>	<u>\$ 5,042,212</u>	<u>\$ 5,114,164</u>	<u>\$ 5,440,055</u>	<u>\$ 4,932,695</u>
Plan fiduciary net position as a percentage of the total OPEB liability					
	21.09%	24.25%	17.12%	12.14%	9.35%
Covered employee payroll	\$ 4,786,456	\$ 4,425,000	\$ 4,422,886	\$ 4,280,154	\$ 4,162,840
Net OPEB liability as a percentage of covered employee payroll	127.76%	113.95%	115.63%	127.10%	118.49%

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

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

TOWN OF NORTH SMITHFIELD, RHODE ISLAND
Required Supplementary Information
School Other Post Employment Benefit (OPEB) Plan
Schedule of Changes in the Total OPEB Liability and Related Ratios (1) (2)
"Unaudited"

<i>Fiscal Year</i>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability:					
Service cost	\$ 254,874	\$ 221,638	\$ 265,018	\$ 224,452	\$ 229,225
Interest	116,928	121,679	134,182	116,904	104,115
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	(1,337,604)	88,142	(688,126)	408,211	133,387
Changes of assumptions	(632,451)	430,860	106,899	178,652	-
Benefits payments	(84,425)	(61,732)	(44,179)	(39,359)	(35,769)
Net change in total OPEB liability	<u>(1,682,678)</u>	<u>800,587</u>	<u>(226,206)</u>	<u>888,860</u>	<u>430,958</u>
Total OPEB liability - beginning	<u>5,405,870</u>	<u>4,605,283</u>	<u>4,831,489</u>	<u>3,942,629</u>	<u>3,511,671</u>
Total OPEB liability - ending	<u><u>\$ 3,723,192</u></u>	<u><u>\$ 5,405,870</u></u>	<u><u>\$ 4,605,283</u></u>	<u><u>\$ 4,831,489</u></u>	<u><u>\$ 3,942,629</u></u>
Covered employee payroll	\$ 16,738,951	\$ 15,966,567	\$ 15,640,624	\$ 15,808,069	\$ 15,595,383
Total OPEB liability as a percentage of covered employee payroll	22.24%	33.86%	29.44%	30.56%	25.28%

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

(2) No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

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

TOWN OF NORTH SMITHFIELD, RHODE ISLAND
Required Supplementary Information - Other Post Employment Benefit (OPEB) Plans
Schedule of Contributions (1)
"Unaudited"

<i>Fiscal Year</i>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>Town OPEB Plan</u>					
Actuarially determined contribution	\$ 756,403	\$ 697,734	\$ 656,087	\$ 540,938	\$ 588,384
Contributions in relation to the actuarially determined contribution	737,422	724,385	660,934	527,084	804,219
Contribution deficiency (excess)	<u>\$ 18,981</u>	<u>\$ (26,651)</u>	<u>\$ (4,847)</u>	<u>\$ 13,854</u>	<u>\$ (215,835)</u>
Covered employee payroll	\$ 4,786,456	\$ 4,425,000	\$ 4,422,886	\$ 4,280,154	\$ 4,162,840
Contributions as a percentage of covered employee payroll	15.41%	16.37%	14.94%	12.31%	19.32%
<u>School OPEB Plan</u>					
Actuarially determined contribution	\$ 591,249	\$ 521,537	\$ 583,498	\$ 488,969	\$ 464,828
Contributions in relation to the actuarially determined contribution	84,425	61,732	44,179	39,359	35,769
Contribution deficiency (excess)	<u>\$ 506,824</u>	<u>\$ 459,805</u>	<u>\$ 539,319</u>	<u>\$ 449,610</u>	<u>\$ 429,059</u>
Covered employee payroll	\$ 16,738,951	\$ 15,966,567	\$ 15,640,624	\$ 15,808,069	\$ 15,595,383
Contributions as a percentage of covered employee payroll	0.50%	0.39%	0.28%	0.25%	0.23%

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

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

TOWN OF NORTH SMITHFIELD, RHODE ISLAND
Required Supplementary Information - Town Other Post Employment Benefit (OPEB) Plan
Schedule of Investment Returns (1)
"Unaudited"

<i>Fiscal Year</i>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>Town OPEB Plan</u>					
Annual money-weighted rate of return, net of investment expense	-14.07%	23.62%	5.63%	6.47%	1.43%

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

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

TOWN OF NORTH SMITHFIELD, RHODE ISLAND
Required Supplementary Information
Employees' Retirement System Pension Plan
Schedule of the Town's Proportionate Share of the Net Pension Liability (1)
"Unaudited"

<i>Fiscal Year</i>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Town's proportion of the net pension liability	0.67959791%	0.68631146%	0.69785462%	0.70081983%	0.64346444%	0.69273594%	0.68486334%	0.70243536%
Town's proportionate share of the net pension liability	\$ 15,993,645	\$ 21,927,691	\$ 22,266,927	\$ 22,266,785	\$ 20,295,425	\$ 20,668,314	\$ 18,854,306	\$ 17,097,279
State's proportionate share of the net pension liability associated with the Town	<u>11,860,721</u>	<u>16,292,812</u>	<u>16,680,234</u>	<u>16,609,422</u>	<u>15,338,465</u>	<u>14,154,760</u>	<u>12,880,670</u>	<u>11,724,392</u>
Total	<u>\$ 27,854,366</u>	<u>\$ 38,220,503</u>	<u>\$ 38,947,161</u>	<u>\$ 38,876,207</u>	<u>\$ 35,633,890</u>	<u>\$ 34,823,074</u>	<u>\$ 31,734,976</u>	<u>\$ 28,821,671</u>
Town's covered payroll	\$ 12,928,085	\$ 12,927,974	\$ 12,952,332	\$ 12,649,393	\$ 12,065,776	\$ 11,951,207	\$ 11,674,039	\$ 11,842,195
Town's proportionate share of the net pension liability as a percentage of its covered payroll	123.71%	169.61%	171.91%	176.03%	168.21%	172.94%	161.51%	144.38%
Plan fiduciary net position as a percentage of the total pension liability	66.50%	54.30%	54.60%	54.30%	54.00%	54.06%	57.55%	61.40%

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

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

TOWN OF NORTH SMITHFIELD, RHODE ISLAND
Required Supplementary Information
Teachers' Survivor Benefit Pension Plan
Schedule of the Town's Proportionate Share of the Net Pension Asset (1)
"Unaudited"

<i>Fiscal Year</i>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Town's proportion of the net pension asset	2.53058541%	2.52423504%	2.62114869%	2.63602381%	2.53880669%	2.67548651%	2.71030550%	2.69832872%
Town's proportionate share of the net pension asset	\$ 4,952,184	\$ 2,997,871	\$ 2,973,584	\$ 2,352,105	\$ 2,100,264	\$ 2,664,032	\$ 2,530,222	\$ 3,354,582
Town's covered payroll	\$ 12,714,299	\$ 12,721,083	\$ 12,763,683	\$ 12,527,696	\$ 12,065,776	\$ 11,951,207	\$ 11,674,039	\$ 11,842,195
Town's proportionate share of the net pension asset as a percentage of its covered payroll	38.95%	23.57%	23.30%	18.78%	17.41%	22.29%	21.67%	28.33%
Plan fiduciary net position as a percentage of the total pension liability	185.70%	153.10%	150.20%	137.40%	136.10%	137.00%	146.60%	173.30%

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

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

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

<i>Fiscal Year</i>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total pension liability:								
Service cost	\$ 352,880	\$ 360,493	\$ 370,138	\$ 361,872	\$ 338,709	\$ 320,223	\$ 313,382	\$ 323,197
Interest	1,113,646	1,089,112	1,052,631	1,040,601	976,100	965,788	940,220	906,468
Changes of benefit terms	-	-	-	-	-	-	248,558	-
Differences between expected and actual experience	(239,220)	142,605	65,207	(327,828)	749,911	(211,249)	(287,684)	-
Changes of assumptions	-	(237,995)	-	-	711,147	-	-	29,011
Benefits payments, including refunds of member contributions	(987,100)	(1,012,744)	(911,268)	(902,565)	(970,223)	(922,792)	(831,170)	(776,322)
Net change in total pension liability	<u>240,206</u>	<u>341,471</u>	<u>576,708</u>	<u>172,080</u>	<u>1,805,644</u>	<u>151,970</u>	<u>383,306</u>	<u>482,354</u>
Total pension liability - beginning	<u>16,226,333</u>	<u>15,884,862</u>	<u>15,308,154</u>	<u>15,136,074</u>	<u>13,330,430</u>	<u>13,178,460</u>	<u>12,795,154</u>	<u>12,312,800</u>
Total pension liability - ending (a)	<u>\$ 16,466,539</u>	<u>\$ 16,226,333</u>	<u>\$ 15,884,862</u>	<u>\$ 15,308,154</u>	<u>\$ 15,136,074</u>	<u>\$ 13,330,430</u>	<u>\$ 13,178,460</u>	<u>\$ 12,795,154</u>
Plan fiduciary net position:								
Contributions - employer	\$ 228,401	\$ 205,452	\$ 236,973	\$ 186,431	\$ 232,064	\$ 228,318	\$ 202,160	\$ 193,061
Contributions - employee	97,357	98,769	107,390	104,875	99,685	93,355	65,426	77,177
Net investment income	4,164,880	570,995	977,938	1,152,455	1,575,569	(4,755)	325,291	1,880,372
Benefits payments, including refunds of member contributions	(987,100)	(1,012,744)	(911,268)	(902,565)	(970,223)	(922,792)	(831,170)	(776,322)
Administrative expense	(15,869)	(15,732)	(15,283)	(15,342)	(14,885)	(12,792)	(13,127)	(11,775)
Other	128,359	(425)	(3,123)	39,176	214,436	437,862	13,836	(104,407)
Net change in plan fiduciary net position	<u>3,616,028</u>	<u>(153,685)</u>	<u>392,627</u>	<u>565,030</u>	<u>1,136,646</u>	<u>(180,804)</u>	<u>(237,584)</u>	<u>1,258,106</u>
Plan fiduciary net position - beginning	<u>15,640,318</u>	<u>15,794,003</u>	<u>15,401,376</u>	<u>14,836,346</u>	<u>13,699,700</u>	<u>13,880,504</u>	<u>14,118,088</u>	<u>12,859,982</u>
Plan fiduciary net position - ending (b)	<u>\$ 19,256,346</u>	<u>\$ 15,640,318</u>	<u>\$ 15,794,003</u>	<u>\$ 15,401,376</u>	<u>\$ 14,836,346</u>	<u>\$ 13,699,700</u>	<u>\$ 13,880,504</u>	<u>\$ 14,118,088</u>
Town's net pension liability (asset) - ending (a) - (b)	<u>\$ (2,789,807)</u>	<u>\$ 586,015</u>	<u>\$ 90,859</u>	<u>\$ (93,222)</u>	<u>\$ 299,728</u>	<u>\$ (369,270)</u>	<u>\$ (702,044)</u>	<u>\$ (1,322,934)</u>
Plan fiduciary net position as a percentage of the total pension liability								
	116.94%	96.39%	99.43%	100.61%	98.02%	102.77%	105.33%	110.34%
Covered payroll	\$ 4,272,152	\$ 4,236,110	\$ 4,254,460	\$ 4,070,547	\$ 3,735,007	\$ 3,530,574	\$ 3,271,216	\$ 3,248,212
Net pension liability (asset) as a percentage of covered payroll	-65.30%	13.83%	2.14%	-2.29%	8.02%	-10.46%	-21.46%	-40.73%

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

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

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

<i>Fiscal Year</i>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total pension liability:								
Service cost	\$ 381,320	\$ 385,575	\$ 361,594	\$ 329,221	\$ 304,609	\$ 293,881	\$ 257,868	\$ 234,523
Interest	997,729	978,166	951,218	926,217	909,400	878,066	808,451	783,066
Changes of benefit terms	-	-	-	-	-	-	451,265	-
Differences between expected and actual experience	(114,290)	(393,248)	(182,868)	(125,562)	(71,474)	(111,065)	9,656	-
Changes of assumptions	-	79,421	-	-	697,862	-	-	(61,666)
Benefits payments, including refunds of member contributions	(774,035)	(762,604)	(751,310)	(826,486)	(666,252)	(630,681)	(603,406)	(654,847)
Net change in total pension liability	<u>490,724</u>	<u>287,310</u>	<u>378,634</u>	<u>303,390</u>	<u>1,174,145</u>	<u>430,201</u>	<u>923,834</u>	<u>301,076</u>
Total pension liability - beginning	<u>14,449,631</u>	<u>14,162,321</u>	<u>13,783,687</u>	<u>13,480,297</u>	<u>12,306,152</u>	<u>11,875,951</u>	<u>10,952,117</u>	<u>10,651,041</u>
Total pension liability - ending (a)	<u>\$ 14,940,355</u>	<u>\$ 14,449,631</u>	<u>\$ 14,162,321</u>	<u>\$ 13,783,687</u>	<u>\$ 13,480,297</u>	<u>\$ 12,306,152</u>	<u>\$ 11,875,951</u>	<u>\$ 10,952,117</u>
Plan fiduciary net position:								
Contributions - employer	\$ 498,153	\$ 457,315	\$ 380,133	\$ 331,340	\$ 343,389	\$ 356,690	\$ 312,414	\$ 182,437
Contributions - employee	201,437	193,369	179,988	162,981	164,628	163,316	126,484	104,549
Net investment income	2,902,689	387,108	640,166	743,448	1,012,481	(3,040)	208,093	1,177,979
Benefits payments, including refunds of member contributions	(774,035)	(762,604)	(751,310)	(826,486)	(666,252)	(630,681)	(603,406)	(654,847)
Administrative expense	(11,060)	(10,666)	(10,004)	(9,897)	(9,566)	(8,177)	(8,485)	(7,376)
Other	11	-	(35,507)	(1)	(68,281)	(1)	1	(1)
Net change in plan fiduciary net position	<u>2,817,195</u>	<u>264,522</u>	<u>403,466</u>	<u>401,385</u>	<u>776,399</u>	<u>(121,893)</u>	<u>35,101</u>	<u>802,741</u>
Plan fiduciary net position - beginning	<u>10,603,403</u>	<u>10,338,881</u>	<u>9,935,415</u>	<u>9,534,030</u>	<u>8,757,631</u>	<u>8,879,524</u>	<u>8,844,423</u>	<u>8,041,682</u>
Plan fiduciary net position - ending (b)	<u>\$ 13,420,598</u>	<u>\$ 10,603,403</u>	<u>\$ 10,338,881</u>	<u>\$ 9,935,415</u>	<u>\$ 9,534,030</u>	<u>\$ 8,757,631</u>	<u>\$ 8,879,524</u>	<u>\$ 8,844,423</u>
Town's net pension liability - ending (a) - (b)	<u>\$ 1,519,757</u>	<u>\$ 3,846,228</u>	<u>\$ 3,823,440</u>	<u>\$ 3,848,272</u>	<u>\$ 3,946,267</u>	<u>\$ 3,548,521</u>	<u>\$ 2,996,427</u>	<u>\$ 2,107,694</u>
Plan fiduciary net position as a percentage of the total pension liability								
	89.83%	73.38%	73.00%	72.08%	70.73%	71.16%	74.77%	80.76%
Covered payroll	\$ 2,014,369	\$ 1,933,678	\$ 1,799,871	\$ 1,629,806	\$ 1,657,283	\$ 1,635,400	\$ 1,581,045	\$ 1,441,443
Net pension liability as a percentage of covered payroll	75.45%	198.91%	212.43%	236.12%	238.12%	216.98%	189.52%	146.22%

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

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

TOWN OF NORTH SMITHFIELD, RHODE ISLAND
Required Supplementary Information - Pension Plans
Schedule of Contributions (I)
"Unaudited"

<i>Fiscal Year</i>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>Employees' Retirement System Plan</u>								
Actuarially determined contribution	\$ 2,031,681	\$ 1,897,166	\$ 1,841,002	\$ 1,757,474	\$ 1,685,417	\$ 1,515,153	\$ 1,575,318	\$ 1,506,269
Contributions in relation to the actuarially determined contribution	2,031,681	1,897,166	1,841,002	1,757,474	1,685,417	1,515,153	1,575,318	1,506,269
Contribution deficiency (excess)	<u><u>\$ -</u></u>							
Covered payroll	\$ 13,523,008	\$ 12,928,085	\$ 12,927,974	\$ 12,952,332	\$ 12,649,393	\$ 12,065,776	\$ 11,951,207	\$ 11,674,039
Contributions as a percentage of covered payroll	15.02%	14.67%	14.24%	13.57%	13.32%	12.56%	13.18%	12.90%
<u>Teachers' Survivor Benefit Plan</u>								
Statutorily determined contribution	\$ 18,975	\$ 18,630	\$ 18,825	\$ 19,550	\$ 19,613	\$ 14,976	\$ 17,184	\$ 16,354
Contributions in relation to the statutorily determined contribution	18,975	18,630	18,825	19,550	19,613	14,976	17,184	16,354
Contribution deficiency (excess)	<u><u>\$ -</u></u>							
Covered payroll	\$ 13,235,463	\$ 12,714,299	\$ 12,721,083	\$ 12,763,683	\$ 12,527,696	\$ 12,065,776	\$ 11,951,207	\$ 11,674,039
Contributions as a percentage of covered payroll	0.14%	0.15%	0.15%	0.15%	0.16%	0.12%	0.14%	0.14%

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TOWN OF NORTH SMITHFIELD, RHODE ISLAND
Required Supplementary Information - Pension Plans
Schedule of Contributions (I)
"Unaudited"

<i>Fiscal Year</i>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<i>General Employees Plan</i>								
Actuarially determined contribution	\$ 259,743	\$ 228,401	\$ 205,452	\$ 236,973	\$ 186,431	\$ 232,064	\$ 228,318	\$ 202,160
Contributions in relation to the actuarially determined contribution	259,743	228,401	205,452	236,973	186,431	232,064	228,318	202,160
<i>Contribution deficiency (excess)</i>	<u><u>\$ -</u></u>							
Covered payroll	\$ 4,380,126	\$ 4,272,152	\$ 4,236,110	\$ 4,254,460	\$ 4,070,547	\$ 3,735,007	\$ 3,530,574	\$ 3,271,216
Contributions as a percentage of covered payroll	5.93%	5.35%	4.85%	5.57%	4.58%	6.21%	6.47%	6.18%
<i>Police Officers Plan</i>								
Actuarially determined contribution	\$ 487,870	\$ 498,153	\$ 457,315	\$ 380,133	\$ 331,340	\$ 343,389	\$ 356,690	\$ 312,414
Contributions in relation to the actuarially determined contribution	487,870	498,153	457,315	380,133	331,340	343,389	356,690	312,414
<i>Contribution deficiency (excess)</i>	<u><u>\$ -</u></u>							
Covered payroll	\$ 2,085,804	\$ 2,014,369	\$ 1,933,678	\$ 1,799,871	\$ 1,629,806	\$ 1,657,283	\$ 1,635,400	\$ 1,581,045
Contributions as a percentage of covered payroll	23.39%	24.73%	23.65%	21.12%	20.33%	20.72%	21.81%	19.76%

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

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

TOWN OF NORTH SMITHFIELD, RHODE ISLAND
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property taxes	\$ 35,833,957	\$ 35,833,957	\$ 36,605,408	\$ 771,451
Motor vehicle excise in lieu of tax	2,386,363	2,386,363	2,387,438	1,075
Intergovernmental and grant revenue	1,679,484	1,679,484	1,743,573	64,089
Town clerk licenses and fees	361,300	361,300	437,134	75,834
Other departmental fines and fees	255,100	255,100	305,825	50,725
Investment and interest income	20,400	20,400	29,580	9,180
Other revenues	322,585	322,585	333,404	10,819
Total revenues	<u>40,859,189</u>	<u>40,859,189</u>	<u>41,842,362</u>	<u>983,173</u>
Expenditures				
General Government:				
Town council	45,864	45,864	46,938	(1,074)
Probate court	8,170	8,170	8,437	(267)
Legal	101,659	101,659	101,659	-
Municipal court	48,762	48,762	45,331	3,431
Administration	209,570	209,570	203,754	5,816
Town clerk	263,529	263,529	262,391	1,138
Planning	219,435	219,435	211,214	8,221
Board of canvassers	21,019	21,019	20,563	456
Conservation commission	1,200	1,200	1,200	-
Historic district commission	5,000	5,000	5,000	-
Economic development	500	500	-	500
Juvenile hearing board	3,744	3,744	2,659	1,085
Art committee	2,500	2,500	2,832	(332)
N.S. Library	460,929	461,721	461,721	-
Other general government	1,263,116	1,263,116	1,231,335	31,781
	<u>2,654,997</u>	<u>2,655,789</u>	<u>2,605,034</u>	<u>50,755</u>
Financial Administration:				
Finance	582,191	581,399	619,958	(38,559)
Tax assessor	256,806	256,806	250,919	5,887
Information technology	75,553	75,553	75,553	-
	<u>914,550</u>	<u>913,758</u>	<u>946,430</u>	<u>(32,672)</u>
Public Safety:				
Police	4,223,008	4,223,008	4,302,172	(79,164)
Dispatch	279,399	279,399	295,345	(15,946)
Animal control	155,478	155,478	139,690	15,788
EMA	35,369	35,369	31,142	4,227
N.S. Fire and Rescue Department	3,272,595	3,272,595	3,283,784	(11,189)
Building and zoning	214,385	214,385	214,195	190
	<u>8,180,234</u>	<u>8,180,234</u>	<u>8,266,328</u>	<u>(86,094)</u>

(Continued)

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

TOWN OF NORTH SMITHFIELD, RHODE ISLAND
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Continued)
General Fund
For the Fiscal Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u> <u>(Budgetary</u> <u>Basis)</u>	<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
Public Works:				
DPW administration	139,546	139,546	136,492	3,054
Highway	3,360,201	3,360,201	3,332,896	27,305
Parks and recreation	241,255	241,255	238,145	3,110
	<u>3,741,002</u>	<u>3,741,002</u>	<u>3,707,533</u>	<u>33,469</u>
Debt Service:				
Principal	3,247,927	3,247,927	3,247,927	-
Interest	918,960	918,960	918,812	148
	<u>4,166,887</u>	<u>4,166,887</u>	<u>4,166,739</u>	<u>148</u>
Capital Outlay - School	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Total expenditures	<u>19,757,670</u>	<u>19,757,670</u>	<u>19,792,064</u>	<u>(34,394)</u>
Excess of revenues over expenditures before other financing uses	<u>21,101,519</u>	<u>21,101,519</u>	<u>22,050,298</u>	<u>948,779</u>
Other financing uses				
Transfers to other funds:				
School unrestricted fund	(21,101,519)	(21,101,519)	(21,101,519)	-
Total other financing uses	<u>(21,101,519)</u>	<u>(21,101,519)</u>	<u>(21,101,519)</u>	<u>-</u>
Net change in fund balance, budgetary basis	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 948,779</u>	<u>\$ 948,779</u>

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

TOWN OF NORTH SMITHFIELD, RHODE ISLAND
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
School Unrestricted Fund
For the Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues				
Local appropriations	\$ 21,101,519	\$21,101,519	\$ 21,101,519	\$ -
State of Rhode Island - education aid	6,316,374	6,316,374	6,354,085	37,711
Medicaid	185,000	185,000	151,385	(33,615)
Rental income - fields and buildings	50,000	50,000	29,235	(20,765)
Re-appropriated fund balance	-	-	903,382	903,382
Other	40,000	40,000	118,079	78,079
Total revenues	<u>27,692,893</u>	<u>27,692,893</u>	<u>28,657,685</u>	<u>964,792</u>
Expenditures				
Salaries	16,056,886	16,056,886	15,836,711	220,175
Employee benefits	5,854,893	5,854,893	5,646,662	208,231
Purchased services	4,528,563	4,547,446	4,226,738	320,708
Supplies and materials	965,738	962,969	1,151,085	(188,116)
Property and equipment	228,149	202,550	495,450	(292,900)
Other costs	58,664	68,149	65,371	2,778
Total expenditures	<u>27,692,893</u>	<u>27,692,893</u>	<u>27,422,017</u>	<u>270,876</u>
Excess of revenues over expenditures before other financing uses	<u>-</u>	<u>-</u>	<u>1,235,668</u>	<u>1,235,668</u>
Other financing uses				
Transfer to other funds	-	-	(903,382)	(903,382)
Total other financing uses	<u>-</u>	<u>-</u>	<u>(903,382)</u>	<u>(903,382)</u>
Net change in fund balance - budgetary basis	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 332,286</u>	<u>\$ 332,286</u>

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

TOWN OF NORTH SMITHFIELD, RHODE ISLAND
Notes to Required Supplementary Information
June 30, 2022
“Unaudited”

NOTE 1 – OPEB PLANS

The actuarial methods and assumptions used to calculate the total OPEB liabilities are described in Note 15 to the financial statements.

The net OPEB liability amount presented for each fiscal year was determined as of the fiscal year-end.

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

Actuarially Determined Contributions:

The following actuarial methods and assumptions were used to determine contribution amounts reported in that schedule:

- Actuarial cost method – Entry Age Normal
- Amortization method – Level percentage of payroll, closed
- Amortization period – 20 years
- Asset valuation method – market value
- Inflation – 3%
- Investment rate of return – 4.09% (prior valuation - 2.18%)
- Salary increases – 3%
- Mortality – PUB-2010 mortality table with MP-2021 projection (prior valuation - RP-2006 mortality table with MP-2019 projection)
- Health care cost trend rate – 8% decreasing to an ultimate rate of 5%

TOWN OF NORTH SMITHFIELD, RHODE ISLAND
Notes to Required Supplementary Information
June 30, 2022
“Unaudited”

NOTE 2 – PENSION PLANS

The net pension liability (asset) amounts presented as of the June 30, 2022 were determined as part of actuarial valuations performed as of June 30, 2020 and rolled forward to June 30, 2021, the measurement date. Additional information, including actuarial methods and assumptions, is presented in Note 16 A, B, and C to the financial statements.

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

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

June 30, 2020 measurement date –

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

June 30, 2017 measurement date –

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

June 30, 2015 measurement date –

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

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

TOWN OF NORTH SMITHFIELD, RHODE ISLAND
Notes to Required Supplementary Information
June 30, 2022
“Unaudited”

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

The employee and employer contribution rates for the Teachers' Survivors Benefit Plan were applied to the first \$11,500 of member salary for fiscal year 2018. In fiscal year 2017 and prior years, the rate was applied to salary up to \$9,600.

Employers participating in the Employees' Retirement System are required by RI General Laws, Section 36-10-2, to contribute an actuarially determined contribution rate each year. Employers participating in the Teachers' Survivors Benefit Plan contribute at a rate established by RI General Laws, 16-16-35. Employers participating in the Municipal Employees' Retirement System are required by RI General Laws, Section 45-21-42, to contribute an actuarially determined contribution rate each year.

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

TOWN OF NORTH SMITHFIELD, RHODE ISLAND
Notes to Required Supplementary Information
June 30, 2022
“Unaudited”

NOTE 3 - BUDGETARY DATA AND BUDGETARY COMPLIANCE

The Town Charter provides that the Administrator, with the Town Budget Committee, must submit a proposed operating budget, capital budget and a budget message containing an explanation of proposed financial policies and the important features of the budget plan to the Town Council by the third Monday in March. The budget must reflect all anticipated revenues and proposed expenditures and the proposed expenditures cannot exceed anticipated revenues. The budget is presented to the public on the third Monday in May at a public hearing. The Town Council may revise the budget, but the final adoption of the budget shall be voted no later than June 30th. The Town Charter requires annual budgets for the General Fund and School Unrestricted Fund.

Explanation of Differences between Budgetary Revenues and Other Financing Sources and Expenditures and Other Financing Uses and GAAP Revenues and Other Financing Sources and Expenditures and Other Financing Uses

<u>Revenues and Other Financing Sources</u>	<u>General Fund</u>	<u>School Unrestricted Fund</u>
Actual amounts (budgetary basis)	\$41,842,362	\$28,657,685
Differences – budget to GAAP:		
The pension contributions made to the Employees’ Retirement System by the State on behalf of the Town of North Smithfield are not reported as budgetary revenues but are revenues for financial reporting purposes.	-	1,504,309
Leases issued are not reported as an other financing source for budgetary purposes, but are included for financial reporting purposes.	-	44,826
Re-appropriated fund balance is reported as revenue for budgetary purposes but is not included for financial reporting purposes.	-	(903,382)
Unbudgeted revenues are not included for budgetary purposes but are included for financial reporting purposes.	<u>395,341</u>	<u>92,574</u>
<i>Total revenues and other financing sources as reported in the statement of revenues, expenditures and changes in fund balances – governmental funds</i>	<u><u>\$42,237,703</u></u>	<u><u>\$29,396,012</u></u>

TOWN OF NORTH SMITHFIELD, RHODE ISLAND
Notes to Required Supplementary Information
June 30, 2022
“Unaudited”

<u>Expenditures and Other Financing Uses</u>	<u>General Fund</u>	<u>School Unrestricted Fund</u>
Actual amounts (budgetary basis)	\$40,893,583	\$28,325,399
Differences – budget to GAAP: Increases and carryforwards of commitments and assignments of fund balance are expenditures for budgetary purposes but are not expenditures for financial reporting purposes.	(1,032,654)	-
Unbudgeted expenditures are not included for budgetary purposes, but are included for financial reporting purposes.	1,247,832	59,228
Equipment acquired by a lease is not included for budgetary purposes, but is included for financial reporting purposes.	-	44,826
Restoration of fund balance is a budgetary expenditure but is not an expenditure for financial reporting purposes.	(100,000)	-
The pension contributions made to the Employees’ Retirement System by the State on behalf of the Town of North Smithfield are not reported as budgetary expenditures but are expenditures for financial reporting purposes.	-	1,504,309
<i>Total expenditures and other financing uses as reported in the statement of revenues, expenditures and changes in fund balances – governmental funds</i>	<u><u>\$41,008,761</u></u>	<u><u>\$29,933,762</u></u>

OTHER SUPPLEMENTARY INFORMATION

TOWN OF NORTH SMITHFIELD, RHODE ISLAND

*Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022*

	<i>Special Revenue Funds</i>						
	<i>School Restricted Fund</i>	<i>Governor's Justice Commission Fund</i>	<i>Project D.A.R.E. Fund</i>	<i>Business Revolving Loan Fund</i>	<i>CDBG Fund</i>	<i>Canine Surcharge Fund</i>	<i>Dattco Fund</i>
ASSETS							
Cash and cash equivalents	\$ 175,751	\$ -	\$ -	\$ 56,875	\$ 11,760	\$ -	\$ -
Due from federal and state governments	662,361	-	-	-	-	-	-
Other receivables	-	-	-	-	15,022	-	-
Due from other funds	295,680	7,445	1,528	-	-	470	11,047
Total assets	\$ 1,133,792	\$ 7,445	\$ 1,528	\$ 56,875	\$ 26,782	\$ 470	\$ 11,047
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
Liabilities							
Accounts payable and accrued expenditures	\$ 48,235	\$ -	\$ 421	\$ -	\$ -	\$ -	\$ -
Due to other funds	531,715	-	-	-	-	-	-
Total liabilities	579,950	-	421	-	-	-	-
Deferred Inflows of Resources:							
Other deferred revenues	-	-	-	-	15,022	-	-
Total deferred inflows of resources	-	-	-	-	15,022	-	-
Fund balances							
Restricted for:							
Education programs	378,091	-	-	-	-	-	-
Public safety programs	-	7,445	1,107	-	-	-	-
Historical records preservation	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-
Other programs	175,751	-	-	56,875	11,760	470	11,047
Committed for:							
Public safety programs	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-
Total fund balances	553,842	7,445	1,107	56,875	11,760	470	11,047
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,133,792	\$ 7,445	\$ 1,528	\$ 56,875	\$ 26,782	\$ 470	\$ 11,047

(Continued)

TOWN OF NORTH SMITHFIELD, RHODE ISLAND

Combining Balance Sheet (Continued)

Nonmajor Governmental Funds

June 30, 2022

	<i>Special Revenue Funds</i>					
	<i>EMS Fund</i>	<i>Record Retention Fund</i>	<i>Police Cruiser Fees</i>	<i>Recycling Grant</i>	<i>Clean & Green Day</i>	<i>Pumpkin Festival</i>
ASSETS						
Cash and cash equivalents	\$ 716,384	\$ -	\$ -	\$ -	\$ -	\$ -
Due from federal and state governments	-	-	-	-	-	-
Other receivables	-	-	550	928	-	-
Due from other funds	-	67,907	60,770	9,212	4,758	3,290
Total assets	<u>\$ 716,384</u>	<u>\$ 67,907</u>	<u>\$ 61,320</u>	<u>\$ 10,140</u>	<u>\$ 4,758</u>	<u>\$ 3,290</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
<i>Liabilities</i>						
Accounts payable and accrued expenditures	\$ 22,188	\$ 1,613	\$ -	\$ -	\$ -	\$ -
Due to other funds	31,268	-	-	-	-	-
Total liabilities	<u>53,456</u>	<u>1,613</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Deferred Inflows of Resources:</i>						
Other deferred revenues	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances</i>						
Restricted for:						
Education programs	-	-	-	-	-	-
Public safety programs	662,928	-	-	-	-	-
Historical records preservation	-	66,294	-	-	-	-
Capital projects	-	-	-	-	-	-
Other programs	-	-	-	10,140	4,758	3,290
Committed for:						
Public safety programs	-	-	61,320	-	-	-
Capital projects	-	-	-	-	-	-
Total fund balances	<u>662,928</u>	<u>66,294</u>	<u>61,320</u>	<u>10,140</u>	<u>4,758</u>	<u>3,290</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 716,384</u>	<u>\$ 67,907</u>	<u>\$ 61,320</u>	<u>\$ 10,140</u>	<u>\$ 4,758</u>	<u>\$ 3,290</u>

(Continued)

TOWN OF NORTH SMITHFIELD, RHODE ISLAND
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2022

	<u>Special Revenue Funds</u>			<u>Total Special Revenue Funds</u>	<u>Capital Project Funds</u>	
	<u>EMA Grants</u>	<u>Opioid Fund</u>	<u>Adopt- A-Spot Fund</u>		<u>Town Building Bond</u>	<u>School Building Bond</u>
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 960,770	\$ 1,274,380	\$ 319,429
Due from federal and state governments	-	-	-	662,361	-	-
Other receivables	-	-	-	16,500	-	-
Due from other funds	63,104	73,173	10,851	609,235	-	-
Total assets	<u>\$ 63,104</u>	<u>\$ 73,173</u>	<u>\$ 10,851</u>	<u>\$ 2,248,866</u>	<u>\$ 1,274,380</u>	<u>\$ 319,429</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities						
Accounts payable and accrued expenditures	\$ 1,275	\$ -	\$ -	\$ 73,732	\$ 12,520	\$ -
Due to other funds	-	-	-	562,983	-	-
Total liabilities	<u>1,275</u>	<u>-</u>	<u>-</u>	<u>636,715</u>	<u>12,520</u>	<u>-</u>
Deferred Inflows of Resources:						
Other deferred revenues	-	-	-	15,022	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,022</u>	<u>-</u>	<u>-</u>
Fund balances						
Restricted for:						
Education programs	-	-	-	378,091	-	-
Public safety programs	61,829	-	-	733,309	-	-
Historical records preservation	-	-	-	66,294	-	-
Capital projects	-	-	-	-	1,261,860	319,429
Other programs	-	73,173	10,851	358,115	-	-
Committed for:						
Public safety programs	-	-	-	61,320	-	-
Capital projects	-	-	-	-	-	-
Total fund balances	<u>61,829</u>	<u>73,173</u>	<u>10,851</u>	<u>1,597,129</u>	<u>1,261,860</u>	<u>319,429</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 63,104</u>	<u>\$ 73,173</u>	<u>\$ 10,851</u>	<u>\$ 2,248,866</u>	<u>\$ 1,274,380</u>	<u>\$ 319,429</u>

(Continued)

TOWN OF NORTH SMITHFIELD RHODE ISLAND
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2022

	<u>Capital Project Funds</u>		<u>Total Capital Project Funds</u>	<u>Total All Nonmajor Governmental Funds</u>
	<u>Capital Projects Fund</u>	<u>RIDE Revolving Capital</u>		
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ 1,593,809	\$ 2,554,579
Due from federal and state governments	-	-	-	662,361
Other receivables	-	-	-	16,500
Due from other funds	88,639	871,814	960,453	1,569,688
Total assets	<u>\$ 88,639</u>	<u>\$ 871,814</u>	<u>\$ 2,554,262</u>	<u>\$ 4,803,128</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable and accrued expenditures	\$ -	\$ 47,546	\$ 60,066	\$ 133,798
Due to other funds	-	-	-	562,983
Total liabilities	<u>-</u>	<u>47,546</u>	<u>60,066</u>	<u>696,781</u>
Deferred Inflows of Resources:				
Other deferred revenues	-	-	-	15,022
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,022</u>
Fund balances				
Restricted for:				
Education programs	-	-	-	378,091
Public safety programs	-	-	-	733,309
Historical records preservation	-	-	-	66,294
Capital projects	88,639	-	1,669,928	1,669,928
Other programs	-	-	-	358,115
Committed for:				
Public safety programs	-	-	-	61,320
Capital projects	-	824,268	824,268	824,268
Total fund balances	<u>88,639</u>	<u>824,268</u>	<u>2,494,196</u>	<u>4,091,325</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 88,639</u>	<u>\$ 871,814</u>	<u>\$ 2,554,262</u>	<u>\$ 4,803,128</u>

TOWN OF NORTH SMITHFIELD, RHODE ISLAND
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2022

	<i>Special Revenue Funds</i>						
	<i>School Restricted Fund</i>	<i>Governor's Justice Commission Fund</i>	<i>Project D.A.R.E. Fund</i>	<i>Business Revolving Loan Fund</i>	<i>CDBG Fund</i>	<i>Canine Surcharge Fund</i>	<i>Dattco Fund</i>
Revenues							
Intergovernmental and grant revenue	\$ 2,346,359	\$ 8,282	\$ -	\$ -	\$ -	\$ -	\$ -
Other departmental fees	-	-	-	-	-	470	2,250
Investment and interest income	-	-	-	108	19	-	-
Other revenue	273,958	-	1,250	-	2,250	-	-
Total revenues	<u>2,620,317</u>	<u>8,282</u>	<u>1,250</u>	<u>108</u>	<u>2,269</u>	<u>470</u>	<u>2,250</u>
Expenditures							
Current:							
General government	-	-	-	-	-	-	-
Public safety	-	8,652	421	-	-	-	-
Public works	-	-	-	-	-	-	-
Education	2,495,371	-	-	-	-	-	-
Other	-	-	-	-	300	-	-
Capital outlay	-	-	-	-	-	-	-
Total expenditures	<u>2,495,371</u>	<u>8,652</u>	<u>421</u>	<u>-</u>	<u>300</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources	<u>124,946</u>	<u>(370)</u>	<u>829</u>	<u>108</u>	<u>1,969</u>	<u>470</u>	<u>2,250</u>
Other financing sources							
Transfers from other funds	-	-	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	124,946	(370)	829	108	1,969	470	2,250
Fund balances - beginning of year	428,896	7,815	278	56,767	9,791	-	8,797
Fund balances - end of year	<u>\$ 553,842</u>	<u>\$ 7,445</u>	<u>\$ 1,107</u>	<u>\$ 56,875</u>	<u>\$ 11,760</u>	<u>\$ 470</u>	<u>\$ 11,047</u>

(Continued)

TOWN OF NORTH SMITHFIELD, RHODE ISLAND
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2022

	<i>Special Revenue Funds</i>					
	<i>EMS Fund</i>	<i>Record Retention Fund</i>	<i>Police Cruiser Fees</i>	<i>Recycling Grant</i>	<i>Clean & Green Day</i>	<i>Pumpkin Festival</i>
Revenues						
Intergovernmental and grant revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other departmental fees	-	23,290	46,328	3,654	-	-
Investment and interest income	714	-	-	-	-	-
Other revenue	298,352	-	-	-	2,550	18,750
Total revenues	<u>299,066</u>	<u>23,290</u>	<u>46,328</u>	<u>3,654</u>	<u>2,550</u>	<u>18,750</u>
Expenditures						
Current:						
General government	-	21,624	-	-	-	-
Public safety	179,647	-	3,760	-	-	-
Public works	-	-	-	6,945	3,256	-
Education	-	-	-	-	-	-
Other	-	-	-	-	-	20,686
Capital outlay	550,854	-	50,066	-	-	-
Total expenditures	<u>730,501</u>	<u>21,624</u>	<u>53,826</u>	<u>6,945</u>	<u>3,256</u>	<u>20,686</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources	<u>(431,435)</u>	<u>1,666</u>	<u>(7,498)</u>	<u>(3,291)</u>	<u>(706)</u>	<u>(1,936)</u>
Other financing sources						
Transfers from other funds	-	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(431,435)	1,666	(7,498)	(3,291)	(706)	(1,936)
Fund balances - beginning of year	<u>1,094,363</u>	<u>64,628</u>	<u>68,818</u>	<u>13,431</u>	<u>5,464</u>	<u>5,226</u>
Fund balances - end of year	<u>\$ 662,928</u>	<u>\$ 66,294</u>	<u>\$ 61,320</u>	<u>\$ 10,140</u>	<u>\$ 4,758</u>	<u>\$ 3,290</u>

(Continued)

TOWN OF NORTH SMITHFIELD, RHODE ISLAND
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2022

	<u>Special Revenue Funds</u>			<u>Total Special Revenue Funds</u>	<u>Capital Project Funds</u>	
	<u>EMA Grants</u>	<u>Opioid Fund</u>	<u>Adopt- A-Spot Fund</u>		<u>Town Building Bond</u>	<u>School Building Bond</u>
Revenues						
Intergovernmental and grant revenue	\$ 47,200	\$ -	\$ -	\$ 2,401,841	\$ -	\$ -
Other departmental fees	-	-	-	75,992	-	-
Investment and interest income	-	-	-	841	2,548	753
Other revenue	-	73,173	2,750	673,033	-	-
Total revenues	<u>47,200</u>	<u>73,173</u>	<u>2,750</u>	<u>3,151,707</u>	<u>2,548</u>	<u>753</u>
Expenditures						
Current:						
General government	-	-	-	21,624	-	-
Public safety	16,597	-	-	209,077	-	-
Public works	-	-	965	11,166	-	-
Education	-	-	-	2,495,371	-	-
Other	-	-	-	20,986	-	-
Capital outlay	-	-	-	600,920	62,713	82,519
Total expenditures	<u>16,597</u>	<u>-</u>	<u>965</u>	<u>3,359,144</u>	<u>62,713</u>	<u>82,519</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources	<u>30,603</u>	<u>73,173</u>	<u>1,785</u>	<u>(207,437)</u>	<u>(60,165)</u>	<u>(81,766)</u>
Other financing sources						
Transfers from other funds	-	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	30,603	73,173	1,785	(207,437)	(60,165)	(81,766)
Fund balances - beginning of year	<u>31,226</u>	<u>-</u>	<u>9,066</u>	<u>1,804,566</u>	<u>1,322,025</u>	<u>401,195</u>
Fund balances - end of year	<u>\$ 61,829</u>	<u>\$ 73,173</u>	<u>\$ 10,851</u>	<u>\$ 1,597,129</u>	<u>\$ 1,261,860</u>	<u>\$ 319,429</u>

(Continued)

TOWN OF NORTH SMITHFIELD RHODE ISLAND
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2022

	<u>Capital Project Funds</u>		<u>Total Capital Project Funds</u>	<u>Total All Nonmajor Governmental Funds</u>
	<u>Capital Projects Fund</u>	<u>RIDE Revolving Capital</u>		
Revenues				
Intergovernmental and grant revenue	\$ -	\$ 375,125	\$ 375,125	\$ 2,776,966
Other departmental fees	-	-	-	75,992
Investment and interest income	-	-	3,301	4,142
Other revenue	-	-	-	673,033
Total revenues	<u>-</u>	<u>375,125</u>	<u>378,426</u>	<u>3,530,133</u>
Expenditures				
Current:				
General government	-	-	-	21,624
Public safety	-	-	-	209,077
Public works	-	-	-	11,166
Education	-	-	-	2,495,371
Other	-	-	-	20,986
Capital outlay	-	953,300	1,098,532	1,699,452
Total expenditures	<u>-</u>	<u>953,300</u>	<u>1,098,532</u>	<u>4,457,676</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources	<u>-</u>	<u>(578,175)</u>	<u>(720,106)</u>	<u>(927,543)</u>
Other financing sources				
Transfers from other funds	-	936,483	936,483	936,483
Total other financing sources	<u>-</u>	<u>936,483</u>	<u>936,483</u>	<u>936,483</u>
Net change in fund balances	-	358,308	216,377	8,940
Fund balances - beginning of year	<u>88,639</u>	<u>465,960</u>	<u>2,277,819</u>	<u>4,082,385</u>
Fund balances - end of year	<u>\$ 88,639</u>	<u>\$ 824,268</u>	<u>\$ 2,494,196</u>	<u>\$ 4,091,325</u>

TOWN OF NORTH SMITHFIELD, RHODE ISLAND
Tax Collector's Annual Report
For the Fiscal Year Ending June 30, 2022

Real Estate and Personal Property Taxes

<i>Year</i>	<i>Balance June 30, 2021</i>	<i>Levy</i>	<i>Additions</i>	<i>Abatements and Adjustments</i>	<i>Amount to be Collected</i>	<i>Current Year Collections</i>	<i>Balance June 30, 2022</i>
2022	\$ -	\$ 35,948,906	\$ 115,084	\$ (142,073)	\$ 35,921,917	\$ 35,469,861	\$ 452,056
2021	809,778	-	10,315	86,464	906,557	800,267	106,290
2020	250,000	-	7,607	(6,339)	251,268	186,577	64,691
2019	110,767	-	7,073	(8,861)	108,979	43,696	65,283
2018	78,606	-	111	(3,869)	74,848	10,465	64,383
2017	90,788	-	108	(4,360)	86,536	7,452	79,084
2016	98,784	-	107	(7,578)	91,313	7,933	83,380
2015	142,424	-	102	(8,034)	134,492	8,406	126,086
2014	157,417	-	102	(6,491)	151,028	8,792	142,236
2013	131,102	-	143	(7,424)	123,821	12,208	111,613
2012	103,123	-	144	(6,925)	96,342	11,744	84,598
2011	102,130	-	144	(3,663)	98,611	3,133	95,478
2010	66,700	-	-	(190)	66,510	2,606	63,904
2009	67,048	-	-	(232)	66,816	2,008	64,808
2008	50,517	-	-	-	50,517	584	49,933
2007	28,503	-	-	-	28,503	30	28,473
2006	28,344	-	-	-	28,344	283	28,061
2005	24,904	-	-	-	24,904	-	24,904
2004	25,004	-	-	-	25,004	44	24,960
2003	-	-	-	-	-	-	-
2002 and prior	413	-	-	-	413	-	413
	<u>\$ 2,366,352</u>	<u>\$ 35,948,906</u>	<u>\$ 141,040</u>	<u>\$ (119,575)</u>	<u>\$ 38,336,723</u>	<u>\$ 36,576,089</u>	<u>1,760,634</u>

Allowance for Uncollectible Accounts (874,128)
Net Property Tax Receivable \$ 886,506

Schedule of Most Recent Net Assessed Property Value by Category

<i>Description of Property</i>	<i>Valuation</i>	<i>Levy</i>
Real property - residential	\$ 1,276,326,550	\$ 20,862,834
Real property - commercial	343,127,880	6,670,749
Real property - FFOS	32,734,860	535,084
Real property - frozen	7,553,160	92,187
Motor vehicles	111,443,955	3,343,319
Tangible personal property	154,950,730	6,769,797
Total	<u>1,926,137,135</u>	<u>38,273,970</u>
Exemptions	91,842,309	2,325,064
Net assessed value	<u>\$ 1,834,294,826</u>	<u>\$ 35,948,906</u>

Reconciliation of Current Year Property Tax Revenue

Current year collections	\$ 36,576,089
Add: Revenue collected 60 days subsequent to fiscal year ending June 30, 2022	174,113
Less: Revenue collected 60 days subsequent to fiscal year ending June 30, 2021	<u>(383,336)</u>
Current year property tax revenue	<u>\$ 36,366,866</u>

(Continued)

TOWN OF NORTH SMITHFIELD, RHODE ISLAND
Tax Collector's Annual Report (Continued)
For the Fiscal Year Ending June 30, 2022

Fiscal Year 2022 Cash Collection Summary

<u>Year</u>	<u>July - August 2021 Collections Subject to 60 day FY 21 Accrual</u>	<u>September 2021 - June 2022 Collections</u>	<u>Total FY 2022 Cash Collections</u>	<u>July - August 2022 Collections Subject to 60 day FY 22 Accrual</u>
2022	\$ -	\$ 35,469,861	\$ 35,469,861	\$ 158,966
2021	289,779	510,488	800,267	6,562
2020	52,182	134,395	186,577	3,302
2019	15,208	28,488	43,696	1,591
2018	4,916	5,549	10,465	1,363
2017	1,882	5,570	7,452	542
2016	1,999	5,934	7,933	211
2015	3,294	5,112	8,406	338
2014	1,426	7,366	8,792	125
2013	3,586	8,622	12,208	1,097
2012	5,087	6,657	11,744	16
2011	1,355	1,778	3,133	-
2010	1,221	1,385	2,606	-
2009	974	1,034	2,008	-
2008	427	157	584	-
2007	-	30	30	-
2006	-	283	283	-
2005	-	-	-	-
2004	-	44	44	-
2003	-	-	-	-
2002 and prior	-	-	-	-
	<u>\$ 383,336</u>	<u>\$ 36,192,753</u>	<u>\$ 36,576,089</u>	<u>\$ 174,113</u>

OTHER SUPPLEMENTARY INFORMATION

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

Annual Supplemental Transparency Report (MTP2) - Revenue

Annual Supplemental Transparency Report (MTP2) – Expenditures

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

Combining Schedule of Reportable Government Services with Reconciliation to MTP2 – Education Department

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

Town of North Smithfield
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2022

<u>REVENUE</u>	<u>Municipal</u>	<u>Education Department</u>
Current Year Levy Tax Collection	\$ 35,286,025	\$ -
Last Year's Levy Tax Collection	801,250	-
Prior Years Property Tax Collection	168,682	-
Interest & Penalty	332,566	-
PILOT & Tax Treaty (excluded from levy) Collection	-	-
Other Local Property Taxes	-	-
Licenses and Permits	182,674	-
Fines and Forfeitures	97,882	-
Investment Income	29,580	-
Departmental	653,479	-
Rescue Run Revenue	270,818	-
Police & Fire Detail	10,088	-
Other Local Non-Property Tax Revenues	239,421	-
Tuition	-	155,296
Impact Aid	-	-
Medicaid	-	151,385
Federal Stabilization Funds	-	-
Federal Food Service Reimbursement	-	729,848
CDBG	-	-
COPS Grants	-	-
SAFER Grants	-	-
Other Federal Aid Funds	-	945,223
COVID - ESSER	-	631,336
COVID - CRF	-	-
COVID - CDBG	-	-
COVID - FEMA	23,728	-
COVID - Other	-	-
COVID - ARPA	44,605	-
MV Excise Tax Reimbursement	2,204,173	-
State PILOT Program	-	-
Distressed Community Relief Fund	-	-
Library Resource Aid	80,421	-
Library Construction Aid	-	-
Public Service Corporation Tax	147,834	-
Meals & Beverage Tax / Hotel Tax	390,365	-
LEA Aid	-	6,354,085
Group Home	-	-
Housing Aid Capital Projects	209,799	-
Housing Aid Bonded Debt	905,908	-
State Food Service Revenue	-	7,385
Incentive Aid	-	-
Property Revaluation Reimbursement	-	-
Other State Revenue	19,745	32,569
Motor Vehicle Phase Out	183,264	-
Other Revenue	-	358,549
Local Appropriation for Education	-	21,101,519
Regional Appropriation for Education	-	-
Supplemental Appropriation for Education	-	-
Regional Supplemental Appropriation for Education	-	-
Other Education Appropriation	-	-
Rounding	-	-
Total Revenue	\$ 42,282,308	\$ 30,467,194
Financing Sources: Transfer from Capital Funds	\$ -	\$ -
Financing Sources: Transfer from Other Funds	-	-
Financing Sources: Debt Proceeds	-	-
Financing Sources: Other	-	-
Rounding	-	-
Total Other Financing Sources	\$ -	\$ -

Town of North Smithfield
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2022

EXPENDITURES	General		Social	Centralized	Planning	Libraries	Public	Parks and	Police
	Government	Finance	Services	IT			Works	Rec	Department
Compensation- Group A	\$ 420,887	\$ 458,618	\$ -	\$ -	\$ 303,732	\$ -	\$ 780,406	\$ 345,761	\$ 2,321,169
Compensation - Group B	-	-	-	-	-	-	-	-	63,537
Compensation - Group C	-	-	-	-	-	-	-	-	-
Compensation -Volunteer	-	-	-	-	-	-	-	-	-
Overtime- Group A	611	1,485	-	-	1,310	-	67,219	4,959	351,326
Overtime - Group B	-	-	-	-	-	-	-	-	-
Overtime - Group C	-	-	-	-	-	-	-	-	-
Police & Fire Detail	-	-	-	-	-	-	-	-	-
Active Medical Insurance - Group A	67,365	99,423	-	-	44,027	-	194,432	13,507	333,989
Active Medical Insurance- Group B	-	-	-	-	-	-	-	-	17,984
Active Medical Insurance- Group C	-	-	-	-	-	-	-	-	-
Active Dental insurance- Group A	3,145	3,828	-	-	1,857	-	9,467	500	15,302
Active Dental Insurance- Group B	-	-	-	-	-	-	-	-	777
Active Dental Insurance- Group C	-	-	-	-	-	-	-	-	-
Payroll Taxes	23,327	34,518	-	-	23,046	-	63,325	26,571	217,141
Life Insurance	2,059	3,281	-	-	1,571	-	6,177	838	33,295
State Defined Contribution- Group A	2,914	4,524	-	-	2,145	-	7,843	958	-
State Defined Contribution - Group B	-	-	-	-	-	-	-	-	520
State Defined Contribution - Group C	-	-	-	-	-	-	-	-	-
Other Benefits- Group A	1,966	5,392	-	-	2,542	-	4,654	-	4,943
Other Benefits- Group B	-	-	-	-	-	-	-	-	500
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	17,341	26,829	-	-	13,857	-	43,681	5,679	487,772
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	2,817
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	-	-	-	-	-	-	-	-	-
Purchased Services	107,194	75,419	20,000	42,394	7,445	-	28,806	-	59,518
Materials/Supplies	5,062	12,520	-	10,625	2,425	-	2,848	59,959	20,576
Software Licenses	6,521	32,494	-	18,811	4,395	-	7,381	-	44,454
Capital Outlays	175,042	18,105	-	-	-	-	276,299	13,679	184,967
Insurance	273,463	-	-	-	-	-	-	-	-
Maintenance	13,785	774	-	4,360	702	-	41,717	29,470	43,464
Vehicle Operations	2,107	267	-	-	507	-	86,674	9,916	85,841
Utilities	12,952	19,197	-	1,146	11,155	-	23,446	13,359	38,883
Contingency	-	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	155,921	-	-
Revaluation	-	177,937	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	177,986	-	-
Trash Removal & Recycling	-	-	-	-	-	-	654,561	-	-
Claims & Settlements	-	-	-	-	-	-	-	-	-
Community Support	65,461	-	-	-	-	-	-	-	-
Other Operation Expenditures	109,522	7,979	-	-	4,986	461,721	157,426	650	107,547
Tipping Fees	-	-	-	-	-	-	183,030	-	-
Local Appropriation for Education	-	-	-	-	-	-	-	-	-
Regional Appropriation for Education	-	-	-	-	-	-	-	-	-
Supplemental Appropriation for Education	-	-	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	-	-	-	-	-
Municipal Debt- Interest	-	-	-	-	-	-	-	-	-
School Debt- Principal	-	-	-	-	-	-	-	-	-
School Debt- Interest	-	-	-	-	-	-	-	-	-
Retiree Medical Insurance- Total	-	-	-	-	-	-	-	-	-
Retiree Dental Insurance- Total	-	-	-	-	-	-	-	-	-
OPEB Contribution- Total	-	-	-	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
Total Expenditures	\$ 1,310,723	\$ 982,590	\$ 20,000	\$ 77,336	\$ 425,702	\$ 461,721	\$ 2,973,300	\$ 525,806	\$ 4,436,320

Town of North Smithfield
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2022

EXPENDITURES	Fire Department	Centralized Dispatch	Public Safety Other	Education Appropriation	Debt	OPEB	Total Municipal	Education Department
Compensation- Group A	\$ -	\$ 205,645	\$ 75,767	\$ -	\$ -	\$ -	\$ 4,911,986	\$ 12,730,290
Compensation - Group B	-	-	-	-	-	-	63,537	1,597,330
Compensation - Group C	-	-	-	-	-	-	-	2,373,140
Compensation -Volunteer	-	-	13,092	-	-	-	13,092	-
Overtime- Group A	-	31,221	2,776	-	-	-	460,906	-
Overtime - Group B	-	-	-	-	-	-	-	-
Overtime - Group C	-	-	-	-	-	-	-	21,618
Police & Fire Detail	-	-	-	-	-	-	-	-
Active Medical Insurance - Group A	-	24,076	6,754	-	-	-	783,574	1,540,804
Active Medical Insurance- Group B	-	-	-	-	-	-	17,984	193,663
Active Medical Insurance- Group C	-	-	-	-	-	-	-	623,745
Active Dental insurance- Group A	-	1,002	1,958	-	-	-	37,059	120,539
Active Dental Insurance- Group B	-	-	-	-	-	-	777	12,256
Active Dental Insurance- Group C	-	-	-	-	-	-	-	37,616
Payroll Taxes	-	21,917	5,724	-	-	-	415,569	427,035
Life Insurance	-	1,256	419	-	-	-	48,895	76,610
State Defined Contribution- Group A	-	1,435	567	-	-	-	20,387	317,782
State Defined Contribution - Group B	-	-	-	-	-	-	520	27,276
State Defined Contribution - Group C	-	-	-	-	-	-	-	19,648
Other Benefits- Group A	-	2,500	250	-	-	-	22,247	109,343
Other Benefits- Group B	-	-	-	-	-	-	500	71,432
Other Benefits- Group C	-	-	-	-	-	-	-	116,822
Local Defined Benefit Pension- Group A	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-
State Defined Benefit Pension- Group A	-	8,511	3,364	-	-	-	607,035	1,841,685
State Defined Benefit Pension - Group B	-	-	-	-	-	-	2,817	211,089
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	116,144
Other Defined Benefit / Contribution	-	-	-	-	-	-	-	-
Purchased Services	-	-	-	-	-	-	340,777	4,571,371
Materials/Supplies	-	505	2,087	-	-	-	116,607	452,048
Software Licenses	-	-	-	-	-	-	114,056	108,318
Capital Outlays	148,570	-	19,155	-	-	-	835,815	574,059
Insurance	-	-	-	-	-	-	273,463	156,403
Maintenance	12,414	-	3,259	-	-	-	149,945	234,204
Vehicle Operations	52,145	-	3,952	-	-	-	241,409	94,205
Utilities	175	-	8,682	-	-	-	128,996	762,091
Contingency	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	155,921	-
Revaluation	-	-	-	-	-	-	177,937	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	177,986	-
Trash Removal & Recycling	-	-	-	-	-	-	654,561	-
Claims & Settlements	-	-	-	-	-	-	-	-
Community Support	-	-	-	-	-	-	65,461	-
Other Operation Expenditures	3,214,075	-	6,224	-	-	-	4,070,129	379,375
Tipping Fees	-	-	-	-	-	-	183,030	-
Local Appropriation for Education	-	-	-	21,101,519	-	-	21,101,519	-
Regional Appropriation for Education	-	-	-	-	-	-	-	-
Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	851,421	-	851,421	-
Municipal Debt- Interest	-	-	-	-	104,906	-	104,906	-
School Debt- Principal	-	-	-	-	2,383,345	-	2,383,345	-
School Debt- Interest	-	-	-	-	812,547	-	812,547	-
Retiree Medical Insurance- Total	-	-	-	-	-	350,622	350,622	55,088
Retiree Dental Insurance- Total	-	-	-	-	-	13,804	13,804	3,588
OPEB Contribution- Total	-	-	-	-	-	250,000	250,000	-
Rounding	-	-	-	-	-	-	-	-
Total Expenditures	\$ 3,427,379	\$ 298,070	\$ 154,030	\$ 21,101,519	\$ 4,152,219	\$ 614,426	\$ 40,961,140	\$ 29,976,616

Financing Uses: Transfer to Capital Funds	\$ -	\$ -
Financing Uses: Transfer to Other Funds	92,226	903,382
Financing Uses: Payment to Bond Escrow Agent	-	-
Financing Uses: Other	-	-
Total Other Financing Uses	\$ 92,226	\$ 903,382
Net Change in Fund Balance¹	1,228,942	(412,804)
Fund Balance1- beginning of year	\$10,898,538	\$2,725,938
Funds removed from Reportable Government Services (RGS)	-	-
Funds added to Reportable Government Services (RGS)	-	-
Prior period adjustments	-	-
Misc. Adjustment	-	1
Fund Balance¹ - beginning of year adjusted	10,898,538	2,725,939
Rounding		
Fund Balance¹ - end of year	\$ 12,127,480	\$ 2,313,135

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

Town of North Smithfield
Annual Supplemental Transparency Report (MTP2)
Combining Schedule of
Reportable Government Services with
Reconciliation to MTP2
Municipal
Fiscal Year Ended June 30, 2022

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, 2021						\$ 10,898,538	-	\$ 10,898,538	
<i>No funds removed from RGS for fiscal 2021</i>						-	-	-	
<i>No funds added to RGS for Fiscal 2021</i>						-	-	-	
<i>No misc. adjustments made for fiscal 2021</i>						-	-	-	
Fund Balance¹ - per MTP-2 at June 30, 2022 adjusted						<u>\$ 10,898,538</u>	-	<u>\$ 10,898,538</u>	
General Fund	\$ 42,237,703	\$ -	\$ 19,859,621	\$ 21,149,140	\$ 1,228,942	\$ 10,898,538	\$ -	\$ 10,898,538	\$ 12,127,480
American Rescue Plan	44,605	-	-	44,605	-	-	-	-	-
Totals per audited financial statements	<u>\$ 42,282,308</u>	<u>\$ -</u>	<u>\$ 19,859,621</u>	<u>\$ 21,193,745</u>	<u>\$ 1,228,942</u>	<u>\$ 10,898,538</u>	<u>\$ -</u>	<u>\$ 10,898,538</u>	<u>\$ 12,127,480</u>
Reconciliation from financial statements to MTP2									
School appropriation to education reflected in financing use in audit but reflected as expenditure in MTP-2	\$ -	\$ -	\$ 21,101,519.00	\$ (21,101,519.00)	\$ -	\$ -	\$ -	\$ -	\$ -
Rounding	-	-	-	-	-	-	-	-	-
Totals Per MTP2	<u>\$ 42,282,308</u>	<u>\$ -</u>	<u>\$ 40,961,140</u>	<u>\$ 92,226</u>	<u>\$ 1,228,942</u>	<u>\$ 10,898,538</u>	<u>\$ -</u>	<u>\$ 10,898,538</u>	<u>\$ 12,127,480</u>

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

Town of North Smithfield
Annual Supplemental Transparency Report (MTP2)
Combining Schedule of
Reportable Government Services with
Reconciliation to MTP2
Education Department
Fiscal Year Ended June 30, 2022

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, 2021						\$ 2,725,938	-	\$ 2,725,938	
<i>Misc. adjustments made for fiscal 2021</i>						<u>1</u>	-	<u>1</u>	
Fund Balance¹ - per MTP-2 at June 30, 2022 adjusted						<u>\$ 2,725,939</u>	-	<u>\$ 2,725,939</u>	
School Unrestricted Fund	\$ 8,249,667	\$ 21,146,345	\$ 29,030,380	\$ 903,382	\$ (537,750)	\$ 2,297,043	\$ -	\$ 2,297,043	\$ 1,759,293
Food Service Special Revenue Fund1	782,487	-	600,520	-	181,967	190,561	-	190,561	372,528
SBA School Capital Project Fund	-	-	-	-	-	-	-	-	-
School Special Revenue Funds	1,837,830	-	1,894,851	-	(57,021)	238,335	-	238,335	181,314
Totals per audited financial statements	<u>\$ 10,869,984</u>	<u>\$ 21,146,345</u>	<u>\$ 31,525,751</u>	<u>\$ 903,382</u>	<u>\$ (412,804)</u>	<u>\$ 2,725,939</u>	<u>\$ -</u>	<u>\$ 2,725,939</u>	<u>\$ 2,313,135</u>
<u>Reconciliation from financial statements to MTP2</u>									
Capital Lease	\$ -	\$ (44,826)	\$ (44,826)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School Appropriation to education reflected on financing source in audit but reflected as revenue in MTP	21,101,519	(21,101,519)	-	-	-	-	-	-	-
State contributions on behalf of teacher pensions are reported as revenue and expenditures on financial statements only	(1,504,309)	-	(1,504,309)	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
Totals Per MTP2	<u>\$ 30,467,194</u>	<u>\$ -</u>	<u>\$ 29,976,616</u>	<u>\$ 903,382</u>	<u>\$ (412,804)</u>	<u>\$ 2,725,939</u>	<u>\$ -</u>	<u>\$ 2,725,939</u>	<u>\$ 2,313,135</u>
<u>Reconciliation from MTP2 to UCOA</u>									
Appropriation of fund balance recognized as revenue in UCOA but not MTP2	\$ 923,382	\$ -	\$ -	\$ -	-	-	-	-	-
Misc Variance	1	-	-	-	-	-	-	-	-
Reclass of use in audit/MTP to expense in UCOA	-	-	903,382	(903,382)	-	-	-	-	-
Totals per UCOA Validated Totals Report - Dated 1/5/2023	<u>\$ 31,390,577</u>	<u>\$ -</u>	<u>\$ 30,879,998</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

Town of North Smithfield, Rhode Island
Reportable Government Services with
MTP2 Notes
Fiscal Year Ended June 30, 2022

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

NOTE 1. Basis of Presentation

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

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

NOTE 2. Reportable Government Services

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

NOTE 3. Allocations

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

NOTE 4. Employee Groups - Compensation and Benefit Costs

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

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

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

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

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

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

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

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/>.

SINGLE AUDIT SECTION



CERTIFIED PUBLIC ACCOUNTANTS

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

Independent Auditor's Report

To the Honorable President and Members of the Town Council
Town of North Smithfield, 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 North Smithfield, Rhode Island as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town of North Smithfield, Rhode Island's basic financial statements, and have issued our report thereon dated January 17, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of North Smithfield, Rhode Island's financial statements are free of 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2022-001.

Town of North Smithfield's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Town of North Smithfield, Rhode Island's response to the findings identified in our audit and described in the schedule of findings and questioned costs. The Town of North Smithfield, Rhode Island's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

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

Bacon & Company CPAs, LLC

Warwick, Rhode Island
January 17, 2023



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

Independent Auditor's Report

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Town of North Smithfield, Rhode Island's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Town of North Smithfield, Rhode Island's major federal programs for the year ended June 30, 2022. The Town of North Smithfield, Rhode Island's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town of North Smithfield, Rhode Island complied, in all material respects, with the 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, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town of North Smithfield, Rhode Island and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Town of North Smithfield, Rhode Island's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Town of North Smithfield, Rhode Island's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town of North Smithfield, Rhode Island's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town of North Smithfield, Rhode Island's compliance with the requirements of each major federal program as a whole.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Town of North Smithfield, Rhode Island's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Town of North Smithfield, Rhode Island's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Town of North Smithfield, Rhode Island's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Bacon & Company CPAs, LLC

Warwick, Rhode Island
January 17, 2023

TOWN OF NORTH SMITHFIELD, RHODE ISLAND
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2022

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

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

Internal control over financial reporting:

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

Federal Awards

Internal control over major federal programs:

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

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

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

Identification of major federal programs:

<u>CFDA Number</u>	<u>Name of Program or Cluster</u>
	<i>Child Nutrition Cluster:</i>
10.555	National School Lunch Program
10.553	School Breakfast Program
84.425D	Elementary and Secondary School Emergency Relief (ESSER) Fund

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

TOWN OF NORTH SMITHFIELD, RHODE ISLAND
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2022

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

SECTION II - FINANCIAL STATEMENT FINDINGS

Finding of Noncompliance

2022-001 Levy and Assessment of Taxes

Criteria – *Rhode Island General Law 44-5-1* states that the electors of any town qualified to vote on any proposition to impose a tax or for the expenditure of money, when legally assembled, may levy a tax for the purpose authorized by law, on the ratable property of the town, either in a sum certain, or in a sum not less than a certain sum and not more than a certain sum.

Condition – The Town of North Smithfield approved a resolution that levied and ordered the assessment and collection of taxes for the 2022 fiscal year for a sum between \$33,913,809 and \$33,963,809. The actual tax levy was \$35,948,906 and is not within the range approved by the Town Council. The Town is not in compliance with *Rhode Island General Law 44-5-1*.

Cause – The motor vehicle portion of the tax levy was mistakenly removed from the total when calculating the tax range for the 2022 fiscal year.

Effect – The Town is not in compliance with *Rhode Island General Law 44-5-1*.

Recommendation – We recommend that the Town verify the actual tax levy is within the range stated in the tax levy resolution once the levy is certified to ensure compliance with *Rhode Island General Law 44-5-1*.

Views of Responsible Officials/Corrective Actions - Due to the motor vehicle phase out by the State of Rhode Island, the words “an excise tax on registered motor vehicles and trailers” will be removed from the annual method of tax collection resolution.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

TOWN OF NORTH SMITHFIELD, RHODE ISLAND
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2022

<i>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</i>	<i>Federal Assistance Listing Number</i>	<i>Pass-Through Entity Identifying Number</i>	<i>Total Federal Expenditures</i>
US Department of Education			
Pass-through RI Department of Education:			
<i>Special Education Cluster (IDEA):</i>			
Special Education Grants to States	84.027A	25-2725-13202-201	\$ 475,606
Special Education Preschool Grants	84.173A	25-2725-13502-201	4,964
<i>Total Special Education Cluster</i>			<u>480,570</u>
Title I Grants to Local Educational Agencies	84.010A	25-2725-11702-201	222,810
Supporting Effective Instruction State Grants	84.367A	25-2725-16402-201	79,249
Student Support and Academic Enrichment Program	84.424A	25-2725-20802-201	18,331
Career and Technical Education - Basic Grants to States	84.048A	25-2725-15302-201	39,286
Comprehensive Literacy Development	84.371C	2725-22002-211	20,000
COVID-19 - Education Stabilization Fund - ESSER II	84.425D	25-4672-60602-101	631,336
Total US Department of Education			<u>1,491,582</u>
US Department of Agriculture			
Pass-through RI Department of Education:			
<i>Child Nutrition Cluster:</i>			
National School Lunch Program			
Cash assistance	10.555	N/A	651,031
Non-cash assistance (commodities)	10.555	N/A	49,165
School Breakfast Program	10.553	N/A	78,817
<i>Total Child Nutrition Cluster</i>			<u>779,013</u>
Pandemic EBT Administrative Costs	10.649	N/A	3,726
Total US Department of Agriculture			<u>782,739</u>
US Department of Treasury			
Direct Program:			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	44,605
Total US Department of Treasury			<u>44,605</u>
US Department of Health and Human Services			
Pass-through RI Department of Health:			
COVID-19 - Public Health Emergency Preparedness - MEDS	93.069	N/A	17,253
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases - ARP-ELC	93.323	N/A	81,250
Total US Department of Health and Human Services			<u>98,503</u>
US Department of Transportation			
Pass-through RI Department of Transportation:			
<i>Highway Safety Cluster:</i>			
State and Community Highway Safety Grant	20.600	N/A	8,652
<i>Total Highway Safety Cluster</i>			<u>8,652</u>
Total US Department of Transportation			<u>8,652</u>

(Continued)

TOWN OF NORTH SMITHFIELD, RHODE ISLAND
Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal year Ended June 30, 2022

<i>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</i>	<i>Federal Assistance Listing Number</i>	<i>Pass-Through Entity Identifying Number</i>	<i>Total Federal Expenditures</i>
<i>US Department of Homeland Security</i>			
<i>Pass-through RI Emergency Management Agency:</i>			
COVID-19 - Disaster Grants - Public Assistance	97.036	PA-01-RI-4505-PW-00404	6,536
COVID-19 - Disaster Grants - Public Assistance	97.036	PA-01-RI-4505-PW-00280	6,343
COVID-19 - Disaster Grants - Public Assistance	97.036	PA-01-RI-4505-PW-00274	34,163
			<u>47,042</u>
Emergency Management Performance Grants	97.042	N/A	9,245
Building Resilient Infrastructure and Communities	97.047	N/A	10,500
<i>Total US Department of Homeland Security</i>			<u>66,787</u>
<i>US Department of Housing and Urban Development</i>			
<i>Pass-through RI Executive Office of Commerce, Office of Housing and Community Development:</i>			
Community Development Block Grant	14.228	N/A	300
<i>Total US Department of Housing and Urban Development</i>			<u>300</u>
<i>US Department of Justice</i>			
<i>Pass-through RI Public Safety Grant Administration Office:</i>			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	6,537
<i>Total US Department of Justice</i>			<u>6,537</u>
<i>US Election Assistance Commission</i>			
<i>Pass-through RI Department of State:</i>			
Help America Vote Act (HAVA) Election Security Grants	90.404	N/A	5,217
<i>Total US Election Assistance Commission</i>			<u>5,217</u>
 <i>Total Expenditures of Federal Awards</i>			 <u><u>\$ 2,504,922</u></u>

TOWN OF NORTH SMITHFIELD, RHODE ISLAND

Notes to Schedule of Expenditures of Federal Awards

For the Fiscal Year Ended June 30, 2022

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal award activity of the Town of North Smithfield, Rhode Island under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Town of North Smithfield, Rhode Island, it is not intended to and does not present the financial position, changes in financial position, or cash flows of the Town of North Smithfield, Rhode Island.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3 – INDIRECT COST RATE

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