

**TOWN OF SOUTH KINGSTOWN,
RHODE ISLAND**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**



PREPARED BY: FINANCE DEPARTMENT

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INTRODUCTORY SECTION



Town of South Kingstown, Rhode Island

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

FINANCE DEPARTMENT

December 30, 2022

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

The comprehensive annual financial report of the Town of South Kingstown, Rhode Island, for the fiscal year ended June 30, 2022, is hereby submitted as mandated by both State statutes and the Town charter. State laws require that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants licensed to practice in the State of Rhode Island.

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

The Town of South Kingstown's financial statements have been audited by CliftonLarsonAllen LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Town of South Kingstown for the fiscal year ended June 30, 2022, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town of South Kingstown's financial statements for the fiscal year ended June 30, 2022, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section on page 1 of this report.

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

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

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

PROFILE OF THE GOVERNMENT

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

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

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

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

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

PROFILE OF THE GOVERNMENT (Continued)

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

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

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

Budget-to-actual comparisons are provided in this report for the general fund and the school unrestricted fund on pages 90-92 and page 93 respectively as part of the basic financial statements.

FACTORS AFFECTING FINANCIAL CONDITION

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

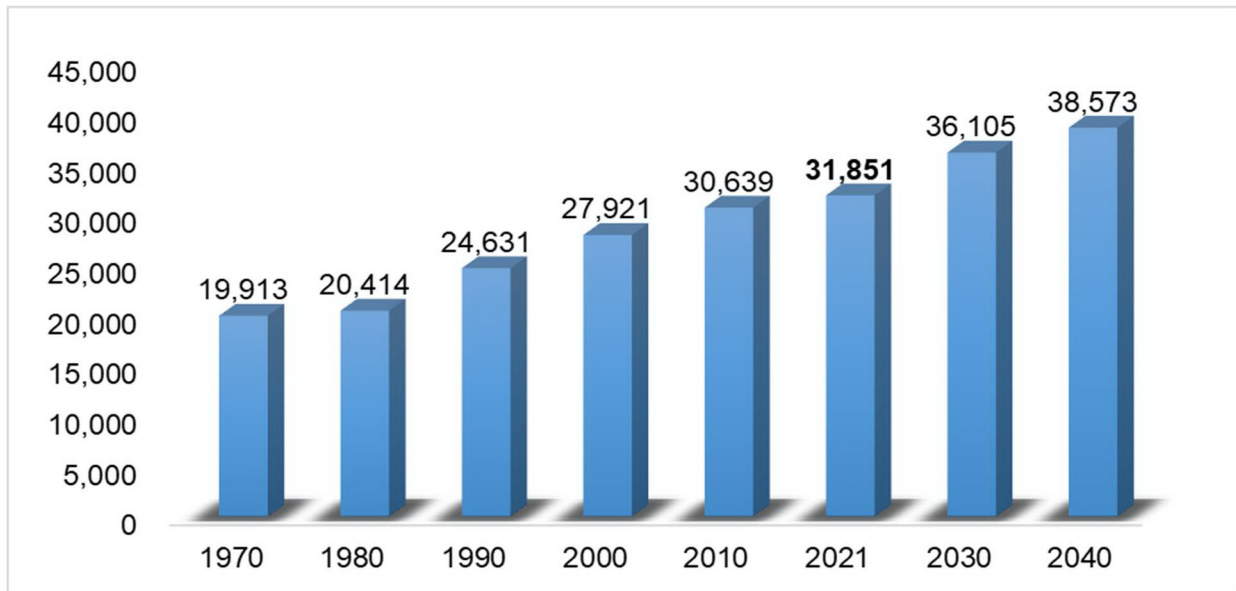
Population, Housing, and Industry Characteristics: The current population of South Kingstown is estimated to be 31,851.¹ While statewide trends show slow population growth, the population of South Kingstown is projected to increase steadily over the next 20 years, with as many as 38,573 persons living in South Kingstown in 2040.²

¹ 2021 U.S. Census Quick Facts. U.S. Census Bureau.

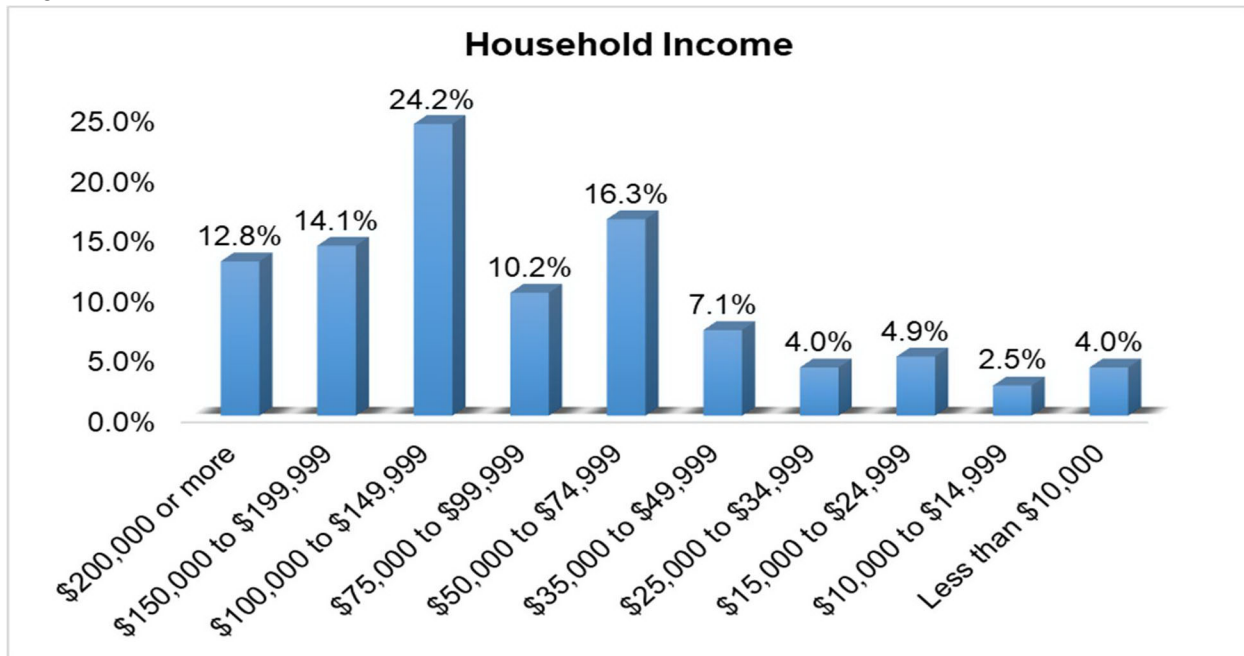
² City and Town Population Projections. Rhode Island Statewide Planning Program. Website, <http://www.planning.ri.gov/documents/census/tp162.pdf>. Accessed 12/21/2022.

FACTORS AFFECTING FINANCIAL CONDITION (Continued)

Population Change in South Kingstown



As of 2019, the median household income in South Kingstown was \$102,242,³ which represents an approximate 43.61% increase from the 2010 median household income of \$71,192.⁴ Additionally, 51.1% of all South Kingstown households earn over \$100,000 annually.⁵ Over 94.6% of South Kingstown’s population are high school graduates or higher, compared to 89.5% statewide. Over 42.1% of the population holds a bachelor’s degree or higher, compared to 32.2% statewide.⁶



³ 2021 American Community Survey 5-Year Estimates. U.S. Census Bureau.

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

⁵ 2021 American Community Survey 5-Year Estimates. U.S. Census Bureau.

⁶ 2020 American Community Survey 5-Year Estimates. U.S. Census Bureau.

FACTORS AFFECTING FINANCIAL CONDITION (Continued)

The median sales price for a single-family home has continued to improve since the crash in the late 2000s. The median single-family home sales price value increased to \$487,950 in 2021. In 2016, median single-family home sales price in South Kingstown was \$305,000. The five-year comparison for South Kingstown indicates a 60% increase in single family home prices.⁷ Median home sale prices have exceeded the 2006 high of \$374,500.⁸

As of March-2022, the Rhode Island seasonally adjusted unemployment rate was 3.4%, down from 7.0% in March 2021. At June 2022, the Rhode Island seasonally adjusted unemployment rate was 2.8%, down from 52.5% in the prior year, due to the continued economic recovery, following the COVID-19 pandemic. South Kingstown's not seasonally adjusted unemployment rate was 2.4% as of March 2022, down from 4.8% in March 2021. South Kingstown's not seasonally adjusted unemployment rate at June 2022 was 2.2%⁹

Between 2017 and 2021, the average annual employment in South Kingstown decreased from 16,152 to an average annual employment of 15,923, a decrease of 229 (1.4%) jobs. From 2020 to 2021, the average annual employment increased by 712 (4.7%), further illustrating the economic recovery following the covid 19 pandemic.

In 2021, the top five employment sectors in South Kingstown were government (3,578 employees), down by 195 or -5.2% since 2016, health care and social assistance (2,888 employees) has increased over this timeframe by 82 or 2.9%, accommodations and food service (1,484 employees) has increased over the same time frame by 37 or 2.6%, retail trade (1,220 employees), has decreased over the same time frame by 59 or -4.6%, and construction (548 employees) has increased over the same time frame by 200 or 57.5%.

Local economy: South Kingstown's economy is heavily influenced by the University of Rhode Island (URI), which had an enrollment of 17,584 students, including online students, for the 2021-2022 academic year, this represents a slight decrease from the 17,649 of the 2020-2021 annual enrollment.¹⁰ This enrollment is supported by a faculty of 1,254 (full time teaching faculty of 754 and part time teaching faculty of 500). The University has a full-time support staff of 1,765 and part time support staff of 131. Of the student population, approximately 5,200 students live on campus.¹¹ There is 139,104 alumni living in 113 countries around the world, of which 58,193 (42%) are living in Rhode Island.¹²

The University's total budget for the most recent fiscal year was \$840.5 million. The University has invested, or is in the process of investing, more than \$975 million in capital improvements and projects since 2007, across all four campuses.

⁷ 2021 Housing Fact Book - HousingWorksRI at RWU.

⁸ 2006 Housing Fact Book - HousingWorksRI at RWU.

⁹ Local Area Unemployment Statistics. RI Department of Labor and Training.
<http://www.dlt.ri.gov/lmi/laus/town/town.htm>.

¹⁰ University of Rhode Island. RIBOE2020 & RIBOE21. Website, <https://web.uri.edu/ir/data/enrollment-data/>.

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

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

FACTORS AFFECTING FINANCIAL CONDITION (Continued)

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

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

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

- **South Shore Country Club**, a condominium development composed of a golf course and 303 manufactured homes for persons aged 55 and over is under construction. Over 70 of the homes have been sold. Homes are available from \$431,000 to \$500,000+. Construction is ongoing at this project. The golf course associated with this development has started construction.
- **1860 Kingstown Road**, received all their approvals from the Town and has opened a new store (Dollar General) at that location
- **Hillside Commons**, proposed development of 18 residential units, including a combination of detached structures has received Preliminary Plan approval and has completed their Final Plan submission.
- **Village at Curtis Corner**, a proposed Comprehensive Permit subdivision to create twenty-four (24) parcels at 55 Curtis Corner Road containing a total of thirty-two (32) dwelling units of which 8 units will be rented to Low and a Moderate Income (LMI) families received final plan approval and is under construction, the first few homes were ready for occupancy in December.
- **Tower Hill Landings Annex**, a 11-unit multi-household structure at 2095 Kingstown Road was constructed and has been occupied.
- **Shepard's Run**, received its final approvals, the vineyard has been planted and the facility (Inn, Winery, and Event Center) is up and running.
- **Matunuck Beach Road Condominiums**, an application for a Comprehensive Permit to create 12 units in 6 buildings received Preliminary Plan approval for this Major Land Development project.
- **Plant Based Compassionate Care, Inc.** received a Zoning Permit and opened an office and consultation facility at their Pershing Ave site for medical marijuana. The facility offers delivery service to all clients.

FACTORS AFFECTING FINANCIAL CONDITION (Continued)

- **North Woods Subdivision**, currently under Preliminary Plan review for a sixteen (16) lot Flexible Design Residential Project (FDRP) with seventeen (17) dwelling units (3 of which are deed restricted affordable).
- **Fieldstone Farm Subdivision**, currently under Preliminary Plan review for a thirty-nine (39) lot subdivision with twenty-nine (29) market rate lots and ten (10) deed restricted affordable).
- **South County Commons**, District 5 Apartments currently under Conceptual Master Plan review for a 70-unit apartment complex on Route 1.
- **Other notable residential projects include**, the Magnolia Lane multihousehold development (two duplexes with 2-units each); the Residences on Holley (six duplexes with 2-units each); as well as Owl Acre and Hemmerle Subdivisions (both 2-lot subdivisions).
- **Other notable commercial projects**, include Burger King (construction of a 2nd drive-thru with stormwater and landscaping improvements), 1965 Kingstown Road (conversion from automotive service to marine electronics installation), and 471 High Street (conversion from retail store to personal storage and office space).

The Planning Board also received and reviewed a host of smaller 2-6 lot single family subdivision applications throughout the year.

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

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

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

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

always possible to realize such amounts, especially in the case of temporary changes in the fair value of investments that the government intends to hold to maturity.

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

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

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

Additional information on the Town of South Kingstown's pension arrangements and post-employment benefits can be found in Note 11 on pages 50-64 and Note 12 on pages 64-70, respectively, in the notes to the financial statements.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of South Kingstown for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2021. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

A Certificate of Achievement is valid for a period of one year only. The Town of South Kingstown has received a Certificate of Achievement for the last thirty-two consecutive fiscal

years (fiscal years ended June 30, 1990-2021). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

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

Respectfully submitted,

Brian Silvia

Brian M. Silvia
Finance Director

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
TOWN OFFICIALS
JUNE 30, 2022**

TOWN COUNCIL

Rory H. McEntee, President

Abel G. Collins, Vice President
Deborah D. Bergner

Deborah J. Kelso
Jessica L. Rose

TOWN MANAGER

James L. Manni

TOWN ATTORNEYS

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

PROBATE JUDGE

James P. Howe

DEPARTMENT HEADS

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

James G. Gorman
Brian Silvia
Theresa L. Murphy
Laurel A. Clark
James D. Rabbitt
Matthew C. Moynihan
Jon R. Schock
Mark Capuano
Susan M. Flynn



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of South Kingstown
Rhode Island**

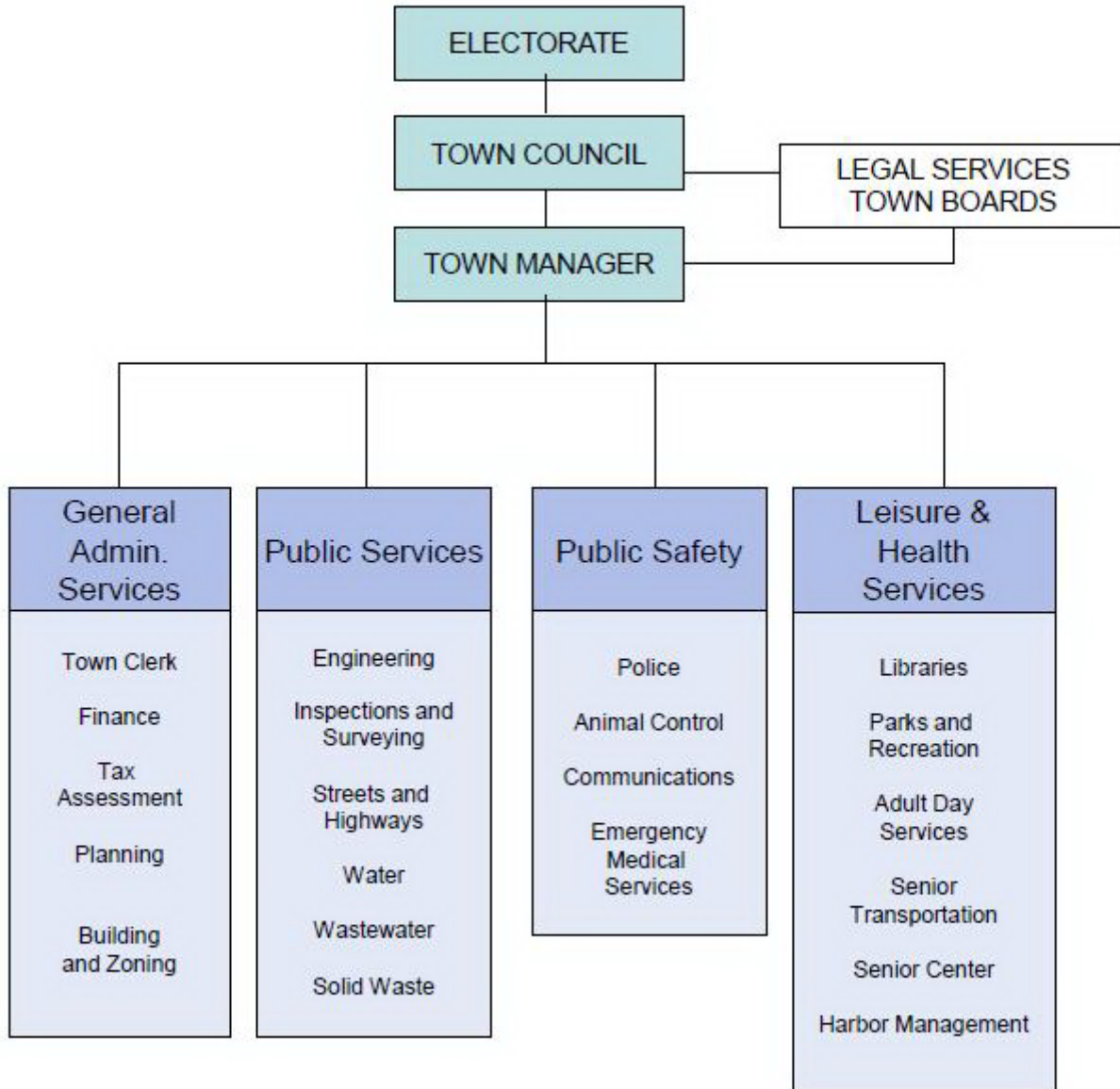
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO

Town of South Kingstown



FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

Honorable Town Council
Town of South Kingstown, Rhode Island

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of South Kingstown, Rhode Island, as of June 30, 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*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of South Kingstown, Rhode Island and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter – Change in Accounting Principle

As discussed in Note 1 to the financial statements, effective July 1, 2021, the Town of South Kingstown, Rhode Island adopted new accounting guidance for leases. The guidance requires lessees to recognize a right-to-use lease asset and a corresponding lease liability and lessors to recognize a lease receivable and corresponding deferred inflow of resources for all leases with lease terms greater than twelve months. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Honorable Town Council
Town of South Kingstown, Rhode Island


Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2022, on our consideration of the Town of South Kingstown, Rhode Island's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of South Kingstown, Rhode Island's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of South Kingstown, Rhode Island's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

West Hartford, Connecticut
December 30, 2022

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

As management of the Town of South Kingstown (the Town), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-ix of this report as well as the Town's basic financial statements that follow this section. All amounts in the tables in this MD&A are expressed in thousands. All amounts in the narrative portion are expressed in real dollars.

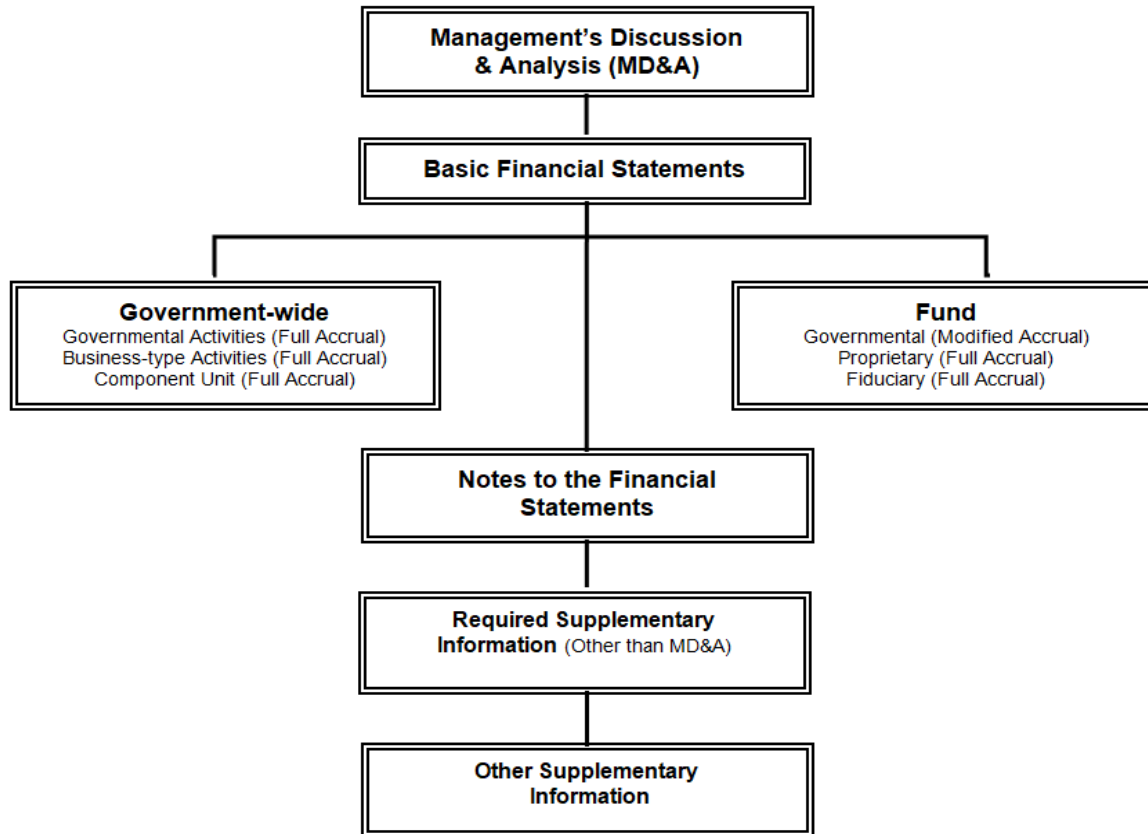
Financial Highlights

- At the end of the fiscal year, the Town's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$113,914,037, or 5.8%, from the prior year's amount of \$107,695,084. Net position was comprised mainly of \$90,256,628 attributable to the Town's net investment in capital assets, \$29,143,859 restricted, and (\$5,486,450) unrestricted.
- The governmental activities total net position increased by \$4,206,595, an increase of 5.9% over the prior year due to positive operating results. Business-type activities net position increased by \$2,012,358 an increase of 5.6% over the prior year.
- The Town's unrestricted deficit decreased by \$16,089,060.
- The Town has significant investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding.
- As of the close of the current fiscal year, the Town of South Kingstown's governmental funds reported combined ending fund balances of \$70,018,987. Approximately 22.3% of this total amount, \$15,625,093, is available for use at the government's discretion (unassigned fund balance).
- The remaining fund balance of \$54,393,894 includes \$906,269 in nonspendable funds, \$23,396,838 in restricted funds and \$30,090,787 in committed funds.
- The Town's total bonded debt increased by \$5,457,169 during the current fiscal year. Government activities increased by \$5,662,000 and Business-type activities decreased by \$204,831.
- Long-term liabilities reported a decrease of \$21,855,102 which is the result of a net increase in general obligation bonds and bond premiums of \$5,872,067, decrease of compensated absence liability of \$6,599, decrease of net pension liability of \$27,503,985, and a decrease in claims and judgements liability of \$67,097.

Overview of the Financial Statements

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

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**



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

Government-wide Financial Statements

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

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

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

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

Fund Financial Statements

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

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

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

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

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

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

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

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

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

Notes to the Financial Statements

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

Other information

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

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

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The Town of South Kingstown's combined net position, assets and deferred outflow of resources exceeded liabilities by \$113,914,037 (government and business-type activities), at the close of the most recent fiscal year.

NET POSITION

For the Fiscal Years Ended June 30, 2022 and 2021 (in 000s)

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and Other Assets	\$ 92,097	\$ 82,081	\$ 14,996	\$ 14,527	\$ 107,093	\$ 96,608
Capital Assets, Net of Accumulated Depreciation	83,865	84,361	24,716	22,982	108,581	107,343
Total Assets	<u>175,962</u>	<u>166,442</u>	<u>39,712</u>	<u>37,509</u>	<u>215,674</u>	<u>203,951</u>
Deferred Outflows of Resources	17,744	17,999	-	-	17,744	17,999
Current Liabilities	13,710	9,140	1,143	1,095	14,853	10,235
Long-Term Liabilities						
Outstanding	61,696	83,335	361	576	62,057	83,911
Total Liabilities	<u>75,406</u>	<u>92,475</u>	<u>1,504</u>	<u>1,671</u>	<u>76,910</u>	<u>94,146</u>
Deferred Inflows of Resources	42,236	20,109	358	-	42,594	20,109
Net Position:						
Net Investment in Capital Assets	65,949	72,555	24,308	22,369	90,257	94,924
Restricted	29,137	34,414	6	6	29,143	34,420
Unrestricted	<u>(19,022)</u>	<u>(35,112)</u>	<u>13,536</u>	<u>13,463</u>	<u>(5,486)</u>	<u>(21,649)</u>
Total Net Position	<u>\$ 76,064</u>	<u>\$ 71,857</u>	<u>\$ 37,850</u>	<u>\$ 35,838</u>	<u>\$ 113,914</u>	<u>\$ 107,695</u>

FY 2022, total assets for the Primary Government were \$215,673,577, an increase from prior year total assets by \$11,722,446. Total assets for only governmental activities were \$175,961,626, an increase of \$9,519,216 or 5.7%. Total assets from business-type activities increased by \$2,203,230. The largest portion of the Town's net position, 79.2%, reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment); less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Total liabilities were \$76,909,791, a decrease of \$17,236,124 from \$94,145,915 in FY 2021. Total liabilities associated with governmental type activities decreased by \$17,069,382 or 18.5% while total liabilities associated with business-type activities decreased \$166,742 or 10% when compared to FY 2021.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

A portion of the Town's net position (25.6% or \$29,143,859) represents resources that are subject to external restrictions on how they may be used. This includes the \$20,769,589 restricted recreational and educational purposes of which \$19,922,586 represents the School Trust Fund .

At the end of the current fiscal year, the Town of South Kingstown, with one exception, is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The reported deficit for the unrestricted portion of net position decreased by approximately \$16,161,988. Unrestricted net position represents the portion of net position that has no related liabilities or restriction as to use.

CHANGES IN NET POSITION

For the Fiscal Years Ended June 30, 2022 and 2021 (in 000s)

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program Revenues:						
Charges for Services	\$ 7,526	\$ 6,429	\$ 7,846	\$ 5,834	\$ 15,372	\$ 12,263
Operating Grants and Contributions	9,851	13,103	1,361	724	11,212	13,827
Capital Grants and Contributions	1,555	935	-	7	1,555	942
General Revenues:						
Property Taxes	77,574	77,281	-	-	77,574	77,281
Motor Vehicle Phase-Out Taxes	1,370	322	-	-	1,370	322
Telephone and Hotel Taxes	289	122	-	-	289	122
Grants not Restricted to Specific Programs	1,341	1,200	-	-	1,341	1,200
Unrestricted Investment Earnings	(3,936)	5,518	(411)	7	(4,347)	5,525
Total Revenues	95,570	104,910	8,796	6,572	104,366	111,482
Expenses:						
General Government	5,313	6,800	-	-	5,313	6,800
Public Safety	11,460	12,473	-	-	11,460	12,473
Public Works	4,785	4,333	-	-	4,785	4,333
Human Service	655	700	-	-	655	700
Public Libraries	1,491	1,997	-	-	1,491	1,997
Education	63,379	65,664	-	-	63,379	65,664
Recreation	3,874	4,788	-	-	3,874	4,788
Interest on Long-Term Debt	402	194	-	-	402	194
Wastewater	-	-	3,907	3,849	3,907	3,849
Solid Waste	-	-	781	642	781	642
Water	-	-	974	1,128	974	1,128
School Cafeteria	-	-	1,126	738	1,126	738
Total Expenses	91,359	96,949	6,788	6,357	98,147	103,306
Change in Net Position Before Transfers	4,211	7,961	2,008	215	6,219	8,176
Transfers	(4)	(4)	4	4	-	-
Change in Net Position	4,207	7,957	2,012	219	6,219	8,176
Net Position - Beginning of Year	71,857	63,900	35,838	35,619	107,695	99,519
Net Position - End of Year	\$ 76,064	\$ 71,857	\$ 37,850	\$ 35,838	\$ 113,914	\$ 107,695

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

Activities

In FY 2022, the Town's net position increased by \$6,218,953. Primary Government revenues decreased from the prior year by \$7,115,310 or 6.4% to \$104,367,008. Program revenues (charges for services, grants and contributions) of \$28,140,648 accounted for 27% of all Primary Government revenues, while property and state taxes attributable to governmental activities accounted for \$79,233,164, 75.9%, of which property taxes is a major revenue source accounting for \$77,574,212. Grants and contributions not restricted to specific programs account for an additional \$1,341,359 while unrestricted investment earnings account for (\$4,348,163).

Governmental Activities

Total revenues for all governmental activities were \$95,569,785. Governmental Activities' program revenues of \$18,932,239 accounted for 19.8%.

- Property tax revenues recorded for the 2022 fiscal year increased by \$292,855 or 0.4% over prior year. This increase is due to an increase in the amount of current and prior year taxes received.
- The Town's tax rate of \$14.45 per thousand dollars of assessed valuation remained level from the prior. The growth in the total assessed value of taxable property, excluding motor vehicles, was 0.5%. Total net assessed value of all taxable property increased by \$16,797,213 from \$5,245,913,828 to \$5,262,711,041.
- Motor vehicle values decreased by \$8,673,175 over the prior year, from \$145,574,064 to \$136,900,889 and assumed utilizing an exemption value of \$5,000 per vehicle. Motor vehicle values are assessed at a rate of \$18.71 per thousand dollars of assessed value. This rate has been frozen by the State since FY1998. The impact of the decreases in value for all taxable property is directly related to the adopted Governor's FY 2017-2018 Recommended State Budget which changes the assessment criteria for determining vehicle value prior to calculating the motor vehicle excise tax beginning in the 2017-2018 fiscal year. The budget article proposes to reduce assessment values from 100% of National Automobile Dealers Association (NADA) clean retail value to 70% - similar to the approach used by the State of Connecticut. The proposal does not change municipal vehicle exemption amounts or tax rates.
- Charges for services increased by \$1,096,544. The increase was the result of increased recreation fees (post-pandemic), increased tuition fees from other towns as well as increased Medicaid reimbursement, increased fair share fees, and increased rental fees as compared to the prior year. Annual variances in several other functions were reported.
- Operating grants and contributions decreased by \$3,251,558 or 24.8% from the previous fiscal year. \$871,665 of this decrease was in general government. In FY21, \$1,427,133 in Covid Relief Funding was received that was not received in FY22, but the decrease was offset by additional asset forfeiture revenue in the amount of \$125,702, opioid settlement revenue of \$150,781, ARPA revenue of \$147,237, additional State PILOT funding of \$121,478, and \$61,020 in additional miscellaneous grants. \$2,455,798 of the decrease was in educational activities. This figure is attributable to an adjustments to on-behalf State pension contributions and Town pensions in the amount of \$2,816,475 year over year offset in part by additional State and Federal grants in the amount of \$238,467
- Unrestricted investment earnings for the 2022 fiscal year were (\$3,936,977), representing an decrease of \$9,455,970 when compared to the prior fiscal year. The School Trust Fund experienced investment income of (\$2,848,688). A decrease of \$7,804,693 over the prior year. The decrease was due to market volatility in the latter half of fiscal year 2022.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

Total expenses for Primary Government were \$98,148,055. Five activities: general government, public safety, public works, education, and business-type activities accounted for the majority of the expenses, as depicted in the following amounts and percentages: \$5,312,803 (5.4%), \$11,459,722 (11.7%), \$4,784,769 (4.9%), \$63,379,148 (64.6%) and \$6,788,865 (6.9%), respectively. The Changes in Net Position table is provided for the Town's government-wide activities for the years ended June 30, 2022 and 2021. Major expense factors included:

- Governmental activities expenses decreased by \$5,590,059 from \$96,949,249 to \$91,359,190, (5.7%). Overall decreases in spending for all governmental activities except for public works, and interest and fiscal charges. The increase for these programs are reflective of increased Community Block Grant activity and the issuance of bonds respectively.
- General government expenses within governmental activities decreased by \$1,486,761. The decrease was primarily due to a pension adjustment of \$1,574,487, a reduced OPEB contribution of \$175,000, offset in part by increased property revaluation expenses of \$56,896 and ARPA project spending of \$136,148.
- Public safety expenses within governmental activities have decreased by \$1,013,614. The decrease was due primarily to a pension adjustment of 1,407,309, an OPEB adjustment of 490,525 and decreased grant activity of \$81,967, offset by an increase in salary and benefits of \$542,204 and depreciation expense of \$458,236.
- Public works expenses within governmental activities increased \$451,659. Expenses related to Community Development Block Grant administration increased by \$692,994, while the cost for street lighting decreased by \$122,181, In addition, expenses related to the recognition of depreciation, OPEB, and the accounting for compensated absences balances from the prior year decreased \$75,422.
- Human service expenses within governmental activities decreased \$45,108. The decrease in expenses can be attributable to a reduction in human service agencies of \$25,000 and a reduction in affordable housing expenses of \$11,726
- Public libraries expenses within governmental activities decreased \$505,332. A substantial portion of the decrease is attributable to the recognition of depreciation expense, the addition of capital assets, and accounting for compensated absences balances from the prior year in the amount of \$501,844. Operating expenses decreased approximately \$3,488 when compared to the prior year.
- Educational expenses within governmental activities decreased by \$2,285,223 primarily due to adjustments to pension and OPEB offset in part by increased depreciation expense as well as the accounting for additional compensated absences liability. Operating expenses decreased approximately \$1,884,280 while grant expenses increased \$1,103,482.
- Recreation expenses within governmental activities decreased \$913,593. Operating expenses increased approximately \$188,283 when compared to the prior year. The majority of the decrease in overall expenses is due to a decrease in the recognition of depreciation expense, the addition of capital assets, and accounting for compensated absences balances from the prior year in the amount of \$1,101,876.

Business-type activities. Net position in business-type activities increased by \$2,012,358 resulting in a 5.6% increase in business-type net position.

Charges for services for business-type activities accounted for 85.2% of the total program revenue sources. The balance of revenues for business-type activities was from operating grants and contributions, 14.8%.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

- Charges for services for business-type activities increased from \$5,834,354 to \$7,847,093, an increase of \$2,012,739, 34.49%. The School Cafeteria program accounted for \$34,829 of the overall increase in this category as a transition was made from remote learning to the classrooms following the pandemic. Operating grants and contributions recognized an increase of \$637,103 in the School Cafeteria program. A review of the school cafeteria fund reports a positive change in net position of \$271,250 for the fiscal year, thus increasing the total net position from \$80,599 to \$351,849. The Town will continue to monitor the school cafeteria operations since a deficit has been reported in prior fiscal years.

Wastewater treatment expenses account for approximately 57.6% of the total expenses within the business-type activities of the Town. The school cafeteria fund, water fund and solid waste fund expenses account for 16.6%, 14.3%, and 11.5% respectively of the total business-type activities expenses for the 2022 fiscal year.

- Expenses in the wastewater fund increased by \$58,363 due to increased capital improvement and general materials and supply expenses. The \$154,240 decrease in water fund expenses was related to decreased capital, maintenance, and purchased water expenses.. The \$139,802 increase in the solid waste fund is attributable to increased tipping fees and contractual obligations.
- Costs to operate the cafeteria fund increased by \$388,074 as a result of a return to in-person education following COVID-19 pandemic.

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

Financial Analysis of the Government's Funds

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

As of the end of the current fiscal year, the Town of South Kingstown's governmental funds reported combined ending fund balances of \$70,018,987. Of this amount, \$15,625,093 is available for spending at the government's discretion (unassigned) within the Town. The remaining fund balance of \$54,393,894 includes \$1,511,535 committed to help finance the 2022-2023 town and school operating budgets. The remaining amount of \$51,882,659 consists of nonspendable fund balance of \$906,269, restricted fund balance of \$23,396,838 and committed fund balance of \$28,579,252.

The General Fund is the chief operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund. The School Unrestricted Fund is used to report all financial transactions of the South Kingstown School Department but is considered a department of the Town since its major source of revenue is property tax dollars and is not a separate taxing authority. Therefore, the School Unrestricted Fund is reported within the Town Operating Fund. At the end of the current fiscal year, excluding the School Fund amount, the total General Fund balance was \$17,199,923 which represents a decrease of \$148,290 over the prior year. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund budgeted expenditures. Unassigned fund balance represents 17.9% of the 2023 FY Adopted General Fund Expenditure Budget, while total fund balance represents 22.8% of that same amount.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

The fund balance of the Town of South Kingstown's General Fund, excluding the School Fund, decreased by \$148,290 as compared to the June 30, 2021 fund balance. This decrease is the result of negative operating results in the General Fund. Key factors in this increase are as follows:

- The Town committed \$1,320,208 of fund balance to help finance the 2021-2022 General Fund budget. The planned drawdown of fund balance was an increase of \$959,147 from the prior year commitment of fund balance. The difference between the GAAP basis of accounting and the budgetary basis of accounting is the result of recognizing the fund balance commitment of \$1,320,208, as a revenue source under the budgetary basis but not the GAAP basis.
- On a budgetary basis, the operating surplus in the General Fund was \$1,862,578 for 2021-2022. Expenditures under budget contributed \$1,473,494 to the surplus, while revenues finished the fiscal year with a \$600,238 surplus. Other financing sources (uses) over budget decreased the surplus by \$3,423.
- The deferral of filling vacant positions and/or the decision to eliminate a position through attrition allowed the Town to achieve personnel savings. In addition, the Town abides by conservative spending guidelines when seeking to purchase commodities and other services. Favorable expenditure variances of significance, when compared to the budget, included savings in public safety \$351,504, public works \$490,083, and general government \$332,012. Recreation and public libraries, and miscellaneous expenditures recognized a combined savings of \$299,895.
- Tax collections resulted in a positive budget variance in property taxes of \$304,096. The Town's collection rate remained high. Meals and beverage taxes and hotel taxes, were higher than budgeted, while state motor vehicle phase-out revenue were lower than the budget by \$101,305, \$100,067 and (\$1,867) respectively. Departmental revenues exceeded the budget by \$52,719. Business licenses and fees of contributed \$183,292 to the budgetary surplus. Short term investment income reduced the surplus by \$133,779. Positive variances were recognized in four of the five revenue categories.

The fund balance of the School Unrestricted Fund decreased by \$781,771 as compared to the June 30, 2021 fund balance. Key factors in this decrease are as follows:

- The School department committed \$493,202 of fund balance to help finance the 2021-2022 school's operating budget. The planned drawdown of fund balance was not recognized in the current fiscal year.
- On a budgetary basis, the operating deficit in the School Fund was \$244,558 for 2021-2022. Revenues and use of fund balance finished the fiscal year with a \$321,326 deficit which was partially offset by expenditures savings of \$75,895 and other financing sources (uses) of \$873.
- A decrease in revenue of \$321,326 was reported for the fiscal year. Also, \$330,354 from use of fund balance was not recognized. The surplus in expenses of \$75,895 was primarily attributed to savings in purchased services of \$41,870, 55.2%, and supplies and materials of \$34,034, 44.8%.

The school fund has a total fund balance of \$2,687,123 of which \$31,130 is committed to liquidate contracts and purchase orders of the prior period, and \$247,927 is committed to help finance the 2022-2023 fiscal year budget. The remaining balance of \$2,408,066 is available to help finance future years' school budgets.

The fund balance of the Debt Service Fund increased by \$888,981 as compared to the June 30, 2021 fund balance. The increase was due to a transfer in from other funds of \$2,346,829 that exceeded the deficiency of revenue over expenditures of \$1,457,848.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

The fund balance of the School Improvement Fund increased by \$288,524. The increase was the result of \$350,266 school housing aid received offset by \$61,741 in project spending .

The fund balance for the Solid Waste and Water Funds decreased by \$64,756 and increased by \$79,906 respectively. The change in these fund balances are attributed to the increase in operating expenses for the Solid Waste Fund and decreased cost of repairs for the Water Fund. Solid Waste Fund increased \$142,822 and the Water Fund decreased \$154,240. The operating revenues for the Solid Waste and the Water Funds increased \$28,682 and decreased \$17,026 respectively.

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

Unrestricted net position in the wastewater fund at the end of the fiscal year totaled \$8,752,440 a decrease of \$292,154 over the prior year. Unrestricted net position in the water fund increased by \$292,382 to a total of \$4,189,156. The school cafeteria operation maintains a surplus position of \$351,849 of which \$347,768 is unrestricted while the solid waste fund finished the year with unrestricted net position of \$246,642 which was a decrease in value of \$200,536 mainly attributed to fees associated with the closed West Kingston and Rose Hill landfills and increased tipping fee expense. The restricted fund balance of \$6,186 is related to grant revenues received by Rhode Island Resource Recovery for the purpose of training and educating residents on the importance of recycling in our community, the balance remains unchanged from the prior year. The Town has been actively educating the importance of the recycling program.

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

General Fund Budgetary Highlights

Overall, the Town finished the 2021-2022 fiscal year with a \$1,618,020 budgetary surplus (excess of revenues over expenditures). Differences between the original budget and the final amended budget involved transferring funds from departments with expenditure surpluses to departments with expenditure deficits. In order to effectively manage the unassigned fund balance and support the financing of capital projects and multi-year obligations, at the end of each fiscal year the Town Manager and Finance Director request the Town Council to transfer unexpended balances to specific capital projects or multi-year obligation accounts. Due to the outcome of financial projections created by the Interim Finance Director in consultation with Department Heads, no such transfer was recommended to Town Council at the end of FY2022. The Emergency Medical Services division within Public Safety experienced a net negative variance in the amount of \$94,824 mainly due to overtime costs associated with unfilled full-time positions.

Capital Asset and Debt Administration

Capital assets. The Town of South Kingstown's investment in capital assets for its governmental and business type activities as of June 30, 2022 amounts to \$108,581,192 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, park facilities, infrastructure, and construction in progress. The 2022 fiscal year resulted in a increase in value of investment in capital assets of \$1,238,387. The total increase in the Town of South Kingstown's investment in capital assets for the current fiscal year was 1.2%. Depreciation expense as compared to the amount of capitalized assets recognized in the 2022 fiscal year, specifically, the amount of new capital assets being depreciated was \$1,289,293 for the governmental activities, however, the amount of depreciation expense was \$4,801,390, in comparison to the prior year of new capital assets of \$4,269,784 and depreciation expense of \$4,735,506.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

Town of South Kingstown's Capital Assets

(Net of accumulated depreciation) in 000s

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 14,170	\$ 14,170	\$ 1,587	\$ 1,587	\$ 15,757	\$ 15,757
Construction in Progress	5,072	2,040	3,614	3,401	8,686	5,441
Land Improvements	8,421	8,644	1,643	1,688	10,064	10,332
Buildings	16,786	17,526	1,977	2,162	18,763	19,688
Building Improvements	17,210	18,606	3,698	1,427	20,908	20,033
Equipment	2,150	2,264	1,565	1,832	3,715	4,096
Right to Use Lease Equipment	204	-	-	-	204	-
Vehicles	2,730	2,745	129	149	2,859	2,894
Infrastructure	16,940	18,162	10,378	10,646	27,318	28,808
Intangibles	182	204	125	90	307	294
Total	\$ 83,865	\$ 84,361	\$ 24,716	\$ 22,982	\$ 108,581	\$ 107,343

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

- Town-wide purchases of new vehicles and equipment accounted for \$932,777 during the fiscal year these were mainly attributed to public safety, 33.7%, public services, 38.5%, parks and recreation, 9.6%, and libraries 6.8%. Public safety vehicles and equipment include six new vehicles and an EMS trailer. Public services vehicles include a new payloader and dump truck. Recreation equipment includes a new tri-deck mower.
- Town building improvements accounted for \$2,433,261 of improvements. The majority of this was \$2,386,826 in improvements to the sewer treatment plant and pump stations.

In FY2022, the Town implemented a new asset management software system to better track service requests and preventive maintenance of town-owned equipment at a cost of \$90,000.

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

Long-term debt. At the end of the current fiscal year, the Town of South Kingstown had total bonded debt outstanding of \$17,534,321, entirely backed by the full faith and credit of the Town. Bonds authorized but unissued totaled an additional \$4,090,000.

State statutes limit the amount of general obligation bonded debt a town can issue to 3% of net assessed property values. However, all bonds approved through State enabling legislation and voter referendums are exempt from the limit. At June 30, 2022, the Town had a debt limit of \$157,881,331. Of the Town's \$17,534,321 in debt outstanding, \$2,149,157 is subject to the Town's legal debt limit. A balance of \$155,732,174 exists within the legal limit for additional bonds to be issued.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

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

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
General Obligation Bonds	\$ 17,126	\$ 11,464	\$ 408	\$ 613	\$ 17,534	\$ 12,077

The Town's total bonded debt increased by \$5,457,169, 45.2% during the 2022 fiscal year.

There were an issuance of \$7,015,000 in general obligation debt during the fiscal year ending June 30, 2022. It should be noted, on December 22, 2021, the Town Manager and Finance Director met with the Town's bond rating agency, Moody's Investors Services, to affirm the Town's Aa1 rating which is the highest local municipal rating in the State. In their credit opinion report issued on January 6, 2022, Moody's noted the Town's "moderately sized tax base with favorable wealth levels, stable financial position with healthy reserves and strong liquidity, and low debt burden" as credit strengths when determining the basis for their review and consideration. South Kingstown is one of only five Rhode Island communities that have a bond rating of Aa1. The Moody's credit report cited the following additional factors for the affirmation:

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

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

Economic Factors and Next Year's Budgets and Rates

- As of June 2022, the labor force in South Kingstown was 16,983 with employment at 16,615 yielding an unemployment rate of 2.2%, a decrease of 2.4% from the prior fiscal year. It should be noted that the reduction in unemployment show a return to a pre-pandemic employment level.
- The final budget for 2023 was adopted in the amount of \$87,399,921 which represents an increase of \$1,347,778, or 1.6% from the prior fiscal year. The FY2023 budget was based on a full property revaluation.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

- Property tax revenues for the fiscal year 2023 reflect an increase in the Town's tax levy of \$866,765 (excluding motor vehicles) or 1.2% higher than the previous fiscal year. The property tax rate dropped to \$10.95 per thousand dollars of assessed value in response to the full property revaluation. Total taxable property increased by \$1,757,515,740 from \$5,262,711,039 to \$7,020,226,779.

During the current fiscal year, the fund balance in the General Fund decreased to \$17,199,923. The Town of South Kingstown has committed \$1,263,608 of this amount for spending in the 2023 fiscal year budget, \$32,935 is committed for future municipal planning projects and \$263,271 is committed for outstanding purchase orders at June 30, 2022. \$1,016 is recognized as nonspendable for prepaid expenditures. The Town maintains an unassigned fund balance of \$15,639,093 to use at its discretion.

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

BASIC FINANCIAL STATEMENTS

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
STATEMENT OF NET POSITION
JUNE 30, 2022

ASSETS	Governmental Activities	Business-Type Activities	Total
CURRENT ASSETS			
Cash and Cash Equivalents	\$ 43,329,593	\$ 4,557,289	\$ 47,886,882
Investments	37,475,284	8,567,885	46,043,169
Receivables, Net of Allowance for Uncollectibles	5,934,985	1,299,234	7,234,219
Due from Federal and State Governments	959,642	132,891	1,092,533
Internal Balances	(438,254)	438,254	-
Prepaid Items	1,016	-	1,016
Total Current Assets	<u>87,262,266</u>	<u>14,995,553</u>	<u>102,257,819</u>
NONCURRENT ASSETS			
Net Pension Asset	1,523,485	-	1,523,485
Net OPEB Asset	3,311,081	-	3,311,081
Capital Assets Not Being Depreciated or Amortized	19,242,207	5,200,487	24,442,694
Capital Assets, Net of Accumulated Depreciation and Amortization	<u>64,622,587</u>	<u>19,515,911</u>	<u>84,138,498</u>
Total Noncurrent Assets	<u>88,699,360</u>	<u>24,716,398</u>	<u>113,415,758</u>
Total Assets	175,961,626	39,711,951	215,673,577
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charge on Refunding	96,738	-	96,738
Deferred Outflows of Resources Related to Pensions	13,787,863	-	13,787,863
Deferred Outflows of Resources Related to OPEB	<u>3,859,676</u>	<u>-</u>	<u>3,859,676</u>
Total Deferred Outflows of Resources	<u>17,744,277</u>	<u>-</u>	<u>17,744,277</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts Payable	1,224,208	468,134	1,692,342
Accrued Liabilities	3,737,104	203,382	3,940,486
Due to Federal and State Governments	175,501	-	175,501
Unearned Revenue	4,828,495	171,175	4,999,670
Deposits Held in Custody of Others	193,966	-	193,966
Current Maturities of Long-Term Obligations	<u>3,550,833</u>	<u>300,128</u>	<u>3,850,961</u>
Total Current Liabilities	<u>13,710,107</u>	<u>1,142,819</u>	<u>14,852,926</u>
NONCURRENT LIABILITIES			
Due in More Than One Year	<u>61,695,616</u>	<u>361,249</u>	<u>62,056,865</u>
Total Liabilities	75,405,723	1,504,068	76,909,791
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows of Resources Related to Pensions	30,640,541	-	30,640,541
Deferred Inflows of Resources Related to OPEB	6,991,759	-	6,991,759
Deferred Grant Revenue	-	-	-
Deferred Inflows of Resources Related to Leases	4,490,908	357,614	4,848,522
Advance Property Tax Collections	<u>113,204</u>	<u>-</u>	<u>113,204</u>
Total Deferred Inflows of Resources	<u>42,236,412</u>	<u>357,614</u>	<u>42,594,026</u>
NET POSITION			
Net Investment in Capital Assets	65,948,551	24,308,077	90,256,628
Restricted for:			
Pension and OPEB	4,834,566	-	4,834,566
Trust Purposes:			
Expendable	1,922,869	-	1,922,869
Nonexpendable	906,269	-	906,269
Student Activity	291,143	-	291,143
Unused Grants and Donations	413,237	6,186	419,423
Recreational and Educational	20,769,589	-	20,769,589
Unrestricted	<u>(19,022,456)</u>	<u>13,536,006</u>	<u>(5,486,450)</u>
Total Net Position	<u>\$ 76,063,768</u>	<u>\$ 37,850,269</u>	<u>\$ 113,914,037</u>

See accompanying Notes to Financial Statements.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022**

Function/Program Activities	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES							
General Government	\$ 5,312,803	\$ 1,163,044	\$ 721,492	\$ -	\$ (3,428,267)	\$ -	\$ (3,428,267)
Public Safety	11,459,722	1,674,818	70,023	-	(9,714,881)	-	(9,714,881)
Public Works	4,784,769	1,252,030	-	1,204,889	(2,327,850)	-	(2,327,850)
Human Service	655,320	122,177	216,473	-	(316,670)	-	(316,670)
Public Libraries	1,491,220	7,529	288,988	-	(1,194,703)	-	(1,194,703)
Education	63,379,148	1,469,340	8,548,029	350,266	(53,011,513)	-	(53,011,513)
Recreation	3,874,122	1,836,855	6,222	-	(2,031,045)	-	(2,031,045)
Interest and Fiscal Charges	402,086	64	-	-	(402,022)	-	(402,022)
Total Governmental Activities	91,359,190	7,525,857	9,851,227	1,555,155	(72,426,951)	-	(72,426,951)
BUSINESS-TYPE ACTIVITIES							
Wastewater	3,907,438	5,901,434	-	-	-	1,993,996	1,993,996
Solid Waste	781,322	731,957	-	-	-	(49,365)	(49,365)
Water	973,915	1,177,578	-	-	-	203,663	203,663
School Cafeteria	1,126,190	36,124	1,361,316	-	-	271,250	271,250
Total Business-Type Activities	6,788,865	7,847,093	1,361,316	-	-	2,419,544	2,419,544
Total	<u>\$ 98,148,055</u>	<u>\$ 15,372,950</u>	<u>\$ 11,212,543</u>	<u>\$ 1,555,155</u>	(72,426,951)	2,419,544	(70,007,407)
GENERAL REVENUES							
Property Taxes					77,574,212	-	77,574,212
Motor Vehicle Phase-Out Taxes					1,369,885	-	1,369,885
Telephone and Hotel Taxes					289,067	-	289,067
Grants and Contributions not Restricted to Specific Programs					1,341,359	-	1,341,359
Unrestricted Investment Earnings					(3,936,977)	(411,186)	(4,348,163)
TRANSFERS					(4,000)	4,000	-
Total General Revenues and Transfers					<u>76,633,546</u>	<u>(407,186)</u>	<u>76,226,360</u>
CHANGE IN NET POSITION							
					4,206,595	2,012,358	6,218,953
Net Position - Beginning of Year, as Restated					<u>71,857,173</u>	<u>35,837,911</u>	<u>107,695,084</u>
NET POSITION - END OF YEAR							
					<u>\$ 76,063,768</u>	<u>\$ 37,850,269</u>	<u>\$ 113,914,037</u>

See accompanying Notes to Financial Statements.

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

	General	School Trust Fund	Debt Service Fund	School Improvement Fund	ARPA Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS							
Cash and Cash Equivalents	\$ 35,563,885	\$ 1,958,974	\$ -	\$ -	\$ -	\$ 4,222,574	\$ 41,745,433
Investments	12,079,314	18,377,262	-	-	-	7,018,708	37,475,284
Accounts and Other Receivable, Net	1,335,186	-	-	-	-	4,086	1,339,272
Due from Federal and State Governments	103,665	-	-	-	-	855,977	959,642
Due from Other Funds	533,245	-	2,658,395	411,174	4,393,789	15,883,472	23,880,075
Lease Receivable	4,560,838	-	-	-	-	34,875	4,595,713
Prepaid Items	1,016	-	-	-	-	-	1,016
Total Assets	\$ 54,177,149	\$ 20,336,236	\$ 2,658,395	\$ 411,174	\$ 4,393,789	\$ 28,019,692	\$ 109,996,435
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts Payable	\$ 836,061	\$ -	\$ -	\$ -	\$ 2,201	\$ 383,550	\$ 1,221,812
Accrued Liabilities	3,434,905	417	-	-	3,213	142,968	3,581,503
Due to State and Federal Governments	166,904	-	-	-	-	8,597	175,501
Due to Other Funds	24,106,021	-	-	-	-	229,219	24,335,240
Unearned Revenue	337,064	-	-	-	4,388,375	103,056	4,828,495
Deposits Held in Custody of Others	182,130	-	-	-	-	11,836	193,966
Total Liabilities	29,063,085	417	-	-	4,393,789	879,226	34,336,517
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue - Property Taxes	656,753	-	-	-	-	-	656,753
Unavailable Revenue - Other Receivable	-	-	-	-	-	380,066	380,066
Advance Property Tax Collections	113,204	-	-	-	-	-	113,204
Deferred Inflow - Leases	4,457,061	-	-	-	-	33,847	4,490,908
Deferred Grant Revenue	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	5,227,018	-	-	-	-	413,913	5,640,931
FUND BALANCES							
Nonspendable	1,016	413,233	-	-	-	492,020	906,269
Restricted	-	19,922,586	-	-	-	3,474,252	23,396,838
Committed	4,246,937	-	2,658,395	411,174	-	22,774,281	30,090,787
Unassigned	15,639,093	-	-	-	-	(14,000)	15,625,093
Total Fund Balances	19,887,046	20,335,819	2,658,395	411,174	-	26,726,553	70,018,987
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 54,177,149	\$ 20,336,236	\$ 2,658,395	\$ 411,174	\$ 4,393,789	\$ 28,019,692	\$ 109,996,435

See accompanying Notes to Financial Statements.

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
BALANCE SHEET
GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2022

RECONCILIATION TO THE STATEMENT OF NET POSITION

Total Fund Balances - Governmental Funds (Exhibit III) \$ 70,018,987

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

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

Governmental Capital Assets	179,639,292
Less: Accumulated Depreciation	(95,774,498)
Net Capital Assets	<u>83,864,794</u>

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

Property Tax Receivables Greater than 60 Days	656,753
Other Receivables	380,066
Net Pension Asset	1,523,485
Net OPEB Asset	3,311,081
Deferred Outflows of Resources Related to Pensions	13,787,863
Deferred Outflows of Resources Related to OPEB	3,859,676

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

1,598,675

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

Bonds Payable	(17,126,000)
Deferred Charges on Refunding	96,738
Deferred Inflows of Resources Related to Pensions	(30,640,541)
Deferred Inflows of Resources Related to OPEB	(6,991,759)
Unamortized Bond Issue Premium	(886,981)
Interest Payable on Bonds	(155,601)
Compensated Absences	(4,971,277)
Net Pension Liability	(41,048,263)
Lease Liability	(207,459)
Claims and Judgments	<u>(1,006,469)</u>

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

\$ 76,063,768

See accompanying Notes to Financial Statements.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022**

	General	School Trust Fund	Debt Service Fund	School Improvement Fund	ARPA Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES							
Property Taxes, Interest, and Lien Fees	\$ 77,584,903	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 77,584,903
Intergovernmental Revenues	8,273,920	-	241,547	-	147,237	4,751,608	13,414,312
Licenses and Fees	2,131,533	-	-	350,266	-	944,700	3,426,499
Investment Income	(547,297)	(2,848,688)	-	-	-	(539,341)	(3,939,326)
Fines and Charges	65,902	-	-	-	-	2,000,375	2,066,277
Departmental	1,122,400	-	-	-	-	-	1,122,400
Contributions	-	-	-	-	-	180,182	180,182
State On-Behalf Pension Contribution	2,993,805	-	-	-	-	-	2,993,805
Other Revenues	651,297	24,233	-	-	-	28,384	703,914
Total Revenues	92,276,463	(2,824,455)	241,547	350,266	147,237	7,361,908	97,552,966
EXPENDITURES							
Current:							
General Government	5,515,162	121,675	1,000	-	136,148	338,811	6,112,796
Public Safety	12,728,217	-	-	-	11,089	427,985	13,167,291
Public Works	2,645,453	-	-	-	-	739,722	3,385,175
Human Service Agency Contribution	85,000	-	-	-	-	570,320	655,320
Public Libraries	1,265,945	-	-	-	-	24,545	1,290,490
Education	64,878,259	-	-	-	-	3,523,675	68,401,934
Recreation	1,892,618	-	-	-	-	1,316,757	3,209,375
Debt Service:							
Principal Retirement	84,304	-	1,353,000	-	-	-	1,437,304
Interest and Other Charges	-	-	345,395	-	-	-	345,395
Capital Outlay	291,763	-	-	61,742	-	3,842,129	4,195,634
Total Expenditures	89,386,721	121,675	1,699,395	61,742	147,237	10,783,944	102,200,714
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,889,742	(2,946,130)	(1,457,848)	288,524	-	(3,422,036)	(4,647,748)
OTHER FINANCING SOURCES (USES)							
Issuance of General Obligation Bonds	-	-	-	-	-	7,500,751	7,500,751
Issuance of Leases	291,763	-	-	-	-	-	291,763
Transfers In from Other Funds	1,039,282	-	2,346,829	-	-	3,730,241	7,116,352
Transfers Out to Other Funds	(5,150,848)	(587,957)	-	-	-	(1,381,547)	(7,120,352)
Total Other Financing Sources (Uses)	(3,819,803)	(587,957)	2,346,829	-	-	9,849,445	7,788,514
NET CHANGE IN FUND BALANCES	(930,061)	(3,534,087)	888,981	288,524	-	6,427,409	3,140,766
Fund Balances - Beginning of Year, as Restated	20,817,107	23,869,906	1,769,414	122,650	-	20,299,144	66,878,221
FUND BALANCES - END OF YEAR	\$ 19,887,046	\$ 20,335,819	\$ 2,658,395	\$ 411,174	\$ -	\$ 26,726,553	\$ 70,018,987

See accompanying Notes to Financial Statements.

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

RECONCILIATION TO THE STATEMENT OF ACTIVITIES

Net Change in Fund Balances - Governmental Funds (Exhibit IV) \$ 3,140,766

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

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

Capital Outlay	4,321,800
Depreciation Expense	(4,801,390)
Loss on Disposition of Capital Assets	(16,622)

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

Property Taxes Collected After 60 Days	(10,691)
Other Receivables	380,066
Change in Net Pension Asset	941,225
Change in Net OPEB Asset	(2,535,888)
Change in Deferred Outflows of Resources Related to Pensions	(841,569)
Change in Deferred Outflows of Resources Related to OPEB	1,553,446

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

Bond Issuance	(7,015,000)
Premium on Bond Issuance	(485,751)
Principal Payments	1,353,000
Issuance of Leases	(291,763)
Principal Payments on Leases	84,304

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

Amortization of Deferred Charges in Refunding	(33,198)
Change in Deferred Inflows of Resources Related to Pensions	(21,157,097)
Change in Deferred Inflows of Resources Related to OPEB	2,564,781
Amortization of Bond Premiums	70,853
Accrued Interest	(94,199)
Change in Long-Term Compensated Absences	(7,789)
Change in Net Pension Liability	27,503,985
Change in Claims and Judgments	67,097

The net expense of the internal service funds is reported with governmental activities. (483,771)

Change in Net Position of Governmental Activities as Reported on the Statement of Activities \$ 4,206,595

See accompanying Notes to Financial Statements.

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2022

	Business-Type Activities - Enterprise Funds					Activities
	Major Funds			Nonmajor		Internal Service Funds
	Wastewater	Solid Waste	Water	School Cafeteria	Total	
ASSETS						
CURRENT ASSETS						
Cash and Cash Equivalents	\$ 3,038,838	\$ -	\$ 1,517,951	\$ 500	\$ 4,557,289	\$ 1,584,160
Investments	5,671,376	320,304	2,576,205	-	8,567,885	-
Accounts and Other Receivables, Net	585,781	60,484	284,748	-	931,013	-
Due from Federal and State Governments	-	-	-	132,891	132,891	-
Due from Other Funds	1,560	17,771	-	419,842	439,173	320,018
Leases Receivable	-	-	368,221	-	368,221	-
Total Current Assets	<u>9,297,555</u>	<u>398,559</u>	<u>4,747,125</u>	<u>553,233</u>	<u>14,996,472</u>	<u>1,904,178</u>
NONCURRENT ASSETS						
Capital Assets Not Being Depreciated or Amortized	3,078,220	1,005,003	1,117,264	-	5,200,487	-
Capital Assets, Net of Accumulated Depreciation and Amortization	14,549,760	1,639,451	3,322,619	4,081	19,515,911	-
Total Noncurrent Assets	<u>17,627,980</u>	<u>2,644,454</u>	<u>4,439,883</u>	<u>4,081</u>	<u>24,716,398</u>	<u>-</u>
Total Assets	26,925,535	3,043,013	9,187,008	557,314	39,712,870	1,904,178
LIABILITIES						
CURRENT LIABILITIES						
Accounts Payable	169,055	120,030	55,664	123,385	468,134	2,396
Accrued Liabilities	149,427	2,093	51,862	-	203,382	-
Due to Other Funds	-	-	919	-	919	303,107
Unearned Revenue	89,095	-	-	82,080	171,175	-
Current Portion of Compensated Absences	56,116	5,268	28,424	-	89,808	-
Current Portion of Bonds Payable	29,000	181,320	-	-	210,320	-
Total Current Liabilities	<u>492,693</u>	<u>308,711</u>	<u>136,869</u>	<u>205,465</u>	<u>1,143,738</u>	<u>305,503</u>
NONCURRENT LIABILITIES						
Compensated Absences	81,422	18,340	63,486	-	163,248	-
Bonds Payable After One Year	30,000	168,001	-	-	198,001	-
Total Noncurrent Liabilities	<u>111,422</u>	<u>186,341</u>	<u>63,486</u>	<u>-</u>	<u>361,249</u>	<u>-</u>
Total Liabilities	604,115	495,052	200,355	205,465	1,504,987	305,503
DEFERRED INFLOWS OF RESOURCES						
Deferred Inflow - Leases	-	-	357,614	-	357,614	-
NET POSITION						
Net Investment in Capital Assets	17,568,980	2,295,133	4,439,883	4,081	24,308,077	-
Restricted For Grants	-	6,186	-	-	6,186	-
Unrestricted	8,752,440	246,642	4,189,156	347,768	13,536,006	1,598,675
Total Net Position	<u>\$ 26,321,420</u>	<u>\$ 2,547,961</u>	<u>\$ 8,629,039</u>	<u>\$ 351,849</u>	<u>\$ 37,850,269</u>	<u>\$ 1,598,675</u>

See accompanying Notes to Financial Statements.

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022

	Business-Type Activities - Enterprise Funds					Governmental
	Major Funds			Nonmajor	Total	Internal Service Funds
	Wastewater	Solid Waste	Water	School Cafeteria		
OPERATING REVENUES						
Charges for Services	\$ 5,813,073	\$ 704,892	\$ 1,168,075	\$ 36,124	\$ 7,722,164	\$ 156,117
Other	88,361	-	9,503	-	97,864	-
Total Operating Revenues	5,901,434	704,892	1,177,578	36,124	7,820,028	156,117
OPERATING EXPENSES						
Wells	-	-	235,082	-	235,082	-
Pumping	688,960	-	22,364	-	711,324	-
Distribution	-	-	22,699	-	22,699	-
Treating and Sludge	2,104,134	-	-	-	2,104,134	-
Transportation and Disposal	-	472,052	-	-	472,052	-
Administrative and General	262,790	101,389	460,541	-	824,720	-
Depreciation and Amortization	697,544	41,050	221,887	1,986	962,467	-
Repairs and Maintenance	14,994	-	11,342	19,862	46,198	-
Health Care Management	-	-	-	-	-	2,800
Compensated Absences	-	-	-	-	-	581,752
School Cafeteria Operations	-	-	-	1,104,342	1,104,342	-
Other Operating	137,496	160,005	-	-	297,501	57,685
Total Operating Expenses	3,905,918	774,496	973,915	1,126,190	6,780,519	642,237
OPERATING INCOME (LOSS)	1,995,516	(69,604)	203,663	(1,090,066)	1,039,509	(486,120)
NONOPERATING REVENUES (EXPENSES)						
Income (Loss) on Investments	(272,038)	(15,391)	(123,757)	-	(411,186)	2,349
Other Revenue	-	27,065	-	-	27,065	-
Intergovernmental	-	-	-	1,361,316	1,361,316	-
Interest Expense	(1,520)	(6,826)	-	-	(8,346)	-
Total Nonoperating Revenues (Expenses)	(273,558)	4,848	(123,757)	1,361,316	968,849	2,349
INCOME BEFORE TRANSFERS	1,721,958	(64,756)	79,906	271,250	2,008,358	(483,771)
Transfers In	4,000	-	-	-	4,000	-
CHANGE IN NET POSITION	1,725,958	(64,756)	79,906	271,250	2,012,358	(483,771)
Net Position - Beginning of Year	24,595,462	2,612,717	8,549,133	80,599	35,837,911	2,082,446
NET POSITION - END OF YEAR	<u>\$ 26,321,420</u>	<u>\$ 2,547,961</u>	<u>\$ 8,629,039</u>	<u>\$ 351,849</u>	<u>\$ 37,850,269</u>	<u>\$ 1,598,675</u>

See accompanying Notes to Financial Statements.

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022

	Business-Type Activities - Enterprise Funds					Governmental
	Major Funds			Nonmajor	Total	Internal
	Wastewater	Solid Waste	Water	School Cafeteria		Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from Customers and Users	\$ 5,767,102	\$ 700,597	\$ 1,162,338	\$ 34,987	\$ 7,665,024	\$ -
Receipts from Providing Services	-	-	-	-	-	1,491,523
Payments to Suppliers	(3,279,686)	(675,117)	(731,097)	(1,404,806)	(6,090,706)	(57,685)
Payments for Claims	-	-	-	-	-	(584,552)
Net Cash Provided (Used) by Operating Activities	2,487,416	25,480	431,241	(1,369,819)	1,574,318	849,286
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers In from Other Funds	4,000	-	-	-	4,000	-
Nonoperating Grants Received	-	-	-	1,361,316	1,361,316	-
Net Cash Provided (Used) by Noncapital Financing Activities	4,000	-	-	1,361,316	1,365,316	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Additions to Property, Plant, and Equipment	(2,687,656)	-	(9,411)	-	(2,697,067)	-
Principal Paid on Bonds	(28,000)	(176,831)	-	-	(204,831)	-
Interest Paid on Bonds	(1,520)	(6,826)	-	-	(8,346)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(2,717,176)	(183,657)	(9,411)	-	(2,910,244)	-
CASH FLOWS FROM INVESTING ACTIVITIES						
Sales of Investments	6,811	67,029	2,909	-	76,749	-
Interest on Investments	-	-	-	-	-	2,349
Net Cash Provided (Used) by Investing Activities	6,811	67,029	2,909	-	76,749	2,349
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(218,949)	(91,148)	424,739	(8,503)	106,139	851,635
Cash and Cash Equivalents - Beginning of Year	3,257,787	91,148	1,093,212	9,003	4,451,150	732,525
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 3,038,838</u>	<u>\$ -</u>	<u>\$ 1,517,951</u>	<u>\$ 500</u>	<u>\$ 4,557,289</u>	<u>\$ 1,584,160</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating Income (Loss)	\$ 1,995,516	\$ (69,604)	\$ 203,663	\$ (1,090,066)	\$ 1,039,509	\$ (486,120)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Depreciation and Amortization	697,544	41,050	221,887	1,986	962,467	-
Change in Assets and Liabilities:						
(Increase) Decrease in Accounts Receivable	(106,332)	(4,295)	(4,633)	-	(115,260)	-
(Increase) Decrease in Due from Other Governments	-	-	-	(31,186)	(31,186)	-
(Increase) Decrease in Due from Other Funds	(2,847)	(17,770)	-	(283,867)	(304,484)	1,349,113
(Increase) Decrease in Lease Receivable	-	-	(368,221)	-	(368,221)	-
Increase (Decrease) in Accounts Payable and Accrued Items	(33,213)	78,904	1,473	34,451	81,615	(5,707)
Increase (Decrease) in Due to Other Funds	-	-	(4,211)	-	(4,211)	(8,000)
Increase (Decrease) in Deferred Revenue	(28,000)	-	-	(1,137)	(29,137)	-
Increase (Decrease) in Compensated Absences	(35,252)	(2,805)	23,669	-	(14,388)	-
Increase (Decrease) in Deferred Inflows	-	-	357,614	-	357,614	-
Total Adjustments	491,900	95,084	227,578	(279,753)	534,809	1,335,406
Net Cash Provided (Used) by Investing Activities	<u>\$ 2,487,416</u>	<u>\$ 25,480</u>	<u>\$ 431,241</u>	<u>\$ (1,369,819)</u>	<u>\$ 1,574,318</u>	<u>\$ 849,286</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES						
Capital Assets Contributed by Capital Projects Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2022

	Cemetery Care Private - Purpose Trust Funds	OPEB Trust Fund
	<u> </u>	<u> </u>
ASSETS		
Cash and Cash Equivalents	\$ 119,209	\$ -
Investments:		
Mutual Funds	-	20,621,190
Total Assets	<u>119,209</u>	<u>20,621,190</u>
LIABILITIES		
Accounts Payable and Accrued Expenses	2,900	-
NET POSITION		
Restricted for Care and Maintenance	116,309	-
Restricted for OPEB Benefits	-	20,621,190
Total Net Position	<u>\$ 116,309</u>	<u>\$ 20,621,190</u>

See accompanying Notes to Financial Statements.

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2022

	Cemetery Care Private - Purpose Trust Funds	OPEB Trust Fund
	<u>Trust Funds</u>	<u>Trust Fund</u>
ADDITIONS		
Employer Contributions	\$ -	\$ 1,653,565
Net Change in Fair Value of Investments	-	(3,597,181)
Interest and Dividends	305	499,717
Other Revenues	3,000	-
Total Additions	<u>3,305</u>	<u>(1,443,899)</u>
DEDUCTIONS		
Benefit Payments	-	1,353,977
Operating Expenses in Accordance with Agreement	11,451	-
Administrative Expense	-	60,371
Total Deductions	<u>11,451</u>	<u>1,414,348</u>
CHANGE IN NET POSITION	(8,146)	(2,858,247)
Net Position - Beginning of Year	<u>124,455</u>	<u>23,479,437</u>
NET POSITION - END OF YEAR	<u>\$ 116,309</u>	<u>\$ 20,621,190</u>

See accompanying Notes to Financial Statements.

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Government-Wide Financial Statements

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

B. Reporting Entity

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

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

Blended Component Unit

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

Fiduciary Component Unit

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

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Reporting Entity (Continued)

Fiduciary Component Unit (Continued)

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

C. Basis of Presentation – Government-Wide Financial Statements

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

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

D. Basis of Presentation – Fund Financial Statements

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

The Town reports the following major governmental funds:

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

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

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

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

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

The Town reports the following major proprietary funds:

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

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

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

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

Additionally, the Town reports the following fund types:

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

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

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

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

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

E. Measurement Focus and Basis of Accounting

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

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

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

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Measurement Focus and Basis of Accounting (Continued)

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

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

F. Adoption of New Accounting Standards

In June 2017, the Government Accounting Standards Board (GASB) issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

The Town of South Kingstown, Rhode Island adopted the requirements of the guidance effective July 1, 2021 and has applied the provisions of this standard to the beginning of the period of adoption.

G. Assets, Liabilities, and Equity

Cash and Cash Equivalents

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

Investments

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

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities, and Equity (Continued)

Inventories and Prepaid Items

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

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

Capital Assets

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

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

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

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

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities, and Equity (Continued)

Leases (Lessee)

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

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

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

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

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

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

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

Leases (Lessor)

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

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

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities, and Equity (Continued)

Leases (Lessor) (Continued)

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

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

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

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

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

Deferred Outflows/Inflows of Resources

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

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities, and Equity (Continued)

Deferred Outflows/Inflows of Resources (Continued)

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

Equity

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

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

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

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

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

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities, and Equity (Continued)

Equity (Continued)

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

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

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

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

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

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

Fund Balance Policies

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

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Revenues and Expenditures/Expenses

Program Revenues

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

Property Taxes

Property taxes attach as an enforceable lien on real property. Current tax collections for the Town, including the 60-day collections, were approximately 99.07% of the total 2021 levy. The Town's fiscal 2021-2022 property taxes were levied on July 1, 2021 on assessed valuation as of December 31, 2020. Upon levy, taxes are due and payable on August 1 or may be paid in equal quarterly installments on August 1, November 1, February 1, and May 1 following the levy date. The taxpayer may elect to pay the taxes in full by September 1, annually. Taxes due and unpaid after the respective due dates are subject to interest at a rate of 12% per annum calculated on the unpaid portion of the total tax. Property taxes levied are recorded as receivables in the fiscal year of the levy.

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

During the year ended June 30, 2022, the Town received \$1,369,885 from the state of Rhode Island as payment in accordance with legislation regarding the phase-out of motor vehicle tax. Motor vehicle values are assessed at a rate of \$18.71 per thousand dollars of assessed value. This rate has been frozen by the State since fiscal year 1998. In addition to freezing the tax rate, the State instituted a program to phase-out the taxation of motor vehicles over a 10-year period, by replacing the loss of motor vehicle tax income with State revenue. This program was restructured in fiscal year 2010-2011 whereby State reimbursement was limited to a maximum of \$500 per vehicle. In addition, the Town provides an additional \$2,500 exemption.

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Revenues and Expenditures/Expenses (Continued)

Pensions

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

Postemployment Benefits Other than Pension (OPEB)

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

Compensated Absences

Vacation and Sick Leave

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

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Revenues and Expenditures/Expenses (Continued)

Proprietary Funds Operating and Nonoperating Revenues and Expenses

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

I. Accounting Estimates

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

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

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

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

A. Budgetary Information (Continued)

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

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

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

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

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

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

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

A. Budgetary Information (Continued)

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

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

NOTE 3 CASH DEPOSITS WITH FINANCIAL INSTITUTIONS

A. Deposits

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

Deposit Custodial Credit Risk

Custodial credit risk in the case of deposits is the risk that in the event of a bank failure, the government's deposits may not be returned. Rhode Island public law requires 100% of public deposits in a qualified public depository with maturities greater than sixty (60) days are collateralized with either bank segregated assets, in a trust department or in custodial accounts at a Federal Reserve Bank or federal home loan bank. The Town has adopted a "statement of investment objectives, goals and policy guidelines" for investments held in the School Trust Fund. In addition, the Town has guidelines for deposits authorized by Town Code Sec. 4233.H. As such, the entire bank balance of the Town as of June 30, 2022 of \$46,817,527 was insured or collateralized.

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 3 CASH DEPOSITS WITH FINANCIAL INSTITUTIONS (CONTINUED)

B. Cash Equivalents

Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and purchased within 90 days of maturity. As of June 30, 2022, the cash equivalent amounted to \$1,957,593. The cash equivalents consisted of certificates of deposit and money market mutual funds held at banking institutions and were not rated.

NOTE 4 INVESTMENTS

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

Investment Type	Credit Rating	Fair Value	Investment Maturities (Years)		
			Less Than 1	1 - 10	More Than 10
Interest-Bearing Investments:					
U.S. Government Securities	Aaa	\$ 8,849,551	\$ -	\$ 8,849,551	\$ -
U.S. Government Agencies	Aaa	15,061,996	-	15,061,996	-
Corporate Bonds	Aaa	2,014,703	-	2,014,703	-
Total		25,926,250	\$ -	\$ 25,926,250	\$ -
Other Investments:					
Common Stock		43,212			
Real Estate - Public REITs					
Mutual Funds		31,988,242			
Exchange Traded Funds		8,706,655			
Tangible Assets					
Total Investments		\$ 66,664,359			

Interest Rate Risk

Approximately 39% of the Town's investments are in long-term corporate bonds, government bonds, asset-backed securities and certificate of deposits that have interest rates that are fixed for long periods and are subject to more variability in their fair value as a result of future changes in interest rates. The remaining approximately 64% of the investments are held in common stock, mutual funds and alternative investments. These investments do not specify year an interest rate; rather, the rate of return is dependent on operating results and economic conditions.

Credit Risk

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

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 4 INVESTMENTS (CONTINUED)

Concentration of Credit Risk

At June 30, 2022, the Town had a diversified portfolio and was not deemed to be concentrated in any one investment category. Although approximately 61% of the investments were held in common stock and mutual funds, these investments were in a wide range of companies and various industries enabling the Town to minimize its risk.

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

Custodial Credit Risk

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

The Town categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets or with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements). The Town has the following recurring fair value measurements as of June 30, 2022:

	June 30, 2022	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments by Fair Value Level:				
U.S. Government Securities	\$ 8,849,551	\$ 8,849,551	\$ -	\$ -
U.S. Government Agencies	15,061,996	15,061,996	-	-
Corporate Bonds	2,014,703	-	2,014,703	-
Common Stock	43,212	43,212	-	-
Mutual Funds	31,988,242	31,988,242	-	-
Exchange Traded Funds	8,706,655	8,706,655	-	-
Total Investments by Fair Value Level	<u>\$ 66,664,359</u>	<u>\$ 64,649,656</u>	<u>\$ 2,014,703</u>	<u>\$ -</u>

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

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 5 RECEIVABLES

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

	General	School Trust Fund	Wastewater	Solid Waste	Water	Nonmajor Funds	Total
Receivables:							
Accounts	\$ 390,220	\$ -	\$ 556,845	\$ 60,484	\$ 285,748	\$ 4,086	\$ 1,297,383
Property Taxes	1,276,600	-	-	-	-	-	1,276,600
Tax Liens	372,926	-	-	-	-	-	372,926
Other Governments	103,665	-	-	-	-	988,868	1,092,533
Special Assessments	-	-	46,436	-	-	-	46,436
Lease Receivable	4,560,838	-	-	-	368,221	34,875	4,963,934
Gross Receivables	6,704,249	-	603,281	60,484	653,969	1,027,829	9,049,812
Less: Allowance for Uncollectibles	(704,560)	-	(17,500)	-	(1,000)	-	(723,060)
Net Total Receivables	<u>\$ 5,999,689</u>	<u>\$ -</u>	<u>\$ 585,781</u>	<u>\$ 60,484</u>	<u>\$ 652,969</u>	<u>\$ 1,027,829</u>	<u>\$ 8,326,752</u>

NOTE 6 LEASE RECEIVABLES

The Town, acting as lessor, leases real property under long-term, noncancelable lease agreements. The leases expire at various dates through 2051 if all renewal options are exercised. During the year ended June 30, 2022, the Town recognized \$148,427 and \$22,822 in lease revenue and interest revenue, respectively, pursuant to these contracts.

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

Year Ending June 30,	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2023	\$ 274,003	\$ 143,648	\$ 152,803	\$ 9,055
2024	257,997	133,683	133,792	4,437
2025	179,292	125,720	81,626	721
2026	169,191	119,854	-	-
2027	153,450	114,918	-	-
2028-2032	932,351	492,177	-	-
2033 and Thereafter	2,629,429	674,512	-	-
Total	<u>\$ 4,595,713</u>	<u>\$ 1,804,514</u>	<u>\$ 368,221</u>	<u>\$ 14,213</u>

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 7 INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS

A. Interfund Receivables and Payables

The composition of interfund balances as of June 30, 2022 is as follows:

Receivable Fund	Payable Fund	Amount
Debt Service Fund	General Fund	\$ 2,658,395
Wastewater Fund	General Fund	1,560
Solid Waste Fund	General Fund	17,771
School Cafeteria	General Fund	419,842
Internal Service Fund	General Fund	320,018
ARPA Fund	General Fund	4,393,789
Nonmajor Governmental Funds	General Fund	15,883,472
School Improvement Fund	General Fund	411,174
General Fund	Internal Service Fund	303,107
General Fund	Water Fund	919
General Fund	Nonmajor Governmental Funds	229,219
Total		<u>\$ 24,639,266</u>

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

B. Interfund Transfers

The composition of interfund transfers for the year ended June 30, 2022 is as follows:

	Transfers In					Total Transfers Out
	General Fund	Debt Service Fund	Wastewater Fund	Internal Service Funds	Nonmajor Governmental Funds	
Transfers Out:						
General Fund	\$ -	\$ 1,945,232	\$ 4,000	\$ -	\$ 3,201,616	\$ 5,150,848
School Trust Fund	59,332	-	-	-	528,625	587,957
Nonmajor Governmental Funds	979,950	401,597	-	-	-	1,381,547
Transfers In	<u>\$ 1,039,282</u>	<u>\$ 2,346,829</u>	<u>\$ 4,000</u>	<u>\$ -</u>	<u>\$ 3,730,241</u>	<u>\$ 7,120,352</u>

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

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 8 CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2022 for governmental activity was as follows:

	Beginning Balance	Adjustments/ Increases*	Adjustments/ Decreases	Ending Balance
Governmental Activities:				
Capital Assets Not Being Depreciated and Amortized:				
Land	\$ 14,170,066	\$ -	\$ -	\$ 14,170,066
Construction in Progress	2,039,634	3,062,507	30,000	5,072,141
Total Capital Assets Not Being Depreciated	16,209,700	3,062,507	30,000	19,242,207
Capital Assets Being Depreciated and Amortized:				
Land Improvements	12,449,965	-	-	12,449,965
Buildings	37,826,872	-	-	37,826,872
Building Improvements	47,068,327	60,905	-	47,129,232
Equipment	7,291,660	254,755	50,894	7,495,521
Vehicles	7,468,790	636,195	525,563	7,579,422
Infrastructure	47,061,887	15,675	-	47,077,562
Right-to-Use Lease Equipment	-	291,763	-	291,763
Intangibles	516,748	30,000	-	546,748
Total Capital Assets Being Depreciated	159,684,249	1,289,293	576,457	160,397,085
Less: Accumulated Depreciation and Amortization for:				
Land Improvements	3,806,450	222,586	-	4,029,036
Buildings	20,301,000	739,931	-	21,040,931
Building Improvements	28,460,874	1,459,169	-	29,920,043
Equipment	5,028,115	363,377	45,908	5,345,584
Vehicles	4,723,328	639,864	513,927	4,849,265
Infrastructure	28,900,310	1,237,361	-	30,137,671
Right-to-Use Lease Equipment	-	87,423	-	87,423
Intangibles	312,866	51,679	-	364,545
Total Accumulated Depreciation and Amortization	91,532,943	4,801,390	559,835	95,774,498
Total Capital Assets Being Depreciated and Amortized, Net	68,151,306	(3,512,097)	16,622	64,622,587
Governmental Activities Capital Assets, Net	\$ 84,361,006	\$ (449,590)	\$ 46,622	\$ 83,864,794

*Adjustments/Increases during the year ended June 30, 2022 include amounts related to the implementation of GASB Statements No. 87.

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

Governmental Activities:	
General Government	\$ 319,307
Public Safety	458,236
Public Works	1,527,293
Public Libraries	113,586
Education	1,702,419
Recreation	680,549
Total	\$ 4,801,390

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 8 CAPITAL ASSETS (CONTINUED)

Capital assets activity for the year ended June 30, 2022 for business-type activity was as follows:

	<u>Beginning Balance</u>	<u>Adjustments/ Increases</u>	<u>Adjustments/ Decreases</u>	<u>Ending Balance</u>
Business-Type Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 1,586,530	\$ -	\$ -	\$ 1,586,530
Construction in Progress	3,400,545	2,655,239	2,441,827	3,613,957
Total Capital Assets Not Being Depreciated	<u>4,987,075</u>	<u>2,655,239</u>	<u>2,441,827</u>	<u>5,200,487</u>
Capital Assets Being Depreciated:				
Land Improvements	2,682,148	-	-	2,682,148
Buildings	10,563,287	-	-	10,563,287
Building Improvements	3,241,676	2,386,826	-	5,628,502
Equipment	7,207,777	9,411	-	7,217,188
Vehicles	489,728	32,417	20,975	501,170
Infrastructure	20,843,425	-	-	20,843,425
Intangibles	199,692	55,000	-	254,692
Total Capital Assets Being Depreciated	<u>45,227,733</u>	<u>2,483,654</u>	<u>20,975</u>	<u>47,690,412</u>
Less Accumulated Depreciation for:				
Land Improvements	993,771	45,496	-	1,039,267
Buildings	8,400,992	185,647	-	8,586,639
Building Improvements	1,814,547	114,623	-	1,929,170
Equipment	5,375,757	276,046	-	5,651,803
Vehicles	340,808	52,522	20,975	372,355
Infrastructure	10,197,262	268,164	-	10,465,426
Intangibles	109,872	19,969	-	129,841
Total Accumulated Depreciation	<u>27,233,009</u>	<u>962,467</u>	<u>20,975</u>	<u>28,174,501</u>
Total Capital Assets Being Depreciated, Net	<u>17,994,724</u>	<u>1,521,187</u>	<u>-</u>	<u>19,515,911</u>
Business-Type Activities Capital Assets, Net	<u>\$ 22,981,799</u>	<u>\$ 4,176,426</u>	<u>\$ 2,441,827</u>	<u>\$ 24,716,398</u>

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

Business-Type Activities:	
Wastewater	\$ 697,544
Solid Waste	41,050
Water	221,887
Cafeteria	1,986
Total	<u>\$ 962,467</u>

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9 FUND BALANCE

The components of fund balance for the governmental funds at June 30, 2022 are as follows:

	General Fund	School Trust Fund	Debt Service Fund	School Improvement Fund	Nonmajor Governmental Funds	Total
Fund Balances:						
Nonspendable for:						
Prepays	\$ 1,016	\$ -	\$ -	\$ -	\$ -	\$ 1,016
Endowment for Recreation and Education	-	413,233	-	-	-	413,233
Permanent Funds	-	-	-	-	492,020	492,020
Restricted for:						
Recreational and Educational	-	19,922,586	-	-	847,003	20,769,589
Asset forfeiture	-	-	-	-	297,968	297,968
Libraries Operations	-	-	-	-	1,643,183	1,643,183
K-9 Grant	-	-	-	-	11,241	11,241
Recycling Program	-	-	-	-	55,896	55,896
Miscellaneous Donations Fund	-	-	-	-	48,132	48,132
Student Activity	-	-	-	-	291,143	291,143
Human Services	-	-	-	-	279,686	279,686
Committed to:						
Debt Service	-	-	2,658,395	-	-	2,658,395
Open Space Acquisition	-	-	-	-	1,154,256	1,154,256
General Government - Encumbrances	8,388	-	-	-	-	8,388
Public Safety Department - Encumbrances	186,600	-	-	-	-	186,600
Public Works - Encumbrances	67,276	-	-	-	-	67,276
Libraries - Encumbrances	500	-	-	-	-	500
Recreation - Encumbrances	507	-	-	-	-	507
Municipal Planning	32,935	-	-	-	-	32,935
To Balance Future Budgets - Town	1,263,608	-	-	-	-	1,263,608
To Balance Future Budgets - Schools	247,927	-	-	-	-	247,927
School Surplus Committed for Town	-	-	-	-	-	-
Education Encumbrances	31,130	-	-	-	-	31,130
Education	2,408,066	-	-	-	-	2,408,066
Affordable Housing	-	-	-	-	113,614	113,614
Animal Shelter Renovations	-	-	-	-	456,792	456,792
Elderly Services	-	-	-	-	333,719	333,719
Public Safety Support	-	-	-	-	1,706,560	1,706,560
Operation of Peacedale Office Building	-	-	-	-	228,015	228,015
Property Revaluation	-	-	-	-	193,216	193,216
Maintenance of South Road School	-	-	-	-	349,180	349,180
Municipal Planning Services Grant	-	-	-	-	30,346	30,346
School Restricted	-	-	-	-	66,510	66,510
Community Development	-	-	-	-	35,884	35,884
Capital Equipment Acquisitions	-	-	-	-	4,034,460	4,034,460
Data Processing Improvements	-	-	-	-	245,232	245,232
Neighborhood Guild	-	-	-	-	1,192,685	1,192,685
Park Construction and Maintenance	-	-	-	-	29,685	29,685
Library Improvements	-	-	-	-	149,503	149,503
Public Safety Building Improvement	-	-	-	-	494,249	494,249
Public Service Office Building Improvements	-	-	-	-	46,282	46,282
Infrastructure Improvements	-	-	-	-	3,911,194	3,911,194
Recreation Facility Improvement	-	-	-	-	1,336,228	1,336,228
Maintenance of Historical Records	-	-	-	-	140,532	140,532
School Improvement	-	-	-	411,174	-	411,174
Library	-	-	-	-	108,275	108,275
Kingstown Recreation Fund	-	-	-	-	203,790	203,790
Senior Services Center Construction	-	-	-	-	108,412	108,412
Village Infrastructure	-	-	-	-	20,000	20,000
Wastewater Construction	-	-	-	-	5,524,267	5,524,267
Town Hall Improvements	-	-	-	-	251,093	251,093
300th Anniversary	-	-	-	-	19,900	19,900
Opioid Settlement	-	-	-	-	150,781	150,781
School Capital	-	-	-	-	139,621	139,621
Unassigned	15,639,093	-	-	-	(14,000)	15,625,093
Total Fund Balances	<u>\$ 19,887,046</u>	<u>\$ 20,335,819</u>	<u>\$ 2,658,395</u>	<u>\$ 411,174</u>	<u>\$ 26,726,553</u>	<u>\$ 70,018,987</u>

Major encumbrances of \$294,401 are reported in the committed fund balance of the General Fund and represent action taken by the governing body, Town Council, to commit future resources for the settlement of these commitments.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9 FUND BALANCE (CONTINUED)

Endowments Received

		School Trust Fund
Original Principal Received	\$	413,233
Net Appreciation on Investments		19,922,586
Total Value		\$ 20,335,819

The original principal remains in the net position on the Statement of Activities and is restricted for the trust principal on the balance sheet – governmental funds. The net appreciation of \$19,922,586 can be authorized for expenditure by the Trustees of South Kingstown School Funds. Income is distributed in keeping with the provisions of the appropriate deed of gift.

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

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

NOTE 10 LONG-TERM LIABILITIES

A. General Obligation Bonds

The government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds generally are issued as serial bonds with equal amounts of principal maturing each year with maturities that range from 15 to 20 years. General obligation bonds outstanding at June 30, 2022 are as follows:

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 10 LONG-TERM LIABILITIES (CONTINUED)

A. General Obligation Bonds (Continued)

Description	Date of Issue	Date of Maturity	Interest Rate (%)	Amount of Original Issue	Balance Outstanding June 30, 2022
Governmental Activities:					
General Obligation Bonds:					
School Improvement Series 2009 A	11/12/09	11/01/29	2.55% - 5.00%	\$ 1,200,000	\$ 480,000
Advance Refunding	11/13/12	06/15/24	1.90%	4,263,000	361,000
Advance Refunding	04/08/15	06/15/27	2.00% - 4.00%	6,935,000	1,545,000
Community Gymnasium / School Imp. Series 2017	08/16/17	08/15/37	2.00% - 4.00%	5,420,000	4,240,000
School Improvement Series 2020 A	05/12/20	05/15/40	2.75% - 4.00%	3,875,000	3,485,000
Series 2022 General Obligation Bonds	03/03/22	03/01/42	3.00%-4.00%	7,015,000	7,015,000
Total Governmental Activities				<u>28,708,000</u>	<u>17,126,000</u>
Business Type Activities:					
General Obligation Bonds:					
Wastewater Fund - GO Bond	11/13/02	09/01/23	1.38%	500,000	59,000
Solid Waste Fund - GO Bond	09/03/02	09/01/22	1.14%	2,000,000	128,321
Solid Waste Fund - GO Bond	11/22/05	09/01/25	1.34%	950,000	221,000
Total Business-Type Activities				<u>3,450,000</u>	<u>408,321</u>
Total Outstanding				<u>\$ 32,158,000</u>	<u>\$ 17,534,321</u>

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

B. Legal Debt Margin

Of the Town's \$17,534,321 total bonds payable (including bonds payable for the wastewater and solid-waste enterprise funds), approximately \$2,149,157 is subject to its legal debt limits. The \$2,149,157 outstanding does not exceed the Town's legal debt limit of \$157,881,331 which is 3% of the assessed value (\$5,262,711,039) of taxable property of the Town as of December 31, 2020. The total long-term debt bond obligations of the Town of \$17,534,321 represent approximately 0.33% of the assessed value of the taxable property of the Town at June 30, 2022 (assessment date December 31, 2020).

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 10 LONG-TERM LIABILITIES (CONTINUED)

C. Authorized But Unissued Bond Authority

The Town has the following remaining authorized but unissued bond authority as of June 30, 2022:

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

D. Changes in Long-Term Liabilities

Changes in the government's long-term liabilities for the year ended June 30, 2022 are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 11,464,000	\$ 7,015,000	\$ 1,353,000	\$ 17,126,000	\$ 1,483,000
Issuance Premium on Bonds	472,083	485,751	70,853	886,981	112,422
Total Bonds Payable	<u>11,936,083</u>	<u>7,500,751</u>	<u>1,423,853</u>	<u>18,012,981</u>	<u>1,595,422</u>
Compensated Absences	4,963,488	1,777,731	1,769,942	4,971,277	1,801,297
Net Pension Liability	68,552,248	-	27,503,985	41,048,263	-
Lease Liability	-	291,763	84,304	207,459	87,016
Claims and Judgments	1,073,566	-	67,097	1,006,469	67,098
Total Governmental Activities Long-Term Liabilities	<u>\$ 86,525,385</u>	<u>\$ 9,570,245</u>	<u>\$ 30,849,181</u>	<u>\$ 65,246,449</u>	<u>\$ 3,550,833</u>
Business-Type Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 613,152	-	\$ 204,831	\$ 408,321	\$ 210,320
Compensated Absences	267,444	85,025	99,413	253,056	89,808
Total Business-Type Activities Long-Term Liabilities	<u>\$ 880,596</u>	<u>\$ 85,025</u>	<u>\$ 304,244</u>	<u>\$ 661,377</u>	<u>\$ 300,128</u>

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 10 LONG-TERM LIABILITIES (CONTINUED)

D. Changes in Long-Term Liabilities (Continued)

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

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

<u>Year Ending June 30.</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 1,483,000	\$ 530,678	\$ 210,320	\$ 5,834
2024	1,358,000	480,686	84,001	3,112
2025	1,330,000	432,869	55,000	1,722
2026	1,175,000	388,069	59,000	589
2027	930,000	349,991	-	-
2028-2032	4,310,000	1,298,607	-	-
2032-2036	3,970,000	668,388	-	-
2037-2041	2,570,000	142,950	-	-
Total	<u>\$ 17,126,000</u>	<u>\$ 4,292,238</u>	<u>\$ 408,321</u>	<u>\$ 11,257</u>

E. Lease Liability

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

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

<u>Year Ending June 30.</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2023	\$ 87,016	\$ 3,762
2024	89,620	963
2025	30,823	-
Total	<u>\$ 207,459</u>	<u>\$ 4,725</u>

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 11 DEFINED BENEFIT PENSION PLANS

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

General Information about the Pension Plan

Plan Description

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

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

Benefits Provided

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

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

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

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 11 DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

General Information about the Pension Plan (Continued)

Benefits Provided (Continued)

Final Compensation – Prior to July 1, 2012 and for general employee members eligible to retire as of June 30, 2012, the average was based on the member's highest three consecutive annual salaries. Effective July 1, 2012, the average was based on the member's highest five consecutive annual salaries. Once a member retires or is terminated, the applicable FAC will be the greater of the member's highest three-year FAC as of July 1, 2012 or the five-year FAC as of the retirement/termination date. Monthly benefits are based on 1/12 of this amount.

General Employees:

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

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

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

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

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

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

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 11 DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

General Information about the Pension Plan (Continued)

Benefits Provided (Continued)

General Employees (Continued):

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

Police and EMT Employees:

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

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

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

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

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

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

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 11 DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

General Information about the Pension Plan (Continued)

Benefits Provided (Continued)

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

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

Other Benefit Provisions:

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

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

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

- A. The COLA will be suspended for any unit whose funding level is less than 80%; however, an interim COLA may be granted in four-year intervals while the COLA is suspended. The first interim COLA may begin January 1, 2018.
- B. Effective July 1, 2015, the COLA is determined based on 50% of the plan's five-year average investment rate of return less 5.5% limited to a range of 0.0% to 4.0%, plus 50% of the lesser of 3.0% or last year's CPI-U increase for a total maximum increase of 3.50%. Previously, it was the plan's five-year average investment rate of return less 5.5% limited to a range of 0.0% to 4.0%.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 11 DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

General Information about the Pension Plan (Continued)

Benefits Provided (Continued)

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

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

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

Employees Covered by Benefit Terms

At the June 30, 2020 valuation date, the following employees were covered by the benefit terms:

	<u>Municipal</u>	<u>Police</u>	<u>EMT</u>
Retirees and Beneficiaries	232	51	5
Inactive, Nonretired Members	171	12	15
Active Members	281	53	19
Total	<u>684</u>	<u>116</u>	<u>39</u>

Contributions

The amount of employee and employer contributions have been established under Rhode Island General Law Chapter 45-21. General employees with less than 20 years of service as of June 30, 2012 are required to contribute 2% of their salaries. General employees with more than 20 years of service as of June 30, 2012 are required to contribute 9.25%. Public safety employees are required to contribute 10% of their salaries. The Town contributes at a rate of covered employee payroll as determined by an independent actuary on an annual basis. The General Assembly can amend the amount of these contribution requirements. The Town contributed \$2,773,132 in the year ended June 30, 2022 which was 15.20% of annual covered payroll.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 11 DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

Net Pension Liability (Asset)

The total pension liability (asset) was determined by actuarial valuations performed as of June 30, 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 (Asset) 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	7.00%
Projected Salary Increases	General Employees - 3.50% to 7.25% ; Police and Fire Employees - 4.00% to 14.00%
Inflation	2.50%
Mortality	Mortality - variants of the PUB (10) Tables for Healthy and Disabled Retirees, projected with Scale Ultimate MP16.
Cost of Living Adjustments	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 at June 30, 2021 were consistent with the results of an actuarial experience study performed as of June 30, 2016.

The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from 34 sources. The June 30, 2021 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 11 DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

Net Pension Liability (Asset) (Continued)

Type of Investments	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity:		
U.S. Equity	23.20%	5.83%
International Developed Equity	11.80	6.35
Emerging Markets Equity	5.00	8.04
Private Growth:		
Private Equity	11.25	9.47
Non-Core Real Estate	2.25	5.32
Opportunistic Private Credit	1.50	9.47
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
Crisis Protection Class:		
Treasury Duration	5.00	-0.32
Systematic Trend	5.00	3.39
Inflation Protection Class:		
Core Real Estate	3.60	5.32
Private Infrastructure	2.40	5.81
TIPs	2.00	0.30
Volatility Protection:		
IG Fixed Income	3.25	1.14
Securitized Credit	3.25	1.14
Absolute Return	6.50	3.39
Cash	2.00	-0.32
Total	100.00%	

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

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 11 DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

Discount Rate

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

Changes in Net Pension Liabilities (Assets)

Municipal Employee's Retirement System - General Employees			
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances as of July 1, 2021	\$ 72,263,589	\$ 59,286,469	\$ 12,977,120
Changes for the Year			
Service Cost	1,117,484	-	1,117,484
Interest on the Total Pension Liability	4,948,741	-	4,948,741
Changes in Benefits	-	-	-
Difference Between Expected and Actual Experience	(101,089)	-	(101,089)
Changes in Assumptions	-	-	-
Employer Contributions	-	1,655,036	(1,655,036)
Employee Contributions	-	370,253	(370,253)
Net Investment Income	-	15,575,156	(15,575,156)
Benefit Payments, Including Employee Refunds	(4,252,067)	(4,252,067)	-
Administrative Expense	-	(59,345)	59,345
Other Changes	-	(563,682)	563,682
Net Changes	<u>1,713,069</u>	<u>12,725,351</u>	<u>(11,012,282)</u>
Balances as of June 30, 2022	<u>\$ 73,976,658</u>	<u>\$ 72,011,820</u>	<u>\$ 1,964,838</u>

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 11 DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

Changes in Net Pension Liabilities (Assets) (Continued)

	Municipal Employee's Retirement System - Police		
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances as of July 1, 2021	\$ 35,410,429	\$ 25,787,524	\$ 9,622,905
Changes for the Year			
Service Cost	766,679	-	766,679
Interest on the Total Pension Liability	2,439,151	-	2,439,151
Changes in Benefits	-	-	-
Difference Between Expected and Actual Experience	97,398	-	97,398
Changes in Assumptions	-	-	-
Employer Contributions	-	1,080,517	(1,080,517)
Employee Contributions	-	389,375	(389,375)
Net Investment Income	-	6,991,367	(6,991,367)
Benefit Payments, Including			
Employee Refunds	(1,897,520)	(1,897,520)	-
Administrative Expense	-	(26,639)	26,639
Other Changes	-	-	-
Net Changes	1,405,708	6,537,100	(5,131,392)
Balances as of June 30, 2022	<u>\$ 36,816,137</u>	<u>\$ 32,324,624</u>	<u>\$ 4,491,513</u>

	Municipal Employee's Retirement System - EMT		
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances as of July 1, 2021	\$ 4,247,678	\$ 4,829,938	\$ (582,260)
Changes for the Year			
Service Cost	220,708	-	220,708
Interest on the Total Pension Liability	300,383	-	300,383
Changes in Benefits	-	-	-
Difference Between Expected and Actual Experience	10,548	-	10,548
Changes in Assumptions	-	-	-
Employer Contributions	-	37,579	(37,579)
Employee Contributions	-	108,297	(108,297)
Net Investment Income	-	1,334,293	(1,334,293)
Benefit Payments, Including			
Employee Refunds	(133,691)	(133,691)	-
Administrative Expense	-	(5,084)	5,084
Other Changes	-	(2,221)	2,221
Net Changes	397,948	1,339,173	(941,225)
Balances as of June 30, 2022	<u>\$ 4,645,626</u>	<u>\$ 6,169,111</u>	<u>\$ (1,523,485)</u>

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 11 DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

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

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

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
General Employees	\$ 8,402,643	\$ 1,964,838	\$ (6,252,169)
Police	7,676,905	4,491,513	426,004
EMT	(1,130,387)	(1,523,485)	(2,025,036)

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 employer recognized pension revenue of \$203,030. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Municipal	Police	EMT	Total
Deferred Outflows of Resources:				
Difference Between Expected and Actual Experience	\$ 150,161	\$ 423,864	\$ 49,687	\$ 623,712
Changes of Assumptions	-	753,451	79,628	833,079
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,253,689	533,043	94,926	1,881,658
Town Contributions Subsequent to the Measurement Date	1,603,790	1,115,687	42,813	2,762,290
Total Deferred Outflows of Resources	<u>\$ 3,007,640</u>	<u>\$ 2,826,045</u>	<u>\$ 267,054</u>	<u>\$ 6,100,739</u>
Deferred Inflows of Resources:				
Difference Between Expected and Actual Experience	\$ 591,756	\$ 1,113,969	\$ 420,219	\$ 2,125,944
Changes of Assumptions	339,253	-	28,099	367,352
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	9,324,275	4,205,820	804,674	14,334,769
Total Deferred Inflows of Resources	<u>\$ 10,255,284</u>	<u>\$ 5,319,789</u>	<u>\$ 1,252,992</u>	<u>\$ 16,828,065</u>

Total of the Town contributions subsequent to measurement date of \$2,762,290 reported as deferred outflows of resources related to pensions above will be recognized as a reduction of the net pension liability in the subsequent period.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 11 DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

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

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

<u>Year Ending June 30,</u>	<u>Municipal</u>	<u>Police</u>	<u>EMT</u>
2023	\$ (2,221,028)	\$ (752,336)	\$ (264,810)
2024	(2,183,956)	(748,380)	(256,956)
2025	(2,131,391)	(1,005,411)	(254,556)
2026	(2,315,059)	(1,119,372)	(240,593)
2027	-	16,068	(14,002)
Thereafter	-	-	2,166
Total	<u>\$ (8,851,434)</u>	<u>\$ (3,609,431)</u>	<u>\$ (1,028,751)</u>

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

Plan Description

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

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

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 11 DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

Eligibility and Plan Benefits

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

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

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

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

Contributions

The funding policy, as set forth in the General Laws, Section 16-16-22, provides for actuarially determined periodic contributions to the plan. For fiscal 2019, full-time teachers, principals, school nurses and certain other school officials were required to contribute 3.75% of their annual covered salary, except for teachers with 20 or more years of service as of June 30, 2012 must contribute 11% of their annual covered salary. The State and the School are required to contribute at an actuarially determined rate, 40% of which is to be paid by the state and the remaining 60% is to be paid by the School; the rates were 10.94% and 14.78% of annual covered payroll for the fiscal year ended June 30, 2022 for the state and School, respectively. The School contributed \$4,049,647, \$3,976,714, and \$3,760,382 for the fiscal years ended June 30, 2022, 2021, and 2020, respectively, equal to 100% of the required contributions for each year.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 11 DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

Contributions (Continued)

For the year ended June 30, 2022, the amount of “on-behalf” contributions made by the State was \$2,993,805 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

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

At June 30, 2022, the School reported a liability of \$34,591,912 for its proportionate share of the net pension liability that reflected a reduction for contributions made by the state. The amount recognized by the School as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with the School were as follows:

School's Proportionate Share of the Net Pension Liability	\$ 34,591,912
State's Proportionate Share of the Net Pension Liability Associated with the School	25,653,004
Total Net Pension Liability	\$ 60,244,916

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 School's proportion of the net pension liability was based on a projection of the School's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the state, actuarially determined. At June 30, 2021, the School's proportion was 1.47%.

For the year ended June 30, 2022, the School recognized gross pension expense of \$1,352,839 and revenue of \$638,900 for support provided by the State in Exhibit II. At June 30, 2022, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 11 DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

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

Deferred Outflows of Resources:

Difference Between Expected and Actual Experience	\$ 347,211
Changes of Assumption	1,448,558
Changes in Proportionate Share of Employer Contributions	1,841,708
Contributions Subsequent to the Measurement Date	<u>4,049,647</u>
Total Deferred Outflows of Resources	<u><u>\$ 7,687,124</u></u>

Deferred Inflows of Resources:

Difference Between Expected and Actual Experience	\$ 1,117,339
Change of Assumptions	760,713
Net Difference Between Projected and Actual Earning on Pension Plan Investments	8,096,647
Changes in Proportionate Share of Employer Contributions	<u>3,837,777</u>
Total Deferred Inflows of Resources	<u><u>\$ 13,812,476</u></u>

The \$4,049,647 reported as deferred outflows of resources related to pensions resulting from the School 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:

<u>Year Ending June 30,</u>	<u>Amount</u>
2023	\$ (2,360,577)
2024	(2,229,024)
2025	(2,446,726)
2026	(2,702,173)
2027	(488,490)
Thereafter	51,991
Total	<u><u>\$ (10,174,999)</u></u>

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 11 DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

Actuarial Assumptions

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

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

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

The actuarial assumptions used in the June 30, 2020 valuation rolled forward to June 30, 2021 and the calculation of the total pension liability at 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:

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 11 DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

Actuarial Assumptions (Continued)

Type of Investments	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity:		
U.S. Equity	23.20%	5.83%
International Developed Equity	11.80	6.35
Emerging Markets Equity	5.00	8.04
Private Growth:		
Private Equity	11.25	9.47
Non-Core Real Estate	2.25	5.32
Opportunistic Private Credit	1.50	9.47
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
Crisis Protection Class:		
Treasury Duration	5.00	-0.32
Systematic Trend	5.00	3.39
Inflation Protection Class:		
Core Real Estate	3.60	5.32
Private Infrastructure	2.40	5.81
TIPs	2.00	0.30
Volatility Protection:		
IG Fixed Income	3.25	1.14
Securitized Credit	3.25	1.14
Absolute Return	6.50	3.39
Cash	2.00	-0.32
Total	100.00%	

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

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 11 DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

Discount Rate

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

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

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

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Teachers	\$ 43,686,936	\$ 34,591,912	\$ 22,984,063

Pension Plan Fiduciary Net Position

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

C. Aggregated Pension Information

The Town recognized the following amounts related to pension plans as of and for the year ended June 30, 2022:

	MERS Municipal	MERS Police	MERS EMT	ERS	Total
Net Pension Asset	\$ -	\$ -	\$ 1,523,485	\$ -	\$ 1,523,485
Deferred Outflows of Resources					
Related to Pensions	3,007,640	2,826,045	267,054	7,687,124	13,787,863
Net Pension Liability	1,964,838	4,491,513	-	34,591,912	41,048,263
Deferred Inflows of Resources					
Related to Pensions	10,255,284	5,319,789	1,252,992	13,812,476	30,640,541
Pension Expense	49,788	(37,860)	(214,958)	713,939	510,909

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 11 DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

Plan Description

Employees participating in the defined benefit plan with less than 20 years of service as of June 30, 2012, as described above, also participate in a defined contribution plan authorized by General Law Chapter 36-10.3. The defined contribution plan is established under IRS section 401(a) and is administered by TIAA-CREF. Employees may choose among various investment options available to plan participants. Employees contribute 5% of their annual covered salary and employers contribute between 1% and 1.5% of annual covered salary depending on the employee's total years of service as of June 30, 2012. Employee contributions are immediately vested while employer contributions and any investment earnings thereon are vested after three years of contributory service. Benefit terms and contributions required under the plan by both the employee and employer are established by the General Laws, which are subject to amendment by the General Assembly.

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

Teachers that Contribute to Social Security

Plan Funding Policy

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

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

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

The plan members and town contributed \$1,472,809 and \$339,315, respectively, during the fiscal year ended June 30, 2022 for teacher plan members.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 11 DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

General Employees in MERS that Contribute to Social Security

Plan Funding Policy

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

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

The plan members and town contributed \$381,971 and \$84,842, respectively, during the fiscal year ended June 30, 2022 for town plan members.

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

NOTE 12 OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN

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

Plan Description

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

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

Benefits Provided

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

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

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

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

Eligibility

General Employees

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

Police and EMT

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

Teachers and Administrators

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

Employees Covered by Benefit Terms

At June 30, 2022, the following employees were covered by the benefit terms:

	<u>Participants</u>
Active Employees	615
Retirees	<u>72</u>
Total	<u><u>687</u></u>

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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

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

Contributions

Town Employees hired before July 1, 2006

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

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

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

Town Employees hired after July 1, 2006

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

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

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

Police Employees

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

EMT Employees

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

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

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

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

Contributions (Continued)

Public Works Employees hired before July 1, 2005

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

Public Works Employees hired after July 1, 2005

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

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

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

School Employees

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

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

For the year ended June 30, 2022, town and school plan members contributed \$185,275 of premium payments. The Town is required to contribute the balance of the current premium cost and may contribute an additional amount as determined by the Town in order to prefund benefits.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

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

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

Investments

Investment Policy

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

Rate of Return

For the year ended June 30, 2022, the annual money-weighted rate of return on investments, net of investment expense, was -14.32%. The money weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Asset of the Town

The components of the net OPEB asset of the Town at June 30, 2022, were as follows:

Total OPEB Liability	\$ 17,310,109
Plan Fiduciary Net Position	20,621,190
Town's Net OPEB Asset	<u>\$ (3,311,081)</u>

Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	119.1%
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The Town's net OPEB asset was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.20% per year
Projected Salary Increases	3.25%
Investment Rate of Return	6.50%
Healthcare Cost Trend Rate	Initial rate of 7.50% decreasing by 0.50% annually to an ultimate rate of 4.50%

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

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

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

Actuarial Assumptions (Continued)

Mortality rates were based on the following:

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

The long-term expected rate of return on OPEB plan investments is assumed to be 6.50%. This was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These expected real future rates are then combined to produce the long-term expected rate of return by weighting them based on the target asset allocation percentage and by adding in expected inflation (2.20%). The best estimates of arithmetic real rates of return for each major asset class included in the OPEB Plan's target asset allocation as of June 30, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	33.00 %	6.50 %
Non-U.S. Equity	21.00	8.40
U.S. Aggregate Bonds	15.00	4.00
Intermediate-Term Credit	10.00	4.60
Short-Term Credit	5.00	4.20
Intermediate-Term TIPS	10.00	3.70
REITs	6.00	6.40
Total	<u>100.00 %</u>	

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

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

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

Discount Rate

The discount rate used to measure the total OPEB liability at June 30, 2022 and 2021 was 6.50% and 6.25%, respectively. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the Net OPEB Liability (Asset)

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Balances as of July 1, 2021	\$ 17,632,468	\$ 23,479,437	\$ (5,846,969)
Changes for the Year			
Service Cost	652,493	-	652,493
Interest on the Total Pension Liability	1,101,140	-	1,101,140
Changes in Benefits	135,876	-	135,876
Changes in Assumptions	(88,865)	-	(88,865)
Difference Between Expected and Actual Experience	(769,026)	-	(769,026)
Employer Contributions	-	1,653,565	(1,653,565)
Retired Members Contributions	-	-	-
Net Investment Income	-	(3,097,464)	3,097,464
Benefit Payments	(1,353,977)	(1,353,977)	-
Administrative Expense	-	(60,371)	60,371
Other Changes	-	-	-
Net Changes	<u>(322,359)</u>	<u>(2,858,247)</u>	<u>2,535,888</u>
Balances as of June 30, 2022	<u>\$ 17,310,109</u>	<u>\$ 20,621,190</u>	<u>\$ (3,311,081)</u>

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

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

	1% Decrease (5.50%)	Current Discount (6.50%)	1% Increase (7.50%)
Net OPEB Asset (Liability)	\$ (2,158,116)	\$ (3,311,081)	\$ (4,379,919)

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

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

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

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

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

	1% Decrease (6.50% Decreasing to 3.50%)	Healthcare Cost Trend Rates (7.50% Decreasing to 4.50%)	1% Increase (8.50% Decreasing to 5.50%)
Net OPEB Asset (Liability)	\$ (4,664,505)	\$ (3,311,081)	\$ (1,764,340)

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 \$71,226. At June 30, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ -	\$ (6,910,973)
Changes of Assumptions	2,037,979	(80,786)
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	1,821,697	-
Total	<u>\$ 3,859,676</u>	<u>\$ (6,991,759)</u>

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

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

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

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

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

<u>Year Ending June 30,</u>	<u>Net Deferred Outflow (Inflow) of Resources</u>
2023	\$ (408,762)
2024	(386,704)
2025	(419,484)
2026	207,063
2027	(707,396)
Thereafter	<u>(1,416,800)</u>
Total	<u>\$ (3,132,083)</u>

NOTE 13 TAX ABATEMENTS

As of June 30, 2022, the Town provides tax abatements through multiple programs:

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

The Welcome House of South County Program (Welcome House Program) provides real property tax abatements to encourage emergency shelter, transitional and permanent supportive housing to homeless men, women and families in Washington County. Authority for the Welcome House Program is granted under Rhode Island General Assembly (Public Laws of 2003, Chapter 220). Eligibility requirements for the Welcome House Program are that guests are required to complete community service weekly, refrain from any drug or alcohol use, actively seek employment, meet weekly with a case manager, save income and look to better their lives. The abatement is granted on 75% of the taxes and are assessed at the 25% remaining value excluding the administrative building and homeless shelter which are tax exempt. For the fiscal year ended June 30, 2022, taxes abated through this program total \$37,118. There are no provisions to recapture abated taxes under this program, however any sale or transfer of the premises to any other entity will terminate the agreement effective upon the date in which the sale or transfer occurs. No other commitments have been made by the Town to the abatement recipient under this program.

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 13 TAX ABATEMENTS (CONTINUED)

The Jewish Children's Home of Rhode Island Program (Camp JORI) provides real property tax abatements for the provision of a summer camp for disadvantaged Jewish children including full-pay tuition. Authority for the Camp JORI abatement program is granted under Rhode Island General Assembly (Public Laws of 2003, Chapter 220). Eligibility requirements for the Camp JORI are that the program provide disadvantaged children with opportunities and allows the children cultural enrichment. The abatement is granted on the excess land value generally assessed as "open space" and carrying a value of \$500 to \$5,000 per acre. A payment in lieu of taxes is made annually and is based on the current year tax rate. For the fiscal year ended June 30, 2022, taxes abated through this program total \$61,476. There are no provisions to recapture abated taxes under this program; however, any sale or transfer of the premises to any other entity will terminate the agreement effective upon the date in which the sale or transfer occurs. No other commitments have been made by the Town to the abatement recipient under this program.

The South Kingstown Land Trust Abatement Program (SK Land Trust) provides real property tax abatements to encourage the conservation of natural resources of the Town through preservation and stewardship of open spaces. Authority for the SK Land Trust Program is granted under Rhode Island General Assembly (Public Laws of 2003, Chapter 220). Eligibility requirements are that the recipient provides lasting protection of the Town's open spaces, wildlife habitats, farm and forest lands, aquifers and recharge areas and coastal ecosystems. The abatement is granted on 50% of the property value. For the fiscal year ended June 30, 2022, taxes abated through this program total \$4,134. There are no provisions to recapture abated taxes under this program, however any sale or transfer of the premises to any other entity will terminate the agreement effective upon the date in which the sale or transfer occurs. No other commitments have been made by the Town to the abatement recipient under this program.

The South County Hospital Abatement Program (So Co Hospital) provides real property tax abatements to property owned by So Co Hospital and leased to for-profit business corporations in order to encourage the construction of such facilities. Authority for the So Co Hospital Abatement Program is granted under Rhode Island General Assembly (Public Laws of 1997, Chapter 245). Eligibility requirements are that the property being leased in the aforementioned manner is not to exceed 85% of the space. The abatement is granted on 100% of the property value being leased to the commercial entities with a payment in lieu of taxes made instead that is based on an agreed-upon value modified by the current tax rate. For the fiscal year ended June 30, 2022, taxes abated through this program total \$637,326. There are no provisions to recapture abated taxes under this program; however, any sale or transfer of the premises to any other entity will terminate the agreement effective upon the date in which the sale or transfer occurs. No other commitments have been made by the Town to the abatement recipient under this program.

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 14 SIGNIFICANT COMMITMENTS

Community Septic System Loan Program

On August 30, 2002, the Town entered into an agreement with the Rhode Island Clean Water Finance Agency to finance the Town's Community Septic System Loan Program. The loan agreement provides the Town with a \$300,000 nonrestoring line of credit. The proceeds of the loan shall be used by the Town for the establishment of an operation of a Community Septic System Loan Program. The Program provides for the Town to make loans to property owners of the Town for the repair or replacement of failed or failing septic systems. The individual loans to be made to property owners shall be underwritten by the Town with the assistance of the Rhode Island Housing Mortgage Finance Corporation (RIHMFC). RIHMFC, on behalf of the Town, shall perform all administrative functions related to servicing the individual loans, including disbursing loans to property owners and collecting and remitting borrower loan payments. The loan has a zero interest rate to the Town and 4% to property owners. The Town is only required to make principal repayments in the event that individual property owners default on their loans. Accordingly, the potential liability has not been accrued (reported) in the Town's financial statements. As of June 30, 2022, there are \$300,000 in loans issued and an available (nonrestoring) line-of-credit balance of \$-0-.

In June 2005, the Town Council authorized and entered into a second agreement with Rhode Island Clean Water Finance Agency to finance the Town's Community Septic System Loan Program. The loan agreement provides the Town with an additional \$1,000,000 nonrestoring line of credit that will be funded in three increments of \$300,000 and a final increment of \$100,000. Each increment will be funded only upon the complete drawdown of all prior increments. The proceeds of the loan shall be used by the Town towards the operation of the community Septic System Loan Program. The terms of the loan program are consistent with the terms described in the above-noted paragraph except that the new agreement has a 2% (versus 4%) interest rate to property owners. As of June 30, 2022, there are \$1,000,000 in loans issued and an available (nonrestoring) line-of-credit balance of \$-0-.

In August 2010, the Board of Directors of the Rhode Island Clean Water Finance Agency, pursuant to policies and procedures adopted in accordance with Title VI of the Federal Clean Water Act and Chapter 12.2 of the Rhode Island General Laws, notified the Town that it has been approved for an additional \$1,000,000 of funding for the Community Septic System Loan Program. The loan total will be funded in three increments of \$300,000 and a final increment of \$100,000. As of June 30, 2022, there is an available line-of-credit balance of \$148,017.

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 15 RISK MANAGEMENT

A. Rhode Island Inter-Local Risk Management Trust

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

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

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

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

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

NOTE 16 CONTINGENCIES

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

The Town has been notified by the Environmental Protection Agency (EPA) that two former landfills have been placed on the Superfund list. The Rose Hill Regional Landfill was previously operated by the towns of South Kingstown and Narragansett, Rhode Island. A Record of Decision (ROD) was issued in December 1999, which delineates EPA's approved remediation strategy for the site. Consent Decree negotiations with EPA began in November 2000 and were completed in January 2003. The towns have paid \$4,125,000 to settle all past and future federal liabilities associated with the Rose Hill site. South Kingstown's \$2,000,000 payment to the Federal Government was funded with a 20-year general obligation bond sold in September 2002 at an interest rate of 1.648%. Repayment of the

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 16 CONTINGENCIES (CONTINUED)

debt service associated with this bond will be provided from funds held in reserve within the Solid Waste Fund and from property taxes. The Town also paid \$504,932 for state natural resource damages and \$62,500 for its share of federal natural resource damages. The Consent Decree also requires reimbursement of 30% of the state of Rhode Island costs associated with the remediation of this landfill site and ongoing operation and maintenance costs. This cost of \$3,941,566 will also be shared equally between the two towns. The remaining balance of the Town's share of the estimated cost of reimbursing the State is \$1,006,468 at June 30, 2022. Accordingly, this amount has been reported as a liability in the government-wide financial statements. This balance will be paid off during fiscal year ending 2037.

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

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

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2022
(BUDGETARY BASIS)

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Property Tax Revenues	\$ 77,280,801	\$ 77,280,801	\$ 77,584,897	\$ 304,096
Intergovernmental Revenues	8,042,356	8,042,356	8,226,188	183,832
Licenses, Fees, Tuition, and Rent	1,695,522	1,787,522	1,981,505	193,983
Other Local Revenues	1,934,583	2,129,556	2,056,911	(72,645)
Use of Fund Balance	1,813,410	1,650,562	1,320,208	(330,354)
Total Revenues	<u>90,766,672</u>	<u>90,890,797</u>	<u>91,169,709</u>	<u>278,912</u>
EXPENDITURES				
Current:				
General Government	4,964,741	4,902,262	4,570,250	332,012
Public Safety	12,921,770	13,080,110	12,728,606	351,504
Public Works	3,202,209	3,202,509	2,712,426	490,083
Human Service Agency Contribution	-	79,000	79,000	-
Recreation	2,046,299	2,083,570	1,893,126	190,444
Public Libraries	1,329,464	1,329,464	1,266,446	63,018
Education	61,919,646	62,044,653	61,968,758	75,895
Pension and Other Employee Benefits	989,251	991,551	945,118	46,433
Total Expenditures	<u>87,373,380</u>	<u>87,713,119</u>	<u>86,163,730</u>	<u>1,549,389</u>
EXCESS OF REVENUES OVER EXPENDITURES	3,393,292	3,177,678	5,005,979	1,828,301
OTHER FINANCING USES				
Transfers In	1,223,921	1,218,226	1,225,676	7,450
Transfers Out	<u>(4,603,635)</u>	<u>(4,603,635)</u>	<u>(4,613,635)</u>	<u>(10,000)</u>
Total Other Financing Uses	<u>(3,379,714)</u>	<u>(3,385,409)</u>	<u>(3,387,959)</u>	<u>(2,550)</u>
EXCESS OF REVENUES AND OTHER SOURCES	<u>\$ 13,578</u>	<u>\$ (207,731)</u>	1,618,020	<u>\$ 1,825,751</u>

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

Use of Fund Balance is Not a GAAP Revenue	(1,320,208)
Cancellation of Prior Year Encumbrances is Not a GAAP Revenue	(8,442)
Reimbursement of Fund Balance from School Dept to Town-Prior Year	(537,213)
Recognition of Fair Market Value of Investments	(744,798)
Change in Encumbrances	62,580

Total Net Change in Fund Balance - GAAP Basis \$ (930,061)

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

	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability							
Service Cost	\$ 1,117,484	\$ 1,152,324	\$ 1,203,577	\$ 1,218,311	\$ 1,188,057	\$ 1,177,994	\$ 1,178,841
Interest on the Total Pension Liability	4,948,741	4,917,590	4,749,160	4,576,056	4,486,906	4,294,016	4,112,669
Changes of Benefit Terms	-	-	-	-	-	-	1,025,090
Difference Between Expected and Actual Experience	(101,089)	(916,985)	315,654	308,036	213,561	388,521	(897,943)
Changes of Assumptions	-	(605,921)	-	-	3,074,881	-	-
Benefit Payments, Including Refunds of Employee Contributions	(4,252,067)	(3,917,097)	(3,756,129)	(3,488,130)	(3,375,303)	(3,212,066)	(2,788,503)
Net Change in Total Pension Liability	1,713,069	629,911	2,512,262	2,614,273	5,588,102	2,648,465	2,630,154
Total Pension Liability - Beginning	72,263,589	71,633,678	69,121,416	66,507,143	60,919,041	58,270,576	55,640,422
Total Pension Liability - Ending (a)	<u>\$ 73,976,658</u>	<u>\$ 72,263,589</u>	<u>\$ 71,633,678</u>	<u>\$ 69,121,416</u>	<u>\$ 66,507,143</u>	<u>\$ 60,919,041</u>	<u>\$ 58,270,576</u>
Plan Fiduciary Net Position							
Contributions - Employer	\$ 1,655,036	\$ 1,616,179	\$ 1,574,009	\$ 1,454,110	\$ 1,481,417	\$ 1,392,328	\$ 1,420,102
Contributions - Employee	370,253	388,409	398,154	416,695	431,900	420,375	246,747
Net Investment Income (Loss)	15,575,156	2,164,425	3,642,487	4,285,588	5,792,423	(6,478)	1,213,363
Benefit Payments, Including Refunds of Employee Contributions	(4,252,067)	(3,917,097)	(3,756,129)	(3,488,130)	(3,375,303)	(3,212,066)	(2,788,503)
Pension Plan Administrative Expense	(59,345)	(59,635)	(56,923)	(57,052)	(54,725)	(57,861)	(48,275)
Other	(563,682)	266,883	(246,782)	116,920	36,837	(79,911)	293,093
Net Change in Plan Fiduciary Net Position	12,725,351	459,164	1,554,816	2,728,131	4,312,549	(1,543,613)	336,527
Plan Fiduciary Net Position - Beginning	59,286,470	58,827,306	57,272,490	54,544,359	50,231,810	51,775,423	51,438,896
Plan Fiduciary Net Position - Ending (b)	72,011,821	59,286,470	58,827,306	57,272,490	54,544,359	50,231,810	51,775,423
Net Pension Liability - Ending (a) - (b)	<u>\$ 1,964,837</u>	<u>\$ 12,977,119</u>	<u>\$ 12,806,372</u>	<u>\$ 11,848,926</u>	<u>\$ 11,962,784</u>	<u>\$ 10,687,231</u>	<u>\$ 6,495,153</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	97.34%	82.04%	82.12%	82.86%	82.01%	82.46%	88.85%
Covered Payroll	\$ 13,271,777	\$ 13,290,936	\$ 13,373,078	\$ 12,946,981	\$ 12,761,089	\$ 12,335,012	\$ 12,266,819
Net Pension Liability as a Percentage of Covered Payroll	14.80%	97.64%	95.76%	91.52%	93.74%	86.64%	52.95%

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

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

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

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

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

	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability:							
Service Cost	\$ 220,708	\$ 210,513	\$ 177,617	\$ 157,663	\$ 152,115	\$ 144,725	\$ 144,842
Interest on the Total Pension Liability	300,383	284,831	290,630	278,283	257,163	245,078	219,726
Changes of Benefit Terms	-	-	-	-	-	-	180,010
Difference Between Expected and Actual Experience of the Total Pension Liability	10,548	(102,946)	(435,897)	(111,537)	97,946	(119,389)	(85,523)
Changes of Assumptions	-	(39,995)	-	-	192,403	-	-
Benefit Payments, Including Refunds of Employee Contributions	(133,691)	(136,960)	(126,334)	(189,661)	(121,882)	(104,062)	(137,877)
Net Change in Total Pension Liability	397,948	215,443	(93,984)	134,748	577,745	166,352	321,178
Total Pension Liability - Beginning	4,247,678	4,032,235	4,126,219	3,991,471	3,413,726	3,247,374	2,926,196
Total Pension Liability - Ending (a)	<u>\$ 4,645,626</u>	<u>\$ 4,247,678</u>	<u>\$ 4,032,235</u>	<u>\$ 4,126,219</u>	<u>\$ 3,991,471</u>	<u>\$ 3,413,726</u>	<u>\$ 3,247,374</u>
Plan Fiduciary Net Position:							
Contributions - Employer	\$ 37,579	\$ 68,073	\$ 41,620	\$ 26,042	\$ 39,491	\$ 41,920	\$ 49,050
Contributions - Employee	108,297	99,722	83,742	74,194	80,103	77,657	65,837
Net Investment Income (Loss)	1,334,293	176,331	283,247	321,512	434,255	(1,271)	85,550
Benefit Payments, Including Refunds of Employee Contributions	(133,691)	(136,960)	(126,334)	(189,661)	(121,882)	(104,062)	(137,877)
Pension Plan Administrative Expense	(5,084)	(4,858)	(4,426)	(4,280)	(4,103)	(3,419)	(3,431)
Other	(2,221)	52,965	(1)	(20,290)	(9)	(1)	1
Net Change in Plan Fiduciary Net Position	1,339,173	255,273	277,848	207,517	427,855	10,824	59,130
Plan Fiduciary Net Position - Beginning	4,829,801	4,574,528	4,296,680	4,089,163	3,661,308	3,650,484	3,591,354
Plan Fiduciary Net Position - Ending (b)	<u>6,168,974</u>	<u>4,829,801</u>	<u>4,574,528</u>	<u>4,296,680</u>	<u>4,089,163</u>	<u>3,661,308</u>	<u>3,650,484</u>
Net Pension Liability (Asset) - Ending (a) - (b)	<u>\$ (1,523,348)</u>	<u>\$ (582,123)</u>	<u>\$ (542,293)</u>	<u>\$ (170,461)</u>	<u>\$ (97,692)</u>	<u>\$ (247,582)</u>	<u>\$ (403,110)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	132.79%	113.70%	113.45%	104.13%	102.45%	107.25%	112.41%
Covered Payroll	\$ 1,082,963	\$ 997,221	\$ 837,419	\$ 741,945	\$ 801,028	\$ 778,090	\$ 822,966
Net Pension Asset as a Percentage of Covered Payroll	140.66%	58.37%	64.76%	22.97%	12.20%	31.82%	48.98%

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

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially Determined Contribution	\$ 1,603,790	\$ 1,655,036	\$ 1,616,179	\$ 1,574,009	\$ 1,454,110	\$ 1,481,417	\$ 1,392,328
Contributions in Relation to the Actuarially Determined Contribution	<u>1,603,790</u>	<u>1,655,036</u>	<u>1,616,179</u>	<u>1,574,009</u>	<u>1,454,110</u>	<u>1,481,417</u>	<u>1,392,328</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 13,590,407	\$ 13,271,777	\$ 13,290,936	\$ 13,373,078	\$ 12,946,981	\$ 12,761,089	\$ 12,335,012
Contributions as a Percentage of Covered Payroll	11.80%	12.47%	12.16%	11.77%	11.23%	11.61%	11.29%

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

Notes to Schedule:

Valuation Date: June 30, 2020

Measurement Date: June 30, 2021

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry age normal
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	17 years
Asset Valuation Method	Five-year smoothed market
Inflation	2.50%
Salary Increases	3.00% to 14.00% including inflation
Investment Rate of Return	7.00%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility conditions. Last updated for 2017 valuation.
Mortality	Male: RP-2014 Combined Healthy for Males with Blue Collar adjustments, projected with the ultimate values of the MP Scale (through 2019). Female: RP-2014 Combined Healthy for Females, projected with the ultimate values of the MP Scale (through 2019).

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially Determined Contribution	\$ 1,115,687	\$ 1,080,517	\$ 1,045,441	\$ 819,275	\$ 786,772	\$ 825,285	\$ 794,657
Contributions in Relation to the Actuarially Determined Contribution	<u>1,115,687</u>	<u>1,080,517</u>	<u>1,045,441</u>	<u>819,275</u>	<u>786,772</u>	<u>825,285</u>	<u>794,657</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 4,283,856	\$ 3,893,748	\$ 3,821,056	\$ 3,678,831	\$ 3,467,480	\$ 3,284,260	\$ 3,213,589
Contributions as a Percentage of Covered Payroll	26.04%	27.75%	27.36%	22.27%	22.69%	25.13%	24.73%

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

Notes to Schedule:

Valuation Date: June 30, 2020

Measurement Date: June 30, 2021

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry age normal
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	17 years
Asset Valuation Method	Five-year smoothed market
Inflation	2.50%
Salary Increases	3.00% to 14.00% including inflation
Investment Rate of Return	7.00%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility conditions. Last updated for 2017 valuation.
Mortality	Male: RP-2014 Combined Healthy for Males with Blue Collar adjustments, projected with the ultimate values of the MP Scale (through 2019). Female: RP-2014 Combined Healthy for Females, projected with the ultimate values of the MP Scale (through 2019).

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially Determined Contribution	\$ 42,813	\$ 37,579	\$ 68,073	\$ 41,620	\$ 26,042	\$ 39,491	\$ 41,920
Contributions in Relation to the Actuarially Determined Contribution	<u>42,813</u>	<u>37,579</u>	<u>68,073</u>	<u>41,620</u>	<u>26,042</u>	<u>39,491</u>	<u>41,920</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 1,053,157	\$ 1,082,963	\$ 997,221	\$ 837,419	\$ 741,945	\$ 801,028	\$ 778,090
Contributions as a Percentage of Covered Payroll	4.07%	3.47%	6.83%	4.97%	3.51%	4.93%	5.39%

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

Notes to Schedule:

Valuation Date: June 30, 2020

Measurement Date: June 30, 2021

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method Entry age normal

Amortization Method Level percentage of payroll, closed

Remaining Amortization Period 21 years

Asset Valuation Method Five-year smoothed market

Inflation 2.50%

Salary Increases 3.00% to 14.00% including inflation

Investment Rate of Return 7.00%

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

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

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

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Town's Proportion of the Net Pension Liability	1.47%	1.44%	1.54%	1.49%	1.56%	1.66%	1.62%
Town's Proportionate Share of the Net Pension Liability	\$ 34,591,912	\$ 45,952,223	\$ 49,057,890	\$ 47,392,970	\$ 49,047,536	\$ 49,461,027	\$ 44,674,781
State's Proportionate Share of the Net Pension Liability Associated with the School District	<u>25,653,004</u>	<u>34,143,627</u>	<u>36,749,440</u>	<u>35,351,752</u>	<u>37,068,153</u>	<u>33,873,541</u>	<u>30,520,408</u>
Total	<u>\$ 60,244,916</u>	<u>\$ 80,095,850</u>	<u>\$ 85,807,330</u>	<u>\$ 82,744,722</u>	<u>\$ 86,115,689</u>	<u>\$ 83,334,568</u>	<u>\$ 75,195,189</u>
Town's Covered Payroll	\$ 29,498,488	\$ 29,195,257	\$ 27,832,994	\$ 28,005,990	\$ 26,970,899	\$ 26,698,936	\$ 25,552,372
Town's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	117.27%	157.40%	176.26%	169.22%	181.85%	185.25%	174.84%
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%

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

Note:

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

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

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

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

Notes:

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

Notes to Schedule:

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

Methods and Assumptions Used to Determine Contribution Rates:

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

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

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

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

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially Determined Contribution (1)	\$ 1,353,977	\$ 1,347,422	\$ 1,392,198	\$ 1,857,859	\$ 1,829,061	\$ 1,863,644	\$ 1,812,425	\$ 1,665,055	\$ 1,722,851	\$ 1,878,000
Contributions in Relation to the Actuarially Determined Contribution	<u>1,653,565</u>	<u>2,100,581</u>	<u>1,909,528</u>	<u>2,778,252</u>	<u>2,704,160</u>	<u>1,742,035</u>	<u>1,727,619</u>	<u>4,859,217</u>	<u>2,948,054</u>	<u>2,896,704</u>
Contribution Deficiency (Excess)	<u>\$ (299,588)</u>	<u>\$ (753,159)</u>	<u>\$ (517,330)</u>	<u>\$ (920,393)</u>	<u>\$ (875,099)</u>	<u>\$ 121,609</u>	<u>\$ 84,806</u>	<u>\$ (3,194,162)</u>	<u>\$ (1,225,203)</u>	<u>\$ (1,018,704)</u>
Covered-Employee Payroll	\$ 43,238,322	\$ 45,574,729	\$ 42,866,121	\$ 44,236,539	\$ 43,253,947	\$ 42,186,979	\$ 40,859,060	\$ 42,546,253	\$ 42,546,253	\$ 43,016,000
Contributions as a Percentage of Covered-Employee Payroll	3.82%	4.61%	4.45%	6.28%	6.25%	4.13%	4.23%	11.42%	6.93%	6.73%

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

Notes to Schedule:

Valuation Date: June 30, 2022
 Measurement Date: June 30, 2022

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method: Entry Age Normal Level % of Salary.
 Discount Rate: 6.50% and will be updated annually to reflect market conditions
 Payroll: Level percentage of payroll, closed
 Asset Valuation Method: Market value of assets
 Inflation: 2.20% per year
 Salary Increases: For amortization purposes: 3.25%
 For valuation purposes: 14.0%-4% for IBPO/EMT and 7.25%-3.25% for all others
 Investment Rate of Return: 6.50%
 Healthcare Trend Rates: Initial 8.50% decreasing by 0.5% annually to an ultimate rate of 5.50%
 Disability/Termination/Retirement Rates: Experience-based table of rates that are specific to the type of eligibility conditions.
 Mortality: SOA Pub-2010 tables varying by participant group using scale MP-2019.

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	-14.32%	20.81%	5.60%	7.13%	12.24%	6.87%	6.64%

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

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

GENERAL FUND

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

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

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
COMBINING BALANCE SHEET
GENERAL FUND
JUNE 30, 2022

	General Fund	School Unrestricted Fund	Eliminations	Total General Fund
ASSETS				
Cash and Cash Equivalents	\$ 35,563,685	\$ 200	\$ -	\$ 35,563,885
Investments	12,079,314	-	-	12,079,314
Accounts and Other Receivable, Net	1,282,477	52,709	-	1,335,186
Due from Federal and State Governments	25,416	78,249	-	103,665
Due from Other Funds	315,694	5,760,208	(5,542,657)	533,245
Lease Receivable	4,560,838	-	-	4,560,838
Prepaid Items	1,016	-	-	1,016
	<u>53,828,440</u>	<u>5,891,366</u>	<u>(5,542,657)</u>	<u>54,177,149</u>
Total Assets	<u>\$ 53,828,440</u>	<u>\$ 5,891,366</u>	<u>\$ (5,542,657)</u>	<u>\$ 54,177,149</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 304,906	\$ 531,155	\$ -	\$ 836,061
Accrued Liabilities	1,230,054	2,204,851	-	3,434,905
Due to State and Federal Governments	166,904	-	-	166,904
Due to Other Funds	29,152,563	496,115	(5,542,657)	24,106,021
Unearned Revenue	364,942	(27,878)	-	337,064
Deposits Held In Custody of Others	182,130	-	-	182,130
Total Liabilities	<u>31,401,499</u>	<u>3,204,243</u>	<u>(5,542,657)</u>	<u>29,063,085</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	656,753	-	-	656,753
Deferred Inflow - Leases	4,457,061	-	-	4,457,061
Advance Property Tax Collections	113,204	-	-	113,204
Total Deferred Inflows of Resources	<u>5,227,018</u>	<u>-</u>	<u>-</u>	<u>5,227,018</u>
FUND BALANCES				
Nonspendable	1,016	-	-	1,016
Committed	1,559,814	2,687,123	-	4,246,937
Unassigned	15,639,093	-	-	15,639,093
Total Fund Balances	<u>17,199,923</u>	<u>2,687,123</u>	<u>-</u>	<u>19,887,046</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 53,828,440</u>	<u>\$ 5,891,366</u>	<u>\$ (5,542,657)</u>	<u>\$ 54,177,149</u>

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
GENERAL FUND
YEAR ENDED JUNE 30, 2022

	General Fund	School Unrestricted Fund	Eliminations	Total General Fund
REVENUES				
Property Taxes, Interest, and Lien Fees	\$ 77,584,903	\$ -	\$ -	\$ 77,584,903
Intergovernmental Revenues	3,499,862	4,774,058	-	8,273,920
Licenses and Fees	1,926,398	205,135	-	2,131,533
Investment Income	(548,577)	1,280	-	(547,297)
Fines and Charges for Services	-	65,902	-	65,902
Departmental	1,122,400	-	-	1,122,400
State on Behalf Pension Contribution	-	2,993,805	-	2,993,805
Other Local Revenues	-	651,297	-	651,297
Total Revenues	<u>83,584,986</u>	<u>8,691,477</u>	<u>-</u>	<u>92,276,463</u>
EXPENDITURES				
Current:				
General Government	5,515,162	-	-	5,515,162
Public Safety	12,728,217	-	-	12,728,217
Public Works	2,645,453	-	-	2,645,453
Human Service Agency Contribution	85,000	-	-	85,000
Public Libraries	1,265,945	-	-	1,265,945
Education	-	64,878,259	-	64,878,259
Recreation	1,892,618	-	-	1,892,618
Debt Service:				
Principal Retirement	-	84,304	-	84,304
Interest and Other Charges	-	-	-	-
Capital Outlay	-	291,763	-	291,763
Total Expenditures	<u>24,132,395</u>	<u>65,254,326</u>	<u>-</u>	<u>89,386,721</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	59,452,591	(56,562,849)	-	2,889,742
OTHER FINANCING SOURCES (USES)				
Issuance of Leases	-	291,763	-	291,763
Transfers In from Other Funds	1,007,527	56,026,528	(55,994,773)	1,039,282
Transfers Out to Other Funds	(60,608,408)	(537,213)	55,994,773	(5,150,848)
Total Other Financing Sources (Uses)	<u>(59,600,881)</u>	<u>55,781,078</u>	<u>-</u>	<u>(3,819,803)</u>
NET CHANGE IN FUND BALANCES	(148,290)	(781,771)	-	(930,061)
Fund Balances - Beginning of Year	<u>17,348,213</u>	<u>3,468,894</u>	<u>-</u>	<u>20,817,107</u>
FUND BALANCES - END OF YEAR	<u>\$ 17,199,923</u>	<u>\$ 2,687,123</u>	<u>\$ -</u>	<u>\$ 19,887,046</u>

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
SCHEDULE OF REVENUES, EXPENDITURES, AND
OTHER FINANCING SOURCES (USES)
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2022
(BUDGETARY BASIS)

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES AND USE OF FUND BALANCE				
Property Taxes:				
Current Taxes	\$ 75,978,007	\$ 75,978,007	\$ 76,260,384	\$ 282,377
Prior Taxes	530,000	530,000	451,288	(78,712)
Total Taxes Current and Prior	76,508,007	76,508,007	76,711,672	203,665
Pilot - Federal Aid	8,000	8,000	7,658	(342)
FEMA - COVID Revenue	-	-	-	-
Interest on Taxes	348,250	348,250	417,357	69,107
Payment In Lieu of Taxes	416,544	416,544	448,210	31,666
Total Property Taxes	77,280,801	77,280,801	77,584,897	304,096
State Aid - Town:				
General State Aid	207,000	207,000	209,069	2,069
Telephone Tax	382,796	382,796	365,054	(17,742)
Meals and Beverage Tax	875,000	875,000	976,305	101,305
State Library General Aid	226,088	226,088	226,088	-
State Library Endowment Aid	16,662	16,662	16,662	-
State Motor Vehicle Phase-Out	1,371,752	1,371,752	1,369,885	(1,867)
Hotel Tax	189,000	189,000	289,067	100,067
State CRF Distribution	-	-	-	-
Total State Aid - Town	3,268,298	3,268,298	3,452,130	183,832
Licenses, Fees, and Rents:				
Business Licenses and Fees	503,030	503,030	686,322	183,292
Nonbusiness Licenses and Fees	466,800	466,800	429,402	(37,398)
Real Estate Conveyance Fees	155,000	155,000	169,189	14,189
Rental of Town Properties	421,805	421,805	455,092	33,287
Total Licenses, Fees, and Rents	1,546,635	1,546,635	1,740,005	193,370
Investment Income - Short-Term	330,000	330,000	196,221	(133,779)
Departmental Revenues:				
Police Department Revenue	283,720	283,720	242,519	(41,201)
Park Rental Revenue	31,000	31,000	28,749	(2,251)
Town Beach Parking	249,160	249,160	217,813	(31,347)
Boat and Mooring	36,000	36,000	42,933	6,933
Animal Control Fees	1,400	1,400	475	(925)
Library Fines and Miscellaneous	594	594	4,408	3,814
Dog/Cat Licenses and Fines	4,000	4,000	4,687	687
Recreation Department	108,300	108,300	103,293	(5,007)
Recreation Self-Support Program	140,000	140,000	177,359	37,359
Planning Department	5,000	5,000	7,960	2,960
Communications Department Revenue	1,500	1,500	2,958	1,458
Copy Charges	15,000	15,000	3,194	(11,806)
Recreation Department - Outside Sponsors	6,100	6,100	1,583	(4,517)
Stepping Stone - Creative	74,583	74,583	60,334	(14,249)
Stepping Stone - Self Supported	-	-	801	801
Geographic Information Systems Program	200	200	266	66
Narragansett - Dog Pound	70,500	70,500	70,500	-
Miscellaneous - Town	98,800	98,800	208,744	109,944
Total Departmental Revenues	1,125,857	1,125,857	1,178,576	52,719
Use of Fund Balance	1,320,208	1,320,208	1,320,208	-
Total Revenues and Use of Fund Balance	84,871,799	84,871,799	85,472,037	600,238

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER
FINANCING SOURCES (USES) (CONTINUED)
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2022
(BUDGETARY BASIS)**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES				
General Government:				
Town Council	\$ 28,597	\$ 28,597	\$ 25,857	\$ 2,740
Financial Town Meeting	10,167	10,167	-	10,167
Legal Staff	215,658	215,658	208,453	7,205
Probate Judge	7,535	7,535	7,535	-
Town Clerk	467,926	467,926	447,491	20,435
Canvassing Authority	92,985	92,985	85,803	7,182
Town Manager's Office	449,479	449,479	418,356	31,123
Personnel Administration	128,460	128,460	128,137	323
Town Hall Operations	576,971	576,971	553,842	23,129
Finance Department	851,003	862,390	737,494	124,896
Tax Assessor's Office	386,132	386,132	313,752	72,380
Information Technology	535,570	535,570	533,176	2,394
Geographic Information Systems	152,610	155,410	134,749	20,661
Planning Department	455,340	455,340	453,996	1,344
Conservation Commission	650	650	-	650
Zoning/Building Inspection	438,882	438,882	436,167	2,715
Outside Agencies	166,776	90,110	85,442	4,668
Total General Government	4,964,741	4,902,262	4,570,250	332,012
Public Safety:				
Police Department	8,586,671	8,780,004	8,419,447	360,557
Police Civilians	582,847	582,847	586,372	(3,525)
Police Dispatch	879,074	879,074	852,133	26,941
Animal Control - RD/Shelter	361,193	361,193	318,488	42,705
Communications	302,937	302,937	283,287	19,650
Harbor Patrol	37,271	-	-	-
Emergency Medical Services	2,171,777	2,174,055	2,268,879	(94,824)
Total Public Safety	12,921,770	13,080,110	12,728,606	351,504
Public Works:				
Public Works Administration	464,062	464,062	448,585	15,477
Streets and Highway	2,613,349	2,563,599	2,139,430	424,169
Tree Warden/Street Lighting	124,798	174,848	124,411	50,437
Total Public Works	3,202,209	3,202,509	2,712,426	490,083
Human Service Agency Contributions:				
Johnnycake Center	-	30,000	30,000	-
Cane Day Care Center	-	9,000	9,000	-
Welcome House of South County	-	-	-	-
Domestic Violence Resource Center	-	5,000	5,000	-
Education Exchange	-	15,000	15,000	-
Boys and Girls Club	-	20,000	20,000	-
Total Human Service Agency Contributions	-	79,000	79,000	-
Recreation:				
Recreation Department	2,046,299	2,083,570	1,893,126	190,444

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER
FINANCING SOURCES (USES) (CONTINUED)
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2022
(BUDGETARY BASIS)**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES (CONTINUED)				
Public Libraries	\$ 1,329,464	\$ 1,329,464	\$ 1,266,446	\$ 63,018
Miscellaneous:				
Unemployment Insurance	13,000	13,000	20,634	(7,634)
Insurance	453,990	453,990	477,834	(23,844)
Contingency	55,820	58,120	30,939	27,181
OPEB Funding	250,000	250,000	250,000	-
Workers' Compensation	216,441	216,441	165,711	50,730
Total Miscellaneous	<u>989,251</u>	<u>991,551</u>	<u>945,118</u>	<u>46,433</u>
Debt Service	-	-	-	-
Total Expenditures	<u>25,453,734</u>	<u>25,668,466</u>	<u>24,194,972</u>	<u>1,473,494</u>
EXCESS OF REVENUES OVER EXPENDITURES	59,418,065	59,203,333	61,277,065	2,073,732
OTHER FINANCING SOURCES (USES)				
Transfers In:				
From Special Revenue Funds	1,166,344	1,166,344	1,166,344	-
From School Trust Funds	21,000	21,000	27,577	6,577
Transfers Out:				
Wastewater Fund	(4,000)	(4,000)	(4,000)	-
Elderly Services	(483,703)	(483,703)	(483,703)	-
Tax Transfer to School	(55,994,773)	(55,994,773)	(55,994,773)	-
Tax Transfer to Debt Service	(1,945,232)	(1,945,232)	(1,945,232)	-
Tax Transfer to Comm Rec Ctr	(361,000)	(361,000)	(361,000)	-
Transfers to Other Funds	-	-	(10,000)	(10,000)
To Capital Project Funds	(1,809,700)	(1,809,700)	(1,809,700)	-
Total Other Financing Sources (Uses)	<u>(59,411,064)</u>	<u>(59,411,064)</u>	<u>(59,414,487)</u>	<u>(3,423)</u>
EXCESS OF REVENUES, OTHER SOURCES AND USES OF FUND BALANCE OVER EXPENDITURES AND OTHER FINANCING USES	<u>\$ 7,001</u>	<u>\$ (207,731)</u>	1,862,578	<u>\$ 2,070,309</u>
Budgetary excess of revenues over expenditures is different than GAAP net change in fund balance because of the following reconciling items:				
Use of Fund Balance is Not a GAAP Revenue			(1,320,208)	
Cancellation of Prior Year Encumbrances is Not a GAAP Revenue			(8,442)	
Encumbrances are reported in the year the order is placed for budgetary purposes but in the Year received for financial reporting purposes			62,580	
Recognition of Fair Market Value of Investments			(744,798)	
Total Net Change in Fund Balance - GAAP Basis			<u>\$ (148,290)</u>	

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL
SCHOOL UNRESTRICTED FUND
YEAR ENDED JUNE 30, 2022
(BUDGETARY BASIS)

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES AND DESIGNATED FUND BALANCE				
State Aid	\$ 4,774,058	\$ 4,774,058	\$ 4,774,058	\$ -
Tuition	148,887	240,887	241,500	613
Investment Income	-	1,280	1,280	-
Miscellaneous	478,726	672,419	680,834	8,415
Total Revenues	<u>5,401,671</u>	<u>5,688,644</u>	<u>5,697,672</u>	<u>9,028</u>
Use of Fund Balance	493,202	330,354	-	(330,354)
Total Revenues and Use of Fund Balance	5,894,873	6,018,998	5,697,672	(321,326)
EXPENDITURES				
Salaries	33,901,987	33,866,827	33,867,510	(683)
Employee Benefits	14,701,421	14,004,463	14,003,789	674
Purchased Services	11,915,214	12,309,657	12,267,787	41,870
Supplies and Materials	1,401,024	1,863,706	1,829,672	34,034
Total Expenditures	<u>61,919,646</u>	<u>62,044,653</u>	<u>61,968,758</u>	<u>75,895</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(56,024,773)	(56,025,655)	(56,271,086)	(245,431)
OTHER FINANCING SOURCES				
Transfers In:				
Town of South Kingstown General Fund	55,994,773	55,994,773	55,994,773	-
Trust Fund Income	30,000	30,882	31,755	873
Total Other Financing Sources	<u>56,024,773</u>	<u>56,025,655</u>	<u>56,026,528</u>	<u>873</u>
EXCESS OF REVENUES, OTHER SOURCES AND USES OF FUND BALANCE OVER EXPENDITURES AND OTHER FINANCING USES	<u>\$ -</u>	<u>\$ -</u>	(244,558)	<u>\$ (244,558)</u>
Budgetary excess of revenues over expenditures is different than GAAP net change in fund balance because of the following reconciling items:				
Reimbursement of Fund Balance from School Department to Town - Prior Year			(537,213)	
Change in Encumbrances			-	
Total Net Change in Fund Balance - GAAP Basis			<u>\$ (781,771)</u>	

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

TOWN FUNDS

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

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

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

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

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

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

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

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

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

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

SCHOOL FUNDS

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

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

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

CAPITAL PROJECTS FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

PERMANENT FUNDS

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

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

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

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

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

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

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2022**

Special Revenue Funds									
	Affordable Housing	Animal Shelter Benefit Fund	Asset Forfeiture Fund	Community Development Block Grant	Community Recreation Center	Elderly Services	EMS Billing Services	300th Anniversary	Historical and Vital Recording Fees
ASSETS									
Cash and Cash Equivalents	\$ -	\$ -	\$ 740	\$ -	\$ 120,882	\$ 347,501	\$ 868,955	\$ -	\$ -
Investments	-	-	-	-	-	-	836,889	-	-
Accounts and Other Receivables	-	-	-	-	-	3,000	-	-	-
Lease Receivable	-	-	-	-	-	-	-	-	-
Due from Federal and State Governments	-	-	2,330	-	-	-	-	-	-
Due from Other Funds	117,154	471,283	295,498	35,884	139,970	7,077	6,340	19,900	143,135
Prepays	-	-	-	-	-	-	-	-	-
Total Assets	\$ 117,154	\$ 471,283	\$ 298,568	\$ 35,884	\$ 260,852	\$ 357,578	\$ 1,712,184	\$ 19,900	\$ 143,135
LIABILITIES AND FUND BALANCES									
LIABILITIES									
Accounts Payable	\$ 3,540	\$ 475	\$ 600	\$ -	\$ 24,101	\$ 1,717	\$ 5,624	\$ -	\$ 2,603
Retainage Payable	-	-	-	-	-	-	-	-	-
Accrued Liabilities	-	11,371	-	-	11,033	16,190	-	-	-
Due to Federal and State Governments	-	2,645	-	-	-	5,952	-	-	-
Due to Other Funds	-	-	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	54,913	-	-	-	-
Deposits Held in Custody of Others	-	-	-	-	-	-	-	-	-
Deferred Inflow of Resources	-	-	-	-	-	-	-	-	-
Total Liabilities	3,540	14,491	600	-	90,047	23,859	5,624	-	2,603
DEFERRED INFLOW OF RESOURCES									
Unavailable Revenue - Other Receivables	-	-	-	-	-	-	-	-	-
Deferred Inflow Related to Leases	-	-	-	-	-	-	-	-	-
FUND BALANCES									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	-	297,968	-	-	-	-	-	-
Committed	113,614	456,792	-	35,884	170,805	333,719	1,706,560	19,900	140,532
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-
Total Fund Balances	113,614	456,792	297,968	35,884	170,805	333,719	1,706,560	19,900	140,532
Total Liabilities and Fund Balances	\$ 117,154	\$ 471,283	\$ 298,568	\$ 35,884	\$ 260,852	\$ 357,578	\$ 1,712,184	\$ 19,900	\$ 143,135

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2022**

	Special Revenue Funds								
	Narragansett Library	Neighborhood Guild	Peace Dale Office Building	Property Revaluation Reserve Fund	RI Resource Recovery Grant	Public Safety Grants	Substance Abuse	Drug Free Community Grant	Nancy Brown Memorial Fund
ASSETS									
Cash and Cash Equivalents	\$ 65,515	\$ 284,131	\$ 244,243	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,415
Investments	43,212	-	-	-	-	-	-	-	-
Accounts and Other Receivables	-	-	1,086	-	-	-	-	-	-
Lease Receivable	-	-	34,875	-	-	-	-	-	-
Due from Federal and State Governments	-	-	-	-	-	3,478	-	-	-
Due from Other Funds	-	102	-	235,616	55,896	-	-	-	-
Prepays	-	-	-	-	-	-	-	-	-
Total Assets	\$ 108,727	\$ 284,233	\$ 280,204	\$ 235,616	\$ 55,896	\$ 3,478	\$ -	\$ -	\$ 3,415
LIABILITIES AND FUND BALANCES									
LIABILITIES									
Accounts Payable	\$ 75	\$ 14,628	\$ 11,165	\$ 42,400	\$ -	\$ -	\$ -	\$ -	\$ -
Retainage Payable	-	-	-	-	-	-	-	-	-
Accrued Liabilities	-	6,374	4,538	-	-	1,304	-	-	-
Due to Federal and State Governments	-	-	-	-	-	-	-	-	-
Due to Other Funds	377	-	1,527	-	-	2,174	-	-	-
Unearned Revenue	-	44,231	1,112	-	-	-	-	-	-
Deposits Held in Custody of Others	-	-	-	-	-	-	-	-	-
Deferred Inflow of Resources	-	-	-	-	-	-	-	-	-
Total Liabilities	452	65,233	18,342	42,400	-	3,478	-	-	-
DEFERRED INFLOW OF RESOURCES									
Unavailable Revenue - Other Receivables									
Deferred Inflow Related to Leases	-	-	33,847	-	-	-	-	-	-
FUND BALANCES									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	55,896	-	-	-	3,415
Committed	108,275	219,000	228,015	193,216	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-
Total Fund Balances	108,275	219,000	228,015	193,216	55,896	-	-	-	3,415
Total Liabilities and Fund Balances	\$ 108,727	\$ 284,233	\$ 280,204	\$ 235,616	\$ 55,896	\$ 3,478	\$ -	\$ -	\$ 3,415

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2022**

	Special Revenue Funds							Total Special Revenue Funds
	Municipal Planning Services Reserve Fund	School Restricted Fund	Student Activity Funds	Miscellaneous Donations Fund	K-9 Grant Fund	Opioid Settlement	Friends of SK Parks and Recreation	
ASSETS								
Cash and Cash Equivalents	\$ -	\$ -	\$ 302,979	\$ -	\$ -	\$ -	\$ 30,185	\$ 2,268,546
Investments	-	-	-	-	-	-	-	880,101
Accounts and Other Receivables	-	-	-	-	-	-	-	4,086
Lease Receivable	-	-	-	-	-	-	-	34,875
Due from Federal and State Governments	-	335,688	-	-	-	380,066	-	721,562
Due from Other Funds	30,346	76,273	-	50,726	11,278	150,781	-	1,847,259
Prepays	-	-	-	-	-	-	-	-
Total Assets	\$ 30,346	\$ 411,961	\$ 302,979	\$ 50,726	\$ 11,278	\$ 530,847	\$ 30,185	\$ 5,756,429
LIABILITIES AND FUND BALANCES								
LIABILITIES								
Accounts Payable	\$ -	\$ 32,941	\$ -	\$ 2,594	\$ 37	\$ -	\$ 500	\$ 143,000
Retainage Payable	-	-	-	-	-	-	-	-
Accrued Liabilities	-	92,158	-	-	-	-	-	142,968
Due to Federal and State Governments	-	-	-	-	-	-	-	8,597
Due to Other Funds	-	217,552	-	-	-	-	-	221,630
Unearned Revenue	-	2,800	-	-	-	-	-	103,056
Deposits Held in Custody of Others	-	-	11,836	-	-	-	-	11,836
Deferred Inflow of Resources	-	-	-	-	-	-	-	-
Total Liabilities	-	345,451	11,836	2,594	37	-	500	631,087
DEFERRED INFLOW OF RESOURCES								
Unavailable Revenue - Other Receivables	-	-	-	-	-	380,066	-	380,066
Deferred Inflow Related to Leases	-	-	-	-	-	-	-	33,847
FUND BALANCES								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	291,143	48,132	11,241	-	-	707,795
Committed	30,346	66,510	-	-	-	150,781	29,685	4,003,634
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total Fund Balances	30,346	66,510	291,143	48,132	11,241	150,781	29,685	4,711,429
Total Liabilities and Fund Balances	\$ 30,346	\$ 411,961	\$ 302,979	\$ 50,726	\$ 11,278	\$ 530,847	\$ 30,185	\$ 5,756,429

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2022**

	Capital Project Funds								
	Capital Equipment and Replacement	Technology Improvement	Fair Share Development	Library Building Construction	Open Space Reserve	Public Safety Improvement	Public Services Office Building Improvement	Public Works Improvement	Recreation Minor Improvement
ASSETS									
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ 145,890	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-	-	-
Accounts and Other Receivables	-	-	-	-	-	-	-	-	-
Lease Receivable	115,665	-	-	-	-	-	-	-	-
Due from Federal and State Governments	3,950,458	245,232	843,588	67,500	1,154,256	508,719	46,282	4,001,445	894,312
Due from Other Funds	-	-	-	-	-	-	-	-	-
Prepays	-	-	-	-	-	-	-	-	-
Total Assets	\$ 4,066,123	\$ 245,232	\$ 843,588	\$ 213,390	\$ 1,154,256	\$ 508,719	\$ 46,282	\$ 4,001,445	\$ 894,312
LIABILITIES AND FUND BALANCES									
LIABILITIES	\$ 31,663	\$ -	\$ -	\$ 63,887	\$ -	\$ 14,470	\$ -	\$ 90,251	\$ -
Accounts Payable	-	-	-	-	-	-	-	-	-
Retainage Payable	-	-	-	-	-	-	-	-	-
Accrued Liabilities	-	-	-	-	-	-	-	-	-
Due to Federal and State Governments	-	-	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-	-
Deposits Held in Custody of Others	-	-	-	-	-	-	-	-	-
Deferred Inflow of Resources	31,663	-	-	63,887	-	14,470	-	90,251	-
Total Liabilities	31,663	-	-	63,887	-	14,470	-	90,251	-
DEFERRED INFLOW OF RESOURCES									
Unavailable Revenue - Other Receivables	-	-	-	-	-	-	-	-	-
Deferred Inflow Related to Leases	-	-	-	-	-	-	-	-	-
FUND BALANCES									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	-	843,588	-	-	-	-	-	-
Committed	4,034,460	245,232	-	149,503	1,154,256	494,249	46,282	3,911,194	894,312
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-
Total Fund Balances	4,034,460	245,232	843,588	149,503	1,154,256	494,249	46,282	3,911,194	894,312
Total Liabilities and Fund Balances	\$ 4,066,123	\$ 245,232	\$ 843,588	\$ 213,390	\$ 1,154,256	\$ 508,719	\$ 46,282	\$ 4,001,445	\$ 894,312

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2022**

Permanent Funds

	Hazard Memorial Trust	Irving Knowles Trust	Oliver Watson Home	Walter W. Watson Trust	Kingston Free Library Trust	Total Permanent Funds	Total
ASSETS							
Cash and Cash Equivalents	\$ 265,875	\$ 32,820	\$ -	\$ -	\$ 60,056	\$ 358,751	\$ 4,222,574
Investments	251,461	459,914	168,063	199,140	985,149	2,063,727	7,018,708
Accounts and Other Receivables	-	-	-	-	-	-	4,086
Lease Receivable	-	-	-	-	-	-	34,875
Due from Federal and State Governments	-	-	-	-	-	-	855,977
Due from Other Funds	-	-	-	-	-	-	15,883,472
Prepays	-	-	-	-	-	-	-
Total Assets	\$ 517,336	\$ 492,734	\$ 168,063	\$ 199,140	\$ 1,045,205	\$ 2,422,478	\$ 28,019,692
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 383,550
Retainage Payable	-	-	-	-	-	-	-
Accrued Liabilities	-	-	-	-	-	-	142,968
Due to Federal and State Governments	-	-	-	-	-	-	8,597
Due to Other Funds	-	-	5,000	2,589	-	7,589	229,219
Unearned Revenue	-	-	-	-	-	-	103,056
Deposits Held in Custody of Others	-	-	-	-	-	-	11,836
Deferred Inflow of Resources	-	-	-	-	-	-	-
Total Liabilities	-	-	5,000	2,589	-	7,589	879,226
DEFERRED INFLOW OF RESOURCES							
Unavailable Revenue - Other Receivables	-	-	-	-	-	-	380,066
Deferred Inflow Related to Leases	-	-	-	-	-	-	33,847
FUND BALANCES							
Nonspendable	20,000	2,000	39,000	40,928	390,092	492,020	492,020
Restricted	497,336	490,734	124,063	155,623	655,113	1,922,869	3,474,252
Committed	-	-	-	-	-	-	22,774,281
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	(14,000)
Total Fund Balances	517,336	492,734	163,063	196,551	1,045,205	2,414,889	26,726,553
Total Liabilities and Fund Balances	\$ 517,336	\$ 492,734	\$ 168,063	\$ 199,140	\$ 1,045,205	\$ 2,422,478	\$ 28,019,692

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2022**

Special Revenue Funds									
	Affordable Housing	Animal Shelter Benefit Fund	Asset Forfeiture Fund	Community Development Block Grant	Community Recreation Center	Elderly Services	EMS Billing Services	300th Anniversary	Historical and Vital Recording Fees
REVENUES									
Intergovernmental Revenues	\$ -	\$ -	\$ 135,454	\$ 739,721	\$ 14,183	\$ 101,548	\$ -	\$ 10,500	\$ -
Licenses and Fees	-	17,051	-	-	-	-	-	-	36,104
Fines and Charges	-	-	-	-	223,761	78,595	1,239,405	-	-
Investment Income (Loss)	-	-	-	-	362	1,012	(39,322)	-	-
Contributions	-	6,437	-	-	-	-	-	-	-
Other Revenue	-	14,973	3,030	-	-	-	-	-	-
Total Revenues	-	38,461	138,484	739,721	238,306	181,155	1,200,083	10,500	36,104
EXPENDITURES									
Education	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	538,489	-	-	-	-
Other Expenditures	10,119	2,377	41,877	739,722	-	560,201	317,318	600	39,453
Capital Outlay	-	-	-	-	-	-	-	-	-
Total Expenditures	10,119	2,377	41,877	739,722	538,489	560,201	317,318	600	39,453
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(10,119)	36,084	96,607	(1)	(300,183)	(379,046)	882,765	9,900	(3,349)
OTHER FINANCING SOURCES (USES)									
Issuance of General Obligation Bonds	-	-	-	-	-	-	-	-	-
Transfers In	37,500	-	-	-	361,000	488,703	-	10,000	-
Transfers Out	-	-	-	-	-	(40,000)	(900,000)	-	-
Total Other Financing Sources (Uses)	37,500	-	-	-	361,000	448,703	(900,000)	10,000	-
NET CHANGE IN FUND BALANCES	27,381	36,084	96,607	(1)	60,817	69,657	(17,235)	19,900	(3,349)
Fund Balances - Beginning of Year, as Restated	86,233	420,708	201,361	35,885	109,988	264,062	1,723,795	-	143,881
FUND BALANCES - END OF YEAR	\$ 113,614	\$ 456,792	\$ 297,968	\$ 35,884	\$ 170,805	\$ 333,719	\$ 1,706,560	\$ 19,900	\$ 140,532

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
YEAR ENDED JUNE 30, 2022**

	Special Revenue Funds								
	Narragansett Library	Neighborhood Guild	Peace Dale Office Building	Property Revaluation Reserve Fund	RI Resource Recovery Grant	Public Safety Grants	Substance Abuse	Drug Free Community Grant	Nancy Brown Memorial Fund
REVENUES									
Intergovernmental Revenues	\$ -	\$ -	\$ 664	\$ -	\$ -	\$ 63,586	\$ -	\$ -	\$ 2
Licenses and Fees	-	-	-	-	-	-	-	-	-
Fines and Charges	-	272,152	98,862	-	-	-	-	-	-
Investment Income (Loss)	(4,961)	380	571	-	-	-	-	-	-
Contributions	46,238	-	-	-	-	-	-	-	-
Other Revenue	-	-	-	-	-	-	-	-	-
Total Revenues	<u>41,277</u>	<u>272,532</u>	<u>100,097</u>	<u>-</u>	<u>-</u>	<u>63,586</u>	<u>-</u>	<u>-</u>	<u>2</u>
EXPENDITURES									
Education	-	-	-	-	-	-	-	-	-
Recreation	-	687,146	71,792	-	-	-	-	-	-
Other Expenditures	76	-	-	252,448	-	63,586	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>76</u>	<u>687,146</u>	<u>71,792</u>	<u>252,448</u>	<u>-</u>	<u>63,586</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	41,201	(414,614)	28,305	(252,448)	-	-	-	-	2
OTHER FINANCING SOURCES (USES)									
Issuance of General Obligation Bonds	-	-	-	-	-	-	-	-	-
Transfers In	5,222	528,625	-	30,000	-	-	-	-	-
Transfers Out	(51,439)	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>(46,217)</u>	<u>528,625</u>	<u>-</u>	<u>30,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(5,016)	114,011	28,305	(222,448)	-	-	-	-	2
Fund Balances - Beginning of Year, as Restated	<u>113,291</u>	<u>104,989</u>	<u>199,710</u>	<u>415,664</u>	<u>55,896</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,413</u>
FUND BALANCES - END OF YEAR	<u>\$ 108,275</u>	<u>\$ 219,000</u>	<u>\$ 228,015</u>	<u>\$ 193,216</u>	<u>\$ 55,896</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,415</u>

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
YEAR ENDED JUNE 30, 2022**

	Special Revenue Funds							Total Special Revenue Funds
	Municipal Planning Services Reserve Fund	School Restricted Fund	Student Activity Funds	Miscellaneous Donations Fund	K-9 Grant Fund	Opioid Settlement	Friends of SK Parks and Recreation	
REVENUES								
Intergovernmental Revenues								
Licenses and Fees								
Fines and Charges	\$ -	\$ 2,888,594	\$ 193,641	\$ -	\$ 313	150,781	\$ -	\$ 4,298,987
Investment Income (Loss)	-	-	-	-	-	-	-	53,155
Contributions	-	-	-	-	-	-	-	1,912,775
Other Revenue	-	-	-	-	-	-	97	(41,861)
Total Revenues	-	52,834	-	68,451	-	6,222	-	180,182
	-	-	-	-	-	-	-	18,003
	-	2,941,428	193,641	68,451	313	150,781	6,319	6,421,241
EXPENDITURES								
Education								
Recreation	-	2,874,918	251,165	-	-	-	-	3,126,083
Other Expenditures	-	-	-	-	-	16,915	-	1,314,342
Capital Outlay	-	-	-	46,310	2,827	-	-	2,076,914
Total Expenditures	-	-	-	-	-	-	-	-
	-	2,874,918	251,165	46,310	2,827	-	16,915	6,517,339
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES								
	-	66,510	(57,524)	22,141	(2,514)	150,781	(10,596)	(96,098)
OTHER FINANCING SOURCES (USES)								
Issuance of General Obligation Bonds								
Transfers In	-	-	-	-	-	-	-	1,461,050
Transfers Out	-	-	-	-	-	-	-	(991,439)
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	469,611
NET CHANGE IN FUND BALANCES								
	-	66,510	(57,524)	22,141	(2,514)	150,781	(10,596)	373,513
Fund Balances - Beginning of Year, as Restated	30,346	-	348,667	25,991	13,755	-	40,281	4,337,916
FUND BALANCES - END OF YEAR								
	\$ 30,346	\$ 66,510	\$ 291,143	\$ 48,132	\$ 11,241	\$ 150,781	\$ 29,685	\$ 4,711,429

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
YEAR ENDED JUNE 30, 2022**

	Capital Project Funds								
	Capital Equipment and Replacement	Technology Improvement	Fair Share Development	Library Building Construction	Open Space Reserve	Public Safety Improvement	Public Services Office Building Improvement	Public Works Improvement	Recreation Minor Improvement
REVENUES									
Intergovernmental Revenues	\$ 146,665	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 204,871	\$ -
Licenses and Fees	-	-	315,612	-	575,933	-	-	-	-
Fines and Charges	-	-	-	-	-	-	-	-	-
Investment Income (Loss)	-	-	-	428	-	-	-	-	-
Contributions	-	-	-	-	-	-	-	-	-
Other Revenue	-	-	-	-	-	-	-	-	-
Total Revenues	146,665	-	315,612	428	575,933	-	-	204,871	-
EXPENDITURES									
Education	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Other Expenditures	-	-	-	-	-	-	-	-	-
Capital Outlay	859,225	84,014	-	195,719	-	53,939	-	2,151,553	13,480
Total Expenditures	859,225	84,014	-	195,719	-	53,939	-	2,151,553	13,480
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(712,560)	(84,014)	315,612	(195,291)	575,933	(53,939)	-	(1,946,682)	(13,480)
OTHER FINANCING SOURCES (USES)									
Issuance of General Obligation Bonds	2,200,000	-	-	-	-	-	-	3,850,751	375,000
Transfers In	719,500	83,200	-	35,000	-	65,000	-	690,000	100,000
Transfers Out	-	-	(142,694)	-	(297,500)	-	-	-	-
Total Other Financing Sources (Uses)	2,919,500	83,200	(142,694)	35,000	(297,500)	65,000	-	4,540,751	475,000
NET CHANGE IN FUND BALANCES	2,206,940	(814)	172,918	(160,291)	278,433	11,061	-	2,594,069	461,520
Fund Balances - Beginning of Year, as Restated	1,827,520	246,046	670,670	309,794	875,823	483,188	46,282	1,317,125	432,792
FUND BALANCES - END OF YEAR	\$ 4,034,460	\$ 245,232	\$ 843,588	\$ 149,503	\$ 1,154,256	\$ 494,249	\$ 46,282	\$ 3,911,194	\$ 894,312

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
YEAR ENDED JUNE 30, 2022**

	Capital Project Funds									Total Capital Project Funds
	Guild Renovation	Recreation Improvement	School Capital	Senior Services Center Construction	Recreation Center Fund	South Road School Reserve Fund	Town Hall Improvement	Village Infrastructure Fund	Wastewater Construction	
REVENUES										
Intergovernmental Revenues	\$ -	\$ 18,750	\$ -	\$ -	\$ -	\$ 2,598	\$ 79,737	\$ -	\$ -	\$ 452,621
Licenses and Fees	-	-	-	-	-	-	-	-	-	891,545
Fines and Charges	-	-	-	-	-	45,000	-	-	42,600	87,600
Investment Income (Loss)	-	-	-	-	-	-	-	-	(196,304)	(195,876)
Contributions	-	-	-	-	-	-	-	-	-	-
Other Revenue	-	10,381	-	-	-	-	-	-	-	10,381
Total Revenues	-	29,131	-	-	-	47,598	79,737	-	(153,704)	1,246,271
EXPENDITURES										
Education	-	-	397,592	-	-	-	-	-	-	397,592
Recreation	-	-	-	-	-	-	-	-	-	-
Other Expenditures	-	-	-	-	-	-	-	-	-	-
Capital Outlay	26,315	43,802	-	6,592	-	39,298	368,192	-	-	3,842,129
Total Expenditures	26,315	43,802	397,592	6,592	-	39,298	368,192	-	-	4,239,721
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(26,315)	(14,671)	(397,592)	(6,592)	-	8,300	(288,455)	-	(153,704)	(2,993,450)
OTHER FINANCING SOURCES (USES)										
Issuance of General Obligation Bonds	1,000,000	75,000	-	-	-	-	-	-	-	7,500,751
Transfers In	-	-	537,213	40,000	-	-	87,000	10,000	-	2,366,913
Transfers Out	-	-	-	-	-	(8,903)	-	-	-	(449,097)
Total Other Financing Sources (Uses)	1,000,000	75,000	537,213	40,000	-	(8,903)	87,000	10,000	-	9,418,567
NET CHANGE IN FUND BALANCES	973,685	60,329	139,621	33,408	-	(603)	(201,455)	10,000	(153,704)	6,425,117
Fund Balances - Beginning of Year, as Restated	(14,000)	210,782	-	75,004	203,790	349,783	452,548	10,000	5,677,971	13,175,118
FUND BALANCES - END OF YEAR	\$ 959,685	\$ 271,111	\$ 139,621	\$ 108,412	\$ 203,790	\$ 349,180	\$ 251,093	\$ 20,000	\$ 5,524,267	\$ 19,600,235

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
YEAR ENDED JUNE 30, 2022**

Permanent Funds								
	Hazard Memorial Trust	Irving Knowles Trust	Oliver Watson Home	Walter W. Watson Trust	Kingston Free Library Trust	Total Permanent Funds	Eliminations	Total
REVENUES								
Intergovernmental Revenues								
Licenses and Fees								
Fines and Charges	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,751,608
Investment Income (Loss)	-	-	-	-	-	-	-	944,700
Contributions	-	-	-	-	-	-	-	2,000,375
Other Revenue	(37,191)	(81,692)	(8,365)	(9,792)	(168,564)	(305,604)	-	(543,341)
Total Revenues	-	-	-	-	-	-	-	180,182
	(37,191)	(81,692)	(8,365)	(9,792)	(168,564)	(305,604)	-	28,384
EXPENDITURES								
Education								
Recreation	-	-	-	-	-	-	-	3,523,675
Other Expenditures	-	-	715	1,700	-	2,415	-	1,316,757
Capital Outlay	18,108	-	-	-	6,361	24,469	-	2,101,383
Total Expenditures	-	-	-	-	-	-	-	3,842,129
	18,108	-	715	1,700	6,361	26,884	-	10,783,944
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(55,299)	(81,692)	(9,080)	(11,492)	(174,925)	(332,488)	-	(3,422,036)
OTHER FINANCING SOURCES (USES)								
Issuance of General Obligation Bonds								
Transfers In	-	-	-	-	-	-	-	7,500,751
Transfers Out	-	-	-	-	-	-	(97,722)	3,730,241
Total Other Financing Sources (Uses)	-	(5,222)	(5,000)	-	(28,511)	(38,733)	97,722	(1,381,547)
	-	(5,222)	(5,000)	-	(28,511)	(38,733)	-	9,849,445
NET CHANGE IN FUND BALANCES	(55,299)	(86,914)	(14,080)	(11,492)	(203,436)	(371,221)	-	6,427,409
Fund Balances - Beginning of Year, as Restated	572,635	579,648	177,143	208,043	1,248,641	2,786,110	-	20,299,144
FUND BALANCES - END OF YEAR	\$ 517,336	\$ 492,734	\$ 163,063	\$ 196,551	\$ 1,045,205	\$ 2,414,889	\$ -	\$ 26,726,553

INTERNAL SERVICE FUNDS

INTERNAL SERVICE FUNDS

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

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

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

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

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2022

ASSETS	Health Care Management Fund	Compensated Absences Fund	Nonmajor Technology Reserve Fund	Total
CURRENT ASSETS				
Cash and Cash Equivalents	\$ 669,230	\$ 914,930	\$ -	\$ 1,584,160
Due from Other Funds	-	-	320,018	320,018
	<u>669,230</u>	<u>914,930</u>	<u>320,018</u>	<u>1,904,178</u>
Total Assets	669,230	914,930	320,018	1,904,178
LIABILITIES AND NET POSITION				
LIABILITIES				
Accounts Payable	-	-	2,396	2,396
Due to Other Funds	1,400	301,707	-	303,107
Total Liabilities	<u>1,400</u>	<u>301,707</u>	<u>2,396</u>	<u>305,503</u>
NET POSITION				
Unrestricted	<u>\$ 667,830</u>	<u>\$ 613,223</u>	<u>\$ 317,622</u>	<u>\$ 1,598,675</u>

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
INTERNAL SERVICE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
YEAR ENDED JUNE 30, 2022**

	Health Care Management Fund	Compensated Absences Fund	Nonmajor Technology Reserve Fund	Total
OPERATING REVENUES				
Charges for Services	\$ -	\$ -	\$ 156,117	\$ 156,117
Total Operating Revenues	<u>-</u>	<u>-</u>	<u>156,117</u>	<u>156,117</u>
OPERATING EXPENSES				
Health Care Management	2,800	-	-	2,800
Compensated Absences	-	581,752	-	581,752
Public Works	-	-	-	-
Human Service Agency Contribution	-	-	-	-
Public Libraries	-	-	-	-
Education	-	-	-	-
Contribution to OPEB Trust Fund	-	-	-	-
Other	-	-	57,685	57,685
Total Operating Expenses	<u>2,800</u>	<u>581,752</u>	<u>57,685</u>	<u>642,237</u>
OPERATING INCOME (LOSS)	(2,800)	(581,752)	98,432	(486,120)
NONOPERATING INCOME				
Income on Investments	<u>787</u>	<u>1,562</u>	<u>-</u>	<u>2,349</u>
CHANGE IN NET POSITION	(2,013)	(580,190)	98,432	(483,771)
Net Position - Beginning of Year	<u>669,843</u>	<u>1,193,413</u>	<u>219,190</u>	<u>2,082,446</u>
NET POSITION - END OF YEAR	<u>\$ 667,830</u>	<u>\$ 613,223</u>	<u>\$ 317,622</u>	<u>\$ 1,598,675</u>

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2022**

	Health Care Management Fund	Compensated Absences Fund	Nonmajor Technology Reserve Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Providing Services	\$ (8,000)	\$ 1,441,838	\$ 57,685	\$ 1,491,523
Payments to Suppliers	-	-	(57,685)	(57,685)
Payments for Claims	(2,800)	(581,752)	-	(584,552)
Net Cash Provided (Used) by Operating Activities	<u>(10,800)</u>	<u>860,086</u>	<u>-</u>	<u>849,286</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on Investments	787	1,562	-	2,349
Net Cash Provided (Used) by Investing Activities	<u>787</u>	<u>1,562</u>	<u>-</u>	<u>2,349</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(10,013)	861,648	-	851,635
Cash and Cash Equivalents - Beginning of Year	<u>679,243</u>	<u>53,282</u>	<u>-</u>	<u>732,525</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 669,230</u>	<u>\$ 914,930</u>	<u>\$ -</u>	<u>\$ 1,584,160</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ (2,800)	\$ (581,752)	\$ 98,432	\$ (486,120)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Change in Assets and Liabilities:				
(Increase) Decrease in Due from Other Funds	-	1,441,838	(92,725)	1,349,113
Increase (Decrease) in Accounts Payable and Accrued Items			(5,707)	(5,707)
Increase (Decrease) in Due to Other Funds	(8,000)			(8,000)
Total Adjustments	<u>(8,000)</u>	<u>1,441,838</u>	<u>(98,432)</u>	<u>1,335,406</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (10,800)</u>	<u>\$ 860,086</u>	<u>\$ -</u>	<u>\$ 849,286</u>

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
SCHEDULE OF PROPERTY TAXES RECEIVABLE
YEAR ENDED JUNE 30, 2022**

Year	Mill Rate	Property Taxes Receivable July 1, 2021	Current Year Assessment	Transfers Addendums (Net)	Abatements and Adjustments	Amount to be Collected	Collections Net of Refunds	Property Taxes Receivable June 30, 2022
2021	14.450		\$ 76,628,505	\$ 188,045	\$ 71,339	\$ 76,745,211	\$ 76,019,345	\$ 725,866
2020	14.450	788,334	-	137	3,642	784,829	586,592	198,237
2019	15.680	202,555	-	-	1,985	200,570	106,081	94,489
2018	15.310	64,159	-	-	2,685	61,474	12,637	48,837
2017	15.090	45,720	-	-	3,003	42,717	6,677	36,040
2016	15.520	46,621	-	-	281	46,340	5,672	40,668
2015	15.482	36,797	-	-	59	36,738	3,532	33,206
2014	15.470	36,957	-	-	31	36,926	2,239	34,687
2013	14.501	32,703	-	-	85	32,618	680	31,938
2012	14.510	32,879	-	-	44	32,835	203	32,632
2011	14.190	34,086	-	-	34,082	4	4	-
Subtotal		1,320,811	<u>\$ 76,628,505</u>	<u>\$ 188,182</u>	<u>117,236</u>	<u>\$ 78,020,262</u>	<u>\$ 76,743,662</u>	1,276,600
Less: Estimated Allowance for Uncollectable Accounts		<u>333,166</u>						<u>331,634</u>
Net Property Taxes Receivable		<u>\$ 987,645</u>						<u>\$ 944,966</u>

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
SCHEDULE OF PROPERTY TAXES RECEIVABLE (CONTINUED)
YEAR ENDED JUNE 30, 2022**

Year	July - August 2020 Collections Subject to 60-Day FY20 Accrual	September - June 2021 Collections	Total FY 2021 Collections	July - August 2021 Collections Subject to 60-Day FY21 Accrual
2021	\$ -	\$ 76,019,345	\$ 76,019,345	\$ 240,129
2020	275,018	311,574	586,592	39,810
2019	39,607	66,474	106,081	-
2018	1,265	11,372	12,637	2,620
2017	952	5,725	6,677	3,088
2016	1,676	3,996	5,672	1,651
2015	1,220	2,312	3,532	344
2014	465	1,774	2,239	571
2013	-	680	680	-
2012	-	203	203	-
2011	-	4	4	-
Total	<u>\$ 320,203</u>	<u>\$ 76,423,459</u>	<u>\$ 76,743,662</u>	<u>\$ 288,213</u>

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
SCHEDULE OF PROPERTY TAXES RECEIVABLE (CONTINUED)
YEAR ENDED JUNE 30, 2022**

Schedule of Net Assessed Property Value by Category Assessed December 31, 2020		
Description of Property	Valuations	Levy
Real Property	\$ 5,082,937,500	\$ 73,448,447
Motor Vehicle	229,007,988	4,284,739
Tangible Property	<u>107,007,815</u>	<u>1,546,263</u>
Total	5,418,953,303	79,279,449
Exemptions and Adjustments	<u>156,242,262</u>	<u>2,650,944</u>
Net Assessed Value	<u>\$ 5,262,711,041</u>	<u>\$ 76,628,505</u>

Reconciliation of Current Year Property Tax Revenue	
Current Year Collections	\$ 76,743,662
Revenue Received 60 Days Subsequent to Fiscal Year Ended June 30, 2020	<u>288,213</u>
Subtotal	77,031,875
Prior Year Revenue Received in Current Year (2019 60-Day Rule)	<u>(320,203)</u>
Current Year Property Tax Revenue	<u>\$ 76,711,672</u>

**THE ANNUAL SUPPLEMENTAL TRANSPARENCY REPORT SCHEDULES
REQUIRED BY THE STATE OF RHODE ISLAND GENERAL LA
§ 45-12-22.2 AND § 44-35-10**

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

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

<u>REVENUE</u>	<u>Municipal</u>	<u>Education Department</u>
Current Year Levy Tax Collection	\$ 76,257,475	\$ -
Last Year's Levy Tax Collection	357,049	-
Prior Years Property Tax Collection	94,239	-
Interest & Penalty	420,271	-
PILOT & Tax Treaty (excluded from levy) Collection	448,210	-
Other Local Property Taxes	-	-
Licenses and Permits	1,471,306	-
Fines and Forfeitures	5,039	-
Investment Income	(571,627)	-
Departmental	1,553,753	-
Rescue Run Revenue	1,239,406	-
Police & Fire Detail	1,023	-
Other Local Non-Property Tax Revenues	502,824	-
Tuition	-	241,500
Impact Aid	-	-
Medicaid	-	556,404
Federal Stabilization Funds	-	-
Federal Food Service Reimbursement	-	1,304,667
CDBG	-	-
COPS Grants	-	-
SAFER Grants	-	-
Other Federal Aid Funds	7,658	2,108,019
COVID - ESSER	-	606,091
COVID - CRF	-	-
COVID - CDBG	-	-
COVID - FEMA	-	-
COVID - Other	-	-
COVID - ARPA	147,237	-
MV Excise Tax Reimbursement	142,445	-
State PILOT Program	209,069	-
Distressed Community Relief Fund	-	-
Library Resource Aid	242,750	-
Library Construction Aid	-	-
Public Service Corporation Tax	365,054	-
Meals & Beverage Tax / Hotel Tax	1,265,372	-
LEA Aid	-	4,774,058
Group Home	-	-
Housing Aid Capital Projects	-	-
Housing Aid Bonded Debt	241,547	-
State Food Service Revenue	-	13,934
Incentive Aid	-	-
Property Revaluation Reimbursement	-	-
Other State Revenue	-	174,479
Motor Vehicle Phase Out	1,227,440	-
Other Revenue	-	440,068
Local Appropriation for Education	-	55,994,773
Regional Appropriation for Education	-	-
Supplemental Appropriation for Education	-	-
Regional Supplemental Appropriation for Education	-	-
Other Education Appropriation	-	-
Rounding	-	-
Total Revenue	<u>\$ 85,627,540</u>	<u>\$ 66,213,993</u>
Financing Sources: Transfer from Capital Funds	\$ -	\$ -
Financing Sources: Transfer from Other Funds	541,277	-
Financing Sources: Debt Proceeds	-	-
Financing Sources: Other	496,472	-
Rounding	-	-
Total Other Financing Sources	<u>\$ 1,037,749</u>	<u>\$ -</u>

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

EXPENDITURES	General		Social	Centralized	Planning	Libraries	Public Works	Parks and Rec	Police Department
	Government	Finance	Services	IT					
Compensation- Group A	\$ 985,513	\$ 822,075	\$ 296,072	\$ 282,145	\$ 677,972	\$ 754,819	\$ 1,171,808	\$ 1,321,492	\$ 4,295,820
Compensation - Group B	-	-	-	-	-	-	-	-	395,855
Compensation - Group C	-	-	-	-	-	-	-	-	-
Compensation -Volunteer	-	-	-	-	-	-	-	-	-
Overtime- Group A	6,457	4,028	291	-	1,375	-	51,750	28,467	671,764
Overtime - Group B	-	-	-	-	-	-	-	-	2,452
Overtime - Group C	-	-	-	-	-	-	-	-	-
Police & Fire Detail	-	-	-	-	-	-	-	-	-
Active Medical Insurance - Group A	194,499	94,935	71,729	48,287	84,869	105,850	195,396	172,881	784,474
Active Medical Insurance- Group B	-	-	-	-	-	-	-	-	100,912
Active Medical Insurance- Group C	-	-	-	-	-	-	-	-	-
Active Dental insurance- Group A	10,585	5,292	4,440	2,081	6,780	4,895	11,984	10,735	43,686
Active Dental Insurance- Group B	-	-	-	-	-	-	-	-	5,325
Active Dental Insurance- Group C	-	-	-	-	-	-	-	-	-
Payroll Taxes	72,677	62,222	21,478	20,661	51,753	56,653	91,142	89,868	384,795
Life Insurance	1,454	1,129	501	302	909	951	1,488	1,328	6,765
State Defined Contribution- Group A	9,249	8,130	3,060	3,608	6,784	6,102	11,746	9,657	-
State Defined Contribution - Group B	-	-	-	-	-	-	-	-	3,511
State Defined Contribution - Group C	-	-	-	-	-	-	-	-	-
Other Benefits- Group A	12,411	2,074	9,337	617	7,567	2,333	57,665	49,874	24,168
Other Benefits- Group B	-	-	-	-	-	-	-	-	958
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	118,082	95,882	34,355	34,941	79,472	78,927	143,921	112,036	1,115,687
State Defined Benefit Pension- Group B	-	-	-	-	-	-	-	-	49,020
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	-	-	-	-	-	-	-	-	-
Purchased Services	282,372	41,350	6,873	16,568	65,363	61,396	380,069	502,880	37,885
Materials/Supplies	8,408	6,311	4,193	1,275	4,893	98,064	109,889	111,248	42,621
Software Licenses	2,813	1,554	3,887	98,726	7,739	10,531	17,793	6,906	66,171
Capital Outlays	445	19,650	29,186	1,294	1,359	-	8,379	10,874	8,587
Insurance	532,377	-	-	-	-	-	-	-	-
Maintenance	13,565	-	7,278	-	293	12,603	7,367	28,352	19,327
Vehicle Operations	7,227	300	5,330	-	3,041	-	149,221	52,458	327,134
Utilities	35,262	1,566	38,611	10,512	1,895	46,495	67,835	97,530	102,000
Contingency	-	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	22,398	-	-
Revaluation	-	252,448	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	116,511	-	-
Trash Removal & Recycling	-	-	-	-	-	-	21,279	-	-
Claims & Settlements	-	-	-	-	-	-	-	-	-
Community Support	149,616	-	-	-	-	-	-	-	-
Other Operation Expenditures	56,042	23,976	4,764	4,974	19,961	22,873	28,386	130,626	182,454
Tipping Fees	-	-	-	-	-	-	-	-	-
Local Appropriation for Education	-	-	-	-	-	-	-	-	-
Regional Appropriation for Education	-	-	-	-	-	-	-	-	-
Supplemental Appropriation for Education	-	-	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	-	-	-	-	-
Municipal Debt- Interest	-	-	-	-	-	-	-	-	-
School Debt- Principal	-	-	-	-	-	-	-	-	-
School Debt- Interest	-	-	-	-	-	-	-	-	-
Retiree Medical Insurance- Total	-	-	-	-	-	-	-	-	-
Retiree Dental Insurance- Total	-	-	-	-	-	-	-	-	-
OPEB Contribution- Total	-	-	-	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
Total Expenditures	\$ 2,499,054	\$ 1,442,922	\$ 541,385	\$ 525,991	\$ 1,022,025	\$ 1,262,492	\$ 2,666,027	\$ 2,737,212	\$ 8,671,371

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

EXPENDITURES	Fire	Centralized	Public Safety	Education			Total	Education
	Department	Dispatch	Other	Appropriation	Debt	OPEB	Municipal	Department
Compensation- Group A	\$ -	\$ 445,633	\$ 1,508,754	\$ -	\$ -	\$ -	\$ 12,562,103	\$ 26,948,562
Compensation - Group B	-	-	-	-	-	-	395,855	3,576,263
Compensation - Group C	-	-	-	-	-	-	-	4,394,187
Compensation -Volunteer	-	-	-	-	-	-	-	-
Overtime- Group A	-	139,770	561,591	-	-	-	1,465,493	-
Overtime - Group B	-	-	-	-	-	-	2,452	-
Overtime - Group C	-	-	-	-	-	-	-	101,349
Police & Fire Detail	-	-	-	-	-	-	-	-
Active Medical Insurance - Group A	-	85,305	316,065	-	-	-	2,154,290	3,747,905
Active Medical Insurance- Group B	-	-	-	-	-	-	100,912	382,574
Active Medical Insurance- Group C	-	-	-	-	-	-	-	1,216,461
Active Dental insurance- Group A	-	4,189	14,611	-	-	-	119,278	234,643
Active Dental Insurance- Group B	-	-	-	-	-	-	5,325	25,080
Active Dental Insurance- Group C	-	-	-	-	-	-	-	77,058
Payroll Taxes	-	43,175	149,150	-	-	-	1,043,574	2,614,368
Life Insurance	-	512	2,300	-	-	-	17,639	233,387
State Defined Contribution- Group A	-	4,880	2,952	-	-	-	66,168	160,621
State Defined Contribution - Group B	-	-	-	-	-	-	3,511	36,589
State Defined Contribution - Group C	-	-	-	-	-	-	-	40,711
Other Benefits- Group A	-	1,110	17,924	-	-	-	185,080	465,109
Other Benefits- Group B	-	-	-	-	-	-	958	-
Other Benefits- Group C	-	-	-	-	-	-	-	-
Local Defined Benefit Pension- Group A	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-
State Defined Benefit Pension- Group A	-	53,351	80,765	-	-	-	1,947,419	3,872,371
State Defined Benefit Pension - Group B	-	-	-	-	-	-	49,020	522,937
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	485,730
Other Defined Benefit / Contribution	-	-	-	-	-	-	-	-
Purchased Services	-	755	336,841	-	-	-	1,732,352	13,013,319
Materials/Supplies	-	1,360	25,316	-	-	-	413,578	1,033,611
Software Licenses	-	7,731	10,731	-	-	-	234,582	36,703
Capital Outlays	-	-	12,866	-	-	-	92,640	427,013
Insurance	-	-	-	-	-	-	532,377	297,753
Maintenance	-	2,635	11,332	-	-	-	102,752	543,571
Vehicle Operations	-	-	58,773	-	-	-	603,484	5,040
Utilities	-	11,413	31,683	-	-	-	444,802	986,123
Contingency	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	22,398	-
Revaluation	-	-	-	-	-	-	252,448	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	116,511	-
Trash Removal & Recycling	-	-	-	-	-	-	21,279	-
Claims & Settlements	-	-	-	-	-	-	-	97,998
Community Support	-	-	-	-	-	-	149,616	-
Other Operation Expenditures	-	7,369	49,592	-	-	-	531,017	361,900
Tipping Fees	-	-	-	-	-	-	-	-
Local Appropriation for Education	-	-	-	55,994,773	-	-	55,994,773	-
Regional Appropriation for Education	-	-	-	-	-	-	-	-
Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	738,471	-	738,471	-
Municipal Debt- Interest	-	-	-	-	150,072	-	150,072	-
School Debt- Principal	-	-	-	-	614,529	-	614,529	-
School Debt- Interest	-	-	-	-	195,323	-	195,323	-
Retiree Medical Insurance- Total	-	-	-	-	-	-	-	539,808
Retiree Dental Insurance- Total	-	-	-	-	-	-	-	34,490
OPEB Contribution- Total	-	-	-	-	-	728,832	728,832	60,688
Rounding	-	-	-	-	-	-	-	-
Total Expenditures	\$ -	\$ 809,188	\$ 3,191,246	\$ 55,994,773	\$ 1,698,395	\$ 728,832	\$ 83,790,913	\$ 66,573,921

Financing Uses: Transfer to Capital Funds	\$ 1,849,700	\$ -
Financing Uses: Transfer to Other Funds	340,000	-
Financing Uses: Payment to Bond Escrow Agent	-	-
Financing Uses: Other	-	-
Total Other Financing Uses	\$ 2,189,700	\$ -
Net Change in Fund Balance¹	684,676	(359,928)
Fund Balance1- beginning of year	\$21,626,137	\$3,892,094
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	21,626,137	3,892,093
Rounding	-	-
Fund Balance¹ - end of year	\$ 22,310,813	\$ 3,532,165

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

Town of South Kingstown
Annual Supplemental Transparency Report (MTP2)
Combining Schedule of
Reportable Government Services with
Reconciliation to MTP2
Municipal
Fiscal Year Ended June 30, 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						\$ 21,626,137	-	\$ 21,626,137	
<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>\$ 21,626,137</u>	<u>-</u>	<u>\$ 21,626,137</u>	
General Fund	\$ 83,584,986	\$ 1,007,527	\$ 24,132,395	\$ 60,608,408	\$ (148,290)	\$ 17,348,213	\$ -	\$ 17,348,213	\$ 17,199,923
Debt Service	241,547	2,346,829	1,699,395	-	888,981	1,769,414	-	1,769,414	2,658,395
Elderly (Senior) Services	181,155	488,703	560,201	40,000	69,657	264,062	-	264,062	333,719
EMS Billing	1,200,083	-	317,318	900,000	(17,235)	1,723,795	-	1,723,795	1,706,560
Neighborhood Guild	272,532	528,625	687,146	-	114,011	104,989	-	104,989	219,000
Property Revaluation	-	30,000	252,448	-	(222,448)	415,664	-	415,664	193,216
ARPA	147,237	-	147,237	-	-	-	-	-	-
Totals per audited financial statements	<u>\$ 85,627,540</u>	<u>\$ 4,401,684</u>	<u>\$ 27,796,140</u>	<u>\$ 61,548,408</u>	<u>\$ 684,676</u>	<u>\$ 21,626,137</u>	<u>\$ -</u>	<u>\$ 21,626,137</u>	<u>\$ 22,310,813</u>
<u>Reconciliation from financial statements to MTP2</u>									
Reclassify transfer of municipal appropriation to Education Department as expenditure on MTP2	\$ -	\$ -	\$ 55,994,773	\$ (55,994,773)	\$ -	\$ -	\$ -	\$ -	\$ -
Eliminate transfers between Funds reported on MTP2:	-	-	-	-	-	-	-	-	-
- from General Fund to Debt Service	-	(1,945,232)	-	(1,945,232)	-	-	-	-	-
- from General Fund to Senior Services	-	(488,703)	-	(488,703)	-	-	-	-	-
- from EMS Billing to General Fund	-	(900,000)	-	(900,000)	-	-	-	-	-
- from General Fund to Property Revaluation	-	(30,000)	-	(30,000)	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
Totals Per MTP2	<u>\$ 85,627,540</u>	<u>\$ 1,037,749</u>	<u>\$ 83,790,913</u>	<u>\$ 2,189,700</u>	<u>\$ 684,676</u>	<u>\$ 21,626,137</u>	<u>\$ -</u>	<u>\$ 21,626,137</u>	<u>\$ 22,310,813</u>

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

Town of South Kingstown
Annual Supplemental Transparency Report (MTP2)
Combining Schedule of
Reportable Government Services with
Reconciliation to MTP2
Education Department
Fiscal Year Ended June 30, 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						\$ 3,892,094	-	\$ 3,892,094	
<i>Misc. adjustments made for fiscal 2021</i>						(1)	-	(1)	
Fund Balance¹ - per MTP-2 at June 30, 2022 adjusted						<u>\$ 3,892,093</u>	-	<u>\$ 3,892,093</u>	
School Unrestricted Fund	\$ 8,691,477	\$ 56,318,291	\$ 65,254,326	\$ 537,213	\$ (781,771)	\$ 3,468,894	-	\$ 3,468,894	\$ 2,687,123
Enterprise Fund1	1,397,440	-	1,126,190	-	271,250	80,599	-	80,599	351,849
School Special Revenue Funds	2,941,428	-	2,874,918	-	66,510	-	-	-	66,510
School Special Revenue Funds-Student Activity Funds	193,641	-	251,165	-	(57,524)	348,667	-	348,667	291,143
School Capital Project Fund	-	537,213	397,592	-	139,621	-	-	-	139,621
Totals per audited financial statements	<u>\$ 13,223,986</u>	<u>\$ 56,855,504</u>	<u>\$ 69,904,191</u>	<u>\$ 537,213</u>	<u>\$ (361,914)</u>	<u>\$ 3,898,160</u>	<u>\$ -</u>	<u>\$ 3,898,160</u>	<u>\$ 3,536,246</u>

Reconciliation from financial statements to MTP2

Municipal appropriation for Education reported as a transfer on financial statements but a revenue on MTP2	\$ 56,026,528	\$ (56,026,528)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State contributions on behalf of teacher pensions are reported as revenue and expenditures on financial statements only	(2,993,805)	-	(2,993,805)	-	-	-	-	-	-
Depreciation expense recognized on financials not on MPT2	-	-	(1,986)	-	1,986	(6,067)	-	(6,067)	(4,081)
Less Commodities reported from GAAP financials-not in MPT2	(42,716)	-	(42,716)	-	-	-	-	-	-
GASB 87 leases reported as Revenue, capital outlay & expenses on Audit, Revenue on MTP elimination of transfers between school funds	-	(291,763)	(291,763)	-	-	-	-	-	-
Rounding	-	(537,213)	-	(537,213)	-	-	-	-	-
Totals Per MTP2	<u>\$ 66,213,993</u>	<u>\$ -</u>	<u>\$ 66,573,921</u>	<u>\$ -</u>	<u>\$ (359,928)</u>	<u>\$ 3,892,093</u>	<u>\$ -</u>	<u>\$ 3,892,093</u>	<u>\$ 3,532,165</u>

Reconciliation from MTP2 to UCOA

Miscellaneous variance between MTP2 & UCOA	<u>3</u>	<u>-</u>
Totals per UCOA Validated Totals Report - Dated 11/23/22	<u>\$ 66,213,996</u>	<u>\$ 66,573,921</u>

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

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO ANNUAL SUPPLEMENTAL TRANSPARENCY REPORT (MTP2)
JUNE 30, 2022

NOTE 1 BASIS OF PRESENTATION

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

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

NOTE 2 REPORTABLE GOVERNMENT SERVICES

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

NOTE 3 ALLOCATIONS

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

NOTE 4 EMPLOYEE GROUPS

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

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

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO ANNUAL SUPPLEMENTAL TRANSPARENCY REPORT (MTP2)
JUNE 30, 2022

NOTE 4 EMPLOYEE GROUPS (CONTINUED)

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

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

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

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

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

NOTE 5 EDUCATION REVENUE AND EXPENDITURES

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

Additional guidance and definitions regarding the State's Municipal Transparency Portal can be found on the State Division of Municipal Finance website:

<http://www.municipalfinance.ri.gov/>.

STATISTICAL SECTION

STATISTICAL SECTION INFORMATION

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

Statistical section information is presented in the following categories:

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

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

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

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

	Fiscal Year Ended June 30									
	2022	2021	2020	2019	2018	Restated 2017	Restated 2016	Restated 2015	2014	2013
Governmental Activities:										
Net Investment in Capital Assets	\$ 65,948,551	\$ 72,554,859	\$ 77,139,083	\$ 75,386,786	\$ 72,453,601	\$ 77,888,860	\$ 70,479,567	\$ 67,772,956	\$ 65,788,311	\$ 67,088,741
Restricted	29,137,673	34,413,830	21,882,796	2,749,974	2,688,675	2,509,938	2,788,004	17,686,826	17,649,052	15,968,722
Unrestricted	<u>(19,022,456)</u>	<u>(35,111,516)</u>	<u>(35,488,094)</u>	<u>(17,219,511)</u>	<u>(16,739,201)</u>	<u>(25,186,040)</u>	<u>(17,776,078)</u>	<u>(30,877,110)</u>	<u>(54,454,652)</u>	<u>35,089,366</u>
Total Governmental Activities Net Position	76,063,768	71,857,173	63,533,785	60,917,249	58,403,075	55,212,758	55,491,493	54,582,672	28,982,711	118,146,829
Business-Type Activities:										
Net Investment in Capital Assets	24,308,077	22,368,647	22,430,731	20,395,273	21,099,965	21,560,136	20,764,646	20,379,758	20,653,037	21,169,022
Restricted	6,186	6,186								
Unrestricted	<u>13,536,006</u>	<u>13,463,078</u>	<u>13,188,340</u>	<u>12,793,391</u>	<u>11,148,345</u>	<u>10,316,138</u>	<u>9,590,963</u>	<u>8,602,953</u>	<u>7,806,604</u>	<u>7,020,437</u>
Total Business-Type Activities Net Position	37,850,269	35,837,911	35,619,071	33,188,664	32,248,310	31,876,274	30,355,609	28,982,711	28,459,641	28,189,459
Primary Government:										
Net Investment In Capital Assets	90,256,628	94,923,506	99,569,814	95,782,059	93,553,566	99,448,996	91,244,213	88,152,714	86,441,348	88,257,763
Restricted	29,143,859	34,420,016	2,804,762	2,257,954	2,196,655	2,509,938	2,295,984	17,686,826	17,649,052	15,968,722
Unrestricted	<u>(5,486,450)</u>	<u>(21,648,438)</u>	<u>(3,221,720)</u>	<u>(4,426,120)</u>	<u>(5,590,856)</u>	<u>(14,869,902)</u>	<u>(8,185,115)</u>	<u>(22,274,157)</u>	<u>(46,648,048)</u>	<u>42,109,803</u>
Total Primary Government Net Position	<u>\$ 113,914,037</u>	<u>\$ 107,695,084</u>	<u>\$ 99,152,856</u>	<u>\$ 93,613,893</u>	<u>\$ 90,159,365</u>	<u>\$ 87,089,032</u>	<u>\$ 85,355,082</u>	<u>\$ 83,565,383</u>	<u>\$ 57,442,352</u>	<u>\$ 146,336,288</u>

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
CHANGES IN NET POSITION – GOVERNMENTAL ACTIVITIES
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year Ended June 30									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
EXPENSES										
Governmental Activities:										
General Government	\$ 5,312,803	\$ 6,799,564	\$ 6,439,271	\$ 5,566,611	\$ 5,485,016	\$ 6,009,770	\$ 4,959,774	\$ 4,132,116	\$ 4,841,301	\$ 10,084,503
Public Safety	11,459,722	12,473,336	12,853,296	11,889,791	12,533,561	11,959,463	13,020,538	10,223,505	10,045,222	7,077,376
Public Works	4,784,769	4,333,110	4,617,718	4,395,606	2,925,740	3,287,040	3,084,179	4,621,350	4,299,775	3,648,193
Human Service Agency Contributions	655,320	700,428	907,803	1,005,331	840,591	950,422	943,812	928,691	923,218	145,400
Public Libraries	1,491,220	1,996,552	1,432,553	1,487,098	1,832,064	1,813,159	1,506,903	1,282,647	1,231,188	1,051,446
Education	63,379,148	65,664,371	66,487,416	66,456,058	65,482,766	66,089,552	65,100,240	61,776,176	61,622,756	62,189,433
Recreation	3,874,122	4,787,715	3,812,750	4,003,871	4,699,805	4,428,491	4,135,318	2,648,392	2,723,576	2,264,670
Interest on Long-Term Debt	402,086	194,173	416,130	289,363	413,293	245,795	321,314	819,950	860,844	730,633
Total Governmental Activities	<u>91,359,190</u>	<u>96,949,249</u>	<u>96,966,937</u>	<u>95,093,729</u>	<u>94,212,836</u>	<u>94,783,692</u>	<u>93,072,078</u>	<u>86,432,827</u>	<u>86,547,880</u>	<u>87,191,654</u>
Business-Type Activities:										
Wastewater	3,907,438	3,849,075	3,741,834	3,726,503	3,394,506	3,355,328	3,105,813	3,223,580	2,829,421	2,768,557
Solid Waste	781,322	641,520	589,050	613,073	559,798	500,390	498,920	477,057	457,313	474,459
Water	973,915	1,128,155	1,042,448	917,238	970,691	896,198	818,052	927,477	845,888	768,278
School Cafeteria	1,126,190	738,116	758,394	1,026,582	1,020,300	985,643	983,204	939,795	973,067	957,920
Total Business-Type Activities	<u>6,788,865</u>	<u>6,356,866</u>	<u>6,131,726</u>	<u>6,283,396</u>	<u>5,945,295</u>	<u>5,737,559</u>	<u>5,405,989</u>	<u>5,567,909</u>	<u>5,105,689</u>	<u>4,969,214</u>
Total Primary Government Expense	<u>\$ 98,148,055</u>	<u>\$ 103,306,115</u>	<u>\$ 103,098,663</u>	<u>\$ 101,377,125</u>	<u>\$ 100,158,131</u>	<u>\$ 100,521,251</u>	<u>\$ 98,478,067</u>	<u>\$ 92,000,736</u>	<u>\$ 91,653,569</u>	<u>\$ 92,160,868</u>
PROGRAM REVENUES										
Governmental Activities:										
Charges for Services:										
General Government	\$ 1,163,044	\$ 714,333	\$ 612,142	\$ 559,679	\$ 495,600	\$ 626,747	\$ 561,391	\$ 538,276	\$ 3,188,727	\$ 3,447,815
Public Safety	1,674,818	1,588,164	1,480,139	1,542,615	1,468,888	1,260,869	1,391,139	1,358,084	348,997	1,169,260
Human Service	1,252,030	1,201,770	1,125,256	960,699	1,065,694	882,677	754,636	908,990	139,704	
Public Works	122,177	90,668	161,627	234,328	174,401	142,466	162,652	123,738		324,340
Public Libraries	7,529	3,842	10,265	17,740	22,001	23,267	20,855	21,686	24,491	24,283
Education	1,469,340	1,097,662	897,537	881,720	631,480	670,514	833,574	883,368	791,124	824,591
Interest and Fiscal Charges	64	-								
Recreation	1,836,855	1,732,874	1,694,592	1,811,103	1,677,624	1,618,619	1,609,412	1,585,138	1,015,206	958,750
Operating Grants and Contributions	9,851,227	13,102,785	11,403,108	11,861,271	13,065,446	13,491,181	14,611,427	12,940,772	13,186,891	13,639,256
Capital Grants and Contributions	1,555,155	934,766	1,129,967	829,442	1,799,851	2,276,533	3,217,518	524,381	92,439	107,725
Total Governmental Activities	<u>18,932,239</u>	<u>20,466,864</u>	<u>18,514,633</u>	<u>18,698,597</u>	<u>20,400,985</u>	<u>20,992,873</u>	<u>23,162,604</u>	<u>18,884,433</u>	<u>18,787,579</u>	<u>20,496,020</u>
Business-Type Activities:										
Charges for Services:										
Wastewater	5,901,434	3,965,456	5,552,428	3,949,473	3,608,923	4,052,754	3,285,671	3,494,268	3,049,347	3,251,827
Solid Waste	731,957	672,999	661,902	638,302	561,226	501,178	506,858	528,250	492,264	544,766
Water	1,177,578	1,194,604	1,168,413	1,171,727	1,137,826	1,139,920	1,158,964	1,141,522	1,010,389	973,530
School Cafeteria	36,124	1,295	437,990	615,381	619,381	579,252	560,875	579,529	601,848	633,393
Operating Grants and Contributions	1,361,316	724,213	308,295	391,410	413,975	402,182	427,718	432,055	368,165	325,227
Capital Grants and Contributions	-	7,472			18,069					
Total Business-Type Activities	<u>9,208,409</u>	<u>6,566,039</u>	<u>8,129,028</u>	<u>6,766,293</u>	<u>6,359,400</u>	<u>6,675,286</u>	<u>5,940,086</u>	<u>6,175,624</u>	<u>5,522,013</u>	<u>5,728,743</u>
Total Primary Government	<u>\$ 28,140,648</u>	<u>\$ 27,032,903</u>	<u>\$ 26,643,661</u>	<u>\$ 25,464,890</u>	<u>\$ 26,760,385</u>	<u>\$ 27,668,159</u>	<u>\$ 29,102,690</u>	<u>\$ 25,060,057</u>	<u>\$ 24,309,592</u>	<u>\$ 26,224,763</u>

**TABLE 2
(CONTINUED)**

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
CHANGES IN NET POSITION – GOVERNMENTAL ACTIVITIES (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year Ended June 30									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
NET REVENUE (EXPENSE)										
Governmental Activities	\$ (72,426,951)	\$ (76,482,385)	\$ (78,452,304)	\$ (76,395,132)	\$ (73,811,851)	\$ (73,790,819)	\$ (69,909,474)	\$ (67,548,394)	\$ (67,760,301)	\$ (66,695,634)
Business-Type Activities	2,419,544	209,173	1,997,302	482,897	414,105	937,727	534,097	607,715	416,324	759,529
Total Primary Government Net Expense	<u>\$ (70,007,407)</u>	<u>\$ (76,273,212)</u>	<u>\$ (76,455,002)</u>	<u>\$ (75,912,235)</u>	<u>\$ (73,397,746)</u>	<u>\$ (72,853,092)</u>	<u>\$ (69,375,377)</u>	<u>\$ (66,940,679)</u>	<u>\$ (67,343,977)</u>	<u>\$ (65,936,105)</u>
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental Activities:										
Property Taxes	\$ 77,574,212	\$ 77,281,357	\$ 76,896,488	\$ 74,364,196	\$ 72,166,222	\$ 70,994,758	\$ 69,126,888	\$ 66,953,388	\$ 66,953,388	\$ 66,659,301
Motor Vehicle Phase-Out Taxes	1,369,885	321,889	772,534	353,601	483,828	142,445	139,730	170,945	170,945	165,446
Telephone and Hotel Taxes	289,067	121,584	229,153	195,877	199,400	164,020	159,174	509,604	509,604	495,631
Grants and Aid not Restricted for a Specific Program	1,341,359	1,200,125	1,317,593	1,338,723	1,663,617	1,353,836	1,340,500	1,837,885	1,837,885	1,663,378
Unrestricted Investment Earnings	(3,936,977)	5,518,993	2,357,925	2,375,895	1,971,233	1,940,657	193,395	2,568,515	2,568,515	1,990,301
Transfers	(4,000)	(4,200)	(12,833)	(18,986)	25,848	(591,612)	(803,982)	163,057	163,057	357,608
Total Governmental Activities	<u>76,633,546</u>	<u>84,439,748</u>	<u>81,560,860</u>	<u>78,609,306</u>	<u>76,510,148</u>	<u>74,004,104</u>	<u>70,155,705</u>	<u>72,203,394</u>	<u>72,203,394</u>	<u>71,331,665</u>
Business-Type Activities:										
Unrestricted Investment Earnings	(411,186)	5,467	420,272	438,471	(16,221)	(8,674)	34,819	16,915	16,915	20,351
Transfers	4,000	4,200	12,833	18,986	(25,848)	591,612	803,982	(163,057)	(163,057)	(357,608)
Total Business-Type Activities	<u>(407,186)</u>	<u>9,667</u>	<u>433,105</u>	<u>457,457</u>	<u>(42,069)</u>	<u>582,938</u>	<u>838,801</u>	<u>(146,142)</u>	<u>(146,142)</u>	<u>(337,257)</u>
Total Primary Government	<u>\$ 76,226,360</u>	<u>\$ 84,449,415</u>	<u>\$ 81,993,965</u>	<u>\$ 79,066,763</u>	<u>\$ 76,468,079</u>	<u>\$ 74,587,042</u>	<u>\$ 70,994,506</u>	<u>\$ 72,057,252</u>	<u>\$ 72,057,252</u>	<u>\$ 70,994,408</u>
CHANGE IN NET POSITION										
Governmental Activities	\$ 4,206,595	\$ 7,957,363	\$ 3,108,556	\$ 2,514,174	\$ 2,698,297	\$ 213,285	\$ 246,231	\$ 4,655,000	\$ 4,443,093	\$ 4,636,031
Business-Type Activities	2,012,358	218,840	2,430,407	940,354	372,036	1,520,665	1,372,898	461,573	270,182	422,272
Total Primary Government	<u>\$ 6,218,953</u>	<u>\$ 8,176,203</u>	<u>\$ 5,538,963</u>	<u>\$ 3,454,528</u>	<u>\$ 3,070,333</u>	<u>\$ 1,733,950</u>	<u>\$ 1,619,129</u>	<u>\$ 5,116,573</u>	<u>\$ 4,713,275</u>	<u>\$ 5,058,303</u>

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

	Fiscal Year Ended June 30									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Fund:										
Restricted	\$ 1,016	\$ 8,969	\$ 1,200	\$ 27,529	\$ 9,598	\$ 36,956	\$ 15,726	\$ 38,193	\$ 63,678	\$ 21,926
Unrestricted	19,886,030	20,808,138	21,267,506	17,025,520	16,346,328	16,077,082	15,570,027	14,984,306	15,914,055	15,443,286
Total General Fund	<u>\$ 19,887,046</u>	<u>\$ 20,817,107</u>	<u>\$ 21,268,706</u>	<u>\$ 17,053,049</u>	<u>\$ 16,355,926</u>	<u>\$ 16,114,038</u>	<u>\$ 15,585,753</u>	<u>\$ 15,022,499</u>	<u>\$ 15,977,733</u>	<u>\$ 15,465,212</u>
All Other Governmental Funds:										
Restricted	\$ 24,302,091	\$ 27,975,769	\$ 24,567,695	\$ 23,968,163	\$ 23,333,520	\$ 22,102,238	\$ 22,090,114	\$ 22,901,688	\$ 27,111,926	\$ 25,031,275
Unrestricted, Reported in:										
Special Revenue Funds	6,662,029	5,458,247	3,056,898	2,821,443	2,565,363	2,206,848	2,498,058	2,345,147	2,399,180	2,246,126
Capital Project Funds	19,167,821	12,627,098	11,077,659	8,968,301	11,640,433	5,128,522	9,518,148	9,525,428	3,931,006	4,140,305
Total All Other Governmental Funds	<u>\$ 50,131,941</u>	<u>\$ 46,061,114</u>	<u>\$ 38,702,252</u>	<u>\$ 35,757,907</u>	<u>\$ 37,539,316</u>	<u>\$ 29,437,608</u>	<u>\$ 34,106,320</u>	<u>\$ 34,772,263</u>	<u>\$ 33,442,112</u>	<u>\$ 31,417,706</u>

Notes:

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

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

	Fiscal Year Ended June 30									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
REVENUES										
Property Taxes and Interest	\$ 77,584,903	\$ 77,235,788	\$ 76,736,260	\$ 74,523,011	\$ 72,138,721	\$ 71,023,350	\$ 69,170,273	\$ 68,282,410	\$ 67,434,952	\$ 66,626,623
Intergovernmental Revenues	13,414,312	11,635,447	10,434,074	11,559,695	13,084,043	14,124,443	14,224,265	13,519,811	13,313,778	13,809,380
Licenses, Fees, and Rents	3,426,499	3,000,880	2,479,459	2,079,483	2,220,604	2,027,110	1,800,653	2,091,978	1,936,129	2,122,082
Interest on Investments	(3,939,326)	5,517,805	2,348,787	2,356,901	1,959,452	1,940,088	192,667	661,351	2,562,349	1,913,743
Fines and Charges	2,066,277	1,696,032	1,887,213	2,081,198	1,934,102	1,454,328	1,668,007	1,685,331	1,720,729	1,707,372
Department Revenue	1,122,400	1,178,065	1,099,591	1,258,470	1,085,472	1,382,810	1,319,990	1,153,858	1,131,332	924,693
Other Revenue	884,096	1,144,664	856,695	734,822	921,296	834,428	853,428	777,521	765,504	1,812,880
State On-Behalf Pension	2,993,805	2,948,281	2,793,656	2,991,987	2,666,045	2,683,099	2,449,310	2,369,227	2,185,581	2,119,728
Total Revenues	97,552,966	104,356,962	98,635,735	97,585,567	96,009,735	95,469,656	91,678,593	90,541,487	91,050,354	91,036,501
EXPENDITURES										
Current:										
General Government	6,112,796	6,177,625	5,102,639	5,274,466	3,839,267	3,751,923	3,776,694	3,571,502	3,632,029	2,660,861
Public Safety	13,167,291	12,679,075	12,338,588	11,510,894	11,265,691	10,897,960	10,559,201	9,639,003	9,281,517	6,672,979
Public Services	3,385,175	2,858,094	3,034,100	3,051,979	2,935,749	3,627,204	2,984,847	2,735,979	2,491,439	2,398,155
Public Health Contributions	655,320	700,428	994,947	1,020,829	964,008	950,422	940,061	125,400	147,400	145,400
Recreation	3,209,375	3,021,092	3,180,928	3,187,746	2,957,302	2,924,312	2,658,792	2,572,574	2,358,758	2,035,546
Public Libraries	1,290,490	1,293,978	1,364,380	1,317,350	1,259,498	1,210,348	1,180,796	1,173,634	1,134,945	914,695
Educational	68,401,934	66,761,338	62,641,377	65,632,870	63,976,130	63,158,612	62,196,819	61,834,589	60,988,629	61,524,508
Capital Improvements	4,195,634	2,392,441	4,822,247	5,481,376	2,806,741	10,161,698	3,508,744	3,011,018	2,906,979	1,842,708
Miscellaneous	-	-	-	-	1,191,713	1,040,289	967,255	928,093	2,361,875	7,550,463
Debt Service: (2)										
Principal	1,437,304	1,370,000	1,694,000	1,842,000	1,682,000	1,710,000	2,044,000	2,371,000	2,680,000	2,981,000
Interest	345,395	382,452	424,824	331,357	378,262	257,434	334,933	618,393	592,913	717,211
Total Expenditures	102,200,714	97,636,523	95,598,030	98,650,867	93,256,361	99,690,202	91,152,142	88,581,185	88,576,484	89,443,526
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(4,647,748)	6,720,439	3,037,705	(1,065,300)	2,753,374	(4,220,546)	526,451	1,960,302	2,473,870	1,592,975
OTHER FINANCING SOURCES (USES)										
Proceeds from Borrowing	7,500,751	-	4,135,130	-	5,639,374	-	-	-	-	-
Issuance of Leases	291,763	-	-	-	-	-	-	-	-	-
Issuance of Refunding Bonds	-	-	-	-	-	-	-	6,935,000	-	4,263,000
Payment to Refunding Debt Escrow	-	-	-	-	-	-	-	(7,218,900)	-	(4,207,856)
Transfers In	7,116,352	7,444,429	5,486,875	5,697,095	5,523,866	5,700,651	5,860,074	5,996,250	4,571,217	3,907,648
Transfers Out	(7,120,352)	(7,623,629)	(5,499,708)	(5,716,081)	(5,573,018)	(5,710,706)	(6,489,214)	(5,892,553)	(4,508,160)	(3,880,040)
Total Other Financing Sources (Uses)	7,788,514	(179,200)	4,122,297	(18,986)	5,590,222	(10,055)	(629,140)	(180,203)	63,057	82,752
NET CHANGE IN FUND BALANCES	\$ 3,140,766	\$ 6,541,239	\$ 7,160,002	\$ (1,084,286)	\$ 8,343,596	\$ (4,230,601)	\$ (102,689)	\$ 1,780,099	\$ 2,536,927	\$ 1,675,727
Debt Service as a Percentage of Noncapital Expenditures (1)	1.82%	1.84%	2.34%	2.28%	1.97%	2.61%	3.37%	3.70%	4.13%	4.67%

Notes:

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

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

Fiscal Year Ended June 30	Assessed Value						Total Taxable Assessed Value	Total Direct Tax Rate
	Residential Property	Commercial Property	Industrial/Utility Property	Tangible Personal Property	Motor Vehicles	Less Tax Exempt Property		
2022	\$ 4,527,996,100	\$ 512,059,900	\$ 42,881,500	\$ 107,007,815	\$ 136,900,889	\$ 64,135,163	\$ 5,262,711,041	\$ 14.56
2021	4,494,020,600	510,107,200	42,881,500	114,464,194	145,574,064	61,133,730	5,245,913,828	14.56
2020	4,453,849,000	502,741,200	42,881,500	114,091,164	168,826,026	63,902,393	5,218,486,497	14.59
2019	3,941,833,700	407,514,885	74,711,715	113,421,110	175,178,185	59,619,313	4,653,040,282	15.79
2018	3,902,377,700	406,099,681	73,106,419	112,676,078	184,249,032	60,393,721	4,618,115,189	15.45
2017	3,874,286,600	417,248,697	74,538,903	113,800,099	198,929,263	61,210,855	4,617,592,707	15.25
2016	3,663,352,700	388,285,575	75,493,525	113,540,016	194,264,022	60,187,116	4,374,748,722	15.66
2015	3,528,766,791	493,273,045	73,836,764	106,473,897	187,325,550	61,825,012	4,327,851,035	15.48
2014	4,327,013,284	420,199,912	40,682,402	117,242,736	185,876,659	793,673,400	4,297,341,593	15.47
2013	4,434,004,364	476,108,659	41,715,054	202,728,309	182,251,511	810,728,300	4,526,079,597	14.50

Source: Town of South Kingstown, Rhode Island Assessor

Notes:

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

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

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

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

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
ASSESSED VALUES AND ACTUAL VALUES OF TAXABLE PROPERTY (CONTINUED)
CALCULATION OF TOTAL DIRECT TAX RATE FOR
FISCAL YEAR ENDED JUNE 30, 2022**

Note: Excludes Exempt Property

<u>Category</u>	<u>Assessed Value</u>	<u>Assessed Value</u>	<u>Direct Rate Per \$1000</u>	<u>Total Tax Levy</u>
Real Estate	\$ 5,082,937,500			
Less: Exemptions	64,135,165			
Net Real Estate		\$ 5,018,802,335	\$ 14.4500	\$ 72,521,676
Tangible/Personal Inventory		107,007,815	14.4500	1,546,260
		-		-
Motor Vehicle	229,007,988			
Less: Exemptions	92,107,099			
Net Motor Vehicle		<u>136,900,889</u>	18.71	<u>2,560,570</u>
		\$ 5,262,711,039		\$ 76,628,505
	Total Assessed Value:	\$ 5,262,711,039		
	Divided by Total Levy:	76,628,505		
	(Times 1000)	<u>\$ 14.56</u>	Weighted Avg/Total Direct Rate	

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

	2022			2013		
	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value
Harbor Village Apts (formerly Grandville)	\$41,536,600	1	0.79%	\$ -		0.00%
Narragansett Electric	31,942,705	2	0.61%	23,598,315	3	0.52%
SCC Investments II, LLC	28,938,300	3	0.55%	13,124,800	7	0.29%
BH Brightview Commons, LLC (formerly SHP III)	25,845,990	4	0.49%	-		0.00%
Schneider Electric (formerly APC)	21,061,287	5	0.40%	-		0.00%
BKD South Bay LLC (Brookdale Senior Living)	15,724,819	6	0.30%	-		0.00%
Jerry Brown Farm Association	14,573,200	7	0.28%	13,634,300	6	0.30%
Tower Hill Landings, LLC	12,508,743	8	0.24%	-		0.00%
Wakefield Mall, LLC	12,483,200	9	0.24%	12,823,700	8	0.28%
Belmont Shoppers Park Inc.	10,487,889	10	0.20%			
American Power Conversion				48,739,403	1	1.08%
Grandville At The Commons LP				34,714,600	2	0.77%
SHP III South Kingstown LLC				16,856,450	4	0.37%
HCP HB2 South Bay Manor LLC				14,017,600	5	0.31%
SCC Investments, LLC				9,944,900	9	0.22%
Hallkeen CDT Kingston LTD Part				9,920,900	10	0.22%
Total	\$ 215,102,733		4.09%	\$ 197,374,968		4.36%

Source: Town of South Kingstown Assessor

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

Fiscal Year	Actual Tax Rate	Gross Levy	Addendums and Adjustments	Abatements and Adjustments	Net Levy	Uncollected (2)			
						End of Year Levy (1)	Percent of Net Levy	As of 8/30/21	Percent of Net Levy
2021-22	14.45	\$ 76,628,505	\$ 188,182	\$ 108,695	\$ 76,707,992	\$ 725,864	0.95%	\$ 485,735	0.63%
2020-21	14.45	76,422,435	105,518	21,523	76,506,430	788,334	1.03%	513,316	0.67%
2019-20	14.45	76,125,309	149,486	33,221	76,241,574	908,690	1.19%	590,391	0.77%
2018-19	15.68	73,489,680	159,788	64,966	73,584,502	765,373	1.04%	417,857	0.57%
2017-18	15.31	71,328,981	134,783	28,622	71,435,142	109,041	0.15%	93,753	0.13%
2016-17	15.09	70,398,298	78,533	55,227	67,698,861	70,486	0.10%	66,310	0.10%
2015-16	15.52	68,504,982	93,912	43,927	65,885,154	48,649	0.07%	47,689	0.07%
2014-15	15.48	67,607,641	114,775	23,555	65,199,289	41,358	0.06%	41,087	0.06%
2013-14	15.47	67,082,117	175,914	348,216	64,231,377	36,625	0.06%	36,382	0.06%
2012-13	14.50	66,399,782	99,701	372,420	66,127,063	36,367	0.05%	36,089	0.05%

Source: Town of South Kingstown Tax Collector

Notes:

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

Uncollected @ 6/30/11 is net of the following adjustments: write off of uncollectible real estate, tangible and motor vehicle taxes for tax years 1998-2009 in the amount of \$21,898; and a reclassification of Town-held tax liens in the amount of \$750.

Uncollected @ 6/30/12 is net of the following adjustments: write off of uncollectible tangible and motor vehicle taxes for tax years 1997-2001 and misc. taxes for tax years 2006-2009 in the amount of \$30,015; reclassification of 2010 and 2011 Town-held tax liens in the amount of \$270.

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

General Bonded Debt						
Fiscal Year June 30,	General Obligation Bonds	Bonds Premiums	Taxable Assessed Value	Percent of Taxable Assessed Value	(2010 is actual) U.S. Census Estimated Population	Per Capita
2022	\$17,126,000	\$886,981	\$ 5,262,711,041	0.33%	31,851	\$ 538
2021	11,464,000	369,362	5,245,913,828	0.22%	30,454	376
2020	12,834,000	427,981	5,218,486,497	0.25%	30,348	423
2019	10,653,000	478,687	4,653,040,282	0.23%	30,650	348
2018	12,495,000	529,392	4,618,115,189	0.27%	30,788	406
2017	8,757,000	360,675	4,617,592,707	0.19%	30,791	284
2016	10,467,000	400,412	4,374,748,722	0.24%	30,826	340
2015	12,511,000	440,149	4,327,851,035	0.29%	30,750	407
2014	14,967,000	96,209	4,297,341,593	0.35%	30,615	489
2013	17,647,000	128,650	4,526,079,597	0.39%	30,363	581

Business-Type Activities							
Fiscal Year June 30,	Wastewater Bonds	Solid Waste Bonds	Water Bonds	Total Primary Government	Total Personal Income	Percent of Personal Income *	Per Capita
2022	\$59,000	\$349,321	\$ -	\$ 18,421,302	1,284,933,042	1.43%	\$ 578
2021	87,000	526,152	-	12,446,514	Not Available	Not Available	409
2020	115,000	698,587	-	14,075,568	Not Available	Not Available	464
2019	142,000	866,719	-	12,140,406	1,193,112,550	1.02%	396
2018	169,000	1,030,638	-	14,224,030	1,110,492,372	1.28%	462
2017	195,000	1,190,432	-	10,503,107	1,101,763,562	0.95%	341
2016	221,000	1,346,185	-	12,434,597	1,044,569,836	1.19%	403
2015	246,000	1,498,979	-	14,696,128	1,002,204,000	1.47%	478
2014	271,000	1,647,896	-	16,982,105	1,030,776,435	1.65%	555
2013	295,000	1,793,014	84,000	19,947,664	1,088,665,365	1.83%	657

Notes:

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

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

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(RATE PER \$1,000 OF ASSESSED VALUE)

Fiscal Year Ended June 30	Total Direct Tax Rate		Overlapping Rates		
	Real Estate / Personal Property	Motor Vehicle	Union Fire District	Indian Lake Fire District	Kingston Fire District
2022	\$ 14.45	\$ 18.71	\$ 0.77	\$ 1.26	\$ 0.95
2021	14.45	18.71	0.76	1.33	0.94
2020	14.45	18.71	0.77	1.22	0.94
2019	15.68	18.71	0.87	1.30	1.02
2018	15.31	18.71	0.86	1.22	1.00
2017	15.09	18.71	0.85	1.22	0.97
2016	15.52	18.71	0.88	1.38	0.98
2015	15.48	18.71	0.82	1.38	0.96
2014	15.47	18.71	0.79	1.13	0.92
2013	14.50	18.71	0.71	0.95	0.87

Notes:

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

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

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

	Fiscal Year Ended June 30									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Total Assessed Value	\$ 5,262,711,041	\$ 5,245,913,828	\$ 5,218,486,497	\$ 4,653,040,282	\$ 4,618,115,189	\$ 4,617,592,707	\$ 4,374,748,722	\$ 4,327,851,035	\$ 4,297,341,593	\$ 4,526,079,597
Rhode Island General Law Debt Limitation as % of Assessed Value Debt Limit	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
	157,881,331	157,377,415	156,554,595	139,591,208	138,543,456	138,527,781	131,242,462	129,835,531	128,920,248	135,782,388
Total Net Debt Applicable to the Limit	2,149,157	2,669,751	3,189,898	3,873,337	4,315,645	3,875,854	4,362,607	4,745,677	5,443,192	4,299,513
Legal Debt Margin	<u>\$ 155,732,174</u>	<u>\$ 154,707,664</u>	<u>\$ 153,364,697</u>	<u>\$ 135,717,872</u>	<u>\$ 134,227,810</u>	<u>\$ 134,651,927</u>	<u>\$ 126,879,855</u>	<u>\$ 125,089,854</u>	<u>\$ 123,477,056</u>	<u>\$ 131,482,875</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	<u>1.36%</u>	<u>1.70%</u>	<u>2.04%</u>	<u>2.77%</u>	<u>3.12%</u>	<u>2.80%</u>	<u>3.32%</u>	<u>3.66%</u>	<u>4.22%</u>	<u>3.17%</u>

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

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

<u>Fiscal Year June 30,</u>	<u>(3) Population</u>	<u>Per Capita Personal Income (1)</u>	<u>ESTIMATED Total Personal Income (1) (thousands)</u>	<u>School Enrollment</u>	<u>Unemployment Rate (2)</u>
2022	31,851	\$ 40,342.00	\$ 1,284,933	2,398	2.2%
2021	30,454	Not Available	Not Available	2,708	6.9%
2020	30,348	Not Available	Not Available	2,853	3.1%
2019	30,650	38,927	1,193,113	2,931	3.6%
2018	30,788	36,069	1,110,492	3,043	3.9%
2017	30,791	35,782	1,101,764	3,111	4.9%
2016	30,826	33,886	1,044,570	3,249	5.4%
2015	30,750	32,592	1,002,204	3,275	6.9%
2014	30,615	33,669	1,030,776	3,397	8.7%
2013	30,363	35,855	1,088,665	3,357	9.1%
2012	30,378	34,007	1,033,065	3,443	9.7%

(1) Per Bureau of Economic Analysis - Washington County. The income data released in April 2012 represents 2010 data. Personal income is only available at the county level. The Town's population is 24% of the County. Most recent Per Capita Personal Income per the US Census Bureau, 2015-2019 ACS 5-Year Estimate for FY 2019. Provided by RI Department of Labor and Training. FY22 Per Capita Income in past 12 months (in 2020 dollars), 2016-2020, per Census.gov Quickfacts.

(2) Rhode Island Department of Labor and Training; as of June 2022

(3) The non-census year statistics are estimates provided RI Department of Labor and Training by the RI Division of Planning. The 2010 fiscal year census statistic is actual U.S. census figure. The 2022 fiscal year census statistic is the Population Estimate as of July 1, 2021, U.S. Census Bureau QuickFacts.

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

2022 (1)				2013 (1)			
Employment Sector	Employees	Rank	Percentage of Total Town Employment	Employment Sector	Employees	Rank	Percentage of Total Town Employment
Government	3,578	1	28.0%	Government	3,802	1	28.3%
Health Care and Social Assistance	2,888	2	22.6%	Health Care and Social Assistance	2,760	2	20.5%
Accommodation and Food Services	1,484	3	11.6%	Accommodation and Food Services	1,431	3	10.6%
Retail Trade	1,220	4	9.5%	Retail Trade	1,276	4	9.5%
Construction	548	5	4.3%	Wholesale Trade	771	5	5.7%
Other Services (except Public Administration)	508	6	4.0%	Other Services (except Public Administration)	708	6	5.3%
Manufacturing	426	7	3.3%	Manufacturing	569	7	4.2%
Wholesale Trade	419	8	3.3%	Professional and Technical Services	342	8	2.5%
Professional and Technical Services	398	9	3.1%	Construction	325	9	2.4%
Educational Services	362	10	2.8%	Administrative Support and Waste Management	311	10	2.3%
Total	<u>11,831</u>		<u>92.5%</u>	Total	<u>12,295</u>		<u>91.5%</u>

NOTES

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

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

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

	Fiscal Year Ended June 30,									
	2022 (1)	2021 (1)	2020 (1)	2019 (1)	2018 (1)	2017 (1)	2016	2015	2014	2013
General Government:	51	47	35	35	35	36	33	33	33	33
Public Safety:										
Police - Officers	58	55	54	54	54	54	53	52	51	51
Police - Civilians	20	20	17	18	18	18	19	22	22	22
Emergency Medical Services	22	21	19	17	17	17	15	17	17	17
Communications	2	2	2	2	2	2	2	2	2	2
Total Public Safety	<u>102</u>	<u>98</u>	<u>92</u>	<u>91</u>	<u>91</u>	<u>91</u>	<u>89</u>	<u>93</u>	<u>92</u>	<u>92</u>
Public Works:										
Streets and Highways	19	19	19	20	20	19	17	18	17	17
Administration	7	7	4	4	4	4	4	4	4	4
Total Public Works	<u>26</u>	<u>26</u>	<u>23</u>	<u>24</u>	<u>24</u>	<u>23</u>	<u>21</u>	<u>22</u>	<u>21</u>	<u>21</u>
Parks and Recreation	19	20	19	19	18	18	11	11	11	11
Libraries	11	10	11	9	9	9	10	10	10	10
Total General Fund	<u>209</u>	<u>201</u>	<u>180</u>	<u>178</u>	<u>177</u>	<u>177</u>	<u>164</u>	<u>169</u>	<u>167</u>	<u>167</u>
Water	2	2	3	3	3	3	3	3	4	4
Wastewater	17	16	18	15	15	15	14	14	17	17
Neighborhood Guild	6	6	6	5	5	5	5	5	5	5
Senior Services	4	8	8	8	8	8	7	7	7	7
Other	4	6	6	6	6	6	1	1	1	1
Public Education:										
Certified	297	290	291	313	308	316	313	316	323	341
Noncertified	142	133	137	149	150	154	154	153	158	174
Administrative	21	22	22	24	24	24	25	24	24	24
Total Public Education	<u>460</u>	<u>445</u>	<u>450</u>	<u>486</u>	<u>482</u>	<u>494</u>	<u>492</u>	<u>493</u>	<u>505</u>	<u>539</u>
Total	<u><u>702</u></u>	<u><u>683</u></u>	<u><u>671</u></u>	<u><u>701</u></u>	<u><u>696</u></u>	<u><u>708</u></u>	<u><u>686</u></u>	<u><u>692</u></u>	<u><u>706</u></u>	<u><u>740</u></u>

Source: Town Budgets and School Department Budgets

NOTES

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

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

Function/Program	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Police:										
Physical Arrests	375	410	381	526	545	555	545	530	645	626
Traffic Violations	2,091	2,304	2,067	2,706	1,975	1,862	2,021	1,751	2,696	2,764
Parking Violations	639	848	1,375	1,301	1,195	1,984	2,428	1,152	1,257	742
Emergency Medical Services:										
Number of Calls Answered	3,908	3,364	3,241	3,325	3,112	3,034	2,930	2,750	2,852	2,807
Animal Control:										
Number of Complaints	801	905	898	1,022	1,141	1,032	1,281	1,188	1,357	1,260
Number of Impoundments	216	253	252	339	401	336	341	201	318	383
Communications:										
Fire Alarm Activations	52	41	48	32	23	30	64	202	227	262
Streets and Highways:										
Street Sweeping (Miles)	145	145	145	151	151	151	148	151	151	151
Road Regrading (Miles)	10	14	14	19	19	31	44	45	45	45
Street Plowing/Deicing (OT Hours)	950	922	375	818	1,422	1,588	1,055	2,814	1,568	1,965
Culture and Recreation:										
Programs/Classes (Enroll/Attend)	44,134	18,302	44,839	27,650	26,377	28,125	28,168	30,349	30,550	28,745
Libraries:										
Volumes in Collection	88,233	87,360	90,750	76,460	80,115	79,701	69,999	69,301	70,599	68,916
Volumes Borrowed	242,464	195,459	225,480	262,068	218,461	216,904	247,197	257,137	267,491	262,456
Reference Requests Filled	20,471	15,562	21,969	28,777	27,480	26,263	25,907	26,158	29,025	28,136
Water:										
New Connections (Net)	4	9	9	8	8	12	7	10	12	4
Average Daily Consumption (1) (Thousands of Gallons)	309	410	399	337	327	329	391	250	324	315
Wastewater:										
Average Daily Sewage Treatment (Thousands of Gallons)	2,710	2,481	2,676	3,031	2,653	2,469	2,430	2,368	2,589	2,520
Senior Services:										
Adult Day Care Services (Client Days)	- ***	- *	2,008 *	3,370	3,379	3,004	3,408	3,034	2,961	3,554
Senior Transportation (Trips)	3,779 ****	28,535 **	11,361 **	7,409	5,883	5,868	5,758	7,042	6,246	7,730
Congregate Meals Served	7,584 *****	30,875	16,989	10,219	10,075	11,273	9,831	9,375	9,648	11,149

Sources: Various Town departments

Notes:

Indicators are not available for the general government function.

* The Adult Day Care Center ceased operations March 13, 2020. Newly announced RI Department of Health regulations call for significant operational adjustments in the Adult Day Setting, including a reduction in the number of participants per day to be allowed in our small facility. Because of these necessary changes, it has been determined that the program is financially unsustainable and the Town has made the difficult decision to delay re-opening until further notice. Presently the Town is committed to reopening the building and is currently seeking a third-party Adult Day Services agency to operate the facility going forward.

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

*** In July 2021, The Town entered into a three-year lease agreement with Saint Elizabeth Community for a fee of \$1.00/year, with an option to extend the agreement for 5 additional years; for the provision of a licensed Adult Day Services Program to be located at 283 Post Road.

**** Includes trips to and from the Center as well as shopping trips.

***** Delivered meals stopped during this time period. Meals were either in-house or grab 'n go. The delivered meals stopped because the Center was in full operation after COVID and we were offering in-house dining. The bus which was used to deliver the meals was now back to transporting participants to the Center and shopping errands.

(1) Purchased water not customer consumed water.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Function/Program	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	16	16	16	16	16	16	16	16	16	16
Public Works:										
Streets (Miles)	150	150	150	150	150	150	149	151	151	151
Culture and Recreation:										
Park Acreage	675	454	454	454	454	454	453	453	453	453
Tennis Courts	25	25	25	25	25	25	25	25	25	25
Community Centers	2	2	2	2	2	2	1	1	1	1
Libraries	3	3	3	3	3	3	3	3	3	3
Water:										
Water Mains (Miles)	50	50	50	50	50	50	50	49	49	49
Fire Hydrants	265	265	265	265	260	260	262	252	252	252
Storage Capacity (Thousands of Gallons - Treated)	800	800	800	800	800	800	800	800	800	800
Wastewater:										
Sanitary Sewers (Miles)	62	62	62	62	54	54	54	54	54	54
Storm Drains (Miles)	55	55	55	54	54	54	53	53	53	53
WWTF Average Daily Design Flow (Thousands of Gallons)	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000

Sources: Various town departments

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

SINGLE AUDIT SECTION

FEDERAL SINGLE AUDIT

This section contains information regarding federal grant activity for the year ended June 30, 2022, which was audited in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States, and the he audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Passed Through to Subrecipients	Total Federal Expenditures
United States Department of Agriculture			
<i>Passed Through the State of Rhode Island Department of Education:</i>			
Child Nutrition Cluster:			
Summer Food Service Program for Children	10.559		<u>\$ 1,083,475</u>
Total United States Department of Agriculture			<u>\$ 1,083,475</u>
United States Department of Health and Human Services			
<i>Passed Through the State of Rhode Island Department of Health:</i>			
Epidemiology and Laboratory Capacity for Infectious Diseases	93.323		<u>92,298</u>
United States Department of the Treasury			
<i>Passed Through the State of Rhode Island Department of Treasury:</i>			
COVID-19 Coronavirus State and Local Fiscal Recovery Fund	21.027		<u>147,238</u>
United States Department of Education			
<i>Passed Through the State of Rhode Island Department of Education:</i>			
Special Education Cluster (IDEA):			
Special Education Grants to States	84.027	1,053,465	
Special Education Preschool Grants	84.173	<u>25,561</u>	
Total Special Education Cluster (IDEA)			1,079,026
Title I Grants to Local Educational Agencies	84.010		390,599
Improving Teacher Quality State Grants	84.367		204,216
Student Support and Academic Enrichment	84.424		39,645
Career and Technical Education -- Basic Grants to States	84.048		49,980
Education Stabilization Fund			
COVID-19 Elementary and Secondary School Emergency Relief Fund	84.425D	37,041	
COVID-19 Elementary and Secondary School Emergency Relief Fund	84.425D	566,493	
COVID-19 Elementary and Secondary School Emergency Relief Fund	84.425D	<u>25,557</u>	
Total Education Stabilization Fund			629,091
Comprehensive Literacy Development	84.371		<u>226,155</u>
Total United States Department of Education		<u>-</u>	<u>2,618,712</u>
United States Department of Housing and Urban Development			
<i>Passed Through the State of Rhode Island Office of Housing and Community Development:</i>			
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228		349,670
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228		<u>390,050</u>
Total United States Department of Housing and Urban Development		<u>-</u>	<u>739,720</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Passed Through to Subrecipients	Total Federal Expenditures
United States Department of Transportation			
<i>Passed Through the State of Rhode Island Department of Transportation:</i>			
Highway Safety Cluster:			
National Priority Safety Programs	20.616		4,875
National Priority Safety Programs	20.616		988
National Priority Safety Programs	20.616		5,045
National Priority Safety Programs	20.616		799
National Priority Safety Programs	20.616		16,193
National Priority Safety Programs	20.616		6,362
			<u>2,918</u>
			\$ 37,180
State and Community Highway Safety	20.600		4,674
State and Community Highway Safety	20.600		18,452
State and Community Highway Safety	20.600		867
State and Community Highway Safety	20.600		<u>3,780</u>
			<u>27,773</u>
Total United States Department of Transportation		\$ -	<u>64,953</u>
United States Department of Homeland Security			
<i>Passed Through the State of Rhode Island Emergency Management:</i>			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036		<u>82,483</u>
United States Department of Justice			
<i>Passed Through the State of Rhode Island Department of Justice:</i>			
Edward Byrne Memorial Justice Assistance Grant Program	16.738		2,330
Law Enforcement Assistance Narcotics and Dangerous Drugs Laboratory Analysis	16.001		4,353
Law Enforcement Assistance Narcotics and Dangerous Drugs Laboratory Analysis	16.001		<u>10,927</u>
Total United States Department of Justice		<u>-</u>	<u>17,610</u>
Total Federal Awards		<u>\$ -</u>	<u>\$ 4,846,489</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Town of South Kingstown, Rhode Island, under programs of the federal government for the year ended June 30, 2022. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Because the Schedule presents only a selected portion of the operations of Town of South Kingstown, Rhode Island, it is not intended to, and does not, present the financial position, changes in fund balance, changes in net position or cash flows of Town of South Kingstown, Rhode Island.

Basis of Accounting

Expenditures reported on the Schedule are reported using the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance for all awards with exception of assistance listing 21.027, which follows criteria determined by the Department of Treasury for allowability of costs. Under these principles certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 2 INDIRECT COST RECOVERY

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

NOTE 3 NONCASH AWARDS

Donated commodities in the amount of \$42,715 are included in the Department of Agriculture's National School Lunch Program, assistance listing #10.555. The amount represents the market value of commodities received.



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

Town Council
Town of South Kingstown, Rhode Island

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

Report on Internal Control Over Financial Reporting

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

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

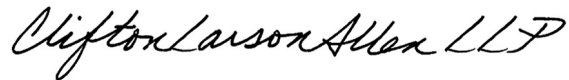
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

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

Purpose of This Report

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



CliftonLarsonAllen LLP

West Hartford, Connecticut
December 30, 2022



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAMS AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Town Council
Town of South Kingstown, Rhode Island

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Town of South Kingstown, 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 the Town of South Kingstown, Rhode Island's major federal programs for the year ended June 30, 2022. The Town of South Kingstown, Rhode Island's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town of South Kingstown, 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; 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 Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town of South Kingstown, Rhode Island and to meet our other ethical responsibilities, in accordance with 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 South Kingstown, 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 South Kingstown, Rhode Island's federal programs.

Auditors' 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 South Kingstown, 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 South Kingstown, 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 South Kingstown, 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 South Kingstown, 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 South Kingstown, 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

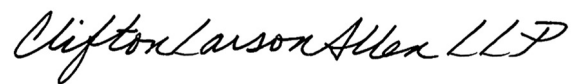
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement 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.

Town Council
Town of South Kingstown, Rhode Island

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' 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.



CliftonLarsonAllen LLP

West Hartford, Connecticut
December 30, 2022

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2022**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
3. Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
2. Type of auditors’ report issued on compliance for federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes x no

Identification of Major Federal Programs

Assistance Listing Number(s)

10.559
84.425D

Name of Federal Program or Cluster

Child Nutrition Cluster
COVID-19 Education Stabilization Fund –
Elementary and Secondary School Emergency
Relief Fund

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

 x yes _____ no

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2022**

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).