

**TOWN OF SOUTH KINGSTOWN,
RHODE ISLAND**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2020**



PREPARED BY: FINANCE DEPARTMENT

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
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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 27, 2020

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, 2020, 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 blumshapiro, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of South Kingstown for the fiscal year ended June 30, 2020, 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, 2020, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section on page 1 of this report.

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

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

PROFILE OF THE GOVERNMENT

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

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

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

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

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

PROFILE OF THE GOVERNMENT (Continued)

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

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

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

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

FACTORS AFFECTING FINANCIAL CONDITION

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

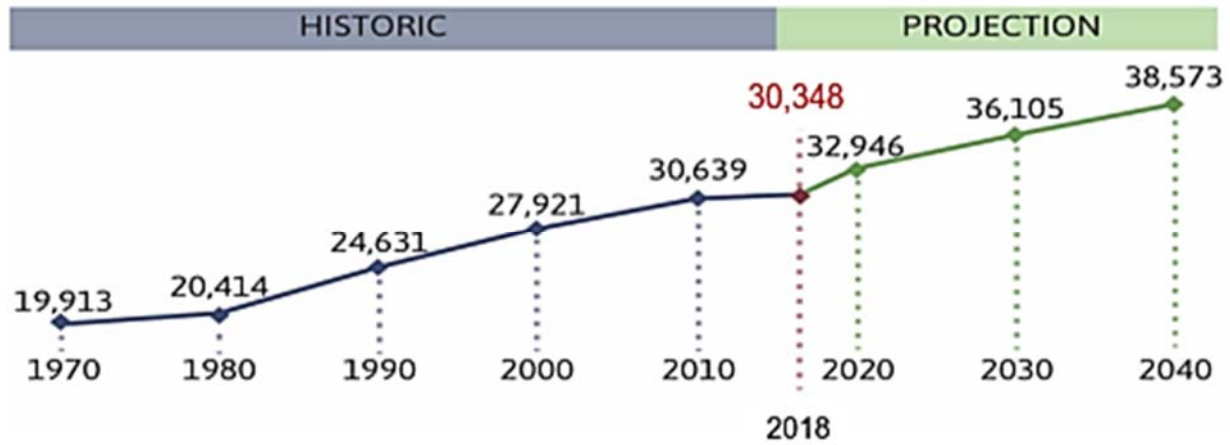
Population, Housing, and Industry Characteristics: The current population of South Kingstown is estimated to be 30,348.¹ While statewide trends show slow population growth, the population of South Kingstown is projected to increase steadily over the next 20 years, with as many as 38,573 persons living in South Kingstown in 2040.²

¹ 2019 American Community Survey. U.S. Census Bureau.

² City and Town Population Projections. Rhode Island Statewide Planning Program. Website, <http://www.planning.ri.gov/documents/census/tp162.pdf>. Accessed 12/22/2020.

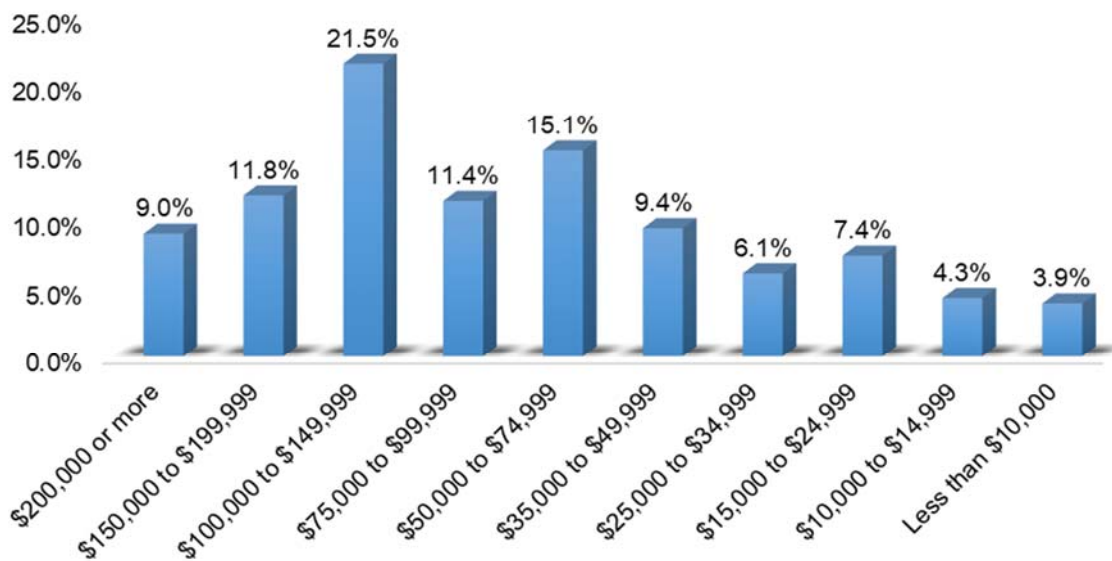
FACTORS AFFECTING FINANCIAL CONDITION (Continued)

Population Change in South Kingstown



As of 2018, the median household income in South Kingstown was \$81,735,³ which represents an approximate 14.8% increase from the 2010 median household income of \$71,192.⁴ Additionally, 42.3% of all South Kingstown households earn over \$100,000 annually.⁵ Over 95.1% of South Kingstown's population are high school graduates or higher, compared to 88.0% statewide. Over 52.6% of the population holds a bachelor's degree or higher, compared to 33.3% statewide.⁶

Household Income



³ 2018 American Community Survey 5-Year Estimates. U.S. Census Bureau.

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

⁵ 2018 American Community Survey 5-Year Estimates. U.S. Census Bureau.

⁶ 2018 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 \$370,000 in 2019. In 2014, median single-family home sales price in South Kingstown was \$326,316. The five-year comparison for South Kingstown indicates a 13% increase in single family home prices.⁷ Median home sales price continues to approach the 2005 high of \$374,500.⁸

As of March 2020, the Rhode Island seasonally-adjusted unemployment rate was 4.8%, up from 3.6% in March 2019. At June 2020, the Rhode Island seasonally-adjusted unemployment rate was 12.6% due to the economic shutdown as a result of the COVID-19 pandemic. South Kingstown's not seasonally-adjusted unemployment rate was 3.6%, up from 3.4% in March 2019. South Kingstown's not seasonally-adjusted unemployment rate at June 2020 was 8.6%.⁹

Between 2014 and 2018, employment in South Kingstown increased from 13,893 full-time equivalent jobs to 14,012, an increase of 119 (0.86%) jobs. Private sector employers reported a gain of 300 (2.9%) jobs, and the public sector employment decreased by 181 (4.8%) jobs for the same time period.

In 2019, the top five employment sectors in South Kingstown were government (3,617 employees), health care and social assistance (3,072 employees), accommodations and food service (1,600 employees), retail trade (1,244 employees), and manufacturing (567 employees). Since 2014, employment in the health care and social assistance sector has increased 8.2%, up from 2,839 employees. Similarly, employment in the accommodations and food service sector has increased by 10.1% over the same time frame, up from 1,453 employees in 2014.¹⁰

Local economy: South Kingstown's economy is heavily influenced by the University of Rhode Island (URI), which had an enrollment of 17,637 students, including online students, for the 2019-2020 academic year, this represents a slight decrease from the 18,611 of the 2018-2019 annual enrollment.¹¹ This enrollment is supported by a faculty of 1,180 (full time teaching faculty of 776 and part time teaching faculty of 404). The University has a full time support staff of 1,827 and part time support staff of 170. Of the student population, approximately 5,600 students live on campus.¹²

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

⁷ 2020 Housing Fact Book - HousingWorksRI at RWU.

⁸ 2006 Housing Fact Book - HousingWorksRI at RWU.

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

¹⁰ RI Department of Labor and Training, Website, <https://dlt.ri.gov/documents/pdf/lmi/town19ann.pdf>.

¹¹ University of Rhode Island. Final Enrollment Report – Spring 2020. Website,
<https://web.uri.edu/ir/files/fer-spring20.pdf>.

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 2020-2024, the University anticipates investing over \$550 million in capital projects in the next eight (8) years. Major projects under development or substantially completed in 2019-2020:

- **Fine Arts Center.** The University has begun phase 1 to renovate the Fine Arts Center. This first phase is part of a larger \$71.5 million project will improve the 1966 & 1971 existing buildings by renovating part of the structure and replacing part with a new building to provide much needed improvements to support the ongoing Arts on campus.
- **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.
- **Brookside Apartments.** This approximately 203,000 square foot structure will feature apartments suites of six and four bedrooms that are fully furnished with a kitchen and bath. The facility will hold 500 beds.
- **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.
- **Site work for The Woods at Stone Soup**, a 7 lot, 8-unit residential development, is ongoing.
- **Wakefield Alzheimer's Facility** measuring approximately 30,800 square feet in area, located at 521 Main Street, the Preliminary Plan was approved and is currently waiting for submission for final approvals.
- **Bouchard Solar Energy Systems** a five (5) megawatt ground-mounted principal solar energy system, measuring approximately 20 acres in size, at 681 Fairgrounds Road awaiting determination from the RI Department of Energy Resources before proceeding through the Major Land Development Process.
- **Wakefield Place Cottages**, has completed the pre-application phase to construct a cottage type development for nine (9) dwelling units at 93 Columbia Street.
- **1860 Kingstown Road**, a project to construct a new 7,545 square foot retail building is currently pending Development Plan Review with the Planning Board.
- **Marina & Shellfish Hatchery Operations** a proposed plan to develop a 3,600 square foot, two-story shellfish hatchery, and parking as a principal use, at 650 Succotash Road, MTK received Final Plan approval.
- **221 Robinson Street**, a proposal to construct a second story to existing retail building to contain ten (10) residential units is currently pending combined Conceptual Master Plan and Preliminary Plan approval.

FACTORS AFFECTING FINANCIAL CONDITION (Continued)

- **Hillside Commons**, proposed development of 18 residential units, including a combination of detached structures has received Preliminary Plan approval and is in the process of completing the Final Plan submission.
- **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 Conceptual Master Plan approval and has entered into the Preliminary Plan approval phase.
- **151 Old Tower Hill Road**, a proposal to renovate an existing building and convert it into 3 commercial retail/office spaces including a drive-thru received approval by the Planning Board and Zoning Board of Review, construction not yet started.
- **Tower Hill Landings Annex**, the proposed construction of an 11-unit multi-household structure at 2095 Kingstown Road received Preliminary Plan approval and is awaiting Final Plan submission.
- **Shepard's Run**, the Planning Board approved the Conceptual Master Plan and recommended approval of a text amendment and associated Zoning Map change which was approved by the Town Council for the redevelopment of the former Convent of the Sisters of the Cross and Passion. This change would allow the property to be redeveloped into a destination estate winery, resort, and event venue set on thirty-six acres just behind the Prout School located at 4780 Tower Hill Road (Route 1) called "Shepard's Run". This project is currently awaiting Preliminary Plan submittal for Planning Board review but the Board has recently initiated allowable interior renovations.
- **Matunuck Beach Road Condominiums**, an application for a Comprehensive Permit to create 12 units in 6 buildings has entered into the Conceptual Master Plan review phase for this Major Land Development project.
- **Westerly Community Credit Union**, proposed construction of a private overflow parking lot for Westerly Community Credit Union employees and guests and has received approval to combine Conceptual Master and Preliminary Plan Review which has not been submitted at this time.
- The Planning Board has also reviewed and/or is in the process of reviewing applications for five (5) medical marijuana compassion centers at the following locations:
 - South County Compassion Center - 703 Kingstown Road, N&N Associates, Inc., *applicant*, 703 Kingstown Road, LLC, *owner*
 - Wakefield Compassion Center - 40 Charles Street, Seven Point, Inc., *applicant*, Belmont Shoppers Park, Inc., *owner*
 - Rhode Island Care Concepts, Inc. – 711 Kingstown Road, Rhode Island Care Concepts, Inc., *applicant*, RSP Realty, LLC, *owner*.
 - The Winding Rhode Compassion Center, Inc. – 682 Kingstown Road, The Winding Rhode Compassion Center, Inc., *applicant*, Scot V. Hallberg, *owner*
 - Plant Based Compassionate Care, Inc. – 91 Pershing Ave, Plant Based Compassionate Care, Inc., *applicant*, Brian McLaughlin, *owner*
- The Planning Board also received and reviewed a host of smaller 2-6 lot single family subdivision applications throughout the year.

FACTORS AFFECTING FINANCIAL CONDITION (Continued)

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 2020-2021 fiscal year capital improvement plan projects needs through fiscal year 2025-2026. 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 \$110,512,986. Financing, net of third party funding sources for these projects by debt issuance, approximates \$90,165,000. In addition, \$18,329,330 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 \$128,842,316.

Major projects planned in the capital improvement program include: recreational fields and open space programs, affordable housing, village infrastructure, and senior services for \$1,380,000; town beach and marina improvements for \$545,000; general municipal improvements for \$14,237,986; school improvements for \$92,225,000; and utilities improvements \$1,000,000.

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

The Town engaged the services of an Investment Advisor to assist the Town and the Finance Director with the Town’s first written investment policy that complies with the Government Finance Officers’ Association recommendation that municipalities create an investment policy as a best practice. This policy provides for future opportunities with longer term investment durations in US Treasuries and Federal Agency obligations for the Town’s pooled cash, ‘core’ funds and Town’s pooled cash liquidity ‘cushion’ funds which are short term or within FDIC. The 2019-2020 fiscal year recognized an increase in the average investment rate of 0.52%; from 1.44% in the prior year to 1.96%.

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*.

FACTORS AFFECTING FINANCIAL CONDITION (Continued)

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 70 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, 2020. The Town has established an irrevocable trust fund for the funding of Other Post-Employment Benefits and as such the financial statements include an OPEB Trust Fund and the related disclosure requirements and required supplementary information in accordance with GASB Statement No.74 and No. 75.

Additional information on the Town of South Kingstown's pension arrangements and post-employment benefits can be found in Note 10 on pages 49-63 and Note 11 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, 2019. 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 consecutive fiscal years (fiscal years ended June 30, 1990-2019). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

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

Respectfully submitted,



Zachary J. Saul
Finance Director

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND

TOWN OFFICIALS

JUNE 30, 2020

TOWN COUNCIL

Abel G. Collins, President

Bryant Da Cruz, Vice President
Deborah J. Kelso

Rory H. McEntee
Joe Viele

TOWN MANAGER

Robert C. Zarnetske

TOWN ATTORNEYS

Michel A. Ursillo
Andrew Teitz
Amy Goins
Terrence G. Simpson

PROBATE JUDGE

James P. Howe

DEPARTMENT HEADS

Building Inspection Official
Director of Administrative Services
Finance Director
Leisure Services Director
Library Director
Planning Director
Police Chief
Public Services Director
Town Assessor
Town Clerk

Wayne R. Pimental
Aimee Y. Reiner
Zachary J. Saul
Theresa L. Murphy
Laurel A. Clark
Kaela Gray
Joseph P. Geaber
Jon R. Schock
Jean-Paul Bouchard
Susan M. Flynn



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of South Kingstown
Rhode Island**

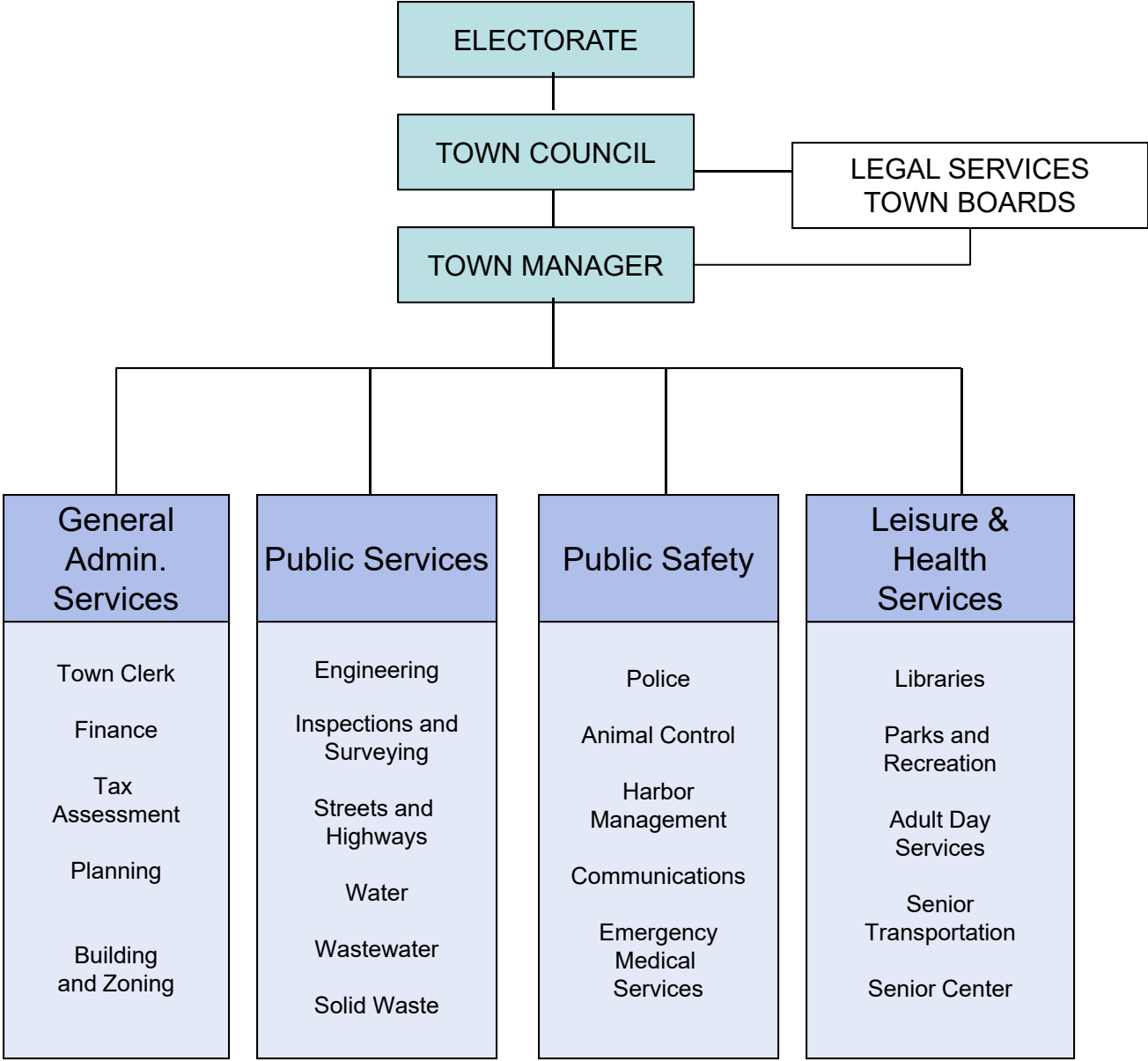
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

Town of South Kingstown



Financial Section

Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of South Kingstown, Rhode Island, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town of South Kingstown, Rhode Island's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of South Kingstown, Rhode Island, as of June 30, 2020 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.

Other Matters

Required Supplementary Information

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

Other Information

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

The combining and individual nonmajor fund financial statements and schedules, Annual Supplemental Transparency Report and schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules, Annual Supplemental Transparency Report and schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2020 on our consideration of the Town of South Kingstown, Rhode Island's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of South Kingstown, Rhode Island's internal control over financial reporting and compliance.

Blum, Shapiro & Company, P.C.

West Hartford, Connecticut
December 27, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

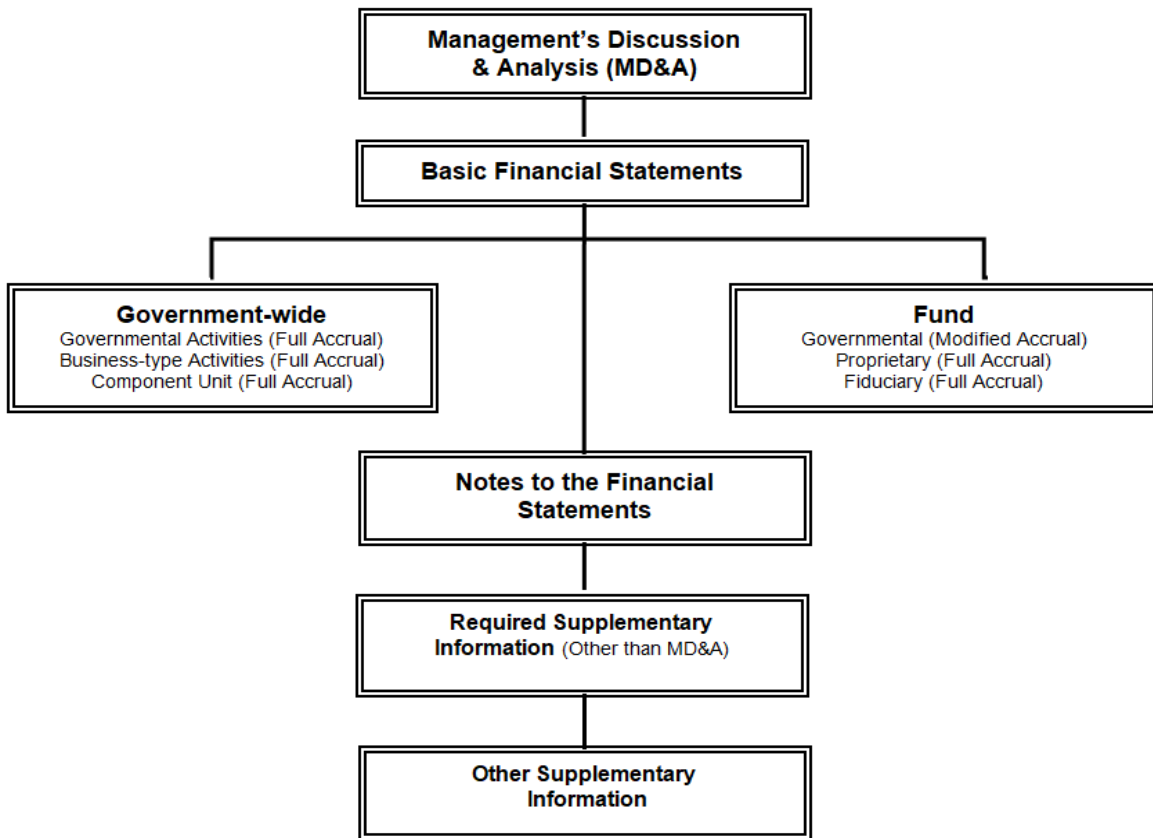
As management of the Town of South Kingstown, we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with additional 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 \$99,152,856, or 5.9%, from the prior year's amount of \$93,613,893. Net position was comprised mainly of \$99,569,814 attributable to the Town's net investment in capital assets, \$2,804,762 restricted, and (\$3,221,720) unrestricted.
- The governmental activities total net position increased by \$3,108,556, a significant increase based on the prior year due to positive operating results. Business-type activities net position increased by \$2,430,407 an increase of 7.3% over the prior year.
- The Town's unrestricted deficit decreased by \$1,204,400. 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 \$59,970,958. Approximately 26.5% of this total amount, \$15,898,927 is available for use at the government's discretion (unassigned fund balance).
- The remaining fund balance of \$44,072,031 includes \$908,813 in non-spendable funds, \$23,660,082 in restricted funds and \$19,503,136 in committed funds.
- The Town's total bonded debt increased by \$1,985,868 during the current fiscal year. Government activities increased by \$2,181,000 and Business-type activities decreased by \$195,132.
- Long-term liabilities reported an increase of \$1,650,482 which is the result of a net increase in general obligation bonds and bond premiums of \$2,195,293, compensated absences of \$231,932, net pension liability of \$2,610,261, and claims and judgements decreased \$78,348. A net decrease of \$3,308,656 was recognized in the net OPEB liability.

Overview of the Financial Statements

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



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

Government-wide Financial Statements

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

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

- **Governmental Activities** - Most of the Town's basic services including general government, public safety, streets and highways, planning, libraries, education and recreation are reported here. The majority of these activities are supported by property taxes, other local taxes and federal and state funding.

- **Business-type Activities** - The Town's water, wastewater operations, solid waste and school cafeteria funds are reported here. Fees charged to customers to help cover the costs of providing these services.
- **Component Unit** - Included as a blended component unit is the Friends of South Kingstown Parks and Recreation Fund. Although legally separate, this component unit is part of the primary governments operations.

Fund Financial Statements

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

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

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

- **Proprietary Funds** – Services for which the Town charges customers a fee are generally reported in proprietary funds. Like the government-wide statements, proprietary funds statements provide both long-and short-term financial information. The Town maintains two types of proprietary funds:
 - **Enterprise Funds** – Similar to business-type activities included in the government-wide statements, the enterprise fund financial statements provide more detail and additional information, such as cash-flow.
 - **Internal Service Funds** – The Town uses internal service funds to report activities that provide supplies and services for the Town's other programs and activities. This is an accounting device used to accumulate and allocate costs internally among the Town's various functions. The Town uses three types of internal service funds: (1) for medical costs incurred by persons covered by the health insurance plans and for plan administrative expenses, (2) accounting for accrued sick and vacation time for various governmental funds, and (3) for future purchases and/or replacements of non-major 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 on pages Exhibit V through VII of this report.

- **Fiduciary Funds** – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. These fiduciary activities are excluded from the Town’s government-wide financial statements because the Town cannot use these assets to finance its operations. The Town maintains three fiduciary funds:
 - **Private Purpose Trust Funds** – Provides for resources legally held in trust for use by parties outside of the Town, and cannot be used at the Town’s discretion or to support the Town’s general operations. The activities are utilized for the care and maintenance of cemeteries within the Town.
 - **OPEB Trust Funds** – Provides post-employment benefits for all vested full-time employees such as health, dental and life insurance for the Town and School retirees.
 - **Agency Funds** – Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Agency funds consist of assets and liabilities for unclaimed estates that are in probate and student activity funds held in various school programs.

The basic fiduciary fund financial statements can be found on pages 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 non-major governmental funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 87-108.

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 \$99,152,856 (government and business-type activities), at the close of the most recent fiscal year.

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NET POSITION
For the Fiscal Years Ended June 30, 2020 and 2019 (in 000s)

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 68,799	\$ 61,419	\$ 14,591	\$ 13,662	\$ 83,390	\$ 75,081
Capital assets, net of accumulated depreciation	86,623	86,322	23,244	21,404	109,867	107,726
Total assets	<u>155,422</u>	<u>147,741</u>	<u>37,835</u>	<u>35,066</u>	<u>193,257</u>	<u>182,807</u>
Deferred outflows of resources	<u>17,488</u>	<u>19,219</u>			<u>17,488</u>	<u>19,219</u>
Current liabilities	8,494	9,107	1,388	864	9,882	9,971
Long-term liabilities outstanding	87,655	85,698	828	1,013	88,483	86,711
Total liabilities	<u>96,149</u>	<u>94,805</u>	<u>2,216</u>	<u>1,877</u>	<u>98,365</u>	<u>96,682</u>
Deferred inflows of resources	<u>13,227</u>	<u>11,730</u>			<u>13,227</u>	<u>11,730</u>
Net Position:						
Net investment in capital assets	77,139	74,895	22,431	20,395	99,570	95,290
Restricted	2,805	2,750			2,805	2,750
Unrestricted	<u>(16,410)</u>	<u>(17,220)</u>	<u>13,188</u>	<u>12,794</u>	<u>(3,222)</u>	<u>(4,426)</u>
Total Net Position	<u>\$ 63,534</u>	<u>\$ 60,425</u>	<u>\$ 35,619</u>	<u>\$ 33,189</u>	<u>\$ 99,153</u>	<u>\$ 93,614</u>

FY 2020, total assets for the Primary Government were \$193,257,006, an increase from prior year total assets by \$10,449,348. Total assets for only governmental activities were \$155,421,557, an increase of \$7,679,578 or 5.2%. Total assets from business-type activities increased by \$2,769,770. The largest portion of the Town's net position, 100.4%, 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 \$98,365,647, an increase of \$1,682,970 from \$96,682,677 in FY 2019. Total liabilities associated with governmental type activities increased by \$1,343,607 or 1.4% while total liabilities associated with business-type activities increased \$339,363 or 18.08% when compared to FY 2019.

A portion of the Town's net position (2.8% or \$2,804,762) represents resources that are subject to external restrictions on how they may be used.

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 \$1,204,400 and is a result of the continuation of disclosing and reporting for Pension and OPEB, compounded with the Town's continued investment in capital assets.

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
CHANGES IN NET POSITION
For the Fiscal Years Ended June 30, 2020 and 2019 (in 000s)

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 5,982	\$ 6,008	\$ 7,821	\$ 6,375	\$ 13,803	\$ 12,383
Operating grants and contributions	11,403	11,861	308	391	11,711	12,252
Capital grants and contributions	1,130	829			1,130	829
General revenues:						
Property taxes	76,896	74,364			76,896	74,364
Motor vehicle phase-out taxes	773	654			773	654
Telephone and hotel taxes	229	196			229	196
Grants not restricted to specific programs	1,318	1,339			1,318	1,339
Unrestricted investment earnings	2,358	2,376	419	438	2,777	2,814
Total revenues	<u>100,089</u>	<u>97,627</u>	<u>8,548</u>	<u>7,204</u>	<u>108,637</u>	<u>104,831</u>
Expenses:						
General government	6,439	5,567			6,439	5,567
Public safety	12,853	11,890			12,853	11,890
Public works	4,618	4,396			4,618	4,396
Human service	908	1,005			908	1,005
Public libraries	1,433	1,487			1,433	1,487
Education	66,487	66,456			66,487	66,456
Recreation	3,813	4,004			3,813	4,004
Interest on long-term debt	416	289			416	289
Wastewater			3,742	3,726	3,742	3,726
Solid waste			589	613	589	613
Water			1,042	917	1,042	917
School Cafeteria			758	1,026	758	1,026
Total expenses	<u>96,967</u>	<u>95,094</u>	<u>6,131</u>	<u>6,282</u>	<u>103,098</u>	<u>101,376</u>
Change in net position before transfers	3,122	2,533	2,417	922	5,539	3,455
Transfers	(13)	(19)	13	19	-	-
Change in net position	<u>3,109</u>	<u>2,514</u>	<u>2,430</u>	<u>941</u>	<u>5,539</u>	<u>3,455</u>
Net Position at Beginning of Year	<u>60,425</u>	<u>57,911</u>	<u>33,189</u>	<u>32,248</u>	<u>93,614</u>	<u>90,159</u>
Net Position at End of Year	<u>\$ 63,534</u>	<u>\$ 60,425</u>	<u>\$ 35,619</u>	<u>\$ 33,189</u>	<u>\$ 99,153</u>	<u>\$ 93,614</u>

Activities

In FY 2020, the Town's net position increased by \$5,538,963. Primary Government revenues increased from the prior year by \$3,805,973 or 3.6% to \$108,637,626. Program revenues (charges for services, grants and contributions) of \$26,643,661 accounted for 24.5% of all Primary Government revenues, while property and state taxes attributable to governmental activities accounted for \$77,898,175, 71.7%, of which property taxes is a major revenue source accounting for \$76,896,488. Grants and contributions not restricted to specific programs and unrestricted investment earnings account for the remaining \$4,095,790 or 3.8%.

Governmental Activities

Total revenues for all governmental activities were \$100,088,326. Governmental Activities' program revenues of \$18,514,633 accounted for 18.5%.

- Property tax revenues recorded for the 2020 fiscal year increased by \$2,532,292 or 3.4% 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 decreased from \$15.68 to \$14.45 per thousand dollars of assessed valuation. The growth in the total assessed value of taxable property, excluding motor vehicles, was 12.77%. Total net assessed value of all taxable property increased by \$565,446,217 from \$4,653,040,282 to \$5,218,486,499.
- Motor vehicle values decreased by \$6,352,159 over the prior year, from \$175,178,185 to \$168,826,026 and assumed utilizing an exemption value of \$3,000 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 decreased by \$26,326. Recreation activities decreased \$116,511. Recreation experienced a decrease primarily in self-supporting programs and departmental revenues due to that restrictions that were implemented under emergency orders issued by the Governor in response to the COVID-19 pandemic. Public Works experienced an increase of \$164,557 when compared to the prior year. The increase was the result of an overall increase in revenue relating to various building and permitting fees and real estate conveyance taxes of approximately \$160,670. Annual variances in several other functions were reported.
- Operating grants and contributions decreased by \$458,163 or 4.0% from the previous fiscal year. The school department recognized an overall decrease of \$319,413. This is the net result of a decrease in funding for unrestricted state aid based on the revised State funding formula for education aid, restricted grants, and fund transfers. While recognizing pension contributions on-behalf of the district from the State in accordance with generally accepted accounting principles.
- Unrestricted investment earnings for the 2020 fiscal year were \$2,357,925, representing a modest decrease of \$17,970 when compared to the prior fiscal year. The School Trust Fund experienced gains of \$889,817. The increase was the result of favorable equity market conditions. The Town's investment policy provides for future opportunities longer term investment durations in US Treasuries and Federal Agency obligations for the town's pooled cash, "core" funds and town's pooled cash liquidity "cushion" funds which are short term or within FDIC limits.

Total expenses for Primary Government were \$103,098,663. Five activities: general government, public safety, education, recreation and business-type activities accounted for the majority of the expenses, as depicted in the following amounts and percentages: \$6,439,271 (6.2%), \$12,853,296 (12.5%), \$66,487,416 (64.5%), \$3,812,750 (3.7%) and \$6,131,726 (5.9%), respectively. The Changes in Net Position table above is provided for the Town's government-wide activities for the years ended June 30, 2020 and 2019. Major expense factors included:

- Governmental activities expenses increased by \$1,873,208 from \$95,093,729 to \$96,966,937, 1.9%. Overall decreases in spending for all governmental activities except for general government, public safety, public works, education and interest and fiscal charges. The increase is reflective of the recognition of depreciation expense in the governmental activities programs of \$4,664,015, an increase of \$161,070 from the prior year, as well as the recognition of capital assets and accounting for increases in compensated absence liabilities for all employees who accrued sick and vacation accruals at year end. All labor contracts for the town employees had a 2.5% cost of living increase, with the exception of SKNEA (2.75%) and IBPO (2.0%-3.0%). The recognition of Municipal Employees' Retirement System is also recorded within each function of the governmental activities.
- General government expenditure within governmental activities increased by \$872,660. Operating expenses decreased approximately \$440,765 when compared to prior. The decrease in operating expenses offset the increase expenses attributable to the recognition of depreciation expense, the addition of capital assets, pension adjustments, and the accounting for compensated absences balances when compared to the prior year in the amount of \$1,313,425.
- Public safety expenses within governmental activities have increased by \$963,505. The increase is due to increases in salaries, overtime, longevity, pension contributions, healthcare benefits and OPEB contributions totaling \$722,240. Another substantial portion of the increase is attributable to the recognition of depreciation expense, the addition of capital assets, and accounting for compensated absences balances from the prior year in the amount of \$134,801.
- Public works expenses increased \$222,112. Expenses related to operations and grants decreased by \$17,879. Expenses related to the recognition of depreciation expense, the addition of capital assets, and accounting for compensated absences balances from the prior year increased \$239,991.
- A decrease of \$191,121 is reported in the recreation program. Operating expenses decreased approximately \$6,818 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 \$184,303.

Business-type activities. Net position in business-type activities increased by \$2,430,407 resulting in a 7.3% increase in business-type net position.

Charges for services for business-type activities accounted for 96.2% of the total program revenue sources. The balance of revenues for business-type activities was from operating grants and contributions 3.8%. The increase in fair market value of investment in a gain of \$420,272 at year end.

- Charges for services for business-type activities increased from \$6,374,883 to \$7,820,733, an increase of \$1,445,850, 22.7%. The wastewater fund accounted for \$1,602,955 of the overall increase in this category. This increase is attributable to the increase in the user fees for single family dwellings. The School Cafeteria program decreased \$177,391 due to a decline in food service sales as a result of remote learning per the executive orders that were implemented by the Governor in response to the COVID-19 pandemic. Operating grants and contributions recognized a decrease of \$83,115 in the School Cafeteria program. A review of the school cafeteria fund reports a negative change in net position of (\$3,576) for the fiscal year, thus decreasing the unrestricted net position from \$89,311 to \$85,735. 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 61.0% 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 12.4%, 17.0%, and 9.6% respectively of the total business-type activities expenses for the 2020 fiscal year.

- Expenses in the wastewater fund increased by \$15,331 due cost related to treatment and sludge. The increase was offset by decrease in almost all other expense categories related to contractual obligations, capital improvements, depreciation expense, utility costs and administrative costs. The \$125,210 increase in water fund expenses was related to increases in repairs and maintenance, capital improvements, contractual obligations, and depreciation expense.
- Costs to operate the cafeteria fund decreased by \$268,188 related to contractual obligations that were reduced as a result of remote learning per the executive orders that were implemented by the Governor in response to the COVID-19 pandemic.

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

Financial Analysis of the Government's Funds

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

As of the end of the current fiscal year, the Town of South Kingstown's governmental funds reported combined ending fund balances of \$59,970,958. Of this amount, \$15,898,927 is available for spending at the government's discretion (unassigned) within the Town. The remaining fund balance of \$44,072,031 includes \$950,000 committed to help finance the 2020-2021 town and school operating budgets. The remaining amount of \$43,122,031 consists of non-spendable fund balance of \$908,813, restricted fund balance of \$23,660,082 and committed fund balance of \$18,553,136.

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 \$17,034,823 which represents an increase of \$2,542,635 over the prior year. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund budgeted expenditures. Unassigned fund balance represents 18.8% of the 2021 FY Adopted General Fund Expenditure Budget, while total fund balance represents 24.7% of that same amount.

The fund balance of the Town of South Kingstown's General Fund, excluding the School Fund, increased by \$2,542,635 as compared to the June 30, 2019 fund balance. This increase is the result positive operating results in the General Fund. Key factors in this increase are as follows:

- The Town committed \$550,000 of fund balance to help finance the 2019-2020 General Fund budget. The planned drawdown of fund balance 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 \$550,000, 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 \$2,704,637 for 2019-2020. Expenditures under budget contributed \$1,476,985 to the surplus, while revenues finished the fiscal year with a \$1,211,559 surplus. Other financing sources (uses) over budget increased the surplus by \$16,093.
- 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 general government accounts \$349,588, public safety \$580,431, and public works \$451,823. Recreation, public libraries, and miscellaneous expenditures recognized a combined savings of \$95,143.
- Better than anticipated tax collections resulted in positive budget surplus variance in property taxes of \$296,188. Additionally, state aid revenues were higher than anticipated by \$158,557. Hotel taxes and state motor vehicle phase-out revenue exceeded budget by \$29,153 and \$104,721 respectively. Departmental revenues exceeded the budget by \$72,750. Business and non-business licenses and fees of \$265,573 contributed to the budgetary surplus as well. A success investment year was recognized by the surplus of \$418,491 in short term investment income. Positive variances were recognized in the five revenue categories.

The fund balance of the School Fund increased by \$1,673,022 as compared to the June 30, 2019 fund balance. Key factors in this increase are as follows:

- The School committed \$475,000 of fund balance to help finance the 2019-2020 school's operating budget. The planned drawdown of fund balance was consistent with the prior year commitment of fund balance.
- A decrease in revenue of \$527,214 was reported for the fiscal year. Attributing to this deficit in revenue was a decrease of \$387,366 in state aid.

The school fund has a total fund balance of \$4,233,883 of which \$28,905 is committed to liquidate contracts and purchase orders of the prior period, \$1,200 is recognized as non-spendable for prepaid expenditures and \$450,000 is committed to help finance the 2020-2021 fiscal year budget. \$1,097,937 is committed to be returned back to the Town in fiscal 2021 to provide relief to tax payers due to unexpected cost surrounding the Town may incur are a result of the COVID-19 pandemic. The remaining balance of \$2,655,841 is available to help finance future years' school budgets.

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 \$8,876,214 an increase of \$660,801 over the prior year. Unrestricted net position in the water fund decreased by \$228,942 to a total of \$3,682,084. The school cafeteria operation maintains a surplus position of \$85,735 of which \$76,849 is unrestricted while the solid waste fund finished the year with unrestricted net position of \$547,007 which was a slight decrease in value of \$36,988 mainly attributed to legal and consulting fees associated with the closed West Kingston and Rose Hill landfills and depreciation expense of capital assets. The restricted fund balance of \$6,186 is related to grant revenues received by Rhode Island Resource Recovery for the purpose of training and educating the residence on the importance of recycling in our community, the balance remains unchanged from the prior year. The Town has been actively educating the importance of the recycling program.

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

General Fund Budgetary Highlights

Overall the Town finished the 2019-2020 fiscal year with a \$2,704,637 budgetary surplus. Differences between the original budget and the final amended budget involved transferring funds from departments with expenditure surpluses to departments with expenditure deficits.

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, 2020 amounts to \$109,867,379 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, park facilities, infrastructure, and construction in progress. The 2020 fiscal year resulted in an increase in value of investment in capital assets of \$2,141,246. The total increase in the Town of South Kingstown's investment in capital assets for the current fiscal year was 2.0%. Depreciation expense as compared to the amount of capitalized assets recognized in the 2020 fiscal year, specifically, the amount of new capital assets being depreciated was \$5,187,216 for the governmental activities, however, the amount of depreciation expense was \$4,664,015, in comparison to the prior year of new capital assets of \$2,656,078 and depreciation expense of \$4,502,945.

Town of South Kingstown's Capital Assets

(Net of accumulated depreciation) in 000s

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 14,170	\$ 13,798	\$ 1,587	\$ 1,587	\$ 15,757	\$ 15,385
Construction in progress	3,831	4,407	2,804	140	6,635	4,547
Land improvements	7,397	7,535	1,734	1,779	9,131	9,314
Buildings	18,266	19,007	2,352	2,544	20,618	21,551
Building improvements	19,926	17,900	1,535	1,645	21,461	19,545
Equipment	2,335	2,475	2,090	2,289	4,425	4,764
Vehicles	2,911	2,545	119	133	3,030	2,678
Infrastructure	17,532	18,349	10,913	11,182	28,445	29,531
Intangibles	255	306	110	105	365	411
Total	<u>\$ 86,623</u>	<u>\$ 86,322</u>	<u>\$ 23,244</u>	<u>\$ 21,404</u>	<u>\$ 109,867</u>	<u>\$ 107,726</u>

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

- Town-wide purchases of new vehicles and equipment accounted for \$1,399,800 during the fiscal year these were mainly attributed to public safety and public services.
- During the fiscal year security and structural improvements to South Kingstown High School, Broad Rock Middle School, Curtis Corner Middle School, Matunuck Elementary School, Peace Dale Elementary School, Wakefield Elementary School, and West Kingston Elementary School account for \$1,943,464. Also, the HVAC system at Matunuck Elementary School was upgraded for \$1,378,168.
- Town building improvements accounted for \$41,140 of improvements. The projects included new carpet for the Town Hall Chambers, exterior painting of Robert Hale Library, and new doors for the Matunuck Beach Pavilion.
- A variety of road construction projects were completed and capitalized. Projects capitalized as infrastructure totaled \$435,700, which included work completed on Moonstone Beach Road and Sand Turn Road. Other minor upgrades and reconstruction work was completed.
- Construction in progress of the Governmental Funds decreased by \$576,173, from \$4,407,019 to \$3,830,846. Approximately, \$3,321,000 representing school projects that address improvement to educational and safety programs were completed during the fiscal year and the assets were reclassified to building improvements.

Additional information on the Town of South Kingstown's capital assets can be found in Note 7 on pages 42 through 44 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 \$13,647,587, entirely backed by the full faith and credit of the Town. Bonds authorized but unissued totaled an additional \$4,605,000.

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, 2020, the Town had a debt limit of \$156,554,595. Of the Town's \$13,647,587 in debt outstanding, \$3,189,898 is subject to the Town's legal debt limit. A balance of \$153,364,697 exists within the legal limit for additional bonds to be issued.

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

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
	General Obligation Bonds	\$ 12,834	\$ 10,653	\$ 814	\$ 1,009	\$ 13,648

The Town's total bonded debt increased by \$1,985,868, 17.0% during the 2020 fiscal year.

On April 8, 2020, the Town Manager and Finance Director met with the Town's bond rating agency, Moody's Investors Services, to affirm the Town's Aa1 rating which is the highest local municipal rating in the State. In their credit opinion report issued on April 14, 2020, Moody's noted the Town's "moderately strong liquidity and reserve positions, manageable debt burden and sound management of long-term liabilities as credit strengths when determining the basis for their review and consideration. South Kingstown is one of only four Rhode Island communities that have a bond rating of Aa1. The Moody's credit report cited the following factors for the affirmation:

- The Aa1 rating reflects the Town's sizable tax base with elevated wealth and income levels, moderately strong financial position with adequate reserves, and a low debt burden
- Experienced management team who employ conservative budgeting and financial management practices that develop a well-defined capital plan, multi-year budget, and has supportive fund balance, and liquidity policies
- University of Rhode Island is one of the anchors to the Town's economy and tax base
- Low debt burden and sound funding of OPEB liability, OPEB funded ratio is strong at 84% at June 30, 2019
- Locally administered pension plans have strong funded ratios

Additional information on the Town of South Kingstown's long-term debt can be found in Note 9 on pages 47-49 of this report.

Economic Factors and Next Year's Budgets and Rates

- As of June 2020, the labor force in South Kingstown was 15,826 with employment at 14,470 yielding an unemployment rate of 8.6%, an increase of 5.7% from the prior fiscal year. It should be noted that the increase in unemployment was the result of the COVID-19 pandemic that is affecting all state and local municipalities across the country.
- The final budget for 2021 was adopted in the amount of \$86,003,584 which represents an increase of \$2,831,011, or 3.3% from the prior fiscal year. This increase was in response to the difficult economic environment in which the Town and the State of Rhode Island have been operating under.
- Property tax revenues for the fiscal year 2021 reflect an increase in the Town's tax levy of \$190,362 or 0.25% higher than the previous fiscal year. The property tax rate remained level at \$14.45 per thousand dollars of assessed value. Total taxable property increased by \$18,554,040 from \$5,218,486,497 to \$5,237,040,537.

During the current fiscal year, the fund balance in the General Fund increased to \$17,034,823. The Town of South Kingstown has committed \$500,000 of this amount for spending in the 2021 fiscal year budget, \$33,861 is committed for future municipal planning projects and \$349,123 is committed for outstanding purchase orders at June 30, 2020. The Town maintains an unassigned fund balance of \$16,151,839 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, 2020

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 23,517,637	\$ 4,360,962	\$ 27,878,599
Investments	38,713,936	9,037,474	47,751,410
Receivables, net of allowance for uncollectibles	5,543,421	1,025,823	6,569,244
Due from federal and state governments	329,540	19,204	348,744
Internal balances	(147,668)	147,668	-
Prepaid items	3,560		3,560
Total current assets	<u>67,960,426</u>	<u>14,591,131</u>	<u>82,551,557</u>
Noncurrent Assets:			
Net pension asset	542,293		542,293
Net OPEB asset	295,777		295,777
Capital assets not being depreciated	18,000,912	4,390,224	22,391,136
Capital assets, net of accumulated depreciation	<u>68,622,149</u>	<u>18,854,094</u>	<u>87,476,243</u>
Total noncurrent assets	<u>87,461,131</u>	<u>23,244,318</u>	<u>110,705,449</u>
Total assets	<u>155,421,557</u>	<u>37,835,449</u>	<u>193,257,006</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	163,134		163,134
Deferred outflows of resources related to pensions	15,028,512		15,028,512
Deferred outflows of resources related to OPEB	<u>2,296,532</u>		<u>2,296,532</u>
Total deferred outflows of resources	<u>17,488,178</u>	<u>-</u>	<u>17,488,178</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	1,880,258	697,871	2,578,129
Accrued liabilities	2,490,210	165,704	2,655,914
Due to federal and state governments	103,430		103,430
Due to fiduciary trust funds	585,028		585,028
Unearned revenue	237,158	226,255	463,413
Deposits held in custody of others	178,610		178,610
Current maturities of long-term obligations	<u>3,019,923</u>	<u>298,909</u>	<u>3,318,832</u>
Total current liabilities	<u>8,494,617</u>	<u>1,388,739</u>	<u>9,883,356</u>
Noncurrent liabilities:			
Due in more than one year	<u>87,654,652</u>	<u>827,639</u>	<u>88,482,291</u>
Total liabilities	<u>96,149,269</u>	<u>2,216,378</u>	<u>98,365,647</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions	6,360,658		6,360,658
Deferred inflows of resources related to OPEB	6,789,796		6,789,796
Advance property tax collections	<u>76,227</u>		<u>76,227</u>
Total deferred inflows of resources	<u>13,226,681</u>	<u>-</u>	<u>13,226,681</u>
NET POSITION			
Net investment in capital assets	77,139,083	22,430,731	99,569,814
Restricted for:			
Trust Purposes:			
Expendable	1,899,509		1,899,509
Nonexpendable	905,253		905,253
Unrestricted	<u>(16,410,060)</u>	<u>13,188,340</u>	<u>(3,221,720)</u>
Total Net Position	<u>\$ 63,533,785</u>	<u>\$ 35,619,071</u>	<u>\$ 99,152,856</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020**

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	\$ 6,439,271	\$ 612,142	\$ 253,727	\$	\$ (5,573,402)		\$ (5,573,402)
Public safety	12,853,296	1,480,139	181,924		(11,191,233)		(11,191,233)
Public works	4,617,718	1,125,256		781,967	(2,710,495)		(2,710,495)
Human service	907,803	161,627	261,506		(484,670)		(484,670)
Public libraries	1,432,553	10,265	270,988	98,000	(1,053,300)		(1,053,300)
Education	66,487,416	897,537	10,430,392	150,000	(55,009,487)		(55,009,487)
Recreation	3,812,750	1,694,592	4,571	100,000	(2,013,587)		(2,013,587)
Interest and fiscal charges	416,130				(416,130)		(416,130)
Total governmental activities	<u>96,966,937</u>	<u>5,981,558</u>	<u>11,403,108</u>	<u>1,129,967</u>	<u>(78,452,304)</u>	<u>-</u>	<u>(78,452,304)</u>
Business-type activities:							
Wastewater	3,741,834	5,552,428				1,810,594	1,810,594
Solid waste	589,050	661,902				72,852	72,852
Water	1,042,448	1,168,413				125,965	125,965
School cafeteria	758,394	437,990	308,295			(12,109)	(12,109)
Total business-type activities	<u>6,131,726</u>	<u>7,820,733</u>	<u>308,295</u>	<u>-</u>	<u>-</u>	<u>1,997,302</u>	<u>1,997,302</u>
Total	<u>\$ 103,098,663</u>	<u>\$ 13,802,291</u>	<u>\$ 11,711,403</u>	<u>\$ 1,129,967</u>	<u>(78,452,304)</u>	<u>1,997,302</u>	<u>(76,455,002)</u>
General revenues:							
Property taxes					76,896,488		76,896,488
Motor vehicle phase-out taxes					772,534		772,534
Telephone and hotel taxes					229,153		229,153
Grants and contributions not restricted to specific programs					1,317,593		1,317,593
Unrestricted investment earnings					2,357,925	420,272	2,778,197
Transfers:					(12,833)	12,833	-
Total general revenues and transfers					<u>81,560,860</u>	<u>433,105</u>	<u>81,993,965</u>
Change in Net Position					3,108,556	2,430,407	5,538,963
Net Position at Beginning of Year					<u>60,425,229</u>	<u>33,188,664</u>	<u>93,613,893</u>
Net Position at End of Year					<u>\$ 63,533,785</u>	<u>\$ 35,619,071</u>	<u>\$ 99,152,856</u>

The accompanying notes are an integral part of the financial statements

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2020

	General	School Trust Fund	Debt Service Fund	School Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 18,767,438	\$ 625,977	\$	\$	\$ 3,392,885	\$ 22,786,300
Investments	12,537,443	18,857,037			7,319,456	38,713,936
Accounts and other receivable, net	1,363,021	8,268		4,000,000	172,132	5,543,421
Due from federal and state governments	52,526				277,014	329,540
Due from other funds	2,907,645	5	884,173		6,924,487	10,716,310
Prepaid items	1,200				2,360	3,560
Total Assets	<u>\$ 35,629,273</u>	<u>\$ 19,491,287</u>	<u>\$ 884,173</u>	<u>\$ 4,000,000</u>	<u>\$ 18,088,334</u>	<u>\$ 78,093,067</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 1,186,742	\$ 20	\$	\$ 378,234	\$ 315,262	\$ 1,880,258
Accrued liabilities	2,348,067				75,440	2,423,507
Due to state and federal governments	102,920				510	103,430
Due to other funds	9,695,591			2,526,483	378,970	12,601,044
Unearned revenue	150,535				86,623	237,158
Deposits held in custody of others	178,610					178,610
Total liabilities	<u>13,662,465</u>	<u>20</u>	<u>-</u>	<u>2,904,717</u>	<u>856,805</u>	<u>17,424,007</u>
Deferred inflows of resources:						
Unavailable revenue - property taxes	621,875					621,875
Advance property tax collections	76,227					76,227
Total deferred inflows of resources	<u>698,102</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>698,102</u>
Fund balances:						
Nonspendable	1,200	413,233			494,380	908,813
Restricted		19,078,034	884,173		3,697,875	23,660,082
Committed	5,115,667			1,095,283	13,292,186	19,503,136
Unassigned	16,151,839				(252,912)	15,898,927
Total fund balances	<u>21,268,706</u>	<u>19,491,267</u>	<u>884,173</u>	<u>1,095,283</u>	<u>17,231,529</u>	<u>59,970,958</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 35,629,273</u>	<u>\$ 19,491,287</u>	<u>\$ 884,173</u>	<u>\$ 4,000,000</u>	<u>\$ 18,088,334</u>	<u>\$ 78,093,067</u>

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TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2020

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

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

Fund balances - total governmental funds (Exhibit III)	\$ 59,970,958
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Governmental capital assets	\$ 173,745,138	
Less accumulated depreciation	<u>(87,122,077)</u>	
Net capital assets		86,623,061

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	621,875
Net pension asset	542,293
Net OPEB asset	295,777
Deferred outflows of resources related to pensions	15,028,512
Deferred outflows of resources related to OPEB	2,296,532

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.	1,883,375
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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	(12,834,000)
Deferred charges on refunding	163,134
Deferred inflows of resources related to pensions	(6,360,658)
Deferred inflows of resources related to OPEB	(6,789,796)
Unamortized bond issue premium	(688,112)
Interest payable on bonds	(66,703)
Compensated absences	(4,719,390)
Net pension liability	(71,281,159)
Claims and judgments	<u>(1,151,914)</u>

Net Position of Governmental Activities (Exhibit I)	<u>\$ 63,533,785</u>
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The accompanying notes are an integral part of the financial statements

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	<u>General</u>	<u>School Trust Fund</u>	<u>Debt Service Fund</u>	<u>School Improvement Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:						
Property taxes, interest and lien fees	\$ 76,736,260	\$	\$	\$	\$	\$ 76,736,260
Intergovernmental revenues	7,829,840		496,903	15,795	2,091,536	10,434,074
Licenses and fees	1,600,637			150,000	728,822	2,479,459
Investment income	1,092,327	889,817			366,643	2,348,787
Fines and charges	28,294				1,858,919	1,887,213
Departmental	1,099,591					1,099,591
Contributions					269,485	269,485
State on-behalf pension contribution	2,793,656					2,793,656
Other revenues	360,427			174,999	51,784	587,210
Total revenues	<u>91,541,032</u>	<u>889,817</u>	<u>496,903</u>	<u>340,794</u>	<u>5,367,189</u>	<u>98,635,735</u>
Expenditures:						
Current:						
General government	4,961,094	72,108	1,000		68,437	5,102,639
Public safety	11,797,384				541,204	12,338,588
Public works	2,853,815				180,285	3,034,100
Human service agency contribution	100,500				894,447	994,947
Public libraries	1,342,284				22,096	1,364,380
Education	61,339,896				1,301,481	62,641,377
Recreation	1,855,562				1,325,366	3,180,928
Debt service:						
Principal retirement			1,694,000			1,694,000
Interest and other charges			289,694	135,130		424,824
Capital outlay				1,971,241	2,851,006	4,822,247
Total expenditures	<u>84,250,535</u>	<u>72,108</u>	<u>1,984,694</u>	<u>2,106,371</u>	<u>7,184,322</u>	<u>95,598,030</u>
Excess (Deficiency) of Revenues over Expenditures	<u>7,290,497</u>	<u>817,709</u>	<u>(1,487,791)</u>	<u>(1,765,577)</u>	<u>(1,817,133)</u>	<u>3,037,705</u>
Other Financing Sources (Uses):						
Issuance of general obligation bonds				3,875,000		3,875,000
Premium on debt issuance				260,130		260,130
Transfers in from other funds	782,996		1,879,876		2,824,003	5,486,875
Transfers out to other funds	(3,857,836)	(470,550)			(1,171,322)	(5,499,708)
Total other financing sources (uses)	<u>(3,074,840)</u>	<u>(470,550)</u>	<u>1,879,876</u>	<u>4,135,130</u>	<u>1,652,681</u>	<u>4,122,297</u>
Net Change in Fund Balances	4,215,657	347,159	392,085	2,369,553	(164,452)	7,160,002
Fund Balances at Beginning of Year	<u>17,053,049</u>	<u>19,144,108</u>	<u>492,088</u>	<u>(1,274,270)</u>	<u>17,395,981</u>	<u>52,810,956</u>
Fund Balances at End of Year	<u>\$ 21,268,706</u>	<u>\$ 19,491,267</u>	<u>\$ 884,173</u>	<u>\$ 1,095,283</u>	<u>\$ 17,231,529</u>	<u>\$ 59,970,958</u>

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TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020

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

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

Net change in fund balances - total governmental funds (Exhibit IV)	\$ 7,160,002
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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	4,983,250
Depreciation expense	(4,664,015)
Loss on disposition of capital assets	(18,315)

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	160,228
Change in net pension asset	371,832
Change in net OPEB asset	295,777
Change in deferred outflows of resources related to pensions	(1,574,769)
Change in deferred outflows of resources related to OPEB	(122,675)

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	(3,875,000)
Premium on bond issuance	(260,130)
Principal payments	1,694,000

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

Amortization of deferred charges in refunding	(33,198)
Change in deferred inflows of resources related to pensions	556,880
Change in deferred inflows of resources related to OPEB	(2,099,419)
Amortization of bond premiums	50,705
Accrued interest	(8,813)
Change in long-term compensated absences	(199,139)
Change in net pension liability	(2,610,261)
Change in net OPEB liability	3,308,656
Change in claims and judgments	78,348

The net expense of the internal service funds is reported with governmental activities.	<u>(85,388)</u>
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Change in Net Position of Governmental Activities (Exhibit II)	<u>\$ 3,108,556</u>
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The accompanying notes are an integral part of the financial statements

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2020

	Business-Type Activities - Enterprise Funds					Governmental
	Major Funds			Nonmajor		Activities
	Wastewater	Solid Waste	Water	School Cafeteria	Total	Internal Service Funds
Assets:						
Current assets:						
Cash and cash equivalents	\$ 3,234,314	\$ 188,586	\$ 937,472	\$ 590	\$ 4,360,962	\$ 731,337
Investments	5,955,971	376,022	2,705,481		9,037,474	
Accounts and other receivables, net	695,730	55,609	274,484		1,025,823	
Due from federal and state governments				19,204	19,204	
Due from other funds		105		149,755	149,860	1,152,038
Total current assets	<u>9,886,015</u>	<u>620,322</u>	<u>3,917,437</u>	<u>169,549</u>	<u>14,593,323</u>	<u>1,883,375</u>
Noncurrent assets:						
Capital assets not being depreciated	2,296,263	1,005,003	1,088,958		4,390,224	
Capital assets, net of accumulated depreciation	13,412,431	1,721,552	3,711,225	8,886	18,854,094	
Total noncurrent assets	<u>15,708,694</u>	<u>2,726,555</u>	<u>4,800,183</u>	<u>8,886</u>	<u>23,244,318</u>	<u>-</u>
Total assets	<u>25,594,709</u>	<u>3,346,877</u>	<u>8,717,620</u>	<u>178,435</u>	<u>37,837,641</u>	<u>1,883,375</u>
Liabilities:						
Current liabilities:						
Accounts payable	528,350	41,259	116,722	11,540	697,871	
Accrued liabilities	141,568	2,570	21,566		165,704	
Due to other funds	1,879		313		2,192	
Unearned revenue	145,095			81,160	226,255	
Current portion of compensated absences	61,170	6,754	30,550		98,474	
Current portion of bonds payable	28,000	172,435			200,435	
Total current liabilities	<u>906,062</u>	<u>223,018</u>	<u>169,151</u>	<u>92,700</u>	<u>1,390,931</u>	<u>-</u>
Noncurrent liabilities:						
Compensated absences	131,739	16,546	66,202		214,487	
Bonds payable after one year	87,000	526,152			613,152	
Total noncurrent liabilities	<u>218,739</u>	<u>542,698</u>	<u>66,202</u>	<u>-</u>	<u>827,639</u>	<u>-</u>
Total liabilities	<u>1,124,801</u>	<u>765,716</u>	<u>235,353</u>	<u>92,700</u>	<u>2,218,570</u>	<u>-</u>
Net Position:						
Net investment in capital assets	15,593,694	2,027,968	4,800,183	8,886	22,430,731	
Restricted for grants		6,186			6,186	
Unrestricted	<u>8,876,214</u>	<u>547,007</u>	<u>3,682,084</u>	<u>76,849</u>	<u>13,182,154</u>	<u>1,883,375</u>
Total Net Position	<u>\$ 24,469,908</u>	<u>\$ 2,581,161</u>	<u>\$ 8,482,267</u>	<u>\$ 85,735</u>	<u>\$ 35,619,071</u>	<u>\$ 1,883,375</u>

The accompanying notes are an integral part of the financial statements

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Business-Type Activities - Enterprise Funds					Governmental
	Major Funds			Nonmajor		Activities
	Wastewater	Solid Waste	Water	School Cafeteria	Total	Internal Service Funds
Operating Revenues:						
Charges for services	\$ 5,408,994	\$ 641,897	\$ 1,160,189	\$ 437,990	\$ 7,649,070	\$ 101,791
Other	143,434	20,005	8,224		171,663	
Total operating revenues	<u>5,552,428</u>	<u>661,902</u>	<u>1,168,413</u>	<u>437,990</u>	<u>7,820,733</u>	<u>101,791</u>
Operating Expenses:						
Wells			256,166		256,166	
Pumping	580,646		14,778		595,424	
Distribution			46,111		46,111	
Treating and sludge	2,052,690				2,052,690	
Transportation and disposal		424,876			424,876	
Administrative and general	284,848	99,360	423,979		808,187	
Depreciation	679,707	41,091	225,104	3,653	949,555	
Repairs and maintenance	5,555		76,310		81,865	
Health care management					-	2,600
Compensated absences					-	159,230
School cafeteria operations				754,741	754,741	
Other operating	135,747	12,463			148,210	34,487
Total operating expenses	<u>3,739,193</u>	<u>577,790</u>	<u>1,042,448</u>	<u>758,394</u>	<u>6,117,825</u>	<u>196,317</u>
Operating Income (Loss)	<u>1,813,235</u>	<u>84,112</u>	<u>125,965</u>	<u>(320,404)</u>	<u>1,702,908</u>	<u>(94,526)</u>
Nonoperating Revenues (Expenses):						
Income on investments	280,763	17,201	122,308		420,272	9,138
Intergovernmental				308,295	308,295	
Interest expense	(2,641)	(11,260)			(13,901)	
Total nonoperating revenues (expenses)	<u>278,122</u>	<u>5,941</u>	<u>122,308</u>	<u>308,295</u>	<u>714,666</u>	<u>9,138</u>
Income Before Transfer:	2,091,357	90,053	248,273	(12,109)	2,417,574	(85,388)
Transfers In	4,300			8,533	12,833	
Change in Net Position	2,095,657	90,053	248,273	(3,576)	2,430,407	(85,388)
Net Position at Beginning of Year	22,374,251	2,491,108	8,233,994	89,311	33,188,664	1,968,763
Net Position at End of Year	<u>\$ 24,469,908</u>	<u>\$ 2,581,161</u>	<u>\$ 8,482,267</u>	<u>\$ 85,735</u>	<u>\$ 35,619,071</u>	<u>\$ 1,883,375</u>

The accompanying notes are an integral part of the financial statements

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Business-Type Activities - Enterprise Funds					Governmental
	Major Funds					Activities
	Wastewater	Solid Waste	Water	School Cafeteria	Total	Internal Service Funds
Cash Flows from Operating Activities:						
Receipts from customers and users	\$ 5,337,362	\$ 708,947	\$ 1,142,056	\$ 475,977	\$ 7,664,342	\$ -
Receipts from providing services					-	193,717
Payments to suppliers	(2,602,257)	(514,605)	(683,338)	(794,398)	(4,594,598)	(34,487)
Payments for claims					-	(161,830)
Net cash provided by (used in) operating activities	<u>2,735,105</u>	<u>194,342</u>	<u>458,718</u>	<u>(318,421)</u>	<u>3,069,744</u>	<u>(2,600)</u>
Cash Flows from Noncapital Financing Activities:						
Transfers in from other funds	4,300			8,533	12,833	
Nonoperating grants received				308,295	308,295	
Net cash provided (used in) by noncapital financing activities	<u>4,300</u>	<u>-</u>	<u>-</u>	<u>316,828</u>	<u>321,128</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities:						
Additions to property, plant and equipment	(2,087,563)		(702,318)		(2,789,881)	
Principal paid on bonds	(27,000)	(168,132)			(195,132)	
Interest paid on bonds	(2,641)	(11,260)			(13,901)	
Net cash provided by (used in) capital and related financing activities	<u>(2,117,204)</u>	<u>(179,392)</u>	<u>(702,318)</u>	<u>-</u>	<u>(2,998,914)</u>	<u>-</u>
Cash Flows from Investing Activities:						
Sales of investments	44,370	2,276	14,924		61,570	
Interest on investments					-	9,138
Net cash provided by (used in) investing activities	<u>44,370</u>	<u>2,276</u>	<u>14,924</u>	<u>-</u>	<u>61,570</u>	<u>9,138</u>
Net Increase (Decrease) in Cash and Cash Equivalents	666,571	17,226	(228,676)	(1,593)	453,528	6,538
Cash and Cash Equivalents at Beginning of Year	<u>2,567,743</u>	<u>171,360</u>	<u>1,166,148</u>	<u>2,183</u>	<u>3,907,434</u>	<u>724,799</u>
Cash and Cash Equivalents at End of Year	<u>\$ 3,234,314</u>	<u>\$ 188,586</u>	<u>\$ 937,472</u>	<u>\$ 590</u>	<u>\$ 4,360,962</u>	<u>\$ 731,337</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:						
Operating income (loss)	\$ 1,813,235	\$ 84,112	\$ 125,965	\$ (320,404)	\$ 1,702,908	\$ (94,526)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	679,707	41,091	225,104	3,653	949,555	
Change in assets and liabilities:						
(Increase) decrease in accounts receivable	(188,066)	47,045	(26,357)	14,434	(152,944)	
(Increase) decrease in due from other governments				5,211	5,211	
(Increase) decrease in due from other funds		17,911		12,895	30,806	91,926
Increase (decrease) in accounts payable and accrued items	444,091	2,134	116,687	(57,763)	505,149	
Increase (decrease) in due to other funds	(454)		167		(287)	
Increase (decrease) in deferred revenue	(27,000)			23,553	(3,447)	
Increase (decrease) in compensated absences	13,592	2,049	17,152		32,793	
Total adjustments	<u>921,870</u>	<u>110,230</u>	<u>332,753</u>	<u>1,983</u>	<u>1,366,836</u>	<u>91,926</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 2,735,105</u>	<u>\$ 194,342</u>	<u>\$ 458,718</u>	<u>\$ (318,421)</u>	<u>\$ 3,069,744</u>	<u>\$ (2,600)</u>
Noncash Investing, Capital, and Financing Activities:						
Capital assets contributed by Capital Projects Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

The accompanying notes are an integral part of the financial statements

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
STATEMENT OF NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2020

	Cemetery Care Private - Purpose Trust Funds	OPEB Trust Fund	Agency Funds
Assets:			
Cash and cash equivalents	\$ 132,452	\$	\$ 387,569
Due from other funds	28	585,000	
Investments:			
Mutual funds		17,841,875	
Total assets	132,480	18,426,875	\$ 387,569
Liabilities:			
Accounts payable and accrued expenses	1,750		
Deposits held in custody for others			\$ 387,569
Total liabilities	1,750	-	\$ 387,569
Net Position:			
Restricted for care and maintenance	130,730		
Restricted for OPEB benefits		18,426,875	
Total Net Position	\$ 130,730	\$ 18,426,875	

The accompanying notes are an integral part of the financial statements

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Cemetery Care Private - Purpose Trust Funds	OPEB Trust Fund
Additions:		
Charges for services	\$ 3,000	\$
Employer contributions		1,909,528
Net change in fair value of investments		571,620
Interest and dividends	1,867	422,456
Total additions	<u>4,867</u>	<u>2,903,604</u>
Deductions:		
Benefit payments		1,324,528
Operating expenses in accordance with agreement	9,225	
Administrative expense		38,206
Total deductions	<u>9,225</u>	<u>1,362,734</u>
Change in Net Position	(4,358)	1,540,870
Net Position at Beginning of Year	<u>135,088</u>	<u>16,886,005</u>
Net Position at End of Year	<u>\$ 130,730</u>	<u>\$ 18,426,875</u>

The accompanying notes are an integral part of the financial statements

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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.

The accompanying financial statements present the government and its blended component unit, *Friends of South Kingstown Parks and Recreation*, an entity for which the government is considered to be financially accountable. 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.

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.

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

The Town reports the following major governmental funds:

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

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

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

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

The Town reports the following major proprietary funds:

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

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

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

Additionally, the Town reports the following fund types:

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

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

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

The *Agency Funds* account for the various student activities and unclaimed probate estate assets.

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

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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

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

The proprietary, other postemployment benefit trust, and private-purpose trust funds are reported using the economic resources measurement focus and the accrual basis of accounting. The agency fund has no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

F. Assets, Liabilities and Equity

Cash and Cash Equivalents

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

Investments

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

Inventories and Prepaid Items

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

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

Capital Assets

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

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

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

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

Deferred Outflows/Inflows of Resources

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

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

Equity

Equity in the government-wide financial statements 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.”

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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.

G. Revenues and Expenditures/Expenses

Program Revenues

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

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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 98.94% of the total 2019 levy. The Town's fiscal 2019-2020 property taxes were levied on July 1, 2019 on assessed valuation as of December 31, 2018. 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, 2020, the Town received \$643,778 from the State of Rhode Island as payment in accordance with legislation regarding the phase-out of motor vehicle tax. Motor vehicle values are assessed at a rate of \$18.71 per thousand dollars of assessed value. This rate has been frozen by the State since fiscal year 1998. In addition to freezing the tax rate, the State instituted a program to phase-out the taxation of motor vehicles over a ten-year period, by replacing the loss of motor vehicle tax income with State revenue. This program was restructured in fiscal year 2010-2011 whereby State reimbursement was limited to a maximum of \$500 per vehicle. In addition, the Town provides an additional \$2,500 exemption.

Pensions

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

Postemployment Benefits Other than Pension (OPEB)

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

Compensated Absences

Vacation and Sick Leave

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

Proprietary Funds Operating and Nonoperating Revenues and Expenses

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

H. Accounting Estimates

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

I. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through December 27, 2020, the date that the financial statements were available to be issued.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

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

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

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

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

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

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

Based on State Statutes, the School Committee is also authorized to spend funds up to the total amount appropriated for the School Unrestricted Fund, which is considered the fund level.

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The budget of the School Unrestricted Fund is prepared annually and submitted to the School Committee for approval. The amount of the annual transfer from the Town's General Fund to the School Unrestricted Fund is ultimately determined through the adoption of the General Fund budget.

Budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund and the School Unrestricted Fund. The Capital Projects Fund is appropriated on a project-length basis. Other special revenue funds and the permanent funds do not have appropriated budgets since other means control the use of these resources (e.g., grant awards and endowment requirements) and sometimes span a period of more than one fiscal year.

The appropriated budget is prepared by fund, function and department. The government's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the Council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level.

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

B. Deficit Fund Equity and Accumulated Deficits

The Recreation Minor Improvement Fund and Guild Renovation Fund, nonmajor capital project governmental funds, have deficits of \$238,912 and \$14,000, respectively, at June 30, 2020. The deficits in these funds will be funded with future authorized debt issuances.

3. CASH DEPOSITS WITH FINANCIAL INSTITUTIONS

A. Deposits

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

Deposit Custodial Credit Risk

Custodial credit risk in the case of deposits is the risk that in the event of a bank failure, the government's deposits may not be returned. Rhode Island public law requires 100% of public deposits in a qualified public depository with maturities greater than sixty (60) days are collateralized with either bank segregated assets, in a trust department or in custodial accounts at a Federal Reserve Bank or federal home loan bank. The Town has adopted a "statement of investment objectives, goals and policy guidelines" for investments held in the School Trust Fund. In addition, the Town has guidelines for deposits authorized by Town Code Sec. 4233.H. As such, the entire bank balance of the Town as of June 30, 2020 of \$28,756,433 was insured or collateralized.

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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, 2020, the cash equivalent amounted to \$671,217. The cash equivalents consisted of certificates of deposit and money market mutual funds held at banking institutions and were not rated.

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 US Treasuries and Federal Agency obligations for the town’s pooled cash, “core” funds and Town’s pooled cash liquidity “cushion” funds, which are short term or within FDIC limits.

<u>Investment Type</u>	<u>Credit Rating</u>	<u>Fair Value</u>	<u>Investment Maturities (Years)</u>		
			<u>Less Than 1</u>	<u>1 - 10</u>	<u>More Than 10</u>
Interest-bearing investments:					
U.S. Government securities	Aaa	\$ 3,645,958	\$	3,645,958	\$
U.S. Government agencies	Aaa	20,669,346		20,669,346	
Corporate bonds	Aaa	<u>2,847,101</u>		<u>2,847,101</u>	
Total		27,162,405	\$ <u>-</u>	\$ <u>27,162,405</u>	\$ <u>-</u>
Other investments:					
Common stock		31,585			
Mutual Funds		<u>38,399,295</u>			
Total Investments		\$ <u>65,593,285</u>			

Interest Rate Risk

Approximately 41% 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 59% of the investments are held in common stock and mutual funds. These investments do not specify year an interest rate; rather, the rate of return is dependent on operating results and economic conditions.

Credit Risk

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

Concentration of Credit Risk

At June 30, 2020, the Town had a diversified portfolio and was not deemed to be concentrated in any one investment category. Although approximately 59% 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.

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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 29% 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 generally accepted accounting principles. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets or with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements). The Town has the following recurring fair value measurements as of June 30, 2020:

	<u>June 30,</u> <u>2020</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by fair value level:				
U.S. Government securities	\$ 3,645,958	\$ 3,645,958	\$	\$
U.S. Government agencies	20,669,346	20,669,346		
Corporate bonds	2,847,101		2,847,101	
Common stock	31,585	31,585		
Mutual funds	<u>38,399,295</u>	<u>38,399,295</u>		
Total Investments by Fair Value Level	<u>\$ 65,593,285</u>	<u>\$ 62,746,184</u>	<u>\$ 2,847,101</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.

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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:

	<u>General</u>	<u>School Trust Fund</u>	<u>School Improvement Fund</u>	<u>Wastewater</u>	<u>Solid Waste</u>	<u>Water</u>	<u>School Cafeteria</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Receivables:									
Accounts	\$ 405,801	\$ 8,268	\$ 4,000,000	\$ 682,161	\$ 55,609	\$ 275,484	\$	\$ 172,132	\$ 5,599,455
Property taxes	1,381,298								1,381,298
Tax liens	372,926								372,926
Other governments	52,526						19,204	277,014	348,744
Special assessments				31,069					31,069
Gross receivables	<u>2,212,551</u>	<u>8,268</u>	<u>4,000,000</u>	<u>713,230</u>	<u>55,609</u>	<u>275,484</u>	<u>19,204</u>	<u>449,146</u>	<u>7,733,492</u>
Less allowance for uncollectibles	<u>(797,004)</u>			<u>(17,500)</u>		<u>(1,000)</u>			<u>(815,504)</u>
Net Total Receivables	<u>\$ 1,415,547</u>	<u>\$ 8,268</u>	<u>\$ 4,000,000</u>	<u>\$ 695,730</u>	<u>\$ 55,609</u>	<u>\$ 274,484</u>	<u>\$ 19,204</u>	<u>\$ 449,146</u>	<u>\$ 6,917,988</u>

6. INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS

A. Interfund Receivables and Payables

The composition of interfund balances as of June 30, 2020 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
School Trust Fund	General Fund	\$ 5
Debt Service Fund	General Fund	884,173
Solid Waste Fund	General Fund	105
School Cafeteria	General Fund	149,755
Internal Service Fund	General Fund	1,152,038
Fiduciary Funds	General Fund	585,028
Nonmajor governmental funds	General Fund	6,924,487
General Fund	Wastewater Fund	1,879
General Fund	Water Fund	313
General Fund	School Improvement Fund	2,526,483
General Fund	Nonmajor governmental funds	<u>378,970</u>
Total		<u>\$ 12,603,236</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.

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B. Interfund Transfers

The composition of interfund transfers for the year ended June 30, 2020 is as follows:

	<u>Transfers In</u>					<u>Total Transfers Out</u>
	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Wastewater Fund</u>	<u>School Cafeteria</u>	<u>Nonmajor Governmental Funds</u>	
Transfers out:						
General Fund	\$	\$ 1,435,000	\$ 4,300	\$ 8,533	\$ 2,410,003	\$ 3,857,836
School Trust Fund	56,550				414,000	470,550
Nonmajor Governmental Funds	<u>726,446</u>	<u>444,876</u>				<u>1,171,322</u>
Transfers In	<u>\$ 782,996</u>	<u>\$ 1,879,876</u>	<u>\$ 4,300</u>	<u>\$ 8,533</u>	<u>\$ 2,824,003</u>	<u>\$ 5,499,708</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.

7. CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2020 for governmental activity was as follows:

	<u>Beginning Balance</u>	<u>Adjustments/ Increases</u>	<u>Adjustments/ Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 13,797,859	\$ 372,207	\$	\$ 14,170,066
Construction in progress	<u>4,407,019</u>	<u>3,305,930</u>	<u>3,882,103</u>	<u>3,830,846</u>
Total capital assets not being depreciated	<u>18,204,878</u>	<u>3,678,137</u>	<u>3,882,103</u>	<u>18,000,912</u>
Capital assets being depreciated:				
Land improvements	10,978,498	18,000		10,996,498
Buildings	37,826,872			37,826,872
Building improvements	43,486,288	3,435,508		46,921,796
Equipment	6,772,235	240,363	15,400	6,997,198
Vehicles	6,830,538	1,057,649	616,272	7,271,915
Infrastructure	44,777,503	435,696		45,213,199
Intangibles	516,748			516,748
Total capital assets being depreciated	<u>151,188,682</u>	<u>5,187,216</u>	<u>631,672</u>	<u>155,744,226</u>
Less accumulated depreciation for:				
Land improvements	3,443,938	155,426		3,599,364
Buildings	18,819,533	741,536		19,561,069
Building improvements	25,586,268	1,410,142		26,996,410
Equipment	4,297,155	374,048	9,497	4,661,706
Vehicles	4,285,813	679,352	603,860	4,361,305
Infrastructure	26,428,257	1,252,540		27,680,797
Intangibles	210,455	50,971		261,426
Total accumulated depreciation	<u>83,071,419</u>	<u>4,664,015</u>	<u>613,357</u>	<u>87,122,077</u>
Total capital assets being depreciated, net	<u>68,117,263</u>	<u>523,201</u>	<u>18,315</u>	<u>68,622,149</u>
Governmental Activities Capital Assets, Net	<u>\$ 86,322,141</u>	<u>\$ 4,201,338</u>	<u>\$ 3,900,418</u>	<u>\$ 86,623,061</u>

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

Governmental activities:	
General government	\$ 219,490
Public safety	540,752
Public works	1,546,404
Public libraries	113,971
Education	1,624,077
Recreation	<u>619,321</u>
 Total	 <u>\$ 4,664,015</u>

Capital assets activity for the year ended June 30, 2020 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	140,451	2,663,243		2,803,694
Total capital assets not being depreciated	<u>1,726,981</u>	<u>2,663,243</u>	<u>-</u>	<u>4,390,224</u>
Capital assets being depreciated:				
Land improvements	2,682,148			2,682,148
Buildings	10,563,287			10,563,287
Building improvements	3,241,676			3,241,676
Equipment	7,111,325	76,552		7,187,877
Vehicles	465,570	25,236	21,415	469,391
Infrastructure	20,843,425			20,843,425
Intangibles	174,842	24,850		199,692
Total capital assets being depreciated	<u>45,082,273</u>	<u>126,638</u>	<u>21,415</u>	<u>45,187,496</u>
Less accumulated depreciation for:				
Land improvements	902,779	45,496		948,275
Buildings	8,019,154	192,038		8,211,192
Building improvements	1,595,966	109,311		1,705,277
Equipment	4,822,527	275,830		5,098,357
Vehicles	333,027	38,853	21,415	350,465
Infrastructure	9,661,875	268,058		9,929,933
Intangibles	69,934	19,969		89,903
Total accumulated depreciation	<u>25,405,262</u>	<u>949,555</u>	<u>21,415</u>	<u>26,333,402</u>
Total capital assets being depreciated, net	<u>19,677,011</u>	<u>(822,917)</u>	<u>-</u>	<u>18,854,094</u>
Business-Type Activities Capital Assets, Net	<u>\$ 21,403,992</u>	<u>\$ 1,840,326</u>	<u>\$ -</u>	<u>\$ 23,244,318</u>

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
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Depreciation was charged to the following business-type activities of the primary government as follows:

Business-type activities:	
Wastewater	\$ 679,707
Solid Waste	41,091
Water	225,104
Cafeteria	<u>3,653</u>
Total	<u>\$ 949,555</u>

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8. FUND BALANCE

The components of fund balance for the governmental funds at June 30, 2020 are as follows:

	<u>General Fund</u>	<u>School Trust Fund</u>	<u>School Improvement Fund</u>	<u>Debt Service Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund balances:						
Nonspendable for:						
Prepays	\$ 1,200				\$ 2,360	\$ 3,560
Endowment for recreation and education		413,233				413,233
Permanent funds					492,020	492,020
Restricted for:						
Recreational and educational		19,078,034			638,926	19,716,960
Asset forfeiture					240,189	240,189
Maintenance of historical records					131,683	131,683
Libraries operations					1,664,331	1,664,331
K-9 Grant					12,229	12,229
Recycling program					55,896	55,896
Miscellaneous donations fund					25,193	25,193
Open space acquisition					597,602	597,602
Human services					331,826	331,826
Debt service				884,173		884,173
Committed to:						
General government - encumbrances	31,707					31,707
Public safety department - encumbrances	251,571					251,571
Public works - encumbrances	43,306					43,306
Human Services - encumbrances	5,000					5,000
Libraries - encumbrances	7,132					7,132
Recreation - encumbrances	10,407					10,407
Municipal planning	33,861					33,861
To balance future budgets - Town	500,000					500,000
To balance future budgets - Schools	450,000					450,000
School surplus committed for Town	1,097,937					1,097,937
Education encumbrances	28,905					28,905
Education	2,655,841					2,655,841
Affordable housing					70,578	70,578
Animal shelter renovations					390,303	390,303
Elderly services					237,079	237,079
Public safety support					1,743,060	1,743,060
Operation of Peacedale Office Building					184,368	184,368
Property revaluation					267,916	267,916
Maintenance of South Road School					389,419	389,419
Municipal planning services grant					346	346
Community development					35,885	35,885
Capital equipment acquisitions					1,263,144	1,263,144
Data processing improvements					113,500	113,500
Park construction and maintenance					48,898	48,898
Library improvements					203,374	203,374
Public safety building improvement					402,195	402,195
Public service office building improvements					125,382	125,382
Infrastructure improvements					954,976	954,976
Recreation facility improvement					312,751	312,751
School improvement			1,095,283			1,095,283
Substance abuse treatment					17,069	17,069
Kingstown Recreation Fund					203,790	203,790
Senior Services Center Construction					25,004	25,004
Wastewater Construction					5,646,308	5,646,308
Town hall improvements					656,841	656,841
Unassigned	16,151,839				(252,912)	15,898,927
Total Fund Balances	<u>\$ 21,268,706</u>	<u>\$ 19,491,267</u>	<u>\$ 1,095,283</u>	<u>\$ 884,173</u>	<u>\$ 17,231,529</u>	<u>\$ 59,970,958</u>

Major encumbrances of \$378,028 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.

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Endowments Received

	<u>School Trust Fund</u>
Original principal received	\$ 413,233
Net appreciation on investments	<u>19,078,034</u>
Total Value	<u>\$ 19,491,267</u>

The original principal remains in the net position on the Statement of Activities and is restricted for the trust principal on the balance sheet - governmental funds. The net appreciation of \$19,078,034 can be authorized for expenditure by the Trustees of South Kingstown School Funds. Income is distributed in keeping with the provisions of the appropriate deed of gift.

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

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

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
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9. LONG-TERM LIABILITIES

A. General Obligation Bonds

The government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds generally are issued as serial bonds with equal amounts of principal maturing each year with maturities that range from 15 to 20 years. General obligation bonds outstanding at June 30, 2020 are as follows:

Description	Date of Issue	Date of Maturity	Interest Rate (%)	Amount of Original Issue	Balance Outstanding June 30, 2020
Governmental activities:					
General obligation bonds:					
School Improvement Series 2009 A	11/12/09	11/01/29	2.55% - 5.00%	\$ 1,200,000	\$ 600,000
Advance refunding	11/13/12	06/15/24	1.90%	4,263,000	1,209,000
Advance refunding	04/08/15	06/15/27	2.00% - 4.00%	6,935,000	2,320,000
Community Gymnasium / School Imp. Series 2017	08/16/17	08/15/37	2.00% - 4.00%	5,420,000	4,830,000
School Improvement Series 2020 A	05/12/20	05/15/40	2.75% - 4.00%	3,875,000	3,875,000
Total governmental activities				<u>21,693,000</u>	<u>12,834,000</u>
Business Type Activities:					
General obligation bonds:					
Wastewater fund - GO bond	11/13/02	09/01/23	1.38%	500,000	115,000
Solid waste fund - GO bond	09/03/02	09/01/22	1.14%	2,000,000	374,587
Solid waste fund - GO bond	11/22/05	09/01/25	1.34%	950,000	324,000
Total business-type activities				<u>3,450,000</u>	<u>813,587</u>
Total Outstanding				<u>\$ 25,143,000</u>	<u>\$ 13,647,587</u>

The Wastewater and Superfund 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 and Superfund 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 \$13,647,587 total bonds payable (including bonds payable for the wastewater and solid-waste enterprise funds), approximately \$3,189,898 is subject to its legal debt limits. The \$3,189,898 outstanding does not exceed the Town's legal debt limit of \$156,554,595 which is 3% of the assessed value (\$5,218,486,499) of taxable property of the Town as of December 31, 2018. The total long-term debt bond obligations of the Town of \$13,647,587 represent approximately 0.26% of the assessed value of the taxable property of the Town at June 30, 2020 (assessment date December 31, 2018).

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
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C. Authorized But Unissued Bond Authority

The Town has the following remaining authorized but unissued bond authority as of June 30, 2020:

<u>Purpose</u>	<u>Authorized Amount</u>	<u>Issued</u>	<u>Authorized and Unissued</u>
School capital improvements	\$ 4,000,000	\$ 3,980,000	\$ 20,000
Town hall improvements	300,000		300,000
Municipal land bank reserve	750,000		750,000
School/community gymnasium	4,150,000	4,055,000	95,000
Capital transportation improvement	400,000	385,000	15,000
Open space	3,000,000	700,000	2,300,000
Neighborhood Guild	1,000,000		1,000,000
School improvements	4,000,000	3,875,000	125,000
Total	<u>\$ 17,600,000</u>	<u>\$ 12,995,000</u>	<u>\$ 4,605,000</u>

D. Changes in Long-Term Liabilities

Changes in the government's long-term liabilities for the year ended June 30, 2020 are as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds payable:					
General obligation bonds	\$ 10,653,000	\$ 3,875,000	\$ 1,694,000	\$ 12,834,000	\$ 1,370,000
Issuance premium on bonds	478,687	260,130	50,705	688,112	
Total bonds payable	<u>11,131,687</u>	<u>4,135,130</u>	<u>1,744,705</u>	<u>13,522,112</u>	<u>1,370,000</u>
Compensated absences	4,520,251	1,430,953	1,231,814	4,719,390	1,571,575
Net pension liability	68,670,898	2,610,261		71,281,159	
Net OPEB liability	3,308,656		3,308,656	-	
Claims and judgments	1,230,262		78,348	1,151,914	78,348
Total Governmental Activities Long-Term Liabilities	<u>\$ 88,861,754</u>	<u>\$ 8,176,344</u>	<u>\$ 6,363,523</u>	<u>\$ 90,674,575</u>	<u>\$ 3,019,923</u>
Business-Type Activities:					
Bonds payable:					
General obligation bonds	\$ 1,008,719		\$ 195,132	\$ 813,587	\$ 200,435
Compensated absences	280,168	116,761	83,968	312,961	98,474
Total Business-Type Activities Long-Term Liabilities	<u>\$ 1,288,887</u>	<u>\$ 116,761</u>	<u>\$ 279,100</u>	<u>\$ 1,126,548</u>	<u>\$ 298,909</u>

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

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

	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2021	\$ 1,370,000	\$ 382,452	\$ 200,435	\$ 13,126
2022	1,353,000	345,608	204,832	9,530
2023	1,128,000	306,278	210,320	5,834
2024	1,003,000	270,486	84,000	3,112
2025	975,000	236,869	55,000	1,722
2026-2030	3,075,000	827,604	59,000	589
2031-2035	2,225,000	439,438		
2036-2040	<u>1,705,000</u>	<u>117,963</u>		
Total	\$ <u>12,834,000</u>	\$ <u>2,926,698</u>	\$ <u>813,587</u>	\$ <u>33,913</u>

10. DEFINED BENEFIT PENSION PLANS

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

General Information about the Pension Plan

Plan Description

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

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

Benefits Provided

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

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

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

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

General Employees

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

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

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

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

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

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

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

Police and EMT Employees

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

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

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

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

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

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

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

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

Other Benefit Provisions

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

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

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

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

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

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

Employees Covered by Benefit Terms

At the June 30, 2018 valuation date, the following employees were covered by the benefit terms:

	<u>Municipal</u>	<u>Police</u>	<u>EMT</u>
Retirees and Beneficiaries	211	51	5
Inactive, Nonretired Members	152	10	15
Active Members	<u>297</u>	<u>52</u>	<u>14</u>
Total	<u><u>660</u></u>	<u><u>113</u></u>	<u><u>34</u></u>

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
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Contributions

The amount of employee and employer contributions have been established under Rhode Island General Law Chapter 45-21. General employees with less than 20 years of service as of June 30, 2012 are required to contribute 2% of their salaries. General employees with more than 20 years of service as of June 30, 2012 are required to contribute 9.25%. Public safety employees are required to contribute 10% of their salaries. The Town contributes at a rate of covered employee payroll as determined by an independent actuary on an annual basis. The General Assembly can amend the amount of these contribution requirements. The Town contributed \$2,434,904 in the year ended June 30, 2020 which was 13.61% of annual covered payroll.

Net Pension Liability (Asset)

The total pension liability (asset) was determined by actuarial valuations performed as of June 30, 2018 and rolled forward to June 30, 2019, 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, 2019 measurement date (June 30, 2018 valuation rolled forward to June 30, 2019)

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 7.50% ; Police & Fire Employees - 4.00% to 14.00%
Inflation	2.50%
Mortality	Mortality - variants of the RP-2014 mortality tables - for the improvement scale, update to the ultimate rates of the MP-2016 projection scale.
Cost of Living Adjustments	A 2.00% COLA is assumed after January 1, 2014

The actuarial assumptions used in the June 30, 2018 valuation rolled forward to June 30, 2019 and the calculation of the total pension liability at June 30, 2019 were consistent with the results of an actuarial experience study performed as of June 30, 2016.

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
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The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from 34 sources. The June 30, 2019 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

<u>Type of Investments</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equity		
U.S. Equity	22.10%	6.16%
International Developed Equity	13.20%	6.83%
Emerging Markets Equity	4.70%	8.90%
Equity Hedge Funds		
Private Equity	11.25%	9.18%
Non-Core Real Estate	2.25%	5.15%
Opportunistic Private Credit	1.50%	9.81%
Income		
High Yield Infrastructure	1.00%	3.98%
REITS	1.00%	5.51%
Liquid Credit	2.80%	3.98%
Private Credit	3.20%	3.98%
Crisis Protection Class		
Treasury Duration	4.00%	0.77%
Systematic Trend	4.00%	4.20%
Inflation Protection Class		
Core Real Estate	3.60%	5.51%
Private Infrastructure	2.40%	5.85%
TIPs	1.00%	1.37%
Natural Resources	1.00%	3.76%
Volatility Protection		
IG Fixed Income	11.50%	2.15%
Absolute Return	6.50%	4.20%
Cash	<u>3.00%</u>	0.77%
	<u><u>100.0%</u></u>	

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

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Discount Rate

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

Changes in Net Pension Liabilities (Assets)

Municipal Employee's Retirement System - General Employees			
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances as of July 1, 2019	\$ 69,121,416	\$ 57,272,490	\$ 11,848,926
Changes for the Year			
Service cost	1,203,577		1,203,577
Interest on the total pension liability	4,749,160		4,749,160
Difference between expected and actual experience	315,654		315,654
Employer contributions		1,574,009	(1,574,009)
Employee contributions		398,154	(398,154)
Net investment income		3,642,487	(3,642,487)
Benefit payments, including employee refunds	(3,756,129)	(3,756,129)	-
Administrative expense		(56,923)	56,923
Other changes		(246,782)	246,782
Net changes	<u>2,512,262</u>	<u>1,554,816</u>	<u>957,446</u>
Balances as of June 30, 2020	<u>\$ 71,633,678</u>	<u>\$ 58,827,306</u>	<u>\$ 12,806,372</u>

Municipal Employee's Retirement System - Police			
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances as of July 1, 2019	\$ 33,672,528	\$ 24,243,526	\$ 9,429,002
Changes for the Year			
Service cost	753,057		753,057
Interest on the total pension liability	2,320,873		2,320,873
Difference between expected and actual experience	(265,606)		(265,606)
Employer contributions		819,275	(819,275)
Employee contributions		367,885	(367,885)
Net investment income		1,565,078	(1,565,078)
Benefit payments, including employee refunds	(1,787,461)	(1,787,461)	-
Administrative expense		(24,458)	24,458
Other changes		92,649	(92,649)
Net changes	<u>1,020,863</u>	<u>1,032,968</u>	<u>(12,105)</u>
Balances as of June 30, 2020	<u>\$ 34,693,391</u>	<u>\$ 25,276,494</u>	<u>\$ 9,416,897</u>

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Municipal Employee's Retirement System - EMT

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances as of July 1, 2019	\$ 4,126,219	\$ 4,296,680	\$ (170,461)
Changes for the Year			
Service cost	177,617		177,617
Interest on the total pension liability	290,630		290,630
Difference between expected and actual experience	(435,897)		(435,897)
Employer contributions		41,620	(41,620)
Employee contributions		83,742	(83,742)
Net investment income		283,247	(283,247)
Benefit payments, including employee refunds	(126,334)	(126,334)	-
Administrative expense		(4,426)	4,426
Other changes		(1)	1
Net changes	<u>(93,984)</u>	<u>277,848</u>	<u>(371,832)</u>
Balances as of June 30, 2020	<u>\$ 4,032,235</u>	<u>\$ 4,574,528</u>	<u>\$ (542,293)</u>

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

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

	1% Decrease	Current Discount	1% Increase
	<u>(6.0%)</u>	<u>Rate</u>	<u>(8.0%)</u>
		<u>(7.0%)</u>	
General Employees	\$ 20,355,290	\$ 12,806,372	\$ 6,627,842
Police	13,070,420	9,416,897	6,426,640
EMT	(125,999)	(542,293)	(882,945)

Pension Plan Fiduciary Net Position

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

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

For the year ended June 30, 2020, the employer recognized pension expense of \$5,059,732. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Municipal</u>	<u>Police</u>	<u>EMT</u>	<u>Total</u>
Deferred outflows of resources:				
Difference between expected and actual experience	\$ 522,482	\$ 730,759	\$ 63,500	\$ 1,316,741
Changes of assumptions	1,043,245	924,617	124,738	2,092,600
Town contributions subsequent to measurement date	<u>1,616,179</u>	<u>1,053,670</u>	<u>68,073</u>	<u>2,737,922</u>
Total Deferred Outflows of Resources	<u>\$ 3,181,906</u>	<u>\$ 2,709,046</u>	<u>\$ 256,311</u>	<u>\$ 6,147,263</u>
	<u>Municipal</u>	<u>Police</u>	<u>EMT</u>	<u>Total</u>
Deferred inflows of resources:				
Difference between expected and actual experience	\$	\$ 1,093,929	\$ 557,345	\$ 1,651,274
Changes of assumptions		39,044		39,044
Net difference between projected and actual earnings on pension plan investments	<u>144,193</u>	<u>70,449</u>	<u>18,547</u>	<u>233,189</u>
Total Deferred Inflows of Resources	<u>\$ 144,193</u>	<u>\$ 1,203,422</u>	<u>\$ 575,892</u>	<u>\$ 1,923,507</u>

Total of the Town contributions subsequent to measurement date of \$2,737,922 reported as deferred outflows of resources related to pensions above will be recognized as a reduction of the net pension liability in the subsequent period.

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

<u>Year Ending June 30,</u>	<u>Municipal</u>	<u>Police</u>	<u>EMT</u>
2021	\$ 1,193,188	\$ 204,985	\$ (51,952)
2022	65,176	(130,521)	(107,057)
2023	63,049	208,870	(75,076)
2024	100,121	212,826	(67,222)
2025		(44,206)	(64,821)
Thereafter			<u>(21,526)</u>
Total	<u>\$ 1,421,534</u>	<u>\$ 451,954</u>	<u>\$ (387,654)</u>

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

Plan Description

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

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

Eligibility and Plan Benefits

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

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

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

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

Contributions

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

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School; the rates were 10.49% and 14.12% of annual covered payroll for the fiscal year ended June 30, 2020 for the state and School, respectively. The School contributed \$3,760,382, \$3,838,124 and \$3,629,676 for the fiscal years ended June 30, 2020, 2019 and 2018, respectively, equal to 100% of the required contributions for each year.

For the year ended June 30, 2020, the amount of “on-behalf” contributions made by the State was \$2,793,656 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, 2020, the School reported a liability of \$49,057,890 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	\$ 49,057,890
State's proportionate share of the net pension liability associated with the School	<u>36,749,440</u>
Total Net Pension Liability	<u><u>\$ 85,807,330</u></u>

The net pension liability was measured as of June 30, 2019, 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, 2018 rolled forward to June 30, 2019. 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, 2019 the School's proportion was 1.54%.

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For the year ended June 30, 2020, the School recognized gross pension expense of \$8,903,763 and revenue of \$4,076,881 for support provided by the State in Exhibit II. At June 30, 2020 the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred outflows of resources:	
Difference between expected and actual experience	\$ 597,399
Changes of assumption	2,870,661
Net difference between projected and actual earning on pension plan investments	
Changes in proportionate share of employer contributions	1,652,807
Contributions subsequent to the measurement date	<u>3,760,382</u>
 Total Deferred Outflows of Resources	 \$ <u>8,881,249</u>
Deferred inflows of resources:	
Difference between expected and actual experience	\$ 819,266
Change of assumptions	387,183
Net difference between projected and actual earning on pension plan investments	77,197
Changes in proportionate share of employer contributions	<u>3,153,505</u>
 Total Deferred Inflows of Resources	 \$ <u>4,437,151</u>

The \$3,760,382 reported as deferred outflows of resources related to pensions resulting from the School contributions in fiscal year 2020 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>	
2021	\$ 377,470
2022	(473,082)
2023	187,842
2024	329,680
2025	89,196
Thereafter	<u>172,610</u>
 Total	 \$ <u>683,716</u>

Actuarial Assumptions

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

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

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

The actuarial assumptions used in the June 30, 2018 valuation rolled forward to June 30, 2019 and the calculation of the total pension liability at June 30, 2019 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, 2019 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

<u>Type of Investments</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equity		
U.S. Equity	22.10%	6.16%
International Developed Equity	13.20%	6.83%
Emerging Markets Equity	4.70%	8.90%
Equity Hedge Funds		
Private Equity	11.25%	9.18%
Non-Core Real Estate	2.25%	5.15%
Opportunistic Private Credit	1.50%	9.81%
Income		
High Yield Infrastructure	1.00%	3.98%
REITS	1.00%	5.51%
Liquid Credit	2.80%	3.98%
Private Credit	3.20%	3.98%
Crisis Protection Class		
Treasury Duration	4.00%	0.77%
Systematic Trend	4.00%	4.20%
Inflation Protection Class		
Core Real Estate	3.60%	5.51%
Private Infrastructure	2.40%	5.85%
TIPs	1.00%	1.37%
Natural Resources	1.00%	3.76%
Volatility Protection		
IG Fixed Income	11.50%	2.15%
Absolute Return	6.50%	4.20%
Cash	3.00%	0.77%
	<u>100.0%</u>	

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

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Discount Rate

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

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

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

<u>1% Decrease</u> <u>(6.0%)</u>	<u>Current Discount</u> <u>Rate</u> <u>(7.0%)</u>	<u>1% Increase</u> <u>(8.0%)</u>
\$ 60,627,214	\$ 49,057,890	\$ 39,587,234

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, 2020:

	<u>MERS</u> <u>Municipal</u>	<u>MERS</u> <u>Police</u>	<u>MERS</u> <u>EMT</u>	<u>ERS</u>	<u>Total</u>
Net pension asset	\$	\$	\$ 542,293	\$	\$ 542,293
Deferred outflows of resources related to pensions	3,181,906	2,709,046	256,311	8,881,249	15,028,512
Net pension liability	12,806,372	9,416,897		49,057,890	71,281,159
Deferred inflows of resources related to pensions	144,193	1,203,422	575,892	4,437,151	6,360,658
Pension expense	3,604,474	1,387,005	68,253	4,076,881	9,136,613

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.

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

Teachers that Contribute to Social Security

Plan Funding Policy

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

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

The plan members and town contributed \$1,390,697 and \$326,242, respectively, during the fiscal year ended June 30, 2020 for teacher plan members.

General Employees in MERS that Contribute to Social Security

Plan Funding Policy

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

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

The plan members and town contributed \$353,845 and \$80,319, respectively, during the fiscal year ended June 30, 2020 for town plan members.

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

11. OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN

The Town of South Kingstown OPEB Trust (the Trust)

Plan Description

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

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

Benefits Provided

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

Eligibility

General Employees

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

Police and EMT

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

Teachers and Administrators

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

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Employees Covered by Benefit Terms

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

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

Contributions

Town Employees hired before July 1, 2006

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

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

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

Town Employees hired after July 1, 2006

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

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

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

Police Employees

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

EMT Employees

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

Public Works Employees hired before July 1, 2005

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

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Public Works Employees hired after July 1, 2005

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

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

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

School Employees

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

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

For the year ended June 30, 2020, town and school plan members contributed \$177,660 of premium payments. The Town is required to contribute the balance of the current premium cost and may contribute an additional amount as determined by the Town in order to prefund benefits.

Investments

Investment Policy

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

Rate of Return

For the year ended June 30, 2020 the annual money-weighted rate of return on investments, net of investment expense, was 5.6%. 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, 2020, were as follows:

Total OPEB liability	\$ 18,131,098
Plan fiduciary net position	<u>18,426,875</u>
Town's Net OPEB Asset	<u><u>\$ (295,777)</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	101.6%

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The Town's net OPEB asset was measured as of June 30, 2020, 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, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.10% per year
Projected Salary Increases	3.25%
Investment Rate of Return	6.50%
Healthcare Cost Trend Rate	Initial rate of 8.00% decreasing by 0.50% annually to an ultimate rate of 4.50%

Mortality rates were based on the following:

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	37.10%	5.10%
Non-U.S. Equity	15.90%	7.40%
U.S. Aggregate Bonds	12.00%	1.20%
Intermediate-Term Credit	7.20%	1.90%
Short-Term Credit	4.80%	1.70%
Intermediate-Term TIPS	15.00%	0.70%
REITs	8.00%	4.00%
Total	<u>100%</u>	

Discount Rate

The discount rate used to measure the total OPEB liability was 6.50%. 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)

	<u>Increase (Decrease)</u>		
	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability (Asset)</u>
Balances as of July 1, 2019	\$ 20,194,661	\$ 16,886,005	\$ 3,308,656
Changes for the Year			
Service cost	734,058		734,058
Interest on the total pension liability	1,368,716		1,368,716
Changes in assumptions	120,308		120,308
Difference between expected and actual experience	(2,962,117)		-
Employer contributions		1,909,528	(1,909,528)
Net investment income		994,076	(994,076)
Benefit payments	(1,324,528)	(1,324,528)	-
Administrative expense		(38,206)	38,206
Net changes	<u>(2,063,563)</u>	<u>1,540,870</u>	<u>(3,604,433)</u>
Balances as of June 30, 2020	\$ 18,131,098	\$ 18,426,875	\$ (295,777)

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

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

	<u>1% Decrease (5.50%)</u>	<u>Current Discount (6.50%)</u>	<u>1% Increase (7.50%)</u>
Net OPEB Asset (Liability) \$	(897,710) \$	295,777 \$	1,403,236

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

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

	<u>1% Decrease (7.00% Decreasing to 3.50%)</u>	<u>Healthcare Cost Trend Rates (8.00% Decreasing to 4.50%)</u>	<u>1% Increase (9.00% Decreasing to 5.50%)</u>
Net OPEB Asset (Liability) \$	1,702,016 \$	295,777 \$	(1,309,430)

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

For the year ended June 30, 2020, the Town recognized OPEB expense of \$527,189. At June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$	\$ (6,777,199)
Changes of assumptions	2,296,532	
Net difference between projected and actual earnings on OPEB plan investments		(12,597)
Total	<u>\$ 2,296,532</u>	<u>\$ (6,789,796)</u>

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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>
2021	\$ (614,608)
2022	(527,203)
2023	(532,138)
2024	(510,080)
2025	(542,858)
Thereafter	<u>(1,766,377)</u>
Total	<u>\$ (4,493,264)</u>

12. TAX ABATEMENTS

As of June 30, 2020, 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, 2020, taxes abated through this program total \$37,118. There are no provisions to recapture abated taxes under this program, however any sale or transfer of the premises to any other entity will terminate the agreement effective upon the date in which the sale or transfer occurs. No other commitments have been made by the Town to the abatement recipient under this program.

The Jewish Children’s Home of Rhode Island Program (Camp JORI) provides real property tax abatements for the provision of a summer camp for disadvantaged Jewish children including full-pay tuition. Authority for the Camp JORI abatement program is granted under Rhode Island General Assembly (Public Laws of 2003, Chapter 220). Eligibility requirements for the Camp JORI are that the program provide disadvantaged children with opportunities and allows the children cultural enrichment. The abatement is granted on the excess land value generally assessed as “open space” and carrying a value of \$500 to \$5,000 per acre. A payment in lieu of taxes is made annually and is based on the current year tax rate. For the fiscal year ended June 30, 2020, taxes abated through this program total

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
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\$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, 2020, 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, 2020, taxes abated through this program total \$648,914. There are no provisions to recapture abated taxes under this program; however, any sale or transfer of the premises to any other entity will terminate the agreement effective upon the date in which the sale or transfer occurs. No other commitments have been made by the Town to the abatement recipient under this program.

13. SIGNIFICANT COMMITMENTS

Community Septic System Loan Program

On August 30, 2002, the Town entered into an agreement with the Rhode Island Clean Water Finance Agency to finance the Town's Community Septic System Loan Program. The loan agreement provides the Town with a \$300,000 non-restoring line of credit. The proceeds of the loan shall be used by the Town for the establishment of an operation of a Community Septic System Loan Program. The Program provides for the Town to make loans to property owners of the Town for the repair or replacement of failed or failing septic systems. The individual loans to be made to property owners shall be underwritten by the Town with the assistance of the Rhode Island Housing Mortgage Finance Corporation (RIHMFC). RIHMFC, on behalf of the Town, shall perform all administrative functions related to servicing the individual loans, including disbursing loans to property owners and collecting and remitting borrower loan payments. The loan has a zero interest rate to the Town and 4% to property owners. The Town is only required to make principal repayments in the event that individual property owners default on their loans. Accordingly, the potential liability has not been accrued (reported) in the Town's financial statements. As of June 30, 2020, there are \$300,000 in loans issued and an available (non-restoring) line-of-credit balance of \$-0-.

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
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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, 2020, there are \$1,000,000 in loans issued and an available (non-restoring) line-of-credit balance of \$-0-.

In August 2010, the Board of Directors of the Rhode Island Clean Water Finance Agency, pursuant to policies and procedures adopted in accordance with Title VI of the Federal Clean Water Act and Chapter 12.2 of the Rhode Island General Laws, notified the Town that it has been approved for an additional \$1,000,000 of funding for the Community Septic System Loan Program. The loan total will be funded in three increments of \$300,000 and a final increment of \$100,000. As of June 30, 2020, there are 4 closings totaling \$72,750 in loans issued which leaves an available line-of-credit balance of \$260,195.

Operating Leases

The Town participates in various operating lease agreements for equipment. The following are the future minimum required payments under operating lease agreements as of June 30, 2020:

<u>Year Ending June 30</u>	
2021	\$ 111,560
2022	111,560
2023	<u>18,593</u>
Total	<u>\$ 241,713</u>

14. RISK MANAGEMENT

A. Rhode Island Inter-Local Risk Management Trust

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

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

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

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

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

B. Internal Service Funds - Health Care Management Fund

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

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

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

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

Payments within the Health Care Management Fund related to claims incurred and outstanding prior to July 1, 2016 were completed during the year ended June 30, 2018 with the settlement of amounts owed to the fund for overfunded claims resolved during the year ended June 30, 2019. No future liability for claims incurred by not reported (IBNR) remains as of June 30, 2020.

15. CONTINGENCIES

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

The Town has been notified by the Environmental Protection Agency (EPA) that two former landfills have been placed on the Superfund list. The Rose Hill Regional Landfill was previously operated by the towns of South Kingstown and Narragansett, Rhode Island. A Record of Decision (ROD) was issued in December 1999, which delineates EPA's approved remediation strategy for the site. Consent Decree negotiations with EPA began in November 2000 and were completed in January 2003. The towns have paid \$4,125,000 to settle all past and future federal liabilities associated with the Rose Hill site. South Kingstown's \$2,000,000 payment to the Federal Government was funded with a 20-year general obligation bond sold in September 2002 at an interest rate of 1.648%. Repayment of the debt service associated with this bond will be provided from funds held in reserve within the Solid Waste Fund and from property taxes. The Town also paid \$504,932 for state natural resource damages and

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

\$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 \$1,151,914 at June 30, 2020. 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.

The West Kingston/URI Disposal Area Landfills, both located on Plains Road, were also added to the NPL on July 29, 1992. The West Kingston town dump began operation in the 1950s and ceased operations in 1978. The University of Rhode Island and the towns of South Kingstown and Narragansett have agreed to participate in the remediation of the site under State landfill closure regulations. Construction of the remediation action, or multi-layer cap with passive vent gas collection system, began in August 2005, and was substantially completed in June 2006. Project costs total \$7,072,692. In addition to these costs, there will be ongoing maintenance costs that will be paid out on an annual basis as part of the annual operating budget.

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

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

16. CORONAVIRUS (COVID-19)

On January 30, 2020, the World Health Organization declared the coronavirus to be a public health emergency. On March 9, 2020, the Governor of the State of Rhode Island declared a state of emergency to combat a novel coronavirus disease (COVID-19).

The Town derives a significant portion of its revenues from property taxes. While the Town has not experienced any significant increase in the amount of delinquency from its taxpayers, the situation creates uncertainty about the impact of future revenues that might be generated. In addition, at this time, it is uncertain what the effects of the pandemic will be on the Town's health care costs, changes in interest rates, investment valuation and the future federal or state fiscal relief.

Required Supplementary Information

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Property tax revenues	\$ 76,440,072	\$ 76,440,072	\$ 76,736,260	\$ 296,188
Intergovernmental revenues	7,948,019	7,948,019	7,719,210	(228,809)
Licenses, fees, tuition and rent	1,421,317	1,421,317	1,630,750	209,433
Other local revenues	1,901,495	1,901,495	2,309,028	407,533
Use of fund balance	1,025,000	1,025,000	1,025,000	-
Total revenues	<u>88,735,903</u>	<u>88,735,903</u>	<u>89,420,248</u>	<u>684,345</u>
Expenditures:				
Current:				
General government	4,238,165	4,238,165	3,888,577	349,588
Public safety	12,464,634	12,464,634	11,884,203	580,431
Public works	3,279,982	3,279,982	2,828,159	451,823
Human service agency contribution	88,500	88,500	88,500	-
Recreation	1,943,640	1,943,640	1,853,013	90,627
Public libraries	1,364,125	1,364,125	1,342,849	21,276
Education	61,391,825	61,391,825	58,520,372	2,871,453
Pension and other employee benefits	1,047,388	1,047,388	1,064,148	(16,760)
Total expenditures	<u>85,818,259</u>	<u>85,818,259</u>	<u>81,469,821</u>	<u>4,348,438</u>
Excess of Revenues over Expenditures	<u>2,917,644</u>	<u>2,917,644</u>	<u>7,950,427</u>	<u>5,032,783</u>
Other Financing Uses:				
Transfers in	931,659	931,659	950,795	19,136
Transfers out	(3,849,303)	(3,849,303)	(4,014,162)	(164,859)
Total Other Financing Uses	<u>(2,917,644)</u>	<u>(2,917,644)</u>	<u>(3,063,367)</u>	<u>(145,723)</u>
Excess of Revenues and Other Sources	\$ <u>-</u>	\$ <u>-</u>	4,887,060	\$ <u>4,887,060</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	(1,025,000)
Cancellation of prior year encumbrances is not a GAAP revenue	(49,000)
Recognition of fair market value of investments	398,185
Change in encumbrances	<u>4,412</u>

Total Net Change in Fund Balance - GAAP basis \$ 4,215,657

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

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

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

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

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

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

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

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

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

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 1,616,179	\$ 1,574,009	\$ 1,454,110	\$ 1,481,417	\$ 1,392,328	\$ 1,420,102
Contributions in relation to the actuarially determined contribution	<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>	<u>1,420,102</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 13,373,078	\$ 12,946,981	\$ 12,761,089	\$ 12,335,012	\$ 12,266,819	\$ 11,878,682
Contributions as a percentage of covered payroll	12.09%	12.16%	11.39%	12.01%	11.35%	11.96%

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

Notes to Schedule:

Valuation date: June 30, 2018

Measurement date: June 30, 2019

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 19 years

Asset valuation method 5-year smoothed market

Inflation 2.75%

Salary Increases General Employees - 3.50% to 7.50%

Police & Fire Employees - 4.00% to 14.00%

Investment rate of return 7.50%

Retirement age Experience-based table of rates that are specific to the type of eligibility conditions. Last updated for 2014 valuation.

Mortality Males: 115% of PR-2000 Combined Healthy for Males with White Collar adjustments, projected with Scale AA from 2000.

95% of RP-2000 Combined Healthy for Females with White Collar adjustments, projected with Scale AA from 2000.

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 1,053,670	\$ 819,275	\$ 786,772	\$ 825,285	\$ 794,657	\$ 712,921
Contributions in relation to the actuarially determined contribution	<u>1,053,670</u>	<u>819,275</u>	<u>786,772</u>	<u>825,285</u>	<u>794,657</u>	<u>712,921</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 3,678,831	\$ 3,467,480	\$ 3,284,260	\$ 3,213,589	\$ 3,128,217	\$ 3,120,331
Contributions as a percentage of covered payroll	28.64%	23.63%	23.96%	25.68%	25.40%	22.85%

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

Notes to Schedule:

Valuation date: June 30, 2018

Measurement date: June 30, 2019

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	19 years
Asset valuation method	5-year smoothed market
Inflation	2.75%
Salary Increases	General Employees - 3.50% to 7.50% Police & Fire Employees - 4.00% to 14.00%
Investment rate of return	7.50%
Retirement age	Experience-based table of rates that are specific to the type of eligibility conditions. Last updated for 2014 valuation.
Mortality	Males: 115% of PR-2000 Combined Healthy for Males with White Collar adjustments, projected with Scale AA from 2000. 95% of RP-2000 Combined Healthy for Females with White Collar adjustments, projected with Scale AA from 2000.

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 68,073	\$ 41,620	\$ 26,042	\$ 39,491	\$ 41,920	\$ 49,050
Contributions in relation to the actuarially determined contribution	<u>68,073</u>	<u>41,620</u>	<u>26,042</u>	<u>39,491</u>	<u>41,920</u>	<u>49,050</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 837,419	\$ 741,945	\$ 801,028	\$ 778,090	\$ 822,966	\$ 790,777
Contributions as a percentage of covered payroll	8.13%	5.61%	3.25%	5.08%	5.09%	6.20%

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

Notes to Schedule:

Valuation date: June 30, 2018
 Measurement date: June 30, 2019

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 23 years
 Asset valuation method 5-year smoothed market
 Inflation 2.75%
 Salary Increases General Employees - 3.50% to 7.50%
 Police & Fire Employees - 4.00% to 14.00%
 Investment rate of return 7.50%
 Retirement age Experience-based table of rates that are specific to the type of eligibility conditions. Last updated for 2014 valuation.
 Mortality Males: 115% of PR-2000 Combined Healthy for Males with White Collar adjustments, projected with Scale AA from 2000.
 95% of RP-2000 Combined Healthy for Females with White Collar adjustments, projected with Scale AA from 2000.

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

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

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

Note:

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

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

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

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

Notes:

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

Notes to Schedule:

Valuation date: June 30, 2018
Measurement date: June 30, 2019

Methods and assumptions used to determine contribution rates:

Actuarial cost method Entry age normal
Amortization method Level percentage of payroll, closed
Remaining amortization period 18 years at June 30, 2019
Inflation 2.50%
Salary Increases Teachers - 3.0% to 13.0%
Investment rate of return 7.00%
Mortality Males: PR-2014 Combined Healthy for Males with White Collar adjustments, projected with Scale Ultimate MP16.
Females: PR-2014 Combined Healthy for Females with White Collar adjustments, projected with Scale Ultimate MP16.

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Total OPEB Liability					
Service Cost	\$ 734,058	\$ 719,293	\$ 719,381	\$ 719,382	\$ 820,802
Interest on the total OPEB liability	1,368,716	1,411,561	1,283,580	1,199,145	1,416,126
Changes of benefit terms			25,908		
Changes of assumptions	120,308		2,214,123		788,258
Differences between expected and actual experience	(2,962,117)	(1,530,172)	(1,155,474)	(214,423)	(3,006,059)
Benefit payments	<u>(1,324,528)</u>	<u>(1,178,252)</u>	<u>(1,204,160)</u>	<u>(1,142,035)</u>	<u>(1,127,619)</u>
Net change in total OPEB liability	(2,063,563)	(577,570)	1,883,358	562,069	(1,108,492)
Total OPEB liability - beginning	<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>\$ 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	\$ 1,909,528	\$ 2,778,252	\$ 2,704,160	\$ 1,742,035	\$ 1,727,619
Net investment income	994,076	1,120,738	828,458	1,143,920	(62,732)
Benefit payments	(1,324,528)	(1,178,252)	(1,204,160)	(1,142,035)	(1,127,619)
OPEB Plan Administrative Expense	<u>(38,206)</u>	<u>(34,629)</u>	<u>(29,855)</u>	<u>(38,915)</u>	<u>(55,503)</u>
Net change in plan fiduciary net position	1,540,870	2,686,109	2,298,603	1,705,005	481,765
Plan fiduciary net position - beginning	<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>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>\$ (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	101.63%	83.62%	68.36%	63.01%	55.64%
Covered-Employee Payroll	\$ 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	-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**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Actuarially determined contribution (1)	\$ 1,392,198	\$ 1,857,859	\$ 1,829,061	\$ 1,863,644	\$ 1,812,425	\$ 1,665,055	\$ 1,722,851	\$ 1,878,000	\$ 1,878,000	\$ 1,922,000
Contributions in relation to the actuarially determined contribution	1,909,528	2,778,252	2,704,160	1,742,035	1,727,619	4,859,217	2,948,054	2,896,704	1,986,031	2,202,000
Contribution Deficiency (Excess)	\$ <u>(517,330)</u>	\$ <u>(920,393)</u>	\$ <u>(875,099)</u>	\$ <u>121,609</u>	\$ <u>84,806</u>	\$ <u>(3,194,162)</u>	\$ <u>(1,225,203)</u>	\$ <u>(1,018,704)</u>	\$ <u>(108,031)</u>	\$ <u>(280,000)</u>
Covered-employee payroll	\$ 42,866,121	\$ 44,236,539	\$ 43,253,947	\$ 42,186,979	\$ 40,859,060	\$ 42,546,253	\$ 42,546,253	\$ 43,016,000	\$ 43,016,000	\$ 41,868,678
Contributions as a percentage of covered-employee payroll	4.45%	6.28%	6.25%	4.13%	4.23%	11.42%	6.93%	6.73%	4.62%	5.26%

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

Notes to Schedule:

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

Methods and assumptions used to determine contribution rates:

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

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

	<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	5.60%	7.13%	12.24%	6.87%	6.64%

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

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

General Fund

GENERAL FUND

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

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

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
COMBINING BALANCE SHEET - GENERAL FUND
JUNE 30, 2020**

	<u>General Fund</u>	<u>School Unrestricted Fund</u>	<u>Eliminations</u>	<u>Total General Fund</u>
ASSETS				
Cash and cash equivalents	\$ 18,759,559	\$ 7,879	\$	\$ 18,767,438
Investments	12,537,443			12,537,443
Accounts and other receivable, net	1,306,503	56,518		1,363,021
Due from federal and state governments	11,941	40,585		52,526
Due from other funds	2,839,882	6,721,734	(6,653,971)	2,907,645
Prepaid items		1,200		1,200
Total Assets	<u>\$ 35,455,328</u>	<u>\$ 6,827,916</u>	<u>\$ (6,653,971)</u>	<u>\$ 35,629,273</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 230,591	\$ 956,151	\$	\$ 1,186,742
Accrued liabilities	891,819	1,456,248		2,348,067
Due to state and federal governments	102,920			102,920
Due to other funds	16,171,430	178,132	(6,653,971)	9,695,591
Unearned revenue	147,033	3,502		150,535
Deposits held in custody of others	178,610			178,610
Total liabilities	<u>17,722,403</u>	<u>2,594,033</u>	<u>(6,653,971)</u>	<u>13,662,465</u>
Deferred inflows of resources:				
Unavailable revenue - property taxes	621,875			621,875
Advance property tax collections	76,227			76,227
Total deferred inflows of resources	<u>698,102</u>	<u>-</u>	<u>-</u>	<u>698,102</u>
Fund balances:				
Nonspendable		1,200		1,200
Committed	882,984	4,232,683		5,115,667
Unassigned	16,151,839			16,151,839
Total fund balances	<u>17,034,823</u>	<u>4,233,883</u>	<u>-</u>	<u>21,268,706</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 35,455,328</u>	<u>\$ 6,827,916</u>	<u>\$ (6,653,971)</u>	<u>\$ 35,629,273</u>

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES - GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2020**

	<u>General Fund</u>	<u>School Unrestricted Fund</u>	<u>Eliminations</u>	<u>Total General Fund</u>
Revenues:				
Property taxes, interest and lien fees	\$ 76,736,260	\$	\$	\$ 76,736,260
Intergovernmental revenues	2,793,605	5,036,235		7,829,840
Licenses and fees	1,560,969	39,668		1,600,637
Investment income	1,091,676	651		1,092,327
Fines and charges for services		28,294		28,294
Departmental	1,099,591			1,099,591
State on behalf pension contribution		2,793,656		2,793,656
Other local revenues		360,427		360,427
Total revenues	<u>83,282,101</u>	<u>8,258,931</u>	<u>-</u>	<u>91,541,032</u>
Expenditures:				
Current:				
General government	4,961,094			4,961,094
Public safety	11,797,384			11,797,384
Public works	2,853,815			2,853,815
Human service agency contribution	100,500			100,500
Public libraries	1,342,284			1,342,284
Education		61,339,896		61,339,896
Recreation	1,855,562			1,855,562
Total expenditures	<u>22,910,639</u>	<u>61,339,896</u>	<u>-</u>	<u>84,250,535</u>
Excess (Deficiency) of Revenues over Expenditures	<u>60,371,462</u>	<u>(53,080,965)</u>	<u>-</u>	<u>7,290,497</u>
Other Financing Sources (Uses):				
Transfers in from other funds	917,312	54,927,379	(55,061,695)	782,996
Transfers out to other funds	<u>(58,746,139)</u>	<u>(173,392)</u>	<u>55,061,695</u>	<u>(3,857,836)</u>
Total other financing sources (uses)	<u>(57,828,827)</u>	<u>54,753,987</u>	<u>-</u>	<u>(3,074,840)</u>
Net Change in Fund Balances	2,542,635	1,673,022	-	4,215,657
Fund Balances at Beginning of Year	<u>14,492,188</u>	<u>2,560,861</u>	<u>-</u>	<u>17,053,049</u>
Fund Balances at End of Year	<u>\$ 17,034,823</u>	<u>\$ 4,233,883</u>	<u>\$ -</u>	<u>\$ 21,268,706</u>

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES (USES) -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues and Use of Fund Balance:				
Property taxes:				
Current taxes	\$ 75,146,743	\$ 75,146,743	\$ 75,646,472	\$ 499,729
Prior taxes	525,000	525,000	366,186	(158,814)
Total taxes current and prior	75,671,743	75,671,743	76,012,658	340,915
Pilot - Federal Aid	8,000	8,000	7,813	(187)
Interest on taxes	348,250	348,250	298,077	(50,173)
Payment in lieu of taxes	412,079	412,079	417,712	5,633
Total property taxes	76,440,072	76,440,072	76,736,260	296,188
State aid - Town:				
General state aid	184,978	184,978	208,804	23,826
Telephone tax	386,853	386,853	387,095	242
Meals and beverage tax	935,000	935,000	930,498	(4,502)
State library general aid	203,038	203,038	207,761	4,723
State library endowment aid	16,950	16,950	17,344	394
State motor vehicle phase-out	667,813	667,813	772,534	104,721
Hotel tax	200,000	200,000	229,153	29,153
Total state aid - Town	2,594,632	2,594,632	2,753,189	158,557
Licenses, fees and rents:				
Business licenses and fees	460,040	460,040	630,288	170,248
Nonbusiness licenses and fees	348,200	348,200	401,637	53,437
Real Estate conveyance fees	95,000	95,000	133,647	38,647
Rental of Town properties	393,975	393,975	397,216	3,241
Total licenses, fees and rents	1,297,215	1,297,215	1,562,788	265,573
Investment income - short term	275,000	275,000	693,491	418,491
Revenues and Use of Fund Balance:				
Departmental revenues:				
Police department revenue	276,150	276,150	277,389	1,239
Park rental revenue	30,000	30,000	20,405	(9,595)
Town beach parking	188,140	188,140	228,403	40,263
Boat and mooring	36,000	36,000	38,818	2,818
Animal control fees	1,400	1,400	755	(645)
Library fines and misc.	17,000	17,000	7,325	(9,675)
Dog/cat licenses and fines	5,000	5,000	2,447	(2,553)
Recreation department	137,000	137,000	90,703	(46,297)
Recreation self-support program	155,000	155,000	149,945	(5,055)
Planning department	5,000	5,000	10,350	5,350
Communications department revenue	1,500	1,500	5,255	3,755
Copy charges	16,500	16,500	3,955	(12,545)
Recreation department - Outside sponsors	5,000	5,000	6,036	1,036
Stepping stone - creative	64,330	64,330	53,458	(10,872)
Stepping stone - self supported	4,000	4,000	2,367	(1,633)
Geographic information systems program	350	350	190	(160)
Narragansett - Dog Pound	70,500	70,500	70,500	-
Miscellaneous - Town	98,625	98,625	215,944	117,319
Total departmental revenues	1,111,495	1,111,495	1,184,245	72,750
Use of fund balance	550,000	550,000	550,000	-
Total revenues and use of fund balance	82,268,414	82,268,414	83,479,973	1,211,559

(Continued on next page)

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES (USES) -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Expenditures:				
General government:				
Town council	\$ 24,695	\$ 24,695	\$ 22,953	\$ 1,742
Financial town meeting	13,029	13,029	3,997	9,032
Legal staff	196,966	196,966	194,507	2,459
Probate judge	7,536	7,536	7,536	-
Town clerk	467,598	467,598	430,298	37,300
Canvassing authority	95,277	95,277	79,995	15,282
Town manager's office	431,354	431,354	426,728	4,626
Personnel administration	122,194	122,194	115,272	6,922
Town hall operations	197,670	197,670	181,600	16,070
Finance department	726,200	726,200	691,681	34,519
Tax assessor's office	381,604	381,604	304,059	77,545
Information technology	472,221	472,221	459,183	13,038
Geographic information systems	142,719	142,719	141,455	1,264
Planning department	442,770	442,770	373,345	69,425
Conservation commission	650	650	369	281
Zoning/building inspection	460,884	460,884	424,802	36,082
Outside agencies	54,798	54,798	30,797	24,001
Total general government	<u>4,238,165</u>	<u>4,238,165</u>	<u>3,888,577</u>	<u>349,588</u>
Public safety:				
Police department	8,212,412	8,212,412	7,599,401	613,011
Police civilians	743,313	743,313	714,122	29,191
Police dispatch	861,637	861,637	820,160	41,477
Animal control - RD/shelter	362,153	362,153	332,255	29,898
Communications	295,059	295,059	275,091	19,968
Harbor patrol	40,208	40,208	31,790	8,418
Emergency medical services	1,949,852	1,949,852	2,111,384	(161,532)
Total public safety	<u>12,464,634</u>	<u>12,464,634</u>	<u>11,884,203</u>	<u>580,431</u>
Public works:				
Public works administration	443,498	444,498	407,592	36,906
Streets and highway	2,585,020	2,511,800	2,109,761	402,039
Tree warden/ Street lighting	251,464	323,684	310,806	12,878
Total public works	<u>3,279,982</u>	<u>3,279,982</u>	<u>2,828,159</u>	<u>451,823</u>
Human service agency contributions:				
Jonnycake Center	30,000	30,000	30,000	-
Cane Day Care Center	9,000	9,000	9,000	-
Welcome House of South County	17,500	17,500	17,500	-
Domestic Violence Resource Center	5,000	5,000	5,000	-
Washington County Coalition for Children	1,000	1,000	1,000	-
Education Exchange	11,000	11,000	11,000	-
Boys and Girls Club	15,000	15,000	15,000	-
Total human service agency contributions	<u>88,500</u>	<u>88,500</u>	<u>88,500</u>	<u>-</u>

(Continued on next page)

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES (USES) -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Recreation:				
Recreation department	\$ 1,943,640	\$ 1,943,640	\$ 1,853,013	\$ 90,627
Public libraries	1,364,125	1,364,125	1,342,849	21,276
Miscellaneous:				
Unemployment insurance	12,500	12,500	13,940	(1,440)
Insurance	403,448	403,448	434,845	(31,397)
Contingency	40,000	40,000	15,779	24,221
OPEB funding	410,000	410,000	410,000	-
Workers' compensation	181,440	181,440	189,584	(8,144)
Total miscellaneous	1,047,388	1,047,388	1,064,148	(16,760)
Total expenditures	24,426,434	24,426,434	22,949,449	1,476,985
Excess of Revenues over Expenditures	57,841,980	57,841,980	60,530,524	2,688,544
Other Financing Sources (Uses):				
Transfers in:				
From Special Revenue Funds	904,159	904,159	920,252	16,093
Transfers out:				
Wastewater Fund	(4,300)	(4,300)	(4,300)	-
Elderly services	(451,003)	(451,003)	(451,003)	-
Tax Transfer to School	(54,896,836)	(54,896,836)	(54,896,836)	-
Tax Transfer to Debt Service	(1,435,000)	(1,435,000)	(1,435,000)	-
Tax Transfer to Comm Rec Ctr	(325,000)	(325,000)	(325,000)	-
To Capital Project Funds	(1,634,000)	(1,634,000)	(1,634,000)	-
Total other financing sources (uses)	(57,841,980)	(57,841,980)	(57,825,887)	16,093
Excess of Revenues, Other Sources and Uses of Fund Balance over Expenditures and Other Financing Uses	\$ -	\$ -	2,704,637	\$ 2,704,637
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			(550,000)	
Cancellation of prior year encumbrances is not a GAAP revenue			(49,000)	
Encumbrances are reported in the year the order is placed for budgetary purposes but in the year received for financial reporting purposes			38,813	
Recognition of fair market value of investments			398,185	
Total Net Change in Fund Balance - GAAP basis			\$ 2,542,635	

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES -
BUDGET AND ACTUAL - BUDGETARY BASIS - SCHOOL UNRESTRICTED FUND
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues and Designated Fund Balance:				
State aid	\$ 5,353,387	\$ 5,353,387	\$ 4,966,021	\$ (387,366)
Tuition	124,102	124,102	67,962	(56,140)
Investment Income			651	651
Miscellaneous	515,000	515,000	430,641	(84,359)
Total revenues	<u>5,992,489</u>	<u>5,992,489</u>	<u>5,465,275</u>	<u>(527,214)</u>
Use of fund balance	<u>475,000</u>	<u>475,000</u>	<u>475,000</u>	<u>-</u>
Total Revenues and Use of Fund Balance	<u>6,467,489</u>	<u>6,467,489</u>	<u>5,940,275</u>	<u>(527,214)</u>
Expenditures:				
Salaries	33,316,923	33,280,108	32,580,643	699,465
Employee benefits	14,550,788	14,550,788	14,101,487	449,301
Purchased services	11,482,970	11,158,433	9,614,251	1,544,182
Supplies and materials	2,041,144	2,402,496	2,223,991	178,505
Total expenditures	<u>61,391,825</u>	<u>61,391,825</u>	<u>58,520,372</u>	<u>2,871,453</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(54,924,336)</u>	<u>(54,924,336)</u>	<u>(52,580,097)</u>	<u>2,344,239</u>
Other Financing Sources:				
Transfers in:				
Town of South Kingstown General Fund	54,896,836	54,896,836	54,896,836	-
Trust Fund Income	27,500	27,500	30,543	3,043
Transfers out:				
Town of South Kingstown General Fund			(164,859)	(164,859)
Total other financing sources	<u>54,924,336</u>	<u>54,924,336</u>	<u>54,762,520</u>	<u>(161,816)</u>
Excess of Revenues, Other Sources and Uses of Fund Balance over Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ -</u>	<u>2,182,423</u>	<u>\$ 2,182,423</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			(475,000)	
Change in encumbrances			(34,401)	
Total Net Change in Fund Balance - GAAP basis			<u>\$ 1,673,022</u>	

Nonmajor Governmental Funds

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

TOWN FUNDS

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

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

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

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

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

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

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

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

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

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

SCHOOL FUNDS

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

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

CAPITAL PROJECTS FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

PERMANENT FUNDS

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

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

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

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

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

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

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2020

EXHIBIT B-1

	Special Revenue Funds							Historical and Vital Recording Fees
	Affordable Housing	Animal Shelter Benefit Fund	Asset Forfeiture Fund	Community Development Block Grant	Community Recreation Center	Elderly Services	EMS Billing Services	
ASSETS								
Cash and cash equivalents	\$	\$	\$ 740	\$	\$ 142,426	\$ 180,050	\$ 865,659	\$
Investments							878,894	
Accounts and other receivables						9,340		
Due from federal and state governments			493	20,522		15,531		
Due from other funds	72,694	400,839	240,365	15,363	185	50,671	330	131,683
Prepays								
Total Assets	\$ 72,694	\$ 400,839	\$ 241,598	\$ 35,885	\$ 142,611	\$ 255,592	\$ 1,744,883	\$ 131,683
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 2,116	\$	\$ 1,409	\$	\$ 5,700	\$ 6,196	\$ 1,823	\$
Accrued liabilities		10,026			8,656	12,317		
Due to federal and state governments		510						
Due to other funds								
Unearned revenue					17,615			
Total liabilities	2,116	10,536	1,409	-	31,971	18,513	1,823	-
Fund Balances:								
Nonspendable								
Restricted			240,189					131,683
Committed	70,578	390,303		35,885	110,640	237,079	1,743,060	
Unassigned								
Total fund balances	70,578	390,303	240,189	35,885	110,640	237,079	1,743,060	131,683
Total Liabilities and Fund Balances	\$ 72,694	\$ 400,839	\$ 241,598	\$ 35,885	\$ 142,611	\$ 255,592	\$ 1,744,883	\$ 131,683

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TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
 COMBINING BALANCE SHEET (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2020

EXHIBIT B-1

	Special Revenue Funds							
	Narragansett Library	Neighborhood Guild	Peace Dale Office Building	Property Revaluation Reserve Fund	RI Resource Recovery Grant	Public Safety Grants	Substance Abuse	Statewide Planning Grant
ASSETS								
Cash and cash equivalents	\$ 65,148	\$ 47,948	\$ 185,444	\$	\$	\$	\$	\$
Investments	31,585							
Accounts and other receivables	31,577	107,445	1,174					
Due from federal and state governments						4,042		
Due from other funds		24,696	92	267,916	55,896		17,069	
Prepays		2,360						
Total Assets	\$ 128,310	\$ 182,449	\$ 186,710	\$ 267,916	\$ 55,896	\$ 4,042	\$ 17,069	\$ -
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 20	\$ 5,252	\$	\$	\$	\$	\$	\$
Accrued liabilities		8,989	2,342			1,317		
Due to federal and state governments								
Due to other funds	31,642					2,725		
Unearned revenue		16,547						
Total liabilities	31,662	30,788	2,342	-	-	4,042	-	-
Fund Balances:								
Nonspendable		2,360						
Restricted	96,648	149,301			55,896			
Committed			184,368	267,916			17,069	
Unassigned								
Total fund balances	96,648	151,661	184,368	267,916	55,896	-	17,069	-
Total Liabilities and Fund Balances	\$ 128,310	\$ 182,449	\$ 186,710	\$ 267,916	\$ 55,896	\$ 4,042	\$ 17,069	\$ -

(Continued on next page)

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
 COMBINING BALANCE SHEET (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2020

EXHIBIT B-1

	Special Revenue Funds							Total Special Revenue Funds
	Drug Free Community Grant	Nancy Brown Memorial Fund	Municipal Planning Services Reserve Fund	School Restricted Fund	Miscellaneous Donations Fund	K-9 Grant Fund	Friends of SK Parks and Recreation	
ASSETS								
Cash and cash equivalents	\$	\$ 3,142	\$	\$	\$	\$	\$ 48,446	\$ 1,539,003
Investments								910,479
Accounts and other receivables								149,536
Due from federal and state governments	94,691			113,590				248,869
Due from other funds			346	28,377	25,193	12,719	458	1,344,892
Prepays								2,360
Total Assets	\$ 94,691	\$ 3,142	\$ 346	\$ 141,967	\$ 25,193	\$ 12,719	\$ 48,904	\$ 4,195,139
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$	\$	\$	\$ 21,237	\$	\$ 490	\$ 6	\$ 44,249
Accrued liabilities		3,142		28,651				75,440
Due to federal and state governments								510
Due to other funds	94,691			67,763				196,821
Unearned revenue				24,316				58,478
Total liabilities	94,691	3,142	-	141,967	-	490	6	375,498
Fund Balances:								
Nonspendable								2,360
Restricted					25,193	12,229		711,139
Committed			346				48,898	3,106,142
Unassigned								-
Total fund balances	-	-	346	-	25,193	12,229	48,898	3,819,641
Total Liabilities and Fund Balances	\$ 94,691	\$ 3,142	\$ 346	\$ 141,967	\$ 25,193	\$ 12,719	\$ 48,904	\$ 4,195,139

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TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
 COMBINING BALANCE SHEET (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2020

EXHIBIT B-1

	Capital Project Funds								
	Capital Equipment and Replacement	Technology Improvement	Fair Share Development	Library Building Construction	Open Space Reserve	Public Safety Improvement	Public Services Office Building Improvement	Public Works Improvement	Recreation Minor Improvement
ASSETS									
Cash and cash equivalents	\$	\$	\$	\$ 194,566	\$	\$	\$	\$	\$
Investments									
Accounts and other receivables									
Due from federal and state governments									28,145
Due from other funds	1,284,292	127,485	489,625	12,436	597,602	408,221	167,382	1,019,000	
Prepays									
Total Assets	\$ 1,284,292	\$ 127,485	\$ 489,625	\$ 207,002	\$ 597,602	\$ 408,221	\$ 167,382	\$ 1,019,000	\$ 28,145
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 21,148	\$ 13,985	\$	\$ 3,628	\$	\$ 6,026	\$ 42,000	\$ 64,024	\$ 88,009
Accrued liabilities									
Due to federal and state governments									
Due to other funds									150,903
Unearned revenue									28,145
Total liabilities	21,148	13,985	-	3,628	-	6,026	42,000	64,024	267,057
Fund Balances:									
Nonspendable									
Restricted			489,625		597,602				
Committed	1,263,144	113,500		203,374		402,195	125,382	954,976	
Unassigned									(238,912)
Total fund balances	1,263,144	113,500	489,625	203,374	597,602	402,195	125,382	954,976	(238,912)
Total Liabilities and Fund Balances	\$ 1,284,292	\$ 127,485	\$ 489,625	\$ 207,002	\$ 597,602	\$ 408,221	\$ 167,382	\$ 1,019,000	\$ 28,145

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TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
 COMBINING BALANCE SHEET (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2020

EXHIBIT B-1

	Capital Projects Funds							Total Capital Project Funds
	Guild Renovation	Recreation Improvement	Senior Services Center Construction	Recreation Center Fund	South Road School Reserve Fund	Town Hall Improvement	Wastewater Construction	
ASSETS								
Cash and cash equivalents	\$	\$	\$	\$	\$	\$	\$ 1,350,053	\$ 1,544,619
Investments							4,279,361	4,279,361
Accounts and other receivables						22,596		22,596
Due from federal and state governments								28,145
Due from other funds		202,111	25,004	203,790	391,326	634,245	16,894	5,579,413
Prepays								-
Total Assets	\$ -	\$ 202,111	\$ 25,004	\$ 203,790	\$ 391,326	\$ 656,841	\$ 5,646,308	\$ 11,454,134
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$	\$	\$	\$	\$ 1,907	\$	\$	\$ 240,727
Accrued liabilities								-
Due to federal and state governments								-
Due to other funds	14,000							164,903
Unearned revenue								28,145
Total liabilities	14,000	-	-	-	1,907	-	-	433,775
Fund Balances:								
Nonspendable								-
Restricted								1,087,227
Committed		202,111	25,004	203,790	389,419	656,841	5,646,308	10,186,044
Unassigned	(14,000)							(252,912)
Total fund balances	(14,000)	202,111	25,004	203,790	389,419	656,841	5,646,308	11,020,359
Total Liabilities and Fund Balances	\$ -	\$ 202,111	\$ 25,004	\$ 203,790	\$ 391,326	\$ 656,841	\$ 5,646,308	\$ 11,454,134

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TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
 COMBINING BALANCE SHEET (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2020

EXHIBIT B-1

	Permanent Funds						Total
	Hazard Memorial Trust	Irving Knowles Trust	Oliver Watson Home	Walter W. Watson Trust	Kingston Free Library Trust	Total Permanent Funds	
ASSETS							
Cash and cash equivalents	\$ 238,583	\$ 22,437	\$ 1,293	\$ -	\$ 46,950	\$ 309,263	\$ 3,392,885
Investments	255,015	449,482	216,699	209,133	999,287	2,129,616	7,319,456
Accounts and other receivables						-	172,132
Due from federal and state governments						-	277,014
Due from other funds	182					182	6,924,487
Prepays						-	2,360
Total Assets	\$ 493,780	\$ 471,919	\$ 217,992	\$ 209,133	\$ 1,046,237	\$ 2,439,061	\$ 18,088,334
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ -	\$ 3,830	\$ -	\$ -	\$ 26,456	\$ 30,286	\$ 315,262
Accrued liabilities						-	75,440
Due to federal and state governments						-	510
Due to other funds		517	14,982	389	1,358	17,246	378,970
Unearned revenue						-	86,623
Total liabilities	<u>-</u>	<u>4,347</u>	<u>14,982</u>	<u>389</u>	<u>27,814</u>	<u>47,532</u>	<u>856,805</u>
Fund Balances:							
Nonspendable	20,000	2,000	39,000	40,928	390,092	492,020	494,380
Restricted	473,780	465,572	164,010	167,816	628,331	1,899,509	3,697,875
Committed						-	13,292,186
Unassigned						-	(252,912)
Total fund balances	<u>493,780</u>	<u>467,572</u>	<u>203,010</u>	<u>208,744</u>	<u>1,018,423</u>	<u>2,391,529</u>	<u>17,231,529</u>
Total Liabilities and Fund Balances	\$ 493,780	\$ 471,919	\$ 217,992	\$ 209,133	\$ 1,046,237	\$ 2,439,061	\$ 18,088,334

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2020

EXHIBIT B-2

	Special Revenue Funds							
	Affordable Housing	Animal Shelter Benefit Fund	Asset Forfeiture Fund	Community Development Block Grant	Community Recreation Center	Elderly Services	EMS Billing Services Fund	Historical and Vital Recording Fees
Revenues:								
Intergovernmental revenues	\$	\$	\$ 12,255	\$ 208,414	\$	\$ 268,849	\$	\$
Licenses and fees		20,151						39,744
Fines and charges					156,902	109,394	1,007,354	
Investment income (loss)					876	5,410	44,180	
Contributions		490						
Other revenue		27,197	3,122					
Total revenues	<u>-</u>	<u>47,838</u>	<u>15,377</u>	<u>208,414</u>	<u>157,778</u>	<u>383,653</u>	<u>1,051,534</u>	<u>39,744</u>
Expenditures:								
Education								
Recreation					491,579			
Other expenditures	33,488	11,000	69,571	173,285		860,959	257,685	66,157
Capital outlay								
Total expenditures	<u>33,488</u>	<u>11,000</u>	<u>69,571</u>	<u>173,285</u>	<u>491,579</u>	<u>860,959</u>	<u>257,685</u>	<u>66,157</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(33,488)</u>	<u>36,838</u>	<u>(54,194)</u>	<u>35,129</u>	<u>(333,801)</u>	<u>(477,306)</u>	<u>793,849</u>	<u>(26,413)</u>
Other Financing Sources (Uses):								
Transfers in					325,000	466,003		
Transfers out						(30,000)	(650,000)	
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>325,000</u>	<u>436,003</u>	<u>(650,000)</u>	<u>-</u>
Net Change in Fund Balances	<u>(33,488)</u>	<u>36,838</u>	<u>(54,194)</u>	<u>35,129</u>	<u>(8,801)</u>	<u>(41,303)</u>	<u>143,849</u>	<u>(26,413)</u>
Fund Balances at Beginning of Year	<u>104,066</u>	<u>353,465</u>	<u>294,383</u>	<u>756</u>	<u>119,441</u>	<u>278,382</u>	<u>1,599,211</u>	<u>158,096</u>
Fund Balances at End of Year	<u>\$ 70,578</u>	<u>\$ 390,303</u>	<u>\$ 240,189</u>	<u>\$ 35,885</u>	<u>\$ 110,640</u>	<u>\$ 237,079</u>	<u>\$ 1,743,060</u>	<u>\$ 131,683</u>

(Continued on next page)

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2020

EXHIBIT B-2

	Special Revenue Funds							
	Narragansett Library	Neighborhood Guild	Peace Dale Office Building	Property Revaluation Reserve Fund	RI Resource Recovery Grant	Public Safety Grants	Substance Abuse	Statewide Planning Grant
Revenues:								
Intergovernmental revenues	\$	\$	\$ 4,708	\$	\$	\$ 54,894	\$	\$ 7,000
Licenses and fees								
Fines and charges		329,933	88,236					
Investment income (loss)	(832)	859	2,559					
Contributions	45,883							
Other revenue		7,487					12,077	
Total revenues	<u>45,051</u>	<u>338,279</u>	<u>95,503</u>	<u>-</u>	<u>-</u>	<u>54,894</u>	<u>12,077</u>	<u>7,000</u>
Expenditures:								
Education								
Recreation		728,767	95,606					
Other expenditures	19					54,894	8,743	7,000
Capital outlay								
Total expenditures	<u>19</u>	<u>728,767</u>	<u>95,606</u>	<u>-</u>	<u>-</u>	<u>54,894</u>	<u>8,743</u>	<u>7,000</u>
Excess (Deficiency) of Revenues over Expenditures	<u>45,032</u>	<u>(390,488)</u>	<u>(103)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,334</u>	<u>-</u>
Other Financing Sources (Uses):								
Transfers in	3,830	414,000		100,000				
Transfers out	(49,990)							
Total other financing sources (uses)	<u>(46,160)</u>	<u>414,000</u>	<u>-</u>	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(1,128)	23,512	(103)	100,000	-	-	3,334	-
Fund Balances at Beginning of Year	<u>97,776</u>	<u>128,149</u>	<u>184,471</u>	<u>167,916</u>	<u>55,896</u>	<u>-</u>	<u>13,735</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 96,648</u>	<u>\$ 151,661</u>	<u>\$ 184,368</u>	<u>\$ 267,916</u>	<u>\$ 55,896</u>	<u>\$ -</u>	<u>\$ 17,069</u>	<u>\$ -</u>

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TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2020

EXHIBIT B-2

	Special Revenue Funds							Total Special Revenue Funds
	Drug Free Community Grant	Nancy Brown Memorial Fund	Municipal Planning Services Reserve Fund	School Restricted Fund	Miscellaneous Donations Fund	K-9 Grant Fund	Friends of SK Parks and Recreation	
Revenues:								
Intergovernmental revenues	\$ 126,540	\$ -	\$ -	\$ 1,288,608	\$ -	\$ 25,000	\$ -	\$ 1,996,268
Licenses and fees								59,895
Fines and charges								1,691,819
Investment income (loss)							693	53,745
Contributions				12,873	7,668		4,571	71,485
Other revenue								49,883
Total revenues	<u>126,540</u>	<u>-</u>	<u>-</u>	<u>1,301,481</u>	<u>7,668</u>	<u>25,000</u>	<u>5,264</u>	<u>3,923,095</u>
Expenditures:								
Education				1,301,481				1,301,481
Recreation							8,297	1,324,249
Other expenditures	126,540				2,280	12,771		1,684,392
Capital outlay								-
Total expenditures	<u>126,540</u>	<u>-</u>	<u>-</u>	<u>1,301,481</u>	<u>2,280</u>	<u>12,771</u>	<u>8,297</u>	<u>4,310,122</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,388</u>	<u>12,229</u>	<u>(3,033)</u>	<u>(387,027)</u>
Other Financing Sources (Uses):								
Transfers in								1,308,833
Transfers out								(729,990)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>578,843</u>
Net Change in Fund Balances	-	-	-	-	5,388	12,229	(3,033)	191,816
Fund Balances at Beginning of Year	-	-	346	-	19,805	-	51,931	3,627,825
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 346</u>	<u>\$ -</u>	<u>\$ 25,193</u>	<u>\$ 12,229</u>	<u>\$ 48,898</u>	<u>\$ 3,819,641</u>

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TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2020

EXHIBIT B-2

	Capital Projects Funds								
	Capital Equipment and Replacement	Technology Improvement	Fair Share Development	Library Building Construction	Open Space Reserve	Public Safety Improvement	Public Services Office Building Improvement	Public Works Improvement	Recreation Minor Improvement
Revenues:									
Intergovernmental revenues	\$ 89,050	\$	\$	\$	\$	\$	\$	\$	\$
Licenses and fees			213,981		454,946				
Fines and charges									
Investment income (loss)				2,613					
Contributions				98,000					100,000
Other revenue									
Total revenues	<u>89,050</u>	<u>-</u>	<u>213,981</u>	<u>100,613</u>	<u>454,946</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100,000</u>
Expenditures:									
Education									
Recreation									
Other expenditures									
Capital outlay	1,072,342	129,949		29,849	387,688	6,026	51,497	429,700	683,465
Total expenditures	<u>1,072,342</u>	<u>129,949</u>	<u>-</u>	<u>29,849</u>	<u>387,688</u>	<u>6,026</u>	<u>51,497</u>	<u>429,700</u>	<u>683,465</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(983,292)</u>	<u>(129,949)</u>	<u>213,981</u>	<u>70,764</u>	<u>67,258</u>	<u>(6,026)</u>	<u>(51,497)</u>	<u>(429,700)</u>	<u>(583,465)</u>
Other Financing Sources (Uses):									
Transfers in	617,000	15,000				35,000	20,000	670,000	102,000
Transfers out			(185,133)		(250,000)				
Total other financing sources (uses)	<u>617,000</u>	<u>15,000</u>	<u>(185,133)</u>	<u>-</u>	<u>(250,000)</u>	<u>35,000</u>	<u>20,000</u>	<u>670,000</u>	<u>102,000</u>
Net Change in Fund Balances	<u>(366,292)</u>	<u>(114,949)</u>	<u>28,848</u>	<u>70,764</u>	<u>(182,742)</u>	<u>28,974</u>	<u>(31,497)</u>	<u>240,300</u>	<u>(481,465)</u>
Fund Balances at Beginning of Year	<u>1,629,436</u>	<u>228,449</u>	<u>460,777</u>	<u>132,610</u>	<u>780,344</u>	<u>373,221</u>	<u>156,879</u>	<u>714,676</u>	<u>242,553</u>
Fund Balances at End of Year	<u>\$ 1,263,144</u>	<u>\$ 113,500</u>	<u>\$ 489,625</u>	<u>\$ 203,374</u>	<u>\$ 597,602</u>	<u>\$ 402,195</u>	<u>\$ 125,382</u>	<u>\$ 954,976</u>	<u>\$ (238,912)</u>

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TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2020

EXHIBIT B-2

	Capital Project Funds							Total Capital Project Funds
	Guild Renovation	Recreation Major Projects	Senior Services Center Construction	Recreation Center Fund	South Road School Reserve Fund	Town Hall Improvement	Wastewater Construction	
Revenues:								
Intergovernmental revenues	\$	\$	\$	\$	\$ 68	\$ 6,150	\$	\$ 95,268
Licenses and fees								668,927
Fines and charges					80,100		87,000	167,100
Investment income (loss)							187,017	189,630
Contributions								198,000
Other revenue		1,901						1,901
Total revenues	<u>-</u>	<u>1,901</u>	<u>-</u>	<u>-</u>	<u>80,168</u>	<u>6,150</u>	<u>274,017</u>	<u>1,320,826</u>
Expenditures:								
Education								-
Recreation								-
Other expenditures								-
Capital outlay					45,101	15,389		2,851,006
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,101</u>	<u>15,389</u>	<u>-</u>	<u>2,851,006</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>1,901</u>	<u>-</u>	<u>-</u>	<u>35,067</u>	<u>(9,239)</u>	<u>274,017</u>	<u>(1,530,180)</u>
Other Financing Sources (Uses):								
Transfers in		50,000	20,000			35,000		1,564,000
Transfers out					(9,743)			(444,876)
Total other financing sources (uses)	<u>-</u>	<u>50,000</u>	<u>20,000</u>	<u>-</u>	<u>(9,743)</u>	<u>35,000</u>	<u>-</u>	<u>1,119,124</u>
Net Change in Fund Balances	-	51,901	20,000	-	25,324	25,761	274,017	(411,056)
Fund Balances at Beginning of Year	(14,000)	150,210	5,004	203,790	364,095	631,080	5,372,291	11,431,415
Fund Balances at End of Year	<u>\$ (14,000)</u>	<u>\$ 202,111</u>	<u>\$ 25,004</u>	<u>\$ 203,790</u>	<u>\$ 389,419</u>	<u>\$ 656,841</u>	<u>\$ 5,646,308</u>	<u>\$ 11,020,359</u>

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TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2020

EXHIBIT B-2

	Permanent Funds						Eliminations	Total
	Hazard Memorial Trust	Irving Knowles Trust	Oliver Watson Home	Walter W. Watson Trust	Kingston Free Library Trust	Total Permanent Funds		
Revenues:								
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,091,536
Licenses and fees	-	-	-	-	-	-	-	728,822
Fines and charges	-	-	-	-	-	-	-	1,858,919
Investment income (loss)	27,388	22,935	8,621	8,301	56,023	123,268	-	366,643
Contributions	-	-	-	-	-	-	-	269,485
Other revenue	-	-	-	-	-	-	-	51,784
Total revenues	<u>27,388</u>	<u>22,935</u>	<u>8,621</u>	<u>8,301</u>	<u>56,023</u>	<u>123,268</u>	<u>-</u>	<u>5,367,189</u>
Expenditures:								
Education	-	-	-	-	-	-	-	1,301,481
Recreation	-	-	616	501	-	1,117	-	1,325,366
Other expenditures	17,100	-	-	-	4,977	22,077	-	1,706,469
Capital outlay	-	-	-	-	-	-	-	2,851,006
Total expenditures	<u>17,100</u>	<u>-</u>	<u>616</u>	<u>501</u>	<u>4,977</u>	<u>23,194</u>	<u>-</u>	<u>7,184,322</u>
Excess (Deficiency) of Revenues over Expenditures	<u>10,288</u>	<u>22,935</u>	<u>8,005</u>	<u>7,800</u>	<u>51,046</u>	<u>100,074</u>	<u>-</u>	<u>(1,817,133)</u>
Other Financing Sources (Uses):								
Transfers in	-	-	-	-	-	-	(48,830)	2,824,003
Transfers out	-	(3,830)	(15,000)	-	(26,456)	(45,286)	48,830	(1,171,322)
Total other financing sources (uses)	<u>-</u>	<u>(3,830)</u>	<u>(15,000)</u>	<u>-</u>	<u>(26,456)</u>	<u>(45,286)</u>	<u>-</u>	<u>1,652,681</u>
Net Change in Fund Balances	10,288	19,105	(6,995)	7,800	24,590	54,788	-	(164,452)
Fund Balances at Beginning of Year	<u>483,492</u>	<u>448,467</u>	<u>210,005</u>	<u>200,944</u>	<u>993,833</u>	<u>2,336,741</u>	<u>-</u>	<u>17,395,981</u>
Fund Balances at End of Year	<u>\$ 493,780</u>	<u>\$ 467,572</u>	<u>\$ 203,010</u>	<u>\$ 208,744</u>	<u>\$ 1,018,423</u>	<u>\$ 2,391,529</u>	<u>\$ -</u>	<u>\$ 17,231,529</u>

Internal Service Funds

INTERNAL SERVICE FUNDS

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

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

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

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

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
COMBINING STATEMENT OF NET POSITION - INTERNAL SERVICE FUNDS
JUNE 30, 2020

	<u>Health Care Management Fund</u>	<u>Compensated Absences Fund</u>	<u>Non-major Technology Reserve Fund</u>	<u>Total</u>
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 678,271	\$ 53,066	\$ 731,337	\$ 731,337
Due from other funds	<u> </u>	<u>965,131</u>	<u>186,907</u>	<u>1,152,038</u>
Total Assets	<u>678,271</u>	<u>1,018,197</u>	<u>186,907</u>	<u>1,883,375</u>
LIABILITIES AND NET POSITION				
Liabilities:				
Accounts payable and accrued liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Position:				
Unrestricted	<u>\$ 678,271</u>	<u>\$ 1,018,197</u>	<u>\$ 186,907</u>	<u>\$ 1,883,375</u>

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN FUND NET POSITION - INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Health Care Management Fund</u>	<u>Compensated Absences Fund</u>	<u>Non-major Technology Reserve Fund</u>	<u>Total</u>
Operating Revenues:				
Charges for services	\$ -	\$ -	\$ 101,791	\$ 101,791
Total operating revenues	<u>-</u>	<u>-</u>	<u>101,791</u>	<u>101,791</u>
Operating Expenses:				
Health care management	2,600			2,600
Compensated absences		159,230		159,230
Other			34,487	34,487
Total operating expenses	<u>2,600</u>	<u>159,230</u>	<u>34,487</u>	<u>196,317</u>
Operating Income (Loss)	(2,600)	(159,230)	67,304	(94,526)
Nonoperating Income:				
Income on investments	<u>8,406</u>	<u>732</u>		<u>9,138</u>
Change in Net Position	5,806	(158,498)	67,304	(85,388)
Net Position at Beginning of Year	<u>672,465</u>	<u>1,176,695</u>	<u>119,603</u>	<u>1,968,763</u>
Net Position at End of Year	<u>\$ 678,271</u>	<u>\$ 1,018,197</u>	<u>\$ 186,907</u>	<u>\$ 1,883,375</u>

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Health Care Management Fund</u>	<u>Compensated Absences Fund</u>	<u>Non-major Technology Reserve Fund</u>	<u>Total</u>
Cash Flows from Operating Activities:				
Receipts from providing services	\$	\$ 159,230	\$ 34,487	\$ 193,717
Payments to suppliers			(34,487)	(34,487)
Payments for claims	<u>(2,600)</u>	<u>(159,230)</u>		<u>(161,830)</u>
Net cash provided by (used in) operating activities	<u>(2,600)</u>	<u>-</u>	<u>-</u>	<u>(2,600)</u>
Cash Flows from Investing Activities:				
Interest on investments	<u>8,406</u>	<u>732</u>		<u>9,138</u>
Net cash provided by (used in) investing activities	<u>8,406</u>	<u>732</u>	<u>-</u>	<u>9,138</u>
Net Increase (Decrease) in Cash and Cash Equivalents	5,806	732	-	6,538
Cash and Cash Equivalents at Beginning of Year	<u>672,465</u>	<u>52,334</u>	<u>-</u>	<u>724,799</u>
Cash and Cash Equivalents at End of Year	<u>\$ 678,271</u>	<u>\$ 53,066</u>	<u>\$ -</u>	<u>\$ 731,337</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Operating income (loss)	\$ <u>(2,600)</u>	\$ <u>(159,230)</u>	\$ <u>67,304</u>	\$ <u>(94,526)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Change in assets and liabilities:				
(Increase) decrease in due from other funds		<u>159,230</u>	<u>(67,304)</u>	<u>91,926</u>
Total adjustments	<u>-</u>	<u>159,230</u>	<u>(67,304)</u>	<u>91,926</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ (2,600)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,600)</u>

Agency Funds

AGENCY FUNDS

Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Agency Funds are as follows:

Unclaimed Estates - To account for unclaimed estates that are in probate

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

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2020</u>
Unclaimed Estates				
Assets:				
Cash	\$ <u>24,992</u>	\$ <u>350</u>	\$ <u>-</u>	\$ <u>25,342</u>
Liabilities:				
Deposits held in custody for others	\$ <u>24,992</u>	\$ <u>350</u>	\$ <u>-</u>	\$ <u>25,342</u>
Student Activities Fund				
Assets:				
Cash	\$ <u>374,335</u>	\$ <u>183,653</u>	\$ <u>195,761</u>	\$ <u>362,227</u>
Liabilities:				
Deposits held in custody for others	\$ <u>374,335</u>	\$ <u>183,653</u>	\$ <u>195,761</u>	\$ <u>362,227</u>
Total All Agency Funds				
Assets:				
Cash	\$ <u>399,327</u>	\$ <u>184,003</u>	\$ <u>195,761</u>	\$ <u>387,569</u>
Liabilities:				
Deposits held in custody for others	\$ <u>399,327</u>	\$ <u>184,003</u>	\$ <u>195,761</u>	\$ <u>387,569</u>

Other Schedules

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
SCHEDULE OF PROPERTY TAXES RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2020**

<u>Year</u>	<u>Mill Rate</u>	<u>Property Taxes Receivable July 1, 2019</u>	<u>Current Year Assessment</u>	<u>Transfers Addendums (Net)</u>	<u>Abatements and Adjustments</u>	<u>Amount to be Collected</u>	<u>Collections Net of Refunds</u>	<u>Property Taxes Receivable June 30, 2020</u>
2019	14.450	\$	\$ 76,125,309	\$ 149,486	\$ 45,097	\$ 76,229,698	\$ 75,321,009	\$ 908,689
2018	15.680	765,373		3,847	159	769,061	653,653	115,408
2017	15.310	109,041				109,041	43,546	65,495
2016	15.090	70,486			1	70,485	10,904	59,581
2015	15.520	48,649		3,628	5,028	47,249	7,119	40,130
2014	15.482	41,358				41,358	2,582	38,776
2013	15.470	36,625			38	36,587	3,555	33,032
2012	14.501	36,367			19	36,348	3,234	33,114
2011	14.510	35,746				35,746	474	35,272
2010	14.190	52,194				52,194	393	51,801
2009	12.090	15,608			15,601	7	7	-
Subtotal		1,211,447	\$ <u>76,125,309</u>	\$ <u>156,961</u>	\$ <u>65,943</u>	\$ <u>77,427,774</u>	\$ <u>76,046,476</u>	1,381,298
Less: estimated allowance for uncollectable accounts		380,640						424,078
Net property taxes receivable		\$ <u>830,807</u>						\$ <u>957,220</u>

(Continued on next page)

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
SCHEDULE OF PROPERTY TAXES RECEIVABLE (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020**

Collections

<u>Year</u>	July - August 2019 Collections Subject to 60-Day FY19 Accrual	September - June 2020 Collections	Total FY 2020 Collections	July - August 2020 Collections Subject to 60-Day FY20 Accrual
2019	\$	\$ 75,321,009	\$ 75,321,009	\$ 318,299
2018	347,517	306,136	653,653	7,935
2017	15,289	28,257	43,546	2,916
2016	4,176	6,728	10,904	5,447
2015	961	6,158	7,119	278
2014	271	2,311	2,582	61
2013	242	3,313	3,555	42
2012	278	2,956	3,234	76
2011	167	307	474	230
2010	253	140	393	59
2009	7		7	
Total	\$ <u>369,161</u>	\$ <u>75,677,315</u>	\$ <u>76,046,476</u>	\$ <u>335,343</u>

(Continued on next page)

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
SCHEDULE OF PROPERTY TAXES RECEIVABLE (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020**

Schedule of Net Assessed Property Value by Category			Reconciliation of Current Year Property Tax Revenue	
Assessed December 31, 2018				
Description of Property	Valuations	Levy		
Real property	\$ 4,999,471,700	\$ 72,242,366	Current year collections	\$ 76,046,476
Motor vehicle	227,716,789	4,260,581	Revenue received 60 days subsequent to fiscal year ending June 30, 2020	335,343
Tangible property	<u>114,091,164</u>	<u>1,648,617</u>	Subtotal	<u>76,381,819</u>
Total	5,341,279,653	78,151,564	Prior year revenue received in current year (2019 60 day rule)	<u>(369,161)</u>
Exemptions and adjustments	<u>122,793,154</u>	<u>2,026,255</u>	Current Year Property Tax Revenue	<u>\$ 76,012,658</u>
Net Assessed Value	<u>\$ 5,218,486,499</u>	<u>\$ 76,125,309</u>		

Other Supplementary Information

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

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

Town of South Kingstown
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2020

<u>REVENUE</u>	<u>Municipal</u>	<u>Education Department</u>
Current Year Levy Tax Collection	\$ 75,646,472	\$ -
Last Year's Levy Tax Collection	310,475	-
Prior Years Property Tax Collection	55,711	-
Interest & Penalty	298,077	-
PILOT & Tax Treaty (excluded from levy) Collection	417,712	-
Other Local Property Taxes	-	-
Licenses and Permits	1,165,572	-
Fines and Forfeitures	63,084	-
Investment Income	1,145,534	-
Departmental	1,715,422	-
Rescue Run Revenue	1,005,159	-
Police & Fire Detail	4,493	-
Other Local Non-Property Tax Revenues	451,677	-
Tuition	-	67,960
Impact Aid	-	-
Medicaid	-	316,627
Federal Stabilization Funds	-	-
Federal Food Service Reimbursement	-	269,437
CDBG	-	-
COPS Grants	-	-
SAFER Grants	-	-
Other Federal Aid Funds	7,813	1,262,476
COVID - ESSER	-	-
COVID - CRF	-	-
COVID - CDBG	-	-
COVID - FEMA	-	-
COVID - Other	15,177	-
MV Excise Tax Reimbursement	142,445	-
State PILOT Program	208,804	-
Distressed Community Relief Fund	-	-
Library Resource Aid	225,105	-
Library Construction Aid	-	-
Public Service Corporation Tax	387,095	-
Meals & Beverage Tax / Hotel Tax	1,159,651	-
LEA Aid	-	4,966,021
Group Home	-	-
Housing Aid Capital Projects	-	-
Housing Aid Bonded Debt	496,903	-
State Food Service Revenue	-	10,745
Incentive Aid	-	-
Property Revaluation Reimbursement	-	-
Other State Revenue	-	26,434
Motor Vehicle Phase Out	630,089	-
Other Revenue	-	525,857
Local Appropriation for Education	-	54,896,836
Regional Appropriation for Education	-	-
Supplemental Appropriation for Education	-	-
Regional Supplemental Appropriation for Education	-	-
Other Education Appropriation	-	8,533
Rounding	-	-
Total Revenue	<u><u>\$ 85,552,470</u></u>	<u><u>\$ 62,350,926</u></u>
Financing Sources: Transfer from Capital Funds	\$ -	\$ -
Financing Sources: Transfer from Other Funds	681,312	-
Financing Sources: Debt Proceeds	-	-
Financing Sources: Other	459,876	-
Rounding	-	-
Total Other Financing Sources	<u><u>\$ 1,141,188</u></u>	<u><u>\$ -</u></u>

Town of South Kingstown
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2020

EXPENDITURES	General		Social	Centralized	Planning	Libraries	Public Works	Parks and Rec	Police Department
	Government	Finance	Services	IT					
Compensation- Group A	\$ 719,257	\$ 767,434	\$ 508,504	\$ 262,736	\$ 635,425	\$ 809,387	\$ 1,209,971	\$ 1,305,748	\$ 3,850,705
Compensation - Group B	-	-	-	-	-	-	-	-	478,562
Compensation - Group C	-	-	-	-	-	-	-	-	-
Compensation -Volunteer	-	-	-	-	-	-	-	-	-
Overtime- Group A	7,186	2,590	104	71	931	1,040	26,292	24,342	479,734
Overtime - Group B	-	-	-	-	-	-	-	-	1,428
Overtime - Group C	-	-	-	-	-	-	-	-	-
Police & Fire Detail	-	-	-	-	-	-	-	-	-
Active Medical Insurance - Group A	126,273	106,952	96,007	47,086	108,580	125,919	222,553	184,018	757,721
Active Medical Insurance- Group B	-	-	-	-	-	-	-	-	130,086
Active Medical Insurance- Group C	-	-	-	-	-	-	-	-	-
Active Dental insurance- Group A	8,013	6,758	7,036	2,084	7,402	6,875	13,798	12,633	46,124
Active Dental Insurance- Group B	-	-	-	-	-	-	-	-	7,278
Active Dental Insurance- Group C	-	-	-	-	-	-	-	-	-
Payroll Taxes	52,237	57,530	37,148	19,204	47,208	59,922	91,180	98,847	351,660
Life Insurance	290	319	223	86	287	298	646	518	4,387
State Defined Contribution- Group A	5,493	7,877	4,611	3,366	5,394	6,782	10,698	10,454	-
State Defined Contribution - Group B	-	-	-	-	-	-	-	-	4,084
State Defined Contribution - Group C	-	-	-	-	-	-	-	-	-
Other Benefits- Group A	4,720	2,420	11,164	692	5,973	5,248	72,726	43,787	20,561
Other Benefits- Group B	-	-	-	-	-	-	-	-	6,674
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	83,704	90,850	51,426	31,970	72,210	83,281	146,188	122,093	1,053,670
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	58,180
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	-	-	-	-	-	-	-	-	-
Purchased Services	269,382	39,057	18,124	14,592	15,976	58,817	493,768	475,568	34,294
Materials/Supplies	8,916	6,563	15,956	2,248	3,699	98,994	123,382	105,537	43,456
Software Licenses	1,669	265	2,987	69,370	9,772	7,634	8,628	3,699	28,233
Capital Outlays	-	250	14,940	2,159	-	-	3,639	5,847	16,535
Insurance	475,493	-	-	-	-	-	-	-	-
Maintenance	23,008	-	12,900	-	-	22,875	12,910	38,578	17,224
Vehicle Operations	1,698	636	9,894	-	2,842	1,085	140,431	33,743	227,928
Utilities	40,812	572	46,289	1,056	528	38,845	44,939	92,097	92,781
Contingency	-	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	188,054	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	46,859	-	-
Trash Removal & Recycling	-	-	-	-	-	-	22,347	-	-
Claims & Settlements	-	-	-	-	-	-	-	-	-
Community Support	136,849	-	-	-	-	-	-	-	-
Other Operation Expenditures	35,291	12,569	5,872	4,800	12,878	16,986	21,752	40,809	145,252
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	\$ 2,000,291	\$ 1,102,642	\$ 843,185	\$ 461,520	\$ 929,105	\$ 1,343,988	\$ 2,900,761	\$ 2,598,318	\$ 7,856,557

Town of South Kingstown
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2020

EXPENDITURES	Fire	Centralized	Public Safety	Education			Total	Education
	Department	Dispatch	Other	Appropriation	Debt	OPEB	Municipal	Department
Compensation- Group A	\$ -	\$ 443,686	\$ 1,492,320	\$ -	\$ -	\$ -	\$ 12,005,173	\$ 25,365,047
Compensation - Group B	-	-	-	-	-	-	478,562	3,214,557
Compensation - Group C	-	-	-	-	-	-	-	4,380,054
Compensation -Volunteer	-	-	-	-	-	-	-	-
Overtime- Group A	-	101,705	491,123	-	-	-	1,135,118	-
Overtime - Group B	-	-	-	-	-	-	1,428	-
Overtime - Group C	-	-	-	-	-	-	-	49,898
Police & Fire Detail	-	-	-	-	-	-	-	-
Active Medical Insurance - Group A	-	109,976	305,341	-	-	-	2,190,426	3,791,698
Active Medical Insurance- Group B	-	-	-	-	-	-	130,086	362,191
Active Medical Insurance- Group C	-	-	-	-	-	-	-	1,441,974
Active Dental insurance- Group A	-	5,867	16,243	-	-	-	132,833	252,183
Active Dental Insurance- Group B	-	-	-	-	-	-	7,278	22,433
Active Dental Insurance- Group C	-	-	-	-	-	-	-	90,507
Payroll Taxes	-	39,806	141,213	-	-	-	995,955	2,478,561
Life Insurance	-	246	1,504	-	-	-	8,804	224,666
State Defined Contribution- Group A	-	5,055	2,657	-	-	-	62,387	148,532
State Defined Contribution - Group B	-	-	-	-	-	-	4,084	31,162
State Defined Contribution - Group C	-	-	-	-	-	-	-	41,558
Other Benefits- Group A	-	1,401	32,268	-	-	-	200,960	416,003
Other Benefits- Group B	-	-	-	-	-	-	6,674	-
Other Benefits- Group C	-	-	-	-	-	-	-	-
Local Defined Benefit Pension- Group A	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-
State Defined Benefit Pension- Group A	-	51,666	104,985	-	-	-	1,892,043	3,546,508
State Defined Benefit Pension - Group B	-	-	-	-	-	-	58,180	428,458
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	509,505
Other Defined Benefit / Contribution	-	-	-	-	-	-	-	-
Purchased Services	-	2,279	282,384	-	-	-	1,704,241	9,816,709
Materials/Supplies	-	1,533	34,647	-	-	-	444,931	609,651
Software Licenses	-	3,854	5,635	-	-	-	141,746	265,614
Capital Outlays	-	-	16,705	-	-	-	60,075	535,042
Insurance	-	-	-	-	-	-	475,493	275,722
Maintenance	-	2,349	34,806	-	-	-	164,650	365,264
Vehicle Operations	-	-	50,584	-	-	-	468,841	6,073
Utilities	-	11,315	25,763	-	-	-	394,997	918,924
Contingency	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	188,054	-
Revaluation	-	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	46,859	-
Trash Removal & Recycling	-	-	-	-	-	-	22,347	-
Claims & Settlements	-	-	-	-	-	-	-	-
Community Support	-	-	-	-	-	-	136,849	-
Other Operation Expenditures	-	6,958	39,647	-	-	-	342,814	120,646
Tipping Fees	-	-	-	-	-	-	-	-
Local Appropriation for Education	-	-	-	54,896,836	-	-	54,896,836	-
Regional Appropriation for Education	-	-	-	-	-	-	-	-
Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	760,242	-	760,242	-
Municipal Debt- Interest	-	-	-	-	188,379	-	188,379	-
School Debt- Principal	-	-	-	-	933,758	-	933,758	-
School Debt- Interest	-	-	-	-	101,315	-	101,315	-
Retiree Medical Insurance- Total	-	-	-	-	-	-	-	-
Retiree Dental Insurance- Total	-	-	-	-	-	-	-	-
OPEB Contribution- Total	-	-	-	-	-	857,161	857,161	795,295
Rounding	-	-	-	-	-	-	-	-
Total Expenditures	\$ -	\$ 787,696	\$ 3,077,825	\$ 54,896,836	\$ 1,983,694	\$ 857,161	\$ 81,639,579	\$ 60,504,435

Financing Uses: Transfer to Capital Funds	\$ 1,664,000	\$ -
Financing Uses: Transfer to Other Funds	229,300	173,392
Financing Uses: Payment to Bond Escrow Agent	-	-
Financing Uses: Other	-	-
Total Other Financing Uses	\$ 1,893,300	\$ 173,392
Net Change in Fund Balance¹	3,160,779	1,673,099
Fund Balance¹- beginning of year	\$17,157,934	\$2,637,632
Funds removed from Reportable Government Services (RGS)	-	-
Funds added to Reportable Government Services (RGS)	-	-
Prior period adjustments	-	-
Misc. Adjustment	-	-
Fund Balance¹ - beginning of year adjusted	17,157,934	2,637,632
Rounding	-	-
Fund Balance¹ - end of year	\$ 20,318,713	\$ 4,310,731

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, 2020

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, 2019						\$ 17,157,934	-	\$ 17,157,934	
<i>No funds removed from RGS for fiscal 2020</i>						-	-	-	
<i>No funds added to RGS for Fiscal 2020</i>						-	-	-	
<i>No misc. adjustments made for fiscal 2020</i>						-	-	-	
Fund Balance¹ - per MTP-2 at June 30, 2019 adjusted						<u>\$ 17,157,934</u>	-	<u>\$ 17,157,934</u>	
General Fund	\$ 83,282,101	\$ 917,312	\$ 22,910,639	\$ 58,746,139	\$ 2,542,635	\$ 14,492,188	-	\$ 14,492,188	\$ 17,034,823
Debt Service	496,903	1,879,876	1,984,694	-	392,085	492,088	-	492,088	884,173
Elderly (Senior) Services	383,653	466,003	860,959	30,000	(41,303)	278,382	-	278,382	237,079
EMS Billing	1,051,534	-	257,685	650,000	143,849	1,599,211	-	1,599,211	1,743,060
Neighborhood Guild	338,279	414,000	728,766	-	23,513	128,149	-	128,149	151,662
Property Revaluation	-	100,000	-	-	100,000	167,916	-	167,916	267,916
Totals per audited financial statements	<u>\$ 85,552,470</u>	<u>\$ 3,777,191</u>	<u>\$ 26,742,743</u>	<u>\$ 59,426,139</u>	<u>\$ 3,160,779</u>	<u>\$ 17,157,934</u>	<u>-</u>	<u>\$ 17,157,934</u>	<u>\$ 20,318,713</u>
<u>Reconciliation from financial statements to MTP2</u>									
Reclassify transfer of municipal appropriation to Education Department as expenditure on MTP2	\$ -	\$ -	\$ 54,896,836	\$ (54,896,836)	\$ -	\$ -	\$ -	\$ -	\$ -
Eliminate transfers between Funds reported on MTP2:									
- from General Fund to Debt Service	-	(1,435,000)	-	(1,435,000)	-	-	-	-	-
- from General Fund to Senior Services	-	(451,003)	-	(451,003)	-	-	-	-	-
- from EMS Billing to General Fund	-	(650,000)	-	(650,000)	-	-	-	-	-
- from General Fund to Property Revaluation to General Fund	-	(100,000)	-	(100,000)	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
Totals Per MTP2	<u>\$ 85,552,470</u>	<u>\$ 1,141,188</u>	<u>\$ 81,639,579</u>	<u>\$ 1,893,300</u>	<u>\$ 3,160,779</u>	<u>\$ 17,157,934</u>	<u>-</u>	<u>\$ 17,157,934</u>	<u>\$ 20,318,713</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, 2020

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, 2019 <i>No misc. adjustments made for fiscal 2020</i>						\$ 2,637,632	-	\$ 2,637,632	
Fund Balance¹ - per MTP-2 at June 30, 2019 adjusted						<u>\$ 2,637,632</u>	-	<u>\$ 2,637,632</u>	
School Unrestricted Fund	\$ 8,258,931	\$ 54,927,379	\$ 61,339,896	\$ 173,392	\$ 1,673,022	\$ 2,560,861	-	\$ 2,560,861	\$ 4,233,883
Enterprise Fund-Food Service	754,818	-	758,394	-	(3,576)	89,311	-	89,311	85,735
School Special Revenue Funds	1,301,481	-	1,301,481	-	-	-	-	-	-
Totals per audited financial statements	<u>\$ 10,315,230</u>	<u>\$ 54,927,379</u>	<u>\$ 63,399,771</u>	<u>\$ 173,392</u>	<u>\$ 1,669,446</u>	<u>\$ 2,650,172</u>	<u>\$ -</u>	<u>\$ 2,650,172</u>	<u>\$ 4,319,618</u>
<u>Reconciliation from financial statements to MTP2</u>									
Municipal appropriation for Education reported as a transfer on financial statements but a revenue on MTP2	\$ 54,896,836	\$ (54,896,836)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer from School Trust Fund	30,543	(30,543)	-	-	-	-	-	-	-
State contributions on behalf of teacher pensions are reported as revenue and expenditures on financial statements only	(2,793,656)	-	(2,793,656)	-	-	-	-	-	-
Less Commodities reported from GAAP financials - not in MPT2	(27,813)	-	(27,813)	-	-	-	-	-	-
For financial statements, indirect cost charges and recovery are reported in federal grant funds and also actual expenditures & reimbursement reported in School Unrestricted Fund.	(70,214)	-	(70,214)	-	-	-	-	-	-
Depreciation expense recognized on financials not on MPT1	-	-	(3,653)	-	3,653	(12,540)	-	(12,540)	(8,887)
Rounding	-	-	-	-	-	-	-	-	-
Totals Per MTP2	<u>\$ 62,350,926</u>	<u>\$ -</u>	<u>\$ 60,504,435</u>	<u>\$ 173,392</u>	<u>\$ 1,673,099</u>	<u>\$ 2,637,632</u>	<u>\$ -</u>	<u>\$ 2,637,632</u>	<u>\$ 4,310,731</u>
<u>Reconciliation from MTP2 to UCOA</u>									
Misc. variance between UCOA and financial statements	\$ 2	-	-	-	-	-	-	-	-
Use of Fund Balance recorded as revenue in UCOA file	475,000	-	-	-	-	-	-	-	-
Transfer recorded as expense UCOA and transfer in MTP	-	-	173,392	(173,392)	-	-	-	-	-
Totals per UCOA Validated Totals Report	<u>\$ 62,825,928</u>	<u>\$ -</u>	<u>\$ 60,677,827</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO SUPPLEMENTARY INFORMATION - ANNUAL SUPPLEMENTAL TRANSPARENCY
REPORT (MTP2)
JUNE 30, 2020

NOTE 1. Basis of Presentation

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

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

NOTE 2. Reportable Government Services

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

NOTE 3. Allocations

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

NOTE 4. Employee Groups

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

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

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

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

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO SUPPLEMENTARY INFORMATION - ANNUAL SUPPLEMENTAL TRANSPARENCY
REPORT (MTP2)
JUNE 30, 2020

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

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

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

NOTE 5. Education Revenue and Expenditures

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

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

Statistical Section

Statistical Section Information

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

Statistical section information is presented in the following categories:

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

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

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

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

	Fiscal Year Ended June 30									
	2020	2019	2018	2017	Restated 2016	Restated 2015	Restated 2014	2013	2012	2011
Governmental activities:										
Net investment in capital assets	\$ 77,139,083	\$ 75,386,786	\$ 72,453,601	\$ 77,888,860	\$ 70,479,567	\$ 67,772,956	\$ 65,788,311	\$ 67,088,741	\$ 66,167,452	\$ 64,187,374
Restricted	2,804,762	2,749,974	2,688,675	2,509,938	2,788,004	17,686,826	17,649,052	15,968,722	15,885,876	15,927,670
Unrestricted	(16,410,060)	(17,219,511)	(16,739,201)	(25,186,040)	(17,776,078)	(30,877,110)	(54,454,652)	35,089,366	31,781,810	28,956,645
Total governmental activities net position	<u>63,533,785</u>	<u>60,917,249</u>	<u>58,403,075</u>	<u>55,212,758</u>	<u>55,491,493</u>	<u>54,582,672</u>	<u>28,982,711</u>	<u>118,146,829</u>	<u>113,835,138</u>	<u>109,071,689</u>
Business-type activities:										
Net investment in capital assets	22,430,731	20,395,273	21,099,965	21,560,136	20,764,646	20,379,758	20,653,037	21,169,022	21,551,897	21,529,486
Unrestricted	13,188,340	12,793,391	11,148,345	10,316,138	9,590,963	8,602,953	7,806,604	7,020,437	6,215,290	5,705,043
Total business-type activities net position	<u>35,619,071</u>	<u>33,188,664</u>	<u>32,248,310</u>	<u>31,876,274</u>	<u>30,355,609</u>	<u>28,982,711</u>	<u>28,459,641</u>	<u>28,189,459</u>	<u>27,767,187</u>	<u>27,234,529</u>
Primary government:										
Net investment in capital assets	99,569,814	95,782,059	93,553,566	99,448,996	91,244,213	88,152,714	86,441,348	88,257,763	87,719,349	85,716,860
Restricted	2,804,762	2,257,954	2,196,655	2,509,938	2,295,984	17,686,826	17,649,052	15,968,722	15,885,876	15,927,670
Unrestricted	(3,221,720)	(4,426,120)	(5,590,856)	(14,869,902)	(8,185,115)	(22,274,157)	(46,648,048)	42,109,803	37,997,100	34,661,688
Total Primary Government Net Position	<u>\$ 99,152,856</u>	<u>\$ 93,613,893</u>	<u>\$ 90,159,365</u>	<u>\$ 87,089,032</u>	<u>\$ 85,355,082</u>	<u>\$ 83,565,383</u>	<u>\$ 57,442,352</u>	<u>\$ 146,336,288</u>	<u>\$ 141,602,325</u>	<u>\$ 136,306,218</u>

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

	For the Fiscal Year Ended June 30,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Expenses										
Governmental activities:										
General government	\$ 6,439,271	\$ 5,566,611	\$ 5,485,016	\$ 6,009,770	\$ 4,959,774	\$ 4,132,116	\$ 4,841,301	\$ 10,084,503	\$ 8,998,934	\$ 8,762,355
Public safety	12,853,296	11,889,791	12,533,561	11,959,463	13,020,538	10,223,505	10,045,222	7,077,376	6,982,529	6,842,338
Public works	4,617,718	4,395,606	2,925,740	3,287,040	3,084,179	4,621,350	4,299,775	3,648,193	2,867,358	3,267,543
Human service agency contributions	907,803	1,005,331	840,591	950,422	943,812	928,691	923,218	145,400	145,400	145,400
Public libraries	1,432,553	1,487,098	1,832,064	1,813,159	1,506,903	1,282,647	1,231,188	1,051,446	1,033,043	1,049,444
Education	66,487,416	66,456,058	65,482,766	66,089,552	65,100,240	61,776,176	61,622,756	62,189,433	62,121,226	62,708,323
Recreation	3,812,750	4,003,871	4,699,805	4,428,491	4,135,318	2,648,392	2,723,576	2,264,670	2,242,208	2,274,394
Interest on long-term debt	416,130	289,363	413,293	245,795	321,314	819,950	860,844	730,633	916,407	1,067,569
Total governmental activities	<u>96,966,937</u>	<u>95,093,729</u>	<u>94,212,836</u>	<u>94,783,692</u>	<u>93,072,078</u>	<u>86,432,827</u>	<u>86,547,880</u>	<u>87,191,654</u>	<u>85,307,105</u>	<u>86,117,366</u>
Business-type activities:										
Wastewater	3,741,834	3,726,503	3,394,506	3,355,328	3,105,813	3,223,580	2,829,421	2,768,557	3,024,608	2,941,505
Solid Waste	589,050	613,073	559,798	500,390	498,920	477,057	457,313	474,459	522,638	511,132
Water	1,042,448	917,238	970,691	896,198	818,052	927,477	845,888	768,278	852,845	831,549
School Cafeteria	758,394	1,026,582	1,020,300	985,643	983,204	939,795	973,067	957,920	984,046	1,022,540
Total business-type activities	<u>6,131,726</u>	<u>6,283,396</u>	<u>5,945,295</u>	<u>5,737,559</u>	<u>5,405,989</u>	<u>5,567,909</u>	<u>5,105,689</u>	<u>4,969,214</u>	<u>5,384,137</u>	<u>5,306,726</u>
Total Primary Government Expense	<u>\$ 103,098,663</u>	<u>\$ 101,377,125</u>	<u>\$ 100,158,131</u>	<u>\$ 100,521,251</u>	<u>\$ 98,478,067</u>	<u>\$ 92,000,736</u>	<u>\$ 91,653,569</u>	<u>\$ 92,160,868</u>	<u>\$ 90,691,242</u>	<u>\$ 91,424,092</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 612,142	\$ 559,679	\$ 495,600	\$ 626,747	\$ 561,391	\$ 538,276	\$ 3,188,727	\$ 3,447,815	\$ 3,140,696	\$ 3,568,036
Public safety	1,480,139	1,542,615	1,468,888	1,260,869	1,391,139	1,358,084	348,997	1,169,260	689,271	920,046
Human service	1,125,256	960,699	1,065,694	882,677	754,636	908,990	139,704		150	
Public works	161,627	234,328	174,401	142,466	162,652	123,738		324,340	5,500	114,780
Public libraries	10,265	17,740	22,001	23,267	20,855	21,686	24,491	24,283	24,784	27,877
Education	897,537	881,720	631,480	670,514	833,574	883,368	791,124	824,591	734,695	758,360
Recreation	1,694,592	1,811,103	1,677,624	1,618,619	1,609,412	1,585,138	1,015,206	958,750	980,159	921,171
Operating grants and contributions	11,403,108	11,861,271	13,065,446	13,491,181	14,611,427	12,940,772	13,186,891	13,639,256	14,373,951	14,624,647
Capital grants and contributions	1,129,967	829,442	1,799,851	2,276,533	3,217,518	524,381	92,439	107,725	877,125	1,002,922
Total governmental activities program revenues	<u>18,514,633</u>	<u>18,698,597</u>	<u>20,400,985</u>	<u>20,992,873</u>	<u>23,162,604</u>	<u>18,884,433</u>	<u>18,787,579</u>	<u>20,496,020</u>	<u>20,826,331</u>	<u>21,937,839</u>
Business-type activities:										
Charges for services:										
Wastewater	5,552,428	3,949,473	3,608,923	4,052,754	3,285,671	3,494,268	3,049,347	3,251,827	3,248,469	3,055,955
Solid Waste	661,902	638,302	561,226	501,178	506,858	528,250	492,264	544,766	565,191	483,873
Water	1,168,413	1,171,727	1,137,826	1,139,920	1,158,964	1,141,522	1,010,389	973,530	946,523	954,815
School Cafeteria	437,990	615,381	619,381	579,252	560,875	579,529	601,848	633,393	680,055	728,897
Operating grants and contributions	308,295	391,410	413,975	402,182	427,718	432,055	368,165	325,227	293,285	321,307
Capital grants and contributions			18,069						168,650	154,650
Total business-type activities	<u>8,129,028</u>	<u>6,766,293</u>	<u>6,359,400</u>	<u>6,675,286</u>	<u>5,940,086</u>	<u>6,175,624</u>	<u>5,522,013</u>	<u>5,728,743</u>	<u>5,902,173</u>	<u>5,699,497</u>
Total Primary Government Program Revenues	<u>\$ 26,643,661</u>	<u>\$ 25,464,890</u>	<u>\$ 26,760,385</u>	<u>\$ 27,668,159</u>	<u>\$ 29,102,690</u>	<u>\$ 25,060,057</u>	<u>\$ 24,309,592</u>	<u>\$ 26,224,763</u>	<u>\$ 26,728,504</u>	<u>\$ 27,637,336</u>

(Continued on next page)

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

	For the Fiscal Year Ended June 30,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Net Revenue (Expense)										
Governmental activities	\$ (78,452,304)	\$ (76,395,132)	\$ (73,811,851)	\$ (73,790,819)	\$ (69,909,474)	\$ (67,548,394)	\$ (67,760,301)	\$ (66,695,634)	\$ (64,480,774)	\$ (64,179,527)
Business-type activities	<u>1,997,302</u>	<u>482,897</u>	<u>414,105</u>	<u>937,727</u>	<u>534,097</u>	<u>607,715</u>	<u>416,324</u>	<u>759,529</u>	<u>518,036</u>	<u>392,771</u>
Total Primary Government Net Expense	<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>	<u>\$ (63,962,738)</u>	<u>\$ (63,786,756)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 76,896,488	\$ 74,364,196	\$ 72,166,222	\$ 70,994,758	\$ 69,126,888	\$ 66,953,388	\$ 66,953,388	\$ 66,659,301	\$ 66,472,251	\$ 65,797,804
Motor vehicle phase-out taxes	772,534	353,601	483,828	142,445	139,730	170,945	170,945	165,446	167,774	168,739
Telephone and hotel taxes	229,153	195,877	199,400	164,020	159,174	509,604	509,604	495,631	463,552	414,890
Grants and aid not restricted for a specific program	1,317,593	1,338,723	1,663,617	1,353,836	1,340,500	1,837,885	1,837,885	1,663,378	1,657,207	1,413,742
Unrestricted investment earnings	2,357,925	2,375,895	1,971,233	1,940,657	193,395	2,568,515	2,568,515	1,990,301	481,121	2,733,097
Transfers	(12,833)	(18,986)	25,848	(591,612)	(803,982)	163,057	163,057	357,608	2,318	(9,000)
Total governmental activities	<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>	<u>69,244,223</u>	<u>70,519,272</u>
Business-type activities:										
Unrestricted investment earnings	420,272	438,471	(16,221)	(8,674)	34,819	16,915	16,915	20,351	16,940	42,184
Transfers	12,833	18,986	(25,848)	591,612	803,982	(163,057)	(163,057)	(357,608)	(2,318)	9,000
Total business type activities	<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>	<u>14,622</u>	<u>51,184</u>
Total Primary Government	<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>	<u>\$ 69,258,845</u>	<u>\$ 70,570,456</u>
Change in Net Position										
Governmental activities	\$ 3,108,556	\$ 2,514,174	\$ 2,698,297	\$ 213,285	\$ 246,231	\$ 4,655,000	\$ 4,443,093	\$ 4,636,031	\$ 4,763,449	\$ 6,339,745
Business-type activities	<u>2,430,407</u>	<u>940,354</u>	<u>372,036</u>	<u>1,520,665</u>	<u>1,372,898</u>	<u>461,573</u>	<u>270,182</u>	<u>422,272</u>	<u>532,658</u>	<u>443,955</u>
Total Primary Government	<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>	<u>\$ 5,296,107</u>	<u>\$ 6,783,700</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,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012 *	2011
General Fund:										
Reserved	\$ 1,200	\$ 27,529	\$ 9,598	\$ 36,956	\$ 15,726	\$ 38,193	\$ 63,678	\$ 21,926	\$ 30,361	\$ 2,579
Unreserved	<u>21,267,506</u>	<u>17,025,520</u>	<u>16,346,328</u>	<u>16,077,082</u>	<u>15,570,027</u>	<u>14,984,306</u>	<u>15,914,055</u>	<u>15,443,286</u>	<u>15,048,648</u>	<u>11,661,554</u>
Total General Fund	<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>	<u>\$ 15,079,009</u>	<u>\$ 11,664,133</u>
All Other Governmental Funds:										
Reserved	\$ 24,567,695	\$ 23,968,163	\$ 23,333,520	\$ 22,102,238	\$ 22,090,114	\$ 22,901,688	\$ 27,111,926	\$ 25,031,275	\$ 23,540,103	\$ 23,737,218
Unreserved, reported in:										
Special revenue funds	3,056,898	2,821,443	2,565,363	2,206,848	2,498,058	2,345,147	2,399,180	2,246,126	2,453,669	5,318,787
Capital project funds	11,077,659	8,968,301	11,640,433	5,128,522	9,518,148	9,525,428	3,931,006	4,140,305	4,134,410	3,376,356
Permanent funds										
Total All Other Governmental Funds	<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>	<u>\$ 30,128,182</u>	<u>\$ 32,432,361</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)**

	For the Fiscal Year Ended June 30,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenues:										
Property Taxes and Interest	\$ 76,736,260	\$ 74,523,011	\$ 72,138,721	\$ 71,023,350	\$ 69,170,273	\$ 68,282,410	\$ 67,434,952	\$ 66,626,623	\$ 66,517,515	\$ 65,767,357
Intergovernmental revenues	10,434,074	11,559,695	13,084,043	14,124,443	14,224,265	13,519,811	13,313,778	13,809,380	15,000,408	14,625,902
Licenses, Fees and Rents	2,479,459	2,079,483	2,220,604	2,027,110	1,800,653	2,091,978	1,936,129	2,122,082	1,850,827	2,037,196
Interest on Investments	2,348,787	2,356,901	1,959,452	1,940,088	1,926,667	661,351	2,562,349	1,913,743	463,169	2,716,487
Fines and Charges	1,887,213	2,081,198	1,934,102	1,454,328	1,668,007	1,685,331	1,720,729	1,707,372	1,514,469	1,178,269
Department Revenue	1,099,591	1,258,470	1,085,472	1,382,810	1,319,990	1,153,858	1,131,332	924,693	1,255,012	1,064,987
Other Revenue	856,695	734,822	921,296	834,428	853,428	777,521	765,504	1,812,880	1,015,744	1,591,105
State On-behalf Pension	2,793,656	2,991,987	2,666,045	2,683,099	2,449,310	2,369,227	2,185,581	2,119,728	2,478,404	2,098,130
Total revenues	<u>98,635,735</u>	<u>97,585,567</u>	<u>96,009,735</u>	<u>95,469,656</u>	<u>91,678,593</u>	<u>90,541,487</u>	<u>91,050,354</u>	<u>91,036,501</u>	<u>90,095,548</u>	<u>91,079,433</u>
Expenditures:										
Current:										
General Government	5,102,639	5,274,466	3,839,267	3,751,923	3,776,694	3,571,502	3,632,029	2,660,861	2,549,948	2,578,103
Public Safety	12,338,588	11,510,894	11,265,691	10,897,960	10,559,201	9,639,003	9,281,517	6,672,979	6,743,188	6,563,358
Public Services	3,034,100	3,051,979	2,935,749	3,627,204	2,984,847	2,735,979	2,491,439	2,398,155	1,644,637	2,081,960
Public Health Contributions	994,947	1,020,829	964,008	950,422	940,061	125,400	147,400	145,400	145,400	145,400
Recreation	3,180,928	3,187,746	2,957,302	2,924,312	2,658,792	2,572,574	2,358,758	2,035,546	2,029,877	2,043,091
Public Libraries	1,364,380	1,317,350	1,259,498	1,210,348	1,180,796	1,173,634	1,134,945	914,695	943,655	928,496
Educational	62,641,377	65,632,870	63,976,130	63,158,612	62,196,819	61,834,589	60,988,629	61,524,508	61,576,314	61,820,390
Capital Improvements	4,822,247	5,481,376	2,806,741	10,161,698	3,508,744	3,011,018	2,906,979	1,842,708	2,229,942	4,319,515
Miscellaneous			1,191,713	1,040,289	967,255	928,093	2,361,875	7,550,463	6,965,814	6,382,023
Debt Service: (2)										
Principal	1,694,000	1,842,000	1,682,000	1,710,000	2,044,000	2,371,000	2,680,000	2,981,000	3,260,000	3,435,000
Interest	424,824	331,357	378,262	257,434	334,933	618,393	592,913	717,211	898,394	1,020,227
Total expenditures	<u>95,598,030</u>	<u>98,650,867</u>	<u>93,256,361</u>	<u>99,690,202</u>	<u>91,152,142</u>	<u>88,581,185</u>	<u>88,576,484</u>	<u>89,443,526</u>	<u>88,987,169</u>	<u>91,317,563</u>
Excess of revenues over (under) expenditures	<u>3,037,705</u>	<u>(1,065,300)</u>	<u>2,753,374</u>	<u>(4,220,546)</u>	<u>526,451</u>	<u>1,960,302</u>	<u>2,473,870</u>	<u>1,592,975</u>	<u>1,108,379</u>	<u>(238,130)</u>
Other Financing Sources (Uses):										
Proceeds from borrowing	4,135,130		5,639,374							
Issuance of refunding bonds						6,935,000		4,263,000		
Payment to refunding debt escrow						(7,218,900)		-4,207,856		
Transfers in	5,486,875	5,697,095	5,523,866	5,700,651	5,860,074	5,996,250	4,571,217	3,907,648	3,513,401	52,192,383
Transfers out	(5,499,708)	(5,716,081)	(5,573,018)	(5,710,706)	(6,489,214)	(5,892,553)	(4,508,160)	(3,880,040)	(3,511,083)	(52,201,383)
Total other financing sources (uses)	<u>4,122,297</u>	<u>(18,986)</u>	<u>5,590,222</u>	<u>(10,055)</u>	<u>(629,140)</u>	<u>(180,203)</u>	<u>63,057</u>	<u>82,752</u>	<u>2,318</u>	<u>(9,000)</u>
Net Change in Fund Balances	<u>\$ 7,160,002</u>	<u>\$ (1,084,286)</u>	<u>\$ 8,343,596</u>	<u>\$ (4,230,601)</u>	<u>\$ (102,689)</u>	<u>\$ 1,780,099</u>	<u>\$ 2,536,927</u>	<u>\$ 1,675,727</u>	<u>\$ 1,110,697</u>	<u>\$ (247,130)</u>
Debt Service as a Percentage of Noncapital Expenditures (1)	<u>2.34%</u>	<u>2.34%</u>	<u>2.28%</u>	<u>1.97%</u>	<u>2.61%</u>	<u>3.37%</u>	<u>3.70%</u>	<u>4.13%</u>	<u>4.67%</u>	<u>4.88%</u>

Notes:

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

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

Fiscal Year Ended June 30	Assessed Value						Total Taxable Assessed Value	Total Direct Tax Rate
	Residential Property	Commercial Property	Industrial/Utility Property	Tangible Personal Property	Motor Vehicles	Less Tax Exempt Property		
2020	\$ 4,453,849,000	\$ 502,741,200	\$ 42,881,500	\$ 114,091,164	\$ 168,826,026	\$ 63,902,391	5,218,486,499	14.59
2019	3,941,833,700	407,514,885	74,711,715	113,421,110	175,178,185	59,619,313	4,653,040,282	15.79
2018	3,902,377,700	406,099,681	73,106,419	112,676,078	184,249,032	60,393,721	4,618,115,189	15.45
2017	3,874,286,600	417,248,697	74,538,903	113,800,099	198,929,263	61,210,855	4,617,592,707	15.25
2016	3,663,352,700	388,285,575	75,493,525	113,540,016	194,264,022	60,187,116	4,374,748,722	15.66
2015	3,528,766,791	493,273,045	73,836,764	106,473,897	187,325,550	61,825,012	4,327,851,035	15.48
2014	4,327,013,284	420,199,912	40,682,402	117,242,736	185,876,659	793,673,400	4,297,341,593	15.47
2013	4,434,004,364	476,108,659	41,715,054	202,728,309	182,251,511	810,728,300	4,526,079,597	14.50
2012	4,438,109,285	440,496,805	40,110,400	232,546,219	170,642,925	814,832,689	4,507,072,945	14.67
2011	4,423,285,263	440,530,005	40,110,400	236,046,336	220,747,096	813,898,457	4,546,820,643	14.41

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 2020, the property tax rate, exclusive of motor vehicles, was \$14.45

(Continued on next page)

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, 2020

Note: Excludes Exempt Property

Category	Assessed Value	Assessed Value	Direct Rate Per \$1000	Total Tax Levy
Real Estate	\$ 4,999,471,700			
Less Exemptions	63,902,393			
Net Real Estate		\$ 4,935,569,307	\$ 14.4500	\$ 71,318,976
Tangible/Personal		114,091,164	14.4500	1,648,617
Motor Vehicle	227,716,789			
Less Exemptions	58,890,763			
Net Motor Vehicle		168,826,026	18.71	3,158,735
		\$ 5,218,486,497		\$ 76,126,329
	Total Assessed Value:	\$ 5,218,486,497		
	Divided by Total Levy:	76,126,329		
	(Times 1000)	\$ 14.59	Weighted Avg/Total Direct Rate	

TABLE 6

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

	2020			2011		
	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value
Harbor Village Apts (formerly Grandville)	\$ 41,431,600	1	0.79%	\$ 34,714,600	2	0.76%
Schneider Electric (formerly APC)	27,774,622	2	0.53%	64,328,648	1	1.41%
Brightview Commons, LLC (formerly SHP III)	25,322,600	3	0.49%	16,858,875	5	0.37%
Narragansett Electric	24,425,871	4	0.47%	23,022,734	3	0.51%
SCC Investments II, LLC	21,530,100	5	0.41%	13,124,800	8	0.29%
HCP HB2 South Bay Manor LLC	15,387,700	6	0.29%	14,017,600	6	0.31%
Jerry Brown Farm Association	14,573,200	7	0.28%	13,634,300	7	0.30%
Wakefield Mall, LLC	12,483,200	8	0.24%	12,823,700	9	0.28%
Tower Hill Landings, LLC	8,399,300	9	0.16%			
Belmont Shoppers Park Inc.	8,393,200	10	0.16%			
APC America Inc.				17,240,700	4	0.38%
SCC Investments, LLC				9,944,900	10	0.22%
Total	\$ 199,721,393		3.83%	\$ 219,710,857		4.83%

Source: Town of South Kingstown Assessor

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

Fiscal Year	Actual Tax Rate	Gross Levy	Addendums and Adjustments	Abatements and Adjustments	Net Levy	Uncollected (2)			
						End of Year Levy (1)	% of Net Levy	As of 8/30/20	% of Net Levy
2019-20	\$ 14.45	\$ 76,125,309	\$ 149,486	\$ 45,101	\$ 76,229,694	\$ 908,690	1.19%	\$ 590,391	0.77%
2018-19	15.68	73,489,680	159,788	64,966	73,584,502	765,373	1.04%	417,857	0.57%
2017-18	15.31	71,328,981	134,783	28,622	71,435,142	109,041	0.15%	93,753	0.13%
2016-17	15.09	70,398,298	78,533	55,227	67,698,861	70,486	0.10%	66,310	0.10%
2015-16	15.52	68,504,982	93,912	43,927	65,885,154	48,649	0.07%	47,689	0.07%
2014-15	15.48	67,607,641	114,775	23,555	65,199,289	41,358	0.06%	41,087	0.06%
2013-14	15.47	67,082,117	175,914	348,216	64,231,377	36,625	0.06%	36,382	0.06%
2012-13	14.50	66,399,782	99,701	372,420	66,127,063	36,367	0.05%	36,089	0.05%
2011-12	14.51	66,120,832	124,683	360,361	65,885,154	35,746	0.05%	52,028	0.08%
2010-11	14.19	65,499,433	109,275	409,419	65,199,289	52,194	0.08%	51,941	0.08%

Source: Town of South Kingstown Tax Collector

Notes:

(1) Reflects current year tax collection through 60 days after the close of the fiscal year.

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

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

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

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

General Bonded Debt							
Fiscal Year	General	Bonds	Taxable	Percent of	U.S. Census	Per	
June 30,	Obligation	Premiums	Assessed	Taxable Assessed	Estimated	Capita	
	Bonds		Value	Value	Population		
2020	\$ 12,834,000	\$ 688,112	\$ 5,218,486,499	0.25%	\$ 30,348	\$	423
2019	10,653,000	478,687	4,653,040,282	0.23%	30,650		348
2018	12,495,000	529,392	4,618,115,189	0.27%	30,788		406
2017	8,757,000	360,675	4,617,592,707	0.19%	30,791		284
2016	10,467,000	400,412	4,374,748,722	0.24%	30,826		340
2015	12,511,000	440,149	4,327,851,035	0.29%	30,750		407
2014	14,967,000	96,209	4,297,341,593	0.35%	30,615		489
2013	17,647,000	128,650	4,526,079,597	0.39%	30,363		581
2012	20,390,000	161,091	4,507,072,945	0.45%	30,378		671
2011	23,650,000	193,532	4,546,820,643	0.52%	30,639		772
Business-Type Activities							
Fiscal Year	Wastewater	Solid Waste	Water	Total	Total	Percent	Per
June 30,	Bonds	Bonds	Bonds	Primary	Personal	of Personal	Capita
				Government	Income	Income *	
2020	\$ 115,000	\$ 698,587	\$ -	\$ 14,335,699	Not Available	Not Available	\$ 472
2019	142,000	866,719	-	12,140,406	Not Available	Not Available	396
2018	169,000	1,030,638	-	14,224,030	1,110,492,372	1.28%	462
2017	195,000	1,190,432	-	10,503,107	1,101,763,562	0.95%	341
2016	221,000	1,346,185	-	12,434,597	1,044,569,836	1.19%	403
2015	246,000	1,498,979	-	14,696,128	1,002,204,000	1.47%	478
2014	271,000	1,647,896	-	16,982,105	1,030,776,435	1.65%	555
2013	295,000	1,793,014	84,000	19,947,664	1,088,665,365	1.83%	657
2012	380,205	1,934,409	166,000	23,031,705	1,033,064,646	2.23%	758
2011	463,465	2,072,154	246,000	26,625,151	1,304,884,371	2.04%	869

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	Motor Vehicle	Union Fire District	Indian Lake Fire District	Kingston Fire District
	Property				
2020	14.45	18.71	0.77	1.22	0.94
2019	15.68	18.71	0.87	1.30	1.02
2018	15.31	18.71	0.86	1.22	1.00
2017	15.09	18.71	0.85	1.22	0.97
2016	15.52	18.71	0.88	1.38	0.98
2015	15.48	18.71	0.82	1.38	0.96
2014	15.47	18.71	0.79	1.13	0.92
2013	14.50	18.71	0.71	0.95	0.87
2012	14.51	18.71	0.62	1.02	0.82
2011	14.19	18.71	0.52	0.80	0.81

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**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Total assessed value	\$ 5,218,486,499	\$ 4,653,040,282	\$ 4,618,115,189	\$ 4,617,592,707	\$ 4,374,748,722	\$ 4,327,851,035	\$ 4,297,341,593	\$ 4,526,079,597	\$ 4,507,072,945	\$ 4,546,820,643
Rhode Island General Law debt limitation as % of assessed value	<u>3.00%</u>	<u>3.00%</u>	<u>3.00%</u>	<u>3.00%</u>	<u>3.00%</u>	<u>3.00%</u>	<u>3.00%</u>	<u>3.00%</u>	<u>3.00%</u>	<u>3.00%</u>
Debt limit	<u>156,554,595</u>	<u>139,591,208</u>	<u>138,543,456</u>	<u>138,527,781</u>	<u>131,242,462</u>	<u>129,835,531</u>	<u>128,920,248</u>	<u>135,782,388</u>	<u>135,212,188</u>	<u>136,404,619</u>
Total net debt applicable to the limit	3,189,898	3,873,337	4,315,645	3,875,854	4,362,607	4,745,677	5,443,192	4,299,513	4,747,717	5,338,372
Legal debt margin	\$ <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>	\$ <u>130,464,471</u>	\$ <u>131,066,247</u>
Total net debt applicable to the limit as a percentage of debt limit	<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>	<u>3.51%</u>	<u>3.91%</u>

Notes:

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

TABLE 11

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

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

(1) Per Bureau of Economic Analysis - Washington County. The income data released in April 2012 represents 2010 data. Personal income is only available at the county level. The Town's population is 24% of the County. Most recent Per Capita Personal Income per the US Census Bureau, 2014-2018 ACS 5-Year Estimate for FY 2018. Provided by RI Department of Labor and Training.

(2) Rhode Island Department of Labor and Training; not seasonally adjusted, annual average for previous calendar year.

(3) The non-census year statistics are estimates provided RI Department of Labor & Training by the RI Division of Planning. The 2010 fiscal year census statistic is actual U.S. census figure.

TABLE 12

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

2020 (1)				2011 (1)			
Employment Sector	Employees	Rank	Percentage of Total Town Employment	Employment Sector	Employees	Rank	Percentage of Total Town Employment
Government	3,617	1	26.0%	Government	3,821	1	28.2%
Health Care & Social Assistance	3,072	2	22.1%	Health Care & Social Assistance	2,565	2	19.1%
Accommodation & Food Services	1,600	3	11.5%	Accommodation & Food Services	1,407	3	10.5%
Retail Trade	1,244	4	9.0%	Retail Trade	1,290	4	9.6%
Other Services (except Public Administration)	610	5	4.4%	Wholesale Trade	787	5	5.9%
Manufacturing	567	6	4.1%	Other Services (except Public Administration)	713	6	5.3%
Wholesale Trade	509	7	3.7%	Manufacturing	604	7	4.5%
Construction	459	8	3.3%	Professional & Technical Services	309	8	2.3%
Educational Services	379	9	2.7%	Educational Services	305	9	2.3%
Professional & Technical Services	374	10	2.7%	Construction	284	10	2.1%
Total	<u>12,431</u>		<u>89.5%</u>	Total	<u>12,085</u>		<u>89.7%</u>

NOTES

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

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

TABLE 13

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

	Fiscal Year ended June 30,									
	2020 ⁽¹⁾	2019 ⁽¹⁾	2018 ⁽¹⁾	2017 ⁽¹⁾	2016	2015	2014	2013	2012	2011
General Government:	35	35	35	36	33	33	33	33	33	33
Public Safety:										
Police - Officers	54	54	54	54	53	52	51	51	51	51
Police - Civilians	17	18	18	18	19	22	22	22	22	22
Emer. Medical Services	19	17	17	17	15	17	17	17	17	17
Communications	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
	<u>92</u>	<u>91</u>	<u>91</u>	<u>91</u>	<u>89</u>	<u>93</u>	<u>92</u>	<u>92</u>	<u>92</u>	<u>92</u>
Public Works:										
Streets & Highways	19	20	20	19	17	18	17	17	17	17
Administration	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>
	<u>23</u>	<u>24</u>	<u>24</u>	<u>23</u>	<u>21</u>	<u>22</u>	<u>21</u>	<u>21</u>	<u>21</u>	<u>21</u>
Parks & Recreation	19	19	18	18	11	11	11	11	11	11
Libraries	11	9	9	9	10	10	10	10	11	11
TOTAL GENERAL FUND	180	178	177	177	164	169	167	167	168	168
Water	3	3	3	3	3	3	4	4	4	4
Wastewater	18	15	15	15	14	14	17	17	17	18
Neighborhood Guild	6	5	5	5	5	5	5	5	5	5
Senior Services	8	8	8	8	7	7	7	7	7	8
Other	6	6	6	6	1	1	1	1	1	1
Public education:										
Certified	291	313	308	316	313	316	323	341	345	347
Non-certified	137	149	150	154	154	153	158	174	172	180
Administrative	<u>22</u>	<u>24</u>	<u>24</u>	<u>24</u>	<u>25</u>	<u>24</u>	<u>24</u>	<u>24</u>	<u>20</u>	<u>21</u>
	<u>450</u>	<u>486</u>	<u>482</u>	<u>494</u>	<u>492</u>	<u>493</u>	<u>505</u>	<u>539</u>	<u>537</u>	<u>549</u>
Total	<u>671</u>	<u>701</u>	<u>696</u>	<u>708</u>	<u>686</u>	<u>692</u>	<u>706</u>	<u>740</u>	<u>739</u>	<u>752</u>

Source: Town Budgets and School Department Budgets

NOTES

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

TABLE 14

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

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

Sources: Various Town departments

Notes:

Indicators are not available for the general government function.

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

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

** Senior transportation includes 5,300 trips to the Center and shopping, and 6,061 trips to deliver meals due to Covid-19.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Function/Program	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015	Fiscal Year 2014	Fiscal Year 2013	Fiscal Year 2012	Fiscal Year 2011
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	149	151	151	151	149	149
Culture and recreation:										
Park acreage	454	454	454	454	453	453	453	453	453	453
Tennis courts	25	25	25	25	25	25	25	25	25	25
Community centers	2	2	2	2	1	1	1	1	1	1
Libraries	3	3	3	3	3	3	3	3	3	3
Water:										
Water mains (miles)	50	50	50	50	50	49	49	49	49	49
Fire hydrants	265	265	260	260	262	252	252	252	253	253
Storage capacity (thousands of gallons-treated)	800	800	800	800	800	800	800	800	800	800
Wastewater:										
Sanitary sewers (miles)	62	62	54	54	54	54	54	54	54	53
Storm drains (miles)	55	54	54	54	53	53	53	53	53	53
WWTF avg. daily design flow (thous. of gallons)	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000

Sources: Various town departments

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

Single Audit Section

Federal Single Audit

This section contains information regarding federal grant activity for the year ended June 30, 2020, which was audited in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States, and the he audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Total Federal Expenditures
United States Department of Agriculture		
<i>Passed Through the State of Rhode Island Department of Education:</i>		
Child Nutrition Cluster:		
National School Lunch Program	10.555	\$ 194,469
School Breakfast Program	10.553	33,426
Summer Food Service Program for Children	10.559	<u>69,654</u>
Total United States Department of Agriculture		\$ <u>297,549</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	801,866
Special Education Preschool Grants	84.173	<u>25,170</u>
		827,036
Title I Grants to Local Educational Agencies	84.010	382,310
Improving Teacher Quality State Grants	84.367	46,575
English Language Acquisition State Grants	84.365	930
Title IV	84.424	<u>5,625</u>
Total United States Department of Education		<u>1,262,476</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	<u>173,286</u>
United States Department of Health and Human Services		
<i>Passed Through the State of Rhode Island Department of Public Health:</i>		
Drug-Free Communities Support Program Grants	93.276	<u>126,540</u>
United States Department of Transportation		
<i>Passed Through the State of Rhode Island Department of Transportation:</i>		
Highway Safety Cluster:		
National Priority Safety Programs	20.616	24,442
State and Community Highway Safety	20.600	<u>14,356</u>
		<u>38,798</u>

The accompanying notes are an integral part of this schedule

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS(CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Total Federal Expenditures
United States Department of Defense		
<i>Passed Through the State of Rhode Island Emergency Management Agency:</i>		
EASE 2.0	12.219	\$ <u>3,279</u>
United States Department of the Interior		
<i>Passed Through the State of Rhode Island Department of Environmental Management:</i>		
Historic Preservation Fund Grants-In-Aid	15.904	<u>7,000</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	19,135
Law Enforcement Assistance Narcotics and Dangerous Drugs Laboratory Analysis	16.001	<u>12,010</u>
Total United States Department of Justice		<u>31,145</u>
Total Federal Awards		\$ <u><u>1,940,073</u></u>

The accompanying notes are an integral part of this schedule

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020**

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 the Town of South Kingstown, Rhode Island, under programs of the federal government for the year ended June 30, 2020. 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 the 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 the 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, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

2. INDIRECT COST RECOVERY

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

3. NONCASH AWARDS

Donated commodities in the amount of \$28,113 are included in the Department of Agriculture's National School Lunch Program, CFDA #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***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of South Kingstown, Rhode Island, as of and for the year ended June 30, 2020, 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 27, 2020.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of South Kingstown, Rhode Island'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 Town of South Kingstown, Rhode Island's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Blum, Shapiro & Company, P.C.

West Hartford, Connecticut
December 27, 2020

Independent Auditors' Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance

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

Report on Compliance for Each Major Federal Program

We have audited the Town of South Kingstown, Rhode Island's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Town of South Kingstown, Rhode Island's major federal program for the year ended June 30, 2020. The Town of South Kingstown, Rhode Island's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the Town of South Kingstown, Rhode Island, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2020.

Report on Internal Control over Compliance

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

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

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

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

Blum, Shapiro & Company, P.C.

West Hartford, Connecticut
December 27, 2020

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED JUNE 30, 2020**

I. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

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

Federal Awards

Internal control over major programs:

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

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

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

Major programs:

CFDA #	Name of Federal Program or Cluster
84.027/84.173	Special Education Cluster (IDEA)

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

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

II. FINANCIAL STATEMENT FINDINGS

No matters were reported.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.