

TOWN OF SMITHFIELD, RHODE ISLAND

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended June 30, 2022



Randy R. Rossi
Town Manager

Danielle Carey
Finance Director

Prepared by: Finance Department

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TOWN OF SMITHFIELD

Introductory Section

- Table of Contents
- Letter of Transmittal
- Organization Chart
- List of Town Officials
- GFOA Certificate of Achievement

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Town of Smithfield

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RANDY R. ROSSI, MBA, CGFM

December 10, 2022

To the Honorable Members of the Town Council, and Citizens of the Town of Smithfield, Rhode Island:

The Finance Department is pleased to present the Annual Comprehensive Financial Report of the Town of Smithfield, for the fiscal year ended June 30, 2022. The report includes the independent auditor's report as required by Rhode Island Statutes. The report is prepared in conformity with general accepted accounting principles (GAAP) and standards set forth by the Governmental Accounting Standards Board (GASB).

This report consists of management's representations concerning the finances of the Town of Smithfield. 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 Smithfield 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 Smithfield's financial statements in conformity with GAAP. The internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the calculation of costs and benefits requires estimates and judgments by management. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner that presents fairly the financial position and results of operations as measured by the financial activity of its various funds. All disclosures necessary to enable the reader to gain an understanding of the Town's financial activities have been included.

Hague, Sahady & Co., CPA's P.C. is, a public accounting firm fully licensed and qualified to perform audits of municipalities within the State of Rhode Island, has audited the financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Smithfield, Rhode Island for the fiscal year ended June 30, 2022, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. The independent audit concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town of Smithfield's financial statements for the fiscal year ended June 30, 2022, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the Town of Smithfield was part of a broader, federally mandated “Single Audit” designed to meet the special needs of the 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 basis 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 Smithfield’s MD&A can be found immediately following the independent auditor’s report.

GOVERNMENT PROFILE

The Town of Smithfield was settled in 1636 and later incorporated as a town in 1730. The Town, primarily a residential community, comprises 26.7 square miles of land, 1.1 square miles of water and is situated 11 miles northwest of Providence, the State capital. Smithfield is bounded by the Town of North Smithfield on the north, by the Towns of North Providence and Johnston on the south, by the Town of Lincoln on the east and the Town of Gloucester on the west.

The Town operates under a charter form of government, which provides for a five members Town Council, which is responsible for enacting local legislation; and an appointed Town Manager who executes the laws and the administration of the town government. The Town Council is granted all powers to enact, amend or repeal ordinances relating to the Town’s property, affairs and government as well as the authorization of the issuance of bonds or notes by ordinance. Members are elected at-large for two (2) year terms.

GENERAL

Except as provided below, under Rhode Island law the Town may not, without special statutory authorization, incur any debt which would increase its aggregate indebtedness not otherwise excepted by law to an amount greater than 3% of the taxable property of the Town. Deducted from the computation of aggregated indebtedness is the amount of any borrowing in anticipation of taxes authorized by law and the amount of any sinking funds maintained by the Town. The 3% debt limit of the Town is approximately \$91,865,840 based on net assessed valuations of \$3,062,194,680 as December 31, 2020. As of June 30, 2022, the Town has \$49,000 of outstanding debt under the 3% debt limit provision; all other outstanding debt has been authorized by special act of the Rhode Island State Legislature and referenda approved by the Town Electorate.

STATE SCHOOL AID

Pursuant to Rhode Island General Laws Sections 16-7-15 et seq., as amended, the State provides school operations aid to each municipality and school district in the State, subject to annual appropriation by the General Assembly. The statutes provide for reimbursement of school expenditures based on a formula which adjusts the reimbursement ratio based on the relative equalized evaluation of property and median family income of a community relative to the State as a whole. The Town’s School Department received \$6,966,851 in direct State aid for the fiscal year ended June 30, 2022. The Town budgeted \$7,460,599 in direct State aid for fiscal year ending June 30, 2023.

The State provides construction aid to Rhode Island municipalities for the cost of building new public schools. All buildings constructed since July 1, 1949 are eligible for assistance of a minimum of 35% of the full cost of such buildings. Such assistance level may be further increased by a formula which takes into account the equalized assessed valuation and debt service burden of the particular municipality. For the fiscal year ended June 30, 2022, the Town received \$267,750 in such construction aid and the Town budgeted \$1,998,125 for fiscal year ending June 30, 2023.

EDUCATION

A five-member School Committee that is elected at large at the regular biennial elections for staggered four-year terms directs the general administration of the Smithfield School System. The School Committee determines and controls all policies affecting the administration, maintenance, and operation of the public schools in the Town. The School Committee appoints a Superintendent as its chief administrative agent; submits a detailed budget of expenditures and revenues to the Town Council and, once the school budget has been approved, determines the allocation of the amount appropriated. The cost of operating the Town's School System (Unrestricted Fund) for the fiscal year ended June 30, 2022 was \$40,418,021. The School Department budget for fiscal year ending June 30, 2023 is \$41,224,800. The cost per student is \$16,674 shared by the Town and the State of Rhode Island in the form of School Operations Aid.

The Town has three elementary schools (PK-5), a middle school (6-8) and a senior high school (9-12). As of October at the beginning of each school year, the student enrollment in the Smithfield School System for the past ten years has been and is as follows:

<u>FISCAL YEAR ENDING</u>	<u>ENROLLMENT</u>
2013	2,410
2014	2,367
2015	2,382
2016	2,387
2017	2,395
2018	2,440
2019	2,380
2020	2,539
2021	2,395
2022	2,424

MUNICIPAL SERVICES

The Town provides major public services, which are detailed as follows:

WASTEWATER FACILITIES

The Town maintains all sewer lines and pumping stations within the Town in accordance with the State of Rhode Island’s base plan. The Town sewer system extends to approximately 80% of the Town’s residents. It was completed at a cost to the Town of \$11,400,000 which was financed through general obligation bonds, which matured in 1998, exclusive of Federal and/or State grants in aid.

The Wastewater Division operates as an Enterprise Fund, with all operations funded from user fees and assessments. This provides a meaningful measure of the financial position and results of operations of the system, and also provides information necessary for calculation of future rate changes. The distribution of the accounts is as follows:

	Accounts	Units
Residential	4,985	5,742
Commercial	365	2,2476
Industrial	22	101
Total	5,372	8,319

User charges are assessed each year in an amount necessary to cover the projected operating expenses and debt service of the Sewer Authority for that year. For the fiscal year ended June 30, 2022 residential users were charged a flat rate of \$355 per unit for the year.

In fiscal year ended June 30, 2013, the Town contracted with the firm, Veolia Water North America to operate the Town’s wastewater treatment facility over the next ten years. There are approximately \$7.4 million dollars in capital improvements that were recently performed at the sewer plant which were financed through the Rhode Island Infrastructure Bank.

SANITATION

Weekly rubbish and garbage collection is provided by the Town through the use of private contractors. For the fiscal year ended June 30, 2022, the Public Works Department expended \$1,244,931 for these services. For the fiscal year ending June 30, 2023 the approved budget is \$1,250,000.

PUBLIC WORKS

The Town of Smithfield’s Department of Public Works provides a full range of services including street construction and maintenance, snow removal and maintenance of Town facilities. Total expenditures for the fiscal year ended June 30, 2022 totaled \$3,731,996 (including \$358,240 of capital outlays, net of sanitation) and budgeted \$3,798,157 (including \$303,250 of capital outlays, net of sanitation) for fiscal year ending June 30, 2023.

PUBLIC SAFETY

The Town of Smithfield Public Safety Department provides fire prevention, emergency medical rescue, police patrol, investigations, community education and animal control functions.

The Police Department consists of 43 full-time police officers. In addition, there are 11 civilian full-time and 10 civilian part-time employees of support personnel including dispatchers. The Police Department expended \$9,899,954 (including \$71,897 of capital outlays) for fiscal year ended June 30, 2022 and budgeted \$10,039,235 (including \$141,897 of capital outlays) for fiscal year ending June 30, 2023.

The Fire Department has 3 fire stations staffed by 66 full-time fire fighters and support personnel of 5 full-time employees. The Fire Department expended \$10,670,091 (including \$129,423 of capital outlays) for fiscal year ended June 30, 2022 and budgeted \$10,008,404 (including \$90,000 of capital outlays) for fiscal year ending June 30, 2023.

PUBLIC LIBRARIES

There are two public libraries in Town, the Greenville Public Library and East Smithfield Public Library. For the fiscal year ended June 30, 2022 the combined allocation from the Town was \$1,471,571 and budgeted \$1,501,002 for the fiscal year ending June 30, 2023.

EMPLOYEE RELATIONS

The Town of Smithfield currently employs 186 full-time employees exclusive of those employed by the School Department. The School Department employs 223.7 certified employees and 104.4 full-time and part-time non-certified employees.

The current status of union contract for municipal and school employees is as follows:

Police Department	3 year contract expires June 30, 2023
Fire Department	3 year contract expires June 30, 2023
Police Civilian Employees	1 year contract expires June 30, 2024
Public Works Employees	1 year contract expires June 30, 2024
Town Hall Employees	1 year contract expires June 30, 2024
Teachers	3 year contract expires August 31, 2024
Custodians	3 year contract expires June 30, 2022
Teacher Para-Professionals & Clerical Employees	3 year contract expires June 30, 2024

DEBT ADMINISTRATION

The ratio of net bonded debt to net assessed valuation and the amount of bonded debt per capita are useful indicators of the Town’s debt position to municipal management, citizens and investors. This data for the Town at June 30, 2022 is as follows:

	AMOUNT	RATIO OF NET BONDED DEBT TO NET ASSESSED VALUE	DEBT PER CAPITA
Net Bonded Debt	\$50,534,000	1.65%	\$2,314.04

The Town’s bond ratings as of June 30, 2022 are as follows:

- Moody’s: Aa2
- S & P: AA

LONG-TERM FINANCIAL PLANNING

The Town Council has continued to support Capital Improvements and Projects. The fiscal year 2022 budget includes an appropriation of \$2,140,885 for the following projects: various town building improvements, equipment replacement, plow truck replacements, police vehicles, parking area rehab, school department capital, and bridge and culvert improvements. The Town uses a combination of capital reserve funds, police and fire capital funds, and tax dollars to fund these capital improvements.

The Town Charter calls for a Capital Improvements Program (CIP) to be approved annually. The CIP will be adopted annually as a twenty (20) year capital program, consisting of four (4) increments of five (5) years each. The CIP is a multi-year planning instrument used by the Town to identify needed capital projects and to coordinate financing and scheduling of major capital equipment and improvements in a way that maximizes the return to the public. Selection and scheduling is based on adherence to community goals, capital needs priorities, the Comprehensive Plan and the Town's fiscal capabilities.

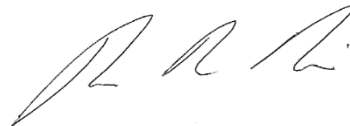
AWARDS AND ACKNOWLEDGEMENTS

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 Smithfield for its annual comprehensive financial report for the fiscal year ended June 30, 2021. This was the fourteenth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of the Annual Comprehensive Financial Report and its timely issuance is the result of the efforts and dedication of the competent staff of the Department of Finance. It is a pleasure to work with such a dedicated staff, and I would like to personally thank the Finance Director and Town Controller for their dedication in helping us achieve this level of excellence. I would also like to thank my staff, and all Town Department Heads and their staff who assisted in the preparation of this report. Also, I would like to thank the Budget & Financial Review Board and the Town Council for their interest and support in planning and conducting the financial operation of the Town in a dedicated and responsible manner.

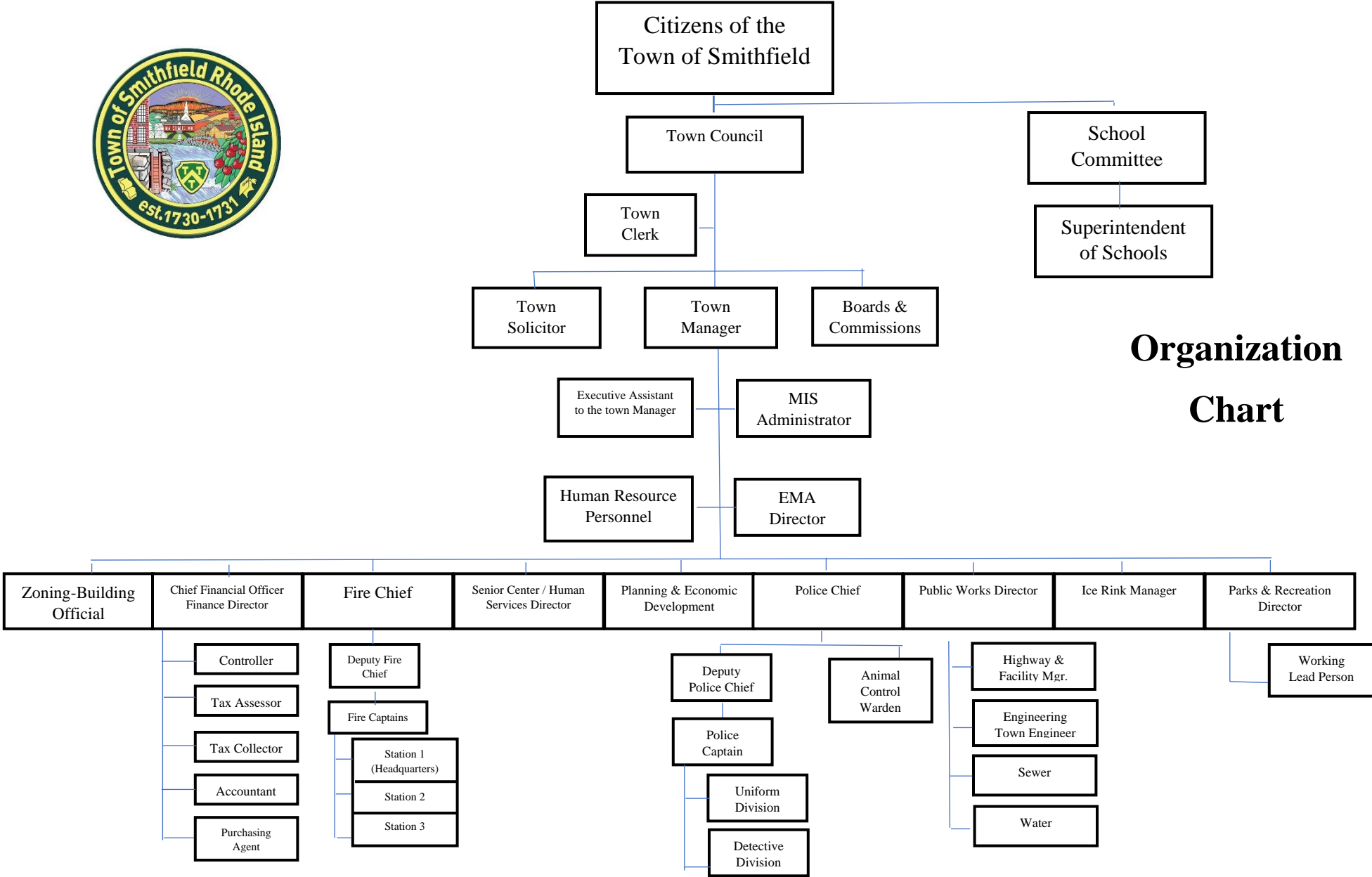
Respectfully Submitted,



Randy R. Rossi

Town Manager

TOWN OF SMITHFIELD



Organization Chart

TOWN OF SMITHFIELD, RHODE ISLAND

JUNE 30, 2022

TOWN COUNCIL

Suzanna L. Alba, President

Sean M. Kilduff, Vice-President

David P. Tikoian

T. Michael Lawton

Angelica Bovis

TOWN MANAGER

Randy R. Rossi, MBA, CGFM, ICMA-CM

DEPARTMENT DIRECTORS

Animal Control Warden

Building Official

Emergency Management Director

Engineer

Finance Director / Treasurer

Fire Chief

Human Resources / Personnel

Library Director (East Smithfield)

Library Director (Greenville)

Ice Rink Manager

Parks and Recreation Director

Planning and Economic Development Director

Police Chief

Public Works Director / Water Superintendent

Parks and Recreation Director

School Superintendent

Senior Center/ Human Services Director

Tax Assessor

Town Clerk

Town Solicitor

Thomas B. Taylor

Christopher McWhite

Todd S. Manni

Kevin Cleary

Danielle Carey

Robert W. Seltzer

Susan M. Pilkington

Cynthia Muhlbach

Dorothy J. Swain

Thomas J. Tullie

Robert G. Caine

Michael A. Phillips

Richard P. St. Sauveur

Gene Allen

Robert Caine

Dawn Bartz

Karen L. Armstrong

Christopher Celeste

Lyn Antonuccio

Anthony M. Gallone, Esq



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Smithfield
Rhode Island**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO

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TOWN OF SMITHFIELD

Financial Section

- Independent Auditors' Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Required Supplementary Information
- Other Supplementary Information

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CERTIFIED PUBLIC ACCOUNTANTS

126 President Avenue

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TEL. (508) 675-7889

FAX (508) 675-7859

www.hague-sahady.com

Independent Auditors' Report

The Honorable Members of the Town Council
and Town Manager
Town of Smithfield, Rhode Island

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

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

Emphasis of the Matter

As discussed in Note 17 to the financial statements, during fiscal year 2022 the Town adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 87 “Leases.” Our opinion is not modified with respect to this matter.

Supplementary Information

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

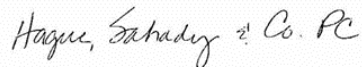
Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2022, on our consideration of the Town’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the town’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standard* in considering the Town’s internal control over financial reporting and compliance.



Fall River, Massachusetts
December 10, 2022

Town of Smithfield, Rhode Island

Management's Discussion and Analysis

For the Year Ended June 30, 2022

As management of the Town of Smithfield, we offer readers of the Town of Smithfield's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with the letter of transmittal and the Town's financial statements that follow this section.

Financial Highlights

- ❖ The liabilities and deferred inflow of resources for the Town of Smithfield exceeded its assets and deferred outflow of resources at the close of the fiscal year ended June 30, 2022 by (\$24,066,552) (net position). The decrease in net position from June 30, 2021 is primarily the result of the issuance of general obligation bonds in the amount of \$41,821,042
- ❖ The government's total net position decreased by \$34,873,555 The decrease is primarily attributable to an increase in deferred inflows of resources, which increased by \$28,453,344. Also, total noncurrent liabilities increased by \$13,969,369
- ❖ As of the close of the fiscal year, the Town of Smithfield's governmental funds reported combined ending fund balances of \$21,873,999 The unassigned balance is \$3,681,487, which has been impacted by the capital lease fund
- ❖ The remaining fund balance of \$18,192,512 includes \$2,246,834 in non-spendable funds, \$1,734,861 in restricted funds, and \$14,210,817 in committed funds.
- ❖ At the end of the current fiscal year, the General Funds unassigned fund balance was \$6,638,892 or 9.23% of the total general fund expenditures for the fiscal year. The general fund's current fiscal year's expenditures and transfers exceeded revenues and transfers by \$904,763.
- ❖ On the budgetary basis, revenues and transfers exceeded expenditures and transfers by \$12,406

Town of Smithfield, Rhode Island

Management's Discussion and Analysis

For the Year Ended June 30, 2022

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town of Smithfield's basic financial statements. These basic financial statements consist of three components:

- Government-wide financial statements
- Fund financial statements
- Notes to financial statements

In addition to the basic financial statements, this report also contains other supplementary information. The Town's basic financial statements and other supplementary information provide information about the Town's activities. They provide both a short-term and a long-term view of the Town's financial health as well as information about activities for which the Town acts solely as a trustee for the benefit of those outside of the Town's government.

Government-wide financial statements – are designed to provide readers with a broad overview of the Town's finances in a manner, which is similar to a private-sector business. They are presented on the accrual basis of accounting where revenues and expenditures are recognized on the date they occurred rather than on the date they were collected or paid.

The *Statement of Net Position* presents information on all of the Town's assets, deferred outflow of resources, liabilities, and deferred inflow of resources with the difference between these reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The *Statement of Activities* presents information which shows how the Town's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods. Examples are uncollected taxes and earned but unused compensated absences.

Both of the government-wide financial statements distinguish functions of the Town of Smithfield, which are supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The Town's governmental activities include general government, public safety, public works, public health and assistance, public libraries, education, recreation and senior activities, and interest on long-term debt. The business-type activities of the Town include the Sewer Authority, Water Supply Board, Ice Rink, and School Lunch Program.

The government wide financial statements are reported on pages 18 through 21.

Fund financial statements - A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Smithfield, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories-governmental funds and proprietary funds.

Town of Smithfield, Rhode Island

Management's Discussion and Analysis

For the Year Ended June 30, 2022

Governmental Funds - Governmental funds on pages 22 through 25 are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The Town of Smithfield maintains governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund and the School Special Revenue Unrestricted Fund, which are considered to be major funds. Data from the other funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary Funds - The Town of Smithfield's proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town has four enterprise funds. The Smithfield Sewer Authority, which accounts for the Town's sewer system; the Water Supply Board, which accounts for the Town's water system; the Smithfield Ice Rink, which houses an ice rink and associated facilities; the School Lunch Program, which accounts for School Lunch operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Smithfield Sewer Authority, Smithfield Water Supply Board, Smithfield Ice Rink, and School Lunch Fund.

The proprietary fund financial statements are presented on pages 26 through 29.

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

The fiduciary fund financial statements can be found on pages 30 through 31.

Notes to Financial Statements -The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are presented on pages 32 through 122.

Other Information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information pertinent to the Town of Smithfield's operations. Required Supplementary information is presented on pages 122 through 154.

Town of Smithfield, Rhode Island

Management's Discussion and Analysis

For the Year Ended June 30, 2022

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules are presented on pages 154 through 190.

Government-wide Financial Analysis

As noted earlier, over time net position may serve as a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future. In the case of the Town of Smithfield, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$24,066,552 as of June 30, 2022, an overall decrease of \$34,873,555.

Listed below is a comparison of the current and prior fiscal years.

Town of Smithfield, Rhode Island Net Position

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 40,891,823	\$ 47,238,092	\$ 9,127,417	\$ 9,288,548	\$ 50,019,240	\$ 56,526,640
Capital assets, net of acc. depreciation	94,810,996	83,661,527	20,527,547	20,667,470	115,338,543	104,328,997
Total Assets	135,702,819	130,899,619	29,654,964	29,956,018	165,357,783	160,855,637
Deferred outflows of resources	23,310,123	25,216,776	-	-	23,310,123	25,216,776
Current liabilities	10,140,800	14,872,572	3,919,214	3,714,117	14,060,014	18,586,689
Long-term liabilities Outstanding	146,425,035	131,782,008	4,259,266	4,932,924	150,684,301	136,714,932
Total Liabilities	156,565,835	146,654,580	8,178,480	8,647,041	164,744,315	155,301,621
Deferred inflows of resources	47,918,175	19,451,947	101,899	114,783	48,020,074	19,566,730
Net Position						
Net Investment in Capital Assets	37,425,679	66,789,529	14,545,661	15,219,555	51,971,340	82,009,084
Restricted	1,734,861	10,244,153	-	-	1,734,861	10,244,153
Unrestricted	(84,631,608)	(87,023,814)	6,858,855	5,974,639	(77,772,753)	(81,049,175)
Total Net Position	\$ (45,471,068)	\$ (9,990,132)	\$ 21,404,516	\$ 21,194,194	\$ (24,066,552)	\$ 11,204,062

The Total Net Position in prior year 2021 was (\$9,990,132), however due to the implementation of GASB 87, restatement to prior year net position occurred and changed beginning net position by \$397,059, making new beginning net position \$10,387,191.

By far the largest portion of the Town's net position \$51,971,340 reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment); less any related debt used to acquire these assets that are still outstanding. The Town uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt

Town of Smithfield, Rhode Island

Management's Discussion and Analysis

For the Year Ended June 30, 2022

must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The unrestricted net position of (\$77,772,753), represents an increase of 4.04% from the prior year, is the change in resources available to fund Town programs to residents and debt obligations to creditors. The negative unrestricted net position is primarily the result of the Town's unfunded pension, OPEB liabilities and general obligation bond.

The Town's net position decreased by \$34,873,555 during the current fiscal year. The decrease is primarily attributable to the Town's issuance of the general obligation bonds to fund construction projects throughout the school districts, which resulted in long-term liabilities increasing by \$13,969,369 and deferred inflows of resources increasing by \$28,453,344. The decrease in net position for fiscal 2022 was comprised of a decrease in governmental activities of \$35,083,877 and an increase in business-type activities totaling \$210,322.

Normal Impacts

There are six basic (normal) transactions that will affect the comparability of the Net Position summary presentation:

Net Results of Activities – which will impact (increase/decrease) current assets and unrestricted net position.

Borrowing for Capital – which will increase current assets and long-term debt.

Spending Borrowed Proceeds on New Capital – which will reduce current assets and increase capital assets. There is a second impact, an increase in invested in capital assets and an increase in related net debt which will not change the net investment in capital assets.

Spending of Non-borrowed Current Assets on New Capital – which will (a) reduce current assets and increase capital assets and (b) reduce unrestricted net position and increase net investment in capital assets.

Principal Payment on Debt – which will (a) reduce current assets and reduce long-term debt and (b) reduce unrestricted net position and increase net investment in capital assets.

Reduction of Capital Assets through Depreciation – which will reduce capital assets and net investments in capital assets.

Governmental Activities – Statements of Net Position

The category of "Current and other assets" was \$40,891,823 June 30, 2022. This category consisted primarily of "Cash and cash equivalents" of \$19,397,779, "Accounts receivable-personal property taxes" of \$1,846,270, and "Accounts receivable-departmental-other" of \$2,672,310 and "Internal balances" of (\$2,636,113), "Net pension assets" of \$10,690,763, "Investments" of \$7,393,367, "Due from federal and state governments" of \$548,981, and "Prepaid items" of \$737,651.

"Deferred Outflow of Resources" was \$23,310,123 at June 30, 2022 and was comprised of \$11,945,416 of "Deferred outflows related to pension plan obligations", \$11,324,260 of "Deferred outflows related to OPEB plan obligations", and \$40,447 from deferred charge for refunding.

Town of Smithfield, Rhode Island

Management's Discussion and Analysis

For the Year Ended June 30, 2022

Current liabilities of \$10,140,800 consisted primarily of \$3,751,409 of "Accounts payable and accrued expenses" and \$2,304,531 of "Current portion of compensated absences" and \$3,154,352 of "Current portion of bonds and other debt obligations".

The long-term liabilities outstanding at fiscal year-end were \$146,425,035, composed primarily of \$49,752,386 in Net Pension Liability, \$38,991,073 in post-retirement benefit obligations, \$53,862,453 in general obligation bonds and leases payable (used to fund various capital projects such as school construction and improvements, road improvements, and land trust purchases), and \$3,760,025 in compensated absences.

"Deferred Inflow of Resources" of \$47,918,175 related to the pension plan, OPEB plan, deferred revenue-other, and leases.

Total net position at June 30, 2022 was (\$45,471,068) and was comprised of unrestricted of (\$84,631,608), "Net Investments in Capital Assets" of \$37,425,679 and restricted of \$1,734,661.

Business-Type Activities – Statements of Net Position

For business-type activities, such as the Sewer Enterprise Fund, "Current and other assets" of \$9,157,348 consisted primarily of \$4,000,120 in "Cash and cash equivalents" which was available to support the current operations of the Enterprise Funds, "Restricted cash" of \$601,538, "Accounts receivable" of \$677,761, "Internal balances" of \$2,636,113, "Cash on deposit with funding agency" of \$955,018 and "Assessment fees" of \$29,931.

Current liabilities of \$3,919,214 consisted primarily of \$573,395 of "Accounts payable and accrued expenses", \$95,512 of "Unearned revenue, assessments, and fees", \$28,705 of "Current portion of compensated absences" and \$3,221,602 of "Current portion of bonds and other debt obligations".

Long-term liabilities of \$4,259,266 were comprised primarily of \$4,186,798 of "General obligation bonds and other debt, net", which represents the non-current portion of long-term liabilities, primarily general obligation bonds used of finance capital operations of the Sewer Plan as well as SRF (state revolving fund) loans from the Rhode Island Infrastructure Bank, \$23,593 of "Unearned revenue, assessments, and fees" and \$48,875 in compensated absences.

The total net position for the Business-type Activities as of June 30, 2022 was \$21,404,516. Net investment in capital assets was the major component of net position for business-type activities and amounted to \$14,545,661 and \$6,858,855 was designated "Unrestricted".

Changes in Net Position

Governmental Activities - Net position for governmental activities decreased by \$35,083,877 in the current fiscal year, to (\$45,471,068).

Charges for services increased by \$2,885,950 62.90% primarily because of an increase in public works & education program revenues. Property taxes increased by \$168,929 .28% during the fiscal year which was due to the combination of assessment growth, a tax rate increase and a reduction in motor vehicle levy due to the State Phase out program. Operating grants and contributions recognized a decrease of (\$396,535)

Town of Smithfield, Rhode Island

Management's Discussion and Analysis

For the Year Ended June 30, 2022

(3.29%) primarily due to reductions in State Aid. Capital grants and contributions recognized a decrease of (\$43,009,375) because the bond anticipation notes (BANS) issued in fiscal year 21 were paid off in fiscal year 22 with the issuance of a general obligation bond for the School Renovation Bond Project.

The net change in fund balance for fiscal year end June 30, 2022, was a decrease of (\$9,313,134) for the Town's governmental fund types. The decrease in fund balance was mainly due to the spending of bond proceeds for the School Renovations Bond Project.

There are various other items which are reconciliations between the Statement of Activities and the Schedule of Revenues, Expenditures and Changes in Fund Balances, all of which can be seen on Page 23.

The following presents the Changes in Net Position for the current year's activity.

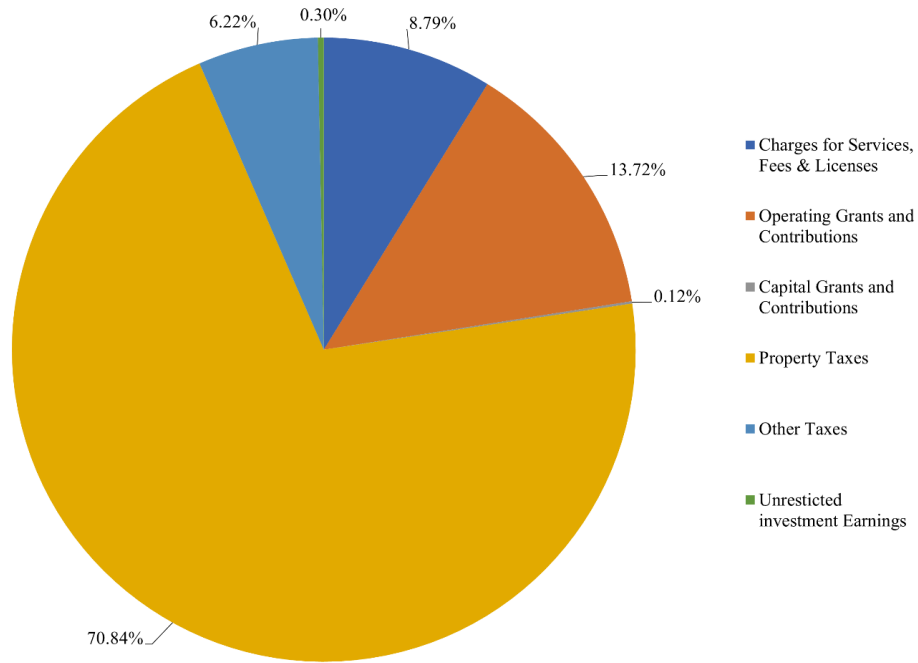
Town of Smithfield, Rhode Island Changes in Net Position

	Governmental Activities			Business-Type Activities		
	2022	2021	Change	2022	2021	Change
Revenues						
Program revenues						
Charges for services	\$ 7,474,353	\$ 4,588,403	\$ 2,885,950	\$ 7,272,665	\$ 6,552,164	\$ 720,501
Operating grants & contributions	11,661,457	12,057,992	(396,535)	32,883	14,448	18,435
Capital grants and contributions	104,354	43,113,729	(43,009,375)	-	-	-
General revenues						
Property taxes	60,202,797	60,033,868	168,929	-	-	-
Unrestricted investment earnings	258,360	422,580	(164,220)	3,564	26,016	(22,452)
Miscellaneous	5,287,843	4,185,262	1,102,581	-	-	-
Total Revenues	<u>84,989,165</u>	<u>124,401,834</u>	<u>(39,412,669)</u>	<u>7,309,112</u>	<u>6,592,628</u>	<u>716,484</u>
Expenses						
General government	6,457,657	6,578,261	(120,604)	-	-	-
Public safety	22,935,544	17,392,003	5,543,541	-	-	-
Public works	4,638,429	3,963,795	674,634	-	-	-
Education	81,996,109	46,121,158	35,874,951	-	-	-
Recreation and senior activities	1,527,187	1,233,636	293,551	-	-	-
Public health & assistance	-	22	(22)	-	-	-
Community development	-	-	-	-	-	-
Public libraries	1,471,571	1,454,008	17,563	-	-	-
Interest on long-term debt	1,492,949	442,383	1,050,566	-	-	-
Sewer Authority	-	-	-	3,390,562	3,247,002	143,560
Water Supply Board	-	-	-	1,535,488	1,336,110	199,378
Smithfield Ice Rink	-	-	-	729,444	646,527	82,917
School Lunch Program	-	-	-	996,893	558,623	438,270
Total Expenses	<u>120,519,446</u>	<u>77,185,265</u>	<u>43,334,181</u>	<u>6,652,387</u>	<u>5,788,262</u>	<u>864,125</u>
Increase (Decrease) in Net Position						
before transfers	(35,530,281)	47,216,569	(82,746,850)	656,725	804,366	(147,641)
Special items	-	1,595,547	(1,595,547)	-	-	-
Transfers	446,403	431,867	14,536	(446,403)	(431,867)	(14,536)
Incr. (Decr.) in Net Position	<u>(35,083,878)</u>	<u>49,243,983</u>	<u>(84,327,861)</u>	<u>210,322</u>	<u>372,499</u>	<u>(162,177)</u>
Net Position - beginning, restated	<u>(10,387,191)</u>	<u>(59,234,115)</u>	<u>48,846,924</u>	<u>21,194,194</u>	<u>20,821,695</u>	<u>372,499</u>
Net Position - ending	<u>\$ (45,471,069)</u>	<u>\$ (9,990,132)</u>	<u>\$ (35,480,937)</u>	<u>\$ 21,404,516</u>	<u>\$ 21,194,194</u>	<u>\$ 210,322</u>

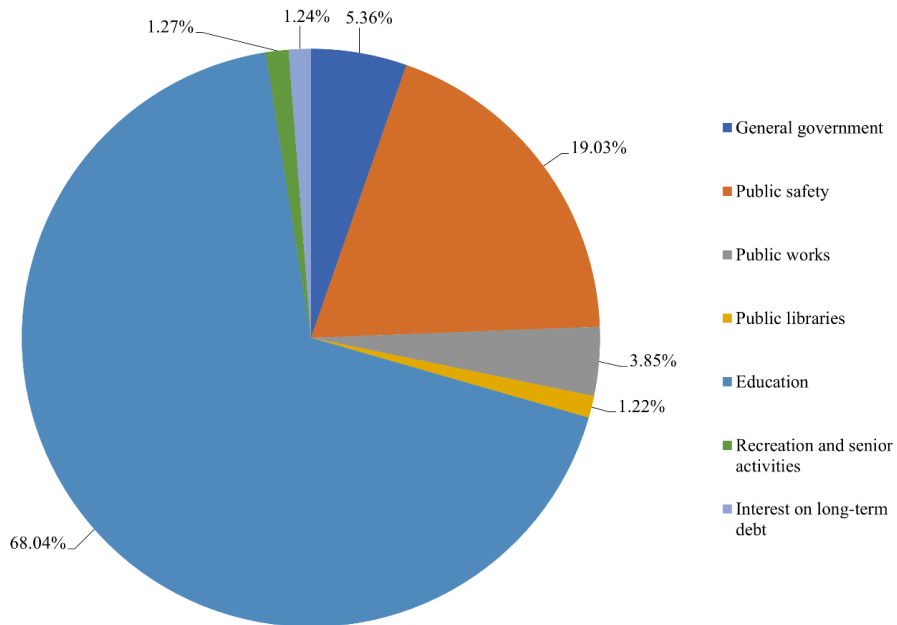
The Total Net Position in prior year 2021 was (\$9,990,132), however due to the implementation of GASB 87, restatement to prior year net position occurred and changed beginning net position by \$397,059, making new beginning net position \$10,387,191.

Town of Smithfield, Rhode Island
Management's Discussion and Analysis
For the Year Ended June 30, 2022

Revenues by Source - Governmental Activities



Expenses by Function - Governmental Activities



Town of Smithfield, Rhode Island

Management's Discussion and Analysis

For the Year Ended June 30, 2022

Education expenses account for approximately 68.04% of total expenses within the governmental funds of the Town of Smithfield. Public safety and General government expenses account for approximately 19.03% and 5.36%, respectively of total expenditures for the 2022 fiscal year. Major expense factors include:

- Governmental activities expenses increased by \$43,334,181 from \$77,185,265 to \$120,519,446. The increase was largely generated from education expenditures associated with the payment of bond anticipation notes and issuance of the school general obligation bond. Education expenditures increased by \$35,874,951 to \$81,996,109 in the current fiscal year.
- Public Safety saw an increase in expenditures of \$5,543,541 from \$17,329,003 to \$22,935,544 for the current fiscal year, an increase of 19.05%.
- Interest on long term debt increase by \$1,050,566 due to increase bond interest payments.

Business-type Activities – Net position in business-type activities increased by \$210,322 resulting in a .99% increase in the business-type net position.

Charges for services for business-type activities accounted for 99.50% of the total revenue sources. The balance of revenues for business-type activities was from operating grants and contributions and unrestricted investment earnings of 0.50%.

Sewer authority expenses account for approximately 50.97% of the total expenditures within the business-type activities of the Town. The Water Supply Board, Ice Rink, and School Lunch Program expenses account for approximately 23.08%, 10.97%, and 14.99%, respectively, of the total business-type activities expenditures for the 2022 fiscal year.

Charges for service for business-type activities increased by \$720,501 from \$6,552,164 to \$7,272,665. The Sewer Authority fund had a decrease of (\$66,301). Charges for services in the Water Supply Board decreased by (\$71,242), while the School Lunch Programs fund increased by \$138,704. The Ice Rink recognized an increase of \$727,569. Unrestricted investment earnings decreased from \$26,016 to \$3,564 for all business-type activities. The decrease in interest earned on investments was predominately due to the fluctuating market and recognizing the market value at the end of the fiscal year.

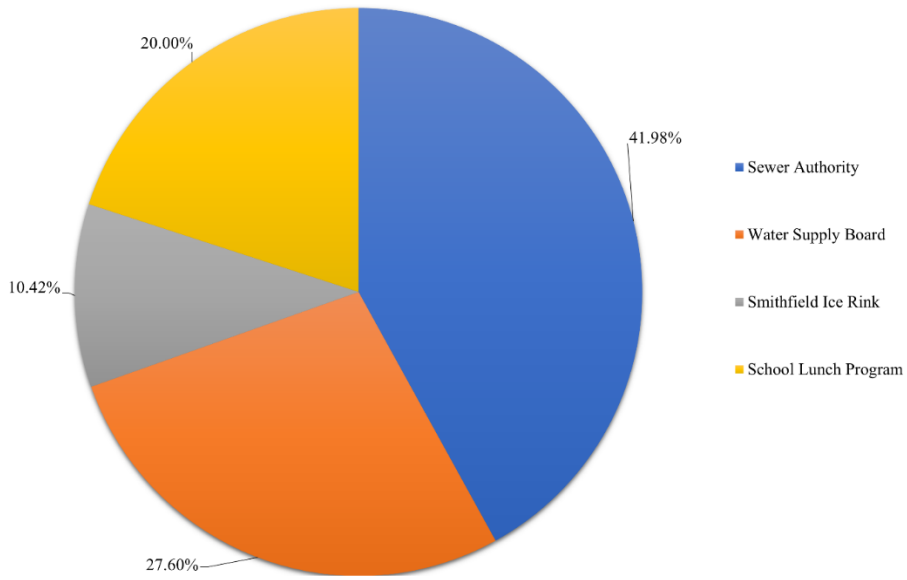
Expenses in the Sewer Authority fund increased by \$143,560 during the fiscal year. The Water Supply expenses increased by \$199,378 and the Ice Rink fund increased by \$82,917 during the fiscal year. The School Lunch Program fund recognized an increase in expenditures of \$438,270 in fiscal year 2022.

Town of Smithfield, Rhode Island

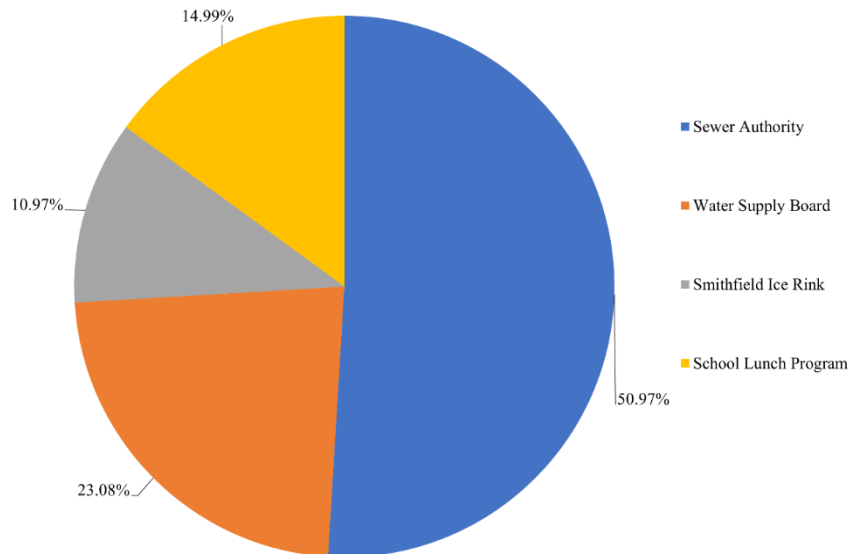
Management's Discussion and Analysis

For the Year Ended June 30, 2022

Revenues by Source - Business-type Activities



Expenses by Function - Business-type Activities



Town of Smithfield, Rhode Island

Management's Discussion and Analysis

For the Year Ended June 30, 2022

Financial Analysis of the Town of Smithfield's Funds

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

At the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$21,873,999. The unassigned fund balances represent an amount equal to \$3,681,487, which has been impacted by the non-major governmental funds. The remainder of the fund balance is non-spendable, restricted, committed or assigned for future commitments or designated for specific purposes. The fund balance in the General Fund decreased by (\$904,763) due to a negative appropriation of fund balance and prior year RUBS. The fund balance in the School Unrestricted Fund increased by \$683,237 due to an increase in grant revenue. The fund balance in the School Renovations Bond decreased by \$8,479,872 due to the expenditures with closing out of the project

For a more detailed review of changes in fund balances, see the statement of revenues, expenditures and changes in fund balances on Page 25.

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

Unrestricted net position in the Sewer Authority at the end of the fiscal year amounted to \$3,191,384, a decrease of (\$654,177). Unrestricted net position in the Water Supply increased by \$2,339,753 for a total of \$3,924,934. The Ice Rink finished the year with an unrestricted net position of \$562,939, which was an increase in value of \$187,608. The School Lunch Program recognized an increase in unrestricted net position by \$539,445 to \$708,011.

General Fund Budgetary Highlights

For the year ended June 30, 2022, the General Fund revenues and transfers were under budget projections by (\$189,322), or (0.23%). General Fund expenditures were under budget by \$201,728, or 0.35%. This resulted in a \$12,406 budgetary surplus in the General Fund for the year ended June 30, 2022. See details on Pages 122 through 126.

Revenues:

Property taxes – were over budget by \$180,958 due to favorable results on collection procedures.

Intergovernmental revenues - were under budget by \$351,160 due to the motor vehicle phase-out program.

License, fees and permits - were over budget by \$376,283 due to an unanticipated increase in the quantity of building permits issued throughout the year.

Interest Income revenues – were under budget by (\$146,640) due to the fluctuating market.

Other financing sources - were under budget by (\$97,413) due to the availability of alternative revenue sources.

Town of Smithfield, Rhode Island

Management's Discussion and Analysis

For the Year Ended June 30, 2022

Expenditures:

Public Safety - was over budget by (\$1,119,122) due to overtime costs for covering long-term vacancies and cash-ins of accrued time.

Public Works – was under budget by \$560,315 due to savings from the street light program, rollover of paving funds, and vacancies in the department.

Town Miscellaneous - was under budget by \$65,040 due to retiree medical rates & lower retirement costs.

Municipal Capital Improvements –expenditures were under budget by \$367,376 due to projects taking place in future fiscal years.

The Town of Smithfield's Capital Assets

The Town of Smithfield's investment in capital assets for its governmental and business-type activities as of June 30, 2022 amounts to \$108,322,428 (net of accumulated depreciation). The investment in capital assets includes land, buildings, improvements, machinery and equipment, park facilities, infrastructure, and construction in progress.

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 15,526,390	\$ 15,509,714	\$ 270,686	\$ 270,686	\$ 15,797,076	\$ 15,780,400
Construction in progress	48,519,747	36,808,725	2,848,178	2,468,937	51,367,925	39,277,662
Land improvements	-	-	1,315	1,490	1,315	1,490
Buildings & improvements	20,577,698	21,154,345	6,383,533	6,848,646	26,961,231	28,002,991
Equipment	(5,517,674)	909,731	4,336,503	4,291,610	(1,181,171)	5,201,341
Vehicles	1,191,227	1,504,662	43,033	55,943	1,234,260	1,560,605
Infrastructure	7,497,493	7,774,350	6,644,299	6,730,158	14,141,792	14,504,508
Total	\$ 87,794,881	\$ 83,661,527	\$ 20,527,547	\$ 20,667,470	\$ 108,322,428	\$ 104,328,997

Additional information on the Town of Smithfield's capital assets is located in "Note 6" of the notes to the financial statements on pages 64 and 65.

The Town of Smithfield's Debt Administration

At the end of the current fiscal year, the Town of Smithfield's Governmental Activities had a total bonded debt of \$57,016,80, this is including premium on bond issuances of \$6,531,805. Of this amount, 100% comprises bonded debt backed by the full faith and credit of the government. The following is a summary of the Town's long-term debt.

Town of Smithfield, Rhode Island

Management's Discussion and Analysis

For the Year Ended June 30, 2022

Town of Smithfield, Rhode Island Bonds and Note Obligations

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Bonds payable, including premium	\$ 57,016,805	\$ 16,773,350	\$ 4,678,400	\$ 7,889,850	\$ 61,695,205	\$ 24,663,200
Total	<u>\$ 57,016,805</u>	<u>\$ 16,773,350</u>	<u>\$ 4,678,400</u>	<u>\$ 7,889,850</u>	<u>\$ 61,695,205</u>	<u>\$ 24,663,200</u>

Note 8, pages 66 through 70 provides additional information on the Town's long-term debt obligations.

The Town's general obligation bond rating as reaffirmed by Moody's Investors Service in August of 2021 is Aa2 and AA-Stable by S&P in August of 2021. The State of Rhode Island imposes a limit of 3 percent of the fair value of all taxable Town property on the general obligation debt that a municipality can issue. The Town of Smithfield's limit is approximately \$91,865,840 at year-end, based upon a net assessed value of \$3,062,194,680. The Town's outstanding governmental activities general obligation debt is \$57,016,805 and business-type activity general obligation debt of \$49,000 at year-end, of which only \$49,000 is subject to the legal debt margin. See Schedule 12 in the Statistical Section for a further explanation of debt subject to the margin.

EMPLOYMENT

Since Smithfield is easily accessed via Interstate 295 and U.S. Route 44 and is strategically located 50 minutes from Boston and 10 minutes from Providence most employment opportunities extend outside the Town. The principal employers are Fidelity Investments, Town of Smithfield, and Bryant University.

HOUSING

At the end of June 2022, the median sale price for single family homes in Smithfield was \$415,000 and the median price of all sales was \$401,000.

POPULATION

In 2020 Smithfield was ranked 19th in population among the thirty-nine cities and towns in Rhode Island. Based on the U.S. Bureau of Census, Smithfield experienced a moderate increase in populations from 1970 through 2020.

Population in the Town from 1950 to 2010 was as follows:

<u>Years</u>	<u>Population</u>
1950	6,690
1960	9,442
1970	13,468
1980	16,886
1990	19,163
2000	20,613
2010	21,430
2020	22,118

Town of Smithfield, Rhode Island

Management's Discussion and Analysis

For the Year Ended June 30, 2022

Economic Factors and Next Year's Budgets and Rates

Smithfield is known as the Apple Valley for orchards. In the 20th century, the Town transformed into a suburban community with a solid industrial and commercial base. Residential accounts for 56.97% of the tax base, commercial and industrial account for 22.40%, tangible taxes account for 14.73%, while motor vehicles account for 5.89% of the tax base.

The Town of Smithfield's total general fund budget for fiscal year 2023 amounts to \$82,986,155 which reflects an increase of \$4,231,254 or 5.37% above the fiscal year 2022 budget of \$78,754,901. Of the Town's 2023 budget, \$41,224,800 or 49.68% is budgeted for education expenditures.

The State of Rhode Island is budgeted to contribute \$7,460,599 to the Town's education department based on State Aid in fiscal 2023.

The Town's residential tax rate for fiscal year 2023 is \$13.36 per \$1,000 of assessed value and commercial tax rate of \$18.70 per \$1,000 of assessed value with 48.18% allocated for general government and 51.82% allocated for education. For fiscal year 2022 the Town's residential tax rate is \$17.13 per \$1,000 of assessed value and commercial tax rate of \$18.70 per \$1,000 of assessed value with 48.68% allocated for general government and 51.32% allocated for education.

Request for Information

The financial report is designed to provide our citizens, taxpayers and creditors with a general overview of the Town's finances and to show the Town's accountability for the tax dollars received. If you have questions about this report or need additional financial information, contact the Finance Director's Office, Town of Smithfield, 64 Farnum Pike, Smithfield, RI 02917.



Randy R. Rossi
Town Manager

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TOWN OF SMITHFIELD, RHODE ISLAND

Basic Financial Statements

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Town of Smithfield, Rhode Island

Statement of Net Position

June 30, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 19,397,779	\$ 4,000,120	\$ 23,397,899
Cash on deposit with funding agency	-	955,018	955,018
Restricted cash	-	601,538	601,538
Investments	7,393,367	-	7,393,367
Accounts receivable	-	677,761	677,761
Personal property taxes	1,846,270	-	1,846,270
Departmental and other	2,672,310	-	2,672,310
Lease receivable	24,727	-	24,727
Internal balances	(2,636,113)	2,636,113	-
Intergovernmental receivables	548,981	182,640	731,621
Inventory	-	74,227	74,227
Prepaid items	737,651	-	737,651
Total Current Assets	29,984,972	9,127,417	39,112,389
Noncurrent Assets:			
Net pension asset (TSB and MERS)	10,690,763	-	10,690,763
Assessment fees	-	29,931	29,931
Lease receivable	216,088	-	216,088
Capital assets not being depreciated	64,046,137	3,118,864	67,165,001
Capital assets, net of accumulated depreciation	30,764,859	17,408,683	48,173,542
Total Noncurrent Assets	105,717,847	20,557,478	126,275,325
Total Assets	135,702,819	29,684,895	165,387,714
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on refunding	40,447	-	40,447
Deferred outflows related to OPEB plan obligations	11,324,260	-	11,324,260
Deferred outflows related to pension plan obligations	11,945,416	-	11,945,416
Total deferred outflows of resources	23,310,123	-	23,310,123
Total assets and deferred outflows of resources	\$ 159,012,942	\$ 29,684,895	\$ 188,697,837

The accompanying notes are an integral part of this statement

(continued)

Town of Smithfield, Rhode Island

Statement of Net Position

June 30, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Current Liabilities:			
Accounts payable and accrued expenses	\$ 3,751,409	\$ 573,395	\$ 4,324,804
Unearned revenue, assessments and fees	2,068	95,512	97,580
Accrued interest	303,444	-	303,444
Payable to external parties	578,579	2,730,000	3,308,579
Current portion of capital lease, right to use	46,417	-	46,417
Current portion of compensated absences	2,304,531	28,705	2,333,236
Current portion of bonds and other debt obligations	3,154,352	491,602	3,645,954
Total Current Liabilities	\$ 10,140,800	\$ 3,919,214	\$ 14,060,014
Noncurrent Liabilities:			
Compensated absences	3,760,025	48,875	3,808,900
Capital lease, right to use	59,098	-	59,098
Unearned revenue, assessments and fees	-	23,593	23,593
Net OPEB liability	38,991,073	-	38,991,073
Net pension liability	49,752,386	-	49,752,386
General obligation bonds and other debt, net	53,862,453	4,186,798	58,049,251
Total Noncurrent Liabilities	146,425,035	4,259,266	150,684,301
Total liabilities	156,565,835	8,178,480	164,744,315
DEFERRED INFLOWS OF RESOURCES			
Deferred gain on refunding	-	101,899	101,899
Deferred revenue- other	3,124,892	-	3,124,892
Deferred inflows from leases	240,815	-	240,815
Deferred inflows related to pension plan obligations	24,765,418	-	24,765,418
Deferred inflows related to OPEB plan obligations	19,787,050	-	19,787,050
Total deferred inflows of resources	47,918,175	101,899	48,020,074
NET POSITION			
Net investment in capital assets	37,425,679	14,545,661	51,971,340
Restricted		-	
General Government	335,348	-	335,348
Expendable endowments	63,709	-	63,709
Public safety programs	24,171	-	24,171
Educational purposes	676,585	-	676,585
Public works	430,551	-	430,551
Public health and assistance	-	-	-
Recreation and senior activities	204,497	-	204,497
Capital projects	-	-	-
Unrestricted	(84,631,608)	6,858,855	(77,772,753)
Total net position	(45,471,068)	21,404,516	(24,066,552)
Total liabilities, deferred inflows or resources and net position	\$ 159,012,942	\$ 29,684,895	\$ 188,697,837

The accompanying notes are an integral part of this statement

(concluded)

Town of Smithfield, Rhode Island

Statement of Activities

For the Year Ended June 30, 2022

Functions/Programs:	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General government	\$ 6,457,657	\$ 23,272	\$ 2,213,706	\$ -	\$ (4,220,679)	\$ -	\$ (4,220,679)
Public safety	22,935,544	531,828	19,255	-	(22,384,461)	-	(22,384,461)
Public works	4,638,429	4,132,526	-	104,354	(401,549)	-	(401,549)
Public libraries	1,471,571	-	-	-	(1,471,571)	-	(1,471,571)
Education	81,996,109	2,766,435	9,428,386	-	(69,801,288)	-	(69,801,288)
Recreation and senior activities	1,527,187	20,292	110	-	(1,506,785)	-	(1,506,785)
Interest on long-term debt	1,492,949	-	-	-	(1,492,949)	-	(1,492,949)
Total governmental activities	120,519,446	7,474,353	11,661,457	104,354	(101,279,282)	-	(101,279,282)
Business-Type Activities							
Sewer Authority	3,390,562	3,066,687	-	-	-	(323,875)	(323,875)
Water Supply Board	1,535,488	2,016,674	-	-	-	481,186	481,186
Smithfield Ice Rink	729,444	761,403	-	-	-	31,959	31,959
School Lunch Program	996,893	1,427,901	32,883	-	-	463,891	463,891
Total business-type activities	6,652,387	7,272,665	32,883	-	-	653,161	653,161
Total	\$ 127,171,833	\$ 14,747,018	\$ 11,694,340	\$ 104,354	\$ (101,279,282)	\$ 653,161	\$ (100,626,121)

The accompanying notes are an integral part of this statement

Town of Smithfield, Rhode Island

Statement of Activities

For the Year Ended June 30, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Town of Smithfield, Rhode Island	\$ (101,279,282)	\$ 653,161	\$ (100,626,121)
General revenues			
Property taxes	60,202,797	-	60,202,797
Motor vehicle phase-out taxes	3,559,726	-	3,559,726
Telephone taxes and general state aid	258,355	-	258,355
Hotel, meals, and beverage tax	1,153,398	-	1,153,398
Miscellaneous and other	316,364	-	316,364
Unrestricted investment earnings	258,360	3,564	261,924
Total general revenues	<u>65,749,001</u>	<u>3,564</u>	<u>65,752,565</u>
Special Items and transfers			
Special Items-Revenues for Capital Expenditures	-	-	-
Transfers in (out)	446,403	(446,403)	-
Total Special Items and transfers	<u>446,403</u>	<u>(446,403)</u>	<u>-</u>
Total general revenues and transfers	<u>66,195,404</u>	<u>(442,839)</u>	<u>65,752,565</u>
Changes in net position	(35,083,877)	210,322	(34,873,555)
Net position - July 1, 2021, restated	<u>(10,387,191)</u>	<u>21,194,194</u>	<u>10,807,003</u>
Net position - June 30, 2022	<u>\$ (45,471,068)</u>	<u>\$ 21,404,516</u>	<u>\$ (24,066,552)</u>

The accompanying notes are an integral part of this statement

Town of Smithfield, Rhode Island

Governmental Funds

Balance Sheet

June 30, 2022

	Major Funds			Non-Major	Total
	General Fund	School Unrestricted Fund	School Renovations Bond	Governmental Funds	Governmental Funds
Assets					
Cash and cash equivalents	\$ 15,506,062	\$ 164,829	\$ -	\$ 3,726,888	\$ 19,397,779
Investments	7,393,367	-	-	-	7,393,367
Taxes receivable, net	1,846,270	-	-	-	1,846,270
Other receivable, net	1,428,845	63,882	-	1,179,583	2,672,310
Intergovernmental receivables	-	33,725	-	515,256	548,981
Prepaid items	737,651	-	-	-	737,651
Due from other funds	6,591,909	4,517,643	467,210	8,170,134	19,746,896
Leases receivable	240,815	-	-	-	240,815
Total assets	33,744,919	4,780,079	467,210	13,591,861	52,584,069
Deferred outflows of resources					
None	-	-	-	-	-
Total assets and deferred outflows of resources	\$ 33,744,919	\$ 4,780,079	\$ 467,210	\$ 13,591,861	\$ 52,584,069
Liabilities					
Accounts payable	\$ 2,149,045	\$ 211,171	\$ 270,376	\$ 264,663	\$ 2,895,255
Accrued liabilities	5,600	822,456	-	28,097	856,153
Due to other funds	16,575,779	-	-	5,807,230	22,383,009
Interfund payable	578,579	-	-	-	578,579
Unearned grant and other revenues	-	-	-	2,068	2,068
Total liabilities	19,309,003	1,033,627	270,376	6,102,058	26,715,064
Deferred inflows of resources					
Unavailable property tax revenue	430,701	-	-	188,598	619,299
Leases	240,815	-	-	-	240,815
Deferred revenue - other	10,000	-	-	3,124,892	3,134,892
Total deferred inflows of resources	681,516	-	-	3,313,490	3,995,006
Fund balance					
Nonspendable	2,246,834	-	-	-	2,246,834
Restricted	-	-	196,834	1,538,027	1,734,861
Committed	4,868,674	3,746,452	-	5,595,691	14,210,817
Unassigned	6,638,892	-	-	(2,957,405)	3,681,487
Total fund balance	13,754,400	3,746,452	196,834	4,176,313	21,873,999
Total liabilities, deferred inflows of resources, and fund balance	\$ 33,744,919	\$ 4,780,079	\$ 467,210	\$ 13,591,861	\$ 52,584,069

The accompanying notes are an integral part of this statement

(continued)

Town of Smithfield, Rhode Island

Reconciliation of the Governmental Funds Balance Sheet Total Fund Balances to the Statement of Net Position

June 30, 2022

Amounts reported for governmental activities in the Statement of Net Position are different due to the following:

Total governmental fund balances	\$ 21,873,999
Assets used in governmental activities are not financial resources and, therefore, are not reported in the Governmental Fund Balance Sheet	
Capital assets, net	94,810,995
TSB net pension asset	10,690,763
Deferred debt charges resulting from issuance of refunding and advance refunding of bonds	
These charges have been included in the governmental activities in the Statement of Net Position	40,447
Net Pension and OPEB related Deferred Outflows of Resources for pension and OPEB plans are reported in the Statement of Net Position of the Governmental Activities but are not reported on the Fund Statements	
Pension related outflows	11,945,416
OPEB related outflows	11,324,260
Net Pension and OPEB related Deferred Inflows of Resources for pension and OPEB plans are reported in the Statement of Net Positions of the Governmental Activities, but are not reported on the Fund Statements	
Pension related inflows	(24,765,418)
OPEB related inflows	(19,787,050)
Net Pension and OPEB liabilities for pension and OPEB plans are reported in the Statement of Net Position of the Governmental Activities, but are not reported on the Fund Statements.	
Pension related liabilities	(49,752,386)
OPEB related liabilities	(38,991,073)
Long-term obligations are not due and payable in the current period and therefore are not reported in the funds. These liabilities are reported in the Statement of Net Position (excludes net premium noted below)	
Bonds and Notes Payable	(50,485,000)
Compensated Absences	(6,064,556)
Lease payable	(105,515)
Unavailable tax revenue and fire rescue fees (net of an allowance for uncollectibles) are recorded in the funds, but are not recorded under the measurement focus employed in the State of Net Position.	629,299
Interest accrued on long-term debt obligations is reported as a liability in the Statement of Net Position but does not get reported in the Fund Statements.	(303,444)
Net premium on refunding has been recorded as long-term debt on the Statement of Net Position	<u>(6,531,805)</u>
Net position of governmental activities	<u>\$ (45,471,068)</u>

The accompanying notes are an integral part of this statement

(concluded)

Town of Smithfield, Rhode Island

Statement of Revenues, Expenditures and Changes in Fund Balance Governmental Funds

For the Year Ended June 30, 2022

	Major Fund			Non-Major	Total
	General Fund	School Unrestricted Fund	School Renovations Bond	Governmental Funds	Governmental Funds
Revenues					
General property taxes	\$ 60,202,797	\$ -	\$ -	\$ -	\$ 60,202,797
Intergovernmental	6,937,801	6,966,851	-	2,372,126	16,276,778
Licenses, fees, fines, charges and assessments	1,276,283	382,990	-	1,567,690	3,226,963
Investment income (loss)	258,360	-	-	1,640	260,000
Contributions	-	41,686	-	137,653	179,339
State on behalf pension & transportation contributions	-	2,825,568	-	-	2,825,568
Other miscellaneous including Medicaid	123,649	228,509	-	2,780,700	3,132,858
Total revenues	68,798,890	10,445,604	-	6,859,809	86,104,303
Expenditures					
Current					
General government	3,501,319	-	-	-	3,501,319
Public safety	20,699,742	-	-	2,148,984	22,848,726
Public works	4,618,687	-	-	-	4,618,687
Public health and assistance	-	-	-	-	-
Libraries	1,471,571	-	-	-	1,471,571
Education	601,843	42,611,694	40,000,000	2,121,601	85,335,138
Recreation and Senior Center activities	1,222,941	-	-	274,241	1,497,182
Benefits and other miscellaneous	2,452,112	-	2,889	472,310	2,927,311
Debt Service					
Principal	1,650,000	-	-	-	1,650,000
Interest and other costs	1,328,600	-	-	-	1,328,600
Capital					
Capital expenditures	1,294,398	-	9,982,942	1,060,462	12,337,802
Total expenditures	38,841,213	42,611,694	49,985,831	6,077,598	137,516,336
Excess (deficiency) of revenues over expenditures	29,957,677	(32,166,090)	(49,985,831)	782,211	(51,412,033)
Other financing sources (uses)					
Bond proceeds	-	-	35,985,000	-	35,985,000
Premium on bonds	-	-	5,836,042	-	5,836,042
Bond issuance costs	-	-	(315,083)	-	(315,083)
Lease proceeds	146,537	-	-	-	146,537
Transfers in	2,053,300	32,849,327	-	337,950	35,240,577
Transfers out	(33,062,277)	-	-	(1,731,897)	(34,794,174)
Total other financing sources (uses)	(30,862,440)	32,849,327	41,505,959	(1,393,947)	42,098,899
Net change in fund balance	(904,763)	683,237	(8,479,872)	(611,736)	(9,313,134)
Fund balance, July 1, 2021	14,659,163	3,063,215	8,676,706	4,788,049	31,187,133
Fund balance, June 30, 2022	<u>\$ 13,754,400</u>	<u>\$ 3,746,452</u>	<u>\$ 196,834</u>	<u>\$ 4,176,313</u>	<u>\$ 21,873,999</u>

The accompanying notes are an integral part of this statement

(continued)

Town of Smithfield, Rhode Island

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

For the Year Ended June 30, 2022

Net change in fund balances - total governmental funds	\$ (9,313,134)
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital expenditures (which are capitalized as capital assets) in the current period.</p>	
Cost basis, acquisition of assets	12,523,978
Depreciation expense	(1,374,510)
	11,149,468
<p>The other postemployment benefit expense reported in the Statement of Activities requires the use of current financial resources and is not reported as an expenditure in the governmental funds.</p>	
Change in OPEB related outflows	(720,666)
Change in OPEB related inflows	(14,545,480)
Change in net OPEB liability	14,336,844
<p>The Pension benefit expense reported in the Statement of Activities requires the use of current financial resources and is not reported as an expenditure in the governmental funds.</p>	
Change in Pension related outflows	(1,185,987)
Change in Pension related inflows	(10,555,041)
Change in net Pension liability (asset)	16,216,778
<p>Revenues in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., real estate and personal property, motor vehicle excise, etc.) differ between the two statements. This amount represents the net change in deferred inflows of resources.</p>	
Deferred taxes	(188,624)
<p>The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, 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.</p>	
Debt principal payments	(34,335,000)
Bond premium amortized	(5,511,396)
Lease principal payments	(105,515)
<p>Bond refundings for long term debt are amortized over the course of the payable but are not reported as an expenditure in governmental fund statements</p>	
	-
<p>In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.</p>	
	(164,349)
<p>Some expenses reported in the Statement of Activities, such as compensated absences, do not require the current financial resources, and therefore, are not reported as expenditures in the governmental funds.</p>	
	(161,775)
Change in net position of governmental activities	\$ (35,083,877)

The accompanying notes are an integral part of this statement

(concluded)

Town of Smithfield, Rhode Island

Statement of Net Position

Proprietary Funds

June 30, 2022

	Sewer Authority	Water Supply Board	Smithfield Ice Rink	School Lunch Program	Total
Assets					
Current assets					
Cash and cash equivalents	\$ 1,277,705	\$ 138,870	\$ 1,863,467	\$ 720,078	\$ 4,000,120
Restricted cash	601,538	-	-	-	601,538
Cash on deposit with funding agency	-	955,018	-	-	955,018
Water and sewer assessments and user fees - net	165,019	512,742	-	-	677,761
Other receivables, net	-	-	42,058	140,582	182,640
Due from other funds	1,363,305	2,551,921	-	-	3,915,226
Inventory	-	74,227	-	-	74,227
Total current assets	3,407,567	4,232,778	1,905,525	860,660	10,406,530
Non-current assets					
Sewer assessments fees	29,931	-	-	-	29,931
Capital assets not being depreciated	987,380	2,131,484	-	-	3,118,864
Capital assets, net of accumulated depreciation	14,362,749	1,739,829	1,276,315	29,790	17,408,683
Total noncurrent assets	15,380,060	3,871,313	1,276,315	29,790	20,557,478
Total assets	18,787,627	8,104,091	3,181,840	890,450	30,964,008
Deferred outflows of resources					
Deferred outflows	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-
Total assets and deferred outflows of resources	\$ 18,787,627	\$ 8,104,091	\$ 3,181,840	\$ 890,450	\$ 30,964,008
Liabilities					
Current liabilities					
Accounts payable and accrued expenses	\$ 160,721	\$ 286,299	\$ 2,050	\$ 124,325	\$ 573,395
Due to other funds	-	-	1,279,113	-	1,279,113
Unearned assessments and user fees	61,800	-	5,388	28,324	95,512
Current portion of compensated absences	-	7,972	20,733	-	28,705
Current portion of bonds	491,602	2,730,000	-	-	3,221,602
Total current liabilities	714,123	3,024,271	1,307,284	152,649	5,198,327
Non-current liabilities:					
General Obligation bonds, net of current portion	4,137,798	49,000	-	-	4,186,798
Unearned assessments and user fees	23,593	-	-	-	23,593
Compensated absences	-	13,573	35,302	-	48,875
Total noncurrent liabilities	4,161,391	62,573	35,302	-	4,259,266
Total liabilities	4,875,514	3,086,844	1,342,586	152,649	9,457,593
Deferred inflows of resources					
Deferred gain on refunding	101,899	-	-	-	101,899
Total deferred inflows of resources	101,899	-	-	-	101,899
Net position					
Net investment in capital assets	10,618,830	1,092,313	1,276,315	29,790	14,545,661
Unrestricted	3,191,384	3,924,934	562,939	708,011	6,858,855
Total net position	\$ 13,810,214	\$ 5,017,247	\$ 1,839,254	\$ 737,801	\$ 21,404,516

The accompanying notes are an integral part of this statement

Town of Smithfield, Rhode Island

Statement of Revenues, Expenses and Changes in Fund Net Position

Proprietary Funds

For the Year Ended June 30, 2022

	Sewer Authority	Water Supply Board	Smithfield Ice Rink	School Lunch Program	Total
Operating revenues					
Charges for usage and service	\$ 3,034,165	\$ 1,968,572	\$ 728,120	\$ -	\$ 5,730,857
Food sales	-	-	2,250	1,427,901	1,430,151
Intergovernmental	-	-	-	32,883	32,883
Other revenues	32,522	48,102	31,033	-	111,657
Total operating revenues:	3,066,687	2,016,674	761,403	1,460,784	7,305,548
Operating expenses					
Salaries and benefits	7,388	213,696	309,345	-	530,429
Operations	2,539,247	1,181,543	249,173	-	3,969,963
Depreciation and amortization	702,809	105,453	170,926	-	979,188
School cafeteria operations	-	-	-	996,893	996,893
Total operating expenses:	3,249,444	1,500,692	729,444	996,893	6,476,473
Operating income (loss)	(182,757)	515,982	31,959	463,891	829,075
Nonoperating revenues (expenses)					
Interest income	2,621	13	930	-	3,564
Interest expense and loan issuance costs	(141,118)	(34,796)	-	-	(175,914)
Net nonoperating revenues	(138,497)	(34,783)	930	-	(172,350)
Income (Loss) before contributions	(321,254)	481,199	32,889	463,891	656,725
Transfers					
Transfers in	-	-	-	-	-
Transfers out	(213,819)	(232,584)	-	-	(446,403)
Total transfers	(213,819)	(232,584)	-	-	(446,403)
Change in Net Position	(535,073)	248,615	32,889	463,891	210,322
Total Net Position, beginning of year	14,345,287	4,768,632	1,806,365	273,910	21,194,194
Total Net Position, end of year	\$ 13,810,214	\$ 5,017,247	\$ 1,839,254	\$ 737,801	\$ 21,404,516

The accompanying notes are an integral part of this statement

Town of Smithfield, Rhode Island

Statement of Cash Flows

Proprietary Funds

For the Year Ended June 30, 2022

	Sewer Authority	Water Supply Board	Smithfield Ice Rink	School Lunch Program	Total
Cash flows from operating activities					
Cash received from customers	\$ 3,057,206	\$ 1,968,572	\$ 731,705	\$ 1,425,348	\$ 7,182,831
Cash paid to suppliers for good and services and other operating payments	(2,521,462)	(1,361,314)	(536,563)	(915,239)	(5,334,578)
Cash paid for employees and benefits	-	2,509	1,382	-	3,891
Net cash provided (used) by operating activities	535,744	609,767	196,524	510,109	1,852,144
Cash flows from noncapital financing activities:					
(Increase) decrease transfer from/to other funds	(213,819)	(232,584)			(446,403)
(Increase) decrease in due from other funds	597,939	(2,551,921)	1,695	60,286	(1,892,001)
Increase (decrease) in due to other funds	-	-	307,565	-	307,565
Net cash provided (used) by noncapital financing activities	384,120	(2,784,505)	309,260	60,286	(2,030,839)
Cash flows from capital and related financing activities					
Acquisition of capital assets	(518,649)	(293,281)	(27,335)	-	(839,265)
Principal paid on bonds	(458,450)	(23,000)	-	-	(481,450)
Proceeds from note payable obligation	-	-	-	-	-
Proceeds received from refunding of debt by RIIB	(12,884)	-	-	-	(12,884)
Interest paid on bonds	(141,118)	(135,476)	-	-	(276,594)
Net cash provided (used) by capital and related financing activities	(1,131,101)	(451,757)	(27,335)	-	(1,610,193)
Cash flows from investing activities					
Interest income	2,621	13	930	-	3,564
Net cash provided by investing activities	2,621	13	930	-	3,564
Net increase in cash and cash equivalents	(208,616)	(2,626,482)	479,379	570,395	(1,785,324)
Cash and cash equivalents at beginning of year	2,087,859	3,720,370	1,384,088	149,683	7,342,000
Cash and cash equivalents at end of year	\$ 1,879,243	\$ 1,093,888	\$ 1,863,467	\$ 720,078	\$ 5,556,676
Displayed as					
Cash and cash equivalents	\$ 1,277,705	\$ 138,870	\$ 1,863,467	\$ 720,078	\$ 4,000,120
Cash on deposit with funding agency	-	955,018	-	-	955,018
Restricted cash	601,538	-	-	-	601,538
Total	\$ 1,879,243	\$ 1,093,888	\$ 1,863,467	\$ 720,078	\$ 5,556,676

The accompanying notes are an integral part of this statement

(continued)

Town of Smithfield, Rhode Island

Statement of Cash Flows

Proprietary Funds

For the Year Ended June 30, 2022

Reconciliation of operating income (loss) to net cash provided (used) by operating activities	Sewer Authority	Water Supply Board	Smithfield Ice Rink	School Lunch Program	Total
Operating income (loss)	\$ (182,757)	\$ 515,982	\$ 31,959	\$ 463,891	\$ 829,075
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation and amortization expense	702,809	105,453	170,926	-	979,188
(Increase) decrease in water and sewer assessments and user fees	84,839	(45,447)	-	-	39,392
(Increase) decrease in other receivables	-	-	-	-	-
(Increase) decrease in interfund balance related to operations	-	-	-	-	-
(Increase) decrease in inventory	-	(8,400)	-	-	(8,400)
Increase (decrease) in accounts payable and accrued expenses	(7,349)	39,670	(9,078)	48,771	72,014
Increase (decrease) in compensated absences	-	2,509	1,382	-	3,891
Increase (decrease) in unearned assessments and fees	(61,798)	-	1,335	(2,553)	(63,016)
Net cash provided (used) by operating activities	<u>\$ 535,744</u>	<u>\$ 609,767</u>	<u>\$ 196,524</u>	<u>\$ 510,109</u>	<u>\$ 1,852,144</u>

The accompanying notes are an integral part of this statement

(concluded)

Town of Smithfield, Rhode Island

Statement of Fiduciary Net Position

Fiduciary Funds

June 30, 2022

	Pension & OPEB Trust Funds	Custodial Funds
Assets		
Cash and cash equivalents	\$ -	\$ 42,902
Investments, at fair value		
Mutual funds	46,901,815	-
Interfund receivable	239,564	339,015
Other receivables	-	-
Total assets	<u>47,141,379</u>	<u>381,917</u>
Deferred outflows of resources		
Deferred outflows	-	-
Total assets and deferred outflows of resources	<u>47,141,379</u>	<u>381,917</u>
Liabilities		
Other liabilities	239,564	-
Total liabilities	<u>239,564</u>	<u>-</u>
Deferred inflows of resources		
Unearned revenue	-	-
Net Position		
Restricted for Soil Erosion	-	361,301
Restricted for Street Lighting	-	20,616
Restricted for pension	41,327,377	-
Restricted for OPEB	5,574,438	-
Total net position	<u>46,901,815</u>	<u>381,917</u>
Total liabilities and net position	<u>\$ 47,141,379</u>	<u>\$ 381,917</u>

The accompanying notes are an integral part of this statement

Town of Smithfield, Rhode Island

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

For the Year Ended June 30, 2022

	Pension & OPEB Trust Funds	Custodial Funds
Additions:		
Contributions:		
Employer contributions	\$ 3,123,717	\$ -
Plan member contributions	364,555	-
Funds received on behalf of others	-	-
Realized and unrealized gains (losses)	(4,959,377)	-
Investment earning	97,629	14,004
	<u>(1,373,476)</u>	<u>14,004</u>
Total additions		
Deductions		
Benefits paid	3,632,820	-
Net investment loss	-	-
Fund distributed on behalf of others	-	6,500
Administrative expenses	117,983	-
	<u>3,750,803</u>	<u>6,500</u>
Total deductions		
Changes in net position held in trust for individuals, organizations, and other governments	(5,124,279)	7,504
Net position, July 1, 2021, restated	<u>52,026,094</u>	<u>374,413</u>
Net position, June 30, 2022	<u>\$46,901,815</u>	<u>\$ 381,917</u>

The accompanying notes are an integral part of this statement

Town of Smithfield, Rhode Island

Notes to Financial Statements

June 30, 2022

Note 1. Summary of significant accounting policies:

The basic financial statements of the Town of Smithfield, Rhode Island (the Town) have been prepared in conformity with accounting principles generally accepted in the United States of America applicable to governmental entities (U.S. GAAP). In certain instances, summaries of the Town's significant accounting policies have been presented throughout the notes to the basic financial statements in conjunction with other disclosures to which they relate. Certain immaterial differences in the accompanying financial statements may exist due to rounding.

Financial reporting entity

The Town of Smithfield was settled in 1636 and later incorporated as a Town in 1730. The Town is a municipal corporation governed by a Council/Town Manager form of government with a five-member Town Council headed by a Council President. The financial statements and related notes include the activity and net position of the Smithfield Public School, a department of the Town of Smithfield, Rhode Island.

In evaluating how to define the government for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*. Under GASB Statement No. 61, a legally separate entity is required to be included as a component unit if it is fiscally dependent upon the primary government and there is a financial benefit or burden relationship present. The primary government is financially accountable if it appoints the voting majority of the organization's governing board and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A potential component unit has a financial benefit or burden relationship with the primary government if, for example, any one of the following conditions exists:

- a. The primary government is legally entitled to or can otherwise access the organization's resources.
- b. The primary government is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization.
- c. The primary government is obligated in some manner for the debt of the organization.

The financial statements for the Town of Smithfield, Rhode Island do not include any component units.

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

June 30, 2022

Note 1. Summary of significant accounting policies (*continued*):

Basis of presentation:

Government-wide financial statements

The statement of net position and statement of activities display information about the Town as a whole and distinguish between governmental and business-type activities. They include all funds of the Town except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental revenues and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

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

Fund Financial Statements

Fund financial statements of the Town are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Town or meets both of the following criteria:

- a. Total assets plus deferred outflows of resources, or liabilities plus deferred inflows of resources, or revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least ten percent (10%) of the corresponding total for all funds of that category or type; **and**
- b. Total assets plus deferred outflows of resources, or liabilities plus deferred inflows of resources, or revenues, or expenditures/expenses of that individual governmental fund or enterprise fund are at least five percent (5%) of the corresponding total for all governmental and enterprise funds combined.

All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

(*continued*)

Town of Smithfield, Rhode Island

Notes to Financial Statements

June 30, 2022

Note 1. Summary of significant accounting policies (continued):

Basis of presentation (continued):

Fund types used by the Town and a description of the funds comprising each are as follows:

Governmental funds

Governmental funds are used to account for operations that supply basic government services. The Town uses the following governmental funds:

General fund:

The General Fund is the primary operating fund of the Town and is always classified as a major fund. It is used to account for and report all activities except those legally or administratively required to be accounted for in other funds.

Special revenue funds:

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes other than debt service or capital projects.

Capital projects funds:

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned for the acquisition or construction of specific capital projects or items. The School Renovations Bond is the Town's Major Capital Project Fund.

Permanent funds:

Permanent funds account for and report assets held by the Town pursuant to trust agreements. The principal portion of this fund type must remain intact, but the earnings may be used to achieve the objectives of the fund.

Proprietary funds:

Proprietary funds are used to account for business-like activities provided to the general public (enterprise funds) or within the government (internal service funds). These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. The Town currently maintains four enterprise funds and no internal service funds.

Fiduciary funds (not included in the government-wide statements)

Fiduciary funds are used to report assets held by the Town in a trustee or custodial capacity and, therefore, cannot be used to support the Town's own programs. The following fiduciary funds are used by the Town:

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

June 30, 2022

Note 1. Summary of significant accounting policies (*continued*):

Basis of presentation (continued):

Fiduciary funds (not included in the government-wide statements) (continued)

Custodial Funds:

Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefits) trust funds, investment trust funds, or private-purpose trust funds.

The Custodial Funds for the Town of Smithfield, RI include:

- a. Street Lighting Fund
- b. Soil Erosion Fund

Pension and Other Post Employment Benefit Trust Funds (OPEB):

Pension and Other Post Employment Benefit (OPEB) Trust Funds are used to account for resources legally held in trust for use for payment of pension and OPEB benefits and cannot be used at the Town's discretion or to support the Town's general operations. The reporting entity has three such trust funds, Police Pension Trust Fund, Fire Pension Trust Fund and OPEB Trust Fund. These funds are used to account for the activity and balances of funds restricted for the future retirement benefits of public safety personnel and OPEB benefits for all Town personnel (including school department).

(*continued*)

Town of Smithfield, Rhode Island

Notes to Financial Statements

June 30, 2022

Note 1. Summary of significant accounting policies (*continued*):

Basis of presentation (continued):

Major and Non-Major Funds

The funds are further classified as major or non-major as follows:

Major Funds:

General Fund	See above for description
School Unrestricted Fund	This fund is used to report all financial transactions of the Smithfield School Department, which are not legally required to be accounted for separately. The major revenue sources of this fund consist of Aid for Education provided by the State of Rhode Island and an appropriation from the Town's General Fund.

Capital Project:

School Renovations	This fund is used to report all financial transactions related to the \$45 Million bond project to renovate various school facilities.
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Proprietary Fund:

Sewer Authority	Accounts for the overseeing of the sewer operations of the Town of Smithfield including the administration of the ten-year contract with Veolia Water, Inc operations of the regional wastewater treatment facility.
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Water Supply Board	Responsible for supplying water service for approximately one-third of the Town, and additionally a certain area in the Town of North Providence.
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Smithfield Ice Rink	Accounts for the operations of the public ice rink which is owned and operated by the Town. <i>This fund did not meet the criteria for reporting as a major fund however, management elected to present the fund as a major fund.</i>
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School Cafeteria	Accounts for the operation of the school breakfast and lunch program of the Smithfield School Department. <i>This fund did not meet the criteria for reporting as a major fund however, management elected to present the fund as a major fund.</i>
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(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

June 30, 2022

Note 1. Summary of significant accounting policies (*continued*):

Basis of presentation (continued):

Major and Non-Major Funds (continued)

Non-Major:

Special Revenue Funds	School Special Revenue Funds, Animal Control Fund, Animal Control Spay & Neuter, Affordable Housing Fund, Police Restricted Revenue, CDBG, Document Preservation & Tech Upgrades, EMA Radio, Fire Prevention, Historical Records, Municipal Contingency Escrow, Operation Blue Riptide, Police Confiscated Funds, Byrne, Retirement Escrow, Revaluation Escrow, RI DOT Children Passenger Safety, RI DOT Click It or Ticket, Scholarship Fund, Senior Center Grant, Bulletproof Vest, Neighborhood Center Fund, Police Memorial Fund, General Public Assistance, American Rescue Plan, Dog Park, Play for all Fund, Commercial Weight Enforcement, Distracted Driving
Capital Projects Funds	Green Acres Acquisition Fund, Smithfield Historic Landmark, Impact Fees, Land Acquisition Open Space Bond, Middle School Additions, Open Space & Recreation Area, Police Equipment, Water District Improvement Fee, Handicap Accessibility, Salt Barn Property, Special Projects Fund, Police Improvement Bond, Capital Reserve Fund, Fire Station Bond, Land Trust, School Restricted Capital, Bryant Capital Contribution, School Improvement Bond, Capital Lease Fund, Stillwater Pond Development, Smithfield Fire Rescue.
Permanent Funds	Cemetery Fund

(*continued*)

Town of Smithfield, Rhode Island

Notes to Financial Statements

June 30, 2022

Note 1. Summary of significant accounting policies (*continued*):

Basis of presentation (continued):

Major and Non-Major Funds (continued)

Non-Major

School Restricted Funds

RI Interlock Grant, Title I, XQ+RI Challenge Planning Grant, Perkins Vocational Education, High School Donors, IDEA Preschool, Roy T. Morgan Foundation, NE School Development Council, NE Dairy & Food Council, Kiducation, Feinstein Foundation, Lifetouch, LaPerche PTA, LaPerche RC, Gallagher Middle School Donors, RI State Council for the Arts, Title II, Stop and Shop A+ Bonus, Smithfield Education Foundation, McCabe Playground, RI Comp Literacy State Development, CVS Health Foundation, School Supply System, STEM Mini, Bank of America, RI Foundation, IDEA Part B, Exxon Mobil Educational Alliance, CTE Categorical Fund, English Learner Categorical, General Assembly Grant, VFW Memorial Fund, ESSER II Priority I, ESSER II Priority II, ESSER II Priority Other, ESSER III, ESSER III Priority II, ARP ELC, P-EBT, School Building Authority Covid-19 Project, Champlin Foundation, Title IV, National Youth Risk Behavior, USDA Farm to School Grant, Whole Kids Foundation, Goodwill, Special Olympics, Student Activities

Measurement focus

In the government-wide Statement of Net Position and the Statement of Activities both governmental and business-like activities are presented using the economic resources measurement focus as noted for proprietary funds below and the accrual basis of accounting.

All governmental funds utilize a “current financial resources” measurement focus and the modified accrual basis of accounting. Only current financial assets, deferred outflows of resources liabilities and deferred inflows of resources are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period. The Town considers property taxes are available if they are collected within

(*continued*)

Town of Smithfield, Rhode Island

Notes to Financial Statements

June 30, 2022

Note 1. Summary of significant accounting policies (continued):

Basis of presentation (continued):

Basis of Accounting (continued)

60 days after year end. Grant revenue (for expenditure reimbursement grants) of the governmental fund is generally recognized as revenue when earned as long as the payment is expected to be received within twelve months after year end. Substantially all other revenue of the governmental funds is recognized utilizing the modified accrual method of accounting and as such is recognized as revenue when received.

The proprietary funds, pension and OPEB trust funds utilize “economic resources” measurement focus and the accrual basis of accounting. The accounting objectives of this measurement focus are the determination of net income, financial position, and cash flows. All assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources associated with their activities are reported. Fund equity is classified as net position.

Custodial funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

Basis of Accounting:

In the government-wide Statement of Net Position and Statement of Activities both governmental and business-like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, deferred outflow of resources, liabilities and deferred inflow of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter to pay current liabilities. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for the general obligation bond principal and interest which are reported when due.

All proprietary funds, agency funds, pension trust, and OPEB trust funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred, or economic asset used.

Amounts reported as program revenues include charges to customers or applicants for licenses, fees, goods, services or privileges provided, operating grants and contributions, and capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

June 30, 2022

Note 1. Summary of significant accounting policies (continued):

Basis of presentation (continued):

Basis of Accounting (continued)

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the proprietary fund's principal operation. The principal operating revenues of the enterprise funds are charges for services provided in accordance with the fund's purpose. Operating expenses for the enterprise funds include the costs of providing services, including administration and depreciation on capital assets. All other revenue and expense items not meeting these criteria are reported as nonoperating revenues and expenses.

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance:

Cash and cash equivalents:

Cash and cash equivalents consist of cash on hand, time and demand deposits and short-term investments maturing within three months from the date of acquisition.

Cash equivalents include amounts invested in certificate of deposits which when purchased can be accessed at any point in time. 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 which 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.

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. The Town complied with these requirements.

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

June 30, 2022

Note 1. Summary of significant accounting policies (*continued*):

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued):

Investments:

The Town invests in various types of investments, which are measured at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Accounts Receivable:

In the government-wide statements, receivables consist of revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include property taxes (54% of balance) and intergovernmental receivables. Business-type activities report uncollected service fees as its major receivables.

In the fund financial statements, receivables in governmental funds include revenue accruals such as property taxes collected within 60 days of year-end and grants and other similar intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions earned/measurable but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis. Proprietary fund receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

Real Estate and Personal Property Taxes:

For the Government-wide financial statements, property taxes are recognized as revenue in the fiscal year they are levied. For the fund financial statements, property taxes are recognized as revenue in the fiscal year they are levied and become available. To be considered available, property taxes must be due and collected during the year or within 60 days subsequent to year-end. Property taxes not considered available are reported as deferred inflows.

Real and personal property taxes are based on values assessed as of each December 31 (lien date) and attach as an enforceable lien on property as of July 1 (levy date). Taxes are due in equal quarterly installments on September 1-30th, December 1-31st, March 1-31st and June 1-30th following the levy date. The taxpayer may elect to pay the taxes in full or pay quarterly as noted above. 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 dating back to September 30th. An automatic lien is placed on the taxpayer's property if payment has not been received by the tax due date. Property taxes levied are recorded as receivables in the fiscal year of the levy. Property tax revenues are recorded in accordance with the modified accrual basis of accounting in the fund financial statements.

(*continued*)

Town of Smithfield, Rhode Island

Notes to Financial Statements

June 30, 2022

Note 1. Summary of significant accounting policies (continued):

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued):

Due from Federal and State Government:

Various federal and state grants for operating and capital purposes are applied for and received annually. For non-expenditure driven grants, receivables are recorded as soon as all eligibility requirements imposed by the provider have been met. For expenditure driven grants, receivables are recorded when the qualifying expenditures are incurred, and all other grant requirements are met.

These receivables are considered 100% collectible and, therefore, do not report an allowance for uncollectible amounts.

Short term Interfund Receivables and Payables:

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the governmental funds balance sheet. These internal balances are eliminated in the Government-wide statement of net position.

Inventory and Prepaid Items:

Inventory reported in the Town's general fund is maintained on a perpetual system and is stated at cost (first in, first out method of inventory valuation). Inventory is generally recorded as expenditures/expenses when consumed. Prepaid items are expenditures paid prior to year-end that relate directly to a future period and therefore are not considered current year expenditures/expenses. The consumption method is utilized by the Town for accounting for prepaid expenses.

Capital assets and depreciation:

Capital assets are reported in the statement of net position in the Government-wide financial statements. Capital assets acquired by governmental funds are reported as capital outlay expenditures.

The government-wide financial statements include all infrastructure assets in accordance with the GASB Statement #34.

Capital assets are defined by the Town as assets with an initial, individual cost of \$10,000 or more and an estimated useful life in excess of one year. All capital assets are valued at historical cost or estimated historical cost. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value rather than fair. The cost of normal maintenance and repairs that do not add to the value of assets or materially extend assets' lives are not included in capital assets.

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

June 30, 2022

Note 1. Summary of significant accounting policies (*continued*):

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued):

Capital assets and depreciation (continued):

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Government-wide statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight line method.

The estimated useful lives by type of capital asset are as follows:

	<u>Years</u>
Land improvements	10-15
Buildings and improvements	3-60
Equipment	3-60
Sewer lines and treatment & pumping	5-60
Infrastructure	15-65
Vehicles	5-15

Leases:

A lease is a contract that conveys the control of the right to use another entity's nonfinancial asset (the underlying asset) for a period of time in an exchange or exchange-like transaction. The Town has contracts in which it is a lessee and lessor. Lessors recognize a lease receivable and a deferred inflow of resources. Lessees recognize an intangible right to use asset and a lease liability. These transactions are measured at the present value of payments expected to be made during the lease term using the discount rate in the lease. If the lease discount rate cannot be readily determined from the lease, the Town uses its incremental borrowing rate.

A right to use lease asset with a lease term greater than one year and an initial present value over \$60,000 are recorded as intangible assets. Right to use lease assets are amortized over the contract term of the lease. Leases that do not meet these criteria are recognized as current period revenues and expenses.

Bond Premiums and Issuance Costs:

In the governmental funds, bond premiums and issuance costs are treated as period costs in the year the bonds are issued. Bond issuance costs are included in debt service expenditures and bond premiums are reflected as other financing sources in the governmental fund's financial statements. Bond premiums are reported as other financing sources while discounts are reported as other financing uses.

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

June 30, 2022

Note 1. Summary of significant accounting policies (*continued*):

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued):

Bond Premiums and Issuance Costs (Continued):

In the Government-wide statement of net position, bond premiums are deferred and amortized over the term of the bonds using the straight-line method. Bond premiums are presented as an addition to the face amount of the bonds payable.

Deferred inflows and outflows of resources:

Deferred inflows of resources represent the acquisition of net assets that is applicable to a future reporting period. Deferred outflows of resources represent the consumption of net assets that is applicable to a future reporting period.

In addition to assets, the statement of net position and/or balance sheet can report deferred outflows of resources. Deferred outflow of resources represents a consumption of net position that apply to a future period and which will not be recognized as an outflow of resources (expense/expenditure) until that later date. At June 30, 2022 the Town of Smithfield, Rhode Island reports deferred outflows related to pensions, OPEB, and deferred charges on refunding in the Government-wide statement of net position.

The deferred outflow of resources related to pension totaling \$11,945,416 results from differences between expected and actual experience, changes in assumptions or other inputs, the net differences between projected and actual earnings on pension plan investments, changes in proportionate share and system contributions and contributions subsequent to the measurement date. These amounts are deferred and included in pension 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 plan (active employees and inactive employees).

The deferred outflow of resources related to OPEB totaling \$11,324,260 results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in 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 OPEB plan (active employees and inactive employees).

The deferred charge on refunding totaling \$40,447 for governmental activities is the unamortized balance of the difference between the carrying value of the refunded debt and the new debt. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate section represents the acquisition of net position that applies to a future period and, therefore, will not be recognized as an inflow of resources (revenue) until a later date. At June 30, 2022, the Town had three items that qualified as a deferred inflow of resources in the governmental funds balance sheet. The unavailable tax revenue represents property taxes receivables which are assessed on December 31, 2020 and prior and are not collected within 60 days of June 30, 2022.

(*continued*)

Town of Smithfield, Rhode Island

Notes to Financial Statements

June 30, 2022

Note 1. Summary of significant accounting policies (*continued*):

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued):

Deferred inflows and outflows of resources (continued):

Deferred revenues - other totaled \$3,124,892 as of June 30, 2022. These amounts are deferred and will be recognized as an inflow of resources in the year in which the amounts become available. The deferred inflows from leases totaled \$240,815 as of June 30, 2022 due to the implementation of GASB 87.

At June 30, 2022 the Town of Smithfield, Rhode Island reports deferred inflows related to pension and OPEB in the Government-wide statement of net position.

The deferred inflow of resources related to pension totaling \$24,765,418 results from differences between expected and actual experience, changes in assumptions or other inputs and changes in proportion and differences between system contributions and proportionate share contributions.

These amounts are deferred and included as a reduction in pension 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 plan (active employees and inactive employees). The deferred inflow of resources related to OPEB totaling \$19,787,050 results from differences between expected and actual experience, changes in assumptions or other inputs and net differences between projected and actual earnings on OPEB plan investments. These amounts are deferred and included as a reduction in 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 OPEB plan (active employees and inactive employees).

Compensated absences:

It is the policy of the Town to permit employees to accumulate a limited amount of earned but unused vacation and sick leave benefits, which will be paid to the employee upon separation from Town service. Compensated absences that are expected to be liquidated with expendable available financial resources are reported as expenditure and a fund liability of the governmental fund that will pay it. Amounts not expected to be liquidated with expendable available resources are reported as long-term debt in the government-wide financial statements. Long-term debt and other obligations financed by the proprietary funds are reported as liabilities in the appropriate funds. A liability for compensated absences is recorded in the governmental funds only if the liability became due at June 30, 2022 as a result of employee resignation or retirements. At June 30, 2022 there is no amount reported in the liabilities of the governmental funds.

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

June 30, 2022

Note 1. Summary of significant accounting policies (*continued*):

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued):

Compensated Absences (Continued):

Compensated absences which are liquidated during the fiscal year are allocated to the applicable fund in which the employee's compensation is allocated. Compensated absences are generally allocated to the Town's General Fund for Town personnel (excluding those working in the business-type activities) and the School Unrestricted Fund.

Accrued liabilities and long-term debt:

All accrued liabilities and long-term debt are reported in the Government-wide financial statements.

For the governmental fund financial statements, the accrued liabilities are generally reported as a fund liability if due for payment as of the balance sheet date, regardless of whether they will be liquidated with current financial resources. However, claims and judgments and compensated absences paid from governmental funds are reported as a liability in the fund financial statements only for the portion expected to be financed from expendable available financial resources. Long-term debt paid from governmental funds is not recognized as a liability in the fund financial statements until due. For other long-term obligations, only that portion expected to be financed from expendable available financial sources is reported as a fund liability of the governmental fund. The face amount of debt issued is reported as an other financing source in the governmental funds financial statements.

Interfund activities:

Transactions between funds have been eliminated in the Government-wide financial statements but fully presented within the governmental fund financial statements with no elimination made between or within funds. Transfers between fiduciary funds and governmental or business-type activities do not get eliminated. Interfund activity within and among the funds of the Town have been classified and reported as follows:

Reciprocal interfund activities:

- Interfund loans are reported as interfund receivables in the lending fund and interfund payables in borrower funds.
- Interfund services are reported as revenues in the provider fund and as expenditures or expenses in the purchasing fund.

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

June 30, 2022

Note 1. Summary of significant accounting policies (*continued*):

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued):

Interfund activities (Continued):

Non-reciprocal interfund activities:

- Interfund reimbursements are repayments from the fund responsible for particular expenditures or expenses to other funds that initially paid for them. Reimbursements are not displayed separately within the financial statements.
- Interfund transfers are reported in governmental funds as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers. In proprietary funds, transfers are reported after non-operating revenues and expenses.

Encumbrances:

Encumbrance accounting, under which purchase orders, contracts and other commitments for fund expenditures and/or expense are recorded in order to reserve portions of applicable appropriations, is employed in the governmental and business-type funds.

Fund Equity:

Government-Wide

In the Government-Wide and Proprietary Fund financial Statements net position is classified in the following categories:

- Net investment in capital assets - represents the net book value of all capital assets less the outstanding balances of bonds and other debt, and deferred inflows of resources, if any, used to acquire, construct or improve these assets, increased by deferred outflows of resources related to those assets, if any.
- Restricted net position – assets that have been limited to uses specified either externally by creditors, contributors, laws or regulations of other governments or internally by enabling legislation or law; reduced by liabilities and deferred inflows of resources related to the restricted assets.
- Unrestricted – a residual category for the balance of net position.

Governmental Funds

In accordance with GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, fund balance is classified as nonspendable, restricted, committed, assigned, or unassigned. These categories are defined on the following page.

(*continued*)

Town of Smithfield, Rhode Island

Notes to Financial Statements

June 30, 2022

Note 1. Summary of significant accounting policies (*continued*):

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued):

Fund Equity (continued):

Governmental Funds (continued):

- Non-Spendable - amounts that cannot be spent because they are either a) not in spendable form or b) legally or contractually required to be maintained intact. “Not in a spendable form” includes items that are not expected to be converted to cash within one year.
- Restricted – amounts that have been restricted to specific purposes either by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation
- Committed – amounts constrained to specific purposes by the Town, using its 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 the Town Ordinances as a formal procedure to commit fund balance. In addition, the passage of the budget by the taxpayers at the annual meeting is considered the commitment of funds for the line items included in the fiscal budget.
- Assigned – amounts that are intended by the Town to be used for specific purposes, but are neither restricted nor committed. The intent should be expressed by (a) the governing body itself, or (b) a body (a budget or finance committee) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes. The Town Manager through the Town Council has the authority to assign fund balance. Fund balance assigned by the Town Manager is documented through issuance of a memorandum.
- Unassigned – amounts available for any purpose. Only the general fund can report a positive fund balance amount. In other governmental funds, it is not appropriate to report a positive unassigned fund balance fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

(*continued*)

Town of Smithfield, Rhode Island

Notes to Financial Statements

June 30, 2022

Note 1. Summary of significant accounting policies (*continued*):

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued):

Fund Equity (continued):

Expenditures may be incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available. Composition of the ending fund balance will be determined by applying the following: In those instances where both restricted and unrestricted amounts are available, restricted amounts will be considered to have been spent first (as allowed and in compliance with stated and specified terms or requirements), followed by committed amounts, followed by assigned amounts, and then unassigned amounts.

Minimum Fund Balance:

Per the Town's Home Rule Charter: "*Beginning in fiscal year 2016 and ending in fiscal year 2020, the 5% undesignated fund balance shall be increased by 3/5 of a percent of the subsequent year's appropriation. After each fiscal year commencing in 2016 to the extent that the undesignated fund balance exceeds 5 3/5% of the subsequent year's appropriation in FY2016, 6 1/5% in FY2017, 6 4/5% in FY2018, 7 2/5% in FY2019 and 8% in FY2020, the excess shall be divided 80% for the Capital Reserve Fund and 20% for the Land Trust Reserve Fund.*" Due to the fact that this minimum fund balance policy is part of the Town's Home Rule Charter, the amount calculated at year-end is reported as restricted fund balance in the Town's General Fund and is transferred to the Capital Reserve and Land Trust Fund in the subsequent fiscal year. Undesignated fund balance as noted above is deemed to be equivalent to the unassigned fund balance as defined by GASB Statement #54.

It is anticipated that this is a level sufficient to provide for the required resources to ensure short-term cash availability when revenue is unavailable or unanticipated expenditures (including emergencies) occur. If the unassigned fund balance falls below the minimum parameter, the Town Council will adopt a plan and a time frame in which to bring the unassigned fund balance into compliance with the Town's Home Rule Charter.

Pensions:

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Town of Smithfield, Rhode Island's various pension plans (described in more detail in Note 11) and additions to/deductions from the pension plans fiduciary net position have been determined on the same basis as they have been reported by the pension plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

(*continued*)

Town of Smithfield, Rhode Island

Notes to Financial Statements

June 30, 2022

Note 1. Summary of significant accounting policies (continued):

Other Post-Employment Benefits (OPEB):

For purposes of measuring the net OPEB Liability, deferred outflows of resources, and deferred inflows of resources related to OPEB and OPEB expense, information about the fiduciary net position of the Town of Smithfield, Rhode Island's OPEB Trust Fund (described in more detail in Note 13) and additions to/deductions from the OPEB Trust Fund's fiduciary net position have been determined in the same basis as they have been reported by the Trust Fund. For this purpose, the OPEB Trust Fund recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments that have a maturity at the time of purchase of one year or less, which are reported at original cost.

Intergovernmental revenues:

State aid is recognized as revenue in the year in which funds are appropriated by the Rhode Island General Assembly, provided they are collected during the fiscal year.

Enterprise revenue:

Program income in enterprise funds is recorded as charges for services and is considered revenue when it is both measurable and available. In the current year, only charges for services and fund received from other governments were considered to be operating revenue. Whereas revenue generated as investment income was considered to be non-operating revenue.

Claims and Judgements:

The Town is exposed with respect to risks including, but not limited to, property damages, personal injury and workers' compensation. In the governmental fund financial statements, expenditures for claims and judgments are recorded on the basis of whether the liability has matured in the current period. The Town and the School Department are members of the Rhode Island interlocal Risk Management Trust (the Trust). The Trust was established to offer a viable alternative to commercial insurance for public entities through intergovernmental pooling of risk. The Trust is a protected, self-insurance plan. The Town pays annual premiums for its liability, property and worker's compensation coverage. The membership participation agreement provides that, in return for the payment of the annual premium, the Trust member transfers the financial responsibility for loss, but only according to the conditions of coverage and up to the stated maximum amount of insurance purchased by the Town or School Department. In the Government-wide financial statements, the estimated liability for all claims and judgments is recorded as a liability and as an expense.

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

June 30, 2022

Note 1. Summary of significant accounting policies (continued):

Use of estimates:

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

Reconciliation of Government-wide Net Position and Fund Financial Statements Fund Balance:

The governmental fund Balance Sheet includes a reconciliation between *fund balance - total governmental funds* and *net position - governmental activities* as reported in the Government-wide Statement of Net Position. One element of that reconciliation explains that "long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund statements".

Explanation of Certain Differences between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance and the Government-wide Statement of Activities:

The governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances includes reconciliation between *net changes in fund balances - total governmental funds and changes in net position of governmental activities* as reported in the Government-wide Statement of Activities. One element of the reconciliation states that "the governmental funds report principal repayments on debt obligations as an expenditure."

Accounting pronouncements implemented in the current year

During the fiscal year June 30, 2022, the Town of Smithfield has adopted the following new accounting standards issued by GASB:

Statement No. 87, "Leases". GASB Statement No. 87 requires that government lessees recognize a lease liability and intangible assets representing the lessee's right to use the leased asset and report in its financial statements amortization expense for using the lease asset for the shorter of the lease term or the useful life of the underlying asset, interest expense on the lease liability and note disclosures about the lease. The Statement also requires government lessors recognize a lease receivable and a deferred inflow of resources and continue to report the leased asset in its financial statements. The revenue, recognized over the term of the lease, corresponding with the reduction of the deferred inflow, interest income on the receivable and note disclosures about the lease must

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

June 30, 2022

Note 1. Summary of significant accounting policies (continued):

Accounting pronouncements implemented in the current year (Continued):

also be included in the financial statements. ***This statement was implemented in the current fiscal year with material impact to the financial statements.***

Statement No. 89, "Accounting for Interest Cost Incurred before the End of a Construction Period". GASB Statement No. 89 provides accounting requirements for interest cost incurred before the end of a construction period. It establishes guidance designed to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity. The requirements of this Statement were originally effective for reporting periods beginning after December 15, 2019, however it was postponed an additional year by GASB Statement 95. This statement is now effective for reporting periods beginning after December 15, 2020. ***The Town has determined that these requirements have no effect on the financial reporting.***

Statement No. 92, "Omnibus 2021" was originally effective for reporting periods beginning after June 15, 2020, however, it was postponed an additional year by GASB 95. The Statement enhances the consistency of authoritative literature by addressing practice issues identified during implementation and application of certain GASB Statements. This statement addresses a variety of topics including, but not limited to: effective dates of GASB 87 leases for interim financial reports, reporting of transfers between the primary government and component unit defined benefit or defined benefit OPEB plan and the applicability of GASB 84 Fiduciary Activities to post employment benefit arrangements.

Statement No. 93, "Replacement of Interbank Offered Rates". GASB Statement No. 93 assists state and local governments in the transition away from existing interbank offered rates (IBOR) to other reference rates because of global reference rate reform, wherein the London Interbank Offered Rate (LIBOR) is expected to cease to exist in its current form at the end of 2021. The objective of this Statement is to address implications that result from the replacement of an IBOR in Statement No. 53, Accounting and Financial Reporting for Derivative Instruments and Statement No. 87, Leases and other accounting and financial reporting implications. ***The Town has determined that these requirements have no effect on the financial reporting.***

Statement No. 91, "Conduit Debt Obligations". The primary objectives of GASB Statement No. 91 are to provide a single method to report conduit debt obligation and to eliminate diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations and related note disclosures. ***The Town has determined that these requirements have no effect on the financial reporting.***

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

June 30, 2022

Note 1. Summary of significant accounting policies (continued):

Future Pronouncements (continued)

The Town of Smithfield is currently analyzing its accounting practices to determine the potential impact on the financial statements for the following GASB Statements:

Statement No. 94, “Public-Private and Public-Public Partnerships and Availability Payment Arrangements”. GASB Statement No. 94 establishes standards of accounting and financial reporting for Public-Private and Public-Public Partnerships (PPPs) and Availability Payment Arrangements (APAs). The impact of this standard will be evaluated by the Town of Smithfield, Rhode Island’s management for fiscal year ending June 30, 2023.

Statement No. 96, “Subscription-Based Information Technology Arrangements”. GASB Statement No. 96 establishes standards of accounting and financial reporting for subscription-based information technology (SBITAs) for government end users. Under this Statement, a government generally should recognize a right-to-use subscription asset, an intangible asset, and a corresponding subscription liability. The impact of this standard will be evaluated by the Town of Smithfield, Rhode Island’s management for fiscal year ending June 30, 2023.

Statement No. 97, "Certain Component Unit Criteria, and Accounting and Financial Reporting for internal Revenue Code Section 457 Deferred Compensation Plans - an Amendment of GFASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32". The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The impact of this standard will be evaluated by the Town of Smithfield, Rhode Island’s management for fiscal year ending June 30, 2023.

Statement No. 99, “Omnibus 2022”, the requirements of this Statement are effective as follows: The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pleading governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance. The requirements relate to leases, PPS, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

June 30, 2022

Note 1. Summary of significant accounting policies (continued):

Future Pronouncements (continued)

Statement No. 100, “Accounting Changes and Error Corrections” – an amendment of GASB Statement No.62, This Statement defines *accounting changes* as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements.

Statement No. 101, “Compensated Absences”, This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

Note 2. Stewardship, Compliance and Accountability

Budgetary Process

Town Manager shall receive from the head of each department and agency, including the School Committee, an estimate of the amount necessary to carry on its work during the coming fiscal year. These estimates accompanied by a message from the Town Manager shall be submitted to the Budget and Financial Review Board on or before March 1st, which shall then prepare its budget recommendations (including an estimated tax rate) for submission to the Town Council.

In preparing its budget recommendations the Budget and Financial Review shall investigate the recommendations of the various department budget requests, including the School Committee, and may request that the head of any of said departments explain their estimates and recommendations. The Budget and Financial Review Board shall confer with the Town Council and shall hold one or more public hearings in preparing the budget, the first of which shall be held at least three weeks after receipt of the budget from the Town Manager. The public hearings for the proposed municipal

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

June 30, 2022

Note 2. Stewardship, Compliance and Accountability *(continued)*

Budgetary Process (continued)

and school budgets shall be advertised by the Town Clerk at least once in each of the two weeks preceding the hearings in two newspapers of general circulation either daily or weekly which serve the Town of Smithfield, as well as the Town's website. The advertisement shall provide a general summary of the budget and the times and place where copies of the budget and budget message are available for public inspection.

The Budget and Financial Review Board shall submit its printed report comprising the budget and budget message to the Town Council no later than May 15th. Subsequent to the submission of the budget by the Budget and Financial Review Board, the Town Council shall hold a public hearing on the proposed budget and decide whether to make any changes prior to final adoption by the Town Council. Changes to the proposed budget may include the addition or deletion of programs and/or increase or decreases in program funding, except for expenditures required by law or for debt service or for an estimated cash deficit. No change to the proposed budget shall increase the authorized expenditures to an amount greater than total estimated income, less any required reserve

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

Town ordinances require an annual budget for the General Fund. The practices used in the preparation of budget differ in certain respects from the presentation of the actual results of operations prepared in accordance with GAAP. The actual results of operations, for purposes of the Statement of Revenues, Expenditures and Changed in Fund Balance – Budget and Actual on Budgetary Basis - General Fund has been adjusted to basis consistent with the Town's budget. Certain annual appropriations are carried over to next year's budget. There were \$3,533,001 of supplemental budgetary appropriations – re-appropriation of unexpended balances or (RUBS) made during the fiscal year ended June 30, 2021. RUBS available at June 30, 2022 to be carried over to fiscal 2023 totaled \$2,799,123.

Amendments to operating budgets that do not result in additional appropriations may be made within departments by means of a transfer. The Finance Director has authority to make or approve such transfers within departments. The Town Council has the authority to amend the budget. Management must seek approval of the Town Council for all over-expended appropriations.

The adjustments necessary to reconcile actual revenues and expenditures reported on a budgetary basis of accounting to revenue and expenditures reported in accordance with generally accepted accounting principles can be found in the required supplementary information on the pages indicated in the table of contents of this report.

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

June 30, 2022

Note 2. Stewardship, Compliance and Accountability *(continued)*

Budgetary Process (continued)

The State of Rhode Island requires that certain uninsured deposits be collateralized. Section 35-10.1-3 of the General Laws of the State of Rhode Island, dealing with the collateralization of public deposits, requires that all time deposits with maturities of greater than 60 days and all deposits in institutions that do not meet the minimum capital requirements of its Federal regulator must be collateralized.

Note 3. Cash and Investments

Deposits

At June 30, 2022, the carrying amount of the Town's cash and cash equivalents was \$24,042,339 (including Fiduciary Funds and restricted cash, but excluding deposit with funding agency) while the bank balance was \$24,777,295. Of the bank balance, \$1,733,184 was covered by federal depository insurance while the remaining balance was 100% collateralized.

Reconciliation to Government-Wide:

Statement of Net Position:

	<u>Carrying Amount</u>
Cash and Cash Equivalents	\$ 23,440,801
Cash on deposit with funding agency	955,018
Restricted cash	601,538
Less: Fiduciary Fund cash	(42,902)
<i>Total Cash and Cash Equivalents reported in the Financial Statements</i>	<u>\$ 24,954,455</u>
	<u>Bank Balance</u>
Insured (Federal depository insurance funds)	1,733,184
Collateralized with securities held by pledging financial institution or its agent in the Town's name	23,044,110
Uninsured and uncollateralized	-
Total	<u><u>24,777,295</u></u>

Cash on Deposit with Funding Agency

Cash held on deposit with funding agency in the amount \$955,018 was required to be held for capital projects distribution by the Rhode Island Infrastructure Bank.

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

June 30, 2022

Note 3. Cash and Investments *(continued)*

Restricted Cash

Restricted cash \$601,538 reported in the Statement of Net Position at June 30, 2022 consists of funds reported in the Business-Type Activities (Proprietary Fund) representing debt service reserve funds.

Investments

At June 30, 2022 the Town's investments totaled \$54,295,182, including \$46,901,815 held in Fiduciary Funds and \$7,393,367 held in the General Fund and consisted the following:

	Fair Value	Maturity		Interest Rate	Maturity
		N/A	1-5 years		
Equity Mutual Funds	\$ 17,501,663	\$ 17,501,663	\$ -	\$ -	n/a
Fixed Income Mutual Funds	12,429,049	-	10,014,875	2,414,174	4.39%-4.95%
Other Mutual Funds	16,971,103	16,971,103	-	-	n/a
Government Securities	7,393,367	7,393,367	-	-	0.125%-8.875% 7/2022-6/2023
Total investments	\$ 54,295,182	\$ 41,866,133	\$ 10,014,875	\$ 2,414,174	

Investments are stated at fair value which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Town follows the guidance for fair value measurements and disclosures in accordance with GASB Statement No. 72, "Fair Value Measurement and Application".

Mutual Funds are valued at the daily closing price as reported by the fund. Mutual funds held by the Town are open-ended mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish the daily net asset value (NAV) and to execute transactions at that price. All mutual funds held by the Town at June 30, 2020 are deemed to be actively traded.

In determining fair value, the Town uses various valuation approaches, as appropriate in the circumstances. GASB Statement No. 72 establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. The fair value hierarchy is categorized into three levels based on the inputs as follows:

- Level 1:** Unadjusted quoted priced in active markets that are accessible at the measurement date for identical assets or liabilities.
- Level 2:** Inputs other than quoted prices in active markets for identical assets and liabilities that are observable either directly or indirectly for substantially the full term of the asset or liability.
- Level 3:** Unobservable inputs for the asset or liability (supported by little or no market activity). Level 3 inputs include management's own assumption about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk).

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

June 30, 2022

Note 3. Cash and Investments (continued)

Investments (continued)

The following table summarizes the assets and liabilities of the Town for which fair values are determined on a recurring basis as of June 30, 2022:

Investments by Fair Value Level:	Fair Value Measurements			
	Fair Value June 30, 2022	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Equity Mutual Funds	\$ 5,574,438	\$ 5,574,438	\$ -	\$ -
Government Securities	7,393,367	7,393,367	-	-
Total Investments by Fair Value Level	\$ 12,959,266	\$ 12,959,266	\$ -	\$ -

GASB Code 3100. 162a. (2). States that investments valued at the Net Asset Value (NAV) are not required to be categorized in the fair value hierarchy. The Investments related to the Town's private pension for the Fire Department and the Police Department is not included in the hierarchy due to this GASB Codification. The following are the investments by Net Asset Value:

Investments by Net Asset Value:	Net Asset Value June 30, 2022
Equity Mutual Funds	\$ 11,927,225
Fixed Income Mutual Funds	12,429,049
Other Mutual Funds	16,971,103
Total Investments by Net Asset Value	\$ 41,327,377

The following is a description of the valuation methodologies used for assets and liabilities measured at fair value:

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Town are open-ended mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Town are deemed to be actively traded.

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

June 30, 2022

Note 3. Cash and Investments (continued)

Investments (continued)

Fixed income securities: Valued using market quotations or prices obtained from independent pricing sources which may employ various pricing methods to value the investments, including matrix pricing based on quoted prices for securities with similar coupons, ratings and maturities.

Net Asset Value (NAV): As a practical expedient, the Town can use the NAV per share for investments in a nongovernmental entity that does not have a readily determinable fair value. The NAV is not permitted or valuations if it is probable that the Town will sell the investment at a different price. Investments measured at NAV are excluded from the fair value hierarch above.

The Police and Fire plan assets are invested in equities covering various sector. These equities include domestic, foreign, and fixed income securities. The Town Council is responsible for the overall stewardship of the funds. The council has delegated the Fire & Police Pension committee the responsibility to oversee the funds' investments activities on the council's behalf with final approval being made by Town Council. The committee selects and monitors the investment manager's performance. The invest manager is expected to pursue their own investment strategies within the guidelines created by the committee and in accordance with the Fund's asset allocation strategy and manager selection criteria.

Concentration of Credit Risk

At June 30, 2022, the Town had a diversified portfolio in its General Fund and Pension and OPEB Trust Funds were invested in various mutual funds and fixed income securities, as detailed above. The Town's policy to maintain a diverse portfolio was to minimize the risk of loss resulting from a over concentration of assets in a specific industry and a specific maturity.

As of June 30, 2022, the following pension investments represent 5% or more of the Town Plan's net position:

5% of Total Investments	\$ 2,714,759
Investments:	
Police Pension	
Global Investors-LG S&P Index SEP	\$ 3,213,025
Fire Pension	
Vanguard Short-Term Bond Index	\$ 3,980,570
Vanguard Short-Term Corporate Bond Index	\$ 3,913,314
Ishares MSC/EAFE International Index	\$ 3,230,814
Global Investors-LG S&P Index SEP	\$ 7,050,401
OPEB	
Vanguard Growth Strategy	\$ 5,574,438

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

June 30, 2022

Note 3. Cash and Investments (continued)

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The Town limits its exposure to fair value losses arising from changes in interest rates by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity. The Town invests operating funds primarily in shorter-term securities, money market funds, or similar investment pools although the Town does not have a formal policy relating to a specific investment related risk.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of financial institution failure, the Town's deposits and/or investments may not be returned. The Town does not believe that it has a significant custodial credit risk as all the investments are registered and held in the name of the Town. Additionally, the Town's deposit policy requires that deposits be placed in financial institutions that are FDIC insured. The Town deposits are maintained in highly rated financial institutions and the ratings of these institutions is reviewed by management on a periodic basis.

Credit Risk

Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation and the Town will not be able to recover the value of its investment or collateral securities possessed by another party. The Town's Finance Director is responsible for the analysis of credit worthiness of financial institutions. This analysis includes reviewing the institutions ratings by nationally recognizing rating organization or by analyzing quarterly, semi-annual and/or annual financial statements for institutions not covered by a rating service. The analysis also looks at the capital adequacy, asset quality, earnings, and liquidity of each financial institution.

Foreign Currency Risk

The Town eliminates its exposure to foreign currency risk policy by only using U.S. Government Securities as collateral.

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

June 30, 2022

Note 4. Receivables

Property taxes and Assessments Receivables

The Town assesses taxes each December 31st and the levy thereon may be paid in full on or before September 30th, or quarterly, on or before September 30th, December 31st, March 31st, and June 30th, without penalty, at the taxpayer's option.

During the year ended June 30, 2022, the Town received \$3,559,726 from the State of Rhode Island as payment in accordance with legislation regarding the phase-out of motor vehicle tax. During fiscal 2018 the State of Rhode Island passed legislation to reinstate the motor vehicle excise tax phase-out program. The specifics of the program are detailed in Chapter 34.1 of Title 44 of the Rhode Island General Laws. In summary, three parameters are used to phase out and ultimately eliminate the motor vehicle excise tax. For fiscal year 2022, the provisions are as follows; first, the tax rate on motor vehicles shall not exceed \$30.00 per thousand. Second, the maximum taxable value of each motor vehicle is limited to 75% of the presumptive value as determined by the Vehicle Value Commission. Finally, an assessment reduction of \$5,000 is applied. The phase-out program was set to fully eliminate the motor vehicle excise tax as of fiscal year 2024. However, during the 2022 legislative session, through Budget Article 6, §44-34.1-5 was added to the Rhode Island General Laws. This new statute accelerated the motor vehicle phase out program by one fiscal year, thus eliminating the tax by fiscal year 2023.

An automatic lien is placed on the taxpayer's property if payment has not been received by the due date. Interest is charged on past due accounts at a rate of 12% per annum calculated on the unpaid portion of the total tax.

Net property taxes levied for the fiscal year 2022 were based on a net assessed value of approximately \$3,062,194,681 at December 31, 2020, and amounted to approximately \$60,045,093. Collections through June 30, 2022 amounted to approximately \$58,176,132 which represents approximately 95% of the total tax levy. The collection percentage as of August 31, 2022, including the 60 day rule receipts was approximately 98.8%

The Town recognizes property tax revenues in accordance with Section P70. "Property Taxes" of the Codification of Governmental Accounting and Financial Reporting Standards on the Fund statements. Unpaid property taxes as of June 30, 2022 (\$3,132,255) are recorded as a receivable, net of an allowance for uncollectible property taxes of \$1,285,993. Those net property taxes receivable which were not collected within 60 days immediately following June 30, 2022 are recorded as unavailable tax revenue and amounted to \$430,701 at June 30, 2022.

Property taxes recognized as revenue on the Fund Statements for the fiscal year ended June 30, 2022 (due to their collection within the 60 days immediately following June 30, 2022) amounted to \$1,846,270.

The allowance for uncollectible accounts is based on that portion of current and delinquent taxes receivable which is estimated to be doubtful of collection. This provision does not constitute an abandonment of claim or cessation of collection efforts.

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

June 30, 2022

Note 4. Receivables (continued)

Leases Receivable

The Town of Smithfield is reporting leases receivables of \$240,815 at June 30, 2022. For fiscal year 2022 the Town reported leases revenue of approximately \$24,000 and interest revenue of approximately \$110 related to the lease payments received. A description of the Town's leasing arrangements is as follows:

Cell Tower Leases: The Town has entered into a lease agreement with Verizon for cell towers:

<u>Company</u>	<u>Lease Commencement Date</u>	<u>Years</u>	<u>Lease Ending Date</u>	<u>Payment Method</u>
Verizon	2019	7	2029	Monthly

A summary of the future principal to be received is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 24,727	\$ 113
2024	27,952	128
2025	31,177	143
2026	34,402	158
2027	37,627	173
2028-2029	84,930	390
	<u>\$ 240,815</u>	<u>\$ 1,105</u>

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

June 30, 2022

Note 5. Tax Treaty Agreements

The Town of Smithfield, Rhode Island may, from time to time, enter into tax abatement agreements (tax treaty agreements) with local businesses in accordance with provisions of Rhode Island Public Laws, 1960, Chapter 7, and various provisions of the General Laws of the State of Rhode Island. In accordance with the applicable Public Law and the General Laws of the State of Rhode Island, the Town may enter into tax treaty agreements which provide stabilization of taxes as a means to induce businesses to locate to the Town of Smithfield. These agreements are considered to be in the best public interest of the Town as they provide incentives for businesses to locate in the Town of Smithfield which will result an increase in the tax base of the Town, provide increased tax revenue, enhance property values in Town, help the overall economic climate of the Town, and in some instances, create employment opportunity for the residents of the Town of Smithfield.

As of June 30, 2022, the Town of Smithfield maintained six tax treaty/tax stabilization agreements. These agreements provided tax relief to businesses in the form of stabilization agreements for real and tangible property taxes. Listed below is a summary of information pertaining to these agreements for the fiscal year ended June 30, 2022.

- Agreement with an equipment rental company for the abatement of tangible property taxes. Tax stabilization amount for the fiscal year ended June 30, 2022, was \$100,000 which resulted in an abatement of approximately \$679,410. This agreement is scheduled to terminate on June 30, 2027.
- Agreement with a commercial office park development for the abatement of real estate taxes. The tax stabilization amount for the fiscal year ended June 30, 2022, was \$121,670 which resulted in a tax abatement of approximately \$45,351. This agreement is scheduled to expire at June 30, 2023.
- Agreement entered into in May 1998, with a retail and healthcare company to provide tax stabilization amounts increasing every five years from July 1, 1998, through December 31, 2023 and expiring December 31, 2028. The stabilization amount for real estate and tangible taxes for fiscal 2022, was \$88,000. The amount of the abatement was estimated to be approximately \$75,614.
- Agreement entered into on May 28, 1996, with a financial service corporation to provide tax stabilization amounts increasing every five years from December 31, 2002 through December 31, 2022 and terminating December 31, 2028. The stabilization amount for real estate and tangible taxes for fiscal 2021, was \$3,479,933. The amount of the abatement was estimated to be \$2,670,651 for fiscal 2022.
- Agreement entered into on December 31, 1998 with a world leading designer and marketer of eyewear to provide tax stabilization amounts increasing every five years from December 31, 2003 through December 31, 2023 and terminating December 31, 2028. The stabilization amount for real estate and tangible taxes for fiscal 2022 was \$246,797. The amount of the abatement was estimated to be \$329,161 for fiscal 2022.
- Agreement entered into on July 10, 2018, with a biotechnology manufacturing company to provide tax stabilization amounts over a five phased expansion of the facility. The agreement will be for twenty years terminating on the later of June 30, 2038 or 20 years from the date of completion of the last, most recent phase of the project. The Stabilization amount for real estate and intangible taxes for fiscal 2022 was \$463,187. The amount of the abatement was estimated to be \$597,261, for fiscal 2022.

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

June 30, 2022

Note 6. Capital Assets

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

	Balance July 1, 2021	Additions	Retirements & Disposals	Balance June 30, 2022
Governmental Activities:				
Nondepreciable assets:				
Land	\$ 15,509,714	\$ 16,676	\$ -	\$ 15,526,390
Construction in progress	36,808,725	12,173,463	462,441	48,519,747
Depreciable assets:				
Buildings and improvements	41,023,576	331,148	-	41,354,724
Equipment	7,632,859	874,307	244,662	8,262,504
Vehicles	9,182,853	184,189	938,626	8,428,416
Infrastructure	82,470,246	443,387	-	82,913,633
Total Cost	192,627,973	14,023,170	1,645,729	205,005,414
Amortized assets:				
Intangible right to use:				
Leased equipment	-	146,537	-	146,537
Total amortized asset	-	146,537	-	146,537
Accumulated depreciation:				
Buildings and improvements	(19,869,231)	(907,795)	-	(20,777,026)
Equipment	(6,723,128)	(391,112)	(244,662)	(6,869,578)
Vehicles	(7,678,191)	(497,624)	(938,626)	(7,237,189)
Infrastructure	(74,695,896)	(720,244)	-	(75,416,140)
Total Accumulated Depreciation	(108,966,446)	(2,516,775)	(1,183,288)	(110,299,933)
Accumulated amortization:				
Leased equipment	-	(41,022)	-	(41,022)
Total accumulated amortization	-	(41,022)	-	(41,022)
Governmental activities capital assets	\$ 83,661,527	\$ 11,611,910	\$ 462,441	\$ 94,810,996

Of the current year capital asset depreciation, \$41,022 is presented as general government expense on the Statement of activities related to the School Department's intangible asset of copiers, which are included in the above table as Intangible right to use lease. With the implementation of GASB Statement No. 87, Leases, a lease meeting the criteria of this statement requirements the lessee to recognize the lease liability and an intangible right to use asset.

Depreciation expense for the year ended June 30, 2022 was charged to the following functions/ programs of the Town:

Governmental Activities:	
General Government	\$ 816,599
Education	321,312
Public Safety	448,953
Public Works	857,140
Recreation	72,771
Total	\$ 2,516,775

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

June 30, 2022

Note 6. Capital Assets *(continued)*

	Balance July 1, 2021	Additions	Retirements & Disposals	Balance June 30, 2022
Business-Type Activities:				
Nondepreciable assets:				
Land	\$ 270,686	\$ -	\$ -	\$ 270,686
Construction in progress	2,468,937	379,241	-	2,848,178
 Depreciable assets:				
Land improvements	87,131	-	-	87,131
Plant and buildings	19,286,932	27,336	-	19,314,268
Equipment	10,768,254	342,037	-	11,110,291
Infrastructure - mains, lines, etc.	22,919,274	90,652	-	23,009,926
Motor vehicles	231,914	-	-	231,914
Total Cost	56,033,128	839,266	-	56,872,394
 Accumulated Depreciation:				
Land improvements	(85,641)	(175)	-	(85,816)
Plant and buildings	(12,438,286)	(492,449)	-	(12,930,735)
Equipment	(6,476,644)	(297,144)	-	(6,773,788)
Infrastructure - mains, lines, etc.	(16,189,116)	(176,511)	-	(16,365,627)
Motor vehicles	(175,971)	(12,910)	-	(188,881)
Total Accumulated Depreciation:	(35,365,658)	(979,189)	-	(36,344,847)
 Net Capital Assets	 \$ 20,667,470	 \$ (139,923)	 \$ -	 \$ 20,527,547

Depreciation expense for the year ended June 30, 2022 was charged to the following Business-type Activities:

Business-Type Activities	
Sewer Authority	\$ 745,906
Water Supply Board	101,929
Smithfield Ice Rink	127,496
School Lunch Program	3,858
Total Depreciation Expense	\$ 979,189

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

June 30, 2022

Note 7. Due from Federal and State Governments

Due from federal and state governments represent balances on contracts and grants as well as for services provided and consisted of the following at June 30, 2022:

	<u>Due From</u>
School Unrestricted Fund:	
State of Rhode Island- Department of Education	33,725
Other Non-Major Governmental Funds:	
State of Rhode Island- Various	<u>515,256</u>
Total all fund types	<u><u>548,981</u></u>

Note 8. Debt

All of the Town's General obligation debt (now outstanding or authorized but unissued) has been authorized pursuant to the General Laws of the State of Rhode Island or special acts of the State Legislature. Each special act provides for approval thereof by the electors of the Town. After referendum approval has been secured, the borrowing must be authorized by resolution of the Town Council and adopted by a vote of the majority.

The Rhode Island General Laws provide that no Town shall, without special statutory authority, incur any debt which would increase its aggregate indebtedness beyond three (3%) percent of the taxable property of the Town. Tax anticipation notes are not included in the computation of the legal debt limit. Debt may be incurred in excess of the three percent limit with the approval of the State Director of Revenue. At June 30, 2021, all of the Town's bonds and notes outstanding or authorized by unissued are either specifically exempt from the three percent debt limit or are within such limit.

At June 30, 2022, the three percent (3%) debt limit of the Town was approximately \$ 91,681,842 based on the net assessed value of property at December 31, 2020, of \$3,062,194,681.

At June 30, 2022, the Town had a total of \$15,000,000 in authorized, unissued debt consisting of the following:

School Improvements - 2018 Local Acts 110/143	\$ 9,015,000
Fire Department Station Improvements - 108/144	4,500,000
Police Station - Chapter 169 PL 2014	325,000
Town Hall Renovation - Chapter 27 PL 1987	240,000
Sewer - Chapter 519 PL 1986	650,000
Water - Chapter 32 PL 1989	<u>270,000</u>
Total Authorized, Unissued Debt	<u><u>\$ 15,000,000</u></u>

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

June 30, 2022

Note 8. Debt (continued)

At June 30, 2022, the Town's long-term debt outstanding and activity consisted of the following:

Description of Purpose	Date of Issue	Amount of Original Issue	Interest Rates	Date of Maturity	Balance 6/30/2021	Additions	Refundings & Retirements	Balance 6/30/2022	Due Within One Year
Governmental Activities:									
<i>General obligation bonds:</i>									
School Improvements 2012 Series A	5/30/2012	4,520,000	2.05%	10/15/2023	\$ 765,000	\$ -	\$ 260,000	\$ 505,000	\$ 255,000
School Improvement 2015 Series C	12/22/2015	4,375,000	3.00 - 5.00%	5/15/2036	4,235,000	-	35,000	4,200,000	300,000
School Improvement 2015 Series E	12/22/2015	1,525,000	1.35% - 2.90%	5/15/2022	265,000	-	265,000	-	-
Police Improvement Bond 2016 Series A	9/1/2016	6,075,000	2.00-4.00%	9/1/2036	4,860,000	-	305,000	4,555,000	305,000
Series A 2020 (Tax-Exempt) Refunding of 2011A	12/1/2021	2,050,000	3.0% - 5.0%	1/15/2031	2,050,000	-	210,000	1,840,000	205,000
Series B 2020 Refunding of 2011A and 2012 B	12/1/2021	4,355,000	.467% - 2.097%	1/15/2031	3,975,000	-	575,000	3,400,000	575,000
RIHEBC Revenue Bond Series 2021H	9/30/2021	35,985,000	3%-5%	5/15/2042	-	35,985,000	-	35,985,000	1,150,000
Total General Obligation Bonds		<u>\$ 70,155,000</u>			<u>\$ 16,150,000</u>	<u>\$ 35,985,000</u>	<u>\$ 1,650,000</u>	<u>\$ 50,485,000</u>	<u>\$ 2,790,000</u>
Premium on Bonds					1,020,409	5,836,042	324,646	6,531,805	364,352
Total Premium on Bonds					<u>1,020,409</u>	<u>5,836,042</u>	<u>324,646</u>	<u>6,531,805</u>	<u>364,352</u>
Other long-term obligation									
Net pension liability					59,757,462	-	10,005,076	49,752,386	-
Net OPEB liability					53,327,917	-	14,336,844	38,991,073	-
Lease liability - School					-	146,537	41,022	105,515	46,417
Compensated absences					5,902,781	161,774	-	6,064,555	2,304,531
Total other long-term obligation					<u>118,988,160</u>	<u>308,311</u>	<u>24,382,942</u>	<u>94,913,529</u>	<u>2,350,948</u>
Governmental Activities Long-Term Obligations					<u>\$ 136,158,569</u>	<u>\$ 42,129,353</u>	<u>\$ 26,357,588</u>	<u>\$ 151,930,334</u>	<u>\$ 5,505,300</u>

The Town's General Fund is used to record the activity of the net pension liability and net OPEB liability as the General Fund will absorb the costs.

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

June 30, 2022

Note 8. Debt (continued)

Refunding of Bonds

The tax-exempt refunding of GO Bonds 2011 Series A(part) resulted in a debt service savings of \$376,936 (Net PV Savings \$365,489) over the remaining life of the bonds maturing on January 15, 2031. This refunding included a bond premium of \$436,765.

2011 A(part) (\$2,976,000) – 2020 A (\$2,599,064) = \$376,936

The taxable refunding of GO Bonds 2011 Series A(part) and 2012 Series B resulted in a savings of \$453,136 (Net PV Savings \$433,328) over the remaining life of the bonds maturing on January 12, 2031.

2011 A (part) + 2012 B (\$5,044,975) – 2020 B (\$4,591,838) = \$453,136

Economic Net Gain (Net Present Value Savings)

2020 Series A	\$ 365,489
2020 Series B	<u>433,328</u>
Total Economic Net Gain	\$ 798,817

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

June 30, 2022

Note 8. Debt (continued)

Description of Purpose	Date of Issue	of Original Issue	Interest Rates	Date of Maturity	Balance 6/30/2021	Additions	Refundings & Retirements	Balance 6/30/2022	Due Within One Year
<i>Business-type activities:</i>									
<i>General revenue bonds and notes</i>									
<i>Direct Borrowings and Direct Placements:</i>									
Rhode Island Infrastructure Bank	12/12/2007	\$ 850,000	1.492%	9/1/2022	\$ 131,000	\$ -	\$ 64,000	\$ 67,000	\$ 67,000
Rhode Island Infrastructure Bank	10/6/2009	560,000	2.89%	9/1/2024	160,783	-	40,783	120,000	38,275
Rhode Island Infrastructure Bank	6/28/2012	4,000,000	.22% - 2.76%	9/1/2032	2,616,467	-	195,467	2,421,000	183,116
Rhode Island Infrastructure Bank	6/16/2013	<u>3,370,000</u>	.19% - 2.53%	9/1/2033	<u>2,179,600</u>	-	<u>158,200</u>	<u>2,021,400</u>	<u>168,450</u>
		8,780,000			5,087,850	-	458,450	4,629,400	456,841
<i>General obligation bonds</i>									
<i>Direct Borrowings and Direct Placements:</i>									
Rhode Island Infrastructure Bank	5/1/2013	<u>227,000</u>	3.31%	7/2/2024	<u>72,000</u>	-	<u>23,000</u>	<u>49,000</u>	<u>24,000</u>
Total bonds obligations		<u>\$ 9,007,000</u>			<u>\$ 5,159,850</u>	<u>\$ -</u>	<u>\$ 481,450</u>	<u>\$ 4,678,400</u>	<u>\$ 480,841</u>
Other long-term obligation									
Compensated absences					<u>73,689</u>	<u>3,891</u>	<u>-</u>	<u>77,580</u>	<u>28,705</u>
Total other long-term obligation									
Business-type activities, long-term liabilities					<u>\$ 5,233,539</u>	<u>\$ 3,891</u>	<u>\$ 481,450</u>	<u>\$ 4,755,980</u>	<u>\$ 509,546</u>

During fiscal 2022, the Town received \$101,899, from the Rhode Island Infrastructure Bank (RIIB) for the Town's share of the gain realized on a refunding completed by the RIIB on debt issued by the Sewer Authority. The Town has reported the proceeds as deferred inflows on the Statement of Net Position and will amortize the gain over the remaining useful life of the debt obligations. The future debt service requirements by the Town of Smithfield have not been impacted as a result of the RIIB refunding.

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

June 30, 2022

Note 8. Debt (continued)

The Town’s future debt service requirements relating to outstanding bond and lease purchase obligations consist of the following and are planned to be raised through future property tax levies, fee assessments, and state aid for school housing and improvements. The future maturities presented below does not include the amortization of the bond premium.

	<u>Governmental Activities</u>			<u>Business-Type Activities</u>			
	<u>Bonds</u>			<u>Direct Borrowings & Direct Placement</u>			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Principal forgiveness</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:							
2023	\$ 2,790,000	\$ 1,806,601	\$ 4,596,601	\$ 491,602	\$ (10,761)	\$ 101,485	\$ 582,326
2024	2,845,000	1,702,921	4,547,921	429,417	(10,609)	93,354	512,162
2025	2,655,000	1,597,067	4,252,067	417,826	(10,794)	84,902	491,934
2026	2,715,000	1,490,200	4,205,200	376,633	(9,300)	76,351	443,684
2027	2,780,000	1,377,934	4,157,934	382,356	(9,578)	67,820	440,598
2028-2032	12,495,000	5,269,475	17,764,475	1,992,560	(63,527)	200,349	2,129,382
2033-2037	12,650,000	2,878,553	15,528,553	588,006	(11,660)	11,823	588,169
2038-2042	11,555,000	1,060,650	12,615,650	-	-	-	-
	<u>\$ 50,485,000</u>	<u>\$ 17,183,401</u>	<u>\$ 67,668,401</u>	<u>\$ 4,678,400</u>	<u>\$ (126,229)</u>	<u>\$ 636,084</u>	<u>\$ 5,188,255</u>

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

June 30, 2022

Note 8. Debt (continued)

The Town of Smithfield currently has one lease agreement for the school department for two copiers. The lease agreements qualify as capital leases for accounting purposes and therefore have been recorded at present value of the future minimum payments as of the inception date. Schedule of payments of capital leases for June 30, 2022, is as follows.

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 46,417	\$2,428.40
2024	47,899	947
2025	11,199	21
	<u>\$ 105,515</u>	<u>\$ 3,397</u>

<u>Company</u>	<u>Lease Commencement Date</u>	<u>Years</u>	<u>Lease Ending Date</u>	<u>Payment Method</u>
Axion	2021	3	2024	Monthly

At June 30, 2022, the Town’s short-term debt outstanding and activity consisted of the following:

<u>Description of Purpose</u>	<u>Date of Issue</u>	<u>of Original Issue</u>	<u>Interest Rates</u>	<u>Date of Maturity</u>	<u>Balance 6/30/2021</u>	<u>Additions</u>	<u>Refundings & Retirements</u>	<u>Balance 6/30/2022</u>	<u>Due Within One Year</u>
BAN- Rhode Island Infrastructure Bank	6/30/2020	\$ 2,730,000	1.25%	12/31/2022	\$ 2,730,000	\$ -	\$ -	\$ 2,730,000	\$ 2,730,000
		<u>\$ 2,730,000</u>			<u>\$ 2,730,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,730,000</u>	<u>\$ 2,730,000</u>

The original date of maturity was June 30, 2022 and was extended until December 31, 2022 at which time the BANs were paid off with the issuance of a bond

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

June 30, 2022

Note 9. Fund Balances

Fund Balance may be classified in the following categories: Nonspendable, Restricted, Committed, Assigned, or Unassigned. See Note 1 of these financial statements for definitions of these five Fund Balance categories. The detail of the composition of Nonspendable, Restricted, Committed, and Assigned Fund Balance follows:

	Major Funds			Non-Major Funds			Total	
	General Fund	School Unrestricted	School Reno Fund	Town Special Revenue	School Special Revenue	Town Capital Projects		Permanent Funds
Fund Balances								
Nonspendable								
Receivable from Capital Lease Fund	\$ 1,819,695	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,819,695	
Lease receivable	240,815	-	-	-	-	-	240,815	
Long-term portion of note receivable from Greenville Public Library	161,171	-	-	-	-	-	161,171	
Restricted for								
General government	-	-	-	335,348	-	-	335,348	
Public Safety	-	-	-	24,171	-	-	24,171	
Public works	-	-	-	-	-	430,551	430,551	
Education	-	-	196,834	-	479,751	-	676,585	
Recreation and Senior Activities	-	-	-	204,497	-	-	268,206	
Committed to								
Animal Control	-	-	-	30,909	-	-	30,909	
Animal Control Spay & Neuter	-	-	-	7,635	-	-	7,635	
Public Safety- Police	-	-	-	393,505	-	-	393,505	
Municipal Contingencies	-	-	-	32,623	-	-	32,623	
Retirement Escrow	-	-	-	429,791	-	-	429,791	
Revaluation Escrow	-	-	-	-	-	-	-	
Neighborhood Center	-	-	-	220,368	-	-	220,368	
General Public Assistance	-	-	-	62,127	-	-	62,127	
Educational purposes	-	3,746,452	-	-	-	-	3,746,452	
Capital projects	-	-	-	-	-	4,418,733	4,418,733	
Re-appropriation of balances to 2023 expenditures	2,799,123	-	-	-	-	-	2,799,123	
Capital expenditures carryover	2,094,704	-	-	-	-	-	2,094,704	
Unassigned	6,638,892	-	-	(16,921)	-	(2,940,484)	3,681,487	
Total	<u>\$ 13,754,400</u>	<u>\$ 3,746,452</u>	<u>\$ 196,834</u>	<u>\$ 1,724,053</u>	<u>\$ 479,751</u>	<u>\$ 1,908,800</u>	<u>\$ 63,709</u>	<u>\$ 21,873,999</u>

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2022

Note 9. Fund Balances (Continued)

The Town Council has adopted a spending policy as part of the approval of the implementation of GASB Statement No. 54. The Town's spending policy specifies the use of restricted resources first when both restricted and unrestricted fund balances are available unless there are legal documents/contracts that prohibit it. Additionally, the Town uses committed fund balance followed by assigned and then unassigned when expenditures are incurred for purposes for which amounts are available in each category.

In accordance with the Town's Home Rule Charter, effective June 30, 2022, the unrestricted fund balance of the Town's General Fund is to be maintained at 8% of the subsequent year's budget. Accordingly, the unrestricted fund at June 30, 2022, should be \$6,638,892 which is 8% of the fiscal 2023 approved budget of \$82,986,155. As seen in the accompanying supplementary information, at June 30, 2022 the Town's General fund reported unassigned fund balance of \$6,638,892. The unassigned fund balance in the Town's General Fund at June 30, 2022, is considered to represent the 8% unrestricted fund balance required by the Home Rule Charter.

Fund Deficits:

The following funds had deficit fund balances (negative unassigned fund balance) at June 30, 2022:

Major Governmental Funds:

None

NonMajor Governmental Funds:

Special Revenue - Revaluation Escrow	\$	16,921
Capital Project - Special Project Fund		136,388
Capital Project - Fire Station Bond		532,524
Capital Project - Capital Lease Fund		1,819,696
Capital Project - Smithfield Fire Rescue		451,876
Total aggregate deficit fund balances	\$	<u>2,957,405</u>

The deficit fund balances/negative unassigned fund balances noted above will be eliminated through the future sale of property, annual lease payments made by the Town's General Fund, issuance of bonded debt, and/or transfer of funds from another project.

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2022

Note 9. Fund Balances (continued)

Fund Deficits(continued):

The following individual funds had operating deficits for the year ending June 30, 2022:

Major Governmental Funds:	
General Fund	\$ 904,763
School Renovations Bond	8,479,872
Total Major Governmental Funds	<u>9,384,635</u>
Business-Type Activities:	
Sewer Authority	535,073
Total Business-Type Activities	<u>535,073</u>
Non-major Governmental Funds:	
Special Revenue Funds:	
Police Restricted Revenue	258,334
Police Confiscated Fund	9,997
Retirement Escrow	239,070
Revaluation Escrow	223,789
Dog Park	12,680
Play for all Fund	307
School Restricted Funds	33,657
Capital Projects Funds:	
Land Acquisition Open Space	16,676
Special Projects Fund	136
Police Improvement Fund	34,740
Fire Station Bond	477,671
School Improvement Bond	211,875
Smithfield Fire Rescue	1,670,214
School Restricted Funds:	
XQ + RI Challenge Planning Grant	8,560
Roy T. Morgan Foundation	2,183
NE Dairy & Food Council	6,489
Kiducation	289
Fienstein Foundation	12,286
LaPerche PTA	25
RI State Council for Arts	139
Stop and Shop A+ Bonus	3,807
McCabe Playground	649
RI Foundation	1,214
Goodwill	104
VFW Memorial Fund	1,000
General Assembly Grant	334
Total Non-Major Governmental Activities	<u>\$ 3,226,225</u>

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2022

Note 10. Interfund Balances and Transfers

Interfund balances represent short-term advances from one fund (primarily the General Fund) to another fund. The advances may represent balances resulting from operating advances, reimbursement for expenditures paid by one fund on behalf of another fund or may simply be the result of pooling financial resources to maximize investment return. The composition interfund balances at June 30, 2022 is as follows. Interfund balances are eliminated for presentation in the Government-wide financial statements.

The principal purpose of interfund transfers is to provide a financing source to various funds that may not have the ability to cover all operating costs or capital expenditures with revenue generated by the fund. The composition of interfund transfers for the year ended June 30, 2022 is as follows:

Governmental Funds:	Due from Other Funds	Due to Other Funds	Other Financing Sources	Other Financing Uses
Major Governmental Funds:				
General fund	\$ 6,591,909	\$ 16,575,779	\$ 2,053,300	\$ 33,062,277
School Renovations Bond	467,210	-	-	-
School Unrestricted Fund	4,517,643	-	32,849,327	-
Total Major Governmental Funds	11,576,762	16,575,779	34,902,627	33,062,277
Non-Major Governmental Funds:				
Town special revenue	4,424,233	521,126	212,950	-
School renovations bond	-	-	-	-
School special revenue	242,549	827,547	-	-
Town capital projects	3,503,352	4,458,557	125,000	1,731,897
Total Non-Major Governmental Funds	8,170,134	5,807,230	337,950	1,731,897
Proprietary Funds:				
Sewer Authority	1,363,305	-	-	213,819
Water Supply Board	2,551,921	-	-	232,584
Smithfield Ice Rink	-	1,279,113	-	-
School Lunch Program	-	-	-	-
Total Proprietary Funds	3,915,226	1,279,113	-	446,403
Total all Funds	\$ 23,662,122	\$ 23,662,122	\$ 35,240,577	\$ 35,240,577

The following represents the interfund payable between the general fund and the fiduciary funds:

	Interfund Receivable	Interfund Payable
Major Governmental Funds:		
General fund	-	578,579
Total Major Governmental Funds	-	578,579
Fiduciary Fund:		
Custodial Fund	578,579	-
Police Pension	-	-
Fire Pension	-	-
OPEB Trust	-	-
Total Fiduciary Funds	578,579	-

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2022

Note 11. Defined Benefit Pension Plans

A.) Municipal Employees' Retirement System (MERS)- Agent Multiple Plan Administered by the State of Rhode Island Retirement Board:

General Information about the Pension Plan:

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

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

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

Salary: Salary includes the member's base earnings plus any payments under a regular longevity or incentive plan. Salary excludes overtime, unused sick and vacation leave, severance pay, and other extraordinary compensation. Certain amounts that are excluded from taxable wages, such as amounts sheltered under a Section 125 plan or amounts picked up by the employer under 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.

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2022

Note 11. Defined Benefit Pension Plans (continued)

A.) Municipal Employees' Retirement System (MERS)- Agent Multiple Plan Administered by the State of Rhode Island Retirement Board (continued):

General Information about the Pension Plan (continued):

General employees:

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

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

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

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

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

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

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

Police and Fire employees:

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

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

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2022

Note 11. Defined Benefit Pension Plans (continued)

A.) Municipal Employees' Retirement System (MERS)- Agent Multiple Plan Administered by the State of Rhode Island Retirement Board (continued):

General Information about the Pension Plan (continued):

Police and Fire employees (continued):

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.

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.

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2022

Note 11. Defined Benefit Pension Plans (continued)

A.) Municipal Employees' Retirement System (MERS)- Agent Multiple Plan Administered by the State of Rhode Island Retirement Board (continued):

General Information about the Pension Plan (continued):

Other benefit provisions (continued):

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.

Employees covered by the benefit terms:

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

	General Employees MERS Plan - Town	General Employees MERS Plan - School	Police Employees MERS Plan	Fire Employees MERS Plan	Total
Retirees and Beneficiaries	39	73	9	-	121
Inactive, Non-retired Members	20	23	5	1	49
Active Members	71	88	40	31	230
Total	<u>130</u>	<u>184</u>	<u>54</u>	<u>32</u>	<u>400</u>

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2022

Note 11. Defined Benefit Pension Plans (continued)

A.) Municipal Employees' Retirement System (MERS)- Agent Multiple Plan Administered by the State of Rhode Island Retirement Board (continued):

Contributions:

The amount of employee and employer contributions have been established under Rhode Island General Law Chapter 45-21. General employees of the MERS Plan (COLA plans) are required to contribute 1% (2% if the employer opted to provide COLA) of their salaries. General employees with more than 20 years of service as of June 30, 2012 are required to contribute 8.25%. Public safety employees are required to contribute 9% (10% if the employer opted to provide a COLA) of their salaries. The Town of Smithfield, Rhode Island contributes at a rate of covered payroll as determined by an independent actuary on an annual basis. The General Assembly can amend the amount of these contribution requirements. The Town of Smithfield, Rhode Island contributed \$1,509,459 in the year ended June 30, 2022 which was 8.82% of annual covered payroll.

The contribution information for the fiscal year ended June 30, 2022, for the MERS plans is as follows:

	General Employees MERS Plan - Town	General Employees MERS Plan - School	Police Employees MERS Plan	Fire Employees MERS Plan	Total
Employer Contributions	\$ 470,811	\$ 382,570	\$ 455,464	\$ 200,614	\$ 1,509,459
Covered Payroll	4,530,706	3,697,274	3,632,090	2,062,349	13,922,420
Percentage of annual covered payroll	10.39%	10.35%	12.54%	9.73%	8.82%

Net Pension Liability (Asset):

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

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2022

Note 11. Defined Benefit Pension Plans (continued)

A.) Municipal Employees’ Retirement System (MERS)- Agent Multiple Plan Administered by the State of Rhode Island Retirement Board (continued):

Net Pension Liability (Asset)(continued):

Summary of Actuarial Assumptions Used in the Valuations to determine the Net Pension Liability at the June 30, 2021 measurement date (June 30, 2020 valuation rolled forward to June 30, 2021)	
Actuarial Cost Method	Entry Age Normal - the Individual Entry Age Actuarial Cost methodology is used.
Amortization Method	Level Percent of Payroll – Closed
Actuarial Assumptions	
Investment Rate of Return	7.00%
Projected Salary Increases	General Employees - 3.50% to 7.25%; Police & Fire Employees - 4.00% to 14.00%
Inflation	2.5 %
Mortality	Mortality – Variants of the PUB (10) Tables for Healthy and Disabled Retirees, projected with Scale Ultimate MP16.
Cost of Living Adjustments	The known COLA for certain MERS units in calendar years 2019 and 2020 were 1.86% and 1.56%, respectively, and this was reflected in the June 30, 2019 valuation. All future COLAs were assumed to be 2.1% per annum for all MERS units with the COLA provision.

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

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

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2022

Note 11. Defined Benefit Pension Plans (continued)

A.) Municipal Employees' Retirement System (MERS)- Agent Multiple Plan Administered by the State of Rhode Island Retirement Board (continued):

Net Pension Liability (Asset) (continued):

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

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2022

Note 11. Defined Benefit Pension Plans (continued)

A.) Municipal Employees' Retirement System (MERS)- Agent Multiple Plan Administered by the State of Rhode Island Retirement Board (continued):

Discount Rate:

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

	Changes in the Net Pension Liability (Asset)		
	General Employees MERS Plan - Town		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances as of June 30, 2020	\$ 19,796,846	\$ 16,684,287	\$ 3,112,559
Changes for the Year			
Service cost	362,457	-	362,457
Interest on the total pension liability	1,366,812	-	1,366,812
Changes in benefits	-	-	-
Difference between expected and actual experience	(208,351)	-	(208,351)
Changes in assumptions	-	-	-
Employer contributions	-	444,713	(444,713)
Employee contributions	-	140,453	(140,453)
Net investment income	-	4,511,620	(4,511,620)
Benefit payments, including employee refunds	(904,391)	(904,391)	-
Administrative expense	-	(17,190)	17,190
Other changes	-	8	(8)
Net changes	<u>616,527</u>	<u>4,175,213</u>	<u>(3,558,686)</u>
Balances as of June 30, 2021	<u>\$ 20,413,373</u>	<u>\$ 20,859,500</u>	<u>\$ (446,127)</u>

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2022

Note 11. Defined Benefit Pension Plans (continued)

A.) Municipal Employees' Retirement System (MERS)- Agent Multiple Plan Administered by the State of Rhode Island Retirement Board (continued):

	Changes in the Net Pension Liability (Asset)		
	School Non-Certified MERS Plan		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances as of June 30, 2020	\$ 15,080,069	\$ 12,784,220	\$ 2,295,849
Changes for the Year			
Service cost	326,352	-	326,352
Interest on the total pension liability	1,035,170	-	1,035,170
Changes in benefits	-	-	-
Difference between expected and actual experience	(5,932)	-	(5,932)
Changes in assumptions	-	-	-
Employer contributions	-	363,487	(363,487)
Employee contributions	-	85,197	(85,197)
Net investment income	-	3,397,195	(3,397,195)
Benefit payments, including employee refunds	(910,204)	(910,204)	-
Administrative expense	-	(12,944)	12,944
Other changes	-	-	-
Net changes	445,386	2,922,731	(2,477,345)
Balances as of June 30, 2021	<u>\$ 15,525,455</u>	<u>\$ 15,706,951</u>	<u>\$ (181,496)</u>

	Changes in the Net Pension Liability (Asset)		
	Police Employees MERS Plan		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances as of June 30, 2020	\$ 21,147,256	\$ 19,040,732	\$ 2,106,524
Changes for the Year:			
Service cost	639,143	-	639,143
Interest on the total pension liability	1,485,493	-	1,485,493
Changes in benefits	-	-	-
Difference between expected and actual experience	(238,635)	-	(238,635)
Changes in assumptions	-	-	-
Employer contributions	-	395,220	(395,220)
Employee contributions	-	329,627	(329,627)
Net investment income	-	5,313,731	(5,313,731)
Benefit payments, including employee refunds	(490,997)	(490,997)	-
Administrative expense	-	(20,246)	20,246
Other changes	-	-	-
Net changes	1,395,004	5,527,335	(4,132,331)
Balances as of June 30, 2021	<u>\$ 22,542,260</u>	<u>\$ 24,568,067</u>	<u>\$ (2,025,807)</u>

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2022

Note 11. Defined Benefit Pension Plans (continued)

A.) Municipal Employees' Retirement System (MERS)- Agent Multiple Plan Administered by the State of Rhode Island Retirement Board (continued):

	Changes in the Net Pension Liability (Asset)		
	Fire Employees MERS Plan		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances as of June 30, 2020	\$ 2,239,043	\$ 2,264,747	\$ (25,704)
Changes for the Year:			
Service cost	381,835	-	381,835
Interest on the total pension liability	170,097	-	170,097
Changes in benefits	-	-	-
Difference between expected and actual experience	(94,389)	-	(94,389)
Changes in assumptions	-	-	-
Employer contributions	-	181,811	(181,811)
Employee contributions	-	200,226	(200,226)
Net investment income	-	729,681	(729,681)
Benefit payments, including employee refunds	-	-	-
Administrative expense	-	(2,780)	2,780
Other changes	-	-	-
Net changes	<u>457,543</u>	<u>1,108,938</u>	<u>(651,395)</u>
Balances as of June 30, 2021	<u>\$ 2,696,586</u>	<u>\$ 3,373,685</u>	<u>\$ (677,099)</u>

Sensitivity of Net Pension Liability to changes in the discount rate:

The following presents the net pension liability (asset) of the employers calculated using the discount rate of 7.0 percent, 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.

	Ending Net Pension Liability (Asset)		
	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
	\$	\$	\$
General Employees MERS Plan - Town	1,306,508	(446,127)	(2,683,346)
General Employees MERS Plan - School	1,171,670	(181,496)	(1,908,394)
Police Employees MERS Plan	(134,694)	(2,025,807)	(4,439,876)
Fire Employees MERS Plan	(454,585)	(677,099)	(960,498)

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2022

Note 11. Defined Benefit Pension Plans (continued)

A.) Municipal Employees' Retirement System (MERS)- Agent Multiple Plan Administered by the State of Rhode Island Retirement Board (continued):

Pension plan fiduciary net position:

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

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

For the year ended June 30, 2022, the Town of Smithfield recognized pension expense in the Government-Wide Statement of Activities for the various MERS plans as follows:

General Employees MERS Plan - Town	\$ (297,610)
General Employees MERS Plan - School	(67,980)
Police Employees MERS Plan	(333,193)
Fire Employees MERS Plan	51,775

The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

Total Aggregate Data from All Plans		
Description of Outflows/Inflows	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 557,937	\$ 1,559,442
Changes of assumptions	534,725	430,669
Net difference between projected and actual earnings on pension plan investments	-	7,386,428
Town contributions subsequent to measurement date	1,509,459	-
	\$ 2,602,121	\$ 9,376,539
Net amount of deferred outflows and (inflows) excluding Town contributions subsequent to measurement date		\$ (8,283,877)

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2022

Note 11. Defined Benefit Pension Plans (continued)

A.) Municipal Employees' Retirement System (MERS)- Agent Multiple Plan Administered by the State of Rhode Island Retirement Board (continued):

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

(\$8,283,877) reported as deferred outflows of resources in the aggregate for all MERS Plans related to pensions resulting from the Town of Smithfield's contributions 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 and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30</u>	
2023	\$ (1,885,911)
2024	(1,899,799)
2025	(1,951,629)
2026	(2,151,007)
2027	(115,127)
Thereafter	<u>(280,404)</u>
	<u>\$ (8,283,877)</u>

B.) Teacher's Pension Plan – Employees' Retirement System (ERS)

General Information about the Pension Plan:

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

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

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2022

Note 11. Defined Benefit Pension Plans (continued)

B.) *Teacher's Pension Plan – Employees' Retirement System (ERS) (continued)*

General Information about the Pension Plan (continued):

Benefit Provisions: The level of benefits provided to participants is established by Chapter 36-10 of the General Laws, which is subject to amendment by the General Assembly. Member benefit provisions vary based on service credits accumulated at dates specified in various amendments to the General Laws outlining minimum retirement age, benefit accrual rates and maximum benefit provisions. In general, members accumulate service credits for each year of service subject to maximum benefit accruals of 80% or 75%. For those hired after June 30, 2012, the benefit accrual rate is 1% per year with a maximum benefit accrual of 40%. Members eligible to retire 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, the Town of Smithfield's School Department teachers were required to contribute 3.75% of their annual covered salary, except for teachers with twenty or more years of service as of June 30, 2012 must contribute 11% of their annual covered salary. The state and the Town of Smithfield 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 Town of Smithfield; the rates were 10.94% and 14.0% of annual covered payroll for the fiscal year ended June 30, 2022 for the state and Town of Smithfield, respectively. The Town of Smithfield was required to contribute 25.72% for federally funded salaries. The Town of Smithfield contributed \$2,816,216, \$2,861,786 and \$2,838,550 for the fiscal years ended June 30, 2022, 2021 and 2020, respectively, equal to 100% of the required contributions for each year. The State's share of contribution for fiscal 2022 was \$2,651,852 and is reported as on-behalf payments and included in both revenue and expenditures on the financial statements.

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2022

Note 11. Defined Benefit Pension Plans (continued)

B.) Teacher's Pension Plan – Employees' Retirement System (ERS) (continued)

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

At June 30, 2022, the Town of Smithfield reported a liability of \$23,924,624 for its proportionate share of the net pension liability that reflected a reduction for contributions made by the state. The amount recognized by the Town of Smithfield 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 Town of Smithfield were as follows:

Smithfield School Department proportionate share of net pension liability	\$	23,924,624
State's proportionate share of the net pension liability associated with the Smithfield School Department		17,742,254
Total net pension liability	\$	41,666,878

The net pension liability was measured as of June 30, 2021, the measurement date, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021. The Town of Smithfield's proportion of the net pension liability was based on a projection of the Town of Smithfield long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State, actuarially determined. At June 30, 2021 the Town of Smithfield's proportion was 1.01659908%.

For the year ended June 30, 2022 the Town of Smithfield recognized gross pension expense in the Government-wide financial statements of \$2,296,082 and operating grants and contributions for education of \$1,084,362 for support provided by the State. At June 30, 2022 the Town of Smithfield reported deferred outflows of resources and deferred inflows of resources to pensions from the following sources:

Description of Outflows/Inflows	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 240,140	\$ 772,780
Changes of assumptions	1,001,858	526,128
Net difference between projected and actual earnings on pension plan investments	-	5,599,843
Changes in proportion and differences between System contributions and proportionate share contributions	641,527	1,556,470
Contributions subsequent to the measurement date	2,816,216	-
	\$ 4,699,741	\$ 8,455,221
Net amount of deferred outflows and (inflows) excluding PSD contributions subsequent to measurement date		\$ (6,571,696)

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2022

Note 11. Defined Benefit Pension Plans (continued)

B.) Teacher's Pension Plan – Employees' Retirement System (ERS) (continued)

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

\$2,816,216 reported as deferred outflows of resources related to pensions resulting from the Town of Smithfield contributions in fiscal year 2022 subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2023	\$ (1,178,415)
2024	(1,319,170)
2025	(1,541,360)
2026	(1,997,403)
2027	(389,575)
Thereafter	<u>(145,773)</u>
	<u>\$ (6,571,696)</u>

Actuarial Assumptions:

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

<u>Actuarial Methods and Assumptions</u>	
Inflation:	2.50%
Salary Increases:	3.0% to 13.0%

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

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

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

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2022

Note 11. Defined Benefit Pension Plans (continued)

B.) Teacher's Pension Plan – Employees' Retirement System (ERS) (continued)

Actuarial Assumptions (continued):

Asset class	Target allocation	Long-term expected real rate of return
GROWTH		
Global equity		
U.S. equity	23.20%	5.83%
International Developed Equity	11.80%	6.35%
Emerging Markets Equity	5.00%	8.04%
Sub-total	40.00%	
Private Growth		
Private Equity	11.25%	9.47%
Non-Core RE	2.25%	5.32%
Opportunistic Private Credit	1.50%	9.47%
Sub-total	15.00%	
INCOME		
High Yield Infrastructure	1.00%	3.19%
REITS	1.00%	5.32%
Equity Options	2.00%	5.59%
EMD (50/50 Blend)	2.00%	1.96%
Liquid Credit	2.80%	3.19%
Private Credit	3.20%	3.19%
Sub-total	12.00%	
STABILITY		
Crisis Protection Class		
Treasury Duration	5.00%	-0.32%
Systematic Trend	5.00%	3.39%
Sub-total	10.00%	
Inflation Protection		
Core Real Estate	3.60%	5.32%
Private Infrastructure	2.40%	5.81%
TIPs	2.00%	0.31%
Sub-total	8.00%	
Volatility Protection		
IG Fixed Income	3.25%	1.14%
Securitized Credit	3.25%	1.14%
Absolute Return	6.50%	3.39%
Cash	2.00%	-0.32%
Sub-total	15.00%	
Total	100.00%	

The 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.

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2022

Note 11. Defined Benefit Pension Plans (continued)

B.) Teacher's Pension Plan – Employees' Retirement System (ERS) (continued):

Discount Rate:

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

Sensitivity of the net pension liability (asset) to changes in the discount rate:

The following presents the proportionate share of the net pension liability (asset) calculated using the discount rate of 7.0 percent as well as what the 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.

1.00% Decrease (6.0%)	Current Discount Rate (7.0%)	1.00% Increase (8.0%)
\$ 30,214,968	\$ 23,924,624	\$ 15,896,348

Pension plan fiduciary net position:

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

C.) Teacher's Survivors Benefit Plan (TSB) – Employees' Retirement System (ERS)

General Information about the Pension Plan:

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

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2022

Note 11. Defined Benefit Pension Plans (continued)

C.) Teacher's Survivors Benefit Plan (TSB) – Employees' Retirement System (ERS) (continued)

General Information about the Pension Plan (continued):

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

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

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

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

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

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2022

Note 11. Defined Benefit Pension Plans (continued)

C.) Teacher’s Survivors Benefit Plan (TSB) – Employees’ Retirement System (ERS) (continued)

General Information about the Pension Plan (continued):

Eligibility and Plan Benefits (continued):

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

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

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

The Smithfield School Department contributed \$27,976, \$27,689 and \$27,964 for the fiscal years ended June 30, 2022, 2021 and 2020, respectively, equal to 100% of the required contributions for each year.

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

At June 30, 2022, the Smithfield School Department reported an asset of \$7,360,234 for its proportionate share of the net pension asset related to its participation in TSB. The net pension asset was measured as of June 30, 2021, the measurement date, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of June 30, 2020, rolled forward to 2021. The Smithfield School Department proportion of the net pension asset was based on its share of contributions to the TSB for fiscal year 2021 relative to the total contributions of all participating employers for that fiscal year. At June 30, 2021, the Smithfield School Department proportion was 3.76110872%.

For the year ended June 30, 2022 the Town of Smithfield recognized pension expense of (\$853,286) – an increase of the net pension asset.

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2022

Note 11. Defined Benefit Pension Plans (continued)

C.) Teacher’s Survivors Benefit Plan (TSB) – Employees’ Retirement System (ERS) (continued)

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

At June 30, 2022 the Town of Smithfield School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description of Outflows/Inflows	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 272,764	\$ 790,292
Changes of assumptions	230,997	265,023
Net difference between projected and actual earnings on pension plan investments	-	1,819,567
Changes in proportion and differences between System contributions and proportionate share contributions	114,225	94,420
Contributions subsequent to the measurement date	27,976	-
	<u>\$ 645,962</u>	<u>\$ 2,969,302</u>
Net amount of deferred outflows and (inflows) excluding Town contributions subsequent to measurement date		<u>\$ (2,351,316)</u>

\$27,976 reported as deferred outflows of resources related to pensions resulting from the Town of Smithfield School Department contributions in fiscal year 2022 subsequent to the measurement date will be recognized as an addition to the net pension asset in the subsequent period. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2023	\$	(482,689)
2024		(459,969)
2025		(565,159)
2026		(647,122)
2027		(126,017)
Thereafter		(70,360)
		<u>\$ (2,351,316)</u>

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2022

Note 11. Defined Benefit Pension Plans (continued)

C.) Teacher’s Survivors Benefit Plan (TSB) – Employees’ Retirement System (ERS) (continued)

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

Inflation	2.50%
Salary increases	3.00% to 13.00%
Investment rate of return	7.00%

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

Cost of living adjustment – eligible survivors receive a yearly cost of living adjustment based on the annual social security adjustment – for valuation purposes, a 2.50% cost of living adjustment is assumed.

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

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

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2022

Note 11. Defined Benefit Pension Plans (continued)

C.) Teacher's Survivors Benefit Plan (TSB) – Employees' Retirement System (ERS) (continued)

Actuarial Assumptions (continued):

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

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

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2022

Note 11. Defined Benefit Pension Plans (continued)

C.) Teacher's Survivors Benefit Plan (TSB) – Employees' Retirement System (ERS) (continued)

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

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

The following presents the net pension liability (asset) calculated using the discount rate of 7.0 percent as well as what the 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.

1.00% Decrease (6.0%)	Current Discount Rate (7.0%)	1.00% Increase (8.0%)
\$ (6,619,036)	\$ (7,360,234)	\$ (8,306,527)

Pension plan fiduciary net position

Detailed information about this pension plan's fiduciary net position is available in the separately issued ERSRI financial report. The report may be obtained at <http://www.ersri.org>.

D.) Police and Fire Pension Trust (Fiduciary Funds)

Police Pension Trust:

The Town of Smithfield currently maintains a Police Pension Trust Fund which is administered by a private insurer and operated on a pay-as-you go basis. The plan is closed to new participants and currently includes 33 participants which included all retirees and beneficiaries. All active members of the Town's police department were transferred into the State Municipal Plan effective July 1, 2006.

Normal retirement benefits are paid at 2.5 percent of final average salary multiplied by service up to 20 years plus 2 percent of final average salary multiplied by service in excess of 20 years, not to exceed 75 percent of final average salary. Final average salary is defined as the average annual salary for the three consecutive years producing the highest such average in the last ten years preceding normal retirement date. The normal retirement dates are as follows: Police personnel employed prior to December 1, 1987 – the earlier of age 55 or completion of 20 years of service; Police personnel employed on or after December 1, 1987 – completion of 20 years of service.

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2022

Note 11. Defined Benefit Pension Plans (continued)

D.) Police and Fire Pension Trust (Fiduciary Funds)

Police Pension Trust (continued):

Former police employees retiring or becoming disabled on or after July 1, 1992, under the plan shall receive a COLA increase of 3% in their benefit on each anniversary date of retirement.

For the fiscal year ended June 30, 2022, the Town contributed \$2,179,641 to this plan. As noted above the plan is closed to new active employees and new participants and as a result there were no employee contributions or covered payroll for the fiscal year ended June 30, 2022.

The net pension liability was determined using the actuarial methods and assumptions for the valuation of the Police Pension Fund as a valuation date of July 1, 2021 as follows:

Inflation	3.00 percent
Salary increases	N/A
Investment rate of return	7.50 percent, net of expenses expense, including inflation
Discount Rate	7.50 percent
Mortality	2010 Public Sector Retirement Plan Mortality Table for Safety Annuitants with above average benefits and MP-2021 mortality improvement scale (M/F). 2010 Public Sector Retirement Plan Mortality for Disabled Safety Participants with MP-2021 mortality improvement scale (M/F)
Municipal Bond	4.09 percent. The Municipal Bond rates is based on the S&P Municipal Bond 20 Year High Grade Index

The Town does not currently issue a separate, audited GAAP basic postemployment benefit plan report for the police pension trust fund described above.

Fire Pension Trust:

Fire Department employees hired prior to July 1, 2011 are covered under a single employer defined benefit pension plan which is administered by a private insurer. Plan participation commences on the first day of the month following the date the employee is hired. Retirement benefits are determined based in the average annual salary for the three consecutive years producing the highest such average in the last ten years preceding normal retirement date and includes base compensation only. Employees are eligible for retirement on the first day of the month coincident with or next following the earlier of the attainment of age 65 or completion of 20 years of service. Benefits are calculated at 2.5% of the final average salary as determined above multiplied by service up to 20 years plus 2% of final average salary multiplied by service in excess of 20 years but not more than 75% of final average salary. Employees become 100% vested in the plan upon completion of ten years of service.

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2022

Note 11. Defined Benefit Pension Plans (continued)

D.) Police and Fire Pension Trust (Fiduciary Funds) (continued)

Fire Pension Trust (continued):

On or after January 1, 1994, the pension benefit for a participant is in the form of an annuity payable for the lifetime of a participant commencing in his/her retirement date. Upon death after retirement, 67 ½ % of the benefit will be continued to the surviving spouse in accordance with the terms of the plan. The pension benefit for a participant who retired prior to April 1, 1994, and who elected the Contingent Annuitant Option, shall have the pension benefit adjusted for an unreduced life annuity effective April 1, 1994. Firefighters who retire or who are placed on a disability pension after July 1, 1988, are entitled to a 3% compounded cost-of-living increase on each anniversary date of their retirement. This cost-of-living increase is also available to the surviving spouse and dependents of these retirees.

Disability benefits are provided under the plan upon completion of seven years of service, if the total and permanent disability is not due to occupational causes. If the participant becomes totally and permanently disabled due to occupational causes, no age or service requirements apply. The benefit is 50% of final average salary if the disability is not due to occupational cases and 66.67% of final average salary if it is due to occupational causes. Death benefits are paid to an employee's beneficiary if death occurs while the employee is still in the service of the Town. The pre-retirement death benefit to the surviving spouse is equal to 40% of the final average salary plus 10% for any dependent children with a maximum benefit of 50%. The pre-retirement death benefit is equal to 15% of the final average salary for each dependent child under age 18 with a maximum of 45% of final average salary for employees that do not have a spouse at the date of death.

Employees retiring or becoming disabled after July 1, 1998, shall receive a COLA increase of 3% in their benefit on each anniversary date of retirement. Pre-retirement survivor beneficiaries are also eligible for these increases.

The payroll for employees covered under this Town administered fire pension plan for the year ended June 30, 2022 was approximately \$2,620,048. At June 30, 2022 the plan included 74 participants which were comprised of the following: 35 active participants, 35 retirees and beneficiaries, and 4 terminated vested employees not yet receiving benefits.

Fire personnel are required by the plan document and contractual obligations to contribute 10% of their base earnings, not including overtime pay. The current collective bargaining agreement between the Town and fire department personnel provides that the Town contributes 24.65% for fiscal 2022. During the year ended June 30, 2022, the Town contributed approximately \$658,596 to the plan.

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2022

Note 11. Defined Benefit Pension Plans (continued)

D.) Police and Fire Pension Trust (Fiduciary Funds) (continued)

Fire Pension Trust (continued):

The net pension liability was determined using the actuarial methods and assumptions for the valuation of the Fire Pension Fund as of a valuation date of July 1, 2021 as follows:

Inflation	3.00 percent
Salary increases	3.00 percent
Investment rate of return	7.50 percent, net of expenses expense, including inflation
Discount Rate	7.50 percent
Mortality	2010 Public Safety Above Median for Employees, Healthy Annuitants, and Disabled Retirees, with Scale MP-2021 Generational Improvements (M/F)
Municipal Bond	4.09 percent. The Municipal Bond rates is based on the S&P Municipal Bond 20 Year High Grade Index

The Town does not currently issue a separate, audited GAAP basis postemployment benefit plan report of the fire pension trust fund described above.

Investment Policy

The Police and Fire plan assets are invested in equities covering various sector. These equities include domestic, foreign, and fixed income securities. The Town Council is responsible for the overall stewardship of the funds. The council has delegated the Fire and Police Pension committee the responsibility to oversee the funds' investments activities on the council's behalf with final approval being made by the Town Council. The committee selects and monitors the investment manager's performance. The investment manager is expected to pursue their own investment strategies within the guidelines created by the committee and in accordance with the Fund's asset allocation strategy and manager selection criteria.

Rate of Return

For the year ended June 30, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan expense was -9.00% and -7.83% for Police and Fire Pension Plans, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for changing amounts actually invested.

The long-term expected rate of return on the Police and Fire Pension 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 combines 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. Best estimates of arithmetic rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2022, are summarized in the following table (rates shown include the inflation component).

The rates are applicable for both the Police and Fire Pension Plan trust funds.

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2022

Note 11. Defined Benefit Pension Plans (continued)

D.) Police and Fire Pension Trust (Fiduciary Funds) (continued)

Rate of Return (continued)

	Target Asset Allocation			
	Min	Target	Max	
Public Equity Strategies	45%	60%	75%	
US Large Cap Equity	25%	30%	55%	Russell 1000 Index
US Small Cap Equity	4%	6%	10%	Russell 2000 Index
World Equity ex-US	10%	20%	30%	MSCI ACWI ex US
Emerging Markets Equity	5%	7%	10%	MSCI Emg & Frontier IX
Publicly Traded Real Estate	0%	5%	7%	S&P REIT Index
 Fixed Income	 15%	 30%	 35%	
US High Yield	0%	5%	10%	ML High Yld Master
Core Bonds	15%	20%	25%	Barclays Aggregate
Emerging Markets Bonds	0%	3%	5%	JPM EMBI
Short Duration Bonds	0%	5%	10%	BofA ML 3 Mo
 Alternatives	 0%	 10%	 15%	
Commodities	0%	5%	10%	
Hedge Funds	---	---	---	
Asset Class	Fire June 30, 2022 Asset Allocation	Police June 30, 2022 Asset Allocation	Target Asset Allocation	Long-Term Expected Rate of Return
Public Equity Strategies	66.49%	64.10%	60.00%	11.00%
Fixed Income	33.51%	35.90%	30.00%	5.70%
Alternatives	0.00%	0.00%	10.00%	6.00%
Total	100%	100%	100%	

Concentrations

The police and fire pension plan trust funds held investments in the following which represented 5% or more of the pension plan's fiduciary net position as of June 30, 2022.

Investments	Fire		Police	
	Pension Trust Fair Value	% of Fiduciary Net Position	Pension Trust Fair Value	% of Fiduciary Net Position
Global Investors- LG S&P Index SEP			\$ 3,213,025	25.38%
Vanguard Short-Term Bond Index	\$ 3,980,570	13.88%		
Vanguard Short-Term Corporate Bond Index	\$ 3,913,314	13.65%		
Ishares MSC/EAFE International Index	\$ 3,230,814	11.27%		
Global Investors-LG S&P Index SEP	\$ 7,050,401	24.59%		

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2022

Note 11. Defined Benefit Pension Plans (continued)

D.) Police and Fire Pension Trust (Fiduciary Funds) (continued)

Net Pension Liability

The net pension liability consisted of the following components at June 30, 2022:

Component:	Fire Pension Trust	Police Pension Trust
Total pension liability	\$ 41,762,649	\$ 25,392,490
Plan fiduciary net position	<u>28,669,759</u>	<u>12,657,618</u>
Net pension Liability	\$ 13,092,890	\$ 12,734,872
Plan fiduciary net position as a percentage of the total pension liability	68.65%	49.85%

Discount Rate

The discount rate used to measure the total pension liability was 7.50% and 7.50% for the Fire and Police Pension Trust Fund Plans, respectively. The projection of cash flows used to determine the discount rate assumed the Town contributions will continue to follow the pattern of contributions observed over the past five years.

Utilizing a discount rate of 7.50% for the Police Pension Trust Plan and assuming that the Town will continue to contribute 100% of the annual actuarial determined contribution resulted in the projected value of the plan assets being sufficient to cover all projected future benefit costs of the plan. Those projected benefits are assumed to exist through the plan year beginning July 1, 2096.

The June 30, 2022, actuarial valuation of the Fire Pension Trust Plan utilized a discount rate of 7.50%. Based on actuarial projected annual plan contributions and the various assumptions utilized for the actuarial valuation the Fire Pension Trust Plan is projected to run out of plan assets in fiscal 2074.

Due to the fact that the fiduciary net position of the Fire Pension Trust Plan is projected to be depleted by the year 2074, a municipal bond rate of 2.18% was used in the development of the blended GASB discount rate after that point. The 2.18% rate is based on the S&P Municipal Bond 20 Year High Grade Rate Index. Based on the long-term rate of return of 7.50% and the municipal bond rate of 2.18%, the blended GASB discount rate is 6.78%.

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

The following represents the net pension liability, calculated using the applicable discount rates as noted above, as well as what the plans net position liability would be if it were calculated using a discount rate that was 1% point lower or 1% point higher than the current rate.

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2022

Note 11. Defined Benefit Pension Plans (continued)

D.) Police and Fire Pension Trust (Fiduciary Funds) (continued)

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

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Police Pension Plan - Trust Fund	\$ 15,505,995	\$ 12,734,872	\$ 10,404,968

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Fire Pension Plan- Trust Fund	\$ 19,233,678	\$ 13,092,890	\$ 8,112,564

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

For the year ended June 30, 2022, the Town of Smithfield recognized pension expense of \$1,337,120 (increase to net position) in the Government-wide financial statements for the Police Pension Plan administered by the Town.

	Police Pension	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	-	-
Difference between projected and actual earnings on plan investments	1,037,274	-
Total deferred outflows / (inflows)	\$ 1,037,274	\$ -

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

Year ended June 30:	
2023	\$ 277,265
2024	217,660
2025	82,188
2026	460,161
2027	-
Therafter	-
	\$ 1,037,274

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2022

Note 11. Defined Benefit Pension Plans (continued)

D.) Police and Fire Pension Trust (Fiduciary Funds) (continued)

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

Changes in the Net Pension Liability (Asset)

	Police Pension Plan - Trust Fund		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance as of 7/1/2021	\$ 25,083,482	\$ 13,551,791	\$ 11,531,691
Changes for the year:			
Service cost	-	-	-
Interest on total pension liability	1,811,835	-	1,811,835
Change of benefit terms	-	-	-
Differences between expected and actual experience	194,867	-	194,867
Changes in assumptions	86,810	-	86,810
Contributions - employer	-	2,179,641	(2,179,641)
Contributions - employee	-	-	-
Net investment income	-	(1,240,096)	1,240,096
Benefit payments	(1,784,504)	(1,784,504)	-
Administrative expense	-	(49,214)	49,214
Net changes	<u>309,008</u>	<u>(894,173)</u>	<u>1,203,181</u>
Balance as of 6/30/2022	<u>\$ 25,392,490</u>	<u>\$ 12,657,618</u>	<u>\$ 12,734,872</u>

For the year ended June 30, 2022 the Town of Smithfield recognized pension expense of \$147,650 (increase to net position) in the Government-wide financial statements for the Fire Pension Plan administered by the Town.

	Fire Pension	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 550,052	\$ 636,539
Changes of assumptions	594,601	3,327,817
Difference between projected and actual earnings on plan investments	<u>1,815,665</u>	<u>-</u>
Total deferred outflows / (inflows)	<u>\$ 2,960,318</u>	<u>\$ 3,964,356</u>

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2022

Note 11. Defined Benefit Pension Plans (continued)

D.) Police and Fire Pension Trust (Fiduciary Funds) (continued)

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

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

Year ended June 30:		
2023	\$	(272,904)
2024		(523,698)
2025		(767,461)
2026		474,643
2027		85,382
Thereafter		-
		<u>\$ (1,004,038)</u>

Changes in the Net Pension Liability (Asset)

	Fire Pension Plan - Trust Fund		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance as of 7/1/2021	\$ 39,576,035	\$ 32,359,220	\$ 7,216,815
Changes for the year:			
Service cost	497,639	-	497,639
Interest on total pension liability	2,923,524	-	2,923,524
Change of benefit terms	-	-	-
Differences between expected and actual experience	664,456	-	664,456
Changes in assumptions	(50,689)	-	(50,689)
Contributions - employer	-	658,596	(658,596)
Contributions - employee	-	261,318	(261,318)
Net investment income	-	(2,711,510)	2,711,510
Benefit payments	(1,848,316)	(1,848,316)	-
Administrative expense	-	(49,549)	49,549
Net changes	<u>2,186,614</u>	<u>(3,689,461)</u>	<u>5,876,075</u>
Balance as of 6/30/2022	<u>\$ 41,762,649</u>	<u>\$ 28,669,759</u>	<u>\$ 13,092,890</u>

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2022

Note 11. Defined Benefit Pension Plans (continued)

E.) Aggregate Deferred Outflows of Resources and Deferred Inflows of Resources

The Town of Smithfield, Rhode Island reported deferred outflows of resources and deferred inflows of resources related to its various pension plans from the following sources:

	General Employees MERS Plan Town	General Employees MERS Plan School	Police Employees MERS Plan	Fire Employees MERS Plan	Teacher's ERS Plan	Teacher's TSB Plan	Police Pension Plan	Fire Pension Plan	Total All Plans
Deferred Outflows of Resources:									
Contributions subsequent to measurement date	\$ 470,811	\$ 382,570	\$ 455,464	\$ 200,614	\$ 2,816,216	\$ 27,976	\$ -	\$ -	\$ 4,353,651
Net difference between projected and actual experience	-	-	-	-	-	-	1,037,274	1,815,665	2,852,939
Difference between expected and actual experience	120,949	76,630	360,349	9	240,140	272,764	-	550,052	1,620,893
Changes in assumptions	135,172	-	341,104	58,449	1,001,858	230,997	-	594,601	2,362,181
Changes in proportion an difference in employer contributions and proportion	-	-	-	-	641,527	114,225	-	-	755,752
Subtotal deferred outflows of resources	<u>726,932</u>	<u>459,200</u>	<u>1,156,917</u>	<u>259,072</u>	<u>4,699,741</u>	<u>645,962</u>	<u>1,037,274</u>	<u>2,960,318</u>	<u>11,945,416</u>
Deferred Inflows of Resources:									
Difference between actual and expected experience	463,560	144,949	681,560	269,373	772,780	790,292	-	636,539	3,759,053
Net difference between projected and actual experience	2,366,801	1,759,504	2,844,748	415,375	5,599,843	1,819,567	-	-	14,805,838
Changes in assumptions	126,362	112,360	168,776	23,171	526,128	265,023	-	3,327,817	4,549,637
Changes in proportion and difference in employer contributions and proportion	-	-	-	-	1,556,470	94,420	-	-	1,650,890
Subtotal deferred inflows of resources	<u>2,956,723</u>	<u>2,016,813</u>	<u>3,695,084</u>	<u>707,919</u>	<u>8,455,221</u>	<u>2,969,302</u>	<u>-</u>	<u>3,964,356</u>	<u>24,765,418</u>
<i>Net Deferred Outflows (Inflows)</i>	<u><u>\$(2,700,602)</u></u>	<u><u>\$(1,940,183)</u></u>	<u><u>\$(2,993,631)</u></u>	<u><u>\$(649,461)</u></u>	<u><u>\$(6,571,696)</u></u>	<u><u>\$(2,351,316)</u></u>	<u><u>\$ 1,037,274</u></u>	<u><u>\$(1,004,038)</u></u>	<u><u>\$(17,173,653)</u></u>

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2022

Note 11. Defined Benefit Pension Plans (continued)

E.) Aggregate Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

Deferred outflows of resources related to 2022 contributions to pension plans subsequent to the measurement date (June 30, 2021 where applicable) will be recognized as a reduction of the net pension liability for the year ended June 30, 2023.

Other amounts noted above and reported as deferred outflows or inflows of resources at June 30, 2022, will be recognized as a component of pension expense over the following periods of time:

- Closed 6 year period beginning in the current period for the deferred outflows or inflows of resources related to projected and actual earnings on pension plan investments.
- All other deferred outflows and inflows of resources related to pension plans as described above are amortized over a closed period of time equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan (includes active and inactive employees) determined as of the beginning of the measurement period.

Based on the above, the other amounts of deferred outflows and inflows of resources related to the Town of Smithfield, Rhode Island's pension plans will be recognized as a component of pension expense as follows for the years ended June 30:

	General Employees MERS Plan Town	General Employees MERS Plan School	Police Employees MERS Plan	Fire Employees MERS Plan	Teacher's ERS Plan	Teacher's TSB Plan	Police Pension Plan	Fire Pension Plan	Total All Plans
2023	\$ (598,593)	\$ (479,026)	\$ (688,176)	\$ (120,116)	\$ (1,178,415)	\$ (482,689)	\$ 277,265	\$ (272,904)	\$ (3,542,654)
2024	(660,521)	(470,235)	(653,099)	(115,944)	(1,319,170)	(459,969)	217,660	(523,698)	(3,984,976)
2025	(684,778)	(486,256)	(664,879)	(115,716)	(1,541,360)	(565,159)	82,188	(767,461)	(4,743,421)
2026	(725,729)	(504,666)	(793,045)	(127,567)	(1,997,403)	(647,122)	460,161	474,643	(3,860,728)
2027	(30,981)	-	(68,154)	(15,992)	(389,575)	(126,017)	-	85,382	(545,337)
Thereafter	-	-	(126,278)	(154,126)	(145,773)	(70,360)	-	-	(496,537)
Total	\$ (2,700,602)	\$ (1,940,183)	\$ (2,993,631)	\$ (649,461)	\$ (6,571,696)	\$ (2,351,316)	\$ 1,037,274	\$ (1,004,038)	\$ (17,173,653)

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2022

Note 11. Defined Benefit Pension Plans (continued)

F.) Aggregate Pension Amounts Reported in the Financial Statements

As required by GASB Statement No. 68, Accounting and Financial Reporting for Pensions an Amendment of GASB Statement No. 34, the table below presents the aggregate amount of pension expense, pension liabilities (assets) and deferred inflows and outflows for the defined benefit plans of the Town of Smithfield, Rhode Island.

	MERS Town General Plan	MERS School Plan	MERS Fire Plan	MERS Police Plan	ERS Teachers	TSB Teachers	Town Fire Plan	Town Police Plan	Total
Net Pension Asset	\$ 446,127	\$ 181,496	\$ 677,099	\$ 2,025,807	\$ -	\$ 7,360,234	\$ -	\$ -	\$ 10,690,763
Deferred Outflows of Resources - Pension	726,932	459,200	259,072	1,156,917	4,699,741	645,962	2,960,318	1,037,274	11,945,416
Deferred Inflows of Resources - Pension	2,956,723	2,016,813	707,919	3,695,084	8,455,221	2,969,302	3,964,356	-	24,765,418
Net Pension Liability	-	-	-	-	23,924,624	-	13,092,890	12,734,872	49,752,386
Pension Expense	(297,610)	(67,980)	51,775	(333,193)	1,211,720	(853,286)	147,650	1,337,120	1,196,196
Total	<u>\$ 3,832,172</u>	<u>\$ 2,589,529</u>	<u>\$ 1,695,865</u>	<u>\$ 6,544,615</u>	<u>\$ 38,291,306</u>	<u>\$ 10,122,212</u>	<u>\$ 20,165,214</u>	<u>\$ 15,109,266</u>	<u>\$ 98,350,179</u>

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2022

Note 12. Defined Contribution Plan

General municipal, certified school, and noncertified school employees participating in the defined benefit plans administered by the State of Rhode Island with less than 20 years of services as of June 30, 2012, as described in Note 11, 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% (7% of the certified teachers) of their annual covered salary and employers contribute between 1% and 1.5% (3% to 3.5% for certified teachers) of annual covered salary depending on the employee's total years of services as of June 30, 2012. Employee contributions are immediately vested while employer contributions and any investment earnings thereon are vested after three years of contributory service. Benefit terms and contributions required under the plan by both the employee and employer are established by the General Laws, which are subject to amendment by the General Assembly.

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

The plan members and the Town (including School Department) contributed approximately \$2,342,644 and \$1,457,018 respectively, during the fiscal year ended June 30, 2022. The employer contribution of \$500,832 consisted of \$41,056 for general municipal employees, \$181,908 for noncertified school employees, and \$277,868 for certified teachers.

Although the Town (School Department) is required to contribute 3% towards the plan for certified teachers, the School Department received reimbursement from the State of Rhode Island for .4% of 1% to 1.5% of the required contributions. For financial reporting purposes, the State's share of the contribution is reflected as on-behalf payments and is included as both revenue and expenditures in the accompanying financial statements. The on-behalf contributions for the defined contribution plan for the fiscal year ended June 30, 2022, amounted to \$277,868 and recorded in the School Unrestricted Fund as on-behalf revenue and education expenditures.

The Town of Smithfield recognized pension expense of approximately \$1,457,018 for the fiscal year ended June 30, 2022, including the amount reimbursed by the State of Rhode Island and included as on-behalf revenue.

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

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2022

Note 12. Defined Contribution Plan (continued)

	<u>EE Contribution</u>	<u>ER Contribution</u>
Members of the Employees Retirement System of Rhode Island:		
Teachers with less than 20 years of service as of 7/1/2012 and:		
who contribute to Social Security	5%	1%-1.5%
who do not contribute to Social Security	7%	3%-3.5%
Teachers with more than 20 years of service as of 7/1/2012 and:		
No DC Plan contributions (ee and er) after July 1, 2015		
Members of the Municipal Employee Retirement System (MERS):		
Public Safety Members that do not contribute to Social Security		
	3%	3%
Public Safety Members that contribute to Social Security		
No DC plan participation		
Teachers with less than 20 years of service as of 7/1/2012 and:		
who contribute to Social Security	5%	1%-1.5%
who do not contribute to Social Security	7%	3%-3.5%
Teachers with more than 20 years of service as of 7/1/2012 and:		
No DC Plan contributions (ee and er) after July 1, 2015		

Note 13. Other Post-Employment Benefits – OPEB Trust

In addition to the pension benefits described above, the Town (including the Smithfield Public Schools) provides other post-employment health care benefits in accordance with terms specified in contractual obligations of the Town and School Department. The benefits included in these employment contracts are for continued full family or individual health care for employee groups as described below. Retiree medical and dental coverage is only to age 65. (Post -65 is handled by Cobra.) The actuarial valuations of the other post-retirement benefits involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These actuarial determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. These actuarial valuations reflect a long-term perspective of benefit funding.

The Town's OPEB plan is administered as a single-employer plan. The benefits, by employee group are described below:

Town Employees (all departments)

Eligibility for these benefits is upon retirement of the employee at Age 58 with 20 years of service or any years of service when retirement is the result of accidental disability for all Town participants excluding police and fire personnel. Police and Fire personnel are eligible after 20 years of service (or any years of service for accidental disability retirement). Town participants do not share in the cost of the post-retirement costs. Active employees keep their current coverage (family or individual) after they retire, unless the plan provisions specify that only individual coverage can be provided for their division.

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2022

Note 13. Other Post-Employment Benefits – OPEB Trust (continued)

School Employees

School Department personnel also receive medical coverage through age 65. School employees are eligible for the benefits as follows: If hired before 6/20/1989 attainment of age 60 with 15 years of service; If hired after 6/19/1989 either (a) age 60 with 20 years of service or (b) 28 years of service with at least 15 years with the Smithfield Public Schools. School Department personnel share in the cost of these benefits as follows: (1) 0% co-share if hired before June 20, 1989 and the employee is age 60 with 20 years of service or 28 years of service with at least 15 years with the Smithfield Public School. If the employee does not meet the requirements above then the co-share is 0% at the time of retirement but the employee is then responsible for 100% of all increases in post-retirement costs. (2) If hired after June 19, 1989 and before July 1, 1992 the co-share is 0% if the employee has 28 years of service with at least 15 years with the Smithfield Public Schools. The co-share is 50% of the costs for employees that do not meet the 28 year service requirement. (3) if hired after June 30, 1992 and employee is age 60 with 20 years of service or 28 years of service with at least 15 of those years with Smithfield Public Schools then the retiree receives benefits limited to \$5,000 annually.

Number of Participants

As of July 1, 2021 there were approximately 556 participants included in the valuation analysis completed by the Town's actuary. The participants consisted of 490 active plan members and 66 inactive plan members or beneficiaries currently receiving benefits.

Net OPEB Liability

The following is a summary of the net OPEB liability as of June 30, 2022, measured as of June 30, 2022, with a valuation date of July 1, 2021:

Total OPEB liability	\$44,565,511
Plans fiduciary net position	<u>5,574,438</u>
Town's net OPEB liability	<u>\$38,991,073</u>
Plan net position as a percentage of the total OPEB liability	12.51%

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2022

Note 13. Other Post-Employment Benefits – OPEB Trust (continued)

Change in Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2021	\$ 59,443,000	\$ 6,115,083	\$ 53,327,917
Changes for the year:			
Service cost	2,252,011	-	2,252,011
Interest on net OPEB liability	1,285,988	-	1,285,988
Changes of benefit terms	-	-	-
Differences between actual and expected experience	(6,182,821)	-	(6,182,821)
Changes in assumptions	(10,886,506)	-	(10,886,506)
Employer contributions	-	1,732,575	(1,732,575)
Employee contributions	100,954	100,954	-
Net investment income	-	(907,839)	907,839
Benefits paymnets	(1,447,115)	(1,447,115)	-
Administrative expense	-	(19,220)	19,220
Other changes in plan fiduciary net position	-	-	-
Net changes	<u>(14,877,489)</u>	<u>(540,645)</u>	<u>(14,336,844)</u>
Balances at June 30, 2022	<u>\$ 44,565,511</u>	<u>\$ 5,574,438</u>	<u>\$ 38,991,073</u>

Discount Rate

The projection of cash flows used to determine the discount rate assumed that the Town of Smithfield will contribute at a rate equal to the average contributions made over the most recent five year period, and that the contributions apply first to service cost of current and future plan members and then to past service costs. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees until June 30, 2022. After that time, benefit payments for current plan members will be funded in a pay-as-you go basis.

The discount rate is the single equivalent rate which results in the same present value as discounting future benefit payments made from assets at the long term expected rate of return and discounting future benefit payments funded on a pay-as-you go basis on the municipal bond 20-year index rate. As of June 30, 2022, the single equivalent discount rate used in the valuation was 4.11% while the indexed rate was 4.09%. The discount rate used at June 30, 2021, was 2.20% while the indexed rate was 2.18%.

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2022

Note 13. Other Post-Employment Benefits – OPEB Trust (continued)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate:

The following presents the net OPEB Liability as of June 30, 2022, calculated using an assumed discount rate of 4.11% as described above. The schedule also presents what the liability would be using a discount rate that is 1% higher and 1% lower than the current assumed rate. The assumed discount rate of 4.11% was increased from the discount rate of 2.20% which was assumed for the net OPEB liability as of the beginning of the year.

	Impact of 1% Change in Discount Rate		
	1% Decrease	Current discount	1% Increase
	(3.11%)	rate (4.11%)	(5.11%)
Total OPEB liability	\$ 43,587,182	\$ 38,991,073	\$ 34,920,470

Long Term Expected Rate of Return:

The actuarial valuation as of July 01, 2021, uses a long term rate of return 7.00% per annum, net of investment expenses and including inflation (see final discount rate utilized as discussed above). This is the long term rate of return assumption on plan assets. A cash flow analysis indicates that the assets will be sufficient to pay all future benefit payments for current participants June 30, 2023, based on the assumed contribution policy.

The long term rate of return is based on the target asset allocation of the Fund's investment policy and was estimated based on returns for similarly situated plans. 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. Best estimates of long term expected rates of return for each major asset class included in the target asset allocation are as follows:

Asset Class	June 30, 2022 Asset Allocation*	Target Asset Allocation	Long-Term Expected Rate of Return
Equity Domestic	39.40%	40.00%	8.00%
Equity International	25.90%	35.00%	8.60%
Fixed Income Domestic	21.40%	20.00%	3.60%
Fixed Income International	5.20%	5.00%	4.20%
Real Estate Domestic	8.10%	0.00%	6.80%
Total	100.00%	100.00%	

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2022

Note 13. Other Post-Employment Benefits – OPEB Trust (continued)

Long Term Expected Rate of Return (continued):

The annual money-weighted rate of return, net of investment expenses for the OPEB Trust Fund plan was -14.41% for fiscal 2022. The money-weighted rate of return considers the changing amounts actually invested during a period and assumes that contributions and expenses are paid in the middle of the plan year.

Healthcare Trend Rates:

Healthcare cost trend rates refers to an assumption of the annual rates of change in the cost of health care benefits which are currently provided by the Postemployment benefit plan, due to factors other than changes in the composition of the plan population by age and dependency status, for each year from the measurement date until the end of the period in which benefits are expected to be paid. The Health Care Cost Trend Rate implicitly considers estimates of health care inflation, changes in health care utilization or delivery patterns, technological advances, and changes in the health status of the plan participants. The actuarial valuation utilized a trend rate of 6.5% down by the Getzen model to 4.04%.

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Trend Rates:

The following presents the net OPEB Liability as of June 30, 2020, calculated using an assumed healthcare trend rate of 6.0% down by the Getzen model to 4.44% as described above. The schedule also presents what the liability would be using a healthcare trend rate that is 1% higher and 1% lower than the current assumed rate.

	Impact of 1% Change in Healthcare Trend Rate		
	1% Decrease (5.00% decreasing to 3.44%)	Current trend rate (6.00% decreasing to 4.44%)	1% Increase (7.00% decreasing to 5.44%)
Total OPEB liability	\$ 34,204,405	\$ 38,991,073	\$ 44,649,617

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2022

Note 13. Other Post-Employment Benefits – OPEB Trust (continued)

Deferred Outflows (Inflows) of Resources Related to OPEB Plan:

In accordance with GASB Statement No. 75, the Town of Smithfield recognized deferred outflows (inflows) of resources related to its' OPEB plan at June 30, 2022, in the Government-Wide Statement of Net Position as follows:

Deferred outflows of resources	
Differences between actual and expected experience	\$ 5,588,410
Changes in assumptions	4,636,945
Net difference between projected and actual earnings on OPEB plan investments	459,556
Deferred inflows of resources	
Differences between actual and expected experience	6,921,839
Changes in assumptions	12,225,862
Net difference between projected and actual earnings on OPEB plan investments	-
Total	<u>\$ (8,462,790)</u>

The amounts noted above and reported as deferred outflows (inflows) of resources at June 30, 2022, will be recognized as a component of OPEB expense in the Government-Wide Statement of Activities over the following periods of time:

- Closed 5 year period beginning in the current period for the deferred inflows of resources related to the difference between projected and actual investment earnings.
- Changes in assumptions and difference between expected and actual experience will be amortized over a closed period of time equal to the remaining service lives of all employees that are provided with benefits through the plan.

Based on the above, the deferred outflows (inflows) of resources related to the OPEB Plan will be recognized as a component of OPEB expense as follows for the years ended June 30:

Year ended June 30:	
2022	\$ (454,497)
2023	(452,783)
2024	(467,879)
2025	(281,168)
2026	(586,980)
Thereafter	(6,219,483)
Total	<u>\$ (8,462,790)</u>

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2022

Note 13. Other Post-Employment Benefits – OPEB Trust (continued)

OPEB Expenses:

For the fiscal year ended June 30, 2022, the Town's Government-Wide Statement of Activities recognized OPEB expense of \$2,661,876.

Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to basic financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial liability for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Valuation Date:	July 1, 2021
Actuarial Cost Method:	Entry age actuarial cost method.
Asset-Valuation Method:	Fair Value as of June 30, 2022
Discount Rate	Single equivalent interest rate of 4.11%
Index Rate	4.09%
Long-term expected rate of return	7.00%
Aging Assumption	3.50%
Salary increases	Town Employees range from 3.75% to 7.50% Public Safety Employees range from 4.00% to 14.00% School Employees range from 3.50% to 13.50%
Healthcare Cost Trends	6.0% per year graded down by the Getzen model to an ultimate rate of 4.44% per year after 60 years.
Retirement	For Town Employees: A flat 25% per year retirement probability for members eligible for unreduced retirement. A 50% retirement probability at first eligibility will be only applied if they have reached age 65 or with at least 25 years of service. For police and Fire Employees: All members are assumed to retire upon reaching age 65 with at least 10 years of service. Rates of retirement fluctuate from 10% to 35% with service years between 20 and 30 or more years. For School Employees: A flat 25% per year retirement probability for members eligible for unreduced retirement. A 60% retirement probability at first eligibility will be only applied if they have reached age 65 or with at least 25 years of service.

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2022

Note 14. Combining Statements – Pension and OPEB Trust Funds

At June 30, 2022, the Town of Smithfield maintained two Pension Trust Funds and one OPEB Trust Fund which are reported in a single column in the Fiduciary Fund exhibits. Separate financial statements are not prepared for these Trust Funds. Accordingly, presented below are the Combining Statements of Fiduciary Net Position, and Changes in Fiduciary Net Position for these trust funds.

Combining Statement of Fiduciary Net Position Pension and OPEB Trust Funds June 30, 2022

	Police Pension Trust Fund	Fire Pension Trust Fund	OPEB Trust Fund	Total Pension & OPEB Trust Funds
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Investments, at fair value				
Mutual funds	12,657,618	28,669,759	5,574,438	46,901,815
Interfund receivable	148,989	83,089	7,486	239,564
Other receivables	-	-	-	-
Total assets	12,806,607	28,752,848	5,581,924	47,141,379
Deferred outflows of resources				
Deferred outflows	-	-	-	-
Total assets and deferred outflows of resources	12,806,607	28,752,848	5,581,924	47,141,379
Liabilities				
Other liabilities	148,989	83,089	7,486	239,564
Total liabilities	148,989	83,089	7,486	239,564
Deferred inflows of resources				
Unearned revenue	-	-	-	-
Net Position				
Restricted for pensions	12,657,618	28,669,759	-	41,327,377
Restricted for OPEB	-	-	5,574,438	5,574,438
Total net position	12,657,618	28,669,759	5,574,438	46,901,815
Total liabilities and net position	\$ 12,806,607	\$ 28,752,848	\$ 5,581,924	\$ 47,141,379

(concluded)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2022

Note 14. Combining Statements – Pension and OPEB Trust Funds (continued)

Combining Statement of Changes in Fiduciary Net Position Pension and OPEB Trust Funds For the Year Ended June 30, 2022

	Police Pension Trust Trust Fund	Fire Pension Trust Fund	OPEB Trust Fund	Total Pension & OPEB Trust Fund
Additions:				
Contributions:				
Employer contributions	\$ 2,179,641	\$ 658,596	\$ 285,480	\$ 3,123,717
Plan member contributions	-	261,318	103,237	364,555
Total Contributions	2,179,641	919,914	388,717	3,488,272
Investment Earnings:				
Realized and unrealized gains (losses)	(1,566,243)	(3,393,134)	-	(4,959,377)
Interest and dividends	326,147	681,624	(910,142)	97,629
Total investment earnings	(1,240,096)	(2,711,510)	(910,142)	(4,861,748)
Total additions	939,545	(1,791,596)	(521,425)	(1,373,476)
Deductions				
Benefits paid	1,784,504	1,848,316	-	3,632,820
Operating expenses	49,214	49,549	19,220	117,983
Total deductions	1,833,718	1,897,865	19,220	3,750,803
Changes in net position held in trust for individuals, organizations, and other governments	(894,173)	(3,689,461)	(540,645)	(5,124,279)
Net position, July 1, 2021, restated	13,551,791	32,359,220	6,115,083	52,026,094
Net position, June 30, 2022	<u>\$ 12,657,618</u>	<u>\$ 28,669,759</u>	<u>\$ 5,574,438</u>	<u>\$ 46,901,815</u>

(concluded)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2022

Note 15. Deferred Compensation Plan

The Town offers its municipal employees a deferred compensation plan established in accordance with the provisions of Internal Revenue Code Section 457 (g). The Town has not reported this plan on its financial statements in accordance with GASB No. 32, "Accounting for Internal Revenue Code Section 457 Deferred Compensation Plans", since the Town does not have fiduciary responsibility for this plan. The Plan, available to all municipal employees, permits the deferral of a portion of their salary. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

Note 16. Risk Management

Healthcare

The Town provides medical and dental coverage for all eligible employees of the Town and their dependents. The Town participates in a healthcare collaborative through the Rhode Island Interlocal Risk Management Trust (The Trust). The Trust is a not-for-profit organization formed to provide programs of health insurance, dental insurance, and liability insurance coverage to Rhode Island Cities, Towns, and other governmental units. Upon joining The Trust members execute an agreement that outlines the rights and responsibilities of both the members and The Trust. Members of The Trust participate in the health insurance plan administered through Blue Cross Blue Shield of Rhode Island and the dental plan administered through Delta Dental of Rhode Island.

Using rates calculated by both Blue Cross Blue Shield of Rhode Island and Delta Dental of Rhode Island, The Trust sets annual contribution rates (premiums) for the subscribers of each member for each plan offered. The agreement executed with The Trust requires that those contribution rates be set at a level sufficient, in the aggregate, to satisfy the funding requirements of the participating community. The contributions of each member community are deposited into a separate health and dental pools which are used to pay for claims, reinsurance, and all administrative expenses. The agreement with The Trust provides for an annual independent audit of its financial statements. The Trust retains certain levels of insurance risk with internal stop loss for claims between \$1,000,000 and \$3,000,000 and acquires reinsurance for specific losses in excess of \$3,000,000.

Unemployment

The Town is self-insured for unemployment benefits. As of June 30, 2022, management does not believe that there are any incurred but not reported claims that are required to be accrued in the Government-Wide Statement of Net Position.

Other Insurance

The Town receives coverage for its property and liability expenses and for its workers' compensation expenses through The Trust. During the fiscal year ended June 30, 2022, the Town paid premiums of \$283,909 and \$503,351, for its workers' compensation and property and liability coverage, respectively. At June 30, 2022, the Trust held reserves for future payments of open cases.

(concluded)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2022

Note 16. Risk Management (continued)

Other Insurance (continued)

The Trust is obligated to make payments on the Town's behalf without any further obligation of the Town, unless the Town's applicable limit of liability were exhausted by the size of the loss or the nature of the loss would fall outside the parameter of the policy maintained by The Trust.

At June 30, 2022, management of the Town is unable to estimate the potential exposure, if any, for outstanding claims which may fall outside the parameter of the insurance policies. Accordingly, no liability for claims or judgements has been reported in the Government-Wide Statement of Net Position.

Note 17. Restatement

In some instances, beginning fund balances have been restated as a result of adjustments made to correct or reclassify prior year balances. Such adjustments are summarized as follows:

	<u>Governmental Activities</u>
Beginning balance, July 1, 2021	\$ (9,990,132)
To record premium from prior bond issuance	<u>(397,059)</u>
Beginning balance, July 1, 2021, restated	<u>\$ (10,387,191)</u>

During the year ended June 30, 2022, the Town implemented GASB Statement No. 87, Leases. The implementation of GASB Statement No. 87 establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.

	<u>Fiduciary Funds</u>	
	<u>Fire Pension Fund</u>	<u>Police Pension Fund</u>
Beginning balance, July 1, 2021	\$ 32,429,794	13,702,385
To correct net position	<u>(70,574)</u>	<u>(140,594)</u>
Beginning balance, July 1, 2021, restated	<u>\$ 32,359,220</u>	<u>\$ 13,561,791</u>

(concluded)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2022

Note 18. Commitments and Contingencies

Liabilities for legal cases and other claims against the Town 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. At June 30, 2022 the Town (including the School Department) has a number of legal cases and claims in process. These cases include claims made by former employees, zoning matters brought about by taxpayers of the Town, matters pertaining to planning and development posted by property developers, and personal injury and property damage claims. Management and legal counsel have reviewed these outstanding claims and determined that the estimated liability, if any, that may result from these claims would not materially affect the basic financial statements of the Town. As such, the Statement of Net Position at June 30, 2022 does not include any liability for claims, judgments, or unasserted claims.

The Town (including the School Department) 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 request for reimbursement to the grantor agencies for expenditures disallowed under the terms of the grant agreement. Town officials are of the opinion that such disallowances, if any, would be immaterial.

Note 19. Subsequent Events

In December 2022, the Town of Smithfield issued 2022, Series A Water System Revenue Bonds in the amount of \$3,000,000 to be used to refurbish two water tanks and a pressure reducing valve at the North Providence line. The bonds are due over a twenty-year period. The bonds are due semi-annually commencing on March 1, 2023, while principal payments are due annually, which commences on September 1, 2024. The Town is receiving a \$212,500 in principal forgiveness from RIIB as part of this project. The bonds are scheduled to mature on September 1, 2042.

In December 2022, the Town of Smithfield also issued 2022, Limited Obligation Efficient Buildings Bonds in the amount of \$6,618,000 to be used to for energy efficient and HVAC upgrades at the middle & high school. The bonds are due over a twelve-year period. The bonds are due semi-annually commencing on March 1, 2023, while principal payments are due annually, which commences on September 1, 2024. The bonds are scheduled to mature on September 1, 2034.

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TOWN OF SMITHFIELD, RHODE ISLAND

Required Supplementary Information Section

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Town of Smithfield, Rhode Island

Required Supplementary Information

Schedule of Revenues, Expenditures, and Changes in Fund Balance- Budget to Actual

General Fund-Budgetary Basis

For the Year Ended June 30, 2022

	Original Budget	Revised Budget	Carryover of Prior Year Balance	Total Available	Actual Revenues	Variance Positive (Negative)
Revenues:						
General property taxes						
Property taxes	\$ 60,021,839	\$ 60,021,839	\$ -	\$ 60,021,839	\$ 60,202,797	\$ 180,958
Total general property taxes	<u>60,021,839</u>	<u>60,021,839</u>	<u>-</u>	<u>60,021,839</u>	<u>60,202,797</u>	<u>180,958</u>
Intergovernmental revenues						
State aid for education	6,966,851	6,966,851	-	6,966,851	6,966,851	-
School housing aid	400,000	400,000	-	400,000	267,750	(132,250)
Payment-in-Lieu of taxes	860,981	860,981	-	860,981	900,667	39,686
State hotel and meals tax	964,980	964,980	-	964,980	1,153,398	188,418
Motor vehicle phase-out	3,880,588	3,880,588	-	3,880,588	3,559,726	(320,862)
Federal SAFER Grant	311,173	311,173	-	311,173	196,061	(115,112)
Public utilities tax	269,396	269,396	-	269,396	258,355	(11,041)
Total intergovernmental revenues	<u>13,653,969</u>	<u>13,653,969</u>	<u>-</u>	<u>13,653,969</u>	<u>13,302,809</u>	<u>(351,160)</u>
Licenses, fees and permits	<u>900,000</u>	<u>900,000</u>	<u>-</u>	<u>900,000</u>	<u>1,276,283</u>	<u>376,283</u>
Interest income						
Interest short-term investments	125,000	125,000	-	125,000	(12,464)	(137,464)
Interest on taxes	280,000	280,000	-	280,000	270,825	(9,175)
Total interest income	<u>405,000</u>	<u>405,000</u>	<u>-</u>	<u>405,000</u>	<u>258,360</u>	<u>(146,640)</u>
Departmental revenue						
School department	601,843	601,843	-	601,843	601,843 *	-
Departmental	521,403	521,403	-	521,403	446,403 *	(75,000)
Impact fees	75,000	75,000	-	75,000	75,000 *	-
Miscellaneous	200,000	200,000	-	200,000	123,649	(76,351)
Total departmental revenues	<u>1,398,246</u>	<u>1,398,246</u>	<u>-</u>	<u>1,398,246</u>	<u>1,246,895</u>	<u>(151,351)</u>
Total revenues before other financing sources	<u>76,379,054</u>	<u>76,379,054</u>	<u>-</u>	<u>76,379,054</u>	<u>76,287,145</u>	<u>(91,909)</u>
Other financing sources						
Revenue for capital expenditures and operations	1,775,847	1,775,847	-	1,775,847	1,531,897 *	(243,950)
Lease proceeds	-	-	-	-	146,537	146,537
Appropriated fund balance	600,000	600,000	3,116,297	3,716,297	3,716,297	-
Transfer from other funds	-	-	-	-	-	-
Total other financing sources	<u>2,375,847</u>	<u>2,375,847</u>	<u>3,116,297</u>	<u>5,492,144</u>	<u>5,394,731</u>	<u>(97,413)</u>
Total revenue and other financing sources	<u>78,754,901</u>	<u>78,754,901</u>	<u>3,116,297</u>	<u>81,871,198</u>	<u>81,681,876</u>	<u>(189,322)</u>

*See accompanying notes to required supplementary information
See Independent Auditor's Report*

(continued)

Town of Smithfield, Rhode Island

Required Supplementary Information

Schedule of Revenues, Expenditures, and Changes in Fund Balance- Budget to Actual

General Fund-Budgetary Basis

For the Year Ended June 30, 2022

	Original Budgeted Expenditures	Carryover of Prior Year Balance	Revised Budgeted Expenditures	Actual Expenditures	GAAP Reclass Budgetary Entries RUB	Budget Basis Actual Expenditures	Variance Positive (Negative)
General Government:							
Town Administration and Solicitor	\$ 945,836	\$ 72,042	\$ 1,017,878	\$ 1,007,099	\$ 71,636	\$ 1,078,735	\$ (60,857)
Building inspector's office	462,501	-	462,501	462,524	-	462,524	(23)
Tax assessor's office	285,143	-	285,143	269,559	-	269,559	15,584
Treasurer/Tax collector's office	729,420	-	729,420	696,562	-	696,562	32,858
Town clerks office	408,057	-	408,057	322,391	-	322,391	85,666
Town Hall expense	171,420	160,197	331,617	148,730	160,247	308,977	22,640
Municipal planners office & town engineer	611,449	318,991	930,440	552,309	265,267	817,576	112,864
Board of canvassers/elections	13,350	-	13,350	12,423	-	12,423	928
Conservation commission/Green Acre	18,230	-	18,230	15,994	-	15,994	2,236
Town Boards and Commissions	25,350	-	25,350	11,499	-	11,499	13,851
Total General Government	3,670,756	551,230	4,221,986	3,499,089	497,150	3,996,239	225,747
Public Safety:							
Police department	9,851,345	-	9,851,345	9,828,057	-	9,828,057	23,288
Fire department	9,457,414	-	9,457,414	10,540,669	-	10,540,669	(1,083,255)
Animal control	217,613	-	217,613	228,265	-	228,265	(10,652)
Emergency management agency	49,762	4,486	54,248	102,752	-	102,752	(48,504)
Total Public Safety	19,576,134	4,486	19,580,620	20,699,742	-	20,699,742	(1,119,122)
Public Works:							
Payroll and operating expense	2,402,115	15,409	2,417,524	2,275,668	-	2,275,668	141,856
Rubbish and recycling collection	1,202,055	-	1,202,055	1,244,931	-	1,244,931	(42,876)
Street lights	400,000	-	400,000	91,793	-	91,793	308,207
Hydrant service	337,928	48,528	386,456	317,201	69,255	386,456	-
Highway resurfacing	500,000	200,243	700,243	382,559	164,558	547,117	153,126
Highway drainage	60,000	271,468	331,468	28,735	226,686	255,421	76,047
Landfill program	180,000	21,755	201,755	277,801	-	277,801	(76,046)
Total Public Works	5,082,098	557,403	5,639,501	4,618,687	460,499	5,079,186	560,315
Public Health and Assistance							
General public assistance	10,825	-	10,825	-	-	-	10,825
Total Public Health and Assistance	10,825	-	10,825	-	-	-	10,825

*See accompanying notes to required supplementary information
See Independent Auditor's Report*

(continued)

Town of Smithfield, Rhode Island

Required Supplementary Information

Schedule of Revenues, Expenditures, and Changes in Fund Balance- Budget to Actual

General Fund-Budgetary Basis

For the Year Ended June 30, 2022

	Original Budgeted Expenditures	Carryover of Prior Year Balance	Revised Budgeted Expenditures	Actual Expenditures	GAAP Reclass Budgetary Entries RUB	Budget Basis Actual Expenditures	Variance Positive (Negative)
Recreation							
Parks and recreation department	866,984	33,560	900,544	769,552	37,910	807,462	93,082
Total Recreation	<u>866,984</u>	<u>33,560</u>	<u>900,544</u>	<u>769,552</u>	<u>37,910</u>	<u>807,462</u>	<u>93,082</u>
Debt Service:							
Redemption of bonds and notes	1,385,265	1,022,431	2,407,696	1,650,000	788,697	2,438,697	(31,001)
Financing cost and other use	-	-	-	4,000	-	4,000	(4,000)
Interest on bonds and notes	1,326,912	879,032	2,205,944	1,324,600	994,157	2,318,757	(112,813)
Total Debt Service	<u>2,712,177</u>	<u>1,901,463</u>	<u>4,613,640</u>	<u>2,978,600</u>	<u>1,782,854</u>	<u>4,761,454</u>	<u>(147,814)</u>
Miscellaneous Town:							
Retirement fund	50,000	-	50,000	28,724	-	28,724	21,276
Computer expenses	149,371	-	149,371	81,217	-	81,217	68,154
Social security taxes	-	-	-	-	-	-	-
Audit services	66,500	-	66,500	61,030	-	61,030	5,470
Unemployment compensation	10,000	-	10,000	19,807	-	19,807	(9,807)
Post employment escrow	275,000	-	275,000	275,000	-	275,000	-
Insurance	900,000	-	900,000	892,292	-	892,292	7,708
Medical insurance retirees	1,005,000	-	1,005,000	961,947	-	961,947	43,053
Dental insurance retirees	34,500	-	34,500	33,839	-	33,839	661
Postage	38,000	-	38,000	32,820	-	32,820	5,180
Town aided programs	60,350	-	60,350	61,006	-	61,006	(656)
Sewer assessments and handicapped access	1,100	46,390	47,490	4,429	-	4,429	43,061
Senior activities center	476,627	21,765	498,392	453,389	20,710	474,099	24,293
Reserve for unpaid taxes and abatements	100,000	-	100,000	-	-	-	100,000
Capital expenditures - prior reserves	-	-	-	243,352	-	243,352	(243,352)
Total Miscellaneous - Town	<u>3,166,448</u>	<u>68,155</u>	<u>3,234,603</u>	<u>3,148,853</u>	<u>20,710</u>	<u>3,169,563</u>	<u>65,040</u>
Municipal Capital Improvements	<u>1,418,422</u>	<u>-</u>	<u>1,418,422</u>	<u>1,051,046</u>	<u>-</u>	<u>1,051,046</u>	<u>367,376</u>
Total Expenditures before other financing uses	<u>36,503,844</u>	<u>3,116,297</u>	<u>39,620,141</u>	<u>36,765,569</u>	<u>2,799,123</u>	<u>39,564,692</u>	<u>55,449</u>

*See accompanying notes to required supplementary information
See Independent Auditor's Report*

(continued)

Town of Smithfield, Rhode Island

Required Supplementary Information

Schedule of Revenues, Expenditures, and Changes in Fund Balance- Budget to Actual

General Fund-Budgetary Basis

For the Year Ended June 30, 2022

	<u>Original Budgeted Expenditures</u>	<u>Carryover of Prior Year Balance</u>	<u>Revised Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>GAAP Reclass Budgetary Entries RUB</u>	<u>Budget Basis Actual Expenditures</u>	<u>Variance Positive (Negative)</u>
Other financing uses and transfers:							
School unrestricted fund - appropriation	32,849,327	-	32,849,327	32,849,327	-	32,849,327	-
School miscellaneous revenue	601,843	-	601,843	601,843	-	601,843	-
State aid for education	6,966,851	-	6,966,851	6,966,851	-	6,966,851	-
East Smithfield Neighborhood Center	6,465	-	6,465	-	-	-	6,465
East Smithfield Public Library	575,849	-	575,849	575,849	-	575,849	-
Greenville Public Library	895,722	-	895,722	895,722	-	895,722	-
Municipal escrow	100,000	-	100,000	-	-	-	100,000
Revaluation escrow	5,000	-	5,000	-	-	-	5,000
Merit escrow	100,000	-	100,000	-	-	-	100,000
Retirement escrow	50,000	-	50,000	-	-	-	50,000
Capital reserve fund	100,000	-	100,000	-	-	-	100,000
Transfer to other funds	-	-	-	215,186	-	215,186	(215,186)
Total other financing uses and transfers	<u>42,251,057</u>	<u>-</u>	<u>42,251,057</u>	<u>42,104,778</u>	<u>-</u>	<u>42,104,778</u>	<u>146,279</u>
Total Expenditures and other financing uses	<u>78,754,901</u>	<u>3,116,297</u>	<u>81,871,198</u>	<u>78,870,347</u>	<u>2,799,123</u>	<u>81,669,470</u>	<u>201,728</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses, budgetary basis	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,811,529</u>	<u>\$ 2,799,123</u>	<u>\$ 12,406</u>	<u>\$ 12,406</u>

*See accompanying notes to required supplementary information
See Independent Auditor's Report*

(concluded)

Town of Smithfield, Rhode Island

Notes to Required Supplementary Information

Reconciliation of GAAP to Budgetary Basis- General Fund

For the Year Ended June 30, 2022

Excess of revenue and other financing sources over expenditures and other financing uses, U.S. GAAP basis	\$ 12,406
Less reappropriation of fund balance and prior year RUBS which are reported as revenue for budget purposes but not reported in accordance with GAAP	(3,716,297)
Add amounts reported as expenditures for budget purposes but which represents RUBS for carryover to future years. These are not GAAP expenditures	<u>2,799,123</u>
Add net increase in fund balance for the fiscal year ended June 30, 2022 for the Inspections Fees Fund which is not considered part of the General fund for budgetary purposes but which is consolidated into the General Fund in accordance with GAAP and Governmental Account Standard Board Statement #54.	<u>5</u>
Deficiency of revenues and other financing sources over expenditures and other financing sources, GAAP Basis	<u>\$ (904,763)</u>

** The items noted with an asterisk are presented as "Departmental Revenue" on the budgetary basis, however are shown as "transfers in" on the basic financial statements.*

Town of Smithfield, Rhode Island

Required Supplementary Information

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual

School Unrestricted Fund – Budgetary Basis

For the Year Ended June 30, 2022

	Original Budget			Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Intergovernmental revenue	\$ 6,966,653	\$ 6,966,653	\$ 6,966,851	\$ 198
Medicaid revenue	248,000	248,000	228,509	(19,491)
Miscellaneous revenue	426,626	354,041	424,676	70,635
Total revenues	7,641,279	7,568,694	7,620,036	51,342
Expenditures				
Salaries	24,190,978	23,645,145	23,633,824	11,322
Employee benefits	8,965,596	9,006,112	8,647,833	358,279
Purchased services	5,918,877	5,907,661	5,730,871	176,790
Supplies and materials	1,148,957	1,210,334	1,130,215	80,119
Other	223,227	603,117	45,422	557,695
Capital outlay	42,971	45,652	597,961	(552,309)
Total expenditures	40,490,606	40,418,021	39,786,126	631,895
Excess of expenditures over revenues, budgetary basis	(32,849,327)	(32,849,327)	(32,166,090)	683,236
Other financing sources (uses)				
Operating transfer from Town of Smithfield General Fund	32,849,327	32,849,327	32,849,327	-
Reappropriated budgeted use of fund balance	-	-	-	-
Total other financing sources (uses)	32,849,327	32,849,327	32,849,327	-
Excess of revenues and other financing sources over expenditures and other financing uses, budgetary basis	\$ -	\$ -	\$ 683,237	\$ 683,236

*See accompanying notes to required supplementary information
See Independent Auditor's Report*

Town of Smithfield, Rhode Island

Required Supplementary Information

Notes to Required Supplementary Information – Budgetary Comparison

For the Year Ended June 30, 2022

Adoption:

In accordance with Town's Home Rule Charter, the Town Manager shall receive from the head of each department and agency, including the School Committee, an estimate of the amount necessary to carry on its work during the coming fiscal year. These estimates accompanied by a message from the Town Manager shall be submitted to the Budget and Financial Review Board on or before March 1st, which shall then prepare its budget recommendations (including an estimated tax rate) for submission to the Town Council.

In preparing its budget recommendations the Budget and Financial Review shall investigate the recommendations of the various department budget requests, including the School Committee, and may request that the head of any of said departments explain their estimates and recommendations. The Budget and Financial Review Board shall confer with the Town Council and shall hold one or more public hearings in preparing the budget, the first of which shall be held at least three weeks after receipt of the budget from the Town Manager. The public hearings for the proposed municipal and school budgets shall be advertised by the Town Clerk at least once in each of the two weeks preceding the hearings in two newspapers of general circulation either daily or weekly which serve the Town of Smithfield, as well as the Town's website. The advertisement shall provide a general summary of the budget and the times and place where copies of the budget and budget message are available for public inspection.

Budgetary Compliance:

Municipal budgetary control is legally enforceable at the department level. An appropriation transfer between departments and intra-departmental transfers of municipal appropriations require approval of the Town Council. In addition to limits enforced by the budget, the Town's Home Rule Charter further restricts municipal expenditures relative to budgeted revenues.

Budgetary to GAAP Basis Reconciliation:

There were no differences between budgetary basis and GAAP basis of accounting for the Town's General Fund for the year ended June 30, 2022. There were differences between the budgetary basis and GAAP Basis of accounting for the School Unrestricted Fund for the year ended June 30, 2022.

Town of Smithfield, Rhode Island

Required Supplementary Information

Combining General Fund and School Unrestricted Statements of Revenue, Expenditures and Changes in
Fund Balance

For the Year Ended June 30, 2022

	<u>School Unrestricted</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses (budgetary basis)	\$ 683,237
State contribution to teachers' pension plan revenue on behalf	2,825,568
State contribution to teacher's pension plan expense on behalf	<u>(2,825,568)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses (GAAP)	<u>\$ 683,237</u>

*See accompanying notes to required supplementary information
See Independent Auditor's Report*

Town of Smithfield, Rhode Island

Required Supplementary Information

Schedule of Changes in Net Position Liability and Related Ratios

General Employees MERS Plan- Town

Last 10 Fiscal Years

Measurement period	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Total Pension Liability								
Service Cost	\$ 362,457	\$ 384,844	\$ 374,510	\$ 360,967	\$ 350,784	\$ 327,954	\$ 320,251	\$ 332,297
Interest on the Total Pension Liability	1,366,812	1,322,634	1,298,253	1,218,169	1,213,691	1,172,886	1,089,965	1,048,556
Benefit Changes	-	-	-	-	-	-	259,090	-
Difference between expected and Actual Experience	(208,351)	21,099	(474,407)	382,270	(383,439)	(248,848)	135,517	-
Assumption Changes	-	(185,336)	-	-	814,692	-	-	(133,298)
Benefit payments	(904,391)	(897,480)	(812,964)	(835,283)	(726,630)	(712,041)	(694,093)	(684,734)
Net change in total pension liability	616,527	645,761	385,392	1,126,123	1,269,098	539,951	1,110,730	562,821
Total pension liability – beginning	19,796,846	19,151,085	18,765,693	17,639,570	16,370,472	15,830,521	14,719,791	14,156,970
Total pension liability – ending (a)	<u>\$ 20,413,373</u>	<u>\$ 19,796,846</u>	<u>\$ 19,151,085</u>	<u>\$ 18,765,693</u>	<u>\$ 17,639,570</u>	<u>\$ 16,370,472</u>	<u>\$ 15,830,521</u>	<u>\$ 14,719,791</u>
Plan Fiduciary Net Position								
Contributions – employer	\$ 444,713	\$ 474,051	\$ 369,074	\$ 342,216	\$ 369,799	\$ 372,459	\$ 372,945	\$ 289,607
Contributions – employee	140,453	143,588	135,720	130,490	136,865	134,625	74,217	66,806
Pension Plan Net Investment Income	4,511,620	609,108	1,018,984	1,177,963	1,586,848	(4,844)	333,731	1,878,173
Benefit Payments	(904,391)	(897,480)	(812,964)	(835,283)	(726,630)	(712,041)	(694,093)	(684,734)
Pension Plan Administrative Expense	(17,190)	(16,782)	(15,924)	(15,682)	(14,992)	(13,030)	(13,392)	(11,761)
Other Changes in Plan Fiduciary Net Position	8	(85,112)	19,760	-	(364,240)	(62,907)	65,665	-
Net change in plan fiduciary net position	4,175,213	227,373	714,650	799,704	987,650	(285,738)	139,073	1,538,091
Plan fiduciary net position – beginning	16,684,287	16,456,914	15,742,264	14,942,560	13,954,910	14,240,648	14,101,575	12,563,484
Plan fiduciary net position – ending (b)	<u>\$ 20,859,500</u>	<u>\$ 16,684,287</u>	<u>\$ 16,456,914</u>	<u>\$ 15,742,264</u>	<u>\$ 14,942,560</u>	<u>\$ 13,954,910</u>	<u>\$ 14,240,648</u>	<u>\$ 14,101,575</u>
Net Pension Liability/(Asset) - Ending (a) - (b)	(446,127)	3,112,559	2,694,171	3,023,429	2,697,010	2,415,562	1,589,873	618,216
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	102.19%	84.28%	85.93%	83.89%	84.71%	85.24%	89.96%	95.80%
Covered Payroll	\$4,398,744	\$4,423,493	\$4,184,472	\$3,906,574	\$3,880,359	\$3,718,298	\$3,710,901	\$3,584,647
Net Pension Liability as a Percentage of Covered Payroll	-10.14%	70.36%	64.38%	77.39%	69.50%	64.96%	42.84%	17.25%

Notes:

- Employers participating in the Municipal Employee’s Retirement System are required by Rhode Island General Laws, Section 45-21-42, to continue an actuarially determined contribution rate each year.
- Schedule is intended to show 10 years. However, as of June 30, 2022 only nine years are available. – additional years will be displayed as they become available
- The amounts presented for each fiscal year were determined as of June 30 measurement date prior to the fiscal year end.

*See accompanying notes to required supplementary information
See Independent Auditor’s Report*

Town of Smithfield, Rhode Island

Required Supplementary Information

Schedule of Contribution - General Employees MERS Plan- Town

Last 10 Fiscal Years

Fiscal Year Ending	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 470,811	\$ 444,713	\$ 474,051	\$ 369,074	\$ 342,216	\$ 369,799	\$ 372,459	\$ 372,945	\$ 289,607
Contributions in relation to the actuarially determined contribution	470,811	444,713	474,051	369,074	342,216	369,799	372,459	372,945	289,607
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-
Covered payroll	\$ 4,530,706	\$ 4,398,744	\$ 4,423,493	\$ 4,184,472	\$ 3,906,574	\$ 3,880,359	\$ 3,718,298	\$ 3,710,901	\$ 3,584,647
Contributions as a percentage of covered payroll	10.39%	10.11%	10.72%	8.82%	8.76%	9.53%	10.02%	10.05%	8.08%

Notes:

- Employers participating in the Municipal Employee’s Retirement System are required by Rhode Island General Laws, Section 45-21-42, to continue an actuarially determined contribution rate each year.
- Schedule is intended to show 10 years. However, as of June 30, 2022 only nine years are available. – additional years will be displayed as they become available
- The amounts presented for each fiscal year were determined as of June 30 measurement date prior to the fiscal year end.

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See Independent Auditor’s Report*

Town of Smithfield, Rhode Island

Required Supplementary Information

Schedule of Changes in Net Position Liability and Related Ratios

General Employees MERS Plan – School Non-Certified

Last 10 Fiscal Years

Measurement period	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Total Pension Liability								
Service Cost	\$ 326,352	\$ 337,729	\$ 342,574	\$ 327,825	\$ 305,745	\$ 290,748	\$ 288,948	\$ 315,326
Interest on the Total Pension Liability	1,035,170	1,033,503	987,667	956,803	931,498	919,058	905,793	877,404
Benefit Changes	-	-	-	-	-	-	172,051	-
Difference between expected and Actual Experience	(5,932)	(245,013)	194,928	28,230	178,948	(144,625)	(344,400)	-
Assumption Changes	-	(196,250)	-	-	743,219	-	-	21,275
Benefit payments	(910,204)	(890,724)	(845,161)	(913,496)	(930,114)	(883,523)	(809,304)	(835,313)
Net change in total pension liability	445,386	39,245	680,008	399,362	1,229,296	181,658	213,088	378,692
Total pension liability – beginning	15,080,069	15,040,824	14,360,816	13,961,454	12,732,158	12,550,500	12,337,412	11,958,720
Total pension liability – ending (a)	<u>\$ 15,525,455</u>	<u>\$ 15,080,069</u>	<u>\$ 15,040,824</u>	<u>\$ 14,360,816</u>	<u>\$ 13,961,454</u>	<u>\$ 12,732,158</u>	<u>\$ 12,550,500</u>	<u>\$ 12,337,412</u>
Plan Fiduciary Net Position								
Contributions – employer	\$ 363,487	\$ 316,970	\$ 296,183	\$ 253,881	\$ 258,086	\$ 266,690	\$ 267,616	\$ 239,838
Contributions – employee	85,197	84,390	87,633	81,927	79,890	81,209	64,236	63,703
Pension Plan Net Investment Income	3,397,195	466,725	795,410	947,088	1,318,735	2,765	287,538	1,669,363
Benefit Payments	(910,204)	(890,724)	(845,161)	(913,496)	(930,114)	(883,523)	(809,304)	(835,313)
Pension Plan Administrative Expense	(12,944)	(12,859)	(12,430)	(12,608)	(12,459)	(17,756)	(11,468)	(10,454)
Other Changes in Plan Fiduciary Net Position	-	(26,412)	(132,371)	(117,797)	(29)	(15,140)	(62,902)	(62,377)
Net change in plan fiduciary net position	2,922,731	(61,910)	189,264	238,995	714,109	(565,755)	(264,284)	1,064,760
Plan fiduciary net position – beginning	12,784,220	12,846,130	12,656,866	12,417,871	11,703,762	12,269,517	12,533,801	11,469,041
Plan fiduciary net position – ending (b)	<u>\$ 15,706,951</u>	<u>\$ 12,784,220</u>	<u>\$ 12,846,130</u>	<u>\$ 12,656,866</u>	<u>\$ 12,417,871</u>	<u>\$ 11,703,762</u>	<u>\$ 12,269,517</u>	<u>\$ 12,533,801</u>
Net Pension Liability/(Asset) - Ending (a) - (b)	(181,496)	2,295,849	2,194,694	1,703,950	1,543,583	1,028,396	280,983	(196,389)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	101.17%	84.78%	85.41%	88.13%	88.94%	91.92%	97.76%	101.59%
Covered Payroll	\$3,751,172	\$3,707,230	\$3,711,533	\$3,521,218	\$3,356,151	\$3,139,827	\$3,137,333	\$3,185,110
Net Pension Liability as a Percentage of Covered Payroll	-4.84%	61.93%	59.13%	48.39%	45.99%	32.75%	8.96%	-6.17%

Notes:

- Employers participating in the Municipal Employee’s Retirement System are required by Rhode Island General Laws, Section 45-21-42, to continue an actuarially determined contribution rate each year.
- Schedule is intended to show 10 years. However, as of June 30, 2022 only nine years are available. – additional years will be displayed as they become available
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*See accompanying notes to required supplementary information
See Independent Auditor’s Report*

Town of Smithfield, Rhode Island

Required Supplementary Information

Schedule of Contributions - General Employees MERS Plan – School Non-Certified

Last 10 Fiscal Years

Fiscal Year Ending	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 382,570	\$ 363,487	\$ 316,970	\$ 296,183	\$ 253,881	\$ 258,086	\$ 266,690	\$ 267,616	\$ 239,838
Contributions in relation to the actuarially determined contribution	<u>382,570</u>	<u>363,487</u>	<u>316,970</u>	<u>296,183</u>	<u>253,881</u>	<u>258,086</u>	<u>266,690</u>	<u>267,616</u>	<u>239,838</u>
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-
Covered payroll	\$ 3,697,274	\$ 3,751,172	\$3,707,230	\$3,711,533	\$ 3,521,218	\$ 3,356,151	\$ 3,139,827	\$ 3,137,333	\$ 3,185,110
Contributions as a percentage of covered payroll	10.35%	9.69%	8.55%	7.98%	7.21%	7.69%	8.49%	8.53%	7.53%

Notes:

- Employers participating in the Municipal Employee’s Retirement System are required by Rhode Island General Laws, Section 45-21-42, to continue an actuarially determined contribution rate each year.
- Schedule is intended to show 10 years. However, as of June 30, 2022 only nine years are available. – additional years will be displayed as they become available
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Town of Smithfield, Rhode Island

Required Supplementary Information

Schedule of Contributions - Police Employees MERS Plan

Last 10 Fiscal Years

	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Measurement period ending								
Total Pension Liability								
Service Cost	\$ 639,143	\$ 679,340	\$ 673,521	\$ 649,056	\$ 568,324	\$ 523,160	\$ 471,726	\$ 451,642
Interest on the Total Pension Liability	1,485,493	1,384,340	1,308,013	1,176,730	1,083,836	1,005,633	849,179	786,421
Benefit Changes	-	-	-	-	-	-	818,130	-
Difference between expected and Actual Experience	(238,635)	(60,553)	(528,494)	376,708	234,180	(230,013)	165,545	-
Assumption Changes	-	(115,936)	-	-	737,604	-	-	(183,362)
Benefit payments	(490,997)	(353,102)	(378,031)	(300,483)	(309,560)	(247,765)	(240,722)	(215,212)
Net change in total pension liability	<u>1,395,004</u>	<u>1,534,089</u>	<u>1,075,009</u>	<u>1,902,011</u>	<u>2,314,384</u>	<u>1,051,015</u>	<u>2,063,858</u>	<u>839,489</u>
Total pension liability – beginning	21,147,256	19,613,167	18,538,158	16,636,147	14,321,763	13,270,748	11,206,890	10,367,401
Total pension liability – ending (a)	<u>\$ 22,542,260</u>	<u>\$ 21,147,256</u>	<u>\$ 19,613,167</u>	<u>\$ 18,538,158</u>	<u>\$ 16,636,147</u>	<u>\$ 14,321,763</u>	<u>\$ 13,270,748</u>	<u>\$ 11,206,890</u>
Plan Fiduciary Net Position								
Contributions – employer	\$ 395,220	\$ 415,375	\$ 305,303	\$ 230,711	\$ 202,710	\$ 204,399	\$ 204,685	\$ 133,929
Contributions – employee	329,627	334,981	331,132	319,103	306,210	293,689	230,955	227,478
Pension Plan Net Investment Income	5,313,731	695,138	1,112,517	1,243,190	1,607,602	(4,632)	307,305	1,681,302
Benefit Payments	(490,997)	(353,102)	(378,031)	(300,483)	(309,560)	(247,765)	(240,722)	(215,212)
Pension Plan Administrative Expense	(20,246)	(19,153)	(17,386)	(16,550)	(15,188)	(12,462)	(12,648)	(10,528)
Other Changes in Plan Fiduciary Net Position	-	(1)	1	-	(35)	(2)	2	-
Net change in plan fiduciary net position	<u>5,527,335</u>	<u>1,073,238</u>	<u>1,353,536</u>	<u>1,475,971</u>	<u>1,791,739</u>	<u>233,227</u>	<u>489,577</u>	<u>1,816,969</u>
Plan fiduciary net position – beginning	19,040,732	17,967,494	16,613,958	15,137,987	13,346,248	13,113,021	12,623,444	10,806,475
Plan fiduciary net position – ending (b)	<u>\$ 24,568,067</u>	<u>\$ 19,040,732</u>	<u>\$ 17,967,494</u>	<u>\$ 16,613,958</u>	<u>\$ 15,137,987</u>	<u>\$ 13,346,248</u>	<u>\$ 13,113,021</u>	<u>\$ 12,623,444</u>
Net Pension Liability/(Asset) - Ending (a) - (b)	(2,025,807)	2,106,524	1,645,673	1,924,200	1,498,160	975,515	157,727	(1,416,554)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	108.99%	90.04%	91.61%	89.62%	90.99%	93.19%	98.81%	112.64%
Covered Payroll	\$ 3,296,250	\$ 3,349,801	\$ 3,311,310	\$ 3,191,031	\$ 3,062,091	\$ 2,947,382	\$ 2,886,942	\$ 2,753,917
Net Pension Liability as a Percentage of Covered Payroll	-61.46%	62.89%	49.70%	60.30%	48.93%	33.10%	5.46%	-51.44%

Notes:

- Employers participating in the Municipal Employee's Retirement System are required by Rhode Island General Laws, Section 45-21-42, to continue an actuarially determined contribution rate each year.
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Town of Smithfield, Rhode Island

Required Supplementary Information

Schedule of Contributions - Police Employees MERS Plan

Last 10 Fiscal Years

Fiscal Year Ending	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 455,464	\$ 395,220	\$ 415,375	\$ 305,303	\$ 230,711	\$ 202,710	\$ 204,399	\$ 204,685	\$ 133,929
Contributions in relation to the actuarially determined contribution	455,464	395,220	415,375	305,303	230,711	202,710	204,399	204,685	133,929
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-
Covered payroll	\$ 3,632,090	\$ 3,296,250	\$ 3,349,801	\$ 3,311,310	\$ 3,191,031	\$ 3,062,091	\$ 2,947,382	\$ 2,886,942	\$ 2,753,917
Contributions as a percentage of covered payroll	12.54%	11.99%	12.40%	9.22%	7.23%	6.62%	6.93%	7.09%	4.86%

Notes:

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Town of Smithfield, Rhode Island

Required Supplementary Information

Schedule of Changes in Net Position Liability and Related Ratios

Fire Employees MERS Plan

Last 10 Fiscal Years

Measurement period ending	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Total Pension Liability								
Service Cost	\$ 381,835	\$ 347,603	\$ 256,061	\$ 188,643	\$ 149,503	\$ 121,804	\$ 93,121	\$ 81,253
Interest on the Total Pension Liability	170,097	140,093	113,200	94,737	81,579	70,205	56,935	47,318
Benefit Changes	-	-	-	-	-	-	16,330	-
Difference between expected and Actual Experience	(94,389)	(51,293)	(30,848)	(53,331)	(55,654)	(43,768)	16	-
Assumption Changes	-	(24,881)	-	-	81,099	-	-	(2,446)
Benefit payments	-	-	-	-	(20,873)	-	(7,626)	(24)
Net change in total pension liability	457,543	411,522	338,413	230,049	235,654	148,241	158,776	126,101
Total pension liability – beginning	2,239,043	1,827,521	1,489,108	1,259,059	1,023,405	875,164	716,388	590,287
Total pension liability – ending (a)	<u>\$ 2,696,586</u>	<u>\$ 2,239,043</u>	<u>\$ 1,827,521</u>	<u>\$ 1,489,108</u>	<u>\$ 1,259,059</u>	<u>\$ 1,023,405</u>	<u>\$ 875,164</u>	<u>\$ 716,388</u>
Plan Fiduciary Net Position								
Contributions – employer	\$ 181,811	\$ 154,529	\$ 91,123	\$ 73,919	\$ 70,384	\$ 68,903	\$ 52,630	\$ 37,684
Contributions – employee	200,226	173,951	127,266	93,806	82,418	66,593	43,540	37,684
Pension Plan Net Investment Income	729,681	82,681	115,982	114,069	133,010	(344)	20,028	98,832
Benefit Payments	-	-	-	-	(20,873)	-	(7,626)	(24)
Pension Plan Administrative Expense	(2,780)	(2,278)	(1,813)	(1,519)	(1,257)	(923)	(802)	(619)
Other Changes in Plan Fiduciary Net Position	-	(17,279)	16,166	(8,343)	(4)	1	4,763	22,655
Net change in plan fiduciary net position	1,108,938	391,604	348,724	271,932	263,678	134,230	112,533	196,212
Plan fiduciary net position – beginning	2,264,747	1,873,143	1,524,419	1,252,487	988,809	854,579	742,046	545,834
Plan fiduciary net position – ending (b)	<u>\$ 3,373,685</u>	<u>\$ 2,264,747</u>	<u>\$ 1,873,143</u>	<u>\$ 1,524,419</u>	<u>\$ 1,252,487</u>	<u>\$ 988,809</u>	<u>\$ 854,579</u>	<u>\$ 742,046</u>
Net Pension Liability/(Asset) - Ending (a) - (b)	(677,099)	(25,704)	(45,622)	(35,311)	6,572	34,596	20,585	(25,658)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	125.11%	101.15%	102.50%	102.37%	99.48%	96.62%	97.65%	103.58%
Covered Payroll	\$ 2,002,281	\$ 1,752,912	\$ 1,272,668	\$ 938,054	\$ 824,161	\$ 665,961	\$ 544,248	\$ 471,033
Net Pension Liability as a Percentage of Covered Payroll	-33.82%	-1.47%	-3.58%	-3.76%	0.80%	5.19%	3.78%	-5.45%

Notes:

- Employers participating in the Municipal Employee’s Retirement System are required by Rhode Island General Laws, Section 45-21-42, to continue an actuarially determined contribution rate each year.
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See Independent Auditor’s Report*

Town of Smithfield, Rhode Island

Required Supplementary Information

Schedule of Changes in Net Position Liability and Related Ratios

Fire Employees MERS Plan

Last 10 Fiscal Years

Fiscal Year Ending	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 200,614	\$ 181,811	\$ 154,529	\$ 91,123	\$ 73,919	\$ 70,384	\$ 68,903	\$ 52,630	\$ 37,684
Contributions in relation to the actuarially determined contribution	<u>200,614</u>	<u>181,811</u>	<u>154,529</u>	<u>91,123</u>	<u>73,919</u>	<u>70,384</u>	<u>68,903</u>	<u>52,630</u>	<u>37,684</u>
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-
Covered payroll	\$ 2,062,349	\$ 2,002,281	\$ 1,752,912	\$ 1,272,668	\$ 938,054	\$ 824,161	\$ 665,961	\$ 544,248	\$ 471,033
Contributions as a percentage of covered payroll	9.73%	9.08%	8.82%	7.16%	7.88%	8.54%	10.35%	9.67%	8.00%

Notes:

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See Independent Auditor’s Report*

Town of Smithfield, Rhode Island

Required Supplementary Information

Notes to Schedules

MERS Pension Plans Administered by ERSRI

For the Year Ended June 30, 2022

Valuation Date:

Notes Actuarially determined contributions rates are calculated as of June 30th of each plan year and effective two years after the actuarial valuation. So the actuarial valuation as of June 30, 2020, determines the contribution amounts for 2022.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	21 Years
Asset Valuation Method	5 -Years smoothed market
Inflation	2.50%
Salary Increases	3.00% to 14.00% General Employees ; 3.00% to 14.00% Police and Fire Employees
Investment Return	7.00%
Retirement Age	Experience-based table rates that are specific to the type of eligibility condition. Last updated for 2017 valuation.
Mortality	Male: RP-2014 Combined Healthy for Males with Blue Collar adjustments, projected with the ultimate values of the MP Scale (through 2019) Female: RP-2014 Combined Healthy for Females, projected with the ultimate values of the MP Scale (through 2019)

Town of Smithfield, Rhode Island

Required Supplementary Information

Schedule of Proportionate Share of the Net Pension Liability Teacher's Retirement Plan – Employees' Retirement System (ERS) *Last 10 Fiscal Years*

Fiscal Year:	2022	2021	2020	2019	2018	2017	2016	2015
Measurement Date:	<u>6/30/2020</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2014</u>
Employer's proportion of the net pension liability	1.01659908%	1.04671533%	1.06752617%	1.0690626%	1.04367064%	1.09137285%	1.06761040%	0.94353141%
Employer's proportionate share of the net pension liability	\$ 23,924,624	\$ 33,442,616	\$ 34,062,291	\$ 33,966,888	\$ 32,918,275	\$ 32,561,955	\$ 29,391,343	\$ 22,965,558
State's proportionate share of the net pension liability associated with the school district	<u>23,924,624</u>	<u>24,848,683</u>	<u>25,516,184</u>	<u>25,336,859</u>	<u>24,878,307</u>	<u>22,300,158</u>	<u>20,079,243</u>	<u>15,748,541</u>
Total	<u>\$ 47,849,248</u>	<u>\$ 58,291,299</u>	<u>\$ 59,578,475</u>	<u>\$ 59,303,747</u>	<u>\$ 57,796,582</u>	<u>\$ 54,862,113</u>	<u>\$ 49,470,586</u>	<u>\$ 38,714,099</u>
Covered payroll	\$ 19,873,947	\$ 19,330,354	\$ 19,725,100	\$ 19,807,745	\$ 19,295,826	\$ 18,552,465	\$ 17,937,129	\$ 17,399,316
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	120.38%	173.01%	172.69%	171.48%	170.60%	175.51%	163.86%	131.99%
Plan fiduciary net position as a percentage of the total pension liability	66.50%	54.30%	54.60%	54.30%	54.00%	54.06%	57.55%	61.40%

Notes:

- Employers participating in the Municipal Employee's Retirement System are required by Rhode Island General Laws, Section 45-21-42, to continue an actuarially determined contribution rate each year.
- Schedule is intended to show 10 years. However, as of June 30, 2022 only nine years are available. – additional years will be displayed as they become available
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Town of Smithfield, Rhode Island

Required Supplementary Information

Schedule of Contributions

Teacher’s Retirement Plan – Employees’ Retirement System (ERS)

Last 10 Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 2,816,216	\$ 2,861,786	\$ 2,838,550	\$ 2,719,939	\$ 2,604,610	\$ 2,494,957	\$ 2,512,287	\$ 2,364,900	\$ 2,129,017
Contributions in relation to the actuarially determined contribution	<u>2,816,216</u>	<u>2,861,786</u>	<u>2,838,550</u>	<u>2,719,939</u>	<u>2,604,610</u>	<u>2,494,957</u>	<u>2,512,287</u>	<u>2,364,900</u>	<u>2,129,017</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 19,873,947	\$ 19,330,354	\$ 19,725,100	\$ 19,807,745	\$ 19,295,826	\$ 18,552,465	\$ 17,937,129	\$ 17,399,316	\$ 17,053,100
Contributions as a percentage of covered payroll	14.17%	14.80%	14.39%	13.73%	13.50%	13.45%	14.01%	13.59%	12.48%

Notes:

- Employers participating in the Municipal Employee’s Retirement System are required by Rhode Island General Laws, Section 45-21-42, to continue an actuarially determined contribution rate each year.
- Schedule is intended to show 10 years. However, as of June 30, 2022 only nine years are available. – additional years will be displayed as they become available
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Town of Smithfield, Rhode Island

Required Supplementary Information

Schedule of Proportionate Share of the Net Pension Liability

Teacher's Survivors Benefit Plan – Employees' Retirement System (TSB)

Last 10 Fiscal Years

	Fiscal Year	2022	2021	2020	2019	2018	2017	2016	2015
	Measurement Date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Employer's proportion of the net pension asset		3.74976707%	3.74976707%	3.83713912%	3.81956294%	3.70030736%	3.69811899%	3.67273811%	3.84845352%
Employer's proportionate share of the net pension asset		\$ 7,360,234	\$ 4,453,357	\$ 4,353,075	\$ 3,408,169	\$ 3,061,131	\$ 3,682,287	\$ 3,428,707	\$ 4,784,426
Covered payroll (a)		\$ 19,330,354	\$ 19,725,100	\$ 19,807,745	\$ 19,295,826	\$ 18,552,465	\$ 17,937,129	\$ 17,399,316	\$ 17,053,100
Employer's proportionate share of the net pension asset as a percentage of its covered payroll		38.08%	22.58%	21.98%	17.66%	16.50%	20.53%	19.71%	28.06%
Plan fiduciary net position as a percentage of the total pension asset		185.7%	153.1%	150.2%	137.4%	136.1%	153.3%	146.6%	173.3%

Notes:

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- The amounts presented for each fiscal year were determined as of June 30 measurement date prior to the fiscal year end.
- The employee and employer contribution rates were applied to the first \$11,500 of member salary and fiscal 2018 and subsequent. In fiscal 2017 and prior years the rates were applied to salary up to the first \$9,600
- (a) – Employer's covered payroll is for the period covered by the measurement date.

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See Independent Auditor's Report*

Town of Smithfield, Rhode Island

Required Supplementary Information

Schedule of Contributions

Teachers' Survivors Benefit Plan– Employees' Retirement System (TSB)

Last 10 Fiscal Years

Fiscal Year	2022	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily determined contribution	\$ 27,976	\$ 27,689	\$ 27,964	\$ 28,620	\$ 28,419	\$ 23,100	\$ 22,914	\$ 21,755	\$ 22,530
Contributions in relation to the statutorily determined contribution	27,976	27,689	27,964	28,620	28,419	23,100	22,914	21,755	22,530
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 19,873,947	\$ 19,330,354	\$ 19,725,100	\$ 19,807,745	\$ 19,295,826	\$ 18,552,465	\$ 17,937,129	\$ 17,399,316	\$ 17,053,100
Contributions as a percentage of covered payroll	0.14%	0.14%	0.14%	0.14%	0.15%	0.12%	0.13%	0.13%	

Notes:

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- The amounts presented for each fiscal year were determined as of June 30 measurement date prior to the fiscal year end.
- The employee and employer contribution rates were applies to the first \$11,500 of member salary and fiscal 2018 and subsequent. In fiscal 2017 and prior years the rates were applied to salary up to the first \$9,600.

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Town of Smithfield, Rhode Island

Required Supplementary Information

Notes to Schedules

MERS, Teachers, and Teachers Survivors Benefit Pension Plans Administered by ERSRI

June 30, 2021 measurement date –

There were no changes in actuarial methods or assumptions reflected in the calculation of the net pension liability (asset) of the plans as of the June 30, 2021 measurement date compared to the June 30, 2020 measurement date.

June 30, 2020 measurement date –

As part of the 2020 Actuarial Experience Study for the six-year period ending June 30, 2019 as approved by the System Board on May 22, 2020, certain assumptions were modified and reflected in the determination of net pension liability (asset) at the June 30, 2020 measurement date. The following summarizes the more significant changes in assumptions:

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

June 30, 2019 measurement date –

There were no changes in actuarial methods or assumptions reflected in the calculation of the net pension liability (asset) of the plans as of the June 30, 2019 measurement date compared to the June 30, 2018 measurement date.

June 30, 2018 measurement date –

There were no changes in actuarial methods or assumptions reflected in the calculation of the net pension liability (asset) of the plans as of the June 30, 2018 measurement date compared to the June 30, 2017 measurement date.

June 30, 2017 measurement date –

As part of the 2017 Actuarial Experience Investigation Study for the six-year period ending June 30, 2016 as approved by the System Board on May 15, 2017, certain assumptions were modified and reflected in the determination of the net pension liability (asset) at the June 30, 2017 measurement date. The following summarizes the more significant changes in assumptions:

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

Town of Smithfield, Rhode Island

Required Supplementary Information

Notes to Schedules

MERS, Teachers, and Teachers Survivors Benefit Pension Plans Administered by ERSRI

June 30, 2016 measurement date –

There were no changes in actuarial methods or assumptions reflected in the calculation of the net pension liability (asset) of the plans as of the June 30, 2016 measurement date compared to the June 30, 2015 measurement date.

June 30, 2015 measurement date –

There were no changes in actuarial methods or assumptions reflected in the calculation of the net pension liability (asset) of the plans as of the June 30, 2015 measurement date compared to the June 30, 2014 measurement date

The June 30, 2015 measurement date determination of the net pension liability for the ERS and MERS plans reflects changes in benefit changes resulting from the settlement of litigation challenging the various pension reform measures enacted in previous years by the General Assembly. The final settlement approved by the Court on July 8, 2015 also included enactment of the pension settlement provisions by the General Assembly. These amended benefit provisions, are summarized below:

- Employees with more than 20 years of service at July 1, 2012 will increase their employee contribution rates to 11% for state employees and municipal general employees will contribute 8.25% (9.25% for units with a COLA provision) and participate solely in the defined benefit plan going forward – service credit accruals will increase from 1% to 2% per year.
- Members are eligible to retire upon the attainment of: age 65 with 30 years of service, 64 with 31 years of service, 63 with 32 years of service, or 62 with 33 years of service. Members may retire earlier if their RIRSA date is earlier or are eligible under a transition rule.
- MERS public safety employees may retire at age 50 with 25 years of service, or any age with 27 years of service. MERS public safety employees will contribute 9.00% (10.00% for units with a COLA provision)
- Employees with more than 10 but less than 20 years of service at July 1, 2012 will receive an increased employer contribution to the defined contribution plan. Also, members who earn less than \$35,000 per year will not be required to pay the administrative fees to the defined contribution plan.
- Members who retired from a COLA eligible plan before July 1, 2012 will received a one-time cost of living adjustment of 2% of the first \$25,000 paid as soon as administratively possible.
- Retirees as of June 30, 2015 will receive two \$500 stipends; the interim cost of living increases will occur at 4 year rather than 5 year intervals.
- The COLA formula was adjusted to: 50% of the COLA is calculated by taking the previous 5-year average investment return, less 5.5% (5yr Return - 5.5%, with a max of 4%) and 50% calculated using previous year's CPI-U (max of 3%) for a total max COLA of 3.5%. This COLA is calculated on the first \$25,855, effective 01/01/16, and indexed as of that date as well. (The indexing formula is run annually regardless of funding level each year.)
- Minor adjustments were made to the actuarial reduction for employees choosing to retire early.

Town of Smithfield, Rhode Island

Required Supplementary Information

Schedule of Changes in Net Position Liability and Related Ratios

Fire Pension Trust Fund

Last 10 Fiscal Years

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Total pension liability									
Service cost	\$ 497,639	\$ 588,208	\$ 713,903	\$ 570,581	\$ 670,806	\$ 926,180	\$ 755,471	\$ 824,891	\$ 388,599
Interest	2,923,524	2,876,834	2,984,056	2,738,018	2,671,372	2,551,501	2,457,170	2,348,730	2,206,063
Differences between expected and actual experience	664,456	(817,494)	(331,893)	(100,550)	(716,711)	74,292	(233,333)	(95,975)	-
Changes in assumptions	(50,689)	(4,221,011)	(1,933,257)	5,031,937	(3,762,912)	(4,239,961)	3,986,007	(5,398,258)	80,736
Changes of benefit terms	-	-	-	-	-	-	1,368	-	11,244,567
Benefit payments, including refunds of participant contributions	<u>(1,848,316)</u>	<u>(1,674,360)</u>	<u>(1,565,753)</u>	<u>(1,454,702)</u>	<u>(1,721,683)</u>	<u>(1,528,475)</u>	<u>(1,335,349)</u>	<u>(1,275,432)</u>	<u>(1,297,202)</u>
Net change in total pension liability	<u>2,186,614</u>	<u>(3,247,823)</u>	<u>(132,944)</u>	<u>6,785,284</u>	<u>(2,859,128)</u>	<u>(2,216,463)</u>	<u>5,631,334</u>	<u>(3,596,044)</u>	<u>12,622,763</u>
Total pension liability - beginning	<u>39,576,035</u>	<u>42,823,858</u>	<u>42,956,802</u>	<u>36,171,518</u>	<u>39,030,646</u>	<u>41,247,109</u>	<u>35,615,775</u>	<u>39,211,819</u>	<u>26,589,056</u>
Total pension liability - ending	<u>\$ 41,762,649</u>	<u>\$ 39,576,035</u>	<u>\$ 42,823,858</u>	<u>\$ 42,956,802</u>	<u>\$ 36,171,518</u>	<u>\$ 39,030,646</u>	<u>\$ 41,247,109</u>	<u>\$ 35,615,775</u>	<u>\$ 39,211,819</u>
Pension fiduciary net position									
Contributions - employer	\$ 658,596	\$ 669,635	\$ 655,675	\$ 674,575	\$ 653,323	\$ 614,972	\$ 590,143	\$ 556,062	\$ 499,542
Contributions - employee	261,318	261,576	265,506	274,218	281,661	272,054	245,893	243,407	203,242
Net investment income	(2,711,510)	7,033,060	334,969	1,266,118	2,744,565	4,169,226	473,027	1,280,504	3,566,181
Benefit payments, including refunds of participant contributions	(1,848,316)	(1,674,360)	(1,565,753)	(1,454,702)	(1,721,683)	(1,528,475)	(1,335,349)	(1,275,432)	(1,297,202)
Administrative expense	(49,549)	(17,500)	(17,500)	(17,500)	(76,035)	(13,497)	(12,497)	(14,522)	(18,008)
Net change in plan fiduciary net position	<u>(3,689,461)</u>	<u>6,272,411</u>	<u>(327,103)</u>	<u>742,709</u>	<u>1,881,831</u>	<u>3,514,280</u>	<u>(38,783)</u>	<u>790,019</u>	<u>2,953,755</u>
Plan fiduciary net position - beginning	<u>32,359,220</u>	<u>26,086,809</u>	<u>26,413,912</u>	<u>25,671,203</u>	<u>23,789,372</u>	<u>20,275,092</u>	<u>20,313,875</u>	<u>19,523,856</u>	<u>16,570,101</u>
Plan fiduciary net position - ending	<u>\$ 28,669,759</u>	<u>\$ 32,359,220</u>	<u>\$ 26,086,809</u>	<u>\$ 26,413,912</u>	<u>\$ 25,671,203</u>	<u>\$ 23,789,372</u>	<u>\$ 20,275,092</u>	<u>\$ 20,313,875</u>	<u>\$ 19,523,856</u>
Town's net pension liability (asset) - ending	<u>\$ 13,092,890</u>	<u>\$ 7,216,815</u>	<u>\$ 16,737,049</u>	<u>\$ 16,542,890</u>	<u>\$ 10,500,315</u>	<u>\$ 15,241,274</u>	<u>\$ 20,972,017</u>	<u>\$ 15,301,900</u>	<u>\$ 19,687,963</u>

The information in this schedule is intended to show 10 years. However as of June 30, 2022, only nine years are available

*See accompanying notes to required supplementary information
See Independent Auditor's Report*

Town of Smithfield, Rhode Island

Required Supplementary Information

Schedule of Changes in Net Position Liability and Related Ratios

Fire Pension Trust Fund

Last 10 Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability	\$ 41,762,649	\$ 39,576,035	\$ 42,823,858	\$42,956,802	\$36,171,518	\$ 39,030,646	\$41,247,109	\$ 35,615,775	\$39,211,819
Plan fiduciary net position	<u>28,669,759</u>	<u>32,359,220</u>	<u>26,086,809</u>	<u>26,413,912</u>	<u>25,671,203</u>	<u>23,789,372</u>	<u>20,275,092</u>	<u>20,313,875</u>	<u>19,523,856</u>
Town's net pension liability (asset)	<u>\$ 13,092,890</u>	<u>\$ 7,216,815</u>	<u>\$ 16,737,049</u>	<u>\$16,542,890</u>	<u>\$10,500,315</u>	<u>\$ 15,241,274</u>	<u>\$20,972,017</u>	<u>\$ 15,301,900</u>	<u>\$19,687,963</u>
Plan fiduciary net position as a percentage of the total pension liability	68.65%	81.76%	60.92%	61.49%	70.97%	60.95%	49.16%	57.04%	49.79%
Covered payroll	\$ 2,620,048	\$ 2,672,075	\$ 2,592,074	\$ 2,592,074	\$ 2,879,052	\$ 2,213,596	\$ 2,296,642	\$ 2,266,764	\$ 2,192,989
Net pension liability (asset) as a percentage of covered payroll	499.72%	270.08%	645.70%	638.21%	364.71%	688.53%	913.16%	675.05%	897.77%

The information in this schedule is intended to show 10 years. However as of June 30, 2021, only nine years are available

*See accompanying notes to required supplementary information
See Independent Auditor's Report*

Town of Smithfield, Rhode Island

Required Supplementary Information

Schedule of Changes in Net Position Liability and Related Ratios

Police Pension Trust Fund

Last 10 Fiscal Years

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Total pension liability									
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	1,811,835	1,851,629	1,874,916	1,796,709	1,980,181	1,941,829	1,924,447	1,883,156	1,864,562
Differences between expected and actual experience	194,867	(479,679)	(353,039)	110,338	(1,477,506)	528,002	155,773	117,690	-
Changes in assumptions	86,810	(158,751)	(70,104)	1,640,534	-	-	-	339,700	104,611
Changes of benefit terms	-	-	-	-	-	-	-	-	35,156
Benefit payments, including refunds of participant contributions	(1,784,504)	(1,752,882)	(1,753,688)	(1,705,671)	(2,986,884)	(1,881,524)	(1,831,282)	(1,785,098)	(1,744,471)
Net change in total pension liability	<u>309,008</u>	<u>(539,683)</u>	<u>(301,915)</u>	<u>1,841,910</u>	<u>(2,484,209)</u>	<u>588,307</u>	<u>248,938</u>	<u>555,448</u>	<u>259,858</u>
Total pension liability - beginning	<u>25,083,482</u>	<u>25,623,165</u>	<u>25,925,080</u>	<u>24,083,170</u>	<u>26,567,379</u>	<u>25,979,072</u>	<u>25,730,134</u>	<u>25,174,686</u>	<u>24,914,828</u>
Total pension liability - ending	<u>\$ 25,392,490</u>	<u>\$ 25,083,482</u>	<u>\$ 25,623,165</u>	<u>\$ 25,925,080</u>	<u>\$ 24,083,170</u>	<u>\$ 26,567,379</u>	<u>\$ 25,979,072</u>	<u>\$ 25,730,134</u>	<u>\$ 25,174,686</u>
Pension fiduciary net position									
Contributions - employer	\$ 2,179,641	\$ 2,152,683	\$ 1,921,559	\$ 2,179,935	\$ 2,178,681	\$ 2,177,643	\$ 2,278,602	\$ 2,277,340	\$ 2,079,373
Contributions - employee	-	-	-	-	-	-	-	-	-
Net investment income	(1,240,096)	2,686,667	93,138	440,636	845,159	1,282,176	433,239	488,660	915,560
Benefit payments, including refunds of participant contributions	(1,784,504)	(1,752,882)	(1,753,688)	(1,705,671)	(2,986,884)	(1,881,524)	(1,831,282)	(1,785,098)	(1,744,471)
Administrative expense	(49,214)	(17,200)	(17,200)	(17,200)	(46,888)	(13,001)	(13,001)	(15,018)	(18,008)
Net change in plan fiduciary net position	<u>(894,173)</u>	<u>3,069,268</u>	<u>243,809</u>	<u>897,700</u>	<u>(9,932)</u>	<u>1,565,294</u>	<u>867,558</u>	<u>965,884</u>	<u>1,232,454</u>
Plan fiduciary net position - beginning	<u>13,551,791</u>	<u>10,482,523</u>	<u>10,238,713</u>	<u>9,341,013</u>	<u>9,350,945</u>	<u>7,785,651</u>	<u>6,918,093</u>	<u>5,952,209</u>	<u>4,719,755</u>
Plan fiduciary net position - ending	<u>\$ 12,657,618</u>	<u>\$ 13,551,791</u>	<u>\$ 10,482,522</u>	<u>\$ 10,238,713</u>	<u>\$ 9,341,013</u>	<u>\$ 9,350,945</u>	<u>\$ 7,785,651</u>	<u>\$ 6,918,093</u>	<u>\$ 5,952,209</u>
Town's net pension liability (asset) - ending	<u>\$ 12,734,872</u>	<u>\$ 11,531,691</u>	<u>\$ 15,140,643</u>	<u>\$ 15,686,367</u>	<u>\$ 14,742,157</u>	<u>\$ 17,216,434</u>	<u>\$ 18,193,421</u>	<u>\$ 18,812,041</u>	<u>\$ 19,222,477</u>

The information in this schedule is intended to show 10 years. However as of June 30, 2022, only nine years are available

*See accompanying notes to required supplementary information
See Independent Auditor's Report*

Town of Smithfield, Rhode Island

Required Supplementary Information

Schedule of Changes in Net Position Liability and Related Ratios

Police Pension Trust Fund

Last 10 Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability	\$ 25,392,490	\$ 25,083,482	\$ 25,623,165	\$ 25,925,080	\$ 24,083,170	\$ 26,567,379	\$ 25,979,072	\$ 25,730,134	\$ 25,174,686
Plan fiduciary net position	<u>12,657,618</u>	<u>13,551,791</u>	<u>10,482,522</u>	<u>10,238,713</u>	<u>9,341,013</u>	<u>9,350,945</u>	<u>7,785,651</u>	<u>6,918,093</u>	<u>5,952,209</u>
Town's net pension liability (asset)	<u>\$ 12,734,872</u>	<u>\$ 11,531,691</u>	<u>\$ 15,140,643</u>	<u>\$ 15,686,367</u>	<u>\$ 14,742,157</u>	<u>\$ 17,216,434</u>	<u>\$ 18,193,421</u>	<u>\$ 18,812,041</u>	<u>\$ 19,222,477</u>
Plan fiduciary net position as a percentage of the total pension liability	49.85%	54.03%	40.91%	39.49%	38.79%	35.20%	29.97%	26.89%	23.64%
Covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net pension liability (asset) as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

The information in this schedule is intended to show 10 years. However as of June 30, 2022, only nine years are available

*See accompanying notes to required supplementary information
See Independent Auditor's Report*

Town of Smithfield, Rhode Island

Required Supplementary Information

Schedule of Employer Contributions, Investment Returns, and Employer's Net Pension Liability

Police and Fire Pension Plans – Fiduciary Trust Funds

Last 10 Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 1,762,251	\$ 2,146,105	\$ 2,086,796	\$ 1,874,741	\$ 2,086,749	\$ 2,128,824	\$ 2,095,635	\$ 2,079,553	\$ 2,114,309
Contributions in relation to the actuarially determined contribution	<u>2,179,641</u>	<u>2,152,683</u>	<u>1,921,559</u>	<u>2,179,935</u>	<u>2,178,681</u>	<u>2,177,643</u>	<u>2,278,602</u>	<u>2,277,340</u>	<u>2,079,373</u>
Contribution deficiency (excess)	<u>\$ (417,390)</u>	<u>\$ (6,578)</u>	<u>\$ 165,237</u>	<u>\$ (305,194)</u>	<u>\$ (91,932)</u>	<u>\$ (48,819)</u>	<u>\$ (182,967)</u>	<u>\$ (197,787)</u>	<u>\$ (34,936)</u>
Covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 1,282,287	\$ 1,912,194	\$ 2,143,397	\$ 1,571,682	\$ 1,287,471	\$ 1,481,677	\$ 1,294,057	\$ 1,336,605	\$ 1,455,376
Contributions in relation to the actuarially determined contribution	<u>658,596</u>	<u>669,635</u>	<u>655,675</u>	<u>674,575</u>	<u>653,323</u>	<u>614,972</u>	<u>590,143</u>	<u>556,062</u>	<u>499,542</u>
Contribution deficiency (excess)	<u>\$ 623,691</u>	<u>\$ 1,242,559</u>	<u>\$ 1,487,722</u>	<u>\$ 897,107</u>	<u>\$ 634,148</u>	<u>\$ 866,705</u>	<u>\$ 703,914</u>	<u>\$ 780,543</u>	<u>\$ (955,834)</u>
Covered payroll	\$ 2,672,075	\$ 2,592,074	\$ 2,793,960	\$ 2,879,052	\$ 2,213,596	\$ 2,296,642	\$ 2,266,764	\$ 2,192,989	\$ 2,192,989
Contributions as a percentage of covered payroll	24.65%	25.83%	23.47%	23.43%	29.51%	26.78%	26.03%	25.36%	22.78%

The information in this schedule is intended to show 10 years. However as of June 30, 2022, only nine years are available

The covered employee payroll for the Police Pension Trust Fund is not applicable as the plan is closed.

*See accompanying notes to required supplementary information
See Independent Auditor's Report*

Town of Smithfield, Rhode Island

Required Supplementary Information

Schedule of Employer Contributions, Investment Returns, and Employer's Net Pension Liability

Police and Fire Pension Plans – Fiduciary Trust Funds

Last 10 Fiscal Years

Schedule of Investment Returns

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Annual money-weighted rate of return, net of investment expense	-9.00%	25.62%	0.86%	4.60%	9.75%	15.10%	6.17%	7.42%	15.55%
	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Annual money-weighted rate of return, net of investment expense	-7.83%	28.60%	2.32%	4.97%	13.07%	20.94%	2.36%	6.73%	22.35%

The information in this schedule is intended to show 10 years. However as of June 30, 2022, only nine years are available

*See accompanying notes to required supplementary information
See Independent Auditor's Report*

Town of Smithfield, Rhode Island

Required Supplementary Information

Notes to Schedules

Police and Fire Pension Plans – Fiduciary Trust Funds

Notes to the Schedules:

Valuation Date: July 1, 2020

Actuarially determined contribution rates are calculated as of June 30, 2021.

Methods and assumptions used to determine contribution rates:

Discount rate	7.50%
Long term rate of return on investments	7.50%
Salary increases	N/A
Inflation	3.00%
Mortality rates:	2010 Public Sector Retirement Plan Mortality Table for Safety Annuitants with above average benefits and MP-2021 mortality improvement scale (M/F). 2010 Public Sector Retirement Plan Mortality for Disabled Safety Participants with MP-2021 mortality improvement scale (M/F).
Termination	N/A
Disabled	N/A

Notes to the Schedules:

Valuation Date: July 1, 2020

Actuarially determined contribution rates are calculated as of June 30, 2021.

Methods and assumptions used to determine contribution rates:

Discount rate	7.50%
Long term rate of return on investments	7.50%
Salary increases	3.00%
Inflation	3.00%
Mortality rates:	2010 Public Safety Above Median for Employees, Healthy Annuitants, and Disabled Retirees, with Scale MP-2021 Generational Improvements (M/F).
Termination	50% of Sarason Table T-1
Disabled	200% of United Auto Workers 1955 Table. All disablements are assumed to be duty-related.

Town of Smithfield, Rhode Island

Required Supplementary Information

Schedule of Changes in Net OPEB Liability and Related Ratios - OPEB Trust Fund

Last 10 Fiscal Years

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Total OPEB liability						
Service cost	\$ 2,252,011	\$ 2,440,168	\$ 1,657,275	\$ 1,511,943	\$ 1,354,976	\$ 2,333,000
Interest	1,285,988	1,435,806	1,328,854	1,311,505	1,297,215	1,198,000
Changes of benefits terms	-	(2,252,900)	-	-	-	-
Differences between actual and expected experience	(6,182,821)	1,756,101	6,500,072	(473,625)	(1,947,270)	(463,000)
Changes of assumptions	(10,886,506)	2,703,102	(2,104,558)	2,311,331	2,773,187	(2,214,000)
Employee contributions	100,954	81,760	37,227	30,685	-	-
Net benefit payments	(1,447,115)	(1,185,943)	(1,134,148)	(998,873)	(1,120,890)	(1,187,000)
Net change in total OPEB liability	(14,877,489)	4,978,094	6,284,722	3,692,966	2,357,218	(333,000)
Total OPEB liability - beginning	59,443,000	54,464,906	48,180,184	44,487,218	42,130,000	42,463,000
Total OPEB liability - ending	<u>\$ 44,565,511</u>	<u>\$ 59,443,000</u>	<u>\$ 54,464,906</u>	<u>\$ 48,180,184</u>	<u>\$ 44,487,218</u>	<u>\$ 42,130,000</u>
Plan Fiduciary Net Position:						
Contribution to plan - Employer	\$ 1,732,575	\$ 1,566,883	\$ 1,395,709	\$ 1,206,684	\$ 1,250,066	\$ 1,321,000
Contribution to plan - Employee	100,954	81,760	37,227	30,685	30,344	-
Net investment income	(907,839)	1,364,377	192,456	243,318	256,313	304,000
Benefit payments	(1,447,115)	(1,185,943)	(1,134,148)	(998,873)	(1,120,890)	(1,187,000)
Administrative expense	(19,220)	(15,153)	(10,149)	(8,583)	-	(25,000)
Net change in plan fiduciary net position	(540,645)	1,811,924	481,095	473,231	415,833	413,000
Plan fiduciary net position - beginning	6,115,083	4,303,159	3,822,064	3,348,833	2,933,000	2,520,000
Plan fiduciary net position - ending	<u>\$ 5,574,438</u>	<u>\$ 6,115,083</u>	<u>\$ 4,303,159</u>	<u>\$ 3,822,064</u>	<u>\$ 3,348,833</u>	<u>\$ 2,933,000</u>
Net OPEB liability at end of year	<u>\$ 38,991,073</u>	<u>\$ 53,327,917</u>	<u>\$ 50,161,747</u>	<u>\$ 44,358,120</u>	<u>\$ 41,138,385</u>	<u>\$ 39,197,000</u>
Plan Fiduciary net position as a percentage of the total OPEB liability	12.51%	10.29%	7.90%	7.93%	7.53%	6.96%
Covered payroll	\$ 35,795,277	\$ 34,982,000	\$ 33,717,465	\$ 34,289,000	\$ 33,049,345	\$ 30,222,000
Net OPEB liability as a percentage of covered payroll	108.93%	152.44%	148.77%	129.37%	124.48%	129.70%

The information in this schedule is intended to show 10 years. However, as of June 30, 2022, only six years are available.

*See accompanying notes to required supplementary information
See Independent Auditor's Report*

Town of Smithfield, Rhode Island

Required Supplementary Information

Schedule of Contributions and Investment Returns

OPEB Trust Fund

Last 10 Fiscal Years

	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Actuarial determined contribution	\$ 4,699,076	\$ 4,894,666	\$ 3,865,167	\$ 3,610,793	\$ 3,391,137	\$ 1,408,000
Contributions in relation to the actuarially determined contribution	1,732,575	1,566,883	1,395,709	1,206,684	1,250,066	1,513,000
Contribution deficiency (excess)	\$ 2,966,501	\$ 3,327,783	\$ 2,469,458	\$ 2,404,109	\$ 2,141,071	\$ (105,000)
 Covered payroll	 \$35,795,277	 \$34,982,000	 \$33,717,465	 \$34,289,000	 \$33,049,345	 \$30,222,000
 Contributions as a percentage of covered payroll	 4.84%	 4.48%	 4.14%	 3.52%	 3.78%	 5.01%
	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Annual money-weighted rate of return, net of investment expense	-14.41%	30.14%	4.85%	7.02%	8.97%	12.13%

The information in this schedule is intended to show 10 years. However, as of June 30, 2022, only six years are available.

Town of Smithfield, Rhode Island

Required Supplementary Information

Notes to Schedules

OPEB Trust Fund

Last 10 Fiscal Years

Valuation Date:	July 1, 2021
Actuarial Cost Method:	Entry age actuarial cost method.
Asset-Valuation Method:	Fair Value as of June 30, 2022
Discount Rate	Single equivalent interest rate of 4.11%
Index Rate	4.09%
Long-term expected rate of return	7.00%
Aging Assumption	3.50%
Salary increases	Town Employees range from 3.75% to 7.50% Public Safety Employees range from 4.00% to 14.00% School Employees range from 3.50% to 13.50%
Healthcare Cost Trends	6.0% per year graded down by the Getzen model to an ultimate rate of 4.44% per year after 60 years.
Retirement	For Town Employees: A flat 25% per year retirement probability for members eligible for unreduced retirement. A 50% retirement probability at first eligibility will be only applied if they have reached age 65 or with at least 25 years of service. For police and Fire Employees: All members are assumed to retire upon reaching age 65 with at least 10 years of service. Rates of retirement fluctuate from 10% to 35% with service years between 20 and 30 or more years. For School Employees: A flat 25% per year retirement probability for members eligible for unreduced retirement. A 60% retirement probability at first eligibility will be only applied if they have reached age 65 or with at least 25 years of service.

A complete copy of the Actuarial Valuation Report can be obtained by contacting the Town Manager's Office

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TOWN OF SMITHFIELD, RHODE ISLAND

Supplementary Information Section

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TOWN OF SMITHFIELD, RHODE ISLAND

NONMAJOR GOVERNMENTAL FUNDS

TOWN SPECIAL REVENUE FUNDS

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

- **Animal Control Fund**
- **Animal Control Spay & Neuter**
- **Affordable Housing Fund**
- **Police Restricted Revenue**
- **CDBG**
- **Document Preservation & Tech Upgrades**
- **EMA Radio**
- **Fire Prevention**
- **Historical Records**
- **Municipal Contingency Escrow**
- **Operation Blue Riptide**
- **Police Confiscated Funds**
- **Byrne**
- **Retirement Escrow**
- **Revaluation Escrow**
- **RI DOT Children Passenger Safety**
- **RI DOT Click it or Ticket**
- **Scholarship Fund**
- **Senior Center Grant**
- **Bulletproof Vest**
- **Neighborhood Center Fund**
- **Police Memorial Fund**
- **General Public Assistance**
- **American Rescue Plan**
- **Dog Park**
- **Play for All Fund**
- **Commercial Weight Enforcement**
- **Distracted Driver**

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TOWN OF SMITHFIELD, RHODE ISLAND

NONMAJOR GOVERNMENTAL FUNDS (continued)

SCHOOL SPECIAL REVENUE

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

- **RI Interlock Grant**
- **Title I**
- **XQ+RI Challenge Planning Grant**
- **Perkins Vocational Education**
- **High School Donors**
- **IDEA Preschool**
- **Roy T. Morgan Foundation,**
- **NE School Development Council**
- **NE Dairy & Food Council**
- **Kiducation**
- **Feinstein Foundation**
- **Lifetouch**
- **LaPerche PTA**
- **LaPerche RC**
- **Gallagher Middle School Donors**
- **RI State Council for the Arts**
- **Title II**
- **Stop and Shop A+ Bonus**
- **Smithfield Education Foundation**
- **McCabe Playground**
- **RI Comp Literacy State Development**
- **CVS Health Foundation**
- **School Supply System**
- **STEM Mini**
- **Bank of America**
- **RI Foundation**
- **IDEA Part B**
- **Exxon Mobil Educational Alliance**
- **CTE Categorical Fund**
- **English Learner Categorical**
- **General Assembly Grant**
- **VFW Memorial Fund**
- **ESSER II Priority I,**
- **ESSER II Priority II**
- **Champlin Foundation**
- **Title IV**
- **National Youth Risk Behavior**
- **USDA Farm to School Grant**
- **ESSER II Priority Other**
- **ESSER III**
- **ESSER III Priority II**
- **ARP ELC**
- **P-EBT**
- **School Authority Covid-19 Project**
- **Whole Kids Foundation**
- **Goodwill**
- **Special Olympics**
- **Student Activities**

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TOWN OF SMITHFIELD, RHODE ISLAND

NONMAJOR GOVERNMENTAL FUNDS (continued)

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 operating transfers. The following capital project funds are reported as nonmajor governmental funds.

- **Green Acres Acquisition Fund**
- **Smithfield Historic Landmark**
- **Impact Fees**
- **Land Acq. Open Space Bond**
- **Middle School Additions**
- **Open Space & Rec. Area**
- **Police Equipment**
- **Water District Improvement Fee**
- **Handicap Accessibility**
- **Salt Barn Property**
- **Special Projects Fund**
- **Police Improvement Bond**
- **Capital Reserve Fund**
- **Fire Station Bond**
- **Land Trust Fund**
- **School Restricted Capital**
- **Bryant Capital Contributions**
- **School Improvement Bond**
- **Capital Lease Fund**
- **Stillwater Pond Development**
- **Smithfield Fire Rescue**

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TOWN OF SMITHFIELD, RHODE ISLAND

NONMAJOR GOVERNMENTAL FUNDS (continued)

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:

- **Cemetery Fund**

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Town of Smithfield, Rhode Island

Supplementary Information Non-Major Governmental Funds Combining Balance Sheet

June 30, 2022

	Town Special Revenue	School Special Revenue	Capital Projects	Permanent Trust Funds	Total Non-Major Funds
Assets					
Cash and cash equivalent	\$ 1,117,187	\$ 263,405	\$ 2,282,587	\$ 63,709	\$ 3,726,888
Accounts and other receivables, net	4,566	323,213	851,804	-	1,179,583
Intergovernmental receivables	5,406	509,850	-	-	515,256
Due from other funds	4,424,233	242,549	3,503,352	-	8,170,134
Total assets	5,551,392	1,339,017	6,637,743	63,709	13,591,861
Deferred outflows of resources					
Deferred outflows	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-
Total assets and deferred outflows of resources	\$ 5,551,392	\$ 1,339,017	\$ 6,637,743	\$ 63,709	\$ 13,591,861
Liabilities					
Accounts payable	\$ 152,956	\$ 31,719	\$ 79,988	\$ -	\$ 264,663
Accrued liabilities	28,097	-	-	-	28,097
Due to other funds	521,126	827,547	4,458,557	-	5,807,230
Unearned grant and other revenues	268	-	1,800	-	2,068
Total liabilities	702,447	859,266	4,540,345	-	6,102,058
Deferred inflows of resources					
Deferred revenue	3,124,892	-	188,598	-	3,313,490
Total deferred inflows of resources	3,124,892	-	188,598	-	3,313,490
Fund balance					
Nonspendable	-	-	-	-	-
Restricted	564,016	479,751	430,551	63,709	1,538,027
Committed	1,176,958	-	4,418,733	-	5,595,691
Unassigned	(16,921)	-	(2,940,484)	-	(2,957,405)
Total fund balance	1,724,053	479,751	1,908,800	63,709	4,176,313
Total liabilities, deferred inflows of resources, and fund balances	\$ 5,551,392	\$ 1,339,017	\$ 6,637,743	\$ 63,709	\$ 13,591,861

See Independent Auditor's Report

Town of Smithfield, Rhode Island

Supplementary Information

Non-Major Governmental Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance

For the Year Ended June 30, 2022

	Town Special Revenue	School Special Revenue	Town Capital Projects	Permanent Trust Funds	Total Non Major Funds
Revenues					
Intergovernmental	\$ 219,852	\$ 2,018,055	\$ 134,219	\$ -	\$ 2,372,126
Fees, fines, charges and assessments	158,036	-	1,409,654	-	1,567,690
Interest and investment income	966	-	668	6	1,640
Contributions and grants	19,365	13,934	104,354	-	137,653
Other revenues	3,754	188,293	2,588,653	-	2,780,700
Total revenue	401,973	2,220,282	4,237,548	6	6,859,809
Expenditures					
General government	-	-	-	-	-
Education	-	2,121,601	-	-	2,121,601
Public safety	599,759	-	1,549,225	-	2,148,984
Public works	-	-	-	-	-
Recreation and community development	72,238	-	202,003	-	274,241
Other expenses	472,310	-	-	-	472,310
Capital outlays	417	46,446	1,013,599	-	1,060,462
Total expenditures	1,144,724	2,168,047	2,764,827	-	6,077,598
Excess (deficiency) of revenues over expenditures	(742,751)	52,235	1,472,721	6	782,211
Other financing sources (uses)					
Transfers in	212,950	-	125,000	-	337,950
Transfers out	-	-	(1,731,897)	-	(1,731,897)
Total other financing sources (uses)	212,950	-	(1,606,897)	-	(1,393,947)
Net change in fund balance	(529,801)	52,235	(134,176)	6	(611,736)
Fund balance, July 1, 2021	2,253,854	427,516	2,042,976	63,703	4,788,049
Fund balance, June 30, 2022	\$ 1,724,053	\$ 479,751	\$ 1,908,800	\$ 63,709	\$ 4,176,313

See Independent Auditor's Report

Town of Smithfield, Rhode Island

Supplementary Information

Combining Non-Major Governmental Funds Balance Sheet

June 30, 2022

Town Special Revenue Funds							
	Animal Control Fund	Animal Control Spay & Neuter	Affordable Housing Fund	Police Restricted Revenue	CDBG	Document Preservation & Tech Upgrades	EMA Radio
Assets							
Cash and cash equivalents	\$ 27,627	\$ -	\$ -	\$ -	\$ -	\$ 43,756	\$ 3,926
Accounts and other receivables, net	-	-	-	-	-	-	-
Intergovernmental receivables	-	-	-	-	-	-	-
Due from other funds	3,282	7,885	204,000	401,723	268	83,094	-
Total Assets	30,909	7,885	204,000	401,723	268	126,850	3,926
Deferred outflows of resources							
Deferred outflows	-	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	30,909	7,885	204,000	401,723	268	126,850	3,926
Liabilities							
Accounts payable	-	250	-	8,229	-	-	-
Accrued liabilities	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	3,926
Unearned grant and other revenues	-	-	-	-	268	-	-
Total Liabilities	-	250	-	8,229	268	-	3,926
Deferred inflows of resources							
Deferred revenue	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-
Fund balance							
Restricted	-	-	204,000	-	-	126,850	-
Committed	30,909	7,635	-	393,494	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balance	30,909	7,635	204,000	393,494	-	126,850	-
Total liabilities, deferred inflows of resources and fund balance	\$ 30,909	\$ 7,885	\$ 204,000	\$ 401,723	\$ 268	\$ 126,850	\$ 3,926

See Independent Auditor's Report

Town of Smithfield, Rhode Island

Supplementary Information

Combining Non-Major Governmental Funds Balance Sheet

June 30, 2022

Town Special Revenue Funds							
	Fire Prevention	Historical Records	Municipal Contingency Escrow	Operation Blue Reptide	Police Confiscated Funds	Byrne	Retirement Escrow
Assets							
Cash and cash equivalents	\$ 87,145	\$ 35,314	\$ 31,431	\$ -	\$ 28,802	\$ -	\$ 791,468
Accounts and other receivables, net	-	-	-	-	-	-	-
Intergovernmental receivables	-	-	-	1,316	-	-	-
Due from other funds	-	26,204	1,192	-	-	-	-
Total Assets	87,145	61,518	32,623	1,316	28,802	-	791,468
Deferred outflows of resources							
Deferred outflows	-	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	87,145	61,518	32,623	1,316	28,802	-	791,468
Liabilities							
Accounts payable	-	-	-	-	-	-	-
Accrued liabilities	-	-	-	-	3,149	-	-
Due to other funds	78,019	-	-	1,316	11,407	-	361,677
Unearned grant and other revenues	-	-	-	-	-	-	-
Total Liabilities	78,019	-	-	1,316	14,556	-	361,677
Deferred inflows of resources							
Deferred revenue	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-
Fund balance							
Restricted	9,126	61,518	-	-	14,246	-	-
Committed	-	-	32,623	-	-	-	429,791
Unassigned	-	-	-	-	-	-	-
Total fund balance	9,126	61,518	32,623	-	14,246	-	429,791
Total liabilities, deferred inflows of resources and fund balance	\$ 87,145	\$ 61,518	\$ 32,623	\$ 1,316	\$ 28,802	\$ -	\$ 791,468

See Independent Auditor's Report

Town of Smithfield, Rhode Island

Supplementary Information

Combining Non-Major Governmental Funds Balance Sheet

June 30, 2022

Town Special Revenue Funds							
	Revaluation Escrow	RIDOT Children Passenger Safety	RIDOT Click It or Ticket	Scholarship Fund	Senior Center Grant	Bulletproof Vest	Neighborhood Center Fund
Assets							
Cash and cash equivalents	\$ 39,215	\$ -	\$ -	\$ 4,498	\$ -	\$ -	\$ 3,687
Accounts and other receivables, net	-	-	-	-	-	4,087	-
Intergovernmental receivables	-	505	1,129	-	-	-	-
Due from other funds	-	-	-	-	126,182	-	217,851
Total Assets	39,215	505	1,129	4,498	126,182	4,087	221,538
Deferred outflows of resources							
Deferred outflows	-	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	39,215	505	1,129	4,498	126,182	4,087	221,538
Liabilities							
Accounts payable	-	-	-	-	337	-	-
Accrued liabilities	-	-	-	-	16,249	-	1,170
Due to other funds	56,136	505	1,118	-	-	4,087	-
Unearned grant and other revenues	-	-	-	-	-	-	-
Total Liabilities	56,136	505	1,118	-	16,586	4,087	1,170
Deferred inflows of resources							
Deferred revenue	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-
Fund balance							
Restricted	-	-	-	4,498	109,596	-	-
Committed	-	-	11	-	-	-	220,368
Unassigned	(16,921)	-	-	-	-	-	-
Total fund balance	(16,921)	-	11	4,498	109,596	-	220,368
Total liabilities, deferred inflows of resources and fund balance	\$ 39,215	\$ 505	\$ 1,129	\$ 4,498	\$ 126,182	\$ 4,087	\$ 221,538

See Independent Auditor's Report

Town of Smithfield, Rhode Island

Supplementary Information

Combining Non-Major Governmental Funds Balance Sheet

June 30, 2022

Town Special Revenue Funds							
	Police Memorial Fund	General Public Assistance	American Rescue Plan	Dog Park	Play for All Fund	Commercial Weight Enforcement	Distracted Driving
Assets							
Cash and cash equivalents	\$ 799	\$ -	\$ -	\$ 19,519	\$ -	\$ -	\$ -
Accounts and other receivables, net	-	-	-	-	-	-	479
Intergovernmental receivables	-	-	-	-	-	2,456	-
Due from other funds	-	69,926	3,258,579	21,788	2,259	-	-
Total Assets	<u>799</u>	<u>69,926</u>	<u>3,258,579</u>	<u>41,307</u>	<u>2,259</u>	<u>2,456</u>	<u>479</u>
Deferred outflows of resources							
Deferred outflows	-	-	-	-	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u><u>799</u></u>	<u><u>69,926</u></u>	<u><u>3,258,579</u></u>	<u><u>41,307</u></u>	<u><u>2,259</u></u>	<u><u>2,456</u></u>	<u><u>479</u></u>
Liabilities							
Accounts payable	-	270	133,687	10,183	-	-	-
Accrued liabilities	-	7,529	-	-	-	-	-
Due to other funds	-	-	-	-	-	2,456	479
Unearned grant and other revenues	-	-	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>7,799</u>	<u>133,687</u>	<u>10,183</u>	<u>-</u>	<u>2,456</u>	<u>479</u>
Deferred inflows of resources							
Deferred revenue	-	-	3,124,892	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>3,124,892</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance							
Restricted	799	-	-	31,124	2,259	-	-
Committed	-	62,127	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balance	<u>799</u>	<u>62,127</u>	<u>-</u>	<u>31,124</u>	<u>2,259</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balance	<u><u>\$ 799</u></u>	<u><u>\$ 69,926</u></u>	<u><u>\$ 3,258,579</u></u>	<u><u>\$ 41,307</u></u>	<u><u>\$ 2,259</u></u>	<u><u>\$ 2,456</u></u>	<u><u>\$ 479</u></u>

See Independent Auditor's Report

Town of Smithfield, Rhode Island

Supplementary Information

Combining Non-Major Governmental Funds Balance Sheet

June 30, 2022

Town Special Revenue Funds								
	Police Memorial Fund	General Public Assistance	American Rescue Plan	Dog Park	Play for All Fund	Commercial Weight Enforcement	Distracted Driving	Total Town Special Revenue Funds
Assets								
Cash and cash equivalents	\$ 799	\$ -	\$ -	\$ 19,519	\$ -	\$ -	\$ -	\$ 1,117,187
Accounts and other receivables, net	-	-	-	-	-	-	479	4,566
Intergovernmental receivables	-	-	-	-	-	2,456	-	5,406
Due from other funds	-	69,926	3,258,579	21,788	2,259	-	-	4,424,233
Total Assets	799	69,926	3,258,579	41,307	2,259	2,456	479	5,551,392
Deferred outflows of resources								
Deferred outflows	-	-	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	799	69,926	3,258,579	41,307	2,259	2,456	479	5,551,392
Liabilities								
Accounts payable	-	270	133,687	10,183	-	-	-	152,956
Accrued liabilities	-	7,529	-	-	-	-	-	28,097
Due to other funds	-	-	-	-	-	2,456	479	521,126
Unearned grant and other revenues	-	-	-	-	-	-	-	268
Total Liabilities	-	7,799	133,687	10,183	-	2,456	479	702,447
Deferred inflows of resources								
Deferred revenue	-	-	3,124,892	-	-	-	-	3,124,892
Total deferred inflows of resources	-	-	3,124,892	-	-	-	-	3,124,892
Fund balance								
Restricted	799	-	-	31,124	2,259	-	-	564,016
Committed	-	62,127	-	-	-	-	-	1,176,958
Unassigned	-	-	-	-	-	-	-	(16,921)
Total fund balance	799	62,127	-	31,124	2,259	-	-	1,724,053
Total liabilities, deferred inflows of resources and fund balance	\$ 799	\$ 69,926	\$ 3,258,579	\$ 41,307	\$ 2,259	\$ 2,456	\$ 479	\$ 5,551,392

See Independent Auditor's Report

Town of Smithfield, Rhode Island

Supplementary Information

Combining Non-Major Governmental Funds Balance Sheet

June 30, 2022

	School Special Revenue						
	RI	XQ+RI		Perkins	High School	IDEA	Roy T. Morgan
	Interlock Grant	Title I	Challenge Planning Grant	Vocational Education	Donors	Preschool	Foundation
Assets							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental receivables	-	38,490	-	55,580	-	9,386	-
Accounts receivable	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	200	-	2,817
Total assets	<u>-</u>	<u>38,490</u>	<u>-</u>	<u>55,580</u>	<u>200</u>	<u>9,386</u>	<u>2,817</u>
Liabilities							
Accounts payable	-	-	-	-	-	-	-
Due to other funds	-	38,490	-	55,580	-	9,386	-
Total liabilities	<u>-</u>	<u>38,490</u>	<u>-</u>	<u>55,580</u>	<u>-</u>	<u>9,386</u>	<u>-</u>
Fund balances							
Restricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>200</u>	<u>-</u>	<u>2,817</u>
Total Liabilities and fund balances	<u>\$ -</u>	<u>\$ 38,490</u>	<u>\$ -</u>	<u>\$ 55,580</u>	<u>\$ 200</u>	<u>\$ 9,386</u>	<u>\$ 2,817</u>

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Town of Smithfield, Rhode Island

Supplementary Information

Combining Non-Major Governmental Funds Balance Sheet

June 30, 2022

	School Special Revenue						
	N.E. School Development Council	N.E. Dairy & Food Council	Kiducation	Feinstein Foundation	LifeTouch	LaPerche PTA	LaPerche RC
Assets							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental receivables	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	5,266	-	-
Due from other funds	5,000	-	721	37,189	19,292	-	-
Total assets	5,000	-	721	37,189	24,558	-	-
Liabilities							
Accounts payable	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-	-
Fund balances							
Restricted	5,000	-	721	37,189	24,558	-	-
Total Liabilities and fund balances	\$ 5,000	\$ -	\$ 721	\$ 37,189	\$ 24,558	\$ -	\$ -

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Town of Smithfield, Rhode Island

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Combining Non-Major Governmental Funds Balance Sheet

June 30, 2022

	School Special Revenue						
	Gallagher Middle School Donors	RI State Council for the Arts	Title II	Stop & Shop A+ Bonus	Smithfield Education Foundation	McCabe Playground	RI Comp Literacy State Development
Assets							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental receivables	-	-	-	-	-	-	-
Accounts receivable	-	-	11,272	-	-	-	151,854
Due from other funds	-	-	-	15,556	-	-	-
Total assets	<u>-</u>	<u>-</u>	<u>11,272</u>	<u>15,556</u>	<u>-</u>	<u>-</u>	<u>151,854</u>
Liabilities							
Accounts payable	-	-	-	-	-	-	-
Due to other funds	-	-	11,272	-	-	-	151,854
Total liabilities	<u>-</u>	<u>-</u>	<u>11,272</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>151,854</u>
Fund balances							
Restricted	-	-	-	15,556	-	-	-
Total Liabilities and fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,272</u>	<u>\$ 15,556</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 151,854</u>

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Town of Smithfield, Rhode Island

Supplementary Information

Combining Non-Major Governmental Funds Balance Sheet

June 30, 2022

	School Special Revenue						
	CVS Health Foundation	School Supply System	STEM Mini	Bank of America	RI Foundation	IDEA Part B	Exxon Mobil Educational Alliance
Assets							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental receivables	-	-	-	-	-	276,852	-
Accounts receivable	-	4,438	-	250	-	-	-
Due from other funds	-	-	-	250	-	-	569
Total assets	-	4,438	-	500	-	276,852	569
Liabilities							
Accounts payable	-	-	-	-	-	-	-
Due to other funds	-	4,438	-	-	-	276,852	-
Total liabilities	-	4,438	-	-	-	276,852	-
Fund balances							
Restricted	-	-	-	500	-	-	569
Total Liabilities and fund balances	\$ -	\$ 4,438	\$ -	\$ 500	\$ -	\$ 276,852	\$ 569

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Town of Smithfield, Rhode Island

Supplementary Information

Combining Non-Major Governmental Funds Balance Sheet

June 30, 2022

	School Special Revenue						
	CTE	English	General	VFW	ESSER II	ESSER II	ESSER II
	Categorical	Learner	Assembly	Memorial	Priority I	Priority II	Priority Other
	Fund	Categorical	Grant	Fund			
Assets							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental receivables	-	-	-	-	128,079	1,463	-
Accounts receivable	-	-	-	-	-	-	-
Due from other funds	90,070	-	5,000	4,000	-	-	-
Total assets	<u>90,070</u>	<u>-</u>	<u>5,000</u>	<u>4,000</u>	<u>128,079</u>	<u>1,463</u>	<u>-</u>
Liabilities							
Accounts payable	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	128,079	1,463	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>128,079</u>	<u>1,463</u>	<u>-</u>
Fund balances			-				
Restricted	90,070	-	5,000	4,000	-	-	-
Total Liabilities and fund balances	<u>\$ 90,070</u>	<u>\$ -</u>	<u>\$ 5,000</u>	<u>\$ 4,000</u>	<u>\$ 128,079</u>	<u>\$ 1,463</u>	<u>\$ -</u>

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Town of Smithfield, Rhode Island

Supplementary Information

Combining Non-Major Governmental Funds Balance Sheet

June 30, 2022

	School Special Revenue					School Building	Champlin
	ESSER III	ESSER III Priority II	ESSER III Priority II	ARP ELC	P-EBT	Authority COVID-19 Project	Foundation
Assets							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental receivables	-	-	-	-	-	-	-
Accounts receivable	-	11,119	24,000	51,356	3,768	-	-
Due from other funds	-	-	-	-	-	-	56,000
Total assets	<u>-</u>	<u>11,119</u>	<u>24,000</u>	<u>51,356</u>	<u>3,768</u>	<u>-</u>	<u>56,000</u>
Liabilities							
Accounts payable	-	-	-	-	-	-	-
Due to other funds	0	11,119	24,000	51,356	3,768	-	-
Total liabilities	<u>-</u>	<u>11,119</u>	<u>24,000</u>	<u>51,356</u>	<u>3,768</u>	<u>-</u>	<u>-</u>
Fund balances							
Restricted	-	-	-	-	-	-	56,000
Total Liabilities and fund balances	<u>\$ -</u>	<u>\$ 11,119</u>	<u>\$ 24,000</u>	<u>\$ 51,356</u>	<u>\$ 3,768</u>	<u>\$ -</u>	<u>\$ 56,000</u>

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Town of Smithfield, Rhode Island

Supplementary Information

Combining Non-Major Governmental Funds Balance Sheet

June 30, 2022

School Special Revenue									
	Title IV	National Youth Risk Behavior	USDA Farm to School Grant	USDA Farm to School Grant	Whole Kids Foundation	Goodwill	Special Olympics	Student Activities	Total School Restricted Funds
Assets									
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 263,405	\$ 263,405
Intergovernmental receivables	-	-	-	-	-	-	-	-	509,850
Accounts receivable	4,574	-	52,688	2,628	-	-	-	-	323,213
Due from other funds	-	500	-	-	3,000	-	250	2,135	242,549
Total assets	<u>4,574</u>	<u>500</u>	<u>52,688</u>	<u>2,628</u>	<u>3,000</u>	<u>-</u>	<u>250</u>	<u>265,540</u>	<u>1,339,017</u>
Liabilities									
Accounts payable	-	-	-	-	-	-	-	31,719	31,719
Due to other funds	4,574	-	52,688	2,628	-	-	-	-	827,547
Total liabilities	<u>4,574</u>	<u>-</u>	<u>52,688</u>	<u>2,628</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,719</u>	<u>859,266</u>
Fund balances									
Restricted	-	500	-	-	3,000	-	250	233,821	479,751
Total Liabilities and fund balances	<u>\$ 4,574</u>	<u>\$ 500</u>	<u>\$ 52,688</u>	<u>\$ 2,628</u>	<u>\$ 3,000</u>	<u>\$ -</u>	<u>\$ 250</u>	<u>\$ 265,540</u>	<u>\$ 1,339,017</u>

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Town of Smithfield, Rhode Island

Supplementary Information

Combining Non-Major Governmental Funds Balance Sheet

June 30, 2022

Capital Project Funds							
	Green Acres Acquisition Fund	Smithfield Historic Landmark	Impact Fees	Land Acq. Open Space Bond	Middle School Additions	Open Space & Rec. Area	Police Equipment
Assets							
Cash and cash equivalents	\$ 112,979	\$ 883	\$ 872,447	\$ -	\$ -	\$ 4,543	\$ 129,029
Accounts and other receivables, net	-	-	-	-	-	-	-
Intergovernmental receivables	-	-	-	-	-	-	-
Due from other funds	18,640	-	1,157,923	49,609	5,124	-	-
Total Assets	131,619	883	2,030,370	49,609	5,124	4,543	129,029
Deferred outflows of resources							
Deferred outflows	-	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	131,619	883	2,030,370	49,609	5,124	4,543	129,029
Liabilities							
Accounts payable	-	-	-	-	-	-	-
Accrued liabilities	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	60,879
Unearned grant and other revenues	-	-	-	-	-	-	-
Total Liabilities	-	-	-	-	-	-	60,879
Deferred inflows of resources							
Unavailable fee revenue	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-
Fund balance							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	131,619	883	2,030,370	49,609	5,124	4,543	68,150
Unassigned	-	-	-	-	-	-	-
Total fund balance	131,619	883	2,030,370	49,609	5,124	4,543	68,150
Total liabilities, deferred inflows of resources and fund balance	\$ 131,619	\$ 883	\$ 2,030,370	\$ 49,609	\$ 5,124	\$ 4,543	\$ 129,029

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Town of Smithfield, Rhode Island

Supplementary Information

Combining Non-Major Governmental Funds Balance Sheet

June 30, 2022

Capital Project Funds							
	Water District Improvement Fee	Handicap Accessibility	Salt Barn Property	Special Projects Fund	Police Improvement Bond	Capital Reserve Fund	Fire Station Bond
Assets							
Cash and cash equivalents	\$ 18,779	\$ 10,800	\$ -	\$ 405,506	\$ -	\$ -	\$ -
Accounts and other receivables, net	-	-	-	58,900	-	-	-
Intergovernmental receivables	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	113,017	1,141,153	-
Total Assets	18,779	10,800	-	464,406	113,017	1,141,153	-
Deferred outflows of resources							
Deferred outflows	-	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	18,779	10,800	-	464,406	113,017	1,141,153	-
Liabilities							
Accounts payable	-	-	-	66,758	-	-	7,500
Accrued liabilities	-	-	-	-	-	-	-
Due to other funds	23	-	-	532,236	-	-	525,024
Unearned grant and other revenues	-	-	-	1,800	-	-	-
Total Liabilities	23	-	-	600,794	-	-	532,524
Deferred inflows of resources							
Unavailable fee revenue	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-
Fund balance							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	18,756	10,800	-	-	113,017	1,141,153	-
Unassigned	-	-	-	(136,388)	-	-	(532,524)
Total fund balance	18,756	10,800	-	(136,388)	113,017	1,141,153	(532,524)
Total liabilities, deferred inflows of resources and fund balance	\$ 18,779	\$ 10,800	\$ -	\$ 464,406	\$ 113,017	\$ 1,141,153	\$ -

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Town of Smithfield, Rhode Island

Supplementary Information

Combining Non-Major Governmental Funds Balance Sheet

June 30, 2022

Capital Project Funds								
	Land Trust	School Restricted Capital	Bryant Capital Contributions	School Improvement Bond	Capital Lease Fund	Stillwater Pond Development	Smithfield Fire Rescue	Total Capital Project Funds
Assets								
Cash and cash equivalents	\$ 14,655	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 712,966	\$ 2,282,587
Accounts and other receivables, net	-	-	37,168	567,138	-	-	188,598	851,804
Intergovernmental receivables	-	-	-	-	-	-	-	-
Due from other funds	199,655	125,000	593,231	-	-	100,000	-	3,503,352
Total Assets	214,310	125,000	630,399	567,138	-	100,000	901,564	6,637,743
Deferred outflows of resources								
Deferred outflows	-	-	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	214,310	125,000	630,399	567,138	-	100,000	901,564	6,637,743
Liabilities								
Accounts payable	-	-	-	-	-	-	5,730	79,988
Accrued liabilities	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	361,587	1,819,696	-	1,159,112	4,458,557
Unearned grant and other revenues	-	-	-	-	-	-	-	1,800
Total Liabilities	-	-	-	361,587	1,819,696	-	1,164,842	4,540,345
Deferred inflows of resources								
Unavailable fee revenue	-	-	-	-	-	-	188,598	188,598
Total deferred inflows of resources	-	-	-	-	-	-	188,598	188,598
Fund balance								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	125,000	-	205,551	-	100,000	-	430,551
Committed	214,310	-	630,399	-	-	-	-	4,418,733
Unassigned	-	-	-	-	(1,819,696)	-	(451,876)	(2,940,484)
Total fund balance	214,310	125,000	630,399	205,551	(1,819,696)	100,000	(451,876)	1,908,800
Total liabilities, deferred inflows of resources and fund balance	\$ 214,310	\$ 125,000	\$ 630,399	\$ 567,138	\$ -	\$ 100,000	\$ 901,564	\$ 6,637,743

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Town of Smithfield, Rhode Island

Supplementary Information

Combining Non-Major Governmental Funds Balance Sheet

June 30, 2022

	Permanent Funds
	Cemetery Fund
Assets	
Cash and cash equivalents	\$ 63,709
Accounts and other receivables, net	-
Intergovernmental receivables	-
Due from other funds	-
Total Assets	63,709
Deferred outflows of resources	
Deferred outflows	-
Total deferred outflows of resources	-
Total assets and deferred outflows of resources	63,709
Liabilities	
Accounts payable	-
Accrued liabilities	-
Due to other funds	-
Unearned grant and other revenues	-
Total Liabilities	-
Deferred inflows of resources	
Unavailable fee revenue	-
Total deferred inflows of resources	-
Fund balance	
Nonspendable	-
Restricted	63,709
Committed	-
Unassigned	-
Total fund balance	63,709
Total liabilities, deferred inflows of resources and fund balance	\$ 63,709

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Town of Smithfield, Rhode Island

Supplementary Information

Combining Non-Major Governmental Funds Statement of Revenue, Expenditures, and Changes in Fund Balance

For the Year Ended June 30, 2022

Town Special Revenue Funds							
	Animal Control Fund	Animal Control Spay & Neuter	Affordable Housing Fund	Police Restricted Revenue	CDBG	Document Preservation & Tech Upgrades	EMA Radio
Revenues							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fees, fines, charges and assessments	813	405	-	119,622	-	23,272	-
Interest and investment income	-	-	-	-	-	-	-
Contributions and grants	-	-	-	-	-	-	-
Other revenues	2,064	690	-	-	-	-	-
Total revenues	2,877	1,095	-	119,622	-	23,272	-
Expenditures							
Education	-	-	-	-	-	-	-
Public safety	649	-	-	377,956	-	-	-
Recreation and community development	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	8,935	-
Capital outlays	-	-	-	-	-	-	-
Total expenditures	649	-	-	377,956	-	8,935	-
Excess (deficiency) of revenues over expenditures	2,228	1,095	-	(258,334)	-	14,337	-
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Net change in fund balance	2,228	1,095	-	(258,334)	-	14,337	-
Fund balance - beginning	28,681	6,540	204,000	651,828	-	112,513	-
Fund balance - ending	\$ 30,909	\$ 7,635	\$204,000	\$ 393,494	\$ -	\$ 126,850	\$ -

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Town of Smithfield, Rhode Island

Supplementary Information

Combining Non-Major Governmental Funds Statement of Revenue, Expenditures, and Changes in Fund Balance

For the Year Ended June 30, 2022

Town Special Revenue Funds							
	Fire Prevention	Historical Records	Municipal Contingency Escrow	Operation Blue Reptide	Police Confiscated Funds	Byrne	Retirement Escrow
Revenues							
Intergovernmental	\$ -	\$ -	\$ -	\$ 6,534	\$ 3	\$ -	\$ -
Fees, fines, charges and assessments	10,056	3,868	-	-	-	-	-
Interest and investment income	-	-	3	-	-	-	512
Contributions and grants	-	-	-	-	-	11,705	-
Other revenues	-	-	-	-	-	-	-
Total revenues	10,056	3,868	3	6,534	3	11,705	512
Expenditures							
Education	-	-	-	-	-	-	-
Public safety	4,450	-	-	6,534	10,000	11,705	-
Recreation and community development	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	239,582
Capital outlays	-	-	-	-	-	-	-
Total expenditures	4,450	-	-	6,534	10,000	11,705	239,582
Excess (deficiency) of revenues over expenditures	5,606	3,868	3	-	(9,997)	-	(239,070)
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Net change in fund balance	5,606	3,868	3	-	(9,997)	-	(239,070)
Fund balance - beginning	3,520	57,650	32,620	-	24,243	-	668,861
Fund balance - ending	<u>\$ 9,126</u>	<u>\$61,518</u>	<u>\$ 32,623</u>	<u>\$ -</u>	<u>\$ 14,246</u>	<u>\$ -</u>	<u>\$ 429,791</u>

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Town of Smithfield, Rhode Island

Supplementary Information

Combining Non-Major Governmental Funds Statement of Revenue, Expenditures, and Changes in Fund Balance

For the Year Ended June 30, 2022

Town Special Revenue Funds							
	Revaluation Escrow	RIDOT Children Passenger Safety	RIDOT Click It or Ticket	Scholarship Fund	Senior Center Grant	Bulletproof Vest	Neighborhood Center Fund
Revenues							
Intergovernmental	\$ -	\$ 605	\$ 3,533	\$ -	\$ 14,978	\$ 8,413	\$ -
Fees, fines, charges and assessments	-	-	-	-	-	-	-
Interest and investment income	4	-	-	1	-	-	-
Contributions and grants	-	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-	1,000
Total revenues	<u>4</u>	<u>605</u>	<u>3,533</u>	<u>1</u>	<u>14,978</u>	<u>8,413</u>	<u>1,000</u>
Expenditures							
Education	-	-	-	-	-	-	-
Public safety	-	605	3,533	-	-	8,413	-
Recreation and community development	-	-	-	-	10,592	-	32,408
Other expenses	223,793	-	-	-	-	-	-
Capital outlays	-	-	-	-	-	-	-
Total expenditures	<u>223,793</u>	<u>605</u>	<u>3,533</u>	<u>-</u>	<u>10,592</u>	<u>8,413</u>	<u>32,408</u>
Excess (deficiency) of revenues over expenditures	<u>(223,789)</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>4,386</u>	<u>-</u>	<u>(31,408)</u>
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	212,950
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>212,950</u>
Net change in fund balance	<u>(223,789)</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>4,386</u>	<u>-</u>	<u>181,542</u>
Fund balance - beginning	<u>206,868</u>	<u>-</u>	<u>11</u>	<u>4,497</u>	<u>105,210</u>	<u>-</u>	<u>38,826</u>
Fund balance - ending	<u>\$ (16,921)</u>	<u>\$ -</u>	<u>\$ 11</u>	<u>\$ 4,498</u>	<u>\$ 109,596</u>	<u>\$ -</u>	<u>\$ 220,368</u>

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Town of Smithfield, Rhode Island

Supplementary Information

Combining Non-Major Governmental Funds Statement of Revenue, Expenditures, and Changes in Fund Balance

For the Year Ended June 30, 2022

Town Special Revenue Funds								
	Police Memorial Fund	General Public Assistance	American Rescue Plan	Dog Park	Play for All Fund	Commercial Weight Enforcement	Distracted Driving	Total Town Special Revenue Funds
Revenues								
Intergovernmental	\$ -	\$ -	147,689	\$ -	\$ -	\$ 36,881	\$ 1,216	\$ 219,852
Fees, fines, charges and assessments	-	-	-	-	-	-	-	158,036
Interest and investment income	-	-	-	446	-	-	-	966
Contributions and grants	-	7,550	-	-	110	-	-	19,365
Other revenues	-	-	-	-	-	-	-	3,754
Total revenues	<u>-</u>	<u>7,550</u>	<u>147,689</u>	<u>446</u>	<u>110</u>	<u>36,881</u>	<u>1,216</u>	<u>401,973</u>
Expenditures								
Education	-	-	-	-	-	-	-	-
Public safety	-	-	137,923	-	-	36,775	1,216	599,759
Recreation and community development	-	6,346	9,766	13,126	-	-	-	72,238
Other expenses	-	-	-	-	-	-	-	472,310
Capital outlays	-	-	-	-	417	-	-	417
Total expenditures	<u>-</u>	<u>6,346</u>	<u>147,689</u>	<u>13,126</u>	<u>417</u>	<u>36,775</u>	<u>1,216</u>	<u>1,144,724</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>1,204</u>	<u>-</u>	<u>(12,680)</u>	<u>(307)</u>	<u>106</u>	<u>-</u>	<u>(742,751)</u>
Other financing sources (uses)								
Transfers in	-	-	-	-	-	-	-	212,950
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>212,950</u>
Net change in fund balance	-	1,204	-	(12,680)	(307)	106	-	(529,801)
Fund balance - beginning	799	60,923	-	43,804	2,566	(106)	-	2,253,854
Fund balance - ending	<u>\$ 799</u>	<u>\$ 62,127</u>	<u>\$ -</u>	<u>\$ 31,124</u>	<u>\$ 2,259</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,724,053</u>

See Independent Auditor's Report

Town of Smithfield, Rhode Island

Supplementary Information

Combining Non-Major Governmental Funds Statement of Revenue, Expenditures, and Changes in Fund Balance

For the Year Ended June 30, 2022

	School Special Revenue						
	RI		XQ+RI	Perkins			
	Interlock Grant	Title I	Challenge Planning Grant	Vocational Education	High School Donors	IDEA Preschool	Roy T. Morgan Foundation
Revenues							
Intergovernmental	\$ 997	\$ 122,458	\$ -	\$ 63,075	\$ -	\$ 22,550	\$ -
Student Activity Deposits	-	-	-	-	-	-	-
Grants and contributions	-	-	-	-	-	-	-
Total revenues	<u>997</u>	<u>122,458</u>	<u>-</u>	<u>63,075</u>	<u>-</u>	<u>22,550</u>	<u>-</u>
Expenditures							
Salaries	-	79,115	-	20,166	-	16,726	-
Employee benefits	-	40,707	-	4,207	-	5,423	-
Purchased services	-	2,574	8,560	16,776	-	393	-
Supplies and materials	997	28	-	15,564	-	-	-
Other	-	34	-	1,809	-	8	-
Capital outlay	-	-	-	4,553	-	-	2,183
Total expenditures	<u>997</u>	<u>122,458</u>	<u>8,560</u>	<u>63,075</u>	<u>-</u>	<u>22,550</u>	<u>2,183</u>
Net changes in fund balance	-	-	(8,560)	-	-	-	(2,183)
Fund balance, beginning of the year	-	-	8,560	-	200	-	5,000
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 200</u>	<u>\$ -</u>	<u>\$ 2,817</u>

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Town of Smithfield, Rhode Island

Supplementary Information

Combining Non-Major Governmental Funds Statement of Revenue, Expenditures, and Changes in Fund Balance

For the Year Ended June 30, 2022

	School Special Revenue						
	N.E. School Development Council	N.E. Dairy & Food Council	Kiducation	Feinstein Foundation	LifeTouch	LaPerche PTA	LaPerche PTA
Revenues							
Intergovernmental	\$ -	\$ -	\$ 227	\$ 24,000	\$ -	\$ -	\$ 3,093
Student Activity Deposits	-	-	-	-	-	-	-
Grants and contributions	-	-	-	-	12,196	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>227</u>	<u>24,000</u>	<u>12,196</u>	<u>-</u>	<u>3,093</u>
Expenditures							
Salaries	-	-	-	215	150	-	-
Employee benefits	-	-	-	9	2	-	-
Purchased services	-	-	-	1,797	2,276	-	-
Supplies and materials	-	-	516	21,248	1,373	25	3,093
Other	-	840	-	2,200	1,517	-	-
Capital outlay	-	5,649	-	10,817	2,016	-	-
Total expenditures	<u>-</u>	<u>6,489</u>	<u>516</u>	<u>36,286</u>	<u>7,334</u>	<u>25</u>	<u>3,093</u>
Net changes in fund balance	-	(6,489)	(289)	(12,286)	4,862	(25)	-
Fund balance, beginning of the year	<u>5,000</u>	<u>6,489</u>	<u>1,010</u>	<u>49,475</u>	<u>19,696</u>	<u>25</u>	<u>-</u>
Fund balance, end of year	<u>\$ 5,000</u>	<u>\$ -</u>	<u>\$ 721</u>	<u>\$ 37,189</u>	<u>\$ 24,558</u>	<u>\$ -</u>	<u>\$ -</u>

See Independent Auditor's Report

Town of Smithfield, Rhode Island

Supplementary Information

Combining Non-Major Governmental Funds Statement of Revenue, Expenditures, and Changes in Fund Balance

For the Year Ended June 30, 2022

	School Special Revenue						
	LaPerche PTA	RI State Council for the Arts	Title II	Stop & Shop A+ Bonus	Smithfield Education Foundation	McCabe Playground	RI Comp Literacy State Development
Revenues							
Intergovernmental	\$ -	\$ -	\$ 103,997	\$ -	\$ 2,971	\$ -	\$ 165,084
Student Activity Deposits	-	-	-	-	-	-	-
Grants and contributions	200	-	-	-	-	-	-
Total revenues	<u>200</u>	<u>-</u>	<u>103,997</u>	<u>-</u>	<u>2,971</u>	<u>-</u>	<u>165,084</u>
Expenditures							
Salaries	-	-	9,815	-	-	-	-
Employee benefits	-	-	391	-	-	-	-
Purchased services	-	-	93,791	564	500	-	13,230
Supplies and materials	200	139	-	2,843	-	649	151,854
Other	-	-	-	400	-	-	-
Capital outlay	-	-	-	-	1,000	-	-
Total expenditures	<u>200</u>	<u>139</u>	<u>103,997</u>	<u>3,807</u>	<u>1,500</u>	<u>649</u>	<u>165,084</u>
Net changes in fund balance	-	(139)	-	(3,807)	1,471	(649)	-
Fund balance, beginning of the year	<u>-</u>	<u>139</u>	<u>-</u>	<u>19,363</u>	<u>(1,471)</u>	<u>649</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,556</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Independent Auditor's Report

Town of Smithfield, Rhode Island

Supplementary Information

Combining Non-Major Governmental Funds Statement of Revenue, Expenditures, and Changes in Fund Balance

For the Year Ended June 30, 2022

	School Special Revenue						Exxon Mobil Educational Alliance
	CVS Health Foundation	School Supply System	STEM Mini	Bank of America	RI Foundation	IDEA Part B	
Revenues							
Intergovernmental	\$ 2,500	\$ 4,438	\$ 2,500	\$ 500	\$ -	\$ 671,032	\$ 500
Student Activity Deposits	-	-	-	-	-	-	-
Grants and contributions	-	-	-	-	1,288	-	-
Total revenues	2,500	4,438	2,500	500	1,288	671,032	500
Expenditures							
Salaries	-	-	-	-	-	465,229	-
Employee benefits	-	-	-	-	-	193,117	-
Purchased services	-	4,438	2,500	-	2,502	10,877	-
Supplies and materials	2,500	-	-	-	-	-	19
Other	-	-	-	-	-	1,809	-
Capital outlay	-	-	-	-	-	-	-
Total expenditures	2,500	4,438	2,500	-	2,502	671,032	19
Net changes in fund balance	-	-	-	500	(1,214)	-	481
Fund balance, beginning of the year	-	-	-	-	1,214	-	88
Fund balance, end of year	\$ -	\$ -	\$ -	\$ 500	\$ -	\$ -	\$ 569

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Town of Smithfield, Rhode Island

Supplementary Information

Combining Non-Major Governmental Funds Statement of Revenue, Expenditures, and Changes in Fund Balance

For the Year Ended June 30, 2022

	School Special Revenue						
	CTE	English	General	VFW	ESSER II	ESSER II	ESSER II
	Categorical	Learner	Assembly	Memorial	Priority I	Priority II	Priority Other
	Fund	Categorical	Grant	Fund			
Revenues							
Intergovernmental	\$ 49,839	\$ 2,003	\$ 2,000	\$ -	\$ 357,655	\$ 62,577	\$ 3,077
Student Activity Deposits	-	-	-	-	-	-	-
Grants and contributions	-	-	-	-	-	-	-
Total revenues	49,839	2,003	2,000	-	357,655	62,577	3,077
Expenditures							
Salaries	555	-	-	-	213,729	60,629	1,525
Employee benefits	20	2,003	-	-	75,079	1,841	22
Purchased services	-	-	2,334	1,000	68,400	-	1,530
Supplies and materials	14,456	-	-	-	-	-	-
Other	670	-	-	-	447	107	-
Capital outlay	18,563	-	-	-	-	-	-
Total expenditures	34,264	2,003	2,334	1,000	357,655	62,577	3,077
Net changes in fund balance	15,575	-	(334)	(1,000)	-	-	-
Fund balance, beginning of the year	74,495	-	5,334	5,000	-	-	-
Fund balance, end of year	\$ 90,070	\$ -	\$ 5,000	\$ 4,000	\$ -	\$ -	\$ -

See Independent Auditor's Report

Town of Smithfield, Rhode Island

Supplementary Information

Combining Non-Major Governmental Funds Statement of Revenue, Expenditures, and Changes in Fund Balance

For the Year Ended June 30, 2022

	School Special Revenue						
						School Building	Champlin
	ESSER III	ESSER III Priority II	ESSER III Priority II	ARP ELC	P-EBT	Authority COVID-19 Project	Foundation
Revenues							
Intergovernmental	\$ 7,359	\$ 11,119	\$ 24,000	\$ 122,838	\$ 7,452	\$ 67,488	\$ 56,000
Student Activity Deposits	-	-	-	-	-	-	-
Grants and contributions	-	-	-	-	-	-	-
Total revenues	<u>7,359</u>	<u>11,119</u>	<u>24,000</u>	<u>122,838</u>	<u>7,452</u>	<u>67,488</u>	<u>56,000</u>
Expenditures							
Salaries	-	-	-	-	-	-	-
Employee benefits	-	-	-	-	-	-	-
Purchased services	7,359	11,119	24,000	122,838	7,452	67,488	-
Supplies and materials	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Total expenditures	<u>7,359</u>	<u>11,119</u>	<u>24,000</u>	<u>122,838</u>	<u>7,452</u>	<u>67,488</u>	<u>-</u>
Net changes in fund balance	-	-	-	-	-	-	56,000
Fund balance, beginning of the year	-	-	-	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56,000</u>

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Town of Smithfield, Rhode Island

Supplementary Information

Combining Non-Major Governmental Funds Statement of Revenue, Expenditures, and Changes in Fund Balance

For the Year Ended June 30, 2022

	School Special Revenue								Total School Restricted Funds
	Title IV	National Youth Risk Behavior	USDA Farm to School Grant	USDA Farm to School Grant	Whole Kids Foundation	Goodwill	Special Olympics	Student Activities	
Revenues									
Intergovernmental	\$ 26,113	\$ 500	\$ 25,485	\$ 2,628	\$ -	\$ -	\$ -	\$ -	\$ 2,018,055
Student Activity Deposits	-	-	-	-	-	-	-	188,293	188,293
Grants and contributions	-	-	-	-	-	-	250	-	13,934
Total revenues	<u>26,113</u>	<u>500</u>	<u>25,485</u>	<u>2,628</u>	<u>-</u>	<u>-</u>	<u>250</u>	<u>188,293</u>	<u>2,220,282</u>
Expenditures									
Salaries	-	-	-	-	-	-	-	-	867,854
Employee benefits	-	-	-	-	-	-	-	-	322,821
Purchased services	24,448	-	15,806	-	-	-	-	178,618	693,170
Supplies and materials	-	-	7,441	2,628	-	104	-	-	225,677
Other	-	-	2,238	-	-	-	-	-	12,079
Capital outlay	1,665	-	-	-	-	-	-	-	46,446
Total expenditures	<u>26,113</u>	<u>-</u>	<u>25,485</u>	<u>2,628</u>	<u>-</u>	<u>104</u>	<u>-</u>	<u>178,618</u>	<u>2,168,047</u>
Net changes in fund balance	-	500	-	-	-	(104)	250	9,675	52,235
Fund balance, beginning of the year	-	-	-	-	3,000	104	-	224,146	427,516
Fund balance, end of year	<u>\$ -</u>	<u>\$ 500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,000</u>	<u>\$ -</u>	<u>\$ 250</u>	<u>\$ 233,821</u>	<u>\$ 479,751</u>

See Independent Auditor's Report

Town of Smithfield, Rhode Island

Supplementary Information

Combining Non-Major Governmental Funds Statement of Revenue, Expenditures, and Changes in Fund Balance

For the Year Ended June 30, 2022

Capital Project Funds							
	Green Acres Acquisition Fund	Smithfield Historic Landmark	Impact Fees	Land Acq. Open Space Bond	Middle School Additions	Open Space & Rec. Area	Police Equipment
Revenues							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fees, fines, charges and assessments	-	-	146,302	-	-	-	164,724
Interest and investment income	-	-	87	-	-	-	-
Contributions and grants	-	-	-	-	-	-	-
Other revenues	2,247	-	-	-	-	-	-
Total revenues	2,247	-	146,389	-	-	-	164,724
Expenditures							
General government	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Recreation and community development	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-
Capital outlays	-	-	-	16,676	-	-	-
Total expenditures	-	-	-	16,676	-	-	-
Excess (deficiency) of revenues over expenditures	2,247	-	146,389	(16,676)	-	-	164,724
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	(75,000)	-	-	-	(156,897)
Total other financing sources (uses)	-	-	(75,000)	-	-	-	(156,897)
Net change in fund balance	2,247	-	71,389	(16,676)	-	-	7,827
Fund balance, beginning of year	129,372	883	1,958,981	66,285	5,124	4,543	60,323
Fund balance, end of year	\$ 131,619	\$ 883	\$ 2,030,370	\$ 49,609	\$ 5,124	\$ 4,543	\$ 68,150

See Independent Auditor's Report

Town of Smithfield, Rhode Island

Supplementary Information

Combining Non-Major Governmental Funds Statement of Revenue, Expenditures, and Changes in Fund Balance

For the Year Ended June 30, 2022

Capital Project Funds							
	Water District Improvement Fee	Handicap Accessibility	Salt Barn Property	Special Projects Fund	Police Improvement Bond	Capital Reserve Fund	Fire Station Bond
Revenues							
Intergovernmental	\$ -	\$ -	\$ -	\$ 134,219	\$ -	\$ -	\$ -
Fees, fines, charges and assessments	-	-	-	-	-	-	-
Interest and investment income	2	1	-	-	-	-	-
Contributions and grants	-	-	-	104,354	-	-	-
Other revenues	-	-	1,010,496	21,600	-	1,144,413	-
Total revenues	2	1	1,010,496	260,173	-	1,144,413	-
Expenditures							
General government	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-
Public safety	-	-	-	60,006	-	-	-
Recreation and community development	-	-	-	200,303	-	-	-
Other expenses	-	-	-	-	-	-	-
Capital outlays	-	-	-	-	34,740	-	477,671
Total expenditures	-	-	-	260,309	34,740	-	477,671
Excess (deficiency) of revenues over expenditures	2	1	1,010,496	(136)	(34,740)	1,144,413	(477,671)
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(325,000)	-
Total other financing sources (uses)	-	-	-	-	-	(325,000)	-
Net change in fund balance	2	1	1,010,496	(136)	(34,740)	819,413	(477,671)
Fund balance, beginning of year	18,754	10,799	(1,010,496)	(136,252)	147,757	321,740	(54,853)
Fund balance, end of year	\$ 18,756	\$ 10,800	\$ -	\$ (136,388)	\$ 113,017	\$ 1,141,153	\$(532,524)

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Town of Smithfield, Rhode Island

Supplementary Information

Combining Non-Major Governmental Funds Statement of Revenue, Expenditures, and Changes in Fund Balance

For the Year Ended June 30, 2022

Capital Project Funds								
	Land Trust	School Restricted Capital	Bryant Capital Contributions	School Improvement Bond	Capital Lease Fund	Stillwater Pond Development	Smithfield Fire Rescue	Total Capital Project Funds
Revenues								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 134,219
Fees, fines, charges and assessments	12,411	-	92,790	-	-	-	993,427	1,409,654
Interest and investment income	-	-	-	-	-	-	578	668
Contributions and grants	-	-	-	-	-	-	-	104,354
Other revenues	-	-	-	-	409,897	-	-	2,588,653
Total revenues	<u>12,411</u>	<u>-</u>	<u>92,790</u>	<u>-</u>	<u>409,897</u>	<u>-</u>	<u>994,005</u>	<u>4,237,548</u>
Expenditures								
General government	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	1,489,219	1,549,225
Recreation and community development	1,700	-	-	-	-	-	-	202,003
Other expenses	-	-	-	-	-	-	-	-
Capital outlays	-	-	-	211,875	272,637	-	-	1,013,599
Total expenditures	<u>1,700</u>	<u>-</u>	<u>-</u>	<u>211,875</u>	<u>272,637</u>	<u>-</u>	<u>1,489,219</u>	<u>2,764,827</u>
Excess (deficiency) of revenues over expenditures	10,711	-	92,790	(211,875)	137,260	-	(495,214)	1,472,721
Other financing sources (uses)								
Transfers in	-	125,000	-	-	-	-	-	125,000
Transfers out	-	-	-	-	-	-	(1,175,000)	(1,731,897)
Total other financing sources (uses)	<u>-</u>	<u>125,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,175,000)</u>	<u>(1,606,897)</u>
Net change in fund balance	10,711	125,000	92,790	(211,875)	137,260	-	(1,670,214)	(134,176)
Fund balance, beginning of year	203,599	-	537,609	417,426	(1,956,956)	100,000	1,218,338	2,042,976
Fund balance, end of year	<u>\$ 214,310</u>	<u>\$ 125,000</u>	<u>\$ 630,399</u>	<u>\$ 205,551</u>	<u>\$ (1,819,696)</u>	<u>\$ 100,000</u>	<u>\$ (451,876)</u>	<u>\$ 1,908,800</u>

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Town of Smithfield, Rhode Island

Supplementary Information

Combining Non-Major Governmental Funds Statement of Revenue, Expenditures, and Changes in Fund Balance

For the Year Ended June 30, 2022

	<u>Permanent Funds</u>
	<u>Cemetery Fund</u>
Revenues	
Intergovernmental	\$ -
Fees, fines, charges and assessments	-
Interest and investment income	6
Contributions and grants	-
Other revenues	-
Total revenues	<u>6</u>
Expenditures	
General government	-
Education	-
Public safety	-
Recreation and community development	-
Other expenses	-
Capital outlays	-
Total expenditures	<u>-</u>
Excess (deficiency) of revenues over expenditures	6
Other financing sources (uses):	
Transfers in	-
Transfers out	-
Total other financing sources (uses)	<u>-</u>
Net change in fund balance	6
Fund balance, beginning of year	63,703
Fund balance, end of year	<u>\$ 63,709</u>

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TOWN OF SMITHFIELD, RHODE ISLAND

CUSTODIAL FUNDS

Custodial funds are used to account for assets held by the government as a trustee or as an agent for individuals, private organizations, and other governments and that cannot be used to finance the governmental entity's own operating programs. The following funds are reported in this sections:

- **Street Lighting**
- **Soil Erosion**

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Town of Smithfield, Rhode Island

Custodial Funds

June 30, 2022

	Custodial Funds		Total
	Soil Erosion	Street Lighting	Custodial Funds
Assets			
Cash and cash equivalents	\$ 22,289	\$ 20,613	\$ 42,902
Interfund receivable	339,015	-	339,015
Total assets	361,304	20,613	381,917
Liabilities			
Deposits held in custody	-	-	-
	-	-	-
Net Position			
Restricted for Soil Erosion	361,301	-	361,301
Restricted for Street Lighting	-	20,616	20,616
Total net position	361,301	20,616	381,917
Total liabilities and net position	\$ 361,301	\$ 20,616	\$ 381,917
	Custodial Funds		Total
	Soil Erosion	Street Lighting	Custodial Funds
Additions:			
Contributions:			
Investment earning	\$ 14,002	\$ 2	\$ 14,004
Total additions	14,002	2	14,004
Deductions			
Fund distributed on behalf of others	6,500	-	6,500
Total deductions	6,500	-	6,500
Changes in net position held in trust for individuals, organizations, and other governments	7,502	2	7,504
Net position, July 1, 2021	353,799	20,614	374,413
Net position, June 30, 2022	\$ 361,301	\$ 20,616	\$ 381,917

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TOWN OF SMITHFIELD, RHODE ISLAND

OTHER

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Town of Smithfield, Rhode Island

Combining Balance Sheet

Funds Which Comprise the Town's General Fund

June 30, 2022

	General Fund	Inspection Fee Fund	Total General Fund
Assets			
Cash and cash equivalents	\$ 15,454,962	\$ 51,100	\$ 15,506,062
Investments	7,393,367	-	7,393,367
Taxes receivable, net	1,846,270	-	1,846,270
Other receivable, net	1,428,845	-	1,428,845
Intergovernmental receivables	-	-	-
Prepaid items	737,651	-	737,651
Leases receivable	240,815	-	240,815
Due from other funds	6,579,534	12,375	6,591,909
Total assets	33,681,444	63,475	33,744,919
Deferred outflows of resources			
None	-	-	-
Total deferred outflows of resources	-	-	-
Total assets and deferred outflows of resources	\$ 33,681,444	\$ 63,475	\$ 33,744,919
Liabilities			
Accounts payable	\$ 2,149,045	\$ -	\$ 2,149,045
Accrued liabilities	-	5,600	5,600
Other payables	-	-	-
Interfund payable	578,579	-	578,579
Due to other funds	16,575,779	-	16,575,779
Total liabilities	19,303,403	5,600	19,309,003
Deferred inflows of resources			
Unavailable property tax revenue	430,701	-	430,701
Leases	240,815	-	240,815
Deferred revenue - other	10,000	-	10,000
Total deferred inflows of resources	681,516	-	681,516
Fund balance			
Nonspendable	2,246,834	-	2,246,834
Restricted	-	-	-
Committed	4,868,674	-	4,868,674
Assigned	-	-	-
Unassigned	6,581,017	57,875	6,638,892
Total fund balance	13,696,525	57,875	13,754,400
Total liabilities, deferred inflows of resources, and fund balance	\$ 33,681,444	\$ 63,475	\$ 33,744,919

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Town of Smithfield, Rhode Island

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances

Funds Which Comprise the Town's General Fund

For the Year Ended June 30, 2022

	General Fund	Inspection Fee Fund	Total General Fund
Revenues			
General property taxes	\$ 60,202,797	\$ -	\$ 60,202,797
Intergovernmental	6,937,801	-	6,937,801
Licenses, fees, fines, charges and assessments	1,276,283	-	1,276,283
Investment income (loss)	258,355	5	258,360
Other miscellaneous including Medicaid	123,649	-	123,649
	<u>68,798,885</u>	<u>5</u>	<u>68,798,890</u>
Total revenues			
Expenditures			
Current			
General government	3,501,319	-	3,501,319
Public safety	20,699,742	-	20,699,742
Public works	4,618,687	-	4,618,687
Libraries	1,471,571	-	1,471,571
Education	601,843	-	601,843
Recreation and Senior Center activities	1,222,941	-	1,222,941
Benefits and other miscellaneous	2,452,112	-	2,452,112
Debt Service			
Principal	1,650,000	-	1,650,000
Interest and other costs	1,328,600	-	1,328,600
Capital			
Capital expenditures	1,294,398	-	1,294,398
	<u>38,841,213</u>	<u>-</u>	<u>38,841,213</u>
Total expenditures			
Excess (deficiency) of revenues over expenditures	29,957,672	5	29,957,677
Other financing sources (uses)			
Lease proceeds	146,537	-	146,537
Transfers in	2,053,300	-	2,053,300
Transfers out	(33,062,277)	-	(33,062,277)
	<u>(30,862,440)</u>	<u>-</u>	<u>(30,862,440)</u>
Total other financing sources (uses)			
Net change in fund balance	(904,768)	5	(904,763)
Fund balance, July 1, 2021	14,601,293	57,870	14,659,163
Fund balance, June 30, 2022	<u>\$ 13,696,525</u>	<u>\$ 57,875</u>	<u>\$ 13,754,400</u>

See Independent Auditor's Report

Town of Smithfield, Rhode Island

Tax Collector's Annual Report

For the Year Ended June 30, 2022

Tax Roll Year	Residential Real Property Mill Rate	Property Taxes Receivable July 1, 2021	Current Year Assessment	Supplemental Addendums (Net)	Refunds & Adjustments	Abatements & Adjustments	Amount to be collected	Collections July 1, 2021 to June 30, 2022	Property Taxes Receivable June 30, 2022	FY 2022 Cash Collections Summary			
										Subject to 60 Day Rule 7/1/2021- 8/31/2021	Not Subject to 60 Day Rule 7/1/2021- 06/31/2022	Subject to 60 Day Rule 7/1/2022- 8/31/2022	Tax Revenue Recognized FYE 06/30/2021
2022	\$ 17	\$ -	\$ 60,045,093	\$ 55,747	\$ 29,116	\$ 174,947	59,955,009	\$ 58,176,132	1,778,877	\$ -	\$ 58,176,132	\$ 1,296,437	59,472,569
2021	\$ 17	1,787,809	-	-	1,758	(157,042)	1,946,609	1,845,626	100,983	1,160,062	685,564	6,988	692,552
2020	\$ 17	104,343	-	-	1,421	(922)	106,686	26,254	80,432	7,716	18,538	1,150	19,688
2019	\$ 18	92,638	-	-	-	(15)	92,653	4,087	88,566	76	4,011	430	4,441
2018	\$ 18	86,181	-	-	1,641	(468)	88,290	4,524	83,766	2,591	1,933	548	2,481
2017	\$ 17	79,469	-	-	2,338	-	81,807	8,797	73,010	4,821	3,976	217	4,193
2016	\$ 18	75,933	-	-	-	-	75,933	4,618	71,315	1,986	2,632	292	2,924
2015	\$ 17	68,663	-	-	-	-	68,663	513	68,150	139	374	376	750
2014	\$ 18	81,988	-	-	-	-	81,988	739	81,249	144	595	209	804
2013	\$ 16	92,980	-	-	-	-	92,980	885	92,095	617	268	517	785
2012	\$ 16	80,985	-	-	-	-	80,985	566	80,419	361	205	-	205
2011	\$ 16	83,710	-	-	-	-	83,710	1,199	82,511	431	768	-	768
2010 & Prior	various	454,082	-	-	-	1	454,081	3,199	450,882	2,560	639	-	639
		<u>\$ 3,088,781</u>	<u>\$ 60,045,093</u>	<u>\$ 55,747</u>	<u>\$ 36,274</u>	<u>\$ 16,501</u>	<u>\$ 63,209,394</u>	<u>\$ 60,077,139</u>	<u>\$ 3,132,255</u>	<u>\$ 1,181,504</u>	<u>\$ 58,895,635</u>	<u>\$ 1,307,164</u>	<u>\$ 60,202,799</u>
Less: Allowance for Uncollectible accounts		<u>(1,176,148)</u>							<u>(1,285,985)</u>				
		<u>\$ 1,912,633</u>							<u>\$ 1,846,270</u>				

See Independent Auditor's Report

Town of Smithfield, Rhode Island

Tax Collector's Annual Report

For the Year Ended June 30, 2022

Schedule of Net Assessed Property Value by Category		
Assessed December 31, 2020 - (2021 Tax Roll)		
	Valuation	Levy
Real property	\$ 2,852,703,110	\$ 47,660,237
Motor vehicles	190,318,519	3,538,967
Tangible personal property	213,039,780	8,845,889
Total	3,256,061,409	60,045,093
Less: Exemptions	(193,866,728)	-
Net assessed value	\$ 3,062,194,681	60,045,093
Current year assessment		\$ 60,045,093

Reconciliation of Current Year Property Tax Revenue	
Current Year Collections	\$ 60,077,139
Revenue received 60 days subsequent to fiscal year ending June 30, 2021	\$ 1,307,164
Subtotal	\$ 61,384,303
Prior Year revenue received in current year fiscal year ending June 30, 2020 - 60 Day rule	\$ (1,181,504)
Current year property tax revenue	\$ 60,202,799

See Independent Auditor's Report

TOWN OF SMITHFIELD

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)

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Town of Smithfield, Rhode Island

Annual Supplemental Transparency Report (MTP2)

For the Year Ended June 30, 2022

<u>REVENUE</u>	<u>Municipal</u>	<u>Education Department</u>
Current Year Levy Tax Collection	\$ 58,301,792	\$ -
Last Year's Levy Tax Collection	1,845,626	-
Prior Years Property Tax Collection	55,379	-
Interest & Penalty	270,825	-
PILOT & Tax Treaty (excluded from levy) Collection	14,686	-
Other Local Property Taxes	-	-
Licenses and Permits	1,024,310	-
Fines and Forfeitures	-	-
Investment Income	13,046	-
Departmental	102,344	-
Rescue Run Revenue	993,427	-
Police & Fire Detail	912,864	-
Other Local Non-Property Tax Revenues	-	-
Tuition	-	401,377
Impact Aid	-	-
Medicaid	-	228,509
Federal Stabilization Funds	-	-
Federal Food Service Reimbursement	-	1,413,360
CDBG	-	-
COPS Grants	-	-
SAFER Grants	196,061	-
Other Federal Aid Funds	67,477	1,206,860
COVID - ESSER	-	465,787
COVID - CRF	-	-
COVID - CDBG	-	-
COVID - FEMA	-	-
COVID - Other	98,579	67,488
COVID - ARPA	147,689	130,290
MV Excise Tax Reimbursement	267,692	-
State PILOT Program	860,981	-
Distressed Community Relief Fund	-	-
Library Resource Aid	-	-
Library Construction Aid	-	-
Public Service Corporation Tax	258,355	-
Meals & Beverage Tax / Hotel Tax	1,153,398	-
LEA Aid	-	6,966,653
Group Home	-	-
Housing Aid Capital Projects	200,262	-
Housing Aid Bonded Debt	-	-
State Food Service Revenue	-	14,501
Incentive Aid	-	-
Property Revaluation Reimbursement	-	-
Other State Revenue	646,217	54,339
Motor Vehicle Phase Out	3,292,035	-
Other Revenue	110,722	351,937
Local Appropriation for Education	-	32,849,327
Regional Appropriation for Education	-	-
Supplemental Appropriation for Education	-	-
Regional Supplemental Appropriation for Education	-	-
Other Education Appropriation	-	-
Rounding	-	-
Total Revenue	<u>\$ 70,833,767</u>	<u>\$ 44,150,429</u>
Financing Sources: Transfer from Capital Funds	\$ 1,531,897	\$ -
Financing Sources: Transfer from Other Funds	521,403	-
Financing Sources: Debt Proceeds	-	-
Financing Sources: Other	-	-
Rounding	-	-
Total Other Financing Sources	<u>\$ 2,053,300</u>	<u>\$ -</u>

*See notes to accompanying supplementary information
See independent auditor's report*

Town of Smithfield, Rhode Island
Annual Supplemental Transparency Report (MTP2)
For the Year Ended June 30, 2022

<u>EXPENDITURES</u>	General Government	Finance	Social Services	Centralized IT	Planning	Libraries	Public Works	Parks and Rec	Police Department
Compensation- Group A	\$ 644,929	\$ 627,537	\$ 232,546	\$ -	\$ 405,228	\$ -	\$ 1,252,453	\$ 439,501	\$ 3,879,813
Compensation - Group B	-	-	-	-	-	-	-	-	811,717
Compensation - Group C	-	-	-	-	-	-	-	-	-
Compensation - Volunteer	-	-	-	-	-	-	-	-	-
Overtime- Group A	346	594	8,264	-	726	-	17,466	10,525	413,837
Overtime - Group B	-	-	-	-	-	-	-	-	76,522
Overtime - Group C	-	-	-	-	-	-	-	-	-
Police & Fire Detail	-	-	-	-	-	-	-	-	435,152
Active Medical Insurance - Group A	82,699	142,556	78,609	-	124,963	-	415,884	59,903	819,939
Active Medical Insurance- Group B	-	-	-	-	-	-	-	-	159,963
Active Medical Insurance- Group C	-	-	-	-	-	-	-	-	-
Active Dental insurance- Group A	3,544	5,742	2,708	-	5,425	-	19,227	3,309	33,276
Active Dental Insurance- Group B	-	-	-	-	-	-	-	-	6,870
Active Dental Insurance- Group C	-	-	-	-	-	-	-	-	-
Payroll Taxes	46,624	48,240	16,673	-	28,962	-	101,972	33,168	430,557
Life Insurance	1,354	1,969	866	-	1,300	-	4,458	975	11,733
State Defined Contribution- Group A	5,007	5,223	2,173	-	3,177	-	10,909	2,920	-
State Defined Contribution - Group B	-	-	-	-	-	-	-	-	6,387
State Defined Contribution - Group C	-	-	-	-	-	-	-	-	-
Other Benefits- Group A	19,807	-	-	-	-	-	-	-	-
Other Benefits- Group B	-	-	-	-	-	-	-	-	-
Other Benefits- Group C	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension- Group A	-	-	-	-	-	-	-	-	2,179,641
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
State Defined Benefit Pension- Group A	82,048	61,679	22,167	-	41,004	-	121,876	29,626	455,455
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	75,288
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	-	-	-	-	-	-	-	-	-
Purchased Services	632,303	65,659	4,055	-	58,306	-	506,533	48,825	100,632
Materials/Supplies	98,416	4,047	13,850	-	2,625	-	170,050	57,562	90,536
Software Licenses	214,259	-	-	-	-	-	-	-	14,451
Capital Outlays	300,049	-	-	-	-	-	517,416	129,076	71,897
Insurance	892,292	-	-	-	-	-	-	-	-
Maintenance	6,643	-	17,095	-	-	-	4,395	6,608	37,097
Vehicle Operations	792	-	5,744	-	501	-	250,470	37,910	142,031
Utilities	44,191	2,875	48,638	-	1,796	-	360,213	48,484	82,312
Contingency	-	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	91,793	-	-
Revaluation	-	223,793	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	109,073	-	-
Trash Removal & Recycling	-	-	-	-	-	-	1,244,931	-	-
Claims & Settlements	-	-	-	-	-	-	-	-	-
Community Support	72,019	-	-	-	-	-	-	-	-
Other Operation Expenditures	601,843	-	-	-	-	1,471,571	-	-	-
Tipping Fees	-	-	-	-	-	-	277,801	-	-
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	\$ 3,749,165	\$ 1,189,914	\$ 453,389	\$ -	\$ 674,015	\$ 1,471,571	\$ 5,476,922	\$ 908,393	\$ 10,335,106

*See notes to accompanying supplementary information
See independent auditor's report*

Town of Smithfield, Rhode Island

Annual Supplemental Transparency Report (MTP2)

For the Year Ended June 30, 2022

<u>EXPENDITURES</u>	<u>Fire</u>	<u>Centralized</u>	<u>Public Safety</u>	<u>Education</u>	<u>Debt</u>	<u>OPEB</u>	<u>Total</u>	<u>Education</u>
	<u>Department</u>	<u>Dispatch</u>	<u>Other</u>	<u>Appropriation</u>			<u>Municipal</u>	<u>Department</u>
Compensation- Group A	\$ 5,557,230	\$ -	\$ 186,641	\$ -	\$ -	\$ -	\$ 13,225,879	\$ 18,566,929
Compensation - Group B	353,706	-	-	-	-	-	1,165,422	2,034,150
Compensation - Group C	-	-	-	-	-	-	-	3,911,108
Compensation -Volunteer	-	-	-	-	-	-	-	-
Overtime- Group A	1,109,064	-	9,873	-	-	-	1,570,697	-
Overtime - Group B	70,936	-	-	-	-	-	147,458	-
Overtime - Group C	-	-	-	-	-	-	-	17,426
Police & Fire Detail	458,027	-	-	-	-	-	893,179	-
Active Medical Insurance - Group A	1,244,647	-	33,324	-	-	-	3,002,524	2,506,261
Active Medical Insurance- Group B	53,279	-	-	-	-	-	213,242	241,585
Active Medical Insurance- Group C	-	-	-	-	-	-	-	1,080,925
Active Dental insurance- Group A	53,800	-	1,356	-	-	-	128,388	145,966
Active Dental Insurance- Group B	1,830	-	-	-	-	-	8,701	12,304
Active Dental Insurance- Group C	-	-	-	-	-	-	-	57,116
Payroll Taxes	568,820	-	15,427	-	-	-	1,290,442	648,728
Life Insurance	24,500	-	523	-	-	-	47,678	66,077
State Defined Contribution- Group A	-	-	2,278	-	-	-	31,688	437,239
State Defined Contribution - Group B	-	-	-	-	-	-	6,387	46,048
State Defined Contribution - Group C	-	-	-	-	-	-	-	36,994
Other Benefits- Group A	-	-	-	-	-	-	19,807	157,181
Other Benefits- Group B	-	-	-	-	-	-	-	50,279
Other Benefits- Group C	-	-	-	-	-	-	-	42,957
Local Defined Benefit Pension- Group A	691,390	-	-	-	-	-	2,871,031	-
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-
State Defined Benefit Pension- Group A	235,626	-	17,912	-	-	-	1,067,394	2,715,206
State Defined Benefit Pension - Group B	12,874	-	-	-	-	-	88,161	292,179
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	365,822
Other Defined Benefit/ Contribution	-	-	-	-	-	-	-	-
Purchased Services	134,676	-	583	-	-	-	1,551,573	6,598,619
Materials/Supplies	99,306	-	173,334	-	-	-	709,727	583,461
Software Licenses	-	-	-	-	-	-	228,710	24,567
Capital Outlays	1,530,920	-	-	-	-	-	2,549,358	655,445
Insurance	-	-	-	-	-	-	892,292	179,282
Maintenance	-	-	-	-	-	-	71,838	173,412
Vehicle Operations	339,448	-	9,841	-	-	-	786,737	16,384
Utilities	77,259	-	17,844	-	-	-	683,613	846,101
Contingency	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	91,793	-
Revaluation	-	-	-	-	-	-	223,793	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	109,073	-
Trash Removal & Recycling	-	-	-	-	-	-	1,244,931	-
Claims & Settlements	-	-	-	-	-	-	-	-
Community Support	-	-	-	-	-	-	72,019	-
Other Operation Expenditures	-	-	-	-	-	-	2,073,414	290,077
Tipping Fees	-	-	-	-	-	-	277,801	-
Local Appropriation for Education	-	-	-	32,849,327	-	-	32,849,327	-
Regional Appropriation for Education	-	-	-	-	-	-	-	-
Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	1,617,236	-	1,617,236	-
Municipal Debt- Interest	-	-	-	-	1,215,787	-	1,215,787	-
School Debt- Principal	-	-	-	-	-	-	-	-
School Debt- Interest	-	-	-	-	-	-	-	-
Retiree Medical Insurance- Total	-	-	-	-	-	-	-	144,180
Retiree Dental Insurance- Total	-	-	-	-	-	-	-	7,056
OPEB Contribution- Total	-	-	-	-	-	1,270,786	1,270,786	-
Rounding	-	-	-	-	-	-	-	-
Total Expenditures	\$ 12,617,337	\$ -	\$ 468,935	\$ 32,849,327	\$ 2,833,023	\$ 1,270,786	\$ 74,297,883	\$ 42,951,066

Financing Uses: Transfer to Capital Funds	\$ 212,950	\$ -
Financing Uses: Transfer to Other Funds	1,175,000	-
Financing Uses: Payment to Bond Escrow Agent	-	-
Financing Uses: Other	-	-
Total Other Financing Uses	\$ 1,387,950	\$ -

Net Change in Fund Balance¹ (2,798,766) 1,199,363

Fund Balance I- beginning of year \$16,084,369 \$3,734,851

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	16,084,369	3,734,851

Rounding
Fund Balance¹ - end of year \$ 13,285,603 \$ 4,934,214

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

*See notes to accompanying supplementary information
See independent auditor's report*

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

Per Audited Fund Financial Statements Fund Description	Total Revenue	Total Other Financing Sources	Total Expenditures	Total Other Financing Uses	Net Change in Fund Balance ¹	Beginning Fund Fund Balance ¹ (Deficit)	Prior Period Adjustment	Restated Beginning Fund Balance ¹ (Deficit)	Ending Fund Balance ¹ (Deficit)
Fund Balance¹ - per MTP-2 at June 30, 2021 adjusted						\$ 16,084,369	-	\$ 16,084,369	
<i>No funds removed from RGS for fiscal 2021</i>						-	-	-	
<i>No funds added to RGS for Fiscal 2021</i>						-	-	-	
<i>No misc. adjustments made for fiscal 2021</i>						-	-	-	
Fund Balance¹ - per MTP-2 at June 30, 2022 adjusted						\$ 16,084,369	-	\$ 16,084,369	
General Fund	\$ 68,798,890	\$ 2,199,837	\$ 38,841,213	\$ 33,062,277	\$ (904,763)	\$ 14,659,163	-	\$ 14,659,163	\$ 13,754,400
Fire Rescue Billing Fund	994,005	-	1,489,219	1,175,000	(1,670,214)	1,218,338	-	1,218,338	(451,876)
Revaluation Escrow	4	-	223,793	-	(223,789)	206,868	-	206,868	(16,921)
American Rescue Plan	147,689	-	147,689	-	-	-	-	-	-
Totals per audited financial statements	\$ 69,940,588	\$ 2,199,837	\$ 40,701,914	\$ 34,237,277	\$ (2,798,766)	\$ 16,084,369	-	\$ 16,084,369	\$ 13,285,603
<u>Reconciliation from financial statements to MTP2</u>									
Reclassify transfer of municipal appropriation to Education Department as expenditure on MTP2	\$ -	-	\$ 32,849,327	\$ (32,849,327)	-	-	-	-	-
Police & Fire Detail are net in audit but gross on MTP	893,179	-	893,179	-	-	-	-	-	-
GASB 87 removal for lease proceeds	-	(146,537)	(146,537)	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
Totals Per MTP2	\$ 70,833,767	\$ 2,053,300	\$ 74,297,883	\$ 1,387,950	\$ (2,798,766)	\$ 16,084,369	-	\$ 16,084,369	\$ 13,285,603

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

*See notes to accompanying supplementary information
See independent auditor's report*

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

Per Audited Fund Financial Statements Fund Description	Total Revenue	Total Other Financing Sources	Total Expenditures	Total Other Financing Uses	Net Change in Fund Balance ¹	Beginning Fund Fund Balance ¹ (Deficit)	Prior Period Adjustment	Restated Beginning Fund Balance ¹ (Deficit)	Ending Fund Balance ¹ (Deficit)
Fund Balance¹ - per MTP-2 at June 30, 2021 adjusted <i>No misc. adjustments made for fiscal 2021</i>						\$ 3,734,851	\$ -	\$ 3,734,851	
Fund Balance¹ - per MTP-2 at June 30, 2022 adjusted						<u>\$ 3,734,851</u>	<u>\$ -</u>	<u>\$ 3,734,851</u>	
School Unrestricted Fund	\$ 10,445,604	\$ 32,849,327	\$ 42,611,694	\$ -	\$ 683,237	\$ 3,063,215	\$ -	\$ 3,063,215	\$ 3,746,452
School Lunch Program	1,460,784	-	996,893	-	463,891	273,910	-	273,910	737,801
School Special Revenue Funds	2,220,282	-	2,168,047	-	52,235	427,516	-	427,516	479,751
Totals per audited financial statements	<u>\$ 14,126,670</u>	<u>\$ 32,849,327</u>	<u>\$ 45,776,634</u>	<u>\$ -</u>	<u>\$ 1,199,363</u>	<u>\$ 3,764,641</u>	<u>\$ -</u>	<u>\$ 3,764,641</u>	<u>\$ 4,964,004</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	\$ 32,849,327	\$ (32,849,327)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State contributions on behalf of teacher pensions are reported as revenue and expenditures on financial statements only	(2,825,568)	-	(2,825,568)	-	-	-	-	-	-
Capital Assets net of accumulated depreciation for School Lunch Fund not reported in UCOA or MTP	-	-	-	-	-	(29,790)	-	(29,790)	(29,790)
Rounding	-	-	-	-	-	-	-	-	-
Totals Per MTP2	<u>\$ 44,150,429</u>	<u>\$ -</u>	<u>\$ 42,951,066</u>	<u>\$ -</u>	<u>\$ 1,199,363</u>	<u>\$ 3,734,851</u>	<u>\$ -</u>	<u>\$ 3,734,851</u>	<u>\$ 4,934,214</u>
<u>Reconciliation from MTP2 to UCOA</u>									
Miscellaneous variance between MTP2 & UCOA	\$ (122)		\$ -						
Totals per UCOA Validated Totals Report	<u>\$ 44,150,307</u>		<u>\$ 42,951,066</u>						

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

*See notes to accompanying supplementary information
See independent auditor's report*

Town of Smithfield, Rhode Island

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

For the Year Ended June 30, 2022

NOTE 1. Basis of Presentation

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

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

NOTE 2. Reportable Government Services

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

NOTE 3. Allocations

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

NOTE 4. Employee Groups - Compensation and Benefit Costs

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

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

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

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

See independent auditors' report

Town of Smithfield, Rhode Island

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

For the Year Ended June 30, 2022

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/>.

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TOWN OF SMITHFIELD, RHODE ISLAND

Statistical Section

This part of the Town's comprehensive annual financial report presents information to supplement and provide the multi-year trend information to enable readers to gain a better understanding of the Town's financial health.

Financial Trends: Schedules 1 through 4 contain trend information to help the reader understand changes in financial performance over a period of time.

Revenue Capacity: Schedules 5 through 8 contain information to help the reader assess the factors affecting the Town's ability to generate property tax revenue.

Debt Capacity: Schedules 9 through 12 and 18 contain information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.

Demographic and Economic Information: Schedules 13 and 14 contain demographic information to help the reader understand the environment in which the Town's financial activities take place.

Operating Information: Schedules 15 through 17 contain information about the Town's operations and resources over a period of time.

Other Information: Schedules 19 and 20 contain additional information about the Town that Town officials believe is useful to the reader of the comprehensive financial report.

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Town of Smithfield, Rhode Island
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS

	Fiscal Year ended June 30									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities										
Net Investment in capital assets	\$ 22,580,542	\$ 23,649,502	\$ 24,868,591	\$ 29,443,616	\$ 25,498,777	\$ 27,650,381	\$ 28,627,378	\$ 34,974,107	\$ 66,789,529	\$ 37,425,679
Restricted	-	-	-	-	-	63,684	63,690	63,697	10,244,153	1,734,861
Unrestricted	11,378,493	9,713,283	(42,984,286)	(49,129,547)	(81,130,827)	(81,741,924)	(85,573,005)	(94,532,311)	(87,420,873)	(84,631,608)
Total governmental activities net position	33,959,035	33,362,785	(18,115,695)	(19,685,931)	(55,632,050)	(54,027,859)	(56,881,937)	(59,494,507)	(10,387,191)	(45,471,068)
Business-type activities										
Net investment in capital assets	14,831,474	14,225,333	13,998,192	13,983,221	14,238,797	13,796,704	13,395,950	14,713,984	15,219,555	14,545,661
Unrestricted	6,217,533	6,504,691	6,509,927	6,557,260	6,150,747	6,428,096	7,168,786	6,107,711	5,974,639	6,858,855
Total business-type activities net position	21,049,007	20,730,024	20,508,119	20,540,481	20,389,544	20,224,800	20,564,736	20,821,695	21,194,194	21,404,516
Primary government										
Net investment in capital assets	37,412,016	37,874,835	38,866,783	43,426,837	39,737,574	41,447,085	42,023,328	49,688,091	82,009,084	51,971,340
Restricted	-	-	-	-	-	63,684	63,690	63,697	10,244,153	1,734,861
Unrestricted	17,596,026	16,217,974	(36,474,359)	(42,572,287)	(74,980,080)	(75,313,828)	(78,404,219)	(88,424,600)	(81,446,234)	(77,772,753)
Total primary government net position	\$ 55,008,042	\$ 54,092,809	\$ 2,392,424	\$ 854,550	\$ (35,242,506)	\$ (33,803,059)	\$ (36,317,201)	\$ (38,672,812)	\$ 10,807,003	\$ (24,066,552)

Notes:

During the fiscal year ended June 30, 2015 the Town of Smithfield implemented GASB Statement #68

During the fiscal year ended June 30, 2017 the Town of Smithfield implemented GASB Statement #75

During the fiscal year ended June 30, 2022 the Town of Smithfield implemented GASB Statement #87

Town of Smithfield, Rhode Island
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS
GOVERNMENTAL ACTIVITIES
(Accrual Basis of Accounting)

	Fiscal Year Ended June 30									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities:										
General government	\$ 5,918,235	\$ 6,066,867	\$ 5,442,335	\$ 6,093,690	\$ 8,144,022	\$ 6,057,484	\$ 6,867,551	\$ 7,254,573	\$ 6,975,320	\$ 6,457,657
Public safety	17,137,904	17,179,333	15,190,320	16,897,957	16,214,772	15,703,311	21,668,389	21,723,634	17,392,003	22,935,544
Public works	4,598,921	5,028,166	5,910,910	6,683,729	6,530,032	5,946,232	5,409,066	5,934,981	3,963,795	4,638,429
Public Health and Assistance	8,350	8,197	5,992	7,938	5,938	-	57	70	22	-
Public libraries	1,187,734	1,217,734	1,254,265	1,283,079	1,321,571	1,374,433	1,414,008	1,454,008	1,454,008	1,471,571
Education	35,311,450	35,866,336	35,265,621	40,028,913	39,839,753	43,456,074	44,195,452	44,817,126	46,121,158	81,996,109
Recreation and Senior Activities	901,172	1,065,331	2,204,210	1,510,668	1,822,960	2,023,191	1,417,649	1,680,410	1,233,636	1,527,187
Interest on long-term debt	597,249	552,480	534,407	587,477	824,421	761,655	713,342	660,383	442,383	1,492,949
Total governmental activities	<u>65,661,015</u>	<u>66,984,444</u>	<u>65,808,060</u>	<u>73,093,450</u>	<u>74,703,469</u>	<u>75,322,380</u>	<u>81,685,513</u>	<u>83,525,185</u>	<u>77,582,324</u>	<u>120,519,446</u>
Business-type activities:										
Sewer Authority	2,799,184	3,299,297	3,067,255	2,835,209	3,261,790	3,291,898	3,314,836	3,368,785	3,247,002	3,390,562
Water Supply Board	1,171,217	1,336,273	1,336,587	1,281,454	1,430,372	1,333,566	1,298,931	1,348,593	1,336,110	1,535,488
Smithfield Ice Rink	608,256	664,391	650,176	709,963	716,387	699,730	727,006	720,357	646,527	729,444
School Lunch Program	595,761	554,776	549,031	514,881	509,384	581,647	580,592	462,491	558,623	996,893
Total business-type activities	<u>5,174,418</u>	<u>5,854,737</u>	<u>5,603,049</u>	<u>5,341,507</u>	<u>5,917,933</u>	<u>5,906,841</u>	<u>5,921,365</u>	<u>5,900,226</u>	<u>5,788,262</u>	<u>6,652,387</u>
Total primary government expense	<u>\$ 70,835,433</u>	<u>\$ 72,839,181</u>	<u>\$ 71,411,109</u>	<u>\$ 78,434,957</u>	<u>\$ 80,621,402</u>	<u>\$ 81,229,221</u>	<u>\$ 87,606,878</u>	<u>\$ 89,425,411</u>	<u>\$ 83,370,586</u>	<u>\$ 127,171,833</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 1,132,533	\$ 1,207,224	\$ 1,164,955	\$ 1,520,598	\$ 1,689,365	\$ 1,490,992	\$ 1,581,074	\$ 1,462,060	\$ 1,686,556	\$ 23,272
Public safety	1,261,267	1,377,002	1,831,315	1,454,357	1,834,694	1,804,349	1,716,159	1,594,316	1,143,695	531,828
Public works	-	-	-	-	-	-	-	-	307,304	4,132,526
Public Health and Assistance	-	-	-	-	62,000	-	-	204,000	-	-
Education	356,258	253,750	238,152	311,538	332,466	380,780	484,370	502,786	457,841	2,766,435
Recreation and Senior Activities	3,630	355	3,147	487	17,981	15,623	24,710	11,450	993,007	20,292
Operating grants and contributions	7,930,129	8,416,905	7,943,116	10,044,589	9,587,133	11,960,468	12,918,714	12,340,694	12,057,992	11,661,457
Capital grants and contributions	394,814	119,323	213,473	56,487	26,079	107,501	-	453,401	43,113,729	104,354
Total governmental activities program revenues	<u>11,078,631</u>	<u>11,374,559</u>	<u>11,394,158</u>	<u>13,388,056</u>	<u>13,549,718</u>	<u>15,759,713</u>	<u>16,725,027</u>	<u>16,568,707</u>	<u>59,760,124</u>	<u>19,240,164</u>
Business-type activities:										
Charges for services:										
Sewer Authority	3,060,558	3,168,366	3,068,610	3,079,643	3,138,371	3,208,751	3,256,195	3,209,934	3,140,110	3,066,687
Water Supply Board	1,449,291	1,617,194	1,545,776	1,481,283	1,506,221	1,713,663	1,629,546	1,694,466	2,086,224	2,016,674
Smithfield Ice Rink	633,350	615,219	683,279	753,759	709,539	679,316	707,398	666,194	625,498	761,403
School Lunch Program	413,498	376,020	355,156	344,582	350,930	339,499	382,833	272,715	700,332	1,427,901
Operating grants and contributions	191,472	215,512	208,807	183,314	176,704	176,182	200,581	205,720	14,448	32,883
Capital grants and contributions	-	-	-	-	-	-	-	30,000	-	-
Total business-type activities	<u>5,748,169</u>	<u>5,992,311</u>	<u>5,861,628</u>	<u>5,842,581</u>	<u>5,881,765</u>	<u>6,117,411</u>	<u>6,176,553</u>	<u>6,079,029</u>	<u>6,566,612</u>	<u>7,305,548</u>
Total primary government program revenues	<u>\$ 16,826,800</u>	<u>\$ 17,366,870</u>	<u>\$ 17,255,786</u>	<u>\$ 19,230,637</u>	<u>\$ 19,431,483</u>	<u>\$ 21,877,124</u>	<u>\$ 22,901,580</u>	<u>\$ 22,647,736</u>	<u>\$ 66,326,736</u>	<u>\$ 26,545,712</u>

Town of Smithfield, Rhode Island
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS
GOVERNMENTAL ACTIVITIES
(Accrual Basis of Accounting)

	Fiscal Year Ended June 30									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net (Expense)/Revenue										
Governmental activities	\$ (54,582,384)	\$ (55,609,885)	\$ (54,413,902)	\$ (59,705,394)	\$ (61,153,751)	\$ (59,562,667)	\$ (64,960,486)	\$ (66,956,478)	\$ (17,822,200)	\$ (101,279,282)
Business-type activities	573,751	137,574	258,579	501,074	(36,168)	210,570	255,188	178,803	778,350	653,161
Total primary government net expense	<u>\$ (54,008,633)</u>	<u>\$ (55,472,311)</u>	<u>\$ (54,155,323)</u>	<u>\$ (59,204,320)</u>	<u>\$ (61,189,919)</u>	<u>\$ (59,352,097)</u>	<u>\$ (64,705,298)</u>	<u>\$ (66,777,675)</u>	<u>\$ (17,043,850)</u>	<u>\$ (100,626,121)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 50,944,942	\$ 52,724,340	\$ 54,525,300	\$ 55,782,572	\$ 56,793,959	\$ 58,219,004	\$ 59,217,006	\$ 60,497,092	\$ 60,033,868	\$ 60,202,798
State Revenue Sharing and other general grants	-	-	-	-	-	-	-	-	-	-
Motor vehicle phase-out taxes	271,301	279,144	253,182	255,759	267,710	853,791	974,786	1,990,919	2,967,540	3,559,726
Public Utilities (Telephone) tax	257,910	268,724	291,036	265,491	279,390	268,766	272,126	272,386	269,396	258,355
Hotel, meals, and beverage tax	702,426	781,882	815,070	864,020	911,374	976,227	967,938	1,046,105	862,394	1,153,398
Other miscellaneous	-	-	-	-	-	-	-	-	85,932	316,364
Unrestricted investment earnings	404,920	459,545	429,541	467,318	346,587	419,070	673,786	537,406	422,580	258,360
Transfers and Special Items	1,476,375	500,000	500,000	500,000	150,000	430,000	-	-	2,027,414	446,403
Total governmental activities	<u>54,057,874</u>	<u>55,013,635</u>	<u>56,814,129</u>	<u>58,135,160</u>	<u>58,749,020</u>	<u>61,166,858</u>	<u>62,105,642</u>	<u>64,343,908</u>	<u>66,669,124</u>	<u>66,195,404</u>
Business-type activities:										
Unrestricted investment earnings	14,442	43,443	19,516	31,288	35,231	54,686	84,748	78,156	26,016	3,564
Transfers	(1,476,375)	(500,000)	(500,000)	(500,000)	(150,000)	(430,000)	-	-	(431,867)	(446,403)
Total business type activities	<u>(1,461,933)</u>	<u>(456,557)</u>	<u>(480,484)</u>	<u>(468,712)</u>	<u>(114,769)</u>	<u>(375,314)</u>	<u>84,748</u>	<u>78,156</u>	<u>(405,851)</u>	<u>(442,839)</u>
Total primary government	<u>\$ 52,595,941</u>	<u>\$ 54,557,078</u>	<u>\$ 56,333,645</u>	<u>\$ 57,666,448</u>	<u>\$ 58,634,251</u>	<u>\$ 60,791,544</u>	<u>\$ 62,190,390</u>	<u>\$ 64,422,064</u>	<u>\$ 66,263,273</u>	<u>\$ 65,752,565</u>
Change in Net Position										
Governmental activities	\$ (524,510)	\$ (596,250)	\$ 2,400,227	\$ (1,570,234)	\$ (2,404,731)	\$ 1,604,191	\$ (2,854,844)	\$ (2,612,570)	\$ 48,846,924	\$ (35,083,878)
Business-type activities	(888,182)	(318,983)	(221,905)	32,362	(150,937)	(164,744)	339,936	256,959	372,499	210,322
Total primary government	<u>\$ (1,412,692)</u>	<u>\$ (915,233)</u>	<u>\$ 2,178,322</u>	<u>\$ (1,537,872)</u>	<u>\$ (2,555,668)</u>	<u>\$ 1,439,447</u>	<u>\$ (2,514,908)</u>	<u>\$ (2,355,611)</u>	<u>\$ 49,219,423</u>	<u>\$ (34,873,556)</u>

Town of Smithfield, Rhode Island

FUND BALANCES, GOVERNMENTAL FUNDS, LAST TEN FISCAL YEARS

(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Nonspendable	\$ 249,917	\$ 1,231,691	\$ 1,237,689	\$ 1,225,584	\$ 1,340,454	\$ 1,384,263	\$ 1,554,471	\$ 2,817,150	\$ 2,006,020	\$ 2,246,834
Restricted	94,933	15,860	24,398	30,438	37,625	-	-	-	-	-
Committed	8,189,071	8,033,629	7,942,884	7,777,967	7,835,554	6,813,010	7,138,990	6,873,690	6,352,751	4,868,674
Assigned	3,850,000	3,165,000	3,180,000	3,180,000	2,422,816	2,272,433	1,375,528	-	-	-
Unassigned	3,159,111	3,239,287	3,372,908	3,908,877	4,526,549	5,111,036	5,580,737	5,382,786	6,300,392	6,638,892
Total general fund	<u>\$ 15,543,032</u>	<u>\$ 15,685,467</u>	<u>\$ 15,757,879</u>	<u>\$ 16,122,866</u>	<u>\$ 16,162,998</u>	<u>\$ 15,580,742</u>	<u>\$ 15,649,726</u>	<u>\$ 15,073,626</u>	<u>\$ 14,659,163</u>	<u>\$ 13,754,400</u>
All Other Governmental Funds										
Nonspendable	\$ 78,437	\$ -	\$ 55,404	\$ 66,322	\$ 189,919	\$ 183,813	\$ 29,722	\$ 26,428	\$ 4,677	\$ -
Restricted	326,574	356,338	374,046	2,214,940	1,207,670	1,731,413	1,579,076	1,349,961	10,244,153	1,734,861
Committed	9,152,145	8,606,658	8,714,952	8,447,235	9,299,847	8,447,316	8,295,266	8,955,661	9,437,792	9,342,143
Unassigned	(992,940)	(993,496)	(1,431,632)	(3,881,136)	(551,878)	(1,264,058)	(1,800,031)	(7,150,609)	(3,158,652)	(2,957,405)
Total all other governmental funds	<u>\$ 8,564,216</u>	<u>\$ 7,969,500</u>	<u>\$ 7,712,770</u>	<u>\$ 6,847,361</u>	<u>\$ 10,145,558</u>	<u>\$ 9,098,484</u>	<u>\$ 8,104,033</u>	<u>\$ 3,181,441</u>	<u>\$ 16,527,970</u>	<u>\$ 8,119,599</u>

Town of Smithfield, Rhode Island

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS, LAST TEN FISCAL YEARS

(Modified Accrual Basis of Accounting)

	FISCAL YEAR ENDED JUNE 30									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues:										
Property Taxes	\$ 50,437,531	\$ 52,471,399	\$ 53,704,073	\$ 55,243,808	\$ 56,202,307	\$ 57,666,227	\$ 58,426,359	\$ 59,499,170	\$ 60,033,868	\$ 60,202,797
Intergovernmental revenues	8,458,240	8,495,823	8,781,313	9,434,679	9,728,776	11,687,214	12,743,595	13,718,342	57,650,545	16,276,778
Licenses, Fees, Charges, Fines and assessments	2,444,849	2,648,266	2,678,663	2,818,910	3,286,069	3,104,276	3,254,787	3,459,851	3,057,914	3,226,963
Investment Income	404,920	459,594	429,541	467,318	346,587	419,070	673,786	537,406	424,379	260,000
Other Revenue (A)	1,929,228	2,152,969	2,245,796	2,588,211	2,720,224	2,788,852	2,784,656	2,749,690	2,921,179	6,137,765
Total revenues	63,674,768	66,228,051	67,839,386	70,552,926	72,283,963	75,665,639	77,883,183	79,964,459	124,087,885	86,104,303
Expenditures:										
Current:										
General Government	2,545,195	2,559,958	2,575,478	2,524,930	2,576,436	3,279,869	3,426,990	3,381,621	3,661,152	3,501,319
Public Safety	9,493,438	10,168,183	10,700,369	10,721,051	11,174,390	17,944,808	19,084,473	19,709,595	21,170,302	22,848,726
Public Works	3,278,514	3,591,685	3,121,322	3,654,021	3,717,755	4,602,102	4,217,058	4,723,544	4,823,883	4,618,687
Education	35,128,381	35,785,650	36,506,850	37,628,696	38,941,851	40,605,976	42,167,800	42,014,510	43,038,775	85,335,138
Libraries	1,187,734	1,217,734	1,254,265	1,283,079	1,321,571	1,374,433	1,414,008	1,454,008	1,454,008	1,471,571
Public Health and Assistance	8,350	8,197	5,992	7,938	5,938	-	57	70	22	-
Recreation, Senior & Neighborhood Center	740,680	894,182	1,529,780	1,011,640	1,217,739	1,826,783	1,297,984	1,498,419	1,161,044	1,497,182
Miscellaneous	8,905,678	8,907,491	8,583,333	9,118,190	8,930,260	2,087,185	2,244,657	2,385,204	2,611,198	2,927,311
Capital Expenditures	2,535,189	2,870,367	2,019,461	9,646,888	5,568,419	3,613,288	2,601,811	7,987,727	33,168,226	12,337,802
Debt Service:										
Principal	2,088,105	1,380,000	1,695,970	1,677,710	1,338,400	1,585,000	1,595,000	1,600,000	7,964,000	1,650,000
Debt Financing Costs	21,710	5,290	-	-	-	-	-	-	-	-
Interest	559,315	546,266	530,883	571,767	807,191	805,525	758,812	708,453	795,988	1,328,600
Total expenditures	66,492,289	67,935,003	68,523,703	77,845,910	75,599,950	77,724,969	78,808,650	85,463,151	119,848,597	137,516,336
Excess of revenues over (under) expenditures	(2,817,521)	(1,706,952)	(684,317)	(7,292,984)	(3,315,987)	(2,059,330)	(925,467)	(5,498,692)	4,239,288	(51,412,033)
Other Financing Sources (Uses):										
Proceeds from debt issuance	67,280	754,671	-	6,292,564	6,075,000	-	-	-	-	35,985,000
Proceeds from refunding bond issuance	-	-	-	-	-	-	-	-	6,405,000	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-	-	-
Premium on bonds	-	-	-	-	429,320	-	-	-	-	5,836,042
Bond issuance costs	-	-	-	-	-	-	-	-	-	(315,083)
Lease proceeds	-	-	-	-	-	-	-	-	-	146,537
Transfers in	29,924,524	29,397,672	30,622,192	31,775,578	32,284,731	34,888,081	34,169,078	34,916,380	35,086,157	35,240,577
Transfers out	(28,448,149)	(28,897,672)	(30,122,192)	(31,275,578)	(32,134,731)	(34,458,081)	(34,169,078)	(34,916,380)	(33,058,743)	(34,794,174)
Total other financing sources (uses)	1,543,655	1,254,671	500,000	6,792,564	6,654,320	430,000	-	-	8,432,414	42,098,899
Net change in fund balances	\$ (1,273,866)	\$ (452,281)	\$ (184,317)	\$ (500,420)	\$ 3,338,333	\$ (1,629,330)	\$ (925,467)	\$ (5,498,692)	\$ 12,671,702	(9,313,134)
Debt service as a percentage of noncapital expenditures (1)	4.12%	2.96%	3.35%	3.30%	3.02%	3.20%	3.06%	2.95%	10.09%	2.38%

Notes:

This schedule includes expenditures of the General Fund, Special Revenue Funds, Capital Project Funds, and Permanent Funds

(1) The ratio uses the capitalized capital outlay expenditure on page 25

(A) Includes State on behalf pension and transportation contributions, and Medicaid

Town of Smithfield, Rhode Island

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

Fiscal Year ¹ Ended June 30	Assessed Value Real Property		Assessed Value Personal Property		Less:	Less:	Total Taxable	Total	Estimated	Assessed
	Residential Property ²	Commercial Property ³	Tangible Property	Motor Vehicle	Tax Exempt Real Property	Tax Exempt Personal Property	Assessed Value	Direct Tax Rate ⁴	Actual Value Taxable Value	Value ² as a Percentage of Actual Value
2013	\$ 2,816,937,080	\$ -	\$ 98,185,310	\$ 197,310,578	\$ 365,398,367	\$ 33,364,044	\$ 2,713,670,557	\$ 22.87	\$ 3,275,555,639	95.02%
2014	2,605,017,818	-	100,927,170	199,866,565	346,159,779	34,713,614	2,524,938,160	25.02	3,042,734,610	95.50%
2015	2,619,157,488	-	152,937,500	200,497,053	350,192,364	47,487,058	2,574,912,619	20.88	3,109,405,901	95.60%
2016	2,634,505,210	-	149,574,240	207,165,270	351,958,162	48,076,855	2,591,209,703	25.87	3,083,757,442	97.00%
2017	2,327,709,570	465,260,470	151,592,260	216,195,145	361,726,559	49,733,892	2,749,296,994	25.11	3,327,113,100	95.00%
2018	2,345,173,900	469,152,370	151,864,110	197,143,743	363,452,746	44,810,196	2,755,071,181	26.24	3,329,825,393	95.00%
2019	2,349,172,578	498,226,570	156,828,120	192,843,927	366,186,325	53,217,457	2,777,667,413	26.82	3,365,338,100	95.00%
2020	2,436,576,820	744,869,040	193,618,957	221,740,200	450,677,378	117,299,263	3,028,828,376	24.70	3,786,110,544	95.00%
2021	2,472,060,980	742,614,470	186,688,958	210,371,260	427,727,726	124,377,021	3,059,630,921	25.07	3,801,827,019	95.00%
2022	2,447,758,850	750,513,790	213,039,780	190,318,519	402,132,600	137,303,656	3,062,194,683	25.72	3,791,190,462	95.00%

Notes:

Tax Rates are per \$1,000 of assessed value.

¹ Revaluations were conducted for fiscal years 2014, 2017 and 2020

² Includes tax-exempt property

³ In fiscal year 2017 commercial rate was split from residential

⁴ Total direct tax rate represents the weighted average of all independent direct rates applied by the Town

Source: Town of Smithfield Tax Assessor

Town of Smithfield, Rhode Island

PROPERTY TAX RATES

LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Direct Tax Rate Residential</u>	<u>Direct Tax Rate Commerical¹</u>	<u>Direct Tax Rate Tangible</u>	<u>Direct Tax Rate Motor Vehicle</u>	<u>Direct Tax Rate (Total)</u>
2013	\$ 20.66	\$ -	\$ 0.81	\$ 1.40	\$ 22.87
2014	22.39	-	0.97	1.66	25.02
2015	22.17	-	1.44	1.55	25.16
2016	22.79	-	1.45	1.64	25.87
2017	17.96	4.25	1.33	1.58	25.11
2018	18.87	4.47	1.37	1.52	26.24
2019	19.15	4.81	1.35	1.52	26.82
2020	16.32	5.94	1.24	1.19	24.70
2021	16.90	5.94	1.20	1.04	25.07
2022	17.44	6.04	1.24	0.99	25.72

Notes

¹In fiscal year 2017 commercial rate was split from residential
Source: Town of Smithfield Finance Department

TOWN OF SMITHFIELD

PRINCIPAL TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO

JUNE 30, 2021

Taxpayer	2022			2013		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Fidelity Corporate Real Estate	\$ 184,982,700	1	4.92%	\$ 159,942,000	1	6.20%
W/S Smithfield Associates, LLC	72,289,600	2	1.92%	57,519,900	2	2.23%
National Grid (Electricity)	55,126,630	3	1.47%	22,058,370	3	0.86%
Smithfield Office Park	22,855,300	4	0.61%	21,298,500	4	0.83%
Village at Waterman Lake	20,774,200	5	0.55%	17,108,500	5	0.66%
Rubius Therapeutics	12,983,360	6	0.35%			
National Grid (Gas)	10,803,860	7	0.29%	4,236,700	9	0.16%
Neighborhood Health Plan of RI	7,920,330	8	0.21%			
FGX International, Inc	5,013,940	9	0.13%	7,333,400	8	0.28%
Cox Communications	3,405,130	10	0.09%	3,809,540	10	0.15%
Target Corp				12,144,900	6	0.47%
Alexion Manufacturing, LLC				11,037,100	7	0.43%
	<u>\$ 396,155,050</u>		<u>10.54%</u>	<u>\$ 316,488,910</u>		<u>12.28%</u>
Total assessed valuation (gross)	\$ 3,758,566,150			\$ 2,577,773,015		

Source: Town of Smithfield Tax Assessor

TOWN OF SMITHFIELD, RHODE ISLAND
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Taxes Levied for the Tax Year</u>	<u>Collection within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years</u>	<u>Total Collections to Date</u>	
		<u>Amount</u>	<u>Percentage of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
2013	\$ 50,485,821	\$ 46,749,238	92.60%	\$ 3,645,005	\$ 50,394,243	99.82%
2014	51,713,919	48,620,078	94.02%	3,012,801	51,632,879	99.84%
2015	53,767,983	51,574,182	95.92%	2,126,027	53,700,209	99.87%
2016	55,094,768	51,862,555	94.13%	3,161,190	55,023,745	99.87%
2017	56,132,554	53,874,510	95.98%	2,185,250	56,059,760	99.87%
2018	57,541,414	55,089,183	95.74%	2,369,013	57,458,196	99.86%
2019	58,365,226	55,720,675	95.47%	2,556,415	58,277,090	99.85%
2020	59,752,045	56,774,788	95.02%	2,897,975	59,672,763	99.87%
2021	59,670,761	57,683,247	96.67%	1,893,519	59,576,766	99.84%
2022	60,045,093	58,176,132	96.89%	1,296,437	59,472,569	99.05%

TOWN OF SMITHFIELD, RHODE ISLAND
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of Total Personal Income ¹
	General Obligation Bonds	Lease Participation Certificates	Capital Leases	General Obligation Bonds	Revenue Bonds	Notes Payable		
2013	\$ 16,251,616	\$ -	\$ 43,539	\$ 227,000	\$ 8,419,101	\$ -	\$ 24,941,256	3.63%
2014	14,865,971	-	777,080	227,000	8,162,101	-	24,032,152	3.50%
2015	13,480,326	-	461,110	206,000	7,734,651	-	21,882,087	3.18%
2016 ²	18,377,431	-	163,400	184,000	7,304,201	-	26,029,032	3.79%
2017 ³	23,660,012	-	-	162,000	6,869,751	-	30,691,763	4.47%
2018	22,028,273	-	-	140,000	6,431,301	-	28,599,574	4.16%
2019	20,386,534	-	-	118,000	5,987,851	-	26,492,385	3.86%
2020	18,739,795	-	-	95,000	8,270,401	-	27,105,196	3.30%
2021 ⁴	16,773,350	-	-	72,000	7,817,850	-	24,663,200	2.95%
2022 ⁵	57,016,805	-	105,515	49,000	4,629,400	-	61,800,720	7.52%

Notes:

Details regarding the Town's outstanding debt can be found in the notes to the financial statements

¹ See the Schedule of Demographics and Economic Statistics for population data

² Includes new bond issue of \$5.9M

³ Includes new bond issue of \$6.075M

⁴ Includes refunding of 2011 & 2012 GOB's for \$6.405M

⁵ Includes new bond issue of \$35.9M

TOWN OF SMITHFIELD, RHODE ISLAND
RATIO OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property¹	Per Capita²
2013	\$ 16,478,616	\$ -	\$ 16,478,616	0.50%	\$ 767
2014	15,092,971	-	15,092,971	0.50%	704
2015	13,686,326	-	13,686,326	0.44%	636
2016 ³	18,561,431	-	18,561,431	0.60%	858
2017 ⁴	23,822,012	-	23,822,012	0.72%	1,094
2018	22,168,273	-	22,168,273	0.67%	1,015
2019	20,504,534	-	20,504,534	0.61%	942
2020	18,834,795	-	18,834,795	0.50%	867
2021 ⁵	16,845,350	-	16,845,350	0.44%	762
2022 ⁶	57,065,805	-	57,065,805	1.51%	2,613

Notes:

Details regarding the Town's outstanding debt can be found in the notes to the financial statements
Debt Service is paid through the General Fund, the Town does not maintain a debt service fund. Except for General Obligations of Business Type Activities.

¹ See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

² See the Schedule of Demographics and Economic Statistics for population data

³ Includes new bond issue of \$5.9M

⁴ Includes new bond issue of \$6.075M

⁵ Includes refunding of 2011 & 2012 GOB's for \$6.405M

⁶ Includes new bond issue of \$35.9M

TOWN OF SMITHFIELD, RHODE ISLAND
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of June 30, 2022

The Town of Smithfield is not subject to any overlapping debt.

TOWN OF SMITHFIELD, RHODE ISLAND
COMPUTATION OF LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS

Legal Debt Margin Calculation for the Fiscal Year 2022

Net Assessed Value	<u>\$3,062,194,681</u>
Debt Limit (3%)	\$91,865,840
Net Debt Applicable to limit	<u>\$49,000</u>
Legal debt margin	<u>\$91,816,840</u>

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Debt Limit	\$91,865,840	\$91,788,928	\$90,864,851	\$83,330,022	\$82,652,135	\$82,478,910	\$77,736,291	\$77,247,379	\$75,748,145	\$81,410,117
Total net debt applicable to limit	<u>49,000</u>	<u>72,000</u>	<u>95,000</u>	<u>118,000</u>	<u>140,000</u>	<u>162,000</u>	<u>184,000</u>	<u>206,000</u>	<u>227,000</u>	<u>227,000</u>
Legal debt margin	<u>\$91,816,840</u>	<u>\$91,716,928</u>	<u>\$90,769,851</u>	<u>\$83,212,022</u>	<u>\$82,512,135</u>	<u>\$82,316,910</u>	<u>\$77,552,291</u>	<u>\$77,041,379</u>	<u>\$75,521,145</u>	<u>\$81,183,117</u>
Total net debt applicable to the limit as a percentage of the debt limit	0.05%	0.08%	0.10%	0.14%	0.17%	0.20%	0.24%	0.27%	0.30%	0.28%

Notes:

In 2014 the Town underwent a full property revaluation

In 2017 and 2020 the Town underwent a statistical revaluation.

The Town has \$49,000 outstanding under the Maximum Aggregate Indebtedness provision (3% Debt Limit) - Rhode Island General Law 45-12-2

All other Town debt has been incurred through special statutory authority which consists of approval by the legislature and voter referendum.

TOWN OF SMITHFIELD, RHODE ISLAND
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Population¹	Median Family Income¹	Median Home Price¹	Per Capita Personal Income¹	Median Age²	School Enrollment³	Unemployment Rate⁴
2013	21,480	\$ 89,713	\$ 229,155	\$31,987	42.0	2,410	8.43%
2014	21,443	*	231,000	32,042	42.0	2,367	7.84%
2015	21,517	*	246,500	31,932	42.0	2,382	6.08%
2016	21,632	*	258,000	31,762	42.0	2,387	5.00%
2017	21,774	98,065	261,000	31,555	42.0	2,395	4.20%
2018	21,840	*	264,500	31,460	42.0	2,440	3.30%
2019	21,774	*	280,400	31,555	43.9	2,380	2.80%
2020	21,719	*	310,500	37,857	43.9	2,539	3.00%
2021	22,118	94,825	366,900	37,857	42.0	2,395	6.40%
2022	21,838	105,756	401,000	37,650	45.3	2,424	5.20%

Data sources:

¹ The non-census year statistics are estimates calculated by the Rhode Island Department of Labor and Training.
The 2021 fiscal year census statistic is actual U.S. Census figure.

² City-Data.com

³ Smithfield School Department

⁴ Rhode Department of Labor and Training

TOWN OF SMITHFIELD, RHODE ISLAND

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

Employer	Percentage of Total Town			Percentage of Total Town		
	Employees	Rank	Employment	Employees	Rank	Employment
Fidelity Investments	4,183	1	27.86%	2,434	1	16.40%
Bryant University	879	2	5.85%	623	2	4.20%
Town of Smithfield	514	3	3.32%	600	3	4.04%
Citizens Bank of RI	400	4	2.66%	400	5	2.70%
Village at Waterman Lake	309	5	2.06%	301	7	2.03%
The Stop & Shop Company, Inc.	300	6	2.00%	300	8	2.02%
Honeywell Industrial Safety	300	7	2.00%	491	4	3.31%
FGX International	250	8	1.67%	375	6	2.53%
Dave's Marketplace	225	9	1.50%			
Target Stores	200	10	1.33%	212	9	1.43%
The Home Depot				200	10	1.35%
Total	<u>7,560</u>		<u>50.25%</u>	<u>5,936</u>		<u>40.01%</u>

Source: Town of Smithfield Planning & Economic Development Department

TOWN OF SMITHFIELD, RHODE ISLAND
FULL-TIME EQUIVALENT TOWN GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

Function	Full-time Equivalent Employees as of June 30,								
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
General Government	29	29	29	29	29	29	29	26	27
Public Safety									
Police									
Officers	42	42	42	42	42	42	42	43	43
Civilians	12	12	12	12	12	12	12	11	11
Animal Control	2	2	2	2	2	2	2	2	2
Fire									
Firefighters and Officers	50	52	52	52	53	66	66	66	66
Civilians	5	5	5	5	5	5	5	5	5
Ice Rink	3	3	3	3	3	3	3	3	3
Parks	4	4	4	4	4	4	4	5	5
Public Works	17	17	17	17	18	18	18	18	18
Senior Services	4	4	4	4	4	4	4	4	4
Sewer	0	0	0	0	0	0	0	0	0
Water	2	2	2	2	2	2	2	2	2
Total	<u>170</u>	<u>172</u>	<u>172</u>	<u>172</u>	<u>174</u>	<u>187</u>	<u>187</u>	<u>185</u>	<u>186</u>

Source: Town of Smithfield Finance Department

TOWN OF SMITHFIELD, RHODE ISLAND
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Police										
Physical Arrests	606	659	717	629	755	638	594	516	533	492
Parking Violations	88	147	212	191	173	113	132	71	72	55
Traffic Violations	3,227	3,732	3,051	2,954	3,811	3,803	3,490	2,426	2,361	3,306
Fire										
Total Incidents	4,421	4,395	4,501	4,500	4,392	4,680	4,411	4,109	4,171	4,505
Commercial Inspections	176	152	167	448	165	130	213	138	124	129
Residential Inspections	194	196	278	256	276	252	382	387	353	312
Commercial Plan Review	92	69	64	94	75	80	108	50	60	75
Residential Plan Review	211	41	60	55	97	105	78	85	72	68
Highway and Street										
Street Resurfacing (miles)	1.06	0.50	0.00	1.91	1.30	0.63	1.10	4	3	3
Sanitation										
Refuse Collected (tons/day)	23.18	20.43	19.80	19.82	20.20	20.60	20.69	22	23	23
Single Stream Recyclables (tons/day)	7.92	8.28	9.42	8.90	8.96	8.99	9.09	9	9	8
Wastewater										
Average Daily Sewage Treatment (thousands of gallons)	1,885	1,825	1,950	1,892	2,026	2,112	2,307	1,946	2,052	1,958

Notes:

Source: Various Town of Smithfield departments

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

Function	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	27	27	27	27	27	27	27	27	27	28
Fire Stations	3	3	3	3	3	3	3	3	3	3
Highways and Streets										
Streets (miles)*	183	183	183	183	183	183	183	183	105	105
Culture and recreation										
Parks	8	8	8	8	8	8	8	8	8	8
Skating Arenas	1	1	1	1	1	1	1	1	1	1
Tennis Courts	7	7	7	7	7	7	7	7	7	7
Ball Diamonds	14	14	14	14	14	14	14	14	14	14
Playgrounds	5	5	5	5	5	5	5	5	5	5
Basketball Courts	8	8	8	8	8	8	8	8	8	4
Walking Paths	7	7	7	7	7	7	7	7	7	7
Running Tracks	1	1	1	1	1	1	1	1	1	1
Beaches	2	2	2	2	2	2	2	2	2	2

Notes:

*Streets paved were changed to only include local in fiscal year 2021

Sources: Various Town of Smithfield departments

TOWN OF SMITHFIELD, RHODE ISLAND
 RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
 GENERAL BONDED DEBT TO TOTAL GOVERNMENTAL EXPENDITURES
 LAST TEN FISCAL YEARS

Fiscal Year	Principal	Interest	Total Debt Service	Total Governmental Expenditures ¹	Ratio of Total Debt Service to Total Governmental Expenditures
2013	\$ 2,035,000	\$ 559,315	\$ 2,594,315	\$ 66,492,289	3.90%
2014	1,380,000	546,266	1,926,266	67,935,003	2.84%
2015	1,380,000	509,350	1,889,350	68,523,703	2.76%
2016	1,380,000	560,145	1,940,145	77,845,911	2.49%
2017	1,175,000	744,568	1,919,568	75,599,950	2.54%
2018	1,585,000	801,575	2,386,575	77,724,969	3.07%
2019	1,595,000	757,062	2,352,062	78,808,650	2.98%
2020	1,600,000	706,703	2,306,703	85,463,151	2.70%
2021	1,559,000	675,138	2,234,138	113,443,597	1.97%
2022	1,650,000	1,324,600	2,974,600	137,396,193	2.16%

Notes:

¹Includes General, Special Revenue and Capital Project Funds.

SMITHFIELD PUBLIC SCHOOLS

MISCELLANEOUS STATISTICS

June 30, 2022

BUILDINGS

Administration	1
Maintenance	0
Elementary Schools	3
Middle School	1
High School	<u>1</u>
Total	6

OCTOBER STUDENT ENROLLMENT

STUDENTS	Fiscal Year	Elementary	Secondary	Total
	2022	1,101	1,323	2,424
	2021	1,062	1,333	2,395
	2020	1,138	1,401	2,539
	2019	1,045	1,335	2,380
	2018	1,089	1,351	2,440
	2017	1,099	1,296	2,395
	2016	1,095	1,292	2,387
	2015	1,094	1,288	2,382
	2014	1,068	1,299	2,367
	2013	1,075	1,335	2,410
	2012	1,039	1,368	2,407
	2011	1,051	1,419	2,470
	2010	1,060	1,444	2,504
	2009	1,088	1,467	2,555
	2008	1,099	1,500	2,599
	2007	1,119	1,490	2,609
	2006	1,104	1,521	2,625
	2005	1,125	1,534	2,659
	2004	1,048	1,567	2,615

STAFFING

Administrative	<u>15.0</u>
Certified Staff:	
Instructional	147.1
ESL	1.0
Special Education	58.6
Other (Librarians, Counselors, Nurses, etc.)	<u>17.0</u>
Total Certified Staff	223.7
Non- Certified Staff	
Secretary and Clerical	17.0
Building and Maintenance	28.0
Teacher Assistants	40.0
Supervisory Aides	0.0
Technicians	3.0
Athletic Director	1.0
CTE Coordinator	<u>0.4</u>
	89.4
Total FTE's	<u>328.1</u>

Source: Town of Smithfield School Department

TOWN OF SMITHFIELD, RHODE ISLAND

MISCELLANEOUS STATISTICS

June 30, 2022

Founded:	1636	Police Protection	
Town Incorporation:	1730	Buildings:	1
		Employees:	
Type of Government:	Council / appointed Town Manager	Law Enforcement	43
		Civilian	
Fiscal Year begins:	July 1	Full Time	11
		Part Time	5
Population:		Crossing Guard	5
		Recreation	
	<u>Official US Census</u>	Parks	8
	1950 6,690	Playgrounds	5
	1960 9,442	Ball Diamonds	14
	1970 13,468	Soccer/Football Fields	6
	1980 16,886	Volleyball Courts	0
	1990 19,163	Skating Arenas	1
	2000 20,613	Basketball Courts	4
	2010 21,430	Walking Paths	7
	2020 22,118	Running Tracks	1
Area of Town:	27.8 square miles	Tennis Courts	7
Land Area:	26.7 square miles	Historical Cemeteries	117
Miles of Streets		Municipal Buildings:	
Local Paved	105	Town Hall	1
State Paved	53	Senior Center	1
Private Paved	16	Public Works Garage	1
Elections - November 2020		Parks & Recreation	2
Registered Voters	15,804	Ice Rink	1
Number of Votes Cast	12,580	Other Municipal Employees:	59
Percentage Voting	79.60%		
Fire Protection			
# Fire Stations:	3		
Employees :			
Uniformed	66		
Civilian(s)	5		
Library			
Full Time Employees	11		
Part Time Employees	22		

Sources: Various Town of Smithfield Departments

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CERTIFIED PUBLIC ACCOUNTANTS

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*Independent Auditor's 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 Honorable Members of the Town Council
Town of Smithfield, Rhode Island

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Smithfield, Rhode Island (“the Town”), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town’s basic financial statements, and have issued our report thereon dated December 10, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Town’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.

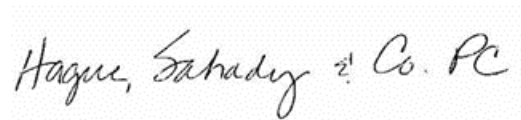
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

A handwritten signature in black ink that reads "Hague, Sabady & Co. PC". The signature is written in a cursive style and is positioned above a faint, dotted rectangular box.

Fall River, Massachusetts
December 10, 2022