

TOWN OF SMITHFIELD, RHODE ISLAND

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended June 30, 2023



Randy R. Rossi
Town Manager

Caitlyn Choiniere
Finance Director

Prepared by: Finance Department

This page was intentionally left blank

TOWN OF SMITHFIELD

Introductory Section

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

This page was intentionally left blank

Town of Smithfield, Rhode Island
For the Year Ended June 30, 2023

Table of Contents

<i>Introductory Section</i>	
Letter of Transmittal	i
Organizational Chart.....	vii
List of Town Officials.....	viii
GFOA Certificate of Achievement	ix
<i>Financial Section</i>	
<i>Independent Auditors' Report</i>	1
Management's Discussion and Analysis (Unaudited)	4
Basic Financial Statements	18
Government-Wide Statements	18
Statement of Net Position	18
Statement of Activities.....	20
Governmental Funds	22
Balance Sheet.....	22
Reconciliation of the Governmental Funds Balance Sheet Total Fund Balance to Statement of Net Position	23
Statement of Revenues, Expenditures and Changes in Fund Balance	24
Reconciliations of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	25
Proprietary Fund	26
Statement of Net Position	26
Statement of Revenues, Expenses and Changes in Net Position	27
Statement of Cash Flows.....	28
Fiduciary Funds	30
Statement of Fiduciary Net Position	30
Statement of Changes in Fiduciary Net Position	31
Notes to Financial Statements.....	32
<i>Required Supplementary Information (Unaudited)</i>	
Schedule of Revenues, Expenditures, and Changes in Fund Balance- Budget to Actual.....	121
Schedule of Revenues, Expenditures, and Changes in Fund Balance- Budget to Actual- School Unrestricted Fund.....	126
Notes to Required Supplementary Information – Budgetary Comparison	127

Town of Smithfield, Rhode Island
For the Year Ended June 30, 2023

Combining General Fund and School Unrestricted Statements of Revenue, Expenditures and Changes in Fund Balance	128
General Employees MERS Plan - Town.....	129
Schedule of Changes in Net Pension Liability and Related Ratios.....	129
Schedule of Contributions.....	130
General Employees MERS Plan – Non-Certified.....	131
Schedule of Changes in Net Pension Liability and Related Ratios.....	131
Schedule of Contributions.....	132
Police Employees MERS Plan.....	133
Schedule of Changes in Net Pension Liability and Related Ratios.....	133
Schedule of Contributions.....	134
Fire Employees MERS Plan	135
Schedule of Changes in Net Pension Liability and Related Ratios.....	135
Schedule of Contributions.....	136
MERS Pension Plans Administered by ERSRI	137
Notes to the Schedules	137
Teacher’s Retirement Plan – Employees’ Retirement System (ERS).....	138
Schedule of Proportionate Share of the Net Pension Liability.....	138
Schedule of Contributions.....	139
Teacher’s Survivors Benefit Plan – Employees’ Retirement System (TSB).....	140
Schedule of Proportionate Share of the Net Pension Liability.....	140
Schedule of Contributions.....	141
MERS, Teachers and Teachers Survivors Benefits Pension Plans Administered by ERSRI	142
Notes to the Schedules	142
Fire Pension Trust Fund.....	144
Schedule of Changes in Net Pension Liability and Related Ratios.....	144
Schedule of Contributions.....	146
Schedule of Investments	147
Police Pension Trust Fund	148
Schedule of Changes in Net Pension Liability and Related Ratios.....	148
Schedule of Contributions.....	150
Schedule of Investments	151
Police and Fire Pension Plans – Fiduciary Trust Funds.....	152
Notes to the Schedules	152
OPEB Trust Funds	153

Town of Smithfield, Rhode Island

For the Year Ended June 30, 2023

Schedule of Changes in Net OPEB Liability and Related Ratios	153
Schedule of Contributions and Investment Returns	154
Notes to the Schedules	155
<i>Supplementary Information Section</i>	
Non-Major Governmental Funds	156
Combining Balance Sheet	156
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	157
Town Special Revenue	158
Combining Balance Sheet	158
Combining Statement of Revenue, Expenditures and Changes in Fund Balance	162
School Special Revenue	166
Combining Balance Sheet	166
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	174
Town Capital Projects	182
Combining Balance Sheet	182
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	185
School Capital Projects	188
Combining Balance Sheet	188
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	189
Permanent Funds	190
Combining Balance Sheet	190
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	191
Custodial Funds	192
Combining Statement of Net Position	192
Statement of Changes in Net Position	193
Other Exhibits	194
Combining Balance Sheet – Fund which comprise the Town’s General Fund	194
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Fund which comprise the Town’s General Fund	195
Tax Collector’s Annual Report	196
Annual Supplemental Transparency Report (MTP2)	198
Notes to Supplementary Information – Annual Supplemental Transparency Report (MTP2)	203
<i>Statistical Sections</i>	
Net Position by Component	205
Changes in Net Position, Last Ten Fiscal Years, Governmental Activities	206

Town of Smithfield, Rhode Island

For the Year Ended June 30, 2023

Fund Balances, Governmental Funds, Last Ten Fiscal Years	208
Assessed and Estimated Actual Value of Taxable Property	210
Property Tax Rates, Last Ten Fiscal Years	211
Principal Taxpayers	212
Property Tax Levies and Collections	213
Ratio of Outstanding Debt by Type	214
Ratio of General Bonded Debt Outstanding	215
Direct and Overlapping Governmental Activities Debt.....	216
Computation of Legal Debt Margin.....	217
Demographic and Economic Statistics	218
Principal Employers.....	219
Full-Time Equivalent Town Government Employees by Function/Program	220
Operating Indicators by Function/Program.....	221
Capital Asset Statistics by Function/Program.....	222
Ratio of Annual Debt Service Expenditures for General Bonded Debt to General Expenditures	223
Miscellaneous Statistics	224
<i>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.....</i>	<i>226</i>

This page was intentionally left blank



Town of Smithfield

OFFICE OF THE TOWN MANAGER
64 FARNUM PIKE
SMITHFIELD, RHODE ISLAND 02917
TELEPHONE: (401) 233-1010 FACSIMILE: (401) 233-1080
EMAIL: RROSSI@SMITHFIELDRI.COM

RANDY R. ROSSI, MBA, CGFM

December 27, 2023

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, 2023. 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, 2023, 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, 2023, 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.

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-member 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 \$108,676,593 based on net assessed valuations of \$3,622,553,088 as December 31, 2021. As of June 30, 2023, the Town has \$6,643,000 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 \$7,215,401 in direct State aid for the fiscal year ended June 30, 2023. The Town budgeted \$8,742,214 in direct State aid for the fiscal year ending June 30, 2024.

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, 2023, the Town received \$2,003,330 in such construction aid and the Town budgeted \$1,561,250 for the fiscal year ending June 30, 2024.

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, 2023 was \$43,435,526. The School Department budget for the fiscal year ending June 30, 2024 is \$43,200,372. The cost per student is \$17,986 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>
2014	2,396
2015	2,372
2016	2,390
2017	2,384
2018	2,395
2019	2,413
2020	2,382
2021	2,364
2022	2,392
2023	2,415

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.

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:

	<u>Accounts</u>	<u>Units</u>
Residential	4,993	5,755
Commercial	370	2,675
Industrial	22	78
Total	<u>5,385</u>	<u>8,508</u>

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, 2023 residential users were charged a flat rate of \$355 per unit for the year.

On June 30, 2023, the Town concluded a ten (10) year contract with Veolia Water North to operate the Town’s wastewater treatment facility and is presently in the process of finalizing a new contract with Veolia for the next ten (10) years.

SANITATION

Weekly rubbish and garbage collection is provided by the Town through the use of private contractors. For the fiscal year ended June 30, 2023, the Public Works Department expended \$1,264,419 for these services. For the fiscal year ending June 30, 2024 the approved budget is \$1,307,143.

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, 2023 totaled \$3,367,270 (including \$303,250 of capital outlays, net of sanitation collection) and budgeted \$4,589,461 (including \$354,750 of capital outlays, net of sanitation collection) for the fiscal year ending June 30, 2024.

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 45 full-time police officers. In addition, there are 11 civilian full-time and 8 civilian part-time employees of support personnel including dispatchers. The Police Department expended \$10,105,965 (including \$142,497 of capital outlays) for the fiscal year ended June 30, 2023 and budgeted \$9,754,686 (including \$198,499 of capital outlays) for the fiscal year ending June 30, 2024.

The Fire Department has 3 fire stations staffed by 71 full-time fire fighters and support personnel of 5 full-time employees. The Fire Department expended \$11,315,768 (including \$90,000 of capital outlays) for the fiscal year ended June 30, 2023 and budgeted \$11,931,241 (including \$541,000 of capital outlays) for the fiscal year ending June 30, 2024.

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, 2023 the combined allocation from the Town was \$1,501,002 and budgeted \$1,552,709 for the fiscal year ending June 30, 2024.

EMPLOYEE RELATIONS

The Town of Smithfield currently employs 193 full-time employees exclusive of those employed by the School Department. The School Department employs 229.4 certified employees and 94.7 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, 2026
Fire Department	3 year contract expires June 30, 2026
Police Civilian Employees	3 year contract expires June 30, 2024
Public Works Employees	3 year contract expires June 30, 2024
Town Hall Employees	3 year contract expires June 30, 2024
Teachers	3 year contract expires August 31, 2024
Custodians	3 year contract expires June 30, 2025
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, 2023 is as follows:

	AMOUNT	RATIO OF NET BONDED DEBT TO NET ASSESSED VALUE	DEBT PER CAPITA
Net Bonded Debt	\$47,720,000	1.32%	\$2,170.37

The Town's bond ratings as of June 30, 2023 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 2023 budget includes an appropriation of \$2,414,622 for the following projects: various town building improvements, equipment replacement, plow truck replacements, police vehicles, and school department capital. The Town uses a combination of capital reserve funds, police and fire capital funds, and tax dollars to fund these capital improvements.

LONG-TERM FINANCIAL PLANNING (continued)

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.

TAX TREATY AGREEMENTS

The Town of Smithfield places a high priority on economic development in order to solicit and secure new businesses as well as give continual support to the Town's present business community, improving the Town's tax base and the employment opportunities for Smithfield residents. The Town has successfully implemented multiple tax treaty agreements with local businesses to help commercial grow and reduce the tax burden on both local businesses and residents. Additional information can be found on page 62 under Note 5. Tax Treaty Agreements.

AWARDS AND ACKNOWLEDGEMENTS

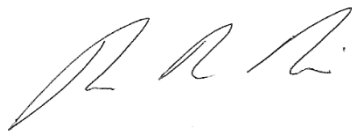
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Smithfield for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. This was the fifteenth consecutive 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 Annual Comprehensive 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 Annual Comprehensive 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.

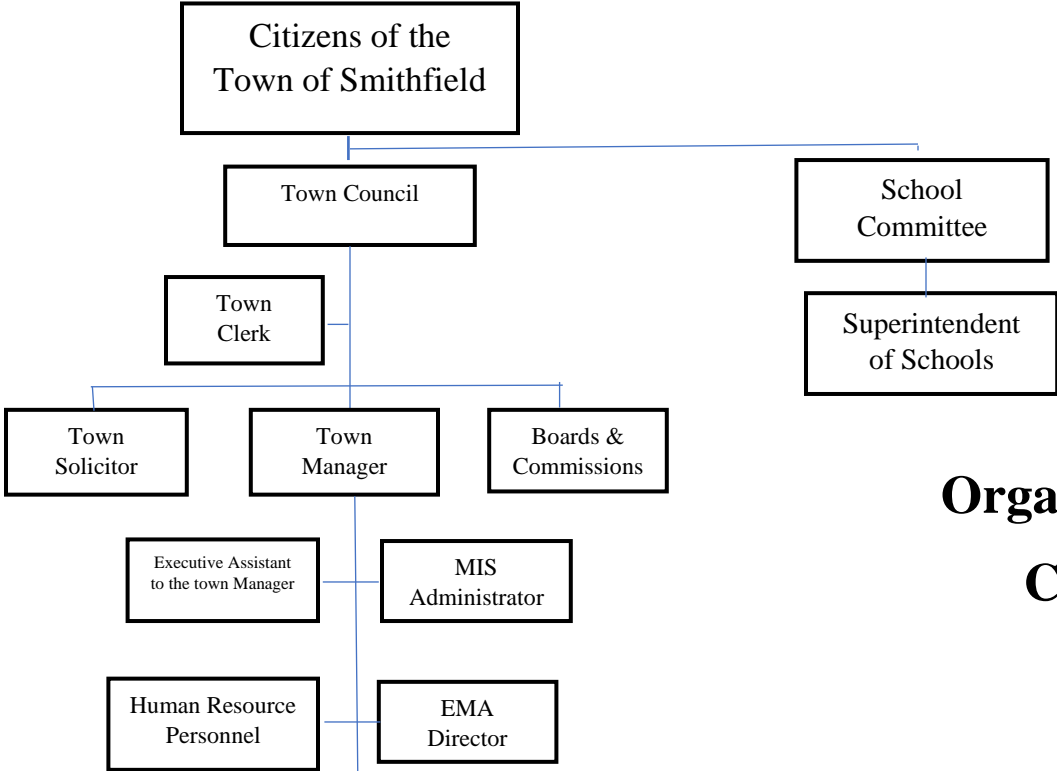
Respectfully Submitted,



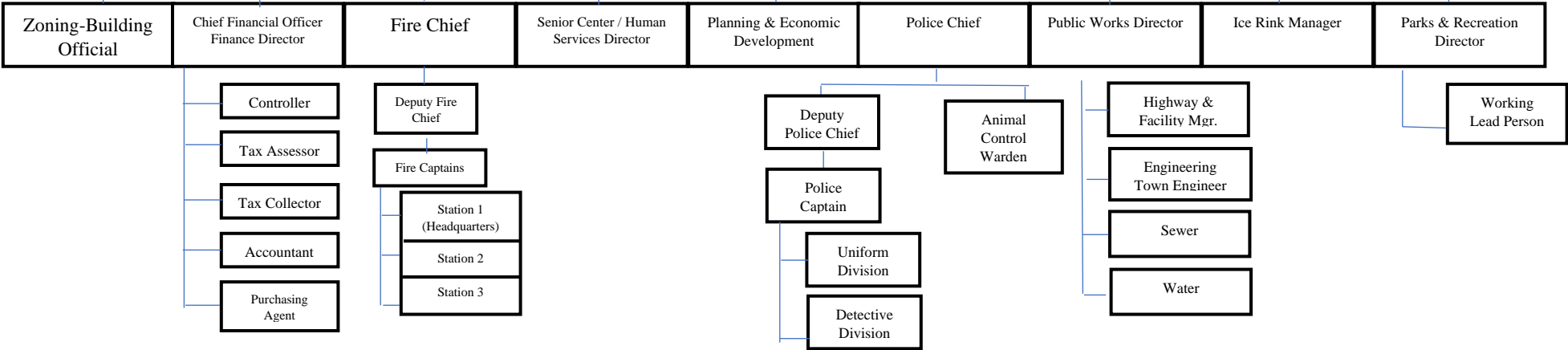
Randy R. Rossi

Town Manager

TOWN OF SMITHFIELD



Organization Chart



TOWN OF SMITHFIELD, RHODE ISLAND

JUNE 30, 2023

TOWN COUNCIL

T. Michael Lawton, President

Michael P. Iannotti, Vice-President

Sean M. Kilduff

John J. Tassoni, Jr.

Rachel S. Toppi

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

Caitlyn Choiniere

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

Scarlett Carreiro

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, 2022

Christopher P. Morill

Executive Director/CEO

TOWN OF SMITHFIELD

Financial Section

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

This page was intentionally left blank

CERTIFIED PUBLIC ACCOUNTANTS

126 President Avenue

Fall River, MA 02720

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, 2023, 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, 2023, 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.

Emphasis of the Matter

As discussed in the Notes to the financial statements, during fiscal year 2023 the Town adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 96 “Subscription-Based Information Technology Arrangements (SBITA). Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town'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.

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, the Tax Collector's Report and the Annual Supplemental Transparency Report (MTP2) 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, the Tax Collector's Report and the Annual Supplemental Transparency Report (MTP2) are fairly presented, 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 27, 2023, 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.

Hague, Sahady & Co., CPAs, P.C.

Fall River, Massachusetts
December 27, 2023

Town of Smithfield, Rhode Island

Management's Discussion and Analysis

For the Year Ended June 30, 2023

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, 2023. 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, 2023 by (\$17,556,705) (net position). The increase in net position from June 30, 2022 is primarily the result of the issuance of the School Project general obligation bonds in the amount of \$41,821,042.
- ❖ The government's total net position increased by \$6,509,846. The increase is primarily attributable to the changes in pension and OPEB liability, expenditures in the Efficient Buildings Fund, and the issuance of a \$6,618,000 RIIB loan in the governmental activities and \$3,000,000 RIIB Bond in the business-type activities.
- ❖ As of the close of the fiscal year, the Town of Smithfield's governmental funds reported combined ending fund balances of \$23,620,178. The unassigned balance is \$2,876,768, which has been impacted by the Lease Fund.
- ❖ The remaining fund balance of \$20,743,410 includes \$1,098,665 in non-spendable funds, \$997,669 in restricted funds, and \$18,647,076 in committed funds.
- ❖ At the end of the current fiscal year, the General Funds unassigned fund balance was \$6,929,909, or 9.31% of the total general fund expenditures for the fiscal year. The general fund's current fiscal year's revenues and transfers exceeded expenditures and transfers by \$4,474.
- ❖ On the budgetary basis, revenues and transfers exceeded expenditures and transfers by \$46,782.
- ❖ The business-type activities is made up of the Sewer Authority, Water Supply Board, Smithfield Ice Rink and School Lunch Program. The Total Net Position for the business-type activities totaled \$21,021,107, which was a \$383,409 decrease from the prior year.

Town of Smithfield, Rhode Island

Management's Discussion and Analysis

For the Year Ended June 30, 2023

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, 2023

Governmental Funds - Governmental funds 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 and 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 120.

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 121 through 155.

Town of Smithfield, Rhode Island

Management's Discussion and Analysis

For the Year Ended June 30, 2023

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 156 through 193.

Government-wide Financial Analysis

As noted earlier, over time the 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, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$17,556,705 as of June 30, 2023, an overall increase of \$6,509,846.

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	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 40,620,395	\$ 40,891,823	\$ 9,066,979	\$ 9,127,417	\$ 49,687,374	\$ 50,019,240
Capital assets, net of acc. depreciation	101,233,697	94,810,996	19,926,436	20,527,547	121,160,133	115,338,543
Total Assets	141,854,092	135,702,819	28,993,415	29,654,964	170,847,507	165,357,783
Deferred outflows of resources	20,658,574	23,310,123	-	-	20,658,574	23,310,123
Current liabilities	10,891,441	10,140,800	1,079,726	3,919,214	11,971,167	14,060,014
Long-term liabilities Outstanding	158,042,353	146,425,035	6,803,567	4,259,266	164,845,920	150,684,301
Total Liabilities	168,933,794	156,565,835	7,883,293	8,178,480	176,817,087	164,744,315
Deferred inflows of resources	32,156,684	47,918,175	89,015	101,899	32,245,699	48,020,074
Net Position						
Net Investment in Capital Assets	40,697,172	37,425,679	12,638,752	14,545,661	53,335,924	51,971,340
Restricted	8,245,417	1,734,861	-	-	8,245,417	1,734,861
Unrestricted	(87,520,401)	(84,631,608)	8,382,355	6,858,855	(79,138,046)	(77,772,753)
Total Net Position	\$ (38,577,812)	\$ (45,471,068)	\$ 21,021,107	\$ 21,404,516	\$ (17,556,705)	\$ (24,066,552)

By far the largest portion of the Town's net position \$53,335,924 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 must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Town of Smithfield, Rhode Island

Management's Discussion and Analysis

For the Year Ended June 30, 2023

The unrestricted net position of (\$79,138,046), represents an increase of 2.12% 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 bonds.

The Town's net position increased by \$6,509,846 during the current fiscal year. The increase in net position for fiscal 2023 was comprised of an increase in governmental activities of \$6,893,255 and a decrease in business-type activities totaling \$383,409.

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 \$40,620,395 June 30, 2023. This category consisted primarily of "Cash and cash equivalents" of \$17,723,308, "Accounts receivable-personal property taxes" of \$1,629,325, and "Accounts receivable-departmental-other" of \$2,852,029 and "Internal balances" of (\$2,287,817), "Net pension assets" of \$7,247,748, "Investments" of \$7,929,727, "Due from federal and state governments" of \$658,548, and "Prepaid items" of \$968,103.

"Deferred Outflow of Resources" was \$20,658,574 at June 30, 2023 and was comprised of \$12,006,841 of "Deferred outflows related to pension plan obligations," and \$8,651,733 of "Deferred outflows related to OPEB plan obligations."

Current liabilities of \$10,891,441 consisted primarily of \$4,501,038 of "Accounts payable and accrued expenses" and \$2,337,419 of "Current portion of compensated absences" and \$3,209,352 of "Current portion of bonds and other debt obligations".

Town of Smithfield, Rhode Island

Management's Discussion and Analysis

For the Year Ended June 30, 2023

The long-term liabilities outstanding at fiscal year-end were \$158,042,353, composed primarily of \$57,591,221 in Net Pension Liability, \$39,358,173 in post-retirement benefit obligations, \$57,271,101 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 \$3,813,685 in compensated absences.

“Deferred Inflow of Resources” of \$32,156,684 related to the pension plan, OPEB plan, deferred revenue, and leases.

Total net position at June 30, 2023 was (\$38,577,812) and was comprised of unrestricted of (\$87,520,401), “Net Investments in Capital Assets” of \$40,697,172 and restricted of \$8,245,417.

Business-Type Activities – Statements of Net Position

For business-type activities, such as the Sewer Enterprise Fund, “Current and other assets” of \$9,066,979 consisted primarily of \$4,587,421 in “Cash and cash equivalents” which was available to support the current operations of the Enterprise Funds, “Restricted cash” of \$546,115, “Accounts receivable” of \$538,703, “Internal balances” of \$2,287,817, and “Cash on deposit with funding agency” of \$881,130.

Current liabilities of \$1,182,932 consisted primarily of \$562,502 of “Accounts payable and accrued expenses”, \$60,718 of “Unearned revenue, assessments, and fees”, \$27,056 of “Current portion of compensated absences” and \$532,656 of “Current portion of bonds and other debt obligations”.

Long-term liabilities of \$6,700,361 were comprised primarily of \$6,654,294 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, and \$46,067 in compensated absences.

The total net position for the Business-type Activities as of June 30, 2023 was \$21,021,107. Net investment in capital assets was the major component of net position for business-type activities and amounted to \$12,638,752 and \$8,382,355 was designated “Unrestricted”.

Changes in Net Position

Governmental Activities - Net position for governmental activities increased by \$6,893,255 in the current fiscal year, to (\$38,577,813).

Charges for services increased by \$166,453, (2.20%) primarily due to the change in Public Works revenue. Property taxes decreased by \$(2,070,150), (3.44%) during the fiscal year which was due to the motor vehicle levy being removed in FY22 due to the State Phase Out program. Operating grants and contributions increased by \$3,588,395, 30.77% primarily due to an increase in State Aid. Capital grants and contributions recognized an increase of \$1,094,391 because of an increase in the General Government activity.

Town of Smithfield, Rhode Island

Management's Discussion and Analysis

For the Year Ended June 30, 2023

Changes in Fund Balance

The net change in fund balance for fiscal year end June 30, 2023, was an increase of \$1,746,179 for the Town's governmental fund types. This increase is due to State Education Aid and Housing Aid.

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 25.

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

Town of Smithfield, Rhode Island Changes in Net Position

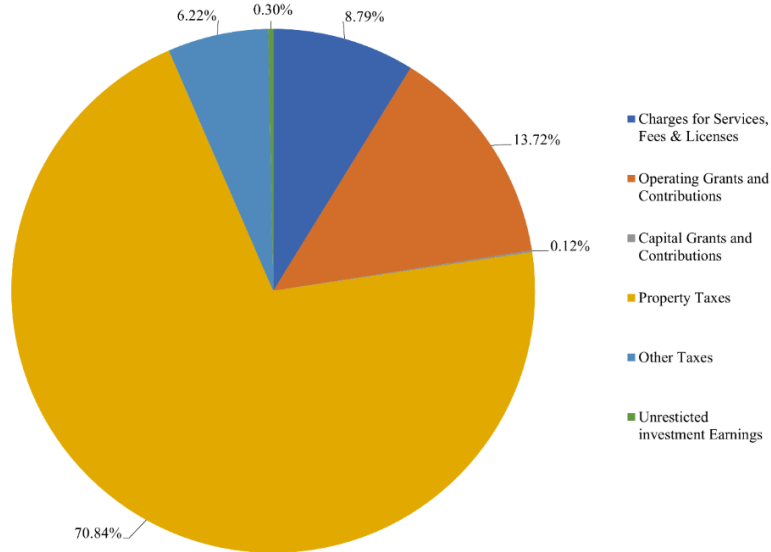
	Governmental Activities			Business-Type Activities		
	2023	2022	Change	2023	2022	Change
Revenues						
Program revenues						
Charges for services	\$ 7,640,806	\$ 7,474,353	\$ 166,453	\$ 6,474,973	\$ 7,272,665	\$ (797,692)
Operating grants & contributions	15,249,852	11,661,457	3,588,395	483,177	32,883	450,294
Capital grants and contributions	1,198,745	104,354	1,094,391	-	-	-
General revenues						
Property taxes	58,132,647	60,202,797	(2,070,150)	-	-	-
Unrestricted investment earnings	754,993	258,360	496,633	37,231	3,564	33,667
Miscellaneous	9,260,359	5,287,843	3,972,516	-	-	-
Total Revenues	<u>92,237,403</u>	<u>84,989,164</u>	<u>7,248,239</u>	<u>6,995,381</u>	<u>7,309,112</u>	<u>(313,731)</u>
Expenses						
General government	6,030,264	6,457,657	(427,393)	-	-	-
Public safety	23,270,415	22,935,544	334,871	-	-	-
Public works	5,347,045	4,638,429	708,616	-	-	-
Education	45,531,720	81,996,109	(36,464,389)	-	-	-
Recreation and senior activities	2,284,534	1,527,187	757,347	-	-	-
Public health & assistance	-	-	-	-	-	-
Community development	-	-	-	-	-	-
Public libraries	1,516,642	1,471,571	45,071	-	-	-
Interest on long-term debt	1,818,004	1,492,949	325,055	-	-	-
Sewer Authority	-	-	-	3,550,251	3,390,562	159,689
Water Supply Board	-	-	-	1,545,854	1,535,488	10,366
Smithfield Ice Rink	-	-	-	803,696	729,444	74,252
School Lunch Program	-	-	-	1,024,514	996,893	27,621
Total Expenses	<u>85,798,624</u>	<u>120,519,445</u>	<u>(34,720,821)</u>	<u>6,924,315</u>	<u>6,652,387</u>	<u>271,928</u>
Increase (Decrease) in Net Position before transfers	6,438,779	(35,530,281)	41,969,060	71,066	656,725	(585,659)
Transfers	454,475	446,403	8,072	(454,475)	(446,403)	(8,072)
Incr. (Decr.) in Net Position	<u>6,893,255</u>	<u>(35,083,878)</u>	<u>41,977,133</u>	<u>(383,409)</u>	<u>210,322</u>	<u>(593,731)</u>
Net Position - beginning	<u>(45,471,068)</u>	<u>(10,387,191)</u>	<u>(35,083,877)</u>	<u>21,404,516</u>	<u>21,194,194</u>	<u>210,322</u>
Net Position - ending	<u>\$ (38,577,812)</u>	<u>\$ (45,471,068)</u>	<u>\$ 6,893,255</u>	<u>\$ 21,021,107</u>	<u>\$ 21,404,516</u>	<u>\$ (383,409)</u>

Town of Smithfield, Rhode Island

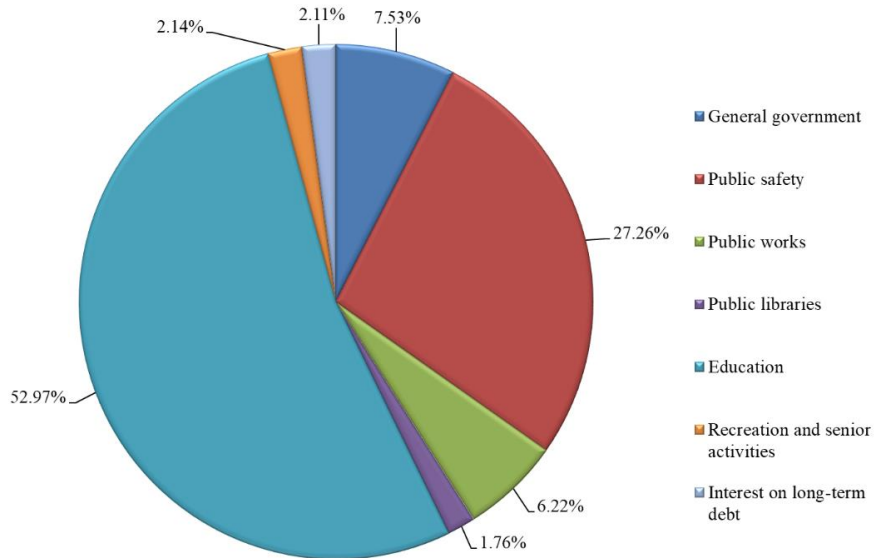
Management's Discussion and Analysis

For the Year Ended June 30, 2023

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, 2023

Education expenses account for approximately 52.97% of total expenses within the governmental funds of the Town of Smithfield. Public safety and General government expenses account for approximately 27.26% and 7.53%, respectively of total expenditures for the 2023 fiscal year. Major expense factors include:

- Governmental activities expenses decreased by (\$34,720,821) from \$120,519,445 to \$85,798,624. This decrease was due to the elimination of the payment of bond anticipation notes.
- Public Safety saw an increase in expenditures of \$334,871 from \$22,935,544 to \$23,270,415 for the current fiscal year, an increase of 1.46%.
- Interest on long term debt increased by \$325,055 due to an increase in bond interest payments.

Business-type Activities – Net position in business-type activities decreased by \$383,409 resulting in a .98% decrease in the business-type net position.

Charges for services for business-type activities accounted for 92.5% of the total revenue sources. The balance of revenues for business-type activities was from operating grants and contributions and unrestricted investment earnings of 7.5%.

Sewer authority expenses account for approximately 51% 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 22%, 12%, and 15%, respectively, of the total business-type activities expenditures for the 2023 fiscal year.

Charges for service for business-type activities decreased by \$797,692 from \$7,272,665 to \$6,474,973. The Sewer Authority fund had an increase in charges for services of \$89,216. Charges for services in the Water Supply Board increased by \$1,762 while the Ice Rink recognized an increase of \$36,266. The school lunch programs had a decrease in food sales from the prior year of \$893,172, due to the expiration of free federal school lunch.

Unrestricted investment earnings increased from \$3,564 to \$37,231 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.

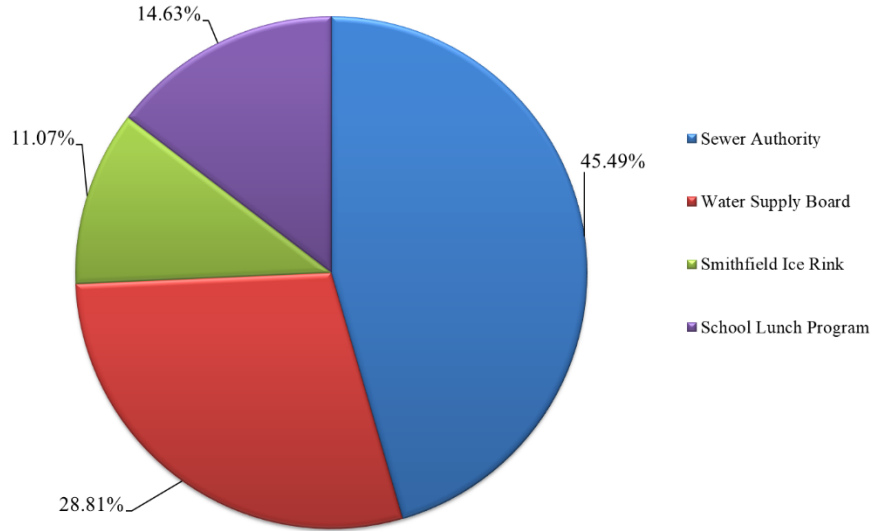
Expenses in the Sewer Authority fund increased by \$159,689 during the fiscal year. The Water Supply expenses increased by \$10,366 and the Ice Rink fund increased by \$74,252 during the fiscal year. The School Lunch Program fund recognized an increase in expenditures of \$27,621 in fiscal year 2023.

Town of Smithfield, Rhode Island

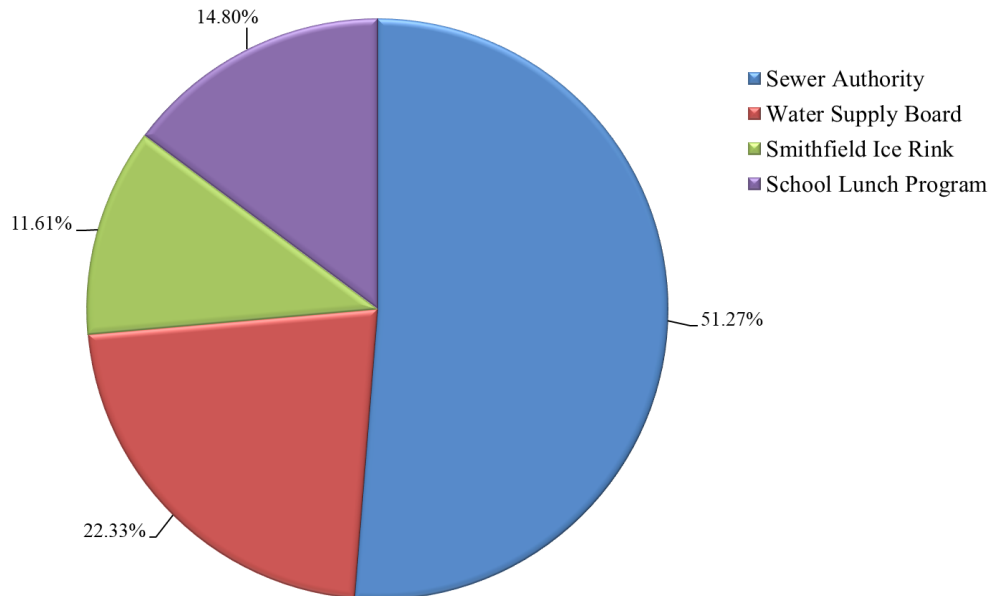
Management's Discussion and Analysis

For the Year Ended June 30, 2023

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, 2023

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 \$23,620,178. The unassigned fund balances represent an amount equal to \$2,876,768, 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 increased by \$4,474 due to increased revenue of intergovernmental funds, investment income and a reduction of debt service following the adoption of the budget. The fund balance in the School Unrestricted Fund decreased by (\$1,958,494) due to transfer to other financing sources which is to help fund a portion of the Boyle Athletic Complex capital project.

For a more detailed review of changes in fund balances, see the statement of revenues, expenditures and changes in fund balances on Page 24.

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 \$2,551,343, a decrease of (\$640,041). Unrestricted net position in the Water Supply increased by \$490,786 for a total of \$4,415,720. The Ice Rink finished the year with an unrestricted net position of \$702,311, which was an increase in value of \$139,372. The School Lunch Program recognized a decrease in unrestricted net position by \$6,608 to \$712,981.

General Fund Budgetary Highlights

For the year ended June 30, 2023, the General Fund revenues and transfers were under budget projections by (\$1,295,009), or (1.51%). General Fund expenditures were under budget by \$1,341,790, or 1.56%. This resulted in a \$46,782 budgetary surplus in the General Fund for the year ended June 30, 2023. This budgetary surplus with the result of additional intergovernmental revenues for State Hotel and Meal taxes, an increase in interest income, and underspending within the Public Works Department due to a mild winter and switching the Town's Street Lights to LED lighting. See details on Pages 121 through 125.

Revenues:

Property taxes – were under budget by (\$2,965,362) due to the State phasing out of the motor vehicle tax. This was offset by State Revenues for the Motor Vehicle Phase-out Program which is recognized in Intergovernmental revenues.

Intergovernmental revenues - were over budget by \$2,979,660 due to increases in the Motor Vehicle Phase-out Program, State Education Aid, and State Housing Aid after the budget was adopted.

Town of Smithfield, Rhode Island

Management's Discussion and Analysis

For the Year Ended June 30, 2023

License, fees and permits - were over budget by \$218,911 due to an unanticipated increase in the quantity of building permits issued throughout the year.

Interest Income revenues – were over budget by \$314,518 due to aggressive investments and the increase in the interest rate.

Other financing sources - were under budget by (\$1,673,988) due to the availability of alternative revenue sources.

Expenditures:

Public Safety - was over budget by (\$1,207,480) due to overtime costs for covering long-term vacancies and cash-ins of accrued time, in the fire department.

Public Works – was under budget by \$353,307 due to savings from the street light program, rollover of paving funds, and vacancies in the department.

Debt Service - was under budget by \$226,851 due to not issuing authorized debt for a new fire station.

Municipal Capital Improvements –expenditures were under budget by \$1,357,514 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, 2023 amounts to \$121,148,414 (net of accumulated depreciation). The investment in capital assets includes land, buildings, improvements, machinery and equipment, park facilities, infrastructure, and construction in progress.

	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Land	\$ 15,445,390	\$ 15,526,390	\$ 270,686	\$ 270,686	\$ 15,716,076	\$ 15,797,076
Construction in progress	7,207,064	48,519,747	2,602,113	2,848,178	9,809,177	51,367,925
Land improvements	-	-	1,140	1,315	1,140	1,315
Buildings & improvements	64,526,891	20,577,698	5,890,665	6,383,533	70,417,556	26,961,231
Equipment	1,372,270	1,392,926	4,249,863	4,336,503	5,622,133	5,729,429
Vehicles	2,768,090	1,191,227	107,655	43,033	2,875,745	1,234,260
Infrastructure	9,857,920	7,497,493	6,792,595	6,644,299	16,650,515	14,141,792
Leased Equipment	56,072	105,515	-	-	56,072	105,515
Total	<u>\$ 101,233,697</u>	<u>\$ 94,810,996</u>	<u>\$ 19,914,717</u>	<u>\$ 20,527,547</u>	<u>\$ 121,148,414</u>	<u>\$ 115,338,543</u>

Additional information on the Town of Smithfield's capital assets is located in "Note 6" of the notes to the financial statements on pages 63 and 64.

Town of Smithfield, Rhode Island

Management's Discussion and Analysis

For the Year Ended June 30, 2023

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 \$60,480,453 which includes premium on bond issuances of \$6,167,453. 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 Bonds and Note Obligations

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Bonds and loans payable, including premium	\$ 60,480,453	\$ 57,016,805	\$ 7,186,950	\$ 4,678,400	\$ 67,667,403	\$ 61,695,205
Total	\$ 60,480,453	\$ 57,016,805	\$ 7,186,950	\$ 4,678,400	\$ 67,667,403	\$ 61,695,205

Note 8, Pages 65 through 69 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 November of 2021 is Aa2 and AA-Stable by S&P in November 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 \$108,676,593 at year-end, based upon a net assessed value of \$3,622,553,088. The Town's outstanding governmental activities general obligation debt is \$60,480,453 and business-type activity general obligation debt of \$25,000 at year-end, of which only \$6,643,000 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, Bryant University, and Town of Smithfield.

HOUSING

At the end of June 2023, the median sale price for single family homes in Smithfield was \$420,000 and the median price of all sales was \$440,000.

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.

Town of Smithfield, Rhode Island

Management's Discussion and Analysis

For the Year Ended June 30, 2023

Population in the Town from 1950 to 2020 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

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 71.68% of the tax base, commercial and industrial account for 22.18%, while tangible taxes account for 6.25% of the tax base.

The Town of Smithfield's total general fund budget for the fiscal year 2024 amounts to \$86,623,982 which reflects an increase of \$3,637,827 or 4.38% above the fiscal year 2023 budget of \$82,986,155. Of the Town's 2024 budget, \$43,200,372 or 49.87% is budgeted for education expenditures.

The State of Rhode Island is budgeted to contribute \$8,742,214 to the Town's education department based on State Aid in fiscal 2024.

The Town's residential tax rate for fiscal year 2024 is \$13.72 per \$1,000 of assessed value and commercial tax rate of \$19.20 per \$1,000 of assessed value with 44.08% allocated for general government and 55.92% allocated for education. For fiscal year 2023 the Town's residential tax rate 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.

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

This page was intentionally left blank

TOWN OF SMITHFIELD, RHODE ISLAND

Basic Financial Statements

This page was intentionally left blank

Town of Smithfield, Rhode Island

Statement of Net Position

June 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 17,723,308	\$ 4,587,421	\$ 22,310,729
Cash on deposit with funding agency	3,683,335	881,130	4,564,465
Restricted cash	-	546,115	546,115
Investments	7,929,727	-	7,929,727
Accounts receivable	-	538,703	538,703
Personal property taxes	1,629,325	-	1,629,325
Departmental and other	2,852,029	-	2,852,029
Lease receivable	27,952	-	27,952
Internal balances	(2,287,817)	2,287,817	-
Intergovernmental receivables	658,548	147,473	806,021
Inventory	-	78,320	78,320
Prepaid items	968,103	-	968,103
Total Current Assets	33,184,510	9,066,979	42,251,489
Noncurrent Assets:			
Net pension asset (TSB and MERS)	7,247,748	-	7,247,748
Assessment fees	-	11,719	11,719
Lease receivable	188,137	-	188,137
Capital assets not being depreciated	22,652,454	2,872,799	25,525,253
Capital assets, net of accumulated depreciation	78,581,243	17,041,918	95,623,161
Total Noncurrent Assets	108,669,582	19,926,436	128,596,018
Total Assets	141,854,092	28,993,415	170,847,507
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to OPEB plan obligations	8,651,733	-	8,651,733
Deferred outflows related to pension plan obligations	12,006,841	-	12,006,841
Total deferred outflows of resources	20,658,574	-	20,658,574
Total assets and deferred outflows of resources	\$ 162,512,666	\$ 28,993,415	\$ 191,506,081

The accompanying notes are an integral part of this statement

(continued)

Town of Smithfield, Rhode Island

Statement of Net Position

June 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Current Liabilities:			
Accounts payable and accrued expenses	\$ 4,501,038	\$ 562,502	\$ 5,063,540
Unearned revenue, assessments and fees	-	60,718	60,718
Accrued interest	332,897	-	332,897
Payable to external parties	462,836	-	462,836
Current portion of lease, right to use	47,899	-	47,899
Current portion of compensated absences	2,337,419	27,056	2,364,475
Current portion of bonds and other debt obligations	3,209,352	532,656	3,742,008
Total Current Liabilities	\$ 10,891,441	\$ 1,182,932	\$ 12,074,373
Noncurrent Liabilities:			
Compensated absences	3,813,685	46,067	3,859,752
Lease, right to use	8,173	-	8,173
Net OPEB liability	39,358,173	-	39,358,173
Net pension liability	57,591,221	-	57,591,221
General obligation bonds and other debt, net	57,271,101	6,654,294	63,925,395
Total Noncurrent Liabilities	158,042,353	6,700,361	164,742,714
Total liabilities	168,933,794	7,883,293	176,817,087
DEFERRED INFLOWS OF RESOURCES			
Deferred gain on refunding	-	89,015	89,015
Deferred inflows from leases	216,089	-	216,089
Deferred revenue America Rescue Plan Act	3,759,992	-	3,759,992
Deferred inflows related to pension plan obligations	10,729,622	-	10,729,622
Deferred inflows related to OPEB plan obligations	17,450,981	-	17,450,981
Total deferred inflows of resources	32,156,684	89,015	32,245,699
NET POSITION			
Net investment in capital assets	40,697,172	12,638,752	53,335,924
Restricted		-	
General Government	177,532	-	177,532
Expendable endowments	63,715	-	63,715
Public safety programs	7,698	-	7,698
Educational purposes	328,744	-	328,744
Public works	235,000	-	235,000
Recreation and senior activities	184,980	-	184,980
Pension asset (TSB and MERS)	7,247,748	-	7,247,748
Unrestricted	(87,520,401)	8,382,355	(79,138,046)
Total net position	(38,577,812)	21,021,107	(17,556,705)
Total liabilities, deferred inflows or resources and net position	\$ 162,512,666	\$ 28,993,415	\$ 191,506,081

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, 2023

<u>Functions/Programs:</u>	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	\$ 6,030,264	\$ 3,749,824	\$ 3,131,957	\$ 1,066,897	\$ 1,918,414	\$ -	\$ 1,918,414
Public safety	23,270,415	1,861,471	6,933	-	(21,402,011)	-	(21,402,011)
Public works	5,347,045	692,814	-	131,848	(4,522,383)	-	(4,522,383)
Public libraries	1,516,642	-	-	-	(1,516,642)	-	(1,516,642)
Education	45,531,720	931,503	12,110,962	-	(32,489,255)	-	(32,489,255)
Recreation and senior activities	2,284,534	405,194	-	-	(1,879,340)	-	(1,879,340)
Interest on long-term debt	1,818,004	-	-	-	(1,818,004)	-	(1,818,004)
Total governmental activities	85,798,624	7,640,806	15,249,852	1,198,745	(61,709,221)	-	(61,709,221)
Business-Type Activities							
Sewer Authority	3,550,251	3,165,376	-	-	-	(384,875)	(384,875)
Water Supply Board	1,545,854	2,004,387	-	-	-	458,533	458,533
Smithfield Ice Rink	803,696	770,481	-	-	-	(33,215)	(33,215)
School Lunch Program	1,024,514	534,729	483,177	-	-	(6,608)	(6,608)
Total business-type activities	6,924,315	6,474,973	483,177	-	-	33,835	33,835
Total	\$ 92,722,939	\$ 14,115,779	\$ 15,733,029	\$ 1,198,745	\$ (61,709,221)	\$ 33,835	\$ (61,675,386)

The accompanying notes are an integral part of this statement

Town of Smithfield, Rhode Island

Statement of Activities

For the Year Ended June 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Town of Smithfield, Rhode Island	\$ (61,709,221)	\$ 33,835	\$ (61,675,386)
General revenues			
Property taxes	58,132,647	-	58,132,647
Motor vehicle phase-out taxes	7,098,694	-	7,098,694
Telephone taxes and general state aid	269,260	-	269,260
Hotel, meals, and beverage tax	1,322,762	-	1,322,762
Miscellaneous and other	569,644	-	569,644
Unrestricted investment earnings	754,993	37,231	792,224
Total general revenues	68,147,999	37,231	68,185,230
Special Items and transfers			
Transfers in (out)	454,475	(454,475)	-
Total Special Items and transfers	454,475	(454,475)	-
Total general revenues and transfers	68,602,474	(417,244)	68,185,230
Changes in net position	6,893,255	(383,409)	6,509,846
Net position - July 1, 2022	(45,471,068)	21,404,516	(24,066,552)
Net position - June 30, 2023	\$ (38,577,812)	\$ 21,021,107	\$ (17,556,705)

The accompanying notes are an integral part of this statement

Town of Smithfield, Rhode Island

Governmental Funds

Balance Sheet

June 30, 2023

	Major Funds			Non-Major	Total
	General Fund	School Unrestricted Fund	American Rescue Plan Act (ARPA)	Governmental Funds	Governmental Funds
Assets					
Cash and cash equivalents	\$ 12,545,183	\$ 459,913	\$ -	\$ 4,718,212	\$ 17,723,308
Cash on deposit with funding agency	-	-	-	3,683,335	3,683,335
Investments	7,929,727	-	-	-	7,929,727
Taxes receivable, net	1,629,325	-	-	-	1,629,325
Other receivable, net	1,073,993	131,022	-	1,647,014	2,852,029
Intergovernmental receivables	-	54,193	-	604,355	658,548
Prepaid items	758,778	-	-	209,325	968,103
Due from other funds	10,822,491	2,250,812	3,773,740	6,315,374	23,162,417
Leases receivable	216,089	-	-	-	216,089
Total assets	34,975,586	2,895,940	3,773,740	17,177,615	58,822,881
Deferred outflows of resources					
None	-	-	-	-	-
Total assets and deferred outflows of resources	\$ 34,975,586	\$ 2,895,940	\$ 3,773,740	\$ 17,177,615	\$ 58,822,881
Liabilities					
Accounts payable	\$ 3,112,659	\$ 231,740	\$ 13,748	\$ 232,039	\$ 3,590,186
Accrued liabilities	5,600	876,242	-	29,010	910,852
Due to other funds	16,934,299	-	-	8,515,935	25,450,234
Interfund payable	462,836	-	-	-	462,836
Total liabilities	20,515,394	1,107,982	13,748	8,776,984	30,414,108
Deferred inflows of resources					
Unavailable tax revenue	475,229	-	-	-	475,229
Leases	216,089	-	-	-	216,089
Deferred revenue - other	10,000	-	3,759,992	327,285	4,097,277
Total deferred inflows of resources	701,318	-	3,759,992	327,285	4,788,595
Fund balance					
Nonspendable	889,340	-	-	209,325	1,098,665
Restricted	-	-	-	997,669	997,669
Committed	5,939,625	1,787,958	-	10,919,493	18,647,076
Unassigned	6,929,909	-	-	(4,053,141)	2,876,768
Total fund balance	13,758,874	1,787,958	-	8,073,346	23,620,178
Total liabilities, deferred inflows of resources, and fund balance	\$ 34,975,586	\$ 2,895,940	\$ 3,773,740	\$ 17,177,615	\$ 58,822,881

The accompanying notes are an integral part of this statement

Town of Smithfield, Rhode Island

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

June 30, 2023

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

Total governmental fund balances	\$ 23,620,178
Assets used in governmental activities are not financial resources and, therefore, are not reported in the Governmental Fund Balance Sheet	
Capital assets, net	101,233,697
Net Pension Asset, TSB and MERS	7,247,748
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	12,006,841
OPEB related outflows	8,651,733
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	(10,729,622)
OPEB related inflows	(17,450,981)
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	(57,591,221)
OPEB related liabilities	(39,358,173)
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	(54,313,000)
Compensated Absences	(6,151,104)
Lease payable	(56,072)
Unavailable tax revenue (net of an allowance for uncollectibles) are recorded in the funds, but are not recorded under the measurement focus employed in the Statement of Net Position.	485,229
Unavailable revenue (net of an allowance for uncollectibles) are recorded in the funds, but are not recorded under the measurement focus employed in the Statement of Net Position.	327,285
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.	(332,897)
Net premium on refunding has been recorded as long-term debt on the Statement of Net Position	<u>(6,167,453)</u>
Net position of governmental activities	<u>\$ (38,577,812)</u>

The accompanying notes are an integral part of this statement

Town of Smithfield, Rhode Island

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

For the Year Ended June 30, 2023

	Major Fund			Non-Major	Total
	General Fund	School Unrestricted Fund	American Rescue Plan Act (ARPA)	Governmental Funds	Governmental Funds
Revenues					
General property taxes	\$ 58,132,647	\$ -	\$ -	\$ -	\$ 58,132,647
Intergovernmental	12,296,070	7,317,401	2,637,482	3,009,860	25,260,813
Licenses, fees, fines, charges and assessments	1,133,911	376,662	-	2,266,552	3,777,125
Investment income (loss)	639,518	-	-	30,237	669,755
Contributions	-	42,983	-	48,667	91,650
State on behalf pension & transportation contributions	-	2,374,074	-	-	2,374,074
Other miscellaneous including Medicaid	106,257	208,890	-	981,485	1,296,632
Total revenues	72,308,403	10,320,010	2,637,482	6,336,801	91,602,696
Expenditures					
Current					
General government	3,699,525	-	48,399	-	3,747,924
Public safety	21,367,163	-	22,417	942,560	22,332,140
Public works	4,328,439	-	43,206	-	4,371,645
Libraries	1,501,002	-	15,640	-	1,516,642
Education	607,179	43,435,526	-	2,796,657	46,839,362
Recreation and Senior Center activities	1,752,660	-	-	448,775	2,201,435
Benefits and other miscellaneous	1,896,982	-	-	34,386	1,931,368
Debt Service					
Principal	2,790,000	-	-	-	2,790,000
Interest and other costs	1,703,196	-	-	85,355	1,788,551
Capital					
Capital expenditures	1,057,108	-	2,507,820	5,844,997	9,409,925
Total expenditures	40,703,254	43,435,526	2,637,482	10,152,730	96,928,992
Excess (deficiency) of revenues over expenditures	31,605,149	(33,115,516)	-	(3,815,929)	(5,326,296)
Other financing sources (uses)					
Issuance of debt	-	-	-	6,618,000	6,618,000
Transfers in	2,167,347	33,157,022	-	2,611,000	37,935,369
Transfers out	(33,768,022)	(2,000,000)	-	(1,712,872)	(37,480,894)
Total other financing sources (uses)	(31,600,675)	31,157,022	-	7,516,128	7,072,475
Net change in fund balance	4,474	(1,958,494)	-	3,700,199	1,746,179
Fund balance, July 1, 2022	13,754,400	3,746,452	-	4,373,147	21,873,999
Fund balance, June 30, 2023	\$ 13,758,874	\$ 1,787,958	\$ -	\$ 8,073,346	\$ 23,620,178

The accompanying notes are an integral part of this statement

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, 2023

Net change in fund balances - total governmental funds	\$ 1,746,179
<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	9,409,925
Depreciation expense	(2,987,223)
	6,422,702
<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	(2,672,527)
Change in OPEB related inflows	2,336,069
Change in net OPEB liability	(367,100)
<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	61,425
Change in Pension related inflows	14,035,796
Change in net Pension liability (asset)	(11,281,850)
<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	(144,070)
Deferred- Other	327,285
<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>	
Issuance of debt	(6,618,000)
Debt principal payments	2,790,000
Bond premium amortized	364,352
Lease principal payments	49,443
<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>	
	(40,447)
<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>	
	(29,453)
<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>	
	(86,548)
Change in net position of governmental activities	\$ 6,893,255

The accompanying notes are an integral part of this statement

Town of Smithfield, Rhode Island

Statement of Net Position

Proprietary Funds

June 30, 2023

	Sewer Authority	Water Supply Board	Smithfield Ice Rink	School Lunch Program	Total
Assets					
Current assets					
Cash and cash equivalents	\$ 1,844,782	\$ 885,420	\$ 1,144,392	\$ 712,827	\$ 4,587,421
Restricted cash	546,115	-	-	-	546,115
Cash on deposit with funding agency	-	881,130	-	-	881,130
Water and sewer assessments and user fees - net	137,794	400,909	-	-	538,703
Other receivables, net	-	-	62,346	85,127	147,473
Due from other funds	310,416	2,413,516	-	-	2,723,932
Inventory	-	78,320	-	-	78,320
Total current assets	2,839,107	4,659,295	1,206,738	797,954	9,503,094
Non-current assets					
Sewer assessments fees	11,719	-	-	-	11,719
Capital assets not being depreciated	800,085	2,072,714	-	-	2,872,799
Capital assets, net of accumulated depreciation	14,143,339	1,775,397	1,104,970	18,212	17,041,918
Total noncurrent assets	14,955,143	3,848,111	1,104,970	18,212	19,926,436
Total assets	17,794,250	8,507,406	2,311,708	816,166	29,429,530
Deferred outflows of resources					
Deferred outflows	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-
Total assets and deferred outflows of resources	\$ 17,794,250	\$ 8,507,406	\$ 2,311,708	\$ 816,166	\$ 29,429,530
Liabilities					
Current liabilities					
Accounts payable and accrued expenses	\$ 272,437	\$ 227,279	\$ 3,129	\$ 59,657	\$ 562,502
Due to other funds	-	-	436,115	-	436,115
Unearned assessments and user fees	27,046	-	8,356	25,316	60,718
Current portion of compensated absences	-	6,030	21,026	-	27,056
Current portion of notes payable	393,656	139,000	-	-	532,656
Total current liabilities	693,139	372,309	468,626	84,973	1,619,047
Non-current liabilities:					
Notes payable	3,768,294	2,886,000	-	-	6,654,294
Compensated absences	-	10,266	35,801	-	46,067
Total noncurrent liabilities	3,768,294	2,896,266	35,801	-	6,700,361
Total liabilities	4,461,433	3,268,575	504,427	84,973	8,319,408
Deferred inflows of resources					
Deferred gain on refunding	89,015	-	-	-	89,015
Total deferred inflows of resources	89,015	-	-	-	89,015
Net position					
Net investment in capital assets	10,692,459	823,111	1,104,970	18,212	12,638,752
Unrestricted	2,551,343	4,415,720	702,311	712,981	8,382,355
Total net position	\$ 13,243,802	\$ 5,238,831	\$ 1,807,281	\$ 731,193	\$ 21,021,107

The accompanying notes are an integral part of this statement

Town of Smithfield, Rhode Island

Statement of Revenues, Expenses and Changes in Net Position

Proprietary Funds

For the Year Ended June 30, 2023

	Sewer Authority	Water Supply Board	Smithfield Ice Rink	School Lunch Program	Total
Operating revenues					
Charges for usage and service	\$ 3,123,381	\$ 1,970,334	\$ 764,386	\$ -	\$ 5,858,101
Food sales	-	-	-	534,729	534,729
Intergovernmental	-	-	-	483,177	483,177
Other revenues	41,995	34,053	6,095	-	82,143
Total operating revenues:	3,165,376	2,004,387	770,481	1,017,906	6,958,150
Operating expenses					
Salaries and benefits	1,500	381,571	356,246	2,913	742,230
Operations	2,652,462	866,469	276,020	-	3,794,951
Depreciation and amortization	709,491	104,815	171,345	11,578	997,229
Debt service	156,142	115,251	-	-	271,393
Other and Miscellaneous	7,671	10,629	85	-	18,385
School cafeteria operations	-	-	-	1,010,023	1,010,023
Total operating expenses:	3,527,266	1,478,735	803,696	1,024,514	6,834,211
Operating income (loss)	(361,890)	525,652	(33,215)	(6,608)	123,939
Nonoperating revenues (expenses)					
Interest income	35,976	13	1,242	-	37,231
Interest expense and loan issuance costs	(22,985)	(67,119)	-	-	(90,104)
Net nonoperating revenues	12,991	(67,106)	1,242	-	(52,873)
Income (Loss) before contributions	(348,899)	458,546	(31,973)	(6,608)	71,066
Transfers					
Transfers in	-	-	-	-	-
Transfers out	(217,513)	(236,962)	-	-	(454,475)
Total transfers	(217,513)	(236,962)	-	-	(454,475)
Change in Net Position	(566,412)	221,584	(31,973)	(6,608)	(383,409)
Total Net Position, beginning of year	13,810,214	5,017,247	1,839,254	737,801	21,404,516
Total Net Position, end of year	\$ 13,243,802	\$ 5,238,831	\$ 1,807,281	\$ 731,193	\$ 21,021,107

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, 2023

	Sewer Authority	Water Supply Board	Smithfield Ice Rink	School Lunch Program	Total
Cash flows from operating activities					
Cash received from customers	\$ 3,110,471	\$ 1,970,334	\$ 767,354	\$ 531,721	\$ 6,379,880
Cash paid to suppliers for good and services and other operating payments	(2,664,064)	(1,291,147)	(625,177)	(591,514)	(5,171,902)
Cash paid for employees and benefits	-	(5,249)	792	(2,913)	(7,370)
Net cash provided (used) by operating activities	446,407	673,938	142,969	(62,706)	1,200,608
Cash flows from noncapital financing activities:					
(Increase) decrease transfer from/to other funds	(217,513)	(236,962)	-	-	(454,475)
(Increase) decrease in due from other funds	1,052,889	138,405	(20,288)	55,455	1,226,461
Increase (decrease) in due to other funds	-	-	(842,998)	-	(842,998)
Net cash provided (used) by noncapital financing activities	835,376	(98,557)	(863,286)	55,455	(71,012)
Cash flows from capital and related financing activities					
Acquisition of capital assets	(302,786)	(81,613)	-	-	(384,399)
Principal paid on bonds	(467,450)	(2,754,000)	-	-	(3,221,450)
Issuance of debt	-	3,000,000	-	-	3,000,000
Gain on refunding	(12,884)	-	-	-	(12,884)
Interest paid on bonds	(22,985)	(67,119)	-	-	(90,104)
Net cash provided (used) by capital and related financing activities	(806,105)	97,268	-	-	(708,837)
Cash flows from investing activities					
Interest income	35,976	13	1,242	-	37,231
Net cash provided by investing activities	35,976	13	1,242	-	37,231
Net increase in cash and cash equivalents	511,654	672,662	(719,075)	(7,251)	457,990
Cash and cash equivalents at beginning of year	1,879,243	1,093,888	1,863,467	720,078	5,556,676
Cash and cash equivalents at end of year	\$ 2,390,897	\$ 1,766,550	\$ 1,144,392	\$ 712,827	\$ 6,014,666
Displayed as					
Cash and cash equivalents	\$ 1,844,782	\$ 885,420	\$ 1,144,392	\$ 712,827	\$ 4,587,421
Cash on deposit with funding agency	-	881,130	-	-	881,130
Restricted cash	546,115	-	-	-	546,115
Total	\$ 2,390,897	\$ 1,766,550	\$ 1,144,392	\$ 712,827	\$ 6,014,666

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, 2023

Reconciliation of operating income (loss) to net cash provided (used) by operating activities	<u>Sewer Authority</u>	<u>Water Supply Board</u>	<u>Smithfield Ice Rink</u>	<u>School Lunch Program</u>	<u>Total</u>
Operating income (loss)	\$ (361,890)	\$ 525,652	\$ (33,215)	\$ (6,608)	\$ 123,939
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation and amortization expense	709,491	104,815	171,345	11,578	997,229
(Increase) decrease in water and sewer assessments and user fees	45,437	111,833	-	-	157,270
(Increase) decrease in inventory	-	(4,093)	-	-	(4,093)
Increase (decrease) in accounts payable and accrued expenses	111,716	(59,020)	1,079	(64,668)	(10,893)
Increase (decrease) in compensated absences	-	(5,249)	792	-	(4,457)
Increase (decrease) in unearned assessments and fees	(58,347)	-	2,968	(3,008)	(58,387)
Net cash provided (used) by operating activities	<u>\$ 446,407</u>	<u>\$ 673,938</u>	<u>\$ 142,969</u>	<u>\$ (62,706)</u>	<u>\$ 1,200,608</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, 2023

	Pension & OPEB Trust Funds	Custodial Funds
Assets		
Cash and cash equivalents	\$ -	\$ 42,910
Investments, at fair value		
Mutual funds	50,471,917	-
Interfund receivable	245,616	217,220
Total assets	50,717,533	260,130
Deferred outflows of resources		
Deferred outflows	-	-
Total assets and deferred outflows of resources	50,717,533	260,130
Liabilities		
Other liabilities	242,949	-
Total liabilities	242,949	-
Deferred inflows of resources		
Unearned revenue	-	-
Net Position		
Restricted for Soil Erosion	-	239,510
Restricted for Street Lighting	-	20,620
Restricted for pension	43,844,025	-
Restricted for OPEB	6,630,559	-
Total net position	50,474,584	260,130
Total liabilities and net position	\$ 50,717,533	\$ 260,130

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, 2023

	Pension & OPEB Trust Funds	Custodial Funds
Additions		
Contributions		
Employer contributions	\$ 4,106,078	\$ -
Plan member contributions	<u>370,371</u>	<u>-</u>
Total Contributions	4,476,449	-
Investment Earnings		
Realized and unrealized gains (losses)	650,284	-
Interest and dividends	<u>3,684,851</u>	<u>10,009</u>
Total investment earnings	4,335,135	10,009
Less: Investment expense	<u>(29,333)</u>	<u>-</u>
Total additions	<u>8,782,251</u>	<u>10,009</u>
Deductions		
Benefits paid	5,155,718	-
Operating expenses	53,764	-
Funds distributed on behalf of others	<u>-</u>	<u>131,796</u>
Total deductions	<u>5,209,482</u>	<u>131,796</u>
Changes in net position held in trust for individuals, organizations, and other governments	3,572,769	(121,787)
Net position, July 1, 2022	<u>46,901,815</u>	<u>\$ 381,917</u>
Net position, June 30, 2023	<u>\$50,474,584</u>	<u>\$ 260,130</u>

The accompanying notes are an integral part of this statement

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

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

For the Year Ended June 30, 2023

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

For the Year Ended June 30, 2023

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. The American Rescue Plan Act is the Town's Major Special Revenue Fund.

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.

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.

(*continued*)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

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

Basis of presentation (continued):

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:

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
 1. The Town is responsible for upgrading the streetlights to high efficiency LED throughout the community.
- b. Soil Erosion Fund
 1. Provides technical assistance for programs and projects that address soil erosion and habitat preservation.

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

For the Year Ended June 30, 2023

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.

Special Revenue:

American Rescue Plan Act	This fund is used to report expenditures related to the American Rescue Plan Act.
--------------------------	---

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.
-----------------	--

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.
--------------------	---

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>
---------------------	--

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>
------------------	--

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

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, Retirement Escrow, Revaluation Escrow, RI DOT Children Passenger Safety, RI DOT Click It or Ticket, Scholarship Fund, Senior Center Grant, Bulletproof Vest, RIDOH Alcohol Grant, Neighborhood Center Fund, Police Memorial Fund, General Public Assistance, 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, Efficient Buildings Smithfield School, Open Space & Recreation Area, Police Equipment, Water District Improvement Fee, Handicap Accessibility, Special Projects Fund, Police Improvement Bond, Capital Reserve Fund, Fire Station Bond, School Renovations 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

For the Year Ended June 30, 2023

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

Basis of presentation (continued):

Major and Non-Major Funds (continued)

Non-Major

School Restricted Funds

IDEA Part B, IDEA Preschool, Title I Part A, Title II, Title IV Safe & Drug Free, Title IV, Perkins Vocational Education, Perkins V, ESSER II Priority I, ESSER III, ESSER III Priority II, ESSER III Priority IV, ESSER III Other Priority, ARP HCY II, ARP IDEA Part B, ARP IDEA Pre-school, ARP ELC, ARP ELC #2, USDA – Kitchen Equipment, RIDOH Youth & Teen, RI Comp Literacy State Development, CLSD Grant Curriculum, General Assembly Grant – Competitive, General Assembly Grant 6 LaPerche, General Assembly Grant 16, RI State Council for the Arts, CTE Categorical Funds, CTE Categorical Fund #2, English Learner Categorical, School Building Authority, 21st Century Tech, STEM Mini, Champlin Foundation, Feinstein Foundation, Kiducation, RI Foundation, Whole Kids Foundation, Roy T. Morgan Foundation, RI Foundation RISD, RI Foundation FAF, VFW Memorial Fund, Bank of America, Exxon Mobil Educational Alliance, Stop & Shop A+ Bonus, N.E. School Development Council, CVS Health Foundation, LifeTouch, National Youth Risk Behavior, Pleasant View Elementary Donors, Special Olympics, High School Donors, High School Donation Booster, SHS FBLA, Old County Scholarship, Thomas Leach Scholarship, Christopher Reilly Scholarship, Daniel DiChiara Scholarship, 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

For the Year Ended June 30, 2023

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

Basis of presentation (continued):

Measurement focus (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 utilize the “economic resources” measurement focus and the accrual basis of accounting.

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, custodial 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

For the Year Ended June 30, 2023

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

For the Year Ended June 30, 2023

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

For the Year Ended June 30, 2023

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

For the Year Ended June 30, 2023

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.

Subscription-Based Information Technology Arrangements (SBITA)

A SBITA is defined as a contract that conveys control of the right to use another party's information technology software, alone or in conjunction with tangible capital assets, as specified in the contract for a period in an exchange or exchange-like transaction.

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

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

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

Subscription-Based Information Technology Arrangements (SBITA) (continued):

The subscription term includes the period in which the municipality has a noncancellable right to use the IT asset. The subscription also includes the periods covered by an option to extend or to terminate the contract. The Town would recognize a right-to-use subscription-based asset as an intangible asset with a corresponding subscription-based liability. The liability should be initially measured at the present value of the payments expected to be made during the term. Future payments should be discounted using the interest rate the Software vendor charges or the government's incremental borrowing rate.

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.

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, 2023 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 \$12,006,841 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).

(*continued*)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

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):

The deferred outflow of resources related to OPEB totaling \$8,651,733 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).

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, 2023, 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, 2021 and prior and are not collected within 60 days of June 30, 2023.

Deferred revenues totaled \$3,759,992 relating to the American Rescue Plan Act. 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 \$216,089 as of June 30, 2023 due to the implementation of GASB 87.

At June 30, 2023 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 \$10,729,622 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 \$17,450,981 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).

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

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

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

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, 2023 as a result of employee resignation or retirements. At June 30, 2023 there is no amount reported in the liabilities of the governmental funds.

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.

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

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

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

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.

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.

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

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

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

Fund Equity (continued):

- 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.

- 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.

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

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

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

Fund Equity (continued):

- 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 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.

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.

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

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

Minimum Fund Balance (continued):

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.

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.

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

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

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.

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."

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

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

Accounting pronouncements implemented in the current year

During the fiscal year June 30, 2023, the Town of Smithfield has adopted the following new accounting standards issued by GASB:

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.***

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. ***The Town has determined that these requirements have no effect on the financial reporting.***

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. ***The Town had implemented this statement, but it had no material effect on the financial reporting for the 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. ***The Town has determined that these requirements have no effect on the financial reporting.***

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

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. 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.

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.

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

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 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 \$2,799,123 of supplemental budgetary appropriations – re-appropriation of unexpended balances or (RUBS) made during the fiscal year ended June 30, 2023. RUBS available at June 30, 2023 to be carried over to fiscal 2024 totaled \$2,756,810.

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

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

Budgetary Process (continued)

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.

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, 2023, the carrying amount of the Town's cash and cash equivalents was \$27,464,219 (including Fiduciary Funds and restricted cash, but excluding deposit with funding agency) while the bank balance was \$24,041,597. Of the bank balance, \$1,486,751 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	\$ 22,310,729
Cash on deposit with funding agency	4,564,465
Restricted cash	546,115
Less: Fiduciary Fund cash	42,910
<i>Total Cash and Cash Equivalents reported in the Financial Statements</i>	<u>\$ 27,464,219</u>

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

Note 3. Cash and Investments (continued)

	Bank Balance
Insured (Federal depository insurance funds)	\$ 1,486,751
Collateralized with securities held by pledging financial institution or its agent in the Town's name	22,554,846
Total	\$ 24,041,597

Cash on Deposit with Funding Agency

Cash held on deposit with funding agency in the amount \$4,564,465 was required to be held for capital projects distribution by the Rhode Island Infrastructure Bank.

Restricted Cash

Restricted cash \$546,115 reported in the Statement of Net Position at June 30, 2023 consists of funds reported in the Business-Type Activities (Proprietary Fund) representing debt service reserve funds.

Investments

At June 30, 2023 the Town's investments totaled \$58,401,644, including \$50,471,917 held in Fiduciary Funds and \$7,929,727 held in the General Fund and consisted the following:

	Fair Value	Maturity		Interest Rate	Maturity
		N/A	1-5 years		
Equity Mutual Funds	\$ 20,193,219	\$ 20,193,219	\$ -	\$ -	n/a
Fixed Income Mutual Funds	13,365,100	-	12,064,974	1,300,126	4.39%-4.95%
Other Mutual Funds	16,913,598	16,913,598	-	-	n/a
Government Securities	7,929,727	-	7,929,727	-	0.125%-2.250% 7/2023-6/2024
Total investments	\$ 58,401,644	\$ 37,106,817	\$ 19,994,701	\$ 1,300,126	

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, 2023 are deemed to be actively traded.

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

Note 3. Cash and Investments (continued)

Investments (continued)

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 prices 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).

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, 2023:

<u>Investments by Fair Value Level:</u>	Fair Value Measurements			
	Fair Value June 30, 2023	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Equity Mutual Funds	\$ 6,630,559	\$ 6,630,559	\$ -	\$ -
Government Securities	7,591,185	7,591,185	-	-
Total Investments by Fair Value Level	\$ 14,221,744	\$ 14,221,744	\$ -	\$ -

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:

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

Note 3. Cash and Investments (continued)

Investments (continued)

<u>Investments by Net Asset Value:</u>	<u>Net Asset Value June 30, 2023</u>
Equity Mutual Funds	\$ 13,562,660
Fixed Income Mutual Funds	13,365,100
Other Mutual Funds	16,913,598
Total Investments by Net Asset Value	<u>\$ 43,841,358</u>

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.

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 hierarchy above.

The Police and Fire plan assets are invested in equities covering various sectors. 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' investment 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 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.

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

Note 3. Cash and Investments (continued)

Concentration of Credit Risk

At June 30, 2023, 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, 2023, the following pension investments represent 5% or more of the Town Plan's net position:

5% of Total Investments	\$ 2,920,082
-------------------------	--------------

Investments:

Police Pension

Global Investors-LG S&P Index SEP	\$ 3,782,546
-----------------------------------	--------------

Fire Pension

Vanguard Short-Term Bond Index	\$ 4,133,842
--------------------------------	--------------

Vanguard Short-Term Corporate Bond Index	\$ 4,146,897
--	--------------

Ishares MSC/EAFE International Index	\$ 4,198,972
--------------------------------------	--------------

Global Investors-LG S&P Index SEP	\$ 8,278,217
-----------------------------------	--------------

OPEB

Vanguard Growth Strategy	\$ 6,630,559
--------------------------	--------------

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.

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

Note 4. Receivables

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.

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, 2023, the Town received \$7,098,694 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. 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 2023 were based on a net assessed value of approximately \$3,622,553,088 at December 31, 2021, and amounted to approximately \$58,247,230. Collections through June 30, 2023 amounted to approximately \$56,582,421 which represents approximately 97% of the total tax levy. The collection percentage as of August 31, 2023, including the 60 day rule receipts was approximately 99%

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, 2023 \$2,717,641 are recorded as a receivable, net of an allowance for uncollectible property taxes of \$1,088,316.

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

Note 4. Receivables (continued)

Property taxes and Assessments Receivables (continued)

Those net property taxes receivable which were not collected within 60 days immediately following June 30, 2023 are recorded as unavailable tax revenue and amounted to \$475,229 at June 30, 2023.

Property taxes recognized as revenue on the Fund Statements for the fiscal year ended June 30, 2023 (due to their collection within the 60 days immediately following June 30, 2023) amounted to \$1,003,397.

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.

Leases Receivable

The Town of Smithfield is reporting leases receivables of \$216,089 at June 30, 2023. For fiscal year 2023 the Town reported leases revenue of approximately \$24,000 and interest revenue of approximately \$115 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>
2024	27,952	128
2025	31,177	143
2026	34,402	158
2027	37,627	173
2028-2029	84,930	390
	<u>\$ 216,089</u>	<u>\$ 991</u>

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

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, 2023, 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, 2023.

- Agreement with an equipment rental company for the abatement of tangible property taxes. Tax stabilization amount for the fiscal year ended June 30, 2023, was \$100,000 which resulted in an abatement of approximately \$777,744. 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, 2023, was \$121,670 which resulted in a tax abatement of approximately \$46,194. This agreement is scheduled to expire at June 30, 2023, therefore this is the last year this treaty is active.
- 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 \$95,194.
- 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 \$2,887,733 for fiscal 2023.
- 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 2023 was \$246,797. The amount of the abatement was estimated to be \$369,465 for fiscal 2023.
- 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 2023 was \$578,104. The amount of the abatement was estimated to be \$441,856, for fiscal 2023.

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

Note 6. Capital Assets

Capital asset activity for the year ended June 30, 2023 was as follows:

	Balance July 1, 2022	Additions	Retirements & Disposals	Balance June 30, 2023
Governmental Activities:				
Nondepreciable assets:				
Land	\$ 15,526,390	\$ -	\$ 81,000	\$ 15,445,390
Construction in progress	48,519,747	5,689,813	47,002,496	7,207,064
Depreciable assets:				
Buildings and improvements	41,354,724	45,650,812	419,590	86,585,946
Equipment	8,262,504	441,609	-	8,704,113
Vehicles	8,428,416	2,171,416	152,355	10,447,477
Infrastructure	82,913,633	3,123,130	11,415	86,025,348
Total Cost	205,005,414	57,076,780	47,666,856	214,415,338
Amortized assets:				
Intangible right to use:				
Leased equipment	146,537	-	-	146,537
Total amortized asset	146,537	-	-	146,537
Accumulated depreciation:				
Buildings and improvements	(20,777,026)	(1,362,726)	80,697	(22,059,055)
Equipment	(6,869,578)	(462,265)	-	(7,331,843)
Vehicles	(7,237,189)	(594,553)	152,355	(7,679,387)
Infrastructure	(75,416,140)	(753,619)	2,331	(76,167,428)
Total Accumulated Depreciation	(110,299,933)	(3,173,163)	235,383	(113,237,713)
Accumulated amortization:				
Leased equipment	(41,022)	(49,443)	-	(90,465)
Total accumulated amortization	(41,022)	(49,443)	-	(90,465)
Governmental activities capital assets	\$ 94,810,996	\$53,854,174	\$ 47,902,239	\$ 101,233,697

Of the current year capital asset depreciation, \$49,443 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 and amortization expense for the year ended June 30, 2023 was charged to the following functions/ programs of the Town:

Governmental Activities:	
General Government	\$ 552,353
Education	801,153
Public Safety	575,218
Public Works	975,400
Recreation	83,099
Total	\$ 2,987,223

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

Note 6. Capital Assets (continued)

	Balance July 1, 2022	Additions	Retirements & Disposals	Balance June 30, 2023
Business-Type Activities:				
Nondepreciable assets:				
Land	\$ 270,686	\$ -	\$ -	\$ 270,686
Construction in progress	2,848,178	266,427	512,492	2,602,113
 Depreciable assets:				
Land improvements	87,131	-	-	87,131
Plant and buildings	19,314,268	-	-	19,314,268
Equipment	11,110,291	223,500	-	11,333,791
Infrastructure - mains, lines, etc.	23,009,926	325,352	-	23,335,278
Motor vehicles	231,914	81,612	-	313,526
Total Cost	56,872,394	896,891	512,492	57,256,793
 Accumulated Depreciation:				
Land improvements	(85,816)	(175)	-	(85,991)
Plant and buildings	(12,930,735)	(492,868)	-	(13,423,603)
Equipment	(6,773,788)	(310,140)	-	(7,083,928)
Infrastructure - mains, lines, etc.	(16,365,627)	(177,056)	-	(16,542,683)
Motor vehicles	(188,881)	(16,990)	-	(205,871)
Total Accumulated Depreciation:	(36,344,847)	(997,229)	-	(37,342,076)
 Net Capital Assets	 \$ 20,527,547	 \$ (100,338)	 \$ 512,492	 \$ 19,914,717

Depreciation expense for the year ended June 30, 2023 was charged to the following Business-type Activities:

Business-Type Activities	
Sewer Authority	\$ 709,491
Water Supply Board	104,815
Smithfield Ice Rink	171,345
School Lunch Program	11,579
Total Depreciation Expense	\$ 997,230

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

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, 2023:

	<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	624,823
Total all fund types	<u>\$ 658,548</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, 2023, 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, 2023, the three percent (3%) debt limit of the Town was approximately \$ 108,676,593 based on the net assessed value of property at December 31, 2021, of \$3,622,553,088.

At June 30, 2023, 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	270,000
Total Authorized, Unissued Debt	<u>\$ 15,000,000</u>

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

Note 8. Debt (continued)

At June 30, 2023, 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 6/30/2022	Additions	Refundings & Retirements	Balance 6/30/2023	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	\$ 505,000	\$ -	\$ 255,000	\$ 250,000	\$ 250,000
School Improvement 2015 Series C	12/22/2015	4,375,000	3.00 - 5.00%	5/15/2036	4,200,000	-	300,000	3,900,000	300,000
Police Improvement Bond 2016 Series A	9/1/2016	6,075,000	2.00-4.00%	9/1/2036	4,555,000	-	305,000	4,250,000	305,000
Series A 2020 (Tax-Exempt) Refunding of 2011A	12/1/2021	2,050,000	3.0% - 5.0%	1/15/2031	1,840,000	-	205,000	1,635,000	205,000
Series B 2020 Refunding of 2011A and 2012 B	12/1/2021	4,355,000	.467% - 2.097%	1/15/2031	3,400,000	-	575,000	2,825,000	575,000
RIHEBC Revenue Bond Series 2021H	9/30/2021	35,985,000	3%-5%	5/15/2042	35,985,000	-	1,150,000	34,835,000	1,210,000
Total General Obligation Bonds		<u>\$ 70,155,000</u>			<u>\$ 50,485,000</u>	<u>\$ -</u>	<u>\$ 2,790,000</u>	<u>\$ 47,695,000</u>	<u>\$ 2,845,000</u>
Premium on Bonds					6,531,805	-	364,352	6,167,453	364,352
Total Premium on Bonds					<u>6,531,805</u>	<u>-</u>	<u>364,352</u>	<u>6,167,453</u>	<u>364,352</u>
<i>RIIB Loan</i>									
Efficient Buildings Fund Loan	12/22/22	6,618,000	2.33%	9/1/2034	-	6,618,000	-	6,618,000	-
					<u>-</u>	<u>6,618,000</u>	<u>-</u>	<u>6,618,000</u>	<u>-</u>
Other long-term obligation									
Net pension liability					49,752,386	7,838,835	-	57,591,221	-
Net OPEB liability					38,991,073	367,100	-	39,358,173	-
Lease liability - School					105,515	-	49,443	56,072	47,899
Compensated absences					6,064,555	122,172	35,623	6,151,104	2,337,419
Total other long-term obligation					<u>94,913,529</u>	<u>8,328,107</u>	<u>85,066</u>	<u>103,156,570</u>	<u>2,385,318</u>
Governmental Activities Long-Term Obligations					<u>\$ 151,930,334</u>	<u>\$ 8,328,107</u>	<u>\$ 3,239,418</u>	<u>\$ 157,019,023</u>	<u>\$ 5,594,670</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

For the Year Ended June 30, 2023

Note 8. Debt (continued)

Description of Purpose	Date of Issue	of Original Issue	Interest Rates	Date of Maturity	Balance 6/30/2022	Additions	Refundings & Retirements	Balance 6/30/2023	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	\$ 67,000	\$ -	\$ 67,000	\$ -	\$ -
Rhode Island Infrastructure Bank	10/6/2009	560,000	2.89%	9/1/2024	120,000	-	40,000	80,000	38,275
Rhode Island Infrastructure Bank	6/28/2012	4,000,000	.22% - 2.76%	9/1/2032	2,421,000	-	192,000	2,229,000	186,931
Rhode Island Infrastructure Bank	6/16/2013	3,370,000	.19% - 2.53%	9/1/2033	2,021,400	-	168,450	1,852,950	168,450
Rhode Island Infrastructure Bank	12/22/2022	3,000,000	2.120-3.330%	9/1/2042	-	3,000,000	-	3,000,000	114,000
		11,780,000			4,629,400	3,000,000	467,450	7,161,950	507,656
<i>General obligation bonds</i>									
<i>Direct Borrowings and Direct Placements:</i>									
Rhode Island Infrastructure Bank	5/1/2013	227,000	3.31%	7/2/2024	49,000	-	24,000	25,000	25,000
Total bonds obligations		\$ 12,007,000			\$ 4,678,400	\$ 3,000,000	\$ 491,450	\$ 7,186,950	\$ 532,656
Other long-term obligation									
Compensated absences					77,580	-	4,457	73,123	27,056
Total other long-term obligation									
Business-type activities, long-term liabilities					\$ 4,755,980	\$ 3,000,000	\$ 495,907	\$ 7,260,073	\$ 559,712

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 which was deferred with \$12,884 recognized in the current year. 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

For the Year Ended June 30, 2023

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.

	Governmental Activities		Governmental Activities		Business-Type Activities		
	Bonds		RIIB Loans		Direct Borrowings & Direct Placement		
	Principal	Interest	Principal	Interest	Principal	Principal Forgiveness	Interest
Year ending June 30:							
2024	2,845,000	1,702,921	-	149,613	532,656	(18,684)	156,655
2025	2,655,000	1,597,067	1,100,000	138,118	514,425	(19,011)	158,988
2026	2,715,000	1,490,200	1,100,000	114,853	484,872	(17,729)	148,353
2027	2,780,000	1,377,934	1,100,000	90,983	600,179	(18,220)	137,252
2028	2,420,000	1,264,899	415,000	74,131	503,317	(8,925)	125,697
2029-2032	10,075,000	4,004,576	1,660,000	198,253	2,110,261	(101,706)	377,333
2033-2037	12,650,000	2,878,553	1,243,000	46,524	1,341,240	(65,777)	229,184
2038-2042	11,555,000	1,060,650	-	-	898,000	(63,608)	100,862
2043	-	-	-	-	202,000	(14,308)	3,125
	\$ 47,695,000	\$15,376,800	\$6,618,000	\$ 812,475	\$ 7,186,950	\$ (327,968)	\$ 1,437,448

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

Note 8. Debt (continued)

The Town of Smithfield currently has one lease agreement for the school department for two copiers. The school department is unsure whether they will renew the lease subsequent to the lease being completed. The lease agreements qualify as 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 leases for June 30, 2023, is as follows.

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2024	47,899	904
2025	8,173	10
	<u>\$ 56,072</u>	<u>\$ 915</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, 2023, 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 6/30/2022</u>	<u>Additions</u>	<u>Refundings & Retirements</u>	<u>Balance 6/30/2023</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	\$ -	\$ -
		<u>\$ 2,730,000</u>			<u>\$ 2,730,000</u>	<u>\$ -</u>	<u>\$ 2,730,000</u>	<u>\$ -</u>	<u>\$ -</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

For the Year Ended June 30, 2023

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	ARPA Funds	Town Special Revenue	School Special Revenue	School Capital Projects	Town Capital Projects	Permanent Funds	
Fund Balances									
Nonspendable									
Long-term portion of note receivable from									
Greenville Public Library	\$ 130,552	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 130,552
Prepaid Expenditures	758,788	-	-	-	-	-	209,325	-	968,113
Restricted for									
General government	-	-	-	177,532	-	-	-	-	177,532
Public Safety	-	-	-	7,698	-	-	-	-	7,698
Public works	-	-	-	-	-	-	235,000	-	235,000
Education	-	-	-	-	328,744	-	-	-	328,744
Recreation and Senior Activities	-	-	-	184,980	-	-	-	63,715	248,695
Committed to									
Animal Control	-	-	-	35,207	-	-	-	-	35,207
Animal Control Spay & Neuter	-	-	-	8,947	-	-	-	-	8,947
Public Safety- Police	-	-	-	400,155	-	-	-	-	400,155
Municipal Contingencies	-	-	-	132,626	-	-	-	-	132,626
Retirement Escrow	-	-	-	481,078	-	-	-	-	481,078
Revaluation Escrow	-	-	-	24,162	-	-	-	-	24,162
Neighborhood Center	-	-	-	111,848	-	-	-	-	111,848
General Public Assistance	-	-	-	59,337	-	-	-	-	59,337
Educational purposes	-	1,787,958	-	-	-	1,387,631	-	-	3,175,589
Capital projects	-	-	-	-	-	-	8,278,502	-	8,278,502
Re-appropriation of balances to 2024 expenditures	2,756,810	-	-	-	-	-	-	-	2,756,810
Capital expenditures carryover	3,182,815	-	-	-	-	-	-	-	3,182,815
Unassigned	6,929,909	-	-	(1,887)	-	-	(4,051,254)	-	2,876,768
Total	<u>\$ 13,758,874</u>	<u>\$ 1,787,958</u>	<u>\$ -</u>	<u>\$ 1,621,683</u>	<u>\$ 328,744</u>	<u>\$ 1,387,631</u>	<u>\$ 4,671,573</u>	<u>\$ 63,715</u>	<u>\$ 23,620,178</u>

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

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, 2023, 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, 2023, should be \$6,929,919 which is 8% of the fiscal 2024 approved budget of \$86,623,982. As seen in the accompanying supplementary information, at June 30, 2023 the Town's General fund reported unassigned fund balance of \$6,929,919. The unassigned fund balance in the Town's General Fund at June 30, 2023, 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, 2023:

Major Governmental Funds:

None

NonMajor Governmental Funds:

Town Special Revenue - Dog Park	\$	(1,887)
Town Capital Project - Special Project Fund		(150,407)
Town Capital Project - Fire Station Bond		(569,283)
Town Capital Project - School Improvement Bond		(86,048)
Town Capital Project - Capital Lease Fund		(2,120,698)
Town Capital Project - Smithfield Fire Rescue		(915,493)
Total aggregate deficit fund balances	\$	<u>(3,843,816)</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, 2023

Note 9. Fund Balances (continued)

Fund Deficits(continued):

The following individual funds had operating deficits for the year ending June 30, 2023:

Major Governmental Funds:	
School Unrestricted Fund	\$ (1,958,494)
Total Major Governmental Funds	<u>(1,958,494)</u>
Business-Type Activities:	
Sewer Authority	(566,412)
Ice Rink	(31,973)
School lunch	<u>(6,608)</u>
Total Business-Type Activities	<u>(604,993)</u>
Non-major Governmental Funds:	
Special Revenue Funds:	
Affordable Housing	(204,000)
Police Restricted Revenue	(1,539)
Fire Prevention	(1,499)
Police Confiscated	(6,845)
Neighborhood Center	(108,520)
General Public Assistance	(2,790)
Dog Park	(33,011)
Capital Projects Funds:	
Green Acres Acquisition	(11,398)
Impact Fees	(470,564)
Special Projects Fund	(14,019)
School Renovations Bond	(183,657)
Fire Station Bond	(36,759)
School Improvement Bond	(291,599)
Capital Lease	(301,002)
Smithfield Fire Rescue	(463,617)
School Restricted Funds:	
General Assembly Grant	(5,000)
CTE Categorical	(21,946)
CTE Categorical #2	(51,686)
Champlin Foundation	(56,000)
Feinstein Foundation	(4,029)
Whole Kids Foundation	(3,000)
Roy T. Morgan Foundation	(2,817)
Exxon Mobil Educational Alliance	(569)
Stop & Shop A+ Bonus	(15,556)
LifeTouch	(4,146)
Special Olympics	(250)
Old County Scholarship	(400)
Thomas Leach Foundation	(989)
Christopher Reilly Scholarship	(199)
Daniel DiChiara Scholarship	<u>(3,000)</u>
Total Non-Major Governmental Activities	<u>\$ (2,300,406)</u>

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

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, 2023 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, 2023 is as follows:

Governmental Funds:	Due from Other Funds	Due to Other Funds	Other Financing Sources	Other Financing Uses
Major Governmental Funds:				
General Fund	\$ 10,822,491	\$ 16,934,299	\$ 2,167,347	\$ 33,768,022
ARPA Fund	3,773,740	-	-	-
School Unrestricted Fund	2,250,812	-	33,157,022	2,000,000
Total Major Governmental Funds	16,847,043	16,934,299	35,324,369	35,768,022
Non-Major Governmental Funds:				
Town special revenue	1,125,302	539,126	501,000	-
School special revenue	140,348	1,725,731	-	-
School capital projects	1,387,631	-	2,000,000	-
Town capital projects	3,662,093	6,251,078	110,000	1,712,872
Total Non-Major Governmental Funds	6,315,374	8,515,935	2,611,000	1,712,872
Proprietary Funds:				
Sewer Authority	310,416	-	-	217,513
Water Supply Board	2,413,516	-	-	236,962
Smithfield Ice Rink	-	436,115	-	-
Total Proprietary Funds	2,723,932	436,115	-	454,475
Total all Funds	\$ 25,886,349	\$ 25,886,349	\$ 37,935,369	\$ 37,935,369

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

	Interfund Receivable	Interfund Payable
Major Governmental Funds:		
General fund	\$ -	\$ 462,836
Total Major Governmental Funds	-	462,836
Fiduciary Fund:		
Custodial Fund	462,836	-
Total Fiduciary Funds	\$ 462,836	\$ -

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

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, 2023

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, 2023

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, 2023

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 \$27,184 for 2020, \$27,608 for 2021 and \$27,901 for 2022.

Employees covered by the benefit terms:

At the June 30, 2022, 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	75	11	-	125
Inactive, Non-retired Members	23	27	3	1	54
Active Members	69	88	42	34	233
Total	131	190	56	35	412

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

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 \$1,585,714 in the year ended June 30, 2023 which was 8.82% of annual covered payroll.

	General Employees MERS Plan - Town	General Employees MERS Plan - School	Police Employees MERS Plan	Fire Employees MERS Plan	Total
Employer Contributions	\$ 486,811	\$ 404,113	\$ 467,787	\$ 227,003	\$ 1,585,714
Covered Payroll	4,694,667	4,086,089	3,740,976	2,308,780	14,830,513
Percentage of annual covered payroll	10.37%	9.89%	12.50%	9.83%	8.82%

Net Pension Liability (Asset):

The total pension liability was determined by actuarial valuations performed as of June 30, 2021 and rolled forward to June 30, 2023, 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, 2023

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, 2022 measurement date (June 30, 2021 valuation rolled forward to June 30, 2022)	
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 - 3.25% 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	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, 2021 valuation rolled forward to June 30, 2022 and the calculation of the total pension liability at June 30, 2022 were consistent with the results of an actuarial experience study performed as of June 30, 2019 for the six year period ending June 30, 2019 as approved by the System's Board on May 22, 2020.

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 40 sources. The June 30, 2022, 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, 2023

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):

Asset class	Target Asset Allocation	Long-Term Expected Arithmetic Real Rate of Return
<i>GROWTH</i>		
Global Equity		
U.S. equity	24.30%	5.52%
International Developed Equity	11.10%	6.04%
Emerging Market Equity	4.60%	7.83%
<i>Sub-total</i>	40.00%	
Private Growth		
Private Equity	12.50%	9.42%
Non-Core Real Estate	2.50%	4.80%
<i>Sub-total</i>	15.00%	
<i>INCOME</i>		
Equity Options	2.00%	5.25%
EMD (50/50 Blend)	2.00%	1.82%
Liquid Credit	3.00%	2.95%
Private Credit	3.00%	2.95%
Collateralized Loan Obligations (CLO)	2.00%	2.95%
<i>Sub-total</i>	12.00%	
<i>STABILITY</i>		
Crisis Protection Class		
Treasury Duration	5.00%	-0.44%
Systematic Trend	5.00%	3.33%
<i>Sub-total</i>	10.00%	
Inflation Protection		
Core Real Estate	4.00%	4.80%
Private Infrastructure	4.00%	5.65%
<i>Sub-total</i>	8.00%	
Volatility Protection		
IG Corp Credit	3.25%	1.18%
Securitized Credit	3.25%	1.18%
Absolute Return	6.50%	3.33%
Cash	2.00%	-0.44%
<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, 2023

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, 2021	\$ 20,413,373	\$ 20,859,500	\$ (446,127)
Changes for the Year			
Service cost	361,900	-	361,900
Interest on the total pension liability	1,406,769	-	1,406,769
Changes in benefits	-	-	-
Difference between expected and actual experience	(196,362)	-	(196,362)
Changes in assumptions	-	-	-
Employer contributions	-	464,909	(464,909)
Employee contributions	-	140,561	(140,561)
Net investment income	-	(559,285)	559,285
Benefit payments, including employee refunds	(995,245)	(995,245)	-
Administrative expense	-	(19,066)	19,066
Other changes	-	82,303	(82,303)
Net changes	<u>577,062</u>	<u>(885,823)</u>	<u>1,462,885</u>
Balances as of June 30, 2022	<u>\$ 20,990,435</u>	<u>\$ 19,973,677</u>	<u>\$ 1,016,758</u>

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

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, 2021	\$ 15,525,455	\$ 15,706,951	\$ (181,496)
Changes for the Year			
Service cost	338,788	-	338,788
Interest on the total pension liability	1,066,864	-	1,066,864
Changes in benefits	-	-	-
Difference between expected and actual experience	(259,166)	-	(259,166)
Changes in assumptions	-	-	-
Employer contributions	-	392,343	(392,343)
Employee contributions	-	90,275	(90,275)
Net investment income	-	(416,376)	416,376
Benefit payments, including employee refunds	(907,881)	(907,881)	-
Administrative expense	-	(14,194)	14,194
Other changes	-	18,870	(18,870)
Net changes	<u>238,605</u>	<u>(836,963)</u>	<u>1,075,568</u>
Balances as of June 30, 2022	<u>\$ 15,764,060</u>	<u>\$ 14,869,988</u>	<u>\$ 894,072</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, 2021	\$ 22,542,260	\$ 24,568,067	\$ (2,025,807)
Changes for the Year			
Service cost	701,705	-	701,705
Interest on the total pension liability	1,584,193	-	1,584,193
Changes in benefits	-	-	-
Difference between expected and actual experience	(452,911)	-	(452,911)
Changes in assumptions	-	-	-
Employer contributions	-	455,455	(455,455)
Employee contributions	-	363,203	(363,203)
Net investment income	-	(676,604)	676,604
Benefit payments, including employee refunds	(523,580)	(523,580)	-
Administrative expense	-	(23,065)	23,065
Other changes	-	-	-
Net changes	<u>1,309,407</u>	<u>(404,591)</u>	<u>1,713,998</u>
Balances as of June 30, 2022	<u>\$ 23,851,667</u>	<u>\$ 24,163,476</u>	<u>\$ (311,809)</u>

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

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, 2021	\$ 2,696,586	\$ 3,373,685	\$ (677,099)
Changes for the Year			
Service cost	424,995	-	424,995
Interest on the total pension liability	202,635	-	202,635
Changes in benefits	-	-	-
Difference between expected and actual experience	(96,125)	-	(96,125)
Changes in assumptions	-	-	-
Employer contributions	-	200,614	(200,614)
Employee contributions	-	224,155	(224,155)
Net investment income	-	(101,603)	101,603
Benefit payments, including employee refunds	(28,583)	(28,583)	-
Administrative expense	-	(3,464)	3,464
Other changes	-	(36,265)	36,265
Net changes	502,922	254,854	248,068
Balances as of June 30, 2022	<u>\$ 3,199,508</u>	<u>\$ 3,628,539</u>	<u>\$ (429,031)</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	\$ 2,999,267	\$ 1,016,758	\$ (784,326)
General Employees MERS Plan - School	2,399,004	894,072	(473,183)
Police Employees MERS Plan	1,882,999	(311,809)	(2,305,372)
Fire Employees MERS Plan	(136,991)	(429,031)	(694,137)

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

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, 2023, 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	\$(114,804)
General Employees MERS Plan - School	(7,918)
Police Employees MERS Plan	(43,362)
Fire Employees MERS Plan	139,169

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	\$ 351,922	\$ 2,033,973
Changes of assumptions	315,723	320,944
Net difference between projected and actual earnings on pension plan investments	-	559,850
Town contributions subsequent to measurement date	1,585,714	-
	\$ 2,253,359	\$ 2,914,767
Net amount of deferred outflows and (inflows) excluding Town contributions subsequent to measurement date		\$ (2,247,122)

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

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):

1,585,714 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>	
2024	\$ (793,918)
2025	(845,748)
2026	(1,045,126)
2027	1,006,867
2028	(174,470)
Thereafter	<u>(394,727)</u>
	<u>\$ (2,247,122)</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, 2023

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 \$2,889,485, \$2,907,280 and \$2,861,786 for the fiscal years ended June 30, 2023, 2022 and 2021, respectively, equal to 100% of the required contributions for each year. The State's share of contribution for fiscal 2023 was \$2,374,074 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, 2023

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, 2023, the Town of Smithfield reported a liability of \$27,276,470 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		\$ 27,276,470
State's proportionate share of the net pension liability associated with the Smithfield School Department		<u>20,172,866</u>
Total net pension liability		<u>\$ 47,449,336</u>

The net pension liability was measured as of June 30, 2022, 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, 2021 rolled forward to June 30, 2022. 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, 2022 the Town of Smithfield's proportion was 1.009999707%.

For the year ended June 30, 2023 the Town of Smithfield recognized gross pension expense in the Government-wide financial statements of \$3,093,503 and operating grants and contributions for education of \$1,431,863 for support provided by the State. At June 30, 2023 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	\$ 403,995	\$ 530,528
Changes of assumptions	550,130	408,947
Net difference between projected and actual earnings on pension plan investments	-	570,729
Changes in proportion and differences between System contributions and proportionate share contributions	230,536	1,571,504
Contributions subsequent to the measurement date	<u>2,889,485</u>	<u>-</u>
	<u>\$ 4,074,146</u>	<u>\$ 3,081,708</u>
Net amount of deferred outflows and (inflows) excluding PSD contributions subsequent to measurement date		<u>\$ (1,897,047)</u>

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

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):

\$2,889,485 reported as deferred outflows of resources related to pensions resulting from the Town of Smithfield contributions in fiscal year 2023 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:	
2024	\$ (433,710)
2025	(653,667)
2026	(1,107,067)
2027	490,281
2028	(174,179)
Thereafter	<u>(18,705)</u>
	<u>\$ (1,897,047)</u>

Actuarial Assumptions:

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

Actuarial Methods and Assumptions	
Inflation:	2.50%
Salary Increases:	3.0% to 13.0%
Investment rate of return:	7.00%
Mortality:	Variances of the PUB (10) Tables for Health & Disabled Retires, projected with Scale Ultimate MP-16

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, 2021, valuation rolled forward to June 30, 2022 and the calculation of the total pension liability at June 30, 2022 were consistent with the results of an actuarial experience study performed as of June 30, 2019 for the six year period ended June 30, 2019 as approved by the System's Board on May 22, 2020.

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 40 sources. The June 30, 2022 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, 2023

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	24.30%	5.52%
International Developed Equity	11.10%	6.04%
Emerging Markets Equity	4.60%	7.83%
Sub-total	40.00%	
Private Growth		
Private Equity	12.50%	9.42%
Non-Core RE	2.50%	4.80%
Sub-total	15.00%	
INCOME		
Equity Options	2.00%	5.25%
EMD (50/50 Blend)	2.00%	1.82%
Liquid Credit	3.00%	2.95%
Private Credit	3.00%	2.95%
Collateralized Loan Obligations (CLO)	2.00%	2.95%
Sub-total	12.00%	
STABILITY		
Crisis Protection Class		
Treasury Duration	5.00%	-0.44%
Systematic Trend	5.00%	3.33%
Sub-total	10.00%	
Inflation Protection		
Core Real Estate	4.00%	4.80%
Private Infrastructure	4.00%	5.65%
Sub-total	8.00%	
Volatility Protection		
IG Fixed Income	3.25%	1.18%
Securitized Credit	3.25%	1.18%
Absolute Return	6.50%	3.33%
Cash	2.00%	-0.44%
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, 2023

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%)
\$ 34,220,573	\$ 27,276,470	\$ 20,966,971

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, 2023

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, 2023

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 \$27,615, \$27,975 and \$27,689 for the fiscal years ended June 30, 2023, 2022 and 2021, 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, 2023, the Smithfield School Department reported an asset of \$6,506,908 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, 2022, 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, 2021, rolled forward to 2022. The Smithfield School Department proportion of the net pension asset was based on its share of contributions to the TSB for fiscal year 2022 relative to the total contributions of all participating employers for that fiscal year. At June 30, 2022 the Smithfield School Department proportion was 3.70280658%.

For the year ended June 30, 2023 the Town of Smithfield recognized pension expense of (\$678,748) – an increase of the net pension asset.

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

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, 2023 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	\$ 159,903	\$ 837,985
Changes of assumptions	158,112	217,944
Net difference between projected and actual earnings on pension plan investments	-	150,494
Changes in proportion and differences between System contributions and proportionate share contributions	149,991	72,433
Contributions subsequent to the measurement date	27,615	-
	<u>\$ 495,621</u>	<u>\$ 1,278,856</u>
Net amount of deferred outflows and (inflows) excluding Town contributions subsequent to measurement date		<u>\$ (810,850)</u>

\$27,615 reported as deferred outflows of resources related to pensions resulting from the Town of Smithfield School Department contributions in fiscal year 2023 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:	
2024	\$ (176,966)
2025	(280,777)
2026	(361,495)
2027	151,747
2028	(87,833)
Thereafter	(55,526)
	<u>\$ (810,850)</u>

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

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:	Variances of the PUB (10) Tables for Health & Disabled Retires, projected with Scale Ultimate MP-16

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, 2021 valuation and the calculation of the total pension liability at June 30, 2022 were consistent with the results of an actuarial experience study performed as of June 30, 2019 for the six year period ended June 30, 2019 as approved by the System’s Board on May 22, 2020.

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 40 sources. The June 30, 2022 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, 2023

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	24.30%	5.52%
International Developed Equity	11.10%	6.04%
Emerging Markets Equity	4.60%	7.83%
Sub-total	40.00%	
Private Growth		
Private Equity	12.50%	9.42%
Non-Core RE	2.50%	4.80%
Sub-total	15.00%	
INCOME		
Equity Options	2.00%	5.25%
EMD (50/50 Blend)	2.00%	1.82%
Liquid Credit	3.00%	2.95%
Private Credit	3.00%	2.95%
Collateralized Loan Obligations (CLO)	2.00%	2.95%
Sub-total	12.00%	
STABILITY		
Crisis Protection Class		
Treasury Duration	5.00%	-0.44%
Systematic Trend	5.00%	3.33%
Sub-total	10.00%	
Inflation Protection		
Core Real Estate	4.00%	4.80%
Private Infrastructure	4.00%	5.65%
Sub-total	8.00%	
Volatility Protection		
IG Corp Credit	3.25%	1.18%
Securitized Credit	3.25%	1.18%
Absolute Return	6.50%	3.33%
Cash	2.00%	-0.44%
Sub-total	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, 2023

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%)
\$ (5,712,043)	\$ (6,506,908)	\$ (7,229,089)

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 or 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, 2023

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, 2023, the Town contributed \$1,776,158 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, 2023.

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, 2022 as follows:

Inflation	3.00 percent
Salary increases	N/A
Investment rate of return	7.50% , changed to 7.25% July 1, 2023
Discount Rate	7.50% , changed to 7.25% July 1, 2023
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	4.13 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, 2023

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, 2023 was approximately \$2,340,802. At June 30, 2023 the plan included 74 participants which were comprised of the following: 33 active participants, 37 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 25.31% for fiscal 2022. During the year ended June 30, 2023, the Town contributed approximately \$663,206 to the plan.

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

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, 2022 as follows:

Discount rate for purposes of determining	
Net pension liability	7.50% , changed to 7.25% July 1, 2023
Long-term rate of return on investments	7.50% , changed to 7.25% July 1, 2023
Municipal Bond	4.13% The Municipal Bond rates is based on the S&P Municipal Bond 20 Year High Grade Index
Salary increases	3.00%
Inflation	3.00%
Mortality	2010 Public Safety Above Median for Employees, Healthy Annuitants, and Disabled Retirees, with Scale MP-2021 Generational Improvements (M/F)

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, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan expense was 9.03% and 9.91% 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, 2023, 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, 2023

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	Police	Target Asset Allocation	Long-Term Expected Rate of Return
	June 30, 2023 Asset Allocation	June 30, 2023 Asset Allocation		
Public Equity Strategies	66.52%	64.95%	65.00%	11.00%
Fixed Income	33.48%	35.05%	35.00%	5.70%
Alternatives	0.00%	0.00%	0.00%	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, 2023.

Investments	Fire		Police	
	Pension Trust Fair Value	% of Fiduciary Net Position	Pension Trust Fair Value	% of Fiduciary Net Position
Vanguard Short-Term Bond Index	\$ 4,133,842	13.74%		
Vanguard Short-Term Corporate Bond Index	\$ 4,146,897	13.78%		
Ishares MSC/EAFE International Index	\$ 4,198,972	13.95%		
Global Investors-LG S&P Index SEP	\$ 8,278,217	27.51%	3,782,546	27.51%

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

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, 2023:

Component:	Fire Pension Trust	Police Pension Trust
Total pension liability	\$ 46,039,300	\$ 26,208,646
Plan fiduciary net position	<u>30,096,183</u>	<u>13,747,842</u>
Net pension Liability	\$ 15,943,117	\$ 12,460,804
Plan fiduciary net position as a percentage of the total pension liability	65.37%	52.46%

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, 2023, 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, 2023

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 (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Police Pension Plan - Trust Fund	\$ 15,307,143	\$ 12,460,804	\$ 10,064,774

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Fire Pension Plan- Trust Fund	\$ 22,798,346	\$ 15,943,117	\$ 10,400,192

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

For the year ended June 30, 2023, the Town of Smithfield recognized pension expense of \$1,957,890 (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	1,515,954	933,680
Total deferred outflows / (inflows)	\$ 1,515,954	\$ 933,680

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:	
2024	\$ 173,226
2025	37,754
2026	415,727
2027	(44,433)
2028	-
Therafter	-
	\$ 582,274

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

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 7/1/2022	\$ 25,392,490	\$ 12,657,618	\$12,734,872
Changes for the year:			
Service cost	-	-	-
Interest on total pension liability	1,833,063	-	1,833,063
Change of benefit terms	-	-	-
Differences between expected and actual experience	181,208	-	181,208
Changes in assumptions	637,341	-	637,341
Contributions - employer	-	1,776,158	(1,776,158)
Contributions - employee	-	-	-
Net investment income	-	1,166,722	(1,166,722)
Benefit payments	(1,835,456)	(1,835,456)	-
Administrative expense	-	(17,200)	17,200
Net changes	816,156	1,090,224	(274,068)
Balance as of 6/30/2023	\$ 26,208,646	\$ 13,747,842	\$12,460,804

For the year ended June 30, 2023 the Town of Smithfield recognized pension expense of \$1,362,745 (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	\$ 1,426,850	\$ 402,355
Changes of assumptions	1,211,156	2,118,256
Difference between projected and actual earnings on plan investments	1,029,755	-
Total deferred outflows / (inflows)	\$ 3,667,761	\$ 2,520,611

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

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:		
2024	\$	(87,973)
2025		(331,736)
2026		910,368
2027		521,105
2028		135,386
Thereafter		-
		<u>\$ 1,147,150</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 7/1/2022	\$ 41,762,649	\$ 28,669,759	\$13,092,890
Changes for the year:			
Service cost	460,842	-	460,842
Interest on total pension liability	3,087,057	-	3,087,057
Change of benefit terms	-	-	-
Differences between expected and actual experience	1,223,769	-	1,223,769
Changes in assumptions	1,495,332	-	1,495,332
Contributions - employer	-	663,206	(663,206)
Contributions - employee	-	260,798	(260,798)
Net investment income	-	2,510,269	(2,510,269)
Benefit payments	(1,990,349)	(1,990,349)	-
Administrative expense	-	(17,500)	17,500
Net changes	<u>4,276,651</u>	<u>1,426,424</u>	<u>2,850,227</u>
Balance as of 6/30/2023	<u>\$ 46,039,300</u>	<u>\$ 30,096,183</u>	<u>\$15,943,117</u>

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

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	\$ 486,811	\$ 404,113	\$ 467,787	\$ 227,003	\$ 2,889,485	\$ 27,615	\$ -	\$ -	\$ 4,502,814
Net difference between projected and actual experience	-	-	-	-	-	-	1,515,954	1,029,755	2,545,709
Difference between expected and actual experience	48,480	32,448	270,986	8	403,995	159,903	-	1,211,156	2,126,976
Changes in assumptions	-	-	261,804	53,919	550,130	158,112	-	1,426,850	2,450,815
Changes in proportion an difference in employer contributions and proportion	-	-	-	-	230,536	149,991	-	-	380,527
Subtotal deferred outflows of resources	<u>535,291</u>	<u>436,561</u>	<u>1,000,577</u>	<u>280,930</u>	<u>4,074,146</u>	<u>495,621</u>	<u>1,515,954</u>	<u>3,667,761</u>	<u>12,006,841</u>
Deferred Inflows of Resources:									
Difference between actual and expected experience	438,770	295,431	958,483	341,289	530,528	837,985	933,680	402,355	4,738,521
Net difference between projected and actual experience	180,610	130,956	217,223	31,061	570,729	150,494	-	-	1,281,073
Changes in assumptions	87,104	70,415	141,900	21,525	408,947	217,944	-	2,118,256	3,066,091
Changes in proportion and difference in employer contributions and proportion	-	-	-	-	1,571,504	72,433	-	-	1,643,937
Subtotal deferred inflows of resources	<u>706,484</u>	<u>496,802</u>	<u>1,317,606</u>	<u>393,875</u>	<u>3,081,708</u>	<u>1,278,856</u>	<u>933,680</u>	<u>2,520,611</u>	<u>10,729,622</u>
Net Deferred Outflows (Inflows)	<u>\$ (658,004)</u>	<u>\$ (464,354)</u>	<u>\$ (784,816)</u>	<u>\$ (339,948)</u>	<u>\$ (1,897,047)</u>	<u>\$ (810,850)</u>	<u>\$ 582,274</u>	<u>\$ 1,147,150</u>	<u>\$ (3,225,595)</u>

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

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 2023 contributions to pension plans subsequent to the measurement date (June 30, 2022 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, 2023, 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
2024	\$ (292,867)	\$ (225,062)	\$ (224,760)	\$ (51,229)	\$ (433,710)	\$ (176,966)	\$ 173,226	\$ (87,973)	\$ (1,319,341)
2025	(317,124)	(241,083)	(236,540)	(51,001)	(653,667)	(280,777)	37,754	(331,736)	(2,074,174)
2026	(358,075)	(259,493)	(364,706)	(62,852)	(1,107,067)	(361,495)	415,727	910,368	(1,187,593)
2027	336,674	261,284	360,184	48,725	490,281	151,747	(44,433)	521,105	2,125,567
2028	(26,612)	-	(126,534)	(21,324)	(174,179)	(87,833)	-	135,386	(301,096)
Thereafter	-	-	(192,460)	(202,267)	(18,705)	(55,526)	-	-	(468,958)
Total	\$ (658,004)	\$ (464,354)	\$ (784,816)	\$ (339,948)	\$ (1,897,047)	\$ (810,850)	\$ 582,274	\$ 1,147,150	\$ (3,225,595)

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

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	\$ -	\$ -	\$ 429,031	\$ 311,809	\$ -	\$ 6,506,908	\$ -	\$ -	\$ 7,247,748
Deferred Outflows of Resources - Pension	535,291	436,561	280,930	1,000,577	4,074,146	495,621	3,667,761	1,515,954	12,006,841
Deferred Inflows of Resources - Pension	706,484	496,802	393,875	1,317,606	3,081,708	1,278,856	2,520,611	933,680	10,729,622
Net Pension Liability	1,016,758	894,072	-	-	27,276,470	-	15,943,117	12,460,804	57,591,221
Pension Expense	(114,804)	(7,918)	139,169	(43,362)	1,711,746	(678,748)	1,362,745	1,957,890	4,326,718
Total	<u>\$ 2,143,729</u>	<u>\$ 1,819,517</u>	<u>\$ 1,243,005</u>	<u>\$ 2,586,630</u>	<u>\$ 36,144,070</u>	<u>\$ 7,602,637</u>	<u>\$ 23,494,234</u>	<u>\$ 16,868,328</u>	<u>\$ 91,902,150</u>

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

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 \$2,133,917 and \$257,633 respectively, during the fiscal year ended June 30, 2023. The employer contribution of \$672,825 consisted of \$44,783 for general municipal employees, \$41,083 for noncertified school employees, and \$586,959 for both certified teachers and certified administrators.

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 .5% and 6% for 1%, 1.25% and 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, 2023, amounted to \$121,228 and recorded in the School Unrestricted Fund as on-behalf revenue and education expenditures.

The Town of Smithfield recognized pension expense of approximately \$794,053 for the fiscal year ended June 30, 2023, 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, 2023

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, 2023

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, 2022 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, 2023, measured as of June 30, 2023, with a valuation date of July 1, 2022:

Total OPEB liability	\$ 45,988,732
Plans fiduciary net position	<u>6,630,559</u>
Town's net OPEB liability	<u>\$ 39,358,173</u>
Plan net position as a percentage of the total OPEB liability	14.42%

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

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 July 1, 2022	\$ 44,565,511	\$ 5,574,438	\$ 38,991,073
Changes for the year:			
Service cost	1,505,548	-	1,505,548
Interest on net OPEB liability	1,801,923	-	1,801,923
Changes of benefit terms	-	-	-
Differences between actual and expected experience	(139,773)	-	(139,773)
Changes in assumptions			
Trend	(312,311)	-	(312,311)
Discount rate	(211,826)	-	(211,826)
Employer contributions		1,666,714	(1,666,714)
Employee contributions	109,573	109,573	-
Net investment income		628,811	(628,811)
Benefits payments	(1,329,913)	(1,329,913)	-
Administrative expense	-	(19,064)	19,064
Other changes in plan fiduciary net position	-	-	-
Net changes	<u>1,423,221</u>	<u>1,056,121</u>	<u>367,100</u>
Balances at June 30, 2023	<u>\$ 45,988,732</u>	<u>\$ 6,630,559</u>	<u>\$ 39,358,173</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, 2023. 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, 2023, the single equivalent discount rate used in the valuation was 4.16% while the indexed rate was 4.13%. The discount rate used at June 30, 2022, was 4.11% while the indexed rate was 4.09%.

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

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, 2023, calculated using an assumed discount rate of 4.16% 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 4.16% was increased from the discount rate of 4.11% which was assumed for the net OPEB liability as of the beginning of the year.

	Impact of 1% Change in Discount Rate		
	1% Decrease (3.16%)	Current discount rate (4.16%)	1% Increase (5.16%)
Total OPEB liability	\$ 43,837,573	\$ 39,358,173	\$ 35,371,472

Long Term Expected Rate of Return:

The actuarial valuation as of July 01, 2022, 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, 2023 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, 2023

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 10.86% for fiscal 2023. 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 4.14%.

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

The following presents the net OPEB Liability as of June 30, 2023, calculated using an assumed healthcare trend rate of 6.0% down by the Getzen model to 4.14% 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 (5.50% decreasing to 3.14%)	Current trend rate (6.50% decreasing to 4.14%)	1% Increase (7.50% decreasing to 5.14%)
Total OPEB liability	\$ 34,276,326	\$ 39,358,173	\$ 45,370,495

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

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, 2023, in the Government-Wide Statement of Net Position as follows:

Deferred outflows of resources	
Differences between actual and expected experience	\$ 4,645,724
Changes in assumptions	3,805,347
Net difference between projected and actual earnings on OPEB plan investments	200,662
Deferred inflows of resources	
Differences between actual and expected experience	6,178,616
Changes in assumptions	11,272,365
Net difference between projected and actual earnings on OPEB plan investments	-
Total	\$ (8,799,248)

The amounts noted above and reported as deferred outflows (inflows) of resources at June 30, 2023, 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:	
2024	\$ (564,334)
2025	(579,430)
2026	(392,718)
2027	(698,531)
2028	(1,006,665)
Thereafter	(5,557,570)
Total	\$ (8,799,248)

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

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

OPEB Expenses:

For the fiscal year ended June 30, 2023, the Town's Government-Wide Statement of Activities recognized OPEB expense of \$2,346,850.

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, 2022
Actuarial Cost Method:	Entry age actuarial cost method.
Asset-Valuation Method:	Fair Value as of June 30, 2023
Discount Rate	Single equivalent interest rate of 4.16%
Index Rate	4.13%
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, 2023

Note 14. Combining Statements – Pension and OPEB Trust Funds

At June 30, 2023, 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, 2023

	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	13,745,175	30,096,183	6,630,559	50,471,917
Interfund receivable	148,989	87,680	8,947	245,616
Total assets	13,894,164	30,183,863	6,639,506	50,717,533
Deferred outflows of resources				
Deferred outflows	-	-	-	-
Total assets and deferred outflows of resources	13,894,164	30,183,863	6,639,506	50,717,533
Liabilities				
Other liabilities	146,322	87,680	8,947	242,949
Total liabilities	146,322	87,680	8,947	242,949
Deferred inflows of resources				
Unearned revenue	-	-	-	-
Net Position				
Restricted for pensions	13,747,842	30,096,183	-	43,844,025
Restricted for OPEB	-	-	6,630,559	6,630,559
Total net position	13,747,842	30,096,183	6,630,559	50,474,584
Total liabilities and net position	\$ 13,894,164	\$ 30,183,863	\$ 6,639,506	\$ 50,717,533

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

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, 2023

	Police Pension Trust Trust Fund	Fire Pension Trust Fund	OPEB Trust Fund	Total Pension & OPEB Trust Fund
Additions				
Contributions				
Employer contributions	\$ 1,776,158	\$ 663,206	\$ 1,666,714	\$ 4,106,078
Plan member contributions	-	260,798	109,573	370,371
Total Contributions	<u>1,776,158</u>	<u>924,004</u>	<u>1,776,287</u>	<u>4,476,449</u>
Investment Earnings				
Realized and unrealized gains (losses)	249,603	400,681	-	650,284
Interest and dividends	946,452	2,109,588	628,811	3,684,851
Total investment earnings	<u>1,196,055</u>	<u>2,510,269</u>	<u>628,811</u>	<u>4,335,135</u>
Less: Investment expense	<u>(29,333)</u>	<u>-</u>	<u>-</u>	<u>(29,333)</u>
Total additions	<u>2,942,880</u>	<u>3,434,273</u>	<u>2,405,098</u>	<u>8,782,251</u>
Deductions				
Benefits paid	1,835,456	1,990,349	1,329,913	5,155,718
Operating expenses	17,200	17,500	19,064	53,764
Total deductions	<u>1,852,656</u>	<u>2,007,849</u>	<u>1,348,977</u>	<u>5,209,482</u>
Changes in net position held in trust for individuals, organizations, and other governments	1,090,224	1,426,424	1,056,121	3,572,769
Net position, July 1, 2022	<u>12,657,618</u>	<u>28,669,759</u>	<u>5,574,438</u>	<u>46,901,815</u>
Net position, June 30, 2023	<u>\$ 13,747,842</u>	<u>\$ 30,096,183</u>	<u>\$ 6,630,559</u>	<u>\$ 50,474,584</u>

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

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, 2023, 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, 2023, the Town paid premiums of \$267,991 and \$530,148, for its workers' compensation and property and liability coverage, respectively. At June 30, 2023, the Trust held reserves for future payments of open cases.

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

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, 2023, 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/Reclassification

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>Major Fund Capital Projects</u>	<u>Other Non-Major Capital Projects</u>
Beginning balance, July 1, 2022	\$ 196,834	\$ -
To record the fund as a non-major fund	<u>(196,834)</u>	<u>196,834</u>
Beginning balance, July 1, 2022	<u>\$ -</u>	<u>\$ 196,834</u>

During the year ended June 30, 2023, the Town’s School Renovations Bond fund was calculated as a non-major fund. Previously it had been shown as a major fund and this restatement is reclassifying it.

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

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, 2023 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, 2023 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

As of December 27, 2023, the Town has no subsequent events to disclose.

(concluded)

This page was intentionally left blank

TOWN OF SMITHFIELD, RHODE ISLAND

Required Supplementary Information Section

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, 2023

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Carryover of Prior Year Balance</u>	<u>Total Available</u>	<u>Actual Revenues</u>	<u>Variance Positive (Negative)</u>
Revenues:						
General property taxes						
Property taxes	\$ 61,098,009	\$ 61,098,009	\$ -	\$ 61,098,009	\$ 58,132,647	\$ (2,965,362)
Total general property taxes	<u>61,098,009</u>	<u>61,098,009</u>	<u>-</u>	<u>61,098,009</u>	<u>58,132,647</u>	<u>(2,965,362)</u>
Intergovernmental revenues						
State aid for education	7,460,599	7,460,599	-	7,460,599	7,215,401	(245,198)
Municipal incentive aid	-	-	-	-	40,000	40,000
School housing aid	1,998,125	1,998,125	-	1,998,125	2,003,330	5,205
Payment-in-Lieu of taxes	941,869	941,869	-	941,869	954,846	12,977
State hotel and meals tax	1,185,684	1,185,684	-	1,185,684	1,322,762	137,078
Motor vehicle phase-out	4,080,000	4,080,000	-	4,080,000	7,098,694	3,018,694
Federal SAFER Grant	-	-	-	-	-	-
Public utilities tax	258,355	258,355	-	258,355	269,260	10,905
Total intergovernmental revenues	<u>15,924,632</u>	<u>15,924,632</u>	<u>-</u>	<u>15,924,632</u>	<u>18,904,292</u>	<u>2,979,660</u>
Licenses, fees and permits	<u>915,000</u>	<u>915,000</u>	<u>-</u>	<u>915,000</u>	<u>1,133,911</u>	<u>218,911</u>
Interest income						
Interest short-term investments	25,000	25,000	-	25,000	421,286	396,286
Interest on taxes	300,000	300,000	-	300,000	218,232	(81,768)
Total interest income	<u>325,000</u>	<u>325,000</u>	<u>-</u>	<u>325,000</u>	<u>639,518</u>	<u>314,518</u>
Departmental revenue						
School department	607,179	607,179	-	607,179	607,179 *	-
Departmental	529,475	529,475	-	529,475	454,475 *	(75,000)
Impact fees	645,975	645,975	-	645,975	645,975 *	-
Miscellaneous	200,000	200,000	-	200,000	106,251	(93,749)
Total departmental revenues	<u>1,982,629</u>	<u>1,982,629</u>	<u>-</u>	<u>1,982,629</u>	<u>1,813,880</u>	<u>(168,749)</u>
Total revenues before other financing sources	<u>80,245,270</u>	<u>80,245,270</u>	<u>-</u>	<u>80,245,270</u>	<u>80,624,249</u>	<u>378,979</u>
Other financing sources						
Revenue for capital expenditures and operations	2,140,885	2,140,885	-	2,140,885	1,066,897 *	(1,073,988)
Lease proceeds	-	-	-	-	-	-
Appropriated fund balance	600,000	600,000	2,799,123	3,399,123	2,799,123	(600,000)
Transfer from other funds	-	-	-	-	-	-
Total other financing sources	<u>2,740,885</u>	<u>2,740,885</u>	<u>2,799,123</u>	<u>5,540,008</u>	<u>3,866,020</u>	<u>(1,673,988)</u>
Total revenue and other financing sources	<u>82,986,155</u>	<u>82,986,155</u>	<u>2,799,123</u>	<u>85,785,278</u>	<u>84,490,269</u>	<u>(1,295,009)</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, 2023

	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	\$ 1,046,333	\$ 71,636	\$ 1,117,969	\$ 1,099,500	\$ 70,984	\$ 1,170,484	\$ (52,515)
Building inspector's office	474,232	-	474,232	472,515	-	472,515	1,717
Tax assessor's office	295,861	-	295,861	284,679	-	284,679	11,182
Treasurer/Tax collector's office	687,220	-	687,220	653,905	-	653,905	33,315
Town clerks office	420,619	-	420,619	344,123	-	344,123	76,496
Town Hall expense	171,536	160,247	331,783	129,481	170,247	299,728	32,055
Municipal planners office & town engineer	623,533	265,267	888,800	626,826	204,185	831,011	57,789
Board of canvassers/elections	13,350	-	13,350	50,077	-	50,077	(36,727)
Conservation commission/Green Acre	18,230	-	18,230	24,743	-	24,743	(6,513)
Town Boards and Commissions	26,875	-	26,875	13,677	-	13,677	13,198
Total General Government	<u>3,777,789</u>	<u>497,150</u>	<u>4,274,939</u>	<u>3,699,525</u>	<u>445,416</u>	<u>4,144,941</u>	<u>129,998</u>
Public Safety:							
Police department	9,897,338	-	9,897,338	9,963,468	-	9,963,468	(66,130)
Fire department	9,918,404	-	9,918,404	11,064,380	-	11,064,380	(1,145,976)
Animal control	227,576	-	227,576	233,467	-	233,467	(5,891)
Emergency management agency	116,365	-	116,365	105,849	-	105,849	10,516
Total Public Safety	<u>20,159,683</u>	<u>-</u>	<u>20,159,683</u>	<u>21,367,163</u>	<u>-</u>	<u>21,367,163</u>	<u>(1,207,480)</u>
Public Works:							
Payroll and operating expense	2,479,907	-	2,479,907	2,284,411	-	2,284,411	195,496
Rubbish and recycling collection	1,250,000	-	1,250,000	1,264,419	-	1,264,419	(14,419)
Street lights	268,000	-	268,000	114,757	-	114,757	153,243
Hydrant service	340,000	69,255	409,255	317,751	91,504	409,255	-
Highway resurfacing	-	164,558	164,558	-	157,385	157,385	7,173
Highway drainage	60,000	226,686	286,686	32,875	241,997	274,872	11,814
Landfill program	347,000	-	347,000	314,226	32,774	347,000	-
Total Public Works	<u>4,744,907</u>	<u>460,499</u>	<u>5,205,406</u>	<u>4,328,439</u>	<u>523,660</u>	<u>4,852,099</u>	<u>353,307</u>
Public Health and Assistance							
General public assistance	10,825	-	10,825	-	-	-	10,825
Total Public Health and Assistance	<u>10,825</u>	<u>-</u>	<u>10,825</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,825</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, 2023

	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	886,734	37,910	924,644	863,149	40,052	903,201	21,443
Senior activities center	480,227	20,710	500,937	444,755	20,774	465,529	35,408
Total Recreation	<u>1,366,961</u>	<u>58,620</u>	<u>1,425,581</u>	<u>1,307,904</u>	<u>60,826</u>	<u>1,368,730</u>	<u>56,851</u>
Debt Service:							
Redemption of bonds and notes	2,790,000	788,697	3,578,697	2,790,000	755,170	3,545,170	33,527
Financing cost and other use	-	-	-	7,900	-	7,900	(7,900)
Interest on bonds and notes	1,874,101	994,157	2,868,258	1,695,296	971,738	2,667,034	201,224
Total Debt Service	<u>4,664,101</u>	<u>1,782,854</u>	<u>6,446,955</u>	<u>4,493,196</u>	<u>1,726,908</u>	<u>6,220,104</u>	<u>226,851</u>
Miscellaneous Town:							
Retirement fund	50,000	-	50,000	34,021	-	34,021	15,979
Computer expenses	139,600	-	139,600	38,207	-	38,207	101,393
Social security taxes	-	-	-	-	-	-	-
Audit services	58,500	-	58,500	58,500	-	58,500	-
Unemployment compensation	10,000	-	10,000	13,244	-	13,244	(3,244)
Post employment escrow	300,000	-	300,000	300,000	-	300,000	-
Insurance	917,500	-	917,500	920,822	-	920,822	(3,322)
Medical insurance retirees	990,000	-	990,000	857,055	-	857,055	132,945
Dental insurance retirees	33,950	-	33,950	21,529	-	21,529	12,421
Postage	38,000	-	38,000	31,611	-	31,611	6,389
Town aided programs	61,350	-	61,350	62,202	-	62,202	(852)
Sewer assessments and handicapped access	1,100	-	1,100	4,547	-	4,547	(3,447)
Reserve for unpaid taxes and abatements	100,000	-	100,000	-	-	-	100,000
Total Miscellaneous - Town	<u>2,700,000</u>	<u>-</u>	<u>2,700,000</u>	<u>2,341,737</u>	<u>-</u>	<u>2,341,737</u>	<u>358,263</u>
Municipal Capital Improvements	<u>2,414,622</u>	<u>-</u>	<u>2,414,622</u>	<u>1,057,108</u>	<u>-</u>	<u>1,057,108</u>	<u>1,357,514</u>
Total Expenditures before other financing uses	<u>39,838,888</u>	<u>2,799,123</u>	<u>42,638,011</u>	<u>38,595,073</u>	<u>2,756,810</u>	<u>41,351,883</u>	<u>1,286,128</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, 2023

	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)
Other financing uses and transfers:							
School unrestricted fund - appropriation	33,157,022	-	33,157,022	33,157,022	-	33,157,022	-
School miscellaneous revenue	607,179	-	607,179	607,179	-	607,179	-
State aid for education	7,460,599	-	7,460,599	7,215,401	-	7,215,401	245,198
East Smithfield Neighborhood Center	6,465	-	6,465	-	-	-	6,465
East Smithfield Public Library	587,365	-	587,365	587,365	-	587,365	-
Greenville Public Library	913,637	-	913,637	913,637	-	913,637	-
Municipal escrow	100,000	-	100,000	100,000	-	100,000	-
Revaluation escrow	65,000	-	65,000	65,000	-	65,000	-
Merit escrow	100,000	-	100,000	-	-	-	100,000
Retirement escrow	50,000	-	50,000	40,000	-	40,000	10,000
Capital reserve fund	100,000	-	100,000	100,000	-	100,000	-
Transfer to other funds	-	-	-	306,000	-	306,000	(306,000)
Total other financing uses and transfers	<u>43,147,267</u>	<u>-</u>	<u>43,147,267</u>	<u>43,091,604</u>	<u>-</u>	<u>43,091,604</u>	<u>55,663</u>
Total Expenditures and other financing uses	<u>82,986,155</u>	<u>2,799,123</u>	<u>85,785,278</u>	<u>81,686,677</u>	<u>2,756,810</u>	<u>84,443,487</u>	<u>1,341,790</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses, budgetary basis	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,803,592</u>	<u>\$ 2,756,810</u>	<u>\$ 46,782</u>	<u>\$ 46,782</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, 2023

Excess of revenue and other financing sources over expenditures and other financing uses, Budgetary basis	\$ 46,782
Less reappropriation of fund balance and prior year RUBS which are reported as revenue for budget purposes but not reported in accordance with GAAP	(2,799,123)
Add amounts reported as expenditures for budget purposes but which represents RUBS for carryover to future years. These are not GAAP expenditures	<u>2,756,810</u>
Add net increase in fund balance for the fiscal year ended June 30, 2023 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>\$ 4,474</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, 2023

	Original Budget		Actual	Variance Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Intergovernmental revenue	\$ 7,217,660	\$ 7,215,401	\$ 7,317,401	\$ 102,000
Medicaid revenue	200,000	200,000	208,890	8,890
Miscellaneous revenue	437,425	437,425	419,645	(17,780)
Total revenues	7,855,085	7,852,826	7,945,936	93,110
Expenditures				
Salaries	24,488,354	24,228,668	24,328,052	(99,384)
Employee benefits	8,890,713	8,779,176	8,722,550	56,627
Purchased services	6,095,401	6,328,027	6,391,346	(63,319)
Supplies and materials	1,298,001	1,421,354	1,365,490	55,864
Other	46,296	49,976	48,290	1,687
Capital outlay	193,342	202,646	205,724	(3,078)
Total expenditures	41,012,107	41,009,848	41,061,451	(51,603)
Excess of expenditures over revenues, budgetary basis	(33,157,022)	(33,157,022)	(33,115,515)	41,506
Other financing sources (uses)				
Transfer from Town of Smithfield General Fund	33,157,022	33,157,022	33,157,022	-
Transfers (out)	-	-	(2,000,000)	(2,000,000)
Total other financing sources (uses)	33,157,022	33,157,022	31,157,022	(2,000,000)
Excess of revenues and other financing sources over expenditures and other financing uses, budgetary basis	\$ -	\$ -	\$ (1,958,493)	\$ (1,958,494)

*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, 2023

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, 2023. There were differences between the budgetary basis and GAAP Basis of accounting for the School Unrestricted Fund for the year ended June 30, 2023.

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, 2023

	<u>School Unrestricted</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses (budgetary basis)	\$ (1,958,494)
State contribution to teachers' pension plan revenue on behalf	2,374,074
State contribution to teacher's pension plan expense on behalf	<u>(2,374,074)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses (GAAP)	<u>\$ (1,958,494)</u>

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

Town of Smithfield, Rhode Island

Required Supplementary Information

General Employees MERS Plan- Town

Schedule of Changes in Net Pension Liability and Related Ratios

Last 10 Fiscal Years

Measurement period	June 30, 2022	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	\$ 361,900	\$ 362,457	\$ 384,844	\$ 374,510	\$ 360,967	\$ 350,784	\$ 327,954	\$ 320,251	\$ 332,297
Interest on the Total Pension Liability	1,406,769	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	(196,362)	(208,351)	21,099	(474,407)	382,270	(383,439)	(248,848)	135,517	-
Assumption Changes	-	-	(185,336)	-	-	814,692	-	-	(133,298)
Benefit payments	(995,245)	(904,391)	(897,480)	(812,964)	(835,283)	(726,630)	(712,041)	(694,093)	(684,734)
Net change in total pension liability	<u>577,062</u>	<u>616,527</u>	<u>645,761</u>	<u>385,392</u>	<u>1,126,123</u>	<u>1,269,098</u>	<u>539,951</u>	<u>1,110,730</u>	<u>562,821</u>
Total pension liability – beginning	20,413,373	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>\$ 20,990,435</u>	<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	\$ 464,909	\$ 444,713	\$ 474,051	\$ 369,074	\$ 342,216	\$ 369,799	\$ 372,459	\$ 372,945	\$ 289,607
Contributions – employee	140,561	140,453	143,588	135,720	130,490	136,865	134,625	74,217	66,806
Pension Plan Net Investment Income	(559,285)	4,511,620	609,108	1,018,984	1,177,963	1,586,848	(4,844)	333,731	1,878,173
Benefit Payments	(995,245)	(904,391)	(897,480)	(812,964)	(835,283)	(726,630)	(712,041)	(694,093)	(684,734)
Pension Plan Administrative Expense	(19,066)	(17,190)	(16,782)	(15,924)	(15,682)	(14,992)	(13,030)	(13,392)	(11,761)
Other Changes in Plan Fiduciary Net Position	82,303	8	(85,112)	19,760	-	(364,240)	(62,907)	65,665	-
Net change in plan fiduciary net position	<u>(885,823)</u>	<u>4,175,213</u>	<u>227,373</u>	<u>714,650</u>	<u>799,704</u>	<u>987,650</u>	<u>(285,738)</u>	<u>139,073</u>	<u>1,538,091</u>
Plan fiduciary net position – beginning	20,859,500	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>\$ 19,973,677</u>	<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)	1,016,758	(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	95.16%	102.19%	84.28%	85.93%	83.89%	84.71%	85.24%	89.96%	95.80%
Covered Payroll	\$4,557,929	\$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	22.31%	-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, 2023 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

General Employees MERS Plan- Town

Schedule of Contribution

Last 10 Fiscal Years

Fiscal Year Ending	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 486,811	\$ 464,909	\$ 444,713	\$ 474,051	\$ 369,074	\$ 342,216	\$ 369,799	\$ 372,459	\$ 372,945	\$ 289,607
Contributions in relation to the actuarially determined contribution	486,811	464,909	444,713	474,051	369,074	342,216	369,799	372,459	372,945	289,607
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Covered payroll	\$ 4,694,667	\$ 4,557,929	\$ 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	10.37%	10.20%	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.
- 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

General Employees MERS Plan – School Non-Certified

Schedule of Changes in Net Pension Liability and Related Ratios

Last 10 Fiscal Years

Measurement period	June 30, 2022	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	\$ 338,788	\$ 326,352	\$ 337,729	\$ 342,574	\$ 327,825	\$ 305,745	\$ 290,748	\$ 288,948	\$ 315,326
Interest on the Total Pension Liability	1,066,864	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	(259,166)	(5,932)	(245,013)	194,928	28,230	178,948	(144,625)	(344,400)	-
Assumption Changes	-	-	(196,250)	-	-	743,219	-	-	21,275
Benefit payments	(907,881)	(910,204)	(890,724)	(845,161)	(913,496)	(930,114)	(883,523)	(809,304)	(835,313)
Net change in total pension liability	238,605	445,386	39,245	680,008	399,362	1,229,296	181,658	213,088	378,692
Total pension liability – beginning	15,525,455	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>\$ 15,764,060</u>	<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	\$ 392,343	\$ 363,487	\$ 316,970	\$ 296,183	\$ 253,881	\$ 258,086	\$ 266,690	\$ 267,616	\$ 239,838
Contributions – employee	90,275	85,197	84,390	87,633	81,927	79,890	81,209	64,236	63,703
Pension Plan Net Investment Income	(416,376)	3,397,195	466,725	795,410	947,088	1,318,735	2,765	287,538	1,669,363
Benefit Payments	(907,881)	(910,204)	(890,724)	(845,161)	(913,496)	(930,114)	(883,523)	(809,304)	(835,313)
Pension Plan Administrative Expense	(14,194)	(12,944)	(12,859)	(12,430)	(12,608)	(12,459)	(17,756)	(11,468)	(10,454)
Other Changes in Plan Fiduciary Net Position	18,870	-	(26,412)	(132,371)	(117,797)	(29)	(15,140)	(62,902)	(62,377)
Net change in plan fiduciary net position	(836,963)	2,922,731	(61,910)	189,264	238,995	714,109	(565,755)	(264,284)	1,064,760
Plan fiduciary net position – beginning	15,706,951	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>\$ 14,869,988</u>	<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)	894,072	(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	94.33%	101.17%	84.78%	85.41%	88.13%	88.94%	91.92%	97.76%	101.59%
Covered Payroll	\$3,967,077	\$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	22.54%	-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, 2023 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

General Employees MERS Plan – School Non-Certified

Schedule of Contributions

Last 10 Fiscal Years

Fiscal Year Ending	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 404,113	\$ 392,343	\$ 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>404,113</u>	<u>392,343</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	\$ 4,086,089	\$ 3,967,077	\$ 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	9.89%	9.89%	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.
- 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

Police Employees MERS Plan

Schedule of Changes in Net Pension Liabilities and Related Ratios

Last 10 Fiscal Years

Measurement period ending	June 30, 2022	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	\$ 701,705	\$ 639,143	\$ 679,340	\$ 673,521	\$ 649,056	\$ 568,324	\$ 523,160	\$ 471,726	\$ 451,642
Interest on the Total Pension Liability	1,584,193	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	(452,911)	(238,635)	(60,553)	(528,494)	376,708	234,180	(230,013)	165,545	-
Assumption Changes	-	-	(115,936)	-	-	737,604	-	-	(183,362)
Benefit payments	(523,580)	(490,997)	(353,102)	(378,031)	(300,483)	(309,560)	(247,765)	(240,722)	(215,212)
Net change in total pension liability	1,309,407	1,395,004	1,534,089	1,075,009	1,902,011	2,314,384	1,051,015	2,063,858	839,489
Total pension liability – beginning	<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>	<u>10,367,401</u>
Total pension liability – ending (a)	<u>\$ 23,851,667</u>	<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	\$ 455,455	\$ 395,220	\$ 415,375	\$ 305,303	\$ 230,711	\$ 202,710	\$ 204,399	\$ 204,685	\$ 133,929
Contributions – employee	363,203	329,627	334,981	331,132	319,103	306,210	293,689	230,955	227,478
Pension Plan Net Investment Income	(676,604)	5,313,731	695,138	1,112,517	1,243,190	1,607,602	(4,632)	307,305	1,681,302
Benefit Payments	(523,580)	(490,997)	(353,102)	(378,031)	(300,483)	(309,560)	(247,765)	(240,722)	(215,212)
Pension Plan Administrative Expense	(23,065)	(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	(404,591)	5,527,335	1,073,238	1,353,536	1,475,971	1,791,739	233,227	489,577	1,816,969
Plan fiduciary net position – beginning	<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>	<u>10,806,475</u>
Plan fiduciary net position – ending (b)	<u>\$ 24,163,476</u>	<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)	(311,809)	(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	101.31%	108.99%	90.04%	91.61%	89.62%	90.99%	93.19%	98.81%	112.64%
Covered Payroll	\$ 3,632,016	\$ 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	-8.59%	-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.
- Schedule is intended to show 10 years. However, as of June 30, 2023 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

Police Employees MERS Plan

Schedule of Contributions

Last 10 Fiscal Years

Fiscal Year Ending	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 467,787	\$ 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	<u>467,787</u>	<u>455,464</u>	<u>395,220</u>	<u>415,375</u>	<u>305,303</u>	<u>230,711</u>	<u>202,710</u>	<u>204,399</u>	<u>204,685</u>	<u>133,929</u>
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Covered payroll	\$ 3,740,976	\$ 3,632,016	\$ 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	12.50%	12.54%	11.99%	12.40%	9.22%	7.23%	6.62%	6.93%	7.09%	4.86%

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.
- 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

Fire Employees MERS Plan

Schedule of Changes in Net Pension Liability and Related Ratios

Last 10 Fiscal Years

	<u>June 30,</u> <u>2022</u>	<u>June 30,</u> <u>2021</u>	<u>June 30,</u> <u>2020</u>	<u>June 30,</u> <u>2019</u>	<u>June 30,</u> <u>2018</u>	<u>June 30,</u> <u>2017</u>	<u>June 30,</u> <u>2016</u>	<u>June 30,</u> <u>2015</u>	<u>June 30,</u> <u>2014</u>
Measurement period ending									
Total Pension Liability									
Service Cost	\$ 424,995	\$ 381,835	\$ 347,603	\$ 256,061	\$ 188,643	\$ 149,503	\$ 121,804	\$ 93,121	\$ 81,253
Interest on the Total Pension Liability	202,635	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	(96,125)	(94,389)	(51,293)	(30,848)	(53,331)	(55,654)	(43,768)	16	-
Assumption Changes	-	-	(24,881)	-	-	81,099	-	-	(2,446)
Benefit payments	(28,583)	-	-	-	-	(20,873)	-	(7,626)	(24)
Net change in total pension liability	<u>502,922</u>	<u>457,543</u>	<u>411,522</u>	<u>338,413</u>	<u>230,049</u>	<u>235,654</u>	<u>148,241</u>	<u>158,776</u>	<u>126,101</u>
Total pension liability – beginning	2,696,586	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>\$ 3,199,508</u>	<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	\$ 200,614	\$ 181,811	\$ 154,529	\$ 91,123	\$ 73,919	\$ 70,384	\$ 68,903	\$ 52,630	\$ 37,684
Contributions – employee	224,155	200,226	173,951	127,266	93,806	82,418	66,593	43,540	37,684
Pension Plan Net Investment Income	(101,603)	729,681	82,681	115,982	114,069	133,010	(344)	20,028	98,832
Benefit Payments	(28,583)	-	-	-	-	(20,873)	-	(7,626)	(24)
Pension Plan Administrative Expense	(3,464)	(2,780)	(2,278)	(1,813)	(1,519)	(1,257)	(923)	(802)	(619)
Other Changes in Plan Fiduciary Net Position	(36,265)	-	(17,279)	16,166	(8,343)	(4)	1	4,763	22,655
Net change in plan fiduciary net position	<u>254,854</u>	<u>1,108,938</u>	<u>391,604</u>	<u>348,724</u>	<u>271,932</u>	<u>263,678</u>	<u>134,230</u>	<u>112,533</u>	<u>196,212</u>
Plan fiduciary net position – beginning	3,373,685	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>\$ 3,628,539</u>	<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)	(429,031)	(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	113.41%	125.11%	101.15%	102.50%	102.37%	99.48%	96.62%	97.65%	103.58%
Covered Payroll	\$ 2,241,534	\$ 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	-19.14%	-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.
- Schedule is intended to show 10 years.
- 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

Fire Employees MERS Plan

Schedule of Contributions

Last 10 Fiscal Years

Fiscal Year Ending	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 227,003	\$ 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>227,003</u>	<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	\$ 2,308,780	\$ 2,241,534	\$ 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	9.83%	8.95%	9.08%	8.82%	7.16%	7.88%	8.54%	10.35%	9.67%	8.00%

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.
- 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

MERS Pension Plans Administered by ERSRI

Notes to Schedules

For the Year Ended June 30, 2023

Valuation Date:

Notes

Summary of Actuarial Assumptions used in the valuations to determine the Net Pension Liability at June 30, 2022 measurement date (June 30, 2021 valuation rolled forward to June 30, 2022)

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal - the individual entry age actuarial cost methodology is used
Amortization Method	Level Percentage of Payroll, Closed
Actuarial Assumptions	
Investment Return	7.00%
Salary Increases	General Employees - 3.25% to 7.25% : Police & Fire Employees - 4.00% to 14.00%
Inflation	2.50%
Mortality	Mortality - Variants of the PUB (10) Tables for Healthy and Disabled Reirees, projected with Scale Ultimate MP16.
Cost of Living Adjustment	All future COLAs were assumed to be 2.1% per annum for all MERS units with the COLA provision.

Town of Smithfield, Rhode Island

Required Supplementary Information

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

Schedule of Proportionate Share of the Net Pension Liability

Last 10 Fiscal Years

Fiscal Year: Measurement Date:	2023 <u>6/30/2022</u>	2022 <u>6/30/2021</u>	2021 <u>6/30/2020</u>	2020 <u>6/30/2019</u>	2019 <u>6/30/2018</u>	2018 <u>6/30/2017</u>	2017 <u>6/30/2016</u>	2016 <u>6/30/2015</u>	2015 <u>6/30/2014</u>
Employer's proportion of the net pension liability	1.00999707%	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	\$ 27,276,470	\$ 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>20,172,866</u>	<u>17,742,254</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>\$ 47,449,336</u>	<u>\$ 41,666,878</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	\$ 17,053,100
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	137.25%	123.77%	169.54%	171.96%	176.03%	177.43%	181.53%	168.92%	134.67%
Plan fiduciary net position as a percentage of the total pension liability	62.10%	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, 2023 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

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

Schedule of Contributions

Last 10 Fiscal Years

Fiscal Year:	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 2,889,485	\$ 2,907,280	\$ 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	2,889,485	2,907,280	2,861,786	2,838,550	2,719,939	2,604,610	2,494,957	2,512,287	2,364,900	2,129,017
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 19,211,997	\$ 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	15.04%	14.63%	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.
- 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

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

Schedule of Proportionate Share of the Net Pension Liability

Last 10 Fiscal Years

Fiscal Year Measurement Date	2023 June 30, 2022	2022 June 30, 2021	2021 June 30, 2020	2020 June 30, 2019	2019 June 30, 2018	2018 June 30, 2017	2017 June 30, 2016	2016 June 30, 2015	2015 June 30, 2014
Employer's proportion of the net pension asset	3.70280658%	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	\$ 6,506,908	\$ 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)	\$ 19,873,947	\$ 19,330,354	\$ 19,725,100	\$ 19,807,745	\$ 19,295,826	\$ 18,552,465	\$ 17,937,129	\$ 17,399,316	\$ 17,053,100
Employer's proportionate share of the net pension asset as a percentage of its covered payroll	32.74%	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	177.7%	185.7%	153.1%	150.2%	137.4%	136.1%	153.3%	146.6%	173.3%

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.
- 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.

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

Town of Smithfield, Rhode Island

Required Supplementary Information

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

Schedule of Contributions

Last 10 Fiscal Years

Fiscal Year	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily determined contribution	\$ 27,615	\$ 27,975	\$ 27,689	\$ 27,964	\$ 28,620	\$ 28,419	\$ 23,100	\$ 22,914	\$ 21,755	\$ 22,530
Contributions in relation to the statutorily determined contribution	27,615	27,975	27,689	27,964	28,620	28,419	23,100	22,914	21,755	22,530
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 19,982,149	\$ 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%	0.14%	0.15%	0.12%	0.13%	0.13%	0.13%

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.
- 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.

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

Town of Smithfield, Rhode Island

Required Supplementary Information

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

Notes to Schedules

June 30, 2022 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, 2022 measurement date compared to the June 30, 2020 measurement date.

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

Town of Smithfield, Rhode Island

Required Supplementary Information

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

Notes to Schedules

- Updated the post-retirement mortality tables to variants of the RP-2014 table. For the improvement scale, update to the ultimate rates of the MP-2016 projection scale.

June 30, 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

Fire Pension Trust Fund

Schedule of Changes in Net Position Liability and Related Ratios

Last 10 Fiscal Years

	June 30, 2023	June 30, 2022	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	\$ 460,842	\$ 497,639	\$ 588,208	\$ 713,903	\$ 570,581	\$ 670,806	\$ 926,180	\$ 755,471	\$ 824,891	\$ 388,599
Interest	3,087,057	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	1,223,769	664,456	(817,494)	(331,893)	(100,550)	(716,711)	74,292	(233,333)	(95,975)	-
Changes in assumptions	1,495,332	(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	(1,990,349)	(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)
Net change in total pension liability	<u>4,276,651</u>	<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>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>	<u>26,589,056</u>
Total pension liability - ending	<u>\$ 46,039,300</u>	<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	\$ 663,206	\$ 658,596	\$ 669,635	\$ 655,675	\$ 674,575	\$ 653,323	\$ 614,972	\$ 590,143	\$ 556,062	\$ 499,542
Contributions - employee	260,798	261,318	261,576	265,506	274,218	281,661	272,054	245,893	243,407	203,242
Net investment income	2,510,269	(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	(1,990,349)	(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	(17,500)	(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>1,426,424</u>	<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>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>	<u>16,570,101</u>
Plan fiduciary net position - ending	<u>\$ 30,096,183</u>	<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>\$ 15,943,117</u>	<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>

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

Town of Smithfield, Rhode Island

Required Supplementary Information

Fire Pension Trust Fund

Schedule of Changes in Net Position Liability and Related Ratios

Last 10 Fiscal Years

	<u>2023</u>	<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	\$ 46,039,300	\$ 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	30,096,183	28,669,759	32,359,220	26,086,809	26,413,912	25,671,203	23,789,372	20,275,092	20,313,875	19,523,856
Town's net pension liability (asset)	<u>\$ 15,943,117</u>	<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	65.37%	68.65%	81.76%	60.92%	61.49%	70.97%	60.95%	49.16%	57.04%	49.79%
Covered payroll	\$ 2,340,802	\$ 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	681.10%	499.72%	270.08%	645.70%	638.21%	364.71%	688.53%	913.16%	675.05%	897.77%

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

Town of Smithfield, Rhode Island

Required Supplementary Information

Fire Pension Trust Fund

Schedule of Contributions

Last 10 Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 1,282,287	\$ 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>663,206</u>	<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>499,542</u>
Contribution deficiency (excess)	<u>\$ 619,081</u>	<u>\$ 1,253,598</u>	<u>\$ 1,473,762</u>	<u>\$ 916,007</u>	<u>\$ 612,896</u>	<u>\$ 828,354</u>	<u>\$ 679,085</u>	<u>\$ 746,462</u>	<u>\$ 955,834</u>
Covered payroll	\$ 2,620,048	\$ 2,672,075	\$ 2,592,074	\$ 2,793,960	\$ 2,879,052	\$ 2,213,596	\$ 2,296,642	\$ 2,266,764	\$ 2,192,989
Contributions as a percentage of covered payroll	25.31%	24.65%	25.83%	23.47%	23.43%	29.51%	26.78%	26.03%	22.78%

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

Town of Smithfield, Rhode Island

Required Supplementary Information

Fire Pension Trust Fund

Schedule of Investments

Last 10 Fiscal Years

	<u>June 30, 2023</u>	<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	9.91%	-7.83%	28.60%	2.32%	4.97%	13.07%	20.94%	2.36%	6.73%	22.35%

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

Town of Smithfield, Rhode Island

Required Supplementary Information

Police Pension Trust Fund

Schedule of Changes in Net Position Liability and Related Ratios

Last 10 Fiscal Years

	<u>June 30, 2023</u>	<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	1,833,063	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	181,208	194,867	(479,679)	(353,039)	110,338	(1,477,506)	528,002	155,773	117,690	-
Changes in assumptions	637,341	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	(1,835,456)	(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>816,156</u>	<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>25,392,490</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>	<u>24,914,828</u>
Total pension liability - ending	<u>\$ 26,208,646</u>	<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	\$ 1,776,158	\$ 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	1,166,722	(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	(1,835,456)	(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	(17,200)	(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>1,090,224</u>	<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>12,657,618</u>	<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>\$ 13,747,842</u>	<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>\$ 12,460,804</u>	<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>

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

Town of Smithfield, Rhode Island

Required Supplementary Information

Police Pension Trust Fund

Schedule of Changes in Net Position Liability and Related Ratios

Last 10 Fiscal Years

	<u>2023</u>	<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	\$ 46,039,300	\$ 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	30,096,183	28,669,759	32,359,220	26,086,809	26,413,912	25,671,203	23,789,372	20,275,092	20,313,875	19,523,856
Town's net pension liability (asset)	<u>\$ 15,943,117</u>	<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	65.37%	68.65%	81.76%	60.92%	61.49%	70.97%	60.95%	49.16%	57.04%	49.79%
Covered payroll	\$ 2,340,802	\$ 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	681.10%	499.72%	270.08%	645.70%	638.21%	364.71%	688.53%	913.16%	675.05%	897.77%

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

Town of Smithfield, Rhode Island

Required Supplementary Information

Police Pension Trust Fund

Schedule of Contributions

Last 10 Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 1,762,250	\$ 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>1,776,158</u>	<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>2,079,373</u>
Contribution deficiency (excess)	<u>\$ (13,908)</u>	<u>\$ (33,536)</u>	<u>\$ (65,887)</u>	<u>\$ (46,818)</u>	<u>\$ (93,186)</u>	<u>\$ (49,857)</u>	<u>\$ (82,008)</u>	<u>\$ (199,049)</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

The information in this schedule is intended to show 10 years. However as of June 30, 2023, 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

Police Pension Trust Fund

Schedule of Investments

Last 10 Fiscal Years

	<u>June 30, 2023</u>	<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	9.03%	-9.00%	25.62%	0.86%	4.60%	9.75%	15.10%	6.17%	7.42%	15.55%

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

Town of Smithfield, Rhode Island

Required Supplementary Information

Police and Fire Pension Plans – Fiduciary Trust Funds

Notes to Schedules

Notes to the Schedules:

Valuation Date: July 1, 2022

Actuarially determined contribution rates are calculated as of June 30, 2023

Methods and assumptions used to determine contribution rates:

Discount rate	7.50% changed to 7.25% July 1, 2023
Long term rate of return on investments	7.50% changed to 7.25% July 1, 2023
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, 2022

Actuarially determined contribution rates are calculated as of June 30, 2023

Methods and assumptions used to determine contribution rates:

Discount rate	7.50% changed to 7.25% July 1, 2023
Long term rate of return on investments	7.50% changed to 7.25% July 1, 2023
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

OPEB Trust Fund

Schedule of Changes in Net OPEB Liability and Related Ratios

Last 10 Fiscal Years

	<u>June 30, 2023</u>	<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	\$ 1,505,548	\$ 2,252,011	\$ 2,440,168	\$ 1,657,275	\$ 1,511,943	\$ 1,354,976	\$ 2,333,000
Interest	1,801,923	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	(139,773)	(6,182,821)	1,756,101	6,500,072	(473,625)	(1,947,270)	(463,000)
Changes of assumptions	(524,137)	(10,886,506)	2,703,102	(2,104,558)	2,311,331	2,773,187	(2,214,000)
Employee contributions	109,573	100,954	81,760	37,227	30,685	-	-
Net benefit payments	(1,329,913)	(1,447,115)	(1,185,943)	(1,134,148)	(998,873)	(1,120,890)	(1,187,000)
Net change in total OPEB liability	1,423,221	(14,877,489)	4,978,094	6,284,722	3,692,966	2,357,218	(333,000)
Total OPEB liability - beginning	44,565,511	59,443,000	54,464,906	48,180,184	44,487,218	42,130,000	42,463,000
Total OPEB liability - ending	<u>\$ 45,988,732</u>	<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	\$ 1,666,714	\$ 1,732,575	\$ 1,566,883	\$ 1,395,709	\$ 1,206,684	\$ 1,250,066	\$ 1,321,000
Contribution to plan - Employee	109,573	100,954	81,760	37,227	30,685	30,344	-
Net investment income	628,811	(907,839)	1,364,377	192,456	243,318	256,313	304,000
Benefit payments	(1,329,913)	(1,447,115)	(1,185,943)	(1,134,148)	(998,873)	(1,120,890)	(1,187,000)
Administrative expense	(19,064)	(19,220)	(15,153)	(10,149)	(8,583)	-	(25,000)
Net change in plan fiduciary net position	1,056,121	(540,645)	1,811,924	481,095	473,231	415,833	413,000
Plan fiduciary net position - beginning	5,574,438	6,115,083	4,303,159	3,822,064	3,348,833	2,933,000	2,520,000
Plan fiduciary net position - ending	<u>\$ 6,630,559</u>	<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>\$ 39,358,173</u>	<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	14.42%	12.51%	10.29%	7.90%	7.93%	7.53%	6.96%
Covered payroll	\$ 37,138,000	\$ 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	105.98%	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, 2023, only seven years are available.

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

Town of Smithfield, Rhode Island

Required Supplementary Information

OPEB Trust Fund

Schedule of Contributions and Investment Returns

Last 10 Fiscal Years

	<u>June 30, 2023</u>	<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>
Actuarial determined contribution	\$ 3,790,618	\$ 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	<u>1,423,060</u>	<u>1,732,575</u>	<u>1,566,883</u>	<u>1,395,709</u>	<u>1,206,684</u>	<u>1,250,066</u>	<u>1,513,000</u>
Contribution deficiency (excess)	<u>\$ 2,367,558</u>	<u>\$ 2,966,501</u>	<u>\$ 3,327,783</u>	<u>\$ 2,469,458</u>	<u>\$ 2,404,109</u>	<u>\$ 2,141,071</u>	<u>\$ (105,000)</u>
 Covered payroll	 \$ 37,138,000	 \$ 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	 3.83%	 4.84%	 4.48%	 4.14%	 3.52%	 3.78%	 5.01%
	<u>June 30, 2023</u>	<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>
Annual money-weighted rate of return, net of investment expense	10.86%	-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, 2023, only seven years are available.

Town of Smithfield, Rhode Island

Required Supplementary Information

OPEB Trust Fund

Notes to Schedules

Last 10 Fiscal Years

Valuation Date:	July 1, 2022
Actuarial Cost Method:	Entry age actuarial cost method.
Asset-Valuation Method:	Fair Value as of June 30, 2023
Discount Rate	Single equivalent interest rate of 4.16%
Index Rate	4.13%
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

TOWN OF SMITHFIELD, RHODE ISLAND

Supplementary Information Section

This page was intentionally left blank

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**
- **Retirement Escrow**
- **Revaluation Escrow**
- **RI DOT Children Passenger Safety**
- **RI DOT Click it or Ticket**
- **Scholarship Fund**
- **Senior Center Grant**
- **Bulletproof Vest**
- **RIDOH Alcohol Control Grant**
- **Neighborhood Center Fund**
- **Police Memorial Fund**
- **General Public Assistance**
- **Dog Park**
- **Play for All Fund**
- **Commercial Weight Enforcement**
- **Distracted Driver**

This page was intentionally left blank

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.

- **IDEA Part B**
- **IDEA Preschool**
- **Title I Part A**
- **Title II**
- **Title IV Safe & Drug Free**
- **Title IV**
- **Perkins Vocational Education**
- **Perkins V**
- **ESSER II Priority I**
- **ESSER III**
- **ESSER III Priority II**
- **ESSER III Priority IV**
- **ESSER III Other Priority**
- **ARP HCY II**
- **ARP IDEA Part B**
- **ARP IDEA Pre-school**
- **ARP ELC**
- **ARP ELC #2**
- **USDA – Kitchen Equipment**
- **RIDOH Youth & Teen**
- **RI Comp Literacy State Development**
- **CLSD Grant Curriculum**
- **General Assembly Grant – Competitive**
- **General Assembly Grant 6 LaPerche**
- **General Assembly Grant 16**
- **RI State Council for the Arts**
- **CTE Categorical Funds**
- **CTE Categorical Fund #2**
- **English Learner Categorical**
- **School Building Authority**
- **21st Century Tech**
- **STEM Mini**
- **Champlin Foundation**
- **Feinstein Foundation**
- **Kiducation**
- **RI Foundation**
- **Whole Kids Foundation**
- **Roy T. Morgan Foundation**
- **RI Foundation RISD**
- **RI Foundation FAF**
- **VFW Memorial Fund**
- **Bank of America**
- **Exxon Mobil Educational Alliance**
- **Stop & Shop A+ Bonus**
- **N.E. School Development Council**
- **CVS Health Foundation**
- **LifeTouch**
- **National Youth Risk Behavior**
- **Pleasant View Elementary Donors**
- **Special Olympics**
- **High School Donors**
- **High School Donation Booster**
- **SHS FBLA**
- **Old County Scholarship**
- **Thomas Leach Scholarship**
- **Christopher Reilly Scholarship**
- **Daniel DiChiara Scholarship**
- **Student Activities.**

This page was intentionally left blank

TOWN OF SMITHFIELD, RHODE ISLAND

Nonmajor Governmental Funds (continued)

TOWN 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**
- **Efficient Buildings Smithfield Schools**
- **Open Space & Rec. Area**
- **Police Equipment**
- **Water District Improvement Fee**
- **Handicap Accessibility**
- **Special Projects Fund**
- **Police Improvement Bond**
- **Capital Reserve Fund**
- **Fire Station Bond**
- **School Renovations Bond**
- **Land Trust Fund**
- **School Restricted Capital**
- **Bryant Capital Contributions**
- **School Improvement Bond**
- **Capital Lease Fund**
- **Stillwater Pond Development**
- **Smithfield Fire Rescue**

This page was intentionally left blank

TOWN OF SMITHFIELD, RHODE ISLAND

Nonmajor Governmental Funds (continued)

SCHOOL 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.

- **Capital Reserve School Improvements**

This page was intentionally left blank

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**

This page was intentionally left blank

Town of Smithfield, Rhode Island

Supplementary Information

Non-Major Governmental Funds

Combining Balance Sheet

June 30, 2023

	Town Special Revenue	School Special Revenue	Town Capital Projects	School Capital Projects	Permanent Trust Funds	Total Non-Major Funds
Assets						
Cash and cash equivalent	\$ 1,136,610	\$ 215,042	\$ 3,302,845	\$ -	\$ 63,715	\$ 4,718,212
Cash on deposit with funding agency	-	-	3,683,335	-	-	3,683,335
Accounts and other receivables, net	6,151	1,223,324	417,539	-	-	1,647,014
Intergovernmental receivables	65,034	539,321	-	-	-	604,355
Prepaid items	-	-	209,325	-	-	209,325
Due from other funds	1,125,302	140,348	3,662,093	1,387,631	-	6,315,374
Total assets	2,333,097	2,118,035	11,275,137	1,387,631	63,715	17,177,615
Deferred outflows of resources						
Deferred outflows	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-
Total assets and deferred outflows of resources	\$ 2,333,097	\$ 2,118,035	\$ 11,275,137	\$ 1,387,631	\$ 63,715	\$ 17,177,615
Liabilities						
Accounts payable	\$ 143,010	\$ 63,560	\$ 25,469	\$ -	\$ -	\$ 232,039
Accrued liabilities	29,010	-	-	-	-	29,010
Due to other funds	539,126	1,725,731	6,251,078	-	-	8,515,935
Total liabilities	711,146	1,789,291	6,276,547	-	-	8,776,984
Deferred inflows of resources						
Deferred revenue	268	-	327,017	-	-	327,285
Total deferred inflows of resources	268	-	327,017	-	-	327,285
Fund balance						
Nonspendable	-	-	209,325	-	-	209,325
Restricted	370,210	328,744	235,000	-	63,715	997,669
Committed	1,253,360	-	8,278,502	1,387,631	-	10,919,493
Unassigned	(1,887)	-	(4,051,254)	-	-	(4,053,141)
Total fund balance	1,621,683	328,744	4,671,573	1,387,631	63,715	8,073,346
Total liabilities, deferred inflows of resources, and fund balances	\$ 2,333,097	\$ 2,118,035	\$ 11,275,137	\$ 1,387,631	\$ 63,715	\$ 17,177,615

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, 2023

	Town Special Revenue	School Special Revenue	Town Capital Projects	School Capital Projects	Permanent Trust Funds	Total Non Major Funds
Revenues						
Intergovernmental	\$ 122,915	\$ 2,755,097	\$ 131,848	\$ -	\$ -	\$ 3,009,860
Fees, fines, charges and assessments	163,948	-	2,102,604	-	-	2,266,552
Interest and investment income	29,245	-	986	-	6	30,237
Contributions and grants	6,933	35,134	6,600	-	-	48,667
Other revenues	52,612	258,829	670,044	-	-	981,485
Total revenue	375,653	3,049,060	2,912,082	-	6	6,336,801
Expenditures						
General government	-	-	-	-	-	-
Education	-	2,796,657	-	-	-	2,796,657
Public safety	187,676	-	754,884	-	-	942,560
Public works	-	-	-	-	-	-
Recreation and community development	298,809	-	149,966	-	-	448,775
Other expenses	34,406	-	85,335	-	-	119,741
Capital outlays	458,132	403,410	4,371,086	612,369	-	5,844,997
Total expenditures	979,023	3,200,067	5,361,271	612,369	-	10,152,730
Excess (deficiency) of revenues over expenditures	(603,370)	(151,007)	(2,449,189)	(612,369)	6	(3,815,929)
Other financing sources (uses)						
Issuance of debt	-	-	6,618,000	-	-	6,618,000
Transfers in	501,000	-	110,000	2,000,000	-	2,611,000
Transfers out	-	-	(1,712,872)	-	-	(1,712,872)
Total other financing sources (uses)	501,000	-	5,015,128	2,000,000	-	7,516,128
Net change in fund balance	(102,370)	(151,007)	2,565,939	1,387,631	6	3,700,199
Fund balance, July 1, 2022, restated	1,724,053	479,751	2,105,634	-	63,709	4,373,147
Fund balance, June 30, 2023	\$ 1,621,683	\$ 328,744	\$ 4,671,573	\$ 1,387,631	\$ 63,715	\$ 8,073,346

See Independent Auditor's Report

Town of Smithfield, Rhode Island

Supplementary Information

Non-Major Governmental Funds

Town Special Revenue

Combining Balance Sheet

June 30, 2023

	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	\$ 27,629	\$ -	\$ -	\$ -	\$ -	\$ 43,760	\$ 3,926
Accounts and other receivables, net	-	-	-	-	-	-	-
Intergovernmental receivables	-	-	-	-	61,268	-	-
Due from other funds	7,578	9,132	-	396,357	-	88,746	-
Total Assets	35,207	9,132	-	396,357	61,268	132,506	3,926
Deferred outflows of resources							
Deferred outflows	-	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	35,207	9,132	-	396,357	61,268	132,506	3,926
Liabilities							
Accounts payable	-	185	-	4,402	-	-	-
Accrued liabilities	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	23,000	-	3,926
Unearned grant and other revenues	-	-	-	-	-	-	-
Total Liabilities	-	185	-	4,402	23,000	-	3,926
Deferred inflows of resources							
Deferred revenue	-	-	-	-	268	-	-
Total deferred inflows of resources	-	-	-	-	268	-	-
Fund balance							
Restricted	-	-	-	-	38,000	132,506	-
Committed	35,207	8,947	-	391,955	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balance	35,207	8,947	-	391,955	38,000	132,506	-
Total liabilities, deferred inflows of resources and fund balance	\$ 35,207	\$ 9,132	\$ -	\$ 396,357	\$ 61,268	\$ 132,506	\$ 3,926

See Independent Auditor's Report

Town of Smithfield, Rhode Island

Supplementary Information

Non-Major Governmental Funds

Town Special Revenue

Combining Balance Sheet

June 30, 2023

	Fire Prevention	Historical Records	Municipal Contingency Escrow	Operation Blue Reptide	Police Confiscated Funds	Retirement Escrow
Assets						
Cash and cash equivalents	\$ 95,368	\$ 35,318	\$ 31,434	\$ -	\$ 28,805	\$ 802,755
Accounts and other receivables, net	-	-	-	-	-	-
Intergovernmental receivables	-	-	-	-	-	-
Due from other funds	-	28,940	101,192	-	-	-
	<u>95,368</u>	<u>64,258</u>	<u>132,626</u>	<u>-</u>	<u>28,805</u>	<u>802,755</u>
Total Assets						
Deferred outflows of resources						
Deferred outflows	-	-	-	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>95,368</u>	<u>64,258</u>	<u>132,626</u>	<u>-</u>	<u>28,805</u>	<u>802,755</u>
Liabilities						
Accounts payable	-	-	-	-	-	-
Accrued liabilities	-	-	-	-	12,465	-
Due to other funds	87,741	-	-	-	8,939	321,677
Unearned grant and other revenues	-	-	-	-	-	-
	<u>87,741</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,404</u>	<u>321,677</u>
Total Liabilities						
Deferred inflows of resources						
Deferred revenue	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance						
Restricted	7,627	64,258	-	-	-	-
Committed	-	-	132,626	-	7,401	481,078
Unassigned	-	-	-	-	-	-
	<u>7,627</u>	<u>64,258</u>	<u>132,626</u>	<u>-</u>	<u>7,401</u>	<u>481,078</u>
Total fund balance						
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 95,368</u>	<u>\$ 64,258</u>	<u>\$ 132,626</u>	<u>\$ -</u>	<u>\$ 28,805</u>	<u>\$ 802,755</u>

See Independent Auditor's Report

Town of Smithfield, Rhode Island

Supplementary Information

Non-Major Governmental Funds

Town Special Revenue

Combining Balance Sheet

June 30, 2023

	Revaluation Escrow	RIDOT Children Passenger Safety	RIDOT Click It or Ticket	Scholarship Fund	Senior Center Grant	Bulletproof Vest	RIDOH Alcohol Grant	Neighborhood Center Fund
Assets								
Cash and cash equivalents	\$ 39,219	\$ -	\$ -	\$ 4,505	\$ -	\$ -	\$ -	\$ 3,557
Accounts and other receivables, net	-	-	-	-	-	5,886	265	-
Intergovernmental receivables	-	-	-	-	-	-	-	-
Due from other funds	-	21	11	2,500	131,685	-	-	295,000
Total Assets	39,219	21	11	7,005	131,685	5,886	265	298,557
Deferred outflows of resources								
Deferred outflows	-	-	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	39,219	21	11	7,005	131,685	5,886	265	298,557
Liabilities								
Accounts payable	-	-	-	-	391	-	-	137,909
Accrued liabilities	-	-	-	-	12,831	-	-	1,170
Due to other funds	15,057	-	-	-	-	5,886	205	47,630
Unearned grant and other revenues	-	-	-	-	-	-	-	-
Total Liabilities	15,057	-	-	-	13,222	5,886	205	186,709
Deferred inflows of resources								
Deferred revenue	-	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-	-
Fund balance								
Restricted	-	21	11	7,005	118,463	-	60	-
Committed	24,162	-	-	-	-	-	-	111,848
Unassigned	-	-	-	-	-	-	-	-
Total fund balance	24,162	21	11	7,005	118,463	-	60	111,848
Total liabilities, deferred inflows of resources and fund balance	\$ 39,219	\$ 21	\$ 11	\$ 7,005	\$ 131,685	\$ 5,886	\$ 265	\$ 298,557

See Independent Auditor's Report

Town of Smithfield, Rhode Island

Supplementary Information

Non-Major Governmental Funds

Town Special Revenue

Combining Balance Sheet

June 30, 2023

	Police Memorial Fund	General Public Assistance	Dog Park	Play for All Fund	Commercial Weight Enforcement	Distracted Driving	Total Town Special Revenue Funds
Assets							
Cash and cash equivalents	\$ 799	\$ -	\$ 19,535	\$ -	\$ -	\$ -	\$ 1,136,610
Accounts and other receivables, net	-	-	-	-	-	-	6,151
Intergovernmental receivables	-	-	-	-	3,766	-	65,034
Due from other funds	-	61,881	-	2,259	-	-	1,125,302
	<u>799</u>	<u>61,881</u>	<u>19,535</u>	<u>2,259</u>	<u>3,766</u>	<u>-</u>	<u>2,333,097</u>
Total Assets							
Deferred outflows of resources							
Deferred outflows	-	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	<u>799</u>	<u>61,881</u>	<u>19,535</u>	<u>2,259</u>	<u>3,766</u>	<u>-</u>	<u>2,333,097</u>
Liabilities							
Accounts payable	-	-	-	-	123	-	143,010
Accrued liabilities	-	2,544	-	-	-	-	29,010
Due to other funds	-	-	21,422	-	3,643	-	539,126
Unearned grant and other revenues	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>2,544</u>	<u>21,422</u>	<u>-</u>	<u>3,766</u>	<u>-</u>	<u>711,146</u>
Deferred inflows of resources							
Deferred revenue	-	-	-	-	-	-	268
Total deferred inflows of resources	-	-	-	-	-	-	268
Fund balance							
Restricted	-	-	-	2,259	-	-	370,210
Committed	799	59,337	-	-	-	-	1,253,360
Unassigned	-	-	(1,887)	-	-	-	(1,887)
	<u>799</u>	<u>59,337</u>	<u>(1,887)</u>	<u>2,259</u>	<u>-</u>	<u>-</u>	<u>1,621,683</u>
Total fund balance							
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 799</u>	<u>\$ 61,881</u>	<u>\$ 19,535</u>	<u>\$ 2,259</u>	<u>\$ 3,766</u>	<u>\$ -</u>	<u>\$ 2,333,097</u>

See Independent Auditor's Report

Town of Smithfield, Rhode Island

Supplementary Information

Non-Major Governmental Funds

Town Special Revenue

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

For the Year Ended June 30, 2023

	Animal Control Fund	Animal Control Spay & Neuter	Affordable Housing Fund	Police Restricted Revenue	CDBG	Document Preservation & Tech Upgrades	EMA Radio
Revenues							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 61,268	\$ -	\$ -
Fees, fines, charges and assessments	4,295	6,015	-	126,534	-	16,141	-
Interest and investment income	3	-	-	-	-	-	-
Contributions and grants	-	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-	-
Total revenues	<u>4,298</u>	<u>6,015</u>	<u>-</u>	<u>126,534</u>	<u>61,268</u>	<u>16,141</u>	<u>-</u>
Expenditures							
General government	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-
Public safety	-	4,703	-	128,073	-	-	-
Public works	-	-	-	-	-	-	-
Recreation and community development	-	-	204,000	-	23,268	-	-
Other expenses	-	-	-	-	-	10,485	-
Capital outlays	-	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>4,703</u>	<u>204,000</u>	<u>128,073</u>	<u>23,268</u>	<u>10,485</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>4,298</u>	<u>1,312</u>	<u>(204,000)</u>	<u>(1,539)</u>	<u>38,000</u>	<u>5,656</u>	<u>-</u>
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	4,298	1,312	(204,000)	(1,539)	38,000	5,656	-
Fund balance - beginning	30,909	7,635	204,000	393,494	-	126,850	-
Fund balance - ending	<u>\$ 35,207</u>	<u>\$ 8,947</u>	<u>\$ -</u>	<u>\$ 391,955</u>	<u>\$ 38,000</u>	<u>\$ 132,506</u>	<u>\$ -</u>

See Independent Auditor's Report

Town of Smithfield, Rhode Island

Supplementary Information

Non-Major Governmental Funds

Town Special Revenue

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

For the Year Ended June 30, 2023

	Fire Prevention	Historical Records	Municipal Contingency Escrow	Operation Blue Reptide	Police Confiscated Funds	Retirement Escrow
Revenues						
Intergovernmental	\$ -	\$ -	\$ -	\$ 8,856	\$ 395	\$ -
Fees, fines, charges and assessments	8,223	2,740	-	-	-	-
Interest and investment income	-	-	3	-	-	11,287
Contributions and grants	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-
Total revenues	8,223	2,740	3	8,856	395	11,287
Expenditures						
General government	-	-	-	-	-	-
Education	-	-	-	-	-	-
Public safety	9,722	-	-	8,856	7,240	-
Public works	-	-	-	-	-	-
Recreation and community development	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-
Capital outlays	-	-	-	-	-	-
Total expenditures	9,722	-	-	8,856	7,240	-
Excess (deficiency) of revenues over expenditures	(1,499)	2,740	3	-	(6,845)	11,287
Other financing sources (uses)						
Transfers in	-	-	100,000	-	-	40,000
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	100,000	-	-	40,000
Net change in fund balance	(1,499)	2,740	100,003	-	(6,845)	51,287
Fund balance - beginning	9,126	61,518	32,623	-	14,246	429,791
Fund balance - ending	\$ 7,627	\$64,258	\$132,626	\$ -	\$ 7,401	\$ 481,078

See Independent Auditor's Report

Town of Smithfield, Rhode Island

Supplementary Information

Non-Major Governmental Funds

Town Special Revenue

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

For the Year Ended June 30, 2023

	Revaluation Escrow	RIDOT Children Passenger Safety	RIDOT Click It or Ticket	Scholarship Fund	Senior Center Grant	Bulletproof Vest	RIDOH Alcohol Grant	Neighborhood Center Fund
Revenues								
Intergovernmental	\$ -	\$ 1,783	\$ 778	\$ -	\$ 22,233	\$ 9,239	3,158	\$ 1,000
Fees, fines, charges and assessments	-	-	-	-	-	-	-	-
Interest and investment income	4	-	-	2,507	-	-	-	-
Contributions and grants	-	-	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-	-	52,612
Total revenues	<u>4</u>	<u>1,783</u>	<u>778</u>	<u>2,507</u>	<u>22,233</u>	<u>9,239</u>	<u>3,158</u>	<u>53,612</u>
Expenditures								
General government	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-
Public safety	-	1,762	778	-	-	9,239	3,098	-
Public works	-	-	-	-	-	-	-	-
Recreation and community development	-	-	-	-	13,366	-	-	-
Other expenses	23,921	-	-	-	-	-	-	-
Capital outlays	-	-	-	-	-	-	-	458,132
Total expenditures	<u>23,921</u>	<u>1,762</u>	<u>778</u>	<u>-</u>	<u>13,366</u>	<u>9,239</u>	<u>3,098</u>	<u>458,132</u>
Excess (deficiency) of revenues over expenditures	<u>(23,917)</u>	<u>21</u>	<u>-</u>	<u>2,507</u>	<u>8,867</u>	<u>-</u>	<u>60</u>	<u>(404,520)</u>
Other financing sources (uses)								
Transfers in	65,000	-	-	-	-	-	-	296,000
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>65,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>296,000</u>
Net change in fund balance	41,083	21	-	2,507	8,867	-	60	(108,520)
Fund balance - beginning	<u>(16,921)</u>	<u>-</u>	<u>11</u>	<u>4,498</u>	<u>109,596</u>	<u>-</u>	<u>-</u>	<u>220,368</u>
Fund balance - ending	<u>\$ 24,162</u>	<u>\$ 21</u>	<u>\$ 11</u>	<u>\$ 7,005</u>	<u>\$ 118,463</u>	<u>\$ -</u>	<u>\$ 60</u>	<u>\$ 111,848</u>

See Independent Auditor's Report

Town of Smithfield, Rhode Island

Supplementary Information

Non-Major Governmental Funds

Town Special Revenue

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

For the Year Ended June 30, 2023

	Police Memorial Fund	General Public Assistance	Dog Park	Play for All Fund	Commercial Weight Enforcement	Distracted Driving	Total Town Special Revenue Funds
Revenues							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 12,234	\$ 1,971	\$ 122,915
Fees, fines, charges and assessments	-	-	-	-	-	-	163,948
Interest and investment income	-	-	15,441	-	-	-	29,245
Contributions and grants	-	6,933	-	-	-	-	6,933
Other revenues	-	-	-	-	-	-	52,612
Total revenues	<u>-</u>	<u>6,933</u>	<u>15,441</u>	<u>-</u>	<u>12,234</u>	<u>1,971</u>	<u>375,653</u>
Expenditures							
General government	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-
Public safety	-	-	-	-	12,234	1,971	187,676
Public works	-	-	-	-	-	-	-
Recreation and community development	-	9,723	48,452	-	-	-	298,809
Other expenses	-	-	-	-	-	-	34,406
Capital outlays	-	-	-	-	-	-	458,132
Total expenditures	<u>-</u>	<u>9,723</u>	<u>48,452</u>	<u>-</u>	<u>12,234</u>	<u>1,971</u>	<u>979,023</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(2,790)</u>	<u>(33,011)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(603,370)</u>
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	501,000
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>501,000</u>
Net change in fund balance	-	(2,790)	(33,011)	-	-	-	(102,370)
Fund balance - beginning	799	62,127	31,124	2,259	-	-	1,724,053
Fund balance - ending	<u>\$ 799</u>	<u>\$ 59,337</u>	<u>\$ (1,887)</u>	<u>\$ 2,259</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,621,683</u>

See Independent Auditor's Report

Town of Smithfield, Rhode Island

Supplementary Information

Non-Major Governmental Funds

School Special Revenue

Combining Balance Sheet

June 30, 2023

	IDEA Part B	IDEA Preschool	Title I Part A	Title II	Title IV Safe & Drug Free	Title IV	Perkins Vocational Education
Assets							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental receivables	253,849	12,026	34,314	-	-	-	27,203
Accounts receivable	-	-	-	6,851	4,453	-	-
Due from other funds	-	-	-	-	-	-	-
Total assets	<u>253,849</u>	<u>12,026</u>	<u>34,314</u>	<u>6,851</u>	<u>4,453</u>	<u>-</u>	<u>27,203</u>
Liabilities							
Accounts payable	202	1,480	35	-	650	-	7
Due to other funds	253,647	10,546	34,279	6,851	3,803	-	27,196
Total liabilities	<u>253,849</u>	<u>12,026</u>	<u>34,314</u>	<u>6,851</u>	<u>4,453</u>	<u>-</u>	<u>27,203</u>
Fund balances							
Restricted	-	-	-	-	-	-	-
Total Liabilities and fund balances	<u>\$ 253,849</u>	<u>\$ 12,026</u>	<u>\$ 34,314</u>	<u>\$ 6,851</u>	<u>\$ 4,453</u>	<u>\$ -</u>	<u>\$ 27,203</u>

See Independent Auditor's Report

Town of Smithfield, Rhode Island

Supplementary Information

Non-Major Governmental Funds

School Special Revenue

Combining Balance Sheet

June 30, 2023

	Perkins V	ESSER II Priority I	ESSER III	ESSER III Priority II	ESSER III Priority IV	ESSER III Other Priority	ARP HCY II
Assets							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental receivables	-	211,929	-	-	-	-	-
Accounts receivable	-	-	200,865	30,325	1,420	538,545	6,602
Due from other funds	-	-	-	-	-	-	-
Total assets	-	211,929	200,865	30,325	1,420	538,545	6,602
Liabilities							
Accounts payable	-	-	41	-	-	-	482
Due to other funds	-	211,929	200,824	30,325	1,420	538,545	6,120
Total liabilities	-	211,929	200,865	30,325	1,420	538,545	6,602
Fund balances							
Restricted	-	-	-	-	-	-	-
Total Liabilities and fund balances	\$ -	\$ 211,929	\$ 200,865	\$ 30,325	\$ 1,420	\$ 538,545	\$ 6,602

See Independent Auditor's Report

Town of Smithfield, Rhode Island

Supplementary Information

Non-Major Governmental Funds

School Special Revenue

Combining Balance Sheet

June 30, 2023

	ARP IDEA Part B	ARP IDEA Pre-School	ARP ELC	ARP ELC #2	USDA - Kitchen Equipment	RIDOH Youth & Teen	RI Comp Literacy State Development
Assets							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental receivables	-	-	-	-	-	-	-
Accounts receivable	61,080	9,746	67,292	4,492	-	54,278	-
Due from other funds	-	-	-	-	-	-	-
Total assets	<u>61,080</u>	<u>9,746</u>	<u>67,292</u>	<u>4,492</u>	<u>-</u>	<u>54,278</u>	<u>-</u>
Liabilities							
Accounts payable	1,988	4	-	-	-	54,278	-
Due to other funds	<u>59,092</u>	<u>9,742</u>	<u>67,292</u>	<u>4,492</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>61,080</u>	<u>9,746</u>	<u>67,292</u>	<u>4,492</u>	<u>-</u>	<u>54,278</u>	<u>-</u>
Fund balances							
Restricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and fund balances	<u>\$ 61,080</u>	<u>\$ 9,746</u>	<u>\$ 67,292</u>	<u>\$ 4,492</u>	<u>\$ -</u>	<u>\$ 54,278</u>	<u>\$ -</u>

See Independent Auditor's Report

Town of Smithfield, Rhode Island

Supplementary Information

Non-Major Governmental Funds

School Special Revenue

Combining Balance Sheet

June 30, 2023

	CLSD Grant Curriculum	General Assembly Grant- Competitive	General Assembly Grant 6 LaPerche	General Assembly Grant 16	RI State Council for the Arts	CIE Categorical Fund	CIE Categorical Fund #2
Assets							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental receivables	-	-	-	-	-	-	-
Accounts receivable	6,878	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	15,150	2,563
Total assets	6,878	-	-	-	-	15,150	2,563
Liabilities							
Accounts payable	-	-	-	-	-	704	570
Due to other funds	6,878	-	-	-	-	-	-
Total liabilities	6,878	-	-	-	-	704	570
Fund balances							
Restricted	-	-	-	-	-	14,446	1,993
Total Liabilities and fund balances	\$ 6,878	\$ -	\$ -	\$ -	\$ -	\$ 15,150	\$ 2,563

See Independent Auditor's Report

Town of Smithfield, Rhode Island

Supplementary Information

Non-Major Governmental Funds

School Special Revenue

Combining Balance Sheet

June 30, 2023

	English Learner Categorical	School Building Authority	21st Century Tech	STEM Mini	Champlin Foundation	Feinstein Foundation	Kiducation
Assets							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental receivables	-	-	-	-	-	-	-
Accounts receivable	2,395	76,680	150,722	-	-	-	-
Due from other funds	-	-	-	-	-	33,559	1,344
Total assets	<u>2,395</u>	<u>76,680</u>	<u>150,722</u>	<u>-</u>	<u>-</u>	<u>33,559</u>	<u>1,344</u>
Liabilities							
Accounts payable	2,395	-	-	-	-	399	-
Due to other funds	-	76,680	150,722	-	-	-	-
Total liabilities	<u>2,395</u>	<u>76,680</u>	<u>150,722</u>	<u>-</u>	<u>-</u>	<u>399</u>	<u>-</u>
Fund balances							
Restricted	-	-	-	-	-	33,160	1,344
Total Liabilities and fund balances	<u>\$ 2,395</u>	<u>\$ 76,680</u>	<u>\$ 150,722</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,559</u>	<u>\$ 1,344</u>

See Independent Auditor's Report

Town of Smithfield, Rhode Island

Supplementary Information

Non-Major Governmental Funds

School Special Revenue

Combining Balance Sheet

June 30, 2023

	RI Foundation	Whole Kids Foundation	Roy T. Morgan Foundation	RI Foundation RISD	RI Foundation FAF	VFW Memorial Fund	Bank of America
Assets							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental receivables	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-
Due from other funds	1,316	-	-	1,500	-	4,000	1,014
Total assets	<u>1,316</u>	<u>-</u>	<u>-</u>	<u>1,500</u>	<u>-</u>	<u>4,000</u>	<u>1,014</u>
Liabilities							
Accounts payable	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances							
Restricted	<u>1,316</u>	<u>-</u>	<u>-</u>	<u>1,500</u>	<u>-</u>	<u>4,000</u>	<u>1,014</u>
Total Liabilities and fund balances	<u>\$ 1,316</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,500</u>	<u>\$ -</u>	<u>\$ 4,000</u>	<u>\$ 1,014</u>

See Independent Auditor's Report

Town of Smithfield, Rhode Island

Supplementary Information

Non-Major Governmental Funds

School Special Revenue

Combining Balance Sheet

June 30, 2023

	Exxon Mobil Educational Alliance	Stop & Shop A+ Bonus	N.E. School Development Council	CVS Health Foundation	LifeTouch	National Youth Risk Behavior	Pleasant View Elementary Donors	Special Olympics
Assets								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental receivables	-	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	700	-
Due from other funds	-	206	5,000	-	20,531	1,000	-	-
Total assets	-	206	5,000	-	20,531	1,000	700	-
Liabilities								
Accounts payable	-	206	-	-	119	-	-	-
Due to other funds	-	-	-	-	-	-	-	-
Total liabilities	-	206	-	-	119	-	-	-
Fund balances								
Restricted	-	-	5,000	-	20,412	1,000	700	-
Total Liabilities and fund balances	\$ -	\$ 206	\$ 5,000	\$ -	\$ 20,531	\$ 1,000	\$ 700	\$ -

See Independent Auditor's Report

Town of Smithfield, Rhode Island

Supplementary Information

Non-Major Governmental Funds

School Special Revenue

Combining Balance Sheet

June 30, 2023

	High School Donors	High School Donation Booster	SHS FBLA	Old County Scholarship	Thomas Leach Scholarship	Christopher Reilly Scholarship	Daniel DiChiara Scholarship	Student Activities	Total School Restricted Funds
Assets									
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 215,042	\$ 215,042
Intergovernmental receivables	-	-	-	-	-	-	-	-	539,321
Accounts receivable	-	-	-	-	-	-	-	-	1,223,324
Due from other funds	4,200	2,280	-	-	19,280	-	25,269	2,136	140,348
Total assets	<u>4,200</u>	<u>2,280</u>	<u>-</u>	<u>-</u>	<u>19,280</u>	<u>-</u>	<u>25,269</u>	<u>217,178</u>	<u>2,118,035</u>
Liabilities									
Accounts payable	-	-	-	-	-	-	-	-	63,560
Due to other funds	-	-	-	-	-	-	-	25,348	1,725,731
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,348</u>	<u>1,789,291</u>
Fund balances									
Restricted	4,200	2,280	-	-	19,280	-	25,269	191,830	328,744
Total Liabilities and fund balances	<u>\$ 4,200</u>	<u>\$ 2,280</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,280</u>	<u>\$ -</u>	<u>\$ 25,269</u>	<u>\$ 217,178</u>	<u>\$ 2,118,035</u>

See Independent Auditor's Report

Town of Smithfield, Rhode Island

Supplementary Information

Non-Major Governmental Funds

School Special Revenue

Combining Statement of Revenues, Expenditures and Changes in Fund Balance

For the Year ended June 30, 2023

	IDEA Part B	IDEA Preschool	Title I Part A	Title II	Title IV Safe & Drug Free	Title IV	Perkins Vocational Education
Revenues							
Intergovernmental	\$ 702,516	\$ 25,109	\$ 111,072	\$ 73,073	\$ -	\$ 14,957	\$ 29,642
Student Activity Deposits	-	-	-	-	-	-	-
Other	-	-	-	-	15,512	-	-
Grants and contributions	-	-	-	-	-	-	-
Total revenues	<u>702,516</u>	<u>25,109</u>	<u>111,072</u>	<u>73,073</u>	<u>15,512</u>	<u>14,957</u>	<u>29,642</u>
Expenditures							
Salaries	485,878	17,347	70,642	9,984	-	13,675	20,951
Employee benefits	199,680	5,758	35,764	465	-	198	2,351
Purchased services	16,958	1,200	1,885	62,624	14,296	455	4,898
Supplies and materials	-	804	2,780	-	1,216	629	757
Other	-	-	1	1	-	-	165
Capital outlay	-	-	-	-	-	-	520
Total expenditures	<u>702,516</u>	<u>25,109</u>	<u>111,072</u>	<u>73,073</u>	<u>15,512</u>	<u>14,957</u>	<u>29,642</u>
Net changes in fund balance	-	-	-	-	-	-	-
Fund balance, beginning of the year	-	-	-	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Independent Auditor's Report

Town of Smithfield, Rhode Island

Supplementary Information

Non-Major Governmental Funds

School Special Revenue

Combining Statement of Revenues, Expenditures and Changes in Fund Balance

For the Year ended June 30, 2023

	<u>Perkins V</u>	<u>ESSER II Priority I</u>	<u>ESSER III</u>	<u>ESSER III Priority II</u>	<u>ESSER III Priority IV</u>	<u>ESSER III Other Priority</u>	<u>ARP HCY II</u>
Revenues							
Intergovernmental	\$ 531	\$ 360,665	\$ 200,865	\$ 30,325	\$ 1,420	\$ 538,545	\$ 6,602
Student Activity Deposits	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Grants and contributions	-	-	-	-	-	-	-
Total revenues	<u>531</u>	<u>360,665</u>	<u>200,865</u>	<u>30,325</u>	<u>1,420</u>	<u>538,545</u>	<u>6,602</u>
Expenditures							
Salaries	-	120,848	108,929	25,393	1,400	950	-
Employee benefits	-	55,508	39,051	412	20	14	-
Purchased services	-	14,928	52,885	3,159	-	537,581	6,602
Supplies and materials	-	-	-	1,361	-	-	-
Other	531	169,381	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Total expenditures	<u>531</u>	<u>360,665</u>	<u>200,865</u>	<u>30,325</u>	<u>1,420</u>	<u>538,545</u>	<u>6,602</u>
Net changes in fund balance	-	-	-	-	-	-	-
Fund balance, beginning of the year	-	-	-	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Independent Auditor's Report

Town of Smithfield, Rhode Island

Supplementary Information

Non-Major Governmental Funds

School Special Revenue

Combining Statement of Revenues, Expenditures and Changes in Fund Balance

For the Year ended June 30, 2023

	ARP IDEA Part B	ARP IDEA Pre-School	ARP ELC	ARP ELC #2	USDA - Kitchen Equipment	RIDOH Youth & Teen	RI Comp Literacy State Development
Revenues							
Intergovernmental	\$ 134,348	\$ 13,793	\$ 71,180	\$ 4,492	\$ 7,482	\$ 54,278	\$ 4,849
Student Activity Deposits	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Grants and contributions	-	-	-	-	-	-	-
Total revenues	<u>134,348</u>	<u>13,793</u>	<u>71,180</u>	<u>4,492</u>	<u>7,482</u>	<u>54,278</u>	<u>4,849</u>
Expenditures							
Salaries	34,626	5,858	7,080	-	-	1,395	4,780
Employee benefits	8,606	1,654	542	-	-	83	69
Purchased services	78,670	6,281	54,262	-	-	52,800	-
Supplies and materials	12,446	-	9,296	-	-	-	-
Other	-	-	-	-	-	-	-
Capital outlay	-	-	-	4,492	7,482	-	-
Total expenditures	<u>134,348</u>	<u>13,793</u>	<u>71,180</u>	<u>4,492</u>	<u>7,482</u>	<u>54,278</u>	<u>4,849</u>
Net changes in fund balance	-	-	-	-	-	-	-
Fund balance, beginning of the year	-	-	-	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Independent Auditor's Report

Town of Smithfield, Rhode Island

Supplementary Information

Non-Major Governmental Funds

School Special Revenue

Combining Statement of Revenues, Expenditures and Changes in Fund Balance

For the Year ended June 30, 2023

	CLSD Grant Curriculum	General Assembly Grant- Competitive	General Assembly Grant 6 LaPerche	General Assembly Grant 16	RI State Council for the Arts	CTE Categorical Fund	CTE Categorical Fund #2
Revenues							
Intergovernmental	\$ 62,443	\$ -	\$ 500	\$ 1,500	\$ -	\$ 34,492	\$ -
Student Activity Deposits	-	-	-	-	-	-	-
Other	-	-	-	-	1,137	-	-
Grants and contributions	-	-	-	-	-	-	-
Total revenues	<u>62,443</u>	<u>-</u>	<u>500</u>	<u>1,500</u>	<u>1,137</u>	<u>34,492</u>	<u>-</u>
Expenditures							
Salaries	13,240	-	-	-	-	280	3,640
Employee benefits	292	-	-	-	-	4	53
Purchased services	-	-	-	-	1,137	14,447	26,028
Supplies and materials	48,911	1,266	500	1,500	-	400	-
Other	-	-	-	-	-	516	-
Capital outlay	-	3,734	-	-	-	40,791	21,965
Total expenditures	<u>62,443</u>	<u>5,000</u>	<u>500</u>	<u>1,500</u>	<u>1,137</u>	<u>56,438</u>	<u>51,686</u>
Net changes in fund balance	-	(5,000)	-	-	-	(21,946)	(51,686)
Fund balance, beginning of the year	<u>-</u>	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,392</u>	<u>53,679</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,446</u>	<u>\$ 1,993</u>

See Independent Auditor's Report

Town of Smithfield, Rhode Island

Supplementary Information

Non-Major Governmental Funds

School Special Revenue

Combining Statement of Revenues, Expenditures and Changes in Fund Balance

For the Year ended June 30, 2023

	English Learner Categorical	School Building Authority	21st Century Tech	STEM Mini	Champlin Foundation	Feinstein Foundation	Kiducation
Revenues							
Intergovernmental	\$ 2,395	\$ 76,680	\$ 150,722	\$ 2,498	\$ -	\$ 30,000	\$ 623
Student Activity Deposits	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Grants and contributions	-	-	-	-	-	-	-
Total revenues	<u>2,395</u>	<u>76,680</u>	<u>150,722</u>	<u>2,498</u>	<u>-</u>	<u>30,000</u>	<u>623</u>
Expenditures							
Salaries	-	-	-	-	-	1,279	-
Employee benefits	-	-	-	-	-	89	-
Purchased services	2,395	-	-	-	-	23,165	-
Supplies and materials	-	-	-	2,498	-	-	-
Other	-	118	-	-	-	3,200	-
Capital outlay	-	76,562	150,722	-	56,000	6,296	-
Total expenditures	<u>2,395</u>	<u>76,680</u>	<u>150,722</u>	<u>2,498</u>	<u>56,000</u>	<u>34,029</u>	<u>-</u>
Net changes in fund balance	-	-	-	-	(56,000)	(4,029)	623
Fund balance, beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>56,000</u>	<u>37,189</u>	<u>721</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,160</u>	<u>\$ 1,344</u>

See Independent Auditor's Report

Town of Smithfield, Rhode Island

Supplementary Information

Non-Major Governmental Funds

School Special Revenue

Combining Statement of Revenues, Expenditures and Changes in Fund Balance

For the Year ended June 30, 2023

	RI Foundation	Whole Kids Foundation	Roy T. Morgan Foundation	RI Foundation RISD	RI Foundation FAF	VFW Memorial Fund	Bank of America
Revenues							
Intergovernmental	\$ -	\$ -	\$ -	\$ 1,500	\$ 2,000	\$ -	\$ 1,000
Student Activity Deposits	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Grants and contributions	1,316	-	-	-	-	-	-
Total revenues	<u>1,316</u>	<u>-</u>	<u>-</u>	<u>1,500</u>	<u>2,000</u>	<u>-</u>	<u>1,000</u>
Expenditures							
Salaries	-	-	-	-	-	-	-
Employee benefits	-	-	-	-	-	-	-
Purchased services	-	-	-	-	2,000	-	234
Supplies and materials	-	-	-	-	-	-	252
Other	-	1,590	-	-	-	-	-
Capital outlay	-	1,410	2,817	-	-	-	-
Total expenditures	<u>-</u>	<u>3,000</u>	<u>2,817</u>	<u>-</u>	<u>2,000</u>	<u>-</u>	<u>486</u>
Net changes in fund balance	1,316	(3,000)	(2,817)	1,500	-	-	514
Fund balance, beginning of the year	<u>-</u>	<u>3,000</u>	<u>2,817</u>	<u>-</u>	<u>-</u>	<u>4,000</u>	<u>500</u>
Fund balance, end of year	<u>\$ 1,316</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,500</u>	<u>\$ -</u>	<u>\$ 4,000</u>	<u>\$ 1,014</u>

See Independent Auditor's Report

Town of Smithfield, Rhode Island

Supplementary Information

Non-Major Governmental Funds

School Special Revenue

Combining Statement of Revenues, Expenditures and Changes in Fund Balance

For the Year ended June 30, 2023

	Exxon Mobil Educational Alliance	Stop & Shop A+ Bonus	N.E. School Development Council	CVS Health Foundation	LifeTouch	National Youth Risk Behavior	Pleasant View Elementary Donors	Special Olympics
Revenues								
Intergovernmental	\$ -	\$ -	\$ -	\$ 2,500	\$ -	\$ 500	\$ -	\$ -
Student Activity Deposits	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	700	-
Grants and contributions	-	-	-	-	13,407	-	-	-
Total revenues	-	-	-	2,500	13,407	500	700	-
Expenditures								
Salaries	-	-	-	-	-	-	-	-
Employee benefits	-	-	-	-	-	-	-	-
Purchased services	-	2,777	-	-	4,737	-	-	-
Supplies and materials	369	8,578	-	2,500	9,188	-	-	250
Other	200	2,174	-	-	251	-	-	-
Capital outlay	-	2,027	-	-	3,377	-	-	-
Total expenditures	569	15,556	-	2,500	17,553	-	-	250
Net changes in fund balance	(569)	(15,556)	-	-	(4,146)	500	700	(250)
Fund balance, beginning of the year	569	15,556	5,000	-	24,558	500	-	250
Fund balance, end of year	\$ -	\$ -	\$ 5,000	\$ -	\$ 20,412	\$ 1,000	\$ 700	\$ -

See Independent Auditor's Report

Town of Smithfield, Rhode Island

Supplementary Information

Non-Major Governmental Funds

School Special Revenue

Combining Statement of Revenues, Expenditures and Changes in Fund Balance

For the Year ended June 30, 2023

	High School Donors	High School Donation Booster	SHS FBLA	Old County Scholarship	Thomas Leach Scholarship	Christopher Reilly Scholarship	Daniel DiChiara Scholarship	Student Activities	Total School Restricted Funds
Revenues									
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,755,097
Student Activity Deposits	-	-	-	-	-	-	-	241,480	241,480
Other	-	-	-	-	-	-	-	-	17,349
Grants and contributions	4,000	16,000	300	100	11	-	-	-	35,134
Total revenues	<u>4,000</u>	<u>16,000</u>	<u>300</u>	<u>100</u>	<u>11</u>	<u>-</u>	<u>-</u>	<u>241,480</u>	<u>3,049,060</u>
Expenditures									
Salaries	-	-	-	-	-	-	-	-	948,175
Employee benefits	-	-	-	-	-	-	-	-	350,613
Purchased services	-	-	-	500	1,000	199	3,000	2,831	993,934
Supplies and materials	-	-	300	-	-	-	-	38,942	144,743
Other	-	-	-	-	-	-	-	181,065	359,193
Capital outlay	-	13,720	-	-	-	-	-	11,495	403,410
Total expenditures	<u>-</u>	<u>13,720</u>	<u>300</u>	<u>500</u>	<u>1,000</u>	<u>199</u>	<u>3,000</u>	<u>234,333</u>	<u>3,200,067</u>
Net changes in fund balance	4,000	2,280	-	(400)	(989)	(199)	(3,000)	7,147	(151,007)
Fund balance, beginning of the year	200	-	-	400	20,269	199	28,269	184,683	479,751
Fund balance, end of year	<u>\$ 4,200</u>	<u>\$ 2,280</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,280</u>	<u>\$ -</u>	<u>\$ 25,269</u>	<u>\$ 191,830</u>	<u>\$ 328,744</u>

See Independent Auditor's Report

Town of Smithfield, Rhode Island

Supplementary Information

Non-Major Governmental Funds

Town Capital Projects

Combining Balance Sheet

June 30, 2023

	Green Acres Acquisition Fund	Smithfield Historic Landmark	Impact Fees	Land Acq. Open Space Bond	Efficient Buildings Smithfield Schools	Open Space & Rec. Area	Police Equipment
Assets							
Cash and cash equivalents	\$ 112,991	\$ 883	\$ 872,534	\$ -	\$ -	\$ 4,543	\$ 129,042
Funds held in escrow RIIB	-	-	-	-	3,683,335	-	-
Accounts and other receivables, net	-	-	-	-	-	-	-
Intergovernmental receivables	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-
Due from other funds	7,230	-	687,272	49,609	5,124	-	-
Total Assets	120,221	883	1,559,806	49,609	3,688,459	4,543	129,042
Deferred outflows of resources							
Deferred outflows	-	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	120,221	883	1,559,806	49,609	3,688,459	4,543	129,042
Liabilities							
Accounts payable	-	-	-	-	-	-	-
Accrued liabilities	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	20,441
Unearned grant and other revenues	-	-	-	-	-	-	-
Total Liabilities	-	-	-	-	-	-	20,441
Deferred inflows of resources							
Deferred Revenue	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-
Fund balance							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	120,221	883	1,559,806	49,609	3,688,459	4,543	108,601
Unassigned	-	-	-	-	-	-	-
Total fund balance	120,221	883	1,559,806	49,609	3,688,459	4,543	108,601
Total liabilities, deferred inflows of resources and fund balance	\$ 120,221	\$ 883	\$ 1,559,806	\$ 49,609	\$ 3,688,459	\$ 4,543	\$ 129,042

See Independent Auditor's Report

Town of Smithfield, Rhode Island

Supplementary Information

Non-Major Governmental Funds

Town Capital Projects

Combining Balance Sheet

June 30, 2023

	Water District Improvement Fee	Handicap Accessibility	Special Projects Fund	Police Improvement Bond	Capital Reserve Fund	Fire Station Bond	School Renovations Bond
Assets							
Cash and cash equivalents	\$ 18,781	\$ 10,801	\$ 512,066	\$ -	\$ -	\$ -	\$ -
Cash on deposit with funding agency	-	-	-	-	-	-	-
Accounts and other receivables, net	-	-	-	-	-	-	-
Intergovernmental receivables	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-
Due from other funds	-	-	-	113,017	1,241,153	-	13,177
Total Assets	18,781	10,801	512,066	113,017	1,241,153	-	13,177
Deferred outflows of resources							
Deferred outflows	-	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	18,781	10,801	512,066	113,017	1,241,153	-	13,177
Liabilities							
Accounts payable	-	-	20,807	-	-	-	-
Accrued liabilities	-	-	-	-	-	-	-
Due to other funds	23	-	641,666	-	-	569,283	-
Unearned grant and other revenues	-	-	-	-	-	-	-
Total Liabilities	23	-	662,473	-	-	569,283	-
Deferred inflows of resources							
Deferred Revenue	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-
Fund balance							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	18,758	10,801	-	113,017	1,241,153	-	13,177
Unassigned	-	-	(150,407)	-	-	(569,283)	-
Total fund balance	18,758	10,801	(150,407)	113,017	1,241,153	(569,283)	13,177
Total liabilities, deferred inflows of resources and fund balance	\$ 18,781	\$ 10,801	\$ 512,066	\$ 113,017	\$ 1,241,153	\$ -	\$ 13,177

See Independent Auditor's Report

Town of Smithfield, Rhode Island

Supplementary Information

Non-Major Governmental Funds

Town Capital Projects

Combining Balance Sheet

June 30, 2023

	Land Trust	School Restricted Capital	Bryant Capital Contributions	School Improvement Bond	Lease Fund	Stillwater Pond Development	Smithfield Fire Rescue	Total Capital Project Funds
Assets								
Cash and cash equivalents	\$ 14,656	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,626,548	\$ 3,302,845
Cash on deposit with funding agency	-	-	-	-	-	-	-	3,683,335
Accounts and other receivables, net	-	-	24,307	66,215	-	-	327,017	417,539
Intergovernmental receivables	-	-	-	-	-	-	-	-
Prepaid items	-	-	-	209,325	-	-	-	209,325
Due from other funds	594,222	135,000	716,289	-	-	100,000	-	3,662,093
Total Assets	<u>608,878</u>	<u>135,000</u>	<u>740,596</u>	<u>275,540</u>	<u>-</u>	<u>100,000</u>	<u>1,953,565</u>	<u>11,275,137</u>
Deferred outflows of resources								
Deferred outflows	-	-	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	<u>608,878</u>	<u>135,000</u>	<u>740,596</u>	<u>275,540</u>	<u>-</u>	<u>100,000</u>	<u>1,953,565</u>	<u>11,275,137</u>
Liabilities								
Accounts payable	-	-	-	-	-	-	4,662	25,469
Accrued liabilities	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	361,588	2,120,698	-	2,537,379	6,251,078
Unearned grant and other revenues	-	-	-	-	-	-	-	-
Total Liabilities	-	-	-	<u>361,588</u>	<u>2,120,698</u>	-	<u>2,542,041</u>	<u>6,276,547</u>
Deferred inflows of resources								
Deferred Revenue	-	-	-	-	-	-	327,017	327,017
Total deferred inflows of resources	-	-	-	-	-	-	<u>327,017</u>	<u>327,017</u>
Fund balance								
Nonspendable	-	-	-	209,325	-	-	-	209,325
Restricted	-	135,000	-	-	-	100,000	-	235,000
Committed	608,878	-	740,596	-	-	-	-	8,278,502
Unassigned	-	-	-	(295,373)	(2,120,698)	-	(915,493)	(4,051,254)
Total fund balance	<u>608,878</u>	<u>135,000</u>	<u>740,596</u>	<u>(86,048)</u>	<u>(2,120,698)</u>	<u>100,000</u>	<u>(915,493)</u>	<u>4,671,573</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 608,878</u>	<u>\$ 135,000</u>	<u>\$ 740,596</u>	<u>\$ 275,540</u>	<u>\$ -</u>	<u>\$ 100,000</u>	<u>\$ 1,953,565</u>	<u>\$ 11,275,137</u>

See Independent Auditor's Report

Town of Smithfield, Rhode Island

Supplementary Information

Non-Major Governmental Funds

Town Capital Projects

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

For the Year Ended June 30, 2023

	Green Acres Acquisition Fund	Smithfield Historic Landmark	Impact Fees	Land Acq. Open Space Bond	Efficient Buildings Smithfield Schools	Open Space & Rec. Area	Police Equipment
Revenues							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fees, fines, charges and assessments	-	-	175,324	-	-	-	187,254
Interest and investment income	11	-	87	-	-	-	13
Contributions and grants	-	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-	-
Total revenues	11	-	175,411	-	-	-	187,267
Expenditures							
General government	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	4,919
Recreation and community development	11,409	-	-	-	-	-	-
Other expenses	-	-	-	-	85,335	-	-
Debt service	-	-	-	-	-	-	-
Capital outlays	-	-	-	-	2,849,330	-	-
Total expenditures	11,409	-	-	-	2,934,665	-	4,919
Excess (deficiency) of revenues over expenditures	(11,398)	-	175,411	-	(2,934,665)	-	182,348
Other financing sources (uses)							
Loan proceeds	-	-	-	-	6,618,000	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	(645,975)	-	-	-	(141,897)
Total other financing sources (uses)	-	-	(645,975)	-	6,618,000	-	(141,897)
Net change in fund balance	(11,398)	-	(470,564)	-	3,683,335	-	40,451
Fund balance, beginning of year	131,619	883	2,030,370	49,609	5,124	4,543	68,150
Fund balance, end of year	\$ 120,221	\$ 883	\$ 1,559,806	\$ 49,609	\$ 3,688,459	\$ 4,543	\$ 108,601

See Independent Auditor's Report

Town of Smithfield, Rhode Island

Supplementary Information

Non-Major Governmental Funds

Town Capital Projects

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

For the Year Ended June 30, 2023

	Water District Improvement Fee	Handicap Accessibility	Special Projects Fund	Police Improvement Bond	Capital Reserve Fund	Fire Station Bond	School Renovations Bond
Revenues							
Intergovernmental	\$ -	\$ -	\$ 131,848	\$ -	\$ -	\$ -	\$ -
Fees, fines, charges and assessments	-	-	22,770	-	-	-	-
Interest and investment income	2	1	-	-	-	-	-
Contributions and grants	-	-	6,600	-	-	-	-
Other revenues	-	-	-	-	-	-	-
Total revenues	2	1	161,218	-	-	-	-
Expenditures							
General government	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-
Public safety	-	-	8,862	-	-	-	-
Recreation and community development	-	-	127,680	-	-	-	-
Other expenses	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Capital outlays	-	-	38,695	-	-	36,759	183,657
Total expenditures	-	-	175,237	-	-	36,759	183,657
Excess (deficiency) of revenues over expenditures	2	1	(14,019)	-	-	(36,759)	(183,657)
Other financing sources (uses)							
Loan proceeds	-	-	-	-	-	-	-
Transfers in	-	-	-	-	100,000	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	100,000	-	-
Net change in fund balance	2	1	(14,019)	-	100,000	(36,759)	(183,657)
Fund balance, beginning of year	18,756	10,800	(136,388)	113,017	1,141,153	(532,524)	196,834
Fund balance, end of year	\$ 18,758	\$ 10,801	\$ (150,407)	\$ 113,017	\$ 1,241,153	\$ (569,283)	\$ 13,177

See Independent Auditor's Report

Town of Smithfield, Rhode Island

Supplementary Information

Non-Major Governmental Funds

Town Capital Projects

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

For the Year Ended June 30, 2023

	Land Trust	School Restricted Capital	Bryant Capital Contributions	School Improvement Bond	Lease Fund	Stillwater Pond Development	Smithfield Fire Rescue	Total Capital Project Funds
Revenues								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 131,848
Fees, fines, charges and assessments	405,194	-	110,197	-	-	-	1,201,865	2,102,604
Interest and investment income	251	-	-	-	-	-	621	986
Contributions and grants	-	-	-	-	-	-	-	6,600
Other revenues	-	-	-	-	670,044	-	-	670,044
Total revenues	405,445	-	110,197	-	670,044	-	1,202,486	2,912,082
Expenditures								
General government	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	741,103	754,884
Recreation and community development	10,877	-	-	-	-	-	-	149,966
Other expenses	-	-	-	-	-	-	-	85,335
Debt service	-	-	-	-	-	-	-	-
Capital outlays	-	-	-	291,599	971,046	-	-	4,371,086
Total expenditures	10,877	-	-	291,599	971,046	-	741,103	5,361,271
Excess (deficiency) of revenues over expenditures	394,568	-	110,197	(291,599)	(301,002)	-	461,383	(2,449,189)
Other financing sources (uses)								
Loan proceeds	-	-	-	-	-	-	-	6,618,000
Transfers in	-	10,000	-	-	-	-	-	110,000
Transfers out	-	-	-	-	-	-	(925,000)	(1,712,872)
Total other financing sources (uses)	-	10,000	-	-	-	-	(925,000)	5,015,128
Net change in fund balance	394,568	10,000	110,197	(291,599)	(301,002)	-	(463,617)	2,565,939
Fund balance, beginning of year	214,310	125,000	630,399	205,551	(1,819,696)	100,000	(451,876)	2,105,634
Fund balance, end of year	\$ 608,878	\$ 135,000	\$ 740,596	\$ (86,048)	\$ (2,120,698)	\$ 100,000	\$ (915,493)	\$ 4,671,573

See Independent Auditor's Report

Town of Smithfield, Rhode Island

Supplementary Information

Non-Major Governmental Funds

School Capital Projects

Combining Balance Sheet

June 30, 2023

	Capital Reserve School Improvements
Assets	
Cash and cash equivalents	\$ -
Due from other funds	1,387,631
Total Assets	<u>1,387,631</u>
Deferred outflows of resources	
Deferred outflows	<u>-</u>
Total deferred outflows of resources	<u>-</u>
Total assets and deferred outflows of resources	<u>1,387,631</u>
Liabilities	
Accounts payable	<u>-</u>
Total Liabilities	<u>-</u>
Deferred inflows of resources	
Unavailable fee revenue	<u>-</u>
Total deferred inflows of resources	<u>-</u>
Fund balance	
Nonspendable	-
Restricted	-
Committed	1,387,631
Unassigned	<u>-</u>
Total fund balance	<u>1,387,631</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 1,387,631</u>

See Independent Auditor's Report

Town of Smithfield, Rhode Island

Supplementary Information

Non-Major Governmental Funds

School Capital Projects

Combining Statement of Revenues, Expenditures and Changes in Fund Balance

For the Year Ended June 30, 2023

	Capital Reserve School Improvements
Revenues	
Intergovernmental	\$ -
Other revenues	-
Total revenues	<u>-</u>
Expenditures	
Capital outlays	<u>612,369</u>
Total expenditures	<u>612,369</u>
Excess (deficiency) of revenues over expenditures	<u>(612,369)</u>
Other financing sources (uses)	
Transfers in	2,000,000
Transfers out	<u>-</u>
Total other financing sources (uses)	<u>2,000,000</u>
Net change in fund balance	1,387,631
Fund balance - beginning	<u>-</u>
Fund balance - ending	<u><u>\$ 1,387,631</u></u>

See Independent Auditor's Report

Town of Smithfield, Rhode Island

Supplementary Information

Non-Major Governmental Funds

Permanent Funds

Combining Balance Sheet

June 30, 2023

	<u>Cemetery Fund</u>
Assets	
Cash and cash equivalents	\$ 63,715
Accounts and other receivables, net	-
Intergovernmental receivables	-
Due from other funds	-
Total Assets	<u>63,715</u>
Deferred outflows of resources	
Deferred outflows	-
Total deferred outflows of resources	-
Total assets and deferred outflows of resources	<u>63,715</u>
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	63,715
Committed	-
Unassigned	-
Total fund balance	<u>63,715</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 63,715</u>

See Independent Auditor's Report

Town of Smithfield, Rhode Island

Supplementary Information

Non-Major Governmental Funds

Permanent Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balance

For the Year Ended June 30, 2023

	<u>Cemetery Fund</u>
Revenues	
Intergovernmental	\$ -
Fees, fines, charges and assessments	-
Interest and investment income	6
Contributions and grants	-
Other revenues	-
	<hr/>
Total revenues	6
Expenditures	
General government	-
Education	-
Public safety	-
Recreation and community development	-
Other expenses	-
Capital outlays	-
	<hr/>
Total expenditures	-
Excess (deficiency) of revenues over expenditures	6
Other financing sources (uses):	
Transfers in	-
Transfers out	-
	<hr/>
Total other financing sources (uses)	-
Net change in fund balance	6
Fund balance, beginning of year	<hr/> 63,709
Fund balance, end of year	<hr/> <u>\$ 63,715</u>

See Independent Auditor's Report

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**

This page was intentionally left blank

Town of Smithfield, Rhode Island

Fiduciary Funds

Custodial Funds

Combining Statement of Net Position

June 30, 2023

	<u>Soil Erosion</u>	<u>Street Lighting</u>	<u>Total Custodial Funds</u>
Assets			
Cash and cash equivalents	\$ 22,290	\$ 20,620	\$ 42,910
Interfund receivable	217,220	-	217,220
Total assets	<u>239,510</u>	<u>20,620</u>	<u>260,130</u>
Liabilities			
Deposits held in custody	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Net Position			
Restricted for Soil Erosion	239,510	-	239,510
Restricted for Street Lighting	-	20,620	20,620
Total net position	<u>239,510</u>	<u>20,620</u>	<u>260,130</u>
Total liabilities and net position	<u>\$ 239,510</u>	<u>\$ 20,620</u>	<u>\$ 260,130</u>

See Independent Auditor's Report

Town of Smithfield, Rhode Island

Fiduciary Funds

Custodial Funds

Combining Statement of Changes in Net Position

For the Year Ended June 30, 2023

	<u>Soil Erosion</u>	<u>Street Lighting</u>	<u>Total Custodial Funds</u>
Additions:			
Contributions:			
Investment earning	\$ 10,005	\$ 4	\$ 10,009
Total additions	10,005	4	10,009
Deductions			
Fund distributed on behalf of others	131,796	-	131,796
Total deductions	131,796	-	131,796
Changes in net position held in trust for individuals, organizations, and other governments	(121,791)	4	(121,787)
Net position, July 1, 2022	361,301	20,616	381,917
Net position, June 30, 2023	\$ 239,510	\$ 20,620	\$ 260,130

See Independent Auditor's Report

TOWN OF SMITHFIELD, RHODE ISLAND

OTHER

- Funds which comprise the Town's General Fund
- Tax Collector's Annual Report

This page was intentionally left blank

Town of Smithfield, Rhode Island

Combining Balance Sheet

Funds Which Comprise the Town's General Fund

June 30, 2023

	General Fund	Inspection Fee Fund	Total General Fund
Assets			
Cash and cash equivalents	\$ 12,494,083	\$ 51,100	\$ 12,545,183
Investments	7,929,727	-	7,929,727
Taxes receivable, net	1,629,325	-	1,629,325
Other receivable, net	1,073,993	-	1,073,993
Intergovernmental receivables	-	-	-
Prepaid items	758,778	-	758,778
Leases receivable	216,089	-	216,089
Due from other funds	10,810,116	12,375	10,822,491
Total assets	34,912,111	63,475	34,975,586
Deferred outflows of resources			
None	-	-	-
Total deferred outflows of resources	-	-	-
Total assets and deferred outflows of resources	\$ 34,912,111	\$ 63,475	\$ 34,975,586
Liabilities			
Accounts payable	\$ 3,112,659	\$ -	\$ 3,112,659
Accrued liabilities	-	5,600	5,600
Other payables	-	-	-
Interfund payable	462,836	-	462,836
Due to other funds	16,934,299	-	16,934,299
Total liabilities	20,509,794	5,600	20,515,394
Deferred inflows of resources			
Unavailable property tax revenue	475,229	-	475,229
Leases	216,089	-	216,089
Deferred revenue - other	10,000	-	10,000
Total deferred inflows of resources	701,318	-	701,318
Fund balance			
Nonspendable	889,340	-	889,340
Restricted	-	-	-
Committed	5,939,625	-	5,939,625
Assigned	-	-	-
Unassigned	6,872,034	57,875	6,929,909
Total fund balance	13,700,999	57,875	13,758,874
Total liabilities, deferred inflows of resources, and fund balance	\$ 34,912,111	\$ 63,475	\$ 34,975,586

See Independent Auditor's Report

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, 2023

	<u>General Fund</u>	<u>Inspection Fee Fund</u>	<u>Total General Fund</u>
Revenues			
General property taxes	\$ 58,132,647	\$ -	\$ 58,132,647
Intergovernmental	12,296,070	-	12,296,070
Licenses, fees, fines, charges and assessments	1,133,911	-	1,133,911
Investment income (loss)	639,513	5	639,518
Other miscellaneous including Medicaid	106,257	-	106,257
Total revenues	<u>72,308,398</u>	<u>5</u>	<u>72,308,403</u>
Expenditures			
Current			
General government	3,699,525	-	3,699,525
Public safety	21,367,163	-	21,367,163
Public works	4,328,439	-	4,328,439
Libraries	1,501,002	-	1,501,002
Education	607,179	-	607,179
Recreation and Senior Center activities	1,752,660	-	1,752,660
Benefits and other miscellaneous	1,896,982	-	1,896,982
Debt Service			
Principal	2,790,000	-	2,790,000
Interest and other costs	1,703,196	-	1,703,196
Capital			
Capital expenditures	1,057,108	-	1,057,108
Total expenditures	<u>40,703,254</u>	<u>-</u>	<u>40,703,254</u>
Excess (deficiency) of revenues over expenditures	31,605,144	5	31,605,149
Other financing sources (uses)			
Transfers in	2,167,347	-	2,167,347
Transfers out	(33,768,022)	-	(33,768,022)
Total other financing sources (uses)	<u>(31,600,675)</u>	<u>-</u>	<u>(31,600,675)</u>
Net change in fund balance	4,469	5	4,474
Fund balance, July 1, 2022	<u>13,696,530</u>	<u>57,870</u>	<u>13,754,400</u>
Fund balance, June 30, 2023	<u>\$ 13,700,999</u>	<u>\$ 57,875</u>	<u>\$ 13,758,874</u>

See Independent Auditor's Report

Town of Smithfield, Rhode Island

Tax Collector's Annual Report

For the Year Ended June 30, 2023

Tax Roll Year	Residential Real Property Mill Rate	Property Taxes Receivable July 1, 2022	Current Year Assessment	Supplemental Addendums (Net)	Refunds & Adjustments	Abatements & Adjustments	Amount to be collected	Collections July 1, 2022 to June 30, 2023	Property Taxes Receivable June 30, 2023	FY 2023 Cash Collections Summary			
										Subject to 60 Day Rule 7/1/2022- 8/31/2022	Not Subject to 60 Day Rule 7/1/2022- 06/31/2023	Subject to 60 Day Rule 7/1/2023- 8/31/2023	Tax Revenue Reconized FYE 06/30/2023
2023	13.36	\$ -	\$ 58,247,230	\$ 60,037	\$ 8,762	\$ 130,128	58,185,901	\$ 56,582,421	1,603,480	\$ -	\$ 56,582,421	\$ 996,688	\$ 57,579,109
2022	17.13	1,778,877	-	762	2,114	(99,978)	1,881,731	1,812,079	69,652	1,296,437	508,388	4,588	512,976
2021	16.81	100,983	-	-	-	(1,812)	102,795	31,075	71,720	6,988	24,087	717	24,804
2020	16.81	80,432	-	-	-	416	80,016	3,698	76,318	1,150	2,548	215	2,763
2019	17.56	88,566	-	-	-	573	87,993	1,005	86,988	430	575	76	651
2018	17.56	83,766	-	-	-	297	83,469	1,638	81,831	548	1,090	-	1,090
2017	16.73	73,010	-	-	-	148	72,862	1,303	71,559	217	1,086	11	1,097
2016	17.57	71,315	-	-	-	-	71,315	594	70,721	292	302	257	559
2015	17.13	68,150	-	-	-	(19)	68,169	851	67,318	376	475	444	919
2014	17.52	81,249	-	-	-	-	81,249	966	80,283	209	757	381	1,138
2013	16.02	92,095	-	-	-	59,772	32,323	733	31,590	517	216	-	216
2012	15.85	80,419	-	-	-	60,789	19,630	41	19,589	-	41	-	41
2011	15.59	82,511	-	-	-	67,382	15,129	10	15,119	-	10	20	30
2010 & Prior	various	450,882	-	-	-	79,409	371,473	-	371,473	-	-	-	-
		<u>\$ 3,132,255</u>	<u>\$ 58,247,230</u>	<u>\$ 60,799</u>	<u>\$ 10,876</u>	<u>\$ 297,105</u>	<u>\$ 61,154,055</u>	<u>\$ 58,436,414</u>	<u>\$ 2,717,641</u>	<u>\$ 1,307,164</u>	<u>\$ 57,121,996</u>	<u>\$ 1,003,397</u>	<u>\$ 58,125,393</u>
Less: Allowance for Uncollectible accounts		<u>(1,285,985)</u>							<u>(1,088,316)</u>				
		<u>\$ 1,846,270</u>							<u>\$ 1,629,325</u>				

See Independent Auditor's Report

Town of Smithfield, Rhode Island

Tax Collector's Annual Report

For the Year Ended June 30, 2023

Schedule of Net Assessed Property Value by Category

Assessed December 31, 2021 - (2022 Tax Roll)

	Valuation	Levy
Real property	\$ 3,543,934,590	\$ 49,415,753
Tangible personal property	214,631,560	8,831,477
Total	3,758,566,150	58,247,230
Less: Exemptions	136,013,062	-
Net assessed value	\$ 3,622,553,088	58,247,230
Current year assessment		\$ 58,247,230

Reconciliation of Current Year Property Tax Revenue

Current Year Collections	\$ 58,436,414
Revenue received 60 days subsequent to fiscal year ending June 30, 2023	\$ 1,003,397
Subtotal	\$ 59,439,811
Prior Year revenue received in current year fiscal year ending June 30, 2022 - 60 Day rule	\$ (1,307,164)
Current year property tax revenue	\$ 58,132,647

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)

This page was intentionally left blank'

Town of Smithfield, Rhode Island

Annual Supplemental Transparency Report (MTP2)

For the Year Ended June 30, 2023

<u>REVENUE</u>	<u>Municipal</u>	<u>Education Department</u>
Current Year Levy Tax Collection	\$ 56,285,908	\$ -
Last Year's Levy Tax Collection	1,804,824	-
Prior Years Property Tax Collection	41,916	-
Interest & Penalty	218,232	-
PILOT & Tax Treaty (excluded from levy) Collection	-	-
Other Local Property Taxes	-	-
Licenses and Permits	1,108,449	-
Fines and Forfeitures	-	-
Investment Income	421,915	-
Departmental	106,251	-
Rescue Run Revenue	1,201,865	-
Police & Fire Detail	553,176	-
Other Local Non-Property Tax Revenues	607,180	-
Tuition	-	393,549
Impact Aid	-	-
Medicaid	-	208,890
Federal Stabilization Funds	-	-
Federal Food Service Reimbursement	-	412,852
CDBG	-	-
COPS Grants	-	-
SAFER Grants	-	-
Other Federal Aid Funds	-	2,559,966
COVID - ESSER	-	-
COVID - CRF	-	-
COVID - CDBG	-	-
COVID - FEMA	-	-
COVID - Other	-	-
COVID - ARPA	2,637,482	4,492
MV Excise Tax Reimbursement	267,692	-
State PILOT Program	954,846	-
Distressed Community Relief Fund	-	-
Library Resource Aid	-	-
Library Construction Aid	-	-
Public Service Corporation Tax	269,260	-
Meals & Beverage Tax / Hotel Tax	1,322,762	-
LEA Aid	-	7,319,796
Group Home	-	-
Housing Aid Capital Projects	111,420	-
Housing Aid Bonded Debt	1,891,910	-
State Food Service Revenue	-	15,101
Incentive Aid	40,000	-
Property Revaluation Reimbursement	-	-
Other State Revenue	-	267,528
Motor Vehicle Phase Out	6,831,002	-
Other Revenue	-	830,727
Local Appropriation for Education	-	33,157,022
Regional Appropriation for Education	-	-
Supplemental Appropriation for Education	-	-
Regional Supplemental Appropriation for Education	-	-
Other Education Appropriation	-	-
Rounding	-	-
Total Revenue	\$ 76,676,088	\$ 45,169,924
Financing Sources: Transfer from Capital Funds	\$ 1,712,872	\$ -
Financing Sources: Transfer from Other Funds	454,475	-
Financing Sources: Debt Proceeds	-	-
Financing Sources: Other	-	-
Rounding	-	-
Total Other Financing Sources	\$ 2,167,347	\$ -

*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, 2023

<u>EXPENDITURES</u>	<u>General</u>		<u>Social</u>	<u>Centralized</u>			<u>Public</u>	<u>Parks and</u>	<u>Police</u>
	<u>Government</u>	<u>Finance</u>	<u>Services</u>	<u>IT</u>	<u>Planning</u>	<u>Libraries</u>	<u>Works</u>	<u>Rec</u>	<u>Department</u>
Compensation- Group A	\$ 765,888	\$ 624,598	\$ 241,748	\$ -	\$ 420,690	\$ -	\$ 1,309,464	\$ 494,925	\$ 4,174,743
Compensation - Group B	-	-	-	-	-	-	-	-	833,861
Compensation - Group C	-	-	-	-	-	-	-	-	-
Compensation -Volunteer	-	-	-	-	-	-	-	-	-
Overtime- Group A	335	630	8,255	-	694	-	97,934	6,291	563,253
Overtime - Group B	-	-	-	-	-	-	-	-	73,890
Overtime - Group C	-	-	-	-	-	-	-	-	-
Police & Fire Detail	-	-	-	-	-	-	-	-	505,039
Active Medical Insurance - Group A	93,915	134,247	64,340	-	113,957	-	412,249	58,851	764,064
Active Medical Insurance- Group B	-	-	-	-	-	-	-	-	158,702
Active Medical Insurance- Group C	-	-	-	-	-	-	-	-	-
Active Dental insurance- Group A	3,920	5,574	2,381	-	4,874	-	16,987	4,645	28,772
Active Dental Insurance- Group B	-	-	-	-	-	-	-	-	6,937
Active Dental Insurance- Group C	-	-	-	-	-	-	-	-	-
Payroll Taxes	52,186	47,973	18,489	-	30,810	-	104,964	36,864	468,636
Life Insurance	1,462	1,842	866	-	1,300	-	4,115	1,083	11,823
State Defined Contribution- Group A	5,773	5,260	2,271	-	3,289	-	11,715	3,511	-
State Defined Contribution - Group B	-	-	-	-	-	-	-	-	6,604
State Defined Contribution - Group C	-	-	-	-	-	-	-	-	-
Other Benefits- Group A	13,244	-	-	-	-	-	-	3,522	92,100
Other Benefits- Group B	-	-	-	-	-	-	-	-	-
Other Benefits- Group C	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension- Group A	-	-	-	-	-	-	122,338	-	1,776,158
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
State Defined Benefit Pension- Group A	93,313	61,100	22,466	-	40,984	-	-	34,607	467,787
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	76,094
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	-	-	-	-	-	-	-	-	-
Purchased Services	657,585	49,893	2,936	-	63,100	-	212,759	49,745	65,814
Materials/Supplies	51,530	3,214	25,693	-	2,657	-	90,107	67,014	125,217
Software Licenses	186,020	-	-	-	-	-	-	-	25,000
Capital Outlays	540,904	-	-	-	-	-	1,680,043	324,516	250,132
Insurance	920,822	-	-	-	-	-	-	-	-
Maintenance	100	-	1,563	-	-	-	6,455	7,108	37,431
Vehicle Operations	665	-	7,115	-	802	-	256,985	41,910	128,513
Utilities	52,255	4,253	46,633	-	2,285	-	367,764	53,324	78,070
Contingency	-	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	114,757	-	-
Revaluation	-	23,921	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	35,100	-	-
Trash Removal & Recycling	-	-	-	-	-	-	1,264,419	-	-
Claims & Settlements	-	-	-	-	-	-	-	-	-
Community Support	173,303	-	-	-	-	-	-	-	-
Other Operation Expenditures	-	-	-	-	-	1,554,503	-	-	-
Tipping Fees	-	-	-	-	-	-	314,226	-	-
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	\$ 3,613,220	\$ 962,504	\$ 444,755	\$ -	\$ 685,442	\$ 1,554,503	\$ 6,422,382	\$ 1,187,914	\$ 10,718,640

*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, 2023

<u>EXPENDITURES</u>	<u>Fire Department</u>	<u>Centralized Dispatch</u>	<u>Public Safety Other</u>	<u>Education Appropriation</u>	<u>Debt</u>	<u>OPEB</u>	<u>Total Municipal</u>	<u>Education Department</u>
Compensation- Group A	\$ 5,722,934	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,754,989	\$ 18,919,275
Compensation - Group B	359,408	-	216,513	-	-	-	1,409,782	2,102,254
Compensation - Group C	-	-	-	-	-	-	-	4,238,565
Compensation -Volunteer	-	-	-	-	-	-	-	-
Overtime- Group A	1,397,302	-	-	-	-	-	2,074,694	-
Overtime - Group B	79,393	-	13,059	-	-	-	166,342	-
Overtime - Group C	-	-	-	-	-	-	-	18,883
Police & Fire Detail	22,675	-	-	-	-	-	527,714	-
Active Medical Insurance - Group A	1,175,222	-	-	-	-	-	2,816,843	2,400,343
Active Medical Insurance- Group B	49,504	-	30,382	-	-	-	238,587	238,648
Active Medical Insurance- Group C	-	-	-	-	-	-	-	1,055,725
Active Dental insurance- Group A	50,399	-	-	-	-	-	117,553	128,970
Active Dental Insurance- Group B	1,607	-	1,190	-	-	-	9,734	11,237
Active Dental Insurance- Group C	-	-	-	-	-	-	-	52,273
Payroll Taxes	587,093	-	18,014	-	-	-	1,365,030	654,737
Life Insurance	15,252	-	650	-	-	-	38,394	87,534
State Defined Contribution- Group A	-	-	827	-	-	-	32,647	455,958
State Defined Contribution - Group B	1,222	-	1,991	-	-	-	9,817	50,037
State Defined Contribution - Group C	-	-	-	-	-	-	-	38,455
Other Benefits- Group A	135,052	-	-	-	-	-	243,919	123,678
Other Benefits- Group B	-	-	-	-	-	-	-	44,012
Other Benefits- Group C	-	-	-	-	-	-	-	12,509
Local Defined Benefit Pension- Group A	695,190	-	-	-	-	-	2,593,686	-
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-
State Defined Benefit Pension - Group A	239,090	-	8,187	-	-	-	967,533	2,782,199
State Defined Benefit Pension - Group B	-	-	14,277	-	-	-	90,371	336,821
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	392,516
Other Defined Benefit / Contribution	-	-	-	-	-	-	-	-
Purchased Services	169,984	-	367	-	-	-	1,272,182	7,625,935
Materials/Supplies	227,473	-	18,961	-	-	-	611,866	1,249,898
Software Licenses	14,210	-	-	-	-	-	225,230	21,146
Capital Outlays	957,811	-	262,417	-	-	-	4,015,822	785,014
Insurance	-	-	-	-	-	-	920,822	177,347
Maintenance	-	-	-	-	-	-	52,656	804,760
Vehicle Operations	329,421	-	1,614	-	-	-	767,025	14,433
Utilities	80,996	-	13,283	-	-	-	698,864	480,508
Contingency	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	114,757	-
Revaluation	-	-	-	-	-	-	23,921	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	35,100	-
Trash Removal & Recycling	-	-	-	-	-	-	1,264,419	-
Claims & Settlements	-	-	-	-	-	-	-	-
Community Support	-	-	-	-	-	-	173,303	500
Other Operation Expenditures	-	-	-	-	-	-	1,554,503	374,979
Tipping Fees	-	-	-	-	-	-	314,226	-
Local Appropriation for Education	-	-	-	33,157,022	-	-	33,157,022	-
Regional Appropriation for Education	-	-	-	-	-	-	-	-
Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	607,179	-	-	607,179	-
Municipal Debt- Principal	-	-	-	-	2,673,526	-	2,673,526	-
Municipal Debt- Interest	-	-	-	-	1,671,857	-	1,671,857	-
School Debt- Principal	-	-	-	-	-	-	-	-
School Debt- Interest	-	-	-	-	-	-	-	-
Retiree Medical Insurance- Total	-	-	-	-	-	-	-	200,141
Retiree Dental Insurance- Total	-	-	-	-	-	-	-	7,534
OPEB Contribution- Total	-	-	-	-	-	1,178,584	1,178,584	-
Rounding	-	-	-	-	-	-	-	-
Total Expenditures	\$ 12,311,236	\$ -	\$ 601,732	\$ 33,764,201	\$ 4,345,383	\$ 1,178,584	\$ 77,790,496	\$ 45,886,824

Financing Uses: Transfer to Capital Funds	\$ 146,308	\$ -
Financing Uses: Transfer to Other Funds	1,324,692	-
Financing Uses: Payment to Bond Escrow Agent	-	-
Financing Uses: Other	-	-
Total Other Financing Uses	\$ 1,471,000	\$ -

Net Change in Fund Balance¹ (418,061) (716,900)

Fund Balance¹- beginning of year \$13,285,603 \$4,934,214

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	13,285,603	4,934,214

Rounding
Fund Balance¹ - end of year \$ 12,867,542 \$ 4,217,314

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, 2023

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, 2022 adjusted						\$ 13,285,603	-	\$ 13,285,603	
<i>No funds removed from RGS for fiscal 2022</i>						-	-	-	
<i>No funds added to RGS for Fiscal 2022</i>						-	-	-	
<i>No misc. adjustments made for fiscal 2022</i>						-	-	-	
Fund Balance¹ - per MTP-2 at June 30, 2023 adjusted						<u>\$ 13,285,603</u>	<u>-</u>	<u>\$ 13,285,603</u>	
General Fund	\$ 72,308,403	\$ 2,167,347	\$ 40,703,254	\$ 33,768,022	\$ 4,474	\$ 13,754,400	\$ -	\$ 13,754,400	\$ 13,758,874
Fire Rescue Billing Fund	1,202,486	-	741,103	925,000	(463,617)	(451,876)	-	(451,876)	(915,493)
Revaluation Escrow	4	65,000	23,921	-	41,083	(16,921)	-	(16,921)	24,162
American Rescue Plan	2,637,482	-	2,637,482	-	-	-	-	-	-
Totals per audited financial statements	<u>\$ 76,148,374</u>	<u>\$ 2,232,347</u>	<u>\$ 44,105,760</u>	<u>\$ 34,693,022</u>	<u>\$ (418,060)</u>	<u>\$ 13,285,603</u>	<u>\$ -</u>	<u>\$ 13,285,603</u>	<u>\$ 12,867,543</u>
Reconciliation from financial statements to MTP2									
Reclassify transfer of municipal appropriation to Education Department as expenditure on MTP2	\$ -	\$ -	33,157,022	(33,157,022)	\$ -	\$ -	\$ -	\$ -	\$ -
Police and Fire Detail are net in audit but gross on MTP	527,714	-	527,714	-	-	-	-	-	-
Elimination of transfers between funds	-	(65,000)	-	(65,000)	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
Totals Per MTP2	<u>\$ 76,676,088</u>	<u>\$ 2,167,347</u>	<u>\$ 77,790,496</u>	<u>\$ 1,471,000</u>	<u>\$ -</u>	<u>\$13,285,603</u>	<u>\$ -</u>	<u>\$13,285,603</u>	<u>\$ 12,867,542</u>

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, 2023

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, 2022 adjusted <i>Misc. adjustments made for fiscal 2022</i>						\$ 4,934,214	-	\$ 4,934,214	
Fund Balance¹ - per MTP-2 at June 30, 2023 adjusted						-	-	-	
						\$ 4,934,214	-	\$ 4,934,214	
School Unrestricted Fund	\$ 10,320,010	\$ 33,157,022	\$ 43,435,526	\$ 2,000,000	\$ (1,958,494)	\$ 3,746,452	\$ -	\$ 3,746,452	\$ 1,787,958
Enterprise Fund ¹	1,017,906	-	1,024,514	-	(6,608)	737,801	-	737,801	731,193
School Capital Fund	-	2,000,000	612,369	-	1,387,631	-	-	-	1,387,631
School Special Revenue Funds	3,049,060	-	3,200,067	-	(151,007)	479,751	-	479,751	328,744
Totals per audited financial statements	\$ 14,386,976	\$ 35,157,022	\$ 48,272,476	\$ 2,000,000	\$ (728,478)	\$ 4,964,004	\$ -	\$ 4,964,004	\$ 4,235,526
<u>Reconciliation from financial statements to MTP2</u>									
Municipal appropriation for Education reported as a transfer on financial statements but a revenue on MTP2	\$ 33,157,022	\$ (33,157,022)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State contributions on behalf of teacher pensions are reported as revenue and expenditures on financial statements only	(2,374,074)	-	(2,374,074)	-	-	-	-	-	-
Transfer from School Unrestricted to the School Capital Projects Fund is reported as an Other Financing Sources and Use for GAAP while it is not reported in UCOA or the MTP2 because the transfers net out to zero.	-	(2,000,000)	-	(2,000,000)	-	-	-	-	-
Capital Asset Net of Accumulated Depr for School Lunch not in UCOA or MTP	-	-	-	-	11,578	(29,790)	-	(29,790)	(18,212)
Rounding	-	-	-	-	-	-	-	-	-
Totals Per MTP2	\$ 45,169,924	\$ -	\$ 45,886,824	\$ -	\$ (716,900)	\$4,934,214	-	\$4,934,214	\$ 4,217,314
<u>Reconciliation from MTP2 to UCOA</u>									
Miscellaneous variance between MTP2 and UCOA	\$ -	-	\$ 3	-	-	-	-	-	-
Totals per UCOA Validated Totals Report dated December 22, 2023	\$ 45,169,924	\$ -	\$ 45,886,827	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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, 2023

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, 2023

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/>.

This page was intentionally left blank

TOWN OF SMITHFIELD, RHODE ISLAND

Statistical Section

This part of the Town's annual comprehensive 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 annual comprehensive financial report.

This page was intentionally left blank

Town of Smithfield, Rhode Island
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS

	Fiscal Year ended June 30									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Net Investment in capital assets	\$ 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	\$ 40,697,172
Restricted	-	-	-	-	63,684	63,690	63,697	10,244,153	1,734,861	8,245,417
Unrestricted	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)	(87,520,401)
Total governmental activities net position	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)	(38,577,812)
Business-type activities										
Net investment in capital assets	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	12,638,752
Unrestricted	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	8,382,355
Total business-type activities net position	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	21,021,107
Primary government										
Net investment in capital assets	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	53,335,924
Restricted	-	-	-	-	63,684	63,690	63,697	10,244,153	1,734,861	8,245,417
Unrestricted	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)	(79,138,046)
Total primary government net position	\$ 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)	\$ (17,556,705)

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

During the fiscal year ended June 30, 2023 the Town of Smithfield implemented GASB Statement #96

Source: Town of Smithfield Annual Comprehensive Financial Report

Town of Smithfield, Rhode Island
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS
GOVERNMENTAL ACTIVITIES
(Accrual Basis of Accounting)

	Fiscal Year Ended June 30									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities:										
General government	\$ 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	\$ 6,030,264
Public safety	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	23,270,415
Public works	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	5,347,045
Public Health and Assistance	8,197	5,992	7,938	5,938	-	57	70	22	-	-
Public libraries	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	1,516,642
Education	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	45,531,720
Recreation and Senior Activities	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	2,284,534
Interest on long-term debt	552,480	534,407	587,477	824,421	761,655	713,342	660,383	442,383	1,492,949	1,818,004
Total governmental activities	66,984,444	65,808,060	73,093,450	74,703,469	75,322,380	81,685,513	83,525,185	77,582,324	120,519,446	85,798,624
Business-type activities:										
Sewer Authority	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	3,550,251
Water Supply Board	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	1,545,854
Smithfield Ice Rink	664,391	650,176	709,963	716,387	699,730	727,006	720,357	646,527	729,444	803,696
School Lunch Program	554,776	549,031	514,881	509,384	581,647	580,592	462,491	558,623	996,893	1,024,514
Total business-type activities	5,854,737	5,603,049	5,341,507	5,917,933	5,906,841	5,921,365	5,900,226	5,788,262	6,652,387	6,924,315
Total primary government expense	\$ 72,839,181	\$ 71,411,109	\$ 78,434,957	\$ 80,621,402	\$ 81,229,221	\$ 87,606,878	\$ 89,425,411	\$ 83,370,586	\$ 127,171,833	\$ 92,722,939
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 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	\$ 3,749,824
Public safety	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	1,861,471
Public works	-	-	-	-	-	-	-	307,304	4,132,526	692,814
Public Health and Assistance	-	-	-	62,000	-	-	204,000	-	-	-
Education	253,750	238,152	311,538	332,466	380,780	484,370	502,786	457,841	2,766,435	931,503
Recreation and Senior Activities	355	3,147	487	17,981	15,623	24,710	11,450	993,007	20,292	405,194
Operating grants and contributions	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	15,249,852
Capital grants and contributions	119,323	213,473	56,487	26,079	107,501	-	453,401	43,113,729	104,354	1,198,745
Total governmental activities program revenues	11,374,559	11,394,158	13,388,056	13,549,718	15,759,713	16,725,027	16,568,707	59,760,124	19,240,164	24,089,403
Business-type activities:										
Charges for services:										
Sewer Authority	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	3,165,376
Water Supply Board	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	2,004,387
Smithfield Ice Rink	615,219	683,279	753,759	709,539	679,316	707,398	666,194	625,498	761,403	770,481
School Lunch Program	376,020	355,156	344,582	350,930	339,499	382,833	272,715	700,332	1,427,901	534,729
Operating grants and contributions	215,512	208,807	183,314	176,704	176,182	200,581	205,720	14,448	32,883	483,177
Capital grants and contributions	-	-	-	-	-	-	30,000	-	-	-
Total business-type activities	5,992,311	5,861,628	5,842,581	5,881,765	6,117,411	6,176,553	6,079,029	6,566,612	7,305,548	6,958,150
Total primary government program revenues	\$ 17,366,870	\$ 17,255,786	\$ 19,230,637	\$ 19,431,483	\$ 21,877,124	\$ 22,901,580	\$ 22,647,736	\$ 66,326,736	\$ 26,545,712	\$ 31,047,553

Town of Smithfield, Rhode Island
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS
GOVERNMENTAL ACTIVITIES
(Accrual Basis of Accounting)

	Fiscal Year Ended June 30									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net (Expense)/Revenue										
Governmental activities	\$ (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)	\$ (61,709,221)
Business-type activities	137,574	258,579	501,074	(36,168)	210,570	255,188	178,803	778,350	653,161	33,835
Total primary government net expense	\$ (55,472,311)	\$ (54,155,323)	\$ (59,204,320)	\$ (61,189,919)	\$ (59,352,097)	\$ (64,705,298)	\$ (66,777,675)	\$ (17,043,850)	\$ (100,626,121)	\$ (61,675,386)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 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	\$ 58,132,647
Motor vehicle phase-out taxes	279,144	253,182	255,759	267,710	853,791	974,786	1,990,919	2,967,540	3,559,726	7,098,694
Public Utilities (Telephone) tax	268,724	291,036	265,491	279,390	268,766	272,126	272,386	269,396	258,355	269,260
Hotel, meals, and beverage tax	781,882	815,070	864,020	911,374	976,227	967,938	1,046,105	862,394	1,153,398	1,322,762
Other miscellaneous	-	-	-	-	-	-	-	85,932	316,364	569,644
Unrestricted investment earnings	459,545	429,541	467,318	346,587	419,070	673,786	537,406	422,580	258,360	754,993
Transfers and Special Items	500,000	500,000	500,000	150,000	430,000	-	-	2,027,414	446,403	454,475
Total governmental activities	55,013,635	56,814,129	58,135,160	58,749,020	61,166,858	62,105,642	64,343,908	66,669,124	66,195,404	68,602,474
Business-type activities:										
Unrestricted investment earnings	43,443	19,516	31,288	35,231	54,686	84,748	78,156	26,016	3,564	37,231
Transfers	(500,000)	(500,000)	(500,000)	(150,000)	(430,000)	-	-	(431,867)	(446,403)	(454,475)
Total business type activities	(456,557)	(480,484)	(468,712)	(114,769)	(375,314)	84,748	78,156	(405,851)	(442,839)	(417,244)
Total primary government	\$ 54,557,078	\$ 56,333,645	\$ 57,666,448	\$ 58,634,251	\$ 60,791,544	\$ 62,190,390	\$ 64,422,064	\$ 66,263,273	\$ 65,752,565	\$ 68,185,230
Change in Net Position										
Governmental activities	\$ (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)	\$ 6,893,255
Business-type activities	(318,983)	(221,905)	32,362	(150,937)	(164,744)	339,936	256,959	372,499	210,322	(383,409)
Total primary government	\$ (915,233)	\$ 2,178,322	\$ (1,537,872)	\$ (2,555,668)	\$ 1,439,447	\$ (2,514,908)	\$ (2,355,611)	\$ 49,219,423	\$ (34,873,556)	\$ 6,509,846

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

During the fiscal year ended June 30, 2023 the Town of Smithfield implemented GASB Statement #96

Source: Town of Smithfield Annual Comprehensive Financial Report

Town of Smithfield, Rhode Island
FUND BALANCES, GOVERNMENTAL FUNDS, LAST TEN FISCAL YEARS
 (Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Nonspendable	\$ 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	\$ 889,340
Restricted	15,860	24,398	30,438	37,625	-	-	-	-	-	-
Committed	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	5,939,625
Assigned	3,165,000	3,180,000	3,180,000	2,422,816	2,272,433	1,375,528	-	-	-	-
Unassigned	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	6,929,909
Total general fund	<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>	<u>\$ 13,758,874</u>
All Other Governmental Funds										
Nonspendable	\$ -	\$ 55,404	\$ 66,322	\$ 189,919	\$ 183,813	\$ 29,722	\$ 26,428	\$ 4,677	\$ -	\$ 209,325
Restricted	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	997,669
Committed	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	12,707,451
Unassigned	(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)	(4,053,141)
Total all other governmental funds	<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>	<u>\$ 9,861,304</u>

Source: Town of Smithfield Annual Comprehensive Financial Report

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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues:										
Property Taxes	\$ 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	\$ 58,132,647
Intergovernmental revenues	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	25,260,813
Licenses, Fees, Charges, Fines and assessments	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	3,777,125
Investment Income	459,594	429,541	467,318	346,587	419,070	673,786	537,406	424,379	260,000	669,755
Other Revenue (A)	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	3,762,356
Total revenues	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	91,602,696
Expenditures:										
Current:										
General Government	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	3,747,924
Public Safety	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	22,332,140
Public Works	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	4,371,645
Public Health and Assistance	8,197	5,992	7,938	5,938	-	57	70	22	-	-
Libraries	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	1,516,642
Education	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	46,839,362
Recreation, Senior & Neighborhood Center	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	2,201,435
Miscellaneous	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	1,931,368
Capital Expenditures	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	9,409,925
Debt Service:										
Principal	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	2,790,000
Debt Financing Costs	5,290	-	-	-	-	-	-	-	-	-
Interest	546,266	530,883	571,767	807,191	805,525	758,812	708,453	795,988	1,328,600	1,788,551
Total expenditures	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	96,928,992
Excess of revenues over (under) expenditures	(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)	(5,326,296)
Other Financing Sources (Uses):										
Proceeds from debt issuance	754,671	-	6,292,564	6,075,000	-	-	-	-	35,985,000	6,618,000
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	29,397,672	30,622,192	31,775,578	32,284,731	34,888,081	34,169,078	34,916,380	35,086,157	35,240,577	37,935,369
Transfers out	(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)	(37,480,894)
Total other financing sources (uses)	1,254,671	500,000	6,792,564	6,654,320	430,000	-	-	8,432,414	42,098,899	7,072,475
Net change in fund balances	\$ (452,281)	\$ (184,317)	\$ (500,420)	\$ 3,338,333	\$ (1,629,330)	\$ (925,467)	\$ (5,498,692)	\$ 12,671,702	\$ (9,313,134)	\$ 1,746,179
Debt service as a percentage of noncapital expenditures (1)	2.96%	3.35%	3.30%	3.02%	3.20%	3.06%	2.95%	10.09%	2.38%	5.23%

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

Source: Town of Smithfield Annual Comprehensive Financial Report

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 Assessed Value	Total Direct Tax Rate ⁴	Estimated Actual Value Taxable Value	Assessed Value ² as a Percentage of Actual Value
	Residential Property ²	Commercial Property ³	Tangible Property	Motor Vehicle	Tax Exempt Real Property	Tax Exempt Personal Property				
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%
2023	2,699,542,510	844,392,080	214,631,560	-	69,213,614	66,799,444	3,622,553,088	22.91	3,813,213,777	98.57%

Notes:

Tax Rates are per \$1,000 of assessed value.

¹ Revaluations were conducted for fiscal years 2014, 2017, 2020 and 2023

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 Vehicle²</u>	<u>Direct Tax Rate (Total)</u>
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
2023	16.88	4.12	0.93	0.00	21.93

Notes

¹In the fiscal year 2017 commercial rate was split from residential

²In the fiscal year 2023 motor vehicle taxes were 100% phased-out

Source: Town of Smithfield Finance Department

TOWN OF SMITHFIELD
PRINCIPAL TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

<u>Taxpayer</u>	<u>2023</u>			<u>2014</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>
Fidelity Corporate Real Estate	\$ 184,982,700	1	5.05%	\$ 149,096,600	1	6.17%
W/S Smithfield Associates, LLC	77,815,200	2	2.13%	71,894,500	2	2.98%
RI Energy fka National Grid (Electrici	32,382,130	3	0.88%	70,058,940	3	2.90%
Smithfield Office Park	29,437,100	4	0.80%	20,050,400	4	0.83%
RI Energy fka National Grid (real pro)	24,069,300	5	0.66%			
Village at Waterman Lake	20,774,200	6	0.57%	16,190,000	5	0.67%
FGX International, Inc	15,489,500	7	0.42%			
RI Energy fka National Grid (Gas)	11,380,280	8	0.31%	4,326,420	8	0.18%
Bay Crane	9,743,000	9	0.27%			
Neighborhood Health Plan of RI	6,377,990	10	0.17%			
Alexion Manufacturing, LLC				10,556,000	6	0.44%
Norman Realty Corporation				8,222,400	7	0.34%
Cox Communications				3,732,760	9	0.15%
Citizens Bank				2,819,540	10	0.12%
	<u>\$ 412,451,400</u>		<u>11.27%</u>	<u>\$ 356,947,560</u>		<u>14.77%</u>
Total assessed valuation (gross)	\$ 3,659,746,357			\$ 2,416,517,889		

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>
2014	51,713,919	48,620,078	94.02%	3,013,939	51,634,017	99.85%
2015	53,767,983	51,574,182	95.92%	2,126,946	53,701,128	99.88%
2016	55,094,768	51,862,555	94.13%	3,161,750	55,024,305	99.87%
2017	56,132,554	53,874,510	95.98%	2,186,347	56,060,857	99.87%
2018	57,541,414	55,089,183	95.74%	2,370,102	57,459,285	99.86%
2019	58,365,226	55,720,675	95.47%	2,557,066	58,277,741	99.85%
2020	59,752,045	56,774,788	95.02%	2,900,738	59,675,526	99.87%
2021	59,670,761	57,683,247	96.67%	1,918,323	59,601,570	99.88%
2022	60,045,093	58,176,132	96.89%	1,809,413	59,985,544	99.90%
2023	58,247,230	56,582,421	97.14%	996,668	57,579,089	98.85%

Source: Town of Smithfield Finance Department

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	
	General Obligation Bonds Related Premiums	Notes	Lease Participation Certificates	Capital Leases	General Obligation Bonds	Revenue Bonds and Notes		Notes Payable
2014	14,865,971	-	-	777,080	227,000	8,162,101	-	24,032,152
2015	13,480,326	-	-	461,110	206,000	7,734,651	-	21,882,087
2016 ²	18,377,431	-	-	163,400	184,000	7,304,201	-	26,029,032
2017 ³	23,660,012	-	-	-	162,000	6,869,751	-	30,691,763
2018	22,028,273	-	-	-	140,000	6,431,301	-	28,599,574
2019	20,386,534	-	-	-	118,000	5,987,851	-	26,492,385
2020	18,739,795	-	-	-	95,000	8,270,401	-	27,105,196
2021 ⁴	16,773,350	-	-	-	72,000	7,817,850	-	24,663,200
2022 ⁵	57,016,805	-	-	105,515	49,000	4,629,400	-	61,800,720
2023 ⁶	53,862,453	6,618,000	-	56,072	25,000	7,161,950	-	67,723,475

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 and recognize School Department Capital Lease

⁶ Includes new Efficient Buildings Fund Loan issue of \$6.618M for Middle School and High School and \$3M Drinking Water Revenue Bond

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
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
2023 ⁷	53,887,453	-	53,887,453	1.14%	2,451

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

⁷ Includes new Efficient Building Fund Loan of \$6.618M for Middle School and High School Improvements

TOWN OF SMITHFIELD, RHODE ISLAND
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of June 30, 2023

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 2023

Net Assessed Value	<u>\$3,622,553,088</u>
Debt Limit (3%)	\$108,676,593
Net Debt Applicable to limit	<u>\$6,643,000</u>
Legal debt margin	<u>\$102,033,593</u>

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Debt Limit	\$108,676,593	\$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
Total net debt applicable to limit	<u>6,643,000</u>	<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>
Legal debt margin	<u>\$102,033,593</u>	<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>
Total net debt applicable to the limit as a percentage of the debt limit	6.11%	0.05%	0.08%	0.10%	0.14%	0.17%	0.20%	0.24%	0.27%	0.30%

Notes:

In 2014 the Town underwent a full property revaluation

In 2017 and 2020 the Town underwent a statistical revaluation.

The Town has \$6,643,000 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	Population¹	Median Family Income¹	Median Home Price¹	Per Capita Personal Income¹	Median Age²	School Enrollment³	Unemployment Rate⁴
2014	21,443	*	231,000	32,042	42.0	2,396	7.84%
2015	21,517	*	246,500	31,932	42.0	2,372	6.08%
2016	21,632	*	258,000	31,762	42.0	2,390	5.00%
2017	21,774	98,065	261,000	31,555	42.0	2,384	4.20%
2018	21,840	*	264,500	31,460	42.0	2,395	3.30%
2019	21,774	*	280,400	31,555	43.9	2,413	2.80%
2020	21,719	*	310,500	37,857	43.9	2,382	3.00%
2021	22,118	94,825	366,900	37,857	42.0	2,364	6.40%
2022	21,838	105,756	401,000	37,650	45.3	2,392	5.20%
2023	21,987	93,179	440,000	43,696	42.0	2,415	2.80%

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	2023			2014		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Town Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Town Employment</u>
Fidelity Investments	4,632	1	30.85%	3,700	1	24.27%
Bryant University	916	2	6.10%	798	2	5.23%
Town of Smithfield	506	3	3.37%	600	3	3.94%
Citizens Bank of RI	400	4	2.66%	400	5	2.62%
Village at Waterman Lake	339	5	2.26%	300	7	1.97%
The Stop & Shop Company, Inc.	300	6	2.00%	300	8	1.97%
Honeywell Industrial Safety	300	7	2.00%	491	4	3.22%
FGX International	250	8	1.67%	341	6	2.24%
Dave's Marketplace	210	9	1.40%			
Target Stores	200	10	1.33%	200	10	1.31%
Alexion Pharmaceuticals				280	9	1.84%
Total	<u>8,053</u>		<u>53.64%</u>	<u>7,410</u>		<u>48.61%</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>	<u>2023</u>
General Government	29	29	29	29	29	29	29	26	27	27
Public Safety										
Police										
Officers	42	42	42	42	42	42	42	43	43	45
Civilians	12	12	12	12	12	12	12	11	11	11
Animal Control	2	2	2	2	2	2	2	2	2	2
Fire										
Firefighters and Officers	50	52	52	52	53	66	66	66	66	71
Civilians	5	5	5	5	5	5	5	5	5	5
Ice Rink	3	3	3	3	3	3	3	3	3	3
Parks	4	4	4	4	4	4	4	5	5	5
Public Works	17	17	17	17	18	18	18	18	18	18
Senior Services	4	4	4	4	4	4	4	4	4	4
Sewer	0	0	0	0	0	0	0	0	0	0
Water	2	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>	<u>193</u>

Source: Town of Smithfield Finance Department

TOWN OF SMITHFIELD, RHODE ISLAND
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police										
Physical Arrests	659	717	629	755	638	594	516	533	492	419
Parking Violations	147	212	191	173	113	132	71	72	55	113
Traffic Violations	3,732	3,051	2,954	3,811	3,803	3,490	2,426	2,361	3,306	3,049
Fire										
Total Incidents	4,395	4,501	4,500	4,392	4,680	4,411	4,109	4,171	4,505	5,047
Commercial Inspections	152	167	448	165	130	213	138	124	129	142
Residential Inspections	196	278	256	276	252	382	387	353	312	233
Commercial Plan Review	69	64	94	75	80	108	50	60	75	127
Residential Plan Review	41	60	55	97	105	78	85	72	68	91
Highway and Street										
Street Resurfacing (miles)	0.50	0.00	1.91	1.30	0.63	1.10	4	3	3	3
Sanitation										
Refuse Collected (tons/day)	20.43	19.80	19.82	20.20	20.60	20.69	22	23	23	23
Single Stream Recyclables (tons/day)	8.28	9.42	8.90	8.96	8.99	9.09	9	9	8	8
Wastewater										
Average Daily Sewage Treatment (thousands of gallons)	1,825	1,950	1,892	2,026	2,112	2,307	1,946	2,052	1,958	2,345

Source: Various Town of Smithfield departments

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

Function	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	27	27	27	27	27	27	27	27	28	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	105	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	13
Playgrounds	5	5	5	5	5	5	5	5	5	5
Basketball Courts	8	8	8	8	8	8	8	8	4	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 Expenditures¹	Ratio of Total Debt Service to Total Governmental Expenditures
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	137,516,336	2.16%
2023	2,790,000	1,703,196	4,493,196	97,090,379	4.63%

Notes:

¹ Includes General, Special Revenue and Capital Project Funds.

Source: Town of Smithfield Annual Comprehensive Financial Report

SMITHFIELD PUBLIC SCHOOLS

MISCELLANEOUS STATISTICS

June 30, 2023

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
	2023	1,096	1,319	2,415
	2022	1,059	1,333	2,392
	2021	1,053	1,311	2,364
	2020	1,047	1,335	2,382
	2019	1,072	1,341	2,413
	2018	1,099	1,296	2,395
	2017	1,092	1,292	2,384
	2016	1,095	1,295	2,390
	2015	1,070	1,302	2,372
	2014	1,067	1,329	2,396
	2013	1,075	1,335	2,410
	2012	1,039	1,368	2,407
	2011	1,050	1,417	2,467
	2010	1,061	1,447	2,508
	2009	1,082	1,463	2,545
	2008	1,100	1,507	2,607
	2007	1,117	1,503	2,620
	2006	1,121	1,541	2,662
	2005	1,127	1,542	2,669
	2004	1,145	1,565	2,710

STAFFING

Administrative	<u>15.0</u>
Certified Staff:	
Instructional	152.4
ESL	1.0
Special Education	59.0
Other (Librarians, Counselors, Nurses, etc.)	<u>17.0</u>
Total Certified Staff	229.4
Non- Certified Staff	
Secretary and Clerical	12.0
Business Operations*	3.8
Building and Maintenance	28.0
Teacher Assistants	46.5
Technicians	3.0
Athletic Director	1.0
CTE Coordinator	<u>0.4</u>
	94.7
Total FTE's	<u>339.1</u>

*This classification was formally part of secretary/clerical staff
Source: Town of Smithfield School Department

TOWN OF SMITHFIELD, RHODE ISLAND

MISCELLANEOUS STATISTICS

June 30, 2023

Founded:	1636	Police Protection	
Town Incorporation:	1730	Buildings:	1
		Employees:	
		Law Enforcement	45
Type of Government:	Council / appointed Town Manager	Civilian	
		Full Time	11
Fiscal Year begins:	July 1	Part Time	4
		Crossing Guard	4
Population:		Recreation	
	<u>Official US Census</u>	Parks	8
	1950 6,690	Playgrounds	5
	1960 9,442	Ball Diamonds	13
	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
		Parks & Recreation	2
Elections - November 2022		Ice Rink	1
Registered Voters	16,287	Other Municipal Employees:	59
Number of Votes Cast	8,552		
Percentage Voting	52.51%		
Fire Protection			
# Fire Stations:	3		
Employees :			
Uniformed	71		
Civilian(s)	5		
Library			
Full Time Employees	11		
Part Time Employees	25		

Sources: Various Town of Smithfield Departments

This page was intentionally left blank

CERTIFIED PUBLIC ACCOUNTANTS

126 President Avenue
Fall River, MA 02720
TEL. (508) 675-7889
FAX (508) 675-7859
www.hague-sahady.com

*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, 2023, 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 27, 2023.

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.

Hague, Sahady & Co., CPAs, P.C.

Hague, Sahady, & Co., CPAs, P.C.
Fall River, Massachusetts
December 27, 2023

TOWN OF SMITHFIELD, RHODE ISLAND

SINGLE AUDIT REPORT

FOR THE YEAR ENDED JUNE 30, 2023

This page was intentionally left blank

TOWN OF SMITHFIELD, RHODE ISLAND

For the Year Ended June 30, 2023

Contents

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..... 1

Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance 3

Schedule of Expenditures of Federal Awards 6

Notes to Schedule of Expenditures of Federal Awards..... 8

Summary of Audit Results 10

Current Year Findings and Questioned Costs 12

Status of Prior Year Findings..... 13

CERTIFIED PUBLIC ACCOUNTANTS
126 President Avenue
Fall River, MA 02720
TEL. (508) 675-7889
FAX (508) 675-7859
www.hague-sahady.com

*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
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 (Town), as of and for the year ended June 30, 2023, 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 27, 2023.

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 opinions 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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*.

Town of Smithfield, Rhode Island

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.

Hague, Sahady, & Co., CPAs, P.C.

Fall River, Massachusetts

March 18, 2024

CERTIFIED PUBLIC ACCOUNTANTS
126 President Avenue
Fall River, MA 02720
TEL. (508) 675-7889
FAX (508) 675-7859
www.hague-sahady.com

*Independent Auditor's Report on Compliance for Each Major Program and on
Internal Control Over Compliance Required by the Uniform Guidance*

To the Honorable Members of the Town Council
Town of Smithfield
Smithfield, Rhode Island

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Town of Smithfield, Rhode Island's (Town) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Town's major federal programs for the year ended June 30, 2023. The Town's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Town's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Town's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Smithfield, Rhode Island as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements. We issued our report thereon dated December 27, 2023, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is 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 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Hague, Sahady, & Co., CPAs, P.C.

Fall River, Massachusetts

March 18, 2024, except for the Schedule of Federal Expenditures, which is dated December 27, 2023

TOWN OF SMITHFIELD, RHODE ISLAND

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number (ALN)	Grant Identification/Pass-Through Grantor's Number	Expenditures	Distributed to Subrecipients
US Department of Agriculture				
<i>Passed through the State of Rhode Island Department of Education:</i>				
Child Nutrition Cluster				
School Breakfast Program	10.553	N/A	\$ 42,105	-
School Lunch Program	10.555	N/A	370,747	-
<i>Total Child Nutrition Cluster</i>			<u>412,852</u>	<u>-</u>
Child Nutrition Discretionary Grants Limited Availability	10.579	N/A	7,482	-
Total U.S. Department of Agriculture			<u>420,334</u>	<u>-</u>
U.S. Department of Housing and Urban Development				
<i>Direct Program:</i>				
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	N/A	23,268	-
Total U.S. Department of Housing and Urban Development			<u>23,268</u>	<u>-</u>
U.S. Department of Justice				
<i>Direct Program</i>				
Bulletproof Vest Partnership Program	16.607	N/A	9,239	-
Total U.S. Department of Justice			<u>9,239</u>	<u>-</u>
U.S. Department of the Treasury				
American Rescue Plan Assistance (SLFRF)	21.027	N/A	* 2,637,482	-
Total U.S. Department of the Treasury			<u>2,637,482</u>	<u>-</u>
U.S. Department of Transportation				
<i>Direct Program:</i>				
National Highway Safety Cluster				
State and Community Highway Safety	20.600	N/A	13,996	-
Occupant Protection Incentive Grants	20.602	N/A	778	-
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	N/A	8,856	-
Operation Blue Riptide	20.616	N/A	1,971	-
<i>Total Highway Safety Cluster</i>			<u>25,601</u>	<u>-</u>
Total U.S. Department of Transportation			<u>25,601</u>	<u>-</u>

See notes to schedule of expenditures of federal awards

TOWN OF SMITHFIELD, RHODE ISLAND

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number (ALN)	Grant Identification/Grant Identification/Pass-Through Grantor's Number	Expenditures	Distributed to Subrecipients
U.S. Department of Education				
<i>Passed through the State of Rhode Island Department of Education:</i>				
Title I, Part A Grant	84.010A	2725-13502-301	111,072	-
Improving Teacher Quality State	84.367A	2725-16402-301	73,073	-
Career and Technical Education Education - Basic Grants to States	84.048A	2725-15302-301	30,173	-
Comprehensive Literacy Development	84.371	2725-22002-211	67,292	-
Student Support and Academic Enrichment Program	84.424	2725-20802-301	30,469	-
Education Stabilization Fund Under The Coronavirus Aid, Relief, And Economic Security Act	84.425	4872-51102-301 *	6,602	-
Education Stabilization Fund Under The Coronavirus Aid, Relief, And Economic Security Act	84.425	4872-51202-318 *	4,492	-
Education Stabilization Fund Under The Coronavirus Aid, Relief, And Economic Security Act	84.425	4672-50502-201 *	360,665	-
Education Stabilization Fund Under The Coronavirus Aid, Relief, And Economic Security Act	84.425	4872-60602-101 *	771,156	-
			<u>1,454,994</u>	<u>-</u>
Special Education Cluster (IDEA)				
IDEA Part B	84.027A	2725-13202-301 *	702,516	-
ARP IDEA Part B	84.027X	4872-50702-201 *	134,348	-
IDEA Preschool	84.173A	2725135.02.02 *	25,109	-
ARP IDEA Preschool	84.173X	2725135.02.02 *	7,048	-
<i>Total Special Education Cluster (IDEA)</i>			<u>869,021</u>	<u>-</u>
Total U.S. Department of Education			<u>2,324,015</u>	<u>-</u>
US Department of Health and Human Services				
<i>Passed through the State of Rhode Island Department of Health</i>				
Aging Cluster				
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	N/A	24,218	-
<i>Total Aging Cluster</i>			<u>24,218</u>	<u>-</u>
Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	N/A	71,180	-
Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	N/A	54,278	-
Total U.S. Department of Health and Human Services			<u>149,676</u>	<u>-</u>
US Department of Homeland Security				
<i>Direct Program:</i>				
Emergency Management Performance Grants	97.042	N/A	81,508	-
Homeland Security Grant Program	97.067	N/A	6,600	-
Cybersecurity Education and Training	97.127	N/A	953	-
Total U.S. Department of Health and Human Services			<u>89,061</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 5,678,676</u>	<u>\$ -</u>

*indicates major program

See notes to schedule of expenditures of federal awards

TOWN OF SMITHFIELD, RHODE ISLAND

Notes to Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2023

1. Definition of Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards presents activity of all Federal financial assistance programs of the Town of Smithfield, Rhode Island (Town). All Federal financial assistance received includes funds received directly from Federal agencies as well as Federal financial assistance passed through other governmental agencies and received by the Town.

2. Basis of Presentation

The accompanying schedule of expenditures of federal awards is presented using the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. The accompanying schedule of expenditures of Federal awards includes the Federal grant activity of the Town and is presented on the cash basis of accounting.

The information in this schedule is presented in accordance with the requirements of 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), Subpart F, Section 510(b).

3. Major Programs

The Town's independent auditors have used a risk-based approach to determine which federal programs are "major programs" in accordance with 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), Subpart F, Section 518. This risk-based approach includes consideration of current and prior audit experience, oversight by Federal Agencies and pass-through entities, the inherent risk of the Federal program, as well as other considerations. The process in paragraphs (b) through (i) of Section 518 govern auditor major program determination.

The Town has no responsibility to determine major programs. The independent auditor's responsibilities are summarized within 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), Subpart F, Sections 508 to 512.

4. 10 % De Minimis Indirect Cost Rate

The Town elected not to use the 10% De Minimis indirect cost rate as covered in 2 CFR Part 200 Sections 414 "Indirect (F&A) Costs."

TOWN OF SMITHFIELD, RHODE ISLAND

Notes to Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2023

5. Program Cluster

In accordance with Uniform Guidance, certain programs have been clustered in determining major programs. The following represent the clustered programs:

Child Nutrition Cluster

National School Breakfast Program	10.553
National School Lunch Program	10.555

Special Education Cluster

IDEA Part B	84.027
ARP IDEA Part B	84.027X
SPED Part B-Early Education	84.173
ARP SPED Part B Early Education	84.173X

Aging Cluster

Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044
---	--------

National Highway Traffic Safety Administration Cluster

State and Community Highway Safety	20.600
Occupant Protection Incentive Grant	20.602
Minimum Penalties for Repeat Offenders for Driving Intoxicated	20.608
Operation Blue Riptide	20.616

TOWN OF SMITHFIELD, RHODE ISLAND

Summary of Audit Results

For the Year Ended June 30, 2023

Section I - Summary of Audit Results

Financial Statements

We have audited the financial statements of the Town of Smithfield, Rhode Island, as of and for the Year Ended June 30, 2023 and have issued our reports thereon dated December 27, 2023. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

The results of our audit are as follows:

Type of Report issued on the Financial Statements	
Internal Control over Financial Reporting:	Unmodified
Material Weakness(es) Identified?	No
Significant Deficiencies Identified that are not considered to be Material Weakness(es)?	No
Noncompliance Material to the Financial Statements Noted?	No

Federal Awards (Uniform Guidance):

We have audited the compliance of the Town of Smithfield, Rhode Island with the type of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the Town's major federal programs for the year ended June 30, 2023 and have issued our reports thereon dated December 10, 2022. We performed the audit under the requirements of 2CFR Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance.)

The results of our audit are as follows:

Internal Control over Major Programs:	
Material Weakness(es) Identified?	No
Significant Deficiencies Identified that are not considered to be Material Weakness(es)?	No
Type of Report on Compliance for Major Programs:	
Child Nutrition (ALN 10.553 & 10.555)	Unmodified
Disclosure of Audit Findings required to be reported under 2 CFR Part 200 Section 200.516(a):	No

TOWN OF SMITHFIELD, RHODE ISLAND

Summary of Audit Results

For the Year Ended June 30, 2023

Identification of Major Programs:

<u>Name of Federal Program or Cluster</u>	<u>ALN Number</u>
American Rescue Plan Assistance (SLFRF)	21.027
Education Stabilization Fund Under The Coronavirus Aid, Relief, And Economic Security Act	84.425
Special Education Cluster	
IDEA Part B	84.027A
ARP IDEA Part B	84.027X
IDEA Preshool	84.173A
ARP IDEA Preschool	84.173X

Threshold for distinguishing Type A and Type B Programs (2 CFR 200 Section 518(b)(1)) was \$750,000.

The Town of Smithfield, Rhode Island does qualify as a low risk auditee.

TOWN OF SMITHFIELD, RHODE ISLAND

Current Year Findings and Questioned Costs

For the Year Ended June 30, 2023

Section II - Findings on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on our Audit of the Financial Statements (Government Auditing Standards)

None

Section III - Findings and Questioned Costs Which Are Required to be Reported Over Major Federal Programs and Internal Control Over Compliance Required by Uniform Guidance

None

TOWN OF SMITHFIELD, RHODE ISLAND

Status of Prior Year Findings

For the Year Ended June 30, 2023

Section IV - Status of Prior Year Findings on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on our Audit of the Financial Statements (Government Auditing Standards)

None

Section V - Status of Prior Year Findings Over Each Major Federal Program and on Internal Control Over Compliance Required by Uniform Guidance

None