

TOWN OF SMITHFIELD, RHODE ISLAND

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended June 30, 2021



Randy R. Rossi
Town Manager

Brian M. Silvia
Finance Director

Prepared by: Finance Department

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TOWN OF SMITHFIELD

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- Letter of Transmittal
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Town of Smithfield, Rhode Island

Fiscal Year Ended June 30, 2021

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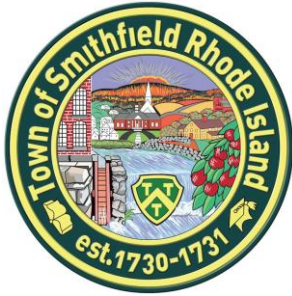
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Town of Smithfield

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EMAIL: RROSSI@SMITHFIELDRI.COM

RANDY R. ROSSI, MBA, CGFM

December 29, 2021

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, 2021. 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, 2021, 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, 2021, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basis financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Town of Smithfield’s MD&A can be found immediately following the independent auditor’s report.

GOVERNMENT PROFILE

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

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

GENERAL

Except as provided below, under Rhode Island law the Town may not, without special statutory authorization, incur any debt which would increase its aggregate indebtedness not otherwise excepted by law to an amount greater than 3% of the taxable property of the Town. Deducted from the computation of aggregated indebtedness is the amount of any borrowing in anticipation of taxes authorized by law and the amount of any sinking funds maintained by the Town. The 3% debt limit of the Town is approximately \$91,788,928 based on net assessed valuations of \$3,059,630,920 as December 31, 2019. As of June 30, 2021, the Town has \$72,000 of outstanding debt under the 3% debt limit provision; all other outstanding debt has been authorized by special act of the Rhode Island State Legislature and referenda approved by the Town Electorate.

STATE SCHOOL AID

Pursuant to Rhode Island General Laws Sections 16-7-15 et seq., as amended, the State provides school operations aid to each municipality and school district in the State, subject to annual appropriation by the General Assembly. The statutes provide for reimbursement of school expenditures based on a formula which adjusts the reimbursement ratio based on the relative equalized evaluation of property and median family income of a community relative to the State as a whole. The Town’s School Department received \$6,089,786 in direct State aid for the fiscal year ended June 30, 2021. The Town budgeted \$6,966,851 in direct State aid for fiscal year ending June 30, 2022.

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, 2021, the Town received \$300,648 in such construction aid and the Town budgeted \$400,000 for fiscal year ending June 30, 2022.

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, 2020 was \$38,549,339. The School Department budget for fiscal year ending June 30, 2022 is \$40,418,021. The cost per student is \$16,096 shared by the Town and the State of Rhode Island in the form of School Operations Aid.

The Town has four 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>
2011	2,470
2012	2,407
2013	2,410
2014	2,367
2015	2,382
2016	2,387
2017	2,395
2018	2,440
2019	2,380
2020	2,539
2021	2,395

MUNICIPAL SERVICES

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

WASTEWATER FACILITIES

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

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

	Accounts	Units
Residential	4,972	5,731
Commercial	365	2,331
Industrial	22	103
Total	5,359	8,165

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, 2021 residential users were charged a flat rate of \$345 per unit for the year.

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

SANITATION

Weekly rubbish and garbage collection is provided by the Town through the use of private contractors. For the fiscal year ended June 30, 2021, the Public Works Department expended \$1,187,692 for these services. For the fiscal year ending June 30, 2022 the approved budget is \$1,382,055.

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, 2021 totaled \$4,193,595 (including \$292,113 of capital outlays, net of sanitation) and budgeted \$4,688,093 (including \$494,025 of capital outlays) for fiscal year ending June 30, 2022.

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 42 full-time police officers. In addition, there are 12 civilian full-time and 12 civilian part-time employees of support personnel including dispatchers. The Police Department expended \$9,743,600 (including \$90,707 of capital outlays) for fiscal year ended June 30, 2021 and budgeted \$10,008,242 (including \$156,897 of capital outlays) for fiscal year ending June 30, 2022.

The Fire Department has 3 fire stations staffed by 67 full-time fire fighters and support personnel of 5 full-time employees. The Fire Department expended \$9,983,510 (including \$166,269 of capital outlays) for fiscal year ended June 30, 2021 and budgeted \$9,654,413 (including \$197,000 of capital outlays) for fiscal year ending June 30, 2022.

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, 2021 the combined allocation from the Town was \$1,454,008 and budgeted \$1,471,571 for the fiscal year ending June 30, 2022.

EMPLOYEE RELATIONS

The Town of Smithfield currently employs 187 full-time employees exclusive of those employed by the School Department. The School Department employs 223.8 certified employees and 86.0 full-time and part-time non-certified employees.

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

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

DEBT ADMINISTRATION

The ratio of net bonded debt to net assessed valuation and the amount of bonded debt per capita are useful indicators of the Town’s debt position to municipal management, citizens and investors. This data for the Town at June 30, 2021 is as follows:

	RATIO OF		
	AMOUNT	NET BONDED DEBT TO NET ASSESSED VALUE	DEBT PER CAPITA
Net Bonded Debt	\$16,222,000	0.53%	\$742.70

The Town's bond ratings as of June 30, 2021 are as follows:

- Moody's: Aa2
- S & P: AA

LONG-TERM FINANCIAL PLANNING

The Town Council has continued to support Capital Improvements and Projects. The fiscal year 2022 budget includes an appropriation of \$1,318,422 for the following projects: various town building improvements, equipment replacement, plow truck replacements, police vehicles, parking area rehab, school department capital, and bridge and culvert improvements. The Town uses a combination of capital reserve funds, police and fire capital funds, and tax dollars to fund these capital improvements.

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

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Smithfield for its comprehensive annual financial report for the fiscal year ended June 30, 2020. This was the thirteenth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

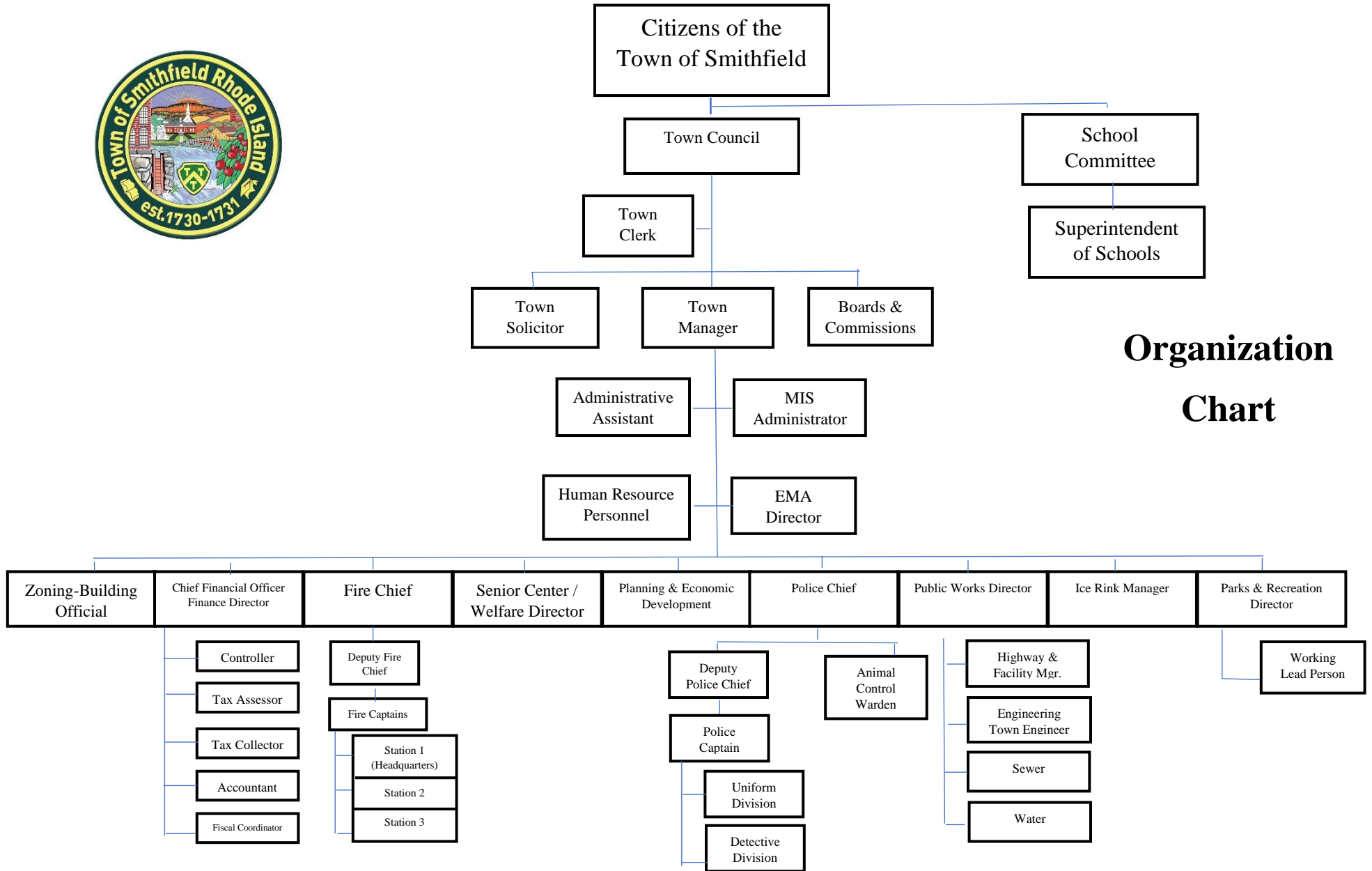
The preparation of the Comprehensive Annual Financial Report and its timely issuance is the result of the efforts and dedication of the competent staff of the Department of Finance. It is a pleasure to work with such a dedicated staff, and I would like to personally thank the Finance Director and Town 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,

A handwritten signature in cursive script, appearing to read "R. R. Rossi".

Randy R. Rossi
Town Manager

TOWN OF SMITHFIELD



Organization Chart

TOWN OF SMITHFIELD, RHODE ISLAND

JUNE 30, 2021

TOWN COUNCIL

Suzanna L. Alba, President

Sean M. Kilduff, Vice-President

David P. Tikoian

T. Michael Lawton

Angelica Bovis

TOWN MANAGER

Randy R. Rossi, MBA, CGFM

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

Brian M. Silva

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

Dr. Judith Paolucci

Karen L. Armstrong

Christopher Celeste

Lyn Antonuccio

Anthony M. Gallone, Esq



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Smithfield
Rhode Island**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

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

CERTIFIED PUBLIC ACCOUNTANTS
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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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Smithfield, Rhode Island ("The Town") as of and for the year ended June 30, 2021, and the related notes to the financial statements which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Smithfield, Rhode Island, as of June 30, 2021, 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.

Emphasis of a Matter

During the year ended June 30, 2021, the Town adopted Government Accounting Standards Board (GASB) Statement No. 84 "Fiduciary Activities." As discussed in Note 17 to the financial statements, net position as of June 30, 2020 for the fiduciary activities was restated to reflect this change in accounting principle. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, General Fund and School Unrestricted Fund Budgetary Comparison Information, Pension related disclosures, and Other Post-Employment Benefit related disclosures as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Smithfield, Rhode Island's basic financial statements. The supplementary Combining Financial Statements, Tax Collector's Annual Report and Annual Supplemental Transparency Report (MTP2) as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary Combining Financial Statements, Tax Collector's Annual Report, and Annual Supplemental Transparency Report (MTP2) are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 Combining Financial

Town of Smithfield, Rhode Island

Statements, Tax Collector's Annual Report and Annual Supplemental Transparency Report (MTP2) are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2021, on our consideration of the Town of Smithfield, Rhode Island's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Smithfield, Rhode Island's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Smithfield, Rhode Island's internal control over financial reporting and compliance.

Handwritten signature in cursive script that reads "Hague, Sabady & Co. PC".

Fall River, Massachusetts
December 29, 2021

Town of Smithfield, Rhode Island

Management's Discussion and Analysis

For the Year Ended June 30, 2021

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, 2021. 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, 2021 by \$11,204,062 (net position). The increase in net position from June 30, 2020 is primarily the result of a decrease to net pension liabilities.
- ❖ The governmental activities total net position increased by \$49,243,983. The increase is primarily attributable to an increase in Capital Assets not being depreciated, which increased by \$30,337,109. Also, total Noncurrent liabilities decreased by \$11,575,529.
- ❖ As of the close of the fiscal year, the Town of Smithfield's governmental funds reported combined ending fund balances of \$31,187,133. The unassigned balance is \$3,141,740, which has been impacted by the school renovations bond.
- ❖ The remaining fund balance of \$28,045,393 includes \$2,010,697 in non-spendable funds, \$10,244,153 in restricted funds, and \$15,790,543 in committed funds.
- ❖ At the end of the current fiscal year, the General Funds unassigned fund balance was \$6,300,392, or 8.89% of the total general fund expenditures for the fiscal year. The general fund's current fiscal year's expenditures and transfers exceeded revenues and transfers by \$414,463.
- ❖ On the budgetary basis, revenues and transfers exceeded expenditures and transfers by \$2,236.

Town of Smithfield, Rhode Island

Management's Discussion and Analysis

For the Year Ended June 30, 2021

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 18-21.

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, 2021

Governmental Funds - Governmental funds on pages 22-25 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 26-29.

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 30-31.

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 32-121.

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

Town of Smithfield, Rhode Island

Management's Discussion and Analysis

For the Year Ended June 30, 2021

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 155-172.

Government-wide Financial Analysis

As noted earlier, over time net position may serve as a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future. In the case of the Town of Smithfield, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$11,204,062 as of June 30, 2021, an overall increase of \$49,616,482.

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	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 47,238,092	\$ 30,690,587	\$ 9,288,548	\$ 10,630,903	\$ 56,526,640	\$ 41,321,490
Capital assets, net of acc. depreciation	83,661,527	53,001,148	20,667,470	19,791,078	104,328,997	72,792,226
Total Assets	130,899,619	83,691,735	29,956,018	30,421,981	160,855,637	114,113,716
Deferred outflows of resources	25,216,776	25,439,732	-	-	25,216,776	25,439,732
Current liabilities	14,872,572	11,124,658	3,714,117	1,361,017	18,586,689	12,485,675
Long-term liabilities Outstanding	131,782,008	143,357,537	4,932,924	8,111,601	136,714,932	151,469,138
Total Liabilities	146,654,580	154,482,195	8,647,041	9,472,618	155,301,621	163,954,813
Deferred inflows of resources	19,451,947	14,143,779	114,783	127,668	19,566,730	14,271,447
Net Position						
Net Investment in Capital Assets	66,789,529	34,974,107	15,219,555	14,713,984	82,009,084	49,688,091
Restricted	10,244,153	63,697	-	-	10,244,153	63,697
Unrestricted	(87,023,814)	(94,532,311)	5,974,639	6,107,711	(81,049,175)	(88,424,600)
Total Net Position	\$ (9,990,132)	\$ (59,494,507)	\$ 21,194,194	\$ 20,821,695	\$ 11,204,062	\$ (38,672,812)

The Total Net Position in prior year 2020 was \$59,494,507, however due to the implementation of GASB 84, restatement to prior year net position occurred and changed beginning net position by \$260,392, making new beginning net position \$59,234,115.

By far the largest portion of the Town's net position \$82,009,084 reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment); less any related debt used to acquire these assets that are still outstanding. The Town uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt

Town of Smithfield, Rhode Island

Management's Discussion and Analysis

For the Year Ended June 30, 2021

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

The unrestricted net position of (\$81,049,175), represents an increase of 8.8% 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 and OPEB liabilities.

The Town's net position increased by \$49,616,482 during the current fiscal year. The increase is primarily attributable to the Town's construction project throughout the school district, which resulted in capital assets not being depreciated increasing by \$30,520,123. Also, the net Pension Liability decreased by \$12,671,436 to \$59,757,462. The increase in net position for fiscal 2021 was comprised of an increase in governmental activities of \$49,243,983 and an increase in business-type activities totaling \$372,499.

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 \$47,238,092 at June 30, 2021. This category consisted primarily of "Cash and cash equivalents" of \$32,490,979, "Accounts receivable-personal property taxes" of \$1,912,634, and "Accounts receivable-departmental-other" of \$1,623,379 and "Internal balances" of (\$889,016), and "Net Pension Asset" of \$4,479,061. "Investments" of \$6,406,470, and "Due from federal and state governments" of \$1,209,908, and "Prepaid items" of \$4,677.

"Deferred Outflow of Resources" was \$25,216,776 at June 30, 2021 and was comprised of \$13,131,403 of "Deferred outflows related to pension plan obligations", \$12,044,926 of "Deferred outflows related to OPEB plan obligations", and \$40,447 from deferred charge for refunding.

Town of Smithfield, Rhode Island

Management's Discussion and Analysis

For the Year Ended June 30, 2021

Current liabilities of \$14,872,572 consisted primarily of \$10,370,874 of "Accounts payable and accrued expenses" and \$2,243,057 of "Current portion of compensated absences" and \$1,736,445 of "Current portion of bonds and other debt obligations".

The long-term liabilities outstanding at fiscal year-end were \$131,782,008, composed primarily of \$59,757,462 in Net Pension Liability, \$53,327,917 in post-retirement benefit obligations, \$15,036,905 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 \$3,659,724 in compensated absences.

"Deferred Inflow of Resources" of \$19,451,947 related to the pension plan and OPEB plan.

Total net position at June 30, 2021 was (\$9,990,132) and was comprised of unrestricted of (\$87,023,814), "Net Investments in Capital Assets" of \$66,789,529, and "Restricted" of \$10,244,153.

Business-Type Activities – Statements of Net Position

For business-type activities, such as the Sewer Enterprise Fund, "Current and Other Assets" of \$9,288,548 consisted primarily of \$4,685,268 in "Cash and cash equivalents" which was available to support the current operations of the Enterprise Funds, "Restricted cash" of \$601,395, "Accounts receivable" of \$631,444, "Assessment fees" of \$115,640, and "Internal balances" of \$889,016 and Cash on deposit with funding agency of \$2,055,337.

Current liabilities of \$3,714,117 consisted primarily of \$501,381 of "Accounts payable and accrued expenses", \$96,730 of "Unearned revenue, assessments, and fees", \$32,000 of "Current portion of compensated absences" and \$3,084,006 of "Current portion of bonds and other debt obligations".

Long-term liabilities of \$4,932,924 were comprised primarily of \$4,805,844 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, \$85,391 of "Unearned revenue, assessments, and fees" and \$41,689 in compensated absences.

The total net position for the Business-type Activities as of June 30, 2021 was \$21,194,194. Net investment in capital assets was the major component of net position for business-type activities and amounted to \$15,219,555 and \$5,974,639 was designated "Unrestricted".

Changes in Net Position

Governmental Activities - Net position for governmental activities increased by \$49,243,983 for the current period, to (\$9,990,132).

Charges for services increased by \$813,791 21.56% primarily because of an increase in program revenues related to recreation and senior center activities. Property taxes decreased by (\$463,224) (0.77%) during the fiscal year which was the product of not having a tax rate increase and collections slightly off pace from the prior year. Operating grants and contributions recognized a decrease of (\$282,702) (-2.29%) primarily due to reductions in State Aid.

Town of Smithfield, Rhode Island

Management's Discussion and Analysis

For the Year Ended June 30, 2021

The net change in fund balance for the fiscal year ended June 30, 2021 was an increase of \$12,671,702 for the Town's governmental fund types. The increase in fund balance was due mainly to the spending of bond proceeds for the School Bond Reconfiguration Project, transfers from the Capital Reserve and Municipal Contingency funds.

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 pages 23 and 25.

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

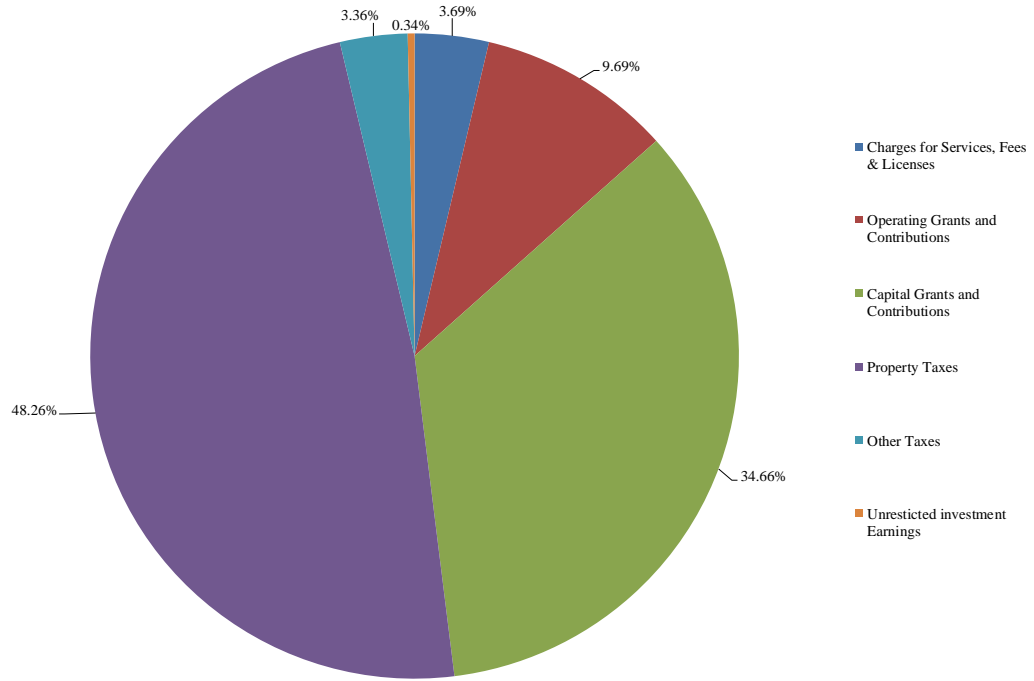
Town of Smithfield, Rhode Island Changes in Net Position

	Governmental Activities			Business-Type Activities		
	2021	2020	Change	2021	2020	Change
Revenues						
Program revenues						
Charges for services	\$ 4,588,403	\$ 3,774,612	\$ 813,791	\$ 6,552,164	\$ 5,843,309	\$ 708,855
Operating grants & contributions	12,057,992	12,340,694	(282,702)	14,448	205,720	(191,272)
Capital grants and contributions	43,113,729	453,401	42,660,328	-	30,000	(30,000)
General revenues						
Property taxes	60,033,868	60,497,092	(463,224)	-	-	-
Unrestricted investment earnings	422,580	537,406	(114,826)	26,016	78,156	(52,140)
Miscellaneous	4,185,262	3,309,410	875,852	-	-	-
Total Revenues	<u>124,401,834</u>	<u>80,912,615</u>	<u>43,489,219</u>	<u>6,592,628</u>	<u>6,157,185</u>	<u>435,443</u>
Expenses						
General government	6,578,261	7,254,573	(676,312)	-	-	-
Public safety	17,392,003	21,723,634	(4,331,631)	-	-	-
Public works	3,963,795	5,934,981	(1,971,186)	-	-	-
Education	46,121,158	44,817,126	1,304,032	-	-	-
Recreation and senior activities	1,233,636	1,680,410	(446,774)	-	-	-
Public health & assistance	22	70	(48)	-	-	-
Public libraries	1,454,008	1,454,008	-	-	-	-
Interest on long-term debt	442,383	660,383	(218,000)	-	-	-
Sewer Authority	-	-	-	3,247,002	3,368,785	(121,783)
Water Supply Board	-	-	-	1,336,110	1,348,593	(12,483)
Smithfield Ice Rink	-	-	-	646,527	720,357	(73,830)
School Lunch Program	-	-	-	558,623	462,491	96,132
Total Expenses	<u>77,185,265</u>	<u>83,525,185</u>	<u>(6,339,920)</u>	<u>5,788,262</u>	<u>5,900,226</u>	<u>(111,964)</u>
Increase (Decrease) in Net Position						
before transfers	47,216,569	(2,612,570)	49,829,139	804,366	256,959	547,407
Special items	1,595,547	-	1,595,547	-	-	-
Transfers	431,867	-	431,867	(431,867)	-	(431,867)
Incr. (Decr.) in Net Position	<u>49,243,983</u>	<u>(2,612,570)</u>	<u>51,856,553</u>	<u>372,499</u>	<u>256,959</u>	<u>115,540</u>
Net Position - beginning, restated	<u>(59,234,115)</u>	<u>(56,881,937)</u>	<u>(2,352,178)</u>	<u>20,821,695</u>	<u>20,564,736</u>	<u>256,959</u>
Net Position - ending	<u>\$ (9,990,132)</u>	<u>\$ (59,494,507)</u>	<u>\$ 49,504,375</u>	<u>\$ 21,194,194</u>	<u>\$ 20,821,695</u>	<u>\$ 372,499</u>

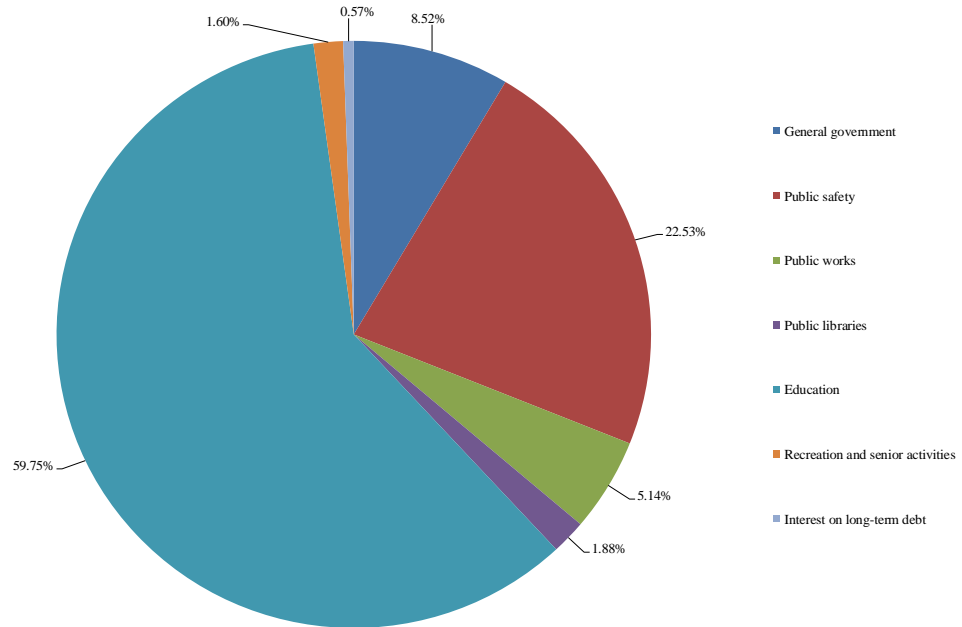
The total net position in prior year 2020 was \$59,494,507, however due to the implementation of GASB 84, restatement to prior year net position occurred and changed beginning net position by \$260,392, making new beginning net position \$59,234,115.

Town of Smithfield, Rhode Island
Management's Discussion and Analysis
For the Year Ended June 30, 2021

Revenues by Source - Governmental Activities



Expenses by Funtion - Governmental Activities



Town of Smithfield, Rhode Island

Management's Discussion and Analysis

For the Year Ended June 30, 2021

Education expenses account for approximately 59.64% of total expenses within the governmental funds of the Town of Smithfield. Public safety and General government expenses account for approximately 24.19% and 8.53% respectively of total expenses for the 2021 fiscal year. Major expense factors include:

- Governmental activities expenses decreased by (\$6,339,920) from \$83,525,185 to \$77,185,265. The decrease was largely generated from Recreation and Senior Activities recognizing a decreased of (\$446,774), while Public Works saw a decrease of (\$1,971,186). Education expenses increased by \$1,304,032 to \$46,121,158 in the current fiscal year.
- Public Safety saw a decrease in expenses of (\$4,331,631) from \$21,723,634 to \$17,392,003 for the current fiscal year, a decrease of (19.94%).
- Interest on long term debt decreased by (\$218,000) due to decreased interest costs as bonded debt matures.
- General Government saw a decrease in expenditures of (\$676,312) from \$7,254,573 to \$6,578,261 for the current fiscal year, a decrease of (9.32%)

Business-type Activities – Net position in business-type activities increased by \$372,499 resulting in a 1.79% increase in business-type net position.

Charges for services for business-type activities accounted for 99.78% of the total revenue sources. The balance of revenues for business-type activities was from operating grants and contributions of 0.22%.

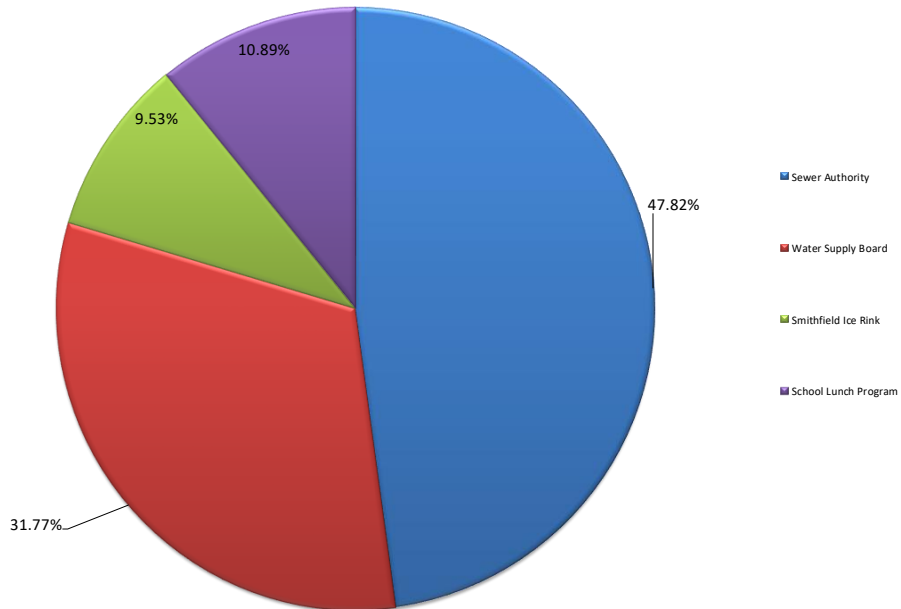
Sewer authority expenses account for approximately 56.10% of the total expenditures within the business-type activities of the Town. Water Supply Board, Ice Rink, and School Lunch Program expenses account for approximately 23.08%, 11.17%, and 9.65%, respectively, of the total business-type activities expenditures for the 2021 fiscal year.

Charges for service for business-type activities increased by \$708,855 from \$5,843,309 to \$6,552,164. The Sewer Authority fund had a decrease of (\$91,206). Charges for services in the Water Supply Board increased by \$442,777, while the School Lunch Programs fund increased by \$427,617. The Ice Rink recognized a decrease of (\$44,848). Unrestricted investment earnings decreased from \$78,156 to \$26,016 for all business-type activities. The slight decrease in interest earned on investments was predominately due to the fluctuating market at the end of the fiscal year.

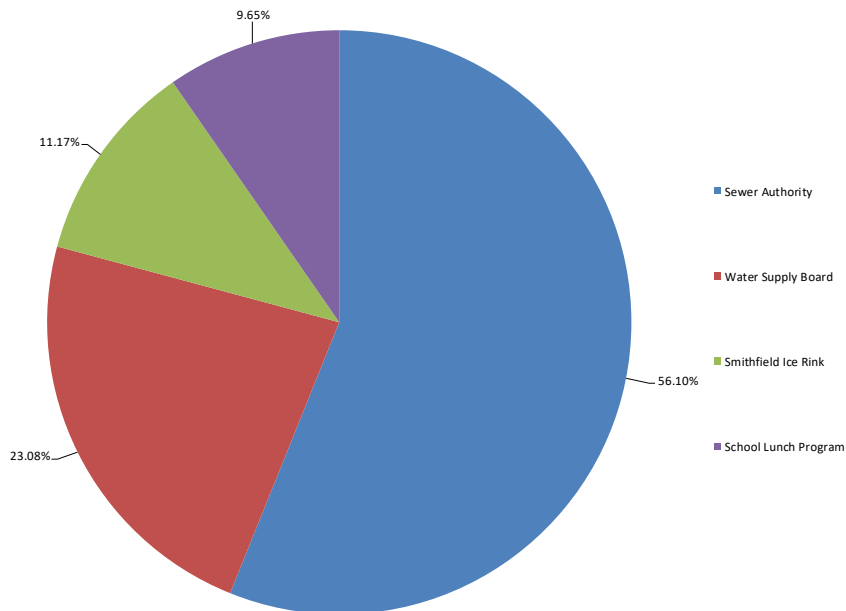
Expenses in the Sewer Authority fund decreased by (\$121,783) during the fiscal year. Water Supply expenses decreased by (\$12,483) during fiscal year 2021, while the Ice Rink fund decreased by (\$73,830) during the fiscal year. The School Lunch Program fund recognized an increase in expenditures of \$96,132 in fiscal year 2021.

Town of Smithfield, Rhode Island
Management's Discussion and Analysis
For the Year Ended June 30, 2021

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, 2021

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 \$31,187,133. The unassigned fund balances represent an amount equal to \$3,141,740, which has been impacted by the non-major governmental funds. The remainder of the fund balance is non-spendable, restricted, committed or assigned for future commitments or designated for specific purposes. The fund balance in the General Fund decreased by (\$414,463) due to a negative reappropriation of fund balance and prior year RUBS, while the fund balance in the School, Unrestricted Fund increased by \$687,643 due to an excess of revenues and other sources over expenditures.

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 \$3,845,561, a decrease of (\$99,207). Unrestricted net position in the Water Supply decreased by (\$142,327) for a total of \$1,585,181. The Ice Rink finished the year with an unrestricted net position of \$375,331, which was an increase in value of \$24,000. The School Lunch Program recognized an increase in unrestricted net position by \$84,462 to \$168,566.

General Fund Budgetary Highlights

For the year ended June 30, 2021, the General Fund revenues and transfers were under budget projections by (\$130,334), or (0.16%). General Fund expenditures were under budget by \$132,570, or 0.17%. This resulted in a \$2,236 budgetary surplus in the General Fund for the year ended June 30, 2021. See details on pages 122-129.

Revenues:

Property taxes – were over budget by \$200,008 due to favorable results on collection procedures.

Intergovernmental revenues – were over budget by \$421,467 due to motor vehicle phase-out.

License, fees and permits – were over budget by \$325,681 due to an unanticipated increase in the quantity of building permit fees and recording fees collected.

Interest Income revenues – were over budget by \$17,580 due to increased delinquent tax collections.

Other funding sources – were under budget by (\$875,000) due to the availability of other revenue sources and the lack of need to transfer amounts from other funds.

Town of Smithfield, Rhode Island

Management's Discussion and Analysis

For the Year Ended June 30, 2021

Expenditures:

Public Safety – was over budget by (\$919,011) due to overtime costs for covering long-term vacancies, as well as increased benefit costs and costs associated with the Covid-19 pandemic.

Public Works – was under budget by \$316,742 due to continued unfilled positions in the department.

Town Miscellaneous – was over budget by (\$115,903) due to capital expenditures from prior reserves and increased insurance costs.

Municipal Capital Improvements – expenditures exceeded budget by (586,615) to \$2,031,418 for the fiscal year ended June 30, 2021.

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, 2021 amounts to \$104,328,997 (net of accumulated depreciation). The investment in capital assets includes land, buildings, improvements, machinery and equipment, park facilities, infrastructure, and construction in progress.

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 15,509,714	\$ 15,509,713	\$ 270,686	\$ 270,688	\$ 15,780,400	\$ 15,780,401
Construction in progress	36,808,725	6,471,617	2,468,937	1,285,921	39,277,662	7,757,538
Land improvements	-	-	1,490	1,663	1,490	1,663
Buildings & improvements	21,154,345	20,385,830	6,848,646	6,989,899	28,002,991	27,375,729
Equipment	909,731	1,217,550	4,291,610	4,515,913	5,201,341	5,733,463
Vehicles	1,504,662	1,644,874	55,943	-	1,560,605	1,644,874
Infrastructure	7,774,350	7,771,564	6,730,158	6,726,994	14,504,508	14,498,558
Total	\$ 83,661,527	\$ 53,001,148	\$ 20,667,470	\$ 19,791,078	\$ 104,328,997	\$ 72,792,226

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

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 \$16,150,000, this is excluding premium on bond issuances of \$623,350. Of this amount, 100% comprises bonded debt backed by the full faith and credit of the government. The following is a summary of the Town's long-term debt.

Town of Smithfield, Rhode Island

Management's Discussion and Analysis

For the Year Ended June 30, 2021

Town of Smithfield, Rhode Island

Bonds and Note Obligations

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Bonds payable, including premium	\$ 16,773,350	\$ 18,739,795	\$ 7,889,850	\$ 8,365,401	\$ 24,663,200	\$ 27,105,196
Total	<u>\$ 16,773,350</u>	<u>\$ 18,739,795</u>	<u>\$ 7,889,850</u>	<u>\$ 8,365,401</u>	<u>\$ 24,663,200</u>	<u>\$ 27,105,196</u>

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

The Town's general obligation bond rating as reaffirmed by Moody's Investors Service in August of 2021 is Aa2 and AA-Stable by S&P in August of 2021. The State of Rhode Island imposes a limit of 3 percent of the fair value of all taxable Town property on the general obligation debt that a municipality can issue. The Town of Smithfield's limit is approximately \$91,788,928 at year-end, based upon a net assessed value of \$3,059,630,920. The Town's outstanding governmental activities general obligation debt is \$16,773,350 and business-type activity general obligation debt of \$72,000 at year-end, of which only \$72,000 is subject to the legal debt margin. See Schedule 12 in 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 principle employers are the Fidelity Investments, Town of Smithfield, and Bryant University.

HOUSING

At the end of June 2021 the median sale price for single family homes in Smithfield was \$435,000 and the median price of all sales was \$400,000.

POPULATION

In 2010 Smithfield was ranked 17th 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 2010.

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

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

Town of Smithfield, Rhode Island

Management's Discussion and Analysis

For the Year Ended June 30, 2021

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 67.82% of the tax base, commercial and industrial account for 23.49%, tangible taxes account for 4.84%, while motor vehicles account for 3.85% of the tax base.

The Town of Smithfield's total general fund budget for fiscal year 2022 amounts to \$78,754,901 which reflects an increase of \$2,054,318 or 2.68% above the fiscal year 2021 budget of \$76,700,583. Of the Town's 2022 budget, \$39,307,843 or 51.32% is budgeted for education expenditures.

The State of Rhode Island is budgeted to contribute \$6,966,851 to the Town's education department based on State Aid in fiscal 2022.

The Town's residential tax rate for fiscal year 2022 is \$17.13 per \$1,000 of assessed value and commercial tax rate of \$18.70 per \$1,000 of assessed value with 49.00% allocated for general government and 51.00% allocated for education. For fiscal year 2021 the Town's residential tax rate is \$16.81 per \$1,000 of assessed value and commercial tax rate of \$18.35 per \$1,000 of assessed value with 49.00% allocated for general government and 51.00% allocated for education.

Request for Information

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



Randy R. Rossi
Town Manager

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TOWN OF SMITHFIELD

Basic Financial Statements

Town of Smithfield, Rhode Island

Statement of Net Position

June 30, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Current Assets:			
Cash and cash equivalents	\$ 32,490,979	\$ 4,685,268	\$ 37,176,247
Cash on deposit with funding agency	-	2,055,337	2,055,337
Restricted cash	-	601,395	601,395
Investments	6,406,470	-	6,406,470
Accounts receivable	-	631,444	631,444
Personal property taxes	1,912,634	-	1,912,634
Departmental and other	1,623,379	-	1,623,379
Internal balances	(889,016)	889,016	-
Intergovernmental receivables	1,209,908	244,621	1,454,529
Inventory	-	65,827	65,827
Prepaid items	4,677	-	4,677
Total Current Assets	42,759,031	9,172,908	51,931,939
Noncurrent Assets:			
Net pension asset, TSB and MERS Fire	4,479,061	-	4,479,061
Assessment fees	-	115,640	115,640
Capital assets not being depreciated	52,318,439	2,739,623	55,058,062
Capital assets, net of accumulated depreciation	31,343,088	17,927,847	49,270,935
Total Noncurrent Assets	88,140,588	20,783,110	108,923,698
Total Assets	130,899,619	29,956,018	160,855,637
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred charges on refunding	40,447	-	40,447
Deferred outflows related to OPEB plan obligations	12,044,926	-	12,044,926
Deferred outflows related to pension plan obligations	13,131,403	-	13,131,403
Total deferred outflows of resources	25,216,776	-	25,216,776
Total assets and deferred outflows of resources	\$ 156,116,395	\$ 29,956,018	\$ 186,072,413

The accompanying notes are an integral part of this statement

(continued)

Town of Smithfield, Rhode Island

Statement of Net Position

June 30, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES:			
Current Liabilities:			
Accounts payable and accrued expenses	\$ 10,370,874	\$ 501,381	\$ 10,872,255
Unearned revenue, assessments and fees	383,101	96,730	479,831
Accrued interest	139,095	-	139,095
Current portion of compensated absences	2,243,057	32,000	2,275,057
Current portion of bonds and other debt obligations	1,736,445	3,084,006	4,820,451
Total Current Liabilities	\$ 14,872,572	\$ 3,714,117	\$ 18,586,689
Noncurrent Liabilities:			
Compensated absences	3,659,724	41,689	3,701,413
Unearned revenue, assessments and fees	-	85,391	85,391
Net OPEB liability	53,327,917	-	53,327,917
Net pension liability	59,757,462	-	59,757,462
General obligation bonds and other debt, net	15,036,905	4,805,844	19,842,749
Total Noncurrent Liabilities	131,782,008	4,932,924	136,714,932
Total liabilities	146,654,580	8,647,041	155,301,621
DEFERRED INFLOWS OF RESOURCES:			
Deferred gain on refunding	-	114,783	114,783
Deferred inflows related to pension plan obligations	14,210,377	-	14,210,377
Deferred inflows related to OPEB plan obligations	5,241,570	-	5,241,570
Total deferred inflows of resources	19,451,947	114,783	19,566,730
NET POSITION			
Net investment in capital assets	66,789,529	15,219,555	82,009,084
Restricted		-	
General Government	321,010	-	321,010
Expendable endowments	63,703	-	63,703
Public safety programs	28,562	-	28,562
Educational purposes	9,104,222	-	9,104,222
Public works	517,426	-	517,426
Recreation and senior activities	209,230	-	209,230
Unrestricted	(87,023,814)	5,974,639	(81,049,175)
Total net position	(9,990,132)	21,194,194	11,204,062
Total liabilities, deferred inflows or resources and net position	\$ 156,116,395	\$ 29,956,018	\$ 186,072,413

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, 2021

Functions/Programs:	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General government	\$ 6,578,261	\$ 1,686,556	\$ 12,621	\$ 53,845	\$ (4,825,239)	\$ -	\$ (4,825,239)
Public safety	17,392,003	1,143,695	61,167	-	(16,187,141)	-	(16,187,141)
Public works	3,963,795	307,304	817,902	-	(2,838,589)	-	\$ (2,838,589)
Public health and assistance	22	-	-	-	(22)	-	(22)
Public libraries	1,454,008	-	-	-	(1,454,008)	-	\$ (1,454,008)
Education	46,121,158	457,841	11,166,296	43,053,528	8,556,508	-	8,556,508
Recreation and senior activities	1,233,636	993,007	6	6,356	(234,267)	-	(234,267)
Interest on long-term debt	442,383	-	-	-	(442,383)	-	(442,383)
Total governmental activities	77,185,265	4,588,403	12,057,992	43,113,729	(17,425,141)	-	(17,425,141)
Business-Type Activities							
Sewer Authority	3,247,002	3,140,110	-	-	-	(106,892)	(106,892)
Water Supply Board	1,336,110	2,086,224	-	-	-	750,114	750,114
Smithfield Ice Rink	646,527	625,498	-	-	-	(21,029)	(21,029)
School Lunch Program	558,623	700,332	14,448	-	-	156,157	156,157
Total business-type activities	5,788,262	6,552,164	14,448	-	-	778,350	778,350
Total	\$ 82,973,527	\$ 11,140,567	\$ 12,072,440	\$ 43,113,729	\$(17,425,141)	\$ 778,350	\$(16,646,791)

The accompanying notes are an integral part of this statement

Town of Smithfield, Rhode Island

Statement of Activities

For the Year Ended June 30, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Town of Smithfield, Rhode Island	\$ (17,425,141)	\$ 778,350	\$ (16,646,791)
General revenues			
Property taxes	60,033,868	-	60,033,868
Motor vehicle phase-out taxes	2,967,540	-	2,967,540
Telephone taxes and general state aid	269,396	-	269,396
Hotel, meals, and beverage tax	862,394	-	862,394
Miscellaneous and other	85,932	-	85,932
Unrestricted investment earnings	422,580	26,016	448,596
Total general revenues	64,641,710	26,016	64,667,726
Special Items and transfers			
Special Items-Revenues for Capital Expenditures	1,595,547	-	1,595,547
Transfers in (out)	431,867	(431,867)	-
Total Special Items and transfers	2,027,414	(431,867)	1,595,547
Total general revenues and transfers	66,669,124	(405,851)	66,263,273
Changes in net position	49,243,983	372,499	49,616,482
Net position - July 1, 2020, as restated	(59,234,115)	20,821,695	(38,412,420)
Net position - June 30, 2021	\$ (9,990,132)	\$ 21,194,194	\$ 11,204,062

The accompanying notes are an integral part of this statement

Town of Smithfield, Rhode Island

Governmental Funds

Balance Sheet

June 30, 2021

	Major Funds			Non-Major	Total
	General Fund	School Unrestricted Fund	School Renovations Bond	Governmental Funds	Governmental Funds
Assets					
Cash and cash equivalents	\$ 28,167,590	\$ 147,685	\$ -	\$ 4,175,704	\$ 32,490,979
Cash on deposit with funding agency	-	-	-	-	-
Investments	6,406,470	-	-	-	6,406,470
Taxes receivable, net	1,912,634	-	-	-	1,912,634
Other receivable, net	348,327	78,334	-	1,196,718	1,623,379
Intergovernmental receivables	579,818	60,832	-	569,258	1,209,908
Prepaid items	-	4,677	-	-	4,677
Due from other funds	6,780,115	3,846,441	15,341,215	3,981,810	29,949,581
Total assets	44,194,954	4,137,969	15,341,215	9,923,490	73,597,628
Deferred outflows of resources					
None	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-
Total assets and deferred outflows of resources	\$ 44,194,954	\$ 4,137,969	\$ 15,341,215	\$ 9,923,490	\$ 73,597,628
Liabilities					
Accounts payable	\$ 1,600,665	\$ 196,376	\$ 6,664,509	\$ 113,204	\$ 8,574,754
Accrued liabilities	884,136	878,378	-	33,606	1,796,120
Other payables	382,083	-	-	-	382,083
Due to other funds	25,971,502	-	-	4,867,095	30,838,597
Unearned grant and other revenues	-	-	-	1,018	1,018
Total liabilities	28,838,386	1,074,754	6,664,509	5,014,923	41,592,572
Deferred inflows of resources					
Unavailable property tax revenue	687,405	-	-	120,518	807,923
Deferred revenue - other	10,000	-	-	-	10,000
Total deferred inflows of resources	697,405	-	-	120,518	817,923
Fund balance					
Nonspendable	2,006,020	4,677	-	-	2,010,697
Restricted	-	-	8,676,706	1,567,447	10,244,153
Committed	6,352,751	3,058,538	-	6,379,254	15,790,543
Unassigned	6,300,392	-	-	(3,158,652)	3,141,740
Total fund balance	14,659,163	3,063,215	8,676,706	4,788,049	31,187,133
Total liabilities, deferred inflows of resources, and fund balance	\$ 44,194,954	\$ 4,137,969	\$ 15,341,215	\$ 9,923,490	\$ 73,597,628

The accompanying notes are an integral part of this statement

(continued)

Town of Smithfield, Rhode Island

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

June 30, 2021

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

Total governmental fund balances	\$ 31,187,133
Assets used in governmental activities are not financial resources and, therefore, are not reported in the Governmental Fund Balance Sheet	
Capital assets, net	83,661,527
TSB net pension asset	4,453,357
Deferred debt charges resulting from issuance of refunding and advance refunding of bonds	
These charges have been included in the governmental activities in the Statement of Net Position	40,447
Net Pension and OPEB related Deferred Outflows of Resources for pension and OPEB plans are reported in the Statement of Net Position of the Governmental Activities but are not reported on the Fund Statements	
Pension related outflows	13,131,403
OPEB related outflows	12,044,926
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	(14,210,377)
OPEB related inflows	(5,241,570)
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	(59,731,758)
OPEB related liabilities	(53,327,917)
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	(16,150,000)
Compensated Absences	(5,902,781)
Unavailable tax revenue and fire rescue fees (net of an allowance for uncollectibles) are recorded in the funds, but are not recorded under the measurement focus employed in the State of Net Position.	817,923
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.	(139,095)
Net premium on refunding has been recorded as long-term debt on the Statement of Net Position	<u>(623,350)</u>
Net position of governmental activities	<u>\$ (9,990,132)</u>

The accompanying notes are an integral part of this statement

(concluded)

Town of Smithfield, Rhode Island

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

For the Year Ended June 30, 2021

	Major Fund			Non-Major	Total
	General Fund	School Unrestricted Fund	School Renovations Bond	Governmental Funds	Governmental Funds
Revenues					
General property taxes	\$ 60,033,868	\$ -	\$ -	\$ -	\$ 60,033,868
Intergovernmental	6,456,831	6,089,786	43,053,528	2,050,400	57,650,545
Licenses, fees, fines, charges and assessments	1,225,681	392,136	-	1,440,097	3,057,914
Investment income (loss)	422,580	-	-	1,799	424,379
Contributions	-	28,538	-	56,243	84,781
State on behalf pension & transportation contributions	-	2,214,138	-	-	2,214,138
Other miscellaneous including Medicaid	314,089	190,572	-	117,599	622,260
Total revenues	68,453,049	8,915,170	43,053,528	3,666,138	124,087,885
Expenditures					
Current:					
General government	3,661,152	-	-	-	3,661,152
Public safety	19,736,220	-	-	1,434,082	21,170,302
Public works	4,823,883	-	-	-	4,823,883
Public health and assistance	22	-	-	-	22
Libraries	1,454,008	-	-	-	1,454,008
Education	433,742	40,763,476	-	1,841,557	43,038,775
Recreation and Senior Center activities	1,117,867	-	-	43,177	1,161,044
Benefits and other miscellaneous	2,573,001	-	-	38,197	2,611,198
Debt Service:					
Principal	1,559,000	-	-	-	1,559,000
Interest and other costs	795,988	-	-	-	795,988
Capital:					
Capital expenditures	2,172,008	2,226	29,200,224	1,793,768	33,168,226
Total expenditures	38,326,890	40,765,702	29,200,224	5,150,781	113,443,597
Excess (deficiency) of revenues over expenditures	30,126,159	(31,850,532)	13,853,304	(1,484,643)	10,644,288
Other financing sources (uses)					
Revenues for capital expenditures	1,595,547	-	-	-	1,595,547
Transfers in	431,867	32,538,175	-	520,568	33,490,610
Transfers out	(32,568,036)	-	-	(490,707)	(33,058,743)
Total other financing sources (uses)	(30,540,622)	32,538,175	-	29,861	2,027,414
Net change in fund balance	(414,463)	687,643	13,853,304	(1,454,782)	12,671,702
Fund balance, July 1, 2020, Restated	15,073,626	2,375,572	(5,176,598)	6,242,831	18,515,431
Fund balance, June 30, 2021	\$ 14,659,163	\$ 3,063,215	\$ 8,676,706	\$ 4,788,049	\$ 31,187,133

The accompanying notes are an integral part of this statement

(continued)

Town of Smithfield, Rhode Island

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

For the Year Ended June 30, 2021

Net change in fund balances - total governmental funds	\$ 12,671,702
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.	
Cost basis, acquisition of assets	33,063,242
Depreciation expense	<u>(2,402,863)</u>
	30,660,379
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.	
Change in OPEB related outflows	2,720,342
Change in OPEB related inflows	(82,434)
Change in net OPEB liability	<u>(3,166,170)</u>
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.	
Change in Pension related outflows	(2,943,298)
Change in Pension related inflows	(5,225,734)
Change in net Pension liability (asset)	<u>12,797,394</u>
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.	
Deferred taxes	<u>(196,564)</u>
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.	
Debt principal payments	1,880,000
Bond premium amortized	<u>86,445</u>
In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.	32,605
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.	<u>9,316</u>
Change in net position of governmental activities	<u>\$ 49,243,983</u>

The accompanying notes are an integral part of this statement

(concluded)

Town of Smithfield, Rhode Island

Statement of Net Position

Proprietary Funds

June 30, 2021

	Sewer Authority	Water Supply Board	Smithfield Ice Rink	School Lunch Program	Total
ASSETS:					
Current assets					
Cash and cash equivalents	\$ 1,486,464	\$ 1,665,033	\$ 1,384,088	\$ 149,683	\$ 4,685,268
Restricted cash	601,395	-	-	-	601,395
Cash on deposit with funding agency	-	2,055,337	-	-	2,055,337
Water and sewer assessments and user fees - net	164,149	467,295	-	-	631,444
Other receivables, net	-	-	43,753	200,868	244,621
Due from other funds	1,961,244	-	-	-	1,961,244
Inventory	-	65,827	-	-	65,827
Total current assets	4,213,252	4,253,492	1,427,841	350,551	10,245,136
Non-current assets					
Sewer assessments fees	115,640	-	-	-	115,640
Capital assets not being depreciated	871,770	1,867,853	-	-	2,739,623
Capital assets, net of accumulated depreciation	14,662,519	1,815,632	1,419,906	29,790	17,927,847
Total noncurrent assets	15,649,929	3,683,485	1,419,906	29,790	20,783,110
Total Assets	19,863,181	7,936,977	2,847,747	380,341	31,028,246
Deferred outflows of resources					
Deferred outflows	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-
Total assets and deferred outflows of resources	\$ 19,863,181	\$ 7,936,977	\$ 2,847,747	\$ 380,341	\$ 31,028,246
LIABILITIES:					
Current liabilities:					
Accounts payable and accrued expenses	\$ 168,070	\$ 246,629	\$ 11,128	\$ 75,554	\$ 501,381
Due to other funds	-	100,680	971,548	-	1,072,228
Unearned assessments and user fees	61,800	-	4,053	30,877	96,730
Current portion of compensated absences	-	12,000	20,000	-	32,000
Current portion of bonds	330,006	2,754,000	-	-	3,084,006
Total current liabilities	559,876	3,113,309	1,006,729	106,431	4,786,345
Non-current liabilities:					
General Obligation bonds, net of current portion	4,757,844	48,000	-	-	4,805,844
Unearned assessments and user fees	85,391	-	-	-	85,391
Compensated absences	-	7,036	34,653	-	41,689
Total noncurrent liabilities	4,843,235	55,036	34,653	-	4,932,924
Total liabilities	5,403,111	3,168,345	1,041,382	106,431	9,719,269
Deferred inflows of resources					
Deferred gain on refunding	114,783	-	-	-	114,783
Total deferred inflows of resources	114,783	-	-	-	114,783
Net position					
Net investment in capital assets	10,499,726	3,183,451	1,431,034	105,344	15,219,555
Unrestricted	3,845,561	1,585,181	375,331	168,566	5,974,639
Total net position	\$ 14,345,287	\$ 4,768,632	\$ 1,806,365	\$ 273,910	\$ 21,194,194

The accompanying notes are an integral part of this statement

Town of Smithfield, Rhode Island

Statement of Revenues, Expenses and Changes in Fund Net Position

Proprietary Funds

For the Year Ended June 30, 2021

	<u>Sewer Authority</u>	<u>Water Supply Board</u>	<u>Smithfield Ice Rink</u>	<u>School Lunch Program</u>	<u>Total</u>
Operating revenues:					
Charges for usage and service	\$ 3,100,466	\$ 2,039,814	\$ 589,416	\$ -	\$ 5,729,696
Food sales	-	-	-	700,332	700,332
Intergovernmental	-	-	-	14,448	14,448
Other revenues	39,644	46,410	36,082	-	122,136
Total operating revenues:	<u>3,140,110</u>	<u>2,086,224</u>	<u>625,498</u>	<u>714,780</u>	<u>6,566,612</u>
Operating expenses:					
Salaries and benefits	402,751	424,879	291,835	-	1,119,465
Operations	1,999,930	748,166	226,435	-	2,974,531
Depreciation and amortization	699,189	101,435	126,357	3,859	930,840
School cafeteria operations	-	-	-	554,764	554,764
Total operating expenses:	<u>3,101,870</u>	<u>1,274,480</u>	<u>644,627</u>	<u>558,623</u>	<u>5,579,600</u>
Operating income (loss)	<u>38,240</u>	<u>811,744</u>	<u>(19,129)</u>	<u>156,157</u>	<u>987,012</u>
Nonoperating revenues (expenses):					
Interest income	17,265	7,823	928	-	26,016
Interest expense and loan issuance costs	(145,132)	(61,630)	(1,900)	-	(208,662)
Net nonoperating revenues	<u>(127,867)</u>	<u>(53,807)</u>	<u>(972)</u>	<u>-</u>	<u>(182,646)</u>
Income (Loss) before contributions	(89,627)	757,937	(20,101)	156,157	804,366
Transfers					
Transfers in	-	-	-	-	-
Transfers out	(205,725)	(226,142)	-	-	(431,867)
Total transfers	<u>(205,725)</u>	<u>(226,142)</u>	<u>-</u>	<u>-</u>	<u>(431,867)</u>
Change in Net Position	(295,352)	531,795	(20,101)	156,157	372,499
Total Net Position, beginning of year	14,640,639	4,236,837	1,826,466	117,753	20,821,695
Total Net Position, end of year	<u>\$ 14,345,287</u>	<u>\$ 4,768,632</u>	<u>\$ 1,806,365</u>	<u>\$ 273,910</u>	<u>\$ 21,194,194</u>

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, 2021

	Sewer Authority	Water Supply Board	Smithfield Ice Rink	School Lunch Program	Total
Cash flows from operating activities:					
Cash received from customers	\$ 3,129,807	\$ 2,039,814	\$ 583,419	\$ 699,332	\$ 6,452,372
Cash paid to suppliers for good and services and other operating payments	(2,725,739)	(1,038,187)	(516,347)	(479,835)	(4,760,108)
Cash paid for employees and benefits	(28,362)	(18,888)	2,480	-	(44,770)
Net cash provided (used) by operating activities	375,706	982,739	69,552	219,497	1,647,494
Cash flows from noncapital financing activities:					
(Increase) decrease transfer from/to other funds	(205,725)	(226,142)			(431,867)
(Increase) decrease in due from other funds	(1,747,709)	586,824	7,636	(183,295)	(1,336,544)
Increase (decrease) in due to other funds	-	-	291,556	-	291,556
Net cash provided (used) by noncapital financing activities	(1,953,434)	360,682	299,192	(183,295)	(1,476,855)
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(598,513)	(1,137,591)	(71,128)	-	(1,807,232)
Principal paid on bonds	(452,551)	(23,000)	-	-	(475,551)
Proceeds from note payable obligation	-	-	-	-	-
Proceeds received from refunding of debt by RIIB	(12,885)	-	-	-	(12,885)
Interest paid on bonds	(145,132)	39,050	(1,900)	-	(107,982)
Net cash provided (used) by capital and related financing activities	(1,209,081)	(1,121,541)	(73,028)	-	(2,403,650)
Cash flows from investing activities:					
Interest income	17,265	7,823	928	-	26,016
Net cash provided by investing activities	17,265	7,823	928	-	26,016
Net increase in cash and cash equivalents	(2,769,544)	229,703	296,644	36,202	(2,206,995)
Cash and cash equivalents at beginning of year	4,857,403	3,490,667	1,087,444	113,481	9,548,995
Cash and cash equivalents at end of year	\$ 2,087,859	\$ 3,720,370	\$ 1,384,088	\$ 149,683	\$ 7,342,000
Displayed as:					
Cash and cash equivalents	\$ 1,486,464	\$ 1,665,033	\$ 1,384,088	\$ 149,683	\$ 4,685,268
Cash on deposit with funding agency	-	2,055,337	-	-	2,055,337
Restricted cash	601,395	-	-	-	601,395
Total	\$ 2,087,859	\$ 3,720,370	\$ 1,384,088	\$ 149,683	\$ 7,342,000

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, 2021

Reconciliation of operating income (loss) to net cash provided (used) by operating activities:

	Sewer Authority	Water Supply Board	Smithfield Ice Rink	School Lunch Program	Total
Operating income (loss)	\$ 38,240	\$ 811,744	\$ (19,129)	\$ 156,157	\$ 987,012
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation and amortization expense	699,189	101,435	126,357	3,859	930,840
(Increase) decrease in water and sewer assessments and user fees	91,141	(2,398)	-	-	88,743
(Increase) decrease in other receivables	-	-	-	-	-
(Increase) decrease in interfund balance related to operations	-	-	-	-	-
(Increase) decrease in inventory	-	(9,075)	-	-	(9,075)
Increase (decrease) in accounts payable and accrued expenses	(362,702)	99,921	(34,159)	60,481	(236,459)
Increase (decrease) in compensated absences	(28,362)	(18,888)	2,480	-	(44,770)
Increase (decrease) in unearned assessments and fees	(61,800)	-	(5,997)	(1,000)	(68,797)
Net cash provided (used) by operating activities	\$ 375,706	\$ 982,739	\$ 69,552	\$ 219,497	\$ 1,647,494

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, 2021

	Pension & OPEB Trust Funds	Custodial Funds
Assets		
Cash and cash equivalents	\$ -	\$ 42,899
Investments, at fair value		
Mutual funds	52,020,926	-
Other receivables	228,774	331,515
Total assets	<u>52,249,700</u>	<u>374,414</u>
Deferred outflows of resources		
Deferred outflows	-	-
Total assets and deferred outflows of resources	<u>52,249,700</u>	<u>374,414</u>
Liabilities		
Due to other funds	2,438	-
Total liabilities	<u>2,438</u>	<u>-</u>
Deferred inflows of resources		
Unearned revenue	-	-
Net Position		
Restricted for Soil Erosion	-	20,613
Restricted for Street Lighting	-	353,801
Restricted for pension	46,132,179	-
Restricted for OPEB	6,115,083	-
Total net position	<u>52,247,262</u>	<u>374,414</u>
Total liabilities and net position	<u>\$ 52,249,700</u>	<u>\$ 374,414</u>

The accompanying notes are an integral part of this statement

Town of Smithfield, Rhode Island

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

For the Year Ended June 30, 2021

	Pension & OPEB Trust Funds	Custodial Funds
Additions:		
Contributions:		
Employer contributions	\$ 3,203,258	\$ -
Plan member contributions	343,336	-
Funds received on behalf of others	-	4
Realized	8,581,238	-
Investment earning	2,788,025	-
Total additions	<u>14,915,857</u>	<u>4</u>
Deductions		
Benefits paid	3,442,395	-
Net investment loss	-	-
Fund distributed on behalf of others	-	98,369
Administrative expenses	98,691	-
Total deductions	<u>3,541,086</u>	<u>98,369</u>
Changes in net position held in trust for individuals, organizations, and other governments	11,374,771	(98,365)
Net position, July 1, 2020, as restated	<u>40,872,491</u>	<u>472,777</u>
Net position, June 30, 2021	<u>\$52,247,262</u>	<u>\$ 374,414</u>

The accompanying notes are an integral part of this statement

Town of Smithfield, Rhode Island

Notes to Financial Statements

June 30, 2021

Note 1. Summary of significant accounting policies:

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

Financial reporting entity

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

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

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

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

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

June 30, 2021

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

Basis of presentation:

Government-wide financial statements

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

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

Fund Financial Statements

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

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

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

(*continued*)

Town of Smithfield, Rhode Island

Notes to Financial Statements

June 30, 2021

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

Basis of presentation (continued):

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

Governmental funds

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

General fund:

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

Special revenue funds:

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

Capital projects funds:

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

Permanent funds:

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

Proprietary funds:

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

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

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

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

June 30, 2021

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

Basis of presentation (continued):

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

Custodial Funds:

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

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

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

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

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

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

June 30, 2021

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

Basis of presentation (continued):

Major and Non-Major Funds

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

Major Funds:

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

Capital Project:

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

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

Town of Smithfield, Rhode Island

Notes to Financial Statements

June 30, 2021

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, Neighborhood Center Fund, Police Memorial Fund, General Public Assistance, Dog Park, Play for all Fund, Commercial Weight Enforcement, Active Shooter Grant
Capital Projects Funds	Green Acres Acquisition Fund, Smithfield Historic Landmark, Impact Fees, Land Acquisition Open Space Bond, Middle School Additions, Open Space & Recreation Area, Police Equipment, Water District Improvement Fee, Handicap Accessibility, Salt Barn Property, Special Projects Fund, Police Improvement Bond, Capital Reserve Fund, Fire Station Bond, Land Trust, Bryant Capital Contribution, School Improvement Bond, Capital Lease Fund, Stillwater Pond Development, Smithfield Fire Rescue.
Permanent Funds	Cemetery Fund

(*continued*)

Town of Smithfield, Rhode Island

Notes to Financial Statements

June 30, 2021

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

Basis of presentation (continued):

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

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

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

Basis of Accounting:

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

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

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

June 30, 2021

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

Basis of presentation (continued):

Basis of Accounting (continued)

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

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

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

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

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

Cash and cash equivalents:

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

Cash equivalents include amounts invested in certificate of deposits which when purchased can be accessed at any point in time. Substantially, all of the Town's cash and cash equivalents are held in public deposit institutions. Pursuant to Section 35-10-1 of the Rhode Island General Laws, as of October 1, 1991, public deposit institutions are required to insure accounts which hold public funds in excess of the \$250,000 which is guaranteed by FDIC. At times, the Town pools cash resources of its various funds to facilitate the management of cash and maximize investment returns.

State statutes and the Town charter authorize the Town to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, and repurchase agreements. The Town complied with these requirements.

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

June 30, 2021

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

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

Investments:

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

Accounts Receivable:

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

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

Real Estate and Personal Property Taxes:

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

Real and personal property taxes are based on values assessed as of each December 31 (lien date) and attach as an enforceable lien on property as of July 1 (levy date). Taxes are due in equal quarterly installments on September 1-30th, December 1-31st, March 1-31st and June 1-30th following the levy date. The taxpayer may elect to pay the taxes in full or pay quarterly as noted above. Taxes due and unpaid after the respective due dates are subject to interest at a rate of 12% per annum calculated on the unpaid portion of the total tax dating back to September 30th. An automatic lien is placed on the taxpayer's property if payment has not been received by the tax due date. Property taxes levied are recorded as receivables in the fiscal year of the levy. Property tax revenues are recorded in accordance with the modified accrual basis of accounting in the fund financial statements.

(*continued*)

Town of Smithfield, Rhode Island

Notes to Financial Statements

June 30, 2021

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

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

Due from Federal and State Government:

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

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

Short term Interfund Receivables and Payables:

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

Inventory and Prepaid Items:

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

Capital assets and depreciation:

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

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

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

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

June 30, 2021

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

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, 2021 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.

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

June 30, 2021

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 pension totaling \$13,131,403 results from differences between expected and actual experience, changes in assumptions or other inputs, the net differences between projected and actual earnings on pension plan investments, changes in proportionate share and system contributions and contributions subsequent to the measurement date. These amounts are deferred and included in pension expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees).

The deferred outflow of resources related to OPEB totaling \$12,044,926 results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the OPEB plan (active employees and inactive employees).

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate section represents the acquisition of net position that applies to a future period and, therefore, will not be recognized as an inflow of resources (revenue) until a later date. At June 30, 2021, 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, 2019 and prior and are not collected within 60 days of June 30, 2021. Net unavailable property tax revenue included in the fund financial statements was \$807,923 at June 30, 2021. Deferred revenues - other totaled \$10,000 as of June 30, 2021. These amounts are deferred and will be recognized as an inflow of resources in the year in which the amounts become available.

At June 30, 2021 the Town of Smithfield, Rhode Island reports deferred inflows related to pension and OPEB in the Government-wide statement of net position.

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

June 30, 2021

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 inflow of resources related to pension totaling \$14,210,377 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 \$5,241,570 results from differences between expected and actual experience, changes in assumptions or other inputs and net differences between projected and actual earnings on OPEB plan investments. These amounts are deferred and included as a reduction in OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the OPEB plan (active employees and inactive employees).

Compensated absences:

It is the policy of the Town to permit employees to accumulate a limited amount of earned but unused vacation and sick leave benefits, which will be paid to the employee upon separation from Town service. Compensated absences that are expected to be liquidated with expendable available financial resources are reported as expenditure and a fund liability of the governmental fund that will pay it. Amounts not expected to be liquidated with expendable available resources are reported as long-term debt in the government-wide financial statements. Long-term debt and other obligations financed by the proprietary funds are reported as liabilities in the appropriate funds. A liability for compensated absences is recorded in the governmental funds only if the liability became due at June 30, 2021 as a result of employee resignation or retirements. At June 30, 2021 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.

(*continued*)

Town of Smithfield, Rhode Island

Notes to Financial Statements

June 30, 2021

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

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

Accrued liabilities and long-term debt (continued):

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

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

Interfund activities:

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

Reciprocal interfund activities:

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

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.

(*continued*)

Town of Smithfield, Rhode Island

Notes to Financial Statements

June 30, 2021

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

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

Encumbrances:

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

Fund Equity:

Government-Wide

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

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

Governmental Funds

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

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

June 30, 2021

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

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

Fund Equity (continued):

Governmental Funds (continued):

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

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

June 30, 2021

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

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

Fund Equity (continued):

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

Minimum Fund Balance

Per the Town's Home Rule Charter: "After each fiscal year, to the extent that the undesignated fund balance exceeds five percent (5%) of the subsequent fiscal year appropriations, commencing with fiscal year 2001, sixty-six and two-thirds percent (66 2/3%) of the excess amount in the undesignated fund balance shall be transferred to the Capital Reserve Fund and thirty three and one-third percent (33 1/3%) of the excess amount in the undesignated fund balance shall be transferred to the Land Trust 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. Beginning in fiscal year 2016 and ending in fiscal year 2020, the 5% undesignated fund balance shall be increased by 3/5ths 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 fiscal 2016, 6 1/5% in fiscal 2017, 6 4/5% in fiscal 2018, 7 2/5% in fiscal 2019, and 8% in fiscal 2020, the excess shall be divided 80% for the Capital Reserve Fund and 20% for the Land Trust Reserve Fund. Undesignated fund balance as noted above is deemed to be equivalent to the unassigned fund balance as defined by GASB Statement #54.

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

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

June 30, 2021

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

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

June 30, 2021

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".

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

June 30, 2021

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

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

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

Accounting pronouncements implemented in the current year

During the fiscal year June 30, 2021, the Town of Smithfield has adopted the following new accounting standards issued by GASB:

GASB Statement No. 84, *Fiduciary Activities* is effective for periods beginning after December 15, 2021. The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. An activity meeting the criteria should present a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. An exception to that requirement is provided for a business-type activity that normally expects to hold custodial assets for three months or less. This statement was implemented in fiscal year 2021 without any material impact.

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

June 30, 2021

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

Future Pronouncements

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. 87, "Leases". GASB Statement No. 87 requires that government lessees recognize a lease liability and intangible assets representing the lessee's right to use the leased asset and report in its financial statements amortization expense for using the lease asset for the shorter of the lease term or the useful life of the underlying asset, interest expense on the lease liability and note disclosures about the lease. The Statement also requires government lessors recognize a lease receivable and a deferred inflow of resources and continue to report the leased asset in its financial statements. The revenue, recognized over the term of the lease, corresponding with the reduction of the deferred inflow, interest income on the receivable and note disclosures about the lease must also be included in the financial statements. The requirements of this Statement are effective for the Town of Smithfield, Rhode Island's for fiscal year ending June 30, 2022.

Statement No. 89, "Accounting for Interest Cost Incurred before the End of a Construction Period". GASB Statement No. 89 provides accounting requirements for interest cost incurred before the end of a construction period. It establishes guidance designed to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period. The impact of this standard will be evaluated by the Town of Smithfield, Rhode Island's management for fiscal year ending June 30, 2022.

Statement No. 90, "Majority Equity Interests". The primary objective of GASB Statement No. 90 is to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the financial statements relevance for certain component units. The impact of this standard will be evaluated by the Town of Smithfield, Rhode Island's management for fiscal year ending June 30, 2022.

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 impact of this standard will be evaluated by the Town of Smithfield, Rhode Island's management for fiscal year ending June 30, 2023.

(*continued*)

Town of Smithfield, Rhode Island

Notes to Financial Statements

June 30, 2021

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

Future Pronouncements (continued)

Statement No. 92, "Omnibus 2021". GASB Statement No. 92 addresses a variety of topics including, among other things, Leases, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, Fiduciary Activities, Measurement of liabilities related to AROs. The impact of this standard will be evaluated by the Town of Smithfield, Rhode Island's management for fiscal year ending June 30, 2022.

Statement No. 93, "Replacement of Interbank Offered Rates". GASB Statement No. 93 assists state and local governments in the transition away from existing interbank offered rates (IBOR) to other reference rates because of global reference rate reform, wherein the London Interbank Offered Rate (LIBOR) is expected to cease to exist in its current form at the end of 2021. The objective of this Statement is to address implications that result from the replacement of an IBOR in Statement No. 53, Accounting and Financial Reporting for Derivative Instruments and Statement No. 87, Leases and other accounting and financial reporting implications. The impact of this standard will be evaluated by the Town of Smithfield, Rhode Island's management for fiscal year ending June 30, 2022.

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

Statement No. 96, "Subscription-Based Information Technology Arrangements". GASB Statement No. 96 establishes standards of accounting and financial reporting for subscription-based information technology (SBITAs) for government end users. Under this Statement, a government generally should recognize a right-to-use subscription asset, an intangible asset, and a corresponding subscription liability. The impact of this standard will be evaluated by the Town of Smithfield, Rhode Island's management for fiscal year ending June 30, 2022.

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

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

June 30, 2021

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

Future Pronouncements (continued)

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, 2021.

Note 2. Stewardship, Compliance and Accountability

Budgetary Process

The Town Council conducts a hearing on the proposed budget submitted by the Town Manager in May of each year based upon requests submitted by Town departments and municipality supported agencies. The Council then makes modifications, and its recommended budget is placed before the Financial Town Meeting.

The Financial Town meeting of the Town of Smithfield, Rhode Island is held annually in June. Eligible Smithfield residents, who must be registered voters, determine the tax levy for the coming fiscal year as the result of their vote upon the proposed municipal budget. Each activity of the budget may be debated and voted upon. Increases in the council-recommended budget require an 80% favorable vote (commonly referred to as the "80% Rule") to open discussion. Following discussion, a simple majority is required for approval. Budget reductions require a simple majority to discuss or authorize.

The Town Moderator, who is appointed by the Council, conducts the Financial Town Meeting. The Town Council sits as the Budget Committee and responds to questions along with the Town Manager and staff regarding the recommended municipal budget. The moderator conducts the meeting, ensures that the Rules of Order are enforced, and provides adequate opportunity for discussion upon each issue. 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.

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

June 30, 2021

Note 2. Stewardship, Compliance and Accountability (continued)

Budgetary Process (continued)

Town ordinances require an annual budget for the General Fund. The practices used in the preparation of budget differ in certain respects from the presentation of the actual results of operations prepared in accordance with GAAP. The actual results of operations, for purposes of the Statement of Revenues, Expenditures and Changed in Fund Balance – Budget and Actual on Budgetary Basis - General Fund has been adjusted to basis consistent with the Town's budget. Certain annual appropriations are carried over to next year's budget. There were \$3,533,001 of supplemental budgetary appropriations – re-appropriation of unexpended balances or (RUBS) made during the fiscal year ended June 30, 2020. RUBS available at June 30, 2021 to be carried over to fiscal 2022 totaled \$3,116,297.

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.

Note 3. Cash and Investments

The State of Rhode Island requires that certain uninsured deposits be collateralized. Section 35-10.1-7 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.

Deposits

At June 30, 2021, the carrying amount of the Town's cash and cash equivalents was \$37,820,541 (including Fiduciary Funds and restricted cash, but excluding deposit with funding agency) while the bank balance was \$37,409,892. Of the bank balance, \$1,732,951 was covered by federal depository insurance while the remaining balance was 100% collateralized.

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

June 30, 2021

Note 3. Cash and Investments (continued)

Deposits (continued)

Reconciliation to Government-Wide:

Statement of Net Position:

	Carrying Amount
Total Cash and Cash Equivalents	\$ 37,820,541
Less: Fiduciary Fund cash	(42,899)
<i>Total Cash and Cash Equivalents reported in the Financial Statements</i>	\$ 37,777,642
Bank Balance	
Insured (Federal depository insurance funds)	1,732,951
Collateralized with securities held by pledging financial institution or its agent in the Town's name	35,676,940
Uninsured and uncollateralized	-
Total	37,409,892

Restricted Cash

Restricted cash \$601,395 reported in the Statement of Net Position at June 30, 2021 consists of funds reported in the Business-Type Activities (Proprietary Fund) representing debt service reserve funds.

Investments

At June 30, 2021 the Town's investments totaled \$58,427,396 (including \$52,020,926 held in Fiduciary Funds and \$6,406,470 held in the General Fund and consisted the following:

	Fair Value	Interest Rate	Maturity	Rating
Equity Mutual Funds	\$ 22,147,642	n/a		Not rated
Fixed Income Mutual Funds	12,442,198	n/a		Not rated
Other Mutual Funds	17,431,086	n/a		Not rated
Government Securities	6,406,470	0.125%-8.875%	7/2021-6/2022	AAA
Total investments	\$ 58,427,396			

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

June 30, 2021

Note 3. Cash and Investments (*continued*)

Investments (continued)

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

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

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

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

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, 2021:

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

June 30, 2021

Note 3. Cash and Investments (continued)

Investments (continued)

<u>Investments by Fair Value Level:</u>	Fair Value Measurements			
	Fair Value	Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs
	June 30, 2021	Level 1	Level 2	Level 3
Equity Mutual Funds	\$ 22,147,642	\$ 22,147,642	\$ -	\$ -
Fixed Income Mutual Funds	12,442,198	12,442,198	-	-
Other Mutual Funds	17,431,086	17,431,086	-	-
Government Securities	6,406,470	6,406,470	-	-
Total Investments by Fair Value Level	\$ 58,427,396	\$ 58,427,396	\$ -	\$ -

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.

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

June 30, 2021

Note 3. Cash and Investments *(continued)*

Concentration of Credit Risk

At June 30, 2021, 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.

Interest Rate Risk

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

Custodial Credit Risk

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

Credit Risk

Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation and the Town will not be able to recover the value of its investment or collateral securities possessed by another party. This is measured by assignment of a rating by a nationally recognized rated organization. U.S. Government securities or obligations explicitly guaranteed by the U.S. Government are not considered to have credit risk exposure.

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

June 30, 2021

Note 3. Cash and Investments (continued)

Credit Risk (continued)

As of June 30, 2021, the following pension investments represent 5% or more of the Town Plan's net position:

5% of Total Investments	\$ 2,921,370
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Investments:

Police Pension

Global Investors-LG S&P Index SEP	\$ 3,484,989
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Fire Pension

Vanguard Short-Term Bond Index	\$ 3,957,866
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Vanguard Short-Term Corporate Bond Index	\$ 3,971,377
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Ishares MSC/EAFE International Index	\$ 3,475,750
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Global Investors-LG S&P Index SEP	\$ 8,234,186
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OPEB

Vanguard Growth Strategy	\$ 6,109,900
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(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

June 30, 2021

Note 4. Property taxes and Assessments Receivable

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, 2021, the Town received \$2,967,540 from the State of Rhode Island as payment in accordance with legislation regarding the phase-out of motor vehicle tax. Under the law, excise tax on motor vehicles and trailers were originally supposed to be phased out entirely over a seven-year period commencing with the 1999-2000 fiscal year. Based on fiscal problems with the State budget over the last several years the program has been reduced to a maximum exemption of \$6,000 as of June 30, 2007 in accordance with legislation passed as part of the State's budget for the fiscal year ended June 30, 2007. The phase-out program freezes the tax rate of \$39.00 which was the rate in fiscal year 1997-1998. The exemption remained at \$6,000 per vehicle or the 2007-2008 and 2008-2009 fiscal years. During fiscal 2010 the State reduced the reimbursement amount for the 3rd and 4th quarters of the fiscal year. Effective July 1, 2010 the State reduced the exemption amount to \$500 per vehicle however the Town was required to maintain the rate frozen at \$39.00.

During fiscal 2018, the State of Rhode Island passed legislation to reinstate that motor vehicle phase-out program. The details of the motor vehicle phase-out program are covered under the Rhode Island General Laws 44-34.1-1 and 44-34.1-2. In summary, for fiscal 2018 municipalities shall provide an exemption equal to the greater of \$1,000 or the exemption which the municipality was providing in fiscal 2017. This exemption increases by \$1,000 per year commencing in fiscal 2019 through fiscal 2023 when the exemption will be equal to \$6,000. Effective with fiscal 2024 and thereafter, no tax may be levied on motor vehicles. In addition, the tax rate on motor vehicles may not exceed the rate which was in effect for fiscal 2017 and shall not exceed the following per thousand of assessed value; \$60 for fiscal 2018; \$50 fiscal 2019; \$35 fiscal 2020 and 2021; \$30 for fiscal 2022; and \$20 fiscal 2023. The maximum taxable value of the motor vehicle must be at the percentages prescribed in Rhode Island General Law 44-34-11. The percent in effect for fiscal 2018 was 95%. The percentage is reduced by 5% annually commencing with fiscal 2019 through fiscal 2023 when the percentage would be 70%.

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 2021 were based on a net assessed value of approximately \$3,059,630,920 at December 31, 2019, and amounted to approximately \$59,670,761. Collections through June 30, 2021 amounted to approximately \$57,683,247 which represents approximately 97% of the total tax levy. The collection percentage as of August 31, 2021, including the 60 day rule receipts was approximately 98.6%

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, 2021 (\$3,088,781) are recorded as a receivable, net of an allowance for uncollectible property taxes of \$1,176,147. Those net property taxes receivable which were not collected within 60 days immediately following June 30, 2021 are recorded as unavailable tax revenue and amounted to \$687,405 at June 30, 2021.

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

June 30, 2021

Note 4. Property taxes and Assessments Receivable (continued)

Property taxes recognized as revenue on the Fund Statements for the fiscal year ended June 30, 2021 (due to their collection within the 60 days immediately following June 30, 2021) amounted to \$1,912,634.

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.

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, 2021, 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, 2021.

- Agreement with an equipment rental company for the abatement of tangible property taxes. Tax stabilization amount for the fiscal year ended June 30, 2021, was \$100,000 which resulted in an abatement of approximately \$1,122,000. 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, 2021, was \$121,670 which resulted in a tax abatement of approximately \$42,225. This agreement is scheduled to expire at June 30, 2021.
- 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 2021, was \$88,000. The amount of the abatement was estimated to be approximately \$119,700.

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

June 30, 2021

Note 5. Tax Treaty Agreements *(continued)*

- 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 \$3,552,946. The amount of the abatement was estimated to be \$2,769,900 for fiscal 2021.
- 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 2021 was \$246,797. The amount of the abatement was estimated to be \$307,300 for fiscal 2021.
- 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 tangible taxes for fiscal 2021 was \$305,314. The amount of the abatement was estimated to be \$519,200, for fiscal 2021.

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

June 30, 2021

Note 6. Capital Assets

Capital asset activity for the year ended June 30, 2021 was as follows:

	Balance July 1, 2020	Additions	Retirements & Disposals	Balance June 30, 2021
Governmental Activities:				
Nondepreciable assets:				
Land	\$ 15,509,714	\$ -	\$ -	\$ 15,509,714
Construction in progress	6,471,617	30,800,913	463,805	36,808,725
Depreciable assets:				
Buildings and improvements	39,362,325	1,661,251	-	41,023,576
Equipment	7,541,607	91,252	-	7,632,859
Vehicles	8,915,168	428,245	160,560	9,182,853
Infrastructure	81,764,299	705,947	-	82,470,246
Total Cost	<u>159,564,730</u>	<u>33,687,608</u>	<u>624,365</u>	<u>192,627,973</u>
Accumulated Depreciation:				
Buildings and improvements	(18,976,496)	(892,735)	-	(19,869,231)
Equipment	(6,324,057)	(399,071)	-	(6,723,128)
Vehicles	(7,270,294)	(568,459)	(160,562)	(7,678,191)
Infrastructure	(73,992,735)	(703,161)	-	(74,695,896)
Total Accumulated Depreciation	<u>(106,563,582)</u>	<u>(2,563,426)</u>	<u>(160,562)</u>	<u>(108,966,446)</u>
Net capital assets	<u>\$ 53,001,148</u>	<u>\$31,124,182</u>	<u>\$ 463,803</u>	<u>\$ 83,661,527</u>

Depreciation expense for the year ended June 30, 2021 was charged to the following functions/ programs of the Town:

Governmental Activities:	
General Government	\$ 634,011
Education	321,312
Public Safety	701,886
Public Works	833,624
Recreation	72,593
Total	<u>\$ 2,563,426</u>

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

June 30, 2021

Note 6. Capital Assets *(continued)*

	Balance July 1, 2020	Additions	Retirements & Disposals	Balance June 30, 2021
Business-Type Activities:				
Nondepreciable assets:				
Land	\$ 270,686	\$ -	\$ -	\$ 270,686
Construction in progress	1,285,921	1,418,514	235,498	2,468,937
Depreciable assets:				
Land improvements	87,131	-	-	87,131
Plant and buildings	18,980,306	306,626	-	19,286,932
Equipment	10,693,754	74,500	-	10,768,254
Infrastructure - mains, lines, etc.	22,740,735	178,539	-	22,919,274
Motor vehicles	167,364	64,550	-	231,914
Total Cost	54,225,897	2,042,729	235,498	56,033,128
Accumulated Depreciation:				
Land improvements	(85,466)	(175)	-	(85,641)
Plant and buildings	(11,990,407)	(447,879)	-	(12,438,286)
Equipment	(6,177,841)	(298,803)	-	(6,476,644)
Infrastructure - mains, lines, etc.	(16,013,741)	(175,375)	-	(16,189,116)
Motor vehicles	(167,364)	(8,607)	-	(175,971)
Total Accumulated Depreciation:	(34,434,819)	(930,839)	-	(35,365,658)
Net Capital Assets	\$ 19,791,078	\$ 1,111,890	\$ 235,498	\$ 20,667,470

Depreciation expense for the year ended June 30, 2021 was charged to the following Business-type Activities:

Business-Type Activities	
Sewer Authority	\$ 699,189
Water Supply Board	101,435
Smithfield Ice Rink	126,357
School Lunch Program	3,858
Total Depreciation Expense	\$ 930,839

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

June 30, 2021

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, 2021:

	<u>Due From</u>
General Fund:	
U.S. Department of Homeland Security	39,813
State of Rhode Island- COVID19 Related Reimbursement	540,005
School Unrestricted Fund:	
State of Rhode Island- Department of Education	33,289
State of Rhode Island- EDS- Medicaid Funding	27,543
Other Non-Major Governmental Funds:	
State of Rhode Island- Department of Education	-
State of Rhode Island- Various	569,258
State of Rhode Island- COVID19 Related Reimbursement	-
Total all fund types	<u>1,209,908</u>

Note 8. Long-term Debt

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

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

At June 30, 2021, the three percent (3%) debt limit of the Town was approximately \$ 91,789,000 based on the net assessed value of property at December 31, 2019, of \$3,059,630,920.

At June 30, 2021, the Town had a total of \$50,985,000 in authorized, unissued debt consisting of the following:

School Improvements - 2018 Local Acts 110/143	\$ 45,000,000
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>\$ 50,985,000</u>

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

June 30, 2021

Note 8. Long-term Debt (continued)

At June 30, 2021, 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 6/30/2020	Additions	Refundings & Retirements	Balance 6/30/2021	Due Within One Year
Governmental Activities:									
<i>General obligation bonds:</i>									
Capital Improvement Land Trust 2011 Series A	1/15/2011	\$ 6,270,000	3.00 - 4.00%	1/15/2031	\$ 4,185,000	\$ -	\$ 4,185,000	\$ -	\$ -
School Improvements 2012 Series A	5/30/2012	4,520,000	2.05%	10/15/2023	1,030,000	-	265,000	765,000	260,000
Capital Improvement Taxable Series B	5/30/2012	5,000,000	4.39%	5/15/2027	2,850,000	-	2,850,000	-	-
School Improvement 2015 Series C	12/22/2015	4,375,000	3.00 - 5.00%	5/15/2036	4,270,000	-	35,000	4,235,000	35,000
School Improvement 2015 Series E	12/22/2015	1,525,000	1.35% - 2.90%	5/15/2022	530,000	-	265,000	265,000	265,000
Police Improvement Bond 2016 Series A	9/1/2016	6,075,000	2.00-4.00%	9/1/2036	5,165,000	-	305,000	4,860,000	305,000
Series A 2020 (Tax-Exempt) Refunding of 2011A	02/26/21	2,050,000	3.0% - 5.0%	1/15/2031	-	2,050,000	-	2,050,000	210,000
Refunding of 2011A abd 2012 B	2/26/2021	4,355,000	.467% - 2.097%	1/15/2031	-	4,355,000	380,000	3,975,000	575,000
Total General Obligation Bonds		\$ 34,170,000			\$ 18,030,000	\$ 6,405,000	\$ 8,285,000	\$ 16,150,000	\$ 1,650,000
Premium on Bonds					709,795	-	86,445	623,350	86,445
Total Premium on Bonds					709,795	-	86,445	623,350	86,445
Other long-term obligation									
Net pension liability					72,428,898	-	12,671,436	59,757,462	-
Net OPEB liability					50,161,747	3,166,170	-	53,327,917	-
Compensated absences					5,912,097	-	9,316	5,902,781	2,243,057
Total other long-term obligation					128,502,742	3,166,170	12,680,752	118,988,160	2,243,057
Governmental Activities Long-Term Obligations					\$ 146,532,742	\$ 9,571,170	\$ 20,965,752	\$ 135,138,160	\$ 3,979,502

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

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

June 30, 2021

Note 8. Long-term Debt (continued)

Description of Purpose	Date of Issue	of Original Issue	Interest Rates	Date of Maturity	Balance 6/30/2020	Additions	Refundings & Retirements	Balance 6/30/2021	Due Within One Year
<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	\$ 193,000	\$ -	\$ 62,000	\$ 131,000	\$ 64,000
Rhode Island Infrastructure Bank	10/6/2009	560,000	2.89%	9/1/2024	198,101	-	37,318	160,783	37,318
Rhode Island Infrastructure Bank	6/28/2012	4,000,000	.22% - 2.76%	9/1/2032	2,791,000	-	174,533	2,616,467	60,238
Rhode Island Infrastructure Bank	6/16/2013	3,370,000	.19% - 2.53%	9/1/2033	2,358,300	-	178,700	2,179,600	168,450
Rhode Island Infrastructure Bank	6/30/2020	2,730,000	1.25%	6/30/2020	2,730,000	-	-	2,730,000	2,730,000
<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	95,000	-	23,000	72,000	24,000
Total bonds obligations		<u>\$ 11,737,000</u>			<u>\$ 8,365,401</u>	<u>\$ -</u>	<u>\$ 475,551</u>	<u>\$ 7,889,850</u>	<u>\$ 3,084,006</u>
Compensated absences					118,459	-	44,770	73,689	32,000
Business-type activities, long-term liabilities					<u>\$ 8,483,860</u>	<u>\$ -</u>	<u>\$ 520,321</u>	<u>\$ 7,963,539</u>	<u>\$ 3,116,006</u>

During fiscal 2021, the Town received \$114,783, from the Rhode Island Infrastructure Bank (RIIB) for the Town's share of the gain realized on a refunding completed by the RIIB on debt issued by the Sewer Authority. The Town has reported the proceeds as deferred inflows on the Statement of Net Position and will amortize the gain over the remaining useful life of the debt obligations. The future debt service requirements by the Town of Smithfield have not been impacted as a result of the RIIB refunding.

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

June 30, 2021

Note 8. Long-term Debt *(continued)*

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>
	<u>Bonds</u>		<u>Direct Borrowings & Direct Placement</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
Year ending June 30:					
2022	\$ 1,650,000	\$ 472,787	\$ 3,211,877	\$ 169,750	\$ 5,504,414
2023	1,640,000	436,601	491,602	101,485	2,669,688
2024	1,635,000	390,421	429,417	93,354	2,548,192
2025	1,385,000	345,067	417,826	84,902	2,232,795
2026	1,380,000	301,700	376,633	76,351	2,134,684
2027-2031	5,150,000	940,204	1,970,910	247,731	8,308,845
2032-2036	3,010,000	308,908	991,585	32,261	4,342,754
2037-2039	300,000	3,750	-	-	303,750
	<u>\$ 16,150,000</u>	<u>\$ 3,199,438</u>	<u>\$ 7,889,850</u>	<u>\$ 805,834</u>	<u>\$ 28,045,122</u>

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

June 30, 2021

Note 9. Fund Balances

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

	Major Funds				Non-Major Funds			Total
	General Fund	School Unrestricted	School Reno Fund	Town Special Revenue	School Special Revenue	Town Capital Projects	Permanent Funds	
Fund Balances								
Nonspendable								
Receivable from Salt Barn Property	\$ 1,010,496	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,010,496
Receivable from Capital Lease Fund	834,352	-	-	-	-	-	-	834,352
Long-term portion of note receivable from Greenville Public Library	161,171	-	-	-	-	-	-	161,171
Prepaid Expenditures	-	4,677	-	-	-	-	-	4,677
Restricted for								
General government	-	-	-	321,010	-	-	-	321,010
Public Safety	-	-	-	28,562	-	-	-	28,562
Public works	-	-	-	-	-	517,426	-	517,426
Education	-	-	8,676,706	-	427,516	-	-	9,104,222
Recreation and Senior Activities	-	-	-	209,230	-	-	63,703	272,933
Committed to								
Animal Control	-	-	-	28,681	-	-	-	28,681
Animal Control Spay & Neuter	-	-	-	6,540	-	-	-	6,540
Public Safety- Police	-	-	-	651,828	-	-	-	651,828
Municipal Contingencies	-	-	-	32,620	-	-	-	32,620
Retirement Escrow	-	-	-	668,861	-	-	-	668,861
Revaluation Escrow	-	-	-	206,868	-	-	-	206,868
Neighborhood Center	-	-	-	38,826	-	-	-	38,826
General Public Assistance	-	-	-	60,923	-	-	-	60,923
Educational purposes	-	3,058,538	-	-	-	-	-	3,058,538
Capital projects	-	-	-	-	-	4,684,107	-	4,684,107
Re-appropriation of balances to 2022 expenditures	3,116,297	-	-	-	-	-	-	3,116,297
Capital expenditures carryover	2,636,455	-	-	-	-	-	-	2,636,455
To supplement fiscal 2022 budget appropriation	600,000	-	-	-	-	-	-	600,000
Assigned to								
Unassigned	6,300,392	-	-	(95)	-	(3,158,557)	-	3,141,740
Total	\$ 14,659,163	\$ 3,063,215	\$ 8,676,706	\$ 2,253,854	\$ 427,516	\$ 2,042,976	\$ 63,703	\$ 31,187,133

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

Note 9. Fund Balances

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, 2021, 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, 2021, should be \$6,300,392 which is 8% of the fiscal 2022 approved budget of \$78,754,901. As seen in the accompanying supplementary information, at June 30, 2021 the Town's General fund reported unassigned fund balance of \$2,901,412. This unassigned fund balance June 30, 2021 totaled \$6,300,392. The unassigned fund balance in the Town's General Fund at June 30, 2021, 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, 2021:

Major Governmental Funds:

None

NonMajor Governmental Funds:

Salt Barn Property	\$	1,010,496
Special Project Fund		136,252
Fire Station Bond		54,853
Capital Lease Fund		1,956,956
Commercial Weight Enforcement		106
Total aggregate deficit fund balances	\$	<u>3,158,663</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, 2021

Note 9. Fund Balances (continued)

Fund Deficits(continued):

The following individual funds had operating deficits for the year ending June 30, 2021:

Major Governmental Funds:

General Fund	\$ 414,463
Total Major Governmental Funds	<u>414,463</u>

Business-Type Activities:

Sewer Authority	295,352
Ice Rink	<u>20,101</u>
Total Business-Type Activities	<u>315,453</u>

Non-major Governmental Funds:

Special Revenue Funds:

Revaluation Escrow	28,608
Neighborhood Center Fund	9,521
Municipal Contingency Escrow	199,997
Play for all Fund	7,739
Commercial Weight Enforcement	106
School Restricted Funds	40,668

Capital Projects Funds:

Land Trust	5,571
Capital Lease Fund	1,122,604
Special Projects Fund	7,089
Police Improvement Fund	9,983
Capital Reserve Fund	100,000
Police Equipment	10,890
Smithfield Fire Rescue	270,955
Fire Station Bond	<u>54,853</u>
Total Non-Major Governmental Activities	<u>\$ 1,868,584</u>

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

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, 2021 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, 2021 is as follows:

Governmental Funds:	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>	<u>Other Financing Sources</u>	<u>Other Financing Uses</u>
Major Governmental Funds:				
General fund	\$ 6,780,115	\$ 25,971,502	\$ 431,867	\$ 32,568,036
School Renovations Bond	15,341,215	-	-	-
School Unrestricted Fund	3,846,441	-	32,538,175	-
Total Major Governmental Funds	<u>25,967,771</u>	<u>25,971,502</u>	<u>32,970,042</u>	<u>32,568,036</u>
Non-Major Governmental Funds:				
Town special revenue	1,416,558	200,787	-	200,000
School special revenue	158,136	573,665	-	-
Town capital projects	2,407,116	4,092,643	520,568	290,707
Total Non-Major Governmental Funds	<u>3,981,810</u>	<u>4,867,095</u>	<u>520,568</u>	<u>490,707</u>
Proprietary Funds:				
Sewer Authority	1,961,244	-	-	205,725
Water Supply Board	-	100,680	-	226,142
Smithfield Ice Rink	-	971,548	-	-
School Lunch Program	-	-	-	-
Total Proprietary Funds	<u>1,961,244</u>	<u>1,072,228</u>	<u>-</u>	<u>431,867</u>
Total all Funds	<u>\$ 31,910,825</u>	<u>\$ 31,910,825</u>	<u>\$ 33,490,610</u>	<u>\$ 33,490,610</u>

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

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, 2021

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, 2021

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, 2021

Note 11. Defined Benefit Pension Plans (continued)

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

General Information about the Pension Plan (continued):

Other benefit provisions (continued):

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

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

b. Effective July 1, 2015, the COLA is determined based on 50% of the plan's five-year average investment rate of return less 5.5% limited to a range of 0.0% to 4.0%, plus 50% of the lesser of 3.0% or last year's CPI-U increase for a total maximum increase of 3.50%. Previously, it was the plan's five-year average investment rate of return less 5.5% limited to a range of 0.0% to 4.0%

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

Employees covered by the benefit terms:

At the June 30, 2020, 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	38	73	10	-	121
Inactive, Non-retired Members	19	21	4	3	47
Active Members	72	90	42	31	235
Total	129	184	56	34	403

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

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 2% of their salaries. General employees with more than 20 years of service as of June 30, 2012 are required to contribute 9%. 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 employee payroll as determined by an independent actuary on an annual basis. The General Assembly can amend the amount of these contribution requirements. The contribution rates for fiscal 2020, were determined by the actuarial valuation dated June 30, 2020.

The contribution information for the fiscal year ended June 30, 2021, for the MERS plans is as follows:

	General Employees MERS Plan - Town	General Employees MERS Plan - School	Police Employees MERS Plan	Fire Employees MERS Plan	Total
Employer Contributions	\$ 444,101	\$ 363,816	\$ 395,404	\$ 181,805	\$ 1,385,126
Covered Payroll	4,556,198	3,754,553	3,297,781	1,805,499	13,414,031
Percentage of annual covered payroll	9.75%	9.69%	11.99%	10.07%	8.82%

Net Pension Liability (Asset):

The total pension liability was determined by actuarial valuations performed as of June 30, 2019 and rolled forward to June 30, 2020, 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, 2021

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, 2020 measurement date (June 30, 2019 valuation rolled forward to June 30, 2020)	
Actuarial Cost Method	Entry Age Normal - the Individual Entry Age Actuarial Cost methodology is used.
Amortization Method	Level Percent of Payroll – Closed
Actuarial Assumptions	
Investment Rate of Return	7.00%
Projected Salary Increases	General Employees - 3.50% to 7.25% ; Police & Fire Employees - 4.00% to 14.00%
Inflation	2.5 %
Mortality	Mortality – Variants of the PUB (10) Tables for Healthy and Disabled Retirees, projected with Scale Ultimate MP16.
Cost of Living Adjustments	A 2.1% COLA is assumed for all MERS units with the COLA provision.

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

The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from 39 sources. The June 30, 2020, 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, 2021

Note 11. Defined Benefit Pension Plans (continued)

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

Net Pension Liability (Asset) (continued):

<u>Asset class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Arithmetic Real Rate of Return</u>
Global Equity		
U.S. equity	23.00%	6.31%
International Developed Equity	12.10%	6.71%
Emerging Market Equity	4.90%	8.69%
Private Growth		
Private Equity	11.25%	9.71%
Non-Core Real Estate	2.25%	5.66%
Opportunistic Private Credit	1.50%	9.71%
Income		
High Yield Infrastructure	1.00%	3.88%
REITS	1.00%	5.66%
Equity Options	2.00%	6.04%
EMD (50/50 Blend)	2.00%	2.28%
Liquid Credit	2.80%	3.88%
Private Credit	3.20%	3.88%
Crisis Protection Class		
Treasury Duration	5.00%	0.10%
Systematic Trend	5.00%	3.84%
Inflation Protection		
Core Real Estate	3.60%	5.66%
Private Infrastructure	2.40%	6.06%
TIPs	2.00%	0.74%
Volatility Protection		
IG Corp Credit	3.25%	1.54%
Securitized Credit	3.25%	1.54%
Absolute Return	6.50%	3.84%
Cash	2.00%	0.10%
Total	<u>100.00%</u>	

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

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

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, 2019	\$ 19,151,085	\$ 16,456,914	\$ 2,694,171
Changes for the Year			
Service cost	384,844		384,844
Interest on the total pension liability	1,322,634		1,322,634
Changes in benefits	-		-
Difference between expected and actual experience	21,099		21,099
Changes in assumptions	(185,336)		(185,336)
Employer contributions	-	474,051	(474,051)
Employee contributions	-	143,588	(143,588)
Net investment income	-	609,108	(609,108)
Benefit payments, including employee refunds	(897,480)	(897,480)	-
Administrative expense	-	(16,782)	16,782
Other changes	-	(85,112)	85,112
Net changes	<u>645,761</u>	<u>227,373</u>	<u>418,388</u>
Balances as of June 30, 2020	<u>\$ 19,796,846</u>	<u>\$ 16,684,287</u>	<u>\$ 3,112,559</u>

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

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, 2019	\$ 15,040,824	\$ 12,846,130	\$ 2,194,694
Changes for the Year			
Service cost	337,729	-	337,729
Interest on the total pension liability	1,033,503	-	1,033,503
Changes in benefits	-	-	-
Difference between expected and actual experience	(245,013)	-	(245,013)
Changes in assumptions	(196,250)	-	(196,250)
Employer contributions	-	316,970	(316,970)
Employee contributions	-	84,390	(84,390)
Net investment income	-	466,725	(466,725)
Benefit payments, including employee refunds	(890,724)	(890,724)	-
Administrative expense	-	(12,859)	12,859
Other changes	-	(26,412)	26,412
Net changes	39,245	(61,910)	101,155
Balances as of June 30, 2020	<u>\$ 15,080,069</u>	<u>\$ 12,784,220</u>	<u>\$ 2,295,849</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, 2019	\$ 19,613,167	\$ 17,967,494	\$ 1,645,673
Changes for the Year:			
Service cost	679,340	-	679,340
Interest on the total pension liability	1,384,340	-	1,384,340
Changes in benefits	-	-	-
Difference between expected and actual experience	(60,553)	-	(60,553)
Changes in assumptions	(115,936)	-	(115,936)
Employer contributions	-	415,375	(415,375)
Employee contributions	-	334,981	(334,981)
Net investment income	-	695,138	(695,138)
Benefit payments, including employee refunds	(353,102)	(353,102)	-
Administrative expense	-	(19,153)	19,153
Other changes	-	(1)	1
Net changes	1,534,089	1,073,238	460,851
Balances as of June 30, 2020	<u>\$ 21,147,256</u>	<u>\$ 19,040,732</u>	<u>\$ 2,106,524</u>

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

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, 2019	\$ 1,827,521	\$ 1,873,143	\$ (45,622)
Changes for the Year:			
Service cost	347,603	-	347,603
Interest on the total pension liability	140,093	-	140,093
Changes in benefits	-	-	-
Difference between expected and actual experience	(51,293)	-	(51,293)
Changes in assumptions	(24,881)	-	(24,881)
Employer contributions	-	154,529	(154,529)
Employee contributions	-	173,951	(173,951)
Net investment income	-	82,681	(82,681)
Benefit payments, including employee refunds	-	-	-
Administrative expense	-	(2,278)	2,278
Other changes	-	(17,279)	17,279
Net changes	<u>411,522</u>	<u>391,604</u>	<u>19,918</u>
Balances as of June 30, 2020	<u>\$ 2,239,043</u>	<u>\$ 2,264,747</u>	<u>\$ (25,704)</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	4,875,853	3,112,559	984,394
General Employees MERS Plan - School	3,658,447	2,295,849	651,579
Police Employees MERS Plan	3,935,196	2,106,524	(100,626)
Fire Employees MERS Plan	165,803	(25,704)	(256,346)

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

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, 2021, 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	\$ 710,668
General Employees MERS Plan - School	762,958
Police Employees MERS Plan	690,756
Fire Employees MERS Plan	191,192

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

Total Aggregate Data from All Plans		
<u>Description of Outflows/Inflows</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 789,178	\$ 1,431,858
Changes of assumptions	827,146	549,728
Net difference between projected and actual earnings on pension plan investments	868,903	-
Town contributions subsequent to measurement date	<u>1,385,126</u>	<u>-</u>
	<u>\$ 3,870,353</u>	<u>\$ 1,981,586</u>
Net amount of deferred outflows and (inflows) excluding Town contributions subsequent to measurement date		<u>\$ 503,641</u>

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

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):

\$503,641 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>	
2021	\$ (14,440)
2022	265,117
2023	251,229
2025	199,399
2025	(358)
Thereafter	<u>(197,306)</u>
	<u>\$ 503,641</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, 2021

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 2021, 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 10.75% and 14.50% of annual covered payroll for the fiscal year ended June 30, 2020 for the state and Town of Smithfield, respectively. The Town of Smithfield was required to contribute 25.25% for federally funded salaries. The Town of Smithfield contributed \$2,724,651, \$2,838,550 and \$2,719,900 for the fiscal years ended June 30, 2021, 2020 and 2019, respectively, equal to 100% of the required contributions for each year. The State's share of contribution for fiscal 2021 was \$2,214,138 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, 2021

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, 2021, the Town of Smithfield reported a liability of \$33,442,616 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	\$	33,442,616
State's proportionate share of the net pension liability associated with the Smithfield School Department		24,848,683
Total net pension liability	\$	58,291,299

The net pension liability was measured as of June 30, 2020, 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, 2019 rolled forward to June 30, 2020. 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, 2020 the Town of Smithfield's proportion was 1.04671533%.

For the year ended June 30, 2021 the Town of Smithfield recognized gross pension expense in the Government-wide financial statements of \$6,163,684 and operating grants and contributions for education of \$2,514,716 for support provided by the State. At June 30, 2021 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	\$ 326,979	\$ 651,746
Changes of assumptions	1,492,932	779,324
Net difference between projected and actual earnings on pension plan investments	678,951	
Changes in proportion and differences between System contributions and proportionate share contributions	1,293,124	1,064,686
Contributions subsequent to the measurement date	2,724,651	-
	\$ 6,516,637	\$ 2,495,756
Net amount of deferred outflows and (inflows) excluding PSD contributions subsequent to measurement date		\$ 1,296,230

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

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):

\$2,724,651 reported as deferred outflows of resources related to pensions resulting from the Town of Smithfield contributions in fiscal year 2021 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:	
2022	\$ 419,260
2023	605,851
2024	469,676
2025	237,340
2026	(230,712)
Thereafter	<u>(205,185)</u>
	<u>\$ 1,296,230</u>

Actuarial Assumptions:

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

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

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

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

The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from 39 sources. The June 30, 2020 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, 2021

Note 11. Defined Benefit Pension Plans (continued)

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

Actuarial Assumptions (continued):

Asset class	Target allocation	Long-term expected real rate of return
GROWTH		
Global equity		
U.S. equity	23.00%	6.31%
International Developed Equity	12.10%	6.71%
Emerging Markets Equity	4.90%	8.69%
Sub-total	40.00%	
Private Growth		
Private Equity	11.25%	9.71%
Non-Core RE	2.25%	5.66%
Opportunistic Private Credit	1.50%	9.71%
Sub-total	15.00%	
INCOME		
High Yield Infrastructure	1.00%	3.88%
REITS	1.00%	5.66%
Equity Options	2.00%	6.04%
EMD (50/50 Blend)	2.00%	2.28%
Liquid Credit	2.80%	3.88%
Private Credit	3.20%	3.88%
Sub-total	12.00%	
STABILITY		
Crisis Protection Class		
Treasury Duration	5.00%	0.10%
Systematic Trend	5.00%	3.84%
Sub-total	10.00%	
Inflation Protection		
Core Real Estate	3.60%	5.66%
Private Infrastructure	2.40%	6.06%
TIPs	2.00%	0.74%
Sub-total	8.00%	
Volatility Protection		
IG Fixed Income	3.25%	1.54%
Securitized Credit	3.25%	1.54%
Absolute Return	6.50%	3.84%
Cash	2.00%	0.10%
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, 2021

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%)
\$ 40,125,849	\$ 33,442,616	\$ 25,377,051

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, 2021

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, 2021

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 \$27,616 \$27,964 and \$28,620 for the fiscal years ended June 30, 2021, 2020 and 2019, 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, 2021, the Smithfield School Department reported an asset of \$4,453,357 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, 2020, 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, 2019, rolled forward to 2020. The Smithfield School Department proportion of the net pension asset was based on its share of contributions to the TSB for fiscal year 2020 relative to the total contributions of all participating employers for that fiscal year. At June 30, 2020, the Smithfield School Department proportion was 3.74976707%.

For the year ended June 30, 2021 the Town of Smithfield recognized pension expense of (\$139,706) – an increase of the net pension asset.

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

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, 2021 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	\$ 381,952	\$ 949,628
Changes of assumptions	300,484	307,739
Net difference between projected and actual earnings on pension plan investments	217,324	-
Changes in proportion and differences between System contributions and proportionate share contributions	146,143	104,018
Contributions subsequent to the measurement date	27,616	-
	<u>\$ 1,073,519</u>	<u>\$ 1,361,385</u>
Net amount of deferred outflows and (inflows) excluding Town contributions subsequent to measurement date		<u>\$ (315,482)</u>

\$27,616 reported as deferred outflows of resources related to pensions resulting from the Town of Smithfield School Department contributions in fiscal year 2021 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:		
2022	\$	(54,196)
2023		36,423
2024		59,073
2025		(45,848)
2026		(127,569)
Thereafter		<u>(183,365)</u>
	\$	<u>(315,482)</u>

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

Note 11. Defined Benefit Pension Plans (continued)

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

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

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

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

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

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

The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from 39 sources. The June 30, 2020 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, 2021

Note 11. Defined Benefit Pension Plans (continued)

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

Actuarial Assumptions (continued):

Asset class	Target allocation	Long-term expected real rate of return
GROWTH		
Global equity		
U.S. equity	23.00%	6.31%
International Developed Equity	12.10%	6.71%
Emerging Markets Equity	4.90%	8.69%
<i>Sub-total</i>	40.00%	
Private Growth		
Private Equity	11.25%	9.71%
Non-Core RE	2.25%	5.66%
Opportunistic Private Credit	1.50%	9.71%
<i>Sub-total</i>	15.00%	
INCOME		
High Yield Infrastructure	1.00%	3.88%
REITS	1.00%	5.66%
Equity Options	2.00%	6.04%
EMD (50/50 Blend)	2.00%	2.28%
Liquid Credit	2.80%	3.88%
Private Credit	3.20%	3.88%
<i>Sub-total</i>	12.00%	
STABILITY		
Crisis Protection Class		
Treasury Duration	5.00%	0.10%
Systematic Trend	5.00%	3.84%
<i>Sub-total</i>	10.00%	
Inflation Protection		
Core Real Estate	3.60%	5.66%
Private Infrastructure	2.40%	6.06%
TIPs	2.00%	0.74%
<i>Sub-total</i>	8.00%	
Volatility Protection		
IG Fixed Income	3.25%	1.54%
Securitized	3.25%	1.54%
Absolute Return	6.50%	3.84%
Cash	2.00%	0.10%
<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, 2021

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%)
\$ (3,704,324)	\$ (4,453,357)	\$ (5,357,564)

Pension plan fiduciary net position

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

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

Police Pension Trust:

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

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

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

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, 2021, the Town contributed \$2,152,683 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, 2021.

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, 2020 as follows:

Inflation	3.00 percent
Salary increases	N/A
Investment rate of return	7.50 percent, net of expenses expense, including inflation
Discount Rate	7.50 percent
Mortality	2010 Public Sector Retirement Plan Mortality Table for Safety Annuitants with above average benefits and MP-2020 mortality improvement scale (M/F). 2010 Public Sector Retirement Plan Mortality for Disabled Safety Participants with MP-2020 mortality improvement scale (M/F)
Municipal Bond	2.18 percent. The Municipal Bond rates is based on the S&P Municipal Bond 20 Year High Grade Index

Mortality – 2010 Public Sector Retirement Plan Mortality Table for safety annuitants with above average benefits and MP 2020 mortality improvement scale (M/F).

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, 2021

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, 2021 was approximately \$2,672,075. At June 30, 2021 the plan included 75 participants which were comprised of the following: 35 active participants, 30 retirees and beneficiaries, 6 disabled members, 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 25.83% for fiscal 2021. During the year ended June 30, 2021, the Town contributed approximately \$669,635 to the plan.

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

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, 2020 as follows:

Inflation	3.00 percent
Salary increases	3.00 percent
Investment rate of return	7.50 percent, net of expenses expense, including inflation
Discount Rate	7.48 percent
Mortality	2010 Public Safety Above Median for Employees, Healthy Annuitants, and Disabled Retirees, with Scale MP-2020 Generational Improvements (M/F)
Municipal Bond	2.18 percent. The Municipal Bond rates is based on the S&P Municipal Bond 20 Year High Grade Index

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

Investment Policy

The Police and Fire plan assets are invested in equities covering various sector. These equities include domestic, foreign, and fixed income securities. The investments are investment are managed by an investment advisor and the performance is monitored by Town Officials.

Rate of Return

For the year ended June 30, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan expense was 25.62% and 28.60% 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, 2021, 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, 2021

Note 11. Defined Benefit Pension Plans (continued)

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

Rate of Return (continued)

Asset Class	Target Asset Allocation	Long-Term Expected Rate of Return
Domestic Equity	45.00%	12.20%
International Equity	21.00%	10.50%
Fixed Income	34.00%	5.70%
Total	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, 2021.

Investments	Fire Pension Trust Fair Value	% of Fiduciary Net Position	Police Pension Trust Fair Value	% of Fiduciary Net Position
Global Investors- LG S&P Index SEP			\$ 3,484,989	25.72%
Vanguard Short-Term Bond Index	\$ 3,957,866	12.23%		
Vanguard Short-Term Corporate Bond Index	\$ 3,971,377	12.27%		
Ishares MSC/EAFE International Index	\$ 3,475,750	10.74%		
Global Investors-LG S&P Index SEP	\$ 8,234,186	25.45%		

Net Pension Liability

The net pension liability consisted of the following components at June 30, 2021:

Component:	Fire Pension Trust	Police Pension Trust
Total pension liability	\$ 39,576,036	\$ 25,083,482
Plan fiduciary net position	32,359,220	13,551,791
Net pension Liability	\$ 7,216,816	\$ 11,531,691
Plan fiduciary net position as a percentage of the total pension liability	81.76%	54.03%

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

Note 11. Defined Benefit Pension Plans (continued)

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

Discount Rate

The discount rate used to measure the total pension liability was 7.48% 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, 2021, actuarial valuation of the Fire Pension Trust Plan utilized a discount rate of 7.48%. 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.

	<u>1% Decrease (6.50%)</u>	<u>Current Discount Rate (7.50%)</u>	<u>1% Increase (8.50%)</u>
Police Pension Plan - Trust Fund	\$ 14,321,625	\$ 11,531,691	\$ 9,192,707
	<u>1% Decrease (6.48%)</u>	<u>Current Discount Rate (7.48%)</u>	<u>1% Increase (8.48%)</u>
Fire Pension Plan- Trust Fund	\$ 13,037,752	\$ 7,216,815	\$ 2,500,344

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

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

For the year ended June 30, 2021, the Town of Smithfield recognized pension expense of \$105,436 (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	525,625	1,534,853
Total deferred outflows / (inflows)	\$ 525,625	\$ 1,534,853

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:	
2022	\$ (205,858)
2023	(182,896)
2024	(242,501)
2025	(377,973)
2026	-
	\$ (1,009,228)

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

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 7/1/2020	\$ 25,623,165	\$ 10,482,523	\$ 15,140,642
Changes for the year:			
Service cost	-	-	-
Interest on total pension liability	1,851,629	-	1,851,629
Change of benefit terms	-	-	-
Differences between expected and actual experience	(479,679)	-	(479,679)
Changes in assumptions	(158,751)	-	(158,751)
Contributions - employer	-	2,152,683	(2,152,683)
Contributions - employee	-	-	-
Net investment income	-	2,686,667	(2,686,667)
Benefit payments	(1,752,882)	(1,752,882)	-
Administrative expense	-	(17,200)	17,200
Net changes	<u>(539,683)</u>	<u>3,069,268</u>	<u>(3,608,951)</u>
Balance as of 6/30/2021	<u>\$ 25,083,482</u>	<u>\$ 13,551,791</u>	<u>\$ 11,531,691</u>

For the year ended June 30, 2021 the Town of Smithfield recognized pension expense of \$2,011,357 (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	\$ 147	\$ 995,063
Changes of assumptions	1,703,935	5,093,958
Difference between projected and actual earnings on plan investments	1,238,842	4,245,462
Total deferred outflows / (inflows)	<u>\$ 2,942,924</u>	<u>\$ 10,334,483</u>

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

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:	
2022	\$ (1,774,781)
2023	(1,404,744)
2024	(1,655,538)
2025	(1,899,301)
2026	(657,195)
Thereafter	-
	<u>\$ (7,391,559)</u>

Changes in the Net Pension Liability (Asset)

	Fire Pension Plan - Trust Fund		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	<u>(a)</u>	<u>(b)</u>	<u>(a) - (b)</u>
Balance as of 7/1/2020	\$ 42,823,858	\$ 26,086,809	\$ 16,737,049
Changes for the year:			
Service cost	588,208	-	588,208
Interest on total pension liability	2,876,834	-	2,876,834
Change of benefit terms	-	-	-
Differences between expected and actual experience	(817,494)	-	(817,494)
Changes in assumptions	(4,221,011)	-	(4,221,011)
Contributions - employer	-	669,635	(669,635)
Contributions - employee	-	261,576	(261,576)
Net investment income	-	7,033,060	(7,033,060)
Benefit payments	(1,674,360)	(1,674,360)	-
Administrative expense	-	(17,500)	17,500
Net changes	<u>(3,247,823)</u>	<u>6,272,411</u>	<u>(9,520,234)</u>
Balance as of 6/30/2021	<u>\$ 39,576,035</u>	<u>\$ 32,359,220</u>	<u>\$ 7,216,815</u>

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

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	\$ 444,101	\$ 363,816	\$ 395,404	\$ 181,805	\$ 2,724,651	\$ 27,616	\$ -	\$ -	\$ 4,137,393
Net difference between projected and actual experience	296,377	239,042	305,897	27,587	678,951	217,324	525,625	147	2,290,950
Difference between expected and actual experience	202,539	140,917	445,712	10	326,979	381,952	-	-	1,498,109
Changes in assumptions	271,076	72,687	420,404	62,979	1,492,932	300,484	-	1,703,935	4,324,497
Changes in proportion an difference in employer contributions and proportion	-	-	-	-	1,293,124	146,143	-	1,238,842	2,678,109
Subtotal deferred outflows of resources	<u>769,992</u>	<u>452,646</u>	<u>1,172,013</u>	<u>90,576</u>	<u>3,791,986</u>	<u>1,045,903</u>	<u>525,625</u>	<u>2,942,924</u>	<u>10,791,665</u>
Deferred Inflows of Resources:									
Difference between actual and expected experience	-	192,646	566,074	193,861	651,746	949,628	-	995,063	3,549,018
Net difference between projected and actual experience	479,277	-	-	-	-	-	1,534,853	4,245,462	6,259,592
Changes in assumptions	174,954	154,305	195,652	24,817	779,324	307,739	-	5,093,958	6,730,749
Changes in proportion and difference in employer contributions and proportion	-	-	-	-	1,064,686	104,018	-	-	1,168,704
Subtotal deferred inflows of resources	<u>654,231</u>	<u>346,951</u>	<u>761,726</u>	<u>218,678</u>	<u>2,495,756</u>	<u>1,361,385</u>	<u>1,534,853</u>	<u>10,334,483</u>	<u>17,708,063</u>
Net Deferred Outflows (Inflows)	<u>\$ 115,761</u>	<u>\$ 105,695</u>	<u>\$ 410,287</u>	<u>\$ (128,102)</u>	<u>\$ 1,296,230</u>	<u>\$ (315,482)</u>	<u>\$ (1,009,228)</u>	<u>\$ (7,391,559)</u>	<u>\$ (6,916,398)</u>

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

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 2021 contributions to pension plans subsequent to the measurement date (June 30, 2020 where applicable) will be recognized as a reduction of the net pension liability for the year ended June 30, 2022.

Other amounts noted above and reported as deferred outflows or inflows of resources at June 30, 2021, 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
2022	\$ (40,909)	\$ 26,083	\$ (14,073)	\$ 14,459	\$ 419,260	\$ (54,196)	\$ (205,858)	\$ (1,774,781)	\$ (1,630,015)
2023	107,980	26,017	(3,284)	134,404	605,851	36,423	(182,896)	(1,404,744)	(680,249)
2024	46,052	34,808	888	169,481	469,676	59,073	(242,501)	(1,655,538)	(1,118,061)
2025	21,795	18,787	1,116	157,701	237,340	(45,848)	(377,973)	(1,899,301)	(1,886,383)
2026	(19,157)	-	(10,735)	29,534	(230,712)	(127,569)	-	(657,195)	(1,015,834)
Thereafter	-	-	(102,014)	(95,292)	(205,185)	(183,365)	-	-	(585,856)
Total	\$ 115,761	\$ 105,695	\$ (128,102)	\$ 410,287	\$ 1,296,230	\$ (315,482)	\$ (1,009,228)	\$ (7,391,559)	\$ (6,916,398)

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

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 Plan	ERS Teachers	TSB Teachers	Town Plan	Total
Net Pension Asset	\$ 25,704	\$ -	\$ 4,453,357	\$ -	\$ 4,479,061
Deferred Outflows of Resources - Pension	2,072,698	6,516,637	1,073,519	3,468,549	13,131,403
Deferred Inflows of Resources - Pension	(1,553,606)	(2,495,756)	(1,361,385)	(8,799,630)	(14,210,377)
Net Pension Liability	7,566,340	33,442,616	-	18,748,506	59,757,462
Pension Expense	2,355,574	6,163,684	139,706	2,116,793	10,775,757
Total	<u>\$ 10,466,710</u>	<u>\$ 43,627,181</u>	<u>\$ 4,305,197</u>	<u>\$ 15,534,218</u>	<u>\$ 73,933,306</u>

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

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 \$2,241,765 and \$1,394,276 respectively, during the fiscal year ended June 30, 2021. The employer contribution of \$631,000 consisted of \$39,456 for general municipal employees, \$179,366 for noncertified school employees, and \$218,822 for certified teachers.

Although the Town (School Department) is required to contribute 3% towards the plan for certified teachers, the School Department received reimbursement from the State of Rhode Island for .4% of 1% to 1.5% of the required contributions. For financial reporting purposes, the State's share of the contribution is reflected as on-behalf payments and is included as both revenue and expenditures in the accompanying financial statements. The on-behalf contributions for the defined contribution plan for the fiscal year ended June 30, 2021, amounted to \$218,822 and recorded in the School Unrestricted Fund as on-behalf revenue and education expenditures.

The Town of Smithfield recognized pension expense of approximately \$1,394,276 for the fiscal year ended June 30, 2021, 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, 2021

Note 12. Defined Contribution Plan (continued)

	EE Contribution	ER Contribution
Members of the Employees Retirement System of Rhode Island:		
Teachers with less than 10 years of service as of 7/1/2012 and:		
who contribute to Social Security	5%	1%
who do not contribute to Social Security	7%	3%
Teachers with 10 to 15 years of service as of 7/1/2012 and:		
who contribute to Social Security	5%	1.25%
who do not contribute to Social Security	7%	3.25%
Teachers with 15 to 20 years of service as of 7/1/2012 and:		
who contribute to Social Security	5%	1.50%
who do not contribute to Social Security	7%	3.50%
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	N/A	N/A
General Employees with less than 10 years of services as of 7/1/2012 and:		
who contribute to Social Security	5%	1%
who do not contribute to Social Security	7%	3%
General Employees with 10 to 15 years of service as of 7/1/2012 and:		
who contribute to Social Security	5%	1.25%
who do not contribute to Social Security	7%	3.25%
General Employee with 15 to 20 years of service as of 7/1/2012 and:		
who contribute to Social Security	5%	1.50%
who do not contribute to Social Security	7%	3.50%

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, 2021

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, 2020 there were approximately 525 participants included in the valuation analysis completed by the Town's actuary. The participants consisted of 471 active plan members and 54 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, 2021, measured as of June 30, 2021, with a valuation date of July 1, 2021:

Total OPEB liability	\$ 59,443,000
Plans fiduciary net position	<u>6,115,083</u>
Town's net OPEB liability	<u>\$ 53,327,917</u>
Plan net position as a percentage of the total OPEB liability	10.29%

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

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

Change in Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2020	\$ 54,464,906	\$ 4,303,159	\$ 50,161,747
Changes for the year:			
Service cost	2,440,168	-	2,440,168
Interest on net OPEB liability	1,435,806	-	1,435,806
Changes of benefit terms	(2,252,900)	-	(2,252,900)
Differences between actual and expected experience	1,756,101	-	1,756,101
Changes in assumptions	2,703,102	-	2,703,102
Employer contributions	-	1,566,883	(1,566,883)
Employee contributions	81,760	81,760	-
Net investment income	-	1,364,377	(1,364,377)
Benefits paymnets	(1,185,943)	(1,185,943)	-
Administrative expense	-	(15,153)	15,153
Other changes in plan fiduciary net position	-	-	-
Net changes	<u>4,978,094</u>	<u>1,811,924</u>	<u>3,166,170</u>
Balances at June 30, 2021	<u>\$ 59,443,000</u>	<u>\$ 6,115,083</u>	<u>\$ 53,327,917</u>

Discount Rate

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

The discount rate is the single equivalent rate which results in the same present value as discounting future benefit payments made from assets at the long term expected rate of return and discounting future benefit payments funded on a pay-as-you go basis on the municipal bond 20-year index rate. As of June 30, 2021, the single equivalent discount rate used in the valuation was 2.20% while the indexed rate was 2.18%. The discount rate used at June 30, 2020, was 2.68% while the indexed rate was 2.66%.

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

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, 2021, calculated using an assumed discount rate of 2.20% 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 2.20% was decreased from the discount rate of 2.68% which was assumed for the net OPEB liability as of the beginning of the year.

	Impact of 1% Change in Discount Rate		
	1% Decrease (1.20%)	Current discount rate (2.20%)	1% Increase (3.20%)
Total OPEB liability	\$ 59,473,672	\$ 53,327,917	\$ 47,864,275

Long Term Expected Rate of Return:

The actuarial valuation as of July 01, 2020, uses a long term rate of return 6.96% 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, 2022, 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, 2021 Asset Allocation*	Target Allocation	Long-Term Expected Rate of Return
US Large Cap Equity	42.00%	42.00%	8.00%
Non US Equity	25.20%	25.20%	8.60%
US Aggregate Bonds	9.70%	9.70%	3.60%
Intermediate-Term Credit	4.70%	4.70%	4.20%
Short-Term Credit	2.90%	2.90%	3.90%
Intermediate-Term TIPS	6.80%	6.80%	2.70%
REITs	8.70%	8.70%	6.80%
Total	100.00%	100.00%	

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

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 30.14% for fiscal 2021. The money-weighted rate of return considers the changing amounts actually invested during a period and assumes that contributions and expenses are paid in the middle of the plan year.

Healthcare Trend Rates:

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

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

The following presents the net OPEB Liability as of June 30, 2020, calculated using an assumed healthcare trend rate of 6.5% down by the Getzen model to 4.04% 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 3.04%)	Current trend rate (6.50% decreasing to 4.04%)	1% Increase (7.50% decreasing to 5.04%)
Total OPEB liability	\$ 46,231,156	\$ 53,327,917	\$ 61,787,411

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

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, 2021, in the Government-Wide Statement of Net Position as follows:

Deferred outflows of resources	
Differences between actual and expected experience	\$ 6,531,099
Changes in assumptions	5,468,544
Deferred inflows of resources	
Differences between actual and expected experience	1,608,576
Changes in assumptions	2,766,597
Net difference between projected and actual earnings on OPEB plan investments	<u>821,114</u>
Total	<u><u>\$ 6,803,356</u></u>

The amounts noted above and reported as deferred outflows (inflows) of resources at June 30, 2021, will be recognized as a component of OPEB expense in the Government-Wide Statement of Activities over the following periods of time:

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

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

Year ended June 30:	
2022	\$ 778,370
2023	791,160
2024	792,874
2025	777,778
2026	964,489
Thereafter	<u>2,698,685</u>
Total	<u><u>\$ 6,803,356</u></u>

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

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

OPEB Expenses:

For the fiscal year ended June 30, 2021, the Town's Government-Wide Statement of Activities recognized OPEB expense of \$2,095,145.

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.

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

Valuation Date:	July 1, 2020
Actuarial Cost Method:	Entry age actuarial cost method.
Asset-Valuation Method:	Fair Value as of June 30, 2021
Discount Rate	Single equivalent interest rate of 2.20%
Index Rate	2.18%
Long-term expected rate of return	6.96%
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	6.5% per year graded down by the Getzen model to an ultimate rate of 4.04% 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, 2021

Note 14. Combining Statements – Pension and OPEB Trust Funds

At June 30, 2021, 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, 2021

	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	13,551,794	32,359,232	6,109,900	52,020,926
Other receivables	148,815	72,339	7,620	228,774
Total assets	13,700,609	32,431,571	6,117,520	52,249,700
Deferred outflows of resources				
Deferred outflows	-	-	-	-
Total assets and deferred outflows of resources	13,700,609	32,431,571	6,117,520	52,249,700
Liabilities				
Due to other funds	-	-	2,438	2,438
Total liabilities	-	-	2,438	2,438
Deferred inflows of resources				
Unearned revenue	-	-	-	-
Net Position				
Restricted for pensions	13,702,385	32,429,794	-	46,132,179
Restricted for OPEB	-	-	6,115,083	6,115,083
Total net position	13,702,385	32,429,794	6,115,083	52,247,262
Total liabilities and net position	\$ 27,402,994	\$ 64,861,365	\$ 12,232,603	\$ 104,496,962

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

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, 2021**

	Police Pension Trust Trust Fund	Fire Pension Trust Fund	OPEB Trust Fund	Total
Additions:				
Contributions:				
Employer contributions	\$ 2,152,683	\$ 669,635	\$ 380,940	\$ 3,203,258
Plan member contributions	-	261,576	81,760	343,336
Total Contributions	2,152,683	931,211	462,700	3,546,594
Investment Earnings:				
Realized and unrealized gains (losses)	2,453,942	6,127,296	-	8,581,238
Interest and dividends	415,310	1,008,338	1,364,377	2,788,025
Total investment earnings	2,869,252	7,135,634	1,364,377	11,369,263
Total additions	5,021,935	8,066,845	1,827,077	14,915,857
Deductions				
Benefits paid	1,752,882	1,674,360	15,153	3,442,395
Operating expenses	49,191	49,500	-	98,691
Total deductions	1,802,073	1,723,860	15,153	3,541,086
Changes in net position held in trust for individuals, organizations, and other governments	3,219,862	6,342,985	1,811,924	11,374,771
Net position, July 1, 2020	10,482,523	26,086,809	4,303,159	40,872,491
Net position, June 30, 2021	\$ 13,702,385	\$ 32,429,794	\$ 6,115,083	\$ 52,247,262

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

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 and acquires reinsurance for specific losses in excess of \$1,000,000.

Unemployment

The Town is self-insured for unemployment benefits. As of June 30, 2021, 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, 2021, the Town paid premiums of \$140,937 and \$201,904, for its workers' compensation and property and liability coverage, respectively. At June 30, 2021, the Trust held reserves for future payments of open cases. 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.

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

Note 16. Risk Management (continued)

Other Insurance (continued)

At June 30, 2021, management of the Town is unable to estimate the potential exposure, if any, for outstanding claims which may fall outside the parameter of the insurance policies. Accordingly, no liability for claims or judgements has been reported in the Government-Wide Statement of Net Position.

Note 17. Restatement

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

	<u>Governmental Activities</u>	<u>Non-Major Governmental Funds</u>
Beginning balance, July 1, 2020	\$ (59,494,507)	\$ 110,679
GASB Statement No. 84 Implementation	<u>260,392</u>	<u>260,392</u>
Beginning balance, July 1, 2020, restated	<u>\$ (59,234,115)</u>	<u>\$ 371,044</u>

During the year ended June 30, 2021, the Town implemented GASB Statement No. 84, Fiduciary Activities. The implementation of GASB Statement No. 84 establishes criteria for identifying fiduciary activities of state and local governments. This Statement also provides for the recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources.

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, 2021 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, 2021 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.

(continued)

Town of Smithfield, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

Note 19. Subsequent Events

In September 2021, the Town of Smithfield issued 2021, Series H General Obligation Bonds in the amount of \$35,985,000 to be used to finance the new construction and capital improvements districtwide to school facilities. The bonds are due over a twenty-year period of time. The bonds are due semi-annually commencing on May 15, 2022, while principal payments are due annually, which commences on May 15, 2023. The Town is receiving a 50% reimbursement from RIHEBC as part of this project, due to incentives that were achieved as part of the project. The Town received a premium of \$5,836,042 upon sale of the bonds. The bonds are scheduled to mature on May 15, 2042.

Note 20. National Pandemic – Corona Virus (COVID-19)

On March 9, 2020 the Governor of the State of Rhode Island declared a State of Emergency in response to limit the spread of COVID-19 Coronavirus, which the World Health Organization characterized as a Global Pandemic. As a result of the spread of COVID-19, there is considerable uncertainty around the duration of the pandemic accordingly, the financial impact related to State funding and other revenues and other potential financial impacts cannot be reasonably estimated at this time. As of June 30, 2021, Management has continued to carefully monitor the situation.

The Town derives the majority of its operating revenues from property taxes and appropriations from the State of Rhode Island. The impact that the global pandemic may have on the Town's ability to collect property taxes and State appropriations is currently unknown. As of the date of these financial statements the Town has not sustained any significant financial impact as a result of the pandemic.

(concluded)

TOWN OF SMITHFIELD

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, 2021

	Original Budget	Revised Budget	Carryover of Prior Year Balance	Total Available	Actual Revenues	Variance Positive (Negative)
Revenues:						
General property taxes						
Property taxes	\$ 59,833,860	\$ 59,833,860	-	\$ 59,833,860	\$ 60,033,868	\$ 200,008
Total general property taxes	<u>59,833,860</u>	<u>59,833,860</u>	<u>-</u>	<u>59,833,860</u>	<u>60,033,868</u>	<u>200,008</u>
Intergovernmental revenues						
State aid for education	6,149,279	6,149,279	-	6,149,279	6,089,786	(59,493)
School housing aid	400,000	400,000	-	400,000	300,648	(99,352)
Payment-in-Lieu of taxes	865,716	865,716	-	865,716	977,391	111,675
State hotel and meals tax	940,569	940,569	-	940,569	862,394	(78,175)
Motor vehicle phase-out	2,281,251	2,281,251	-	2,281,251	2,967,540	686,289
Federal SAFER Grant	758,108	758,108	-	758,108	621,621	(136,487)
Public utilities tax	272,386	272,386	-	272,386	269,396	(2,990)
Total intergovernmental revenues	<u>11,667,309</u>	<u>11,667,309</u>	<u>-</u>	<u>11,667,309</u>	<u>12,088,776</u>	<u>421,467</u>
Licenses, fees and permits	<u>900,000</u>	<u>900,000</u>	<u>-</u>	<u>900,000</u>	<u>1,225,681</u>	<u>325,681</u>
Interest income						
Interest short-term investments	125,000	125,000	-	125,000	7,085	(117,915)
Interest on taxes	280,000	280,000	-	280,000	415,495	135,495
Total interest income	<u>405,000</u>	<u>405,000</u>	<u>-</u>	<u>405,000</u>	<u>422,580</u>	<u>17,580</u>
Departmental revenue						
School department	642,000	642,000	-	642,000	457,841 *	(184,159)
Departmental	506,867	506,867	-	506,867	431,867 *	(75,000)
Impact fees	75,000	75,000	-	75,000	75,000	-
Miscellaneous	200,000	200,000	-	200,000	239,089	39,089
Total departmental revenues	<u>1,423,867</u>	<u>1,423,867</u>	<u>-</u>	<u>1,423,867</u>	<u>1,203,797</u>	<u>(220,070)</u>
Total revenues before other financing sources	<u>74,230,036</u>	<u>74,230,036</u>	<u>-</u>	<u>74,230,036</u>	<u>74,974,702</u>	<u>744,666</u>
Other financing sources						
Revenue for capital expenditures and operations	1,870,547	1,870,547	-	1,870,547	1,595,547	(275,000)
Appropriated fund balance	600,000	600,000	3,533,001	4,133,001	3,533,001	(600,000)
Transfer from other funds	-	-	-	-	-	-
Total other financing sources	<u>2,470,547</u>	<u>2,470,547</u>	<u>3,533,001</u>	<u>6,003,548</u>	<u>5,128,548</u>	<u>(875,000)</u>
Total revenue and other financing sources	<u>76,700,583</u>	<u>76,700,583</u>	<u>3,533,001</u>	<u>80,233,584</u>	<u>80,103,250</u>	<u>(130,334)</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, 2021

	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	\$ 917,776	\$ 72,712	\$ 990,488	\$ 1,061,888	\$ 72,042	\$ 1,133,930	\$ (143,442)
Building inspector's office	452,894	-	452,894	425,276	-	425,276	27,618
Tax assessor's office	310,380	-	310,380	277,631	-	277,631	32,749
Treasurer/Tax collector's office	703,825	-	703,825	679,703	-	679,703	24,122
Town clerks office	412,388	-	412,388	391,426	-	391,426	20,962
Town Hall expense	172,893	153,064	325,957	133,020	160,197	293,217	32,740
Municipal planners office & town engineer	609,728	360,809	970,537	617,178	318,991	936,169	34,368
Board of canvassers/elections	49,250	-	49,250	48,652	-	48,652	598
Conservation commission/Green Acre	18,230	-	18,230	12,468	-	12,468	5,762
Town Boards and Commissions	23,850	-	23,850	13,914	-	13,914	9,936
Total General Government	3,671,214	586,585	4,257,799	3,661,157	551,230	4,212,387	45,412
Public Safety:							
Police department	9,555,074	-	9,555,074	9,652,893	-	9,652,893	(97,819)
Fire department	8,997,815	-	8,997,815	9,817,241	-	9,817,241	(819,426)
Animal control	221,731	-	221,731	224,007	-	224,007	(2,276)
Emergency management agency	35,118	11,957	47,075	42,079	4,486	46,565	510
Total Public Safety	18,809,738	11,957	18,821,695	19,736,220	4,486	19,740,706	(919,011)
Public Works:							
Payroll and operating expense	2,402,993	5,664	2,408,657	2,184,803	15,409	2,200,212	208,445
Rubbish and recycling collection	1,158,324	-	1,158,324	1,187,692	-	1,187,692	(29,368)
Street lights	430,000	-	430,000	292,334	-	292,334	137,666
Hydrant service	332,843	25,500	358,343	309,815	48,528	358,343	(0)
Highway resurfacing	500,000	198,410	698,410	498,167	200,243	698,410	(0)
Highway drainage	60,000	283,146	343,146	71,679	271,468	343,147	(1)
Landfill program	120,000	181,149	301,149	279,393	21,755	301,149	(0)
Total Public Works	5,004,160	693,869	5,698,029	4,823,883	557,403	5,381,287	316,742
Public Health and Assistance							
General public assistance	10,825	-	10,825	22	-	22	10,803
Total Public Health and Assistance	10,825	-	10,825	22	-	22	10,803

*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, 2021

	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	753,419	28,429	781,848	718,548	33,560	752,108	29,740
Total Recreation	<u>753,419</u>	<u>28,429</u>	<u>781,848</u>	<u>718,548</u>	<u>33,560</u>	<u>752,108</u>	<u>29,740</u>
Debt Service:							
Redemption of bonds and notes	1,610,000	1,021,432	2,631,432	1,559,000	1,022,431	2,581,431	50,001
Financing cost and other use	-	105,526	105,526	120,850	-	120,850	(15,324)
Interest on bonds and notes	1,350,584	953,909	2,304,493	675,138	879,032	1,554,170	750,323
Total Debt Service	<u>2,960,584</u>	<u>2,080,867</u>	<u>5,041,451</u>	<u>2,354,988</u>	<u>1,901,463</u>	<u>4,256,451</u>	<u>785,000</u>
Miscellaneous Town:							
Retirement fund	50,000	-	50,000	31,861	-	31,861	18,139
Computer expenses	127,744	48,016	175,760	187,633	-	187,633	(11,873)
Social security taxes	-	-	-	21,225	-	21,225	(21,225)
Audit services	63,305	-	63,305	61,893	-	61,893	1,413
Unemployment compensation	10,000	-	10,000	15,913	-	15,913	(5,913)
Post employment escrow	250,000	-	250,000	250,000	-	250,000	-
Insurance	730,092	-	730,092	875,973	-	875,973	(145,881)
Medical insurance retirees	979,345	-	979,345	979,438	-	979,438	(93)
Dental insurance retirees	32,747	-	32,747	36,926	-	36,926	(4,179)
Postage	40,000	-	40,000	34,218	-	34,218	5,782
Town aided programs	59,550	-	59,550	65,515	-	65,515	(5,965)
Sewer assessments and handicapped access	1,420	62,106	63,526	1,065	46,390	47,455	16,071
Senior activities center	478,321	21,172	499,493	399,319	21,765	421,084	78,409
Reserve for unpaid taxes and abatements	100,000	-	100,000	-	-	-	100,000
Capital expenditures - prior reserves	-	-	-	140,590	-	140,590	(140,590)
Total Miscellaneous - Town	<u>2,922,524</u>	<u>131,294</u>	<u>3,053,818</u>	<u>3,101,566</u>	<u>68,155</u>	<u>3,169,721</u>	<u>(115,903)</u>
Municipal Capital Improvements	<u>1,444,803</u>	<u>-</u>	<u>1,444,803</u>	<u>2,031,418</u>	<u>-</u>	<u>2,031,418</u>	<u>(586,615)</u>
Total Expenditures before other financing uses	<u>35,577,267</u>	<u>3,533,001</u>	<u>39,110,268</u>	<u>36,427,802</u>	<u>3,116,297</u>	<u>39,544,100</u>	<u>(433,832)</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, 2021

	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	32,538,175	-	32,538,175	32,538,175	-	32,538,175	(0)
School miscellaneous revenue	642,000	-	642,000	457,841	-	457,841	184,159
State aid for education	6,127,668	-	6,127,668	6,089,785	-	6,089,785	37,883
East Smithfield Neighborhood Center	6,465	-	6,465	11,343	-	11,343	(4,878)
East Smithfield Public Library	575,849	-	575,849	575,849	-	575,849	-
Greenville Public Library	878,159	-	878,159	878,159	-	878,159	-
Municipal escrow	100,000	-	100,000	-	-	-	100,000
Revaluation escrow	5,000	-	5,000	-	-	-	5,000
Merit escrow	100,000	-	100,000	-	-	-	100,000
Retirement escrow	50,000	-	50,000	-	-	-	50,000
Capital reserve fund	100,000	-	100,000	-	-	-	100,000
Transfer to other funds	-	-	-	5,762	-	5,762	(5,762)
Total other financing uses and transfers	41,123,316	-	41,123,316	40,556,914	-	40,556,914	566,402
Total Expenditures and other financing uses	76,700,583	3,533,001	80,233,584	76,984,716	3,116,297	80,101,014	132,570
Excess (deficiency) of revenues and other sources over expenditures and other uses, budgetary basis	\$ -	\$ -	\$ -	\$ 3,118,534	\$ 3,116,297	\$ 2,236	\$ 2,236

*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, 2021

Excess of revenue and other financing sources over expenditures and other financing uses, U.S. GAAP basis	\$ 2,236
Less reappropriation of fund balance and prior year RUBS which are reported as revenue for budget purposes but not reported in accordance with GAAP	(3,533,001)
Add amounts reported as expenditures for budget purposes but which represents RUBS for carryover to future years. These are not GAAP expenditures	3,116,297
Add net increase in fund balance for the fiscal year ended June 30, 2021 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>\$ (414,463)</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, 2021

	Original Budget			Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Intergovernmental revenue	\$ 6,067,257	\$ 6,091,587	\$ 6,089,786	\$ (1,801)
Medicaid revenue	602,281	143,599	153,405	9,806
Miscellaneous revenue	-	457,841	457,841	-
Total revenues	6,669,538	6,693,027	6,701,032	8,005
Expenditures				
Salaries	23,090,222	23,314,321	23,225,319	89,002
Employee benefits	8,934,057	8,990,742	8,664,351	326,391
Purchased services	5,714,268	5,342,799	5,124,444	218,355
Supplies and materials	1,097,381	1,091,996	1,110,436	(18,440)
Other	53,599	45,463	42,020	3,443
Capital outlay	318,186	445,881	382,768	63,113
Total expenditures	39,207,713	39,231,202	38,549,339	681,863
Excess of expenditures over revenues, budgetary basis	(32,538,175)	(32,538,175)	(31,848,307)	689,868
Other financing sources (uses)				
Operating transfer from Town of Smithfield General Fund	32,538,175	32,538,175	32,538,175	-
Total other financing sources (uses)	32,538,175	32,538,175	32,538,175	-
Excess of revenues and other financing sources over expenditures and other financing uses, budgetary basis	\$ -	\$ -	\$ 689,868	\$ 689,868

*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, 2021

Adoption:

In accordance with Town's Home Rule Charter, the Town Administrator must present to the Town Council a recommended annual budget for the operations of all municipal departments no later than 90 days prior to the commencement of each fiscal year. The recommended budget must include the School Department's annual budget as approved by the School Committee. A final budget must be adopted by the Town Council by June 30.

Budget is adopted for the General Fund on a legally enacted budgetary basis which differs from accounting principles generally accepted in the United States of America (U.S. GAAP) in several regards. Budget is adopted on the modified accrual basis of accounting, except that budgetary expenditures include encumbrances in the year incurring the commitment to purchase, and budgetary revenues include subsidies from fund balance previously recognized under U.S. GAAP.

Encumbrances are not liabilities and, therefore, are not recognized as expenditures under U.S. GAAP until receipt of materials or services. For budgetary purposes, unencumbered and unexpended appropriations lapse at year end and outstanding encumbrances are included in the budgetary expenditures in the year committed. The Town reserves a portion of fund balance in the governmental fund financial statements equal to outstanding encumbrances at year end. At June 30, 2021, the Town did not have open encumbrances.

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, 2021. There were differences between the budgetary basis and GAAP Basis of accounting for the School Unrestricted Fund for the year ended June 30, 2021.

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, 2021

	<u>School Unrestricted</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses (budgetary basis)	\$ 689,868
Unbudgeted transfers out	-
State contribution to teachers' pension plan revenue on behalf	2,214,138
State contribution to teacher's pension plan expense on behalf	<u>(2,214,138)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses (GAAP)	<u>\$ 689,868</u>

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

Town of Smithfield, Rhode Island

Required Supplementary Information

Schedule of Changes in Net Position Liability and Related Ratios

General Employees MERS Plan- Town

Last 10 Fiscal Years

Measurement period	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Total Pension Liability							
Service Cost	\$ 384,844	\$ 374,510	\$ 360,967	\$ 350,784	\$ 327,954	\$ 320,251	\$ 332,297
Interest on the Total Pension Liability	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	21,099	(474,407)	382,270	(383,439)	(248,848)	135,517	-
Assumption Changes	(185,336)	-	-	814,692	-	-	(133,298)
Benefit payments	(897,480)	(812,964)	(835,283)	(726,630)	(712,041)	(694,093)	(684,734)
Net change in total pension liability	<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	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>\$ 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	\$ 474,051	\$ 369,074	\$ 342,216	\$ 369,799	\$ 372,459	\$ 372,945	\$ 289,607
Contributions – employee	143,588	135,720	130,490	136,865	134,625	74,217	66,806
Pension Plan Net Investment Income	609,108	1,018,984	1,177,963	1,586,848	(4,844)	333,731	1,878,173
Benefit Payments	(897,480)	(812,964)	(835,283)	(726,630)	(712,041)	(694,093)	(684,734)
Pension Plan Administrative Expense	(16,782)	(15,924)	(15,682)	(14,992)	(13,030)	(13,392)	(11,761)
Other Changes in Plan Fiduciary Net Position	(85,112)	19,760	-	(364,240)	(62,907)	65,665	-
Net change in plan fiduciary net position	<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	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>\$ 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)	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	84.28%	85.93%	83.89%	84.71%	85.24%	89.96%	95.80%
Covered Employee Payroll	\$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 Employee Payroll	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.

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

Schedule of Contribution - General Employees MERS Plan- Town

Last 10 Fiscal Years

Fiscal Year Ending	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 444,101	\$ 474,051	\$ 369,074	\$ 342,216	\$ 369,799	\$ 372,459	\$ 372,945	\$ 289,607
Contributions in relation to the actuarially determined contribution	444,101	474,051	369,074	342,216	369,799	372,459	372,945	289,607
Contribution deficiency (excess)	-	-	-	-	-	-	-	-
Covered-employee payroll	\$ 4,556,198	\$ 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-employee payroll	9.75%	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.

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

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See Independent Auditor's Report*

Town of Smithfield, Rhode Island

Required Supplementary Information

Schedule of Changes in Net Position Liability and Related Ratios

General Employees MERS Plan – School Non-Certified

Last 10 Fiscal Years

Measurement period	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Total Pension Liability							
Service Cost	\$ 337,729	\$ 342,574	\$ 327,825	\$ 305,745	\$ 290,748	\$ 288,948	\$ 315,326
Interest on the Total Pension Liability	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	(245,013)	194,928	28,230	178,948	(144,625)	(344,400)	-
Assumption Changes	(196,250)	-	-	743,219	-	-	21,275
Benefit payments	(890,724)	(845,161)	(913,496)	(930,114)	(883,523)	(809,304)	(835,313)
Net change in total pension liability	39,245	680,008	399,362	1,229,296	181,658	213,088	378,692
Total pension liability – beginning	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>\$ 15,080,069</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	\$ 316,970	\$ 296,183	\$ 253,881	\$ 258,086	\$ 266,690	\$ 267,616	\$ 239,838
Contributions – employee	84,390	87,633	81,927	79,890	81,209	64,236	63,703
Pension Plan Net Investment Income	466,725	795,410	947,088	1,318,735	2,765	287,538	1,669,363
Benefit Payments	(890,724)	(845,161)	(913,496)	(930,114)	(883,523)	(809,304)	(835,313)
Pension Plan Administrative Expense	(12,859)	(12,430)	(12,608)	(12,459)	(17,756)	(11,468)	(10,454)
Other Changes in Plan Fiduciary Net Position	(26,412)	(132,371)	(117,797)	(29)	(15,140)	(62,902)	(62,377)
Net change in plan fiduciary net position	(61,910)	189,264	238,995	714,109	(565,755)	(264,284)	1,064,760
Plan fiduciary net position – beginning	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>\$ 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)	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	84.78%	85.41%	88.13%	88.94%	91.92%	97.76%	101.59%
Covered Employee Payroll	\$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 Employee Payroll	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.

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

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

Last 10 Fiscal Years

Fiscal Year Ending	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 363,816	\$ 316,970	\$ 296,183	\$ 253,881	\$ 258,086	\$ 266,690	\$ 267,616	\$ 239,838
Contributions in relation to the actuarially determined contribution	<u>363,816</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-employee payroll	\$ 3,754,553	\$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-employee payroll	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.

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

Schedule of Changes in Net Position Liability and Related Ratios - Police Employees MERS Plan

Last 10 Fiscal Years

Measurement period ending	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	\$ 679,340	\$ 673,521	\$ 649,056	\$ 568,324	\$ 523,160	\$ 471,726	\$ 451,642
Interest on the Total Pension Liability	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	(60,553)	(528,494)	376,708	234,180	(230,013)	165,545	-
Assumption Changes	(115,936)	-	-	737,604	-	-	(183,362)
Benefit payments	(353,102)	(378,031)	(300,483)	(309,560)	(247,765)	(240,722)	(215,212)
Net change in total pension liability	<u>1,534,089</u>	<u>1,075,009</u>	<u>1,902,011</u>	<u>2,314,384</u>	<u>1,051,015</u>	<u>2,063,858</u>	<u>839,489</u>
Total pension liability – beginning	19,613,167	18,538,158	16,636,147	14,321,763	13,270,748	11,206,890	10,367,401
Total pension liability – ending (a)	<u>\$ 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	\$ 415,375	\$ 305,303	\$ 230,711	\$ 202,710	\$ 204,399	\$ 204,685	\$ 133,929
Contributions – employee	334,981	331,132	319,103	306,210	293,689	230,955	227,478
Pension Plan Net Investment Income	695,138	1,112,517	1,243,190	1,607,602	(4,632)	307,305	1,681,302
Benefit Payments	(353,102)	(378,031)	(300,483)	(309,560)	(247,765)	(240,722)	(215,212)
Pension Plan Administrative Expense	(19,153)	(17,386)	(16,550)	(15,188)	(12,462)	(12,648)	(10,528)
Other Changes in Plan Fiduciary Net Position	(1)	1	-	(35)	(2)	2	-
Net change in plan fiduciary net position	<u>1,073,238</u>	<u>1,353,536</u>	<u>1,475,971</u>	<u>1,791,739</u>	<u>233,227</u>	<u>489,577</u>	<u>1,816,969</u>
Plan fiduciary net position – beginning	17,967,494	16,613,958	15,137,987	13,346,248	13,113,021	12,623,444	10,806,475
Plan fiduciary net position – ending (b)	<u>\$ 19,040,732</u>	<u>\$ 17,967,494</u>	<u>\$ 16,613,958</u>	<u>\$ 15,137,987</u>	<u>\$ 13,346,248</u>	<u>\$ 13,113,021</u>	<u>\$ 12,623,444</u>
Net Pension Liability/(Asset) - Ending (a) - (b)	2,106,524	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	90.04%	91.61%	89.62%	90.99%	93.19%	98.81%	112.64%
Covered Employee Payroll	\$ 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 Employee Payroll	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.

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

Schedule of Contributions - Police Employees MERS Plan

Last 10 Fiscal Years

Fiscal Year Ending	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 395,404	\$ 415,375	\$ 305,303	\$ 230,711	\$ 202,710	\$ 204,399	\$ 204,685	\$ 133,929
Contributions in relation to the actuarially determined contribution	<u>395,404</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-employee payroll	\$ 3,297,781	\$ 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-employee payroll	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.

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

Schedule of Changes in Net Position Liability and Related Ratios

Fire Employees MERS Plan

Last 10 Fiscal Years

Measurement period ending	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	\$ 347,603	\$ 256,061	\$ 188,643	\$ 149,503	\$ 121,804	\$ 93,121	\$ 81,253
Interest on the Total Pension Liability	140,093	113,200	94,737	81,579	70,205	56,935	47,318
Benefit Changes	-	-	-	-	-	16,330	-
Difference between expected and Actual Experience	(51,293)	(30,848)	(53,331)	(55,654)	(43,768)	16	-
Assumption Changes	(24,881)	-	-	81,099	-	-	(2,446)
Benefit payments	-	-	-	(20,873)	-	(7,626)	(24)
Net change in total pension liability	<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	1,827,521	1,489,108	1,259,059	1,023,405	875,164	716,388	590,287
Total pension liability – ending (a)	<u>\$ 2,239,043</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	\$ 154,529	\$ 91,123	\$ 73,919	\$ 70,384	\$ 68,903	\$ 52,630	\$ 37,684
Contributions – employee	173,951	127,266	93,806	82,418	66,593	43,540	37,684
Pension Plan Net Investment Income	82,681	115,982	114,069	133,010	(344)	20,028	98,832
Benefit Payments	-	-	-	(20,873)	-	(7,626)	(24)
Pension Plan Administrative Expense	(2,278)	(1,813)	(1,519)	(1,257)	(923)	(802)	(619)
Other Changes in Plan Fiduciary Net Position	(17,279)	16,166	(8,343)	(4)	1	4,763	22,655
Net change in plan fiduciary net position	<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	1,873,143	1,524,419	1,252,487	988,809	854,579	742,046	545,834
Plan fiduciary net position – ending (b)	<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)	(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	101.15%	102.50%	102.37%	99.48%	96.62%	97.65%	103.58%
Covered Employee Payroll	\$ 1,752,912	\$ 1,272,668	\$ 938,054	\$ 824,161	\$ 665,961	\$ 544,248	\$ 471,033
Net Pension Liability as a Percentage of Covered Employee Payroll	-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.

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

Schedule of Changes in Net Position Liability and Related Ratios

Fire Employees MERS Plan

Last 10 Fiscal Years

Fiscal Year Ending	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 181,805	\$ 154,529	\$ 91,123	\$ 73,919	\$ 70,384	\$ 68,903	\$ 52,630	\$ 37,684
Contributions in relation to the actuarially determined contribution	<u>181,805</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-employee payroll	\$ 1,805,499	\$ 1,752,912	\$ 1,272,668	\$ 938,054	\$ 824,161	\$ 665,961	\$ 544,248	\$ 471,033
Contributions as a percentage of covered-employee payroll	10.07%	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.

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

Notes to Schedules

MERS Pension Plans Administered by ERSRI

For the Year Ended June 30, 2021

Valuation Date:

Notes Actuarially determined contributions rates are calculated as of June 30th of each plan year and effective two years after the actuarial valuation. So the actuarial valuation as of June 30, 2019, determines the contribution amounts for 2020.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	22 Years
Asset Valuation Method	5 -Years smoothed market
Inflation	2.50%
Salary Increases	3.50% to 7.25% General Employees ; 4.00% to 14.00% Police and Fire Employees
Investment Return	7.00%
Retirement Age	Experience-based table rates that are specific to the type of eligibility condition. Last updated for 2017 valuation.
Mortality	Variants of the PUB (10) Tables for Healthy and Disabled Retirees, projected with Scale Ultimate MP16.

Town of Smithfield, Rhode Island

Required Supplementary Information

Schedule of Proportionate Share of the Net Pension Liability

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

Last 10 Fiscal Years

Fiscal Year:	2021	2020	2019	2018	2017	2016	2015
Measurement Date:	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Employer's proportion of the net pension liability	1.04671533%	1.06752617%	1.0690626%	1.04367064%	1.09137285%	1.06761040%	0.94353141%
Employer's proportionate share of the net pension liability	\$ 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	24,848,683	25,516,184	25,336,859	24,878,307	22,300,158	20,079,243	15,748,541
Total	\$ 58,291,299	\$ 59,578,475	\$ 59,303,747	\$ 57,796,582	\$ 54,862,113	\$ 49,470,586	\$ 38,714,099
Employer's covered employee payroll	\$ 19,330,354	\$ 19,725,100	\$ 19,807,745	\$ 19,295,826	\$ 18,552,465	\$ 17,937,129	\$ 17,399,316
Employer's proportionate share of the net pension liability as a percentage of its covered employee payroll	173.01%	172.69%	171.48%	170.60%	175.51%	163.86%	131.99%
Plan fiduciary net position as a percentage of the total pension liability	54.30%	54.60%	54.30%	54.00%	54.06%	57.55%	61.40%

Notes: The amounts presented for each fiscal year were determined as of a 06/30 measurement date prior to the fiscal year end.

The Town is required to contribute an actuarially determined contribution rate each year in accordance with RI General Laws, Section 36-10-2

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

(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

Schedule of Contributions

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

Last 10 Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 2,724,651	\$ 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	2,724,651	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-employee payroll	\$ 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-employee payroll	14.10%	14.39%	13.73%	13.50%	13.45%	14.01%	13.59%	12.48%

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

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

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

Town of Smithfield, Rhode Island

Required Supplementary Information

Schedule of Proportionate Share of the Net Pension Liability

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

Last 10 Fiscal Years

	Fiscal Year Measurement Date	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		3.74976707%	3.83713912%	3.81956294%	3.70030736%	3.69811899%	3.67273811%	3.84845352%
Employer's proportionate share of the net pension asset		\$ 4,453,357	\$ 4,353,075	\$ 3,408,169	\$ 3,061,131	\$ 3,682,287	\$ 3,428,707	\$ 4,784,426
Employer's covered employee payroll (a)		\$ 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 employee payroll		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		153.1%	150.2%	137.4%	136.1%	153.3%	146.6%	173.3%

Notes: The amounts presented for each fiscal year were determined as of a 06/30 measurement date prior to the fiscal year end.

The Town is required to contribute an actuarially determined contribution rate each year in accordance with RI General Laws, Section 36-10-2

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

The employee and employer contribution rates were applies to the first \$11,500 of member salary and fiscal 2018 and subsequent. In fiscal 2017 and prior years the rates were applied to salary up to the first \$9,600.

(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

Schedule of Contributions

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

Last 10 Fiscal Years

Fiscal Year	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Statutorily determined contribution	\$ 27,616	\$ 27,964	\$ 28,620	\$ 28,419	\$ 23,100	\$ 22,914	\$ 21,755	\$ 22,530
Contributions in relation to the statutorily determined contribution	<u>27,616</u>	<u>27,964</u>	<u>28,620</u>	<u>28,419</u>	<u>23,100</u>	<u>22,914</u>	<u>21,755</u>	<u>22,530</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 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%	0.15%	0.12%	0.13%	0.13%	

Notes: Employers participating in the Teachers' Survivor's Benefit Plan are required to contribute at a rate established by Rhode Island General Laws, Section 16-16-35.

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

The employee and employers' contribution rates were applied to the first \$11,500 of member salary and fiscal 2018 and subsequent. In fiscal 2017 and prior years that rates was applied to salary up to the first \$9,600.

Covered employee payroll is the full amount of employee payroll for the plan members not just the capped salary amount for which the contribution rate is applied.

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

Town of Smithfield, Rhode Island

Required Supplementary Information

Notes to Schedules

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

June 30, 2020 measurement date –

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

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

June 30, 2019 measurement date –

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

June 30, 2018 measurement date –

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

June 30, 2017 measurement date –

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

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

Town of Smithfield, Rhode Island

Required Supplementary Information

Notes to Schedules

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

June 30, 2016 measurement date –

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

June 30, 2015 measurement date –

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

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

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

Town of Smithfield, Rhode Island

Required Supplementary Information

Schedule of Changes in Net Position Liability and Related Ratios

Fire Pension Trust Fund

Last 10 Fiscal Years

	<u>June 30, 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								unaudited
Service cost	\$ 588,208	\$ 713,903	\$ 570,581	\$ 670,806	\$ 926,180	\$ 755,471	\$ 824,891	\$ 388,599
Interest	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	(817,494)	(331,893)	(100,550)	(716,711)	74,292	(233,333)	(95,975)	-
Changes in assumptions	(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	(1,674,360)	(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>(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>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>\$ 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	\$ 669,635	\$ 655,675	\$ 674,575	\$ 653,323	\$ 614,972	\$ 590,143	\$ 556,062	\$ 499,542
Contributions - employee	261,576	265,506	274,218	281,661	272,054	245,893	243,407	203,242
Net investment income	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	(1,674,360)	(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)	(17,500)	(17,500)	(76,035)	(13,497)	(12,497)	(14,522)	(18,008)
Net change in plan fiduciary net position	<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>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>\$ 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>\$ 7,216,815</u>	<u>\$ 16,737,049</u>	<u>\$ 16,542,890</u>	<u>\$ 10,500,315</u>	<u>\$ 15,241,274</u>	<u>\$ 20,972,017</u>	<u>\$ 15,301,900</u>	<u>\$ 19,687,963</u>

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

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

Town of Smithfield, Rhode Island

Required Supplementary Information

Schedule of Changes in Net Position Liability and Related Ratios

Fire Pension Trust Fund

Last 10 Fiscal Years

	<u>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	\$ 39,576,035	\$ 42,823,858	\$ 42,956,802	\$ 36,171,518	\$ 39,030,646	\$ 41,247,109	\$ 35,615,775	\$ 39,211,819
Plan fiduciary net position	<u>32,359,220</u>	<u>26,086,809</u>	<u>26,413,912</u>	<u>25,671,203</u>	<u>23,789,372</u>	<u>20,275,092</u>	<u>20,313,875</u>	<u>19,523,856</u>
Town's net pension liability (asset)	<u>\$ 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	81.76%	60.92%	61.49%	70.97%	60.95%	49.16%	57.04%	49.79%
Covered payroll	\$ 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	270.08%	645.70%	638.21%	364.71%	688.53%	913.16%	675.05%	897.77%

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

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

Town of Smithfield, Rhode Island

Required Supplementary Information

Schedule of Changes in Net Position Liability and Related Ratios

Police Pension Trust Fund

Last 10 Fiscal Years

	<u>June 30, 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								unaudited <u>June 30, 2014</u>
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	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	(479,679)	(353,039)	110,338	(1,477,506)	528,002	155,773	117,690	-
Changes in assumptions	(158,751)	(70,104)	1,640,534	-	-	-	339,700	104,611
Changes of benefit terms	-	-	-	-	-	-	-	35,156
Benefit payments, including refunds of participant contributions	(1,752,882)	(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>(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>25,623,165</u>	<u>25,925,080</u>	<u>24,083,170</u>	<u>26,567,379</u>	<u>25,979,072</u>	<u>25,730,134</u>	<u>25,174,686</u>	<u>24,914,828</u>
Total pension liability - ending	<u>\$ 25,083,482</u>	<u>\$ 25,623,165</u>	<u>\$ 25,925,080</u>	<u>\$ 24,083,170</u>	<u>\$ 26,567,379</u>	<u>\$ 25,979,072</u>	<u>\$ 25,730,134</u>	<u>\$ 25,174,686</u>
Pension fiduciary net position								
Contributions - employer	\$ 2,152,683	\$ 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	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	(1,752,882)	(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)	(17,200)	(17,200)	(46,888)	(13,001)	(13,001)	(15,018)	(18,008)
Net change in plan fiduciary net position	<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>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>\$ 13,551,791</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>\$ 11,531,691</u>	<u>\$ 15,140,643</u>	<u>\$ 15,686,367</u>	<u>\$ 14,742,157</u>	<u>\$ 17,216,434</u>	<u>\$ 18,193,421</u>	<u>\$ 18,812,041</u>	<u>\$ 19,222,477</u>

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

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

Town of Smithfield, Rhode Island

Required Supplementary Information

Schedule of Changes in Net Position Liability and Related Ratios

Police Pension Trust Fund

Last 10 Fiscal Years

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

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

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

Town of Smithfield, Rhode Island

Required Supplementary Information

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

Police and Fire Pension Plans – Fiduciary Trust Funds

Last 10 Fiscal Years

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

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

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

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

Town of Smithfield, Rhode Island

Required Supplementary Information

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

Police and Fire Pension Plans – Fiduciary Trust Funds

Last 10 Fiscal Years

Schedule of Investment Returns

	<u>June 30, 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	25.62%	0.86%	4.60%	9.75%	15.10%	6.17%	7.42%	15.55%

	<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	28.60%	2.32%	4.97%	13.07%	20.94%	2.36%	6.73%	22.35%

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

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

Town of Smithfield, Rhode Island

Required Supplementary Information

Notes to Schedules

Police and Fire Pension Plans – Fiduciary Trust Funds

Notes to the Schedules:

Valuation Date: July 1, 2020

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

Methods and assumptions used to determine contribution rates:

Discount rate	7.50%
Long term rate of return on investments	7.50%
Salary increases	N/A
Inflation	2.75%
Mortality rates:	2010 Public Sector Retirement Plan Mortality Table for Safety Annuitants with above average benefits and MP-2020 mortality improvement scale (M/F). 2010 Public Sector Retirement Plan Mortality for Disabled Safety Participants with MP-2020 mortality improvement scale (M/F).
Termination	N/A
Disabled	N/A

Notes to the Schedules:

Valuation Date: July 1, 2020

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

Methods and assumptions used to determine contribution rates:

Discount rate	7.48%
Long term rate of return on investments	7.50%
Salary increases	3.00%
Inflation	3.00%
Mortality rates:	2010 Public Safety Above Median for Employees, Healthy Annuitants, and Disabled Retirees, with Scale MP-2020 Generational Improvements (M/F).
Termination	50% of Sarason Table T-1
Disabled	200% of United Auto Workers 1955 Table. All disablements are assumed to be duty-related.

Town of Smithfield, Rhode Island

Required Supplementary Information

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

Last 10 Fiscal Years

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Total OPEB liability					
Service cost	\$ 2,440,168	\$ 1,657,275	\$ 1,511,943	\$ 1,354,976	\$ 2,333,000
Interest	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	1,756,101	6,500,072	(473,625)	(1,947,270)	(463,000)
Changes of assumptions	2,703,102	(2,104,558)	2,311,331	2,773,187	(2,214,000)
Employee contributions	81,760	37,227	30,685	-	-
Net benefit payments	(1,185,943)	(1,134,148)	(998,873)	(1,120,890)	(1,187,000)
Net change in total OPEB liability	4,978,094	6,284,722	3,692,966	2,357,218	(333,000)
Total OPEB liability - beginning	54,464,906	48,180,184	44,487,218	42,130,000	42,463,000
Total OPEB liability - ending	<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	\$ 1,566,883	\$ 1,395,709	\$ 1,206,684	\$ 1,250,066	\$ 1,321,000
Contribution to plan - Employee	81,760	37,227	30,685	30,344	-
Net investment income	1,364,377	192,456	243,318	256,313	304,000
Benefit payments	(1,185,943)	(1,134,148)	(998,873)	(1,120,890)	(1,187,000)
Administrative expense	(15,153)	(10,149)	(8,583)	-	(25,000)
Net change in plan fiduciary net position	1,811,924	481,095	473,231	415,833	413,000
Plan fiduciary net position - beginning	4,303,159	3,822,064	3,348,833	2,933,000	2,520,000
Plan fiduciary net position - ending	<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>\$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	10.29%	7.90%	7.93%	7.53%	6.96%
Covered payroll	\$34,982,000	\$33,717,465	\$34,289,000	\$33,049,345	\$30,222,000
Net OPEB liability as a percentage of covered payroll	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, 2021, only five years are available.

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

Town of Smithfield, Rhode Island

Required Supplementary Information

Schedule of Contributions and Investment Returns

OPEB Trust Fund

Last 10 Fiscal Years

	<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	\$ 4,894,666	\$ 3,865,167	\$ 3,610,793	\$ 3,391,137	\$ 1,408,000
Contributions in relation to the actuarially determined contribution	<u>1,566,883</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>\$ 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	\$ 34,982,000	\$ 33,717,465	\$ 34,289,000	\$ 33,049,345	\$ 30,222,000
Contributions as a percentage of covered payroll	4.48%	4.14%	3.52%	3.78%	5.01%
	<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	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, 2021, only five years are available.

Town of Smithfield, Rhode Island

Required Supplementary Information

Notes to Schedules

OPEB Trust Fund

Last 10 Fiscal Years

Valuation Date:	July 1, 2020
Actuarial Cost Method:	Entry age actuarial cost method.
Asset-Valuation Method:	Fair Value as of June 30, 2021
Discount Rate	Single equivalent interest rate of 2.20%
Index Rate	2.18%
Long-term expected rate of return	6.96%
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	6.5% per year graded down by the Getzen model to an ultimate rate of 4.04% per year after 60 years.
Retirement	For Town Employees: A flat 25% per year retirement probability for members eligible for unreduced retirement. A 50% retirement probability at first eligibility will be only applied if they have reached age 65 or with at least 25 years of service. For police and Fire Employees: All members are assumed to retire upon reaching age 65 with at least 10 years of service. Rates of retirement fluctuate from 10% to 35% with service years between 20 and 30 or more years. For School Employees: A flat 25% per year retirement probability for members eligible for unreduced retirement. A 60% retirement probability at first eligibility will be only applied if they have reached age 65 or with at least 25 years of service.

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

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TOWN OF SMITHFIELD

Supplementary Information Section

TOWN OF SMITHFIELD

NONMAJOR GOVERNMENTAL FUNDS

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**
- **Neighborhood Center Fund**
- **Police Memorial Fund**
- **General Public Assistance**
- **Dog Park**
- **Play for All Fund**
- **Commercial Weight Enforcement**
- **Active Shooter Grant**
- **School Restricted Funds**

TOWN OF SMITHFIELD

NONMAJOR GOVERNMENTAL FUNDS (continued)

CAPITAL PROJECTS FUNDS

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

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

TOWN OF SMITHFIELD

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**

Town of Smithfield, Rhode Island

Supplementary Information Non-Major Governmental Funds Combining Balance Sheet

June 30, 2021

	Town Special Revenue	School Special Revenue	Capital Projects	Permanent Trust Funds	Total Non-Major Funds
Assets					
Cash and cash equivalent	\$ 1,104,181	\$ 253,726	\$ 2,754,094	\$ 63,703	\$ 4,175,704
Accounts and other receivables, net	-	59,004	1,137,714	-	1,196,718
Intergovernmental receivables	750	568,508	-	-	569,258
Due from other funds	1,416,558	158,136	2,407,116	-	3,981,810
Total assets	2,521,489	1,039,374	6,298,924	63,703	9,923,490
Deferred outflows of resources					
Deferred outflows	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-
Total assets and deferred outflows of resources	\$ 2,521,489	\$ 1,039,374	\$ 6,298,924	\$ 63,703	\$ 9,923,490
Liabilities					
Accounts payable	\$ 32,224	\$ 38,193	\$ 42,787	\$ -	\$ 113,204
Accrued liabilities	33,606	-	-	-	33,606
Due to other funds	200,787	573,665	4,092,643	-	4,867,095
Unearned grant and other revenues	1,018	-	-	-	1,018
Total liabilities	267,635	611,858	4,135,430	-	5,014,923
Deferred inflows of resources					
Deferred revenue	-	-	120,518	-	120,518
Total deferred inflows of resources	-	-	120,518	-	120,518
Fund balance					
Nonspendable	-	-	-	-	-
Restricted	558,802	427,516	517,426	63,703	1,567,447
Committed	1,695,147	-	4,684,107	-	6,379,254
Unassigned	(95)	-	(3,158,557)	-	(3,158,652)
Total fund balance	2,253,854	427,516	2,042,976	63,703	4,788,049
Total liabilities, deferred inflows of resources, and fund balances	\$ 2,521,489	\$ 1,039,374	\$ 6,298,924	\$ 63,703	\$ 9,923,490

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, 2021

	Town Special Revenue	School Special Revenue	Town Capital Projects	Permanent Trust Funds	Total Non Major Funds
Revenues					
Intergovernmental	\$ 66,975	\$ 1,910,591	\$ 72,834	\$ -	\$ 2,050,400
Fees, fines, charges and assessments	184,244	-	1,255,853	-	1,440,097
Interest and investment income	1,034	-	759	6	1,799
Contributions and grants	9,480	39,843	6,920	-	56,243
Other revenues	4,293	85,932	27,374	-	117,599
Total revenue	266,026	2,036,366	1,363,740	6	3,666,138
Expenditures					
General government	-	-	-	-	-
Education	-	1,841,557	-	-	1,841,557
Public safety	121,046	-	1,313,036	-	1,434,082
Public works	-	-	-	-	-
Recreation and community development	36,903	-	6,274	-	43,177
Other expenses	38,197	-	-	-	38,197
Capital outlays	7,739	138,337	1,647,692	-	1,793,768
Total Expenditures	203,885	1,979,894	2,967,002	-	5,150,781
Excess (deficiency) of revenues over expenditures	62,141	56,472	(1,603,262)	6	(1,484,643)
Other financing sources (uses)					
Transfers in	36,965	-	483,603	-	520,568
Transfers out	(200,000)	-	(290,707)	-	(490,707)
Total other financing sources (uses)	(163,035)	-	192,896	-	29,861
Net change in fund balance	(100,894)	56,472	(1,410,366)	6	(1,454,782)
Fund balance, July 1, 2020 restated	2,354,748	371,044	3,453,342	63,697	6,242,831
Fund balance, June 30, 2021	<u>\$ 2,253,854</u>	<u>\$ 427,516</u>	<u>\$ 2,042,976</u>	<u>\$ 63,703</u>	<u>\$ 4,788,049</u>

See Independent Auditor's Report

Town of Smithfield, Rhode Island

Supplementary Information

Combining Non-Major Governmental Funds Balance Sheet

June 30, 2021

Special Revenue Funds							
	Animal Control Fund	Animal Control Spay & Neuter	Affordable Housing Fund	Police Restricted Revenue	CDBG	Document Preservation & Tech Upgrades	EMA Radio
Assets							
Cash and cash equivalents	\$ 27,624	\$ -	\$ -	\$ -	\$ -	\$ 43,751	\$ 3,925
Accounts and other receivables, net	-	-	-	-	-	-	-
Intergovernmental receivables	-	-	-	-	750	-	-
Due from other funds	1,057	6,540	204,000	662,802	268	68,762	-
Total Assets	28,681	6,540	204,000	662,802	1,018	112,513	3,925
Deferred outflows of resources							
Deferred outflows	-	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	28,681	6,540	204,000	662,802	1,018	112,513	3,925
Liabilities							
Accounts payable	-	-	-	10,974	-	-	-
Accrued liabilities	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	3,925
Unearned grant and other revenues	-	-	-	-	1,018	-	-
Total Liabilities	-	-	-	10,974	1,018	-	3,925
Deferred inflows of resources							
Unavailable fee revenue	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-
Fund balance							
Restricted	-	-	204,000	-	-	112,513	-
Committed	28,681	6,540	-	651,828	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balance	28,681	6,540	204,000	651,828	-	112,513	-
Total liabilities, deferred inflows of resources and fund balance	\$ 28,681	\$ 6,540	\$ 204,000	\$ 662,802	\$ 1,018	\$ 112,513	\$ 3,925

See Independent Auditor's Report

Town of Smithfield, Rhode Island

Supplementary Information

Combining Non-Major Governmental Funds Balance Sheet

June 30, 2021

Special Revenue Funds						
	Fire Prevention	Historical Records	Municipal Contingency Escrow	Operation Blue Reptide	Police Confiscated Funds	Retirement Escrow
Assets						
Cash and cash equivalents	\$ 77,088	\$ 35,311	\$ 31,428	\$ -	\$ 28,798	\$ 790,956
Accounts and other receivables, net	-	-	-	-	-	-
Intergovernmental receivables	-	-	-	-	-	-
Due from other funds	-	22,339	1,192	-	-	-
Total Assets	77,088	57,650	32,620	-	28,798	790,956
Deferred outflows of resources						
Deferred outflows	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-
Total assets and deferred outflows of resources	77,088	57,650	32,620	-	28,798	790,956
Liabilities						
Accounts payable	1,817	-	-	-	-	-
Accrued liabilities	-	-	-	-	1,645	-
Due to other funds	71,751	-	-	-	2,910	122,095
Unearned grant and other revenues	-	-	-	-	-	-
Total Liabilities	73,568	-	-	-	4,555	122,095
Deferred inflows of resources						
Unavailable fee revenue	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-
Fund balance						
Restricted	3,520	57,650	-	-	24,243	-
Committed	-	-	32,620	-	-	668,861
Unassigned	-	-	-	-	-	-
Total fund balance	3,520	57,650	32,620	-	24,243	668,861
Total liabilities, deferred inflows of resources and fund balance	\$ 77,088	\$ 57,650	\$ 32,620	\$ -	\$ 28,798	\$ 790,956

See Independent Auditor's Report

Town of Smithfield, Rhode Island

Supplementary Information

Combining Non-Major Governmental Funds Balance Sheet

June 30, 2021

Special Revenue Funds							
	Revaluation Escrow	RIDOT Children Passenger Safety	RIDOT Click It or Ticket	Scholarship Fund	Senior Center Grant	Bulletproof Vest	Neighborhood Center Fund
Assets							
Cash and cash equivalents	\$ 39,211	\$ -	\$ -	\$ 4,497	\$ -	\$ -	\$ 3,721
Accounts and other receivables, net	-	-	-	-	-	-	-
Intergovernmental receivables	-	-	-	-	-	-	-
Due from other funds	182,954	-	11	-	123,490	-	40,113
Total Assets	222,165	-	11	4,497	123,490	-	43,834
Deferred outflows of resources							
Deferred outflows	-	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	222,165	-	11	4,497	123,490	-	43,834
Liabilities							
Accounts payable	15,297	-	-	-	298	-	3,838
Accrued liabilities	-	-	-	-	17,982	-	1,170
Due to other funds	-	-	-	-	-	-	-
Unearned grant and other revenues	-	-	-	-	-	-	-
Total Liabilities	15,297	-	-	-	18,280	-	5,008
Deferred inflows of resources							
Unavailable fee revenue	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-
Fund balance							
Restricted	-	-	-	4,497	105,210	-	-
Committed	206,868	-	-	-	-	-	38,826
Unassigned	-	-	11	-	-	-	-
Total fund balance	206,868	-	11	4,497	105,210	-	38,826
Total liabilities, deferred inflows of resources and fund balance	\$ 222,165	\$ -	\$ 11	\$ 4,497	\$ 123,490	\$ -	\$ 43,834

See Independent Auditor's Report

Town of Smithfield, Rhode Island

Supplementary Information

Combining Non-Major Governmental Funds Balance Sheet

June 30, 2021

Special Revenue Funds								
	Police Memorial Fund	General Public Assistance	Dog Park	Play for All Fund	Commercial Weight Enforcement	Active Shooter Grant	School Restricted Funds	Total Special Revenue Funds
Assets								
Cash and cash equivalents	\$ 799	\$ -	\$ 17,072	\$ -	\$ -	\$ -	\$ 253,726	\$ 1,357,907
Accounts and other receivables, net	-	-	-	-	-	-	59,004	59,004
Intergovernmental receivables	-	-	-	-	-	-	568,508	569,258
Due from other funds	-	73,732	26,732	2,566	-	-	158,136	1,574,694
Total Assets	799	73,732	43,804	2,566	-	-	1,039,374	3,560,863
Deferred outflows of resources								
Deferred outflows	-	-	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	799	73,732	43,804	2,566	-	-	1,039,374	3,560,863
Liabilities								
Accounts payable	-	-	-	-	-	-	38,193	70,417
Accrued liabilities	-	12,809	-	-	-	-	-	33,606
Due to other funds	-	-	-	-	106	-	573,665	774,452
Unearned grant and other revenues	-	-	-	-	-	-	-	1,018
Total Liabilities	-	12,809	-	-	106	-	611,858	879,493
Deferred inflows of resources								
Unavailable fee revenue	-	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-	-
Fund balance								
Restricted	799	-	43,804	2,566	-	-	427,516	986,318
Committed	-	60,923	-	-	-	-	-	1,695,147
Unassigned	-	-	-	-	(106)	-	-	(95)
Total fund balance	799	60,923	43,804	2,566	(106)	-	427,516	2,681,370
Total liabilities, deferred inflows of resources and fund balance	\$ 799	\$ 73,732	\$ 43,804	\$ 2,566	\$ -	\$ -	\$ 1,039,374	\$ 3,560,863

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Town of Smithfield, Rhode Island

Supplementary Information

Combining Non-Major Governmental Funds Balance Sheet

June 30, 2021

Capital Project Funds							
	Green Acres Acquisition Fund	Smithfield Historic Landmark	Impact Fees	Land Acq. Open Space Bond	Middle School Additions	Open Space & Rec. Area	Police Equipment
Assets							
Cash and cash equivalents	\$ 112,968	\$ 883	\$ 872,360	\$ -	\$ -	\$ 4,543	\$ 129,016
Accounts and other receivables, net	-	-	-	-	-	-	-
Intergovernmental receivables	-	-	-	-	-	-	-
Due from other funds	16,404	-	1,086,621	66,285	5,124	-	(68,693)
Total Assets	129,372	883	1,958,981	66,285	5,124	4,543	60,323
Deferred outflows of resources							
Deferred outflows	-	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	129,372	883	1,958,981	66,285	5,124	4,543	60,323
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	-	-	-	-	-	-	-
Committed	129,372	883	1,958,981	66,285	5,124	4,543	60,323
Unassigned	-	-	-	-	-	-	-
Total fund balance	129,372	883	1,958,981	66,285	5,124	4,543	60,323
Total liabilities, deferred inflows of resources and fund balance	\$ 129,372	\$ 883	\$ 1,958,981	\$ 66,285	\$ 5,124	\$ 4,543	\$ 60,323

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Town of Smithfield, Rhode Island

Supplementary Information

Combining Non-Major Governmental Funds Balance Sheet

June 30, 2021

Capital Project Funds

	Water District Improvement Fee	Handicap Accessibility	Salt Barn Property	Special Projects Fund	Police Improvement Bond	Capital Reserve Fund	Fire Station Bond
Assets							
Cash and cash equivalents	\$ 18,777	\$ 10,799	\$ -	\$371,914	\$ -	\$ -	\$ -
Accounts and other receivables, net	-	-	-	6,920	-	-	-
Intergovernmental receivables	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	147,757	321,740	-
Total Assets	18,777	10,799	-	378,834	147,757	321,740	-
Deferred outflows of resources							
Deferred outflows	-	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	18,777	10,799	-	378,834	147,757	321,740	-
Liabilities							
Accounts payable	-	-	-	19,983	-	-	-
Accrued liabilities	-	-	-	-	-	-	-
Due to other funds	23	-	1,010,496	495,103	-	-	54,853
Unearned grant and other revenues	-	-	-	-	-	-	-
Total Liabilities	23	-	1,010,496	515,086	-	-	54,853
Deferred inflows of resources							
Unavailable fee revenue	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-
Fund balance							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	18,754	10,799	-	-	147,757	321,740	-
Unassigned	-	-	(1,010,496)	(136,252)	-	-	(54,853)
Total fund balance	18,754	10,799	(1,010,496)	(136,252)	147,757	321,740	(54,853)
Total liabilities, deferred inflows of resources and fund balance	\$ 18,777	\$ 10,799	\$ -	\$378,834	\$ 147,757	\$ 321,740	\$ -

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Town of Smithfield, Rhode Island

Supplementary Information

Combining Non-Major Governmental Funds Balance Sheet

June 30, 2021

Capital Project Funds							
	Land Trust	Bryant Capital Contributions	School Improvement Bond	Capital Lease Fund	Stillwater Pond Development	Smithfield Fire Rescue	Total Capital Project Funds
Assets							
Cash and cash equivalents	\$ 14,653	\$ -	\$ -	\$ -	\$ -	\$ 1,218,181	\$ 2,754,094
Accounts and other receivables, net	-	17,638	992,638	-	-	120,518	1,137,714
Intergovernmental receivables	-	-	-	-	-	-	-
Due from other funds	188,946	519,971	-	-	100,000	22,961	2,407,116
Total Assets	203,599	537,609	992,638	-	100,000	1,361,660	6,298,924
Deferred outflows of resources							
Deferred outflows	-	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	203,599	537,609	992,638	-	100,000	1,361,660	6,298,924
Liabilities							
Accounts payable	-	-	-	-	-	22,804	42,787
Accrued liabilities	-	-	-	-	-	-	-
Due to other funds	-	-	575,212	1,956,956	-	-	4,092,643
Unearned grant and other revenues	-	-	-	-	-	-	-
Total Liabilities	-	-	575,212	1,956,956	-	22,804	4,135,430
Deferred inflows of resources							
Unavailable fee revenue	-	-	-	-	-	120,518	120,518
Total deferred inflows of resources	-	-	-	-	-	120,518	120,518
Fund balance							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	417,426	-	100,000	-	517,426
Committed	203,599	537,609	-	-	-	1,218,338	4,684,107
Unassigned	-	-	-	(1,956,956)	-	-	(3,158,557)
Total fund balance	203,599	537,609	417,426	(1,956,956)	100,000	1,218,338	2,042,976
Total liabilities, deferred inflows of resources and fund balance	\$ 203,599	\$ 537,609	\$ 992,638	\$ -	\$ 100,000	\$ 1,361,660	\$ 6,298,924

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Town of Smithfield, Rhode Island

Supplementary Information

Combining Non-Major Governmental Funds Balance Sheet

June 30, 2021

	<u>Permanent Funds</u>	<u>Total Nonmajor Governmental Funds</u>
	Cemetery Fund	
Assets		
Cash and cash equivalents	\$ 63,703	\$ 4,175,704
Accounts and other receivables, net	-	1,196,718
Intergovernmental receivables	-	569,258
Due from other funds	-	3,981,810
Total Assets	63,703	9,923,490
Deferred outflows of resources		
Deferred outflows	-	-
Total deferred outflows of resources	-	-
Total assets and deferred outflows of resources	63,703	9,923,490
Liabilities		
Accounts payable	-	113,204
Accrued liabilities	-	33,606
Due to other funds	-	4,867,095
Unearned grant and other revenues	-	1,018
Total Liabilities	-	5,014,923
Deferred inflows of resources		
Unavailable fee revenue	-	120,518
Total deferred inflows of resources	-	120,518
Fund balance		
Nonspendable	-	-
Restricted	63,703	1,567,447
Committed	-	6,379,254
Unassigned	-	(3,158,652)
Total fund balance	63,703	4,788,049
Total liabilities, deferred inflows of resources and fund balance	\$ 63,703	\$ 9,923,490

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Town of Smithfield, Rhode Island

Supplementary Information

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

For the Year Ended June 30, 2021

Special Revenue Funds							
	Animal Control Fund	Animal Control Spay & Neuter	Affordable Housing Fund	Police Restricted Revenue	CDBG	Document Preservation & Tech Upgrades	EMA Radio
Revenues:							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 11,500	\$ -	\$ -
Fees, fines, charges and assessments	645	321	-	134,221	-	28,848	-
Interest and investment income	-	-	-	-	-	-	-
Contributions and grants	50	-	-	-	-	-	-
Other revenues	3,150	1,143	-	-	-	-	-
Total revenues	<u>3,845</u>	<u>1,464</u>	<u>-</u>	<u>134,221</u>	<u>11,500</u>	<u>28,848</u>	<u>-</u>
Expenditures :							
Education	-	-	-	-	-	-	-
Public safety	-	-	-	67,684	-	-	-
Recreation and community development	-	-	-	-	11,500	-	-
Other expenses	-	-	-	-	-	9,585	-
Capital outlays	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>67,684</u>	<u>11,500</u>	<u>9,585</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>3,845</u>	<u>1,464</u>	<u>-</u>	<u>66,537</u>	<u>-</u>	<u>19,263</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	3,845	1,464	-	66,537	-	19,263	-
Fund balance - beginning	<u>24,836</u>	<u>5,076</u>	<u>204,000</u>	<u>585,291</u>	<u>-</u>	<u>93,250</u>	<u>-</u>
Fund balance - ending	<u>\$ 28,681</u>	<u>\$ 6,540</u>	<u>\$204,000</u>	<u>\$ 651,828</u>	<u>\$ -</u>	<u>\$ 112,513</u>	<u>\$ -</u>

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Town of Smithfield, Rhode Island

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Combining Non-Major Governmental Funds Statement of Revenue, Expenditures, and Changes
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For the Year Ended June 30, 2021

Special Revenue Funds

	Fire Prevention	Historical Records	Municipal Contingency Escrow	Operation Blue Reptide	Police Confiscated Funds	Retirement Escrow
Revenues:						
Intergovernmental	\$ -	\$ -	\$ -	\$ 7,526	\$ 4,568	\$ -
Fees, fines, charges and assessments	12,674	4,848	-	-	-	-
Interest and investment income	-	-	3	-	-	1,026
Contributions and grants	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-
Total revenues	<u>12,674</u>	<u>4,848</u>	<u>3</u>	<u>7,526</u>	<u>4,568</u>	<u>1,026</u>
Expenditures :						
Education	-	-	-	-	-	-
Public safety	10,084	-	-	7,526	357	-
Recreation and community development	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-
Capital outlays	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>10,084</u>	<u>-</u>	<u>-</u>	<u>7,526</u>	<u>357</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>2,590</u>	<u>4,848</u>	<u>3</u>	<u>-</u>	<u>4,211</u>	<u>1,026</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	(200,000)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(200,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	2,590	4,848	(199,997)	-	4,211	1,026
Fund balance - beginning	930	52,802	232,617	-	20,032	667,835
Fund balance - ending	<u>\$ 3,520</u>	<u>\$57,650</u>	<u>\$ 32,620</u>	<u>\$ -</u>	<u>\$ 24,243</u>	<u>\$ 668,861</u>

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Town of Smithfield, Rhode Island

Supplementary Information

Combining Non-Major Governmental Funds Statement of Revenue, Expenditures, and Changes
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For the Year Ended June 30, 2021

	Special Revenue Funds						
	Revaluation Escrow	RI DOT Children Passenger Safety	RI DOT Click It or Ticket	Scholarship Fund	Senior Center Grant	Bulletproof Vest	Neighborhood Center Fund
Revenues:							
Intergovernmental	\$ -	\$ 1,330	\$ 776	\$ -	\$ 8,081	\$ 2,970	\$ -
Fees, fines, charges and assessments	-	-	-	-	-	-	-
Interest and investment income	4	-	-	1	-	-	-
Contributions and grants	-	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-	-
Total revenues	<u>4</u>	<u>1,330</u>	<u>776</u>	<u>1</u>	<u>8,081</u>	<u>2,970</u>	<u>-</u>
Expenditures :							
Education	-	-	-	-	-	-	-
Public safety	-	1,330	765	-	-	2,970	-
Recreation and community development	-	-	-	-	3,102	-	18,986
Other expenses	28,612	-	-	-	-	-	-
Capital outlays	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>28,612</u>	<u>1,330</u>	<u>765</u>	<u>-</u>	<u>3,102</u>	<u>2,970</u>	<u>18,986</u>
Excess (deficiency) of revenues over expenditures	<u>(28,608)</u>	<u>-</u>	<u>11</u>	<u>1</u>	<u>4,979</u>	<u>-</u>	<u>(18,986)</u>
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	9,465
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,465</u>
Net change in fund balance	(28,608)	-	11	1	4,979	-	(9,521)
Fund balance - beginning	<u>235,476</u>	<u>-</u>	<u>-</u>	<u>4,496</u>	<u>100,231</u>	<u>-</u>	<u>48,347</u>
Fund balance - ending	<u>\$ 206,868</u>	<u>\$ -</u>	<u>\$ 11</u>	<u>\$ 4,497</u>	<u>\$ 105,210</u>	<u>\$ -</u>	<u>\$ 38,826</u>

Town of Smithfield, Rhode Island

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

For the Year Ended June 30, 2021

Special Revenue Funds								
	Police Memorial Fund	General Public Assistance	Dog Park	Play for All Fund	Commercial Weight Enforcement	Active Shooter Grant	School Restricted Funds	Total Special Revenue Funds
Revenues:								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 30,002	\$ 222	\$ 1,910,591	\$ 1,977,566
Fees, fines, charges and assessments	-	-	2,687	-	-	-	-	184,244
Interest and investment income	-	-	-	-	-	-	-	1,034
Contributions and grants	-	9,430	-	-	-	-	39,843	49,323
Other revenues	-	-	-	-	-	-	85,932	90,225
Total revenues	<u>-</u>	<u>9,430</u>	<u>2,687</u>	<u>-</u>	<u>30,002</u>	<u>222</u>	<u>2,036,366</u>	<u>2,302,392</u>
Expenditures :								
Education	-	-	-	-	-	-	1,841,557	1,841,557
Public safety	-	-	-	-	30,108	222	-	121,046
Recreation and community development	-	3,315	-	-	-	-	-	36,903
Other expenses	-	-	-	-	-	-	-	38,197
Capital outlays	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,739</u>	<u>-</u>	<u>-</u>	<u>138,337</u>	<u>146,076</u>
Total expenditures	<u>-</u>	<u>3,315</u>	<u>-</u>	<u>7,739</u>	<u>30,108</u>	<u>222</u>	<u>1,979,894</u>	<u>2,183,779</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>6,115</u>	<u>2,687</u>	<u>(7,739)</u>	<u>(106)</u>	<u>-</u>	<u>56,472</u>	<u>118,613</u>
Other financing sources (uses):								
Transfers in	-	-	27,500	-	-	-	-	36,965
Transfers out	-	-	-	-	-	-	-	(200,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>27,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(163,035)</u>
Net change in fund balance	<u>-</u>	<u>6,115</u>	<u>30,187</u>	<u>(7,739)</u>	<u>(106)</u>	<u>-</u>	<u>56,472</u>	<u>(44,422)</u>
Fund balance - beginning	<u>799</u>	<u>54,808</u>	<u>13,617</u>	<u>10,305</u>	<u>-</u>	<u>-</u>	<u>371,044</u>	<u>2,725,792</u>
Fund balance - ending	<u>\$ 799</u>	<u>\$ 60,923</u>	<u>\$ 43,804</u>	<u>\$ 2,566</u>	<u>\$ (106)</u>	<u>\$ -</u>	<u>\$ 427,516</u>	<u>\$ 2,681,370</u>

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Town of Smithfield, Rhode Island

Supplementary Information

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

For the Year Ended June 30, 2021

Capital Project Funds

	Green Acres Acquisition Fund	Smithfield Historic Landmark	Impact Fees	Land Acq. Open Space Bond	Middle School Additions	Open Space & Rec. Area	Police Equipment
Revenues:							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fees, fines, charges and assessments	-	-	186,825	-	-	-	104,817
Interest and investment income	-	-	87	-	-	1	-
Contributions and grants	-	-	-	-	-	-	-
Other revenues	5,773	1	-	-	-	-	-
Total revenues	<u>5,773</u>	<u>1</u>	<u>186,912</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>104,817</u>
Expenditures :							
General government	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Recreation and community development	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-
Capital outlays	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	5,773	1	186,912	-	-	1	104,817
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	(75,000)	-	-	-	(115,707)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(75,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(115,707)</u>
Net change in fund balance	5,773	1	111,912	-	-	1	(10,890)
Fund balance, beginning of year	<u>123,599</u>	<u>882</u>	<u>1,847,069</u>	<u>66,285</u>	<u>5,124</u>	<u>4,542</u>	<u>71,213</u>
Fund balance, end of year	<u>\$ 129,372</u>	<u>\$ 883</u>	<u>\$ 1,958,981</u>	<u>\$ 66,285</u>	<u>\$ 5,124</u>	<u>\$ 4,543</u>	<u>\$ 60,323</u>

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Supplementary Information

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

For the Year Ended June 30, 2021

Capital Project Funds

	Water District Improvement Fee	Handicap Accessibility	Salt Barn Property	Special Projects Fund	Police Improvement Bond	Capital Reserve Fund	Fire Station Bond
Revenues:							
Intergovernmental	\$ -	\$ -	\$ -	\$ 72,834	\$ -	\$ -	\$ -
Fees, fines, charges and assessments	-	-	-	-	-	-	-
Interest and investment income	2	1	-	-	-	-	-
Contributions and grants	-	-	-	6,920	-	-	-
Other revenues	-	-	-	21,600	-	-	-
Total revenues	<u>2</u>	<u>1</u>	<u>-</u>	<u>101,354</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures :							
General government	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-
Public safety	-	-	-	66,203	-	-	-
Recreation and community development	-	-	-	120	-	-	-
Other expenses	-	-	-	-	-	-	-
Capital outlays	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,120</u>	<u>9,983</u>	<u>-</u>	<u>54,853</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>108,443</u>	<u>9,983</u>	<u>-</u>	<u>54,853</u>
Excess (deficiency) of revenues over expenditures	2	1	-	(7,089)	(9,983)	-	(54,853)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(100,000)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(100,000)</u>	<u>-</u>
Net change in fund balance	2	1	-	(7,089)	(9,983)	(100,000)	(54,853)
Fund balance, beginning of year	<u>18,752</u>	<u>10,798</u>	<u>(1,010,496)</u>	<u>(129,163)</u>	<u>157,740</u>	<u>421,740</u>	<u>-</u>
Fund balance, end of year	<u>\$ 18,754</u>	<u>\$ 10,799</u>	<u>\$ (1,010,496)</u>	<u>\$ (136,252)</u>	<u>\$ 147,757</u>	<u>\$ 321,740</u>	<u>\$ (54,853)</u>

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

For the Year Ended June 30, 2021

Capital Project Funds

	Land Trust	Bryant Capital Contributions	School Improvement Bond	Capital Lease Fund	Stillwater Pond Development	Smithfield Fire Rescue	Total Capital Project Funds
Revenues:							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 72,834
Fees, fines, charges and assessments	583	53,845	-	-	-	909,783	1,255,853
Interest and investment income	-	-	44	-	-	624	759
Contributions and grants	-	-	-	-	-	-	6,920
Other revenues	-	-	-	-	-	-	27,374
Total revenues	583	53,845	44	-	-	910,407	1,363,740
Expenditures :							
General government	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	1,246,833	1,313,036
Recreation and community development	6,154	-	-	-	-	-	6,274
Other expenses	-	-	-	-	-	-	-
Capital outlays	-	-	-	1,540,736	-	-	1,647,692
Total expenditures	6,154	-	-	1,540,736	-	1,246,833	2,967,002
Excess (deficiency) of revenues over expenditures	(5,571)	53,845	44	(1,540,736)	-	(336,426)	(1,603,262)
Other financing sources (uses):							
Transfers in	-	-	-	418,132	-	65,471	483,603
Transfers out	-	-	-	-	-	-	(290,707)
Total other financing sources (uses)	-	-	-	418,132	-	65,471	192,896
Net change in fund balance	(5,571)	53,845	44	(1,122,604)	-	(270,955)	(1,410,366)
Fund balance, beginning of year	209,170	483,764	417,382	(834,352)	100,000	1,489,293	3,453,342
Fund balance, end of year	\$ 203,599	\$ 537,609	\$ 417,426	\$ (1,956,956)	\$ 100,000	\$ 1,218,338	\$ 2,042,976

See Independent Auditor's Report

Town of Smithfield, Rhode Island

Supplementary Information

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

For the Year Ended June 30, 2021

	Permanent Funds	Total Nonmajor
	Cemetery Fund	Governmental Funds
Revenues:		
Intergovernmental	\$ -	\$ 2,050,400
Fees, fines, charges and assessments	-	1,440,097
Interest and investment income	6	1,799
Contributions and grants	-	56,243
Other revenues	-	117,599
Total revenues	6	3,666,138
Expenditures :		
General government	-	-
Education	-	1,841,557
Public safety	-	1,434,082
Recreation and community development	-	43,177
Other expenses	-	38,197
Capital outlays	-	1,793,768
Total expenditures	-	5,150,781
Excess (deficiency) of revenues over expenditures	6	(1,484,643)
Other financing sources (uses):		
Transfers in	-	520,568
Transfers out	-	(490,707)
Total other financing sources (uses)	-	29,861
Net change in fund balance	6	(1,454,782)
Fund balance, beginning of year	63,697	6,242,831
Fund balance, end of year	\$ 63,703	\$ 4,788,049

TOWN OF SMITHFIELD

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**

Town of Smithfield, Rhode Island

Custodial Funds

Year ended June 30, 2021

	Custodial Funds	
	<u>Street Lighting</u>	<u>Soil Erosion</u>
Assets		
Cash and cash equivalents	\$ 22,286	\$ 20,614
Due From	<u>331,515</u>	<u>-</u>
Total assets	<u>353,801</u>	<u>20,614</u>
Liabilities		
Deposits held in custody	-	-
Net Position		
Restricted for Soil Erosion	-	20,613
Restricted for Street Lighting	<u>353,801</u>	<u>-</u>
Total net position	353,801	20,613
Total liabilities and net position	<u>\$ 353,801</u>	<u>\$ 20,613</u>

	Custodial Funds	
	<u>Street Lighting</u>	<u>Soil Erosion</u>
Additions:		
Contributions:		
Investment earning	\$ -	\$ 4
Total additions	<u>-</u>	<u>4</u>
Deductions		
Fund distributed on behalf of others	<u>98,369</u>	<u>-</u>
Total deductions	<u>98,369</u>	<u>-</u>
Changes in net position held in trust for individuals, organizations, and other governments	<u>98,369</u>	<u>4</u>
Net position, July 1, 2020, as restated	<u>452,168</u>	<u>20,609</u>
Net position, June 30, 2021	<u>\$ 353,799</u>	<u>\$ 20,614</u>

See Independent Auditor's Report

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TOWN OF SMITHFIELD

OTHER

Town of Smithfield, Rhode Island

Combining Balance Sheet

Funds Which Comprise the Town's General Fund

June 30, 2021

	General Fund	Inspection Fee Fund	Total General Fund
Assets			
Cash and cash equivalents	\$ 28,116,490	\$ 51,100	\$ 28,167,590
Investments	6,406,470	-	6,406,470
Taxes receivable, net	1,912,634	-	1,912,634
Other receivable, net	348,327	-	348,327
Intergovernmental receivables	579,818	-	579,818
Prepaid items	-	-	-
Due from other funds	6,767,740	12,375	6,780,115
Total assets	44,131,479	63,475	44,194,954
Deferred outflows of resources			
None	-	-	-
Total deferred outflows of resources	-	-	-
Total assets and deferred outflows of resources	\$ 44,131,479	\$ 63,475	\$ 44,194,954
Liabilities			
Accounts payable	\$ 1,600,665	\$ -	\$ 1,600,665
Accrued liabilities	878,536	5,600	884,136
Other payables	382,083	-	382,083
Due to other funds	25,971,502	-	25,971,502
Total liabilities	28,832,786	5,600	28,838,386
Deferred inflows of resources			
Unavailable property tax revenue	687,405	-	687,405
Deferred revenue - other	10,000	-	10,000
Total deferred inflows of resources	697,405	-	697,405
Fund balance			
Nonspendable	2,006,020	-	2,006,020
Restricted	-	-	-
Committed	6,352,751	-	6,352,751
Assigned	-	-	-
Unassigned	6,242,517	57,875	6,300,392
Total fund balance	14,601,288	57,875	14,659,163
Total liabilities, deferred inflows of resources, and fund balance	\$ 44,131,479	\$ 63,475	\$ 44,194,954

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, 2021

	<u>General Fund</u>	<u>Inspection Fee Fund</u>	<u>Total General Fund</u>
Revenues			
General property taxes	\$ 60,033,868	\$ -	\$ 60,033,868
Intergovernmental	6,456,831	-	6,456,831
Licenses, fees, fines, charges and assessments	1,225,681	-	1,225,681
Investment income (loss)	422,575	5	422,580
Contributions	-	-	-
State on behalf pension & transportation contributions	-	-	-
Other miscellaneous including Medicaid	314,089	-	314,089
Total revenues	<u>68,453,044</u>	<u>5</u>	<u>68,453,049</u>
Expenditures			
Current:			
General government	3,661,152	-	3,661,152
Public safety	19,736,220	-	19,736,220
Public works	4,823,883	-	4,823,883
Public health and assistance	22	-	22
Libraries	1,454,008	-	1,454,008
Education	433,742	-	433,742
Recreation and Senior Center activities	1,117,867	-	1,117,867
Benefits and other miscellaneous	2,628,809	-	2,628,809
Debt Service:			
Principal	1,559,000	-	1,559,000
Interest and other costs	795,988	-	795,988
Capital:			
Capital expenditures	<u>2,172,008</u>	<u>-</u>	<u>2,172,008</u>
Total expenditures	<u>38,382,698</u>	<u>-</u>	<u>38,382,698</u>
Excess (deficiency) of revenues over expenditures	30,070,346	5	30,070,351
Other financing sources (uses)			
Revenues for capital expenditures	1,595,547	-	1,595,547
Transfers in	431,867	-	431,867
Transfers out	<u>(32,512,228)</u>	<u>-</u>	<u>(32,512,228)</u>
Total other financing sources (uses)	<u>(30,484,814)</u>	<u>-</u>	<u>(30,484,814)</u>
Net change in fund balance	(414,468)	5	(414,463)
Fund balance, July 1, 2020	<u>15,015,756</u>	<u>57,870</u>	<u>15,073,626</u>
Fund balance, June 30, 2021	<u>\$ 14,601,288</u>	<u>\$ 57,875</u>	<u>\$ 14,659,163</u>

See Independent Auditor's Report

Town of Smithfield, Rhode Island

Tax Collector's Annual Report

For the Year Ended June 30, 2021

Tax Roll Year	Residential Real Property Mill Rate	Property Taxes Receivable July 1, 2020	Current Year Assessment	Supplemental Addendums (Net)	Refunds & Adjustments	Abatements & Adjustments	Amount to be collected	Collections July 1, 2020 to June 30, 2021	Property Taxes Receivable June 30, 2021	FY 2021 Cash Collections Summary			
										Subject to 60 Day Rule 7/1/2020- 8/31/2020	Not Subject to 60 Day Rule 7/1/2020- 06/31/2021	Subject to 60 Day Rule 7/1/2021- 8/31/2021	Tax Revenue Recognized FYE 06/30/2021
2021	\$ 17.13	\$ -	\$ 59,670,761	\$ 94,048	\$ 22,345	\$ 316,097	59,471,057	\$ 57,683,247	1,787,810	\$ -	\$ 57,683,247	\$ 1,160,062	\$ 58,843,309
2020	\$ 16.81	3,023,108	-	1,210	2,759	(241,678)	3,268,755	3,164,412	104,343	2,134,682	1,029,731	7,716	1,037,447
2019	\$ 17.56	223,215	-	892	337	7,317	217,127	124,489	92,638	31,572	92,917	76	92,993
2018	\$ 17.56	100,737	-	855	-	(161)	101,753	15,572	86,181	1,412	14,160	2,591	16,751
2017	\$ 16.73	89,684	-	815	-	(55)	90,554	11,085	79,469	866	10,218	4,821	15,039
2016	\$ 17.57	83,852	-	794	-	-	84,646	8,713	75,933	531	8,182	1,986	10,168
2015	\$ 17.13	78,383	-	774	-	1,784	77,373	8,710	68,663	36	8,674	139	8,813
2014	\$ 17.52	85,653	-	792	-	-	86,445	4,457	81,988	2,121	2,337	144	2,481
2013	\$ 16.02	94,068	-	831	-	-	94,899	1,919	92,980	449	1,470	617	2,087
2012	\$ 16.02	81,534	-	823	-	61	82,296	1,311	80,985	632	679	361	1,040
2011	\$ 15.85	84,009	-	809	-	-	84,818	1,108	83,710	852	256	431	687
2010	\$ 15.59	130,818	-	-	-	-	130,818	319	130,499	314	5	52	57
Prior	various	322,566	-	-	-	(1,572)	324,138	555	323,583	67	488	2,508	2,996
		<u>\$ 4,397,627</u>	<u>\$ 59,670,761</u>	<u>\$ 102,643</u>	<u>\$ 25,441</u>	<u>\$ 81,793</u>	<u>\$ 64,114,679</u>	<u>\$ 61,025,897</u>	<u>\$ 3,088,782</u>	<u>\$ 2,173,534</u>	<u>\$ 58,852,364</u>	<u>\$ 1,181,504</u>	<u>\$ 60,033,868</u>
Less: Allowance for Uncollectible accounts		<u>(1,301,337)</u>							<u>(1,176,148)</u>				
		<u>\$ 3,096,290</u>							<u>\$ 1,912,634</u>				

See Independent Auditor's Report

Town of Smithfield, Rhode Island

Tax Collector's Annual Report

For the Year Ended June 30, 2021

Schedule of Net Assessed Property Value by Category		
Assessed December 31, 2019 - (2020 Tax Roll)		
	Valuation	Levy
Real property	\$ 2,832,804,520	\$ 46,514,450
Motor vehicles	186,688,958	4,432,518
Tangible personal property	210,371,260	8,723,793
Total	3,229,864,738	59,670,761
Less: Exemptions	(170,233,818)	-
Net assessed value	\$ 3,059,630,920	59,670,761
Current year assessment		\$ 59,670,761

Reconciliation of Current Year Property Tax Revenue	
Current Year Collections	\$ 61,025,897
Revenue received 60 days subsequent to fiscal year ending June 30, 2021	\$ 1,181,504
Subtotal	\$ 62,207,401
Prior Year revenue received in current year fiscal year ending June 30, 2020 - 60 Day rul	\$ (2,173,534)
Current year property tax revenue	\$ 60,033,868

See Independent Auditor's Report

TOWN OF SMITHFIELD

OTHER SUPPLEMENTARY INFORMATION

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

Annual Supplemental Transparency Report (MTP2) - Revenue

Annual Supplemental Transparency Report (MTP2) – Expenditures

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

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

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

Town of Smithfield, Rhode Island

Annual Supplemental Transparency Report (MTP2)

For the Year Ended June 30, 2021

<u>REVENUE</u>	<u>Municipal</u>	<u>Education Department</u>
Current Year Levy Tax Collection	\$ 58,843,309	\$ -
Last Year's Levy Tax Collection	1,037,447	-
Prior Years Property Tax Collection	153,112	-
Interest & Penalty	415,495	-
PILOT & Tax Treaty (excluded from levy) Collection	41,550	-
Other Local Property Taxes	-	-
Licenses and Permits	1,225,681	-
Fines and Forfeitures	-	-
Investment Income	7,085	-
Departmental	21,052	-
Rescue Run Revenue	910,411	-
Police & Fire Detail	414,664	-
Other Local Non-Property Tax Revenues	-	-
Tuition	-	318,816
Impact Aid	-	-
Medicaid	-	190,572
Federal Stabilization Funds	-	-
Federal Food Service Reimbursement	-	695,661
CDBG	-	-
COPS Grants	-	-
SAFER Grants	621,621	-
Other Federal Aid Funds	-	1,292,800
COVID - ESSER	-	206,876
COVID - CRF	2,907,589	242,738
COVID - CDBG	-	-
COVID - FEMA	-	-
COVID - Other	-	49,088
COVID - ARPA	-	-
MV Excise Tax Reimbursement	267,692	-
State PILOT Program	360,715	-
Distressed Community Relief Fund	-	-
Library Resource Aid	307,560	-
Library Construction Aid	-	-
Public Service Corporation Tax	269,396	-
Meals & Beverage Tax / Hotel Tax	852,100	-
LEA Aid	-	6,091,587
Group Home	-	-
Housing Aid Capital Projects	300,648	-
Housing Aid Bonded Debt	259,139	-
State Food Service Revenue	-	7,422
Incentive Aid	-	-
Property Revaluation Reimbursement	-	-
Other State Revenue	-	59,420
Motor Vehicle Phase Out	561,858	-
Other Revenue	-	297,198
Local Appropriation for Education	-	32,538,175
Regional Appropriation for Education	-	-
Supplemental Appropriation for Education	-	-
Regional Supplemental Appropriation for Education	-	-
Other Education Appropriation	-	-
Rounding	-	-
Total Revenue	<u>\$ 69,778,125</u>	<u>\$ 41,990,353</u>
Financing Sources: Transfer from Capital Funds	\$ 1,595,547	\$ -
Financing Sources: Transfer from Other Funds	467,477	-
Financing Sources: Debt Proceeds	-	-
Financing Sources: Other	-	-
Rounding	-	-
Total Other Financing Sources	<u>\$ 2,063,024</u>	<u>\$ -</u>

*See notes to accompanying supplementary information
See independent auditor's report*

Town of Smithfield, Rhode Island

Annual Supplemental Transparency Report (MTP2)

For the Year Ended June 30, 2021

<u>EXPENDITURES</u>	General		Social	Centralized	Planning	Libraries	Public	Parks and	Police
	Government	Finance	Services	IT			Works	Rec	Department
Compensation- Group A	\$ 670,820	\$ 619,978	\$ 185,884	\$ -	\$ 388,885	\$ -	\$ 1,285,673	\$ 398,313	\$ 3,571,186
Compensation - Group B	-	-	-	-	-	-	-	-	843,996
Compensation - Group C	-	-	-	-	-	-	-	-	-
Compensation -Volunteer	-	-	-	-	-	-	-	-	-
Overtime- Group A	10,602	805	7,373	-	659	-	76,411	7,488	537,948
Overtime - Group B	-	-	-	-	-	-	-	-	73,648
Overtime - Group C	-	-	-	-	-	-	-	-	-
Police & Fire Detail	-	-	-	-	-	-	-	-	784,816
Active Medical Insurance - Group A	95,238	123,716	78,296	-	123,623	-	403,303	67,765	840,791
Active Medical Insurance- Group B	-	-	-	-	-	-	-	-	171,753
Active Medical Insurance- Group C	-	-	-	-	-	-	-	-	-
Active Dental insurance- Group A	3,870	4,900	2,603	-	5,359	-	18,297	2,685	33,862
Active Dental Insurance- Group B	-	-	-	-	-	-	-	-	4,881
Active Dental Insurance- Group C	-	-	-	-	-	-	-	-	-
Payroll Taxes	69,350	44,797	14,377	-	26,299	-	97,023	29,798	408,611
Life Insurance	1,322	2,123	835	-	1,253	-	4,385	835	10,736
State Defined Contribution- Group A	4,397	5,264	1,685	-	3,076	-	10,972	2,901	-
State Defined Contribution - Group B	-	-	-	-	-	-	-	-	6,662
State Defined Contribution - Group C	-	-	-	-	-	-	-	-	-
Other Benefits- Group A	15,913	-	-	-	-	-	-	3,467	71,523
Other Benefits- Group B	-	-	-	-	-	-	-	-	-
Other Benefits- Group C	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension- Group A	-	-	-	-	-	-	-	-	2,152,683
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
State Defined Benefit Pension- Group A	81,928	60,649	17,042	-	39,059	-	124,568	26,250	395,407
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	74,438
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	-	-	-	-	-	-	-	-	-
Purchased Services	880,087	90,198	2,428	-	69,012	-	629,144	39,853	103,171
Materials/Supplies	83,650	2,885	20,187	-	2,524	-	152,848	54,136	107,552
Software Licenses	173,655	-	-	-	-	-	-	-	25,000
Capital Outlays	2,591,857	-	15,925	-	-	-	227,807	22,000	71,839
Insurance	875,973	-	-	-	-	-	-	-	-
Maintenance	-	-	21,253	-	-	-	3,807	5,549	35,064
Vehicle Operations	197	-	3,036	-	3,520	-	206,824	31,722	101,016
Utilities	42,087	2,018	44,341	-	1,943	-	352,386	47,785	82,966
Contingency	-	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	292,334	-	-
Revaluation	-	2,750	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	76,067	-	-
Trash Removal & Recycling	-	-	-	-	-	-	1,187,692	-	-
Claims & Settlements	-	-	-	-	-	-	-	-	-
Community Support	70,726	-	-	-	-	-	-	-	-
Other Operation Expenditures	-	-	-	-	-	1,454,008	-	11,343	-
Tipping Fees	-	-	-	-	-	-	279,393	-	-
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	\$ 5,671,671	\$ 960,084	\$ 415,266	\$ -	\$ 665,211	\$ 1,454,008	\$ 5,428,934	\$ 751,891	\$ 10,509,548

*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, 2021

<u>EXPENDITURES</u>	<u>Fire</u> <u>Department</u>	<u>Centralized</u> <u>Dispatch</u>	<u>Public Safety</u> <u>Other</u>	<u>Education</u> <u>Appropriation</u>	<u>Debt</u>	<u>OPEB</u>	<u>Total</u> <u>Municipal</u>	<u>Education</u> <u>Department</u>
Compensation- Group A	\$ 5,259,782	\$ -	\$ 152,880	\$ -	\$ -	\$ -	\$ 12,533,401	\$ 18,495,155
Compensation - Group B	290,743	-	-	-	-	-	1,134,739	1,844,097
Compensation - Group C	-	-	-	-	-	-	-	3,693,073
Compensation -Volunteer	-	-	-	-	-	-	-	-
Overtime- Group A	1,151,730	-	4,489	-	-	-	1,797,505	-
Overtime - Group B	30,545	-	-	-	-	-	104,194	-
Overtime - Group C	-	-	-	-	-	-	-	42,188
Police & Fire Detail	44,513	-	-	-	-	-	829,328	-
Active Medical Insurance - Group A	1,262,480	-	32,356	-	-	-	3,027,568	2,646,038
Active Medical Insurance- Group B	50,930	-	-	-	-	-	222,682	204,085
Active Medical Insurance- Group C	-	-	-	-	-	-	-	1,053,856
Active Dental insurance- Group A	51,555	-	1,302	-	-	-	124,433	148,786
Active Dental Insurance- Group B	1,400	-	-	-	-	-	6,282	10,266
Active Dental Insurance- Group C	-	-	-	-	-	-	-	56,480
Payroll Taxes	496,470	-	11,674	-	-	-	1,198,399	630,101
Life Insurance	23,800	-	418	-	-	-	45,707	49,434
State Defined Contribution- Group A	-	-	1,836	-	-	-	30,131	435,352
State Defined Contribution - Group B	-	-	-	-	-	-	6,662	37,735
State Defined Contribution - Group C	-	-	-	-	-	-	-	35,599
Other Benefits- Group A	134,168	-	-	-	-	-	225,070	135,450
Other Benefits- Group B	-	-	-	-	-	-	-	53,367
Other Benefits- Group C	-	-	-	-	-	-	-	53,621
Local Defined Benefit Pension- Grou	622,864	-	-	-	-	-	2,775,547	-
Local Defined Benefit Pension - Gro	43,444	-	-	-	-	-	43,444	-
Local Defined Benefit Pension - Gro	-	-	-	-	-	-	-	-
State Defined Benefit Pension- Group	206,058	-	13,446	-	-	-	964,406	2,629,751
State Defined Benefit Pension - Grou	10,289	-	-	-	-	-	84,727	246,081
State Defined Benefit Pension - Grou	-	-	-	-	-	-	-	345,031
Other Defined Benefit / Contribution	-	-	-	-	-	-	-	-
Purchased Services	64,155	-	-	-	-	-	1,878,048	5,504,404
Materials/Supplies	194,611	-	27,677	-	-	-	646,071	996,878
Software Licenses	-	-	-	-	-	-	198,655	78,078
Capital Outlays	124,033	-	-	-	-	-	3,053,461	616,954
Insurance	-	-	-	-	-	-	875,973	185,615
Maintenance	-	-	-	-	-	-	65,674	176,389
Vehicle Operations	256,087	-	8,276	-	-	-	610,679	13,194
Utilities	76,080	-	11,733	-	-	-	661,339	418,959
Contingency	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	292,334	-
Revaluation	-	-	-	-	-	-	2,750	-
Snow Removal-Raw Material & Exter	-	-	-	-	-	-	76,067	-
Trash Removal & Recycling	-	-	-	-	-	-	1,187,692	-
Claims & Settlements	-	-	-	-	-	-	-	10,000
Community Support	-	-	-	-	-	-	70,726	-
Other Operation Expenditures	-	-	-	-	-	-	1,465,351	68,687
Tipping Fees	-	-	-	-	-	-	279,393	-
Local Appropriation for Education	-	-	-	32,538,175	-	-	32,538,175	-
Regional Appropriation for Education	-	-	-	-	-	-	-	-
Supplemental Appropriation for Educ	-	-	-	-	-	-	-	-
Regional Supplemental Appropriation	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	994,000	-	994,000	-
Municipal Debt- Interest	-	-	-	-	314,581	-	314,581	-
School Debt- Principal	-	-	-	-	565,000	-	565,000	-
School Debt- Interest	-	-	-	-	360,557	-	360,557	-
Retiree Medical Insurance- Total	-	-	-	-	-	979,438	979,438	-
Retiree Dental Insurance- Total	-	-	-	-	-	34,987	34,987	-
OPEB Contribution- Total	-	-	-	-	-	250,000	250,000	171,518
Rounding	-	-	-	-	-	-	-	-
Total Expenditures	\$ 10,395,738	\$ -	\$ 266,086	\$ 32,538,175	\$ 2,234,138	\$ 1,264,425	\$ 72,555,174	\$ 41,086,222

Financing Uses: Transfer to Capital Funds	\$ -	\$ -
Financing Uses: Transfer to Other Funds	-	-
Financing Uses: Payment to Bond Escrow Agent	-	-
Financing Uses: Other	-	-
Total Other Financing Uses	\$ -	\$ -

Net Change in Fund Balance¹ (714,026) 904,131

Fund Balance¹- beginning of year \$16,798,395 \$2,570,356

Funds removed from Reportable Government Services (RGS) - -

Funds added to Reportable Government Services (RGS) - -

Prior period adjustments - 260,364

Misc. Adjustment - -

Fund Balance¹ - beginning of year adjusted 16,798,395 2,830,720

Rounding - -

Fund Balance¹ - end of year **\$ 16,084,369** **\$ 3,734,851**

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, 2021

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, 2020						\$ 16,798,395	-	\$ 16,798,395	
<i>No funds removed from RGS for fiscal 2020</i>						-	-	-	
<i>No funds added to RGS for Fiscal 2020</i>						-	-	-	
<i>No misc. adjustments made for fiscal 2020</i>						-	-	-	
Fund Balance¹ - per MTP-2 at June 30, 2021 adjusted						<u>\$ 16,798,395</u>	<u>-</u>	<u>\$ 16,798,395</u>	
General Fund	\$ 68,453,049	\$ 2,027,414	\$ 38,326,890	\$ 32,568,036	\$ (414,463)	\$ 15,073,626	\$ -	\$ 15,073,626	\$ 14,659,163
Fire Rescue Billing Fund	910,407	65,471	1,246,833	-	(270,955)	1,489,293	-	1,489,293	1,218,338
Revaluation Escrow	4	-	28,612	-	(28,608)	235,476	-	235,476	206,868
Totals per audited financial statements	<u>\$ 69,363,460</u>	<u>\$ 2,092,885</u>	<u>\$ 39,602,335</u>	<u>\$ 32,568,036</u>	<u>\$ (714,026)</u>	<u>\$ 16,798,395</u>	<u>\$ -</u>	<u>\$ 16,798,395</u>	<u>\$ 16,084,369</u>
Reconciliation from financial statements to MTP2									
Reclassify transfer of municipal appropriation to Education Department as expenditure on MTP2	\$ -	\$ -	32,538,175	(32,538,175)	\$ -	-	-	\$ -	-
Eliminate tranfers between Funds reported on MTP2	-	(29,861)	-	(29,861)	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
Totals Per MTP2	<u>\$ 69,778,125</u>	<u>\$ 2,063,024</u>	<u>\$ 72,555,174</u>	<u>\$ -</u>	<u>\$ (714,026)</u>	<u>\$ 16,798,395</u>	<u>\$ -</u>	<u>\$ 16,798,395</u>	<u>\$ 16,084,369</u>

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

*See notes to accompanying supplementary information
See independent auditor's report*

Town of Smithfield, Rhode Island
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2021

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, 2020 <i>No misc. adjustments made for fiscal 2020</i>						\$ 2,570,356	260,364	\$ 2,830,720	
Fund Balance¹ - per MTP-2 at June 30, 2021 adjusted						<u>\$ 2,570,356</u>	<u>260,364</u>	<u>\$ 2,830,720</u>	
School Unrestricted Fund	\$ 8,915,170	\$ 32,538,175	\$ 40,765,702	\$ -	\$ 687,643	\$ 2,375,572		\$ 2,375,572	\$ 3,063,215
Enterprise Fund ¹	714,780	-	558,623	-	156,157	117,753		117,753	273,910
SBA School Capital Project Fund	-	-	-	-	-	-		-	-
School Special Revenue Funds	<u>2,036,366</u>	<u>-</u>	<u>1,979,894</u>	<u>-</u>	<u>56,472</u>	<u>110,680</u>	<u>260,364</u>	<u>371,044</u>	<u>427,516</u>
Totals per audited financial statements	<u>\$ 11,666,316</u>	<u>\$ 32,538,175</u>	<u>\$ 43,304,219</u>	<u>\$ -</u>	<u>\$ 900,272</u>	<u>\$ 2,604,005</u>	<u>\$ 260,364</u>	<u>\$ 2,864,369</u>	<u>\$ 3,764,641</u>
<u>Reconciliation from financial statements to MTP2</u>									
Municipal appropriation for Education reported as a transfer on financial statements but a revenue on MTP2	\$ 32,538,175	\$ (32,538,175)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State contributions on behalf of teacher pensions are reported as revenue and expenditures on financial statements only	(2,078,013)	-	(2,078,013)	-	-	-	-	-	-
State contributions on behalf of transportation	(136,125)	-	(136,125)	-	-	-	-	-	-
Depreciation expense	-	-	(3,859)	-	3,859	(33,649)	-	(33,649)	(29,790)
Rounding	-	-	-	-	-	-	-	-	-
Totals Per MTP2	<u>\$ 41,990,353</u>	<u>\$ -</u>	<u>\$ 41,086,222</u>	<u>\$ -</u>	<u>\$ 904,131</u>	<u>\$ 2,570,356</u>	<u>\$ 260,364</u>	<u>\$ 2,830,720</u>	<u>\$ 3,734,851</u>
<u>Reconciliation from MTP2 to UCOA</u>									
Miscellaneous variance between MTP2 & UCOA	(1)	(2)							
Totals per UCOA Validated Totals Report 12/30/21	<u>\$ 41,990,352</u>	<u>\$ 41,086,220</u>							

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

*See notes to accompanying supplementary information
See independent auditor's report*

Town of Smithfield, Rhode Island

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

For the Year Ended June 30, 2021

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, 2021

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

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

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

NOTE 5. Education Revenue and Expenditures

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

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

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TOWN OF SMITHFIELD

Statistical Section

This part of the Town's comprehensive annual financial report presents information to supplement and provide the multi-year trend information to enable readers to gain a better understanding of the Town's financial health.

Financial Trends: Schedules 1 through 4 contain trend information to help the reader understand changes in financial performance over a period of time.

Revenue Capacity: Schedules 5 through 8 contain information to help the reader assess the factors affecting the Town's ability to generate property tax revenue.

Debt Capacity: Schedules 9 through 12 and 18 contain information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.

Demographic and Economic Information: Schedules 13 and 14 contain demographic information to help the reader understand the environment in which the Town's financial activities take place.

Operating Information: Schedules 15 through 17 contain information about the Town's operations and resources over a period of time.

Other Information: Schedules 19 and 20 contain additional information about the Town that Town officials believe is useful to the reader of the comprehensive financial report.

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

	Fiscal Year ended June 30									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities										
Net Investment in capital assets	\$ 20,860,670	\$ 22,580,542	\$ 23,649,502	\$ 24,868,591	\$ 29,443,616	\$ 25,498,777	\$ 27,650,381	\$ 28,627,378	\$ 34,974,107	\$ 66,789,529
Restricted	-	-	-	-	-	-	63,684	63,690	63,697	10,244,153
Unrestricted	13,694,278	11,378,493	9,713,283	(42,984,286)	(49,129,547)	(81,130,827)	(81,741,924)	(85,573,005)	(94,532,311)	(87,023,814)
Total governmental activities net position	34,554,948	33,959,035	33,362,785	(18,115,695)	(19,685,931)	(55,632,050)	(54,027,859)	(56,881,937)	(59,494,507)	(9,990,132)
Business-type activities										
Net investment in capital assets	16,128,289	14,831,474	14,225,333	13,998,192	13,983,221	14,238,797	13,796,704	13,395,950	14,713,984	15,219,555
Unrestricted	5,951,450	6,217,533	6,504,691	6,509,927	6,557,260	6,150,747	6,428,096	7,168,786	6,107,711	5,974,639
Total business-type activities net position	22,079,739	21,049,007	20,730,024	20,508,119	20,540,481	20,389,544	20,224,800	20,564,736	20,821,695	21,194,194
Primary government										
Net investment in capital assets	36,988,959	37,412,016	37,874,835	38,866,783	43,426,837	39,737,574	41,447,085	42,023,328	49,688,091	82,009,084
Restricted	-	-	-	-	-	-	63,684	63,690	63,697	10,244,153
Unrestricted	19,645,728	17,596,026	16,217,974	(36,474,359)	(42,572,287)	(74,980,080)	(75,313,828)	(78,404,219)	(88,424,600)	(81,049,175)
Total primary government net position	\$ 56,634,687	\$ 55,008,042	\$ 54,092,809	\$ 2,392,424	\$ 854,550	\$ (35,242,506)	\$ (33,803,059)	\$ (36,317,201)	\$ (38,672,812)	\$ 11,204,062

Note: Fiscal years 2010 and 2011 include the net assets of the Greenville Public Library, East Smithfield Public Library, and East Smithfield Neighborhood Center as these entities were considered to be component units and reported as such. In fiscal 2012 they were removed as component units in accordance with GASB Statement #61.

Note: During the fiscal year ended June 30, 2015 the Town of Smithfield implemented GASB Statement #68

Note: During the fiscal year ended June 30, 2017 the Town of Smithfield implemented GASB Statement #75

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

	Fiscal Year Ended June 30									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities:										
General government	\$ 7,752,644	\$ 5,918,235	\$ 6,066,867	\$ 5,442,335	\$ 6,093,690	\$ 8,144,022	\$ 6,057,484	\$ 6,867,551	\$ 7,254,573	\$ 6,578,261
Public safety	17,429,845	17,137,904	17,179,333	15,190,320	16,897,957	16,214,772	15,703,311	21,668,389	21,723,634	17,392,003
Public works	4,351,841	4,598,921	5,028,166	5,910,910	6,683,729	6,530,032	5,946,232	5,409,066	5,934,981	3,963,795
Public Health and Assistance	7,450	8,350	8,197	5,992	7,938	5,938	-	57	70	22
Public libraries (A)	1,187,734	1,187,734	1,217,734	1,254,265	1,283,079	1,321,571	1,374,433	1,414,008	1,454,008	1,454,008
Education	35,543,656	35,311,450	35,866,336	35,265,621	40,028,913	39,839,753	43,456,074	44,195,452	44,817,126	46,121,158
Recreation and Senior Activities	945,504	901,172	1,065,331	2,204,210	1,510,668	1,822,960	2,023,191	1,417,649	1,680,410	1,233,636
Interest on long-term debt	705,512	597,249	552,480	534,407	587,477	824,421	761,655	713,342	660,383	442,383
Total governmental activities	67,924,186	65,661,015	66,984,444	65,808,060	73,093,450	74,703,469	75,322,380	81,685,513	83,525,185	77,185,265
Business-type activities:										
Sewer Authority	2,568,654	2,799,184	3,299,297	3,067,255	2,835,209	3,261,790	3,291,898	3,314,836	3,368,785	3,247,002
Water Supply Board	1,127,768	1,171,217	1,336,273	1,336,587	1,281,454	1,430,372	1,333,566	1,298,931	1,348,593	1,336,110
Smithfield Ice Rink	613,405	608,256	664,391	650,176	709,963	716,387	699,730	727,006	720,357	646,527
School Lunch Program	687,068	595,761	554,776	549,031	514,881	509,384	581,647	580,592	462,491	558,623
Component Units (CU's) (A)	-	-	-	-	-	-	-	-	-	-
Smithfield Ice Rink, School Lunch & CU's	-	-	-	-	-	-	-	-	-	-
Total business-type activities	4,996,895	5,174,418	5,854,737	5,603,049	5,341,507	5,917,933	5,906,841	5,921,365	5,900,226	5,788,262
Total primary government expense	\$ 72,921,081	\$ 70,835,433	\$ 72,839,181	\$ 71,411,109	\$ 78,434,957	\$ 80,621,402	\$ 81,229,221	\$ 87,606,878	\$ 89,425,411	\$ 82,973,527
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 1,055,693	\$ 1,132,533	\$ 1,207,224	\$ 1,164,955	\$ 1,520,598	\$ 1,689,365	\$ 1,490,992	\$ 1,581,074	\$ 1,462,060	\$ 1,686,556
Public safety	1,259,316	1,261,267	1,377,002	1,831,315	1,454,357	1,834,694	1,804,349	1,716,159	1,594,316	1,143,695
Public works	-	-	-	-	-	-	-	-	-	307,304
Public Health and Assistance	-	-	-	-	-	62,000	-	-	204,000	-
Education	360,844	356,258	253,750	238,152	311,538	332,466	380,780	484,370	502,786	457,841
Recreation and Senior Activities	330	3,630	355	3,147	487	17,981	15,623	24,710	11,450	993,007
Operating grants and contributions	8,085,850	7,930,129	8,416,905	7,943,116	10,044,589	9,587,133	11,960,468	12,918,714	12,340,694	12,057,992
Capital grants and contributions	883,067	394,814	119,323	213,473	56,487	26,079	107,501	-	453,401	43,113,729
Total governmental activities program revenues	11,645,100	11,078,631	11,374,559	11,394,158	13,388,056	13,549,718	15,759,713	16,725,027	16,568,707	59,760,124
Business-type activities:										
Charges for services:										
Sewer Authority	2,831,540	3,060,558	3,168,366	3,068,610	3,079,643	3,138,371	3,208,751	3,256,195	3,209,934	3,140,110
Water Supply Board	1,377,136	1,449,291	1,617,194	1,545,776	1,481,283	1,506,221	1,713,663	1,629,546	1,694,466	2,086,224
Smithfield Ice Rink	665,086	633,350	615,219	683,279	753,759	709,539	679,316	707,398	666,194	625,498
School Lunch Program	458,299	413,498	376,020	355,156	344,582	350,930	339,499	382,833	272,715	700,332
Smithfield Ice Rink, School Lunch & CU's (A)	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	182,508	191,472	215,512	208,807	183,314	176,704	176,182	200,581	205,720	14,448
Capital grants and contributions	-	-	-	-	-	-	-	-	30,000	-
Total business-type activities	5,514,569	5,748,169	5,992,311	5,861,628	5,842,581	5,881,765	6,117,411	6,176,553	6,079,029	6,566,612
Total primary government program revenues	\$ 17,159,669	\$ 16,826,800	\$ 17,366,870	\$ 17,255,786	\$ 19,230,637	\$ 19,431,483	\$ 21,877,124	\$ 22,901,580	\$ 22,647,736	\$ 66,326,736

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

	Fiscal Year Ended June 30									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net (Expense)/Revenue										
Governmental activities	\$ (56,279,086)	\$ (54,582,384)	\$ (55,609,885)	\$ (54,413,902)	\$ (59,705,394)	\$ (61,153,751)	\$ (59,562,667)	\$ (64,960,486)	\$ (66,956,478)	\$ (17,425,141)
Business-type activities	517,674	573,751	137,574	258,579	501,074	(36,168)	210,570	255,188	178,803	778,350
Total primary government net expense	<u>\$ (55,761,412)</u>	<u>\$ (54,008,633)</u>	<u>\$ (55,472,311)</u>	<u>\$ (54,155,323)</u>	<u>\$ (59,204,320)</u>	<u>\$ (61,189,919)</u>	<u>\$ (59,352,097)</u>	<u>\$ (64,705,298)</u>	<u>\$ (66,777,675)</u>	<u>\$ (16,646,791)</u>
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Property taxes	\$ 50,114,109	\$ 50,944,942	\$ 52,724,340	\$ 54,525,300	\$ 55,782,572	\$ 56,793,959	\$ 58,219,004	\$ 59,217,006	\$ 60,497,092	\$ 60,033,868
State Revenue Sharing and other general grants	-	-	-	-	-	-	-	-	-	-
Motor vehicle phase-out taxes	274,622	271,301	279,144	253,182	255,759	267,710	853,791	974,786	1,990,919	2,967,540
Public Utilities (Telephone) tax	241,202	257,910	268,724	291,036	265,491	279,390	268,766	272,126	272,386	269,396
Hotel, meals, and beverage tax	669,119	702,426	781,882	815,070	864,020	911,374	976,227	967,938	1,046,105	862,394
Unrestricted investment earnings	377,649	404,920	459,545	429,541	467,318	346,587	419,070	673,786	537,406	422,580
Other miscellaneous	-	-	-	-	-	-	-	-	-	85,932
Transfers and Special Items	1,473,000	1,476,375	500,000	500,000	500,000	150,000	430,000	-	-	2,027,414
Total governmental activities	<u>53,149,701</u>	<u>54,057,874</u>	<u>55,013,635</u>	<u>56,814,129</u>	<u>58,135,160</u>	<u>58,749,020</u>	<u>61,166,858</u>	<u>62,105,642</u>	<u>64,343,908</u>	<u>66,669,124</u>
Business-type activities:										
Unrestricted investment earnings	15,705	14,442	43,443	19,516	31,288	35,231	54,686	84,748	78,156	26,016
Transfers	(1,473,000)	(1,476,375)	(500,000)	(500,000)	(500,000)	(150,000)	(430,000)	-	-	(431,867)
Total business type activities	<u>(1,457,295)</u>	<u>(1,461,933)</u>	<u>(456,557)</u>	<u>(480,484)</u>	<u>(468,712)</u>	<u>(114,769)</u>	<u>(375,314)</u>	<u>84,748</u>	<u>78,156</u>	<u>(405,851)</u>
Total primary government	<u>\$ 51,692,406</u>	<u>\$ 52,595,941</u>	<u>\$ 54,557,078</u>	<u>\$ 56,333,645</u>	<u>\$ 57,666,448</u>	<u>\$ 58,634,251</u>	<u>\$ 60,791,544</u>	<u>\$ 62,190,390</u>	<u>\$ 64,422,064</u>	<u>\$ 66,263,273</u>
Change in Net Position										
Governmental activities	\$ (3,129,385)	\$ (524,510)	\$ (596,250)	\$ 2,400,227	\$ (1,570,234)	\$ (2,404,731)	\$ 1,604,191	\$ (2,854,844)	\$ (2,612,570)	\$ 49,243,984
Business-type activities	(939,621)	(888,182)	(318,983)	(221,905)	32,362	(150,937)	(164,744)	339,936	256,959	372,499
Total primary government	<u>\$ (4,069,006)</u>	<u>\$ (1,412,692)</u>	<u>\$ (915,233)</u>	<u>\$ 2,178,322</u>	<u>\$ (1,537,872)</u>	<u>\$ (2,555,668)</u>	<u>\$ 1,439,447</u>	<u>\$ (2,514,908)</u>	<u>\$ (2,355,611)</u>	<u>\$ 49,616,483</u>

Town of Smithfield, Rhode Island

FUND BALANCES, GOVERNMENTAL FUNDS, LAST TEN FISCAL YEARS

(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
	**	**	**	**	**	**	**	**	**	**
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Nonspendable	260,580	249,917	1,231,691	1,237,689	1,225,584	1,340,454	1,384,263	1,554,471	2,817,150	2,006,020
Restricted	187,006	94,933	15,860	24,398	30,438	37,625	-	-	-	-
Committed	9,173,380	8,189,071	8,033,629	7,942,884	7,777,967	7,835,554	6,813,010	7,138,990	6,873,690	6,352,751
Assigned	3,655,987	3,850,000	3,165,000	3,180,000	3,180,000	2,422,816	2,272,433	1,375,528	-	-
Unassigned	3,102,422	3,159,111	3,239,287	3,372,908	3,908,877	4,526,549	5,111,036	5,580,737	5,382,786	6,300,392
Total general fund	\$ 16,379,375	\$ 15,543,032	\$ 15,685,467	\$ 15,757,879	\$ 16,122,866	\$ 16,162,998	\$ 15,580,742	\$ 15,649,726	\$ 15,073,626	\$ 14,659,163
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	-	-	-	-	-	-	-	-	-	-
Capital project funds	-	-	-	-	-	-	-	-	-	-
Nonspendable	72,363	78,437	-	55,404	66,322	189,919	183,813	29,722	26,428	4,677
Restricted	282,554	326,574	356,338	374,046	2,214,940	1,207,670	1,731,413	1,579,076	1,349,961	10,244,153
Committed	9,653,697	9,152,145	8,606,658	8,714,952	8,447,235	9,299,847	8,447,316	8,295,266	8,955,661	9,437,792
Unassigned	(1,006,875)	(992,940)	(993,496)	(1,431,632)	(3,881,136)	(551,878)	(1,264,058)	(1,800,031)	(7,150,609)	(3,158,652)
Total all other governmental funds	\$ 9,001,739	\$ 8,564,216	\$ 7,969,500	\$ 7,712,770	\$ 6,847,361	\$ 10,145,558	\$ 9,098,484	\$ 8,104,033	\$ 3,181,441	\$ 16,527,970

** The Town adopted GASB 54 fund balance definitions @ 6/30/11. Prior to that date these GASB classifications were not utilized.

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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues:										
Property Taxes	\$ 49,180,933	\$ 50,437,531	\$ 52,471,399	\$ 53,704,073	\$ 55,243,808	\$ 56,202,307	\$ 57,666,227	\$ 58,426,359	\$ 59,499,170	\$ 60,033,868
Intergovernmental revenues	9,196,710	8,458,240	8,495,823	8,781,313	9,434,679	9,728,776	11,687,214	12,743,595	13,718,342	57,650,545
Licenses, Fees, Charges, Fines and assessments	2,234,224	2,444,849	2,648,266	2,678,663	2,818,910	3,286,069	3,104,276	3,254,787	3,459,851	3,057,914
Investment Income	377,649	404,920	459,594	429,541	467,318	346,587	419,070	673,786	537,406	424,379
Other Revenue (B)	1,957,346	1,929,228	2,152,969	2,245,796	2,588,211	2,720,224	2,788,852	2,784,656	2,749,690	2,921,179
Total revenues	62,946,862	63,674,768	66,228,051	67,839,386	70,552,926	72,283,963	75,665,639	77,883,183	79,964,459	124,087,885
Expenditures:										
Current:										
General Government	2,451,544	2,545,195	2,559,958	2,575,478	2,524,930	2,576,436	3,279,869	3,426,990	3,381,621	3,661,152
Public Safety	9,505,742	9,493,438	10,168,183	10,700,369	10,721,051	11,174,390	17,944,808	19,084,473	19,709,595	21,170,302
Public Works	2,999,330	3,278,514	3,591,685	3,121,322	3,654,021	3,717,755	4,602,102	4,217,058	4,723,544	4,823,883
Education	34,630,394	35,128,381	35,785,650	36,506,850	37,628,696	38,941,851	40,605,976	42,167,800	42,014,510	43,038,775
Libraries (A)	1,187,734	1,187,734	1,217,734	1,254,265	1,283,079	1,321,571	1,374,433	1,414,008	1,454,008	1,454,008
Public Health and Assistance	7,450	8,350	8,197	5,992	7,938	5,938	-	57	70	22
Recreation, Senior & Neighborhood Center	798,384	740,680	894,182	1,529,780	1,011,640	1,217,739	1,826,783	1,297,984	1,498,419	1,161,044
Miscellaneous	8,124,581	8,905,678	8,907,491	8,583,333	9,118,190	8,930,260	2,087,185	2,244,657	2,385,204	2,611,198
Capital Expenditures	2,043,789	2,535,189	2,870,367	2,019,461	9,646,888	5,568,419	3,613,288	2,601,811	7,987,727	33,168,226
Debt Service:										
Principal	3,470,000	2,088,105	1,380,000	1,695,970	1,677,710	1,338,400	1,585,000	1,595,000	1,600,000	1,559,000
Debt Financing Costs	85,249	21,710	5,290	-	-	-	-	-	-	-
Interest	552,463	559,315	546,266	530,883	571,767	807,191	805,525	758,812	708,453	795,988
Total expenditures	65,856,660	66,492,289	67,935,003	68,523,703	77,845,910	75,599,950	77,724,969	78,808,650	85,463,151	113,443,597
Excess of revenues over (under) expenditures	(2,909,798)	(2,817,521)	(1,706,952)	(684,317)	(7,292,984)	(3,315,987)	(2,059,330)	(925,467)	(5,498,692)	10,644,288
Other Financing Sources (Uses):										
Proceeds from debt issuance	5,000,000	67,280	754,671	-	6,292,564	6,504,320	-	-	-	-
Proceeds from refunding bond issuance	4,520,000	-	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	(2,852,555)	-	-	-	-	-	-	-	-	-
Revenues for capital expenditures and operations	-	-	-	-	-	-	-	-	-	1,595,547
Transfers in	30,524,238	29,924,524	29,397,672	30,622,192	31,775,578	32,284,731	34,888,081	34,169,078	34,916,380	33,490,610
Transfers out	(29,051,238)	(28,448,149)	(28,897,672)	(30,122,192)	(31,275,578)	(32,134,731)	(34,458,081)	(34,169,078)	(34,916,380)	(33,058,743)
Total other financing sources (uses)	8,140,445	1,543,655	1,254,671	500,000	6,792,564	6,654,320	430,000	-	-	2,027,414
Fund Balance Beginning of Year	\$ 40,493,909	\$ 45,724,556	\$ 44,450,690	\$ 43,998,409	\$ 43,814,092	\$ 43,313,672	\$ 46,652,005	\$ 45,022,675	\$ 44,097,208	\$ 38,598,516
Net change in fund balances	\$ 5,230,647	\$ (1,273,866)	\$ (452,281)	\$ (184,317)	\$ (500,420)	\$ 3,338,333	\$ (1,629,330)	\$ (925,467)	\$ (5,498,692)	\$ 12,671,702
Fund Balance at End of Year	\$ 45,724,556	\$ 44,450,690	\$ 43,998,409	\$ 43,814,092	\$ 43,313,672	\$ 46,652,005	\$ 45,022,675	\$ 44,097,208	\$ 38,598,516	\$ 51,270,218
Debt service as a percentage of noncapital expenditures (1)	6.27%	4.12%	2.96%	3.35%	3.30%	3.02%	3.20%	3.06%	2.95%	2.22%

Notes:

This schedule includes expenditures of the General Fund, Special Revenue Funds, Capital Project Funds, and Permanent Funds

(1) The percentage calculation uses the capital outlay figure from Note 1 Page 42. This differs from the Capital Improvements figure due to capitalizable items included within other functional categories of current expenditures.

(A) Libraries were included as component units prior to fiscal 2012 and as such the expenditure is reported as a transfer out.

(B) Includes State on behalf pension and transportation contributions

Town of Smithfield, Rhode Island

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

Fiscal Year¹ Ended June 30	Real Property Assessed Value²	Personal Property Assessed Value	Less: Tax Exempt Real Property	Less: Tax Exempt Personal Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Value Taxable Value	Assessed Value² as a Percentage of Actual Value
2012	\$ 2,801,505,058	\$ 280,780,652	\$ 362,876,213	\$ 29,049,304	\$ 2,690,360,193	\$ 18.35	\$ 3,175,977,032	97.05%
2013	\$ 2,816,937,080	\$ 295,495,888	\$ 365,398,368	\$ 33,364,045	\$ 2,713,670,555	\$ 18.60	\$ 3,275,555,639	95.02%
2014	\$ 2,605,017,818	\$ 300,793,735	\$ 346,159,779	\$ 34,713,614	\$ 2,524,938,160	\$ 20.48	\$ 3,042,734,610	95.50%
2015	\$ 2,619,157,488	\$ 353,434,553	\$ 350,192,364	\$ 47,487,058	\$ 2,574,912,619	\$ 20.88	\$ 3,109,405,901	95.60%
2016	\$ 2,634,505,210	\$ 356,739,510	\$ 351,958,162	\$ 48,076,855	\$ 2,591,209,703	\$ 25.87	\$ 3,083,757,442	97.00%
2017	\$ 2,792,970,040	\$ 367,787,405	\$ 361,726,559	\$ 49,733,892	\$ 2,749,296,994	\$ 25.11	\$ 3,327,113,100	95.00%
2018	\$ 2,814,326,270	\$ 349,007,853	\$ 363,452,746	\$ 44,810,196	\$ 2,755,071,181	\$ 26.24	\$ 3,329,825,393	95.00%
2019	\$ 2,847,399,148	\$ 349,672,047	\$ 366,186,325	\$ 53,217,457	\$ 2,777,667,413	\$ 26.82	\$ 3,365,338,100	95.00%
2020	\$ 3,181,445,860	\$ 415,359,157	\$ 450,677,378	\$ 117,299,263	\$ 3,028,828,376	\$ 24.70	\$ 3,786,110,544	95.00%
2021	\$ 3,222,263,047	\$ 397,060,218	\$ 435,315,323	\$ 124,377,021	\$ 3,059,630,921	\$ 25.07	\$ 3,809,813,963	95.00%

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

¹ Revaluations were conducted for Fiscal Years 2008, 2011, 2014 and 2017

² Includes tax-exempt property

Town of Smithfield, Rhode Island

PROPERTY TAX RATES

LAST TEN FISCAL YEARS

Fiscal Year	Town Operating Millage	School Operating Millage	Debt Service Millage	Total Direct Tax Rate
2012	\$ 8.01	\$ 9.79	\$ 0.55	\$ 18.35
2013	\$ 8.16	\$ 9.91	\$ 0.54	\$ 18.60
2014	\$ 9.36	\$ 10.52	\$ 0.61	\$ 20.48
2015	\$ 9.26	\$ 11.00	\$ 0.62	\$ 20.88
2016	\$ 11.53	\$ 13.63	\$ 0.71	\$ 25.87
2017	\$ 11.14	\$ 13.31	\$ 0.67	\$ 25.11
2018	\$ 11.46	\$ 13.91	\$ 0.87	\$ 26.24
2019	\$ 11.86	\$ 14.11	\$ 0.85	\$ 26.82
2020	\$ 10.95	\$ 12.99	\$ 0.76	\$ 24.70
2021	\$ 10.92	\$ 13.19	\$ 0.97	\$ 25.07

Source: Town of Smithfield, Rhode Island Finance Records

TOWN OF SMITHFIELD

PRINCIPAL TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO

JUNE 30, 2021

<u>Taxpayer</u>	<u>2021</u>			<u>2012</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	\$ 169,863,260	1	5.98%	\$ 169,497,600	1	6.19%
W/S Smithfield Associates, LLC	70,560,000	2	2.48%	57,519,900	3	2.10%
National Grid (Electricity)	67,536,030	3	2.38%	22,606,780	2	0.83%
Smithfield Office Park	29,250,818	4	1.03%	21,298,500	4	0.78%
Village at Waterman Lake	18,299,200	5	0.64%	17,031,600	5	0.62%
Rubius Therapeutics	11,931,500	6	0.42%			
Navigant Credit Union	8,872,700	7	0.31%			
Rudrah Darshan LLC	8,669,400	8	0.31%			
R A Smithfield LLC	8,399,200	9	0.30%			
Neighborhood Health Plan of RI	8,382,300	10	0.29%			
FGX International, Inc				7,265,600	7	0.27%
Target Corp				12,030,700	6	0.44%
Sperian Eye & Face Protection				5,436,300	8	0.20%
Cox Communications				3,817,390	9	0.14%
National Grid (Gas)				3,770,200	10	0.14%
	<u>\$ 401,764,408</u>		<u>14.14%</u>	<u>\$ 320,274,570</u>		<u>11.70%</u>

Total assessed valuation (gross) \$ 2,841,701,388 \$ 2,736,642,652

Source: Town Tax Assessor's Office

TOWN OF SMITHFIELD, RHODE ISLAND
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year	Taxes Levied for the Tax Year	Collection within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2012	\$ 49,357,148	\$ 45,733,515	92.66%	\$ 3,542,098	\$ 49,275,613	99.83%
2013	\$ 50,485,821	\$ 46,749,238	92.60%	\$ 3,642,515	\$ 50,391,753	99.81%
2014	\$ 51,713,919	\$ 48,620,078	94.02%	\$ 3,008,188	\$ 51,628,266	99.83%
2015	\$ 53,767,983	\$ 51,574,182	95.92%	\$ 2,115,418	\$ 53,689,600	99.85%
2016	\$ 55,094,768	\$ 51,862,555	94.13%	\$ 3,148,361	\$ 55,010,916	99.85%
2017	\$ 56,132,554	\$ 53,874,510	95.98%	\$ 2,168,359	\$ 56,042,869	99.84%
2018	\$ 57,541,414	\$ 55,089,183	95.74%	\$ 2,351,495	\$ 57,440,678	99.82%
2019	\$ 58,365,226	\$ 55,720,675	95.47%	\$ 2,421,336	\$ 58,142,011	99.62%
2020	\$ 59,752,045	\$ 56,774,788	95.02%	\$ 2,724,382	\$ 59,499,170	99.58%
2021	\$ 59,670,761	\$ 57,683,247	96.67%	\$ 2,350,621	\$ 60,033,868	100.61%

TOWN OF SMITHFIELD, RHODE ISLAND
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of Total Personal Income ¹
	General Obligation Bonds	Lease Participation Certificates	Capital Leases	General Obligation Bonds	Revenue Bonds	Notes Payable		
2012	\$ 17,437,261	\$ 855,000	\$ 53,105	\$ -	\$ 5,138,101	\$ -	\$ 23,483,467	3.42%
2013	\$ 16,251,616	\$ -	\$ 43,539	\$ 227,000	\$ 8,419,101	\$ -	\$ 24,941,256	3.63%
2014	\$ 14,865,971	\$ -	\$ 777,080	\$ 227,000	\$ 8,162,101	\$ -	\$ 24,032,152	3.50%
2015	\$ 13,480,326	\$ -	\$ 461,110	\$ 206,000	\$ 7,734,651	\$ -	\$ 21,882,087	3.18%
2016 ³	\$ 18,377,431	\$ -	\$ 163,400	\$ 184,000	\$ 7,304,201	\$ -	\$ 26,029,032	3.79%
2017 ⁴	\$ 23,660,012	\$ -	\$ -	\$ 162,000	\$ 6,869,751	\$ -	\$ 30,691,763	4.47%
2018	\$ 22,028,273	\$ -	\$ -	\$ 140,000	\$ 6,431,301	\$ -	\$ 28,599,574	4.16%
2019	\$ 20,386,534	\$ -	\$ -	\$ 118,000	\$ 5,987,851	\$ -	\$ 26,492,385	3.86%
2020	\$ 18,739,795	\$ -	\$ -	\$ 95,000	\$ 8,270,401	\$ -	\$ 27,105,196	3.30%
2021	\$ 16,150,000	\$ -	\$ -	\$ 72,000	\$ 7,828,100	\$ -	\$ 24,050,100	2.91%

Note: 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 GO Bond Issue of \$7.65M and a partial refunding of 2003 GOB

³ Includes new bond issue of \$5.9M

⁴ Includes new bond issue of \$6.075M

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 Value¹ of Property	Per Capita²
2012	\$ 17,437,261	\$ -	\$ 17,437,261	0.55%	\$ 809
2013	\$ 16,478,616	\$ -	\$ 16,478,616	0.50%	\$ 767
2014	\$ 15,092,971	\$ -	\$ 15,092,971	0.50%	\$ 704
2015	\$ 13,686,326	\$ -	\$ 13,686,326	0.44%	\$ 636
2016 ⁴	\$ 18,561,431	\$ -	\$ 18,561,431	0.60%	\$ 858
2017 ⁵	\$ 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	\$ 16,222,000	\$ -	\$ 16,222,000	0.43%	\$ 742.70

Note: 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 \$7.65M and a partial refunding of 2003 GOB

⁴ Includes new bond issue of \$5.9M

⁵ Includes new bond issue of \$6.075M

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

As of June 30, 2021

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 2021

Net Assessed Value	\$3,059,630,919
Debt Limit (3%)	\$ 91,788,928
Net Debt Applicable to limit	\$ 72,000
Legal debt margin	\$ 91,716,928

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Debt Limit	\$ 91,788,928	\$ 90,864,851	\$ 83,330,022	\$ 82,652,135	\$ 82,478,910	\$ 77,736,291	\$ 77,247,379	\$ 75,748,145	\$ 81,410,117	\$ 80,710,806
Total net debt applicable to limit	72,000	95,000	118,000	140,000	162,000	184,000	206,000	227,000	227,000	-
Legal debt margin	\$ 91,716,928	\$ 90,769,851	\$ 83,212,022	\$ 82,512,135	\$ 82,316,910	\$ 77,552,291	\$ 77,041,379	\$ 75,521,145	\$ 81,183,117	\$ 80,710,806
Total net debt applicable to the limit as a percentage of the debt limit	0.08%	0.10%	0.14%	0.17%	0.20%	0.24%	0.27%	0.30%	0.28%	0.00%

Note: In 2014 the Town underwent a full property revaluation
 In 2008, 2011, and 2017 the Town underwent a statistical revaluation.
 The Town has \$118,000 outstanding under the Maximum Aggregate Indebtedness provision (3% Debt Limit) - Rhode Island General Law 45-12-2
 All other Town debt has been incurred through special statutory authority which consists of approval by the legislature and voter referendum.

TOWN OF SMITHFIELD, RHODE ISLAND
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Population¹	Median Family Income¹	Median Home Price¹	Personal Income² (amounts expressed it thousands)	Per Capita Personal Income²	Median Age²	School Enrollment³	Unemployment Rate⁴
2012	21,547	*	\$ 228,000	\$ 687,082	\$ 31,888	42.7	2,407	9.80%
2013	21,480	\$ 89,713	\$ 229,155	*	*	42.0	2,410	8.43%
2014	21,443	*	\$ 231,000	*	*	42.0	2,367	7.84%
2015	21,517	*	\$ 246,500	*	*	42.0	2,382	6.08%
2016	21,632	*	\$ 258,000	*	*	42.0	2,387	5.00%
2017	21,774	\$ 98,065	\$ 261,000	*	\$ 36,534	42.0	2,395	4.20%
2018	21,840	*	\$ 264,500	*	*	42.0	2,440	3.30%
2019	21,774	*	\$ 280,400	*	*	43.9	2,380	2.80%
2020	21,719	*	\$ 310,500	*	*	43.9	2,539	3.00%
2021	21,842	\$ 94,825	\$ 366,900	*	\$ 39,077	42.0	2,380	6.40%

Data sources

¹ The non-census year statistics are estimates calculated by the Rhode Island Department of Labor and Training. Most current available is 2010.
The 2011 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	2021			2012		
	<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*	3,900	1	25.98%	2,434	1	19.25%
Bryant University	850	2	5.66%	600	3	4.75%
Town of Smithfield	500	3	3.33%	491	4	3.88%
Citizens Bank of RI	400	4	2.66%	400	5	3.16%
FGX International	250	8	1.67%	375	6	2.97%
Honeywell Industrial Safety	300	5	2.00%			
Village at Waterman Lake	300	6	2.00%	212	9	1.68%
The Stop & Shop Company, Inc.	300	7	2.00%	300	8	2.37%
Rubius Therapeutics	100	10	0.67%			
Target Stores	200	9	1.33%	200	10	
Benny's Home & Auto Stores, Inc.				623	2	4.93%
Sperian Protection Americas				301	7	2.38%
Total	<u>7,100</u>		<u>47.29%</u>	<u>5,936</u>		<u>45.37%</u>

Source: Town 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,								
	2012	2013	2014	2015	2017	2018	2019	2020	2021
General Government	29	29	29	29	29	29	29	29	26
Public Safety									
Police									
Officers	41	42	42	42	42	42	42	42	43
Civilians	12	12	12	12	12	12	12	12	11
Animal Control *	2	2	2	2	2	2	2	2	2
Fire									
Firefighters and Officers	48	50	52	52	52	53	66	66	67
Civilians	5	5	5	5	5	5	5	5	5
Ice Rink	3	3	3	3	3	3	3	3	3
Parks	4	4	4	4	4	4	4	4	5
Public Works	17	17	17	17	17	18	18	18	18
Senior Services	4	4	4	4	4	4	4	4	4
Sewer	1	0	0	0	0	0	0	0	0
Water	2	2	2	2	2	2	2	2	2
Total	<u>168</u>	<u>170</u>	<u>172</u>	<u>172</u>	<u>172</u>	<u>174</u>	<u>187</u>	<u>187</u>	<u>186</u>

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

Function	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police										
Physical Arrests	704	606	659	717	629	755	638	594	516	533
Parking Violations	144	88	147	212	191	173	113	132	71	72
Traffic Violations	4,142	3,227	3,732	3,051	2,954	3,811	3,803	3,490	2,426	2361
Fire										
Total Incidents	4,427	4,421	4,395	4,501	4,500	4,392	4,680	4,411	4,109	4171
Commercial Inspections	164	176	152	167	448	165	130	213	138	124
Residential Inspections	146	194	196	278	256	276	252	382	387	353
Commercial Plan Review	67	92	69	64	94	75	80	108	50	60
Residential Plan Review	26	211	41	60	55	97	105	78	85	72
Highway and Street										
Street Resurfacing (miles)	0.00	1.06	0.50	0.00	1.91	1.30	0.63	1.10	3.90	2.75
Sanitation										
Refuse Collected (tons/day) *	25.95	23.18	20.43	19.80	19.82	20.20	20.60	20.69	22.10	22.99
Paper Recyclables Collected (tons/day)	5.06	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mixed Recyclables Collected (tons/day)	3.65	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Single Stream Recyclables (tons/day) **		7.92	8.28	9.42	8.90	8.96	8.99	9.09	8.96	9.02
Wastewater										
Average Daily Sewage Treatment (thousands of gallons)	1,858	1,885	1,825	1,950	1,892	2,026	2,112	2,307	1,946	2,052

* Note: Correction to Refuse Collected (tons/day) for FY 2009 due to number

** Recyclables were changed to Single Stream Recycling in FY 2013 and are

Sources: Various Town departments

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

Function	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	27	27	27	27	27	27	27	27	27	17
Fire Stations	3	3	3	3	3	3	3	3	3	3
Highways and Streets										
Streets (miles)	183	183	183	183	183	183	183	183	183	105
Culture and recreation										
Parks	8	8	8	8	8	8	8	8	8	8
Skating Arenas	1	1	1	1	1	1	1	1	1	1
Tennis Courts	7	7	7	7	7	7	7	7	7	7
Ball Diamonds	14	14	14	14	14	14	14	14	14	14
Playgrounds	5	5	5	5	5	5	5	5	5	5
Basketball Courts	8	8	8	8	8	8	8	8	8	8
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

Sources: Various Town departments

TOWN OF SMITHFIELD, RHODE ISLAND
 RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
 GENERAL BONDED DEBT TO TOTAL GOVERNMENTAL EXPENDITURES
 LAST TEN FISCAL YEARS

Fiscal Year	Principal	Interest	Total Debt Service	Total Governmental Expenditures ¹	Ratio of Total Debt Service to Total Governmental Expenditures
2012	\$ 1,870,000	\$ 552,463	\$ 2,422,463	\$ 65,856,660	3.68%
2013	\$ 2,035,000	\$ 559,315	\$ 2,594,315	\$ 66,492,289	3.90%
2014	\$ 1,380,000	\$ 546,266	\$ 1,926,266	\$ 67,935,003	2.84%
2015	\$ 1,380,000	\$ 509,350	\$ 1,889,350	\$ 68,523,703	2.76%
2016	\$ 1,380,000	\$ 560,145	\$ 1,940,145	\$ 77,845,911	2.49%
2017	\$ 1,175,000	\$ 744,568	\$ 1,919,568	\$ 75,599,950	2.54%
2018	\$ 1,585,000	\$ 801,575	\$ 2,386,575	\$ 77,724,969	3.07%
2019	\$ 1,595,000	\$ 757,062	\$ 2,352,062	\$ 78,808,650	2.98%
2020	\$ 1,600,000	\$ 706,704	\$ 2,306,704	\$ 85,463,151	2.70%
2021	\$ 1,610,000	\$ 1,350,584	\$ 2,960,584	\$ 112,885,478	2.62%

Notes:

¹ Includes General, Special Revenue and Capital Project Funds.

SMITHFIELD PUBLIC SCHOOLS

MISCELLANEOUS STATISTICS

June 30, 2021

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
	2021	1,062	1,333	2,395
	2020	1,138	1,401	2,539
	2019	1,045	1,335	2,380
	2018	1,089	1,351	2,440
	2017	1,099	1,296	2,395
	2016	1,095	1,292	2,387
	2015	1,094	1,288	2,382
	2014	1,068	1,299	2,367
	2013	1,075	1,335	2,410
	2012	1,039	1,368	2,407
	2011	1,051	1,419	2,470
	2010	1,060	1,444	2,504
	2009	1,088	1,467	2,555
	2008	1,099	1,500	2,599
	2007	1,119	1,490	2,609
	2006	1,104	1,521	2,625
	2005	1,125	1,534	2,659
	2004	1,048	1,567	2,615
	2003	1,169	1,534	2,703

STAFFING

Administrative	<u>15.0</u>
Certified Staff:	
Instructional	153.8
ESL	1.0
Special Education	52.0
Other (Librarians, Counselors, Nurses, etc.)	<u>17.0</u>
Total Certified Staff	223.8

Non- Certified Staff	
Secretary and Clerical	16.0
Building and Maintenance	26.0
Teacher Assistants	39.0
Supervisory Aides	0.0
Technicians	3.0
Athletic Director	1.0
CTE Coordinator	<u>1.0</u>
	86.0

Total FTE's	<u>324.8</u>
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Data collected from School Department

TOWN OF SMITHFIELD, RHODE ISLAND

MISCELLANEOUS STATISTICS

June 30, 2021

Founded:	1636	Police Protection	
Town Incorporation:	1730	Buildings:	1
		Employees:	
Type of Government:	Council / appointed Town Manager	Law Enforcement	42
		Civilian	
Fiscal Year begins:	July 1	Full Time	12
		Part Time	6
Population:		Crossing Guard	6
		Recreation	
	<u>Official US Census</u>	Parks	8
	1950 6,690	Playgrounds	5
	1960 9,442	Ball Diamonds	14
	1970 13,468	Soccer/Football Fields	6
	1980 16,886	Volleyball Courts	0
	1990 19,163	Skating Arenas	1
	2000 20,613	Basketball Courts	8
	2010 21,430	Walking Paths	7
Area of Town:	27.8 square miles	Running Tracks	1
Land Area:	26.7 square miles	Tennis Courts	7
		Historical Cemeteries	116
Miles of Streets		Municipal Buildings:	
Local Paved	105	Town Hall	1
State Paved	53	Senior Center	1
Private Paved	16	Public Works Garage	1
Elections - November 2020		Parks & Recreation	2
Registered Voters	15,804	Other Municipal Employees:	59
Number of Votes Cast	12,580		
Percentage Voting	79.60%		
Fire Protection			
# Fire Stations:	3		
Employees :			
Uniformed	67		
Civilian(s)	5		
Library			
Full Time Employees	14		
Part Time Employees	33		

Data collected from various Town departments

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TOWN OF SMITHFIELD

SINGLE AUDIT SECTION

This section contains information regarding federal grant activity for the year ended June 30, 2021, which was audited in accordance with generally accepted auditing standards and “Government Auditing Standards” issued by the Comptroller General of the United States and the 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).

CERTIFIED PUBLIC ACCOUNTANTS

126 President Avenue

Fall River, MA 02720

TEL. (508) 675-7889

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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 Town of Smithfield, Rhode Island (Town), as of and for the year ended June 30, 2021, 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 29, 2021.

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.

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in cursive script that reads "Hague, Sabady & Co. PC". The signature is written in dark ink on a light-colored background.

Fall River, Massachusetts
December 29, 2021

CERTIFIED PUBLIC ACCOUNTANTS

126 President Avenue
Fall River, MA 02720
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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

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, 2021. 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.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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, 2021.

Report on Internal Control over Compliance

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

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

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

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

Hague, Sabady & Co. PC

Fall River, Massachusetts
December 29, 2021

Town of Smithfield, Rhode Island
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Grant Identification/ Pass-Through Grantor's Number	Program or Award	Expenditures	Distributed to Subrecipients
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	\$ 60,000	\$ 11,500	\$ -
Total U.S. Department of Housing and Urban Development				<u>11,500</u>	<u>-</u>
US Department of Agriculture					
<i>Passed through the State of Rhode Island Department of Education:</i>					
Child Nutrition Cluster					
Child Nutrition Program Emergency Operating Costs	Unknown	N/A	4,330	4,330	-
School Breakfast Program	10.553	N/A	122,908	122,908	-
School Lunch Program	10.555	N/A	568,424	568,424	-
Total Child Nutrition Cluster				<u>695,662</u>	<u>-</u>
Commodity Supplemental Food Program	10.565	N/A	47,263	47,263	-
Farm to School Grant Program	10.575	N/A	27,203	27,203	-
Total U.S. Department of Agriculture				<u>770,128</u>	<u>-</u>
U.S. Department of Justice					
<i>Direct Program</i>					
Bulletproof Vest Partnership Program	16.607	N/A	4,861	2,970	-
COPS - STOP School Violence	16.710	2018SVWX0052	188,878	188,878	-
Total U.S. Department of Justice				<u>191,848</u>	<u>-</u>
U.S. Department of Transportation					
<i>Direct Program:</i>					
National Highway Safety Cluster					
Occupant Protection Incentive Grants	20.602	N/A	1,995	765	-
Operation Blue Riptide	20.608	N/A	11,082	7,526	-
Distracted Driving	20.616	N/A	1,995	222	-
Child Passenger Safety	20.613	N/A	1,995	1,330	-
Total Highway Safety Cluster				<u>9,843</u>	<u>-</u>
Total U.S. Department of Transportation				<u>9,843</u>	<u>-</u>
U.S. Department of the Treasury					
<i>Direct Program:</i>					
CARES Supplemental Impact Education Aid	21.019	N/A	242,738 *	242,738	-
CRF Substitute Teacher Pool & Recruitment	21.019	N/A	49,088 *	49,088	-
Coronavirus Relief Fund	21.019	N/A	2,907,589 *	2,615,763	-
Total U.S. Department of the Treasury				<u>2,907,589</u>	<u>-</u>
U.S. Department of Education					
<i>Passed through the State of Rhode Island Department of Education:</i>					
Title I, Part A Grant	84.010A	2725117.02.02	251,302	251,302	-
Improving Teacher Quality State	84.367A	2725164.02.02	79,402	79,402	-
Title IV Student Support Academic Grant	84.424A	2725208.02.02	28,204	28,204	-
Career and Technical Education Education - Basic Grants to States	84.048A	2725153.02	47,008	47,008	-
CARES Supplemental Impact Aid	21.019	4672209.02	242,738	-	-
CRF Substitute Teacher Pool & Recruitment	21.019	4672105.02	49,088	-	-
CARES ESSER	84.425D	4672105.02	202,518	202,518	-
CARES ESSER II	84.425D	4672606.02	4,358	4,358	-
				<u>612,792</u>	<u>-</u>
Special Education Cluster (IDEA)					
IDEA Part B	84.027	2725132.02.02	630,143	630,143	-
Improving Teacher Quality State Grants	84.173	2725135.02.02	16,361	16,361	-
Total Special Education Cluster (IDEA)				<u>646,504</u>	<u>-</u>
Total U.S. Department of Education				<u>1,259,296</u>	<u>-</u>
US Department of Health and Human Services					
<i>Passed through the State of Rhode Island Department of Health</i>					
Staffing for Adequate Fire & Emergency Response	97.083	EMW-2017-FH-00438	716,847	716,847	-
Emergency Management Planning for Incident Radio Communications	97.067	34-05-2018 SHSP	10,000	6,920	-
Total U.S. Department of Health and Human Services				<u>723,767</u>	<u>-</u>
Total Expenditures of Federal Awards				<u>\$ 5,873,970</u>	<u>\$ -</u>

*indicates major program

The accompanying notes are an integral part of this statement

Town of Smithfield, Rhode Island

Notes to Schedule of Expenditures of Federal Awards

June 30, 2021

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). 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 includes the federal grant activity of the Town and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of *Uniform Guidance*.

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

June 30, 2021

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
SPED Part B-Early Education	84.173

National Highway Traffic Safety Administration Cluster

Occupant Protection Incentive Grant	20.602
Operation Blue Riptide	20.608
Distracted Driving	20.616
Child Passenger Safety	20.613

Town of Smithfield, Rhode Island
 Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

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, 2021 and have issued our reports thereon dated December 5, 2021. 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, 2021 and have issued our reports thereon dated December 5, 2021. 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:	
Coronavirus Relief Funds (CFDA 21.019)	Unmodified
Disclosure of Audit Findings required to be reported under 2 CFR Part 200 Section 200.516(a):	No

Town of Smithfield, Rhode Island
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

Identification of Major Programs:

Name of Federal Program or Cluster

CFDA Number

U.S. Department of the Treasury:

Coronavirus Relief Fund

21.019

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

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2021

***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

Schedule of Prior Year Findings

For the Year Ended June 30, 2021

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