

PRELIMINARY OFFICIAL STATEMENT DATED MAY 26, 2026

New Issue

Rating: See “Rating” herein

In the opinion of Troutman Pepper Locke LLP, Bond Counsel, based upon an analysis of existing law and assuming, among other matters, compliance with certain covenants, interest on the \$100,000,000 General Obligation Bond Anticipation Notes, 2026 Series 1 (the “Notes”) is excluded from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the “Code”). Interest on the Notes will not be included in computing the alternative minimum taxable income of individuals. However, interest on the Notes will be included in the adjusted financial statement income of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. Under existing law, interest on the Notes is free from taxation by the State of Rhode Island (the “State”) or any political subdivision or other instrumentality of the State, although the income therefrom may be included in the measure of Rhode Island estate taxes and certain Rhode Island corporate and business taxes. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on the Notes. See “TAX STATUS” and “APPENDIX B” herein.*

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
\$100,000,000*
GENERAL OBLIGATION BOND ANTICIPATION NOTES, 2026 SERIES 1**

Dated: Date of Delivery

Due: June 23, 2027

<u>Amount</u>	<u>Interest Rate</u>	<u>Reoffering Yield</u>	<u>CUSIP No. †</u>
\$100,000,000*	%	%	

The Notes are issuable only as fully registered Notes, and, when issued, will be registered in the name of Cede & Co., as Noteowner and nominee for DTC. DTC will act as securities depository for the Notes. Purchases of the Notes will be made in book-entry form, in the denomination of \$1,000 or any integral multiple thereof. Purchasers will not receive certificates representing their interest in Notes purchased. So long as Cede & Co. is the Noteowner, as nominee of DTC, references herein to the Noteowners or registered owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as defined herein) of the Notes. So long as DTC, or its nominee Cede & Co., is the Noteholder, such payments will be made directly to such Noteholder. Principal of and interest on the Notes will be payable to DTC by U.S. Bank Trust Company, National Association, as Paying Agent. Disbursement of such payments to the DTC Participants is the responsibility of DTC and disbursements of such payments to Beneficial Owners is the responsibility of the DTC Participants and the Indirect Participants, as more fully described herein. (See "THE NOTES—Book-Entry Only System" herein.) **Interest on the Notes is computed on the basis of a 360-day year consisting of twelve 30-day months.**

The Notes will not be designated as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code.

The Notes are not subject to redemption prior to maturity.

The Notes are being offered for sale at 11:30 A.M. on June 3, 2026. Reference is made to the official Notice of Sale for conditions of such sale. The Notes are offered for delivery when, as, and if issued, subject to the final approving opinion of Troutman Pepper Locke LLP, Bond Counsel, of Providence, Rhode Island, and to certain other conditions referred to herein. PFM Financial Advisors LLC will be serving as Municipal Advisor for the Town on this transaction. It is expected that the Notes in definitive form will be available for delivery to DTC in New York, New York, on or about June 24, 2026.

PFM Financial Advisors LLC

Official Statement Dated June __, 2026

**Preliminary, subject to change.*

† CUSIP is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. Copyright © 2026 CUSIP Global Services. All rights reserved. The CUSIP number has been assigned by an independent company not affiliated with the City and are included solely for the convenience of the holders of the Notes. Neither the Underwriter nor the Town is responsible for the selection or uses of the CUSIP number, and no representation is made as to its correctness on the Notes or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Notes as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Notes.

This Preliminary Official Statement and the information contained herein are subject to completion and amendment. These securities may not be sold nor may an offer to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which said offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any jurisdiction. A definitive Official Statement with respect to these securities will be made available concurrently to their sale.

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This Official Statement is made available to prospective purchasers of the Notes for review prior to purchase and is in a form deemed final by the Town as of its date (except for permitted omissions) for purposes of paragraph (b)(1) of Securities and Exchange Commission Rule 15c-2-12 (the "Rule"), but is subject to revision, amendment and completion (as so revised, amended or completed such document will be referred to as the "Final Official Statement").

This Official Statement is not to be construed as a contract or agreement between the Town and the purchasers or holders of any of the Notes. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinion and not as representations of fact. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Town since the date hereof.

All quotations from and summaries and explanations of provisions of laws and documents described herein do not purport to be complete and reference is made to said laws and documents for full and complete statements of their provisions.

No dealer, salesman or any other person has been authorized to give any information or to make any representations, other than information and representations contained herein, in connection with the offering of the Notes, and if given or made, such information or representations must not be relied upon. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy any of the Notes in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. The information set forth herein has been furnished by the Town and other sources which are believed to be reliable, but is not guaranteed as to accuracy or completeness.

Upon issuance, the Notes will not be registered under the Securities Act of 1933, as amended, in reliance upon exemptions contained in such Act. The Notes will not be listed on any stock or other securities exchange. Any registration or qualification of the Notes in accordance with applicable provisions of securities laws of the states in which the Notes may be registered or qualified and the exemption from registration or qualification in other states cannot be regarded as a recommendation thereof. Neither the Securities and Exchange Commission nor any other federal, state or other governmental entity or agency, except for the Town, will have passed upon the accuracy of the Official Statement or, except for the Town, approved the Notes for sale. Any representation to the contrary may be a criminal offense.

The information relating to The Depository Trust Company ("DTC") and the book-entry only system contained in this Official Statement has been furnished by DTC (see "THE NOTES --Book-Entry-Only System" herein). No representation is made by the Town as to the adequacy or accuracy of such information. The Town has not made any independent investigation of DTC or the book-entry only system.

The Municipal Advisor to the Town has provided the following sentence for inclusion in this Official Statement. The Municipal Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the Town and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Municipal Advisor does not guarantee the accuracy or completeness of such information.

This Official Statement, which includes all appendices hereto, contains forward-looking statements that involve risks and uncertainties. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions, future events or performance (often, but not always, through the use of the words or phrases such as "will result", "expects to", "will continue", "anticipates", "plans", "intends", "estimated", "projects" and "outlook") are not historical and may be forward-looking. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from those expressed or implied by such forward-looking statements are reasonable, they cannot guarantee future results, levels of activity, performance or achievements. Moreover, the Town does not assume responsibility for the accuracy or completeness of these statements. Accordingly, investors should not rely on forward-looking statements in this Official Statement.

The cover page hereof, this page and the appendices attached hereto are part of this Official Statement.

**OFFICIAL STATEMENT
of the
TOWN OF SOUTH KINGSTOWN, RHODE ISLAND**

**\$100,000,000*
GENERAL OBLIGATION BOND ANTICIPATION NOTES, 2026 SERIES 1**

This Official Statement provides certain information concerning the Town of South Kingstown, Rhode Island (the “Town”) in connection with the issuance by the Town of its \$100,000,000* General Obligation Bond Anticipation Notes, 2026 Series 1 (the “Notes”).

THE NOTES

Description of the Notes

The Notes are issuable only as fully registered Notes and, when issued, will be registered in the name of Cede & Co., as Noteholder and nominee for DTC. Principal of and interest on the Notes will be paid at maturity by U.S. Bank Trust Company, National Association, Corporate Trust Department, Boston, Massachusetts as Paying Agent to DTC. DTC will act as securities depository for the Notes. Purchases of the Notes will be made in book-entry form, in the denomination of \$1,000 or any integral multiple thereof. Purchasers will not receive certificates representing their interest in Notes purchased. So long as Cede & Co. is the Noteholder, as nominee of DTC, references herein to the Noteholders or registered owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as defined herein) of the Notes. **Interest on the Notes is computed on the basis of a 30-day month and a 360-day year.** See “THE NOTES - Book-Entry Only System” below.

Record Date

The Record Date for the payment of interest on the Notes is the fifteenth day preceding the maturity date or, if such a day is not a business day of the Paying Agent, the next preceding day which is a regular business day of the Paying Agent.

Authorization and Purpose

Notes in the amount of \$100,000,000* (\$55,000,000 of which will refund at maturity presently outstanding bond anticipation notes dated June 26, 2025 and due June 25, 2026) are being issued pursuant to Chapters 6/7 of the Local Acts of 2024, a vote of the Town electorate on May 7, 2024, and resolutions passed by the Town Council on April 28, 2025 and April 27, 2026 to finance the acquisition, construction, improvement, renovation, furnishing and equipping of a new high school, athletic facility, and other school facilities in the Town and all expenses incident thereto, including, but not limited to, costs of design, demolition, athletic fields, landscaping and parking and all attendant expenses, including engineering, architectural and other project-related consulting costs.

Book-Entry-Only System

This section describes how ownership of the Notes is to be transferred and how the principal of, premium, if any, and interest on the Notes are to be paid to and credited by DTC while the Notes are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The Town believes the source of such information to be reliable but takes no responsibility for the accuracy or completeness thereof.

The Town cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Notes, or redemption or other notices, to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Notes), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

*Preliminary, subject to change

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Notes. The Notes will be issued as fully-registered Notes registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Note certificate will be issued for the Notes and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC’s records. The ownership interest of each actual purchaser of the Notes (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Notes, such as redemptions, tenders, defaults, and proposed amendments to the Note documents. For example, Beneficial Owners of Notes may wish to ascertain that the nominee holding the Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Notes unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Town as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

All payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts upon DTC’s receipt of funds and corresponding detail information from the Town or the Paying Agent/Registrar, on payable date in accordance with their

respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with Notes held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent/Registrar, or the Town, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Town or the Paying Agent/Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the Town or the Paying Agent/Registrar. Under such circumstances, in the event that a successor depository is not obtained, a Note certificate is required to be printed and delivered.

The Town may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, a Note certificate will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Town believes to be reliable, but neither the Town nor the Municipal Advisor take any responsibility for the accuracy thereof.

Redemption Prior to Maturity

The Notes are not subject to redemption prior to their stated date of maturity.

Security for Notes

The Notes will be general obligations of the Town, the payment of which the full faith and credit, *ad valorem* taxes and general fund revenues of the Town are pledged. The Rhode Island General Laws provide that the Town shall annually appropriate a sum sufficient to pay the principal and interest coming due within the year on all of its general obligation bonds and notes to the extent that monies therefore are not otherwise provided, and that if such sum is not appropriated, it shall nevertheless be added to the annual tax levy. In order to provide such amount, all taxable property in the Town is subject to *ad valorem* taxation without limitation as to rate or amount.

Claims for Payment Due

Rhode Island General Laws Section 45-15-5 permits any person who shall have any claim for money due from any town, for any matter, to present a demand for such claim to the town council and if satisfaction of such claim is not made within forty (40) days to commence an action against the town treasurer for recovery of the claim. If judgment is obtained for such debt due and if the monies available in the town treasury are insufficient to pay the judgment, Rhode Island General Laws 45-15-6 authorizes the town treasurer to apply to any justice of the peace for an order requiring the town to hold a special meeting of the town council "for the speedy ordering and making a tax" to be collected for such purpose. If the town council shall fail to assess voluntarily a tax sufficient to satisfy judgment on a town debt, the Superior Court is authorized to order the assessors of the town "to assess upon the ratable property, and the collector to collect, a tax sufficient for the payment of the judgment, with all incidental costs and charges and the expense of assessing and collecting the tax," pursuant to Rhode Island General Laws Section 45-15-7.

Statutory Lien

In July of 2011, the General Assembly enacted amendments to Section 45-12-1 of the Rhode Island General Laws to provide for a statutory lien on *ad valorem* taxes and general fund revenues for the benefit of general obligation debt of cities and towns and for giving priority to general obligation debt in a bankruptcy. The validity and priority of the lien granted by Section 45-12-1 have not been adjudicated in any Chapter 9 bankruptcy proceeding. The amendments provide, in part, that the faith and credit, *ad valorem* taxes and general fund revenues of each city and town are pledged for the payment of principal of, premium and interest on all general obligation bonds and notes of the city or town, whether or not the pledge is stated in the bonds and notes or in the proceedings authorizing their issue and the pledge constitutes a first lien on such *ad valorem* taxes and general fund revenues.

In addition, annual appropriations for payment of financing leases and obligations securing bonds, notes or certificates ("other financing obligations"), have a first lien on *ad valorem* taxes and general fund revenues commencing on

the date of each annual appropriation. Amounts appropriated or added to the tax levy to pay principal of, premium and interest on general obligation bonds or notes and payments of other financing obligations are applied to the payment of such obligations. Any municipal employee or official who intentionally violates such provisions of Section 45-12-1 is personally liable to the city or town for any amounts not expended in accordance with such appropriations. The superior court has jurisdiction to adjudicate claims brought by any city or town and to order such relief as the court may find appropriate to prevent further violations under such provisions of Section 45-12-1. Any municipal employee or official who violates such provisions of Section 45-12-1 is subject to removal.

Section 45-12-1 further provides in part, that: notwithstanding any provision of any other law, including the Uniform Commercial Code, Title 6A of the Rhode Island General Laws: (1) the pledge of *ad valorem* taxes and general fund revenues to the payment of the principal, premium and interest on general obligation bonds and notes and payment of other financing obligations is valid and binding, and deemed continuously perfected from the time the bonds or notes or other financing obligations are issued; (2) no filing need be made under the Uniform Commercial Code or otherwise to perfect the first lien on ad valorem taxes and general fund revenues; (3) the pledge of *ad valorem taxes* or general fund revenues is subject to the lien of the pledge without delivery or segregation, and the first lien on ad valorem taxes and general fund revenues is valid and binding against all parties having claims of contract or tort or otherwise against the city or town, whether or not the parties have notice thereof; and (4) the pledge shall be a statutory lien effective by operation of law and shall apply to all general obligation bonds and notes and financing obligations of cities, towns and districts and shall not require a security agreement to be effective.

The July 2011 amendments, described above, provide that *ad valorem* taxes and general fund revenues may be applied as required by the pledge without further appropriation except for financing obligations which are subject to annual appropriation.

State Aid Intercept

Rhode Island General Laws § 45-12-32 creates a mechanism to enhance the creditworthiness of cities and towns in financial stress by providing for a state aid intercept mechanism to pay general obligation bonds and notes. Under the statute, the finance director is required to notify the town administrator and the town council if it appears to the finance director that the town is likely to be unable to pay in whole or in part the principal or interest, or both, on any of its bonds, notes or certificates of indebtedness when due. If the town administrator or town council, whether or not so notified, finds upon investigation that the payment cannot or is not likely to be made when due, he, she, or they are required to certify the inability or likely inability to the Director of Revenue of the State. The Town has never made such a certification. Upon receipt of the certificate, the Director of Revenue shall immediately investigate the circumstances and, if the Director finds that the town is, or in the Director's opinion will be, unable to make the payment when due, the Director shall forthwith certify the inability, the amount of the due or overdue payment and the name of the paying agent for the bonds, notes or certificates of indebtedness to the General Treasurer of the State.

Notwithstanding any provision of general or special law or any rules or regulations with respect to the timing of payment of state aid payments, not later than three (3) days after receipt of the certification from the Director of Revenue or one business day prior to the date on which the principal or interest, or both, becomes due, whichever is later, the General Treasurer of the State is required to pay to the paying agent the amount of the due or overdue payment certified to him/her to the extent of the sums otherwise then payable and the sums estimated to become payable during the remainder of the fiscal year, from the treasury, to the town. The amounts so paid to the paying agent are held in trust and exempt from being levied upon, taken, sequestered or applied for any purpose other than paying principal or interest, or both, on bonds, notes or certificates of indebtedness of the town.

For purposes of the statute, the sums otherwise payable from the treasury to a city or town shall be the funds made available to cities or towns: (i) as state aid pursuant to chapter 45-13 of the Rhode Island General laws, but specifically excluding reimbursements to cities and towns for the cost of state mandates pursuant to § 45-13-9 of the Rhode Island General Laws; (ii) as school housing aid pursuant to §§ 16-7-35 — 16-7-47 of the Rhode Island General Laws, but subject to any pledge to bonds issued to finance school projects by the Rhode Island Health and Educational Building Corporation, and specifically excluding school operations aid provided for in §§ 16-7-15 — 16-7-34.3 of the Rhode Island General Laws; (iii) in replacement of motor vehicle and trailer excise taxes pursuant to chapter 44-34.1 of the Rhode Island General Laws; (iv) from the public service corporation tax pursuant to chapter 44-13 of the Rhode Island General Laws; (v) from the local meal and beverage tax pursuant to § 44-18-18.1 and the hotel tax pursuant to § 44-18-36.1 of the Rhode Island General laws; and (vi) pursuant to all acts supplementing such chapters.

Enforceability of Town Obligations

Enforcement of a claim for payment of principal of or interest on a bond or note issued by the Town is subject to the applicable provisions of the federal bankruptcy laws and of statutes, if any, hereafter enacted by the federal government or the State of Rhode Island extending the time for payment of such obligations or imposing other constitutionally valid constraints upon such enforcement.

Judicial enforcement of statutes such as Rhode Island General Laws Sections 45-15-5 — 45-15-7 described above under the heading "*Claims for Payments Due*", the statutory lien provided for in section 45-12-1 and state aid intercepts such as that provided for in Section 45-12-32 are within the discretion of a court. The status of these rights and remedies of owners of bonds and notes in a proceeding to restructure city or town debt under Chapter 9 of the Federal Bankruptcy Code, or pursuant to other subsequently enacted laws relating to creditors' rights has not been adjudicated.

THE TOWN OF SOUTH KINGSTOWN

General

South Kingstown, established in 1658 and incorporated as a town in 1723, is a suburban community situated in Washington County ("Washington County"), in southern Rhode Island (the "State") located about 30 miles south of the state capital, Providence. The natural setting of the community is very diverse, comprised of farms and woodlands, freshwater wetlands and ponds, salt ponds and marshes, ocean beaches and other waterfront areas across a total area of 62.3 square miles. The Town is the host community to the University of Rhode Island located in the historic village of Kingston. South Kingstown also contains a number of historic villages and places, principal among these are the villages of Wakefield and Peace Dale in the central portion of the community. Major employers in the Town include the University of Rhode Island, Schneider Electric (parent company of the former American Power Conversion) and South County Hospital. Tourism is also an important component of the local and regional economy in South Kingstown and Washington County, also known as "South County", with visitors taking advantage of Rhode Island's saltwater beaches on Block Island Sound, salt ponds, seasonal rental communities, Town and State parks and open space areas, historic attractions as well as varied shopping and dining opportunities. According to the 2020 U.S. Census the population of the Town is 31,931 which represents a 4.22% increase since the 2010 U.S. census of 30,639. The current Town population represents 2.9% of the State's population and 25% of the population of Washington County.

Government

The Town operates under a Home Rule Charter adopted in 1968 providing for a Council/Town Manager form of government with a five-member Town Council headed by a Council President. All legislative powers of the Town are vested in the Town Council by the Charter. The Town Charter was amended in November 2006 to eliminate the financial town meeting. See "TOWN FINANCES – Budgetary Procedures" below.

Members of the Town Council are elected at large for a term of two years. The Charter grants to the Town Council all powers to enact, amend or repeal ordinances relating to the Town's property, affairs and government including the power to create offices, departments or agencies of the Town, preserving the public peace, health and safety, establishing personnel policies, authorizing the issuance of bonds, and providing for an annual audit of the Town's accounts.

The Town Manager is appointed by a majority vote of the Town Council for an indefinite term solely on the basis of the Manager's executive and administrative qualifications. The Town Manager is the chief administrative officer of the Town. The Charter grants to the Town Manager the authority to appoint or remove all officers or employees of the Town, to prepare and submit to the Town Council the annual budget and annual report of the Town, to recommend to the Town Council pay schedules for Town employees and to recommend to the Town Council the adoption of such measures as the Manager may deem necessary for the health, safety or welfare of the Town. See "TOWN FINANCES – Budgetary Procedures" below.

Education

The general administration of the Town's school system is directed by a seven-member School Committee elected at-large at the regular Town election for a term of four years. The School Committee has general control of all policies affecting the administration, maintenance and operation of the public schools, appoints a Superintendent of Schools as its chief administrative agent, appoints and removes all school employees, and is responsible for the purchase, lease, and maintenance of all school operations. The School Committee is directed by the Charter to prepare and submit a budget for the operations of the schools to the Town Manager. The Town Manager is responsible for review and incorporation of the School Budget into the Municipal Budget Program, with or without amendment. The municipal budget process includes a series of public hearings and final budget adoption by the Town Council as directed by the Town Charter.

The public school system of South Kingstown consists of four elementary schools, two middle schools and one senior high school. During the 2024-25 school year, public school statistics are as follows:

<u>Schools⁽¹⁾</u>	<u>No. of Schools</u>	<u>Enrollment</u>	<u>Professional Staff Members</u>	<u>Pupil-Teacher Ratio</u>
Elementary	3	924	90.3	10:1
Secondary ⁽²⁾	2	1,224	116.0	10:1

(1) Source: School Department Business Manager.

(2) Includes Grades 5-12.

There is also one parochial elementary school in the Town, with an enrollment of approximately 282 students, and a parochial high school with an enrollment of approximately 423 students. The Town also has two charter schools with a combined enrollment of 477 students.

The cost of operating the Town's public school system for the 2024-2025 fiscal year was \$61,417,723 and the cost per pupil was approximately \$28,444. The budget for the fiscal year ending June 30, 2026 is \$63,342,699.

Government Services

In addition to its schools, the Town provides or makes available major public services, certain of which are described below:

Rubbish and Garbage Collection

Rubbish and garbage collection for the Town is available on a fee-paid basis to individual property owners through private collectors. The Town residents also have direct access to the Rose Hill Recycling Transfer Station as a means of proper solid waste disposal at an affordable price.

Police Department

The South Kingstown Police Department has a force of 76 full-time members, comprised of 58 sworn officers and 18 civilian staff, dispatchers, and animal control personnel. In fiscal 2025, the Police Department expended \$12,090,085. The Department's budget for the fiscal year ending June 30, 2026 is \$12,625,443.

Emergency Medical Services

The Town of South Kingstown provides pre-hospital emergency medical treatment and transportation of the sick and/or injured. There are 25 full time personnel and the department expended \$3,205,520 in fiscal year ended June 30, 2025 and for fiscal year ending June 30, 2026 budgeted \$3,266,348.

Fire Protection

Fire protection services in the Town of South Kingstown are administered by three separate political entities created by State statute; the Indian Lake Shore Fire District, Kingston Fire District, and Union Fire District. The three fire districts are responsible for the acquisition and maintenance of fire equipment, facilities and stations in the respective areas served by the districts. The districts are independent of the Town of South Kingstown, and the Town is not directly responsible for their expenditures nor does the Town derive any income from their operations. By statute, the fire districts have separate *ad valorem* taxing powers on the real property situated in the area served by each district.

Parks and Recreation

The Town employs extensive Parks and Recreation programs which serves the community by providing enriching recreation experiences and quality facilities. The department provides well-rounded and balanced leisure services for all segments of the community. There are 18 full time personnel and department expended \$2,251,345.41 in fiscal year ended June 30, 2025 and for fiscal year ending June 30, 2026 budgeted \$2,465,948.

Libraries

The Town operates a regional library system consisting of three libraries, Kingston Free Library, Peace Dale Library and Robert Beverly Hale Library. In addition to over 70,000 books available for circulation, periodicals and audio-visual equipment are also available to residents.

Wastewater Services

The Town serves as the managing regional partner of a wastewater treatment and disposal facility. The Town has intermunicipal agreements (IMs) with the Town of Narragansett and the University of Rhode Island which provides for reimbursement to the Town for a portion of the net cost of construction of the facilities and a pro rata share of operational expenses based upon wastewater flow contribution by each regional partner.

The Town has adopted accounting principles and practices recommended for enterprise funds (those activities conducted by municipalities that are of a self-supporting nature whereby accounting principles and practices would be similar to those of private, profit-making businesses) for the wastewater system. This not only provides a meaningful picture of the financial position and results of operations of the wastewater system, but also provides information necessary for calculation of future rate changes for the Town's wastewater customers. This fund is a depository for all the Town's wastewater user annual charges, fees, assessments, and receipts obtained for the use, service, or facilities generated by the wastewater works.

The wastewater system serves approximately 51% of the Town's population. The geographic area served is from Kingston village, through Peace Dale and Wakefield where there is heavy population concentration. In addition, this regional system accepts wastewater from the University of Rhode Island and the portions of the Town of Narragansett. The Town's user fees generate sufficient revenues to meet all operating expenses associated with the Town's flow contribution to the regional facility. The Town of Narragansett and the University of Rhode Island are financially responsible for all regional costs associated with their respective flow contribution. The Town's current minimum yearly user fee is \$400 for a single-family dwelling

Water Services

The activities and functions of the Town water system were conducted by a Board of Water Commissioners through July 25, 1971. In accordance with the Town Charter and as enacted by the General Assembly of the State, the functions of the Water Commissioners were transferred to the Town as of July 25, 1971.

As of July 1, 1973, the Water Department adopted enterprise fund accounting. The accounting records for the Department are generally maintained in accordance with the uniform system of accounts prescribed by the American Water Works Association manual for municipal utilities. The cost of the original plant has been capitalized including direct charges, related overhead, and interest.

The Town's water rates are set at \$55.00 per quarter for a minimum of 1,250 cubic feet; the rate for each additional 100 cubic feet in excess of 1,250 (from 1,251-2,500) is set at \$3.50; and a 2nd excess charge is set at \$4.00 from 2,501 and up. Due to a proposed volume rate increase by our wholesale water supplier, the rates are proposed to increase to \$68.00 per quarter for a minimum 1,250 cubic feet; the proposed rate for an additional 100 cubic feet in excess of 1,250 (from 1,250-2,500) is \$4.50; and a 2nd excess charge is proposed to be \$5.50 from 2,501 and up. The average water rate per household is approximately \$285 per year at present. The user structure provides an "inclinng block" rate structure for excess water consumption which is intended to promote water conservation. Rates may vary following a final decision by the Public Utilities Commission in regard to the wholesale supplier's rate filing.

Special Services

In addition to the services outlined above the Town provides specialized government services for animal control, appropriations to various human service agencies and environmental conservation programs.

Employee Relations

As of June 30, 2025, the Town had 122 full-time employees and approximately 13 part-time employees exclusive of the School and Police Departments. The Police Department employed 58 (including Chief) sworn officers, 12 part-time crossing guards, 7 civilians; 8 full time dispatchers and 1 part time dispatcher; 3 full time and 1 part time Animal Welfare

employees, and 30 civilian traffic detail officers. The School Department as of this date had 258 full-time and 8 part-time certified employees and 122 full-time and 2 part-time non-certified employees.

The Town's professional school employees are members of the National Education Association of Rhode Island with a contract which expires August 31, 2027. The clerks and teacher aides of the School Department are members of the National Education Association of Rhode Island, clerical/technical personnel and the custodians are members of the Rhode Island AFSCME, AFL-CIO Council 94. The clerks and teacher aide's contract expires on June 30, 2026. A new contract is in negotiations. The school custodial contract expires on June 30, 2028.

The Town's uniformed police employees are members of the International Brotherhood of Police Officers. The present contract with the police expires June 30, 2028. The police dispatchers and Highway Department employees are members of the Rhode Island AFSCME, AFL-CIO Council 94; their contract expires on June 30, 2027. Employees of the South Kingstown Emergency Medical Services unit elected to join the International Association of Firefighters AFL-CIO union as of July 1, 1991. Their current 3-year contract expires on June 30, 2027. Municipal employees, except those noted above, are members of the National Education Association of Rhode Island. Their 3-year contract expires on June 30, 2027.

Retirement Programs

As more particularly described below, the Town provides pension benefits to substantially all municipal employees under four separate plans: (a) three plans for the Town's general municipal employees, police employees and emergency medical technicians ("EMT") through the State's Municipal Employees Retirement System ("MERS") and (b) a plan for the Town's public-school teachers through the State's Employees' Retirement System of Rhode Island ("ERSRI").

General Municipal Employee Plan

The Town provides, as a condition of employment, pension benefits to all municipal employees through participation in a contributory retirement system administered under state law by MERS. The Town participates in three separate defined-benefit plans under MERS for general municipal, police and EMT employees, to which the Town makes annual contributions equal to the amount of pension expense. The general municipal employee, police employee and EMT employee plans are funded on a "projected benefit method" which provides for the projection of the benefits to be earned by the employees and the contributions to be made to finance the benefits. Supplemental liabilities are provided for accrued pension credits previously earned by the members which are unfunded. The cost of ancillary benefits such as disability or death may be financed on a one-year term premium basis.

As of June 30, 2025, 537 general municipal and non-professional school employees of the Town participated in this plan including 254 active members and 283 pensioners.

Over the past five years, the Town has made the following required contributions:

Municipal Employees' Retirement System (General Employees)						
Fiscal Year	Actuarially Determined Contribution	Actual Contribution	Percent Contributed	Unfunded Liability⁽¹⁾	Funded Ratio	
2025	\$ 1,894,636	\$ 1,894,636	100 %	\$ (7,596,156)	91 %	
2024	1,758,969	1,758,969	100	(7,977,733)	90	
2023	1,749,400	1,749,400	100	(8,724,454)	89	
2022	1,588,324	1,588,324	100	(1,964,838)	97	
2021	1,655,036	1,655,036	100	(12,977,119)	82	

(1) Assumes asset appreciation of 7.00% and payroll growth of 3.00% to 7.25% annually.

The Town, including School non-certified employees, budgeted a contribution of \$2,096,463 in fiscal year ending June 30, 2026 and \$2,111,439 in fiscal year ending June 30, 2027, which represents 100% of the required contribution.

Police Employee and EMT Pension Plans

As of June 30, 2025, 141 police and emergency medical technicians of the Town participated in this plan including 74 active members and 67 pensioners. Over the past five years, the Town has made the following required contributions:

Municipal Employees' Retirement System (Municipal Police)						
Fiscal Year	Actuarially Determined Contribution	Actual Contribution	Percent Contributed	Unfunded Liability⁽¹⁾	Funded Ratio	
2025	\$ 1,420,700	\$ 1,420,700	100 %	\$ (6,385,422)	85 %	
2024	1,406,759	1,406,759	100	(6,769,189)	83	
2023	1,215,289	1,215,289	100	(6,909,875)	82	
2022	1,112,644	1,112,644	100	(4,491,513)	88	
2021	1,080,517	1,080,517	100	(9,622,905)	73	

(1) Assumes asset appreciation of 7.00% and payroll growth of 3.50% to 13.50% annually.

The Town budgeted a contribution of \$1,493,570 in fiscal year ending June 30, 2026, and \$1,543,537 in fiscal year ending June 30, 2027, which represents 100% of the required contribution.

Municipal Employees' Retirement System (EMT)						
Fiscal Year	Actuarially Determined Contribution	Actual Contribution	Percent Contributed	Unfunded Liability⁽¹⁾	Funded Ratio	
2025	\$ 43,096	\$ 43,096	100 %	\$ 1,106,640	119 %	
2024	39,259	39,259	100	1,237,377	124	
2023	54,214	54,214	100	1,040,558	121	
2022	42,482	42,482	100	1,523,348	133	
2021	37,579	37,579	100	582,123	114	

(1) Assumes asset appreciation of 7.00% and payroll growth of 3.50% to 13.50% annually.

The Town budgeted a contribution of \$119,191 in fiscal year ending June 30, 2026, and \$117,628 in fiscal year ending June 30, 2027, which represents 100% of the required contribution.

School Teachers' Retirement Plan

The Town provides retirement benefits to its public-school teachers through its participation in ERSRI. ERSRI is a statutory, mandatory, statewide, cost-sharing multi-employer defined benefit plan, which first covered State teachers on July 1, 1949. ERSRI is administered as a unified statewide system by the State Retirement Board, the composition of which is set forth in the pertinent State statute. The assets are held in the custody of the State Treasurer as an undivided single fund. The Town pays 60 percent of the annual employer's cost of the Teachers Plan.

Rhode Island General Laws Section 16-16-22 currently sets the defined benefit contribution rates of participating employees at 3.75% of salary. Annual required contributions by both employers and the State on behalf of those employees are determined by actuaries and assessed as a percentage of participants' payroll. The required contributions include (a) normal costs; (b) payments to amortize the unfunded frozen actuarial accrued liability as of June 30, 1999 over 30 years; provided, however, that in conjunction with the implementation of RIRSA, the amortization period was reset to 25 years as of June 30, 2010; and (c) interest on the unfunded frozen actuarial liability. The Town participates in the optional Teachers Survivor Benefits Fund, whereby the employer and the employee each contribute 1% of the first \$11,500 of each participating employee's salary for survival benefits.

As prescribed by State law, the State pays the entire portion of the defined benefit annual required contribution attributable to the costs of contributions deferred by the State in prior years, plus 40% of contributions assessed to employers on payroll not reimbursable through federal programs.

Effective with the June 30, 2011 actuarial valuation, the funding method was changed to the Individual Entry Age Cost Method in order to be consistent with State Law and GASB statement No. 27 standards. The ERSRI does not maintain separate data for each of its participants. The ERSRI's website contains additional information (www.ersri.org).

The actuarial valuation prepared by Gabriel, Roeder, Smith & Company uses the Entry Age Normal (EAN) actuarial cost method. Valuations under this method assume a valuation date of June 30th of each plan year. This is the date as of which both the actuarial present value of future benefits and the actuarial value of assets are determined. The valuation assumes an annual salary increase on a scale of age/service. In addition, other actuarial assumptions are made for post-retirement increases and other contingencies as set forth in the published annual reports of the State Retirement Board.

The actuarial costs of the retirement benefits are partially funded by employee contributions of 3.75% of the actuarial costs of the retirement benefits effective July 1, 2012. The actuary determines the net employer actuarial costs annually and as provided by the State Retirement Board to the State Department of Administration. Contributions are reported as a percent of payroll, payable in part by the State and in part by the Town. The split between the State and the Town is specified by State statute. For fiscal year 2025, the State paid 40% and the Town paid 60%.

The following are comparative highlights for 2021 through 2025 for the Teachers' Retirement System as a whole:

	<u>6/30/2021</u>	<u>6/30/2022</u>	<u>6/30/2023</u>	<u>6/30/2024</u>	<u>6/30/2025</u>
Active Participants	13,372	13,537	13,554	13,497	13,249
Pensioners & Beneficiaries	11,398	11,521	11,595	11,727	11,771
Inactive Participants	4,227	4,539	5,000	5,418	5,926
Market Value of Assets	\$ 4,671,641,312	\$ 4,418,568,124	\$ 4,664,344,475	\$ 4,995,983,427	\$ 5,266,311,282
Employer Contributions	\$ 275,778,411	\$ 322,772,188	\$ 305,022,002	\$ 314,001,015	\$ 321,674,842
Member & Other Misc. Contributions	50,174,050	50,159,049	50,949,871	50,377,666	50,317,841
Total Contributions	\$ 325,952,461	\$ 372,931,237	\$ 355,971,873	\$ 364,378,681	\$ 371,992,683
Investment income	\$ 1,034,477,257	\$ (131,387,447)	\$ 384,803,808	\$ 465,614,805	\$ 406,636,270
Total Income Available for Benefit Payments	\$ 1,360,429,718	\$ 241,543,790	\$ 740,775,681	\$ 829,993,486	\$ 778,628,953
Benefit Payment	\$ (487,793,158)	\$ (494,461,453)	\$ (495,099,506)	\$ (406,987,236)	\$ (412,908,764)
Transfer and Other Adjustments	\$ 248,851	\$ (155,525)	\$ 100,176	\$ (768,666)	\$ (886,718)
Excess of Income Over Expenses	\$ 872,885,411	\$ (253,073,188)	\$ 245,776,351	\$ 422,237,584	\$ 364,833,471
Funded Ratio	58.7%	61.5%	64.5%	64.8%	67.9%

Compiled from Employees' Retirement System of Rhode Island - Actuarial Valuation Reports as of June 30, 2021 - 2025.

According to the statutory funding schedule, the combined contributions required each year by the Town and the State will remain relatively level as a percent of payroll as ERSRI moves toward funding the full actuarial liability. Ultimately, however, because the actuarial funding results in the accumulation of reserves that are invested, the required appropriation will be significantly less than would be required if the Teacher's Retirement System was on a pay-as-you-go basis. Over the past five years, the Town has made the following required contributions:

Employees' Retirement System of Rhode Island (Teachers)			
Fiscal Year	Annual		
	Required Pension Cost	Actual Contribution	Percent Contributed
2025	\$ 3,950,716	\$ 3,950,716	100 %
2024	3,785,619	3,785,619	100
2023	3,916,956	3,916,956	100
2022	4,049,647	4,049,647	100
2021	3,976,714	3,976,714	100

The Town budgeted a contribution of \$3,985,335 in fiscal year ending June 30, 2026 which represents 100% of the required contribution.

As of June 30, 2025, the Town reported a liability of \$29,329,450 for its proportionate share of the net pension liability that reflected a reduction for contributions made by the State.

Defined Contribution Plan for ERSRI Participants

In November 2011, the State enacted the RIRSA, which made broad changes effective July 1, 2012 to MERS and the Teachers’ Plan. The most significant changes include changing the structure of the retirement program from a traditional defined benefit plan to a hybrid plan designed with a smaller defined benefit plan and a supplemental defined contribution plan; changing the automatic cost of living adjustment (COLA) from a CPI- related formula to a formula contingent on the actual investment performance over time; suspension/reduction of the COLA during times when the funded ratio is lower than targeted 80% levels; and the re-amortization of the Unfunded Actuarial Accrued Liability (UAAL) to 25 years from the 19-year schedule as of June 30, 2010. For the Teachers’ Plan, teachers not covered by Social Security will participate in additional defined contribution allocations equal to 2% member plus 2% employer. Included within these significant changes are certain rules for transitioning from the defined benefit structure to the smaller defined benefit plan going forward. The changes in the defined benefit plan instituted by RIRSA have been fully reflected in the actuarial valuation beginning with June 30, 2012. (Please see also “*Legal Challenges to Pension Reform*” herein).

The State selected TIAA-CREF to administer the defined contribution plan. All employees in MERS and ERSRI are required to participate. MERS and ERSRI employees contribute 5% of their annual salary into the defined contribution plan, with an additional 2% contribution for those employees that do not participate in Social Security, and the Town must contribute between 1% and 1.5% for MERS employees and between 3% and 3.5% for ERSRI employees. Participants have a selection of investments options chosen by the State and provided by TIAACREF.

Other Post-Employment Benefits

Effective with the fiscal year ended June 30, 2009, the Town adopted an Irrevocable Trust Fund for the administration of post-employment health benefits (health, dental, and life insurance) in accordance with union contracts. The Town of South Kingstown OPEB Trust (the “Trust”) is a single employer defined-benefit plan. The Trust does not issue a stand-alone report. The benefits, by employee group, can be found in Note 11 of the Town’s financial statements.

The current-year expenditures for these postretirement benefits are recognized on a pay-as-you-go basis, as the monthly premiums for the benefits become due. During the fiscal year ended June 30, 2025, expenditures of approximately \$1,412,117 were recognized for post-retirement benefits. Over the past five years, the Town has made the following contributions:

Other Post Employment Benefits						
Fiscal Year	Actuarially Determined Contribution	Actual Contribution	Percent Contributed		Unfunded Liability⁽¹⁾	Funded Ratio
2025	\$ 1,412,117	\$ 1,413,387	100 %	\$	(10,043,817)	154 %
2024	1,674,610	2,056,300	123		(8,571,017)	150
2023	1,372,376	1,566,348	114		(5,072,220)	129
2022	1,353,977	1,653,565	122		(3,311,081)	119
2021	1,347,422	2,100,581	156		(5,846,969)	133

(1) Assumes 6.25% funding interest rate and health care cost trend rate of 4.5% for fiscal year 2021; 6.50% funding interest rate and health care cost trend rate of 5.05% for fiscal year 2022; 6.60% funding interest rate and health care cost trend rate of 5.20% for fiscal year 2023. 6.80% funding interest rate and health care cost trend rate of 5.50% for fiscal year 2025; and 6.80% funding interest rate and health care cost trend rate of 8.00% for fiscal year 2025.

As of June 30, 2025, the Town’s OPEB plan is fully funded. The Plan has achieved this status as a result of favorable investment returns and experience gains and has contributed in excess of the actuarially determined contribution to accelerate the funding status. The Town is working with its actuaries, investment advisors and healthcare providers to review its long-term funding strategy.

Risk Management

Climate Change

The Town is located on the Block Island Sound and is subject to weather events common to coastal communities. Climate change may intensify and increase the frequency of extreme weather events, such as coastal storm surges, drought, floods, and heat waves, and raise sea levels along the coast. The Town continually evaluates its climate resilience and is implementing various resilience measures to reduce the impacts of climate change, protect its assets, build social resiliency, and mitigate any fiscal impacts. Below are recent climate related initiatives:

- The Town follows the current stormwater management regulations promulgated by the State which adjusted rainfall amounts and frequency and designs for 100-year storm events.
- The Town includes capital projects that harden and improve municipal assets that are susceptible to climate change. In 2024, the Matunuck Beach seawall project was completed. The Regional Wastewater Treatment Facility and all local sewer pumping stations have been evaluated for resilience and are presently being upgraded to meet extreme storm concerns and resiliency requirements set forth by RIDEM.
- The Town completed a study on climate change effects on historic property in the Matunuck Beach area.
- The Town built a new EMS Station in the Perryville (southwestern) portion of Town to improve response times and redundancy in the event of a storm event. The Station was issued a temporary Certificate of Occupancy on April 17, 2026.
- The Town will be seeking consultant services to rewrite/modernize the Town land use regulations (i.e., zoning) and will consider regulatory changes that reduce the effects of climate change. The Town is in the process of readying an RFQ to go out with the goal to have the RFQ out before the end of the fiscal year. Planning has established funding for this work within their CIP.
- The Saugatucket Road Culvert crossing the Saugatucket River is presently being engineered to elevate the roadway above the floodplain and widened to reduce flooding and to allow emergency access through the area during large storm events.

Cyber Security

The Town, like many other public and private entities, relies on a large and complex technology environment to conduct its operations. As recipient and provider of personal, private, or sensitive information, the Town may be subject to cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems.

Entities or individuals may attempt to gain unauthorized access to the Town's digital systems for the purposes of misappropriating assets or information or causing operational disruption and damage. The Town has implemented policies and procedures to protect against malicious activity targeting critical technology infrastructure. No assurances can be given that the Town's efforts to manage cyber threats and attacks will be successful or that any such attack will not materially impact the operations or finances of the Town.

ECONOMIC CHARACTERISTICS

Population

South Kingstown ranks 10th in population among the 39 cities and towns in Rhode Island. As indicated in the following table, the Town experienced a 4.22% increase in population from 2010 to 2020, from 30,639 to 31,931.

<u>Year</u>	<u>Population</u>
1970.....	16,913
1980.....	20,414
1990.....	24,631
2000.....	27,921
2010.....	30,639
2020.....	31,931

Source: U.S. Bureau of the Census for 1970 to 2020.

Unemployment

The most recent labor market information summary indicates that annualized unemployment for the years ended 2016 through 2025, and 2026 monthly (with available data) statistics as shown in the following table:

	Annual									
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Town of South Kingstown	4.9%	3.8%	3.6%	3.1%	6.9%	4.4%	2.8%	2.5%	3.6%	3.9
Rhode Island	5.3	4.5	4.1	3.6	9.4	5.7	3.2	3.0	4.5	4.5
United States	4.9	4.4	3.9	3.7	8.1	5.3	3.6	3.6	4.0	4.3%

	2026 Monthly		
	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>
Town of South Kingstown	4.7%	6.0%	*
Rhode Island	5.4	5.8	*
United States	4.7	4.7	4.3

Source: RI Department of Labor & Training; Not Seasonally Adjusted

*Data not available

Employment and Wages

In fiscal year 2024, the Town had 1,341 private businesses subject to the payment of employment security taxes. During that period, the payrolls for those firms totaled \$596,503,856, and the average number of persons employed was 10,409.

<u>Sector</u>	<u>Number of Units</u>	<u>Average Employment</u>	<u>Total Wages</u>	<u>% of Covered Employment</u>
Agriculture, Forestry, Fishing & Hunting	21	102	\$ 4,861,435	0.98%
Mining	1	*	*	*
Utilities	2	*	*	*
Construction	125	637	44,784,168	6.12
Manufacturing	30	521	48,299,255	5.01
Wholesale Trade	107	420	55,397,815	4.03
Retail Trade	105	1,347	60,140,688	12.94
Transportation & Warehousing	7	60	2,599,222	0.58
Information	37	105	10,080,764	1.01
Finance & Insurance	62	264	21,700,261	2.54
Real Estate & Rental & Leasing	35	379	14,252,788	3.64
Professional & Technical Services	238	430	43,297,835	4.13
Management of Companies & Enterprises	6	43	1,809,790	0.41
Administrative Support & Waste	114	374	20,825,338	3.59
Educational Services	35	402	20,742,227	3.86
Health Care & Social Assistance	161	2,916	163,379,683	28.01
Arts, Entertainment, & Recreation	33	290	10,580,530	2.79
Accommodation & Food Services	104	1,532	47,152,213	14.72
Other services (except Public Administration)	118	587	26,599,844	5.64
Total Private Employment	1,341	10,409	\$ 596,503,856	100.00%

* Some data are not shown due to the possibility of identifying data of a specific employer.

Data compiled May 2025, subject to revision

Not including Government

Income Levels

The following table represents the per capita and median family income according to the 2020-2024 American Community Survey 5-year estimates.

	<u>Per Capita</u>	<u>Median Household</u>
South Kingstown	\$48,310	\$108,960
Rhode Island	47,150	87,796
United States	44,673	80,734

Source: U.S. Bureau of the Census, 2020-2024 American Community Survey 5-year estimates

Housing

The Town is a suburban commuter community with moderate growth of residential housing units and business establishments. According to the 2020-2024 American Community Survey 5-year estimates, there were a total of 11,360 households in the Town.

Building Permits

The following table indicates the number of building permits issued by the Town building inspector for the calendar years indicated and the declared value of the construction undertaken:

<u>Calendar Year</u>	<u>Permits Issued</u>	<u>Value</u>
2016	1,109	\$ 41,360,137
2017	1,083	47,017,979
2018	1,216	59,609,578
2019	1,140	62,590,517
2020	1,069	56,158,921
2021	1,272	64,400,766
2022	1,086	61,470,973
2023	1,104	57,501,221
2024	1,445	68,200,597
2025 ⁽¹⁾	1,433	105,791,968
2026 ⁽²⁾	337	29,963,479

Source: Town Building Inspector

(1) Includes \$25.6 million of Town public project.

(2) Through April 15, 2026.

Economic Development

New commercial and industrial space has been built or committed for construction in South Kingstown, as shown in the following table:

January 2025 - December 2025			
Commercial Construction			
Name	Type of Improvement	Cost	
FAIRGROUNDS ROAD, SOUTH KINGSTOWN, RI 02879	Addition to Existing	\$	165,000.00
FORTIN ROAD, SOUTH KINGSTOWN, RI 02879	Addition to Existing		8,000.00
FRANK A VENUE, WEST KINGSTON, RI 02892	Foundation Only		75,000.00
LIBERTY LANE, SOUTH KINGSTOWN, RI 02879	Foundation Only		40,000.00
MAIN STREET, SOUTH KINGSTOWN, RI 02879	Modification to Existing		9,000.00
COLUMBIA STREET, SOUTH KINGSTOWN, RI 02879	Modification to Existing		15,000.00
MAIN STREET, SOUTH KINGSTOWN, RI 02879	Modification to Existing		350,000.00
MAIN STREET, SOUTH KINGSTOWN, RI 02879	Modification to Existing		60,000.00
MAIN STREET, SOUTH KINGSTOWN, RI 02879	Modification to Existing		65,000.00
SHANNOCK ROAD, SOUTH KINGSTOWN, RI 02879	Modification to Existing		35,000.00
KINGSTOWN ROAD, SOUTH KINGSTOWN, RI 02879	Modification to Existing		150,000.00
FORTIN ROAD, SOUTH KINGSTOWN, RI 02879	Modification to Existing		10,000.00
MAIN ST, WAKEFIELD, RI 02879	Modification to Existing		6,000.00
MAIN ST, WAKEFIELD, RI 02879	Modification to Existing		8,500.00
TOWER HILL ROAD, SOUTH KINGSTOWN, RI 02879	Modification to Existing		20,000.00
MAIN STREET, SOUTH KINGSTOWN, RI 02879	Modification to Existing		30,000.00
PARK A VENUE, SOUTH KINGSTOWN, RI 02879	Modification to Existing		20,000.00
TOWER HILL ROAD, SOUTH KINGSTOWN, RI 02879	Modification to Existing		15,000.00
TABLE ROCK ROAD, SOUTH KINGSTOWN, RI 02879	Modification to Existing		3,112.40
LIBERTY LANE, SOUTH KINGSTOWN, RI 02879	Modification to Existing		50,000.00
LIBERTY LANE, SOUTH KINGSTOWN, RI 02879	Modification to Existing		16,000.00
KINGSTOWN ROAD, SOUTH KINGSTOWN, RI 02879	Modification to Existing		50,000.00
FORTIN ROAD, SOUTH KINGSTOWN, RI 02879	Modification to Existing		15,000.00
OLD TOWER HILL ROAD, SOUTH KINGSTOWN, RI 02879	Modification to Existing		600,000.00
LIBERTY LANE, SOUTH KINGSTOWN, RI 02879	Modification to Existing		70,000.00
FORTIN ROAD, SOUTH KINGSTOWN, RI 02879	Modification to Existing		15,000.00
ROSE HILL ROAD, SOUTH KINGSTOWN, RI 02879	Modification to Existing		35,000.00
SOUTH COUNTY COMMONS WAY, SOUTH KINGSTOWN, RI 02879	Modification to Existing		250,000.00
SOUTH COUNTY COMMONS WAY, SOUTH KINGSTOWN, RI 02879	Modification to Existing		10,000.00
VILLAGE SQUARE DRIVE, SOUTH KINGSTOWN, RI 02879	Modification to Existing		1,500.00
MAIN STREET, SOUTH KINGSTOWN, RI 02879	Modification to Existing		35,000.00
CHURCH STREET, SOUTH KINGSTOWN, RI 02879	Modification to Existing		11,000.00
SOUTH COUNTY COMMONS WAY, Unit 50 SOUTH COUNTY COMM	Modification to Existing		10,000.00
LIBERTY LANE, SOUTH KINGSTOWN, RI 02879	New Structure		250,000.00
LIBERTY LANE, WEST KINGSTON, RI 02892	New Structure		350,000.00
KINGSTOWN ROAD, SOUTH KINGSTOWN, RI 02879	New Structure		1,603,000.00
SUCCOTASH ROAD, SOUTH KINGSTOWN, RI 02879	New Structure		3,500,000.00
MAIN STREET, SOUTH KINGSTOWN, RI 02879	Roof		25,720.00
MAIN STREET, SOUTH KINGSTOWN, RI 02879	Roof		71,800.00
KINGSTOWN ROAD, SOUTH KINGSTOWN, RI 02879	Roof		125,000.00
OLD TOWER HILL ROAD, SOUTH KINGSTOWN, RI 02879	Roof		5,000.00
OLD TOWER HILL ROAD, SOUTH KINGSTOWN, RI 02879	Roof		10,000.00
CARDS POND ROAD, SOUTH KINGSTOWN, RI 02879	Roof		18,000.00
MEADOWBROOK WAY, SOUTH KINGSTOWN, RI 02879	Roof		31,815.00
LIBERTY LANE, SOUTH KINGSTOWN, RI 02879	Roof		359,000.00
LIBERTY LANE, SOUTH KINGSTOWN, RI 02879	Roof		89,000.00
WAITES CORNER ROAD, SOUTH KINGSTOWN, RI 02879	Roof		68,000.00
MAIN STREET, SOUTH KINGSTOWN, RI 02879	Roof		50,000.00
MAIN STREET, SOUTH KINGSTOWN, RI 02879	Siding		89,000.00
MAIN STREET, SOUTH KINGSTOWN, RI 02879	Siding		50,000.00
ROBINSON STREET, SOUTH KINGSTOWN, RI 02879	Siding		20,499.00
MAIN STREET, SOUTH KINGSTOWN, RI 02879	Windows/Doors		40,000.00
LIBERTY LANE, SOUTH KINGSTOWN, RI 02879	Windows/Doors		6,412.50
MAIN STREET, SOUTH KINGSTOWN, RI 02879	Windows/Doors		1,200.00
MAIN STREET, SOUTH KINGSTOWN, RI 02879	Windows/Doors		10,000.00
MAIN STREET, SOUTH KINGSTOWN, RI 02879	Windows/Doors		755.00
MAIN STREET, SOUTH KINGSTOWN, RI 02879	Windows/Doors		30,989.00
		\$	9,058,302.90

Additional construction took place which is not taxable:

**January 2025 - December 2025
Other Construction**

Name	Type of Improvement	Cost
VICTORIA LANE, SOUTH KINGSTOWN, RI 02879	Addition to Existing	\$ 49,998.00
BARBERS POND ROAD, SOUTH KINGSTOWN, RI 02879	Decks	280,000.00
SCHOOL STREET, SOUTH KINGSTOWN, RI 02879	Foundation Only	21,791,958.00
MAIN STREET, SOUTH KINGSTOWN, RI 02879	Modification to Existing	75,000.00
KINGSTOWN ROAD, SOUTH KINGSTOWN, RI 02879	Modification to Existing	2,000,000.00
CHAPEL WAY, SOUTH KINGSTOWN, RI 02879	Modification to Existing	41,980.00
VICTORIA LANE, SOUTH KINGSTOWN, RI 02879	Modification to Existing	263,000.00
VICTORIA LANE, SOUTH KINGSTOWN, RI 02879	Modification to Existing	35,000.00
KINGSTOWN ROAD, SOUTH KINGSTOWN, RI 02879	Modification to Existing	132,360.00
KINGSTOWN ROAD, SOUTH KINGSTOWN, RI 02879	Modification to Existing	43,100.00
KINGSTOWN ROAD, SOUTH KINGSTOWN, RI 02879	Modification to Existing	55,000.00
HIGH STREET, SOUTH KINGSTOWN, RI 02879	Modification to Existing	85,000.00
KINGSTOWN ROAD, SOUTH KINGSTOWN, RI 02879	New Structure	1,655,000.00
MINISTERIAL ROAD, SOUTH KINGSTOWN, RI 02879	New Structure	1,300,000.00
LOWER COLLEGE ROAD, SOUTH KINGSTOWN, RI 02879	Roof	32,305.00
SOUTH ROAD, SOUTH KINGSTOWN, RI 02879	Roof	3,150.00
TOWER HILL ROAD, SOUTH KINGSTOWN, RI 02879	Roof	65,850.00
KINGSTOWN ROAD, SOUTH KINGSTOWN, RI 02879	Roof	15,000.00
COLUMBIA STREET, SOUTH KINGSTOWN, RI 02879	Roof	238,900.00
HIGH STREET, SOUTH KINGSTOWN, RI 02879	Roof	68,800.00
MATUNUCK BEACH ROAD, SOUTH KINGSTOWN, RI 02879	Roof	15,700.00
TUCKERTOWN PARK DRIVE, SOUTH KINGSTOWN, RI 02879	Roof	14,650.00
HIGH STREET, SOUTH KINGSTOWN, RI 02879	Roof	78,500.00
High Street, South Kingstown, RI 02879	Roof	42,200.00
KINGSTOWN ROAD, SOUTH KINGSTOWN, RI 02879	Siding	75,000.00
	Total	\$ 28,457,451.00

University of Rhode Island

The information in this section concerning the University of Rhode Island has been obtained from sources that the Town believes to be reliable, but the Town takes no responsibility for its accuracy.

South Kingstown is the site of the 1,200-acre main campus of the University of Rhode Island. The University's total fall 2025 undergraduate enrollment of 14,659 students is comprised of 12,796 full- and 1,863 part-time students, an increase of 3.75% over the last ten years, and a decrease of 5 full- and an increase of 87 part-time graduate students. Approximately 50% (8,745) of the total student body is from Rhode Island and 50% (8,728) are from out of state or foreign countries. In fall 2025, the University enrolled 4,892 new freshmen within the undergraduate degree program. The University of Rhode Island had a capital budget of \$51,296,191 for fiscal year 2025. These capital funds were allocated to the following projects during fiscal year 2025; asset protection \$14,006,225, fire & safety protection \$3,311,666, Narragansett Bay Campus \$6,000,000, Fine Arts Center Renovation \$8,000,000, Academic MEP Improvements \$7,858,588, Athletic Complex Updates \$8,882,689, Stormwater Management \$2,221,831 & PFAS Removal, Water Treatment Plant \$1,015,192.

Like most other larger state-supported institutions, the University of Rhode Island has a positive influence to the community in which it is located. The University provides a major source of employment to residents of South Kingstown, and makes available facilities such as athletic, theatre, arts, and library facilities. An abundance of technical data and studies

are available to all agencies of the Town through the University of Rhode Island Community Planning Department, Marine Advisory Service, Food and Resource Economics Department and Business Department. The University of Rhode Island also participates in the South Kingstown/Narragansett regional sewage system. The total operating revenues of the University were \$513,415,402 for the 2024-2025 fiscal year. Additionally, the university had non-operating revenues for fiscal year 2024-2025 of \$151,197,384. The University of Rhode Island has an endowment valued at nearly \$237.2 million, as of the end of fiscal year 2024. The Town budgeted \$901,450 in wastewater revenue for the University's wastewater use in fiscal year ending June 30, 2026.

Tax-supported services provided by the Town to the tax-exempt University of Rhode Island include police protection, fire alarm service and communications, and education of students in the South Kingstown school system when parents reside in tax-exempt university housing.

PROPERTY TAXES

General

Under Rhode Island law, Rhode Island municipalities, including the Town, are restricted from levying general taxes except *ad valorem* taxes upon real and personal property, and an excise tax on motor vehicles. Valuations of real and personal property are assessed as of December 31 and the levy thereon may be paid in full or quarterly without penalty, at the taxpayer's option. New construction, completed after the December 31 assessment date, is pro-rated. In South Kingstown, the fiscal year begins July 1 with taxes for the prior December 31 assessment payable in full on September 1 or quarterly on August 1, November 1, February 1 and May 1. No discount is allowed by the Town for advance payment of taxes.

Tax Limitations

Rhode Island General Laws Section 44-5-2 limits the amount by which a city or town may increase its tax levy unless it qualifies for certain exemptions relating to loss of non-property tax revenue, emergencies, payment of debt service and substantial increase in the tax base necessitating significant expenditures. For Fiscal Year 2013 and thereafter, the maximum amount by which a city or town can increase its tax levy is 4%.

Any levy pursuant to Section 44-5-2 in excess of the percentage increase as specified in the immediately preceding paragraph shall be approved by the affirmative vote of at least four-fifths (4/5) of the full membership of the governing body of the city or town and, in the case of a town with a financial town meeting, the majority of electors present and voting at the financial town meeting shall also approve the excess.

Section 44-5-2 makes it clear that nothing contained in that Section constrains the payment of obligations as described by Section 45-12-1 of the Rhode Island General Laws, which provides that the outstanding notes, bonds and contracts of cities and towns shall be paid and be fulfilled according to their tenor, the power and obligation of each city and town to pay its general obligation bonds and notes shall be unlimited and each city and town shall levy *ad valorem* taxes upon all taxable property within the city or town for the payment of such bonds and notes and interest thereon, without limitation as to rate or amount, except as otherwise provided by or pursuant to law.

Motor Vehicle Tax Exemption

By action of the State legislature, the motor vehicle tax was eliminated effective July 1, 2022.

Assessed Valuations

The following table indicates assessed valuations of taxable real and personal property as of December 31, 2020 through 2024, which represents fiscal year 2022 through 2026:

Assessed Valuations	2020	2021⁽¹⁾	2022	2023	2024⁽²⁾
Real Estate	\$ 5,082,937,500	\$ 6,825,308,200	\$ 6,886,378,450	\$ 6,942,093,750	\$ 8,844,052,194
Tangible Personal Property	107,007,815	108,814,811	108,994,386	109,903,917	120,624,165
Motor Vehicle	<u>229,007,988</u>	<u>297,179,962</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assessed Valuation	\$ 5,418,953,303	\$ 7,231,302,973	\$ 6,995,372,836	\$ 7,051,997,667	\$ 8,964,676,359
Less Exemptions	<u>(156,242,264)</u>	<u>(211,076,192)</u>	<u>(95,608,636)</u>	<u>(113,797,554)</u>	<u>(123,229,877)</u>
Net Real Estate/Tangible	\$ 5,262,711,039	\$ 7,020,226,781	\$ 6,899,764,200	\$ 6,938,200,113	\$ 8,841,446,482

(1) Statistical revaluation

(2) Non-Certified - Full revaluation.

Analysis of Taxable Property

The following table shows an analysis of taxable real and personal property in the Town by class as reflected in the Tax Rolls for the fiscal year ended June 30, 2026:

	<u>% of Total Assessed Valuation</u>	
	<u>Town</u>	<u>State</u>
Residential	91.09%	82.80%
Commercial/Industrial	7.77	14.31
Tangible	1.14	2.88
Total	<u>100.00%</u>	<u>100.00%</u>

Source: RI Department of Administration

Principal Taxpayers

The following table sets forth the principal taxpayers in the Town and assessed valuation of property held by such taxpayers as of Fiscal Year 2026.

<u>Taxpayer</u>	<u>Taxable Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>
Harbor Village Apts (formerly Grandville)	\$ 45,155,100	0.51 %
BH Brightview Commons, LLC (formerly SHP III)	29,238,400	0.33
Jerry Brown Farm Association	27,197,000	0.31
BKD South Bay LLC (Brookdale Senior Living)	18,980,900	0.21
SCC Investments II, LLC	16,511,500	0.19
Wakefield Mall, LLC	14,276,000	0.16
South Jerry Cove Homeowners	14,005,500	0.16
Tower Hill Landings, LLC	12,670,500	0.14
Belmont Shoppers Park Inc.	10,038,300	0.11
Matunuck Beach Properties Inc	<u>8,932,700</u>	0.10
Total	<u>\$197,005,900</u>	

Tax Rate, Levy and Collection Record

Fiscal Year	Actual Tax Rate	Gross Levy	Addendums & Adjustments	Abatements & Adjustments	Net Levy	End of Year Levy	% of Levy	Uncollected as of 8/30/25	% of Net Levy
2025	\$ 11.05	\$ 76,666,984	\$ 104,846	\$ 355,176	\$ 76,416,654	\$ 756,150	0.99 %	501,015	0.66 %
2024	11.05	76,242,144	138,523	332,006	76,048,661	210,199	0.28	168,286	0.22
2023	10.95	78,243,068	146,553	201,995	78,187,626	49,701	0.06	34,126	0.04
2022	14.45	76,628,505	188,182	108,695	76,707,992	30,227	0.04	28,656	0.04
2021	14.45	76,422,435	105,518	21,523	76,506,430	28,443	0.04	27,664	0.04
2020	14.45	76,125,309	149,486	33,221	76,241,574	27,688	0.04	26,788	0.04
2019	15.68	73,489,680	159,788	64,966	73,584,502	26,132	0.04	25,777	0.04
2018	15.31	71,328,981	134,782	28,622	71,435,141	26,353	0.04	25,642	0.04
2017	15.09	70,398,298	78,533	55,227	67,698,861	33,560	0.05	33,085	0.05
2016	15.52	68,504,982	93,912	43,927	65,885,154	29,075	0.04	29,011	0.04

(1) Collections through June 30, 2025

(2) A full revaluation was conducted and motor vehicle taxes were completely phased out in fiscal year 2023.

The Town of South Kingstown historically has collected approximately 99.0% of its tax levy after the fourth quarterly installment is due and paid, and further collects .50% in the subsequent twelve months. This excellent collection record is due to the fact that the Town has annual tax sales for prior year delinquent real property taxes. Other delinquent personal property taxes are collected through delinquency notices and use of small claims court. The Town assesses an interest charge of 12% per annum on delinquent accounts.

TOWN DEBT

General

There are three statutory mechanisms for municipalities in Rhode Island to obtain legal authority to issue general obligation debt: (1) Section 45-12-2 of the General Laws (the “3% Debt Limit Statute”), (2) special acts of the General Assembly, and (3) ministerial approval by the State’s Auditor General. Bonds issued pursuant to the 3% Debt Limit Statute or by ministerial approval or special legislation adopted by the General Assembly authorizing the Town to incur debt are subject to referendum by the electors of the Town.

The 3% Debt Limit Statute was enacted in 1896 as a limitation on the amount of debt municipalities could incur. The 3% Debt Limit Statute provides that except as explained below, a municipality may not, without special statutory authorization, or ministerial approval by the Auditor General of the State (described below), incur any debt, which would increase its aggregate indebtedness not otherwise excepted by law to an amount greater than 3% of the full assessed value of the taxable property within the municipality. 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 fund held on account to pay such indebtedness maintained by the municipality. In computing the value of taxable property, motor vehicles and trailers are valued at full value without regard to assessed value reductions provided for in other sections of the general laws.

The current 3% debt limit of the Town is \$264,984,687 based on net assessed valuations of taxable property as of December 31, 2024 of \$8,832,822,921. As of June 30, 2025, the Town had \$1,365,959 bonds outstanding subject to the 3% Debt Limit Statute.

In July 2007, the Rhode Island State Legislature enacted legislation effective January 1, 2008 allowing for ministerial approval by the State’s Auditor General of debt outside of the 3% debt limit for communities with an “A” rating or better, if the municipality also satisfies certain requirements. The Town has no debt outstanding under the ministerial approval process.

Over time, special acts have displaced the 3% Debt Limit Statute as the primary method for municipalities in the State to obtain authority to issue general obligation debt. On June 30, 2025, the Town had \$66,648,041 of short-term and long-term debt outstanding that is outside the 3% debt limit.

In addition to debt authorized pursuant to the 3% Debt Limit Statute, ministerial approved debt and debt authorized by special act of the General Assembly, Rhode Island General Laws Section 45-12-11 authorizes the State Director of Revenue, upon petition by a municipality, to authorize such municipality to incur indebtedness in excess of the 3% debt limit whenever the State Director of Revenue shall determine that the sums appropriated by the municipality or its funds available are insufficient to pay the necessary expenses of the municipality. The Town has not requested the State Director of Revenue to authorize indebtedness of the Town under Section 45-12-11.

Under Rhode Island General Laws Section 45-12-4.4 a city or town may authorize the issuance of bonds, notes, or other evidences of indebtedness to pay the uninsured portion of any court judgment or settlement, except any court judgment or settlement arising out of any pension obligation of a municipality; provided however, that the outstanding principal amount, in the aggregate, shall not exceed five percent (5%) of the total amount of the city or town’s most recently adopted municipal budget. As of June 30, 2025, the Town had no debt outstanding issued pursuant to Rhode Island General Laws Section 45-12-4.4.

Overlapping Debt

Fire protection services in the Town are administered by three separate political entities created by State statute: Indian Lake Shore Fire District, Kingston Fire District, and Union Fire District. The three fire districts are responsible for the acquisition and maintenance of fire equipment, facilities and stations in the respective areas served by the districts. The districts are independent of the Town, and the Town is not directly responsible for their expenditures nor does the Town derive any income from their operations. By statute the fire districts have separate *ad valorem* taxing powers over the real property situated in the area served by each district. The tax rates, for each of the districts are as follows:

Fiscal Year 2025

Indian Lake Shore — \$0.085/\$1,000 of Assessed Valuation
 Kingston Fire District — \$0.76/\$1,000 of Assessed Valuation
 Union Fire District — \$0.57/\$1,000 of Assessed Valuation

As of June 30, 2022* (most recent information available), overlapping debt of the Town totaled \$991,271.

*State Debt Affordability Report – December 14, 2023

Outstanding Debt

As of June 30, of the fiscal years 2021—2025, the outstanding general obligation indebtedness of Town was as follows:

<u>General Obligation</u>	<u>6/30/2021</u>	<u>6/30/2022</u>	<u>6/30/2023</u>	<u>6/30/2024</u>	<u>6/30/2025</u>
School Bonds	\$ 6,019,886	\$ 8,205,000	\$ 7,665,000	\$ 7,115,000	\$ 6,565,000
Miscellaneous Public Projects	5,444,114	8,921,000	7,978,000	7,110,000	6,390,000
Total	\$ 11,464,000	\$ 17,126,000	\$ 15,643,000	\$ 14,225,000	\$ 12,955,000
<u>Self-Supporting Enterprise</u>					
Wastewater	\$ 87,000	\$ 59,000	\$ 30,001	\$ -	\$ -
Solid Waste	526,152	349,321	168,000	114,000	59,000
Total	\$ 613,152	\$ 408,321	\$ 198,001	\$ 114,000	\$ 59,000
Total Bonded Debt	\$ 12,077,152	\$ 17,534,321	\$ 15,841,001	\$ 14,339,000	\$13,014,000

Actual Bonded Debt Service Requirements

The following table sets forth a schedule of debt service for the outstanding bonds of the Town for the fiscal years ending 2026 through 2042.

<u>June 30,</u>	<u>General Obligation Bonds</u>		<u>Self-Supporting</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2026	\$ 1,235,000	\$ 402,069	\$ 59,000	\$ 589	\$ 1,696,657
2027	990,000	363,991	-	-	1,353,991
2028	890,000	331,006	-	-	1,221,006
2029	855,000	300,488	-	-	1,155,488
2030	855,000	270,050	-	-	1,125,050
2031	795,000	242,288	-	-	1,037,288
2032	795,000	217,775	-	-	1,012,775
2033	795,000	192,950	-	-	987,950
2034	795,000	168,125	-	-	963,125
2035	795,000	143,300	-	-	938,300
2036	795,000	119,938	-	-	914,938
2037	790,000	96,575	-	-	886,575
2038	790,000	73,350	-	-	863,350
2039	540,000	53,400	-	-	593,400
2040	540,000	37,200	-	-	577,200
2041	350,000	21,000	-	-	371,000
2042	350,000	10,500	-	-	360,500
Total	\$ 12,955,000	\$ 3,044,003	\$ 59,000	\$ 589	\$ 16,058,592

Authorized But Unissued Debt

The Town has the remaining authority to issue bonds in the amounts and for the purposes shown below:

<u>Authorization</u>	<u>Purpose</u>	<u>Authority</u>	<u>Bond Amount</u>	<u>Note Amount⁽¹⁾</u>	<u>Authority Remaining</u>
4/29/03 FTM Sect. 45-12-2 R.I. G. L.	School Capital Improvments	\$ 4,000,000	\$ 3,980,000	\$ -	\$ 20,000
4/16/04 FTM Sect. 45-12-2 R.I. G. L.	Town Hall Improvement	300,000	-	-	300,000
4/16/04 FTM Sect. 45-12-2 R.I. G. L.	Municipal Land Bank Reserve	750,000	-	-	750,000
Chap. 76/2004 R.I.P.L.	School/Community Gymnasium	1,550,000	1,510,000	-	40,000
Chap. 387/2006 R.I.P.L.	Capital Transportation Improvement	400,000	385,000	-	15,000
Chap. 388/2006 R.I.P.L.	Open Space	3,000,000	700,000	-	2,300,000
Chap. 389/2006 R.I.P.L.	Neighborhood Guild	1,000,000	940,000	-	60,000
Chap. 390/2006 R.I.P.L.	Community Gymnasium	1,600,000	1,565,000	-	35,000
Chapters 243/300 2014 R.I.P.L.	Community Gymnasium	1,000,000	980,000	-	20,000
Chapters 244/301 2014 R.I.P.L.	School Improvements	4,000,000	3,875,000	-	125,000
Chapters 61/85 2020 Local Acts	Infrastruture Improvements	6,500,000	6,075,000	-	425,000
Chapters 006/007 2024 Local Acts	School Capital Improvments	150,000,000	-	100,000,000	50,000,000
	Total	\$174,100,000	\$ 20,010,000	\$ 100,000,000	\$ 54,090,000

(1) This issue of Notes.

Capital Improvement Program

In accordance with Town ordinance, a six-year capital program is prepared yearly. The costs of such programs are appropriated annually from general operations. Set forth below is the Town's Capital Improvement Program ("CIP") for the fiscal years 2027 through 2032 that was adopted on April 27, 2026.

	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>	<u>2032</u>
General Fund						
Recreation	\$ 524,000	\$ 392,100	\$ 598,000	\$ 760,000	\$ 1,145,000	\$ 2,255,000
Public Services	1,594,072	1,075,000	1,245,000	2,100,000	2,310,000	2,990,000
Public Safety	164,500	202,000	162,000	55,000	30,000	50,000
Communications	-	100,000	-	-	-	-
Emergency Medical Services	70,000	50,000	80,000	150,000	485,000	370,000
Library	-	75,000	-	-	-	-
General Government	565,000	576,900	430,000	485,000	526,600	150,000
General Fund Total	2,917,572	2,471,000	2,515,000	3,550,000	4,496,600	5,815,000
Senior Services	\$ 50,000	\$ 35,000	\$ 85,000	\$ 75,000	\$ 65,000	\$ -
Recreation Center	55,000	50,000	100,000	315,000	140,000	55,000
Neighborhood Guild	100,000	150,000	150,000	125,000	-	-
Water Fund	350,000	240,000	100,000	255,000	145,000	-
Wastewater Fund	400,000	50,000	80,000	775,000	364,000	-
School Fund	2,539,226	2,493,856	9,391,820	9,038,948	4,643,283	5,516,752
Other Funds Total	\$ 3,494,226	\$ 3,018,856	\$ 9,906,820	\$ 10,583,948	\$ 5,357,283	\$ 5,571,752
All Funds Total	\$ 6,411,798	\$ 5,489,856	\$ 12,421,820	\$ 14,133,948	\$ 9,853,883	\$ 11,386,752

Debt Ratios and Debt Per Capita

<u>Fiscal Year Ended</u>	<u>Population⁽¹⁾</u>	<u>Net Assessed</u>	<u>Rate of</u>	<u>Estimated Full</u>	<u>Gross Bonded</u>	<u>Gross Debt</u>	<u>Ratio of Gross</u>
<u>June 30</u>		<u>Valuation</u>	<u>Assessment⁽²⁾</u>	<u>Value</u>	<u>Debt & Bond</u>	<u>Per Capita</u>	<u>Debt to Estimated</u>
					<u>Anticipation</u>		<u>Full Value</u>
					<u>Notes⁽³⁾</u>		
2025	31,931	\$ 6,938,200,113	100%	\$ 6,938,200,113	\$ 13,014,000	\$ 407.57	0.19%
2024	31,931	6,899,764,200	100	6,899,764,200	14,339,000	449.06	0.21
2023 ⁽⁴⁾	31,931	7,020,226,781	100	7,020,226,781	15,841,001	496.10	0.23
2022	31,931	5,262,711,039	100	5,262,711,039	17,126,000	536.34	0.33
2021	31,931	5,245,913,828	100	5,245,913,828	12,077,152	378.23	0.23
2020 ⁽⁴⁾	30,639	5,218,486,497	100	5,218,486,497	13,647,587	445.43	0.26

(1) U.S. Census Figures

(2) The Town's Tax Assessor has determined the Rate of Assessment

(3) Includes Enterprise Fund debt

(4) Statistical Revaluation

TOWN FINANCES

Basis of Accounting and Financial Procedures

General

In the government-wide Statement of Net Assets 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, and liabilities 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 60 days current liabilities. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

All proprietary funds, agency funds, and private purpose 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.

Proprietary funds distinguish operating revenues and expenses from non-operating 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 the services, including administration and depreciation on capital assets. All other revenue and expense items not meeting these criteria are reported as non-operating revenues and expenses.

CliftonLarsonAllen LLP, the Town’s independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein any procedures on the financial statements addressed in that report. CliftonLarsonAllen LLP also has not performed any procedures relating to this offering document.

Awards

The Town’s comprehensive annual financial report for the year ended 2024 was awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada (GFOA). The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report (CAFR), whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The Town of South Kingstown has received a Certificate of Achievement for the last 35 consecutive years. The Town intends to submit for the June 30, 2026, report, when applicable and continues to conform to the Certificate of Achievement program requirements.

The Town annual budget document for the year ended 2024 was awarded the Distinguished Budget Presentation Award by the Government Finance Officers Association of the United States and Canada (GFOA). The Distinguished Budget Presentation Award Program was established to encourage and assist state and local governments to prepare budget documents of the very highest quality that reflect both the guidelines established by the National Advisory Council on State and Local Budgeting and the GFOA’s best practices on budgeting. The Distinguished Budget Presentation Award is valid for a period of one year only. The Town of South Kingstown has received this award for the last 8 consecutive years. The Town intends to submit for its fiscal year 2026-2027 budget document, when applicable and continues to conform to the Budget Award Presentation program requirements.

Reporting Requirements of Municipalities and School Districts

In June 2003, the Rhode Island General Assembly passed new financial reporting requirements for municipalities in order to ensure that municipalities and school districts monitor their financial operations on an ongoing basis and to prevent potential budget deficits (Rhode Island General Laws § 45-12-22.1 et seq. (the "Financial Reporting Act")).

Reporting

- The chief financial officer of the municipality must submit monthly reports to the municipality's chief executive officer, each member of the city or town council, and school district committee certifying the status of the municipal budget, including the school department budget or regional school budget.
- The chief financial officer of the municipality must also submit quarterly reports to the State Office of Municipal Affairs certifying the status of the municipal budget. The chief financial officer of the school department or school district shall certify the status of the school district's budget and shall assist in the preparation of these reports.
- If any reports project a year-end deficit, the chief financial officer of the municipality must submit a corrective action plan, providing for the avoidance of a year-end deficit, to the State Division of Municipal Finance and Auditor General on or before the last day of the month succeeding the close of the fiscal quarter.
- If, at the end of the fiscal year, the chief financial officer determines that it is likely that the city or town's general fund or combined general fund and unrestricted school special revenue fund will incur a deficit, the municipality must immediately develop a plan to eliminate the accumulated year-end deficit by annual appropriation over no more than five (5) years, in equal or diminishing amounts. This plan must be submitted to the State Auditor General for approval.

Restrictions and Requirements

- No municipality can sell long-term bonds in order to fund a deficit without prior approval by the Rhode Island Auditor General and the Director of the Rhode Island Department of Revenue.
- No municipality can incur expenditures or obligate the municipality to expend unbudgeted amounts in excess of \$100,000 without first notifying the city or town council of the proposed expenditure and identifying the source of funding. Any such expenditure must be included in the chief financial officer's monthly report.
- No school committee or school department can incur accumulated unbudgeted expenditures in excess of \$100,000 without notifying the chief financial officer of the municipality of the proposed expenditure and identifying the source of funding. Any such expenditure must be included in the chief financial officer's monthly report.
- School committees, boards or regional school districts that are independent government entities within a municipality must cooperate in providing to the chief financial officer all information needed to formulate his or her reports and the deficit elimination plan.

Remedies

- If a municipality does not comply with the requirements of the Financial Reporting Act, the State Auditor General or State Office of Municipal Finance, through the Director of Revenue, may elect any or all of the following remedies:
 - Petition the Superior Court for mandatory injunctive relief seeking compliance with the provisions of the Financial Reporting Act;
 - In the event a municipality fails to provide a year-end deficit elimination plan, implement a financial review commission pursuant to Rhode Island General Laws Section 45-9-3; or
 - Withhold State Aid.

- If a school committee or board fails to cooperate with the municipality or provide all information requested by the chief financial officer needed to formulate a plan:
 - The Auditor General or the Director of Revenue may petition the Superior Court to order the school committee or board to cooperate; and
 - The Director of Revenue may also direct the Rhode Island Controller and General Treasurer to withhold state aid from a school committee until the school committee or board cooperates in the formulation of the plan.

The Town has not been advised by the Auditor General or State’s Director of Revenue that it is not in compliance with the Financial Reporting Act.

State Oversight

On June 11, 2010, the Rhode Island General Assembly enacted “An Act Relating to Cities and Towns—Providing Financial Stability” (the “Financial Stability Act”) the purposes of which is to provide a predictable and stable mechanism for the State to work with cities and towns undergoing financial distress that threatens the fiscal well-being, public safety and welfare of such cities and towns, or welfare of other cities and towns or the state, in order to preserve the safety and welfare of citizens of the State and their property and the access of the State and its municipalities to the capital markets.

The Financial Stability Act prohibits municipalities from filing for judicial receivership and clarifies that the Superior Court has no jurisdiction to hear such matters.

The Financial Stability Act gives the State, acting primarily through the Department of Revenue, the power to exercise varying levels of support and control depending on the circumstances. It creates three levels of State oversight and control: Level I--Fiscal Overseer, Level II-- Budget Commission, and Level III -- Receiver. The State Director of Revenue, in consultation with the Auditor General, may skip fiscal overseer and budget commission by appointing a receiver in a fiscal emergency.

Fiscal Overseer (Level I)

A fiscal overseer may be appointed by: (1) request of the municipality, which request is approved by the State’s Division of Municipal Finance and the Auditor General; (2) the State Director of Revenue, if: (i) the Director of Revenue, in consultation with the Auditor General, finds that any two or more of the following events have occurred; or (ii) the Director of Revenue finds, in his or her sole discretion, that any two of the following events have occurred which are of such a magnitude that they threaten the fiscal wellbeing of the city or town, or diminish the city's or town's ability to provide for the public safety or welfare of its citizens:

- Projects a deficit in the municipal budget in the current fiscal year and again in the upcoming fiscal year
- Has not filed its audits with the Auditor General by the deadlines required by law for two (2) successive fiscal years (not including extensions authorized by the Auditor General)
- Has been downgraded by one of the nationally recognized statistical rating organizations
- Otherwise unable to obtain access to credit markets on reasonable terms
- Does not promptly respond to requests made by the Director of Revenue, or the Auditor General, or the chairpersons of the house or senate finance committees for financial information

The Director of Revenue may also appoint a fiscal overseer for failure to comply with the financial reporting and action plan requirements relating to budget deficits. A fiscal overseer acts in an advisory capacity to municipal officials, approves budgets and reports to State officials regarding progress.

Budget Commission (Level II)

A budget commission may be established by request of a municipality or without such a request, if the fiscal overseer reports to the State Director of Revenue that the city or town is unable to present a balanced municipal budget, faces a fiscal crisis that poses an imminent danger to the safety of the citizens of the city or town or their property, will not achieve fiscal stability without the assistance of a budget commission, or the tax levy of the fiscal year should not be approved, or otherwise determines that a budget commission should be established. A budget commission is composed of five (5) members: three

(3) designees of the Director of Revenue, the elected chief executive officer of the city, and the president of the city or town council (or in cities or towns in which the elected chief executive officer is the president of the city or town council, then the appointed city or town manager). A budget commission has more significant powers over financial matters, including but not limited to the power to:

- Amend, formulate and execute annual and supplemental municipal budgets and capital budgets;
- Reorganize, consolidate or abolish municipal departments, commissions, authorities, boards, offices or functions;
- Issue bonds, notes or certificates of indebtedness to fund a deficit of the city or town, to fund cash flow and to finance capital projects.

Receiver (Level III)

The State Director of Revenue may appoint a receiver if the budget commission recommends appointment of a receiver after concluding that its powers are insufficient to restore fiscal stability to the city or town. A receiver may exercise any function or power of any municipal officer, employee, board or commission and has the power to file on behalf of a city or town for bankruptcy in federal bankruptcy court.

The Town is not currently under any level of oversight and control under the Financial Stability Act.

Budgetary Procedures

Based on amendments to the Town Charter, approved by South Kingstown voters in November 2006, the financial town meeting was eliminated. The 2007-2008 fiscal year budget was the first budget approved under the new procedures. It is the responsibility of the Town Manager to submit a proposed budget for the following fiscal year to the Town Council on or before March 1st of each year. The Town Council holds several budget work sessions in March to discuss the details of the proposed budget document. The Town Council may revise and adopt a preliminary budget not later than March 22nd of each year. Two public hearings are required to be conducted on the preliminary budget prior to April 18th.

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

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

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

The town clerk shall cause a referendum by ballot to be held on all budget changes requested on petitions provided that each such petition shall contain signatures of no less than two hundred (200) of the qualified electors of the Town and shall request an increase or decrease of a sum of at least two hundred fifty thousand dollars (\$250,000.00). The qualified electors shall be instructed to vote either for the original total or for one (1) of the proposed increases or reductions thereof. The appropriation receiving the most votes shall be declared to have been adopted.

Town Budget

Set forth below are the Town's General Fund budgets for the fiscal years ending June 30, 2025 and June 30, 2026 as well as the adopted budget for the fiscal year ending June 30, 2027.

	<u>2025</u>	<u>2026</u>	<u>2027</u>
Revenues			
Property Taxes	\$76,991,307	\$79,090,751	\$81,409,691
State Aid & Grants State Aid (1)	6,625,097	6,665,707	7,087,109
Local Revenues	5,337,113	5,709,795	6,471,562
School Reimbursements	207,955	174,885	157,592
Other Income	1,793,608	1,659,066	2,079,479
Total Revenues	<u>\$90,955,080</u>	<u>\$93,300,204</u>	<u>\$97,205,433</u>
Expenditures			
General Government	\$17,242,122	\$17,756,355	\$18,569,738
Education Tax Transfer	55,994,773	55,994,773	57,573,402
Senior Services Tax Transfer	524,721	507,894	565,452
Community Recreation Center Tax Transfer	410,621	438,893	492,005
Wastewater Tax Transfer	4,000	4,000	-
Debt Service	1,275,843	2,331,009	3,294,441
Public Safety	15,503,005	16,267,280	16,710,395
Total Expenditures	<u>\$90,955,085</u>	<u>\$93,300,204</u>	<u>\$97,205,433</u>

Tax Anticipation Notes

Under Rhode Island law the Town may borrow in each fiscal year in anticipation of the receipt of the proceeds of the property tax due in such fiscal year, an amount which shall not exceed the total tax levy of the then current fiscal year. Tax anticipation notes must be payable not later than one year from their date. The Town has not issued any tax anticipation notes since June 30, 1969.

State Aid

State School Basic Education Aid

Pursuant to Rhode Island General Laws Sections 16-7-15 to 16-7-34 *et seq.*, as amended, the State provides basic education 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 valuation of property and median family income relative to the State as a whole. There are no assurances, however, that the Rhode Island General Assembly will continue this program or appropriate sufficient funds for its implementation. State School Basic Education Aid is subject to pro-rata reduction in accordance with State law. Under this program the Town's School Department received \$5,867,847 in the fiscal year ended June 30, 2025. The Town budgeted \$5,664,204 of such receipts for the fiscal year ending June 30, 2026.

In 2012, the General Assembly amended the general laws to provide that basic education aid may be intercepted to pay debt service on bonds issued by the Rhode Island Health and Educational Building Corporation ("RIHEBC") for the benefit of a municipality in the event the municipality fails to make timely payments of debt service on school construction bonds issued for the municipality through RIHEBC.

State School Construction Aid

Pursuant to Rhode Island General Laws Sections 16-7-35 to 16-7-47, as amended, the State provides construction aid to Rhode Island municipalities for the cost of building or renovating public schools. All buildings constructed or renovated

since July 1, 1949 are eligible for assistance of a minimum of 30% 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. State aid reimbursement for school construction projects is based on the share ratio established for that year by the Rhode Island Department of Education. The recently enacted funding formula also raises the minimum reimbursement percentage to 35% for the fiscal year 2012 payments and 40% for the fiscal year 2013 payments and thereafter. For the fiscal year ending June 30, 2026 the Town's share ratio is approximately 35%. This ratio can vary from year to year.

For projects approved by the voters after June 30, 2003, the cost of interest on any bond will be reimbursed as an eligible project cost only if the bonds for these projects are issued through the Rhode Island Health and Educational Building Corporation. School housing costs subject to State aid reimbursement shall not include bond issuance costs and demolition costs for buildings, facilities, or sites deemed surplus by the school committee. The legislation authorizing State School Construction Aid is subject to future change and all State aid is subject to annual appropriation by the Rhode Island General Assembly. The Town received \$162,570 for the fiscal year ended June 30, 2025. The Town expects to receive \$175,000 for the fiscal year ended June 30, 2026.

Other State Aid

The Town receives aid from the State for Public Service Corporations Tax (Telephone Tax), partial reimbursement for school and library debt service costs and a hotel tax from South Kingstown hotels equal to 2% of gross receipts. Effective August 1, 2003, the Town also began receiving revenue from the State's newly enacted 1% Meals and Beverage Tax.

Summary of State Aid Revenues

Shown below is a summary of various State Aid revenues credited to the Town's General Fund (excluding School Operations Aid, which is accounted for in the Special Revenue Fund).

	<u>2023 Actual</u>	<u>2024 Actual</u>	<u>2025 Actual</u>	<u>2026 Budget</u>	<u>2027 Budget</u>
PILOT Payments	\$ 217,065	\$ 187,050	\$ 186,342	\$ 180,975	\$ 169,364
Telephone Tax	379,714	418,487	451,761	433,444	385,923
School Housing/Library Debt	219,458	194,507	162,570	175,000	155,000
Hotel Tax	370,703	371,532	474,818	382,802	651,746
Excise Tax Phase-Out	3,930,455	3,930,455	3,920,088	3,930,455	4,000,889
Library Resources Grant & Aid	242,861	258,400	262,439	274,943	275,273
Meals/Beverage Tax	1,158,263	1,101,517	1,231,086	1,245,709	1,354,785
	<u>\$ 6,518,519</u>	<u>\$ 6,461,948</u>	<u>\$ 6,689,104</u>	<u>\$ 6,623,328</u>	<u>\$ 6,992,980</u>

LITIGATION

The Town has several lawsuits pending. In the opinion of the Solicitor and Town officials, there is no litigation pending against the Town, which, either individually or in the aggregate, would result in judgments that would have a materially adverse effect on the Town's financial position or its ability to meet its debt service obligations.

TAX STATUS

In the opinion of Troutman Pepper Locke LLP, Bond Counsel to the Town ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Code. Interest on the Notes will not be included in computing the alternative minimum taxable income of individuals. However, interest on the Notes will be included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. Bond Counsel expresses no opinion regarding any other federal tax consequences arising with respect to the ownership or disposition of, or the accrual or receipt of interest on the Notes.

The Code imposes various requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Notes. Failure to comply with these requirements may result in interest on the Notes being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Notes. The Town has covenanted to comply with such requirements to ensure that interest on the Notes will not be included in federal gross income. The opinion of Bond Counsel assumes compliance with these requirements.

Bond Counsel is also of the opinion that, under existing law, the Notes and the interest thereon is free from taxation by the State or any political subdivision or other instrumentality of the State, although the income therefrom may be included in the measure of Rhode Island estate taxes and certain Rhode Island corporate and business taxes. Bond Counsel expresses no opinion as to the taxability of the Notes or the income therefrom or any other tax consequences arising with respect to the Notes under the laws of any state other than Rhode Island. A copy of the proposed form of opinion of Bond Counsel is set forth in APPENDIX C hereto.

To the extent the issue price of the Notes is less than the amount to be paid at maturity of such Notes (excluding amounts stated to be interest and payable at least annually over the term of such Notes), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each owner thereof, is treated as interest on the Notes which is excluded from gross income for federal income tax purposes and is exempt from Rhode Island personal income taxes. For this purpose, the issue price of a particular maturity of the Notes is either the reasonably expected initial offering price to the public or the first price at which a substantial amount of such maturity of the Notes is sold to the public, as applicable. The original issue discount with respect to the Notes accrues daily over the term to maturity of such Notes on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Notes and determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Notes. Noteholders should consult their own tax advisors with respect to the tax consequences of ownership of Notes with original issue discount, including the treatment of purchasers who do not purchase such Notes in the original offering to the public at the reasonably expected initial offering price or, if applicable, the first price at which a substantial amount of such Notes is sold to the public.

Notes purchased, whether at original issuance or otherwise, for an amount greater than the stated principal amount to be paid at maturity of such Notes, or, in some cases, at the earlier redemption date of such Notes ("Premium Notes"), will be treated as having amortizable bond premium for federal income tax purposes and Rhode Island personal income tax purposes. No deduction is allowable for the amortizable bond premium in the case of obligations, such as the Premium Notes, the interest on which is excluded from gross income for federal income tax purposes. However, a Noteholder's basis in a Premium Note will be reduced by the amount of amortizable bond premium properly allocable to such Noteholder. Holders of Premium Notes should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Notes may adversely affect the value of, or the tax status of interest on, the Notes.

Although Bond Counsel is of the opinion that interest on the Notes is excluded from gross income for federal income tax purposes and is exempt from Rhode Island personal income taxes, the ownership or disposition of, or the accrual or receipt of interest on, the Notes may otherwise affect the federal or state tax liability of a Noteholder. Among other possible consequences of ownership or disposition of, or the accrual or receipt of interest on, the Notes, the Code requires recipients of certain social security and certain railroad retirement benefits to take into account receipts or accruals of interest on the Notes in determining the portion of such benefits that are included in gross income. The nature and extent of all such other tax consequences will depend upon the particular tax status of the Noteholder or the Noteholder's other items of income, deduction, or exclusion. Bond Counsel expresses no opinion regarding any such other tax consequences, and Noteholders should consult with their own tax advisors with respect to such consequences.

Risk of Future Legislative Changes and/or Court Decisions

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the Rhode Island legislature. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Notes. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Notes will not have an adverse effect on the tax status of interest on the Notes or the market value or marketability of the Notes. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the Notes from gross income for federal or state income tax purposes for all or certain taxpayers.

Additionally, Noteholders should be aware that future legislative actions (including federal income tax reform) may retroactively change the treatment of all or a portion of the interest on the Notes for federal income tax purposes for all or certain taxpayers. In all such events, the market value of the Notes may be affected and the ability of Noteholders to sell their

Notes in the secondary market may be reduced. The Notes are not subject to special mandatory redemption, and the interest rates on the Notes are not subject to adjustment, in the event of any such change in the tax treatment of interest on the Notes.

Investors should consult their own financial and tax advisors to analyze the importance of these risks.

DISCLOSURE OF SIGNIFICANT EVENTS

In order to assist underwriters in complying with the requirements of paragraph (b)(5)(i)(C) of Rule 15c2-12 (the “Rule”) promulgated by the Securities and Exchange Commission applicable to municipal securities having a stated maturity of 18 months or less, the Town will covenant for the benefit of the owners of the Notes to file with the Municipal Securities Rulemaking Board (“MSRB”) notices of the occurrence of any of the following events with respect to the Notes within ten business days of such occurrence: (a) principal and interest payment delinquencies; (b) non-payment related defaults, if material; (c) unscheduled draws on debt service reserves reflecting financial difficulties; (d) unscheduled draws on credit enhancements reflecting financial difficulties; (e) substitution of credit or liquidity providers, or their failure to perform; (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determination of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes; (g) modifications to rights of owners of the Notes, if material; (h) note calls, if material, and tender offers; (i) defeasances; (j) release, substitution or sale of property securing the repayment of the Notes, if material; (k) rating changes on the Notes; (l) bankruptcy, insolvency, receivership or similar event of the Town; (m) the consummation of a merger, consolidation, or acquisition involving the Town or the sale of all or substantially all of the assets of the Town, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (n) appointment of a successor or additional trustee or the change of name of a trustee, if material, (o) incurrence of a financial obligation¹ of the Town, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Town, any of which affect Owners of the Notes, if material; and (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Town, any of which reflect financial difficulties.

The covenant will be included in a Significant Events Disclosure Certificate to be executed by the signers of the Notes. The sole remedy available to the owners of the Notes for the failure of the Town to comply with any provision of the certificate shall be an action for specific performance of the Town’s obligations under the certificate and not for money damages; no other person shall have any right to enforce any provision of the certificate.

During the past five years, the Town has complied in all material respects with all continuing disclosure agreements made by it in accordance with SEC Rule 15c2-12.

CONDITIONS PRECEDENT TO DELIVERY

The following, among other things, are conditions precedent to the delivery of the Notes to the original purchasers thereof.

No Litigation Certificate

Upon delivery of the Notes, the Town shall deliver or cause to be delivered a certificate of the President of the Town Council and the Director of Finance, dated the date of delivery, to the effect that except as disclosed in the Official Statement there is no litigation pending or, to the knowledge of such officers, threatened affecting the validity of the Notes or the power of the Town to levy and collect taxes to pay them, and that neither the corporate existence nor the boundaries of the Town, nor the title of any said officers to their respective offices, is being contested.

Approval of Legality

The legality of the Notes will be approved by Troutman Pepper Locke LLP, Bond Counsel. The approving opinion of such counsel with respect to the Notes will be delivered at the time of delivery of the Notes. The opinion will be substantially in the form attached hereto as APPENDIX C. The scope of engagement of Bond Counsel does not extend to

¹ The term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term “financial obligation” does not include municipal securities as to which a final official statement has been otherwise provided to the MSRB under the Rule.

passing upon or assuming responsibility for the accuracy or adequacy of the statements made in this Official Statement (other than matters expressly set forth as their opinion) and they make no representations that they have independently verified the same.

Certificate With Respect to Official Statement

At the time of the original delivery of and payment for the Notes, the Town will deliver a certificate of the Director of Finance certifying that, to the best of his knowledge and belief, both as of its date and as of the date of delivery of the Notes, the Official Statement (excluding therefrom the initial public offering prices (or yields) on the Notes on the cover and in the information under the heading “THE NOTES – Book Entry Only System” does not contain any untrue statement of a material fact and does not omit to state a material fact necessary to make the statements made herein, in the light of the circumstances under which they were made, not misleading.

MUNICIPAL ADVISOR

PFM Financial Advisors LLC (“PFM”) has served as Municipal Advisor to the Town for the issuance of the Notes. PFM is not obligated to undertake, and has not undertaken, either to make an independent verification of or to assume responsibility for, the accuracy, completeness, or fairness of the information contained in the Official Statement. PFM is an independent financial advisory firm and is not engaged in the business of underwriting, trading, or distributing public securities.

RATING

The Town received a rating on the Notes from Moody’s Investors Service (“Moody’s”) of “MIG 1”. The rating reflects only the view of Moody’s, and an explanation of the significance of such rating may be obtained from Moody’s.

The rating is not a recommendation to buy, sell or hold the Notes, and such rating may be subject to revision or withdrawal at any time by Moody’s. Any downward revision or withdrawal of the rating may have an adverse effect on the market price of the Notes.

MISCELLANEOUS

All quotations from and summaries and explanations of laws herein do not purport to be complete, and reference is made to said laws for full and complete statements of their provisions.

This Official Statement is submitted only in connection with the sale of the Notes by the Town and may not be reproduced or used in whole or in part for any other purpose.

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND

By: _____
Brian Silvia
Director of Finance

Dated: June_, 2026

APPENDIX A

COMPARATIVE GENERAL FUND FINANCIAL STATEMENTS

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND

Balance Sheet as of June 30,

ASSETS	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Cash & cash equivalents	\$ 25,092,932	\$ 35,563,885	\$ 38,942,705	\$ 38,957,070	\$ 35,723,576
Investments	12,575,078	12,079,314	12,271,567	12,683,837	13,466,395
Accounts and other Receivable	1,378,057	1,335,186	1,366,051	1,471,371	1,643,715
Due from federal & state governments	67,564	103,665	49,345	47,889	68,532
Due from other funds	266,662	533,245	1,827,235	2,401,182	5,294,089
Lease receivables	-	4,560,838	4,308,050	6,752,145	8,628,935
Prepaid items	<u>8,969</u>	<u>1,016</u>	<u>200</u>	<u>56,842</u>	<u>77,158</u>
Total Assets	\$ 39,389,262	\$ 54,177,149	\$ 58,765,153	\$ 62,370,336	\$ 64,902,400
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 1,731,372	\$ 836,061	\$ 1,359,963	\$ 1,148,589	\$ 1,678,058
Accrued expenditures	2,715,230	3,434,905	3,105,455	3,367,456	1,362,658
Due to state and federal governments	127,968	166,904	129,736	217,448	245,089
Due to other funds	12,788,738	24,106,021	28,333,231	26,151,213	27,086,107
Unearned revenue	215,214	337,064	476,995	497,644	643,199
Other liabilities	<u>190,453</u>	<u>182,130</u>	<u>204,284</u>	<u>181,284</u>	<u>188,427</u>
Total Liabilities	\$ 17,768,975	\$ 29,063,085	\$ 33,609,664	\$ 31,563,634	\$ 31,203,538
Deferred inflows of resources:					
Unavailable revenue - property taxes	\$ 667,444	\$ 656,753	\$ 653,069	\$ 625,973	\$ 573,412
Deferred inflow - leases	-	4,457,061	4,103,332	6,409,266	8,043,902
Advance property tax collections	<u>135,736</u>	<u>113,204</u>	<u>148,121</u>	<u>600,559</u>	<u>455,920</u>
Total deferred inflows of resources	803,180	5,227,018	4,904,522	7,635,798	9,073,234
Fund Balances:					
Nonspendable	\$ 8,969	\$ 1,016	\$ 200	\$ 56,842	\$ 77,158
Committed	5,028,867	4,246,937	4,200,278	6,366,295	6,487,280
Unassigned	<u>15,779,271</u>	<u>15,639,093</u>	<u>16,050,489</u>	<u>16,747,767</u>	<u>18,061,190</u>
Total Fund Balances	<u>20,817,107</u>	<u>19,887,046</u>	<u>20,250,967</u>	<u>23,170,904</u>	<u>24,625,628</u>
Total Liabilities & Fund Balances	<u>\$ 39,389,262</u>	<u>\$ 54,177,149</u>	<u>\$ 58,765,153</u>	<u>\$ 62,370,336</u>	<u>\$ 64,902,400</u>

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
Statement of Revenues, Expenditures and Changes in Fund Balance as of June 30,

Revenues	2021	2022	2023	2024	2025
Property taxes, interest and lien fees	\$ 77,235,788	\$ 77,584,903	\$ 75,810,273	\$ 76,565,423	\$ 77,482,435
Intergovernmental	8,160,584	8,273,920	11,401,160	12,167,022	12,832,293
Licenses, fees & permits	2,071,990	2,131,533	1,904,700	2,005,458	3,068,043
Investment income	63,743	(547,297)	1,007,435	2,500,836	2,766,526
Fines and charges	38,030	65,902	82,204	86,464	-
Departmental	1,178,065	1,122,400	1,202,957	1,156,722	1,282,820
Contributions	2,948,281	2,993,805	2,910,686	2,674,783	2,876,617
Other local revenues	449,253	651,297	472,740	386,918	-
Total Revenues	\$ 92,145,734	\$ 92,276,463	\$ 94,792,155	\$ 97,543,626	\$ 100,308,734
Expenditures					
Current:					
General government	\$ 5,850,939	\$ 5,515,162	\$ 6,225,501	\$ 6,812,275	\$ 6,751,898
Public safety	12,123,593	12,728,217	13,655,931	14,088,511	15,612,099
Public works	2,813,666	2,645,453	2,756,339	2,963,628	3,209,933
Health & human services	110,000	85,000	84,000	-	165,050
Education	63,984,844	64,878,259	63,686,042	63,485,036	64,358,673
Culture & recreation	3,038,741	3,158,563	2,030,926	2,022,841	2,251,344
Other	-	376,067	1,307,921	1,389,245	1,418,090
Debt Service:					
Principal Retirement	-	-	93,856	163,464	148,031
Interest and Other Charges	-	-	-	8,512	11,555
Capital Outlay	-	-	364,980	17,328	189,915
Total Expenditures	\$ 87,921,783	\$ 89,386,721	\$ 90,205,496	\$ 90,950,840	\$ 94,116,588
Excess revenues over (under) expenditures	\$ 4,223,951	\$ 2,889,742	\$ 4,586,659	\$ 6,592,786	\$ 6,192,146
Other financing sources (uses)					
Financed Purchases Issued	\$ -	\$ -	\$ -	\$ -	\$ 98,183
Issuance of subscriptions	-	-	364,980	17,328	91,732
Issuance of leases	-	291,763	-	-	-
Transfers from other funds	983,700	1,039,282	1,417,223	1,437,123	1,873,101
Transfers to other funds	(5,659,250)	(5,150,848)	(6,005,005)	(5,127,300)	(6,800,438)
Total other financing sources (uses)	(4,675,550)	(3,819,803)	(4,222,802)	(3,672,849)	(4,737,422)
Excess revenues & other sources over (under) expenditures & other uses	(451,599)	(930,061)	363,857	2,919,937	1,454,724
Fund Balance - Beginning	21,268,706	20,817,107	19,887,110	20,250,967	23,170,904
Fund Balance - Ending	\$ 20,817,107	\$ 19,887,046	\$ 20,250,967	\$ 23,170,904	\$ 24,625,628

APPENDIX B

AUDITED FINANCIAL STATEMENTS

**TOWN OF SOUTH KINGSTOWN,
RHODE ISLAND**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2025**



PREPARED BY: FINANCE DEPARTMENT

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INTRODUCTORY SECTION



Town of South Kingstown, Rhode Island

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

FINANCE DEPARTMENT

December 23, 2025

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

The Annual Comprehensive Financial Report of the Town of South Kingstown, Rhode Island, for the fiscal year ended June 30, 2025, is hereby submitted as mandated by both State statutes and the Town charter. State laws require that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants licensed to practice in the State of Rhode Island.

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

The Town of South Kingstown's financial statements have been audited by CliftonLarsonAllen LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Town of South Kingstown for the fiscal year ended June 30, 2025, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town of South Kingstown's financial statements for the fiscal year ended June 30, 2025, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section on page 1 of this report.

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

internal controls and legal requirements involving the administration of federal awards. These reports will be included in the Federal Single Audit Report, to be issued separately.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Town of South Kingstown's MD&A can be found immediately following the report of the independent auditors beginning on page 5.

PROFILE OF THE GOVERNMENT

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

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

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

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

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

PROFILE OF THE GOVERNMENT (Continued)

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

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

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

Budget-to-actual comparisons are provided in this report for the general fund and the school unrestricted fund on pages 105-107 and page 108 respectively as part of the basic financial statements.

LEGAL LEVEL OF BUDGETARY CONTROL

The legal level of control, which is defined as the level at which an expenditure may not legally exceed appropriations, is as follows:

No office, department or agency, during any budget year shall expend or contract to expend any money or incur any liability or enter any contract which by its terms involves the expenditure of money, for any purpose, more than the amounts appropriated for that general classification of expenditure pursuant to the Town Charter.

FACTORS AFFECTING FINANCIAL CONDITION

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

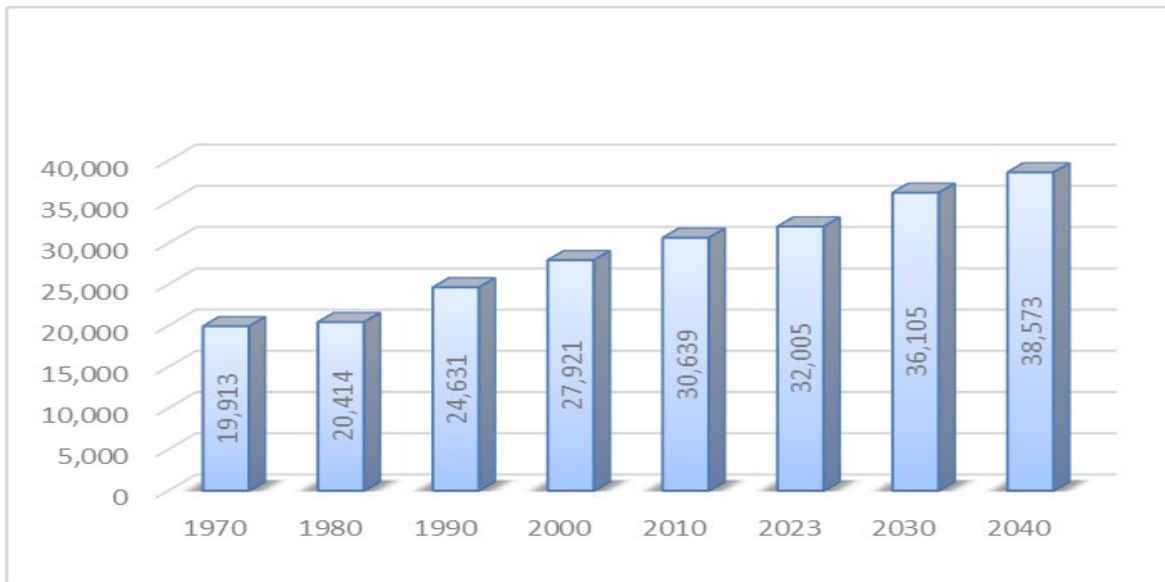
Population, Housing, and Industry Characteristics: The population estimate, as of 2024 of South Kingstown is 32,095.¹ While statewide trends show slow population growth, the population of South Kingstown is projected to increase steadily over the next 20 years, with as many as 38,573 persons living in South Kingstown in 2040.²

¹ 2024 U.S. Census Quick Facts (V2024). U.S. Census Bureau.

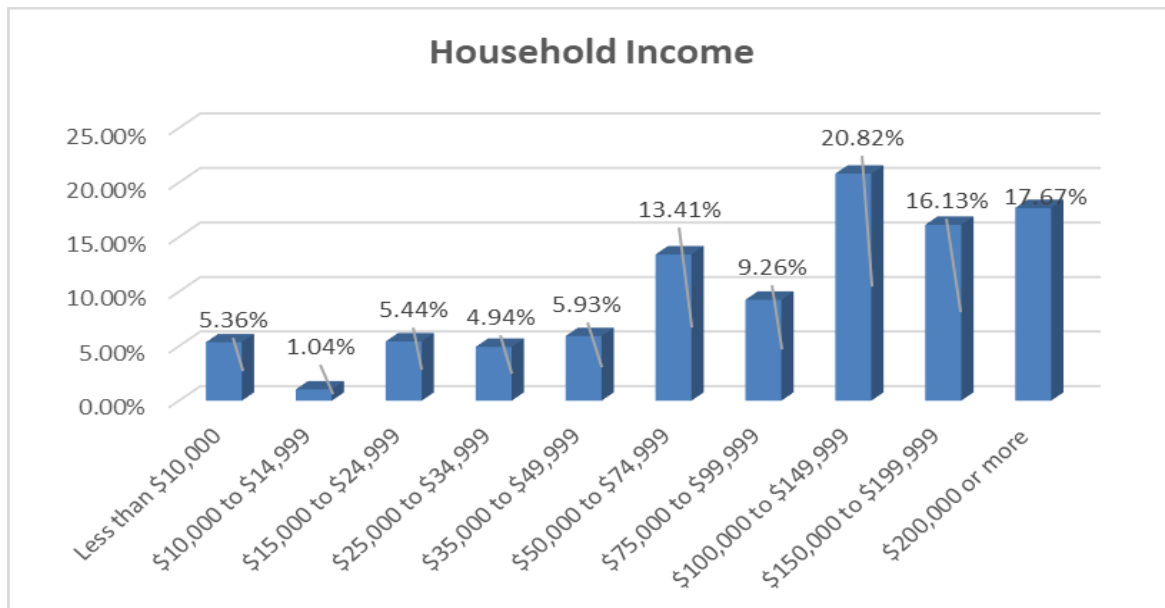
² City and Town Population Projections. Rhode Island Statewide Planning Program.

FACTORS AFFECTING FINANCIAL CONDITION (Continued)

Population Change in South Kingstown



As of 2023, the median household income in South Kingstown was \$111,063,³ which represents an approximate 56.00% increase from the 2010 median household income of \$71,192.⁴ Additionally, 54.62% of all South Kingstown households earn over \$100,000 annually.⁵ Over 95.68% of South Kingstown's population are high school graduates or higher, compared to 89.48% statewide. 61.05% of South Kingstown's population holds a bachelor's degree or higher, compared to 37.30% statewide.⁶



³ 2023 American Community Survey 5-Year Estimates. U.S. Census Bureau.

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

⁵ 2023 American Community Survey 5-Year Estimates. U.S. Census Bureau.

⁶ 2023 American Community Survey 5-Year Estimates. U.S. Census Bureau.

FACTORS AFFECTING FINANCIAL CONDITION (Continued)

The median sales price for a single-family home has continued to improve since the crash in the late 2000s. The median single-family home sales price increased to \$635,000 in 2025. In 2020, median single-family home value in South Kingstown was \$379,800. The five-year comparison for South Kingstown indicates a 60% increase in single-family home values.⁷

As of March-2025, the Rhode Island seasonally adjusted unemployment rate was 4.8%, up from 4.1% in March 2024. As of June-2025, the Rhode Island seasonally adjusted unemployment rate was 4.8%, up from 4.4% in the prior year. South Kingstown's not seasonally adjusted unemployment rate was 4.1% as of March 2025, up from 3.8% in March 2024. South Kingstown's not seasonally adjusted unemployment rate in June 2025 was 4.2%⁸, up from the prior year percentage of 3.7%.

Between 2020 and 2024, employment in South Kingstown increased from 13,725 in 2020 to 15,040 in 2024, an increase of 1,315 (9.6%) jobs. Overall, the labor force has increased in South Kingstown from 14,833 in 2020 to 15,644 in 2024, an increase of 811 or 5.5%.

In 2024, the top five industry sectors in South Kingstown, by positions were government (3,651 positions), healthcare & social assistance (2,901 positions); accommodations & food service (1,555 positions); retail trade (1,353 positions) & construction (643 positions). Since 2020, employment in the government industry is up 0.9% (34), employment in the healthcare & social assistance industry is down -5.6% (-171), employment in the accommodations & food service industry is down -2.8% (-45), employment in the retail trade industry is up 8.8% (109), and employment in the construction industry is up 40.1% (184).⁹ Combined, these five employment sectors are up 1.1% (111) positions from 2020 through 2024.

Local economy: South Kingstown's economy is heavily influenced by the University of Rhode Island (URI), which had a fall enrollment of 17,471 students, including online students, for the 2025 calendar year. This represents an increase of 119 students from the prior year, fall of 2024 which had a student enrollment, including online students of 17,352. The breakdown of student enrollment for 2025 is 14,383 full time students and 3,088 part time students. The enrollment data degree type is as follows: bachelor's degree program 75.4%, certificate programs 1.8%, doctorate degree programs 4.3% master's degree programs 8.5%, non-degree certificate programs 6.6% and professional doctorate degree programs 3.4%.¹⁰ This enrollment is supported by a faculty of 1,122 (full time teaching faculty of 772 and part time teaching faculty of 350).¹¹ Of the student population, approximately 6,000 students live on campus.¹²

The University's operating expenses for the most recent fiscal year, ended June 30, 2024, was \$1,046,875,570.¹³ In fiscal year 2024, the state of Rhode Island made a significant investment in URI, totaling \$79.6 million through the RI Capital Plan Fund through the State Fiscal Recovery Fund (SFRS). This investment will help URI address decades of deferred maintenance by providing funding for renewal of its athletics complex, critical asset protection and utility projects,

⁷ 2025 Housing Fact Book - HousingWorksRI at RWU.

⁸ Local Area Unemployment Statistics. RI Department of Labor and Training.
<http://www.dlt.ri.gov/lmi/laus/town/town.htm>.

⁹ Annual Comprehensive Financial Reports, of the Town, Website, <https://www.southkingstownri.gov/746/Annual-Comprehensive-Financial-Reports>

¹⁰ University of Rhode Island. <https://web.uri.edu/ir/data/enrollment-data/student-demographics/>

¹¹ <https://www.collegefactual.com/colleges/university-of-rhode-island/academic-life/faculty-composition/>

¹² University of Rhode Island. Website <https://web.uri.edu/housing/about-us/>

¹³ https://web.uri.edu/fsp/wp-content/uploads/sites/1844/FY26-Request-PDF_FSP-Website_TFNote-1.pdf

and construction of a permanent water treatment plant to address the University's elevated per- and polyfluorinated substances (PFAS) levels.¹⁴

As the state's public flagship research university, URI relies on RICAP funding to ensure the proper maintenance and stewardship of its facilities, which account for 25% of the state's buildings. These facilities enable the University to meet its mission: to educate students, conduct translational research, and drive economic development that benefits the state. The University received increased support from the state of Rhode Island in the FY24 budget, including the capital investments mentioned above, and a 16% increase in our operating budget. The University's fiscal year 2025 requested capital improvement plan accounts for capital improvement projects totaling \$1 billion, with approximately \$493 million coming from non-state supported sources.¹⁵

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

- **571 Main Street**, is a proposed thirty-six-unit residential development (condo style) proposed to be developed on the William Davis Miller mansion property. The existing 8,300 sq. ft. mansion house is also included in the redevelopment of the property. The applicant has submitted a Comprehensive Permit (amended) to redevelopment plan, which is currently under review by the Planning Board.
- **349 Main Street**, a new 21-room boutique hotel was approved by the Planning Board. Construction in the historic Sheldon Furniture building, better known as the Sheldon Block, has begun. Late 2026, early 2027 opening.
- **People's Credit Union**, received approval to demolish the existing structure and to construct a new branch office. The proposed 2,836 square foot structure with three drive-through ATM lanes are proposed at the rear (east side) of the structure covered by a canopy. The applicant received Planning Board preliminary plan approval and is currently waiting for submission for final plan approvals. 2025 Construction is underway. Summer 2026 opening anticipated.
- **Village at Broad Rock**, located at 852 Broad Rock Road, a 19-lot Flexible Design Residential subdivision for single-family development with three (3) of these lots being deed-restricted for low to moderate income ownership or occupancy. This project has received Final Plan approval and is currently under construction.
- **Liberty Cedar**, located at 521 Liberty Lane, a four (4) unit commercial development (Total sq.ft. 48,000) proposed to be used for manufacturing and storage currently being constructed in separate phases, one building has been constructed.
- **Fieldstone Farm**, located on Old North Road, a 39-lot subdivision for single-family development with ten (10) of these lots being deed-restricted for low to moderate income ownership or occupancy. This has received Preliminary Planning Approval. Planning Board as a Comprehensive Permit.

¹⁴ <https://web.uri.edu/planning/wp-content/uploads/sites/1601/University-of-Rhode-Island-CIP-FY25-FY29-Hardcopy-Submission.pdf>

¹⁵ <https://web.uri.edu/planning/wp-content/uploads/sites/1601/University-of-Rhode-Island-CIP-FY25-FY29-Hardcopy-Submission.pdf>

- **South Shore Country Club**, a condominium development composed of a golf course and 303 manufactured homes for persons aged 55 and over is under construction. Over 200 of the homes have been sold. Homes are available from \$431,000 to \$500,000+. Construction is ongoing at this project (Residential Portion). The 9-hole golf course was completed in Fall of 2023 and opened this past spring/summer. A new driving range and practice facilities also opened in 2025.

Factors Affecting Financial Condition (Continued)

- **Hillside Commons**, proposed development of 18 residential units, including a combination of detached structures has received Preliminary Plan and Final Plan approval. Land clearing has started; construction is planned in 2026.
- **Residences on Holly**, is a proposed Major Multi-Household Land Development Project, to construction of twelve (12) 2-bedroom dwelling units within six (6) duplex structures and associated site improvements (three units to be deed restricted for low to moderate income ownership or occupancy). The project has received Preliminary Plan and Final Plan approval. Construction is underway, and Certificates of Occupancy are anticipated in Late 2025 or early 2026.
- **Village at Curtis Corner**, a proposed Comprehensive Permit subdivision to create twenty-four (24) parcels at 55 Curtis Corner Road containing a total of thirty-two (32) dwelling units of which 8 units will be rented to Low and a Moderate Income (LMI) families received Preliminary Plan approval phase. Infrastructure (Road, utilities, and storm drainage) associated with the project is under construction. Project received final plan and has sold 21 residential units and has another 2 under construction with only one remaining.
- **Tower Hill Landings Annex**, the proposed construction of an 11-unit multi-household structure at 2095 Kingstown Road was constructed and is presently occupied.
- **Magnolia Court Multi-Household Land Development Project**, construction of two (2) 2-unit duplexes on a single lot off Magnolia Court (formerly Wilson & Tarn Streets). The application has been approved, constructed and have received their Certificates of Occupancy.
- **South County Hospital**, initial review of an updated Master Plan has been modified to the review of zoning text and map amendments for the hospital in an effort to address the Institutional Master Plan submission requirements for health care institutions within GI Zoning Districts. The hospital submitted and the Planning Board approved a new institutional master plan. The Hospital received a Zoning Map amendment to expand an employee parking lot at 11 Kenyon Ave. The Planning Board has approved plans to construct a parking lot on the site. To date an existing house was demolished and construction is anticipated to in 2026.
- **Union Fire Station - Matunuck (Station 7)**, application to demolish and reconstruct the fire station with an ancillary building for the Town of South Kingstown's Emergency Medical Services (EMS) ambulatory use. The application received an advisory from the Planning Board and has received approval from the Zoning Board of Review. The Facility has recently been occupied.
- **South Kingstown Emergency Medical Service (EMS) Station – Ministerial Road**, Funding (\$2.8 million) for new EMS building (3,600 sq. ft.) was approved by Town Council and is making its way through permitting process. Construction is underway, early summer 2026 completion anticipated.

- **551 Liberty Lane**, South County Post and Beam proposed construction of three new buildings with associated parking for the following areas: Building 1- 32,400 SF, building 2- 22,500 SF, Building 3- 18,000 SF. The site is proposed to have two points of access off Liberty Lane. The applicant has received preliminary plan and final plan approval. The buildings are currently under construction.
- **SCC Investments 111, LLC**, a proposed Comprehensive Permit to construct two new buildings with 52 units each for a total of 104 new units. Twenty-six of the proposed 104 units would be deed-restricted, affordable for a minimum of 30 years at 80% of the Median Income Area (AMI). The preliminary plan was approved, and final plan approval is under review, construction is eminent.
- **Champagne Heights**, A proposed Comprehensive Permit project, to replace the South Kingstown Housing Authority's existing residential buildings with 85 new units of housing in 34 residential buildings. The project also includes a proposed new maintenance building and a small mail/laundry building. The project is proposed to be built in 2 phases. The first phase will create 40 new housing units in 16 buildings on vacant land at the southern end of the lot. This phase also includes the construction of the mail/laundry building. Phase II would begin sometime after the existing residents are relocated into the first-phase units. Phase II includes the demolition of the existing units to make way for 19 additional structures including 45 more units of housing and a new maintenance building. The units are a mix of duplexes and triplexes. The anticipated construction commencement is 2026 pending approvals from all Authorities having Jurisdiction and funding. The project has received preliminary plan approval from the Planning Board.
- **Residences on Holley**. A multi-household land development project comprised of twelve (12) 2-bedroom dwelling units within six (6) duplex structures. In accordance with the inclusionary zoning requirements of the zoning ordinance, three (3) of these units will be deed restricted for low to moderate income ownership or occupancy. Each unit will have a connection to the public sewer and public water system. The applicant has received preliminary plan approval and final plan approval. The site is currently being prepared for construction.
- **132 Fairgrounds Road "The Lofts at Fairgrounds"**, Application for conceptual Master Plan (Comprehensive Permit) has been submitted to the Planning Board for *6 new multi-family buildings for a total of 311 residential units and a retail/amenity building at the entrance. Each building provides a mixture of studio, one-bedroom, and two-bedroom units for a total of 311 units. Permitting anticipated through early 2026.*

151 Old Tower Hill Road, a former retail building is being converted into a restaurant and market by the Owners of Matunuck Oyster Bar/Restaurant. Early winter, 2026 opening is anticipated.

Long-term capital financial planning. As a part of the annual budget process, the Town Manager prepares and presents a six-year capital improvement plan. This plan identifies costs and financing methods for those capital projects that the Town anticipates funding over the next six years. The 2025-2026 fiscal year capital improvement plan projects needs through fiscal year

2030-2031. The plan provides for the needs of the general government and addresses such issues as infrastructure, major equipment replacement, school facilities, public safety, recreation and open space purchases.

This plan estimates total project costs over the six-year period of approximately \$196,154,912. Financing, net of third-party funding sources and including debt issuance on the high school project, was \$152,363,452 (\$150,000,000 debt issuance & \$2,363,452 third-party funding sources). In addition, \$43,791,460 in capital projects are to be funded on a “pay as you go” basis, projected over the same six-year period. The breakdown of the \$43,791,460 is \$21,189,180 associated with school department capital projects and \$22,602,280 associated with capital projects of town departments.

Major projects planned in the 6-year capital improvement program include recreational fields, affordable housing projects, senior center improvements of \$275,000; neighborhood guild renovations for \$880,000; old mountain field improvements of \$4,500,000; harbor patrol equipment and renovations of \$758,000; general municipal improvements totaling \$17,828,280; school improvements of \$21,189,180 and a replacement high school for the totaling a projected \$150,000,00, via a general obligation bond.

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

FACTORS AFFECTING FINANCIAL CONDITION (Continued)

The Town engaged the services of an Investment Advisor to assist the Town and the Finance Director with the Town's first written investment policy that complies with the Government Finance Officers' Association recommendation that municipalities create an investment policy as a best practice. This policy provides for future opportunities with longer term investment durations in US Treasuries and Federal Agency obligations for the Town's pooled cash, core' funds and Town's pooled cash liquidity 'cushion' funds which are short term or within FDIC.

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

The Town of South Kingstown also provides post-retirement healthcare benefits for certain retirees and their dependents. As of the end of the current fiscal year, there were 56 retired School Department and Town employees receiving these benefits. The Town has completed their required update of the OPEB obligations with a valuation date of June 30, 2025. The Town has established an irrevocable trust fund for the funding of Other Post-Employment Benefits and as such the financial statements include an OPEB Trust Fund and the related disclosure requirements and required supplementary information in accordance with GASB Statement No.74 and No. 75.

Additional information on the Town of South Kingstown's pension arrangements and post-employment benefits can be found in Note 11 on pages 57-75 and Note 12 on pages 75-83, respectively, in the notes to the financial statements.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of South Kingstown for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

To be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report, whose contents conform to program standards. Such ACFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The Town of South Kingstown has received a Certificate of Achievement for the last thirty-five consecutive fiscal years (fiscal years ended June 30, 1990-2024). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

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

Respectfully submitted,

Brian Silvia

Brian Silvia
Finance Director

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
TOWN OFFICIALS
JUNE 30, 2025**

TOWN COUNCIL

Rory H. McEntee, President

Michael K. Marran, Vice President
Deborah D. Bergner

Patricia A. Alley
C. Gregory Sweet

TOWN MANAGER

James M. Manni

TOWN ATTORNEYS

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

PROBATE JUDGE

James P. Howe

Municipal Judge

Adam Sholes

DEPARTMENT HEADS

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

James G. Gorman
Brian M. Silvia
Theresa L. Murphy
Laurel A. Clark
James D. Rabbitt
Matthew C. Moynihan
Richard J. Bourbonnais
Wendy L. Duarte
Susan M. Flynn



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

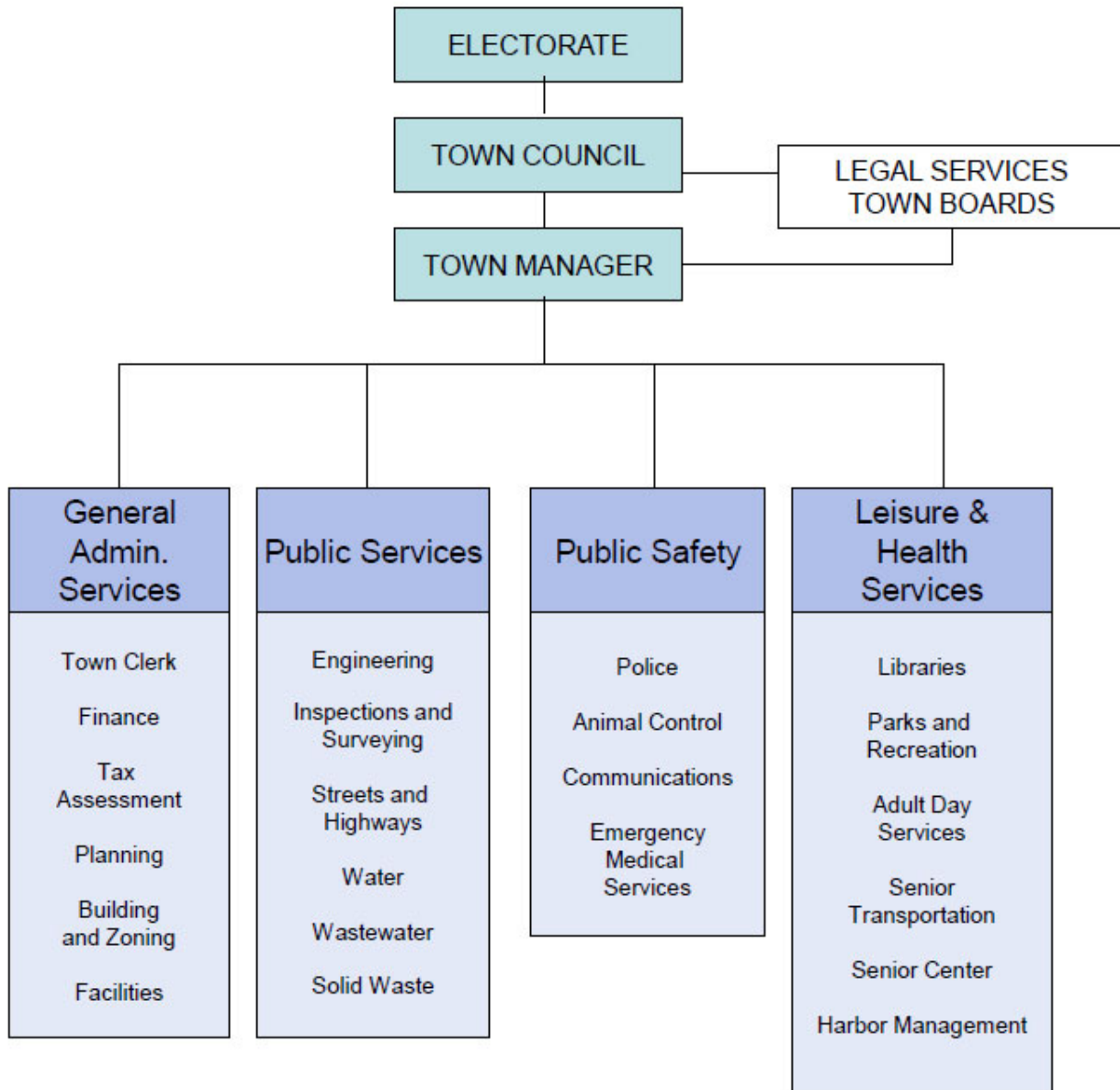
Presented to

**Town of South Kingstown
Rhode Island**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Town of South Kingstown



FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

Honorable Town Council
Town of South Kingstown, Rhode Island

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of South Kingstown, Rhode Island, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Town of South Kingstown, Rhode Island's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of South Kingstown, Rhode Island, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 17 to the financial statements, the Town of South Kingstown, Rhode Island adopted Governmental Accounting Standards Board (the GASB) Statement No. 101, Compensated Absences, effective July 1, 2024, which resulted in a restatement of beginning net position of the governmental activities, the business type activities, the wastewater fund, the solid waste fund and the water fund. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

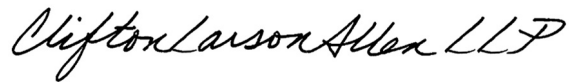
Management is responsible for the other information included in the annual report. The other information comprises the introductory section, and statistical section but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do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

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

Honorable Town Council
Town of South Kingstown, Rhode Island

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 20, 2026, on our consideration of the Town of South Kingstown, Rhode Island's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of South Kingstown, Rhode Island's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of South Kingstown, Rhode Island's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Cranston, Rhode Island
February 20, 2026

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

As management of the Town of South Kingstown (the Town), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-x of this report as well as the Town's basic financial statements that follow this section. All amounts in the tables in this MD&A are expressed in thousands. All amounts in the narrative portion are expressed in real dollars.

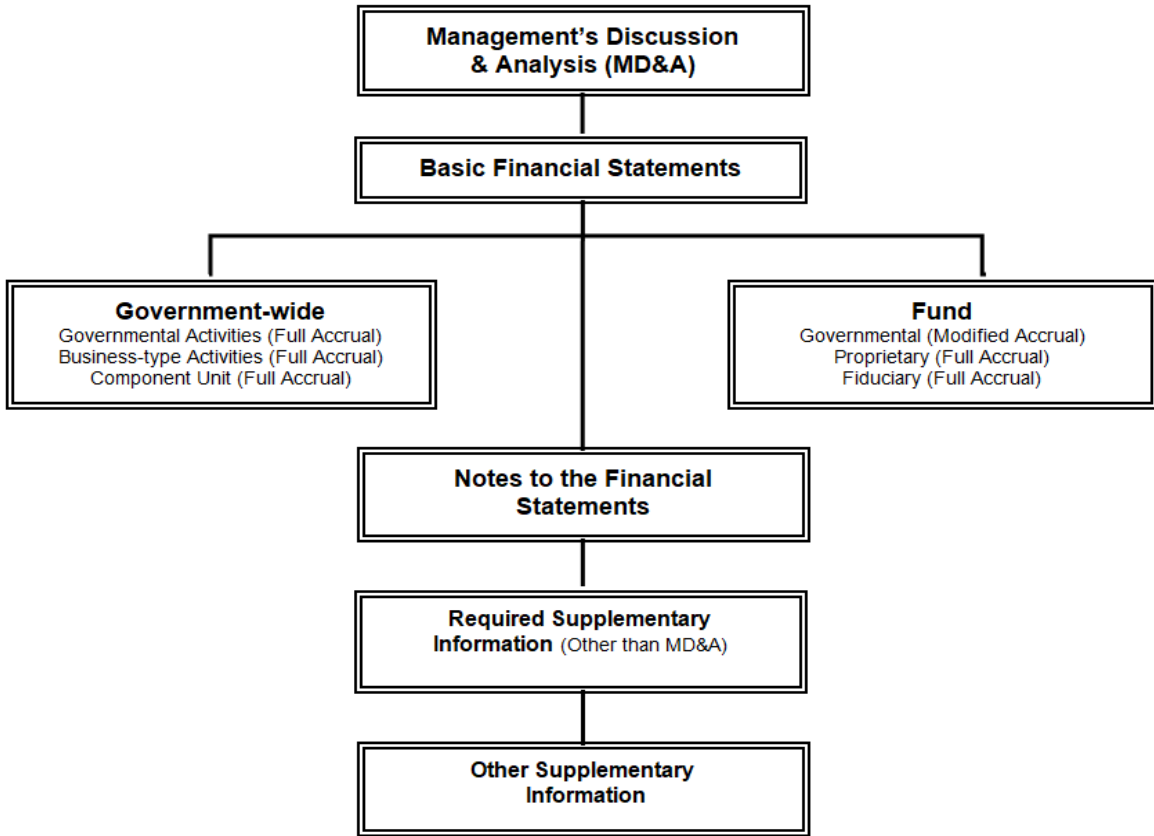
Financial Highlights

- At the end of the fiscal year, the Town's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$155,922,606, or 10.6%, from the prior year's amount of \$140,986,890. Net position was comprised mainly of \$101,079,823 attributable to the Town's net investment in capital assets, \$41,192,327 restricted, and \$13,650,456 unrestricted.
- The governmental activities total net position increased by \$9,610,776, an increase of 9.40% over the prior year due to positive operating results. Business-type activities net position increased by \$1,546,621, an increase of 3.64% over the prior year.
- The Town's unrestricted surplus increased by \$138,210.
- The Town has significant investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding.
- As of the close of the current fiscal year, the Town of South Kingstown's governmental funds reported combined ending fund balances of \$78,810,482. Approximately 17.24% of this total amount, \$13,584,409, is available for use at the government's discretion (unassigned fund balance).
- The remaining fund balance of \$65,226,073 includes \$996,928 in nonspendable funds, \$29,954,420 in restricted funds and \$34,274,725 in committed funds.
- The Town's total bonded debt decreased by \$1,325,000 during the current fiscal year. Government activities decreased by \$1,270,000 and Business-type activities decreased by \$55,000.
- Long-term liabilities reported a decrease of \$5,827,131 which is the result of a net decrease in Net Pension Liability of \$4,267,027 and a decrease of bonds payable of \$1,359,156, a decrease of compensated absences of \$118,108, an increase in financed purchases of \$175,943, a decrease in claims and judgements liability of \$67,097, a decrease in lease liability of \$100,519, and a decrease of subscription liability of \$91,167.

Overview of the Financial Statements

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

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**



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

Government-wide Financial Statements

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

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

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

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

Fund Financial Statements

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

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

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

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

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

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

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

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

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

Notes to the Financial Statements

The notes to the financial statements provide information that is essential for a full understanding of the information provided in the government-wide and fund financial statements. The notes also present certain required supplementary information. Included in the notes is the information pertaining to the Town's funding obligation to provide pension and OPEB benefits to its employees. The notes to the financial statements can be found on pages 30-84 of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. This section includes budgetary comparison schedules, a reconciliation between the statutory fund balance for budgetary purposes and the fund balances for the General Fund and School Fund, as presented in the governmental fund financial statements. Required supplementary information can be found on pages 85-97 of this report following the notes to the financial statements.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 98-126.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The Town of South Kingstown's combined net position, assets and deferred outflow of resources exceeded liabilities by \$155,922,606 (government and business-type activities), at the close of the most recent fiscal year.

NET POSITION

For the fiscal years ended June 30, 2025 and 2024 (in 000s)

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current and Other Assets	\$ 161,132	\$ 105,219	\$ 20,536	\$ 20,539	\$ 181,668	\$ 125,758
Noncurrent Assets	8,576	6,543	3,410	725	11,986	7,268
Capital Assets, Net of Accumulated Depreciation	91,140	85,279	24,688	23,561	115,828	108,840
Total Assets	260,848	197,041	48,634	44,825	309,482	241,866
Deferred Outflows of Resources	14,097	23,239	-	-	14,097	23,239
Current Liabilities	70,754	17,347	794	1,320	71,548	18,667
Long-Term Liabilities						
Outstanding	64,406	69,518	466	428	64,872	69,946
Total Liabilities	135,160	86,865	1,260	1,748	136,420	88,613
Deferred Inflows of Resources	27,913	34,723	3,324	782	31,237	35,505
Net Position:						
Net Investment in Capital Assets	76,477	69,257	24,603	23,409	101,080	92,666
Restricted	41,185	38,581	6	6	41,191	38,587
Unrestricted	(5,790)	(9,146)	19,441	18,880	13,651	9,734
Total Net Position	\$ 111,872	\$ 98,692	\$ 44,050	\$ 42,295	\$ 155,922	\$ 140,987

FY 2025, total assets for the Primary Government were \$309,482,387, an increase from prior year total assets by \$67,615,180. Total assets for only governmental activities were \$260,848,650, an increase of \$63,807,678 or 32.4%. Total assets from business-type activities increased by \$3,807,502 or 8.5% to \$48,633,737. The largest portion of the Town's net position, 64.8%, reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment); less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Total liabilities were \$136,419,708, an increase of \$51,583,454 from \$84,836,254 in FY 2024. Total liabilities associated with governmental type activities increased by \$51,864,726 or 62.3% while total liabilities associated with business-type activities decreased by \$281,272 or 18.3% when compared to FY 2024.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

A portion of the Town's net position (26.4% or \$41,192,327) represents resources that are subject to external restrictions on how they may be used. This includes the \$25,951,687 restricted recreational and educational purposes of which \$25,866,486 represents the School Trust Fund.

At the end of the current fiscal year, the Town of South Kingstown can report positive balances in two of three categories of net position, which overall increased by \$138,210 or 1.0%. The governmental activities unrestricted deficit increased by \$214,091 or 3.84% and the business-type activities portion increased by \$352,301 or 1.8%. Unrestricted net position represents the portion of net position that has no related liabilities or restrictions as to use.

CHANGES IN NET POSITION

For the Fiscal Years Ended June 30, 2025 and 2024 (in 000s)

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program Revenues:						
Charges for Services	\$ 8,113	\$ 6,983	\$ 7,927	\$ 10,298	\$ 16,040	\$ 17,281
Operating Grants and Contributions	16,144	13,452	483	481	16,627	13,933
Capital Grants and Contributions	896	1,041	-	-	896	1,041
General Revenues:						
Property Taxes	77,430	76,538	-	-	77,430	76,538
Motor Vehicle Phase-Out Taxes	3,920	3,930	-	-	3,920	3,930
Telephone and Hotel Taxes	475	372	-	-	475	372
Grants not Restricted to Specific Programs	1,683	1,520	-	-	1,683	1,520
Unrestricted Investment Earnings	6,429	6,511	946	641	7,375	7,152
Total Revenues	115,090	110,347	9,356	11,420	124,446	121,767
Expenses:						
General Government	6,890	6,528	-	-	6,890	6,528
Public Safety	16,900	14,956	-	-	16,900	14,956
Public Works	4,694	4,227	-	-	4,694	4,227
Human Service	816	495	-	-	816	495
Public Libraries	1,551	1,522	-	-	1,551	1,522
Education	66,025	62,586	-	-	66,025	62,586
Recreation	4,535	4,079	-	-	4,535	4,079
Interest on Long-Term Debt	498	427	-	-	498	427
Wastewater	-	-	4,694	4,740	4,694	4,740
Solid Waste	-	-	972	909	972	909
Water	-	-	1,019	1,004	1,019	1,004
School Cafeteria	-	-	917	944	917	944
Total Expenses	101,909	94,820	7,602	7,597	109,511	102,417
Change in Net Position Before Transfers	13,181	15,527	1,754	3,823	14,935	19,350
Transfers	(1)	(6)	1	6	-	-
Change in Net Position	13,180	15,521	1,755	3,829	14,935	19,350
Net Position - Beginning of Year	98,692	86,741	42,295	38,674	140,987	125,415
Change in Accounting Principle	-	(3,570)	-	(208)	-	(3,778)
Net Position - End of Year	\$ 111,872	\$ 98,692	\$ 44,050	\$ 42,295	\$ 155,922	\$ 140,987

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

Activities

In FY 2025, the Town's net position increased by \$11,157,397. Primary Government revenues increased from the prior year by \$2,667,906 or 2.2% to \$124,446,250. Program revenues (charges for services, grants and contributions) of \$33,564,225 accounted for 26.9% of all Primary Government revenues, while property and state taxes attributable to governmental activities accounted for \$90,882,025, 73.1%, of which property taxes is a major revenue source accounting for \$77,429,874. Grants and contributions not restricted to specific programs account for an additional \$1,682,847 while unrestricted investment earnings account for \$7,374,398.

Governmental Activities

Total revenues for all governmental activities were \$115,089,639. Governmental Activities' program revenues of \$25,154,501 accounted for 21.9%.

- The Town's tax rate of \$11.05 per thousand dollars of assessed valuation remained unchanged from the prior fiscal year 2024 rate of \$11.05 per thousand dollars of assessed valuation. The level tax rate was primarily achievable due to an increase in assessed values, which resulted in an overall tax levy increase of \$424,840. This was necessary due to operational cost increases associated with the adoption of the fiscal year 2025 budget. The State's motor vehicle phase-out was completed in fiscal year 2023 and reflective in fiscal year 2024 final net levy. Overall taxable property increased in fiscal year 2025 by \$38,435,914 and the final net levy increased by \$424,717.
- Property tax revenues recorded for the 2024 fiscal year increased by \$891,547 or (1.1%) over the prior year reflective of the Town's new tax rate.
- Motor vehicle taxes were completely phased out in fiscal year 2023 and in place of it, the Town received a motor vehicle phase out reimbursement from the State of Rhode Island.
- Charges for services increased by \$1,132,197 (16.2%). The increase was largely due to the school department, who saw charges for services increase by \$413,215, when compared to the prior year.
- Operating grants and contributions increased by \$2,692,118 or 20.0% from the previous fiscal year. General Government increased by \$3,068,571 compared to the prior year, which was mainly attributable to a combination of increased State and Federal funding.
- Unrestricted investment earnings for the 2025 fiscal year were \$6,428,530, representing a decrease of \$82,435 when compared to the prior fiscal year. Unrestricted investment earnings realized a modest decrease in fiscal year 2025, after achieving historical highs in fiscal year 2024.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

Total expenses for Primary Government were \$109,510,534. Five activities: general government, public safety, public works, education, other and business-type activities accounted for the summary of the expenses, as depicted in the following amounts and percentages: \$6,890,315 (6.3%), \$16,900,038 (15.4%), \$4,693,880 (4.3%), \$66,024,887 (60.3%), \$7,399,846 (6.8%) and \$7,601,568 (6.9%), respectively. The Changes in Net Position table is provided for the Town's government-wide activities for the years ended June 30, 2025, and 2024. Major expense factors included:

- Governmental activities expenses increased by \$7,088,576 from \$94,820,390 to \$101,908,966 (7.48%). The increase was due to a variety of factors though mainly increased personnel costs.
- General government expenses within governmental activities increased by \$362,420. The increase was primarily due to increased personnel costs associated with new contractual obligations from labor agreements that were settled during the fiscal year.
- Public safety expenses within governmental activities have increased by \$1,943,920. The increase was due primarily to increased personnel costs associated with contractual obligations from labor agreements and additional budgeted personnel within EMS.
- Public works expenses within governmental activities experienced an increase of \$466,740. The increase in expenses is primarily related to personnel costs associated with contractual obligations from labor agreements that were settled during the fiscal year.
- Human service expenses within governmental activities increased by \$320,764 to \$815,882. This represented an increase, compared to the prior year of 64.8%.
- Public libraries expenses within governmental activities increased by \$29,104 to \$1,550,642. This represents an increase, compared to the prior year of 1.9%.
- Educational expenses within governmental activities increased by \$3,436,531 to \$66,024,887. The increase is primarily associated with grant related expenses incurred from the department's federal and state grants.
- Recreation expenses within governmental activities increased by \$456,587 to \$4,535,412. The increase in expenses is primarily related to personnel costs associated with contractual obligations from labor agreements that were settled during the fiscal year.

Business-type activities. Net position in business-type activities increased by \$1,546,621 resulting in a 3.6% increase in business-type net position.

Charges for services for business-type activities accounted for 94.3% of the total program revenue sources. The balance of revenues for business-type activities was from operating grants and contributions, 5.7%.

- Charges for services for business-type activities decreased to \$7,926,580 from \$10,299,531, a decrease of \$2,372,951, 23.0%. The wastewater fund realized a decrease of \$2,372,951 in fiscal year 2025 versus fiscal year 2024 due to reduced capital expenses charged to the Town of Narragansett and the University of Rhode Island for costs related to the Town's wastewater system in fiscal year 2024, that did not occur in fiscal year 2025.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

Wastewater treatment expenses account for approximately 61.8% of the total expenses within the business-type activities of the Town. The school cafeteria fund, water fund and solid waste fund expenses account for 12.1%, 13.4%, and 12.8% respectively of the total business-type activities expenses for the 2025 fiscal year.

- Expenses in the wastewater fund decreased by \$45,843 primarily due personnel costs coming in under budget, due to vacancies. The \$14,271 increase in water fund expenses was related to the increased costs of water supply and pumping & transmission expenses. The \$62,288 increase in the solid waste fund is largely attributable to reduced superfund expenses being offset by increased tipping fees.
- Costs to operate the cafeteria fund decreased by \$26,957, which is a result of decreased student enrolment and a decrease in participation in the school lunch program.

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

Financial Analysis of the Government's Funds

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

As of the end of the current fiscal year, the Town of South Kingstown's governmental funds reported combined ending fund balances of \$78,810,482. Of this amount, \$13,584,409 is available for spending at the government's discretion (unassigned) within the Town. The remaining fund balance of \$65,226,073 includes \$1,659,066 committed to help finance the 2025-2026 town operating budgets. The remaining amount of \$63,567,007 consists of nonspendable fund balance of \$996,928, restricted fund balance of \$29,954,420 and committed fund balance of \$32,615,659.

The General Fund is the chief operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund. The School Unrestricted Fund is used to report all financial transactions of the South Kingstown School Department but is considered a department of the Town since its major source of revenue is property tax dollars and is not a separate taxing authority.

Therefore, the School Unrestricted Fund is reported within the Town Operating Fund. At the end of the current fiscal year, excluding the School Fund amount, the total General Fund balance was \$19,879,089 which represents an increase of \$1,194,923 over the prior year. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund budgeted expenditures. Unassigned fund balance represents 19.3% of the 2026 FY Adopted General Fund Expenditure Budget, while total fund balance represents 26.4% of that same amount.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

The unassigned fund balance of the Town of South Kingstown's General Fund, excluding the School Fund, increased by \$1,313,423 as compared to the June 30, 2024, fund balance. This increase is the result of positive operating results in the General Fund. Key factors in this increase are as follows:

- The Town committed \$1,659,066 fund balance to help finance the 2025-2026 General Fund budget. The planned drawdown of fund balance was a decrease of \$134,542 from the prior year commitment of fund balance. The difference between the accounting principles generally accepted in the United States of America (GAAP) basis of accounting and the budgetary basis of accounting is the result of recognizing the fund balance commitment of \$1,793,608, as a revenue source under the budgetary basis but not the GAAP basis.
- On a budgetary basis, the operating surplus in the General Fund was \$2,233,247 for 2024-2025. Expenditures finished under budget by \$1,208,032, contributing to the surplus, while revenues finished the fiscal year with a \$1,299,541 surplus.
- The Town abides by conservative spending guidelines when seeking to purchase commodities and other services. Favorable expenditure variances of significance, when compared to the budget, included savings in general government \$456,991, public works \$202,591, leisure services \$272,386 and insurance and other expenses \$223,522. Public libraries, and human services and outside agencies recognized a combined savings of \$88,022. Public safety finished the year in a budget deficit totaling \$122,798.
- Current year tax collections resulted in a positive budget variance in property taxes of \$142,259. The Town's collection rate remained high at 99%. Meals and beverage taxes were lower than budget by \$73,140 and hotel taxes were higher than budget, at \$152,877. Building permit revenue was up by \$111,413 and transfer from claims & settlements was greater than budget by \$248,150. Investment income finished the year greater than budget by \$1,200,548, while the GASB 31 change added to the surplus of \$512,399.

The fund balance of the School Unrestricted Fund increased by \$259,801, to \$4,746,539 as compared to the June 30, 2024, fund balance. Key factors in this increase are as follows:

- The school department did not commit funds to help finance the 2025-2026 school operating budget.
- The school department has committed \$581,057 to existing encumbrances and the school department has \$1,142,215 committed for school capital projects beginning in 2025-2026.
- On a budgetary basis, the operating surplus in the School Fund was \$259,801 for 2024-2025. Revenues and use of fund balance finished the fiscal year with a \$140,081 surplus while expenditures resulted in savings of \$119,720.
- A decrease in revenue of \$427,714 was reported for the fiscal year from use of fund balance as it was offset by additional revenue. The surplus in expenses of \$1,277,111 was primarily attributed to savings purchased services and employee benefits. This surplus figure was reduced by a transfer to other funds (capital) totaling \$1,533,133.

The school fund has a total fund balance of \$4,746,539, which increased by \$259,801 or 5.8% from the prior year. Of this amount, \$1,142,215 is committed to school capital projects, and \$581,057 is committed open encumbrances at year-end. The remaining balance of \$3,023,267 is available to help finance future years' school budgets and/or unforeseen and unanticipated operating expenses.

The fund balance of the Debt Service Fund increased by \$110,279 to \$3,091,931 or 3.7%. The increase was due to the contribution from the general fund in fiscal year 2024-2025 in anticipation of future debt issuances and funds received from the state related to school debt service reimbursements.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

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

The fund balance for the solid waste enterprise fund decreased by \$18,576 and the water enterprise fund increased by \$563,074, respectively. Operating expenses for each are as follows, solid waste enterprise fund increased by \$63,341 and the water enterprise fund increased by \$14,271. The operating revenue for solid waste increased by \$21,476 and water increased by \$68,120, respectively. The restricted fund balance of solid waste totaling \$6,186 is related to grant revenues received by Rhode Island Resource Recovery for the purpose of training and educating residents on the importance of recycling in our community, the balance remains unchanged from the prior year. The Town has been actively educating the importance of the recycling program.

Unrestricted net position in the solid waste enterprise fund at the end of the fiscal year totaled \$70,381 a decrease of \$42,298. Unrestricted net position in the water enterprise fund at the end of the fiscal year totaled \$5,603,984,123 an increase of \$662,916.

The fund balance of the wastewater enterprise fund increased by \$1,125,259. Operating expenses of the wastewater enterprise fund decreased by \$45,380 and operating revenues decreased by \$2,434,294. Unrestricted net position of the wastewater enterprise fund at the end of the fiscal year totaled \$13,567,538, a decrease of \$214,585.

The school cafeteria operation maintains a surplus position of \$199,080, which is a decrease of \$53,732.

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

General Fund Budgetary Highlights

Overall, the Town finished the 2024-2025 fiscal year with a \$2,233,247 budgetary surplus (excess of revenues over expenditures). Differences between the original budget and the final amended budget involved transferring funds from departments with expenditure surpluses to departments with expenditure deficits. To effectively manage the unassigned fund balance and support the financing of capital projects and multi-year obligations, at the end of each fiscal year the Town Manager and Finance Director request the Town Council to transfer unexpended balances to specific capital projects or multi-year obligation accounts. At the end of the fiscal year the Town executed transfers to various capital and other multi-year funds in the amount of \$1,008,185.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

Capital Asset and Debt Administration

Capital assets. The Town of South Kingstown's investment in capital assets for its governmental and business type activities as of June 30, 2025, amounts to \$115,828,468 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, park facilities, infrastructure, and construction in progress. The 2025 fiscal year resulted in an increase in value of investment in capital assets of \$6,988,252. The total increase in the Town of South Kingstown's investment in capital assets for the current fiscal year was 6.4%. Depreciation expense as compared to the amount of capitalized assets recognized in the 2025 fiscal year, specifically, the amount of new capital assets being depreciated was \$1,472,801 for the governmental activities, however, the amount of depreciation expense was \$5,678,941, in comparison to the prior year of new capital assets of \$6,753,035 and depreciation expense of \$5,440,394.

Town of South Kingstown's Capital Assets

(Net of accumulated depreciation) in 000s

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	\$ 14,181	\$ 14,181	\$ 1,587	\$ 1,587	\$ 15,768	\$ 15,768
Construction in Progress	9,364	7,914	3,568	1,438	12,932	9,352
Land Improvements	8,926	8,282	1,506	1,552	10,432	9,834
Buildings	14,579	15,306	1,463	1,632	16,042	16,938
Building Improvements	13,611	14,384	5,623	5,935	19,234	20,319
Equipment	6,895	6,389	1,094	1,243	7,989	7,632
Right to Use Lease Equipment	236	358	-	-	236	358
Right-to-Use Software	506	664	24	36	530	700
Vehicles	3,815	2,533	132	175	3,947	2,708
Infrastructure	18,954	15,218	9,623	9,889	28,577	25,107
Intangibles	73	50	68	74	141	124
Total	\$ 91,140	\$ 85,279	\$ 24,688	\$ 23,561	\$ 115,828	\$ 108,840

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

- Town-wide purchases of new vehicles and equipment accounted for \$1,695,848 during the fiscal year. This was mainly attributed to public safety related purchases, accounting for 69.9% of the amount. This was mainly attributable to new police fleet vehicles and EMS ambulances put into service during the year and applicable equipment upgrades.
- Town-wide upgrades to infrastructure and land improvements accounted for \$4,068,706 during the fiscal year. This was mainly attributable to improvements made to Town road improvements and the Town owned boat ramp, when combined equals 76.1% of these upgrades.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

Additional information on the Town of South Kingstown's capital assets can be found in Note 8 on pages 49-50 of this report.

Long-term debt. At the end of the current fiscal year, the Town of South Kingstown had total bonded debt outstanding of \$13,014,000, entirely backed by the full faith and credit of the Town. Bonds authorized but unissued totaled an additional \$4,090,000.

State statutes limit the amount of general obligation bonded debt a town can issue to 3% of net assessed property values. However, all bonds approved through State enabling legislation and voter referendums are exempt from the limit. As of June 30, 2025, the Town had a debt limit of \$208,146,003. Of the Town's \$13,014,000 in debt outstanding, \$1,365,959 is subject to the Town's legal debt limit. A balance of \$206,780,044 exists within the legal limit for additional bonds to be issued.

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

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
	General Obligation Bonds	<u>\$ 12,955</u>	<u>\$ 14,225</u>	<u>\$ 59</u>	<u>\$ 114</u>	<u>\$ 13,014</u>

The Town's total bonded debt decreased by \$1,325,000 (9.2%) during the 2025 fiscal year.

The town issued \$55,000,000 in bond anticipation notes for the initial construction period prior to the issuance of the bonds. This represents a short-term obligation, issued on June 25, 2025, at an interest rate of 4% and bond premium of \$532,400. Authorized and unissued on this project remaining on this bond equals \$95,000,000.

It should be noted, on May 7, 2025, the Town Manager and Finance Director met with the Town's bond rating agency, Moody's Investors Services, to affirm the Town's Aa1 rating which is the highest local municipal rating in the State. In their credit opinion report issued on May 27, 2025, Moody's noted the Town's "moderately sized tax base with favorable wealth levels, stable financial position with healthy reserves and strong liquidity, and low debt burden" as credit strengths when determining the basis for their review and consideration. South Kingstown is one of only five Rhode Island communities that have a bond rating of Aa1. Moody's credit report cited the following additional factors for the affirmation:

- The population, economy and tax base are anchored by the state flagship University of Rhode Island (Aa3 stable), the town's coastal amenities, and its proximity to the metro-Providence labor market. The full value tax base of \$8.8 billion (2026) is diverse with the Top 10 taxpayers accounting for a small 2.5% of the tax base; and includes student housing, a utility, as well as office and corporate facilities. The tax base has grown at an annual compound growth rate of 13.2% over the past five years, benefiting from several commercial and residential developments as well as a full revaluation completed in 2026 and 2023.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

- Despite being skewed downward by its large student population, the town's wealth and income levels are strong, with local median family income equivalent to 128.6% of the state and 141.4% of the national level from 2023. The town's per capita income in 2023 was \$48,684, compared to the State of Rhode Island at 45,919 and the United States at \$43,289. As of Oct 2024, the town's unemployment rate was a low 3.8% which is better than the state and national levels of 4.5% and 4.1% respectively.

Additional information on the Town of South Kingstown's long-term debt can be found in Note 11 on pages 53-56 of this report.

Economic Factors and Next Year's Budgets and Rates

- As of September 2025, the labor force in South Kingstown was 15,722 with employment at 15,289 yielding an unemployment rate of 2.8%, a decrease of 0.4% from the prior fiscal year.
- The budget for fiscal year 2026 was adopted in the amount of \$93,300,205 which represents an increase of \$2,345,127, or 2.6% from the prior fiscal year.
- Property tax revenues for the fiscal year 2026 reflect an increase in the Town's tax levy of \$2,513,246 (excluding motor vehicles) or 3.28% higher than the previous fiscal year. The property tax rate was set at \$8.94 per thousand dollars of assessed value, which is a 19.1% decrease from the prior year. Total taxable property increased by \$1,894,622,809 from \$6,938,200,112 to \$8,832,822,921. This was a result of the town completing a statistical revaluation of all real estate properties during the fiscal year.

During the current fiscal year, the fund balance in the general fund increased to \$24,625,628. The Town of South Kingstown has committed \$1,659,066 of this amount for spending in the 2025 fiscal year budget, \$694,278 is committed for outstanding purchase orders at June 30, 2025. \$77,158 is recognized as nonspendable for prepaid expenditures. \$4,133,936 of the fund balance is committed. The Town maintains an unassigned fund balance of \$18,061,190 to use at its discretion.

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

BASIC FINANCIAL STATEMENTS

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
STATEMENT OF NET POSITION
JUNE 30, 2025

ASSETS	Governmental Activities	Business-Type Activities	Total
CURRENT ASSETS			
Cash and Cash Equivalents	\$ 98,316,206	\$ 10,060,462	\$ 108,376,668
Investments	47,535,937	9,146,023	56,681,960
Receivables, Net of Allowance for Uncollectibles	2,339,342	1,110,066	3,449,408
Due from Federal and State Governments	1,844,092	73,782	1,917,874
Internal Balances	(145,302)	145,302	-
Prepaid Items	91,675	-	91,675
Total Current Assets	<u>149,981,950</u>	<u>20,535,635</u>	<u>170,517,585</u>
NONCURRENT ASSETS			
Net Pension Asset	1,106,640	-	1,106,640
Net OPEB Asset	10,043,817	-	10,043,817
Leases Receivable	8,576,198	3,409,679	11,985,877
Capital Assets Not Being Depreciated or Amortized	23,545,822	5,154,513	28,700,335
Capital Assets, Net of Accumulated Depreciation and Amortization	<u>67,594,223</u>	<u>19,533,910</u>	<u>87,128,133</u>
Total Noncurrent Assets	<u>110,866,700</u>	<u>28,098,102</u>	<u>138,964,802</u>
Total Assets	260,848,650	48,633,737	309,482,387
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charge on Refunding	30,387	-	30,387
Deferred Outflows of Resources Related to Pensions	11,196,733	-	11,196,733
Deferred Outflows of Resources Related to OPEB	<u>2,869,614</u>	<u>-</u>	<u>2,869,614</u>
Total Deferred Outflows of Resources	<u>14,096,734</u>	<u>-</u>	<u>14,096,734</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts Payable	4,409,223	355,388	4,764,611
Accrued Liabilities	1,783,765	219,505	2,003,270
Due to Federal and State Governments	253,378	-	253,378
Unearned Revenue	6,221,998	96,751	6,318,749
Deposits Held in Custody of Others	189,584	-	189,584
Bond Anticipation Notes Premium	532,400	-	532,400
Bond Anticipation Notes Payable	55,000,000	-	55,000,000
Current Maturities of Long-Term Obligations	<u>2,364,007</u>	<u>122,212</u>	<u>2,486,219</u>
Total Current Liabilities	<u>70,754,355</u>	<u>793,856</u>	<u>71,548,211</u>
NONCURRENT LIABILITIES			
Due in More Than One Year	<u>64,405,603</u>	<u>465,894</u>	<u>64,871,497</u>
Total Liabilities	135,159,958	1,259,750	136,419,708
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows of Resources Related to Pensions	12,880,464	-	12,880,464
Deferred Inflows of Resources Related to OPEB	6,265,649	-	6,265,649
Deferred Inflows of Resources Related to Leases	8,310,993	3,323,781	11,634,774
Advance Property Tax Collections	<u>455,920</u>	<u>-</u>	<u>455,920</u>
Total Deferred Inflows of Resources	<u>27,913,026</u>	<u>3,323,781</u>	<u>31,236,807</u>
NET POSITION			
Net Investment in Capital Assets	76,476,676	24,603,147	101,079,823
Restricted for:			
Pension and OPEB	11,150,457	-	11,150,457
Trust Purposes:			
Expendable	2,449,436	-	2,449,436
Nonexpendable	996,928	-	996,928
Student Activity	291,557	-	291,557
Unused Grants and Donations	346,076	6,186	352,262
Recreational and Educational	25,951,687	-	25,951,687
Unrestricted	<u>(5,790,417)</u>	<u>19,440,873</u>	<u>13,650,456</u>
Total Net Position	<u>\$ 111,872,400</u>	<u>\$ 44,050,206</u>	<u>\$ 155,922,606</u>

See accompanying Notes to Financial Statements.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025**

Function/Program Activities	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES							
General Government	\$ 6,890,315	\$ 585,595	\$ 4,324,803	\$ -	\$ (1,979,917)	\$ -	\$ (1,979,917)
Public Safety	16,900,038	2,308,522	245,407	-	(14,346,109)	-	(14,346,109)
Public Works	4,693,880	1,467,283	-	580,252	(2,646,345)	-	(2,646,345)
Human Service	815,882	63,421	170,922	-	(581,539)	-	(581,539)
Public Libraries	1,550,642	9,872	325,816	315,764	(899,190)	-	(899,190)
Education	66,024,887	1,403,939	11,052,368	-	(53,568,580)	-	(53,568,580)
Recreation	4,535,412	2,276,157	24,380	-	(2,234,875)	-	(2,234,875)
Interest and Fiscal Charges	497,910	-	-	-	(497,910)	-	(497,910)
Total Governmental Activities	101,908,966	8,114,789	16,143,696	896,016	(76,754,465)	-	(76,754,465)
BUSINESS-TYPE ACTIVITIES							
Wastewater	4,694,217	5,283,049	-	-	-	588,832	588,832
Solid Waste	971,712	948,848	-	-	-	(22,864)	(22,864)
Water	1,018,609	1,314,781	-	-	-	296,172	296,172
School Cafeteria	917,030	379,902	483,144	-	-	(53,984)	(53,984)
Total Business-Type Activities	7,601,568	7,926,580	483,144	-	-	808,156	808,156
Total	\$ 109,510,534	\$ 16,041,369	\$ 16,626,840	\$ 896,016	(76,754,465)	808,156	(75,946,309)
GENERAL REVENUES							
Property Taxes					77,429,874	-	77,429,874
Motor Vehicle Phase-Out Taxes					3,920,088	-	3,920,088
Telephone and Hotel Taxes					474,818	-	474,818
Grants and Contributions not Restricted to Specific Programs					1,682,847	-	1,682,847
Unrestricted Investment Earnings					6,428,530	945,868	7,374,398
TRANSFERS					(1,019)	1,019	-
Total General Revenues and Transfers					89,935,138	946,887	90,882,025
CHANGE IN NET POSITION					13,180,673	1,755,043	14,935,716
Net Position - Beginning of Year, as Originally Reported					102,261,624	42,503,585	144,765,209
Change in Accounting Principle					(3,569,897)	(208,422)	(3,778,319)
Net Position - Beginning of Year, as Restated					98,691,727	42,295,163	140,986,890
NET POSITION - END OF YEAR					\$ 111,872,400	\$ 44,050,206	\$ 155,922,606

See accompanying Notes to Financial Statements.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025**

ASSETS	General	School Trust Fund	Debt Service Fund	ARPA Fund	High School Construction Fund	Nonmajor Governmental Funds	Total Governmental Funds
Cash and Cash Equivalents	\$ 35,723,576	\$ 547,206	\$ -	\$ -	55,534,263	\$ 5,046,088	\$ 96,851,133
Investments	13,466,395	25,966,289	-	-	-	8,103,438	47,536,122
Accounts and Other Receivable, Net	1,643,715	-	-	-	-	367,752	2,011,467
Due from Federal and State Governments	68,532	-	-	-	-	1,775,558	1,844,090
Due from Other Funds	5,294,089	-	3,091,931	6,122,080	-	17,171,264	31,679,364
Lease Receivable	8,628,935	-	-	-	-	275,140	8,904,075
Prepaid Items	77,158	-	-	-	-	14,517	91,675
Total Assets	\$ 64,902,400	\$ 26,513,495	\$ 3,091,931	\$ 6,122,080	\$ 55,534,263	\$ 32,753,757	\$ 188,917,926
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts Payable	\$ 1,678,058	\$ -	\$ -	\$ 744,439	\$ 442,986	\$ 1,548,423	\$ 4,413,906
Accrued Liabilities	1,362,658	233,756	-	-	-	66,616	1,663,030
Due to State and Federal Governments	245,089	-	-	-	-	8,289	253,378
Due to Other Funds	27,086,107	20	-	-	4,025,658	1,261,474	32,373,259
Unearned Revenue	643,199	-	-	5,377,641	-	201,158	6,221,998
Deposits Held in Custody of Others	188,427	-	-	-	-	1,157	189,584
Bond Anticipation Notes Premium	-	-	-	-	532,400	-	532,400
Bond Anticipation Notes Payable	-	-	-	-	55,000,000	-	55,000,000
Total Liabilities	31,203,538	233,776	-	6,122,080	60,001,044	3,087,117	100,647,555
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue - Property Taxes	573,412	-	-	-	-	-	573,412
Unavailable Revenue - Other Receivable	-	-	-	-	-	119,564	119,564
Advance Property Tax Collections	455,920	-	-	-	-	-	455,920
Deferred Inflow - Leases	8,043,902	-	-	-	-	267,091	8,310,993
Total Deferred Inflows of Resources	9,073,234	-	-	-	-	386,655	9,459,889
FUND BALANCES							
Nonspendable	77,158	413,233	-	-	-	506,537	996,928
Restricted	-	25,866,486	-	-	-	4,087,934	29,954,420
Committed	6,487,280	-	3,091,931	-	-	24,695,514	34,274,725
Unassigned	18,061,190	-	-	-	(4,466,781)	(10,000)	13,584,409
Total Fund Balances	24,625,628	26,279,719	3,091,931	-	(4,466,781)	29,279,985	78,810,482
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 64,902,400	\$ 26,513,495	\$ 3,091,931	\$ 6,122,080	\$ 55,534,263	\$ 32,753,757	\$ 188,917,926

See accompanying Notes to Financial Statements.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
BALANCE SHEET
GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2025**

RECONCILIATION TO THE STATEMENT OF NET POSITION

Total Fund Balances - Governmental Funds (Exhibit III) \$ 78,810,482

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

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

Governmental Capital Assets	200,815,294
Less: Accumulated Depreciation and Amortization	<u>(109,675,249)</u>
Net Capital Assets	91,140,045

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

Property Tax Receivables Greater than 60 Days	573,412
Other Receivables	119,564
Net Pension Asset	1,106,640
Net OPEB Asset	10,043,817
Deferred Outflows of Resources Related to Pensions	11,196,733
Deferred Outflows of Resources Related to OPEB	2,869,614

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

2,018,156

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

Bonds Payable	(12,955,000)
Deferred Charges on Refunding	30,387
Deferred Inflows of Resources Related to Pensions	(12,880,464)
Deferred Inflows of Resources Related to OPEB	(6,265,649)
Unamortized Bond Issue Premium	(584,474)
Interest Payable on Bonds	(120,727)
Compensated Absences	(7,959,648)
Net Pension Liability	(43,311,028)
Lease Liability	(223,605)
Subscription Liability	(590,754)
Financed Purchases	(339,923)
Claims and Judgments	<u>(805,178)</u>

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

\$ 111,872,400

See accompanying Notes to Financial Statements.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2025**

	General	School Trust Fund	Debt Service Fund	ARPA Fund	High School Construction Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES							
Property Taxes, Interest, and Lien Fees	\$ 77,482,435	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 77,482,435
Intergovernmental Revenues	12,832,293	-	162,570	2,218,019	-	5,539,422	20,752,304
Licenses and Fees	3,068,043	-	-	-	-	961,827	4,029,870
Investment Income	2,766,526	2,785,867	-	-	23,863	794,155	6,370,411
Fines and Charges	-	-	-	-	-	2,779,067	2,779,067
Departmental	1,282,820	-	-	-	-	-	1,282,820
Contributions	-	-	-	-	-	549,872	549,872
State On-Behalf Pension and Transportation Contributions	2,876,617	-	-	-	-	-	2,876,617
Other Revenues	-	-	1	-	-	29,321	29,322
Total Revenues	<u>100,308,734</u>	<u>2,785,867</u>	<u>162,571</u>	<u>2,218,019</u>	<u>23,863</u>	<u>10,653,664</u>	<u>116,152,718</u>
EXPENDITURES							
Current:							
General Government	6,751,898	96,943	1,000	258,678	4,399,894	618,409	12,126,822
Public Safety	15,612,099	-	-	20,823	-	2,579,741	18,212,663
Public Works	3,209,933	-	-	-	-	157,292	3,367,225
Human Service Agency Contribution	165,050	-	-	-	-	650,832	815,882
Public Libraries	1,418,090	-	-	-	-	19,851	1,437,941
Education	64,358,673	-	-	-	-	4,240,765	68,599,438
Recreation	2,251,344	-	-	-	-	1,514,336	3,765,680
Debt Service:							
Principal Retirement	148,031	-	1,338,498	-	-	104,385	1,590,914
Interest and Other Charges	11,555	-	455,566	-	90,750	22,231	580,102
Capital Outlay	189,915	-	-	1,938,518	-	2,942,934	5,071,367
Total Expenditures	<u>94,116,588</u>	<u>96,943</u>	<u>1,795,064</u>	<u>2,218,019</u>	<u>4,490,644</u>	<u>12,850,776</u>	<u>115,568,034</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	6,192,146	2,688,924	(1,632,493)	-	(4,466,781)	(2,197,112)	584,684
OTHER FINANCING SOURCES (USES)							
Financed Purchases Issued	98,183	-	-	-	-	115,255	213,438
Issuance of Subscriptions	91,732	-	-	-	-	-	91,732
Transfers In from Other Funds	1,873,101	-	1,742,772	-	-	6,179,708	9,795,581
Transfers Out to Other Funds	(6,800,438)	(809,113)	-	-	-	(1,938,899)	(9,548,450)
Total Other Financing Sources (Uses)	<u>(4,737,422)</u>	<u>(809,113)</u>	<u>1,742,772</u>	<u>-</u>	<u>-</u>	<u>4,356,064</u>	<u>552,301</u>
NET CHANGE IN FUND BALANCES	1,454,724	1,879,811	110,279	-	(4,466,781)	2,158,952	1,136,985
Fund Balances - Beginning of Year	23,170,904	24,399,908	2,981,652	-	-	27,121,033	77,673,497
FUND BALANCES - END OF YEAR	<u>\$ 24,625,628</u>	<u>\$ 26,279,719</u>	<u>\$ 3,091,931</u>	<u>\$ -</u>	<u>\$ (4,466,781)</u>	<u>\$ 29,279,985</u>	<u>\$ 78,810,482</u>

See accompanying Notes to Financial Statements.

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2025

RECONCILIATION TO THE STATEMENT OF ACTIVITIES

Net Change in Fund Balances - Governmental Funds (Exhibit IV) \$ 1,136,985

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

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

Capital Outlay	11,567,437
Depreciation and Amortization Expense	(5,678,941)
Loss on Disposition of Capital Assets	(27,233)

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

Property Taxes Collected After 60 Days	(52,561)
Other Receivables	(62,425)
Change in Net Pension Asset	(130,737)
Change in Net OPEB Asset	1,472,801
Change in Deferred Outflows of Resources Related to Pensions	(3,595,018)
Change in Deferred Outflows of Resources Related to OPEB	892,042

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

Principal Payments	1,270,000
Principal Payments on Leases	100,519
Issuance of Subscriptions	(91,732)
Financed Purchases Issued	(213,438)
Principal Payments on Financed Purchases	37,495
Principal Payments on Subscriptions	182,899

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

Amortization of Deferred Charges in Refunding	(16,575)
Change in Deferred Inflows of Resources Related to Pensions	2,083,839
Change in Deferred Inflows of Resources Related to OPEB	(43,347)
Amortization of Bond Premiums	89,156
Accrued Interest	9,623
Change in Long-Term Compensated Absences	118,108
Change in Net Pension Liability	4,267,027
Change in Claims and Judgments	67,097

The net expense of the internal service funds is reported with governmental activities. (202,348)

Change in Net Position of Governmental Activities as Reported on the Statement of Activities \$ 13,180,673

See accompanying Notes to Financial Statements.

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025

	Business-Type Activities - Enterprise Funds					Activities
	Major Funds			Nonmajor		Internal Service Funds
	Wastewater	Solid Waste	Water	School Cafeteria	Total	
ASSETS						
CURRENT ASSETS						
Cash and Cash Equivalents	\$ 7,271,224	\$ 48,164	\$ 2,641,041	\$ 100,033	\$ 10,060,462	\$ 1,469,563
Investments	6,258,488	44,639	2,842,896	-	9,146,023	-
Accounts and Other Receivables, Net	712,959	81,710	288,361	-	1,083,030	-
Due from Federal and State Governments	-	-	-	73,782	73,782	-
Due from Other Funds	-	-	1,068	151,171	152,239	548,593
Leases Receivable	-	-	27,036	-	27,036	-
Total Current Assets	14,242,671	174,513	5,800,402	324,986	20,542,572	2,018,156
NONCURRENT ASSETS						
Leases Receivable	-	-	3,409,679	-	3,409,679	-
Capital Assets Not Being Depreciated or Amortized	2,753,985	1,005,003	1,395,525	-	5,154,513	-
Capital Assets, Net of Accumulated Depreciation and Amortization	15,077,245	1,523,864	2,932,691	110	19,533,910	-
Total Noncurrent Assets	17,831,230	2,528,867	7,737,895	110	28,098,102	-
Total Assets	32,073,901	2,703,380	13,538,297	325,096	48,640,674	2,018,156
LIABILITIES						
CURRENT LIABILITIES						
Accounts Payable	184,828	64,492	42,806	63,262	355,388	-
Accrued Liabilities	151,523	5,823	62,159	-	219,505	-
Due to Other Funds	6,937	-	-	-	6,937	-
Unearned Revenue	30,095	-	3,902	62,754	96,751	-
Current Portion of Compensated Absences	30,175	2,763	17,345	-	50,283	-
Current Portion of Subscription Liability	4,973	3,978	3,978	-	12,929	-
Current Portion of Bonds Payable	-	59,000	-	-	59,000	-
Total Current Liabilities	408,531	136,056	130,190	126,016	800,793	-
NONCURRENT LIABILITIES						
Compensated Absences	271,575	24,868	156,104	-	452,547	-
Subscription Liability	5,133	4,107	4,107	-	13,347	-
Bonds Payable After One Year	-	-	-	-	-	-
Total Noncurrent Liabilities	276,708	28,975	160,211	-	465,894	-
Total Liabilities	685,239	165,031	290,401	126,016	1,266,687	-
DEFERRED INFLOWS OF RESOURCES						
Deferred Inflow - Leases	-	-	3,323,781	-	3,323,781	-
NET POSITION						
Net Investment in Capital Assets	17,821,124	2,461,782	4,320,131	110	24,603,147	-
Restricted For Grants	-	6,186	-	-	6,186	-
Unrestricted	13,567,538	70,381	5,603,984	198,970	19,440,873	2,018,156
Total Net Position	\$ 31,388,662	\$ 2,538,349	\$ 9,924,115	\$ 199,080	\$ 44,050,206	\$ 2,018,156

See accompanying Notes to Financial Statements.

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2025

	Business-Type Activities - Enterprise Funds					Governmental Activities
	Major Funds			Nonmajor		Internal Service Funds
	Wastewater	Solid Waste	Water	School Cafeteria	Total	
OPERATING REVENUES						
Charges for Services	\$ 5,257,311	\$ 906,993	\$ 1,308,566	\$ 379,902	\$ 7,852,772	\$ 280,947
Other	25,736	-	6,215	-	31,951	-
Total Operating Revenues	<u>5,283,047</u>	<u>906,993</u>	<u>1,314,781</u>	<u>379,902</u>	<u>7,884,723</u>	<u>280,947</u>
OPERATING EXPENSES						
Wells	-	-	247,402	-	247,402	-
Pumping	706,631	-	27,743	-	734,374	-
Distribution	-	-	26,433	-	26,433	-
Treating and Sludge	2,582,594	-	-	-	2,582,594	-
Transportation and Disposal	-	706,105	-	-	706,105	-
Administrative and General	332,930	137,335	532,377	-	1,002,642	-
Depreciation and Amortization	890,382	43,440	179,960	-	1,113,782	-
Repairs and Maintenance	17,185	-	4,694	-	21,879	-
Health Care Management	-	-	-	-	-	10,801
Compensated Absences	-	-	-	-	-	82,600
School Cafeteria Operations	-	-	-	916,778	916,778	-
Other Operating	164,178	84,038	-	-	248,216	201,861
Total Operating Expenses	<u>4,693,900</u>	<u>970,918</u>	<u>1,018,609</u>	<u>916,778</u>	<u>7,600,205</u>	<u>295,262</u>
OPERATING INCOME (LOSS)	589,147	(63,925)	296,172	(536,876)	284,518	(14,315)
NONOPERATING REVENUES (EXPENSES)						
Income on Investments	673,681	4,288	267,899	-	945,868	58,117
Other Revenue	-	41,855	-	-	41,855	2,000
Intergovernmental	-	-	-	483,144	483,144	-
Interest Expense	(315)	(794)	(252)	-	(1,361)	-
Total Nonoperating Revenues (Expenses)	<u>673,366</u>	<u>45,349</u>	<u>267,647</u>	<u>483,144</u>	<u>1,469,506</u>	<u>60,117</u>
INCOME BEFORE TRANSFERS	1,262,513	(18,576)	563,819	(53,732)	1,754,024	45,802
Transfers In	4,000	-	-	-	4,000	-
Transfers Out	(2,236)	-	(745)	-	(2,981)	(248,150)
CHANGE IN NET POSITION	1,264,277	(18,576)	563,074	(53,732)	1,755,043	(202,348)
Net Position - Beginning of Year, as Originally Reported	30,263,403	2,566,428	9,420,942	252,812	42,503,585	2,220,504
Change in Accounting Principle	(139,018)	(9,503)	(59,901)	-	(208,422)	-
Net Position - Beginning of Year, as Restated	<u>30,124,385</u>	<u>2,556,925</u>	<u>9,361,041</u>	<u>252,812</u>	<u>42,295,163</u>	<u>2,220,504</u>
NET POSITION - END OF YEAR	<u>\$ 31,388,662</u>	<u>\$ 2,538,349</u>	<u>\$ 9,924,115</u>	<u>\$ 199,080</u>	<u>\$ 44,050,206</u>	<u>\$ 2,018,156</u>

See accompanying Notes to Financial Statements.

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2025

	Business-Type Activities - Enterprise Funds					Governmental
	Major Funds			Nonmajor	Total	Internal
	Wastewater	Solid Waste	Water	School Cafeteria		Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from Customers and Users	\$ 5,154,354	\$ 907,634	\$ 1,243,859	\$ 379,716	\$ 7,685,563	\$ -
Receipts from Providing Services	-	-	-	-	-	448,011
Payments to Suppliers	(4,253,418)	(926,495)	(838,279)	(1,514,810)	(7,533,002)	(201,861)
Payments for Claims	-	-	-	-	-	(93,401)
Net Cash Provided (Used) by Operating Activities	900,936	(18,861)	405,580	(1,135,094)	152,561	152,749
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers In from Other Funds	4,000	-	-	-	4,000	-
Transfers to Other Funds	(2,236)	-	(745)	-	(2,981)	(248,150)
Nonoperating Grants Received	-	-	-	483,144	483,144	2,000
Net Cash Provided (Used) by Noncapital Financing Activities	1,764	-	(745)	483,144	484,163	(246,150)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Additions to Property, Plant, and Equipment	(2,225,483)	-	(16,423)	-	(2,241,906)	-
Sales of Property, Plant and Equipment	-	-	-	-	-	-
Principal Paid on Bonds and Subscriptions	(4,743)	(58,794)	(3,794)	-	(67,331)	-
Interest Paid on Bonds and Subscriptions	(315)	(794)	(252)	-	(1,361)	-
Net Cash Used by Capital and Related Financing Activities	(2,230,541)	(59,588)	(20,469)	-	(2,310,598)	-
CASH FLOWS FROM INVESTING ACTIVITIES						
Sales of Investments	305,503	58,087	100,655	-	464,245	-
Interest on Investments	-	-	-	-	-	58,117
Net Cash Provided by Investing Activities	305,503	58,087	100,655	-	464,245	58,117
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,022,338)	(20,362)	485,021	(651,950)	(1,209,629)	(35,284)
Cash and Cash Equivalents - Beginning of Year	8,293,562	68,526	2,156,020	751,983	11,270,091	1,504,847
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 7,271,224</u>	<u>\$ 48,164</u>	<u>\$ 2,641,041</u>	<u>\$ 100,033</u>	<u>\$ 10,060,462</u>	<u>\$ 1,469,563</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating Income (Loss)	\$ 589,147	\$ (63,925)	\$ 296,172	\$ (536,876)	\$ 284,518	\$ (14,315)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:						
Depreciation and Amortization	890,382	43,440	179,960	-	1,113,782	-
Change in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:						
(Increase) Decrease in Accounts Receivable	(128,693)	641	(5,089)	-	(133,141)	-
Increase in Due from Other Governments	-	-	-	(20,287)	(20,287)	-
(Increase) Decrease in Due from Other Funds	-	1	(1,068)	(151,171)	(152,238)	167,063
Decrease in Lease Receivable	-	-	(2,611,888)	-	(2,611,888)	-
Increase (Decrease) in Accounts Payable and Accrued Items	(498,100)	(1,385)	(9,739)	16,579	(492,645)	-
Increase in Due to Other Funds	3,276	-	(8,098)	(443,153)	(447,975)	1
Decrease in Deferred Revenue	-	-	3,902	(186)	3,716	-
Increase in Compensated Absences	44,924	2,367	19,275	-	66,566	-
Decrease in Deferred Inflows	-	-	2,542,153	-	2,542,153	-
Total Adjustments	311,789	45,064	109,408	(598,218)	(131,957)	167,064
Net Cash Provided (Used) by Operating Activities	<u>\$ 900,936</u>	<u>\$ (18,861)</u>	<u>\$ 405,580</u>	<u>\$ (1,135,094)</u>	<u>\$ 152,561</u>	<u>\$ 152,749</u>

See accompanying Notes to Financial Statements.

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2025

	Cemetery Care Private - Purpose Trust Funds	OPEB Trust Fund
	<u> </u>	<u> </u>
ASSETS		
Cash and Cash Equivalents	\$ 112,839	\$ -
Investments:		
Mutual Funds	<u>-</u>	<u>28,773,986</u>
Total Assets	<u>112,839</u>	<u>28,773,986</u>
LIABILITIES		
Accounts Payable and Accrued Expenses	<u>200</u>	<u>-</u>
NET POSITION		
Restricted for Care and Maintenance	112,639	-
Restricted for OPEB Benefits	<u>-</u>	<u>28,773,986</u>
Total Net Position	<u><u>\$ 112,639</u></u>	<u><u>\$ 28,773,986</u></u>

See accompanying Notes to Financial Statements.

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2025

	Cemetery Care Private - Purpose Trust Funds	OPEB Trust Fund
	<u> </u>	<u> </u>
ADDITIONS		
Employer Contributions	\$ -	\$ 1,413,387
Net Change in Fair Value of Investments	4,778	2,450,448
Interest and Dividends	-	791,550
Other Revenues	3,000	-
Total Additions	<u>7,778</u>	<u>4,655,385</u>
DEDUCTIONS		
Benefit Payments	-	1,412,117
Operating Expenses in Accordance with Agreement	6,300	-
Administrative Expense	-	72,472
Total Deductions	<u>6,300</u>	<u>1,484,589</u>
CHANGE IN NET POSITION	1,478	3,170,796
Net Position - Beginning of Year	<u>111,161</u>	<u>25,603,190</u>
NET POSITION - END OF YEAR	<u>\$ 112,639</u>	<u>\$ 28,773,986</u>

See accompanying Notes to Financial Statements.

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Government-Wide Financial Statements

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

B. Reporting Entity

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

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

Blended Component Unit

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

Fiduciary Component Unit

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

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

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Presentation – Government-Wide Financial Statements

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

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

D. Basis of Presentation – Fund Financial Statements

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

The Town reports the following major governmental funds:

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

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

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

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

The *High School Construction Fund* is used to account for the financing and expenditures related to the construction of the high school.

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The Town reports the following major proprietary funds:

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

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

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

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

Additionally, the Town reports the following fund types:

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

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

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

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

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

E. Measurement Focus and Basis of Accounting

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

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

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

Property taxes, charges for services, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end).

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Measurement Focus and Basis of Accounting (Continued)

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

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

F. Assets, Liabilities, and Equity

Cash and Cash Equivalents

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

Investments

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

Inventories and Prepaid Items

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

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

Capital Assets

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

As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost (except for intangible right-to-use lease assets, the measurement of which is discussed below). The reported value excludes normal maintenance and repairs that are essentially amounts spent in relation to capital assets and that do not increase the capacity or efficiency of the item or increase its estimated useful life.

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Assets, Liabilities, and Equity (Continued)

Capital Assets (Continued)

Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at their acquisition value at the date of donation.

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

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

Leases (Lessee)

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

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

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

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

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

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

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Assets, Liabilities, and Equity (Continued)

Leases (Lessee) (Continued)

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

Leases (Lessor)

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

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

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

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

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

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

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

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Assets, Liabilities, and Equity (Continued)

Subscription-Based Information Technology Arrangements

SBITA assets are initially measured as the sum of the present value of payments expected to be made during the subscription term, payments associated with the SBITA contract made to the SBITA vendor at the commencement of the subscription term, when applicable, and capitalizable implementation costs, less any SBITA vendor incentives received from the SBITA vendor at the commencement of the SBITA term. SBITA assets are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT assets.

Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represent an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports advance property tax collections and deferred inflows related to leases in the government-wide statement of net position and in the governmental funds balance sheet.

In addition, the Town reports deferred inflow of resources related to pensions, OPEB in the government-wide statement of net position. Advance property tax collections represent taxes inherently associated with a future period. This amount is recognized during the period in which the revenue is associated. A deferred inflow of resources related to pension/OPEB results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension/OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension/OPEB plan (active employees and inactive employees).

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Assets, Liabilities, and Equity (Continued)

Deferred Outflows/Inflows of Resources (Continued)

For governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from property taxes and other receivables. These amounts are deferred and recognized as an inflow of resources (revenue) in the period in which the amounts become available.

Equity

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

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

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

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

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

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

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

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

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

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Assets, Liabilities, and Equity (Continued)

Equity (Continued)

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

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

Fund Balance Policies

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

G. Revenues and Expenditures/Expenses

Program Revenues

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

Property Taxes

Property taxes attach as an enforceable lien on real property. Current tax collections for the Town, including the 60-day collections, were approximately 98.69% of the total 2024 levy. The Town's fiscal 2024-2025 property taxes were levied on July 1, 2024 on assessed valuation as of December 31, 2023. Upon levy, taxes are due and payable on August 1 or may be paid in equal quarterly installments on August 1, November 1, February 1, and May 1 following the levy date. The taxpayer may elect to pay the taxes in full by September 1, annually. Taxes due and unpaid after the respective due dates are subject to interest at a rate of 12% per annum calculated on the unpaid portion of the total tax. Property taxes levied are recorded as receivables in the fiscal year of the levy.

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Revenues and Expenditures/Expenses (Continued)

Property Taxes (Continued)

The Town completed a full revaluation of real and tangible personal property on December 31, 2020 and statistical revaluation performed on December 31, 2023. The latest assessed values were effective for the property tax levy beginning with fiscal year 2023-2024. The Town is required to perform two statistical updates every three years within the nine-year timeframe requirement of a full valuation.

During the year ended June 30, 2025, the Town received \$3,920,088 from the state of Rhode Island as payment in accordance with legislation regarding the phase-out of motor vehicle tax. Motor vehicle values are assessed at a rate of \$18.71 per thousand dollars of assessed value. This rate has been frozen by the State since fiscal year 1998. In addition to freezing the tax rate, the State instituted a program to phase-out the taxation of motor vehicles over a 10-year period, by replacing the loss of motor vehicle tax income with State revenue. This program was restructured in fiscal year 2010-2011 whereby State reimbursement was limited to a maximum of \$500 per vehicle. In addition, the Town provides an additional \$2,500 exemption.

Pensions

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

Postemployment Benefits Other than Pension (OPEB)

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

Compensated Absences

Vacation and Sick Leave

The government's policy permits certain employees to accumulate earned but unused vacation and sick benefits. Upon retirement, termination or death, these employees are compensated for unused vacation and sick leave (subject to certain limitations) at their current rates of pay.

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Revenues and Expenditures/Expenses (Continued)

Compensated Absences (Continued)

Vacation and Sick Leave (Continued)

The liability for compensated absences reported in the government-wide and proprietary fund statements consists of leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability also includes amounts for leave that has been used for time off but has not yet been paid in cash or settled through noncash means and certain other types of leave. For governmental activities, the General Fund is used to satisfy this liability as it becomes due, while each enterprise fund accounts for all its settlement of business-type liabilities for compensated absences. The liability for compensated absences is accrued at varying amounts based on the collective bargaining unit contracts of the various unions and includes salary-related benefits, where applicable. The Compensated Absences Reserve Fund was established in June 2008 to account for the accrued liability. It is the recommendation of management to build assets in this reserve fund until 50% of the recorded liabilities are held in reserve. It is the intention of management to minimize property tax requirements to fund these benefits and, as such, transfers from the operating budgets have been recommended.

Proprietary Funds Operating and Nonoperating Revenues and Expenses

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

H. Accounting Estimates

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

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

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

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

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

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

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

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

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

A. Budgetary Information (Continued)

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

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

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

Expenditures exceeded appropriations in public safety by \$35,480 and transfers out by \$2,171,318.

NOTE 3 CASH DEPOSITS WITH FINANCIAL INSTITUTIONS

A. Deposits

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

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 CASH DEPOSITS WITH FINANCIAL INSTITUTIONS (CONTINUED)

A. Deposits (Continued)

Deposit Custodial Credit Risk

Custodial credit risk in the case of deposits is the risk that in the event of a bank failure, the government's deposits may not be returned. Rhode Island public law requires 100% of public deposits in a qualified public depository with maturities greater than sixty (60) days are collateralized with either bank segregated assets, in a trust department or in custodial accounts at a Federal Reserve Bank or federal home loan bank. The Town has adopted a "statement of investment objectives, goals and policy guidelines" for investments held in the School Trust Fund. In addition, the Town has guidelines for deposits authorized by Town Code Sec. 4233.H. As such, the entire bank balance of the Town as of June 30, 2025 of \$108,631,424 was insured or collateralized.

B. Cash Equivalents

Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and purchased within 90 days of maturity. As of June 30, 2025, the cash equivalent amounted to \$641,058. The cash equivalents consisted of certificates of deposit and money market mutual funds held at banking institutions and were not rated.

NOTE 4 INVESTMENTS

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

Investment Type	Fair Value	Investment Maturities (Years)		
		Less Than 1	1 - 10	More Than 10
Interest-Bearing Investments:				
U.S. Government Securities	\$ 17,047,771	\$ 5,460,758	\$ 11,587,013	\$ -
U.S. Government Agencies	11,074,280	2,620,488	8,453,792	-
Corporate Bonds	861,442	250,735	610,707	-
Total	28,983,493	\$ 8,331,981	\$ 20,651,512	\$ -
Other Investments:				
Common Stock	47,694			
Mutual Funds	42,640,474			
Exchange Traded Funds	13,784,285			
Total Investments	\$ 85,455,946			

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 4 INVESTMENTS (CONTINUED)

Interest Rate Risk

Approximately 34% of the Town's investments are in long-term corporate bonds, government bonds, asset-backed securities and certificate of deposits that have interest rates that are fixed for long periods and are subject to more variability in their fair value as a result of future changes in interest rates. The remaining approximately 66% of the investments are held in common stock, mutual funds and exchange traded funds. These investments do not specify year an interest rate; rather, the rate of return is dependent on operating results and economic conditions.

Credit Risk

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

Concentration of Credit Risk

At June 30, 2025, the Town had a diversified portfolio and was not deemed to be concentrated in any one investment category. Although approximately 66% of the investments were held in common stock, mutual funds and exchange traded funds, these investments were in a wide range of companies and various industries enabling the Town to minimize its risk.

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

Custodial Credit Risk

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

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 4 INVESTMENTS (CONTINUED)

The Town categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets or with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements). The Town has the following recurring fair value measurements as of June 30, 2025:

	June 30, 2025	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments by Fair Value Level:				
U.S. Government Securities	\$ 17,047,771	\$ 17,047,771	\$ -	\$ -
U.S. Government Agencies	11,074,280	11,074,280	-	-
Corporate Bonds	861,442	-	861,442	-
Common Stock	47,694	47,694	-	-
Mutual Funds	42,640,474	42,640,474	-	-
Exchange Traded Funds	13,784,285	13,784,285	-	-
Total Investments by Fair Value Level	<u>\$ 85,455,946</u>	<u>\$ 84,594,504</u>	<u>\$ 861,442</u>	<u>\$ -</u>

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

NOTE 5 RECEIVABLES

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

	General	Wastewater	Solid Waste	Water	Nonmajor Funds	Total
Receivables:						
Accounts	\$ 528,967	\$ 669,629	\$ 81,710	\$ 289,361	\$ 367,752	\$ 1,937,419
Property Taxes	1,217,529	-	-	-	-	1,217,529
Tax Liens	412,237	-	-	-	-	412,237
Other Governments	68,532	-	-	-	1,849,340	1,917,872
Special Assessments	-	60,830	-	-	-	60,830
Interest Receivable	223,867	-	-	-	-	223,867
Lease Receivable	8,628,935	-	-	3,436,715	275,140	12,340,790
Gross Receivables	11,080,067	730,459	81,710	3,726,076	2,492,232	18,110,544
Less: Allowance for Uncollectibles	(738,885)	(17,500)	-	(1,000)	-	(757,385)
Net Total Receivables	<u>\$ 10,341,182</u>	<u>\$ 712,959</u>	<u>\$ 81,710</u>	<u>\$ 3,725,076</u>	<u>\$ 2,492,232</u>	<u>\$ 17,353,159</u>

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 6 LEASE RECEIVABLES

The Town, acting as lessor, leases real property under long-term, noncancelable lease agreements. The leases expire at various dates through 2051 if all renewal options are exercised. During the year ended June 30, 2025, the Town recognized \$767,435 and \$454,666 in lease revenue and interest revenue, respectively, pursuant to these contracts.

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

<u>Year Ending June 30.</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 327,877	\$ 349,567	\$ 27,036	\$ 187,060
2027	372,877	336,327	34,641	185,360
2028	374,788	321,828	42,858	183,227
2029	406,778	306,433	51,729	180,626
2030	425,026	289,844	61,297	177,519
2031-2035	2,420,936	1,190,904	477,762	820,404
2036 and Thereafter	4,575,793	1,100,840	2,741,392	1,066,030
Total	<u>\$ 8,904,075</u>	<u>\$ 3,895,743</u>	<u>\$ 3,436,715</u>	<u>\$ 2,800,226</u>

NOTE 7 INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS

A. Interfund Receivables and Payables

The composition of interfund balances as of June 30, 2025 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Debt Service Fund	General Fund	\$ 3,091,931
Water Fund	General Fund	1,068
School Cafeteria	General Fund	151,171
Internal Service Fund	General Fund	548,593
ARPA Fund	General Fund	6,122,080
Nonmajor Governmental Funds	General Fund	17,171,264
General Fund	Wastewater Fund	6,937
General Fund	High School Building Fund	4,025,658
General Fund	School Trust Fund	20
General Fund	Nonmajor Governmental Funds	1,261,474
Total		<u>\$ 32,380,196</u>

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

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 7 INTERFUND RECEIVABLES AND PAYABLE AND TRANSFERS (CONTINUED)

B. Interfund Transfers

The composition of interfund transfers for the year ended June 30, 2025 is as follows:

	Transfers In			Nonmajor Governmental Funds	Total Transfers Out
	General Fund	Debt Service Fund	Wastewater Fund		
Transfers Out:					
General Fund	\$ -	\$ 1,425,843	\$ 4,000	\$ 5,370,595	\$ 6,800,438
School Trust Fund	-	-	-	809,113	809,113
Wastewater Fund	2,236	-	-	-	2,236
Water Fund	745	-	-	-	745
Internal Service Funds	248,150	-	-	-	248,150
Nonmajor Governmental Funds	1,621,970	316,929	-	-	1,938,899
Transfers In	<u>\$ 1,873,101</u>	<u>\$ 1,742,772</u>	<u>\$ 4,000</u>	<u>\$ 6,179,708</u>	<u>\$ 9,799,581</u>

During the year, transfers are used to provide a financing source to various funds that may not have the ability to cover all operating costs with revenue generated by the fund. The general fund transfer to debt service is related to principal and interest payments on outstanding debt, the transfer to the wastewater fund is related to Onsite Wastewater Treatment System (OWTS), the Transfer to the internal service funds is related to compensated absences and employee claims and settlements, and to the nonmajor governmental funds is related to capital improvements and recreation and senior programming. The school trust fund transfers are made in support of school programs and Guild operations. The remaining transfers are related to interfund costs related to facilities staff and budgeted revenue related to EMS billing in support of the general fund and Narragansett Library revenue in support of library operations. In addition, transfers are made from Open Space and Fair Share development fees to debt service related to principal and interest payments on outstanding debt.

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 8 CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2025 for governmental activity was as follows:

	Beginning Balance	Adjustments/ Increases	Adjustments/ Decreases	Ending Balance
Governmental Activities:				
Capital Assets Not Being Depreciated and Amortized:				
Land	\$ 14,181,401	\$ -	\$ -	\$ 14,181,401
Construction in Progress	7,913,995	11,082,115	9,631,689	9,364,421
Total Capital Assets Not Being Depreciated	22,095,396	11,082,115	9,631,689	23,545,822
Capital Assets Being Depreciated and Amortized:				
Land Improvements	12,701,569	915,437	-	13,617,006
Buildings	37,826,872	-	-	37,826,872
Building Improvements	47,145,149	602,749	-	47,747,898
Equipment	12,675,637	1,315,793	70,390	13,921,040
Vehicles	8,341,867	2,157,912	588,488	9,911,291
Infrastructure	47,744,038	4,972,575	-	52,716,613
Right-to-Use Lease Equipment	672,709	-	305,413	367,296
Right-to-Use Software	910,800	91,732	17,328	985,204
Intangibles	277,439	60,813	162,000	176,252
Total Capital Assets Being Depreciated and Amortized	168,296,080	10,117,011	1,143,619	177,269,472
Less: Accumulated Depreciation and Amortization for:				
Land Improvements	4,419,465	271,266	-	4,690,731
Buildings	22,520,793	726,622	-	23,247,415
Building Improvements	32,760,919	1,376,023	-	34,136,942
Equipment	6,287,107	809,485	70,390	7,026,202
Vehicles	5,809,112	847,942	561,255	6,095,799
Infrastructure	32,526,448	1,238,354	-	33,764,802
Right-to-Use Lease Equipment	314,371	122,307	305,413	131,265
Subscription Asset	246,768	249,841	17,328	479,281
Intangibles	227,711	37,101	162,000	102,812
Total Accumulated Depreciation and Amortization	105,112,694	5,678,941	1,116,386	109,675,249
Total Capital Assets Being Depreciated and Amortized, Net	63,183,386	4,438,070	27,233	67,594,223
Governmental Activities Capital Assets, Net	<u>\$ 85,278,782</u>	<u>\$ 15,520,185</u>	<u>\$ 9,658,922</u>	<u>\$ 91,140,045</u>

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

Governmental Activities:	
General Government	\$ 626,150
Public Safety	951,537
Public Works	1,661,670
Public Libraries	108,129
Education	1,578,906
Recreation	752,549
Total	<u>\$ 5,678,941</u>

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 8 CAPITAL ASSETS (CONTINUED)

Capital assets activity for the year ended June 30, 2025 for business-type activity was as follows:

	Beginning Balance	Adjustments/ Increases	Adjustments/ Decreases	Ending Balance
Business-Type Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 1,586,530	\$ -	\$ -	\$ 1,586,530
Construction in Progress	1,437,500	2,244,480	113,997	3,567,983
Total Capital Assets Not Being Depreciated	3,024,030	2,244,480	113,997	5,154,513
Capital Assets Being Depreciated and Amortized:				
Land Improvements	2,682,148	-	-	2,682,148
Buildings	10,563,287	-	-	10,563,287
Building Improvements	8,696,849	14,750	-	8,711,599
Equipment	7,375,181	88,377	-	7,463,558
Vehicles	622,976	-	-	622,976
Infrastructure	20,883,330	-	121,241	20,762,089
Subscription Asset	60,060	-	-	60,060
Intangibles	254,692	10,850	-	265,542
Total Capital Assets Being Depreciated and Amortized	51,138,523	113,977	121,241	51,131,259
Less Accumulated Depreciation and Amortization for:				
Land Improvements	1,130,259	45,496	-	1,175,755
Buildings	8,931,686	168,615	-	9,100,301
Building Improvements	2,761,991	326,601	-	3,088,592
Equipment	6,132,147	237,672	-	6,369,819
Vehicles	448,427	42,902	-	491,329
Infrastructure	10,991,806	263,390	117,552	11,137,644
Right-to-Use Software	24,024	12,012	-	36,036
Intangibles	180,779	17,094	-	197,873
Total Accumulated Depreciation and Amortization	30,601,119	1,113,782	117,552	31,597,349
Total Capital Assets Being Depreciated and Amortized, Net	20,537,404	(999,805)	3,689	19,533,910
Business-Type Activities Capital Assets, Net	\$ 23,561,434	\$ 1,244,675	\$ 117,686	\$ 24,688,423

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

Business-Type Activities:	
Wastewater	\$ 890,382
Solid Waste	43,440
Water	179,960
Cafeteria	-
Total	\$ 1,113,782

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9 FUND BALANCE

The components of fund balance for the governmental funds at June 30, 2025 are as follows:

	General Fund	School Trust Fund	Debt Service Fund	ARPA	High School Construction	Nonmajor Governmental Funds	Total
Fund Balances:							
Nonspendable for:							
Prepays	\$ 77,158	\$ -	\$ -	\$ -	\$ -	\$ 14,517	\$ 91,675
Endowment for Recreation and Education	-	413,233	-	-	-	-	413,233
Permanent Funds	-	-	-	-	-	492,020	492,020
Restricted for:							
Recreational and Educational	-	25,866,486	-	-	-	85,201	25,951,687
Asset forfeiture	-	-	-	-	-	211,036	211,036
Libraries Operations	-	-	-	-	-	2,166,718	2,166,718
K-9 Grant	-	-	-	-	-	8,189	8,189
Recycling Program	-	-	-	-	-	55,896	55,896
Miscellaneous Donations Fund	-	-	-	-	-	70,955	70,955
Student Activity	-	-	-	-	-	291,557	291,557
Human Services	-	-	-	-	-	282,718	282,718
Grant Match Reserve Fund	-	-	-	-	-	915,664	915,664
Committed to:							
Debt Service	-	-	3,091,931	-	-	-	3,091,931
Open Space Acquisition	-	-	-	-	-	1,441,029	1,441,029
General Government - Encumbrances	14,999	-	-	-	-	-	14,999
Public Safety Department - Encumbrances	17,588	-	-	-	-	-	17,588
Public Works - Encumbrances	31,477	-	-	-	-	-	31,477
Recreation - Encumbrances	49,157	-	-	-	-	-	49,157
To Balance Future Budgets - Town	1,659,066	-	-	-	-	-	1,659,066
School Capital Funds	1,142,215	-	-	-	-	-	1,142,215
Education Encumbrances	581,057	-	-	-	-	-	581,057
Education	2,991,721	-	-	-	-	-	2,991,721
Affordable Housing	-	-	-	-	-	490,102	490,102
Animal Shelter Renovations	-	-	-	-	-	550,387	550,387
Elderly Services	-	-	-	-	-	539,636	539,636
Public Safety Support	-	-	-	-	-	1,748,522	1,748,522
Operation of Peacedale Office Building	-	-	-	-	-	215,681	215,681
Property Revaluation	-	-	-	-	-	240,641	240,641
Maintenance of South Road School	-	-	-	-	-	302,468	302,468
Municipal Planning Services Grant	-	-	-	-	-	256,146	256,146
School Restricted	-	-	-	-	-	32,857	32,857
Community Development	-	-	-	-	-	14,839	14,839
Capital Equipment Acquisitions	-	-	-	-	-	1,171,485	1,171,485
Data Processing Improvements	-	-	-	-	-	251,467	251,467
Neighborhood Guild	-	-	-	-	-	1,259,110	1,259,110
Park Construction and Maintenance	-	-	-	-	-	58,859	58,859
Library Improvements	-	-	-	-	-	414,911	414,911
Public Safety Building Improvement	-	-	-	-	-	495,894	495,894
Public Service Office Building Improvements	-	-	-	-	-	75,209	75,209
Infrastructure Improvements	-	-	-	-	-	2,982,317	2,982,317
	-	-	-	-	-	20,000	20,000
Recreation Facility Improvement	-	-	-	-	-	3,977,631	3,977,631
Maintenance of Historical Records	-	-	-	-	-	107,288	107,288
School Improvement	-	-	-	-	-	170,914	170,914
Library	-	-	-	-	-	113,863	113,863
Kingstown Recreation Fund	-	-	-	-	-	212,096	212,096
Senior Services Center Construction	-	-	-	-	-	53,375	53,375
Village Infrastructure	-	-	-	-	-	36,804	36,804
Wastewater Construction	-	-	-	-	-	6,228,868	6,228,868
Town Hall Improvements	-	-	-	-	-	110,622	110,622
300th Anniversary	-	-	-	-	-	2,055	2,055
Opioid Settlement	-	-	-	-	-	338,801	338,801
School Capital	-	-	-	-	-	781,637	781,637
Unassigned	18,061,190	-	-	-	(4,466,781)	(10,000)	13,584,409
Total Fund Balances	\$ 24,625,628	\$ 26,279,719	\$ 3,091,931	\$ -	\$ (4,466,781)	\$ 29,279,985	\$ 78,810,482

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9 FUND BALANCE (CONTINUED)

Major encumbrances of \$113,222 are reported in the committed fund balance of the General Fund and represent formal action taken prior to year-end by the governing body, Town Council, to commit existing resources for the settlement of these commitments at a future date.

Endowments Received

	<u>School Trust Fund</u>
Original Principal Received	\$ 413,233
Net Appreciation on Investments	<u>25,866,486</u>
Total Value	<u><u>\$ 26,279,719</u></u>

The original principal remains in the net position on the Statement of Activities and is restricted for the trust principal on the balance sheet – governmental funds. The net appreciation of \$25,866,486 can be authorized for expenditure by the Trustees of South Kingstown School Funds. Income is distributed in keeping with the provisions of the appropriate deed of gift.

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

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

NOTE 10 SHORT-TERM DEBT

Bond Anticipation Notes

The Town uses bond anticipation notes to finance the initial construction period of public projects prior to the issuance of bonds. The notes were issued at a premium of \$532,400.

Short-term obligation activity for the year ended June 30, 2025 was as follows:

<u>Date Issued</u>	<u>Maturity Date</u>	<u>Interest Rate (%)</u>	<u>Balance June 30, 2024</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2025</u>
June 25, 2025	June 25, 2026	4%	\$ -	\$ 55,000,000	\$ -	\$ 55,000,000

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 11 LONG-TERM LIABILITIES

A. General Obligation Bonds

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

General obligation bonds outstanding at June 30, 2025 are as follows:

Description	Date of Issue	Date of Maturity	Interest Rate (%)	Amount of Original Issue	Balance Outstanding June 30, 2025
Governmental Activities:					
General Obligation Bonds:					
School Improvement Series 2009 A	11/12/09	11/01/29	2.55% - 5.00%	\$ 1,200,000	\$ 300,000
Advance Refunding	04/08/15	06/15/27	2.00% - 4.00%	6,935,000	440,000
Community Gymnasium / School Imp. Series 2017	08/16/17	08/15/37	2.00% - 4.00%	5,420,000	3,360,000
School Improvement Series 2020 A	05/12/20	05/15/40	2.75% - 4.00%	3,875,000	2,905,000
Series 2022 General Obligation Bonds	03/03/22	03/01/42	3.00%-4.00%	7,015,000	5,950,000
Total Governmental Activities				<u>24,445,000</u>	<u>12,955,000</u>
Business Type Activities:					
General Obligation Bonds:					
Solid Waste Fund - GO Bond	11/22/05	09/01/25	1.34%	950,000	59,000
Total Business-Type Activities				<u>950,000</u>	<u>59,000</u>
Total Outstanding				<u>\$ 25,395,000</u>	<u>\$ 13,014,000</u>

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

B. Legal Debt Margin

Of the Town's \$13,014,000 total bonds payable (including bonds payable for the solid-waste enterprise fund), approximately \$1,365,959 is subject to its legal debt limits. The \$1,365,959 outstanding does not exceed the Town's legal debt limit of \$208,146,003 which is 3% of the assessed value (\$6,938,200,112) of taxable property of the Town as of December 31, 2023. The total long-term debt bond obligations of the Town of \$13,014,000 represent approximately 0.19% of the assessed value of the taxable property of the Town at June 30, 2025 (assessment date December 31, 2023).

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 11 LONG-TERM LIABILITIES (CONTINUED)

C. Authorized But Unissued Bond Authority

The Town has the following remaining authorized but unissued bond authority as of June 30, 2025:

Purpose	Authorized Amount	Issued	Note Amount	Authorized and Unissued
School Capital Improvements	\$ 4,000,000	\$ 3,980,000	\$ -	\$ 20,000
Town Hall Improvements	300,000	-	-	300,000
Municipal Land Bank Reserve	750,000	-	-	750,000
School/Community Gymnasium	4,150,000	4,055,000	-	95,000
Capital Transportation Improvement	400,000	385,000	-	15,000
Open Space	3,000,000	700,000	-	2,300,000
Neighborhood Guild	1,000,000	940,000	-	60,000
School Improvements	4,000,000	3,875,000	-	125,000
Town Infrastructure	6,500,000	6,075,000	-	425,000
School Capital Improvements	150,000,000	-	55,000,000	95,000,000
Total	<u>\$ 174,100,000</u>	<u>\$ 20,010,000</u>	<u>\$ 55,000,000</u>	<u>\$ 99,090,000</u>

D. Changes in Long-Term Liabilities

Changes in the government's long-term liabilities for the year ended June 30, 2025 are as follows:

	Beginning Balance ⁽¹⁾	Adjustments/ Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 14,225,000	\$ -	\$ 1,270,000	\$ 12,955,000	\$ 1,175,000
Issuance Premium on Bonds	673,630	-	89,156	584,474	-
Total Bonds Payable	<u>14,898,630</u>	<u>-</u>	<u>1,359,156</u>	<u>13,539,474</u>	<u>1,175,000</u>
Compensated Absences	8,077,756	-	118,108	7,959,648	795,965
Net Pension Liability	47,578,055	-	4,267,027	43,311,028	-
Lease Liability	324,124	-	100,519	223,605	71,374
Subscription Liability	681,921	91,732	182,899	590,754	194,456
Financed Purchase	163,980	213,438	37,495	339,923	60,115
Claims and Judgments	872,275	-	67,097	805,178	67,097
Total Governmental Activities Long-Term Liabilities	<u>\$ 72,596,741</u>	<u>\$ 305,170</u>	<u>\$ 6,132,301</u>	<u>\$ 66,769,610</u>	<u>\$ 2,364,007</u>
Business-Type Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 114,000	\$ -	\$ 55,000	\$ 59,000	\$ 59,000
Compensated Absences	436,264	66,566	-	502,830	50,283
Subscription Liability	38,607	-	12,331	26,276	12,929
Total Business-Type Activities Long-Term Liabilities	<u>\$ 588,871</u>	<u>\$ 66,566</u>	<u>\$ 67,331</u>	<u>\$ 588,106</u>	<u>\$ 122,212</u>

(1)The beginning balance of compensated absences in the governmental and business type activities was restated due to the implementation of GASB 101 Compensated Absences.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 11 LONG-TERM LIABILITIES (CONTINUED)

D. Changes in Long-Term Liabilities (Continued)

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

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

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 1,175,000	\$ 402,069	\$ 59,000	\$ 589
2027	930,000	363,991	-	-
2028	830,000	331,006	-	-
2029	795,000	300,488	-	-
2030	1,095,000	270,050	-	-
2031-2035	3,975,000	964,438	-	-
2036-2040	3,455,000	380,463	-	-
2041-2042	700,000	31,500	-	-
Total	<u>\$ 12,955,000</u>	<u>\$ 3,044,005</u>	<u>\$ 59,000</u>	<u>\$ 589</u>

E. Lease Liability

The Town leases equipment as well as certain operating and office facilities for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2028.

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

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2026	\$ 71,374	\$ 7,729
2027	74,370	4,733
2028	77,861	1,610
Total	<u>\$ 223,605</u>	<u>\$ 14,072</u>

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 11 LONG-TERM LIABILITIES (CONTINUED)

F. Subscription-Based Information Technology Arrangements

The Town has entered into subscription-based information technology arrangements (SBITAs) for general ledger and land evidence software. The SBITA arrangements expire at various dates through 2034 and provide for renewal options.

As of June 30, 2025, SBITA assets and the related accumulated amortization totaled \$1,045,264 and \$463,333, respectively.

The future subscription payments under SBITA agreements are as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 194,456	\$ 16,372	\$ 12,929	\$ 416
2027	156,556	9,616	13,347	-
2028	40,230	7,481	-	-
2029	37,451	6,325	-	-
2030	38,639	5,137	-	-
2030-2034	123,422	7,906	-	-
Total	<u>\$ 590,754</u>	<u>\$ 52,837</u>	<u>\$ 26,276</u>	<u>\$ 416</u>

G. Financed Purchases

The Town has entered into a financed purchase agreement as a lessee for financing the acquisition of equipment. The agreement qualifies as a financed purchase for accounting purposes, and, therefore has been recorded at the present value of future minimum payments as of the inception date. The assets acquired through the financed purchase is as follows:

Equipment	Governmental Activities
Less: Accumulated Depreciation	\$ 393,489
Total	<u>(54,353)</u> <u>\$ 339,136</u>

The future minimum lease payments and net present value of the minimum lease payments as of June 30, 2025 were as follows:

<u>Year Ended June 30,</u>	Governmental Activities
2026	\$ 74,716
2027	74,716
2028	74,716
2029	74,716
2030	21,416
2031-2035	<u>64,250</u>
Subtotal	384,530
Less: Amount for Interest	<u>(44,607)</u>
Present Value of Minimum Payments	<u>\$ 339,923</u>

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 12 DEFINED BENEFIT PENSION PLANS

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

General Information about the Pension Plan

Plan Description

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

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

Benefits Provided

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

Salary:

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

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 12 DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

General Information about the Pension Plan (Continued)

Benefits Provided (Continued)

Final Compensation:

Prior to July 1, 2012 and for general employee members eligible to retire as of June 30, 2012, the average was based on the member's highest three consecutive annual salaries. Effective July 1, 2012, the average was based on the member's highest five consecutive annual salaries. Once a member retires or is terminated, the applicable Final Average Compensation (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. For members retiring after July 1, 2024, retiree benefit amounts are based on the average three consecutive years of compensation. Monthly benefits are based on one-twelfth of this amount.

General Employees:

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

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

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

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

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

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 12 DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

General Information about the Pension Plan (Continued)

Benefits Provided (Continued)

General Employees (Continued):

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 EMT Employees:

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

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

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

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

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 12 DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

General Information about the Pension Plan (Continued)

Benefits Provided (Continued)

Police and EMT Employees (Continued):

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 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.

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 12 DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

General Information about the Pension Plan (Continued)

Benefits Provided (Continued)

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).

Cost of living adjustments are provided to retirees based on statutory provisions (Section 36-10-35 of the Rhode Island General Laws). For members and/or beneficiaries of members who retired on or before June 30, 2012, cost of living adjustments are computed annually. For members retiring on or after July 1, 2012, twenty-five percent (or 1/4th) of the cost of living adjustment is computed annually until the plan reaches a 75% funded status. The full benefit adjustment is reinstated for all members upon the plan reaching the 75% funded status.

- A. 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%.
- B. The COLA will be limited to the first \$25,000 of the member's annual pension benefit. For retirees and beneficiaries who retired on or before July 1, 2015, years in which a COLA is payable based on the every fourth year provision described in (a) above will be limited to the first \$30,000. These limits will be indexed annually to increase in the same manner as COLAs, with the known values of \$27,901 for 2022, \$28,878 for 2023 and \$29,776 for 2024.

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

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

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 12 DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

Employees Covered by Benefit Terms

At the June 30, 2023 valuation date, the following employees were covered by the benefit terms:

	Municipal	Police	EMT
Retirees and Beneficiaries	265	55	5
Inactive, Nonretired Members	223	16	22
Active Members	259	55	15
Total	<u>747</u>	<u>126</u>	<u>42</u>

Contributions

The amount of employee and employer contributions have been established under Rhode Island General Law Chapter 45-21. General employees with less than 20 years of service as of June 30, 2012 are required to contribute 2% of their salaries. General employees with more than 20 years of service as of June 30, 2012 are required to contribute 8.25%. Public safety employees are required to contribute 9% of their salaries. The Town contributes at a rate of covered employee payroll as determined by an independent actuary on an annual basis. The General Assembly can amend the amount of these contribution requirements. The Town contributed \$3,263,042 in the year ended June 30, 2025 which was 15.98% of annual covered payroll.

Net Pension Liability (Asset)

The total pension liability (asset) was determined by actuarial valuations performed as of June 30, 2023 and rolled forward to June 30, 2024, using the following actuarial assumptions, applied to all periods included in the measurement.

Summary of Actuarial Assumptions Used in the Valuations to determine the Net Pension Liability (Asset) at the June 30, 2024 measurement date (June 30, 2023 valuation rolled forward to June 30, 2024):

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 - 3.00% to 7.25% ; Police and Fire Employees - 3.50% to 13.50%
Inflation	2.50%
Mortality	Mortality - Variants of the PUB (10) Tables for Healthy and Disabled Retirees, projected with Scale Ultimate MP2021 with immediate convergence.
Cost of Living Adjustments	All future COLAs were assumed to be 2.1% per annum for all MERS units with the COLA provision.

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 12 DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

Net Pension Liability (Asset) (Continued)

The actuarial assumptions used in the calculation of the total pension liability at June 30, 2024 measurement date were based on the 2023 Actuarial Experience Investigation Study for the six-year period ended June 30, 2022 as approved by the System's Board on May 17, 2023.

The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from 40 sources. The June 30, 2024 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table.

<u>Type of Investments</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equity:		
U.S. Equity	25.90 %	5.98 %
International Developed Equity	10.00	6.47
Emerging Markets Equity	4.10	8.10
Private Growth:		
Private Equity	12.50	9.37
Non-Core Real Estate	2.50	4.92
Income:		
Equity Options	2.00	5.69
Liquid Credit	5.00	4.36
Private Credit	3.00	4.36
Collateralized Loan Obligations (CLO)	2.00	4.36
Crisis Protection Class:		
Treasury Duration	5.00	1.00
Systematic Trend	5.00	4.02
Inflation Protection Class:		
Core Real Estate	4.00	4.92
Private Infrastructure	4.00	6.02
Volatility Protection:		
IG Fixed Income	3.25	2.60
Securitized Credit	3.25	2.60
Absolute Return	6.50	4.02
Cash	2.00	1.00
Total	<u>100.00 %</u>	

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 12 DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

Net Pension Liability (Asset) (Continued)

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.

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, and the projection of cash flows as of each fiscal year ending, the pension plan's fiduciary net position and future contributions were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liabilities (Assets)

Municipal Employee's Retirement System - General Employees			
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances as of July 1, 2024	\$ 78,089,669	\$ 70,111,936	\$ 7,977,733
Changes for the Year			
Service Cost	1,073,998	-	1,073,998
Interest on the Total Pension Liability	5,327,563	-	5,327,563
Changes in Benefits	725,231	-	725,231
Difference Between Expected and Actual Experience	1,517,255	-	1,517,255
Changes in Assumptions	-	-	-
Employer Contributions	-	1,767,841	(1,767,841)
Employee Contributions	-	340,987	(340,987)
Net Investment Income	-	7,012,213	(7,012,213)
Benefit Payments, Including Employee Refunds	(5,037,248)	(5,037,248)	-
Administrative Expense	-	(72,271)	72,271
Other Changes	-	(23,146)	23,146
Net Changes	<u>3,606,799</u>	<u>3,988,376</u>	<u>(381,577)</u>
Balances as of June 30, 2025	<u>\$ 81,696,468</u>	<u>\$ 74,100,312</u>	<u>\$ 7,596,156</u>

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 12 DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

Changes in Net Pension Liabilities (Assets) (Continued)

Municipal Employee's Retirement System - Police			
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances as of July 1, 2024	\$ 39,801,371	\$ 33,032,182	\$ 6,769,189
Changes for the Year			
Service Cost	1,035,328	-	1,035,328
Interest on the Total Pension Liability	2,743,313	-	2,743,313
Changes in Benefits	444,135	-	444,135
Difference Between Expected and Actual Experience	778,245	-	778,245
Changes in Assumptions	-	-	-
Employer Contributions	-	1,454,747	(1,454,747)
Employee Contributions	-	537,258	(537,258)
Net Investment Income	-	3,421,927	(3,421,927)
Benefit Payments, Including Employee Refunds	(2,257,690)	(2,257,690)	-
Administrative Expense	-	(35,268)	35,268
Other Changes	-	6,124	(6,124)
Net Changes	<u>2,743,331</u>	<u>3,127,098</u>	<u>(383,767)</u>
Balances as of June 30, 2025	<u>\$ 42,544,702</u>	<u>\$ 36,159,280</u>	<u>\$ 6,385,422</u>

Municipal Employee's Retirement System - EMT			
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances as of July 1, 2024	\$ 5,228,765	\$ 6,466,142	\$ (1,237,377)
Changes for the Year			
Service Cost	210,977	-	210,977
Interest on the Total Pension Liability	367,171	-	367,171
Changes in Benefits	47,279	-	47,279
Difference Between Expected and Actual Experience	48,990	-	48,990
Changes in Assumptions	-	-	-
Employer Contributions	-	40,454	(40,454)
Employee Contributions	-	102,417	(102,417)
Net Investment Income	-	646,528	(646,528)
Benefit Payments, Including Employee Refunds	(177,912)	(177,912)	-
Administrative Expense	-	(6,663)	6,663
Other Changes	-	(239,056)	239,056
Net Changes	<u>496,505</u>	<u>365,768</u>	<u>130,737</u>
Balances as of June 30, 2025	<u>\$ 5,725,270</u>	<u>\$ 6,831,910</u>	<u>\$ (1,106,640)</u>

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 12 DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

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

The following presents the net pension liability (asset) of the employers calculated using the 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.

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
General Employees	\$ 15,394,272	\$ 7,596,156	\$ 458,251
Police	10,402,866	6,385,422	2,690,267
EMT	(579,212)	(1,106,640)	(1,594,008)

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, 2025, the employer recognized pension expense of \$2,395,396. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Municipal	Police	EMT	Total
Deferred Outflows of Resources:				
Difference Between Expected and Actual Experience	\$ 1,676,547	\$ 1,234,383	\$ 50,403	\$ 2,961,333
Changes of Assumptions	-	89,655	11,963	101,618
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	-	-	-
Town Contributions Subsequent to the Measurement Date	1,894,636	1,420,700	43,096	3,358,432
Total Deferred Outflows of Resources	\$ 3,571,183	\$ 2,744,738	\$ 105,462	\$ 6,421,383
Deferred Inflows of Resources:				
Difference Between Expected and Actual Experience	\$ 10,089	\$ 330,196	\$ 168,942	\$ 509,227
Changes of Assumptions	70,454	99,766	20,246	190,466
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,917,699	973,769	180,283	3,071,751
Total Deferred Inflows of Resources	\$ 1,998,242	\$ 1,403,731	\$ 369,471	\$ 3,771,444

Total of the Town contributions subsequent to measurement date of \$3,358,432 reported as deferred outflows of resources related to pensions above will be recognized as a reduction of the net pension liability in the subsequent period.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 12 DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

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

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

<u>Year Ending June 30,</u>	<u>Municipal</u>	<u>Police</u>	<u>EMT</u>
2026	\$ (909,766)	\$ (598,986)	\$ (197,393)
2027	1,341,765	536,455	29,198
2028	(311,650)	(102,414)	(75,023)
2029	(442,044)	27,257	(52,429)
2030	-	57,995	(11,458)
Thereafter	-	-	-
Total	<u>\$ (321,695)</u>	<u>\$ (79,693)</u>	<u>\$ (307,105)</u>

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

Plan Description

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

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

Eligibility and Plan Benefits

The level of benefits provided to participants is established by Chapter 36-10 of the General Laws, which is subject to amendment by the General Assembly. Member benefit provisions vary based on service credits accumulated at dates specified in various amendments to the General Laws outlining minimum retirement age, benefit accrual rates and maximum benefit provisions. In general, members accumulate service credits for each year of service subject to maximum benefit accruals of 80% or 75%. For those hired after June 30, 2012, the benefit accrual rate is 1% per year with a maximum benefit accrual of 40%. For members retiring after July 1, 2024, retiree benefit amounts are based on the average three consecutive years of compensation. 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.

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 12 DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

Eligibility and Plan Benefits (Continued)

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 to retirees based on statutory provisions (Section 36-10-35 of the Rhode Island General Laws). For members and/or beneficiaries of members who retired on or before June 30, 2012, cost of living adjustments are computed annually. For members retiring on or after July 1, 2012, twenty-five percent (or 1/4th) of the cost of living adjustment is computed annually until the plan reaches a 75% funded status. The full benefit adjustment is reinstated for all members upon the plan reaching the 75% funded status.

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 2024, full-time teachers, principals, school nurses and certain other school officials were required to contribute 3.75% of their annual covered salary, except for teachers with 20 or more years of service as of June 30, 2012 must contribute 11% of their annual covered salary. The State and the School are required to contribute at an actuarially determined rate, 40% of which is to be paid by the state and the remaining 60% is to be paid by the School; the rates were 11.42% and 15.54% of annual covered payroll for the fiscal year ended June 30, 2025 for the state and School, respectively. The School contributed \$3,950,716, \$3,785,619 and \$3,916,956, for the fiscal years ended June 30, 2025, 2024, and 2023, respectively, equal to 100% of the required contributions for each year.

For the year ended June 30, 2025, the amount of "on-behalf" contributions made by the State was \$2,876,617 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 12 DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

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

At June 30, 2025, the School reported a liability of \$29,329,450 for its proportionate share of the net pension liability that reflected a reduction for contributions made by the state. The amount recognized by the School as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with the School were as follows:

School's Proportionate Share of the Net Pension Liability	\$ 29,329,450
State's Proportionate Share of the Net Pension Liability Associated with the School	<u>21,948,442</u>
Total Net Pension Liability	<u>\$ 51,277,892</u>

The net pension liability was measured as of June 30, 2024, 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, 2023 rolled forward to June 30, 2024. The School's proportion of the net pension liability was based on a projection of the School's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the state, actuarially determined. At June 30, 2024, the School's proportion was 1.23%.

For the year ended June 30, 2025, the School recognized gross pension expense of \$4,482,277 and revenue of \$1,871,406 for support provided by the State in Exhibit II. At June 30, 2025, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflows of Resources:	
Difference Between Expected and Actual Experience Changes of Assumption	\$ 200,265
Net Difference Between Projected and Actual Earning on Pension Plan Investments	-
Changes in Proportionate Share of Employer Contributions	624,369
Contributions Subsequent to the Measurement Date	<u>3,950,716</u>
Total Deferred Outflows of Resources	<u>\$ 4,775,350</u>

Deferred Inflows of Resources:	
Difference Between Expected and Actual Experience Change of Assumptions	\$ 699,208
Net Difference Between Projected and Actual Earning on Pension Plan Investments	901,600
Changes in Proportionate Share of Employer Contributions	1,798,906
Total Deferred Inflows of Resources	<u>\$ 5,709,306</u>
	<u>\$ 9,109,020</u>

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 12 DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

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

The \$3,950,716 reported as deferred outflows of resources related to pensions resulting from the School contributions in fiscal year 2025 subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2026	\$ (2,958,309)
2027	(1,123,212)
2028	(1,721,287)
2029	(1,552,864)
2030	(779,051)
Thereafter	(149,663)
Total	<u>\$ (8,284,386)</u>

Actuarial Assumptions

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

Inflation	2.5%
Salary Increases	2.75 to 8.25%
Investment Rate of Return	7.0%

Mortality – Variants of the PUB (10) Tables for Healthy and Disabled Retirees, projected with Scale Ultimate MP2021 with immediate convergence.

The actuarial assumptions used in the calculation of the total pension liability at June 30, 2024 measurement date were based on the 2023 Actuarial Experience Investigation Study for the six-year period ended June 30, 2022 as approved by the System's Board on May 17, 2023.

The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from 40 sources. The June 30, 2024 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 12 DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

Actuarial Assumptions (Continued)

<u>Type of Investments</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equity:		
U.S. Equity	25.90 %	5.98 %
International Developed Equity	10.00	6.47
Emerging Markets Equity	4.10	8.10
Private Growth:		
Private Equity	12.50	9.37
Non-Core Real Estate	2.50	4.92
Income:		
Equity Options	2.00	5.69
Liquid Credit	5.00	4.36
Private Credit	3.00	4.36
Collateralized Loan Obligations (CLO)	2.00	4.36
Crisis Protection Class:		
Treasury Duration	5.00	1.00
Systematic Trend	5.00	4.02
Inflation Protection Class:		
Core Real Estate	4.00	4.92
Private Infrastructure	4.00	6.02
Volatility Protection:		
IG Fixed Income	3.25	2.60
Securitized Credit	3.25	2.60
Absolute Return	6.50	4.02
Cash	2.00	1.00
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.

Discount Rate

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

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 12 DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

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

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

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Teachers	\$ 38,081,604	\$ 29,329,450	\$ 21,377,207

Pension Plan Fiduciary Net Position

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

C. Aggregated Pension Information

The Town recognized the following amounts related to pension plans as of and for the year ended June 30, 2025:

	MERS Municipal	MERS Police	MERS EMT	ERS	Total
Net Pension Asset	\$ -	\$ -	\$ 1,106,640	\$ -	\$ 1,106,640
Deferred Outflows of Resources					
Related to Pensions	3,571,183	2,744,738	105,462	4,775,350	11,196,733
Net Pension Liability	7,596,156	6,385,422	-	29,329,450	43,311,028
Deferred Inflows of Resources					
Related to Pensions	1,998,242	1,403,731	369,471	9,109,020	12,880,464
Pension Expense	1,353,123	927,703	114,570	2,610,871	5,006,267

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 12 DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

Plan Description

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

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

Teachers that Contribute to Social Security

Plan Funding Policy

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

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

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

The plan members and town contributed \$1,489,926 and \$338,871, respectively, during the fiscal year ended June 30, 2025 for teacher plan members.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 12 DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

General Employees in MERS that Contribute to Social Security

Plan Funding Policy

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

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

The plan members and town contributed \$465,722 and \$99,527, respectively, during the fiscal year ended June 30, 2025 for town plan members.

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

NOTE 13 OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN

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

Plan Description

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

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

Benefits Provided

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

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 13 OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

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

Eligibility

General Employees

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

Police and EMT

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

Teachers and Administrators

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

Employees Covered by Benefit Terms

At June 30, 2025, the following employees were covered by the benefit terms:

	<u>Participants</u>
Active Employees	575
Retirees	56
Total	631

Contributions

Town Employees hired before July 1, 2006

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

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

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

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 13 OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

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

Contributions (Continued)

Town Employees hired after July 1, 2006

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

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

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

Police Employees

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

EMT Employees

The Town pays \$4,000 per year towards health insurance for employees who have 30 years or more of service or until Medicare eligible; \$2,666 per year for 25 years of service and \$1,333 for 20 years of service. The benefit is paid for three years for eligible employees. Employees retiring on or after July 1, 2021 aged 55 with 25 years of service are eligible for free HDHP coverage funded 100% by the Town.

Public Works Employees Hired Before July 1, 2005

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

Public Works Employees Hired After July 1, 2005

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

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 13 OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

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

Contributions (Continued)

Public Works Employees Hired After July 1, 2005 (Continued)

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

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

School Employees

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

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

For the year ended June 30, 2025, town and school plan members contributed \$292,730 of premium payments. The Town is required to contribute the balance of the current premium cost and may contribute an additional amount as determined by the Town in order to prefund benefits.

Investments

Investment Policy

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

Rate of Return

For the year ended June 30, 2025, the annual money-weighted rate of return on investments, net of investment expense, was 11.66%. The money weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 13 OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

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

Net OPEB Asset of the Town

The components of the net OPEB asset of the Town at June 30, 2025, were as follows:

Total OPEB Liability	\$ 18,730,169
Plan Fiduciary Net Position	28,773,986
Town's Net OPEB Asset	<u>\$ (10,043,817)</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	153.6%

The Town's net OPEB asset was measured as of June 30, 2025, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total OPEB liability in the June 30, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.20% per year
Projected Salary Increases	3.00%
Investment Rate of Return	6.80%
Healthcare Cost Trend Rate	Initial rate of 8.00% decreasing by 0.50% annually to an ultimate rate of 4.50%

Mortality rates were based on the following:

- Healthy School NEA (Teachers) Participants: SOA Pub-2010 Teachers Headcount Weighted Mortality Table fully generational using Scale MP-2021.
- Healthy IBPO/EMT Participants: SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2021.
- All Other Healthy Participants: SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2021.
- Surviving Spouses: SOA Pub-2010 Continuing Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2021.
- Disabled IBPO/EMT Participants: SOA Pub-2010 Public Safety Disabled Headcount Weighted Mortality Table fully generational using Scale MP-2021.
- All Other Disabled Participants: SOA Pub-2010 Non-Safety Disabled Headcount Weighted Mortality Table fully generational using Scale MP-2021.

The long-term expected rate of return on OPEB plan investments is assumed to be 6.90%. This was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 13 OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

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

Actuarial Assumptions (Continued)

These expected real future rates are then combined to produce the long-term expected rate of return by weighting them based on the target asset allocation percentage and by adding in expected inflation (2.20%). The best estimates of arithmetic real rates of return for each major asset class included in the OPEB Plan's target asset allocation as of June 30, 2025 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Large Cap Equity	34.20 %	7.20 %
U.S. Small Cap Equity	1.80	7.90
International Developed Equity	13.50	6.90
Emerging Markets Equity	4.50	7.40
REITs	3.00	7.00
Listed Infrastructure	3.00	7.40
Core Bonds	37.00	5.00
High Yield Bonds	3.00	6.10
Total	<u>100.00 %</u>	

Discount Rate

The discount rate used to measure the total OPEB liability at June 30, 2025 and 2024 was 6.80% and 6.90%, respectively. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the Net OPEB Liability (Asset)

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Balances as of July 1, 2024	\$ 17,032,174	\$ 25,603,190	\$ (8,571,016)
Changes for the Year			
Service Cost	621,428	-	621,428
Interest on the Total Pension Liability	1,170,193	-	1,170,193
Changes in Benefits	(10,201)	-	(10,201)
Changes in Assumptions	1,302,515	-	1,302,515
Difference Between Expected and Actual Experience	26,177		26,177
Employer Contributions	-	1,413,387	(1,413,387)
Net Investment Income	-	3,241,998	(3,241,998)
Benefit Payments	(1,412,117)	(1,412,117)	-
Administrative Expense	-	(72,472)	72,472
Net Changes	<u>1,697,995</u>	<u>3,170,796</u>	<u>(1,472,801)</u>
Balances as of June 30, 2025	<u>\$ 18,730,169</u>	<u>\$ 28,773,986</u>	<u>\$ (10,043,817)</u>

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 13 OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

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

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

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

	1% Decrease (5.80%)	Current Discount (6.80%)	1% Increase (7.80%)
Net OPEB (Asset) Liability	\$ (8,723,653)	\$ (10,043,817)	\$ (11,262,713)

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

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

	1% Decrease (7.00% Decreasing to 3.50%)	Healthcare Cost Trend Rates (8.00% Decreasing to 4.50%)	1% Increase (8900% Decreasing to 5.50%)
Net OPEB (Asset) Liability	\$ (11,723,918)	\$ (10,043,817)	\$ (8,111,239)

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

For the year ended June 30, 2025, the Town recognized OPEB expense of (\$908,109). At June 30, 2025, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 23,797	\$ (4,935,918)
Changes of Assumptions	2,845,817	(138,056)
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	-	(1,191,675)
Total	\$ 2,869,614	\$ (6,265,649)

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 13 OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

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

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

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

<u>Year Ending June 30,</u>	<u>Net Deferred Outflow (Inflow) of Resources</u>
2026	\$ (371,249)
2027	(1,285,709)
2028	(1,198,880)
2029	(625,179)
2030	(28,940)
Thereafter	113,922
Total	<u>\$ (3,396,035)</u>

NOTE 14 TAX ABATEMENTS

As of June 30, 2025, the Town provides tax abatements through multiple programs:

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

The Jewish Children’s Home of Rhode Island Program (Camp JORI) provides real property tax abatements for the provision of a summer camp for disadvantaged Jewish children including full-pay tuition. Authority for the Camp JORI abatement program is granted under Rhode Island General Assembly (Public Laws of 2003, Chapter 220). Eligibility requirements for the Camp JORI are that the program provide disadvantaged children with opportunities and allows the children cultural enrichment. The abatement is granted on the excess land value generally assessed as “open space” and carrying a value of \$500 to \$5,000 per acre. A payment in lieu of taxes is made annually and is based on the current year tax rate. For the fiscal year ended June 30, 2025, taxes abated through this program total \$60,621. There are no provisions to recapture abated taxes under this program; however, any sale or transfer of the premises to any other entity will terminate the agreement effective upon the date in which the sale or transfer occurs. No other commitments have been made by the Town to the abatement recipient under this program.

The South Kingstown Land Trust Abatement Program (SK Land Trust) provides real property tax abatements to encourage the conservation of natural resources of the Town through preservation and stewardship of open spaces. Authority for the SK Land Trust Program is granted under Rhode Island General Assembly (Public Laws of 2003, Chapter 220).

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 14 TAX ABATEMENTS (CONTINUED)

Eligibility requirements are that the recipient provides lasting protection of the Town's open spaces, wildlife habitats, farm and forest lands, aquifers and recharge areas and coastal ecosystems. The abatement is granted on 50% of the property value. For the fiscal year ended June 30, 2025, taxes abated through this program total \$6,103. There are no provisions to recapture abated taxes under this program, however any sale or transfer of the premises to any other entity will terminate the agreement effective upon the date in which the sale or transfer occurs. No other commitments have been made by the Town to the abatement recipient under this program.

The South County Hospital Abatement Program (So Co Hospital) provides real property tax abatements to property owned by So Co Hospital and leased to for-profit business corporations in order to encourage the construction of such facilities. Authority for the So Co Hospital Abatement Program is granted under Rhode Island General Assembly (Public Laws of 1997, Chapter 245). Eligibility requirements are that the property being leased in the aforementioned manner is not to exceed 85% of the space. The abatement is granted on 100% of the property value being leased to the commercial entities with a payment in lieu of taxes made instead that is based on an agreed-upon value modified by the current tax rate. For the fiscal year ended June 30, 2025, taxes abated through this program total \$501,808. There are no provisions to recapture abated taxes under this program; however, any sale or transfer of the premises to any other entity will terminate the agreement effective upon the date in which the sale or transfer occurs. No other commitments have been made by the Town to the abatement recipient under this program.

NOTE 15 RISK MANAGEMENT

A. Rhode Island Inter-Local Risk Management Trust

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

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

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

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 15 RISK MANAGEMENT (CONTINUED)

A. Rhode Island Inter-Local Risk Management Trust (Continued)

Upon joining the trust, members sign a participation agreement that outlines the rights and responsibilities of both the members and the Trust. The agreement states that for premiums paid by members, the Trust will assume financial responsibility for members' losses up to the maximum amount of insurance purchased, minus members' deductible amounts.

Additionally, should a member decide to withdraw from the Trust, the participation agreement requires three months' notice and the payment of a severance penalty.

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

NOTE 16 CHANGE IN ACCOUNTING PRINCIPLE

Effective July 1, 2024, the Town implemented GASB Statement No. 101, Compensated Absences. This statement updated the recognition and measurement guidance for compensated absences and associated salary-related payments and amended certain previously required disclosures. As a result of the implementation of this standard, the compensated absences liability as of July 1, 2024 was understated by \$3,569,897 in the governmental activities and \$208,422 in the business type activities. The effect of the implementation of this standard is shown in the table below.

	Governmental Activities	Business-Type Activities	Wastewater	Solid Waste	Water
Net Position/Fund Balance as Previously reported at June 30, 2024	\$ 102,261,624	\$ 42,503,585	\$ 30,263,403	\$ 2,566,428	\$ 9,420,942
Adjustment:					
Implementation of GASB Statement No. 101	(3,569,897)	(208,422)	(139,018)	(9,503)	(59,901)
Balance as Restated, Beginning of Year	<u>\$ 98,691,727</u>	<u>\$ 42,295,163</u>	<u>\$ 30,124,385</u>	<u>\$ 2,556,925</u>	<u>\$ 9,361,041</u>

NOTE 17 CONTINGENCIES

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

The Town has been notified by the Environmental Protection Agency (EPA) that two former landfills have been placed on the Superfund list. The Rose Hill Regional Landfill was previously operated by the towns of South Kingstown and Narragansett, Rhode Island. A Record of Decision (ROD) was issued in December 1999, which delineates EPA's approved remediation strategy for the site. Consent Decree negotiations with EPA began in November 2000 and were completed in January 2003. The towns have paid \$4,125,000 to settle all past and future federal liabilities associated with the Rose Hill site.

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 17 CONTINGENCIES (CONTINUED)

South Kingstown's \$2,000,000 payment to the federal government was funded with a 20-year general obligation bond sold in September 2002 at an interest rate of 1.648%. Repayment of the debt service associated with this bond will be provided from funds held in reserve within the Solid Waste Fund and from property taxes.

The Town also paid \$504,932 for state natural resource damages and \$62,500 for its share of federal natural resource damages. The Consent Decree also requires reimbursement of 30% of the state of Rhode Island costs associated with the remediation of this landfill site and ongoing operation and maintenance costs. This cost of \$3,941,566 will also be shared equally between the two towns. The remaining balance of the Town's share of the estimated cost of reimbursing the State is \$805,175 at June 30, 2025. Accordingly, this amount has been reported as a liability in the government-wide financial statements. This balance will be paid off during fiscal year ending 2037.

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

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

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2025
(BUDGETARY BASIS)

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Property Tax Revenues	\$ 76,999,305	\$ 76,999,305	\$ 77,253,379	\$ 254,074
Intergovernmental Revenues	12,492,944	12,492,944	12,611,967	119,023
Licenses, Fees, Tuition, and Rent	1,847,141	1,847,141	2,081,503	234,362
Other Local Revenues	3,330,934	3,330,936	4,590,813	1,259,877
Use of Fund Balance	2,221,322	2,221,322	1,793,608	(427,714)
Total Revenues	96,891,646	96,891,648	98,331,270	1,439,622
EXPENDITURES				
Current:				
General Government	6,399,249	6,427,000	5,970,009	456,991
Public Safety	15,590,517	15,590,517	15,625,997	(35,480)
Public Works	3,442,001	3,444,001	3,241,410	202,591
Human Service Agency Contribution	165,050	165,050	165,050	-
Recreation	2,498,295	2,498,296	2,225,910	272,386
Public Libraries	1,506,112	1,506,112	1,418,090	88,022
Education	63,064,834	62,694,834	61,417,723	1,277,111
Pension and Other Employee Benefits	1,099,968	1,070,218	846,696	223,522
Total Expenditures	93,766,026	93,396,028	90,910,885	2,485,143
EXCESS OF REVENUES OVER EXPENDITURES	3,125,620	3,495,620	7,420,385	3,924,765
OTHER FINANCING USES				
Transfers In	1,133,500	1,133,500	1,873,101	739,601
Transfers Out	(4,259,120)	(4,629,120)	(6,800,438)	(2,171,318)
Total Other Financing Uses	(3,125,620)	(3,495,620)	(4,927,337)	(1,431,717)
EXCESS OF REVENUES AND OTHER SOURCES	\$ -	\$ -	2,493,048	\$ 2,493,048

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

Use of Fund Balance is Not a GAAP Revenue	(1,793,608)
Cancellation of Prior Year Encumbrances is Not a GAAP Revenue	(1,964)
Investment income recognized in GASB 54 funds	1,189
Recognition of Fair Value of Investments	512,399
Change in Encumbrances	1,506
Lease interest recognized in accordance with GASB 87	242,154

Total Net Change in Fund Balance - GAAP Basis

\$ 1,454,724

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

Measurement period ending June 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service Cost	\$ 1,073,998	\$ 1,077,292	\$ 1,050,354	\$ 1,117,484	\$ 1,152,324	\$ 1,203,577	\$ 1,218,311	\$ 1,188,057	\$ 1,177,994	\$ 1,178,841
Interest on the Total Pension Liability	5,327,563	5,181,790	5,054,555	4,948,741	4,917,590	4,749,160	4,576,056	4,486,906	4,294,016	4,112,669
Changes of Benefit Terms	725,231	-	-	-	-	-	-	-	-	1,025,090
Difference Between Expected and Actual Experience	1,517,255	882,097	387,791	(101,089)	(916,985)	315,654	308,036	213,561	388,521	(897,943)
Changes of Assumptions	-	(143,814)	-	-	(605,921)	-	-	3,074,881	-	-
Benefit Payments, Including Refunds of Employee Contributions	(5,037,248)	(4,789,233)	(4,587,821)	(4,252,067)	(3,917,097)	(3,756,129)	(3,488,130)	(3,375,303)	(3,212,066)	(2,788,503)
Net Change in Total Pension Liability	3,606,799	2,208,132	1,904,879	1,713,069	629,911	2,512,262	2,614,273	5,588,102	2,648,465	2,630,154
Total Pension Liability - Beginning	78,089,669	75,881,537	73,976,658	72,263,589	71,633,678	69,121,416	66,507,143	60,919,041	58,270,576	55,640,422
Total Pension Liability - Ending (a)	\$ 81,696,468	\$ 78,089,669	\$ 75,881,537	\$ 73,976,658	\$ 72,263,589	\$ 71,633,678	\$ 69,121,416	\$ 66,507,143	\$ 60,919,041	\$ 58,270,576
Plan Fiduciary Net Position										
Contributions - Employer	\$ 1,767,841	\$ 1,749,400	\$ 1,588,324	\$ 1,655,036	\$ 1,616,178	\$ 1,574,009	\$ 1,454,110	\$ 1,481,417	\$ 1,392,328	\$ 1,420,102
Contributions - Employee	340,987	343,105	336,589	370,253	388,409	398,154	416,695	431,900	420,375	246,747
Net Investment Income (Loss)	7,012,213	5,562,139	(1,880,471)	15,575,156	2,164,425	3,642,487	4,285,588	5,792,423	(6,478)	1,213,363
Benefit Payments, Including Refunds of Employee Contributions	(5,037,248)	(4,789,233)	(4,587,821)	(4,252,067)	(3,917,097)	(3,756,129)	(3,488,130)	(3,375,303)	(3,212,066)	(2,788,503)
Pension Plan Administrative Expense	(72,271)	(59,868)	(64,105)	(59,345)	(59,635)	(56,923)	(57,052)	(54,725)	(57,861)	(48,275)
Other	(23,146)	149,310	(247,253)	(563,682)	266,883	(246,782)	116,920	36,837	(79,911)	293,093
Net Change in Plan Fiduciary Net Position	3,988,376	2,954,853	(4,854,737)	12,725,351	459,163	1,554,816	2,728,131	4,312,549	(1,543,613)	336,527
Plan Fiduciary Net Position - Beginning	70,111,936	67,157,083	72,011,820	59,286,469	58,827,306	57,272,490	54,544,359	50,231,810	51,775,423	51,438,896
Plan Fiduciary Net Position - Ending (b)	74,100,312	70,111,936	67,157,083	72,011,820	59,286,469	58,827,306	57,272,490	54,544,359	50,231,810	51,775,423
Net Pension Liability - Ending (a) - (b)	\$ 7,596,156	\$ 7,977,733	\$ 8,724,454	\$ 1,964,838	\$ 12,977,120	\$ 12,806,372	\$ 11,848,926	\$ 11,962,784	\$ 10,687,231	\$ 6,495,153
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	90.70%	89.78%	88.50%	97.34%	82.04%	82.12%	82.86%	82.01%	82.46%	88.85%
Covered Payroll	\$ 14,057,570	\$ 13,688,587	\$ 12,840,511	\$ 13,271,777	\$ 13,290,936	\$ 13,373,078	\$ 12,946,981	\$ 12,761,089	\$ 12,335,012	\$ 12,266,819
Net Pension Liability as a Percentage of Covered Payroll	54.04%	58.28%	67.94%	14.80%	97.64%	95.76%	91.52%	93.74%	86.64%	52.95%

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

Measurement period ended June 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability:										
Service Cost	\$ 1,035,328	\$ 842,728	\$ 826,529	\$ 766,679	\$ 778,731	\$ 753,057	\$ 712,220	\$ 611,529	\$ 600,941	\$ 553,069
Interest on the Total Pension Liability	2,743,313	2,603,730	2,536,097	2,439,151	2,390,723	2,320,873	2,169,463	2,164,555	2,186,552	2,031,908
Changes of Benefit Terms	444,135	-	-	-	-	-	-	-	-	948,578
Difference Between Expected and Actual Experience of the Total Pension Liability	778,245	852,884	(282,209)	97,398	(1,151,920)	(265,606)	1,045,056	(687,204)	(1,391,195)	163,450
Changes of Assumptions	-	(149,842)	-	-	558,650	-	-	1,737,944	-	-
Benefit Payments, Including Refunds of Employee Contributions	(2,257,690)	(2,245,807)	(1,998,876)	(1,897,520)	(1,859,146)	(1,787,461)	(1,780,867)	(1,710,279)	(1,679,490)	(1,638,543)
Net Change in Total Pension Liability	2,743,331	1,903,693	1,081,541	1,405,708	717,038	1,020,863	2,145,872	2,116,545	(283,192)	2,058,462
Total Pension Liability - Beginning	39,801,371	37,897,678	36,816,137	35,410,429	34,693,391	33,672,528	31,526,656	29,410,111	29,693,303	27,634,841
Total Pension Liability - Ending (a)	\$ 42,544,702	\$ 39,801,371	\$ 37,897,678	\$ 36,816,137	\$ 35,410,429	\$ 34,693,391	\$ 33,672,528	\$ 31,526,656	\$ 29,410,111	\$ 29,693,303
Plan Fiduciary Net Position:										
Contributions - Employer	\$ 1,454,747	\$ 1,215,289	\$ 1,112,644	\$ 1,080,517	\$ 1,045,441	\$ 819,275	\$ 786,772	\$ 825,285	\$ 794,657	\$ 712,921
Contributions - Employee	537,258	444,616	426,854	389,375	382,105	367,885	346,748	328,146	319,163	251,692
Net Investment Income (Loss)	3,421,927	2,620,556	(867,692)	6,991,367	941,449	1,565,078	1,814,095	2,453,239	(7,368)	511,433
Benefit Payments, Including Refunds of Employee Contributions	(2,257,690)	(2,245,807)	(1,998,876)	(1,897,520)	(1,859,146)	(1,787,461)	(1,780,867)	(1,710,279)	(1,679,490)	(1,638,543)
Pension Plan Administrative Expense	(35,268)	(28,206)	(29,580)	(26,639)	(25,939)	(24,458)	(24,150)	(23,177)	(19,819)	(19,499)
Other	6,124	37,931	19,829	-	27,120	92,649	-	2,262	(5,036)	416
Net Change in Plan Fiduciary Net Position	3,127,098	2,044,379	(1,336,821)	6,537,100	511,030	1,032,968	1,142,598	1,875,476	(597,893)	(181,580)
Plan Fiduciary Net Position - Beginning	33,032,182	30,987,803	32,324,624	25,787,524	25,276,494	24,243,526	23,100,928	21,225,452	21,823,345	22,004,925
Plan Fiduciary Net Position - Ending (b)	36,159,280	33,032,182	30,987,803	32,324,624	25,787,524	25,276,494	24,243,526	23,100,928	21,225,452	21,823,345
Net Pension Liability - Ending (a) - (b)	\$ 6,385,422	\$ 6,769,189	\$ 6,909,875	\$ 4,491,513	\$ 9,622,905	\$ 9,416,897	\$ 9,429,002	\$ 8,425,728	\$ 8,184,659	\$ 7,869,958
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.99%	82.99%	81.77%	87.80%	72.82%	72.86%	72.00%	73.27%	72.17%	73.50%
Covered Payroll	\$ 5,342,249	\$ 4,321,684	\$ 4,232,098	\$ 3,893,748	\$ 3,821,056	\$ 3,678,831	\$ 3,467,480	\$ 3,284,260	\$ 3,213,589	\$ 3,128,217
Net Pension Liability as a Percentage of Covered Payroll	119.53%	156.63%	163.27%	115.35%	251.84%	255.98%	271.93%	256.55%	254.69%	251.58%

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

Measurement period ending June 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability:										
Service Cost	\$ 210,977	\$ 220,471	\$ 216,864	\$ 220,708	\$ 210,513	\$ 177,617	\$ 157,663	\$ 152,115	\$ 144,725	\$ 144,842
Interest on the Total Pension Liability	367,171	346,767	326,791	300,383	284,831	290,630	278,283	257,163	245,078	219,726
Changes of Benefit Terms	47,279	-	-	-	-	-	-	-	-	180,010
Difference Between Expected and Actual Experience of the Total Pension Liability	48,990	(78,796)	(85,266)	10,548	(102,946)	(435,897)	(111,537)	97,946	(119,389)	(85,523)
Changes of Assumptions	-	(14,059)	-	-	(39,995)	-	-	192,403	-	-
Benefit Payments, Including Refunds of Employee Contributions	(177,912)	(178,394)	(171,239)	(133,691)	(136,960)	(126,334)	(189,661)	(121,882)	(104,062)	(137,877)
Net Change in Total Pension Liability	496,505	295,989	287,150	397,948	215,443	(93,984)	134,748	577,745	166,352	321,178
Total Pension Liability - Beginning	5,228,765	4,932,776	4,645,626	4,247,678	4,032,235	4,126,219	3,991,471	3,413,726	3,247,374	2,926,196
Total Pension Liability - Ending (a)	<u>\$ 5,725,270</u>	<u>\$ 5,228,765</u>	<u>\$ 4,932,776</u>	<u>\$ 4,645,626</u>	<u>\$ 4,247,678</u>	<u>\$ 4,032,235</u>	<u>\$ 4,126,219</u>	<u>\$ 3,991,471</u>	<u>\$ 3,413,726</u>	<u>\$ 3,247,374</u>
Plan Fiduciary Net Position:										
Contributions - Employer	\$ 40,454	\$ 54,214	\$ 42,482	\$ 37,579	\$ 68,210	\$ 41,620	\$ 26,042	\$ 39,491	\$ 41,920	\$ 49,050
Contributions - Employee	102,417	109,523	105,942	108,297	99,722	83,742	74,194	80,103	77,657	65,837
Net Investment Income (Loss)	646,528	512,987	(167,260)	1,334,293	176,331	283,247	321,512	434,255	(1,271)	85,550
Benefit Payments, Including Refunds of Employee Contributions	(177,912)	(178,394)	(171,239)	(133,691)	(136,960)	(126,334)	(189,661)	(121,882)	(104,062)	(137,877)
Pension Plan Administrative Expense	(6,663)	(5,522)	(5,702)	(5,084)	(4,858)	(4,426)	(4,280)	(4,103)	(3,419)	(3,431)
Other	(239,056)	-	-	(2,221)	52,965	(1)	(20,290)	(9)	(1)	1
Net Change in Plan Fiduciary Net Position	365,768	492,808	(195,777)	1,339,173	255,410	277,848	207,517	427,855	10,824	59,130
Plan Fiduciary Net Position - Beginning	6,466,142	5,973,334	6,169,111	4,829,938	4,574,528	4,296,680	4,089,163	3,661,308	3,650,484	3,591,354
Plan Fiduciary Net Position - Ending (b)	<u>6,831,910</u>	<u>6,466,142</u>	<u>5,973,334</u>	<u>6,169,111</u>	<u>4,829,938</u>	<u>4,574,528</u>	<u>4,296,680</u>	<u>4,089,163</u>	<u>3,661,308</u>	<u>3,650,484</u>
Net Pension Liability (Asset) - Ending (a) - (b)	<u>\$ (1,106,640)</u>	<u>\$ (1,237,377)</u>	<u>\$ (1,040,558)</u>	<u>\$ (1,523,485)</u>	<u>\$ (582,260)</u>	<u>\$ (542,293)</u>	<u>\$ (170,461)</u>	<u>\$ (97,692)</u>	<u>\$ (247,582)</u>	<u>\$ (403,110)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	119.33%	123.66%	121.09%	132.79%	113.71%	113.45%	104.13%	102.45%	107.25%	112.41%
Covered Payroll	\$ 1,024,159	\$ 1,095,234	\$ 1,059,422	\$ 1,082,963	\$ 997,221	\$ 837,419	\$ 741,945	\$ 801,028	\$ 778,090	\$ 822,966
Net Pension Liability as a Percentage of Covered Payroll	-108.05%	-112.98%	-98.22%	-140.68%	-58.39%	-64.76%	-22.97%	-12.20%	-31.82%	-48.98%

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

Measurement period ending June 30,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially Determined Contribution	\$ 1,894,636	\$ 1,767,841	\$ 1,749,400	\$ 1,588,324	\$ 1,655,036	\$ 1,616,178	\$ 1,574,009	\$ 1,454,110	\$ 1,481,417	\$ 1,392,328
Contributions in Relation to the Actuarially Determined Contribution	1,894,636	1,767,841	1,749,400	1,588,324	1,655,036	1,616,178	1,574,009	1,454,110	1,481,417	1,392,328
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 14,479,297	\$ 14,057,570	\$ 13,688,587	\$ 12,840,511	\$ 13,271,777	\$ 13,290,936	\$ 13,373,078	\$ 12,946,981	\$ 12,761,089	\$ 12,335,012
Contributions as a Percentage of Covered Payroll	13.09%	12.58%	12.78%	12.37%	12.47%	12.16%	11.77%	11.23%	11.61%	11.29%

Notes to Schedule:

Valuation Date: June 30, 2023

Measurement Date: June 30, 2024

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry age normal
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	19 years
Asset Valuation Method	Five-year smoothed fair value
Inflation	2.50%
Salary Increases	3.00% to 14.00% including inflation
Investment Rate of Return	7.00%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility conditions. Last updated for 2020 valuation.
Mortality	Male: PUB(10) Median Table for Healthy General Employee Males, loaded by 115%, projected with ScaleUltimate Female: PUB(10) Median Table for Healthy General Employee Females, loaded by 111%, projected with ScaleUltimate MP16.

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

Measurement period ended June 30,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially Determined Contribution	\$ 1,420,700	\$ 1,454,747	\$ 1,215,289	\$ 1,112,644	\$ 1,080,517	\$ 1,045,441	\$ 819,275	\$ 786,772	\$ 825,285	\$ 794,657
Contributions in Relation to the Actuarially Determined Contribution	1,420,700	1,454,747	1,215,289	1,112,644	1,080,517	1,045,441	819,275	786,772	825,285	794,657
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 5,502,516	\$ 5,342,249	\$ 4,321,684	\$ 4,232,098	\$ 3,893,748	\$ 3,821,056	\$ 3,678,831	\$ 3,467,480	\$ 3,284,260	\$ 3,213,589
Contributions as a Percentage of Covered Payroll	25.82%	27.23%	28.12%	26.29%	27.75%	27.36%	22.27%	22.69%	25.13%	24.73%

Notes to Schedule:

Valuation Date: June 30, 2023

Measurement Date: June 30, 2024

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry age normal
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	19 years
Asset Valuation Method	Five-year smoothed fair value
Inflation	2.50%
Salary Increases	3.00% to 14.00% including inflation
Investment Rate of Return	7.00%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility conditions. Last updated for 2020 valuation.
Mortality	Male: PUB(10) Median Table for Healthy General Employee Males, loaded by 115%, projected with ScaleUltimate Female: PUB(10) Median Table for Healthy General Employee Females, loaded by 111%, projected with ScaleUltimate MP16.

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

Measurement period ending June 30,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially Determined Contribution	\$ 43,096	\$ 40,454	\$ 54,214	\$ 42,482	\$ 37,579	\$ 68,210	\$ 41,620	\$ 26,042	\$ 39,491	\$ 41,920
Contributions in Relation to the Actuarially Determined Contribution	43,096	40,454	54,214	42,482	37,579	68,210	41,620	26,042	39,491	41,920
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 1,054,884	\$ 1,024,159	\$ 1,095,234	\$ 1,059,422	\$ 1,082,963	\$ 997,221	\$ 837,419	\$ 741,945	\$ 801,028	\$ 778,090
Contributions as a Percentage of Covered Payroll	4.09%	3.95%	4.95%	4.01%	3.47%	6.84%	4.97%	3.51%	4.93%	5.39%

Notes to Schedule:

Valuation Date: June 30, 2023

Measurement Date: June 30, 2024

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry age normal
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	19 years
Asset Valuation Method	Five-year smoothed fair value
Inflation	2.50%
Salary Increases	3.00% to 14.00% including inflation
Investment Rate of Return	7.00%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility conditions. Last updated for 2020 valuation.
Mortality	Male: PUB(10) Median Table for Healthy General Employee Males, loaded by 115%, projected with ScaleUltimate Female: PUB(10) Median Table for Healthy General Employee Females, loaded by 111%, projected with ScaleUltimate MP16.

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Town's Proportion of the Net Pension Liability	1.23%	1.35%	1.46%	1.47%	1.44%	1.54%	1.49%	1.56%	1.66%	1.62%
Town's Proportionate Share of the Net Pension Liability	\$ 29,329,450	\$ 32,831,133	\$ 39,360,972	\$ 34,591,912	\$ 45,952,223	\$ 49,057,890	\$ 47,392,970	\$ 49,047,536	\$ 49,461,027	\$ 44,674,781
State's Proportionate Share of the Net Pension Liability Associated with the School District	<u>21,948,442</u>	<u>24,111,723</u>	<u>29,110,204</u>	<u>25,653,004</u>	<u>34,143,627</u>	<u>36,749,440</u>	<u>35,351,752</u>	<u>37,068,153</u>	<u>33,873,541</u>	<u>30,520,408</u>
Total	<u>\$ 51,277,892</u>	<u>\$ 56,942,856</u>	<u>\$ 68,471,176</u>	<u>\$ 60,244,916</u>	<u>\$ 80,095,850</u>	<u>\$ 85,807,330</u>	<u>\$ 82,744,722</u>	<u>\$ 86,115,689</u>	<u>\$ 83,334,568</u>	<u>\$ 75,195,189</u>
Town's Covered Payroll	\$ 30,904,738	\$ 31,597,939	\$ 29,790,548	\$ 29,498,488	\$ 29,195,257	\$ 27,832,994	\$ 28,005,990	\$ 26,970,899	\$ 26,698,936	\$ 25,552,372
Town's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	94.90%	103.90%	132.13%	117.27%	157.40%	176.26%	169.22%	181.85%	185.25%	174.84%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	67.70%	65.80%	62.10%	66.50%	54.30%	54.60%	54.30%	54.00%	54.06%	57.55%

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

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially Determined Contribution	\$ 3,950,716	\$ 3,785,619	\$ 3,916,956	\$ 4,049,647	\$ 3,976,714	\$ 3,760,382	\$ 3,838,124	\$ 3,629,676	\$ 3,636,144	\$ 3,739,438
Contributions in Relation to the Actuarially Determined Contribution	3,950,716	3,785,619	3,916,956	4,049,647	3,976,714	3,760,382	3,838,124	3,629,676	3,636,144	3,739,438
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 30,904,738	\$ 31,597,939	\$ 29,790,548	\$ 29,498,488	\$ 29,195,257	\$ 27,832,994	\$ 28,005,990	\$ 26,970,899	\$ 26,698,936	\$ 25,552,372
Contributions as a Percentage of Covered Payroll	12.78%	11.98%	13.15%	13.73%	13.62%	13.51%	13.70%	13.46%	13.62%	14.63%

Notes:

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

Notes to Schedule:

Valuation Date: June 30, 2023
Measurement Date: June 30, 2024

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method Entry age normal
Amortization Method Level percentage of payroll, closed
Remaining Amortization Period 17 years at June 30, 2022
Inflation 2.50%
Salary Increases Teachers -2.75% to 8.25%
Investment Rate of Return 7.00%
Mortality State employees and teachers: Variants of the PUB (10) Tables for Health and Disabled Retirees, projected with Scale Ultimate MP2021 with immediate convergence.

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total OPEB Liability:										
Service Cost	\$ 621,428	\$ 627,363	\$ 622,469	\$ 652,493	\$ 624,785	\$ 734,058	\$ 719,293	\$ 719,381	\$ 719,382	\$ 820,802
Interest on the Total OPEB Liability	1,170,193	1,139,621	1,121,717	1,101,140	1,176,031	1,368,716	1,411,561	1,283,580	1,199,145	1,416,126
Changes of Benefit Terms	(10,201)	-	(9,164)	135,876	-	-	-	25,908	-	-
Changes of Assumptions	1,302,515	523,704	(112,074)	(88,865)	277,949	120,308	-	2,214,123	-	788,258
Differences Between Expected and Actual Experience	26,177	(1,047,453)	(97,132)	(769,026)	(1,229,973)	(2,962,117)	(1,530,172)	(1,155,474)	(214,423)	(3,006,059)
Benefit Payments	(1,412,117)	(1,674,610)	(1,372,376)	(1,353,977)	(1,347,422)	(1,324,528)	(1,178,252)	(1,204,160)	(1,142,035)	(1,127,619)
Net Change in Total OPEB Liability	1,697,995	(431,375)	153,440	(322,359)	(498,630)	(2,063,563)	(577,570)	1,883,358	562,069	(1,108,492)
Total OPEB Liability - Beginning	17,032,174	17,463,549	17,310,109	17,632,468	18,131,098	20,194,661	20,772,231	18,888,873	18,326,804	19,435,296
Total OPEB Liability - Ending	<u>\$ 18,730,169</u>	<u>\$ 17,032,174</u>	<u>\$ 17,463,549</u>	<u>\$ 17,310,109</u>	<u>\$ 17,632,468</u>	<u>\$ 18,131,098</u>	<u>\$ 20,194,661</u>	<u>\$ 20,772,231</u>	<u>\$ 18,888,873</u>	<u>\$ 18,326,804</u>
Plan Fiduciary Net Position:										
Contributions - Employer	\$ 1,413,387	\$ 2,056,300	\$ 1,566,348	\$ 1,653,565	\$ 2,100,581	\$ 1,909,528	\$ 2,778,252	\$ 2,704,160	\$ 1,742,035	\$ 1,727,619
Net Investment Income	3,241,998	2,748,128	1,778,869	(3,097,464)	4,352,851	994,076	1,120,738	828,458	1,143,920	(62,732)
Benefit Payments	(1,412,117)	(1,674,610)	(1,372,376)	(1,353,977)	(1,347,422)	(1,324,528)	(1,178,252)	(1,204,160)	(1,142,035)	(1,127,619)
OPEB Plan Administrative Expense	(72,472)	(62,397)	(58,262)	(60,371)	(53,448)	(38,206)	(34,629)	(29,855)	(38,915)	(55,503)
Net Change in Plan Fiduciary Net Position	3,170,796	3,067,421	1,914,579	(2,858,247)	5,052,562	1,540,870	2,686,109	2,298,603	1,705,005	481,765
Plan Fiduciary Net Position - Beginning	25,603,190	22,535,769	20,621,190	23,479,437	18,426,875	16,886,005	14,199,896	11,901,293	10,196,288	9,714,523
Plan Fiduciary Net Position - Ending (b)	<u>28,773,986</u>	<u>25,603,190</u>	<u>22,535,769</u>	<u>20,621,190</u>	<u>23,479,437</u>	<u>18,426,875</u>	<u>16,886,005</u>	<u>14,199,896</u>	<u>11,901,293</u>	<u>10,196,288</u>
Net OPEB Liability (Asset) - Ending	<u>\$ (10,043,817)</u>	<u>\$ (8,571,016)</u>	<u>\$ (5,072,220)</u>	<u>\$ (3,311,081)</u>	<u>\$ (5,846,969)</u>	<u>\$ (295,777)</u>	<u>\$ 3,308,656</u>	<u>\$ 6,572,335</u>	<u>\$ 6,987,580</u>	<u>\$ 8,130,516</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	153.62%	150.32%	129.04%	119.13%	133.16%	101.63%	83.62%	68.36%	63.01%	55.64%
Covered-Employee Payroll	\$ 47,854,804	\$ 44,692,963	\$ 46,916,397	\$ 43,238,322	\$ 45,574,729	\$ 42,866,121	\$ 44,236,539	\$ 43,253,947	\$ 42,186,979	\$ 40,859,060
Net OPEB Liability (Asset) as a Percentage of Covered-Employee Payroll	-20.99%	-19.18%	-10.81%	-7.66%	-12.83%	-0.69%	7.48%	15.19%	16.56%	19.90%

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

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially Determined Contribution (1)	\$ -	\$ 1,674,610	\$ 1,372,376	\$ 1,353,977	\$ 1,347,422	\$ 1,392,198	\$ 1,857,859	\$ 1,829,061	\$ 1,863,644	\$ 1,812,425
Contributions in Relation to the Actuarially Determined Contribution	1,413,387	2,056,300	1,566,348	1,653,565	2,100,581	1,909,528	2,778,252	2,704,160	1,742,035	1,727,619
Contribution Deficiency (Excess)	<u>\$ (1,413,387)</u>	<u>\$ (381,690)</u>	<u>\$ (193,972)</u>	<u>\$ (299,588)</u>	<u>\$ (753,159)</u>	<u>\$ (517,330)</u>	<u>\$ (920,393)</u>	<u>\$ (875,099)</u>	<u>\$ 121,609</u>	<u>\$ 84,806</u>
Covered-Employee Payroll	\$ 47,854,804	\$ 44,692,963	\$ 46,916,397	\$ 43,238,322	\$ 45,574,729	\$ 42,866,121	\$ 44,236,539	\$ 43,253,947	\$ 42,186,979	\$ 40,859,060
Contributions as a Percentage of Covered-Employee Payroll	2.95%	4.60%	3.34%	3.82%	4.61%	4.45%	6.28%	6.25%	4.13%	4.23%

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

Notes to Schedule:

Valuation Date: July 1, 2024
 Measurement Date: June 30, 2025

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method: Entry Age Normal Level % of Salary.
 Discount Rate: 6.90% and will be updated annually to reflect market conditions
 Payroll: Level percentage of payroll, closed
 Asset Valuation Method: Market value of assets
 Inflation: 2.20% per year
 Salary Increases: For amortization purposes: 3.00%
 For valuation purposes: 13.50%-3.50% for IBPO/EMT and 7.25%-3.00% for all others
 Investment Rate of Return: 6.90%
 Healthcare Trend Rates: Initial 8.00% decreasing by 0.5% annually to an ultimate rate of 4.50%
 Disability/Termination/Retirement Rates: Experience-based table of rates that are specific to the type of eligibility conditions.
 Mortality: SOA Pub-2010 tables varying by participant group using scale MP-2019.

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	11.66%	11.16%	7.97%	-14.32%	20.81%	5.60%	7.13%	12.24%	6.87%	6.64%

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

GENERAL FUND

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

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

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
COMBINING BALANCE SHEET
GENERAL FUND
JUNE 30, 2025

	General Fund	School Unrestricted Fund	Eliminations	Total General Fund
ASSETS				
Cash and Cash Equivalents	\$ 34,475,253	\$ 1,248,323	\$ -	\$ 35,723,576
Investments	13,466,395	-	-	13,466,395
Accounts and Other Receivable, Net	1,429,226	214,489	-	1,643,715
Due from Federal and State Governments	60,627	7,905	-	68,532
Due from Other Funds	4,499,193	4,911,498	(4,116,602)	5,294,089
Lease Receivable	8,628,935	-	-	8,628,935
Prepaid Items	45,612	31,546	-	77,158
	<u>\$ 62,605,241</u>	<u>\$ 6,413,761</u>	<u>\$ (4,116,602)</u>	<u>\$ 64,902,400</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 685,350	\$ 992,708	\$ -	\$ 1,678,058
Accrued Liabilities	1,348,133	14,525	-	1,362,658
Due to State and Federal Governments	224,984	20,105	-	245,089
Due to Other Funds	30,931,358	271,351	(4,116,602)	27,086,107
Unearned Revenue	274,666	368,533	-	643,199
Deposits Held In Custody of Others	188,427	-	-	188,427
Total Liabilities	<u>33,652,918</u>	<u>1,667,222</u>	<u>(4,116,602)</u>	<u>31,203,538</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	573,412	-	-	573,412
Deferred Inflow - Leases	8,043,902	-	-	8,043,902
Advance Property Tax Collections	455,920	-	-	455,920
Total Deferred Inflows of Resources	<u>9,073,234</u>	<u>-</u>	<u>-</u>	<u>9,073,234</u>
FUND BALANCES				
Nonspendable	45,612	31,546	-	77,158
Committed	1,772,287	4,714,993	-	6,487,280
Unassigned	18,061,190	-	-	18,061,190
Total Fund Balances	<u>19,879,089</u>	<u>4,746,539</u>	<u>-</u>	<u>24,625,628</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 62,605,241</u>	<u>\$ 6,413,761</u>	<u>\$ (4,116,602)</u>	<u>\$ 64,902,400</u>

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
GENERAL FUND
YEAR ENDED JUNE 30, 2025

	General Fund	School Unrestricted Fund	Eliminations	Total General Fund
REVENUES				
Property Taxes, Interest, and Lien Fees	\$ 77,482,435	\$ -	\$ -	\$ 77,482,435
Intergovernmental Revenues	6,823,773	6,008,520	-	12,832,293
Licenses and Fees	2,143,134	924,909	-	3,068,043
Investment Income	2,379,136	387,390	-	2,766,526
Fines and Charges for Services	-	-	-	-
Departmental	1,282,820	-	-	1,282,820
State on Behalf Pension Contribution	-	2,876,617	-	2,876,617
Other Local Revenues	-	-	-	-
Total Revenues	<u>90,111,298</u>	<u>10,197,436</u>	<u>-</u>	<u>100,308,734</u>
EXPENDITURES				
Current:				
General Government	6,751,898	-	-	6,751,898
Public Safety	15,612,099	-	-	15,612,099
Public Works	3,209,933	-	-	3,209,933
Human Service Agency Contribution	165,050	-	-	165,050
Public Libraries	1,418,090	-	-	1,418,090
Education	-	64,358,673	-	64,358,673
Recreation	2,251,344	-	-	2,251,344
Debt Service:				
Principal Retirement	74,523	73,508	-	148,031
Interest and Other Charges	8,719	2,836	-	11,555
Capital Outlay	189,915	-	-	189,915
Total Expenditures	<u>29,681,571</u>	<u>64,435,017</u>	<u>-</u>	<u>94,116,588</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	60,429,727	(54,237,581)	-	6,192,146
OTHER FINANCING SOURCES (USES)				
Issuance of Financed Purchases	98,183	-	-	98,183
Issuance of Subscriptions	91,732	-	-	91,732
Transfers In from Other Funds	1,837,359	56,030,515	(55,994,773)	1,873,101
Transfers Out to Other Funds	(61,262,078)	(1,533,133)	55,994,773	(6,800,438)
Total Other Financing Sources (Uses)	<u>(59,234,804)</u>	<u>54,497,382</u>	<u>-</u>	<u>(4,737,422)</u>
NET CHANGE IN FUND BALANCES	1,194,923	259,801	-	1,454,724
Fund Balances - Beginning of Year	<u>18,684,166</u>	<u>4,486,738</u>	<u>-</u>	<u>23,170,904</u>
FUND BALANCES - END OF YEAR	<u>\$ 19,879,089</u>	<u>\$ 4,746,539</u>	<u>\$ -</u>	<u>\$ 24,625,628</u>

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
SCHEDULE OF REVENUES, EXPENDITURES, AND
OTHER FINANCING SOURCES (USES)
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2025
(BUDGETARY BASIS)**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES AND USE OF FUND BALANCE				
Property Taxes:				
Current Taxes	\$ 75,682,607	\$ 75,682,607	\$ 75,824,866	\$ 142,259
Prior Taxes	530,000	530,000	633,693	103,693
Total Taxes Current and Prior	76,212,607	76,212,607	76,458,559	245,952
Pilot - Federal Aid	8,000	8,000	7,664	(336)
FEMA - Storm Assistance	-	-	13,098	13,098
Interest on Taxes	348,250	348,250	315,811	(32,439)
Payment In Lieu of Taxes	430,448	430,448	458,247	27,799
Total Property Taxes	76,999,305	76,999,305	77,253,379	254,074
State Aid - Town:				
General State Aid	396,169	396,169	403,928	7,759
Telephone Tax	418,487	418,487	451,761	33,274
Meals and Beverage Tax	1,304,226	1,304,226	1,231,086	(73,140)
State Library General Aid	232,864	232,864	240,772	7,908
State Library Endowment Aid	20,955	20,955	21,667	712
State Motor Vehicle Phase-Out	3,930,455	3,930,455	3,920,088	(10,367)
Hotel Tax	321,941	321,941	474,818	152,877
Total State Aid - Town	6,625,097	6,625,097	6,744,120	119,023
Licenses, Fees, and Rents:				
Business Licenses and Fees	646,560	646,560	773,772	127,212
Nonbusiness Licenses and Fees	368,400	368,400	342,428	(25,972)
Real Estate Conveyance Fees	166,000	166,000	190,741	24,741
Rental of Town Properties	496,181	496,181	541,130	44,949
Total Licenses, Fees, and Rents	1,677,141	1,677,141	1,848,071	170,930
Investment Income - Short-Term	665,000	665,000	1,865,548	1,200,548
Departmental Revenues:				
Police Department Revenue	192,780	192,780	247,352	54,572
EMS Miscellaneous Revenue	1,000	1,000	497	(503)
Park Rental Revenue	39,000	39,000	51,451	12,451
Town Beach Parking	291,650	291,650	242,247	(49,403)
Boat and Mooring	38,500	38,500	44,323	5,823
Animal Control Fees	700	700	440	(260)
Library Fines and Miscellaneous	6,580	6,580	2,765	(3,815)
Dog/Cat Licenses and Fines	4,700	4,700	3,489	(1,211)
Recreation Department	135,220	135,220	124,255	(10,965)
Recreation Self-Support Program	235,300	235,300	219,116	(16,184)
Planning Department	5,000	5,000	48,323	43,323
Communications Department Revenue	2,502	2,502	2,623	121
Copy Charges	2,500	2,500	2,642	142
Recreation Department - Outside Sponsors	1,700	1,700	-	(1,700)
Stepping Stone - Creative	69,120	69,120	57,543	(11,577)
Stepping Stone - Self Supported	4,800	4,800	2,770	(2,030)
Geographic Information Systems Program	200	200	181	(19)
Narragansett - Dog Pound	70,500	70,500	70,500	-
Miscellaneous - Town	989,682	989,684	525,885	(463,799)
Total Departmental Revenues	2,091,434	2,091,436	1,646,402	(445,034)
Use of Fund Balance	1,793,608	1,793,608	1,793,608	-
Total Revenues and Use of Fund Balance	89,851,585	89,851,587	91,151,128	1,299,541

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER
FINANCING SOURCES (USES) (CONTINUED)
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2025
(BUDGETARY BASIS)**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES				
General Government:				
Town Council	\$ 33,405	\$ 33,405	\$ 30,819	\$ 2,586
Financial Town Meeting	15,256	15,256	-	15,256
Legal Staff	267,223	284,973	333,065	(48,092)
Probate Judge	15,536	15,536	16,282	(746)
Town Clerk	465,043	465,423	460,990	4,433
Canvassing Authority	149,191	149,521	127,705	21,816
Municipal Court	106,947	106,237	62,482	43,755
Town Manager's Office	610,543	610,543	544,155	66,388
Personnel Administration	208,021	208,021	196,016	12,005
Town Hall Operations	1,111,191	1,111,192	966,571	144,621
Finance Department	936,331	936,331	928,483	7,848
Tax Assessor's Office	484,043	484,043	441,910	42,133
Information Technology	602,212	602,212	571,223	30,989
Geographic Information Systems	156,066	156,066	168,710	(12,644)
Planning Department	652,585	652,585	630,854	21,731
Conservation Commission	850	850	100	750
Zoning/Building Inspection	584,806	594,806	490,644	104,162
Total General Government	<u>6,399,249</u>	<u>6,427,000</u>	<u>5,970,009</u>	<u>456,991</u>
Public Safety:				
Police Department	10,408,171	10,407,571	9,977,581	429,990
Police Civilians	684,039	684,039	650,611	33,428
Police Dispatch	888,129	888,729	1,001,527	(112,798)
Animal Control - RD/Shelter	376,735	376,735	343,528	33,207
Communications	340,985	340,985	330,198	10,787
Harbor Patrol/Natural Resource Officer	128,457	128,457	120,233	8,224
Emergency Medical Services	2,764,001	2,764,001	3,202,319	(438,318)
Total Public Safety	<u>15,590,517</u>	<u>15,590,517</u>	<u>15,625,997</u>	<u>(35,480)</u>
Public Works:				
Public Works Administration	519,213	519,213	541,253	(22,040)
Streets and Highway	2,761,229	2,763,229	2,583,783	179,446
Tree Warden/Street Lighting	161,559	161,559	116,374	45,185
Total Public Works	<u>3,442,001</u>	<u>3,444,001</u>	<u>3,241,410</u>	<u>202,591</u>
Human Service Agency Contributions	\$ 165,050	\$ 165,050	\$ 165,050	\$ -
Recreation:				
Recreation Department	2,498,295	2,498,296	2,225,910	272,386

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER
FINANCING SOURCES (USES) (CONTINUED)
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2025
(BUDGETARY BASIS)**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES (CONTINUED)				
Public Libraries	\$ 1,506,112	\$ 1,506,112	\$ 1,418,090	\$ 88,022
Miscellaneous:				
Unemployment Insurance	16,500	16,500	21,734	(5,234)
Insurance	525,000	525,000	598,278	(73,278)
Contingency	315,968	286,218	51,591	234,627
OPEB Funding	15,000	15,000	-	15,000
Workers' Compensation	227,500	227,500	175,093	52,407
Total Miscellaneous	<u>1,099,968</u>	<u>1,070,218</u>	<u>846,696</u>	<u>223,522</u>
Total Expenditures	<u>30,701,192</u>	<u>30,701,194</u>	<u>29,493,162</u>	<u>1,208,032</u>
EXCESS OF REVENUES OVER EXPENDITURES	59,150,393	59,150,393	61,657,966	2,507,573
OTHER FINANCING SOURCES (USES)				
Transfers In:				
From Capital Project Funds				-
From Special Revenue Funds	1,083,500	1,083,500	1,098,050	14,550
From School Trust Funds	20,000	20,000	30,434	10,434
Transfers from Other Funds	-	-	708,875	708,875
Transfers Out:				
Wastewater Fund	(4,000)	(4,000)	(4,000)	-
Elderly Services	(524,721)	(524,721)	(524,721)	-
Tax Transfer to School	(55,994,773)	(55,994,773)	(55,994,773)	-
Miscellaneous Tax Dollar Transfer	-	-	(1,008,185)	(1,008,185)
Tax Transfer to Debt Service	(1,275,843)	(1,275,843)	(1,275,843)	-
Tax Transfer to Comm Rec Ctr	(410,621)	(410,621)	(410,621)	-
To Capital Project Funds	(1,878,935)	(1,878,935)	(1,878,935)	-
Transfers to Other Funds	(165,000)	(165,000)	(165,000)	-
Total Other Financing Sources (Uses)	<u>(59,150,393)</u>	<u>(59,150,393)</u>	<u>(59,424,719)</u>	<u>(274,326)</u>
EXCESS OF REVENUES, OTHER SOURCES AND USES OF FUND BALANCE OVER EXPENDITURES AND OTHER FINANCING USES	<u>\$ -</u>	<u>\$ -</u>	2,233,247	<u>\$ 2,233,247</u>

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

Use of Fund Balance is Not a GAAP Revenue	(1,793,608)
Cancellation of Prior Year Encumbrances is Not a GAAP Revenue	(1,964)
Encumbrances are reported in the year the order is placed for budgetary purposes but in the Year received for financial reporting purposes	1,506
Investment income recognized in GASB 54 funds	1,189
Recognition of Fair Value of Investments	512,399
Financed Purchases Issued	
Lease interest recognized in accordance with GASB 87	242,154

Total Net Change in Fund Balance - GAAP Basis \$ 1,194,923

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL
SCHOOL UNRESTRICTED FUND
YEAR ENDED JUNE 30, 2025
(BUDGETARY BASIS)

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES AND DESIGNATED FUND BALANCE				
State Aid	\$ 5,867,847	\$ 5,867,847	\$ 5,867,847	\$ -
Tuition	170,000	170,000	233,432	63,432
Investment Income	1,500	1,500	387,390	385,890
Miscellaneous	573,000	573,000	691,473	118,473
Total Revenues	<u>6,612,347</u>	<u>6,612,347</u>	<u>7,180,142</u>	<u>567,795</u>
Use of Fund Balance	<u>427,714</u>	<u>427,714</u>	<u>-</u>	<u>(427,714)</u>
Total Revenues and Use of Fund Balance	7,040,061	7,040,061	7,180,142	140,081
EXPENDITURES				
Salaries	30,888,909	30,901,539	31,064,476	(162,937)
Employee Benefits	14,038,155	14,038,155	13,518,009	520,146
Purchased Services	16,198,409	15,753,319	15,039,474	713,845
Supplies and Materials	1,727,440	1,699,984	1,540,153	159,831
Capital Outlay	211,921	301,837	255,611	46,226
Total Expenditures	<u>63,064,834</u>	<u>62,694,834</u>	<u>61,417,723</u>	<u>1,277,111</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(56,024,773)	(55,654,773)	(54,237,581)	1,417,192
OTHER FINANCING SOURCES				
Transfers In:				
Town of South Kingstown General Fund	55,994,773	55,994,773	55,994,773	-
Trust Fund Income	30,000	30,000	35,742	5,742
Transfers Out:				
Transfers to Other Funds	-	(370,000)	(1,533,133)	(1,163,133)
Total Other Financing Sources	<u>56,024,773</u>	<u>55,654,773</u>	<u>54,497,382</u>	<u>(1,157,391)</u>
EXCESS OF REVENUES, OTHER SOURCES AND USES OF FUND BALANCE OVER EXPENDITURES AND OTHER FINANCING USES	<u>\$ -</u>	<u>\$ -</u>	259,801	<u>\$ 259,801</u>
Total Net Change in Fund Balance - GAAP Basis			<u>\$ 259,801</u>	

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

TOWN FUNDS

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

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

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

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

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

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

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

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

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

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

SCHOOL FUNDS

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

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

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

CAPITAL PROJECTS FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Grant Match Reserve Fund – This fund is used to account for the Town's share of capital grants with a matching component.

School Capital Fund – This fund is used to account for major capital acquisitions and improvements at School district facilities that are funded over a multi-year period.

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

Village Infrastructure Fund – This fund is used to account for real estate conveyance taxes to be set aside to provide matching funds for neighborhood associations and nonprofit organizations for infrastructure projects that meet the capital investment standards for Town-initiated projects.

PERMANENT FUNDS

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

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

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

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

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

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

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2025**

Special Revenue Funds									
	Affordable Housing	Animal Shelter Benefit Fund	Asset Forfeiture Fund	Community Development Block Grant	Community Recreation Center	Elderly Services	EMS Billing Services	300th Anniversary	Historical and Vital Recording Fees
ASSETS									
Cash and Cash Equivalents	\$ -	\$ -	\$ 740	\$ -	\$ 399,455	\$ 624,718	\$ 920,770	\$ -	\$ -
Investments	-	-	-	-	-	-	923,526	-	-
Accounts and Other Receivables	-	-	-	-	13,947	2,880	-	-	-
Lease Receivable	-	-	-	-	-	-	-	-	-
Due from Federal and State Governments	-	-	2,107	-	-	-	-	-	-
Due from Other Funds	507,402	569,149	208,189	43,739	-	-	-	2,055	107,288
Prepays	-	-	-	-	2,420	-	-	-	-
Total Assets	\$ 507,402	\$ 569,149	\$ 211,036	\$ 43,739	\$ 415,822	\$ 627,598	\$ 1,844,296	\$ 2,055	\$ 107,288
LIABILITIES AND FUND BALANCES									
LIABILITIES									
Accounts Payable	\$ 17,300	\$ 868	\$ -	\$ 28,900	\$ 18,091	\$ 5,211	\$ 3,925	\$ -	\$ -
Accrued Liabilities	-	15,339	-	-	11,967	20,842	-	-	-
Due to Federal and State Governments	-	2,555	-	-	-	5,734	-	-	-
Due to Other Funds	-	-	-	-	109,552	55,207	91,849	-	-
Unearned Revenue	-	-	-	-	85,025	968	-	-	-
Deposits Held in Custody of Others	-	-	-	-	-	-	-	-	-
Total Liabilities	17,300	18,762	-	28,900	224,635	87,962	95,774	-	-
DEFERRED INFLOW OF RESOURCES									
Unavailable Revenue - Other Receivables	-	-	-	-	-	-	-	-	-
Deferred Inflow Related to Leases	-	-	-	-	-	-	-	-	-
Total Deferred Inflow of Resources	-	-	-	-	-	-	-	-	-
FUND BALANCES									
Nonspendable	-	-	-	-	2,420	-	-	-	-
Restricted	-	-	211,036	-	-	-	-	-	-
Committed	490,102	550,387	-	14,839	188,767	539,636	1,748,522	2,055	107,288
Unassigned	-	-	-	-	-	-	-	-	-
Total Fund Balances	490,102	550,387	211,036	14,839	191,187	539,636	1,748,522	2,055	107,288
Total Liabilities and Fund Balances	\$ 507,402	\$ 569,149	\$ 211,036	\$ 43,739	\$ 415,822	\$ 627,598	\$ 1,844,296	\$ 2,055	\$ 107,288

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2025**

	Special Revenue Funds								
	Narragansett Library	Neighborhood Guild	Peace Dale Office Building	Property Revaluation Reserve Fund	RI Resource Recovery Grant	Public Safety Grants	Statewide Planning Grant	Nancy Brown Memorial Fund	Municipal Planning Services Reserve Fund
ASSETS									
Cash and Cash Equivalents	\$ 75,660	\$ 326,115	\$ 239,268	\$ -	\$ -	\$ -	\$ -	\$ 3,150	\$ -
Investments	48,714	-	-	-	-	-	-	-	-
Accounts and Other Receivables	144	233,862	12	-	-	-	-	-	-
Lease Receivable	-	-	275,140	-	-	-	-	-	-
Due from Federal and State Governments	-	-	-	-	-	668,688	-	-	-
Due from Other Funds	-	-	-	240,641	55,896	217,420	-	-	257,633
Prepays	-	12,097	-	-	-	-	-	-	-
Total Assets	\$ 124,518	\$ 572,074	\$ 514,420	\$ 240,641	\$ 55,896	\$ 886,108	\$ -	\$ 3,150	\$ 257,633
LIABILITIES AND FUND BALANCES									
LIABILITIES									
Accounts Payable	\$ -	\$ 17,325	\$ 2,764	\$ -	\$ -	\$ 858,109	\$ -	\$ -	\$ 1,487
Accrued Liabilities	-	14,517	3,951	-	-	-	-	-	-
Due to Federal and State Governments	-	-	-	-	-	-	-	-	-
Due to Other Funds	10,655	74,252	23,527	-	-	27,999	10,000	-	-
Unearned Revenue	-	106,032	1,406	-	-	-	-	-	-
Deposits Held in Custody of Others	-	-	-	-	-	-	-	-	-
Total Liabilities	10,655	212,126	31,648	-	-	886,108	10,000	-	1,487
DEFERRED INFLOW OF RESOURCES									
Unavailable Revenue - Other Receivables	-	-	-	-	-	-	-	-	-
Deferred Inflow Related to Leases	-	-	267,091	-	-	-	-	-	-
Total Deferred Inflow of Resources	-	-	267,091	-	-	-	-	-	-
FUND BALANCES									
Nonspendable	-	12,097	-	-	-	-	-	-	-
Restricted	-	-	-	-	55,896	-	-	3,150	-
Committed	113,863	347,851	215,681	240,641	-	-	-	-	256,146
Unassigned	-	-	-	-	-	-	(10,000)	-	-
Total Fund Balances	113,863	359,948	215,681	240,641	55,896	-	(10,000)	3,150	256,146
Total Liabilities and Fund Balances	\$ 124,518	\$ 572,074	\$ 514,420	\$ 240,641	\$ 55,896	\$ 886,108	\$ -	\$ 3,150	\$ 257,633

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2025

Special Revenue Funds									
	School Restricted Fund	Student Activity Funds	Miscellaneous Donations Fund	K-9 Grant Fund	Opioid Settlement	Friends of SK Parks and Recreation	RIDEM	Total Special Revenue Funds	Capital Equipment and Replacement
ASSETS									
Cash and Cash Equivalents	\$ 2,439	\$ 260,310	\$ -	\$ -	\$ -	\$ 60,059	\$ -	\$ 2,912,684	\$ -
Investments	-	-	-	-	-	-	-	972,240	-
Accounts and Other Receivables	4,925	-	103,960	-	-	-	-	359,730	-
Lease Receivable	-	-	-	-	-	-	-	275,140	-
Due from Federal and State Governments	774,491	-	-	-	119,563	-	-	1,564,849	-
Due from Other Funds	82,919	37,262	70,996	8,189	338,802	-	23,878	2,771,458	4,500,873
Prepays	-	-	-	-	-	-	-	14,517	-
Total Assets	<u>\$ 864,774</u>	<u>\$ 297,572</u>	<u>\$ 174,956</u>	<u>\$ 8,189</u>	<u>\$ 458,365</u>	<u>\$ 60,059</u>	<u>\$ 23,878</u>	<u>\$ 8,870,618</u>	<u>\$ 4,500,873</u>
LIABILITIES AND FUND BALANCES									
LIABILITIES									
Accounts Payable	\$ 37,328	1,750	\$ 104,001	\$ -	\$ -	\$ 1,200	\$ 23,878	\$ 1,122,137	\$ 85,031
Accrued Liabilities	-	-	-	-	-	-	-	66,616	-
Due to Federal and State Governments	-	-	-	-	-	-	-	8,289	-
Due to Other Funds	791,789	3,108	-	-	-	-	-	1,197,938	3,244,357
Unearned Revenue	2,800	-	-	-	-	-	-	196,231	-
Deposits Held in Custody of Others	-	1,157	-	-	-	-	-	1,157	-
Total Liabilities	<u>831,917</u>	<u>6,015</u>	<u>104,001</u>	<u>-</u>	<u>-</u>	<u>1,200</u>	<u>23,878</u>	<u>2,592,368</u>	<u>3,329,388</u>
DEFERRED INFLOW OF RESOURCES									
Unavailable Revenue - Other Receivables	-	-	-	-	119,564	-	-	119,564	-
Deferred Inflow Related to Leases	-	-	-	-	-	-	-	267,091	-
Total Deferred Inflow of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>119,564</u>	<u>-</u>	<u>-</u>	<u>386,655</u>	<u>-</u>
FUND BALANCES									
Nonspendable	-	-	-	-	-	-	-	14,517	-
Restricted	-	291,557	70,955	8,189	-	-	-	640,783	-
Committed	32,857	-	-	-	338,801	58,859	-	5,246,295	1,171,485
Unassigned	-	-	-	-	-	-	-	(10,000)	-
Total Fund Balances	<u>32,857</u>	<u>291,557</u>	<u>70,955</u>	<u>8,189</u>	<u>338,801</u>	<u>58,859</u>	<u>-</u>	<u>5,891,595</u>	<u>1,171,485</u>
Total Liabilities and Fund Balances	<u>\$ 864,774</u>	<u>\$ 297,572</u>	<u>\$ 174,956</u>	<u>\$ 8,189</u>	<u>\$ 458,365</u>	<u>\$ 60,059</u>	<u>\$ 23,878</u>	<u>\$ 8,870,618</u>	<u>\$ 4,500,873</u>

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2025**

	Capital Project Funds								
	Technology Improvement	Fair Share Development	Grant Match Reserve	Library Building Construction	Open Space Reserve	Public Safety Improvement	Public Services Office Building Improvement	Public Works Improvement	Traffic Calming Fund
ASSETS									
Cash and Cash Equivalents	\$ 1	\$ -	\$ -	\$ 59,410	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-	-	-
Accounts and Other Receivables	-	-	-	5,287	-	-	-	-	-
Lease Receivable	-	-	-	-	-	-	-	-	-
Due from Federal and State Governments	-	-	-	-	-	-	-	210,709	-
Due from Other Funds	508,900	82,051	915,664	355,501	1,441,029	1,410,732	655,049	4,640,969	20,000
Prepays	-	-	-	-	-	-	-	-	-
Total Assets	\$ 508,901	\$ 82,051	\$ 915,664	\$ 420,198	\$ 1,441,029	\$ 1,410,732	\$ 655,049	\$ 4,851,678	\$ 20,000
LIABILITIES AND FUND BALANCES									
LIABILITIES									
Accounts Payable	\$ -	\$ -	\$ -	\$ 5,287	\$ -	\$ -	\$ 921	\$ 261,898	\$ -
Accrued Liabilities	-	-	-	-	-	-	-	-	-
Due to Federal and State Governments	-	-	-	-	-	-	-	-	-
Due to Other Funds	257,434	-	-	-	-	914,838	578,919	1,607,463	-
Unearned Revenue	-	-	-	-	-	-	-	-	-
Deposits Held in Custody of Others	-	-	-	-	-	-	-	-	-
Total Liabilities	257,434	-	-	5,287	-	914,838	579,840	1,869,361	-
DEFERRED INFLOW OF RESOURCES									
Unavailable Revenue - Other Receivables	-	-	-	-	-	-	-	-	-
Deferred Inflow Related to Leases	-	-	-	-	-	-	-	-	-
Total Deferred Inflow of Resources	-	-	-	-	-	-	-	-	-
FUND BALANCES									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	82,051	915,664	-	-	-	-	-	-
Committed	251,467	-	-	414,911	1,441,029	495,894	75,209	2,982,317	20,000
Unassigned	-	-	-	-	-	-	-	-	-
Total Fund Balances	251,467	82,051	915,664	414,911	1,441,029	495,894	75,209	2,982,317	20,000
Total Liabilities and Fund Balances	\$ 508,901	\$ 82,051	\$ 915,664	\$ 420,198	\$ 1,441,029	\$ 1,410,732	\$ 655,049	\$ 4,851,678	\$ 20,000

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2025**

	Capital Project Funds								
	Recreation Minor Improvement	Guild Renovation	Recreation Improvement	School Capital	Senior Services Center Construction	Recreation Center Fund	South Road School Reserve Fund	Town Hall Improvement	School Improvement Fund
ASSETS									
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	185	-	-
Accounts and Other Receivables	-	-	-	-	-	-	2,735	-	-
Lease Receivable	-	-	-	-	-	-	-	-	-
Due from Federal and State Governments	-	-	-	-	-	-	-	-	-
Due from Other Funds	3,736,646	911,259	256,190	781,637	53,375	221,340	306,627	1,037,260	170,914
Prepays	-	-	-	-	-	-	-	-	-
Total Assets	\$ 3,736,646	\$ 911,259	\$ 256,190	\$ 781,637	\$ 53,375	\$ 221,340	\$ 309,547	\$ 1,037,260	\$ 170,914
LIABILITIES AND FUND BALANCES									
LIABILITIES									
Accounts Payable	\$ 59,040	\$ -	\$ -	\$ -	\$ -	\$ 9,244	\$ 2,152	\$ 523	\$ -
Accrued Liabilities	-	-	-	-	-	-	-	-	-
Due to Federal and State Governments	-	-	-	-	-	-	-	-	-
Due to Other Funds	5,438	-	139,494	-	-	-	-	926,115	-
Unearned Revenue	-	-	-	-	-	-	4,927	-	-
Deposits Held in Custody of Others	-	-	-	-	-	-	-	-	-
Total Liabilities	64,478	-	139,494	-	-	9,244	7,079	926,638	-
DEFERRED INFLOW OF RESOURCES									
Unavailable Revenue - Other Receivables	-	-	-	-	-	-	-	-	-
Deferred Inflow Related to Leases	-	-	-	-	-	-	-	-	-
Total Deferred Inflow of Resources	-	-	-	-	-	-	-	-	-
FUND BALANCES									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-
Committed	3,672,168	911,259	116,696	781,637	53,375	212,096	302,468	110,622	170,914
Unassigned	-	-	-	-	-	-	-	-	-
Total Fund Balances	3,672,168	911,259	116,696	781,637	53,375	212,096	302,468	110,622	170,914
Total Liabilities and Fund Balances	\$ 3,736,646	\$ 911,259	\$ 256,190	\$ 781,637	\$ 53,375	\$ 221,340	\$ 309,547	\$ 1,037,260	\$ 170,914

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2025**

	Capital Project Funds			Permanent Funds						Eliminations	Total
	Village Infrastructure Fund	Wastewater Construction	Total Capital Project Funds	Hazard Memorial Trust	Irving Knowles Trust	Oliver Watson Home	Walter W. Watson Trust	Kingston Free Library Trust	Total Permanent Funds		
ASSETS											
Cash and Cash Equivalents	\$ -	\$ 1,732,148	\$ 1,791,559	\$ 335,508	\$ 2,148	\$ -	\$ -	\$ 4,189	\$ 341,845		\$ 5,046,088
Investments	-	4,496,720	4,496,905	301,628	638,591	177,573	219,756	1,296,745	2,634,293		8,103,438
Accounts and Other Receivables	-	-	8,022	-	-	-	-	-	-		367,752
Lease Receivable	-	-	-	-	-	-	-	-	-		275,140
Due from Federal and State Governments	-	-	210,709	-	-	-	-	-	-		1,775,558
Due from Other Funds	38,994	-	22,045,010	1	-	-	-	-	1	(7,645,205)	17,171,264
Prepays	-	-	-	-	-	-	-	-	-		14,517
Total Assets	\$ 38,994	\$ 6,228,868	\$ 28,552,205	\$ 637,137	\$ 640,739	\$ 177,573	\$ 219,756	\$ 1,300,934	\$ 2,976,139	\$ (7,645,205)	\$ 32,753,757
LIABILITIES AND FUND BALANCES											
LIABILITIES											
Accounts Payable	\$ 2,190	\$ -	\$ 426,286	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 1,548,423
Accrued Liabilities	-	-	-	-	-	-	-	-	-		66,616
Due to Federal and State Governments	-	-	-	-	-	-	-	-	-		8,289
Due to Other Funds	-	-	7,674,058	-	-	31,594	3,089	-	34,683	(7,645,205)	1,261,474
Unearned Revenue	-	-	4,927	-	-	-	-	-	-		201,158
Deposits Held in Custody of Others	-	-	-	-	-	-	-	-	-		1,157
Total Liabilities	2,190	-	8,105,271	-	-	31,594	3,089	-	34,683	(7,645,205)	3,087,117
DEFERRED INFLOW OF RESOURCES											
Unavailable Revenue - Other Receivables	-	-	-	-	-	-	-	-	-		119,564
Deferred Inflow Related to Leases	-	-	-	-	-	-	-	-	-		267,091
Total Deferred Inflow of Resources	-	-	-	-	-	-	-	-	-	-	386,655
FUND BALANCES											
Nonspendable	-	-	-	20,000	2,000	39,000	40,928	390,092	492,020		506,537
Restricted	-	-	997,715	617,137	638,739	106,979	175,739	910,842	2,449,436		4,087,934
Committed	36,804	6,228,868	19,449,219	-	-	-	-	-	-		24,695,514
Unassigned	-	-	-	-	-	-	-	-	-		(10,000)
Total Fund Balances	36,804	6,228,868	20,446,934	637,137	640,739	145,979	216,667	1,300,934	2,941,456	-	29,279,985
Total Liabilities and Fund Balances	\$ 38,994	\$ 6,228,868	\$ 28,552,205	\$ 637,137	\$ 640,739	\$ 177,573	\$ 219,756	\$ 1,300,934	\$ 2,976,139	\$ (7,645,205)	\$ 32,753,757

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2025**

Special Revenue Funds									
	Affordable Housing	Animal Shelter Benefit Fund	Asset Forfeiture Fund	Community Development Block Grant	Community Recreation Center	Elderly Services	EMS Billing Services	300th Anniversary	Historical and Vital Recording Fees
REVENUES									
Intergovernmental Revenues	\$ -	\$ -	\$ 55,557	\$ 49,135	\$ -	\$ 170,922	\$ -	\$ 851	\$ -
Licenses and Fees	-	13,431	-	-	-	-	-	-	28,022
Fines and Charges	-	-	-	-	352,049	11,034	1,879,342	-	-
Investment Income (Loss)	-	-	-	-	14,788	27,341	94,782	-	-
Contributions	-	1,900	-	-	-	-	-	-	-
Other Revenue	-	13,343	5,256	-	-	-	-	-	-
Total Revenues	-	28,674	60,813	49,135	366,837	209,297	1,974,124	851	28,022
EXPENDITURES									
Education	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	623,510	-	-	-	-
Other Expenditures	132,000	1,258	59,307	44,652	-	518,832	1,322,223	-	25,261
Debt Service:									
Principal Retirement	-	-	11,881	-	-	3,794	-	-	12,987
Interest and Other Charges	-	-	2,793	-	-	252	-	-	418
Capital Outlay	-	-	115,255	-	-	-	-	-	-
Total Expenditures	132,000	1,258	189,236	44,652	623,510	522,878	1,322,223	-	38,666
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(132,000)	27,416	(128,423)	4,483	(256,673)	(313,581)	651,901	851	(10,644)
OTHER FINANCING SOURCES (USES)									
Financed Purchases Issued	-	-	115,255	-	-	-	-	-	-
Issuance of Leases	-	-	-	-	-	-	-	-	-
Issuance of Subscriptions	-	-	-	-	-	-	-	-	-
Transfers In	441,211	-	-	-	410,621	534,721	-	-	-
Transfers Out	-	-	-	-	(199,629)	(109,765)	(1,091,850)	-	-
Total Other Financing Sources (Uses)	441,211	-	115,255	-	210,992	424,956	(1,091,850)	-	-
NET CHANGE IN FUND BALANCES	309,211	27,416	(13,168)	4,483	(45,681)	111,375	(439,949)	851	(10,644)
Fund Balances - Beginning of Year	180,891	522,971	224,204	10,356	236,868	428,261	2,188,471	1,204	117,932
FUND BALANCES - END OF YEAR	\$ 490,102	\$ 550,387	\$ 211,036	\$ 14,839	\$ 191,187	\$ 539,636	\$ 1,748,522	\$ 2,055	\$ 107,288

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
YEAR ENDED JUNE 30, 2025**

	Special Revenue Funds							
	Narragansett Library	Neighborhood Guild	Peace Dale Office Building	Property Revaluation Reserve Fund	RI Resource Recovery Grant	Public Safety Grants	Statewide Planning Grant	Nancy Brown Memorial Fund
REVENUES								
Intergovernmental Revenues	\$ -	\$ -	\$ -	\$ 97,378	\$ 1,697	\$ 1,193,917	\$ 10,000	\$ 1
Licenses and Fees	-	-	-	-	-	-	-	-
Fines and Charges	-	382,931	108,136	-	-	-	-	-
Investment Income (Loss)	10,214	10,844	9,728	-	-	-	-	-
Contributions	63,377	-	-	-	-	-	-	-
Other Revenue	-	-	-	-	-	-	-	-
Total Revenues	<u>73,591</u>	<u>393,775</u>	<u>117,864</u>	<u>97,378</u>	<u>1,697</u>	<u>1,193,917</u>	<u>10,000</u>	<u>1</u>
EXPENDITURES								
Education	-	-	-	-	-	-	-	-
Recreation	-	738,119	94,695	-	-	-	-	-
Other Expenditures	19	-	-	162,197	3,500	1,124,475	20,000	-
Debt Service:								
Principal Retirement	-	2,846	949	-	-	48,550	-	-
Interest and Other Charges	-	189	63	-	-	16,642	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Total Expenditures	<u>19</u>	<u>741,154</u>	<u>95,707</u>	<u>162,197</u>	<u>3,500</u>	<u>1,189,667</u>	<u>20,000</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	73,572	(347,379)	22,157	(64,819)	(1,803)	4,250	(10,000)	1
OTHER FINANCING SOURCES (USES)								
Financed Purchases Issued	-	-	-	-	-	-	-	-
Issuance of Leases	-	-	-	-	-	-	-	-
Issuance of Subscriptions	-	-	-	-	-	-	-	-
Transfers In	-	742,937	-	75,000	1,803	-	-	-
Transfers Out	(65,463)	(199,767)	(22,104)	(60,000)	-	-	-	-
Total Other Financing Sources (Uses)	<u>(65,463)</u>	<u>543,170</u>	<u>(22,104)</u>	<u>15,000</u>	<u>1,803</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	8,109	195,791	53	(49,819)	-	4,250	(10,000)	1
Fund Balances - Beginning of Year	<u>105,754</u>	<u>164,157</u>	<u>215,628</u>	<u>290,460</u>	<u>55,896</u>	<u>(4,250)</u>	<u>-</u>	<u>3,149</u>
FUND BALANCES - END OF YEAR	<u>\$ 113,863</u>	<u>\$ 359,948</u>	<u>\$ 215,681</u>	<u>\$ 240,641</u>	<u>\$ 55,896</u>	<u>\$ -</u>	<u>\$ (10,000)</u>	<u>\$ 3,150</u>

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
YEAR ENDED JUNE 30, 2025**

	Special Revenue Funds								
	Municipal Planning Services Reserve Fund	School Restricted Fund	Student Activity Funds	Miscellaneous Donations Fund	K-9 Grant Fund	Opioid Settlement	Friends of SK Parks and Recreation	RIDEM	Total Special Revenue Funds
REVENUES									
Intergovernmental Revenues	\$ -	\$ 2,924,249	\$ 245,066	\$ 280	\$ -	62,403	\$ -	\$ 35,000	\$ 4,846,456
Licenses and Fees	-	-	-	-	-	-	-	-	41,453
Fines and Charges	-	-	-	-	-	-	-	-	2,733,492
Investment Income (Loss)	-	-	-	-	-	-	2,118	-	169,815
Contributions	-	3,126	-	457,089	-	-	24,380	-	549,872
Other Revenue	-	-	-	-	-	-	-	-	18,599
Total Revenues	-	2,927,375	245,066	457,369	-	62,403	26,498	35,000	8,359,687
EXPENDITURES									
Education	-	3,063,880	241,263	-	-	-	-	-	3,305,143
Recreation	-	-	-	-	-	-	8,386	23,878	1,488,588
Other Expenditures	41,200	-	-	430,951	-	72,478	-	47,940	4,006,293
Debt Service:									
Principal Retirement	-	-	-	-	-	-	-	-	81,007
Interest and Other Charges	-	-	-	-	-	-	-	-	20,357
Capital Outlay	-	-	-	-	-	-	-	-	115,255
Total Expenditures	41,200	3,063,880	241,263	430,951	-	72,478	8,386	71,818	9,016,643
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(41,200)	(136,505)	3,803	26,418	-	(10,075)	18,112	(36,818)	(656,956)
OTHER FINANCING SOURCES (USES)									
Financed Purchases Issued	-	-	-	-	-	-	-	-	115,255
Issuance of Leases	-	-	-	-	-	-	-	-	-
Issuance of Subscriptions	-	-	-	-	-	-	-	-	-
Transfers In	165,000	-	-	-	-	-	-	36,818	2,408,111
Transfers Out	-	(25,890)	-	-	-	-	-	-	(1,774,468)
Total Other Financing Sources (Uses)	165,000	(25,890)	-	-	-	-	-	36,818	748,898
NET CHANGE IN FUND BALANCES	123,800	(162,395)	3,803	26,418	-	(10,075)	18,112	-	91,942
Fund Balances - Beginning of Year	132,346	195,252	\$ 287,754	44,537	8,189	348,876	40,747	-	5,799,653
FUND BALANCES - END OF YEAR	\$ 256,146	\$ 32,857	\$ 291,557	\$ 70,955	\$ 8,189	\$ 338,801	\$ 58,859	\$ -	\$ 5,891,595

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
YEAR ENDED JUNE 30, 2025**

	Capital Project Funds								
	Capital Equipment and Replacement	Technology Improvement	Fair Share Development	Grant Match Reserve	Library Building Construction	Open Space Reserve	Public Safety Improvement	Public Services Office Building Improvement	Public Works Improvement
REVENUES									
Intergovernmental Revenues	\$ -	\$ -	\$ -	\$ -	\$ 315,764	\$ -	\$ -	\$ -	\$ 377,202
Licenses and Fees	-	-	271,075	-	-	649,299	-	-	-
Fines and Charges	-	-	-	-	-	-	-	-	-
Investment Income (Loss)	-	-	-	-	889	-	-	-	-
Contributions	-	-	-	-	-	-	-	-	-
Other Revenue	-	-	-	-	-	-	-	-	-
Total Revenues	-	-	271,075	-	316,653	649,299	-	-	377,202
EXPENDITURES									
Education	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Other Expenditures	-	-	-	-	-	-	-	-	-
Debt Service:									
Principal Retirement	23,378	-	-	-	-	-	-	-	-
Interest and Other Charges	1,874	-	-	-	-	-	-	-	-
Capital Outlay	1,060,666	28,049	-	-	288,410	1	46,318	160,985	690,655
Total Expenditures	1,085,918	28,049	-	-	288,410	1	46,318	160,985	690,655
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,085,918)	(28,049)	271,075	-	28,243	649,298	(46,318)	(160,985)	(313,453)
OTHER FINANCING SOURCES (USES)									
Financed Purchases Issued	-	-	-	-	-	-	-	-	-
Issuance of Leases	-	-	-	-	-	-	-	-	-
Issuance of Subscriptions	-	-	-	-	-	-	-	-	-
Transfers In	522,944	70,000	-	185,185	123,000	-	300,000	-	1,114,021
Transfers Out	(382,598)	-	(1,156,855)	(269,521)	-	(649,299)	(218,947)	-	(600,000)
Total Other Financing Sources (Uses)	140,346	70,000	(1,156,855)	(84,336)	123,000	(649,299)	81,053	-	514,021
NET CHANGE IN FUND BALANCES	(945,572)	41,951	(885,780)	(84,336)	151,243	(1)	34,735	(160,985)	200,568
Fund Balances - Beginning of Year	2,117,057	209,516	967,831	1,000,000	263,668	1,441,030	461,159	236,194	2,781,749
FUND BALANCES - END OF YEAR	<u>\$ 1,171,485</u>	<u>\$ 251,467</u>	<u>\$ 82,051</u>	<u>\$ 915,664</u>	<u>\$ 414,911</u>	<u>\$ 1,441,029</u>	<u>\$ 495,894</u>	<u>\$ 75,209</u>	<u>\$ 2,982,317</u>

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
YEAR ENDED JUNE 30, 2025**

	Capital Project Funds									
	Traffic Calming Fund	Recreation Minor Improvement	Guild Renovation	Recreation Improvement	School Capital	Senior Services Center Construction	Recreation Center Fund	South Road School Reserve Fund	Town Hall Improvement	School Improvement Fund
REVENUES										
Intergovernmental Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Fees	-	-	-	-	-	-	-	-	-	-
Fines and Charges	-	-	-	-	-	-	-	-	-	-
Investment Income (Loss)	-	-	-	-	-	-	-	-	-	-
Contributions	-	-	-	-	-	-	-	-	-	-
Other Revenue	-	-	-	10,722	-	-	-	-	-	-
Total Revenues	-	-	-	10,722	-	-	-	-	-	-
EXPENDITURES										
Education	-	-	-	-	935,622	-	-	-	-	-
Recreation	-	-	-	-	-	-	9,244	-	-	-
Other Expenditures	-	-	-	-	-	-	-	-	-	-
Debt Service:										
Principal Retirement	-	-	-	-	-	-	-	-	-	-
Interest and Other Charges	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	390,219	67,010	7,250	-	16,589	23,180	18,193	27,964	-
Total Expenditures	-	390,219	67,010	7,250	935,622	16,589	32,424	18,193	27,964	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(390,219)	(67,010)	3,472	(935,622)	(16,589)	(32,424)	(18,193)	(27,964)	-
OTHER FINANCING SOURCES (USES)										
Financed Purchases Issued	-	-	-	-	-	-	-	-	-	-
Issuance of Leases	-	-	-	-	-	-	-	-	-	-
Issuance of Subscriptions	-	-	-	-	-	-	-	-	-	-
Transfers In	20,000	3,293,745	-	28,200	1,559,023	35,000	55,500	-	81,000	-
Transfers Out	-	(186,124)	-	-	-	(85,000)	(30,500)	-	(159,021)	-
Total Other Financing Sources (Uses)	20,000	3,107,621	-	28,200	1,559,023	(50,000)	25,000	-	(78,021)	-
NET CHANGE IN FUND BALANCES	20,000	2,717,402	(67,010)	31,672	623,401	(66,589)	(7,424)	(18,193)	(105,985)	-
Fund Balances - Beginning of Year	-	954,766	978,269	85,024	158,236	119,964	219,520	320,661	216,607	170,914
FUND BALANCES - END OF YEAR	<u>\$ 20,000</u>	<u>\$ 3,672,168</u>	<u>\$ 911,259</u>	<u>\$ 116,696</u>	<u>\$ 781,637</u>	<u>\$ 53,375</u>	<u>\$ 212,096</u>	<u>\$ 302,468</u>	<u>\$ 110,622</u>	<u>\$ 170,914</u>

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
YEAR ENDED JUNE 30, 2025**

	Capital Project Funds			Permanent Funds							Eliminations	Total
	Village Infrastructure Fund	Wastewater Construction	Total Capital Project Funds	Hazard Memorial Trust	Irving Knowles Trust	Oliver Watson Home	Walter W. Watson Trust	Kingston Free Library Trust	Total Permanent Funds			
REVENUES												
Intergovernmental Revenues	\$ -	\$ -	\$ 692,966	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,539,422
Licenses and Fees	-	-	920,374	-	-	-	-	-	-	-	-	961,827
Fines and Charges	-	45,575	45,575	-	-	-	-	-	-	-	-	2,779,067
Investment Income (Loss)	-	327,229	328,118	62,615	69,101	10,349	12,927	141,230	296,222	-	-	794,155
Contributions	-	-	-	-	-	-	-	-	-	-	-	549,872
Other Revenue	-	-	10,722	-	-	-	-	-	-	-	-	29,321
Total Revenues	-	372,804	1,997,755	62,615	69,101	10,349	12,927	141,230	296,222	-	-	10,653,664
EXPENDITURES												
Education	-	-	935,622	-	-	-	-	-	-	-	-	4,240,765
Recreation	-	-	9,244	5,959	3,139	827	499	6,080	16,504	-	-	1,514,336
Other Expenditures	-	-	-	12,277	7,555	-	-	-	19,832	-	-	4,026,125
Debt Service:												
Principal Retirement	-	-	23,378	-	-	-	-	-	-	-	-	104,385
Interest and Other Charges	-	-	1,874	-	-	-	-	-	-	-	-	22,231
Capital Outlay	2,190	-	2,827,679	-	-	-	-	-	-	-	-	2,942,934
Total Expenditures	2,190	-	3,797,797	18,236	10,694	827	499	6,080	36,336	-	-	12,850,776
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,190)	372,804	(1,800,042)	44,379	58,407	9,522	12,428	135,150	259,886	-	-	(2,197,112)
OTHER FINANCING SOURCES (USES)												
Financed Purchases Issued	-	-	-	-	-	-	-	-	-	-	-	115,255
Issuance of Leases	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of Subscriptions	-	-	-	-	-	-	-	-	-	-	-	-
Transfers In	-	-	7,387,618	-	-	-	-	-	-	-	(3,616,021)	6,179,708
Transfers Out	-	-	(3,737,865)	-	-	(10,000)	-	(32,587)	(42,587)	3,616,021	-	(1,938,899)
Total Other Financing Sources (Uses)	-	-	3,649,753	-	-	(10,000)	-	(32,587)	(42,587)	-	-	4,356,064
NET CHANGE IN FUND BALANCES	(2,190)	372,804	1,849,711	44,379	58,407	(478)	12,428	102,563	217,299	-	-	2,158,952
Fund Balances - Beginning of Year	38,994	5,856,064	18,597,223	592,758	582,332	146,457	204,239	1,198,371	2,724,157	-	-	27,121,033
FUND BALANCES - END OF YEAR	\$ 36,804	\$ 6,228,868	\$ 20,446,934	\$ 637,137	\$ 640,739	\$ 145,979	\$ 216,667	\$ 1,300,934	\$ 2,941,456	\$ -	\$ -	\$ 29,279,985

INTERNAL SERVICE FUNDS

INTERNAL SERVICE FUNDS

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

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

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

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

Employee Training Fund – To account for training across the Town employee populous.

Employee Claims and Settlements – To account for large injury on duty and other employee related claims.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2025**

ASSETS	Health Care Management Fund	Compensated Absences Fund	Nonmajor Technology Reserve Fund	Employee Training Fund	Employee Claims and Settlements	Total
CURRENT ASSETS						
Cash and Cash Equivalents	\$ 697,698	\$ 771,865	\$ -	\$ -	\$ -	\$ 1,469,563
Due from Other Funds	-	1	469,209	79,383	-	548,593
	<u>697,698</u>	<u>771,866</u>	<u>469,209</u>	<u>79,383</u>	<u>-</u>	<u>2,018,156</u>
NET POSITION						
Unrestricted	<u>\$ 697,698</u>	<u>\$ 771,866</u>	<u>\$ 469,209</u>	<u>\$ 79,383</u>	<u>\$ -</u>	<u>\$ 2,018,156</u>

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
INTERNAL SERVICE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
YEAR ENDED JUNE 30, 2025**

	Health Care Management Fund	Compensated Absences Fund	Nonmajor Technology Reserve Fund	Employee Training Fund	Employee Claims and Settlements	Total
OPERATING REVENUES						
Charges for Services	\$ -	\$ -	\$ 248,797	\$ 32,150	\$ -	\$ 280,947
Total Operating Revenues	<u>-</u>	<u>-</u>	<u>248,797</u>	<u>32,150</u>	<u>-</u>	<u>280,947</u>
OPERATING EXPENSES						
Health Care Management	10,801	-	-	-	-	10,801
Compensated Absences	-	82,600	-	-	-	82,600
Other	-	-	196,894	4,967	-	201,861
Total Operating Expenses	<u>10,801</u>	<u>82,600</u>	<u>196,894</u>	<u>4,967</u>	<u>-</u>	<u>295,262</u>
OPERATING INCOME (LOSS)	(10,801)	(82,600)	51,903	27,183	-	(14,315)
NONOPERATING INCOME						
Income on Investments	25,595	32,522	-	-	-	58,117
Other Revenue	-	-	-	2,000	-	2,000
Total Nonoperating Income (Expense)	<u>25,595</u>	<u>32,522</u>	<u>-</u>	<u>2,000</u>	<u>-</u>	<u>60,117</u>
INCOME (LOSS) BEFORE TRANSFERS	14,794	(50,078)	51,903	29,183	-	45,802
Transfers in	-	-	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(248,150)</u>	<u>(248,150)</u>
CHANGE IN NET POSITION	14,794	(50,078)	51,903	29,183	(248,150)	(202,348)
Net Position - Beginning of Year	<u>682,904</u>	<u>821,944</u>	<u>417,306</u>	<u>50,200</u>	<u>248,150</u>	<u>2,220,504</u>
NET POSITION - END OF YEAR	<u>\$ 697,698</u>	<u>\$ 771,866</u>	<u>\$ 469,209</u>	<u>\$ 79,383</u>	<u>\$ -</u>	<u>\$ 2,018,156</u>

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2025**

	Health Care Management Fund	Compensated Absences Fund	Nonmajor Technology Reserve Fund	Employee Training Fund	Employee Claims and Settlements	Total
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from Providing Services	\$ -	\$ -	\$ 196,894	\$ 2,967	\$ 248,150	\$ 448,011
Payments to Suppliers	-	-	(196,894)	(4,967)	-	(201,861)
Payments for Claims	(10,801)	(82,600)	-	-	-	(93,401)
Net Cash Provided (Used) by Operating Activities	<u>(10,801)</u>	<u>(82,600)</u>	<u>-</u>	<u>(2,000)</u>	<u>248,150</u>	<u>152,749</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers to Other Funds	-	-	-	-	(248,150)	(248,150)
Nonoperating Grants Received	-	-	-	2,000	-	2,000
Net Cash Provided by Noncapital Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,000</u>	<u>(248,150)</u>	<u>(246,150)</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest on Investments	25,595	32,522	-	-	-	58,117
Net Cash Provided by Investing Activities	<u>25,595</u>	<u>32,522</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>58,117</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS						
	14,794	(50,078)	-	-	-	(35,284)
Cash and Cash Equivalents - Beginning of Year	<u>682,904</u>	<u>821,943</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,504,847</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 697,698</u></u>	<u><u>\$ 771,865</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,469,563</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating Income (Loss)	\$ (10,801)	\$ (82,600)	\$ 51,903	\$ 27,183	\$ -	\$ (14,315)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Change in Assets and Liabilities:						
(Increase) Decrease in Due from Other Funds	-	(1)	(51,903)	(29,183)	248,150	167,063
Increase in Due to Other Funds	-	1	-	-	-	1
Total Adjustments	<u>-</u>	<u>-</u>	<u>(51,903)</u>	<u>(29,183)</u>	<u>248,150</u>	<u>167,064</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ (10,801)</u></u>	<u><u>\$ (82,600)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (2,000)</u></u>	<u><u>\$ 248,150</u></u>	<u><u>\$ 152,749</u></u>

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
SCHEDULE OF PROPERTY TAXES RECEIVABLE
YEAR ENDED JUNE 30, 2025**

Year	Mill Rate	Property Taxes Receivable July 1, 2024	Current Year Assessment	Transfers Addendums (Net)	Abatements and Adjustments	Amount to be Collected	Collections Net of Refunds	Property Taxes Receivable June 30, 2025
2024	11.050	\$ -	\$ 76,666,984	\$ 104,846	\$ 355,176	\$ 76,416,654	\$ 75,660,505	\$ 756,149
2023	11.050	748,161	-	-	9,678	738,483	528,284	210,199
2022	10.950	222,010	-	-	-	222,010	172,310	49,700
2021	14.450	50,677	-	-	-	50,677	20,450	30,227
2020	14.450	30,129	-	-	43	30,086	1,642	28,444
2019	14.500	28,770	-	-	43	28,727	1,038	27,689
2018	15.680	27,094	-	-	47	27,047	915	26,132
2017	15.310	28,273	-	-	-	28,273	1,920	26,353
2016	15.090	34,507	-	-	-	34,507	947	33,560
2015	15.520	29,868	-	-	-	29,868	792	29,076
2014	15.482	33,693	-	-	33,312	381	381	-
Subtotal		1,233,182	<u>\$ 76,666,984</u>	<u>\$ 104,846</u>	<u>\$ 398,299</u>	<u>\$ 77,606,713</u>	<u>\$ 76,389,184</u>	1,217,529
Less: Estimated Allowance for Uncollectable Accounts		<u>359,123</u>						<u>326,648</u>
Net Property Taxes Receivable		<u>\$ 874,059</u>						<u>\$ 890,881</u>

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
SCHEDULE OF PROPERTY TAXES RECEIVABLE (CONTINUED)
YEAR ENDED JUNE 30, 2025**

Year	July - August 2024 Collections Subject to 60-Day FY24 Accrual	September - June 2025 Collections	Total FY 2025 Collections	July - August 2025 Collections Subject to 60-Day FY25 Accrual
2024	\$ -	\$ 75,660,505	\$ 75,660,505	\$ 255,135
2023	202,487	325,797	528,284	41,913
2022	40,982	131,328	172,310	15,576
2021	4,451	15,999	20,450	1,570
2020	31	1,611	1,642	780
2019	71	967	1,038	900
2018	-	915	915	355
2017	75	1,845	1,920	711
2016	-	947	947	475
2015	6	786	792	63
2014	-	381	381	-
Total	<u>\$ 248,103</u>	<u>\$ 76,141,081</u>	<u>\$ 76,389,184</u>	<u>\$ 317,478</u>

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
SCHEDULE OF PROPERTY TAXES RECEIVABLE (CONTINUED)
YEAR ENDED JUNE 30, 2025**

Schedule of Net Assessed Property Value by Category Assessed December 31, 2023			Reconciliation of Current Year Property Tax Revenue	
Description of Property	Valuations	Levy		
Real Property	\$ 6,942,093,750	\$ 76,710,136	Current Year Collections	\$ 76,389,184
Motor Vehicle	-	-	Revenue Received 60 Days Subsequent to Fiscal Year Ended June 30, 2024	317,478
Tangible Property	109,903,917	1,214,438	Subtotal	76,706,662
Total	7,051,997,667	77,924,574	Prior Year Revenue Received in Current Year (2023 60-Day Rule)	(248,103)
Exemptions and Adjustments	113,797,554	1,257,590	Current Year Property Tax Revenue	\$ 76,458,559
Net Assessed Value	\$ 6,938,200,113	\$ 76,666,984		

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

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

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
ANNUAL SUPPLEMENTAL TRANSPARENCY REPORT (MTP2)
FISCAL YEAR ENDED JUNE 30, 2025**

<u>REVENUE</u>	<u>Municipal</u>	<u>Education Department</u>
Current Year Levy Tax Collection	\$ 75,915,640	\$ -
Last Year's Levy Tax Collection	367,710	-
Prior Years Property Tax Collection	175,209	-
Interest & Penalty	315,811	-
PILOT & Tax Treaty (excluded from levy) Collection	458,246	-
Other Local Property Taxes	-	-
Licenses and Permits	1,514,908	-
Fines and Forfeitures	60,813	-
Investment Income	2,543,918	-
Departmental	2,305,076	-
Rescue Run Revenue	1,879,342	-
Police & Fire Detail	3,513	-
Other Local Non-Property Tax Revenues	783,288	-
Tuition	-	233,432
Impact Aid	-	-
Medicaid	-	679,623
Federal Stabilization Funds	-	-
Federal Food Service Reimbursement	-	381,796
CDBG	-	-
COPS Grants	-	-
SAFER Grants	-	-
Other Federal Aid Funds	54,550	1,858,406
COVID - ESSER	-	904,490
COVID - CRF	-	-
COVID - CDBG	-	-
COVID - FEMA	-	-
COVID - Other	-	-
COVID - ARPA	279,501	-
MV Excise Tax Reimbursement	-	-
State PILOT Program	186,342	-
Distressed Community Relief Fund	-	-
Library Resource Aid	262,439	-
Library Construction Aid	-	-
Public Service Corporation Tax	451,761	-
Meals & Beverage Tax / Hotel Tax	1,705,904	-
LEA Aid	-	5,867,847
Group Home	-	-
Housing Aid Capital Projects	-	-
Housing Aid Bonded Debt	162,571	-
State Food Service Revenue	-	10,124
Incentive Aid	-	-
Property Revaluation Reimbursement	97,378	-
Other State Revenue	-	101,353
Motor Vehicle Phase Out	3,920,088	-
Tangible Property Reimbursement	211,379	-
Cannabis Tax Distribution	207	-
Other Revenue	-	1,123,079
Local Appropriation for Education	-	55,994,773
Regional Appropriation for Education	-	-
Supplemental Appropriation for Education	-	-
Regional Supplemental Appropriation for Education	-	-
Other Education Appropriation	-	-
Rounding	-	-
Total Revenue	\$ 93,655,594	\$ 67,154,924
Financing Sources: Transfer from Capital Funds	\$ -	\$ -
Financing Sources: Transfer from Other Funds	2,293,368	-
Financing Sources: Debt Proceeds	-	-
Financing Sources: Other	613,857	-
Rounding	-	-
Total Other Financing Sources	\$ 2,907,225	\$ -

See accompanying Notes to Annual Supplemental Transparency Report (MTP2).

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
ANNUAL SUPPLEMENTAL TRANSPARENCY REPORT (MTP2)
FISCAL YEAR ENDED JUNE 30, 2025**

<u>EXPENDITURES</u>	General Government	Finance	Social Services	Centralized IT	Planning	Libraries	Public Works	Parks and Rec	Police Department
Compensation- Group A	\$ 1,422,866	\$ 1,012,636	\$ 289,094	\$ 283,951	\$ 814,872	\$ 857,391	\$ 1,468,738	\$ 1,694,811	\$ 5,335,784
Compensation - Group B	-	-	-	-	-	-	-	-	450,675
Compensation - Group C	-	-	-	-	-	-	-	-	-
Compensation -Volunteer	-	-	-	-	-	-	-	-	-
Overtime- Group A	30,791	2,014	-	-	1,632	-	54,056	61,336	546,577
Overtime - Group B	-	-	-	-	-	-	-	-	2,490
Overtime - Group C	-	-	-	-	-	-	-	-	-
Police & Fire Detail	-	-	-	-	-	-	-	-	8,662
Active Medical Insurance - Group A	216,513	119,368	54,356	33,623	116,777	115,457	250,872	200,929	905,360
Active Medical Insurance- Group B	-	-	-	-	-	-	-	-	104,840
Active Medical Insurance- Group C	-	-	-	-	-	-	-	-	-
Active Dental insurance- Group A	9,617	6,502	1,839	1,317	5,612	4,348	11,940	9,170	39,073
Active Dental insurance- Group B	-	-	-	-	-	-	-	-	4,724
Active Dental insurance- Group C	-	-	-	-	-	-	-	-	-
Payroll Taxes	105,246	76,847	21,444	21,127	61,238	64,670	113,796	131,997	455,109
Life Insurance	1,748	1,125	376	282	916	1,114	1,511	1,426	6,405
State Defined Contribution- Group A	12,663	10,000	2,883	3,457	7,623	7,643	15,240	12,813	-
State Defined Contribution - Group B	-	-	-	-	-	-	-	-	3,425
State Defined Contribution - Group C	-	-	-	-	-	-	-	-	-
Other Benefits- Group A	28,554	1,866	6,583	471	8,303	1,711	54,958	32,303	28,083
Other Benefits- Group B	-	-	-	-	-	-	-	-	1,995
Other Benefits- Group C	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension- Group A	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
State Defined Benefit Pension- Group A	171,642	130,585	34,370	37,749	105,368	97,933	187,570	158,617	1,420,700
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	51,026
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	-	-	-	-	-	-	-	-	-
Purchased Services	405,422	104,099	14,222	20,461	101,076	63,563	472,265	728,544	34,712
Materials/Supplies	11,495	4,975	5,417	1,010	5,065	86,584	102,063	153,531	49,202
Software Licenses	15,768	16,390	4,586	142,398	17,140	10,042	30,703	11,279	77,338
Capital Outlays	54,764	34,951	96	1,553	161,341	-	15,533	22,889	32,356
Insurance	668,142	-	-	-	-	-	-	-	-
Maintenance	12,058	-	8,465	-	-	16,664	21,746	51,958	21,716
Vehicle Operations	8,307	80	10,597	-	5,932	-	143,802	33,401	364,683
Utilities	51,822	2,071	38,319	11,474	-	55,398	62,315	227,651	118,851
Contingency	-	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	55,574	-	-
Revaluation	-	162,197	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	109,341	-	-
Trash Removal & Recycling	-	-	-	-	-	-	29,571	-	-
Claims & Settlements	-	-	-	-	-	-	-	-	-
Community Support	179,717	-	-	-	-	-	-	-	-
Other Operation Expenditures	110,388	41,771	7,979	9,822	30,297	33,479	54,144	69,376	292,137
Tipping Fees	-	-	-	-	-	-	-	-	-
Local Appropriation for Education	-	-	-	-	-	-	-	-	-
Regional Appropriation for Education	-	-	-	-	-	-	-	-	-
Supplemental Appropriation for Education	-	-	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	-	-	-	-	-
Municipal Debt- Interest	-	-	-	-	-	-	-	-	-
School Debt- Principal	-	-	-	-	-	-	-	-	-
School Debt- Interest	-	-	-	-	-	-	-	-	-
Retiree Medical Insurance- Total	-	-	-	-	-	-	-	-	-
Retiree Dental Insurance- Total	-	-	-	-	-	-	-	-	-
OPEB Contribution- Total	-	-	-	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
Total Expenditures	\$ 3,517,523	\$ 1,727,477	\$ 500,626	\$ 568,695	\$ 1,443,192	\$ 1,415,997	\$ 3,255,738	\$ 3,602,031	\$ 10,355,923

See accompanying Notes to Annual Supplemental Transparency Report (MTP2).

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
ANNUAL SUPPLEMENTAL TRANSPARENCY REPORT (MTP2) (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2025

EXPENDITURES	Fire Department	Centralized Dispatch	Public Safety Other	Education Appropriation	Debt	OPEB	Total Municipal	Education Department
Compensation- Group A	\$ -	\$ 463,471	\$ 1,836,323	\$ -	\$ -	\$ -	\$ 13,480,137	\$ 19,994,707
Compensation - Group B	-	-	-	-	-	-	450,675	1,270,850
Compensation - Group C	-	-	-	-	-	-	-	10,675,140
Compensation -Volunteer	-	-	-	-	-	-	-	-
Overtime- Group A	-	269,700	1,012,286	-	-	-	1,978,392	-
Overtime - Group B	-	-	-	-	-	-	2,490	-
Overtime - Group C	-	-	-	-	-	-	-	78,489
Police & Fire Detail	-	-	-	-	-	-	8,662	-
Active Medical Insurance - Group A	-	90,287	379,965	-	-	-	2,483,507	3,236,829
Active Medical Insurance- Group B	-	-	-	-	-	-	104,840	205,731
Active Medical Insurance- Group C	-	-	-	-	-	-	-	1,728,137
Active Dental Insurance- Group A	-	3,365	13,400	-	-	-	106,183	167,324
Active Dental Insurance-Group B	-	-	-	-	-	-	4,724	10,635
Active Dental Insurance- Group C	-	-	-	-	-	-	-	89,334
Payroll Taxes	-	35,187	204,494	-	-	-	1,311,155	2,409,634
Life Insurance	-	425	2,378	-	-	-	17,706	305,040
State Defined Contribution- Group A	-	3,241	3,903	-	-	-	81,466	162,344
State Defined Contribution - Group B	-	-	-	-	-	-	3,425	10,318
State Defined Contribution - Group C	-	-	-	-	-	-	-	44,201
Other Benefits- Group A	-	1,587	21,695	-	-	-	186,114	108,296
Other Benefits- Group B	-	-	-	-	-	-	1,995	-
Other Benefits- Group C	-	-	-	-	-	-	-	-
Local Defined Benefit Pension- Group A	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-
State Defined Benefit Pension- Group A	-	61,080	94,935	-	-	-	2,500,549	3,844,701
State Defined Benefit Pension - Group B	-	-	-	-	-	-	51,026	244,367
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	632,724
Other Defined Benefit / Contribution	-	-	-	-	-	-	-	-
Purchased Services	-	1,837	715,474	-	-	-	2,661,695	13,031,738
Materials/Supplies	-	1,225	35,254	-	-	-	455,821	757,055
Software Licenses	-	10,237	19,215	-	-	-	355,096	74,332
Capital Outlays	-	-	91,410	-	-	-	414,893	1,392,262
Insurance	-	-	-	-	-	-	668,142	622,863
Maintenance	-	2,961	9,346	-	-	-	144,914	928,145
Vehicle Operations	-	-	774,424	-	-	-	1,341,226	67,093
Utilities	-	14,906	41,603	-	-	-	624,410	1,056,451
Contingency	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	53,574	-
Revaluation	-	-	-	-	-	-	162,197	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	109,341	-
Trash Removal & Recycling	-	-	-	-	-	-	29,571	-
Claims & Settlements	-	-	-	-	-	-	-	198,000
Community Support	-	-	-	-	-	-	179,717	-
Other Operation Expenditures	-	11,834	73,439	-	-	-	736,686	489,623
Tipping Fees	-	-	-	-	-	-	-	-
Local Appropriation for Education	-	-	-	35,894,773	-	-	35,994,773	-
Regional Appropriation for Education	-	-	-	-	-	-	-	-
Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	922,360	-	922,360	-
Municipal Debt- Interest	-	-	-	-	314,137	-	314,137	-
School Debt- Principal	-	-	-	-	415,000	-	415,000	-
School Debt- Interest	-	-	-	-	142,567	-	142,567	-
Retiree Medical Insurance- Total	-	-	-	-	-	-	-	605,296
Retiree Dental Insurance- Total	-	-	-	-	-	-	-	42,364
OPEB Contribution- Total	-	-	-	-	-	305,771	305,771	-
Rounding	-	-	-	-	-	-	-	-
Total Expenditures	\$ -	\$ 993,383	\$ 5,331,744	\$ 35,894,773	\$ 1,794,064	\$ 305,771	\$ 91,006,937	\$ 66,484,046

Financing Uses: Transfer to Capital Funds	\$ 2,039,435	\$ -
Financing Uses: Transfer to Other Funds	1,557,160	-
Financing Uses: Payment to Bond Escrow Agent	-	-
Financing Uses: Other	875,536	-
Total Other Financing Uses	\$ 4,492,131	\$ -
Net Change in Fund Balance¹	1,063,751	670,878
Fund Balance¹- beginning of year	\$25,198,239	\$3,380,683
Funds removed from Reportable Government Services (RGS)	-	-
Funds added to Reportable Government Services (RGS)	-	-
Prior period adjustments	-	-
Misc. Adjustment	-	-
Fund Balance¹ - beginning of year adjusted	25,198,239	3,380,683
Rounding	-	-
Fund Balance¹ - end of year	\$ 26,261,990	\$ 4,051,561

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

See accompanying Notes to Annual Supplemental Transparency Report (MTP2).

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
ANNUAL SUPPLEMENTAL TRANSPARENCY REPORT (MTP2) (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2025**

Town of South Kingstown
Annual Supplemental Transparency Report (MTP2)
Combining Schedule of
Reportable Government Services with
Reconciliation to MTP2
Municipal
Fiscal Year Ended June 30, 2025

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, 2024						\$ 25,198,239	-	\$ 25,198,239	
<i>No funds removed from RGS for fiscal 2024</i>						-	-	-	
<i>No funds added to RGS for Fiscal 2024</i>						-	-	-	
<i>No misc. adjustments made for fiscal 2024</i>						-	-	-	
Fund Balance¹ - per MTP-2 at June 30, 2025 adjusted						<u>\$ 25,198,239</u>	<u>-</u>	<u>\$ 25,198,239</u>	
General Fund	\$ 90,111,298	\$ 2,027,274	\$ 29,681,571	\$ 61,262,078	\$ 1,194,923	\$ 18,684,166	\$ -	\$ 18,684,166	\$ 19,879,089
Asset Forfeiture	60,813	115,255	189,236	-	(13,168)	224,204	-	224,204	211,036
Community Rec Center	366,837	410,621	623,510	199,629	(45,681)	236,868	-	236,868	191,187
Debt Service	162,571	1,742,772	1,795,064	-	110,279	2,981,652	-	2,981,652	3,091,931
Elderly (Senior) Services	209,297	534,721	522,878	109,765	111,375	428,261	-	428,261	539,636
EMS Billing	1,974,124	-	1,322,223	1,091,850	(439,949)	2,188,471	-	2,188,471	1,748,522
Neighborhood Guild	393,775	742,937	741,154	199,767	195,791	164,157	-	164,157	359,948
Property Revaluation	97,378	75,000	162,197	60,000	(49,819)	290,460	-	290,460	240,641
ARPA	279,501	-	279,501	-	-	-	-	-	-
Totals per audited financial statements	<u>\$ 93,655,594</u>	<u>\$ 5,648,580</u>	<u>\$ 35,317,334</u>	<u>\$ 62,923,089</u>	<u>\$ 1,063,751</u>	<u>\$ 25,198,239</u>	<u>\$ -</u>	<u>\$ 25,198,239</u>	<u>\$ 26,261,990</u>
Reconciliation from financial statements to MTP2									
expenditure on MTP2	\$ -	\$ -	\$ 55,994,773	\$ (55,994,773)	\$ -	\$ -	\$ -	\$ -	\$ -
Eliminate transfers between Funds reported on MTP2:									
- from General Fund to Debt Service	-	(1,425,843)	-	(1,425,843)	-	-	-	-	-
- from General Fund to Senior Services	-	(524,721)	-	(524,721)	-	-	-	-	-
- from General Fund to Property Revaluation	-	(75,000)	-	(75,000)	-	-	-	-	-
- from General Fund to Community Rec	-	(410,621)	-	(410,621)	-	-	-	-	-
Financed Purchases reported as financing source & capital outlay on audit	-	(115,255)	(115,255)	-	-	-	-	-	-
GASB 96 Software reported as financing source on audit	-	(98,183)	(98,183)	-	-	-	-	-	-
Issuance of Financed Purchases reported on audit as financing source	-	(91,732)	(91,732)	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
Totals Per MTP2	<u>\$ 93,655,594</u>	<u>\$ 2,907,225</u>	<u>\$ 91,006,937</u>	<u>\$ 4,492,131</u>	<u>\$ 1,063,751</u>	<u>\$ 25,198,239</u>	<u>\$ -</u>	<u>\$ 25,198,239</u>	<u>\$ 26,261,990</u>

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

See accompanying Notes to Annual Supplemental Transparency Report (MTP2).

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
ANNUAL SUPPLEMENTAL TRANSPARENCY REPORT (MTP2) (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2025**

Town of South Kingstown
Annual Supplemental Transparency Report (MTP2)
Combining Schedule of
Reportable Government Services with
Reconciliation to MTP2
Education Department
Fiscal Year Ended June 30, 2025

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 Balance ¹ - per MTP-2 at June 30, 2024						\$ 5,380,683	-	\$ 5,380,683	
<i>No misc. adjustments made for fiscal 2024</i>						-	-	-	
Fund Balance ¹ - per MTP-2 at June 30, 2025 adjusted						<u>\$ 5,380,683</u>	-	<u>\$ 5,380,683</u>	
School Unrestricted Fund	\$ 10,197,436	\$ 56,030,515	\$ 64,435,017	\$ 1,533,133	\$ 259,801	\$ 4,486,738	-	\$ 4,486,738	\$ 4,746,539
School Lunch Program Fund	863,046	-	916,778	-	(53,732)	252,812	-	252,812	199,080
School Capital Project Fund	-	1,559,023	935,622	-	623,401	158,236	-	158,236	781,637
School Student Activity Funds	245,066	-	241,263	-	3,803	287,645	-	287,645	291,448
School Special Revenue Funds	2,927,375	-	3,063,880	25,890	(162,395)	195,252	-	195,252	32,857
Totals per audited financial statements	<u>\$ 14,232,923</u>	<u>\$ 57,589,538</u>	<u>\$ 69,592,560</u>	<u>\$ 1,559,023</u>	<u>\$ 670,878</u>	<u>\$ 5,380,683</u>	<u>\$ -</u>	<u>\$ 5,380,683</u>	<u>\$ 6,051,561</u>
Reconciliation from financial statements to MTP2									
Municipal appropriation for Education reported as a transfer on financial statements but a revenue on MTP2	\$ 55,994,773	\$ (55,994,773)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State contributions on behalf of teacher pensions are reported as revenue and expenditures on financial statements only	(2,876,617)	-	(2,876,617)	-	-	-	-	-	-
State contributions on behalf of transportation contributions are reported as revenue and expenditures on financial statements only	(140,673)	-	(140,673)	-	-	-	-	-	-
Elimination of transfers between school funds	-	(1,559,023)	-	(1,559,023)	-	-	-	-	-
Less Commodities reported from GAAP financials-not in MTP2	(91,224)	-	(91,224)	-	-	-	-	-	-
Trust Fund Income reported as a transfer on financial statements but as revenue on MTP2	35,742	(35,742)	-	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
Totals Per MTP2	<u>\$ 67,154,924</u>	<u>\$ -</u>	<u>\$ 66,484,046</u>	<u>\$ -</u>	<u>\$ 670,878</u>	<u>\$ 5,380,683</u>	<u>\$ -</u>	<u>\$ 5,380,683</u>	<u>\$ 6,051,561</u>
Reconciliation from MTP2 to UCOA									
Audit entry to correct prior year misposting in IDEA fund	\$ -	-	\$ (153,480)	-	-	-	-	-	-
Miscellaneous variance between MTP2 and UCOA	(1)	-	-	-	-	-	-	-	-
Totals per UCOA Validated Totals Report Dated 02/17/2026	<u>\$ 67,154,923</u>	<u>\$ -</u>	<u>\$ 66,330,566</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

See accompanying Notes to Annual Supplemental Transparency Report (MTP2).

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO ANNUAL SUPPLEMENTAL TRANSPARENCY REPORT (MTP2)
JUNE 30, 2025

NOTE 1 BASIS OF PRESENTATION

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

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

NOTE 2 REPORTABLE GOVERNMENT SERVICES

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

NOTE 3 ALLOCATIONS

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

NOTE 4 EMPLOYEE GROUPS

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

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

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
NOTES TO ANNUAL SUPPLEMENTAL TRANSPARENCY REPORT (MTP2)
JUNE 30, 2025

NOTE 4 EMPLOYEE GROUPS (CONTINUED)

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

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

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

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

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

NOTE 5 EDUCATION REVENUE AND EXPENDITURES

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

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

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

STATISTICAL SECTION

STATISTICAL SECTION INFORMATION

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

Statistical section information is presented in the following categories:

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

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

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

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

	Fiscal Year Ended June 30									
	2025	Restated 2024	2023	2022	2021	2020	Restated 2019	Restated 2018	Restated 2017	2016
Governmental Activities:										
Net Investment in Capital Assets	\$ 76,476,676	\$ 69,257,089	\$ 67,646,540	\$ 65,948,551	\$ 72,554,859	\$ 77,139,083	\$ 75,386,786	\$ 72,453,601	\$ 77,888,860	\$ 70,479,567
Restricted	41,186,141	38,580,861	31,994,065	29,137,673	34,413,830	21,882,796	2,749,974	2,688,675	2,509,938	2,788,004
Unrestricted	(5,790,417)	(9,146,223)	(12,899,274)	(19,022,456)	(35,111,516)	(35,488,094)	(17,219,511)	(16,739,201)	(25,186,040)	(17,776,078)
Total Governmental Activities Net Position	111,872,400	98,691,727	86,741,331	76,063,768	71,857,173	63,533,785	60,917,249	58,403,075	55,212,758	55,491,493
Business-Type Activities:										
Net Investment in Capital Assets	24,603,147	23,408,827	24,054,413	24,308,077	22,368,647	22,430,731	20,395,273	21,099,965	21,560,136	20,764,646
Restricted	6,186	6,186	6,186	6,186	6,186					
Unrestricted	19,440,873	18,880,150	14,613,134	13,536,006	13,463,078	13,188,340	12,793,391	11,148,345	10,316,138	9,590,963
Total Business-Type Activities Net Position	44,050,206	42,295,163	38,673,733	37,850,269	35,837,911	35,619,071	33,188,664	32,248,310	31,876,274	30,355,609
Primary Government:										
Net Investment In Capital Assets	101,079,823	92,665,916	91,700,953	90,256,628	94,923,506	99,569,814	95,782,059	93,553,566	99,448,996	91,244,213
Restricted	41,192,327	38,587,047	32,000,251	29,143,859	34,420,016	2,804,762	2,257,954	2,196,655	2,509,938	2,295,984
Unrestricted	13,650,456	9,733,927	1,713,860	(5,486,450)	(21,648,438)	(3,221,720)	(4,426,120)	(5,590,856)	(14,869,902)	(8,185,115)
Total Primary Government Net Position	<u>\$ 155,922,606</u>	<u>\$ 140,986,890</u>	<u>\$ 125,415,064</u>	<u>\$ 113,914,037</u>	<u>\$ 107,695,084</u>	<u>\$ 99,152,856</u>	<u>\$ 93,613,893</u>	<u>\$ 90,159,365</u>	<u>\$ 87,089,032</u>	<u>\$ 85,355,082</u>

TABLE 2

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

	Fiscal Year Ended June 30									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
EXPENSES										
Governmental Activities:										
General Government	\$ 6,890,315	\$ 6,527,895	\$ 6,475,628	\$ 5,312,803	\$ 6,799,564	\$ 6,439,271	\$ 5,566,611	\$ 5,485,016	\$ 6,009,770	\$ 4,959,774
Public Safety	16,900,038	14,956,118	13,454,904	11,459,722	12,473,336	12,853,296	11,889,791	12,533,561	11,959,463	13,020,538
Public Works	4,693,880	4,227,140	4,191,535	4,784,769	4,333,110	4,617,718	4,395,606	2,925,740	3,287,040	3,084,179
Human Service Agency Contributions	815,882	495,119	601,635	655,320	700,428	907,803	1,005,331	840,591	950,422	943,812
Public Libraries	1,550,642	1,521,538	1,479,313	1,491,220	1,996,552	1,432,553	1,487,098	1,832,064	1,813,159	1,506,903
Education	66,024,887	62,586,356	63,505,409	63,379,148	65,664,371	66,487,416	66,456,058	65,482,766	66,089,552	65,100,240
Recreation	4,535,412	4,078,825	4,170,383	3,874,122	4,787,715	3,812,750	4,003,871	4,699,805	4,428,491	4,135,318
Interest on Long-Term Debt	497,910	427,399	365,869	402,086	194,173	416,130	289,363	413,293	245,795	321,314
Total Governmental Activities	<u>101,908,966</u>	<u>94,820,390</u>	<u>94,244,676</u>	<u>91,359,190</u>	<u>96,949,249</u>	<u>96,966,937</u>	<u>95,093,729</u>	<u>94,212,836</u>	<u>94,783,692</u>	<u>93,072,078</u>
Business-Type Activities:										
Wastewater	4,694,217	4,740,060	4,115,477	3,907,438	3,849,075	3,741,834	3,726,503	3,394,506	3,355,328	3,105,813
Solid Waste	971,712	909,424	759,316	781,322	641,520	589,050	613,073	559,798	500,390	498,920
Water	1,018,609	1,004,338	965,829	973,915	1,128,155	1,042,448	917,238	970,691	896,198	818,052
School Cafeteria	917,030	943,987	1,032,056	1,126,190	738,116	758,394	1,026,582	1,020,300	985,643	983,204
Total Business-Type Activities	<u>7,601,568</u>	<u>7,597,809</u>	<u>6,872,678</u>	<u>6,788,865</u>	<u>6,356,866</u>	<u>6,131,726</u>	<u>6,283,396</u>	<u>5,945,295</u>	<u>5,737,559</u>	<u>5,405,989</u>
Total Primary Government Expense	<u>\$ 109,510,534</u>	<u>\$ 102,418,199</u>	<u>\$ 101,117,354</u>	<u>\$ 98,148,055</u>	<u>\$ 103,306,115</u>	<u>\$ 103,098,663</u>	<u>\$ 101,377,125</u>	<u>\$ 100,158,131</u>	<u>\$ 100,521,251</u>	<u>\$ 98,478,067</u>
PROGRAM REVENUES										
Governmental Activities:										
Charges for Services:										
General Government	\$ 585,595	\$ 475,541	\$ 405,065	\$ 1,163,044	\$ 714,333	\$ 612,142	\$ 559,679	\$ 495,600	\$ 626,747	\$ 561,391
Public Safety	2,308,522	1,981,644	2,432,449	1,674,818	1,588,164	1,480,139	1,542,615	1,468,888	1,260,869	1,391,139
Human Service	1,467,283	1,254,727	1,032,999	1,252,030	1,201,770	1,125,256	960,699	1,065,694	882,677	754,636
Public Works	63,421	145,399	113,258	122,177	90,668	161,627	234,328	174,401	142,466	162,652
Public Libraries	9,872	9,052	8,687	7,529	3,842	10,265	17,740	22,001	23,267	20,855
Education	1,403,939	990,724	1,152,362	1,469,340	1,097,662	897,537	881,720	631,480	670,514	833,574
Interest and Fiscal Charges	-	-	611	64	-	-	-	-	-	-
Recreation	2,276,157	2,125,505	2,101,045	1,836,855	1,732,874	1,694,592	1,811,103	1,677,624	1,618,619	1,609,412
Operating Grants and Contributions	16,143,696	13,451,578	12,107,242	9,851,227	13,102,785	11,403,108	11,861,271	13,065,446	13,491,181	14,611,427
Capital Grants and Contributions	896,016	1,041,387	498,578	1,555,155	934,766	1,129,967	829,442	1,799,851	2,276,533	3,217,518
Total Governmental Activities	<u>25,154,501</u>	<u>21,475,557</u>	<u>19,852,296</u>	<u>18,932,239</u>	<u>20,466,864</u>	<u>18,514,633</u>	<u>18,698,597</u>	<u>20,400,985</u>	<u>20,992,873</u>	<u>23,162,604</u>
Business-Type Activities:										
Charges for Services:										
Wastewater	5,283,049	7,717,343	4,561,064	5,901,434	3,965,456	5,552,428	3,949,473	3,608,923	4,052,754	3,285,671
Solid Waste	948,848	894,766	774,089	731,957	672,999	661,902	638,302	561,226	501,178	506,858
Water	1,314,781	1,246,661	1,293,169	1,177,578	1,194,604	1,168,413	1,171,727	1,137,826	1,139,920	1,158,964
School Cafeteria	379,902	440,761	472,005	36,124	1,295	437,990	615,381	619,381	579,252	560,875
Operating Grants and Contributions	483,144	480,598	482,797	1,361,316	724,213	308,295	391,410	413,975	402,182	427,718
Capital Grants and Contributions	-	-	-	-	7,472	-	-	18,069	-	-
Total Business-Type Activities	<u>8,409,724</u>	<u>10,780,129</u>	<u>7,583,124</u>	<u>9,208,409</u>	<u>6,566,039</u>	<u>8,129,028</u>	<u>6,766,293</u>	<u>6,359,400</u>	<u>6,675,286</u>	<u>5,940,086</u>
Total Primary Government	<u>\$ 33,564,225</u>	<u>\$ 32,255,686</u>	<u>\$ 27,435,420</u>	<u>\$ 28,140,648</u>	<u>\$ 27,032,903</u>	<u>\$ 26,643,661</u>	<u>\$ 25,464,890</u>	<u>\$ 26,760,385</u>	<u>\$ 27,668,159</u>	<u>\$ 29,102,690</u>

**TABLE 2
(CONTINUED)**

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

	Fiscal Year Ended June 30									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
NET REVENUE (EXPENSE)										
Governmental Activities	\$ (76,754,465)	\$ (73,344,833)	\$ (74,392,380)	\$ (72,426,951)	\$ (76,482,385)	\$ (78,452,304)	\$ (76,395,132)	\$ (73,811,851)	\$ (73,790,819)	\$ (69,909,474)
Business-Type Activities	808,156	3,182,320	710,446	2,419,544	209,173	1,997,302	482,897	414,105	937,727	534,097
Total Primary Government Net Expense	<u>\$ (75,946,309)</u>	<u>\$ (70,162,513)</u>	<u>\$ (73,681,934)</u>	<u>\$ (70,007,407)</u>	<u>\$ (76,273,212)</u>	<u>\$ (76,455,002)</u>	<u>\$ (75,912,235)</u>	<u>\$ (73,397,746)</u>	<u>\$ (72,853,092)</u>	<u>\$ (69,375,377)</u>
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental Activities:										
Property Taxes	\$ 77,429,874	\$ 76,538,327	\$ 75,806,589	\$ 77,574,212	\$ 77,281,357	\$ 76,896,488	\$ 74,364,196	\$ 72,166,222	\$ 70,994,758	\$ 69,126,888
Motor Vehicle Phase-Out Taxes	3,920,088	3,930,455	3,930,455	1,369,885	321,889	772,534	353,601	483,828	142,445	139,730
Telephone and Hotel Taxes	474,818	371,532	370,703	289,067	121,584	229,153	195,877	199,400	164,020	159,174
Grants and Aid not Restricted for a Specific Program	1,682,847	1,520,004	1,537,977	1,341,359	1,200,125	1,317,593	1,338,723	1,663,617	1,353,836	1,340,500
Unrestricted Investment Earnings	6,428,530	6,510,965	3,425,238	(3,936,977)	5,518,993	2,357,925	2,375,895	1,971,233	1,940,657	193,395
Transfers	(1,019)	(6,157)	(1,019)	(4,000)	(4,200)	(12,833)	(18,986)	25,848	(591,612)	(803,982)
Total Governmental Activities	<u>89,935,138</u>	<u>88,865,126</u>	<u>85,069,943</u>	<u>76,633,546</u>	<u>84,439,748</u>	<u>81,560,860</u>	<u>78,609,306</u>	<u>76,510,148</u>	<u>74,004,104</u>	<u>70,155,705</u>
Business-Type Activities:										
Unrestricted Investment Earnings	945,868	641,375	111,999	(411,186)	5,467	420,272	438,471	(16,221)	(8,674)	34,819
Transfers	1,019	6,157	1,019	4,000	4,200	12,833	18,986	(25,848)	591,612	803,982
Total Business-Type Activities	<u>946,887</u>	<u>647,532</u>	<u>113,018</u>	<u>(407,186)</u>	<u>9,667</u>	<u>433,105</u>	<u>457,457</u>	<u>(42,069)</u>	<u>582,938</u>	<u>838,801</u>
Total Primary Government	<u>\$ 90,882,025</u>	<u>\$ 89,512,658</u>	<u>\$ 85,182,961</u>	<u>\$ 76,226,360</u>	<u>\$ 84,449,415</u>	<u>\$ 81,993,965</u>	<u>\$ 79,066,763</u>	<u>\$ 76,468,079</u>	<u>\$ 74,587,042</u>	<u>\$ 70,994,506</u>
CHANGE IN NET POSITION										
Governmental Activities	\$ 13,180,673	\$ 15,520,293	\$ 10,677,563	\$ 4,206,595	\$ 7,957,363	\$ 3,108,556	\$ 2,514,174	\$ 2,698,297	\$ 213,285	\$ 246,231
Business-Type Activities	1,755,043	3,829,852	823,464	2,012,358	218,840	2,430,407	940,354	372,036	1,520,665	1,372,898
Total Primary Government	<u>\$ 14,935,716</u>	<u>\$ 19,350,145</u>	<u>\$ 11,501,027</u>	<u>\$ 6,218,953</u>	<u>\$ 8,176,203</u>	<u>\$ 5,538,963</u>	<u>\$ 3,454,528</u>	<u>\$ 3,070,333</u>	<u>\$ 1,733,950</u>	<u>\$ 1,619,129</u>

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

	Fiscal Year Ended June 30									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Fund:										
Restricted	\$ 77,158	\$ 56,842	\$ 200	\$ 1,016	\$ 8,969	\$ 1,200	\$ 27,529	\$ 9,598	\$ 36,956	\$ 15,726
Unrestricted	<u>24,548,470</u>	<u>23,114,062</u>	<u>20,250,767</u>	<u>19,886,030</u>	<u>20,808,138</u>	<u>21,267,506</u>	<u>17,025,520</u>	<u>16,346,328</u>	<u>16,077,082</u>	<u>15,570,027</u>
Total General Fund	<u>\$ 24,625,628</u>	<u>\$ 23,170,904</u>	<u>\$ 20,250,967</u>	<u>\$ 19,887,046</u>	<u>\$ 20,817,107</u>	<u>\$ 21,268,706</u>	<u>\$ 17,053,049</u>	<u>\$ 16,355,926</u>	<u>\$ 16,114,038</u>	<u>\$ 15,585,753</u>
All Other Governmental Funds:										
Restricted	\$ 30,874,190	\$ 29,715,625	\$ 26,881,087	\$ 24,302,091	\$ 27,975,769	\$ 24,567,695	\$ 23,968,163	\$ 23,333,520	\$ 22,102,238	\$ 22,090,114
Unrestricted, Reported in:										
Special Revenue Funds	8,328,226	8,157,576	6,959,286	6,662,029	5,458,247	3,056,898	2,821,443	2,565,363	2,206,848	2,498,058
Capital Project Funds	<u>14,982,438</u>	<u>16,629,392</u>	<u>18,161,176</u>	<u>19,167,821</u>	<u>12,627,098</u>	<u>11,077,659</u>	<u>8,968,301</u>	<u>11,640,433</u>	<u>5,128,522</u>	<u>9,518,148</u>
Total All Other Governmental Funds	<u>\$ 54,184,854</u>	<u>\$ 54,502,593</u>	<u>\$ 52,001,549</u>	<u>\$ 50,131,941</u>	<u>\$ 46,061,114</u>	<u>\$ 38,702,252</u>	<u>\$ 35,757,907</u>	<u>\$ 37,539,316</u>	<u>\$ 29,437,608</u>	<u>\$ 34,106,320</u>

Notes:

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

TABLE 4

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

	Fiscal Year Ended June 30									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
REVENUES										
Property Taxes and Interest	\$ 77,482,435	\$ 76,565,423	\$ 75,810,273	\$ 77,584,903	\$ 77,235,788	\$ 76,736,260	\$ 74,523,011	\$ 72,138,721	\$ 71,023,350	\$ 69,170,273
Intergovernmental Revenues	20,752,304	19,234,457	16,915,148	13,414,312	11,635,447	10,434,074	11,559,695	13,084,043	14,124,443	14,224,265
Licenses, Fees, and Rents	4,029,870	2,723,718	2,609,735	3,426,499	3,000,880	2,479,459	2,079,483	2,220,604	2,027,110	1,800,653
Interest on Investments	6,370,411	6,477,940	3,405,364	(3,939,326)	5,517,805	2,348,787	2,356,901	1,959,452	1,940,088	192,667
Fines and Charges	2,779,067	2,612,648	2,949,285	2,066,277	1,696,032	1,887,213	2,081,198	1,934,102	1,454,328	1,668,007
Department Revenue	1,282,820	1,156,722	1,202,957	1,122,400	1,178,065	1,099,591	1,258,470	1,085,472	1,382,810	1,319,990
Other Revenue	579,194	729,184	620,070	884,096	1,144,664	856,695	734,822	921,296	834,428	853,428
State On-Behalf Pension	2,876,617	2,674,783	2,910,686	2,993,805	2,948,281	2,793,656	2,991,987	2,666,045	2,683,099	2,449,310
Total Revenues	116,152,718	112,174,875	106,423,518	97,552,966	104,356,962	98,635,735	97,585,567	96,009,735	95,469,656	91,678,593
EXPENDITURES										
Current:										
General Government	12,126,822	7,508,812	7,371,960	6,112,796	6,177,625	5,102,639	5,274,466	3,839,267	3,751,923	3,776,694
Public Safety	18,212,663	15,239,396	14,683,544	13,167,291	12,679,075	12,338,588	11,510,894	11,265,691	10,897,960	10,559,201
Public Services	3,367,225	3,000,094	2,766,131	3,385,175	2,858,094	3,034,100	3,051,979	2,935,749	3,627,204	2,984,847
Public Health Contributions	815,882	495,119	601,635	655,320	700,428	994,947	1,020,829	964,008	950,422	940,061
Recreation	3,765,680	3,341,030	3,308,724	3,209,375	3,021,092	3,180,928	3,187,746	2,957,302	2,924,312	2,658,792
Public Libraries	1,437,941	1,410,560	1,331,441	1,290,490	1,293,978	1,364,380	1,317,350	1,259,498	1,210,348	1,180,796
Educational	68,599,438	68,213,447	67,504,854	68,401,934	66,761,338	62,641,377	65,632,870	63,976,130	63,158,612	62,196,819
Capital Improvements	5,071,367	5,920,615	4,763,879	4,195,634	2,392,441	4,822,247	5,481,376	2,806,741	10,161,698	3,508,744
Miscellaneous	-	-	-	-	-	-	-	1,191,713	1,040,289	967,255
Debt Service: (2)										
Principal	1,590,914	1,744,606	1,576,856	1,437,304	1,370,000	1,694,000	1,842,000	1,682,000	1,710,000	2,044,000
Interest	580,102	527,654	543,209	345,395	382,452	424,824	331,357	378,262	257,434	334,933
Total Expenditures	115,568,034	107,401,333	104,452,233	102,200,714	97,636,523	95,598,030	98,650,867	93,256,361	99,690,202	91,152,142
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	584,684	4,773,542	1,971,285	(4,647,748)	6,720,439	3,037,705	(1,065,300)	2,753,374	(4,220,546)	526,451
OTHER FINANCING SOURCES (USES)										
Proceeds from Borrowing	-	-	-	7,500,751	-	4,135,130	-	5,639,374	-	-
Financed Purchases Issued	213,438	214,161	-	-	-	-	-	-	-	-
Issuance of Leases	-	365,849	15,097	291,763	-	-	-	-	-	-
Issuance of Subscriptions	91,732	423,586	453,104	-	-	-	-	-	-	-
Issuance of Refunding Bonds	-	-	-	-	-	-	-	-	-	-
Payment to Refunding Debt Escrow	-	-	-	-	-	-	-	-	-	-
Transfers In	9,795,581	7,228,071	8,005,680	7,116,352	7,444,429	5,486,875	5,697,095	5,523,866	5,700,651	5,860,074
Transfers Out	(9,548,450)	(7,584,228)	(8,211,699)	(7,120,352)	(7,623,629)	(5,499,708)	(5,716,081)	(5,573,018)	(5,710,706)	(6,489,214)
Total Other Financing Sources (Uses)	552,301	647,439	262,182	7,788,514	(179,200)	4,122,297	(18,986)	5,590,222	(10,055)	(629,140)
NET CHANGE IN FUND BALANCES	\$ 1,136,985	\$ 5,420,981	\$ 2,233,467	\$ 3,140,766	\$ 6,541,239	\$ 7,160,002	\$ (1,084,286)	\$ 8,343,596	\$ (4,230,601)	\$ (102,689)
Debt Service as a Percentage of Noncapital Expenditures (1)	2.09%	2.26%	2.14%	1.82%	1.84%	2.34%	2.28%	1.97%	2.61%	3.37%

Notes:

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

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

Fiscal Year Ended June 30	Assessed Value						Total Taxable Assessed Value	Total Direct Tax Rate
	Residential Property	Commercial Property	Industrial/Utility Property	Tangible Personal Property	Motor Vehicles	Less Tax Exempt Property		
2025	\$ 6,320,961,700	\$ 573,025,550	\$ 48,106,500	\$ 109,903,917	\$ -	\$ 113,797,554	\$ 6,938,200,113	\$ 11
2024	6,267,314,300	577,874,150	41,190,000	108,994,386	-	95,608,636	6,899,764,200	11
2023	6,204,248,400	579,869,800	41,190,000	108,814,811	-	90,753,521	6,843,369,490	11
2022	4,527,996,100	512,059,900	42,881,500	107,007,815	136,900,889	64,135,163	5,262,711,041	15
2021	4,494,020,600	510,107,200	42,881,500	114,464,194	145,574,064	61,133,730	5,245,913,828	15
2020	4,453,849,000	502,741,200	42,881,500	114,091,164	168,826,026	63,902,393	5,218,486,497	15
2019	3,941,833,700	407,514,885	74,711,715	113,421,110	175,178,185	59,619,313	4,653,040,282	16
2018	3,902,377,700	406,099,681	73,106,419	112,676,078	184,249,032	60,393,721	4,618,115,189	15
2017	3,874,286,600	417,248,697	74,538,903	113,800,099	198,929,263	61,210,855	4,617,592,707	15
2016	3,663,352,700	388,285,575	75,493,525	113,540,016	194,264,022	60,187,116	4,374,748,722	16

Source: Town of South Kingstown, Rhode Island Assessor

Notes:

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

The Town had a full revaluation of real property as of December 31, 2021, effective for the 2022-23 fiscal year. The full revaluation is required by state law every 9 years. Statistical updates are required every 3 years. A statistical update of real property was completed as of December 31, 2018 for the 2019-2020 fiscal year. Property is assessed at actual value, therefore, the assessed values are equal to actual value. Tax rates are per \$1,000 of assessed value.

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

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

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
ASSESSED VALUES AND ACTUAL VALUES OF TAXABLE PROPERTY (CONTINUED)
CALCULATION OF TOTAL DIRECT TAX RATE FOR
FISCAL YEAR ENDED JUNE 30, 2025**

Note: Excludes Exempt Property

Category	Assessed Value	Assessed Value	Direct Rate Per \$1000	Total Tax Levy
Real Estate	\$6,942,093,750			
Less: Exemptions	113,797,554			
Net Real Estate		\$6,828,296,196	\$ 11.0500	\$75,452,673
Tangible/Personal		109,903,917	11.0500	1,214,438
Inventory		-		-
Motor Vehicle				
Less: Exemptions				
Net Motor Vehicle		-		-
		\$ 6,938,200,113		\$ 76,667,111
				\$ 76,666,984
				\$ 127
	Total Assessed Value:	\$ 6,938,200,113		
	Divided by Total Levy:	76,667,111		
	(Times 1000)	\$ 11.05	Weighted Avg/Total Direct Rate	

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

	2024			2015		
	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value
Harbor Village Apts (formerly Grandville)	\$45,155,100	1	0.65 %	\$33,467,700	1	0.48 %
BH Brightview Commons, LLC (formerly SHP III)	26,391,200	2	0.38			-
BKD South Bay LLC (Brookdale Senior Living)	17,084,500	3	0.25			-
SCC Investments II, LLC	15,176,700	4	0.22	16,394,000	4	0.24
Jerry Brown Farm Association	14,638,200	5	0.21	12,313,800	8	0.18
Wakefield Mall, LLC	13,224,700	6	0.19	12,524,800	7	0.18
Schneider Electric (formerly APC)	11,828,700	7	0.17	30,237,205	2	0.44
Tower Hill Landings, LLC	9,406,400	8	0.14			-
Belmont Shoppers Park Inc.	10,772,700	9	0.16			-
Matunuck Beach Properties Inc	8,400,100	10	0.12			-
Narragansett Electric				23,081,066	3	0.33
SHP III South Kingstown LLC				16,329,100	5	0.24
HCP HB2 South Bay Manor LLC				13,696,500	6	0.20
United Water of RI				7,890,000	9	0.11
Indian Run Village RIH LLC				6,952,600	10	0.10
Total	\$ 172,078,300		2.48 %	\$ 172,886,771		3.95 %

Source: Town of South Kingstown Assessor

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

Fiscal Year	Actual Tax Rate	Gross Levy	Addendums and Adjustments	Abatements and Adjustments	Net Levy	Uncollected			
						End of Year Levy (1)	Percent of Net Levy	As of 8/30/22	Percent of Net Levy
2024-25	11.05	\$ 76,666,984	\$ 104,846	\$ 355,176	\$ 76,416,654	\$ 756,150	0.99%	\$ 501,015	0.66%
2023-24	11.05	76,242,144	138,523	332,006	76,048,661	210,199	0.28%	168,286	0.22%
2022-23	10.95	78,243,068	146,553	201,995	78,187,626	49,701	0.06%	34,126	0.04%
2021-22	14.45	76,628,505	188,182	108,695	76,707,992	30,227	0.04%	28,656	0.04%
2020-21	14.45	76,422,435	105,518	21,523	76,506,430	28,443	0.04%	27,664	0.04%
2019-20	14.45	76,125,309	149,486	33,221	76,241,574	27,688	0.04%	26,788	0.04%
2018-19	15.68	73,489,680	159,788	64,966	73,584,502	26,132	0.04%	25,777	0.04%
2017-18	15.31	71,328,981	134,783	28,622	71,435,142	26,353	0.04%	25,642	0.04%
2016-17	15.09	70,398,298	78,533	55,227	67,698,861	33,560	0.05%	33,085	0.05%
2015-16	15.52	68,504,982	93,912	43,927	65,885,154	29,075	0.04%	29,011	0.04%

Source: Town of South Kingstown Tax Collector

Notes:

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

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

General Bonded Debt									
Fiscal Year June 30,	General Obligation Bonds	Bonds Premiums	Lease Liability	Subscription Liability	Financed Purchases	Taxable Assessed Value	Percent of Taxable Assessed Value	(2010 is actual) U.S. Census Estimated Population	Per Capita
2025	\$12,955,000	\$584,474	\$ 223,605	\$590,754	\$339,923	\$ 6,938,200,113	0.19%	\$31,931	\$405.72
2024	14,225,000	673,630	324,124	681,921	163,980	6,899,764,200	0.21%	32,025	444
2023	15,643,000	774,559	128,700	370,335	-	6,843,369,490	0.23%	32,056	488
2022	17,126,000	886,981	207,459	-	-	5,262,711,041	0.33%	31,851	538
2021	11,464,000	369,362	-	-	-	5,245,913,828	0.22%	30,454	376
2020	12,834,000	427,981	-	-	-	5,218,486,497	0.25%	30,348	423
2019	10,653,000	478,687	-	-	-	4,653,040,282	0.23%	30,650	348
2018	12,495,000	529,392	-	-	-	4,618,115,189	0.27%	30,788	406
2017	8,757,000	360,675	-	-	-	4,617,592,707	0.19%	30,791	284
2016	10,467,000	400,412	-	-	-	4,374,748,722	0.24%	30,826	340

Business-Type Activities										
Fiscal Year June 30,	Wastewater		Solid Waste		Water		Total Primary Government	Total Personal Income	Percent of Personal Income *	Per Capita
	Bonds	Subscription Liability	Bonds	Subscription Liability	Bonds	Subscription Liability				
2025	\$ -	\$10,106	\$ 59,000	\$8,085.00	\$ -	\$8,085.00	14,779,032	1,554,528,804	0.95%	\$ 463
2024	-	14,849	114,000	11,879	-	11,879	16,221,262	1,493,517,900	1.09%	507
2023	30,000	19,044	168,000	15,235	-	15,235	17,164,108	1,348,916,480	1.27%	535
2022	59,000	-	349,321	-	-	-	18,628,761	1,284,933,042	1.45%	585
2021	87,000	-	526,152	-	-	-	12,446,514	Not Available	Not Available	409
2020	115,000	-	698,587	-	-	-	14,075,568	Not Available	Not Available	464
2019	142,000	-	866,719	-	-	-	12,140,406	1,193,112,550	1.02%	396
2018	169,000	-	1,030,638	-	-	-	14,224,030	1,110,492,372	1.28%	462
2017	195,000	-	1,190,432	-	-	-	10,503,107	1,101,763,562	0.95%	341
2016	221,000	-	1,346,185	-	-	-	12,434,597	1,044,569,836	1.19%	403

Notes:

Details regarding the Town's outstanding debt can be found in the Notes to Financial Statements.

* See Schedule 11 for personal income and population data used to calculate these ratios.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
 ASSESSED VALUE AND NET GENERAL BONDED DEBT PER CAPITA
 LAST TEN FISCAL YEARS**

General Bonded Debt						
Fiscal Year June 30,	General Obligation Bonds	Bonds Premiums	Less: Amounts Available in Debt Service Fund	Total Primary Government	Percent of Taxable Assessed Value	Per Capita
2025	\$ 12,955,000	\$ 584,474	\$ 3,091,931	\$ 10,447,543	0.15%	\$ 327
2024	14,225,000	673,630	2,982,653	11,915,977	0.17%	372
2023	15,643,000	774,559	2,428,314	13,989,245	0.20%	436
2022	17,126,000	886,981	2,658,395	15,354,586	0.29%	482
2021	11,464,000	369,362	1,769,414	10,063,948	0.19%	330
2020	12,834,000	427,981	884,173	12,377,808	0.24%	408
2019	10,653,000	478,687	492,088	10,639,599	0.23%	347
2018	12,495,000	529,392	596,290	12,428,102	0.27%	404
2017	8,757,000	360,675	503,176	8,614,499	0.19%	280
2016	10,467,000	400,412	288,071	10,579,341	0.24%	343

Notes:

Details regarding the Town's outstanding debt can be found in the Notes to Financial Statements.

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(RATE PER \$1,000 OF ASSESSED VALUE)

Fiscal Year Ended June 30	Total Direct Tax Rate		Overlapping Rates		
	Real Estate / Personal Property	Motor Vehicle	Union Fire District	Indian Lake Fire District	Kingston Fire District
2025	\$ 11.05	\$ -	\$ 0.57	\$ 0.85	\$ 0.76
2024	11.05	-	0.59	0.85	0.75
2023	10.95	-	0.59	0.83	0.74
2022	14.45	18.71	0.77	1.26	0.95
2021	14.45	18.71	0.76	1.33	0.94
2020	14.45	18.71	0.77	1.22	0.94
2019	15.68	18.71	0.87	1.30	1.02
2018	15.31	18.71	0.86	1.22	1.00
2017	15.09	18.71	0.85	1.22	0.97
2016	15.52	18.71	0.88	1.38	0.98
2015	15.48	18.71	0.82	1.38	0.96

Notes:

Beginning in the 2012-2013 fiscal year, the Town's basic tax rate increase cannot exceed 4% of the prior year's rate unless the state of Rhode Island approves such increase.

Overlapping rates are those of local fire districts that apply to property owners within the Town of South Kingstown. Not all overlapping rates apply to all Town of South Kingstown property owners. For example, although the Town's direct property tax rates apply to all Town property owners, a fire district tax applies only to those Town properties located within that district.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

	Fiscal Year Ended June 30									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Assessed Value	\$ 6,938,200,113	\$ 6,899,764,200	\$ 6,843,369,490	\$ 5,262,711,041	\$ 5,245,913,828	\$ 5,218,486,497	\$ 4,653,040,282	\$ 4,618,115,189	\$ 4,617,592,707	\$ 4,374,748,722
Rhode Island General Law Debt Limitation as % of Assessed Value	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Debt Limit	208,146,003	206,992,926	205,301,085	157,881,331	157,377,415	156,554,595	139,591,208	138,543,456	138,527,781	131,242,462
Total Net Debt Applicable to the Limit	1,365,959	1,534,299	1,769,176	2,149,157	2,669,751	3,189,898	3,873,337	4,315,645	3,875,854	4,362,607
Legal Debt Margin	<u>\$ 206,780,044</u>	<u>\$ 205,458,627</u>	<u>\$ 203,531,909</u>	<u>\$ 155,732,174</u>	<u>\$ 154,707,664</u>	<u>\$ 153,364,697</u>	<u>\$ 135,717,871</u>	<u>\$ 134,227,811</u>	<u>\$ 134,651,927</u>	<u>\$ 126,879,855</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	<u>0.66%</u>	<u>0.74%</u>	<u>0.86%</u>	<u>1.36%</u>	<u>1.70%</u>	<u>2.04%</u>	<u>2.77%</u>	<u>3.12%</u>	<u>2.80%</u>	<u>3.32%</u>

Notes:

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

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

<u>Fiscal Year June 30,</u>	<u>(3) Population</u>	<u>Per Capita Personal Income (1)</u>	<u>ESTIMATED Total Personal Income (1) (thousands)</u>	<u>School Enrollment</u>	<u>Unemployment Rate (2)</u>
2025	31,931	\$ 48,684	\$ 1,554,529	2,211	4.2%
2024	32,025	46,636	1,493,518	2,131	3.5%
2023	32,056	42,080	1,348,916	2,297	2.9%
2022	31,851	40,342	1,284,933	2,398	2.2%
2021	30,454	Not Available	Not Available	2,708	6.9%
2020	30,348	Not Available	Not Available	2,853	3.1%
2019	30,650	\$38,927	1,193,113	2,931	3.6%
2018	30,788	36,069	1,110,492	3,043	3.9%
2017	30,791	35,782	1,101,764	3,111	4.9%
2016	30,826	33,886	1,044,570	3,249	5.4%

(1) Per Bureau of Economic Analysis - Washington County. The income data released in April 2012 represents 2010 data. Personal income is only available at the county level. The Town's population is 24% of the County. Most recent Per Capita Personal Income per the US Census Bureau, 2015-2019 ACS 5-Year Estimate for FY 2019. Provided by RI Department of Labor and Training. FY22 Per Capita Income in past 12 months (in 2021 dollars), 2016-2020, per Census.gov Quickfacts.

(2) Rhode Island Department of Labor and Training; as of June 2024

(3) The non-census year statistics are estimates provided RI Department of Labor and Training by the RI Division of Planning. The 2010 fiscal year census statistic is actual U.S. census figure. The 2024 fiscal year census statistic is the Population Estimate as of July 1, 2023, U.S. Census Bureau QuickFacts.

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

2024 (1)				2015 (1)			
Employment Sector	Employees	Rank	Percentage of Total Town Employment	Employment Sector	Employees	Rank	Percentage of Total Town Employment
Government	3,690	1	26.5%	Government	3,773	1	27.2%
Health Care & Social Assistance	2,628	2	18.8%	Health Care & Social Assistance	2,806	2	20.2%
Accommodation & Food Services	1,342	3	9.6%	Accommodation & Food Services	1,447	3	10.4%
Retail Trade	1,287	4	9.2%	Retail Trade	1,279	4	9.2%
Construction	614	5	4.4%	Other Services (except Public Administration)	705	5	5.1%
Other Services (except Public Administration)	613	6	4.4%	Wholesale Trade	659	6	4.8%
Manufacturing	558	7	4.0%	Manufacturing	574	7	4.1%
Professional & Technical Services	513	8	3.7%	Professional & Technical Services	390	8	2.8%
Wholesale Trade	460	9	3.3%	Construction	348	9	2.5%
Educational Services	442	10	3.2%	Administrative Support & Waste Management	311	10	2.2%
Total	<u>12,147</u>		<u>87.1%</u>	Total	<u>12,292</u>		<u>88.5%</u>

NOTES

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

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

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

	Fiscal Year Ended June 30,									
	2025	2024	2023	2022 (1)	2021 (1)	2020 (1)	2019 (1)	2018 (1)	2017 (1)	2016
General Government:	50	51	48	33	47	35	35	35	36	33
Public Safety:										
Police - Officers	58	58	58	51	55	54	54	54	54	53
Police - Civilians	19	19	19	22	20	17	18	18	18	19
Emergency Medical Services	24	22	26	17	21	19	17	17	17	15
Communications	3	2	2	2	2	2	2	2	2	2
Total Public Safety	<u>103</u>	<u>101</u>	<u>105</u>	<u>92</u>	<u>98</u>	<u>92</u>	<u>91</u>	<u>91</u>	<u>91</u>	<u>89</u>
Public Works:										
Streets and Highways	19	19	19	17	19	19	20	20	19	17
Administration	7	7	7	4	7	4	4	4	4	4
Total Public Works	<u>26</u>	<u>26</u>	<u>26</u>	<u>21</u>	<u>26</u>	<u>23</u>	<u>24</u>	<u>24</u>	<u>23</u>	<u>21</u>
Parks and Recreation	21	23	14	11	20	19	19	18	18	11
Libraries	15	12	11	11	10	11	9	9	9	10
Total General Fund	<u>215</u>	<u>213</u>	<u>204</u>	<u>168</u>	<u>201</u>	<u>180</u>	<u>178</u>	<u>177</u>	<u>177</u>	<u>164</u>
Water	2	2	2	4	2	3	3	3	3	3
Wastewater	16	16	16	17	16	18	15	15	15	14
Neighborhood Guild	-	-	5	5	6	6	5	5	5	5
Senior Services	5	-	4	7	8	8	8	8	8	7
Other	-	-	-	1	6	6	6	6	6	1
Public Education:										
Certified	242	270	278	297	290	291	313	308	316	313
Noncertified	113	115	132	142	133	137	149	150	154	154
Administrative	15	18	17	21	22	22	24	24	24	25
Total Public Education	<u>370</u>	<u>403</u>	<u>427</u>	<u>460</u>	<u>445</u>	<u>450</u>	<u>486</u>	<u>482</u>	<u>494</u>	<u>492</u>
Total	<u><u>608</u></u>	<u><u>634</u></u>	<u><u>658</u></u>	<u><u>662</u></u>	<u><u>684</u></u>	<u><u>671</u></u>	<u><u>701</u></u>	<u><u>696</u></u>	<u><u>708</u></u>	<u><u>686</u></u>

Source: Town Budgets and School Department Budgets

NOTES

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

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

Function/Program	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Police:										
Physical Arrests	378	414	392	375	410	381	526	545	555	545
Traffic Violations	2,052	1,542	1,770	2,091	2,304	2,067	2,706	1,975	1,862	2,021
Parking Violations	1,360	892	987	639	848	1,375	1,301	1,195	1,984	2,428
Emergency Medical Services:										
Number of Calls Answered	4,419	4,218	4,059	3,908	3,364	3,241	3,325	3,112	3,034	2,930
Animal Control:										
Number of Complaints	762	829	835	801	905	898	1,022	1,141	1,032	1,281
Number of Impoundments	137	162	190	216	253	252	339	401	336	341
Communications:										
Fire Alarm Activations	42	57	52	52	41	48	32	23	30	64
Streets and Highways:										
Street Sweeping (Miles)	151	151	151	145	145	145	151	151	151	148
Road Regrading (Miles)	33	31	56	10	14	14	19	19	31	44
Street Plowing/Deicing (OT Hours)	1,720 *****	660	488	950	922	375	818	1,422	1,588	1,055
Culture and Recreation:										
Programs/Classes (Enroll/Attend)	47,981	53,486	55,833	44,134	18,302	44,839	27,650	26,377	28,125	28,168
Libraries:										
Volumes in Collection	80,140	82,566	87,099	88,233	87,360	90,750	76,460	80,115	79,701	69,999
Volumes Borrowed	244,172	266,902	242,999	242,464	195,459	225,480	262,068	218,461	216,904	247,197
Reference Requests Filled	24,805	22,971	21,875	20,471	15,562	21,969	28,777	27,480	26,263	25,907
Water:										
New Connections (Net)	6	9	5	4	9	9	8	8	12	7
Average Daily Consumption (1) (Thousands of Gallons)	317	320	314	309	410	399	337	327	329	391
Wastewater:										
Average Daily Sewage Treatment (Thousands of Gallons)	2,545	3,076	2,615	2,710	2,481	2,676	3,031	2,653	2,469	2,430
Senior Services:										
Adult Day Care Services (Client Days)	-	-	-	- ***	- *	2,008 *	3,370	3,379	3,004	3,408
Senior Transportation (Trips)	1,248	1,584	1,844	3,779 ****	28,535 **	11,361 **	7,409	5,883	5,868	5,758
Congregate Meals Served	6,794	7,844	6,969	7,584 ****	30,875	16,989	10,219	10,075	11,273	9,831

Sources: Various Town departments

Notes:

Indicators are not available for the general government function.

* The Adult Day Care Center ceased operations March 13, 2020. Town in 3rd year of 3 year lease agreement with Saint Elizabeth for a fee of \$1.00/year, with an option to extend the agreement for 5 additional years. Newly announced RI Department of Health regulations call for significant operational adjustments in the Adult Day Setting, including a reduction in the number of participants per day to be allowed in our small facility. Because of these necessary changes, it has been determined that the program is financially unsustainable and the Town has made the difficult decision to delay re-opening until further notice. Presently the Town is committed to reopening the building and is currently seeking a third party Adult Day Services agency to operate the facility going forward.

** For FY2021 Senior transportation was almost exclusively for delivery of meals due to COVID-19.

*** In July 2021, The Town entered into a three-year lease agreement with Saint Elizabeth Community for a fee of \$1.00/year, with an option to extend the agreement for 5 additional years; for the provision of a licensed Adult Day Services Program to be located at 283 Post Road.

**** Includes trips to and from the Center as well as shopping trips.

***** Delivered meals stopped during this time period. Meals were either in-house or grab 'n go. The delivered meals stopped because the Center was in full operation after COVID and we were offering in-house dining. The bus which was used to deliver the meals was now back to transporting participants to the Center and shopping errands.

***** 826.25 OT hours, 893.5 Comp hours

(1) Purchased water not customer consumed water.

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

Function/Program	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	19	20	16	16	16	16	16	16	16	16
Public Works:										
Streets (Miles)	150	150	150	150	150	150	150	150	149	151
Culture and Recreation:										
Park Acreage	67	675	675	454	454	454	454	454	453	453
Tennis Courts	25	25	25	25	25	25	25	25	25	25
Community Centers	2	2	2	2	2	2	2	2	1	1
Libraries	3	3	3	3	3	3	3	3	3	3
Water:										
Water Mains (Miles)	50	50	50	50	50	50	50	50	50	49
Fire Hydrants	267	267	265	265	265	265	260	260	262	252
Storage Capacity (Thousands of Gallons - Treated)	800	800	800	800	800	800	800	800	800	800
Wastewater:										
Sanitary Sewers (Miles)	62	62	62	62	62	62	54	54	54	54
Storm Drains (Miles)	55	55	55	55	55	54	54	54	53	53
WWTF Average Daily Design Flow (Thousands of Gallons)	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000

Sources: Various town departments

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



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Town Council
Town of South Kingstown, Rhode Island

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of South Kingstown, Rhode Island, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Town of South Kingstown, Rhode Island's basic financial statements, and have issued our report thereon dated February 20, 2026.

Report on Internal Control Over Financial Reporting

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

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

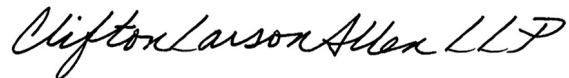
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

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

Purpose of This Report

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



CliftonLarsonAllen LLP

Cranston, Rhode Island
February 20, 2026

APPENDIX C

PROPOSED FORM OF LEGAL OPINION FOR THE NOTES

Troutman Pepper Locke LLP
One Financial Plaza, Suite 2800, Westminster Street
Providence, RI 02903



troutman.com

[Closing Date]

Town of South Kingstown
180 High Street
Wakefield, Rhode Island 02879

\$100,000,000*
Town of South Kingstown, Rhode Island
General Obligation Bond Anticipation Notes, 2026 Series 1
dated June 24, 2026, due June 23, 2027 (the “Notes”)

Ladies and Gentlemen:

We have acted as bond counsel to the Town of South Kingstown, Rhode Island (the “Town”) in connection with the issuance by the Town of the Notes. In such capacity, we have examined the law and such certified proceedings and other papers as we have deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations and covenants of the Town in the certified proceedings and other certifications of public officials furnished to us, without undertaking to verify the same by independent investigation.

Based on our examination, we are of the opinion under existing law, as follows:

1. The Notes are valid general obligations of the Town and all taxable property in the Town is subject to taxation without limitation to rate or as amount to pay the Notes and the interest thereon.
2. Interest on the Notes is excluded from the gross income of the owners of the Notes for federal income tax purposes. Interest on the Notes will not be included in computing the alternative minimum taxable income of individuals. However, interest on the Notes will be included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Internal Revenue Code of 1986 (the “Code”). In rendering the opinions set forth in this paragraph, we have assumed compliance by the Town with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Notes in order that interest thereon be, and continue to be, excluded from gross income for federal income tax purposes. The Town has covenanted to comply with all such requirements. Failure by the

* Preliminary, subject to change.

Town to comply with certain of such requirements may cause interest on the Notes to become included in gross income for federal income tax purposes retroactive to the date of issuance of the Notes. We express no opinion regarding any other federal tax consequences arising with respect to the Notes.

3. Income from the Notes is free from taxation by the State of Rhode Island or any political subdivision or other instrumentality of the State although the income therefrom may be included in the measure of Rhode Island estate taxes and certain Rhode Island corporate and business taxes. We express no opinion regarding any other Rhode Island tax consequences arising with respect to the Notes or any tax consequences arising with respect to the Notes under the laws of any state other than Rhode Island.

This opinion is expressed as of the date hereof, and we neither assume nor undertake any obligation to update, revise, supplement or restate this opinion to reflect any action taken or omitted, or any facts or circumstances or changes in law or in the interpretation thereof, that may hereafter arise or occur, or for any other reason.

The rights of the holder of the Notes and the enforceability of the Notes may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable, and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

TROUTMAN PEPPER LOCKE LLP

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