

PRELIMINARY OFFICIAL STATEMENT DATED MAY 26, 2026

New Issue

Rating: See "Rating" herein

In the opinion of Savage Law Partners, LLP, Bond Counsel, based upon an analysis of existing law and assuming, among other matters, compliance with certain covenants, interest on the Bonds (as defined herein) is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Interest on the Bonds will not be included in computing the alternative minimum taxable income of individuals. However, interest on the Bonds 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. Income from the Bonds is free from taxation by the State of Rhode Island (the "State") or any political subdivision or 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 Bonds. See "TAX STATUS" and "APPENDIX C" herein.

OFFICIAL STATEMENT
of the
Town of North Smithfield, Rhode Island
Relating to
\$9,000,000\*
GENERAL OBLIGATION BONDS

Dated: Date of Delivery

Due: June 15, 2027 – 2046 (as shown below)

The Bonds are issuable only as fully registered Bonds without coupons, and, when issued, will be registered in the name of Cede & Co., as Bondowner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form, in the denomination of \$5,000 or any integral multiple in excess thereof. Purchasers will not receive certificates representing their interest in Bonds purchased. So long as Cede & Co. is the Bondowner, as nominee of DTC, references herein to the Bondowners or registered owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as defined herein) of the Bonds. So long as DTC, or its nominee Cede & Co., is the Bondholder, principal and semiannual interest payments will be made directly to such Bondholder. Principal of and interest on the Bonds will be payable to DTC by U.S. Bank Trust Company, National Association, Boston, Massachusetts, 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 BONDS—Book-Entry Only System" herein.) Interest is computed on the basis of a 360-day year consisting of twelve 30-day months.

The Bonds will be dated the date of delivery. Interest on the Bonds will be payable on December 15, 2026 and semiannually thereafter on June 15 and December 15 of each year at the rates as shown in the maturity schedule below. Principal of the Bonds will be payable on June 15 as shown in the maturity schedule below.

Table with 10 columns: Maturity, Principal Amount\*, Interest Rate, Price or Yield, CUSIP No. †, Maturity, Principal Amount\*, Interest Rate, Price or Yield, CUSIP No. †. Rows list maturities from 2027 to 2036 with corresponding principal amounts of \$450,000.

† 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 numbers have been assigned by an independent company not affiliated with the Town and are included solely for the convenience of the holders of the Bonds. Neither the Underwriter or the Town is responsible for the selection or uses of the CUSIP numbers, and no representation is made as to their correctness on the Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds 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 Bonds.

The Bonds are subject to optional redemption prior to maturity as described herein.

The Bonds will be designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.

The Bonds are being offered for sale at 11:00 A.M. on June 2, 2026. Reference is made to the official Notice of Sale for conditions of such sale. The Bonds are offered for delivery when, as, and if issued, subject to the final approving opinion of Savage Law Partners, 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 to the Town on this transaction. It is expected that the Bonds in definitive form, will be available for delivery to DTC in Brooklyn, New York, or to its Custodial Agent, on or about June 18, 2026.

PFM Financial Advisors LLC
Municipal Advisor to the Town

Dated: June \_\_, 2026

\*Preliminary, subject to change

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 such 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 with their sale.

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**This Official Statement is made available to prospective purchasers of the Bonds 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 or insurers of any of the Bonds. 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 Bonds, 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 Bonds 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. 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.**

**Upon issuance, the Bonds will not be registered under the Securities Act of 1933, as amended, in reliance upon exemptions contained in such Act. The Bonds will not be listed on any stock or other securities exchange. Any registration or qualification of the Bonds in accordance with applicable provisions of securities laws of the states in which the Bonds 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 will have passed upon the accuracy of the Official Statement or, except for the Town, approved the Bonds 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 have been furnished by DTC (see "THE BONDS - 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 financial advisor does not guarantee the accuracy or completeness of such information.**

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

**OFFICIAL STATEMENT**  
**of the**  
**TOWN OF NORTH SMITHFIELD, RHODE ISLAND**  
**Relating to**  
**\$9,000,000\***  
**GENERAL OBLIGATION BONDS**

This Official Statement provides certain information concerning the Town of North Smithfield, Rhode Island (the "Town") in connection with the issuance by the Town of its \$9,000,000\* General Obligation Bonds (the "Bonds").

**THE BONDS**

**Description of the Bonds**

The Bonds will be dated the date of delivery. Interest on the Bonds will be payable on December 15, 2026 and semiannually thereafter on June 15 and December 15 of each year at the rates as shown in the maturity schedule on the front cover. Principal of the Bonds will be payable on June 15 as shown in the maturity schedule on the front cover.

The Bonds are issuable only as fully registered Bonds without coupons, and, when issued, will be registered in the name of Cede & Co., as Bondholder and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form, in the denomination of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their interest in Bonds purchased. So long as Cede & Co. is the Bondholder, as nominee of DTC, references herein to the Bondholders or registered owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as defined herein) of the Bonds. See "THE BONDS - Book-Entry Only System" below.

Principal of and interest on the Bonds will be paid at maturity by U.S. Bank Trust Company, National Association, Boston, Massachusetts as Paying Agent or a successor thereof to DTC. So long as DTC or its nominee, Cede & Co., is the Bondholder, such payments will be made directly to such Bondholder. Disbursement of such payments to the DTC participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of the DTC Participants and the Indirect Participants, as more fully described herein. **Interest on the Bonds is computed on the basis of a 30-day month and a 360 day year.**

For every transfer and exchange of the Bonds, whether in certificated form or otherwise, the Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto. Adequate indemnification may be required to replace any lost, stolen or destroyed Bonds, whether in certificated form or otherwise.

**Record Date**

The Record Date for each payment of interest on the Bonds is the fifteenth day preceding the interest payment date or, if such 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 of the Bonds**

The Bonds are authorized pursuant to Rhode Island General Laws § 45-12-2, and Article VII Section 2.1 of the Town's Charter, Ordinance No.38 adopted December 1, 2025, a vote of the electorate on February 3, 2026, and a Resolution of the Town Council adopted on and May 4, 2026, for the purpose of financing construction, rehabilitation and improvement of the Town's public safety complex located at 575 Smithfield Road, North Smithfield, Rhode Island

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\*Preliminary, subject to change.

## **Book-Entry-Only System**

*This section describes how ownership of the Bonds is to be transferred and how the principal of, premium, if any, and interest on the Bonds are to be paid to and credited by The Depository Trust Company (“DTC”) while the Bonds 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 Bonds, 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 Bonds), 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.*

DTC, Brooklyn, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered Bonds 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 Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, 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](http://www.dtcc.com).

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“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 Bonds 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 the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds 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 Bonds 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 Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds 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 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds 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.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds 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 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds 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 Bonds 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 Bonds 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, Bond and Note certificates are 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, Bond and Note certificates 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 the Town nor the Financial Advisor take any responsibility for the accuracy thereof.

### **Redemption Prior to Maturity**

The Bonds maturing on or after June 15, 2037 shall be subject to optional redemption prior to their stated dates of maturity, at the option of the Town, on or after June 15, 2036, as a whole or in part at any time (by lot by DTC), in any order of maturity designated by the Town, at 100% of the aggregate principal amount of the Bonds to be redeemed, together with interest accrued and unpaid to the redemption date.

Notice of any redemption of the Bonds, specifying the numbers and other designations of the Bonds to be redeemed, shall be given not more than 60 days nor less than 30 days prior to the date set for redemption by mailing a copy of such notice to DTC or its nominees.

The Town, so long as a book-entry system is used for determining beneficial ownership of the Bonds, shall send any notice of redemption to DTC, or its nominee, as registered owner of the Bonds. Transfer of such notice to the DTC Participants is the responsibility of DTC. Transfer of such notice to Beneficial Owners by DTC Participants is the responsibility of the DTC Participants and other nominees of Beneficial Owners of the Bonds. Any failure of DTC to mail such notice to any DTC Participant, or any failure by any DTC Participant to notify any Beneficial Owner, will not affect the validity of the redemption of the Bonds. The Town can make no assurances that DTC, the DTC Participants or other nominees of the Beneficial Owners of the Bonds will distribute such redemption notices to the Beneficial Owners of the Bonds, or that they will do so on a timely basis, or that DTC will act as described in this Official Statement.

## Security for Bonds

The Bonds 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.

### *Statutory Lien*

Rhode Island General Laws § 45-12-1 provides 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 of municipalities 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 statute is summarized, in part, as follows:

The 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 statutory provisions, 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 below 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.

#### *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 city "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.

The enforceability of rights or remedies with respect to the Bonds may be subject to bankruptcy, insolvency, reorganization, moratorium, or other laws affecting creditors' rights or remedies 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.

## THE TOWN OF NORTH SMITHFIELD

### General

The Town of North Smithfield (the “Town”) is a suburban and rural community located approximately twenty minutes north of the City of Providence, adjacent to Woonsocket and Cumberland, Rhode Island. The Town is fifty minutes from downtown Boston, and thirty minutes from the City of Worcester, Massachusetts.

The Town has experienced moderate growth and has a diverse industrial base and commercial establishments supporting the local economy. The land within the community includes residential, industrial, commercial, recreational and open space use. This growth has expanded the Town's tax base, increased housing and job opportunities and has supported the services provided to residents and businesses.

### Government

The Town operates under a Home Rule Charter, adopted in 1968, providing for an Administrator/Council 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, including the ordering of any tax, making appropriations, and transacting any other business pertaining to financial affairs of the Town.

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 create offices, departments or agencies of the Town, to preserve the public peace, health and safety, to establish personnel policies, to give effect to any vote of the Town’s electors at a regular or special election authorizing the issuance of bonds or notes and to provide for an annual audit of the Town's accounts.

The Town Administrator is elected for a four-year term, a position presently held by Scott Gibbs, who is serving his first four-year term. The Town Administrator is the Chief Executive Officer and head of the administrative branch of government. The Charter grants to the Town Administrator the authority to appoint or remove all officers or employees of the Town, to prepare and submit to the budget committee the annual budget, to recommend to the Town Council pay schedules for Town employees and to recommend to the Town Council the adoption of such measures as he may deem necessary for the health, safety, or welfare of the Town.

### Education

The public school system of the Town consists of one elementary school, one middle school, and one high school. As of June 30, 2025, the school system has 170 professional personnel and 70 support and non-professional personnel. The annual per pupil costs in the Town was approximately \$19,177 for the 2024-25 school year. Actual and projected student enrollment for the years indicated is as follows:

<b>Actual</b>		<b>Projected</b>	
<b><u>Year</u></b>	<b><u>Enrollment</u></b>	<b><u>Year</u></b>	<b><u>Enrollment</u></b>
2020-21	1,623	2025-26	1,627
2021-22	1,614	2026-27	1,643
2022-23	1,619	2027-28	1,625
2023-24	1,642	2028-29	1,647
2023-24	1,642	2029-30	1,642
2024-25	1,643	2030-31	1,642

### Government Services

The Town provides major public services which are described below:

#### *Sewer System*

The North Smithfield Sewer System currently has 1,858 connections, which constitutes 36.5% of the entire Town. Sewered properties are located primarily in the Slatersville and Forestdale areas as well as Dowling Village, Smithfield Road, Industrial Drive, Laurel Woods, and Rockcliff Farms housing complexes.

Phase I and Phase II of the sewer program consisted of nine components which now serve as the foundation for a proposed town-wide system:

1. Branch River interceptor along the Branch River from Slatersville to the North Smithfield/Woonsocket line.
2. Union Village interceptor from the Park Square area, following the power line easement crossing Greenville Road, through the west side of Union Village connecting into the Branch River interceptor in the Cherry Brook area.
3. Cherry Brook interceptor which transports North Smithfield sewage to the low level interceptor in Woonsocket.
4. Transport of North Smithfield's sewage through Woonsocket to the regional treatment plant on the banks of the Blackstone River.
5. Utilization of a portion of the regional treatment plant.
6. Mendon Road interceptor collects from the Mendon area connecting into the Branch River interceptor in the Cherry Brook area.
7. Birch Hill/Maple Avenue interceptor collects from those neighborhoods, connecting into the Branch River interceptor.
8. Ironstone interceptor collects along Quaker Highway and Central Street from the Massachusetts line to and along Victory Highway, connecting into the Branch River interceptor in Slatersville.
9. Hillview Avenue sewer line extension was part of Phase II but was not completed until December 2016. The line connected to the existing sewer main, which had stopped at approximately 49 Hillview, now extends to the end of the street, stopping just before the intersection with Great Road.
10. Parkview Drive & Edward Avenue sewer main was installed in 2016, providing sewage disposal to existing and future properties on these streets as well as North Wood Lane.

#### *Water System*

The residents and businesses of the Town of North Smithfield are presently receiving water from four sources:

1. *Private Wells*  
The majority of North Smithfield's residences and businesses are served by private wells.
2. *City of Woonsocket, Rhode Island Water Department*  
Six hundred and five (605) residential units, mostly located in the Union Village section of Town, are served by the Woonsocket Water Department.
3. *Town of Blackstone, Massachusetts Water Department*  
Forty-three (43) residential units and businesses are served by the Town of Blackstone. Those served are located in the Waterford section of North Smithfield. Blackstone will not allow any more out of town connections to their system.
4. *Slatersville Water, supplied by the City of Woonsocket*  
Five Hundred and forty-eight (548) residential units and businesses are served.

#### *Safety Services*

The Town of North Smithfield is served by the North Smithfield Fire and Rescue Service. The North Smithfield Fire Department is served by 29 full-time employees and 11 part-time employees. The North Smithfield Police Department

is staffed by 32 full-time persons and 3 part-time employees. In fiscal year 2025, the Town expended \$9,650,665 for safety services and has budgeted \$10,081,018 for fiscal year 2026.

*Public Service*

The Town's Public Works Department is divided into 4 divisions. These divisions provide a full range of municipal services to North Smithfield residents, specifically:

1. Maintenance of Town roads;
2. Rubbish disposal through private vendors;
3. Snow removal services; and
4. Maintenance of parks and recreation facilities.

*Library Services*

A municipal library was constructed in 1989. Fifty percent of the debt service on any monies used to finance the new municipal library is being reimbursed by the State. The library is centrally located and serves as a convenient meeting place for several community groups. In fiscal year 2025, the Town expended \$508,594 for library services and has budgeted \$526,259 for fiscal year 2026.

*Planning and Development*

The Town of North Smithfield has both an adopted Zoning Ordinance and adopted subdivision regulations. These documents are used to guide growth and development throughout Town in an orderly fashion.

**Capital Improvement Program**

Each year all commissions, agencies and officials of the Town submit to the Planning Board information on all capital projects planned or proposed for acquisition during the following six fiscal years. The Planning Board then reviews all proposals with the agencies submitting them and develops a recommended six-year program of capital improvements for submission to the Town Council, Town Administrator, and the Budget Committee. The following factors are taken into consideration:

1. Relative need for each project, as shown in the facts presented by the agency.
2. Relationship of the project to plans for the development of the Town.
3. Relationship to other projects.
4. Ability of the Town to finance the project.

Capital Projects are those defined as:

1. Acquisition or lease of land.
2. Construction of new buildings or facilities, including engineering design or other preconstruction costs.
3. Improvements or additions to existing buildings or facilities, not including annual replacement or items of routine maintenance and repair.
4. Purchase of major items of equipment, the cost of which is in excess of \$1,000 and the useful life of which is two years or more.

The planned capital improvement expenditures for the following six fiscal years, are as shown in the following table:

	<u>FY25-26</u>	<u>FY26-27</u>	<u>FY27-28</u>	<u>FY28-29</u>	<u>FY29-30</u>	<u>FY30-31</u>
School	\$ -	\$ 200,000	\$ 9,995,000	\$ 200,000	\$ 200,000	\$ 200,000
Town Clerk	-	10,000	-	-	-	-
DPW	67,000	4,450,000	890,000	175,000	305,000	310,000
EMA	9,350	-	-	-	-	-
Police	76,445	300,225	181,259	187,405	287,741	196,131
Fire	78,900	435,162	463,745	84,122	258,470	92,321
General Gov't	20,000	20,000	20,000	190,000	65,000	50,000
<b>Total</b>	<b>\$ 251,695</b>	<b>\$ 5,415,387</b>	<b>\$ 11,550,004</b>	<b>\$ 836,527</b>	<b>\$ 1,116,211</b>	<b>\$ 848,452</b>

## **Transportation**

The Town is located in northern Rhode Island in an area referred to as the Blackstone River Valley. Direct vehicular transportation routes are available to major metropolitan areas and include Route 146, Interstate 295 and Route 99.

Convenient access to Rhode Island T.F. Green International Airport in Warwick, Rhode Island is available via Interstate 295 and Route 146. T.F. Green Airport provides scheduled regional and national passenger and freight service.

Passenger train service is readily available at Providence Station in downtown Providence with connections by bus or automobile. High speed train service is available from Providence to Boston, New London, New Haven, New York City and Washington, D.C., rail service for freight is available in Town with service throughout New England interconnecting to the rest of the nation.

The Port of Providence is within convenient access and provides transportation services for water freight and cargo.

## **Employee Relations**

As of June 30, 2025, the Town has 71 full-time employees, exclusive of seasonal, temporary and School Department employees. The current status of union contracts for municipal and school employees is as follows:

- Police Officers — 3-year contract expires June 30, 2028
- Municipal Employees — 3-year contract expires June 30, 2027
- Teachers — 3-year contract expires August 31, 2027
- Non-certified Support Staff — 3-year contract expires June 30, 2028

## **Retirement Programs**

The Town provides, as a condition of employment, pension benefits to substantially all municipal employees through participation in an optional contributory retirement system administered under State law by the Municipal Employee's Retirement System of the State of Rhode Island ("MERS"). The Town participates in three separate plans under the system; two plans entirely Town supported for general municipal and police employees and one plan supported by matching State contributions for public school teachers. Contributions to the teacher plan are made on a partially funded basis according to 5-year projected expenditures and are shared equally by the State and the Town.

In November 2011, the State enacted the Rhode Island Retirement Security Act of 2011 (RIRSA), which made broad changes to the Teachers' Plan and Municipal Plan effective July 1, 2012. 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 prior 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. These changes resulting from RIRSA are the subject of ongoing litigation of which the outcome is unknown. (Please see also "Legal Challenges Pension Reform" herein).

### *Police Pension Plan*

All full-time police members participate in MERS. Covered police employees are required to contribute 9% of their annual covered salary. The Town is required to contribute at an actuarially determined rate the remaining amounts necessary to fund the System. The contribution requirements of plan members and the Town are established and may be amended by State Statute. Retirement benefits are available upon completion of 10 years of service, provided the employee is at least 55 years of age, or upon 25 years of service regardless of age.

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

**Municipal Employees' Retirement System - Police Plan**

<b>Fiscal Year</b>	<b>Annual Pension Cost</b>	<b>Actual Contribution</b>	<b>Percent Contributed</b>	<b>Unfunded Liability</b>	<b>Funded Ratio</b>
2025	\$ 496,065	\$ 496,065	100%	\$ 1,713,163	90%
2024	492,349	492,349	100%	2,141,781	87%
2023	514,989	514,989	100%	2,305,146	86%
2022	487,870	487,870	100%	2,301,718	85%
2021	498,153	498,153	100%	2,802,750	81%
2020	457,315	457,315	100%	3,431,484	76%

*General Municipal Employees' Plan*

All of the Town's full-time general employees except teachers and certain other school employees participate in the municipal system, an agent multiple-employer Public Employee Retirement System. The Town of North Smithfield's payroll for employees covered by the municipal system for the year ended June 30, 2025, was \$5,055,280. Employees contribute 7% of salary with the Town's contribution set at 3.5% of salary for the fiscal year ending June 30, 2025. Retirement benefits are available upon completion of 10 years of service, providing the employee is at least 18 years of age, or upon 30 years of service regardless of age.

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

**Municipal Employees' Retirement System - General Employees**

<b>Fiscal Year</b>	<b>Annual Pension Cost</b>	<b>Actual Contribution</b>	<b>Percent Contributed</b>	<b>Unfunded Liability</b>	<b>Funded Ratio</b>
2025	\$ 206,716	\$ 206,716	100%	\$ (1,017,469)	105%
2024	191,077	191,077	100%	(1,327,938)	107%
2023	275,434	275,434	100%	(1,611,493)	109%
2022	228,401	228,401	100%	(1,137,800)	107%
2021	205,452	205,452	100%	(1,181,785)	107%
2020	236,973	236,973	100%	(91,762)	101%

*School Teachers Retirement Plan*

The Town provides retirement benefits to its public-school teachers through its participation in the Employees' Retirement System of Rhode Island, a statutory, mandatory, statewide, cost-sharing multi-employer defined benefit plan, which first covered State teachers on July 1, 1949. This Teacher's Retirement System 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 actuarial costs of the retirement benefits are partially funded by employee contributions of 9.50% of the actuarial costs of the retirement benefits effective July 1, 2003. The actuary determines the net employer actuarial costs annually and as provided by the State Retirement Board to the 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 State and Town is specified in State statute. For fiscal year 2025, the State paid 40 percent and the Town paid 60 percent.

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 30<sup>th</sup> 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 ERSRI's website contains additional information ([www.ersri.org](http://www.ersri.org)).

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

	<u>6/30/2025</u>	<u>6/30/2024</u>	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2021</u>
Active Participants	11,332	11,235	13,554	13,377	13,372
Pensioners & Beneficiaries	11,401	11,336	11,595	11,521	11,398
Inactive Participants	5,830	5,353	5,000	4,539	4,227
Market Value of Assets	\$ 3,568,470,857	\$ 3,304,267,786	\$ 4,664,344,475	\$ 4,418,568,124	\$ 4,671,641,312
Employer Contributions	\$ 263,348,116	\$ 314,001,015	\$ 305,022,002	\$ 322,772,188	\$ 275,778,411
Member & Other Misc. Contributions	43,449,435	51,146,180	50,949,871	50,159,049	50,174,050
Total Contributions	\$ 306,797,551	\$ 365,147,195	\$ 355,971,873	\$ 372,931,237	\$ 325,952,461
Investment Income	306,118,052	465,614,805	384,803,808	(131,387,447)	1,034,477,257
Total Income Available for Benefit Payments	\$ 612,915,603	\$ 830,762,000	\$ 740,775,681	\$ 241,543,790	\$ 1,360,429,718
Benefit Payment	\$ (305,742,170)	\$ (406,987,236)	\$ (399,985,015)	\$ (395,317,218)	\$ (388,897,569)
Transfer and other Adjustments	\$ (26,921)	\$ (768,666)	\$ 100,176	\$ (155,525)	\$ 248,851
Excess of Income Over Expenses	\$ 307,146,512	\$ 423,006,098	\$ 340,890,842	\$ (153,928,953)	\$ 971,781,000
Funded Ratio	67.9%	64.8%	64.5%	61.5%	56.7%

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

Actuarial costs and liabilities, as shown in the summary presentation, are determined in the aggregate for the ERSRI. Accordingly, employer contributions are first determined in the aggregate for all participating employers in this multi-employer system and are then expressed as a percentage of the aggregate participating payroll. For fiscal year 2025 the Town applied 60 percent of this factor to its participating payroll (the remaining 40 percent of the employer cost is contributed by the State as well as the full cost of deferred contributions by the State).

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 the System 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 were on a pay-as-you-go basis.

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

<b>Employees' Retirement System of Rhode Island (Teachers)</b>			
	<b>Annual</b>		
	<b>Required</b>	<b>Actual</b>	<b>Percent</b>
<b>Fiscal Year</b>	<b>Pension Cost</b>	<b>Contribution</b>	<b>Contributed</b>
2025	\$ 2,254,162	\$ 2,254,162	100%
2024	2,114,175	2,114,175	100%
2023	2,110,520	2,110,520	100%
2022	2,031,681	2,031,681	100%
2021	1,897,556	1,897,556	100%
2020	1,841,002	1,841,002	100%

## Legal Challenges to Pension Reform

The 2009, 2010 and 2011 legislative pension reforms resulted in numerous lawsuits against the State brought by current and retired employees, as well as their unions. Of these lawsuits, one remains pending as described below.

In September 2014, a case challenging RIRSA was commenced by the Rhode Island State Troopers Association and Rhode Island State Troopers Association ex rel. Kevin M. Grace and Ernest E. Adams in Superior Court against the State and ERSRI as co-defendants. In 2019, the co-defendants filed motions to dismiss, which were granted in part, and motions for summary judgment. In August 2023, the Court granted ERSRI's motion for summary judgment in its entirety. In August 2024, the Court denied the State's motion for summary judgement. In September 2025, a status conference was held. Currently, certain claims remain pending against the State defendants.

## Defined Contribution Program

### Plan Description

Employees participating in the defined benefit plan with less than 20 years of service as of June 30, 2012, as described above, also participate in a defined contribution plan authorized by General Law Chapter 36-10.3. The defined contribution plan is established under IRS section 401(a) and is administered by TIAA-CREF. Employees may choose among various investment options available to plan participants.

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

The fiscal year 2025 employer contribution of \$489,233 consisted of \$50,337 for general municipal employees, and \$438,896 for school employees.

### Other Post-Employment Benefits

The “Town of North Smithfield Retiree Welfare Plan” is a single employer defined benefits postretirement health and dental insurance plan. The Town provides lifetime healthcare and dental insurance benefits to eligible employees. This plan is offered to all certified teachers, Town employees and public safety employees who meet certain age and service requirements. Benefits were paid to 29 (22 Town and 7 school) employees during 2025. In fiscal year 2018 an OPEB Trust was established with a balance of \$3,216,347 as of June 30, 2025. These benefits are provided as part of the employee’s contract. Over the past six years, the Town made the following contributions:

<b>Other Post-Employment Benefits</b>					
<b>Fiscal Year</b>	<b>Annual OPEB Cost</b>	<b>Actual Contribution</b>	<b>Percent Contributed</b>	<b>Unfunded Liability</b>	<b>Funded Ratio</b>
2025	\$ 759,766	\$ 884,769	116%	\$ 7,760,515	18%
2024	764,092	821,215	107%	8,804,933	17%
2023	889,080	762,434	86%	9,791,851	17%
2022	756,403	737,422	97%	9,838,369	17%
2021	697,734	724,385	104%	10,448,082	17%

### Risk Management

#### Climate Change

Climate change may intensify and increase the frequency of events as outlined in the Town’s Hazard Mitigation Plan such as droughts, rain storms that causes flooding, increase in air temperatures that increase or prolong heat waves etc. The Town continually evaluates its climate resilience and is implementing various resilience measures in order to reduce the impacts of climate change, to protect its assets and to build social resiliency, and mitigate any fiscal impacts.

#### 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, phishing and spear phishing attacks, ransomware, hacking, viruses, malware and other such attacks on our infrastructure, which includes our computers, servers, networking components, user accounts, and public and private data. Threat actors may attempt to gain unauthorized access to the Town’s systems for the purposes of misappropriating assets or information or causing operational disruption and damage. The Town has implemented preventative measures to protect against malicious activity targeting critical technology infrastructure, including the use of firewalls, VPNs, endpoint security, multi factor authentication, end user training in security awareness and best practices, and phishing/spear phishing campaigns. The Town is constantly re-evaluating its security profile, and looks forward to working with the Cybersecurity Infrastructure Agency (CISA) on cyber resiliency initiatives. 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

Ranked twenty-seventh in population among the thirty-nine cities and towns in Rhode Island, in 2020, North Smithfield experienced an increase in population of 621 from 2010. Set forth below is a table of population in the Town for various years from 1940 to 2020.

<u>Year</u>	<u>Population</u>
1940 .....	4,196
1950 .....	5,726
1960 .....	7,632
1970 .....	9,349
1980 .....	9,972
1990 .....	10,497
2000 .....	10,618
2010 .....	11,967
2020 .....	12,588

Source: U.S. Bureau of the Census, 1940—2020.

### Unemployment

The most recent labor market information summary indicates that annualized unemployment for the years indicated was as shown in the following table:

	<u>Annualized</u>									
	<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>
North Smithfield	4.7 %	3.6 %	3.4 %	2.8 %	7.4 %	4.8 %	2.8 %	2.5 %	3.6 %	3.8 %
Rhode Island	5.2	4.5	4.0	3.5	9.2	5.6	3.2	3.0	4.2	4.5
United States	4.9	4.4	3.9	3.7	8.1	5.3	3.6	3.6	4.0	4.3

Source: RI Department of Labor & Training  
Not seasonally adjusted

The monthly unemployment rates for the months indicated during 2026 were as shown in the following table:

	<u>2026 Monthly</u>			
	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>
North Smithfield	4.6 %	4.9 %	4.3 %	2.8 %
Rhode Island	5.4	5.8	4.9	3.3
United States	4.7	4.7	4.3	4.0

Source: RI Department of Labor & Training  
Not seasonally adjusted.

## Employment

As of December 31, 2024, the most recent information available, the Town of North Smithfield had 522 private business and industrial firms subject to the payment of employment security taxes. During that period, the payrolls for those firms totaled \$215,041,919 and the average number of persons employed during the year was 4,368.

<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	1	*	*	*
Mining	2	*	*	*
Utilities	1	*	*	*
Construction	79	252	15,761,796	5.77%
Manufacturing	13	385	20,664,179	8.81%
Wholesale Trade	33	187	15,501,676	4.28%
Retail Trade	46	1,098	43,822,580	25.14%
Transportation & Warehousing	12	339	16,950,871	7.76%
Information	15	27	3,342,789	0.62%
Finance & Insurance	17	55	5,449,694	1.26%
Real Estate & Rental & Leasing	11	26	1,113,691	0.60%
Professional & Technical Services	97	246	22,183,199	5.63%
Administrative Support & Waste Mngmnt.	39	89	4,096,173	2.04%
Educational Services	6	5	437,245	0.11%
Health Care & Social Assistance	66	665	34,353,258	15.22%
Arts, Entertainment, & Recreation	11	90	2,276,596	2.06%
Accommodation & Food Services	30	687	17,110,431	15.73%
Other services, (except Public Administration)	43	217	11,977,741	4.97%
	522	4,368	\$215,041,919	100.00%

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

\*\* Statewide - employment in multiple towns, at unknown locations, or outside RI.

Data compiled May 2025, subject to revision.

## Income Levels

The following table represents the per capita and median family income according to the 2020-2024 American Community Survey (“ACS”).

	<u>Per Capita</u>	<u>Median Family</u>
North Smithfield	\$ 53,528	\$ 131,406
Rhode Island	47,260	108,802
<u>United States</u>	45,256	101,265

Source: American Community Survey 2020-2024

## Housing and Building Permits

The Town is a suburban/commuter community with controlled growth of residential housing units and business establishments. The total number of housing units in the Town of North Smithfield according to the 2024 American Community Survey is 5,240. This represents a decrease of 38 units from the 2023 ACS data. Of the 5,240 units, 225 were vacant, showing an decrease of 9 vacant units from the 2023 ACS data. The median selling price of an existing home was \$535,000 compared to \$499,900 statewide in 2025.

The following table lists the number of single-family home building permits issued for new home construction for the calendar years 2019-2026.

<b>Calendar Year</b>	<b>Permits Issued</b>	<b>Value</b>
2026 <sup>(1)</sup>	4	\$ 1,552,636
2025	8	2,408,000
2024	7	1,828,000
2023	7	2,397,000
2022	7	2,000,000
2021	12	3,097,000
2020	5	1,142,542
2019	14	2,595,600

(1) Permits through 4/1/26

## 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 tangible personal property.

In North Smithfield, the fiscal year begins July 1st with taxes based on the prior December 31st assessment which are payable in full the following July 31 or quarterly commencing on July 31. No discount is allowed by the Town for advance payment of taxes.

Since the 2002 fiscal year, after the fourth quarterly tax installment is due and paid the Town has collected at least 98% of its current levy, among the highest collection rates in the State.

The Town has periodic tax sales for prior year delinquent real property taxes. The Town assesses an interest charge of 12% per annum on delinquent accounts.

### 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. Through and including its fiscal year 2007, the maximum amount is five and one-half percent (5.5%) in excess of the amount levied for the prior year. The maximum amount a city or town may levy in excess of the amount levied for the prior fiscal year is gradually decreased from five and one-half percent (5.5%) to four percent (4.0%) by decreasing the amount a city or town may levy by one-quarter percent (0.25%) annually beginning in 2008 and ending in 2013.

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 city or town with a financial town meeting, the majority of electors present and voting at the financial town meeting.

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.

**Assessed Valuations**

The following table indicates assessed valuations of taxable real and personal property as of December 31 for the years shown.

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Assessed Valuations:					
Real Estate	\$ 1,659,742,450	\$ 1,951,185,430	\$ 1,956,663,280	\$ 1,962,969,960	\$ 1,968,346,035
Tangible Personal Property	154,950,730	157,860,890	157,262,600	154,235,940	148,010,772
Motor Vehicle	<u>111,443,955</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	1,926,137,135	2,109,046,320	2,113,925,880	2,117,205,900	2,116,356,807
Less Exemptions	<u>(91,842,309)</u>	<u>(61,672,440)</u>	<u>(61,252,672)</u>	<u>(71,583,146)</u>	<u>(87,338,314)</u>
Net Taxable Real and Tangible Personal Property	\$ 1,834,294,826	\$ 2,047,373,880	\$ 2,052,673,208	\$ 2,045,622,754	\$ 2,029,018,493

Source: Information supplied from Town Assessor's statement of valuation and locally assessed property taxes as submitted to Rhode Island Department of Administration.

**Property Revaluation**

The Rhode Island General Laws require that a full real property revaluation shall be completed every nine years by all cities and towns within State and a statistical update every three years. The last full town-wide property revaluation was completed December 31, 2021 and a statistical update was completed December 31, 2024. The Town's next statistical update is December 31, 2027 which will be in effect for fiscal year 2029.

**Analysis of Taxable Property**

The following table shows an analysis of taxable real and personal property by class in the Town and in the State as assessed on December 31, 2024.

	<u>% of Total Assessed Valuation</u>	
	<u>Town</u>	<u>State</u>
Residential	77.99%	82.80%
Commercial/Industrial	16.31%	14.32%
Tangible	<u>5.70%</u>	<u>2.88%</u>
<b>Total</b>	<b><u>100.00%</u></b>	<b><u>100.00%</u></b>

Source: RI Division of Municipal Finance

## Principal Taxpayers

The following table sets forth the principal taxpayers in the Town and the assessed valuation of the property held by such taxpayers as of December 31, 2024.

<u>Name</u>	<u>Type of Business</u>	<u>Assessed Valuation</u>	<u>Taxes</u>
RI Energy	Utility (tangibles)	\$ 89,187,620	\$ 3,891,434
RI Energy	Utility (real property)	50,232,700	850,741
Slatersville Mill	Residences	25,401,400	430,198
Walmart	Retail	15,841,200	268,287
Dowling Village Apts	Residences	14,424,600	244,295
Stop & Shop	Retail	5,406,830	236,042
CVS	Retail	5,308,140	231,605
CVS Corporate	Offices	13,464,800	228,040
Lowes - Retail	Retail	13,227,600	224,023
Rehab Hospital	Healthcare	11,952,700	202,431

Source: Town of North Smithfield Assessor

## Tax Rate, Levy and Collection Record

By State law, valuations are assessed each December 31 and the levy thereon may be paid in full or quarterly without penalty at the taxpayer's option. In North Smithfield, the fiscal year begins July 1 with taxes on the prior December 31st assessment payable in full on the following July 31 or quarters commencing on July 31. The following is a schedule of tax rate, levy and collected taxes as of June 30 of the indicated years.

<u>Fiscal Year Ended</u> <u>June 30,</u>	<u>Residential</u> <u>Tax Rate</u>	<u>Commercial</u> <u>Tax Rate</u>	<u>Net</u> <u>Levy</u>	<u>Collected as of</u> <u>End of Year</u>	<u>% of</u> <u>Levy</u>
2026 <sup>(1)</sup>	\$11.50	\$14.77	\$ 36,897,034	\$ 29,042,516	80.49 %
2025	14.77	20.43	35,338,466	36,013,013	101.91
2024	14.25	19.39	35,453,580	35,303,739	99.58
2023	13.91	18.94	34,560,505	33,921,207	98.15
2022	16.35	19.44	35,948,906	35,284,047	98.15
2021	16.30	19.38	35,488,750	34,803,529	98.07
2020	15.87	18.87	34,647,140	34,003,971	98.14
2019	17.24	19.125	34,111,700	33,465,363	98.11
2018	16.82	18.658	33,897,089	33,364,714	98.43
2017	16.36	18.15	33,595,739	33,012,291	98.26

Source: Town of North Smithfield

(1) Collections through 4/15/26

## TOWN DEBT

### Debt Limit

Except as provided below, under Rhode Island law the Town 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 Town. Deducted from the computation of aggregated indebtedness is the amount of any borrowing

in anticipation of taxes authorized by law and the amount of any fund held on account to pay such indebtedness maintained by the Town. 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. In July 2007, the Rhode Island State Legislature enacted legislation providing 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 community satisfies certain requirements. The 3% debt limit of the Town is \$61,580,196.

In addition to debt authorized within the 3% debt limit and debt authorized by special act of the Legislature, Rhode Island General Laws 45-12-11 authorizes the Rhode Island State Director of Administration, upon petition by a municipality, to authorize such municipality to incur indebtedness in excess of the 3% debt limit whenever the Director 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 never requested the State Director of Administration to authorize indebtedness of the Town under section 45-12-11. Furthermore, the Town’s outstanding debt issued pursuant to 45-12-2 under the 3% debt limit is \$741,678 as of June 30, 2025. This leaves a remaining 3% debt limit capacity of \$60,627,005.

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 approximately \$14,118,841 of debt outstanding that is outside the 3% debt limit.

### Outstanding Debt

As of June 30, for the years indicated, the outstanding indebtedness of the Town was as follows:

<b><u>Governmental Activities</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>	<b><u>2024</u></b>	<b><u>2025</u></b>
<b><i>Bonds and Loans Payable:</i></b>					
2012 Refunding Bond	\$ 192,055	\$ -	\$ -	\$ -	\$ -
2016 Refunding Bond	1,055,990	908,223	764,061	619,898	475,736
2016 General Obligation Bond	3,935,000	3,180,000	2,410,000	1,625,000	825,000
2016 Refunding Loan	12,625,000	11,060,000	9,435,000	7,725,000	5,925,000
2019 School General Obligation Bond	3,870,000	3,655,000	3,440,000	3,225,000	3,010,000
<b><i>Bonds From Direct Placement:</i></b>					
2013 General Obligation Bond	180,000	120,000	60,000	-	-
<b><i>Loans From Direct Borrowings:</i></b>					
2010 School Loan	<u>1,750,000</u>	<u>1,450,000</u>	<u>1,130,000</u>	<u>780,000</u>	<u>405,000</u>
<b>Total</b>	<b>\$ 23,608,045</b>	<b>\$ 20,373,223</b>	<b>\$ 17,239,061</b>	<b>\$ 13,974,898</b>	<b>\$ 10,640,736</b>
 <b><u>Business-Type Activities</u></b>					
<b><i>Water Fund:</i></b>					
2012 Refunding Bond	\$ 48,000	\$ -	\$ -	\$ -	\$ -
<b><i>Bonds &amp; Loans From Direct Borrowings:</i></b>					
1982 Water Bond	2,641	-	-	-	-
1999 Water Bond	556,644	538,459	518,986	498,871	477,750
1997 Shell Oil Bond	68,508	35,017	-	-	-
2020 Water Loan	<u>550,000</u>	<u>497,357</u>	<u>444,321</u>	<u>390,892</u>	<u>336,678</u>
<b>Total</b>	<b>\$ 1,225,793</b>	<b>\$ 1,070,833</b>	<b>\$ 963,307</b>	<b>\$ 889,763</b>	<b>\$ 814,428</b>
 <b><u>Sewer Fund</u></b>					
<b><i>Bonds Payable:</i></b>					
2016 Refunding Bond	\$ 351,777	\$ 295,939	\$ 240,102	\$ 240,102	\$ 184,264
<b><i>Bonds &amp; Loans From Direct Borrowings:</i></b>					
2009 Clean Water Revolving Loan	<u>1,673,834</u>	<u>1,502,263</u>	<u>1,327,001</u>	<u>1,148,050</u>	<u>965,409</u>
<b>Total</b>	<b>\$ 2,025,611</b>	<b>\$ 1,798,202</b>	<b>\$ 1,567,103</b>	<b>\$ 1,388,152</b>	<b>\$ 1,149,673</b>
 <b>Total Bonds and Loans Payable</b>	 <b><u>\$ 26,859,449</u></b>	 <b><u>\$ 23,242,258</u></b>	 <b><u>\$ 19,769,471</u></b>	 <b><u>\$ 16,252,813</u></b>	 <b><u>\$ 12,604,837</u></b>

## Actual Bonded Debt Service Requirements

The Town's actual debt service requirements for its general obligation bonds are as shown in the following table.

Fiscal Year	General Long-Term Debt		General Obligation Self-Supporting Sewer		General Obligation Self-Supporting Water		The Bonds		Total Debt Service
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2026	\$ 3,520,000	\$ 431,377	\$ 246,034	\$ 22,063	\$ 22,177	\$ 23,917			
2027	2,390,000	284,525	251,647	17,459	23,286	22,808			
2028	2,475,000	173,275	257,260	12,688	24,450	21,644			
2029	290,000	79,225	318,808	7,737	25,673	20,421			
2030	215,000	69,875	270,357	2,609	26,957	19,137			
2031	215,000	62,350	-	-	28,304	17,790			
2032	215,000	54,825	-	-	29,720	16,374			
2033	215,000	47,300	-	-	31,206	14,888			
2034	215,000	39,775	-	-	32,766	13,328			
2035	215,000	32,250	-	-	34,404	11,690			
2036	215,000	25,800	-	-	36,124	9,970			
2037	215,000	19,350	-	-	37,931	8,163			
2038	215,000	12,900	-	-	39,827	6,267			
2039	215,000	6,450	-	-	41,818	4,276			
2040	-	-	-	-	43,692	2,185			
2041	-	-	-	-	-	-			
2042	-	-	-	-	-	-			
2043	-	-	-	-	-	-			
2044	-	-	-	-	-	-			
2045	-	-	-	-	-	-			
2046	-	-	-	-	-	-			
<b>TOTAL</b>	<b>\$ 10,825,000</b>	<b>\$ 1,339,277</b>	<b>\$ 1,344,106</b>	<b>\$ 62,556</b>	<b>\$ 478,335</b>	<b>\$ 212,857</b>			

## Authorized but Unissued Debt

The following schedule sets forth the status of the various bond authorizations and the activity within each authorization.

<u>Authorization</u>			<u>Total</u>	<u>Bonds</u>	<u>Unissued</u>
<u>Chap.</u>	<u>Year</u>	<u>Description</u>	<u>Authority</u>	<u>Issued</u> <sup>(1)</sup>	<u>Authority</u>
2	1999	School	\$ 8,100,000	\$ 6,800,000	\$ 1,300,000
415	2006	Open Space	3,000,000	545,000	2,455,000
354/468	2008	Sewer	21,000,000	5,750,000	15,250,000
239/298	2014	Road Bond	2,500,000	2,385,000	115,000
240/299	2014	Town Buildings	5,200,000	4,965,000	235,000
GL 45-12	2014	Police Station	9,000,000	9,000,000	-
			<b>\$ 48,800,000</b>	<b>\$ 29,445,000</b>	<b>\$ 19,355,000</b>

(1) Includes this issue of Bonds – Preliminary, subject to change.

## Debt Ratios and Debt Per Capita

<u>Year</u>		<u>Net</u>		<u>Estimated</u>		<u>Debt</u>	<u>Ratio of</u>	
<u>Ending</u>	<u>Population</u> <sup>(1)</sup>	<u>Assessed</u>	<u>Ratio of</u>	<u>Full</u>	<u>Bonded Debt</u>	<u>Per</u>	<u>Debt to</u>	<u>Tax Roll</u>
<u>June 30.</u>		<u>Value</u>	<u>Assessment</u> <sup>(2)</sup>	<u>Value</u>	<u>&amp; BANs</u> <sup>(3)</sup>	<u>Capita</u>	<u>Full</u>	<u>Year</u>
2020	11,967	1,802,139,484	98.00%	1,669,409,042	30,386,285	2,539	1.82%	2019
2021	12,588	1,809,878,039	98.00%	1,876,199,420	26,859,449	2,134	1.43%	2020
2022	12,588	1,834,294,825	100.00%	1,888,968,196	23,242,258	1,846	1.23%	2021
2023	12,588	2,047,373,879	100.00%	1,926,137,135	19,769,471	1,571	1.03%	2022
2024	12,588	2,052,673,208	100.00%	2,113,925,880	16,252,813	1,291	0.77%	2023
2025	12,588	2,045,622,754	100.00%	2,117,205,900	12,604,837	1,001	0.60%	2024

(1) Census 2020.

(2) Rate of Assessment determined by sales ratio studies by North Smithfield Tax Assessor and Rhode Island Dept. of Administration Reports on Tax Equalization

(3) Includes Sewer and Water Enterprise Debt, but not Leases

## TOWN FINANCES

Financial statements of the Town have been audited by Bacon & Company LLC, Certified Public Accountants for the fiscal year ended June 30, 2025.

Bacon & Company CPAs, LLC, our 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. Bacon & Company CPAs, LLC also has not performed any procedures relating to this offering document.

### **Basis of Accounting**

Governmental fund types, expendable trust and agency funds are accounted for using the modified accrual basis method of accounting. Under this method, revenues are recorded when susceptible to accrual, i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. Exceptions to this general rule include: (1) accumulated unpaid vacation and sick leave which are not reflected in the general long-term debt group of accounts, and (2) principal and interest on general obligation long-term debt which is recognized when due.

In applying the "susceptible to accrual" concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. For one type, monies must be expended on the specific purpose or project before any amounts will be paid to the Town; therefore, revenues are recognized based upon the expenditures recorded. For the other type, revenues are virtually unrestricted as to purpose of expenditure and nearly irrevocable or revocable only for failure to comply with the prescribed requirements, such as a Community Development Block Grant. These resources are reflected as revenues at the time of receipt or earlier if they meet the "available" criteria.

### **General Fund Revenues and Expenditures**

The Town's fiscal position is reported monthly by the Finance Director to the Town Administrator and the Town Council. This report compares revenues received and expenditures paid or encumbered against budgeted revenues and expenditures. The Finance Director supervises and is responsible for the disbursement of all monies and has control over all expenditures to ensure that budget appropriations are not exceeded. The Finance Director is also responsible for maintaining a general accounting system for the Town, preparing annual financial reports and collecting of taxes and assessments. The Finance Director has custody of public funds and invests Town funds which are on hand.

### **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 together with any money borrowed in anticipation of taxes in any prior year which remain outstanding does not exceed the total levy of the then current fiscal year or, if no tax levy has yet been made, which does not exceed the tax levy of the next preceding fiscal year. Tax anticipation notes must be payable not later than one year from their date, but notes issued for less than one year may be renewed provided such renewal notes are payable within the same fiscal year. The Town's Home Rule Charter provides that tax anticipation notes may be issued up to 80% of the operating budget with the approval of the Town Council and shall be repaid in the same fiscal year as borrowed. The Town has not issued tax anticipation notes since 1970.

### **Town Budgets (2024, 2025 and 2026)**

The Town Administrator annually presents to the Budget Committee a proposed budget of receipts and expenditures and an explanatory budget message for the ensuing fiscal year. The proposed budget shows all anticipated revenues and all proposed expenditures. The Budget Committee completes its consideration of the budget, including all necessary conferences with the Town Council, the Administrator, department representatives, citizens and private corporations, upon a date not later than the second Monday in April in each year and annually on said date publishes its recommended budget and budget message. The Charter provides that the Budget Committee submit its printed report comprising the budget message to the Town Council and make its recommendations for the expenditures and for taxes and other revenues which will be necessary to pay such expenses. The Town Council holds a public hearing on the budget prior

to its adoption. Within one week after approval by the Town Council, the Town Council certifies to the Treasurer, Town Administrator and President of the Town Council the detailed budget of each appropriation item passed.

Set forth below are the Town’s budgets for the fiscal years ended June 30, 2024, June 30, 2025, and June 30, 2026.

	<b>2024</b>	<b>2025</b>	<b>2026</b>
	<b><u>Budget</u></b>	<b><u>Budget</u></b>	<b><u>Budget</u></b>
Revenues			
Property Taxes	\$ 35,399,542	\$ 35,918,466	\$ 36,755,956
State Aid & Grants	13,704,563	15,057,540	16,229,561
Local Revenues	<u>2,151,604</u>	<u>2,059,019</u>	<u>2,379,053</u>
Total Revenues	\$ 51,255,710	\$ 53,035,025	\$ 55,364,571
Expenditures			
General Government	\$ 3,272,844	\$ 2,977,479	\$ 3,300,787
Financial Administration	967,244	1,075,898	1,087,661
Public Safety	9,255,279	9,761,421	10,081,018
Public Works & Other Public Service	4,135,352	4,652,931	4,621,605
Education	29,655,907	30,656,377	32,365,189
Debt Service	<u>3,969,084</u>	<u>3,910,919</u>	<u>3,908,311</u>
Total Expenditures	\$ 51,255,710	\$ 53,035,025	\$ 55,364,571

**Reporting Requirements of Municipalities and School Districts)**

The Town is subject to Rhode Island General Laws § 45-12-22.1 et seq. (the "Financial Reporting Act") which established 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 (.

*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**

The Town is subject to RIGL Chapter 45-9 (the "Financial Stability Act") the purposes of which is to provide a 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 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 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 1)*

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 of 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 official 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 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 subject to State Oversight.

### **State Aid**

#### *State School Operations Aid*

Pursuant to Rhode Island General Laws Sections 16-7-15 to 16-7-34, as amended, the State provides school operations assistance 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 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 operations assistance aid is subject to pro-rata reduction in

accordance with State Law. Under this program the Town's School Department received \$7,904,578 in the fiscal year ended June 30, 2025. The school aid is based on the actual expenditures for the year immediately preceding the prior year and commitments (exclusive of debt service). The Town budgeted \$9,315,977 for the fiscal year ending June 30, 2026. The legislation authorizing school operation aid is subject to further change.

#### *State School Construction Aid*

Pursuant to Rhode Island General Laws Section 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. Minimum assistance has since been increased to 40%. Such assistance level may be further increased by a formula which takes into account the equalized assessed valuation and debt service burden of the particular municipality. For the year ended June 30, 2025, the Town received \$1,072,793 in school construction aid and expects to receive \$5,820,358 during the fiscal year ending June 30, 2026. 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.

Commencing with fiscal year 1990-91, school construction aid has included the cost of interest on any bonds issued after July 1, 1988. However, with respect to bonds approved by a municipality's voters or other approving authority after June 30, 2003, school housing project costs subject to state aid reimbursement shall include interest on the bonds issued to finance school projects, but only if the bonds for such school projects are issued through the Rhode Island Health and Educational Building Corporation. School housing project 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.

State aid reimbursement for school construction projects is based on the share ratio established for that year by the Rhode Island Department of Education. For the fiscal 2025 year, the Town's share ratio is approximately 35%. This ratio can vary from year to year.

#### *Other State Aid*

In addition to School Operations Aid and School Construction Aid, municipalities in the State have received additional aid through the State General Revenue Sharing program and other miscellaneous State Aid. The General Revenue Sharing program, with a distribution formula similar to the Federal Revenue Sharing program, replaced various State grant and aid programs as of July 1, 1987. The State eliminated funding for the entire General Revenue Sharing program for its fiscal year ended 1992 and 1993 budgets and restored a reduced amount for 1994. The General Revenue Sharing program was discontinued in fiscal year 2010. For the fiscal year ending June 30, 2025, the Town received other miscellaneous State Aid in the amount of \$5,710,960 and for the fiscal year ending June 30, 2026, the Town has budgeted \$5,820,358.

## Comparative Statement of General Fund Balance Sheet

Set forth below is a General Fund Comparative Balance Sheet, which has been prepared from audited financial statements for the fiscal years ended June 30, 2021 - 2025.

Assets	Balance Sheet as of June 30,				
	2021	2022	2023	2024	2025
Cash & cash equivalents	\$ 13,545,147	\$ 18,109,838	\$ 20,636,580	\$ 20,800,573	\$ 18,436,693
Taxes Receivable (Net)	1,473,043	886,506	972,817	637,044	411,705
Due from federal & state governments	-	-	-	-	245,785
Other receivables	295,025	94,597	189,743	504,141	1,080,718
Due from other funds	625,957	39,624	44,570	794,850	1,365,499
Prepaid expenditures	<u>162,687</u>	<u>156,128</u>	<u>153,245</u>	<u>21,949</u>	<u>29,879</u>
<b>Total Assets</b>	<b>\$ 16,101,859</b>	<b>\$ 19,286,693</b>	<b>\$ 21,996,955</b>	<b>\$ 22,758,557</b>	<b>\$ 21,570,279</b>
<b>Liabilities &amp; Fund Balances</b>					
Accounts payable and Accrued expenses	\$ 384,662	\$ 743,538	\$ 1,048,327	\$ 1,680,461	\$ 1,792,688
Due to other funds	2,285,809	4,191,580	6,498,903	7,300,687	4,354,368
Performance bonds payable	1,424,346	1,426,141	1,451,987	1,573,946	1,608,766
Unearned revenue	2,288	-	-	-	-
Other liabilities	<u>16,509</u>	<u>85,561</u>	<u>166,116</u>	<u>135,369</u>	<u>111,896</u>
<b>Total Liabilities</b>	<b>\$ 4,113,614</b>	<b>\$ 6,446,820</b>	<b>\$ 9,165,333</b>	<b>\$ 10,690,463</b>	<b>\$ 7,867,718</b>
<b>Deferred inflow of resources:</b>	\$ 1,089,707	\$ 712,393	\$ 859,879	\$ 501,155	\$ 352,555
Fund Balances:					
Nonseandable	\$ 162,687	\$ 156,128	\$ 153,245	\$ 21,949	\$ 29,879
Restricted	-	-	-	-	-
Committed	1,212,256	1,797,772	1,644,088	925,528	4,856,266
Assigned	1,768,692	1,331,483	1,111,178	682,548	532,846
Unassigned	<u>7,754,903</u>	<u>8,842,097</u>	<u>9,063,232</u>	<u>9,936,914</u>	<u>7,931,015</u>
<b>Total Fund Balances</b>	<b><u>10,898,538</u></b>	<b><u>12,127,480</u></b>	<b><u>11,971,743</u></b>	<b><u>11,566,939</u></b>	<b><u>13,350,006</u></b>
<b>Total liabilities, deferred inflows of resources, &amp; fund balances</b>	<b>\$ 16,101,859</b>	<b>\$ 19,286,693</b>	<b>\$ 21,996,955</b>	<b>\$ 22,758,557</b>	<b>\$ 21,570,279</b>

## Comparative Statement of Revenue, Receipts and Expenditures and Fund Balance

Set forth below is a General Fund Comparative Statement of Revenue Receipts and Expenditures, which has been prepared from audited financial statements for the fiscal years ended June 30, 2021-2025.

### Statement of Revenues, Expenditures and Changes in Fund Balance as of June 30,

Revenues	2021	2022	2023	2024	2025
General property taxes	\$ 35,624,657	\$ 36,605,408	\$ 34,599,173	\$ 35,942,218	\$ 36,560,366
Motor vehicle excise in lieu of tax	674,948	2,387,438	4,398,531	4,398,531	4,389,559
Intergovernmental & grant revenue	3,740,995	1,777,800	1,821,471	1,832,605	3,064,802
Town Clerk licenses and fees	491,522	437,134	364,968	278,928	396,696
Other departmental fines and fees	875,208	666,939	664,651	722,180	724,310
Interest and investment income	20,449	29,580	306,711	579,244	658,228
Other revenues	309,031	333,404	324,064	377,468	789,818
<b>Total Revenues</b>	<b>\$ 41,736,810</b>	<b>\$ 42,237,703</b>	<b>\$ 42,479,569</b>	<b>\$ 44,131,174</b>	<b>\$ 46,583,779</b>
<b>Expenditures</b>					
Current:					
General government	\$ 1,413,305	\$ 2,545,056	\$ 2,531,898	\$ 2,949,256	\$ 2,934,982
Financial administration	911,993	1,041,200	891,972	942,004	1,076,634
Public safety	6,445,894	8,077,286	8,587,553	9,107,347	9,468,477
Public works	2,390,667	3,235,572	3,398,252	4,192,207	4,580,038
Fixed charges	2,480,702	-	-	-	-
Grants & contributions	19,826	-	-	-	-
Settlements	47,243	-	300,000	-	-
Other expenditures	-	-	-	-	-
Capital Outlay	1,257,545	808,288	1,490,140	1,694,596	1,219,160
Debt Service:					
Principal	3,118,767	3,234,766	3,134,162	3,264,111	3,334,162
Interest & issuance costs	1,034,458	917,453	811,352	675,682	546,787
<b>Total Liabilities</b>	<b>\$ 19,120,400</b>	<b>\$ 19,859,621</b>	<b>\$ 21,145,329</b>	<b>\$ 22,825,203</b>	<b>\$ 23,160,240</b>
Excess revenues over (under) expenditures	\$ 22,616,410	\$ 22,378,082	\$ 21,334,240	\$ 21,305,971	\$ 23,423,539
<b>Other Financing Sources (Uses)</b>					
Capital lease issued	\$ -	\$ -	\$ -	\$ -	\$ -
Debt issued	-	-	71,020	-	498,306
Subscription based IT arrangement (SBITA)	-	-	86,516	-	-
Transfers from other funds	322,249	-	-	-	-
Transfers to other funds	(20,781,306)	(21,149,140)	(21,647,513)	(21,710,775)	(22,146,064)
<b>Total Other Financing Sources (Uses)</b>	<b>(20,459,057)</b>	<b>(21,149,140)</b>	<b>(21,489,977)</b>	<b>(21,710,775)</b>	<b>(21,647,758)</b>
Excess revenues & other sources over (under) expenditures & other uses	2,157,353	1,228,942	(155,737)	(404,804)	1,775,781
<b>Fund Balance - Beginning</b>	<b>8,741,185</b> <sup>(1)</sup>	<b>10,898,538</b>	<b>12,127,480</b>	<b>11,971,743</b>	<b>11,574,225</b> <sup>(1)</sup>
<b>Fund Balance - Ending</b>	<b>\$ 10,898,538</b>	<b>\$ 12,127,480</b>	<b>\$ 11,971,743</b>	<b>\$ 11,566,939</b>	<b>\$ 13,350,006</b>

(1) As Restated.

## LITIGATION

The Town has several lawsuits pending. In the opinion of the Town Solicitor and Town Officials, there is no litigation pending against the Town which, either individually or in 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 Savage Law Partners 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 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Bond Counsel is of the further opinion that interest on the Series Bonds will not be included in computing the alternative minimum taxable income of Bondholders who are individuals. However, interest on the Bonds 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 Bonds.

The Code imposes various requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. Failure to comply with these requirements may result in interest on the Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Bonds. The Town has covenanted to comply with such requirements to ensure that interest on the Bonds 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, income from the Bonds is free from taxation by the State of Rhode Island (the "State") or any political subdivision of the State, although the income therefrom may be included in the measure of certain Rhode Island corporate and business taxes. Bond Counsel has not opined as to other Rhode Island tax consequences arising with respect to the Bonds. Bond Counsel has not opined as to the taxability of the Bonds or the income therefrom under the laws of any state other than Rhode Island. A complete copy of the proposed form of opinion of Bond Counsel is set forth in APPENDIX C.

To the extent the issue price of any maturity of the Bonds is less than the amount to be paid at maturity of such Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Bonds), 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 Bonds 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 Bonds 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 Bonds is sold to the public, as applicable. The original issue discount with respect to any maturity of the Bonds accrues daily over the term to maturity of such Bonds 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 Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Bonds. Bondholders should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of purchasers who do not purchase such Bonds 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 Bonds is sold to the public.

Bonds purchased, whether at original issuance or otherwise, for an amount greater than the stated principal amount to be paid at maturity of such Bonds, or, in some cases, at the earlier redemption date of such Bonds ("Premium Bonds"), 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 Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, a Bondholder's basis in a Premium Bond will be reduced by the amount of amortizable bond premium properly allocable to such Bondholder. Holders of Premium Bonds 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 Bonds may adversely affect the value of, or the tax status of interest on, the Bonds.

Although Bond Counsel is of the opinion that interest on the Bonds 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 Bonds may otherwise affect the federal or state tax liability of a Bondholder. The nature and extent of all such other tax consequences will depend upon the particular tax status of the Bondholder or the Bondholder's other items of income, deduction, or exclusion. Bond Counsel expresses no opinion regarding any such other tax consequences, and Bondholders 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 Bonds. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Bonds will not have an adverse effect on the tax status of interest on the Bonds or the market value or marketability of the Bonds. 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 Bonds from gross income for federal or state income tax purposes for all or certain taxpayers. Additionally, Bondholders 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 Bonds for federal income tax purposes for all or certain taxpayers. In all such events, the market value of the Bonds may be affected and the ability of Bondholders to sell their Bonds in the secondary market may be reduced. The Bonds are not subject to special mandatory redemption, and the interest rates on the Bonds are not subject to adjustment, in the event of any such change in the tax treatment of interest on the Bonds. Prospective Bondholders are urged to consult their own tax advisors with respect to any such legislation, interpretation or development.

### **CONDITIONS PRECEDENT TO DELIVERY**

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

#### **No Litigation Certificate**

Upon delivery of the Bonds, the Town shall deliver or cause to be delivered a certificate of the Town Solicitor, President of the Town Council, the Town Administrator, the Director of Finance and the Town Clerk, 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 Bonds 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 Bonds will be approved by Savage Law Partners LLP, Bond Counsel. The approving opinion of such counsel with respect to the Bonds will be delivered at the time of delivery of the Bonds. The opinion will be substantially in the form attached hereto as APPENDIX B. The scope of engagement of Bond Counsel does not extend to 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 Bonds, the Town will deliver a certificate certifying that, to the best of his knowledge and belief, both as of its date and as of the date of delivery of the Bonds, the Official Statement (excluding therefrom the initial public offering prices (or yields) on the Bonds on the cover and in the information under the heading "THE BONDS – 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.

## CONTINUING DISCLOSURE

In order to assist the Underwriters in complying with Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission (the “Rule”), the Town will covenant for the benefit of owners of the Bonds to provide certain financial information and operating data relating to the Town by not later than nine (9) months after the end of each fiscal year commencing with the fiscal year ending June 30, 2026 (the “Annual Report”), to provide notices of the occurrence of certain enumerated events, if material, and to provide notice of failure to provide the Annual Report. The covenants will be contained in a Continuing Disclosure Certificate, the proposed form of which is provided in APPENDIX C.

The Town has complied in all material respects with all continuing disclosure agreements made by it in accordance with the Rule for the past five years.

## MUNICIPAL ADVISOR

PFM Financial Advisors LLC (“PFM”) has served as municipal advisor to the Town for the issuance of the Bonds. 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 municipal advisory firm and is not engaged in the business of underwriting, trading, or distributing public securities.

## RATING

Moody’s Investors Service, Inc. (“Moody’s”) has assigned the Bonds a rating of “Aa2”. Such rating reflects only the views of Moody’s and any desired explanation of the significance of such rating should be obtained from Moody’s.

The above rating is not a recommendation to buy, sell or hold the Bonds, 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 Bonds.

## 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 Bonds by the Town and may not be reproduced or used in whole or in part for any other purpose.

TOWN OF NORTH SMITHFIELD, RHODE ISLAND

By: \_\_\_\_\_  
Antony St Onge  
*Director of Finance*

Dated: May \_\_, 2026

**APPENDIX A**

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2025

***TOWN OF NORTH SMITHFIELD, RHODE ISLAND  
ANNUAL FINANCIAL STATEMENTS***

*For the Fiscal Year Ended  
June 30, 2025*

*With Independent Auditor's Reports Under the Uniform Guidance*

**TOWN OF NORTH SMITHFIELD, RHODE ISLAND**  
**ANNUAL FINANCIAL STATEMENTS**  
*For the Fiscal Year Ended June 30, 2025*

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**TOWN OF NORTH SMITHFIELD, RHODE ISLAND**  
**ANNUAL FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2025**

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**FINANCIAL SECTION**

**THIS SECTION CONTAINS THE FOLLOWING:**

**Independent Auditor's Report**

**Management Discussion and Analysis**

**Basic Financial Statements**

**Required Supplementary Information**

**Other Supplementary Information**

# Bacon & Company<sup>LLC</sup>

CERTIFIED PUBLIC ACCOUNTANTS

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## **Independent Auditor's Report**

To the Honorable President and Members of the Town Council  
Town of North Smithfield, Rhode Island

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of North Smithfield, 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 North Smithfield, Rhode Island's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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 North Smithfield, 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 (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of North Smithfield, 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 Notes 1 and 18 to the financial statements, the Town of North Smithfield, Rhode Island implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, during fiscal year 2025. Our opinions were 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 North Smithfield, 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.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 North Smithfield, 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 North Smithfield, 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, budgetary comparison information, and supplementary pension and other postemployment benefit information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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 North Smithfield, Rhode Island's basic financial statements. The combining nonmajor fund financial statements, Annual Supplemental Transparency Report (MTP2), other supplementary information and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining nonmajor fund financial statements, Annual Supplemental Transparency Report (MTP2), other supplementary information and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2026 on our consideration of the Town of North Smithfield, Rhode Island's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of North Smithfield, Rhode Island's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of North Smithfield, Rhode Island's internal control over financial reporting and compliance.

*Bacon & Company CPAs, LLC*

Warwick, Rhode Island  
January 30, 2026

# **TOWN OF NORTH SMITHFIELD, RHODE ISLAND**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

Management of the Town of North Smithfield provides this Management's Discussion and Analysis of the Town's Annual Financial Report for the readers of the Town's financial statements. This narrative overview and analysis of the financial statements of the Town of North Smithfield is for the fiscal year end June 30, 2025.

Included within our discussion will be a series of comparative tables, serving to illustrate changes more clearly in the Town's financial position. These tables will reflect governmental activities, business - type activities and total activities for the 2024 and 2025 fiscal years. We encourage readers to consider the information presented in this narrative in conjunction with additional information that we have provided herein.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis are intended to serve as an introduction to the Town's annual financial statements. The financial section of this report consists of four parts — management's discussion and analysis (this section), the basic financial statements, required supplementary information and other supplementary information that includes combining statements for non-major governmental funds.

The first two statements are government-wide financial statements that provide both long-term and short-term information about the Town's overall status. The remaining statements are fund-financial statements that focus on individual parts of the Town government, reporting the Town's operations in more detail than the government-wide statements.

The governmental fund statements tell how general government services, such as public safety, were financed in the short term as well as what remains for future spending.

Proprietary fund statements offer short- and long-term financial information about the activities the Government operates like a business, such as the water and sewer system.

Fiduciary fund statements provide information about assets that are held by the Town as a trustee or custodian for the benefit of someone or something other than the Town itself. The Town cannot use these assets to support its own programs.

The financial statements also include notes that provide more detailed data about some of the information in the financial statements. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. In addition to these required elements, we have included a section combining statements that provide details about our non-major governmental funds, which are added together and presented in a single column in the basic financial statements. The Town of North Smithfield adopted the provision of Governmental Accounting Standards Board Statement No. 33, Accounting and Financial Reporting for Non-exchange Transactions and Governmental Accounting Standards Board Statement No. 34, Basic Financial statements Management's Discussion and Analysis – for State and Local Governments as of July 1, 2002.

## Government-Wide Statements

The government-wide statements report information about the Town as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the Town's net position and how they have changed. Net position — the difference between the Town's assets and deferred outflows of resources, and liabilities and deferred inflows of resources — is one way to measure the Town's financial health, or position.

Over time, increases or decreases in the Town's net position are an indicator of whether its financial health is improving or deteriorating, respectively. To assess the overall health of the Town, you need to consider additional non-financial factors such as changes in the Town's property tax base and the condition of the Town's infrastructure, such as the Town's roads.

The government-wide financial statements of the Town are divided into two categories:

***Governmental activities*** - Most of the Town's basic services are included here, such as the police, fire, library, public works, parks & recreation, and general administration. Property taxes, charges for services and state funding finance most of these activities.

***Business-Type activities*** - The Town charges fees to customers to cover the costs of certain services it provides. The Town Water and Sewer Enterprise Funds are included here.

The government-wide financial statements are reported on pages 13 and 14.

## Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The fund financial statements focus on individual parts of the Town government, reporting the Town's operations in more detail than the government-wide statements. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. It is important to note that these fund categories use different accounting approaches and should be interpreted differently.

***Governmental Funds*** - Most of the basic services provided by the Town are financed through governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund statements focus on *near-term inflows and outflows of spendable resources*. They also focus on the *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the government's near-term financing requirements.

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

The Town maintains 23 governmental funds; 3 are considered major funds for presentation purposes. That is, each major fund is presented in a separate column in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances. Data from the remaining 20 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of “combining statements” later in this report. The Town's three major governmental funds are:

1. General Fund
2. School Unrestricted Fund
3. American Rescue Plan Fund

The basic governmental fund financial statements can be found on pages 15 through 18 of this report.

***Proprietary Funds*** - The Town maintains two enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town maintains an enterprise fund to account for its Water and Sewer operations. The basic proprietary fund financial statements can be found on pages 19 through 22 of this report.

***Fiduciary Funds*** – The Town maintains one other post-employment benefits trust fund and one private-purpose trust fund. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary funds financial statements can be found on pages 23 and 24 of this report.

***Notes to the financial statements*** - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements follow the basic financial statements and can be found on pages 25 through 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, which include reconciliation between the statutory revenues and expenditures for budgetary purposes and the revenues and expenditures for the General Fund and School Unrestricted Fund as presented in the governmental fund financial statements. Required supplementary information follows the notes to the financial statements and can be found beginning on page 85 of this report. The combining statements referred to earlier in connection with non-major governmental funds and other information related to the individual funds are presented immediately following the required supplementary information.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

### Net position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The Town's combined net position (government and business-type activities) totaled \$60,368,744 at the close of the most recent fiscal year.

	Town of North Smithfield Net Position					
	June 30, 2025			June 30, 2024 Restated *		
	Govern- mental Activities	Business- Type Activities	Total	Govern- mental Activities	Business- Type Activities	Total
<b><u>Assets</u></b>						
Current assets	\$ 24,307,888	\$ 7,265,536	\$ 31,573,424	\$ 25,680,259	\$ 6,152,242	\$ 31,832,501
Capital assets, net	61,421,248	12,400,629	73,821,877	60,423,706	9,583,597	70,007,303
Other noncurrent assets	7,983,657	1,396,239	9,379,896	7,358,485	1,737,774	9,096,259
<b>Total assets</b>	<b>93,712,793</b>	<b>21,062,404</b>	<b>114,775,197</b>	<b>93,462,450</b>	<b>17,473,613</b>	<b>110,936,063</b>
<b><u>Deferred outflow of resources</u></b>						
Deferred pension amounts	4,577,862	-	4,577,862	4,367,900	-	4,367,900
Deferred other post employment benefit amounts	2,498,526	-	2,498,526	3,007,919	-	3,007,919
Deferred amounts on refunding	388,711	13,301	402,012	515,419	16,627	532,046
<b>Total deferred outflow of resources</b>	<b>7,465,099</b>	<b>13,301</b>	<b>7,478,400</b>	<b>7,891,238</b>	<b>16,627</b>	<b>7,907,865</b>
<b><u>Liabilities</u></b>						
Current liabilities	10,143,628	635,244	10,778,872	11,724,965	660,907	12,385,872
Noncurrent liabilities	38,081,292	1,762,372	39,843,664	40,575,522	2,084,595	42,660,117
<b>Total liabilities</b>	<b>48,224,920</b>	<b>2,397,616</b>	<b>50,622,536</b>	<b>52,300,487</b>	<b>2,745,502</b>	<b>55,045,989</b>
<b><u>Deferred inflow of resources</u></b>						
Deferred pension amounts	5,277,905	-	5,277,905	4,901,662	-	4,901,662
Deferred other post employment benefit amounts	4,325,195	-	4,325,195	3,929,113	-	3,929,113
Deferred sewer assessments	-	1,659,217	1,659,217	-	1,951,332	1,951,332
<b>Total deferred inflow of resources</b>	<b>9,603,100</b>	<b>1,659,217</b>	<b>11,262,317</b>	<b>8,830,775</b>	<b>1,951,332</b>	<b>10,782,107</b>
<b><u>Net position</u></b>						
Net investment in capital assets	49,951,341	10,434,849	60,386,190	45,746,481	7,303,585	53,050,066
Restricted for specific use	11,936,188	134,085	12,070,273	11,092,704	260,000	11,352,704
Unrestricted	(18,537,657)	6,449,938	(12,087,719)	(16,616,759)	5,229,821	(11,386,938)
<b>Total net position</b>	<b>\$ 43,349,872</b>	<b>\$ 17,018,872</b>	<b>\$ 60,368,744</b>	<b>\$ 40,222,426</b>	<b>\$ 12,793,406</b>	<b>\$ 53,015,832</b>

\* See note 18 to the financial statements.

The largest portion of the Town's net position, \$60,386,190, reflects its investment in capital such as land, building, equipment, and infrastructure, less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town's net position, \$12,070,273, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of (\$12,087,719) may be used to meet the Town's ongoing obligations to citizens and creditors. Internally imposed designations of resources are not presented as restricted net position.

## Changes in Net Position

### Town of North Smithfield Changes in Net Position

	June 30, 2025			June 30, 2024 Restated *		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
<b>Revenues</b>						
<b>Program revenues</b>						
Charges for services	\$ 2,883,654	\$ 3,714,261	\$ 6,597,915	\$ 2,492,691	\$ 3,110,073	\$ 5,602,764
Operating grants	16,365,158	-	16,365,158	12,300,411	-	12,300,411
Capital grants	1,695,511	-	1,695,511	219,683	-	219,683
<b>General Revenues</b>						
Property taxes, levied for general purposes	36,332,918	-	36,332,918	35,567,261	-	35,567,261
State aid	5,527,362	-	5,527,362	5,018,975	-	5,018,975
Interest income	701,538	160,836	862,374	624,088	123,151	747,239
Miscellaneous	1,109,490	-	1,109,490	564,513	-	564,513
<b>Total revenues</b>	<b>64,615,631</b>	<b>3,875,097</b>	<b>68,490,728</b>	<b>56,787,622</b>	<b>3,233,224</b>	<b>60,020,846</b>
<b>Expenses</b>						
General government	2,986,236	-	2,986,236	3,533,439	-	3,533,439
Financial administration	1,077,183	-	1,077,183	866,688	-	866,688
Public safety	10,140,808	-	10,140,808	9,605,258	-	9,605,258
Public works	4,513,039	-	4,513,039	3,924,076	-	3,924,076
Education	35,013,131	-	35,013,131	31,871,195	-	31,871,195
Interest	308,909	-	308,909	436,729	-	436,729
Water	-	908,923	908,923	-	544,501	544,501
Sewer	-	1,959,546	1,959,546	-	2,262,184	2,262,184
<b>Total expenses</b>	<b>54,039,306</b>	<b>2,868,469</b>	<b>56,907,775</b>	<b>50,237,385</b>	<b>2,806,685</b>	<b>53,044,070</b>
Excess (deficiency) of revenues over (under) expenses before transfers	10,576,325	1,006,628	11,582,953	6,550,237	426,539	6,976,776
Transfers in (out)	(3,218,838)	3,218,838	-	(386,365)	386,365	-
Change in net position	7,357,487	4,225,466	11,582,953	6,163,872	812,904	6,976,776
<b>Net position - beginning</b>	<b>40,222,426</b>	<b>12,793,406</b>	<b>53,015,832</b>	<b>34,058,554</b>	<b>11,980,502</b>	<b>46,039,056</b>
<b>Restatement</b>	<b>(4,230,041)</b>	<b>-</b>	<b>(4,230,041)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net position - ending</b>	<b>\$ 43,349,872</b>	<b>\$ 17,018,872</b>	<b>\$ 60,368,744</b>	<b>\$ 40,222,426</b>	<b>\$ 12,793,406</b>	<b>\$ 53,015,832</b>

\* See note 18 to the financial statements.

**Governmental Activities** - To aid in the understanding of the Statement of Activities, some additional explanation is given. Of particular interest is the format which is different than a typical Statement of Revenues, Expenditures and Changes in Fund Balance. You will notice that expenses are listed in the first column with revenues from that particular program reported to the right. The result is a net (expense)/revenue. The reason for this kind of format is to highlight the relative financial burden to our taxpayers of each of the Town's functions. It also identifies how much each function draws from the general revenues or if it is self-financing through fees and grants. Governmental activities increased the Town's net position by \$7,357,487.

**Business-Type activities** - Business-type activities increased the Town's net position by \$4,225,466.

### **Financial Analysis of the Government's Funds**

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

**Governmental Funds:** The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, 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's governmental funds reported combined ending fund balances of \$18,914,615 an increase of \$2,217,819 (13.28%) in comparison with the prior year beginning fund balance. The General Fund and School Unrestricted Fund are the chief operating funds of the Town.

At the end of the current fiscal year, the total fund balance of the General Fund was \$13,350,006, of which \$7,931,015 is unassigned (59.41%). The General Fund total fund balance increased by \$1,775,781 (15.34%) during the current fiscal year. The unassigned fund balance in the General Fund represents 17.82% of the total Fiscal Year 2025 General Fund budgeted expenditures (excludes School Pass-thru).

At the end of the current fiscal year, the total fund balance of the School Unrestricted Fund was \$2,951,659, of which \$2,190,948 is restricted for education with the balance being assigned for specific purposes. There are no unassigned balances in the School Unrestricted Fund. The School Unrestricted Fund total fund balance has increased by \$202,073 (7.35%) during the current fiscal year.

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

At the end of the current fiscal year, the net position of the Water Fund amounted to \$6,606,422, an increase of \$3,004,474 (83.41%) from the prior year Net Position. In the Sewer Fund, net position amounted to \$10,412,450, an increase of \$1,220,992 (13.28%) from the prior year Net Position.

## **General Fund Budgetary Highlights**

The following Revenue Sources had revenue that was materially over/(under) budget for the fiscal year:

***Tax Revenue*** was \$573,232 over budget. The positive variance is attributed to a higher collection percentage of billed taxes and less abatements and more supplementals than anticipated.

***Intergovernmental and grant revenue*** was \$329,738 over budget due to the receipt of more grant funding from than expected.

***Town Clerk licenses and fees*** were \$121,445 over budget due to more real estate stamps and recording fees.

***Other departmental fines and fees*** were over budget by \$92,408 due to permit certificates in building and zoning and a new revenue line created for Highway.

***Investment and interest income*** was \$158,228 over budget due to the more aggressive investment of town liquid assets without compromising risk.

***Other revenues*** were over budget by \$419,818 caused by a large credit cashed in through Rhode Island Energy, in which the timing of the receipt was unknown.

The following Departments had expenditures that were materially over/(under) budget for the fiscal year:

***Public Safety*** was under budget by \$97,356 mainly due to the efforts of the Police Department in the attempt to control the personnel expenses.

***Public Works*** was under budget by \$125,462 due to the cumulative efforts of DPW, Highway, and Parks and Rec under spending in numerous categories within their departments.

## Capital Assets and Debt Administration

**Capital Assets** - The Town's investment in capital assets for its governmental and business-type activities as of June 30, 2025, amounted to \$73,821,877 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, roads, and construction in progress.

Additional information on the Town's capital assets can be found in the notes to the financial statements of this report. A summary of the Town's capital assets is presented below:

<b>Town of North Smithfield</b>						
<b>Capital Assets (Net of Accumulated Depreciation)</b>						
	<b>June 30, 2025</b>			<b>June 30, 2024</b>		
	<b>Govern- mental Activities</b>	<b>Business Type Activities</b>	<b>Total</b>	<b>Govern- mental Activities</b>	<b>Business Type Activities</b>	<b>Total</b>
Land	\$ 9,309,242	\$ 16,141	\$ 9,325,383	\$ 9,309,242	\$ 16,141	\$ 9,325,383
Construction in progress	492,673	174,548	667,221	3,330,103	594,185	3,924,288
Land improvements	2,163,588	8,530	2,172,118	2,354,435	9,393	2,363,828
Buildings and improvements	38,819,568	1,173,825	39,993,393	38,723,252	1,220,315	39,943,567
Infrastructure	5,835,987	10,079,123	15,915,110	2,667,220	6,534,524	9,201,744
Machinery, equipment and furniture	2,285,097	948,462	3,233,559	1,061,464	1,209,039	2,270,503
Vehicles	2,318,401	-	2,318,401	2,718,932	-	2,718,932
Leased Equipment	31,456	-	31,456	56,347	-	56,347
Subscription Assets	165,236	-	165,236	202,711	-	202,711
<b>Total</b>	<b>\$ 61,421,248</b>	<b>\$ 12,400,629</b>	<b>\$ 73,821,877</b>	<b>\$ 60,423,706</b>	<b>\$ 9,583,597</b>	<b>\$ 70,007,303</b>

**Long-Term Obligations** – At the end of the fiscal year, the Town had total long-term obligations outstanding of \$45,285,146. General obligation bonds are backed by the full faith and credit of the Town, including the Town's power to levy additional taxes to ensure repayment of the debt. A summary of the Town's Long-Term Obligations is presented below:

<b>Town of North Smithfield</b>						
<b>Long-Term Obligations</b>						
	<b>June 30, 2025</b>			<b>June 30, 2024</b>		
	<b>Govern- mental Activities</b>	<b>Business- Type Activities</b>	<b>Total</b>	<b>Govern- mental Activities</b>	<b>Business- Type Activities</b>	<b>Total</b>
General Obligation Bonds & Loans	\$ 10,640,736	\$ 1,964,101	\$ 12,604,837	\$ 13,974,898	\$ 2,277,915	\$ 16,252,813
Lease liabilities	53,738	-	53,738	79,067	-	79,067
Financed purchase payable	438,829	-	438,829	43,735	-	43,735
Subscription liability	35,986	-	35,986	53,277	-	53,277
Amortized premium on bonds	1,113,429	14,980	1,128,409	1,460,096	18,724	1,478,820
Compensated absences	5,633,886	-	5,633,886	1,265,080	-	1,265,080
Settlements payable	100,100	-	100,100	100,100	-	100,100
Net OPEB obligation	7,760,515	-	7,760,515	8,804,933	-	8,804,933
Net pension liabilities	17,528,846	-	17,528,846	18,199,612	-	18,199,612
<b>Totals</b>	<b>\$ 43,306,065</b>	<b>\$ 1,979,081</b>	<b>\$ 45,285,146</b>	<b>\$ 43,980,798</b>	<b>\$ 2,296,639</b>	<b>\$ 46,277,437</b>

The Town retired bond debt of \$3,334,162 for Governmental Activities and \$313,814 for Business-Type Activities during the current fiscal year. State statute limits the amount of bonds a governmental entity can issue to 3% of its total assessed valuation. Currently, the Town is in compliance with the Legal Debt margin requirement.

Additional information on the Town's long-term obligations can be found in the notes to the financial statements.

### **Independent Audit**

State statutes and the Town Charter require an annual audit by independent certified public accountants. The accounting firm of Bacon & Company CPAs, LLC provided this service for the purpose of issuing basic financial statements and supplementary information for the year ended June 30, 2025.

### **Economic Factors and Next Year's Budgets and Rates**

The budget for the fiscal year 2025-2026 is \$55,352,785.09, an increase of \$2,317,759.63 (4.37%) from the prior year. Education, at \$32,365,189.00 or 58.47% of the total budgeted expenditures. The increase for education was \$1,708,811.85 which is made up mainly by State Aid and the remaining Town Appropriation.

For the fiscal year 2025-2026, the tax rate was broken down into three tiers: residential, commercial, and personal property, with rates of \$11.499, \$16.936, and \$43.632, respectively. The breakdown consists of 41.53% for municipal and 58.47 % for education. For the fiscal year 2024-2025, the tax rate was broken down into the same three tiers, with rates of \$14.774, \$20.432, and \$43.632, respectively. The breakdown consists of 42.20 % for municipal and 57.80 % for education.

### **Requests for Information**

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to the Finance Director, North Smithfield Town Hall, 83 Greene Street, North Smithfield, Rhode Island 02896.

Thank you,

Antony St Onge  
Finance Director

## **BASIC FINANCIAL STATEMENTS**

### **THE BASIC FINANCIAL STATEMENTS INCLUDE:**

#### **Government-Wide Financial Statements**

##### **Fund Financial Statements:**

- Governmental Funds**
- Proprietary Funds**
- Fiduciary Funds**

**In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.**

**TOWN OF NORTH SMITHFIELD, RHODE ISLAND**

*Statement of Net Position*

June 30, 2025

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Assets:</b>			
<b>Current assets:</b>			
Cash and cash equivalents	\$ 23,778,327	\$ 4,064,301	\$ 27,842,628
Real estate and personal property tax receivable, net	411,705	-	411,705
Water and sewer use fees receivable, net	-	278,090	278,090
Sewer assessments receivable, net	-	343,559	343,559
Due from federal and state government	922,319	-	922,319
Accrued interest receivable, net	209,943	-	209,943
Other receivables	1,172,826	210,280	1,383,106
Internal balances	(2,368,496)	2,368,496	-
Prepaid expenses	181,264	810	182,074
<b>Total current assets</b>	<u>24,307,888</u>	<u>7,265,536</u>	<u>31,573,424</u>
<b>Noncurrent assets:</b>			
Sewer assessments receivable, net	-	1,396,239	1,396,239
Capital assets: (Note 6)			
Non-depreciable assets	9,801,915	190,689	9,992,604
Depreciable buildings, property, equipment, infrastructure, net	51,619,333	12,209,940	63,829,273
Capital assets, net	61,421,248	12,400,629	73,821,877
Net pension assets	7,983,657	-	7,983,657
<b>Total noncurrent assets</b>	<u>69,404,905</u>	<u>13,796,868</u>	<u>83,201,773</u>
<b>Total assets</b>	<u>93,712,793</u>	<u>21,062,404</u>	<u>114,775,197</u>
<b>Deferred outflows of resources:</b>			
Deferred pension amounts	4,577,862	-	4,577,862
Deferred other post-employment benefit amounts	2,498,526	-	2,498,526
Deferred amounts on refunding	388,711	13,301	402,012
<b>Total deferred outflows of resources</b>	<u>7,465,099</u>	<u>13,301</u>	<u>7,478,400</u>
<b>Liabilities:</b>			
<b>Current liabilities:</b>			
Accounts payable and accrued liabilities	3,151,273	285,431	3,436,704
Accrued interest payable	58,210	31,334	89,544
Performance bonds payable	1,608,766	-	1,608,766
Unearned revenue	100,606	-	100,606
Lease liabilities - due within one year	25,510	-	25,510
Financed purchases payable - due within one year	106,809	-	106,809
Subscription liability - due within one year	17,755	-	17,755
Compensated absences payable - due within one year	1,594,841	-	1,594,841
Settlements payable - due within one year	14,300	-	14,300
Long-term debt - due within one year (Note 7)	3,465,558	318,479	3,784,037
<b>Total current liabilities</b>	<u>10,143,628</u>	<u>635,244</u>	<u>10,778,872</u>
<b>Noncurrent liabilities:</b>			
Long-term debt - due in more than one year (Note 7)	8,288,607	1,660,602	9,949,209
Lease liabilities - due in more than one year	28,228	-	28,228
Financed purchases payable - due in more than one year	332,020	-	332,020
Subscription liability - due in more than one year	18,231	-	18,231
Compensated absences payable - due within one year	4,039,045	-	4,039,045
Settlements payable - due in more than one year	85,800	-	85,800
Other liabilities	-	101,770	101,770
Net pension liabilities	17,528,846	-	17,528,846
Net other post-employment benefit liabilities	7,760,515	-	7,760,515
<b>Total noncurrent liabilities</b>	<u>38,081,292</u>	<u>1,762,372</u>	<u>39,843,664</u>
<b>Total liabilities</b>	<u>48,224,920</u>	<u>2,397,616</u>	<u>50,622,536</u>
<b>Deferred Inflows of Resources:</b>			
Deferred pension amounts	5,277,905	-	5,277,905
Deferred other post-employment benefit amounts	4,325,195	-	4,325,195
Deferred sewer assessments	-	1,659,217	1,659,217
<b>Total deferred inflows of resources</b>	<u>9,603,100</u>	<u>1,659,217</u>	<u>11,262,317</u>
<b>Net Position:</b>			
Net investment in capital assets	49,951,341	10,434,849	60,386,190
Restricted for:			
Education programs	2,434,535	-	2,434,535
Public safety programs	1,008,105	-	1,008,105
Historical records preservation	72,136	-	72,136
Employee benefit plans	7,983,657	-	7,983,657
Other programs	437,755	134,085	571,840
Unrestricted	(18,537,657)	6,449,938	(12,087,719)
<b>Total net position</b>	<u>\$ 43,349,872</u>	<u>\$ 17,018,872</u>	<u>\$ 60,368,744</u>

*The accompanying notes are an integral part of the basic financial statements.*

**TOWN OF NORTH SMITHFIELD, RHODE ISLAND**  
*Statement of Activities*  
For the Fiscal Year Ended June 30, 2025

<i>Functions/Programs</i>	<i>Expenses</i>	<i>Program Revenues</i>			<i>Net (Expense) Revenue and Changes in Net Position</i>		
		<i>Charges for Services</i>	<i>Operating Grants and Contributions</i>	<i>Capital Grants and Contributions</i>	<i>Governmental Activities</i>	<i>Business-Type Activities</i>	<i>Total</i>
<b>Governmental Activities:</b>							
General government	\$ 2,986,236	\$ 490,854	\$ 3,475,837	\$ 69,696	\$ 1,050,151	\$ -	\$ 1,050,151
Financial administration	1,077,183	55,000	57,041	-	(965,142)	-	(965,142)
Public safety	10,140,808	1,163,022	151,677	847,856	(7,978,253)	-	(7,978,253)
Public works	4,513,039	362,766	22,269	559,911	(3,568,093)	-	(3,568,093)
Education	35,013,131	812,012	11,585,541	218,048	(22,397,530)	-	(22,397,530)
Interest on long-term debt	308,909	-	1,072,793	-	763,884	-	763,884
<b>Total governmental activities</b>	<b>54,039,306</b>	<b>2,883,654</b>	<b>16,365,158</b>	<b>1,695,511</b>	<b>(33,094,983)</b>	<b>-</b>	<b>(33,094,983)</b>
<b>Business-Type Activities:</b>							
Water	908,923	694,559	-	-	-	(214,364)	(214,364)
Sewer	1,959,546	3,019,702	-	-	-	1,060,156	1,060,156
<b>Total business-type activities</b>	<b>2,868,469</b>	<b>3,714,261</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>845,792</b>	<b>845,792</b>
<b>Total</b>	<b>\$ 56,907,775</b>	<b>\$ 6,597,915</b>	<b>\$ 16,365,158</b>	<b>\$ 1,695,511</b>	<b>(33,094,983)</b>	<b>845,792</b>	<b>(32,249,191)</b>
<b>General Revenues:</b>							
Taxes:							
Property taxes							
					36,332,918	-	36,332,918
State aid and in lieu of taxes, not restricted for a specific purpose							
					5,527,362	-	5,527,362
Investment earnings							
					701,538	160,836	862,374
Miscellaneous							
					1,109,490	-	1,109,490
<b>Transfers</b>							
					(3,218,838)	3,218,838	-
<b>Total general revenues and transfers</b>							
					40,452,470	3,379,674	43,832,144
<b>Change in net position</b>							
					7,357,487	4,225,466	11,582,953
<b>Net position - beginning of year, as previously reported</b>							
					40,357,289	12,793,406	53,150,695
<b>Error correction</b>							
					(134,863)	-	(134,863)
<b>Restatement</b>							
					(4,230,041)	-	(4,230,041)
<b>Net position - beginning of year, as restated</b>							
					35,992,385	12,793,406	48,785,791
<b>Net position - end of year</b>							
					\$ 43,349,872	\$ 17,018,872	\$ 60,368,744

The accompanying notes are an integral part of the basic financial statements.

**TOWN OF NORTH SMITHFIELD, RHODE ISLAND**

*Balance Sheet  
Governmental Funds  
June 30, 2025*

	<i>General Fund</i>	<i>School Unrestricted Fund</i>	<i>American Rescue Plan Fund</i>	<i>Other Non-Major Governmental Funds</i>	<i>Total Governmental Funds</i>
<b>Assets</b>					
Cash and cash equivalents	\$ 18,436,693	\$ 2,155,843	\$ -	\$ 3,185,791	\$ 23,778,327
Real estate and personal property tax receivable (net)	411,705	-	-	-	411,705
Due from federal and state governments	245,785	22,580	-	653,954	922,319
Other receivables	1,080,718	-	-	92,108	1,172,826
Due from other funds	1,365,499	1,268,293	183,920	1,072,338	3,890,050
Prepaid expenditures	29,879	170,118	-	103,245	303,242
<b>Total assets</b>	<b>\$ 21,570,279</b>	<b>\$ 3,616,834</b>	<b>\$ 183,920</b>	<b>\$ 5,107,436</b>	<b>\$ 30,478,469</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)</b>					
<b>Liabilities:</b>					
Accounts payable and accrued expenditures	\$ 1,792,688	\$ 660,682	\$ 183,920	\$ 402,087	\$ 3,039,377
Due to other funds	4,354,368	4,493	-	1,899,685	6,258,546
Performance bonds payable	1,608,766	-	-	-	1,608,766
Unearned revenue	-	-	-	100,606	100,606
Other liabilities	111,896	-	-	-	111,896
<b>Total liabilities</b>	<b>7,867,718</b>	<b>665,175</b>	<b>183,920</b>	<b>2,402,378</b>	<b>11,119,191</b>
<b>Deferred Inflows of Resources:</b>					
Deferred property taxes	352,555	-	-	-	352,555
Other deferred revenues	-	-	-	92,108	92,108
<b>Total deferred inflows of resources</b>	<b>352,555</b>	<b>-</b>	<b>-</b>	<b>92,108</b>	<b>444,663</b>
<b>Fund Balances (Deficits):</b>					
Nonspendable:					
Prepaid expenditures	29,879	170,118	-	2,639	202,636
Restricted for:					
Education programs	-	2,190,948	-	243,587	2,434,535
Public safety programs	-	-	-	1,008,105	1,008,105
Historical records preservation	-	-	-	72,136	72,136
Capital projects	-	-	-	424,100	424,100
Other programs	-	-	-	373,353	373,353
Committed for:					
Revaluation	127,266	-	-	-	127,266
Capital assets and projects	468,976	-	-	385,909	854,885
Public safety programs	29,319	-	-	130,827	160,146
Police station building	4,000,000	-	-	-	4,000,000
Other	230,705	-	-	-	230,705
Assigned to:					
Road resurfacing and repairs	189,099	-	-	-	189,099
Capital assets and projects	86,647	-	-	-	86,647
Other	257,100	-	-	-	257,100
Building and field maintenance	-	432,340	-	-	432,340
Preschool program	-	43,980	-	-	43,980
Extraordinary special education costs	-	114,273	-	-	114,273
Unassigned	7,931,015	-	-	(27,706)	7,903,309
<b>Total fund balances (deficits)</b>	<b>13,350,006</b>	<b>2,951,659</b>	<b>-</b>	<b>2,612,950</b>	<b>18,914,615</b>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<b>\$ 21,570,279</b>	<b>\$ 3,616,834</b>	<b>\$ 183,920</b>	<b>\$ 5,107,436</b>	<b>\$ 30,478,469</b>

*The accompanying notes are an integral part of the basic financial statements.*

**TOWN OF NORTH SMITHFIELD, RHODE ISLAND**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Government-Wide Statement of Net Position**  
**June 30, 2025**

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<b>Total Fund Balances - Total Governmental Funds</b>	<b>\$ 18,914,615</b>
 <i>Amounts reported for Governmental Activities in the Statement of Net Position are different because:</i>	
Capital assets used in Governmental Activities are not current financial resources and therefore are not reported in the Governmental Funds Balance Sheet. See note 6 to the financial statements.	61,421,248
Prepaid expenditures for subscription based information technology agreements are reported in the Governmental Funds financial statements, but are reported with capital assets as a right to use asset in the Government-Wide financial statements.	(121,978)
Accrued interest receivable on property taxes is reported as revenue in Government-Wide financial statements in the period earned. In Governmental Funds financial statements, interest on property taxes is reported when received.	209,943
Other long-term receivables are not available to pay for current period expenditures and, therefore, are deferred in Governmental Funds financial statements.	92,108
Property taxes are recognized as revenue in the period for which levied in the Government-Wide financial statements, but are reported as revenue when received in Governmental Funds financial statements.	352,555
Interest payable on long-term debt does not require current financial resources. Therefore, interest payable is not reported as a liability in Governmental Funds Balance Sheet.	(58,210)
Long-term liabilities (including bonds and loans payable, leases liabilities, financed purchases payable, subscription liability, compensated absences, settlements, net other post-employment benefit liabilities, and net pension liabilities) are not due and payable in the current period and therefore are not reported in the Governmental Funds Balance Sheet. See Note 7 to the financial statements.	(43,306,065)
Deferred outflows related debt refunding are not reported in the Governmental Funds financial statements, but are reported in the Government-Wide financial statements.	388,711
Net pension assets are not available to pay for current period expenditures and, therefore, are not reported in Governmental Funds financial statements.	7,983,657
Deferred outflows and inflows related to pensions and other-post employment benefits are not reported in the Governmental Funds financial statements, but are reported in the Government-Wide financial statements.	
Deferred outflows - pension	4,577,862
Deferred inflows - pension	(5,277,905)
Deferred outflows - other post-employment benefits	2,498,526
Deferred inflows - other post-employment benefits	(4,325,195)
 <b>Net Position of Governmental Activities</b>	 <b><u><u>\$ 43,349,872</u></u></b>

*The accompanying notes are an integral part of the basic financial statements.*

**TOWN OF NORTH SMITHFIELD, RHODE ISLAND**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2025**

	<u>General Fund</u>	<u>School Unrestricted Fund</u>	<u>American Rescue Plan Fund</u>	<u>Other Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>					
Property taxes	\$ 36,560,366	\$ -	\$ -	\$ -	\$ 36,560,366
Motor vehicle excise in lieu of tax	4,389,559	-	-	-	4,389,559
Intergovernmental and grant revenue	3,064,802	9,745,363	3,204,265	2,871,909	18,886,339
Town clerk licenses and fees	396,696	-	-	-	396,696
Other departmental fines and fees	724,310	384,931	-	165,008	1,274,249
Investment and interest income	658,228	-	-	43,310	701,538
Other revenues	789,818	686,809	-	1,141,507	2,618,134
<b>Total revenues</b>	<u>46,583,779</u>	<u>10,817,103</u>	<u>3,204,265</u>	<u>4,221,734</u>	<u>64,826,881</u>
<b>Expenditures:</b>					
Current:					
General government	2,934,982	-	-	160,633	3,095,615
Financial administration	1,076,634	-	-	-	1,076,634
Public safety	9,468,477	-	-	288,049	9,756,526
Public works	4,580,038	-	-	22,551	4,602,589
Education	-	32,417,781	-	2,262,276	34,680,057
Other	-	-	-	24,263	24,263
Capital outlay	1,219,160	-	-	1,552,737	2,771,897
Debt service:					
Principal	3,334,162	-	-	-	3,334,162
Interest and issuance costs	546,787	-	-	-	546,787
<b>Total expenditures</b>	<u>23,160,240</u>	<u>32,417,781</u>	<u>-</u>	<u>4,310,509</u>	<u>59,888,530</u>
<b>Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)</b>	<u>23,423,539</u>	<u>(21,600,678)</u>	<u>3,204,265</u>	<u>(88,775)</u>	<u>4,938,351</u>
<b>Other financing sources (uses):</b>					
Debt issued	498,306	-	-	-	498,306
Transfers from other funds	-	22,131,491	68,765	328,740	22,528,996
Transfers to other funds	(22,146,064)	(328,740)	(3,273,030)	-	(25,747,834)
<b>Total other financing sources (uses)</b>	<u>(21,647,758)</u>	<u>21,802,751</u>	<u>(3,204,265)</u>	<u>328,740</u>	<u>(2,720,532)</u>
<b>Net change in fund balances</b>	<u>1,775,781</u>	<u>202,073</u>	<u>-</u>	<u>239,965</u>	<u>2,217,819</u>
<b>Fund balances - beginning of year, as previously reported</b>					
	11,566,939	2,749,586	-	2,372,985	16,689,510
<b>Error correction</b>	7,286	-	-	-	7,286
<b>Fund balances - beginning of year, as restated</b>	<u>11,574,225</u>	<u>2,749,586</u>	<u>-</u>	<u>2,372,985</u>	<u>16,696,796</u>
<b>Fund balances - end of year</b>	<u>\$ 13,350,006</u>	<u>\$ 2,951,659</u>	<u>\$ -</u>	<u>\$ 2,612,950</u>	<u>\$ 18,914,615</u>

*The accompanying notes are an integral part of the basic financial statements.*

**TOWN OF NORTH SMITHFIELD, RHODE ISLAND**  
**Reconciliation of the Statement of Revenues, Expenditures, and**  
**Changes in the Fund Balances of Governmental Funds to the Statement of Activities**  
**For the Fiscal Year Ended June 30, 2025**

**Net Changes in Fund Balances - Total Governmental Funds** \$ 2,217,819

**Amounts reported for Governmental Activities in the Statement of Activities are different because:**

Governmental Funds financial statements report capital outlays as expenditures. However, in the Government-Wide Statement of Activities, the cost of those assets is allocated over their estimated useful life as depreciation expense.

This is the amount of capital assets recorded in the current period. 4,047,205

Depreciation and amortization expense on capital assets is reported in the Government-Wide Statement of Activities, but does not require the use of current financial resources. Therefore, depreciation and amortization expense is not reported in the Governmental Funds financial statements. (3,049,663)

Governmental Funds financial statements report expenditures for subscription based information technology arrangements in the period the services are provided and any prepaid arrangements are reported as prepaid expenditures. However, in the Government-Wide Statement of Activities, the total cost paid for subscription based information technology arrangements, including prepaid costs are allocated over the term of the agreement as amortization expense. 20,172

Long-term compensated absences, net pension liabilities (assets) and net other post-employment benefit (OPEB) liabilities are reported in the Government-Wide financial statements, but do not require the use of current financial resources. Therefore, compensated absences, net pension liabilities (assets) and net OPEB liabilities are not reported as expenditures in Governmental Funds financial statements. This amount represents the change in these long-term liabilities from the prior year. 1,129,835

Bond and loan proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Government-Wide Statement of Net Position. Repayment of debt principal are expenditures or uses of current financial resources in Governmental Funds, but the payments reduce long-term liabilities in the Government-Wide Statement of Net Position. This amount represents long-term debt principal payments during the current period. 3,334,162

Debt issued at a premium provide current financial resources to Governmental Funds, but are deferred and amortized in the Government-Wide financial statements. Deferred amounts on refunding are expenditures in the Governmental Funds, but are deferred and amortized in the Government-Wide financial statements. This amount represents amortization of deferred amounts on refunding during the current period. (126,709)  
This amount represents amortization of premium on debt during the current period. 346,667

Leases, financed purchase and subscription liabilities provide current financial resources to Governmental Funds, but they increase long-term liabilities in the Government-Wide Statement of Net Position. Repayment of principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Government-Wide statements. This amount represents lease principal payments during the current period. 25,329  
This amount represents financed purchase principal payments during the current period. 103,212  
This amount represents subscription principal payments during the current period. 17,291  
This amount represents financed purchase agreements entered into during the current period. (498,306)

Accrued interest expense on long-term debt is reported in the Government-Wide Statement of Activities, but does not require the use of current financial resources. Therefore, accrued interest expense is not reported as an expenditure in Governmental Funds financial statements. The following amount represents the change in accrued interest from prior year. 17,920

Revenues in the Statement of Activities that are not available in Governmental Funds are not reported as revenue in the Governmental Funds. (227,447)

**Change in Net Position of Governmental Activities** \$ 7,357,487

*The accompanying notes are an integral part of the basic financial statements.*

**TOWN OF NORTH SMITHFIELD, RHODE ISLAND**

*Statement of Net Position*

*Proprietary Funds*

*June 30, 2025*

	<i>Business-Type Activities</i>		
	<i>Enterprise Funds</i>		
	<u><i>Water</i></u> <u><i>Fund</i></u>	<u><i>Sewer</i></u> <u><i>Fund</i></u>	<u><i>Total</i></u>
<b>Assets</b>			
<b>Current assets:</b>			
Cash and cash equivalents	\$ -	\$ 4,064,301	\$ 4,064,301
Accounts receivable:			
Water and sewer use fees, net	162,992	115,098	278,090
Sewer assessments, net	-	343,559	343,559
Other	-	210,280	210,280
Due from other funds	801,989	1,566,507	2,368,496
Prepaid items	810	-	810
<b>Total current assets</b>	<u>965,791</u>	<u>6,299,745</u>	<u>7,265,536</u>
<b>Noncurrent assets:</b>			
Sewer assessments receivable, net	-	1,396,239	1,396,239
Capital assets:			
Non-depreciable assets	63,832	126,857	190,689
Depreciable assets - net	6,712,620	5,497,320	12,209,940
<b>Total noncurrent assets</b>	<u>6,776,452</u>	<u>7,020,416</u>	<u>13,796,868</u>
<b>Total assets</b>	<u>7,742,243</u>	<u>13,320,161</u>	<u>21,062,404</u>
<b>Deferred outflows of resources</b>			
Deferred amounts on refunding	-	13,301	13,301
<b>Total deferred outflows of resources</b>	<u>-</u>	<u>13,301</u>	<u>13,301</u>
<b>Liabilities</b>			
<b>Current liabilities:</b>			
Accounts payable and accrued expenses	256,346	29,085	285,431
Accrued interest payable	21,747	9,587	31,334
Current portion of long term debt	76,784	241,695	318,479
<b>Total current liabilities</b>	<u>354,877</u>	<u>280,367</u>	<u>635,244</u>
<b>Noncurrent liabilities:</b>			
Long-term debt	737,644	922,958	1,660,602
Other liabilities	43,300	58,470	101,770
<b>Total noncurrent liabilities</b>	<u>780,944</u>	<u>981,428</u>	<u>1,762,372</u>
<b>Total liabilities</b>	<u>1,135,821</u>	<u>1,261,795</u>	<u>2,397,616</u>
<b>Deferred inflows of resources</b>			
Deferred sewer assessments	-	1,659,217	1,659,217
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>1,659,217</u>	<u>1,659,217</u>
<b>Net position</b>			
Net investment in capital assets	5,962,024	4,472,825	10,434,849
Restricted for water connections	134,085	-	134,085
Unrestricted	510,313	5,939,625	6,449,938
<b>Total net position</b>	<u>\$ 6,606,422</u>	<u>\$ 10,412,450</u>	<u>\$ 17,018,872</u>

*The accompanying notes are an integral part of the basic financial statements.*

**TOWN OF NORTH SMITHFIELD, RHODE ISLAND**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2025**

	<i>Business-Type Activities</i>		
	<i>Enterprise Funds</i>		
	<i>Water</i>	<i>Sewer</i>	<i>Total</i>
	<i>Fund</i>	<i>Fund</i>	<i>Total</i>
<b><i>Operating revenues</i></b>			
Assessments and user fees	\$ 667,261	\$ 2,819,750	\$ 3,487,011
Other revenues	27,298	199,952	227,250
<b><i>Total operating revenues</i></b>	<b>694,559</b>	<b>3,019,702</b>	<b>3,714,261</b>
<b><i>Operating expenses</i></b>			
Salaries and benefits	38,478	218,909	257,387
Service	440,434	1,140,441	1,580,875
Operating supplies	6,766	5,094	11,860
Fixed and general charges	212,476	159,070	371,546
Depreciation	182,498	417,656	600,154
<b><i>Total operating expenses</i></b>	<b>880,652</b>	<b>1,941,170</b>	<b>2,821,822</b>
<b><i>Operating income (loss)</i></b>	<b>(186,093)</b>	<b>1,078,532</b>	<b>892,439</b>
<b><i>Nonoperating revenues (expenses)</i></b>			
Interest income	-	160,836	160,836
Interest expense	(28,271)	(18,376)	(46,647)
<b><i>Total non-operating revenues (expenses)</i></b>	<b>(28,271)</b>	<b>142,460</b>	<b>114,189</b>
<b><i>Income (loss) before transfers</i></b>	<b>(214,364)</b>	<b>1,220,992</b>	<b>1,006,628</b>
<b><i>Transfer in</i></b>	<b>3,287,603</b>	-	<b>3,287,603</b>
<b><i>Transfer out</i></b>	<b>(68,765)</b>	-	<b>(68,765)</b>
<b><i>Change in net position</i></b>	<b>3,004,474</b>	<b>1,220,992</b>	<b>4,225,466</b>
<b><i>Total net position - beginning of year</i></b>	<b>3,601,948</b>	<b>9,191,458</b>	<b>12,793,406</b>
<b><i>Total net position - end of year</i></b>	<b>\$ 6,606,422</b>	<b>\$ 10,412,450</b>	<b>\$ 17,018,872</b>

*The accompanying notes are an integral part of the basic financial statements.*

**TOWN OF NORTH SMITHFIELD, RHODE ISLAND**

*Statement of Cash Flows*

*Proprietary Funds*

*For the Fiscal Year Ended June 30, 2025*

	<i>Business-Type Activities</i>		
	<i>Enterprise Funds</i>		
	<i>Water</i>	<i>Sewer</i>	
	<i>Fund</i>	<i>Fund</i>	<i>Total</i>
<b><i>Cash flows from operating activities</i></b>			
Cash received from customers	\$ 670,326	\$ 3,012,535	\$ 3,682,861
Cash payments to suppliers for goods and services	(601,371)	(1,613,505)	(2,214,876)
Cash payments to employees for services	(38,519)	(219,141)	(257,660)
<b><i>Net cash provided by operating activities</i></b>	<b>30,436</b>	<b>1,179,889</b>	<b>1,210,325</b>
<b><i>Cash flows from non-capital financing activities</i></b>			
Transfers from other funds	3,287,603	-	3,287,603
Transfers to other funds	(68,765)	-	(68,765)
Interfund transactions	134,953	(795,500)	(660,547)
<b><i>Net cash provided by (used for) non-capital financing activities</i></b>	<b>3,353,791</b>	<b>(795,500)</b>	<b>2,558,291</b>
<b><i>Cash flows from capital and related financing activities</i></b>			
Acquisition and construction of capital assets	(3,279,840)	(125,125)	(3,404,965)
Principal paid on bonds and loans	(75,335)	(238,479)	(313,814)
Interest paid on bonds and loans	(29,052)	(20,785)	(49,837)
<b><i>Net cash used for capital and related financing activities</i></b>	<b>(3,384,227)</b>	<b>(384,389)</b>	<b>(3,768,616)</b>
<b><i>Cash flows from investing activities</i></b>			
Investment income	-	160,836	160,836
<b><i>Net cash provided by investing activities</i></b>	<b>-</b>	<b>160,836</b>	<b>160,836</b>
<b><i>Net increase in cash and cash equivalents</i></b>	<b>-</b>	<b>160,836</b>	<b>160,836</b>
<b><i>Cash and cash equivalents, beginning of year</i></b>	<b>-</b>	<b>3,903,465</b>	<b>3,903,465</b>
<b><i>Cash and cash equivalents, end of year</i></b>	<b>\$ -</b>	<b>\$ 4,064,301</b>	<b>\$ 4,064,301</b>

*(Continued)*

*The accompanying notes are an integral part of the basic financial statements.*

**TOWN OF NORTH SMITHFIELD, RHODE ISLAND**  
*Statement of Cash Flows (Continued)*  
**Proprietary Funds**  
For the Fiscal Year Ended June 30, 2025

	<i>Business-Type Activities</i>		
	<i>Enterprise Funds</i>		
	<i>Water</i>	<i>Sewer</i>	<i>Total</i>
	<i>Fund</i>	<i>Fund</i>	<i>Total</i>
<b><i>Reconciliation of operating income (loss) to net cash provided by operating activities</i></b>			
Operating income (loss)	\$ (186,093)	\$ 1,078,532	\$ 892,439
<b><i>Adjustments to reconcile operating income (loss) to net cash provided by operating activities:</i></b>			
Depreciation	182,498	417,656	600,154
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(24,233)	74,668	50,435
(Increase) decrease in prepaid items	(810)	-	(810)
Increase (decrease) in accounts payable and accrued expenses	59,074	(98,852)	(39,778)
Increase (decrease) in deferred sewer assessments	-	(292,115)	(292,115)
<b><i>Net cash provided by operating activities</i></b>	<b>\$ 30,436</b>	<b>\$ 1,179,889</b>	<b>\$ 1,210,325</b>

*The accompanying notes are an integral part of the basic financial statements.*

**TOWN OF NORTH SMITHFIELD, RHODE ISLAND**  
*Statement of Fiduciary Net Position*  
**Fiduciary Funds**  
*June 30, 2025*

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	<i>Other Post-Employment Benefits Trust Fund</i>	<i>Private-Purpose Trust Buxton Family Association</i>
	<u>                    </u>	<u>                    </u>
<i>Assets</i>		
Cash and cash equivalents	\$ -	\$ 892
Investments:		
Pooled investments	3,216,347	-
<b>Total assets</b>	<u>3,216,347</u>	<u>892</u>
 <i>Net position</i>		
Restricted for other post employment benefits and other purposes	<u>\$ 3,216,347</u>	<u>\$ 892</u>

*The accompanying notes are an integral part of the basic financial statements.*

**TOWN OF NORTH SMITHFIELD, RHODE ISLAND**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Fiscal Year Ended June 30, 2025**

	<i>Other Post-Employment Benefits Trust Fund</i>	<i>Private-Purpose Trust Buxton Family Association</i>
<b>Additions</b>		
Contributions:		
Employer	\$ 884,769	\$ -
Total contributions	<u>884,769</u>	<u>-</u>
Investment earnings:		
Net increase (decrease) in fair value of investments	348,465	-
Interest and dividends	<u>-</u>	<u>23</u>
Total investment earnings	348,465	23
Less investment expense	<u>9,375</u>	<u>-</u>
Net investment income	<u>339,090</u>	<u>23</u>
<b>Total additions</b>	<u>1,223,859</u>	<u>23</u>
<b>Deductions</b>		
Benefits	<u>559,769</u>	<u>-</u>
<b>Total deductions</b>	<u>559,769</u>	<u>-</u>
<b>Change in net position</b>	664,090	23
<b>Net position - beginning of year</b>	<u>2,552,257</u>	<u>869</u>
<b>Net position - end of year</b>	<u>\$ 3,216,347</u>	<u>\$ 892</u>

*The accompanying notes are an integral part of the basic financial statements.*

**TOWN OF NORTH SMITHFIELD, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

The financial statements of the Town of North Smithfield, Rhode Island, have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following notes to the financial statements are an integral part of the Town's financial statements.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. REPORTING ENTITY**

The Town of North Smithfield, Rhode Island was incorporated under the provisions of Chapter 728 of the Public Laws of Rhode Island. The Town operates under a Town Council-Administrator form of government and provides the following services as authorized by its charter: public safety (police and fire), highway and streets, sanitation, health and social services, culture-recreation, education, public improvements, planning, zoning and inspection, and general administrative services.

In evaluating the inclusion of potential component units within its financial reporting entity, the Town applied the criteria prescribed by GASB Statement No. 14, as amended by GASB Statement No. 39, “Determining Whether Certain Organizations are Component Units”, and GASB Statement No. 61 “Financial Reporting Entity-Omnibus”. A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable or 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. Through the application of GASB Statements Nos. 14, 39 and 61 criteria, the Other Post-Employment Benefits Trust has been presented as a fiduciary component unit of the Town in the Fiduciary Fund Financial Statements.

The Other Post-Employment Benefits Trust is an other post-employment benefit plan established by a trust agreement adopted effective August 21, 2017. The Other Post-Employment Benefits Trust does not have a governing board, and the Town Council performs the duties of a governing board and, thus, can impose its will on the Other Post-Employment Benefits Trust. The fiscal year of the Other Post-Employment Benefits Trust ends on June 30. The Other Post-Employment Benefits Trust does not issue separate financial statements.

**B. BASIS OF PRESENTATION AND ACCOUNTING**

**Government-Wide Financial Statements**

The Town’s Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements report information about the reporting entity as a whole. Fiduciary activities of the Town are not included in these statements. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through property taxes, intergovernmental revenue, and other non-exchange revenues. Business-

**TOWN OF NORTH SMITHFIELD, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

type activities are financed in whole or in part by fees charged to external parties for goods and services rendered.

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

These statements are presented on an "*economic resources*" measurement focus and the accrual basis of accounting. Accordingly, all the Town's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets, infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period earned while expenses are recognized in the period the liability is incurred.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regard to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total column. In the Statement of Activities, those transactions between governmental and business-type activities have not been eliminated.

**Fund Financial Statements**

The Fund Financial Statements of the Town are organized into funds, each of which is considered to be a separate accounting entity. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to specific Town functions or activities. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures/expenses. Funds are organized into three categories: governmental, proprietary, and fiduciary. Major individual governmental funds and enterprise funds are reported as separate columns in the Fund Financial Statements.

**Governmental Fund Financial Statements**

Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide Financial Statements.

All governmental funds are accounted for on a spending or "*current financial resources*" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets,

**TOWN OF NORTH SMITHFIELD, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

deferred outflows of resources, current liabilities and deferred inflows of resources are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except those revenues subject to accrual (generally collected 60 days after year-end) are recognized when due. The primary revenue sources which have been treated as susceptible to accrual by the Town are property tax and intergovernmental revenues. Expenditures are recorded in the accounting period in which the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured.

**Major Governmental Funds:**

**General Fund** – The General Fund is used to account for resources devoted to financing the general services that the Town performs for its citizens and is always classified as a major fund. It is used to account for all financial resources except those required to be accounted for or reported in another fund.

**School Unrestricted Fund** – The School Unrestricted Fund is used to account for the budgeted resources devoted to financing the general operations of the School Department.

**American Rescue Plan Fund** – The American Rescue Plan Fund is used to account for federal ARPA funds received by the Town.

**Proprietary Fund Financial Statements**

Proprietary Fund Financial Statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position, and a Statement of Cash Flows.

Proprietary funds are accounted for using the “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or noncurrent) are included in the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period earned while expenses are recognized in the period the liability is incurred.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

**TOWN OF NORTH SMITHFIELD, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

The Town has two Enterprise Funds, which are major funds, as follows:

**Water Fund** – The Water Fund is used to account for the water use fees and the expenses associated with providing water services to Town residents.

**Sewer Fund** – The Sewer Fund is used to account for the sewer use and assessment fees and the expenses associated with providing sewer services to Town residents.

**Fiduciary Fund Financial Statements**

Fiduciary Fund Financial Statements include a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. The Town’s Fiduciary Funds include an Other Post-Employment Benefits Trust Fund and a Private Purpose Trust Fund. Fiduciary Funds are used to account for assets held by the Town in a trustee capacity or as a custodian for individuals, private organizations, or other governments. The Fiduciary Funds are accounted for on a spending or “*economic resources*” measurement focus and the accrual basis of accounting.

**Other Post-Employment Benefits Trust Fund** – This fund accounts for assets held under a trust arrangement to finance other post-employment benefits of Town employees and payments of these benefits as they come due.

**Private Purpose Trust Funds** – This fund accounts for assets held by the Town under a trust arrangement for the benefit of certain individuals.

**C. RECENTLY ISSUED ACCOUNTING STANDARDS**

The Town has implemented the following new accounting pronouncements:

- GASB Statement No. 101 – *Compensated Absences*, effective for the Town’s fiscal year ending June 30, 2025.
- GASB Statement No. 102 – *Certain Risk Disclosures*, effective for the Town’s fiscal year ending June 30, 2025.

The adoption of GASB Statement No. 102 in fiscal year 2025 did not have an impact on the Town’s financial position or results of operations. As discussed in Note 18, the adoption of GASB Statement No. 101 resulted in a restatement of the Town’s financial position.

The Town will adopt the following new accounting pronouncements in future years:

- GASB Statement No. 103 – *Financial Reporting Model Improvements*, effective for the Town’s fiscal year ending June 30, 2026.
- GASB Statement No. 104 – *Disclosure of Certain Capital Assets*, effective for the Town’s fiscal year ending June 30, 2026.

**TOWN OF NORTH SMITHFIELD, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

- GASB Statement No. 105 – *Subsequent Events*, effective for the Town’s fiscal year ending June 30, 2027.

The impact of these pronouncements on the Town’s financial statements has not been determined.

***D. CASH AND CASH EQUIVALENTS***

The Town considers cash and cash equivalents in the Proprietary Funds to include cash on hand, time and demand deposits and short-term investments maturing within three months from the date of acquisition.

***E. INVESTMENTS***

The Town’s investments are reported at fair value, except for pooled investments which are reported at net asset value per share or its equivalent (which approximates fair value).

***F. ACCOUNTS RECEIVABLE AND TAXES RECEIVABLE***

Accounts receivable and taxes receivable are shown net of an allowance for uncollectible accounts. The allowances are calculated based on the age of the individual receivables.

***G. PREPAID ITEMS***

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

***H. CAPITAL ASSETS***

Capital assets are reported in the Government-Wide Statement of Net Position. In the Fund Financial Statements, capital assets used in governmental fund activities are accounted for as capital expenditures. Capital assets used in proprietary fund operations are accounted for in the same manner as in the Government-Wide Financial Statements.

All capital assets are recorded at cost or estimated historical cost. Donated capital assets are recorded at acquisition value as of the date received.

Capitalized assets are defined by the Town as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of one year. Infrastructure assets are defined generally as capital assets that are immovable and of value only to the governmental unit, including roads, bridges, sidewalks, and street lighting.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

**TOWN OF NORTH SMITHFIELD, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

	<u>Years</u>
Land improvements	15-30
Buildings and improvements	10-50
Motor vehicles, equipment, and heavy machinery	5-30
Furniture and office equipment	5-10
Infrastructure	20-50
Water lines and projects	30-50
Sewer mains and laterals	30-65

***I. DEBT PREMIUMS***

In the Governmental Fund Financial Statements, debt premiums are reported as an “other financing source.” In the Government-Wide Statements, debt premiums are deferred and amortized over the term of the debt. Debt premiums are presented as an addition to the face amount of the debt payable.

***J. DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES***

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. 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.

In the Governmental Fund Financial Statements, deferred inflows of resources are reported for receivables recorded in the Governmental Fund Financial Statements for which the revenue is not available, or amounts received before the period for which property taxes are levied. In the Government-Wide Financial Statements, deferred amounts are reported for amounts related to refunding debt issues which will be amortized as a component of interest expense in future years. Deferred outflows of resources and deferred inflows of resources are also reported for amounts related to the Town’s other post-employment benefits plans and pension plans that will be amortized as a component of other post-employment benefit expense and pension expense in future years.

***K. PROPERTY TAXES***

The Town is permitted by state law to levy property taxes. Current tax collections for the Town were approximately 99.5% of the total 2024 levy. The Town's fiscal 2024-2025 property taxes were levied on June 25, 2024 on assessed valuation as of December 31, 2023. Upon levy, taxes are due and payable on August 15 or may be paid quarterly on August 15, October 15, January 15, and April 15. Failure to mail payments by due dates will result in a lien on taxpayer's property. Taxable assessed values are established by the Tax Assessor's Office and are currently calculated at approximately 100% of current market value for real estate.

**TOWN OF NORTH SMITHFIELD, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**L. COMPENSATED ABSENCES**

The Town recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee) during or upon separation from employment. Based on the criteria listed, four types of leave qualify for liability recognition for compensated absences – vacation, sick leave, personal time and comp time. The liability for compensated absences is reported as incurred in the Government-Wide Financial Statements. A liability for compensated absences is recorded in the Governmental Funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

**Vacation** – Under the terms of various contracts and agreements, the Town permits employees to accumulate earned but unused vacation benefits, which are eligible for payment at the employee’s current rate upon separation from employment.

**Sick Leave** – Under the terms of various contracts and agreements, the Town permits employees to accumulate earned but unused sick leave benefits, which are eligible for payment upon separation from employment or retirement. The benefits are paid at the employee’s current rate or a contractual rate and are subject to a maximum number of days or amount based on employee group and other requirements. A liability for the estimated value of sick leave that will be used by employees as time off and a liability for the estimated value of sick leave that will be paid upon separation from employment are included in the liability for compensated absences.

**Personal Time** – Under the terms of various contracts and agreements, the Town permits employees to accumulate earned but unused personal time benefits. Personal time lapses when employees leave the employment of the Town and, upon separation from employment, no monetary obligation exists. However, a liability for the estimated value of personal time that will be used by employees as time off is included in the liability for compensated absences.

**Comp Time** - Under the terms of various contracts and agreements, the Town permits employees to accumulate earned but unused comp time, which is eligible for payment at the employee’s current rate upon separation from employment.

**M. ACCRUED LIABILITIES AND LONG-TERM DEBT**

All accrued liabilities and long-term debt are reported in the Government-Wide Financial Statements.

For Governmental Fund Financial Statements, the accrued liabilities are generally reported as a governmental fund liability if due for payment as of the balance sheet date regardless of whether they will be liquidated with current financial resources. However, claims and judgments and compensated absences paid from governmental funds are reported as a liability in the Governmental Fund Financial Statements only for the portion expected to be financed from expendable available

**TOWN OF NORTH SMITHFIELD, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

financial resources. Long-term debt paid from governmental funds is not recognized as a liability in the Governmental Fund Financial Statements until due.

**N. LEASES**

The Town is lessee for noncancellable leases of office equipment. The Town recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the Government-Wide Financial Statements. At the commencement of the lease, the Town initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of the lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the Town determines the discount rate it uses to discount the expected leases payments to present value, lease term, and lease payments. The Town uses the interest rate charged by the lessor as the discount rate. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Town is reasonably certain to exercise. The Town monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term liabilities in the Government-Wide Statement of Net Position.

**O. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)**

The Town has entered into SBITA contracts to use vendor-provided IT software. The Town recognizes a subscription liability and intangible right-to-use subscription asset (subscription asset) in the Government-Wide Financial Statements.

At the commencement of a SBITA, the Town initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of the payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for payments made at or before the subscription commencement date, plus certain capitalizable initial implementation costs. Subsequently, the subscription asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments include how the Town determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments.

**TOWN OF NORTH SMITHFIELD, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

- The Town uses its estimated incremental borrowing rate as the discount rate for subscriptions.
- The subscription term includes the noncancellable period of the SBITA, and periods covered by the Town's option to extend the subscription if it is reasonably certain, based on all relevant factors, that the Town will exercise that option. Subscription payments included in the measurement of the subscription liability are composed of fixed payments made by the Town.

The Town monitors changes in circumstances that would require a remeasurement of its subscriptions and will remeasure the subscription asset and subscription liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Subscription assets are reported with capital assets and subscription liabilities are reported with long-term liabilities in the Government-Wide Statement of Net Position.

***P. PENSIONS***

For the purposes of measuring the net pension liabilities (assets), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Employees' Retirement System of the State of Rhode Island, Teachers' Survivor Benefit and Municipal Employees' Retirement System plans and the additions to/deductions from each plan's fiduciary net position have been determined on the same basis as they are reported by the plans. 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.

***Q. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)***

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Town of North Smithfield's Other Post-Employment Benefits Plan (the plan) and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, the plan recognizes benefit payments when due and payable, in accordance with the benefit terms. Investments are reported at fair value.

***R. USE OF ESTIMATES***

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

**TOWN OF NORTH SMITHFIELD, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. LEGAL DEBT MARGIN**

The Town’s legal debt margin as set forth by State Statute is limited to three percent of total taxable assessed value, which approximates \$61,368,683. As of June 30, 2025, the Town’s debt subject to the legal debt margin is \$741,678 and the Town is under the debt limit by \$60,627,005. The debt subject to the debt limitation is based on the type of debt that is issued.

**B. DEFICIT FUND BALANCES**

The following nonmajor fund had a deficit fund balance as of June 30, 2025: CDBG Fund \$(27,706).

**NOTE 3 – CASH DEPOSITS**

**DEPOSITS** – are in three financial institutions and are carried at cost. The carrying amount of deposits is separately displayed on the Balance Sheet of the Fund Financial Statements and the Statement of Net Position as “Cash and Cash Equivalents”.

	<b><i>Carrying</i></b>
	<b><u>Amount</u></b>
Total Deposits	\$27,842,295
Add: Petty cash	1,225
<b><i>Total Cash and Cash Equivalents</i></b>	<hr/>
<b><i>Reported in the Financial Statements</i></b>	<b><u>\$27,843,520</u></b>

**CUSTODIAL CREDIT RISK** – custodial credit risk is the risk that in the event of the failure of a depository financial institution, the Town will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Town does not have a formal deposit policy for custodial credit risk but is governed by State laws as described below. As of June 30, 2025, \$27,834,343 of the Town’s bank balance of \$28,834,343 was exposed to custodial credit risk as follows:

	<b><i>Bank</i></b>
	<b><u>Balance</u></b>
Insured (Federal depository insurance funds)	\$1,000,000
Collateralized with securities held by pledging financial institution or its agent in the Town’s name	11,607,926
Collateralized with securities held by pledging financial institution or its agent, but not in the Town’s name	16,194,606
Uninsured and uncollateralized	31,811
<b><i>Total</i></b>	<hr/> <b><u>\$28,834,343</u></b>

**TOWN OF NORTH SMITHFIELD, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

Under Rhode Island general laws, depository institutions holding deposits of the State, its agencies, or governmental subdivisions of the State, shall at a minimum, insure or pledge eligible collateral equal to one hundred percent (100%) of the deposits, which are time deposits with maturities greater than sixty (60) days. Any of these institutions which do not meet minimum capital standards prescribed by federal regulators shall insure or pledge eligible collateral equal to one hundred percent (100%) of the deposits, regardless of maturity. On June 30, 2025, the Town’s uncollateralized deposits with institutions were \$31,811. These deposits are held by institutions that meet the minimum capital standards prescribed by federal regulators.

**NOTE 4 – INVESTMENTS**

On June 30, 2025, the Town’s investment balances were as follows:

<u><i>Investment</i></u>	<u><i>Fair Value</i></u>
Trust OPEB Funding Program	<u>\$3,216,347</u>
<b><i>Total Investments Reported in the Financial Statements</i></b>	<b><u>\$3,216,347</u></b>

The Town’s General Fund investments are governed by Title 35, Chapter 10, Section 11 of the State’s General Laws. This law generally allows for short-term investments, such as certificate of deposits, money market funds, obligations guaranteed by the U.S. Government, etc. with the goal of seeking responsible income while preserving capital.

***Interest Rate Risk*** – The Town does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

***Credit Risk*** – The Town does not have a formal policy that limits investment choices.

***Concentration of Credit Risk*** – The Town does not have a formal policy that limits the amount that can be invested with one issuer.

***Custodial Credit Risk*** – Custodial credit risk for investments is the risk that in the failure of the counterparty, the Town 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 have a policy governing custodial credit risk.

**NOTE 5 – FAIR VALUE MEASUREMENTS**

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

**TOWN OF NORTH SMITHFIELD, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

The Town had no recurring or nonrecurring fair value measurements as of June 30, 2025.

The valuation method for pooled investments measured at net asset value (NAV) per share (or its equivalent) is presented in the following table:

	<u><i>Fair Value</i></u>	<u><i>Redemption Frequency</i></u>	<u><i>Redemption Notice Period</i></u>
Trust OPEB Funding Program	\$3,216,347	Daily	None

The Trust OPEB Funding Program investment utilizes a balanced strategy seeking both a reasonable level of income and long-term growth of capital and income. The Program invests in eight index, exchange-traded and money market funds: total stock market index fund, total international stock exchange-traded fund, US aggregate bond exchange-traded fund, 5–10-year investment grade bond exchange-traded fund, high yield bond exchange-traded fund, global infrastructure exchange-traded fund, real estate exchange-traded fund, and government obligations money market fund. The fair values of the underlying investments are used to determine NAV per share (or its equivalent) of the Trust OPEB Funding Program investment.

**TOWN OF NORTH SMITHFIELD, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 6 - CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June, 30, 2025 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
Nondepreciable assets:				
Land and land easements	\$ 9,309,242	\$ -	\$ -	\$ 9,309,242
Construction in progress	3,330,103	500,623	3,338,053	492,673
	<u>12,639,345</u>	<u>500,623</u>	<u>3,338,053</u>	<u>9,801,915</u>
Depreciable assets:				
Land improvements	5,411,731	14,168	-	5,425,899
Buildings and improvements	67,557,684	1,426,611	-	68,984,295
Infrastructure	25,927,042	3,551,107	-	29,478,149
Machinery, equipment and furniture	5,002,402	1,619,480	-	6,621,882
Vehicles	7,199,329	273,269	29,745	7,442,853
Leased equipment	124,452	-	-	124,452
Subscription assets	232,554	-	-	232,554
	<u>111,455,194</u>	<u>6,884,635</u>	<u>29,745</u>	<u>118,310,084</u>
<b>Total capital assets</b>	<u>124,094,539</u>	<u>7,385,258</u>	<u>3,367,798</u>	<u>128,111,999</u>
Less accumulated depreciation for:				
Land improvements	3,057,296	205,015	-	3,262,311
Buildings and improvements	28,834,432	1,330,295	-	30,164,727
Infrastructure	23,259,822	382,340	-	23,642,162
Machinery, equipment and furniture	3,940,938	395,847	-	4,336,785
Vehicles	4,480,397	673,800	29,745	5,124,452
Less accumulated amortization for:				
Leased equipment	68,105	24,891	-	92,996
Subscription assets	29,843	37,475	-	67,318
	<u>63,670,833</u>	<u>3,049,663</u>	<u>29,745</u>	<u>66,690,751</u>
<b>Total accumulated depreciation and amortization</b>	<u>63,670,833</u>	<u>3,049,663</u>	<u>29,745</u>	<u>66,690,751</u>
<b>Governmental activities capital assets, net</b>	<u>\$ 60,423,706</u>	<u>\$ 4,335,595</u>	<u>\$ 3,338,053</u>	<u>\$ 61,421,248</u>

**TOWN OF NORTH SMITHFIELD, RHODE ISLAND**  
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**JUNE 30, 2025**

	<i>Beginning Balance</i>	<i>Additions</i>	<i>Retirements</i>	<i>Ending Balance</i>
<b><i>Business-Type Activities</i></b>				
Nondepreciable assets:				
Land	\$ 16,141	\$ -	\$ -	\$ 16,141
Construction in progress	594,185	136,944	556,581	174,548
	610,326	136,944	556,581	190,689
Depreciable assets:				
Land improvements	32,405	-	-	32,405
Buildings and improvements	2,395,497	-	-	2,395,497
Infrastructure	13,773,279	3,829,611	-	17,602,890
Machinery, equipment and furniture	19,380,881	7,212	-	19,388,093
Vehicles	139,110	-	-	139,110
	35,721,172	3,836,823	-	39,557,995
<b><i>Total capital assets</i></b>	<b>36,331,498</b>	<b>3,973,767</b>	<b>556,581</b>	<b>39,748,684</b>
Less accumulated depreciation for:				
Land improvements	23,012	863	-	23,875
Buildings and improvements	1,175,182	46,490	-	1,221,672
Infrastructure	7,238,755	285,012	-	7,523,767
Machinery, equipment and furniture	18,171,842	267,789	-	18,439,631
Vehicles	139,110	-	-	139,110
<b><i>Total accumulated depreciation</i></b>	<b>26,747,901</b>	<b>600,154</b>	<b>-</b>	<b>27,348,055</b>
<b><i>Business-type activities capital assets, net</i></b>	<b>\$ 9,583,597</b>	<b>\$ 3,373,613</b>	<b>\$ 556,581</b>	<b>\$ 12,400,629</b>

Depreciation and amortization expense was charged as follows:

Governmental activities:

General government	\$ 174,451
Public safety	560,944
Public works	749,380
Education	1,564,888
<b><i>Total depreciation and amortization expense, governmental activities</i></b>	<b>\$ 3,049,663</b>

Business-type activities:

Water fund	\$ 182,498
Sewer fund	417,656
<b><i>Total depreciation expense, business-type activities</i></b>	<b>\$ 600,154</b>

**TOWN OF NORTH SMITHFIELD, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 7 – LONG-TERM LIABILITIES**

**A. LONG-TERM LIABILITIES:**

Changes in long-term liabilities during the year ended June 30, 2025 were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<b>Governmental activities:</b>					
<b>Bonds and loans payable:</b>					
Bonds and loans payable	\$ 13,194,898	\$ -	\$ 2,959,162	\$ 10,235,736	\$ 3,060,558
Loans from direct borrowings	780,000	-	375,000	405,000	405,000
	<u>13,974,898</u>	<u>-</u>	<u>3,334,162</u>	<u>10,640,736</u>	<u>3,465,558</u>
Plus amortized premium on bonds	1,460,096	-	346,667	1,113,429	-
<b>Total bonds and loans</b>	<u>15,434,994</u>	<u>-</u>	<u>3,680,829</u>	<u>11,754,165</u>	<u>3,465,558</u>
<b>Other liabilities:</b>					
Lease liabilities	79,067	-	25,329	53,738	25,510
Financed purchases payable	43,735	498,306	103,212	438,829	106,809
Subscription liability	53,277	-	17,291	35,986	17,755
Compensated absences *	5,495,121	138,765	-	5,633,886	1,594,841
Settlements payable	100,100	-	-	100,100	14,300
Net other post-employment benefit liabilities	8,804,933	-	1,044,418	7,760,515	-
Net pension liabilities	18,199,612	-	670,766	17,528,846	-
<b>Total Governmental Activities Long-Term Liabilities</b>	<u>\$ 48,210,839</u>	<u>\$ 637,071</u>	<u>\$ 5,541,845</u>	<u>\$ 43,306,065</u>	<u>\$ 5,224,773</u>
<b>Business-type activities:</b>					
<b>Bonds and loans payable:</b>					
Bonds payable	\$ 240,102	\$ -	\$ 55,838	\$ 184,264	\$ 54,442
Bonds and loans from direct borrowings	2,037,813	-	257,976	1,779,837	264,037
	<u>2,277,915</u>	<u>-</u>	<u>313,814</u>	<u>1,964,101</u>	<u>318,479</u>
Plus amortized premium on bonds	18,724	-	3,744	14,980	-
<b>Total bonds and loans</b>	<u>2,296,639</u>	<u>-</u>	<u>317,558</u>	<u>1,979,081</u>	<u>318,479</u>
<b>Total Business-Type Activities Long-Term Liabilities</b>	<u>\$ 2,296,639</u>	<u>\$ -</u>	<u>\$ 317,558</u>	<u>\$ 1,979,081</u>	<u>\$ 318,479</u>

\* - The change in compensated absences above is a net change for the year.

Loans from direct borrowings in Business-Type Activities include a loan issued on May 21, 2020 in the amount of \$1,400,000. The loan agreement includes principal forgiveness in the amount of \$850,000 for a net loan amount of \$550,000 that will be repaid by the Town. As of June 30, 2025, a loan payable of \$336,678 is reported in the Water Fund.

All debt of the Government Activities is general obligation debt. The payments on the bonds and loans are paid from the General Fund. The payments on the bonds and loans in the Business-Type Activities are paid from the Water Fund and Sewer Fund. The lease liabilities are paid from the School Unrestricted Fund. The financed purchases payable and subscription liability are paid from

**TOWN OF NORTH SMITHFIELD, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

the General Fund. The net other post-employment benefit liabilities and net pension liabilities are paid from the General Fund and School Unrestricted Fund.

**B. GENERAL OBLIGATION BONDS AND LOANS DEBT SERVICE REQUIREMENTS**

The debt service requirements on June 30, 2025 were as follows:

<i>Fiscal Year Ended June 30,</i>	<i>Governmental Activities Bonds and Loans Payable</i>		<i>Governmental Activities Loans from Direct Borrowings</i>	
	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>
	2026	\$ 3,060,558	\$ 412,684	\$ 405,000
2027	2,334,163	282,487	-	-
2028	2,421,954	172,326	-	-
2029	269,061	79,016	-	-
2030	215,000	69,875	-	-
2031-2035	1,075,000	236,500	-	-
2036-2039	860,000	64,500	-	-
	<u>\$ 10,235,736</u>	<u>\$ 1,317,388</u>	<u>\$ 405,000</u>	<u>\$ 15,552</u>

<i>Fiscal Year Ended June 30,</i>	<i>Business-Type Activities Bonds Payable</i>		<i>Business-Type Activities Bonds and Loans from Direct Borrowings</i>	
	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>
	2026	\$ 54,442	\$ 3,141	\$ 264,037
2027	55,837	2,038	270,151	34,136
2028	53,046	949	272,101	27,885
2029	20,939	209	278,329	21,459
2030	-	-	281,869	14,726
2031-2035	-	-	214,543	74,419
2036-2040	-	-	198,807	30,860
	<u>\$ 184,264</u>	<u>\$ 6,337</u>	<u>\$ 1,779,837</u>	<u>\$ 243,818</u>

**TOWN OF NORTH SMITHFIELD, RHODE ISLAND**

*Notes to Financial Statements*

June 30, 2025

**C. SCHEDULE OF BONDS AND LOANS PAYABLE**

<u>Purpose</u>	<u>Date Issued</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Authorized and Issued</u>	<u>Outstanding June 30, 2024</u>	<u>New Issues</u>	<u>Refundings/ Maturities During Year</u>	<u>Outstanding June 30, 2025</u>
<b>Governmental Activities:</b>								
<b>Bonds and loans payable:</b>								
Refunding bond	6/30/2016	2.00-4.00%	7/1/2028	\$ 1,441,624	\$ 619,898	\$ -	\$ 144,162	\$ 475,736
General obligation bond	6/30/2016	2.00-4.00%	6/15/2026	7,350,000	1,625,000	-	800,000	825,000
Refunding loan	8/10/2016	2.00-5.00%	5/15/2028	17,115,000	7,725,000	-	1,800,000	5,925,000
School general obligation bond	5/16/2019	3.00-4.00%	5/15/2039	4,300,000	3,225,000	-	215,000	3,010,000
<b>Loans from direct borrowings:</b>								
School loan	9/2/2010	3.84%	4/1/2026	3,550,000	780,000	-	375,000	405,000
<b>Total Governmental Activities</b>				<u>33,756,624</u>	<u>13,974,898</u>	<u>-</u>	<u>3,334,162</u>	<u>10,640,736</u>
<b>Business-Type Activities:</b>								
<b>Water Fund:</b>								
<b>Bonds and loans from direct borrowings:</b>								
Water bond	8/26/1999	5.00%	8/26/2039	790,900	498,871	-	21,121	477,750
Water loan	5/21/2020	0.77-1.20%	9/1/2030	1,400,000	390,892	-	54,214	336,678
				<u>2,190,900</u>	<u>889,763</u>	<u>-</u>	<u>75,335</u>	<u>814,428</u>
<b>Sewer Fund:</b>								
<b>Bonds payable:</b>								
Refunding bond	6/30/2016	2.00-4.00%	7/1/2028	558,376	240,102	-	55,838	184,264
<b>Bonds and loans from direct borrowings:</b>								
Clean water revolving loan	10/6/2009	0.49-1.93%	9/1/2029	4,750,000	1,148,050	-	182,641	965,409
				<u>5,308,376</u>	<u>1,388,152</u>	<u>-</u>	<u>238,479</u>	<u>1,149,673</u>
<b>Total Business-Type Activities</b>				<u>7,499,276</u>	<u>2,277,915</u>	<u>-</u>	<u>313,814</u>	<u>1,964,101</u>
<b>Total Bonds and Loans Payable</b>				<u>\$ 41,255,900</u>	<u>\$ 16,252,813</u>	<u>\$ -</u>	<u>\$ 3,647,976</u>	<u>\$ 12,604,837</u>

**TOWN OF NORTH SMITHFIELD, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**D. LEASE LIABILITIES**

The Town entered into three five-year lease agreements for the acquisition and use of office equipment in March 2021, March 2022, and September 2023, respectively. As of June 30, 2025, the value of the lease liabilities was \$53,738. The Town is required to make monthly principal and interest payments of \$952, \$982, and \$795, respectively. The leases have an interest rate of 12.7%, 11.3%, and 9.9%, respectively. In addition, the Town may purchase equipment for \$1 at the end of the lease term for the March 2021 and March 2022 leases. The equipment has a 5-year estimated useful life. The value of the right-to-use assets as of the end of the current fiscal year was \$124,452 and accumulated amortization was \$92,996.

The future principal and interest payments as of June 30, 2025 were as follows:

<i>Fiscal Year</i> <u>Ended June 30,</u>	<i>Governmental Activities</i>		
	<i>Lease Liabilities</i>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 25,510	\$ 4,378	\$ 29,888
2027	16,362	2,010	18,372
2028	8,752	785	9,537
2029	3,114	65	3,179
	<u>\$ 53,738</u>	<u>\$ 7,238</u>	<u>\$ 60,976</u>

**E. FINANCED PURCHASES PAYABLE**

The Town acquired police equipment valued at \$71,020 and trash and recycling carts valued at \$498,306 using financed purchase agreements.

The future principal and interest payments as of June 30, 2025 were as follows:

<i>Fiscal Year</i> <u>Ended June 30,</u>	<i>Governmental Activities</i>		
	<i>Financed Purchases Payable</i>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 106,809	\$ 25,600	\$ 132,409
2027	113,622	18,788	132,410
2028	105,525	11,517	117,042
2029	112,873	4,169	117,042
	<u>\$ 438,829</u>	<u>\$ 60,074</u>	<u>\$ 498,903</u>

**F. SUBSCRIPTION LIABILITY**

The Town entered into a subscription-based information technology arrangement (SBITA) contract to use vendor provided IT software. As of June 30, 2025, the value of the subscription liability was \$35,986. The related subscription asset has an estimated useful life of 5 years. The value of the associated right-to-use asset as of June 30, 2025 was \$86,516 and accumulated amortization was \$43,258.

**TOWN OF NORTH SMITHFIELD, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

The future principal and interest payments as of June 30, 2025 were as follows:

<i>Fiscal Year</i> <i>Ended June 30,</i>	<i>Governmental Activities</i> <i>Subscription Liability</i>		
	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2026	\$ 17,755	\$ 965	\$ 18,720
2027	18,231	489	18,720
	<u>\$ 35,986</u>	<u>\$ 1,454</u>	<u>\$ 37,440</u>

**NOTE 8 – INTERFUND BALANCES**

The Town reports interfund balances between many of its funds. Interfund balances on June 30, 2025 were as follows:

	<i>Due From:</i>			<i>Total</i>
	<i>General Fund</i>	<i>School Unrestricted Fund</i>	<i>Nonmajor Governmental Funds</i>	
<i>Due To:</i>				
General Fund	\$ 1	\$ -	\$ 1,365,498	\$ 1,365,499
School Unrestricted Fund	734,106	-	534,187	1,268,293
American Rescue Plan Fund	183,920	-	-	183,920
Nonmajor Governmental Funds	1,067,845	4,493	-	1,072,338
Water Fund	801,989	-	-	801,989
Sewer Fund	1,566,507	-	-	1,566,507
<b>Total</b>	<u>\$ 4,354,368</u>	<u>\$ 4,493</u>	<u>\$ 1,899,685</u>	<u>\$ 6,258,546</u>

The balances primarily result from the time lag between the dates the 1) interfund goods and services are provided or reimbursable expenditures occur; 2) transactions are recorded in the accounting system; and 3) payments between funds are made.

**NOTE 9 – INTERFUND TRANSFERS**

	<i>Transfer From:</i>				<i>Total</i>
	<i>General Fund</i>	<i>School Unrestricted Fund</i>	<i>American Rescue Plan Fund</i>	<i>Water Fund</i>	
<i>Transfer To:</i>					
School Unrestricted Fund	\$ 22,131,491	\$ -	\$ -	\$ -	\$ 22,131,491
American Rescue Plan Fund	-	-	-	68,765	68,765
Nonmajor Governmental Funds	-	328,740	-	-	328,740
Water Fund	14,573	-	3,273,030	-	3,287,603
<b>Total</b>	<u>\$ 22,146,064</u>	<u>\$ 328,740</u>	<u>\$ 3,273,030</u>	<u>\$ 68,765</u>	<u>\$ 25,816,599</u>

**TOWN OF NORTH SMITHFIELD, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

Transfers are used to move revenues from the fund that the budget requires to collect them, to the funds that the budget requires to expend them.

**NOTE 10 – DISAGGREGATION OF RECEIVABLE AND PAYABLE BALANCES**

**A. ACCOUNTS RECEIVABLE**

The Town disaggregates significant components of receivables in the financial statements. On June 30, 2025, other receivables included the following:

	<u><i>Police Detail</i></u>	<u><i>CDBG Loan</i></u>	<u><i>Other</i></u>	<u><i>Total</i></u>
Governmental Activities:				
General Fund	\$ 1,038,653	\$ -	\$ 42,065	\$ 1,080,718
Nonmajor Governmental Funds	-	92,108	-	92,108
<b><i>Total Governmental Activities</i></b>	<u><u>\$ 1,038,653</u></u>	<u><u>\$ 92,108</u></u>	<u><u>\$ 42,065</u></u>	<u><u>\$ 1,172,826</u></u>

The Town expects to receive all receivables within the subsequent year, except for CDBG loan receivables which are due in accordance with individual loan amortization schedules and sewer assessment receivables which are payable over 20 years. The following allowances for doubtful accounts are included in the financial statements:

<u><i>Fund/Description</i></u>	<u><i>Allowance for Doubtful Accounts</i></u>
Governmental Activities/General Fund – Real estate and personal property tax receivable	\$942,131
Governmental Activities – Accrued interest receivable	192,803
Business-Type Activities/Water Fund – Use fees receivable	1,646
Business-Type Activities/Sewer Fund – Use fees receivable	3,560
Business-Type Activities/Sewer Fund – Sewer assessments receivable	804

**TOWN OF NORTH SMITHFIELD, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**B. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

The accounts payable and accrued liabilities on June 30, 2025, were as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Other</u>	<u>Total</u>
Governmental Activities:				
General Fund	\$ 1,451,595	\$ 341,093	\$ -	\$ 1,792,688
School Unrestricted Fund	223,444	437,238	-	660,682
American Rescue Plan Fund	183,920	-	-	183,920
Nonmajor Governmental Funds	402,012	75	-	402,087
Reconciliation of balances in fund financial statements to government- wide financial statements	-	-	111,896	111,896
<b>Total Governmental Activities</b>	<u><u>\$ 2,260,971</u></u>	<u><u>\$ 778,406</u></u>	<u><u>\$ 111,896</u></u>	<u><u>\$ 3,151,273</u></u>
Business-Type Activities:				
Water Fund	\$ 154,801	\$ 1,189	\$ 100,356	\$ 256,346
Sewer Fund	22,349	6,736	-	29,085
<b>Total Business-Type Activities</b>	<u><u>\$ 177,150</u></u>	<u><u>\$ 7,925</u></u>	<u><u>\$ 100,356</u></u>	<u><u>\$ 285,431</u></u>

**NOTE 11 – NET POSITION/FUND BALANCES**

The Government-Wide Financial Statements and Proprietary Fund Statements utilize a net position presentation. Net position is segregated into the following three categories:

**Net Investment in Capital Assets** – This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balance of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

**Restricted Net Position** – This category represents balances limited to uses specified either externally by creditors, grantors, contributors, laws or regulations of other governments or imposed through constitutional provisions or enabling legislation.

**Unrestricted Net Position** – This category represents the residual component of net position that does not meet the definition of “restricted” or “net investment in capital assets”.

The Town considers restricted resources to have been spent when an expense is incurred for which both restricted and unrestricted net position are available.

In the Fund Financial Statements, governmental fund equity is classified as fund balance. Fund balance is reported in classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purpose for which amounts in those funds can be spent.

**TOWN OF NORTH SMITHFIELD, RHODE ISLAND**  
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***Nonspendable Fund Balance*** – This classification includes amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact. The “not in spendable form” criteria include items that are not expected to be converted to cash (e.g., inventories, prepaid amounts, and noncurrent receivables).

***Restricted Fund Balance*** – This classification includes amounts that have constraints placed on the use of resources that are either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

***Committed Fund Balance*** – This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Town’s highest level of decision-making authority. These committed amounts cannot be used for any other purpose unless the Town removes or changes the specific use by taking the same type of action it employed to previously commit those amounts.

***Assigned Fund Balance*** – This classification includes amounts constrained by the Town’s intent to be used for specific purposes but are neither restricted nor committed.

***Unassigned Fund Balance*** – This classification is the residual fund balance for the General Fund. This classification represents fund balance that has not been assigned to another fund and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

Committed fund balances are established, modified, or rescinded by an ordinance or resolution adopted by the Town Council. Assigned fund balances are authorized by the Town Council or an official that the governing body has delegated the authority to assign amounts to be used for specific purposes. The Town considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The Town considers unrestricted fund balance classifications to be used in the following order when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used: 1) committed; 2) assigned; and 3) unassigned.

The Town has established the following fund balance policies:

- General Fund unassigned fund balance will be maintained at a minimum of 12% but not more than 16% of General Fund expenditures in any given year.
- Enterprise Funds unrestricted net position will be maintained at a minimum of three months operating expenses plus 25% of the accumulated depreciation of the capital assets of the fund.

**TOWN OF NORTH SMITHFIELD, RHODE ISLAND**  
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**JUNE 30, 2025**

**NOTE 12 – DIFFERENCES BETWEEN GOVERNMENTAL FUNDS AND GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**A. DIFFERENCES BETWEEN GOVERNMENTAL FUNDS BALANCE SHEET AND STATEMENT OF NET POSITION**

The total fund balances for Governmental Funds of \$18,914,615 differs from the total net position for Governmental Activities of \$43,349,872 reported in the Statement of Net Position. The differences arise primarily from the long-term economic focus of the Statement of Net Position versus the current financial resources focus of the Governmental Funds Balance Sheet. The effect of the differences is illustrated below.

*Balance Sheet/Statement of Net Position:*

	<b>Total Governmental Funds</b>	<b>Long-Term Assets/ Liabilities (1)</b>	<b>Reclassifications and Eliminations</b>	<b>Statement Net Position Totals</b>
<b>Assets:</b>				
Cash and cash equivalents	\$ 23,778,327	\$ -	\$ -	\$ 23,778,327
Real and personal property				
tax receivable, net	411,705	-	-	411,705
Due from federal and state governments	922,319	-	-	922,319
Accrued interest receivable, net	-	209,943	-	209,943
Other receivables	1,172,826	-	-	1,172,826
Internal balances	3,890,050	-	(6,258,546)	(2,368,496)
Prepaid items	303,242	(121,978)	-	181,264
Capital assets, net	-	61,421,248	-	61,421,248
Net pension assets	-	7,983,657	-	7,983,657
<b>Total assets</b>	<b>\$ 30,478,469</b>	<b>\$ 69,492,870</b>	<b>\$ (6,258,546)</b>	<b>\$ 93,712,793</b>
<b>Total deferred outflows of resources</b>	<b>\$ -</b>	<b>\$ 7,465,099</b>	<b>\$ -</b>	<b>\$ 7,465,099</b>
<b>Liabilities:</b>				
Accounts payable and accrued expenditures	\$ 3,039,377	\$ -	\$ 111,896	\$ 3,151,273
Accrued interest payable	-	58,210	-	58,210
Internal balances	6,258,546	-	(6,258,546)	-
Performance bonds payable	1,608,766	-	-	1,608,766
Unearned revenue	100,606	-	-	100,606
Other liabilities	111,896	-	(111,896)	-
Long-term liabilities:				
Due within one year	-	5,224,773	-	5,224,773
Due in more than one year	-	38,081,292	-	38,081,292
<b>Total liabilities</b>	<b>\$ 11,119,191</b>	<b>\$ 43,364,275</b>	<b>\$ (6,258,546)</b>	<b>\$ 48,224,920</b>
<b>Total deferred inflows of resources</b>	<b>\$ 444,663</b>	<b>\$ 9,158,437</b>	<b>\$ -</b>	<b>\$ 9,603,100</b>
<b>Total fund balances/net position</b>	<b>\$ 18,914,615</b>	<b>\$ 24,435,257</b>	<b>\$ -</b>	<b>\$ 43,349,872</b>

**TOWN OF NORTH SMITHFIELD, RHODE ISLAND**  
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(1) When capital assets (land, buildings, equipment) that are to be used in Governmental Activities are purchased or constructed, the cost of these assets are reported as expenditures in Governmental Funds. However, the Statement of Net Position includes those capital assets of the Town as a whole.

Cost of capital assets	\$ 128,111,999
Accumulated depreciation and amortization	(66,690,751)
	\$ 61,421,248

Prepaid expenditures for SBITAs are reported in the Governmental Funds, but are reported with capital assets as a right to use asset in the Government-Wide Statement of Net Position.

\$ (121,978)

Because the focus of Governmental Funds is on short term financing some assets will not be available to pay for current-period expenditures. Those assets (for example, receivables) are offset by deferred revenues in the Governmental Funds and thus are not included in the fund balances.

Adjustment of deferred inflows \$ (444,663)

Accrued interest receivable on property taxes is reported as revenue in the Government-Wide financial statements in the period earned and in the Governmental Funds when received.

\$ 209,943

Long-term liabilities (assets) applicable to the Town's Governmental Activities are not due and payable in the current period and accordingly are not reported as fund assets or liabilities. All assets and liabilities, both current and long-term, are reported in the Statement of Net Position. Deferred inflows and outflows related to long-term liabilities (assets) are also not reported in the Governmental Funds.

Bonds and loans payable	\$ 11,754,165
Lease liabilities	53,738
Financed purchases payable	438,829
Subscription liability	35,986
Compensated absences payable	5,633,886
Settlements payable	100,100
Net OPEB liabilities	7,760,515
Net pension liabilities	17,528,846
Accrued interest payable	58,210
	\$ 43,364,275
Deferred outflows - refunding	\$ 388,711
Net pension assets	\$ 7,983,657
Deferred outflows - pension	\$ 4,577,862
Deferred outflows - OPEB	2,498,526
	\$ 7,076,388
Deferred inflows - pension	\$ 5,277,905
Deferred inflows - OPEB	4,325,195
	\$ 9,603,100

**TOWN OF NORTH SMITHFIELD, RHODE ISLAND**  
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**B. DIFFERENCES BETWEEN GOVERNMENTAL FUNDS OPERATING STATEMENT AND STATEMENT OF ACTIVITIES**

The net change in the fund balances for Governmental Funds of \$2,217,819 differs from the change in net position for Governmental Activities of \$7,357,487 reported in the Statement of Activities. The differences arise primarily from the long-term economic focus of the Statement of Activities versus the current financial resources focus of the Governmental Funds. The effect of the differences is illustrated below.

*Statement of Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities:*

	Total Governmental Funds	Long-Term Revenues/ Expenses (1)	Capital- Related Items (2)	Long-Term Liability Transactions (3)	Reclassifications and Eliminations	Statement of Activities Totals
<b>Revenues:</b>						
Property taxes	\$ 36,560,366	\$ (227,447)	\$ -	\$ -	\$ (1)	\$ 36,332,918
Motor vehicle excise in lieu of tax	4,389,559	-	-	-	(4,389,559)	-
Intergovernmental and grant revenue	18,886,339	(19,654)	-	-	4,721,346	23,588,031
Town clerk licenses and fees	396,696	-	-	-	-	396,696
Other departmental fines and fees	1,274,249	-	-	-	1,212,709	2,486,958
Investment and interest income	701,538	-	-	-	-	701,538
Other revenues	2,618,134	-	35,851	-	(1,544,495)	1,109,490
<b>Total revenues</b>	<b>64,826,881</b>	<b>(247,101)</b>	<b>35,851</b>	<b>-</b>	<b>-</b>	<b>64,615,631</b>
<b>Expenditures:</b>						
Current:						
General government	3,095,615	-	174,451	(271,010)	(12,820)	2,986,236
Financial administration	1,076,634	-	-	(5,295)	5,844	1,077,183
Public safety	9,756,526	-	539,380	(346,377)	191,279	10,140,808
Public works	4,602,589	-	(18,937)	(102,191)	31,578	4,513,039
Education	34,680,057	(19,654)	903,522	(550,794)	-	35,013,131
Other	24,263	-	-	-	(24,263)	-
Capital outlay	2,771,897	-	(2,580,279)	-	(191,618)	-
Debt service:						
Principal	3,334,162	-	-	(3,334,162)	-	-
Interest	546,787	(17,920)	-	(219,958)	-	308,909
<b>Total expenditures</b>	<b>59,888,530</b>	<b>(37,574)</b>	<b>(981,863)</b>	<b>(4,829,787)</b>	<b>-</b>	<b>54,039,306</b>
<b>Other financing sources (uses):</b>						
Debt issued	498,306	-	-	(498,306)	-	-
Transfer from (to) other funds	(3,218,838)	-	-	-	-	(3,218,838)
<b>Total other financing sources (uses)</b>	<b>(2,720,532)</b>	<b>-</b>	<b>-</b>	<b>(498,306)</b>	<b>-</b>	<b>(3,218,838)</b>
<b>Net change for the year</b>	<b>\$ 2,217,819</b>	<b>\$ (209,527)</b>	<b>\$ 1,017,714</b>	<b>\$ 4,331,481</b>	<b>\$ -</b>	<b>\$ 7,357,487</b>

(1) Because some property taxes and other revenues will not be collected soon enough after the Town's fiscal year end, they are not considered to be "available" revenues in the Governmental Funds.

Change in deferred property taxes	\$ (148,599)
Change in accrued interest receivable	(78,848)
	<u>\$ (227,447)</u>

Accrued interest on long-term debt is reported in the Government-Wide Statement of Activities, but does not require the use of current financial resources. Therefore, it is not reported in the Governmental Funds financial statements.

Change in accrued interest payable	<u>\$ (17,920)</u>
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**TOWN OF NORTH SMITHFIELD, RHODE ISLAND**  
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Change in on-behalf pension payments made by the State related to recording the net pension liability in the Government-Wide Statement of Activities.

Change in intergovernmental and grant revenue	\$ (19,654)
Change in education expense	\$ (19,654)

(2) When capital assets that are to be used in Governmental Activities are purchased or constructed, the resources expended for those assets are reported as expenditures in Governmental Funds. However, in the Statement of Activities, the cost of those assets is allocated over the estimated useful lives and reported as depreciation expense. As a result, fund balance decreases by the amount of financial resources expended, whereas net position decreases by the amount of depreciation expense charged for the year.

Capital outlay	\$ (4,011,354)
Depreciation and amortization expense	3,049,663
	\$ (961,691)

Capital assets contributed to the Town or replaced through reimbursements or other liabilities do not provide current financial resources. Therefore, these items are not reported as a revenue in the Governmental Funds financial statements.

	\$ 35,851
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Governmental Funds report expenditures for SBITAs in the period the services are provided and any prepaid arrangements are reported as prepaid expenditures. However, in the Statement of Activities, the total cost paid for SBITAs, including prepaid costs, are allocated over the term of the agreement as amortization expense.

	\$ (20,172)
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(3) Repayment of debt principal is reported as an expenditure in the Governmental Funds and, thus, has the effect of reducing fund balance because current financial resources have been used. For the Town as a whole, however, the principal payments reduce the liabilities in the Statement of Net Position and do not result in an expense in the Statement of Activities.

Bond and loan principal payments made	\$ (3,334,162)
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Lease, financed purchase and subscription liabilities provide current financial resources to Governmental Funds, but increase long-term liabilities in the Government-Wide Statement of Net Position. Repayment of principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Government-Wide financial statements.

Debt issued	\$ (498,306)
Lease principal payments made	\$ (25,329)
Financed purchase principal payments made	(103,212)
Subscription principal payments made	(17,291)
	\$ (145,832)

Debt issued at a premium provide current financial resources to Governmental Funds, but are deferred and amortized in the Government-Wide financial statements. Deferred amounts on refunding are expenditures in the Governmental Funds, but are deferred and amortized in the Government-Wide financial statements.

Amortization of premium on long-term debt	\$ (346,667)
Amortization of deferred amounts on refunding	126,709
	\$ (219,958)

Certain accrued expenditures that do not use current financial resources are not reported in the Governmental Funds financial statements. However, in the Statement of Activities these accrued expenses are recognized and charged to current activities.

Net increase in compensated absences	\$ 138,765
Net change in net OPEB liabilities and related deferred outflows/inflows	(138,943)
Net change in net pension liabilities (assets) and related deferred outflows/inflows	(1,129,657)
	\$ (1,129,835)

**NOTE 13 – RISK MANAGEMENT**

The Town of North Smithfield is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; injuries to employees; and natural disasters. As a result, the Town participates in a non-profit, public entity risk pool (Rhode Island Interlocal Risk Management Trust, Inc.) which provides coverage for property/liability claims and workers' compensation claims. Upon joining the Trust, the Town signed a participation agreement which

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outlines the rights and responsibilities of both the Trust and the Town. The agreement states that for premiums paid by the Town, the Trust will assume financial responsibility for the Town's losses up to the maximum amount of insurance purchased, minus the Town's deductible amounts. The Trust provides this insurance coverage through a pooled, self-insurance mechanism which includes reinsurance purchased by the Trust to protect against large, catastrophic claims above the losses the Trust retains internally for payment from the pooled contributions of its members. Settled claims resulting from these risks have not exceeded the Trust coverage in any of the past three fiscal years except for in fiscal year 2023.

**NOTE 14 – LITIGATION AND CONTINGENCIES**

**A. LITIGATION**

The Town is a party to various claims, legal actions, and complaints. The potential liability to the Town, if any, or an evaluation of the outcome of these matters cannot be made at the present time.

**B. FEDERALLY FUNDED PROGRAMS**

The Town participates in a number of federally funded programs. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Town expects such amounts, if any, to be immaterial.

**NOTE 15 – OTHER POST-EMPLOYMENT BENEFIT PLANS**

**A. TOWN PLAN**

**Plan Description**

**Plan Administration** - The Town of North Smithfield administers a single-employer, defined benefit post-employment benefit plan. This plan does not include the pension benefits discussed in Note 16. On August 21, 2017, the Town Council authorized the creation of an OPEB Trust Fund. The Finance Director is responsible for administration of the plan in accordance with the Trust Agreement effective August 21, 2017 with Town Council oversight. The plan is reported as a Trust Fund in the Town's financial statements. The plan does not issue a publicly available financial report.

**Plan Membership** - As of June 30, 2024, the plan membership data is as follows:

Active employees	74
Inactive employees receiving benefits	15
	<hr/>
	89
	<hr/>

**Benefits Provided** - The plan provides medical and dental insurance for eligible retirees and their dependents through the Town's group insurance plans, which cover both active and retired

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members. Benefit provisions are established and amended by the union contracts through negotiations between the Town and the respective unions. The plan provides the following benefits based on employee group upon retirement:

- **Police Officers** – Medical and dental coverage (single or family) for police officers who were hired on or before June 30, 2022 and retire on or after June 30, 1990 until the retiree secures employment with equivalent coverage or until Medicare eligible. Police officers hired on or after July 1, 2022 will be provided with single coverage only upon retirement. Police officers hired on or after July 1, 2022 have the option to purchase an additional single plan for his/her spouse but must contribute 100% of the cost of coverage. Effective July 1, 2007, the retiree will receive the same coverage in effect at the date of retirement and will continue to pay any co-share in effect at the date of retirement. Members who retire before July 1, 2007 will not contribute to the cost of coverage.
- **Local 937 Municipal and Public Works Employees** – Medical and dental coverage (single or family) for employees hired prior to July 1, 2005 who retire with 20 years of service. Coverage will continue for a period of 5 years from the date of retirement.

**Contributions** - Contribution requirements are negotiated between the Town and the respective unions. The Town is required to contribute the cost of medical and dental benefits, less the amount of any applicable retiree share of premiums. For the year ended June 30, 2025, the Town's contribution was based on the current year cost of retiree benefits plus amounts committed for OPEB in the current fiscal year. For the fiscal year ended June 30, 2025, the Town contributed \$884,769 to the plan. Administrative costs are paid by the Town.

**Summary of Significant Accounting Policies**

**Basis of Accounting** – The Other Post-Employment Benefits Trust Fund's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

**Method Used to Value Investments** – Investments are reported at fair value. Securities traded on national or international exchanges are valued at the last reported sales price at current exchange rates.

**Investments**

**Investment Policy** – The Finance Director may invest funds held in the OPEB Trust Fund in accordance with the Trust Agreement and State Law. The Town has selected a balanced investment strategy which seeks to provide capital appreciation and current income.

**Rate of Return** – For the year ended June 30, 2025, the annual money-weighted rate of return on investments, net of investment expense, was 12.26%. The money-weighted rate of return expresses

**TOWN OF NORTH SMITHFIELD, RHODE ISLAND**  
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investment performance, net of investment expense, adjusted for changing amounts actually invested.

**Net OPEB Liability of the Town Plan**

The components of the net OPEB liability of the Town on June 30, 2025, were as follows:

Total OPEB Liability	\$7,319,053
OPEB Plan Fiduciary Net Position	<u>(3,216,347)</u>
Net OPEB Liability	<u><u>\$4,102,706</u></u>

Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	43.94%
-------------------------------------------------------------------------	--------

**Actuarial Assumptions** – The total OPEB liability was determined by an actuarial valuation as of June 30, 2024 rolled forward to June 30, 2025, the measurement date. The following actuarial assumptions applied to all periods in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal Cost Method
Salary Increases	3% per annum
Inflation	3% per annum
Discount Rate	4.96%
Long-Term Expected Rate of Return on Plan Assets	6.75%
Municipal Bond Rate	4.81% - S&P Municipal Bond 20-year High Grade Rate Index
Mortality	PUB-2010 mortality table with MP-2021 projection

Health Care Trend Rates	<u>Year</u>	<u>Medical</u>	<u>Dental</u>
	1	7.00%	4.50%
	2	6.50%	4.50%
	3	6.25%	4.50%
	4	6.00%	4.50%
	5	5.75%	4.50%
	6	5.50%	4.50%
	7	5.25%	4.50%
	8	5.00%	4.50%
	9	4.75%	4.50%
	10+	4.50%	4.50%

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

<u><i>Asset Class</i></u>	<u><i>Target Asset Allocation</i></u>	<u><i>Long-Term Expected Real Rate of Return</i></u>
Domestic Equity	36%	7.2% - Large Cap; 7.9% - Small Cap
International Equity	18%	6.9% - Developed; 7.4% - Emerging
Fixed Income	40%	5% - Core; 6.1% - High Yield
Alternatives	6%	7% - REITs; 7.4% - Infrastructure
Cash	0%	0%
	<u>100%</u>	

The following changes in actuarial assumptions have been made since the prior measurement date:

- The discount rate was changed from 4.36% to 4.96%.
- The municipal bond rate was changed from 4.21% to 4.81%.

**Discount Rate** – The discount rate used to measure the OPEB liability was 4.96% for the Town Plan. The projection of cash flows used to determine the discount rate assumed that contributions will be made in accordance with the plan’s funding policy. Based on those assumptions, the Town Plan’s net fiduciary position was projected to be insufficient to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan assets was first applied to projected future benefit payments and the municipal bond rate was applied thereafter. The prior valuation used a discount rate of 4.36%.

**TOWN OF NORTH SMITHFIELD, RHODE ISLAND**  
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***Town Plan - Changes in the Net OPEB Liability***

	<i>Increase (Decrease)</i>		
	<i>Total OPEB Liability</i>	<i>Plan Fiduciary Net Position</i>	<i>Net OPEB Liability</i>
<b><i>Balances as of June 30, 2024</i></b>	\$7,692,210	\$2,552,257	\$5,139,953
Changes for the Year:			
Service cost	353,973	-	353,973
Interest on the total OPEB liability	338,610	-	338,610
Changes in benefits	-	-	-
Difference between expected and actual experience	(57,050)	-	(57,050)
Changes in assumptions	(448,921)	-	(448,921)
Employer contributions	-	884,769	(884,769)
Plan member contributions	-	-	-
Net investment income	-	339,090	(339,090)
Benefit payments, including employee refunds	(559,769)	(559,769)	-
Administrative expense	-	-	-
Other changes	-	-	-
Net changes	(373,157)	664,090	(1,037,247)
<b><i>Balances as of June 30, 2025</i></b>	<b>\$7,319,053</b>	<b>\$3,216,347</b>	<b>\$4,102,706</b>

***Sensitivity of the Net OPEB Liability to Changes in the Discount Rate*** - The following presents the net OPEB liability of the Town Plan, as well as what the Town Plan's net OPEB liability would be if it were calculated using a discount rate 1-percentage-point lower (3.96%) and 1-percentage-point higher (5.96%) than the current discount rate:

	<b><i>1% Decrease (3.96%)</i></b>	<b><i>Current Discount Rate (4.96%)</i></b>	<b><i>1% Increase (5.96%)</i></b>
Net OPEB Liability	\$4,907,949	\$4,102,706	\$3,402,774

***Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates*** - The following presents the net OPEB liability of the Town Plan, as well as what the Town Plan's net OPEB liability would be if it were calculated using a healthcare cost trend rates 1-percentage-point lower (6% decreasing to 3.5%) and 1-percentage-point higher (8% decreasing to 5.5%) than the current healthcare cost trend rates:

	<b><i>1% Decrease (6% decreasing to 3.5%)</i></b>	<b><i>Current Healthcare Cost Trend Rates (7% decreasing to 4.5%)</i></b>	<b><i>1% Increase (8% decreasing to 5.5%)</i></b>
Net OPEB Liability	\$3,278,802	\$4,102,706	\$5,091,391

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***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 \$619,954. On June 30, 2025, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<i>Deferred Outflows of Resources</i>	<i>Deferred Inflows of Resources</i>
Differences between expected and actual experience	\$1,623,730	\$280,003
Change of assumptions	268,808	1,259,444
Net difference between projected and actual earnings on OPEB plan investments	-	251,135
<b>Total</b>	<b>\$1,892,538</b>	<b>\$1,790,582</b>

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

***Year ended June 30:***

2026	\$86,553
2027	28,141
2028	43,277
2029	96,174
2030	79,757
Thereafter	(231,946)

**B. SCHOOL PLAN**

**Plan Description**

**Plan Administration** - The North Smithfield School Department's defined benefit OPEB plan (the plan) provides OPEB for administrators, certified teachers, and support staff of the School Department. The plan is a single employer, defined benefit OPEB plan administered by the School Department. Benefit terms and financing requirements are established and amended by the union contracts through negotiations between the School Department and the respective unions or by School Committee policy for administrators. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

**Plan Membership** - As of June 30, 2024, the following employees were covered by the benefit terms:

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Active employees	223
Inactive employees receiving benefits	5
	228
	228

**Benefits Provided** - The Plan provides medical and dental insurance for eligible retirees through the School Department’s group health and dental insurance plans, which cover both active and inactive members. Benefit provisions are established and amended by the union contracts through negotiations between the School Department and the respective unions or by School Committee policy for administrators. The plan provides the following benefits based on employee group upon retirement:

- **Administrators** – For retirees who have completed at least 10 years of service, individual health and dental insurance for a maximum period of 7 years from retirement, but in no event beyond the date the retiree attains age 65. Eligible retirees may obtain a family plan from the School Department if the retiree pays the difference between the individual and family plan if no other employer-sponsored plan is available. Retirees shall contribute the same cost share as contributed by employees.
- **Certified Teachers** – For retirees who have completed 25 or more years of service in North Smithfield who are at least 58 years of age, individual health and dental insurance for a maximum period of 7 years from retirement, but in no event beyond the date the retiree attains age 65. Retirees receive the same health and dental insurance and shall contribute the same cost share as contributed by employees per the union agreement and successive union agreements. Benefits shall terminate if the retiree or spouse secures employment with comparable coverage or if the retiree becomes eligible for Medicare.
- **Support Staff** – For retirees who have completed 15 or more years of service in North Smithfield, individual health insurance for a maximum period of 5 years from retirement, but in no event beyond the date the retiree attains age 65. Retirees receive the same health insurance and shall contribute the same cost share as contributed by employees per the union agreement and successive union agreements. Eligible retirees may obtain a family plan from the School Department if the retiree pays the difference between the individual and family plan. The family plan is available until the earlier of the retiree’s or spouse’s attainment of age 65. Benefits shall terminate if the retiree or spouse secures employment with comparable coverage or if the retiree becomes eligible for Medicare.

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**Total OPEB Liability of the School Plan**

The School Department’s total OPEB liability of \$3,657,809 was measured as of June 30, 2025, the measurement date, and was determined by an actuarial valuation as of June 30, 2024 rolled forward to June 30, 2025.

**Actuarial Assumptions** – The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal Cost Method
Salary Increases	3% per annum
Inflation	3% per annum
Discount Rate	4.81%
Mortality	PUB-2010 mortality table with MP-2021 projection

Health Care Trend Rates	<u>Year</u>	<u>Medical</u>	<u>Dental</u>
	1	7.00%	4.50%
	2	6.50%	4.50%
	3	6.25%	4.50%
	4	6.00%	4.50%
	5	5.75%	4.50%
	6	5.50%	4.50%
	7	5.25%	4.50%
	8	5.00%	4.50%
	9	4.75%	4.50%
	10+	4.50%	4.50%

The discount rate was based on the S&P Municipal Bond 20-year High Grade Rate Index.

The following changes in actuarial assumptions have been made since the prior measurement date:

- The discount rate was changed from 4.21% to 4.81%.

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**School Plan - Changes in the Total OPEB Liability**

	<b>Total OPEB Liability</b>
<b>Balance at of June 30, 2024</b>	\$3,664,980
Changes for the Year:	
Service cost	264,018
Interest on the total OPEB liability	163,706
Changes of benefit terms	-
Difference between expected and actual experience	(153,590)
Changes in assumptions and other inputs	(200,310)
Benefit payments	(80,995)
Net change	(7,171)
<b>Balance at of June 30, 2025</b>	\$3,657,809

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate** - The following presents the total OPEB liability of the School Department, as well as what the School Department's total OPEB liability would be if it were calculated using a discount rate 1-percentage-point lower (3.81%) and 1-percentage-point higher (5.81%) than the current discount rate:

	<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
	<b><u>(3.81%)</u></b>	<b><u>(4.81%)</u></b>	<b><u>(5.81%)</u></b>
Total OPEB Liability	\$3,999,844	\$3,657,809	\$3,341,894

**Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates** - The following presents the total OPEB liability of the School Department, as well as what the School Department's total OPEB liability would be if it were calculated using a healthcare cost trend rates 1-percentage-point lower (6% decreasing to 3.5%) and 1-percentage-point higher (8% decreasing to 5.5%) than the current healthcare cost trend rates:

	<b>1% Decrease</b>	<b>Current Healthcare Cost Trend Rates</b>	<b>1% Increase</b>
	<b>(6% decreasing to <u>3.5%</u>)</b>	<b>(7% decreasing to <u>4.5%</u>)</b>	<b>(8% decreasing to <u>5.5%</u>)</b>
Total OPEB Liability	\$3,216,192	\$3,657,809	\$4,177,547

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

For the year ended June 30, 2025, the School Department recognized OPEB expense of \$206,867. On June 30, 2025, the School Department reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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	<u><i>Deferred Outflows of Resources</i></u>	<u><i>Deferred Inflows of Resources</i></u>
Differences between expected and actual experience	\$236,237	\$1,871,101
Change of assumptions	369,751	663,512
<b><i>Total</i></b>	<u><u>\$605,988</u></u>	<u><u>\$2,534,613</u></u>

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

***Year ended June 30:***

2026	\$(220,857)
2027	(220,857)
2028	(220,857)
2029	(232,980)
2030	(286,334)
Thereafter	(746,740)

**C. AGGREGATE OPEB AMOUNTS REPORTED IN THE FINANCIAL STATEMENTS**

	<u><i>Deferred Outflows of Resources – OPEB Amounts</i></u>	<u><i>Deferred Inflows of Resources – OPEB Amounts</i></u>	<u><i>Net OPEB Liability</i></u>	<u><i>OPEB Expense</i></u>
Town Plan	\$1,892,538	\$1,790,582	\$4,102,706	\$619,954
School Plan	<u>605,988</u>	<u>2,534,613</u>	<u>3,657,809</u>	<u>206,867</u>
<b><i>Total</i></b>	<u><u>\$2,498,526</u></u>	<u><u>\$4,325,195</u></u>	<u><u>\$7,760,515</u></u>	<u><u>\$826,821</u></u>

**TOWN OF NORTH SMITHFIELD, RHODE ISLAND**  
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**NOTE 16 – PENSION PLANS**

**A. EMPLOYEES' RETIREMENT SYSTEM PLANS**

**Defined Benefit Plan**

**General Information about the Pension Plan**

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

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

**Benefit Provisions** – The level of benefits provided to participants is established by Chapter 36-10 of the General Laws, which is subject to amendment by the General Assembly. Member benefit provisions vary based on service credits accumulated at dates specified in various amendments to the General Laws outlining minimum retirement age, benefit accrual rates and maximum benefit provisions. In general, members accumulate service credits for each year of service subject to maximum benefit accruals of 80% or 75%. For those hired after June 30, 2012, the benefit accrual rate is 1% per year with a maximum benefit accrual of 40%. For members retiring after July 1, 2024, retiree benefit amounts are based on the average three consecutive years of compensation. Members eligible to retire on September 30, 2009 may retire with 10 years of service at age 60 or after 28 years of service at any age. The retirement eligibility age increases proportionately for other members reflecting years of service and other factors until it aligns with the Social Security Normal Retirement Age, which applies to any member with less than 5 years of service as of July 1, 2012. Members are vested after 5 years of service.

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

Cost-of-living adjustments are provided 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.

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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 2025, North Smithfield School Department teachers were required to contribute 3.75% of their annual covered salary, except for teachers with twenty or more years of service as of June 30, 2012 must contribute 11% of their annual covered salary. The State and the North Smithfield School Department 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 North Smithfield School Department; the rates were 11.42% and 15.54% of annual covered payroll for the fiscal year ended June 30, 2025 for the State and the North Smithfield School Department, respectively. The North Smithfield School Department contributed \$2,254,162, \$2,114,175, and \$2,110,520 for the fiscal years ended June 30, 2025, 2024, and 2023, respectively, equal to 100% of the required contributions for each year. The State's share of contributions totaling \$1,625,338 for fiscal year 2025 are reflected as on-behalf payments and are included as both revenue and expenditures in the Governmental Funds financial statements.

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

On June 30, 2025, the North Smithfield School Department reported a liability of \$15,920,540 for its proportionate share of the net pension liability that reflected a reduction for contributions made by the State. The amount recognized by the North Smithfield School Department 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 North Smithfield School Department were as follows:

North Smithfield School Department's proportionate share of the net pension liability	\$15,920,540
State's proportionate share of the net pension liability associated with the North Smithfield School Department	<u>11,458,079</u>
<b><i>Total net pension liability</i></b>	<u><u>\$27,378,619</u></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 North Smithfield School Department's proportion of the net pension liability was based on a projection of the North Smithfield School Department's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State, actuarially determined. On June 30, 2024, the North Smithfield School Department's proportion was 0.66789563%.

For the year ended June 30, 2025, the North Smithfield School Department recognized in the Government-Wide financial statements gross pension expense of \$3,845,835 and revenue of \$1,605,684 for support provided by the State. On June 30, 2025, the North Smithfield School

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

<b><i>Deferred outflows of resources:</i></b>	
Contributions subsequent to the measurement date	\$2,254,162
Differences between expected and actual experience	108,707
Changes in proportion and differences between employer contributions and proportionate share of contributions	145,257
<b><i>Total</i></b>	<u>\$2,508,126</u>
<b><i>Deferred inflows of resources:</i></b>	
Change of assumptions	\$489,405
Differences between expected and actual experience	379,542
Changes in proportion and differences between employer contributions and proportionate share of contributions	684,544
Net difference between projected and actual earnings on pension plan investments	976,478
<b><i>Total</i></b>	<u>\$2,529,969</u>

\$2,254,162 reported as deferred outflows of resources related to pensions resulting from the North Smithfield School Department 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:

<b><i>Year ended June 30:</i></b>	
2026	\$(1,125,699)
2027	(75,897)
2028	(534,115)
2029	(390,935)
2030	(131,841)
Thereafter	(17,518)

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

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Inflation	2.5%
Salary increases	2.75% to 8.25%
Investment rate of return	7%

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 on the 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:

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<u>Asset Class</u>	<u>Long-Term Target Asset Allocation</u>	<u>Long-Term Expected Arithmetic Real Rate of Return</u>
<b>GROWTH</b>		
<b>Global Equity</b>		
U.S. Equity	25.90%	5.98%
International Developed Equity	10.00%	6.47%
Emerging Markets Equity	4.10%	8.10%
<b>Subtotal</b>	40.00%	
<b>Private Growth</b>		
Private Equity	12.50%	9.37%
Non-Core Real Estate	2.50%	4.92%
<b>Subtotal</b>	15.00%	
<b>INCOME</b>		
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%
<b>Subtotal</b>	12.00%	
<b>STABILITY</b>		
<b>Crisis Protection Class</b>		
Treasury Duration	5.00%	1.00%
Systematic Trend	5.00%	4.02%
<b>Subtotal</b>	10.00%	
<b>Inflation Protection</b>		
Core Real Estate	4.00%	4.92%
Private Infrastructure	4.00%	6.02%
<b>Subtotal</b>	8.00%	
<b>Volatility Protection</b>		
IG Corp. Credit	3.25%	2.60%
Securitized Credit	3.25%	2.60%
Absolute Return	6.50%	4.02%
Cash	2.00%	1.00%
<b>Subtotal</b>	15.00%	
<b>Total</b>	100.00%	

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

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**Discount Rate** - The discount rate used to measure the total pension liability was 7 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.

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate** - The following presents the proportionate share of the net pension liability calculated using the discount rate of 7 percent as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

<i>1% Decrease</i>	<i>Current Discount Rate</i>	<i>1% Increase</i>
<u>(6%)</u>	<u>(7%)</u>	<u>(8%)</u>
\$20,671,363	\$15,920,540	\$11,603,923

**Pension Plan Fiduciary Net Position** - Detailed information about the pension plan's fiduciary net position is available in the separately issued ERSRI financial report.

**Defined Contribution Plan**

***Plan Description***

Employees participating in the defined benefit plan with less than 20 years of service as of June 30, 2012, as described above, also participate in a defined contribution plan authorized by General Law Chapter 36-10.3. The defined contribution plan is established under IRS section 401(a) and is administered by TIAA-CREF. Employees may choose from various investment options available to plan participants.

Employees contribute 7% of their annual covered salary and employers contribute between 3% and 3.5% of annual covered salary depending on the employee's total years of service as of June 30, 2012. The employer contribution is split between the State and the school department. Employee contributions are immediately vested while employer contributions and any investment earnings thereon are vested after three years of contributory service. Benefit terms and contributions required under the plan by both the employee and employer are established by the General Laws, which are subject to amendment by the General Assembly.

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

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The North Smithfield School Department recognized pension expense of \$438,896 for the fiscal year ended June 30, 2025. For financial reporting purposes, the State's share of contributions totaling \$62,139 for fiscal year 2025 are reflected as on behalf-payments and are included as both revenue and expenditures in the accompanying financial statements.

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

***B. TEACHERS' SURVIVOR BENEFIT PLAN***

**General Information about the Pension Plan**

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

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

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

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

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

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

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

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

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

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

The North Smithfield School Department contributed \$19,516, \$18,975, and \$19,474, for the fiscal years ended June 30, 2025, 2024, and 2023, respectively, equal to 100% of the required contributions for each year.

**Pension Asset, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources**

On June 30, 2025, the North Smithfield School Department reported an asset of \$5,529,023 for its proportionate share of the net pension asset related to its participation in TSB. The net pension asset was measured as of June 30, 2024, the measurement date, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of June 30, 2023 rolled forward to June 30, 2024. The North Smithfield School Department's proportion of the net pension asset was based on its share of contributions to the TSB for fiscal year 2024 relative to the total contributions of all participating employers for that fiscal year. On June 30, 2024, the North

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Smithfield School Department's proportion was 2.50108845%.

For the year ended June 30, 2025, the North Smithfield School Department recognized pension expense of \$(591,576) – an increase in the net pension asset. On June 30, 2025, the North Smithfield School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b><i>Deferred outflows of resources:</i></b>	
Contributions subsequent to the measurement date	\$19,516
Change of assumptions	13,173
Difference between expected and actual experience	236,632
Changes in proportion and differences between employer contributions and proportionate share of contributions	125,973
<b><i>Total</i></b>	<u><u>\$395,294</u></u>
<b><i>Deferred inflows of resources:</i></b>	
Difference between expected and actual experience	\$285,102
Change of assumptions	217,744
Changes in proportion and differences between employer contributions and proportionate share of contributions	51,268
Net difference between projected and actual earnings on pension plan investments	357,069
<b><i>Total</i></b>	<u><u>\$911,183</u></u>

\$19,516 reported as deferred outflows of resources related to pensions resulting from the North Smithfield School Department's contributions in fiscal year 2025 subsequent to the measurement date will be recognized as an addition to the net pension asset in the subsequent period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b><i>Year ended June 30:</i></b>	
2026	\$(334,498)
2027	7,154
2028	(156,629)
2029	(93,105)
2030	(7,412)
Thereafter	49,085

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**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%

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

Cost of Living Adjustments – Eligible survivors receive a yearly cost of living adjustment based on the annual social security adjustment – for valuation purposes, a 2.5% cost of living adjustment is assumed.

The actuarial assumptions used in the calculation of the total pension liability on the 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:

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<u>Asset Class</u>	<u>Long-Term Target Asset Allocation</u>	<u>Long-Term Expected Arithmetic Real Rate of Return</u>
<b>GROWTH</b>		
<b>Global Equity</b>		
U.S. Equity	25.90%	5.98%
International Developed Equity	10.00%	6.47%
Emerging Markets Equity	4.10%	8.10%
<b>Subtotal</b>	40.00%	
<b>Private Growth</b>		
Private Equity	12.50%	9.37%
Non-Core Real Estate	2.50%	4.92%
<b>Subtotal</b>	15.00%	
<b>INCOME</b>		
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%
<b>Subtotal</b>	12.00%	
<b>STABILITY</b>		
<b>Crisis Protection Class</b>		
Treasury Duration	5.00%	1.00%
Systematic Trend	5.00%	4.02%
<b>Subtotal</b>	10.00%	
<b>Inflation Protection</b>		
Core Real Estate	4.00%	4.92%
Private Infrastructure	4.00%	6.02%
<b>Subtotal</b>	8.00%	
<b>Volatility Protection</b>		
IG Corp. Credit	3.25%	2.60%
Securitized Credit	3.25%	2.60%
Absolute Return	6.50%	4.02%
Cash	2.00%	1.00%
<b>Subtotal</b>	15.00%	
<b>Total</b>	100.00%	

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

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**Discount Rate** - The discount rate used to measure the total pension liability was 7 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.

**Sensitivity of the Net Pension Asset to Changes in the Discount Rate** - The following presents the proportionate share of the net pension asset calculated using the discount rate of 7 percent as well as what the net pension 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.

<i>1% Decrease</i>	<i>Current Discount</i>	<i>1% Increase</i>
<u>(6%)</u>	<u>(7%)</u>	<u>(8%)</u>
\$4,966,027	\$5,529,023	\$6,040,558

**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. MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM PLANS**

**Defined Benefit Plans**

**General Information about the Pension Plan**

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

MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the ERSRI website at <http://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

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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. The Town of North Smithfield has only general employees and police officers that participate in the MERS Plan.

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

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

**Final Average Compensation (FAC):** 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. 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

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of age 65 with 30 years of service, age 64 with 31 years of service, age 63 with 32 years of service, or age 62 with 33 years of service.

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

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

The annual benefit is equal to 2% of the member's monthly FAC for each year of service prior to July 1, 2012 and 1% 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% 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% per year for service after June 30, 2015. The benefit cannot exceed 75% of the member's FAC. Benefits are paid monthly.

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

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

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 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.

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

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

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A monthly benefit is paid equal to 2% 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 2.5% of the member's FAC for each year of service prior to July 1, 2012 and 2% of the member's FAC for each year of service after July 1, 2012. The benefit cannot exceed 75% of the member's FAC. The Town of North Smithfield has elected to participate in the 20-year retirement provision.

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.

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). The Town of North Smithfield has elected the optional cost-of-living provision for general employees and police officers.

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% to 4%, plus 50% of the lesser of 3% or last year's CPI-U increase for a total maximum increase of 3.5%. Previously, it was the plan's five-year average investment rate of return less 5.5% limited to a range of 0% to 4%.

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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 June 30, 2015, years in which a COLA is payable based on the every fourth year provision described 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.

**Employees Covered by Benefit Terms** - At the June 30, 2023 valuation date, the following employees were covered by the benefit terms:

	<b>General Employees Plan</b>	<b>Police Officers Plan</b>
Retirees and Beneficiaries	76	22
Inactive, Nonretired Members	84	4
Active Members	95	27
Total	255	53

**Contributions** - The amount of employee and employer contributions have been established under Rhode Island General Law Chapter 45-21. General employees with less than 20 years of service as of June 30, 2012 are required to contribute 2% of their salaries. General employees with more than 20 years of service as of June 30, 2012 are required to contribute 9.25%. Police officers are required to contribute 10% of their salaries. The Town of North Smithfield 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 of North Smithfield contributed the following amounts in the year ended June 30, 2025: general employees plan - \$208,774 and police officers plan - \$494,667. The Town's contributions represented the following percentages of annual covered payroll: general employees plan – 4.13%; and police officers plan – 20.67%.

**Net Pension Liability** - The total pension liability 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.

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<i>Summary of Actuarial Assumptions Used in the Valuations to Determine the Net Pension Liability at the June 30, 2024 Measurement Date (June 30, 2023 valuation rolled forward to June 30, 2024)</i>	
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%
Projected Salary Increases	General Employees - 3% to 7.25%; Police Officers – 3.5% to 13.5%
Inflation	2.5%
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 are assumed to be 2.1% per annum for all MERS units with the COLA provision.

The actuarial assumptions used in the calculation of the total pension liability on the 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:

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<u>Asset Class</u>	<u>Long-Term Target Asset Allocation</u>	<u>Long-Term Expected Arithmetic Real Rate of Return</u>
<b>GROWTH</b>		
<b>Global Equity</b>		
U.S. Equity	25.90%	5.98%
International Developed Equity	10.00%	6.47%
Emerging Markets Equity	4.10%	8.10%
<b>Subtotal</b>	40.00%	
<b>Private Growth</b>		
Private Equity	12.50%	9.37%
Non-Core Real Estate	2.50%	4.92%
<b>Subtotal</b>	15.00%	
<b>INCOME</b>		
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%
<b>Subtotal</b>	12.00%	
<b>STABILITY</b>		
<b>Crisis Protection Class</b>		
Treasury Duration	5.00%	1.00%
Systematic Trend	5.00%	4.02%
<b>Subtotal</b>	10.00%	
<b>Inflation Protection</b>		
Core Real Estate	4.00%	4.92%
Private Infrastructure	4.00%	6.02%
<b>Subtotal</b>	8.00%	
<b>Volatility Protection</b>		
IG Corp. Credit	3.25%	2.60%
Securitized Credit	3.25%	2.60%
Absolute Return	6.50%	4.02%
Cash	2.00%	1.00%
<b>Subtotal</b>	15.00%	
<b>Total</b>	100.00%	

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

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**Discount Rate** - The discount rate used to measure the total pension liability of the plans was 7 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.

**General Employees Plan**  
**Changes in the Net Pension Liability (Asset)**

	<i>Increase (Decrease)</i>		
	<i>Total Pension Liability</i>	<i>Plan Fiduciary Net Position</i>	<i>Net Pension Liability (Asset)</i>
<b>Balances as of June 30, 2023</b>	\$17,428,411	\$19,675,821	\$(2,247,410)
Changes for the Year:			
Service cost	357,200	-	357,200
Interest on the total pension liability	1,193,455	-	1,193,455
Changes in benefits	175,426	-	175,426
Difference between expected and actual experience	322,509	-	322,509
Changes in assumptions	-	-	-
Employer contributions	-	191,077	(191,077)
Employee contributions	-	107,437	(107,437)
Net investment income	-	1,969,911	(1,969,911)
Benefit payments, including employee refunds	(1,115,298)	(1,115,298)	-
Administrative expense	-	(20,303)	20,303
Other changes	-	7,692	(7,692)
Net changes	933,292	1,140,516	(207,224)
<b>Balances as of June 30, 2024</b>	\$18,361,703	\$20,816,337	\$(2,454,634)

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**Police Officers Plan**  
**Changes in the Net Pension Liability**

	<i>Increase (Decrease)</i>		
	<i>Plan</i>		
	<i>Total Pension Liability</i>	<i>Fiduciary Net Position</i>	<i>Net Pension Liability</i>
<b>Balances as of June 30, 2023</b>	\$15,753,712	\$14,010,696	\$1,743,016
Changes for the Year:			
Service cost	430,776	-	430,776
Interest on the total pension liability	1,088,671	-	1,088,671
Changes in benefits	166,935	-	166,935
Difference between expected and actual experience	346,712	-	346,712
Changes in assumptions	-	-	-
Employer contributions	-	492,349	(492,349)
Employee contributions	-	237,057	(237,057)
Net investment income	-	1,452,200	(1,452,200)
Benefit payments, including employee refunds	(833,328)	(833,328)	-
Administrative expense	-	(14,967)	14,967
Other changes	-	1,165	(1,165)
Net changes	1,199,766	1,334,476	(134,710)
<b>Balances as of June 30, 2024</b>	\$16,953,478	\$15,345,172	\$1,608,306

**Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate** - The following presents the net pension liability (asset) of the employer calculated using the discount rate of 7 percent, as well as what the employer's 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.

<i>Plan</i>	<i>Current Discount</i>		
	<i>1% Decrease (6%)</i>	<i>Rate (7%)</i>	<i>1% Increase (8%)</i>
General Employees	\$(707,140)	\$(2,454,634)	\$(4,061,374)
Police Officers	\$3,202,466	\$1,608,306	\$141,401

**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 Town recognized pension expense as follows: general employees plan - \$3,380; and police officers plan - \$204,666. The employer reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	<i>General Employees Plan</i>	<i>Police Officers Plan</i>
<b><i>Deferred outflows of resources:</i></b>		
Contributions subsequent to the measurement date	\$208,774	\$494,667
Assumption changes	-	59,528
Difference between expected and actual experience	609,943	301,530
<b><i>Total</i></b>	<b>\$818,717</b>	<b>\$855,725</b>
 <b><i>Deferred inflows of resources:</i></b>		
Assumption changes	\$31,176	\$44,802
Difference between expected and actual experience	211,147	587,915
Net difference between projected and actual actual investment earnings	544,653	417,060
<b><i>Total</i></b>	<b>\$786,976</b>	<b>\$1,049,777</b>

The deferred outflows of resources related to pensions resulting from the Town 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:

<i>Year Ending June 30</i>	<i>Net Deferred Outflows/(Inflows) of Resources</i>	
	<i>General Employees Plan</i>	<i>Police Officers Plan</i>
2026	\$(340,896)	\$(395,316)
2027	334,833	40,761
2028	(69,263)	(209,639)
2029	(101,707)	(133,872)
2030	-	(20,273)
Thereafter	-	29,620

**Defined Contribution Plan**

***Plan Description***

Certain general 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 of the Employees' Retirement System as authorized by General Law Chapter 36-10.3. The defined

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contribution plan is established under IRS section 401(a) and is administered by TIAA-CREF. Employees may choose among various investment options available to plan participants.

Certain general 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 Internal Revenue Service guidelines for such plans.

The Town of North Smithfield recognized pension expense of \$50,337 for the fiscal year ended June 30, 2025.

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

**D. AGGREGATE PENSION AMOUNTS REPORTED IN THE FINANCIAL STATEMENTS**

	<i>Deferred Outflows of Resources - Pension Amounts</i>	<i>Deferred Inflows of Resources - Pension Amounts</i>	<i>Net Pension Asset</i>	<i>Net Pension Liability</i>	<i>Pension Expense</i>
Employees' Retirement System Plan	\$ 2,508,126	\$ 2,529,969	\$ -	\$ 15,920,540	\$ 3,845,835
Teachers' Survivor Benefits Plan	395,294	911,183	5,529,023	-	(591,576)
General Employees Plan	818,717	786,976	2,454,634	-	3,380
Police Officers Plan	855,725	1,049,777	-	1,608,306	204,666
<b>Total</b>	<b>\$ 4,577,862</b>	<b>\$ 5,277,905</b>	<b>\$ 7,983,657</b>	<b>\$ 17,528,846</b>	<b>\$ 3,462,305</b>

**NOTE 17 – TAX ABATEMENTS**

**Renewable Energy Systems** - The Town established in 2014 by ordinance a tax stabilization program for qualifying property that is used for renewable energy systems pursuant to Section 44-3-21 of Rhode Island General Laws. The purpose of the program is to encourage the development of cost-effective, domestically produced renewable energy.

The Town Council has the authority to exempt from payment of personal property taxes, in whole or in part, or to stabilize the amount of personal property taxes on property that will be used exclusively for the production of renewable energy for sale beyond the property. The Town shall

**TOWN OF NORTH SMITHFIELD, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

enter into a contractual agreement approved by the Town Council. The Town had four taxpayers participating in the tax stabilization program established under the 2014 ordinance and the total tangible property abatement granted to these taxpayers in fiscal year 2025 was \$279,275.

As the result of a change in the Rhode Island General Laws, which changes how cities and towns tax “renewable energy resources and associated equipment” the Town amended in October 2017 the ordinance establishing the tax stabilization program described above. The four taxpayers that had an agreement with the Town under the prior ordinance were not affected by the change and will continue to pay taxes under the existing stabilization agreements.

The Town has entered into tax stabilization agreements related to renewable energy projects with three taxpayers in accordance with Rhode Island General Laws and as approved by the Town Council under the revised ordinance. The tax payments due are based on a dollar amount per kilowatt alternating current (kW AC). The total tangible property abatement granted to these taxpayers under the revised ordinance in fiscal year 2025 was \$1,785,520.

***Commercial Expansion and New Development*** – The Town established in 2017 by ordinance a tax stabilization program to encourage and facilitate the expansion of the Town’s real property tax base through the expansion, re-development, and rehabilitation of existing commercial property. The program does not apply to retail, residential or mixed-use property. The Town Council may authorize, for a period not to exceed 10 years, to exempt from payment in whole or in part real and/or personal property used for manufacturing or commercial purposes or to determine a stabilized amount of taxes to be paid on such property, notwithstanding the valuation or the rate of tax. Applications shall be filed with the Town Administrator. The Town Council shall conduct a public hearing and after the public hearing make a determination to grant or deny the tax exemption or stabilization. The granting of the exemption or stabilization will inure to the benefit of the Town by reason of:

- a) The willingness of the manufacturing or commercial firm or concern to locate in Town;
- b) The willingness of the manufacturing or commercial firm or concern to expand facilities with an increase in employment; or
- c) The willingness of the manufacturing or commercial firm or concern to replace, reconstruct, expand, or remodel existing buildings, facilities, fixtures, machinery or equipment with modern buildings, facilities, fixtures, machinery or equipment resulting in an increase in plant or commercial building investment by the firm or concern in the Town.

The Town has two taxpayers participating in the tax stabilization program. A ten-year tax stabilization agreement for real property was granted on August 16, 2021 and became effective with the fiscal year 2023 tax bill. The real property abatement granted in fiscal year 2025 was \$2,923. A ten-year tax stabilization agreement for tangible property was granted on June 3, 2024 and will become effective with the fiscal year 2026 tax bill.

**TOWN OF NORTH SMITHFIELD, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 18 – CORRECTION OF AN ERROR AND RESTATEMENT TO PREVIOUSLY ISSUED FINANCIAL STATEMENTS**

During fiscal year 2025, the Town determined that revenues and expenses/expenditures were recorded to a liability account in the Governmental Activities and General Fund in error in prior years. Therefore, accounts payable and accrued liabilities in the Governmental Activities and other liabilities in the General Fund were overstated \$7,286 for the fiscal year ended June 30, 2024.

During fiscal year 2025, the Town determined that prepaid expenses and expenses related to prepaid subscription-based information technology arrangements were overstated in the Governmental Activities in error in prior years. Therefore, prepaid expenses were overstated \$142,149 and education expenses were overstated \$3,888 in the Governmental Activities for the fiscal year ended June 30, 2024.

During fiscal year 2025, the Town implemented GASB Statement No.101, *Compensated Absences*. In addition to the value of unused vacation, sick leave and comp time owed to employees upon separation of employment, the Town now recognizes an estimated amount of sick leave and personal time earned as of year-end that will be used by employees as time off in future years as part of the liability for compensated absences. The effects of the change in accounting principle are summarized below in the restatement – implementation of GASB 101 line.

**Adjustments to and Restatements of Beginning Balances**

The error correction and changes in accounting principle resulted in adjustments to and restatements of beginning net position/fund balances, as follows:

Reporting Units Affected by Adjustments to and Restatements of Beginning Balances:

	<i>Government-Wide</i>	<i>Major Fund</i>
	<i>Governmental</i>	<i>General</i>
	<u><i>Activities</i></u>	<u><i>Fund</i></u>
<i>Net position/fund balances, June 30, 2024, as previously reported</i>	\$ 40,357,289	\$ 11,566,939
Error correction	7,286	7,286
Error correction	(142,149)	-
Restatement - implementation of GASB 101	(4,230,041)	-
<i>Net position/fund balances, June 30, 2024, as restated</i>	\$ 35,992,385	\$ 11,574,225

## **REQUIRED SUPPLEMENTARY INFORMATION**

**Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:**

**Schedule of Changes in the Net OPEB Liability and Related Ratios – OPEB Plans**

**Schedule of Town Contributions – OPEB Plans**

**Schedule of Investment Returns – OPEB Plans**

**Schedule of Town’s Proportionate Share of the Net Pension Liability – Pension Plans**

**Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios – Pension Plans**

**Schedule of Town Contributions – Pension Plans**

**Budgetary Comparison Schedules - General Fund & School Unrestricted Fund**

**In addition, the notes to the required supplementary information are included to provide information that is essential to a user's understanding of the required supplementary information.**

**TOWN OF NORTH SMITHFIELD, RHODE ISLAND**  
*Required Supplementary Information*  
**Town Other Post Employment Benefit (OPEB) Plan**  
*Schedule of Changes in the Net OPEB Liability and Related Ratios (1)*  
*"Unaudited"*

<i>Fiscal Year</i>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB liability:</b>								
Service cost	\$ 353,973	\$ 327,371	\$ 314,311	\$ 342,200	\$ 295,920	\$ 247,948	\$ 209,996	\$ 213,275
Interest	338,610	314,953	306,571	140,093	158,362	167,014	157,289	162,163
Changes of benefit terms	-	-	-	-	-	-	-	-
Differences between expected and actual experience	(57,050)	(155,265)	67,047	2,376,297	93,360	(117,148)	583,511	(226,133)
Changes of assumptions	(448,921)	(147,716)	(30,706)	(1,305,078)	372,408	91,788	126,198	-
Benefits payments	(559,769)	(546,215)	(507,551)	(460,741)	(433,725)	(410,934)	(327,084)	(298,581)
<b>Net change in total OPEB liability</b>	<u>(373,157)</u>	<u>(206,872)</u>	<u>149,672</u>	<u>1,092,771</u>	<u>486,325</u>	<u>(21,332)</u>	<u>749,910</u>	<u>(149,276)</u>
<b>Total OPEB liability - beginning</b>	<u>7,692,210</u>	<u>7,899,082</u>	<u>7,749,410</u>	<u>6,656,639</u>	<u>6,170,314</u>	<u>6,191,646</u>	<u>5,441,736</u>	<u>5,591,012</u>
<b>Total OPEB liability - ending (a)</b>	<u>\$ 7,319,053</u>	<u>\$ 7,692,210</u>	<u>\$ 7,899,082</u>	<u>\$ 7,749,410</u>	<u>\$ 6,656,639</u>	<u>\$ 6,170,314</u>	<u>\$ 6,191,646</u>	<u>\$ 5,441,736</u>
<b>Plan fiduciary net position:</b>								
Contributions - employer	\$ 884,769	\$ 821,215	\$ 762,434	\$ 737,422	\$ 724,385	\$ 660,934	\$ 527,084	\$ 804,219
Net investment income	339,090	245,618	142,523	(256,875)	267,617	54,559	42,550	3,403
Benefits payments	(559,769)	(546,215)	(507,551)	(460,741)	(433,725)	(410,934)	(327,084)	(298,581)
Administrative expense	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
<b>Net change in plan fiduciary net position</b>	<u>664,090</u>	<u>520,618</u>	<u>397,406</u>	<u>19,806</u>	<u>558,277</u>	<u>304,559</u>	<u>242,550</u>	<u>509,041</u>
<b>Plan fiduciary net position - beginning</b>	<u>2,552,257</u>	<u>2,031,639</u>	<u>1,634,233</u>	<u>1,614,427</u>	<u>1,056,150</u>	<u>751,591</u>	<u>509,041</u>	<u>-</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 3,216,347</u>	<u>\$ 2,552,257</u>	<u>\$ 2,031,639</u>	<u>\$ 1,634,233</u>	<u>\$ 1,614,427</u>	<u>\$ 1,056,150</u>	<u>\$ 751,591</u>	<u>\$ 509,041</u>
<b>Town's net OPEB liability - ending (a) - (b)</b>	<u>\$ 4,102,706</u>	<u>\$ 5,139,953</u>	<u>\$ 5,867,443</u>	<u>\$ 6,115,177</u>	<u>\$ 5,042,212</u>	<u>\$ 5,114,164</u>	<u>\$ 5,440,055</u>	<u>\$ 4,932,695</u>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	43.94%	33.18%	25.72%	21.09%	24.25%	17.12%	12.14%	9.35%
<b>Covered employee payroll</b>	\$ 5,986,566	\$ 5,562,413	\$ 4,308,337	\$ 4,786,456	\$ 4,425,000	\$ 4,422,886	\$ 4,280,154	\$ 4,162,840
<b>Net OPEB liability as a percentage of covered employee payroll</b>	68.53%	92.41%	136.19%	127.76%	113.95%	115.63%	127.10%	118.49%

(1) This schedule is intended to show 10 years - additional information will be presented as it becomes available.

*The notes to the required supplementary information are an integral part of this schedule.*

**TOWN OF NORTH SMITHFIELD, RHODE ISLAND**  
*Required Supplementary Information*  
**School Other Post Employment Benefit (OPEB) Plan**  
*Schedule of Changes in the Total OPEB Liability and Related Ratios (1) (2)*  
**"Unaudited"**

<i>Fiscal Year</i>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB liability:</b>								
Service cost	\$ 264,018	\$ 268,551	\$ 268,539	\$ 254,874	\$ 221,638	\$ 265,018	\$ 224,452	\$ 229,225
Interest	163,706	160,606	150,912	116,928	121,679	134,182	116,904	104,115
Changes of benefit terms	-	-	-	-	-	-	-	-
Differences between expected and actual experience	(153,590)	(533,281)	(137,345)	(1,337,604)	88,142	(688,126)	408,211	133,387
Changes of assumptions	(200,310)	(83,998)	(14,050)	(632,451)	430,860	106,899	178,652	-
Benefits payments	(80,995)	(71,306)	(66,840)	(84,425)	(61,732)	(44,179)	(39,359)	(35,769)
<b>Net change in total OPEB liability</b>	<u>(7,171)</u>	<u>(259,428)</u>	<u>201,216</u>	<u>(1,682,678)</u>	<u>800,587</u>	<u>(226,206)</u>	<u>888,860</u>	<u>430,958</u>
<b>Total OPEB liability - beginning</b>	<u>3,664,980</u>	<u>3,924,408</u>	<u>3,723,192</u>	<u>5,405,870</u>	<u>4,605,283</u>	<u>4,831,489</u>	<u>3,942,629</u>	<u>3,511,671</u>
<b>Total OPEB liability - ending</b>	<u>\$ 3,657,809</u>	<u>\$ 3,664,980</u>	<u>\$ 3,924,408</u>	<u>\$ 3,723,192</u>	<u>\$ 5,405,870</u>	<u>\$ 4,605,283</u>	<u>\$ 4,831,489</u>	<u>\$ 3,942,629</u>
 <b>Covered employee payroll</b>	 \$ 17,795,778	 \$ 17,336,939	 \$ 17,039,815	 \$ 16,738,951	 \$ 15,966,567	 \$ 15,640,624	 \$ 15,808,069	 \$ 15,595,383
 <b>Total OPEB liability as a percentage of covered employee payroll</b>	 20.55%	 21.14%	 23.03%	 22.24%	 33.86%	 29.44%	 30.56%	 25.28%

(1) This schedule is intended to show 10 years - additional information will be presented as it becomes available.

(2) No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

*The notes to the required supplementary information are an integral part of this schedule.*

**TOWN OF NORTH SMITHFIELD, RHODE ISLAND**  
**Required Supplementary Information - Other Post Employment Benefit (OPEB) Plans**  
**Schedule of Contributions (1)**  
**"Unaudited"**

<i>Fiscal Year</i>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b><u>Town OPEB Plan</u></b>								
Actuarially determined contribution	\$ 759,766	\$ 764,092	\$ 889,080	\$ 756,403	\$ 697,734	\$ 656,087	\$ 540,938	\$ 588,384
Contributions in relation to the actuarially determined contribution	884,769	821,215	762,434	737,422	724,385	660,934	527,084	804,219
<b>Contribution deficiency (excess)</b>	<b><u>\$ (125,003)</u></b>	<b><u>\$ (57,123)</u></b>	<b><u>\$ 126,646</u></b>	<b><u>\$ 18,981</u></b>	<b><u>\$ (26,651)</u></b>	<b><u>\$ (4,847)</u></b>	<b><u>\$ 13,854</u></b>	<b><u>\$ (215,835)</u></b>
Covered employee payroll	\$ 5,986,566	\$ 5,562,413	\$ 4,308,337	\$ 4,786,456	\$ 4,425,000	\$ 4,422,886	\$ 4,280,154	\$ 4,162,840
Contributions as a percentage of covered employee payroll	14.78%	14.76%	17.70%	15.41%	16.37%	14.94%	12.31%	19.32%
<b><u>School OPEB Plan</u></b>								
Actuarially determined contribution	\$ 549,848	\$ 560,649	\$ 544,686	\$ 591,249	\$ 521,537	\$ 583,498	\$ 488,969	\$ 464,828
Contributions in relation to the actuarially determined contribution	80,995	71,306	66,840	84,425	61,732	44,179	39,359	35,769
<b>Contribution deficiency (excess)</b>	<b><u>\$ 468,853</u></b>	<b><u>\$ 489,343</u></b>	<b><u>\$ 477,846</u></b>	<b><u>\$ 506,824</u></b>	<b><u>\$ 459,805</u></b>	<b><u>\$ 539,319</u></b>	<b><u>\$ 449,610</u></b>	<b><u>\$ 429,059</u></b>
Covered employee payroll	\$ 17,795,778	\$ 17,336,939	\$ 17,039,815	\$ 16,738,951	\$ 15,966,567	\$ 15,640,624	\$ 15,808,069	\$ 15,595,383
Contributions as a percentage of covered employee payroll	0.46%	0.41%	0.39%	0.50%	0.39%	0.28%	0.25%	0.23%

(1) This schedule is intended to show 10 years - additional information will be presented as it becomes available.

*The notes to the required supplementary information are an integral part of this schedule.*

**TOWN OF NORTH SMITHFIELD, RHODE ISLAND**  
**Required Supplementary Information - Town Other Post Employment Benefit (OPEB) Plan**  
**Schedule of Investment Returns (1)**  
**"Unaudited"**

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<i>Fiscal Year</i>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b><u>Town OPEB Plan</u></b>								
Annual money-weighted rate of return, net of investment expense	12.26%	11.83%	8.49%	-14.07%	23.62%	5.63%	6.47%	1.43%

(1) This schedule is intended to show 10 years - additional information will be presented as it becomes available.

*The notes to the required supplementary information are an integral part of this schedule.*

**TOWN OF NORTH SMITHFIELD, RHODE ISLAND**  
**Required Supplementary Information**  
**Employees' Retirement System Pension Plan**  
**Schedule of the Town's Proportionate Share of the Net Pension Liability**  
**"Unaudited"**

<i>Fiscal Year</i>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Town's proportion of the net pension liability	0.66789563%	0.67810881%	0.69463981%	0.67959791%	0.68631146%
Town's proportionate share of the net pension liability	\$ 15,920,540	\$ 16,456,596	\$ 18,760,269	\$ 15,993,645	\$ 21,927,691
State's proportionate share of the net pension liability associated with the Town	<u>11,458,079</u>	<u>11,926,810</u>	<u>13,874,537</u>	<u>11,860,721</u>	<u>16,292,812</u>
Total	<u>\$ 27,378,619</u>	<u>\$ 28,383,406</u>	<u>\$ 32,634,806</u>	<u>\$ 27,854,366</u>	<u>\$ 38,220,503</u>
Town's covered payroll	\$ 13,953,437	\$ 13,683,258	\$ 13,523,008	\$ 12,928,085	\$ 12,927,974
Town's proportionate share of the net pension liability as a percentage of its covered payroll	114.10%	120.27%	138.73%	123.71%	169.61%
Plan fiduciary net position as a percentage of the total pension liability	67.70%	65.80%	62.10%	66.50%	54.30%
 <i>Fiscal Year</i>	 <u>2020</u>	 <u>2019</u>	 <u>2018</u>	 <u>2017</u>	 <u>2016</u>
Town's proportion of the net pension liability	0.69785462%	0.70081983%	0.64346444%	0.69273594%	0.68486334%
Town's proportionate share of the net pension liability	\$ 22,266,927	\$ 22,266,785	\$ 20,295,425	\$ 20,668,314	\$ 18,854,306
State's proportionate share of the net pension liability associated with the Town	<u>16,680,234</u>	<u>16,609,422</u>	<u>15,338,465</u>	<u>14,154,760</u>	<u>12,880,670</u>
Total	<u>\$ 38,947,161</u>	<u>\$ 38,876,207</u>	<u>\$ 35,633,890</u>	<u>\$ 34,823,074</u>	<u>\$ 31,734,976</u>
Town's covered payroll	\$ 12,952,332	\$ 12,649,393	\$ 12,065,776	\$ 11,951,207	\$ 11,674,039
Town's proportionate share of the net pension liability as a percentage of its covered payroll	171.91%	176.03%	168.21%	172.94%	161.51%
Plan fiduciary net position as a percentage of the total pension liability	54.60%	54.30%	54.00%	54.06%	57.55%

*The notes to the required supplementary information are an integral part of this schedule.*

**TOWN OF NORTH SMITHFIELD, RHODE ISLAND**  
**Required Supplementary Information**  
**Teachers' Survivor Benefit Pension Plan**  
**Schedule of the Town's Proportionate Share of the Net Pension Asset**  
**"Unaudited"**

<i>Fiscal Year</i>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Town's proportion of the net pension asset	2.50108845%	2.54210829%	2.51157758%	2.53058541%	2.52423504%
Town's proportionate share of the net pension asset	\$ 5,529,023	\$ 5,111,075	\$ 4,413,572	\$ 4,952,184	\$ 2,997,871
Town's covered payroll	\$ 13,664,890	\$ 13,510,980	\$ 13,235,463	\$ 12,714,299	\$ 12,721,083
Town's proportionate share of the net pension asset as a percentage of its covered payroll	40.46%	37.83%	33.35%	38.95%	23.57%
Plan fiduciary net position as a percentage of the total pension liability	193.80%	190.20%	177.70%	185.70%	153.10%
<i>Fiscal Year</i>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Town's proportion of the net pension asset	2.62114869%	2.63602381%	2.53880669%	2.67548651%	2.71030550%
Town's proportionate share of the net pension asset	\$ 2,973,584	\$ 2,352,105	\$ 2,100,264	\$ 2,664,032	\$ 2,530,222
Town's covered payroll	\$ 12,763,683	\$ 12,527,696	\$ 12,065,776	\$ 11,951,207	\$ 11,674,039
Town's proportionate share of the net pension asset as a percentage of its covered payroll	23.30%	18.78%	17.41%	22.29%	21.67%
Plan fiduciary net position as a percentage of the total pension liability	150.20%	137.40%	136.10%	137.00%	146.60%

*The notes to the required supplementary information are an integral part of this schedule.*

**TOWN OF NORTH SMITHFIELD, RHODE ISLAND**  
**Required Supplementary Information**  
**General Employees Pension Plan**  
**Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios**  
**"Unaudited"**

<i>Fiscal Year</i>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b>Total pension liability:</b>					
Service cost	\$ 357,200	\$ 349,294	\$ 352,868	\$ 352,880	\$ 360,493
Interest	1,193,455	1,124,000	1,130,556	1,113,646	1,089,112
Changes of benefit terms	175,426	-	-	-	-
Differences between expected and actual experience	322,509	684,644	(530,014)	(239,220)	142,605
Changes of assumptions	-	(58,896)	-	-	(237,995)
Benefits payments, including refunds of member contributions	(1,115,298)	(1,106,247)	(984,333)	(987,100)	(1,012,744)
<b>Net change in total pension liability</b>	<u>933,292</u>	<u>992,795</u>	<u>(30,923)</u>	<u>240,206</u>	<u>341,471</u>
<b>Total pension liability - beginning</b>	<u>17,428,411</u>	<u>16,435,616</u>	<u>16,466,539</u>	<u>16,226,333</u>	<u>15,884,862</u>
<b>Total pension liability - ending (a)</b>	<u>\$ 18,361,703</u>	<u>\$ 17,428,411</u>	<u>\$ 16,435,616</u>	<u>\$ 16,466,539</u>	<u>\$ 16,226,333</u>
<b>Plan fiduciary net position:</b>					
Contributions - employer	\$ 191,077	\$ 275,434	\$ 259,718	\$ 228,401	\$ 205,452
Contributions - employee	107,437	104,927	95,858	97,357	98,769
Net investment income	1,969,911	1,560,954	(515,086)	4,164,880	570,995
Benefits payments, including refunds of member contributions	(1,115,298)	(1,106,247)	(984,333)	(987,100)	(1,012,744)
Administrative expense	(20,303)	(16,801)	(17,559)	(15,869)	(15,732)
Other	7,692	462,344	300,266	128,359	(425)
<b>Net change in plan fiduciary net position</b>	<u>1,140,516</u>	<u>1,280,611</u>	<u>(861,136)</u>	<u>3,616,028</u>	<u>(153,685)</u>
<b>Plan fiduciary net position - beginning</b>	<u>19,675,821</u>	<u>18,395,210</u>	<u>19,256,346</u>	<u>15,640,318</u>	<u>15,794,003</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 20,816,337</u>	<u>\$ 19,675,821</u>	<u>\$ 18,395,210</u>	<u>\$ 19,256,346</u>	<u>\$ 15,640,318</u>
<b>Town's net pension liability (asset) - ending (a) - (b)</b>	<u>\$ (2,454,634)</u>	<u>\$ (2,247,410)</u>	<u>\$ (1,959,594)</u>	<u>\$ (2,789,807)</u>	<u>\$ 586,015</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	113.37%	112.90%	111.92%	116.94%	96.39%
<b>Covered payroll</b>	\$ 4,827,033	\$ 4,512,844	\$ 4,378,017	\$ 4,272,152	\$ 4,236,110
<b>Net pension liability (asset) as a percentage of covered payroll</b>	-50.85%	-49.80%	-44.76%	-65.30%	13.83%

(Continued)

The notes to the required supplementary information are an integral part of this schedule.

**TOWN OF NORTH SMITHFIELD, RHODE ISLAND**  
**Required Supplementary Information (Continued)**  
**General Employees Pension Plan**  
**Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios**  
**"Unaudited"**

<i>Fiscal Year</i>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>Total pension liability:</b>					
Service cost	\$ 370,138	\$ 361,872	\$ 338,709	\$ 320,223	\$ 313,382
Interest	1,052,631	1,040,601	976,100	965,788	940,220
Changes of benefit terms	-	-	-	-	248,558
Differences between expected and actual experience	65,207	(327,828)	749,911	(211,249)	(287,684)
Changes of assumptions	-	-	711,147	-	-
Benefits payments, including refunds of member contributions	(911,268)	(902,565)	(970,223)	(922,792)	(831,170)
<b>Net change in total pension liability</b>	<u>576,708</u>	<u>172,080</u>	<u>1,805,644</u>	<u>151,970</u>	<u>383,306</u>
<b>Total pension liability - beginning</b>	<u>15,308,154</u>	<u>15,136,074</u>	<u>13,330,430</u>	<u>13,178,460</u>	<u>12,795,154</u>
<b>Total pension liability - ending (a)</b>	<u>\$ 15,884,862</u>	<u>\$ 15,308,154</u>	<u>\$ 15,136,074</u>	<u>\$ 13,330,430</u>	<u>\$ 13,178,460</u>
<b>Plan fiduciary net position:</b>					
Contributions - employer	\$ 236,973	\$ 186,431	\$ 232,064	\$ 228,318	\$ 202,160
Contributions - employee	107,390	104,875	99,685	93,355	65,426
Net investment income	977,938	1,152,455	1,575,569	(4,755)	325,291
Benefits payments, including refunds of member contributions	(911,268)	(902,565)	(970,223)	(922,792)	(831,170)
Administrative expense	(15,283)	(15,342)	(14,885)	(12,792)	(13,127)
Other	(3,123)	39,176	214,436	437,862	13,836
<b>Net change in plan fiduciary net position</b>	<u>392,627</u>	<u>565,030</u>	<u>1,136,646</u>	<u>(180,804)</u>	<u>(237,584)</u>
<b>Plan fiduciary net position - beginning</b>	<u>15,401,376</u>	<u>14,836,346</u>	<u>13,699,700</u>	<u>13,880,504</u>	<u>14,118,088</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 15,794,003</u>	<u>\$ 15,401,376</u>	<u>\$ 14,836,346</u>	<u>\$ 13,699,700</u>	<u>\$ 13,880,504</u>
<b>Town's net pension liability (asset) - ending (a) - (b)</b>	<u>\$ 90,859</u>	<u>\$ (93,222)</u>	<u>\$ 299,728</u>	<u>\$ (369,270)</u>	<u>\$ (702,044)</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	99.43%	100.61%	98.02%	102.77%	105.33%
<b>Covered payroll</b>	\$ 4,254,460	\$ 4,070,547	\$ 3,735,007	\$ 3,530,574	\$ 3,271,216
<b>Net pension liability (asset) as a percentage of covered payroll</b>	2.14%	-2.29%	8.02%	-10.46%	-21.46%

*The notes to the required supplementary information are an integral part of this schedule.*

**TOWN OF NORTH SMITHFIELD, RHODE ISLAND**  
**Required Supplementary Information**  
**Police Officers Pension Plan**  
**Schedule of Changes in the Net Pension Liability and Related Ratios**  
**"Unaudited"**

<i>Fiscal Year</i>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b>Total pension liability:</b>					
Service cost	\$ 430,776	\$ 425,573	\$ 392,340	\$ 381,320	\$ 385,575
Interest	1,088,671	1,064,615	1,032,498	997,729	978,166
Changes of benefit terms	166,935	-	-	-	-
Differences between expected and actual experience	346,712	(272,275)	(195,738)	(114,290)	(393,248)
Changes of assumptions	-	(59,858)	-	-	79,421
Benefits payments, including refunds of member contributions	(833,328)	(800,678)	(773,120)	(774,035)	(762,604)
<b>Net change in total pension liability</b>	<u>1,199,766</u>	<u>357,377</u>	<u>455,980</u>	<u>490,724</u>	<u>287,310</u>
<b>Total pension liability - beginning</b>	<u>15,753,712</u>	<u>15,396,335</u>	<u>14,940,355</u>	<u>14,449,631</u>	<u>14,162,321</u>
<b>Total pension liability - ending (a)</b>	<u>\$ 16,953,478</u>	<u>\$ 15,753,712</u>	<u>\$ 15,396,335</u>	<u>\$ 14,940,355</u>	<u>\$ 14,449,631</u>
<b>Plan fiduciary net position:</b>					
Contributions - employer	\$ 492,349	\$ 514,989	\$ 487,870	\$ 498,153	\$ 457,315
Contributions - employee	237,057	228,088	208,581	201,437	193,369
Net investment income	1,452,200	1,111,527	(363,130)	2,902,689	387,108
Benefits payments, including refunds of member contributions	(833,328)	(800,678)	(773,120)	(774,035)	(762,604)
Administrative expense	(14,967)	(11,964)	(12,379)	(11,060)	(10,666)
Other	1,165	314	-	11	-
<b>Net change in plan fiduciary net position</b>	<u>1,334,476</u>	<u>1,042,276</u>	<u>(452,178)</u>	<u>2,817,195</u>	<u>264,522</u>
<b>Plan fiduciary net position - beginning</b>	<u>14,010,696</u>	<u>12,968,420</u>	<u>13,420,598</u>	<u>10,603,403</u>	<u>10,338,881</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 15,345,172</u>	<u>\$ 14,010,696</u>	<u>\$ 12,968,420</u>	<u>\$ 13,420,598</u>	<u>\$ 10,603,403</u>
<b>Town's net pension liability - ending (a) - (b)</b>	<u>\$ 1,608,306</u>	<u>\$ 1,743,016</u>	<u>\$ 2,427,915</u>	<u>\$ 1,519,757</u>	<u>\$ 3,846,228</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	90.51%	88.94%	84.23%	89.83%	73.38%
<b>Covered payroll</b>	\$ 2,306,083	\$ 2,263,688	\$ 2,085,804	\$ 2,014,369	\$ 1,933,678
<b>Net pension liability as a percentage of covered payroll</b>	69.74%	77.00%	116.40%	75.45%	198.91%

(Continued)

The notes to the required supplementary information are an integral part of this schedule.

**TOWN OF NORTH SMITHFIELD, RHODE ISLAND**  
**Required Supplementary Information (Continued)**  
**Police Officers Pension Plan**  
**Schedule of Changes in the Net Pension Liability and Related Ratios**  
**"Unaudited"**

<i>Fiscal Year</i>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>Total pension liability:</b>					
Service cost	\$ 361,594	\$ 329,221	\$ 304,609	\$ 293,881	\$ 257,868
Interest	951,218	926,217	909,400	878,066	808,451
Changes of benefit terms	-	-	-	-	451,265
Differences between expected and actual experience	(182,868)	(125,562)	(71,474)	(111,065)	9,656
Changes of assumptions	-	-	697,862	-	-
Benefits payments, including refunds of member contributions	(751,310)	(826,486)	(666,252)	(630,681)	(603,406)
<b>Net change in total pension liability</b>	<u>378,634</u>	<u>303,390</u>	<u>1,174,145</u>	<u>430,201</u>	<u>923,834</u>
<b>Total pension liability - beginning</b>	<u>13,783,687</u>	<u>13,480,297</u>	<u>12,306,152</u>	<u>11,875,951</u>	<u>10,952,117</u>
<b>Total pension liability - ending (a)</b>	<u>\$ 14,162,321</u>	<u>\$ 13,783,687</u>	<u>\$ 13,480,297</u>	<u>\$ 12,306,152</u>	<u>\$ 11,875,951</u>
<b>Plan fiduciary net position:</b>					
Contributions - employer	\$ 380,133	\$ 331,340	\$ 343,389	\$ 356,690	\$ 312,414
Contributions - employee	179,988	162,981	164,628	163,316	126,484
Net investment income	640,166	743,448	1,012,481	(3,040)	208,093
Benefits payments, including refunds of member contributions	(751,310)	(826,486)	(666,252)	(630,681)	(603,406)
Administrative expense	(10,004)	(9,897)	(9,566)	(8,177)	(8,485)
Other	(35,507)	(1)	(68,281)	(1)	1
<b>Net change in plan fiduciary net position</b>	<u>403,466</u>	<u>401,385</u>	<u>776,399</u>	<u>(121,893)</u>	<u>35,101</u>
<b>Plan fiduciary net position - beginning</b>	<u>9,935,415</u>	<u>9,534,030</u>	<u>8,757,631</u>	<u>8,879,524</u>	<u>8,844,423</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 10,338,881</u>	<u>\$ 9,935,415</u>	<u>\$ 9,534,030</u>	<u>\$ 8,757,631</u>	<u>\$ 8,879,524</u>
<b>Town's net pension liability - ending (a) - (b)</b>	<u>\$ 3,823,440</u>	<u>\$ 3,848,272</u>	<u>\$ 3,946,267</u>	<u>\$ 3,548,521</u>	<u>\$ 2,996,427</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	73.00%	72.08%	70.73%	71.16%	74.77%
<b>Covered payroll</b>	\$ 1,799,871	\$ 1,629,806	\$ 1,657,283	\$ 1,635,400	\$ 1,581,045
<b>Net pension liability as a percentage of covered payroll</b>	212.43%	236.12%	238.12%	216.98%	189.52%

*The notes to the required supplementary information are an integral part of this schedule.*

**TOWN OF NORTH SMITHFIELD, RHODE ISLAND**  
**Required Supplementary Information - Pension Plans**  
**Schedule of Contributions**  
**"Unaudited"**

<i>Fiscal Year</i>	<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>
<b><u>Employees' Retirement System Plan</u></b>										
Actuarially determined contribution	\$ 2,254,162	\$ 2,114,175	\$ 2,110,520	\$ 2,031,681	\$ 1,897,166	\$ 1,841,002	\$ 1,757,474	\$ 1,685,417	\$ 1,515,153	\$ 1,575,318
Contributions in relation to the actuarially determined contribution	2,254,162	2,114,175	2,110,520	2,031,681	1,897,166	1,841,002	1,757,474	1,685,417	1,515,153	1,575,318
<b>Contribution deficiency (excess)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 14,389,822	\$ 13,953,437	\$ 13,683,258	\$ 13,523,008	\$ 12,928,085	\$ 12,927,974	\$ 12,952,332	\$ 12,649,393	\$ 12,065,776	\$ 11,951,207
Contributions as a percentage of covered payroll	15.66%	15.15%	15.42%	15.02%	14.67%	14.24%	13.57%	13.32%	12.56%	13.18%
<b><u>Teachers' Survivor Benefit Plan</u></b>										
Statutorily determined contribution	\$ 19,516	\$ 18,975	\$ 19,474	\$ 18,975	\$ 18,630	\$ 18,825	\$ 19,550	\$ 19,613	\$ 14,976	\$ 17,184
Contributions in relation to the statutorily determined contribution	19,516	18,975	19,474	18,975	18,630	18,825	19,550	19,613	14,976	17,184
<b>Contribution deficiency (excess)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 14,105,563	\$ 13,664,890	\$ 13,510,980	\$ 13,235,463	\$ 12,714,299	\$ 12,721,083	\$ 12,763,683	\$ 12,527,696	\$ 12,065,776	\$ 11,951,207
Contributions as a percentage of covered payroll	0.14%	0.14%	0.14%	0.14%	0.15%	0.15%	0.15%	0.16%	0.12%	0.14%

*(Continued)*

*The notes to the required supplementary information are an integral part of this schedule.*

**TOWN OF NORTH SMITHFIELD, RHODE ISLAND**  
**Required Supplementary Information - Pension Plans (Continued)**  
**Schedule of Contributions**  
**"Unaudited"**

<i>Fiscal Year</i>	<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>
<b><u>General Employees Plan</u></b>										
Actuarially determined contribution	\$ 208,774	\$ 191,077	\$ 275,434	\$ 259,718	\$ 228,401	\$ 205,452	\$ 236,973	\$ 186,431	\$ 232,064	\$ 228,318
Contributions in relation to the actuarially determined contribution	208,774	191,077	275,434	259,718	228,401	205,452	236,973	186,431	232,064	228,318
<b>Contribution deficiency (excess)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 5,055,071	\$ 4,827,033	\$ 4,512,844	\$ 4,378,017	\$ 4,272,152	\$ 4,236,110	\$ 4,254,460	\$ 4,070,547	\$ 3,735,007	\$ 3,530,574
Contributions as a percentage of covered payroll	4.13%	3.96%	6.10%	5.93%	5.35%	4.85%	5.57%	4.58%	6.21%	6.47%
<b><u>Police Officers Plan</u></b>										
Actuarially determined contribution	\$ 494,667	\$ 492,349	\$ 514,989	\$ 487,870	\$ 498,153	\$ 457,315	\$ 380,133	\$ 331,340	\$ 343,389	\$ 356,690
Contributions in relation to the actuarially determined contribution	494,667	492,349	514,989	487,870	498,153	457,315	380,133	331,340	343,389	356,690
<b>Contribution deficiency (excess)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 2,393,165	\$ 2,306,183	\$ 2,263,688	\$ 2,085,804	\$ 2,014,369	\$ 1,933,678	\$ 1,799,871	\$ 1,629,806	\$ 1,657,283	\$ 1,635,400
Contributions as a percentage of covered payroll	20.67%	21.35%	22.75%	23.39%	24.73%	23.65%	21.12%	20.33%	20.72%	21.81%

*The notes to the required supplementary information are an integral part of this schedule.*

**TOWN OF NORTH SMITHFIELD, RHODE ISLAND**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual*  
**General Fund**  
*For the Fiscal Year Ended June 30, 2025*

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Property taxes	\$ 35,987,134	\$ 35,987,134	\$ 36,560,366	\$ 573,232
Motor vehicle excise in lieu of tax	4,398,531	4,398,531	4,389,559	(8,972)
Intergovernmental and grant revenue	2,678,023	2,678,023	3,007,761	329,738
Town clerk licenses and fees	275,251	275,251	396,696	121,445
Other departmental fines and fees	301,200	301,200	393,608	92,408
Investment and interest income	500,000	500,000	658,228	158,228
Other revenues	370,000	370,000	789,818	419,818
<b>Total revenues</b>	<u>44,510,139</u>	<u>44,510,139</u>	<u>46,196,036</u>	<u>1,685,897</u>
<b>Expenditures</b>				
<b>General Government:</b>				
Town council	90,255	90,255	91,423	(1,168)
Probate court	9,346	9,346	7,975	1,371
Legal	157,400	157,400	205,204	(47,804)
Municipal court	53,076	53,076	42,504	10,572
Administration	212,941	212,941	210,221	2,720
Town clerk	321,635	321,635	311,527	10,108
Planning	198,889	198,889	194,549	4,340
Board of canvassers	30,905	30,905	30,324	581
Conservation commission	700	700	-	700
Historic district commission	5,000	5,000	-	5,000
Economic development	200	200	-	200
Juvenile hearing board	4,555	4,555	2,465	2,090
N.S. Library	508,594	508,594	508,594	-
Other general government	1,383,983	1,383,983	1,322,943	61,040
	<u>2,977,479</u>	<u>2,977,479</u>	<u>2,927,729</u>	<u>49,750</u>
<b>Financial Administration:</b>				
Finance	701,022	701,022	688,362	12,660
Tax assessor	243,752	243,752	230,987	12,765
Information technology	131,124	131,124	131,124	-
	<u>1,075,898</u>	<u>1,075,898</u>	<u>1,050,473</u>	<u>25,425</u>
<b>Public Safety:</b>				
Police	4,758,779	4,758,779	4,602,894	155,885
Dispatch	325,414	325,414	368,322	(42,908)
Animal control	128,230	128,230	113,882	14,348
EMA	28,075	28,075	21,881	6,194
N.S. Fire and Rescue Department	4,261,751	4,261,751	4,325,541	(63,790)
Building and zoning	259,172	259,172	231,545	27,627
	<u>9,761,421</u>	<u>9,761,421</u>	<u>9,664,065</u>	<u>97,356</u>

(Continued)

*The notes to the required supplementary information are an integral part of this schedule.*

**TOWN OF NORTH SMITHFIELD, RHODE ISLAND**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Continued)*  
**General Fund**  
*For the Fiscal Year Ended June 30, 2025*

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Public Works:</b>				
DPW administration	257,669	257,669	201,892	55,777
Highway	4,021,865	4,021,865	3,972,267	49,598
Parks and recreation	373,397	373,397	353,310	20,087
	<u>4,652,931</u>	<u>4,652,931</u>	<u>4,527,469</u>	<u>125,462</u>
<b>Debt Service:</b>				
Principal	3,347,716	3,347,716	3,347,716	-
Interest	563,203	563,203	547,806	15,397
	<u>3,910,919</u>	<u>3,910,919</u>	<u>3,895,522</u>	<u>15,397</u>
<b>Total expenditures</b>	<u>22,378,648</u>	<u>22,378,648</u>	<u>22,065,258</u>	<u>313,390</u>
<b>Excess of revenues over expenditures before other financing uses</b>	<u>22,131,491</u>	<u>22,131,491</u>	<u>24,130,778</u>	<u>1,999,287</u>
<b>Other financing uses</b>				
<b>Transfers to other funds:</b>				
School unrestricted fund	(22,131,491)	(22,131,491)	(22,131,491)	-
<b>Total other financing uses</b>	<u>(22,131,491)</u>	<u>(22,131,491)</u>	<u>(22,131,491)</u>	<u>-</u>
<b>Net change in fund balance, budgetary basis</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,999,287</u>	<u>\$ 1,999,287</u>

*The notes to the required supplementary information are an integral part of this schedule.*

**TOWN OF NORTH SMITHFIELD, RHODE ISLAND**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual*  
**School Unrestricted Fund**  
*For the Fiscal Year Ended June 30, 2025*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>				
Local appropriations	\$ 22,131,491	\$22,131,491	\$ 22,131,491	\$ -
State of Rhode Island - education aid	7,989,886	7,989,886	8,057,886	68,000
Medicaid	150,000	150,000	264,054	114,054
Rental income - fields and buildings	50,000	50,000	73,212	23,212
Other	335,000	335,000	638,885	303,885
Use of fund balance	-	-	328,740	328,740
<b>Total revenues</b>	<u>30,656,377</u>	<u>30,656,377</u>	<u>31,494,268</u>	<u>837,891</u>
<b>Expenditures</b>				
Salaries	17,513,777	17,513,777	17,239,023	274,754
Employee benefits	6,410,718	6,410,718	6,142,653	268,065
Purchased services	5,238,829	5,274,745	5,280,004	(5,259)
Supplies and materials	1,271,051	1,191,110	1,177,036	14,074
Property and equipment	165,307	173,152	655,156	(482,004)
Other costs	56,695	92,875	113,216	(20,341)
<b>Total expenditures</b>	<u>30,656,377</u>	<u>30,656,377</u>	<u>30,607,088</u>	<u>49,289</u>
<b>Excess of revenues over expenditures before other financing uses</b>	<u>-</u>	<u>-</u>	<u>887,180</u>	<u>887,180</u>
<b>Other financing uses</b>				
Transfer to other funds	-	-	(328,740)	(328,740)
<b>Total other financing uses</b>	<u>-</u>	<u>-</u>	<u>(328,740)</u>	<u>(328,740)</u>
<b>Net change in fund balance - budgetary basis</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 558,440</u>	<u>\$ 558,440</u>

*The notes to the required supplementary information are an integral part of this schedule.*

**TOWN OF NORTH SMITHFIELD, RHODE ISLAND**  
**Notes to Required Supplementary Information**  
**June 30, 2025**  
**“Unaudited”**

**NOTE 1 – OPEB PLANS**

The actuarial methods and assumptions used to calculate the total OPEB liabilities are described in Note 15 to the financial statements.

The net OPEB liability amount presented for each fiscal year was determined as of the fiscal year-end.

The schedules are intended to present ten years of data. Additional years of data will be presented as they become available.

**Actuarially Determined Contributions:**

The following actuarial methods and assumptions were used to determine contribution amounts reported in that schedule:

- Actuarial cost method – Entry Age Normal
- Amortization method – Level percentage of payroll, closed
- Amortization period – 20 years
- Asset valuation method – fair value
- Inflation – 3%
- Investment rate of return – Town – 4.96%; School - 4.81% (prior valuation – Town – 4.36%; School - 4.21%)
- Salary increases – 3%
- Mortality – PUB-2010 mortality table with MP-2021 projection
- Health care cost trend rate – medical - 7% decreasing to an ultimate rate of 4.5%; dental – 4.5%

**TOWN OF NORTH SMITHFIELD, RHODE ISLAND**  
**Notes to Required Supplementary Information**  
**June 30, 2025**  
**“Unaudited”**

**NOTE 2 – PENSION PLANS**

The net pension liability (asset) amounts presented as of June 30, 2025 were determined as part of actuarial valuations performed as of June 30, 2023 and rolled forward to June 30, 2024, the measurement date. Additional information, including actuarial methods and assumptions, is presented in Note 16 A, B, and C to the financial statements.

The net pension liability (asset) amounts presented for each fiscal year were determined as of the June 30 measurement date prior to the fiscal year-end.

The following summarizes the more significant changes in the actuarial methods and assumptions and benefits that were reflected in the calculation of the net pension liability (asset) as of the:

***June 30, 2023 measurement date –***

As part of the 2023 Actuarial Experience Study for the six-year period ending June 30, 2022 as approved by the System Board on May 17, 2023, certain assumptions were modified and reflected in the determination of net pension liability (asset) at the June 30, 2023 measurement date. The following summarizes the more significant changes in assumptions:

- Decreased individual salary increases and projected payroll growth for most groups. These two items mainly offset each other in calculating contribution requirements, especially as dollar amounts, but create a much lower projected annual growth rate in the dollar amounts of contributions.
- Updated the mortality projection scales to the ultimate rates of the most recently published ones, this had no material impact to the liabilities or contributions.
- Modestly increased turnover rates.
- Slight modifications to the retirement rates.
- Modified slightly the rates of disability.

***June 30, 2020 measurement date –***

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

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

**TOWN OF NORTH SMITHFIELD, RHODE ISLAND**  
**Notes to Required Supplementary Information**  
**June 30, 2025**  
**“Unaudited”**

***June 30, 2017 measurement date –***

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

- Decreased the general inflation assumption from 2.75% to 2.50%.
- Decreased the nominal investment return assumption from 7.50% to 7%.
- Decreased the general wage growth assumption from 3.25% to 3%.
- Decreased salary increase assumptions.
- Updated the post-retirement mortality tables to variants of the RP-2014 table. For the improvement scale, update to the ultimate rates of the MP-2016 projection scale.

***June 30, 2015 measurement date –***

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

- Employees with more than 20 years of service on July 1, 2012 will increase their employee contribution rates to 11% for state employees and municipal general employees will contribute 8.25% (9.25% for units with a COLA provision) and participate solely in the defined benefit plan going forward – service credit accruals will increase from 1% to 2% per year.
- Members are eligible to retire upon the attainment of: age 65 with 30 years of service, 64 with 31 years of service, 63 with 32 years of service, or 62 with 33 years of service. Members may retire earlier if their RIRSA date is earlier or are eligible under a transition rule.
- MERS public safety employees may retire at age 50 with 25 years of service, or any age with 27 years of service. MERS public safety employees will contribute 9% (10% for units with a COLA provision).
- Employees with more than 10 but less than 20 years of service on July 1, 2012 will receive an increased employer contribution to the defined contribution plan. Also, members who earn less than \$35,000 per year will not be required to pay the administrative fees to the defined contribution plan.
- Members who retired from a COLA eligible plan before July 1, 2012 will receive a one-time cost of living adjustment of 2% of the first \$25,000 paid as soon as administratively possible.
- Retirees as of June 30, 2015 will receive two \$500 stipends; the interim cost of living increases will occur at 4-year rather than 5-year intervals.
- The COLA formula was adjusted to: 50% of the COLA is calculated by taking the previous 5-year average investment return, less 5.5% (5yr Return - 5.5%, with a maximum of 4%) and 50% calculated using previous year’s CPI-U (maximum of 3%) for a total maximum

**TOWN OF NORTH SMITHFIELD, RHODE ISLAND**  
**Notes to Required Supplementary Information**  
**June 30, 2025**  
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COLA of 3.5%. This COLA is calculated on the first \$25,855, effective 01/01/16, and indexed as of that date as well. (The indexing formula is run annually regardless of funding level each year.)

- Minor adjustments were made to the actuarial reduction for employees choosing to retire early.

The employee and employer contribution rates for the Teachers’ Survivors Benefit Plan were applied to the first \$11,500 of member salary for fiscal year 2018. In fiscal year 2017 and prior years, the rate was applied to salary up to \$9,600.

Employers participating in the Employees’ Retirement System are required by RI General Laws, Section 36-10-2, to contribute an actuarially determined contribution rate each year. Employers participating in the Teachers’ Survivors Benefit Plan contribute at a rate established by RI General Laws, 16-16-35. Employers participating in the Municipal Employees’ Retirement System are required by RI General Laws, Section 45-21-42, to contribute an actuarially determined contribution rate each year.

**TOWN OF NORTH SMITHFIELD, RHODE ISLAND**  
**Notes to Required Supplementary Information**  
**June 30, 2025**  
**“Unaudited”**

**NOTE 3 - BUDGETARY DATA AND BUDGETARY COMPLIANCE**

The Town Charter provides that the Administrator, with the Town Budget Committee, must submit a proposed operating budget, capital budget and a budget message containing an explanation of proposed financial policies and the important features of the budget plan to the Town Council by the third Monday in March. The budget must reflect all anticipated revenues and proposed expenditures, and the proposed expenditures cannot exceed anticipated revenues. The budget is presented to the public on the third Monday in May at a public hearing. The Town Council may revise the budget, but the final adoption of the budget shall be voted on no later than June 30th. The Town Charter requires annual budgets for the General Fund and School Unrestricted Fund. The American Rescue Plan Fund, which is a Special Revenue Fund, is not legally required to adopt a budget.

***Explanation of Differences between Budgetary Revenues and Other Financing Sources and Expenditures and Other Financing Uses and GAAP Revenues and Other Financing Sources and Expenditures and Other Financing Uses***

<u><b>Revenues and Other Financing Sources</b></u>	<u><b>General Fund</b></u>	<u><b>School Unrestricted Fund</b></u>
Actual amounts (budgetary basis)	\$46,196,036	\$31,494,268
Differences – budget to GAAP:		
The pension contributions made to the Employees’ Retirement System by the State on behalf of the Town of North Smithfield are not reported as budgetary revenues but are revenues for financial reporting purposes.	-	1,687,477
The issuance of debt is not reported as an other financing source for budgetary purposes but is included for financial reporting purposes.	498,306	-
Use of fund balance is included in revenue for budgetary purposes but is not included for financial reporting purposes.	-	(328,740)
Unbudgeted revenues are not included for budgetary purposes but are included for financial reporting purposes.	387,743	95,589
<b><i>Total revenues and other financing sources as reported in the statement of revenues, expenditures, and changes in fund balances – governmental funds</i></b>	<u><u>47,082,085</u></u>	<u><u>32,948,594</u></u>

**TOWN OF NORTH SMITHFIELD, RHODE ISLAND**  
**Notes to Required Supplementary Information**  
**June 30, 2025**  
**“Unaudited”**

<u><b>Expenditures and Other Financing Uses</b></u>	<u><b>General Fund</b></u>	<u><b>School Unrestricted Fund</b></u>
Actual amounts (budgetary basis)	\$44,196,749	\$30,935,828
Differences – budget to GAAP: Increases and carryforwards of commitments and assignments of fund balance are expenditures for budgetary purposes but are not expenditures for financial reporting purposes.	(459,784)	-
Unbudgeted expenditures are not included for budgetary purposes but are included for financial reporting purposes.	1,071,033	123,216
Equipment acquired through the issuance of debt is not reported as an expenditure for budgetary purposes but is included for financial reporting purposes.	498,306	-
The pension contributions made to the Employees’ Retirement System by the State on behalf of the Town of North Smithfield are not reported as budgetary expenditures but are expenditures for financial reporting purposes.	-	1,687,477
<b><i>Total expenditures and other financing uses as reported in the statement of revenues, expenditures, and changes in fund balances – governmental funds</i></b>	<u><b>\$45,306,304</b></u>	<u><b>\$32,746,521</b></u>

**OTHER SUPPLEMENTARY INFORMATION**

**TOWN OF NORTH SMITHFIELD, RHODE ISLAND**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2025**

	<i>Special Revenue Funds</i>						
	<i>School Restricted Fund</i>	<i>Governor's Justice Commission Fund</i>	<i>Project D.A.R.E. Fund</i>	<i>Business Revolving Loan Fund</i>	<i>CDBG Fund</i>	<i>Canine Surcharge Fund</i>	<i>Dattco Fund</i>
<b>ASSETS</b>							
Cash and cash equivalents	\$ 502,647	\$ -	\$ -	\$ 61,026	\$ 6,901	\$ -	\$ -
Due from federal and state governments	399,661	-	-	-	-	-	-
Other receivables	-	-	-	-	92,108	-	-
Due from other funds	131,701	7,459	1,107	-	-	2,119	16,583
Prepaid expenditures	100,606	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 1,134,615</b>	<b>\$ 7,459</b>	<b>\$ 1,107</b>	<b>\$ 61,026</b>	<b>\$ 99,009</b>	<b>\$ 2,119</b>	<b>\$ 16,583</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)</b>							
<b>Liabilities</b>							
Accounts payable and accrued expenditures	\$ 24,541	\$ 75	\$ -	\$ 6,500	\$ -	\$ -	\$ -
Due to other funds	534,187	-	-	21,125	34,607	-	-
Unearned revenue	100,606	-	-	-	-	-	-
<b>Total liabilities</b>	<b>659,334</b>	<b>75</b>	<b>-</b>	<b>27,625</b>	<b>34,607</b>	<b>-</b>	<b>-</b>
<b>Deferred Inflows of Resources:</b>							
Other deferred revenues	-	-	-	-	92,108	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>92,108</b>	<b>-</b>	<b>-</b>
<b>Fund balances (Deficits)</b>							
Nonspendable:							
Prepaid expenditures	-	-	-	-	-	-	-
Restricted for:							
Education programs	243,587	-	-	-	-	-	-
Public safety programs	-	7,384	1,107	-	-	-	-
Historical records preservation	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-
Other programs	231,694	-	-	33,401	-	2,119	16,583
Committed for:							
Public safety programs	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-
Unassigned	-	-	-	-	(27,706)	-	-
<b>Total fund balances (deficits)</b>	<b>475,281</b>	<b>7,384</b>	<b>1,107</b>	<b>33,401</b>	<b>(27,706)</b>	<b>2,119</b>	<b>16,583</b>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<b>\$ 1,134,615</b>	<b>\$ 7,459</b>	<b>\$ 1,107</b>	<b>\$ 61,026</b>	<b>\$ 99,009</b>	<b>\$ 2,119</b>	<b>\$ 16,583</b>

(Continued)

**TOWN OF NORTH SMITHFIELD, RHODE ISLAND**  
**Combining Balance Sheet (Continued)**  
**Nonmajor Governmental Funds**  
**June 30, 2025**

	<i>Special Revenue Funds</i>					
	<i>EMS Fund</i>	<i>Record Retention Fund</i>	<i>Police Cruiser Fees</i>	<i>Recycling Grant</i>	<i>Clean &amp; Green Day</i>	<i>Pumpkin Festival</i>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 1,464,093	\$ -	\$ -	\$ -	\$ -	\$ -
Due from federal and state governments	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-
Due from other funds	-	72,589	130,827	2,624	2,024	2,781
Prepaid expenditures	2,639	-	-	-	-	-
<b>Total assets</b>	<b>\$ 1,466,732</b>	<b>\$ 72,589</b>	<b>\$ 130,827</b>	<b>\$ 2,624</b>	<b>\$ 2,024</b>	<b>\$ 2,781</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)</b>						
<b>Liabilities</b>						
Accounts payable and accrued expenditures	\$ 9,258	\$ 453	\$ -	\$ 1,000	\$ -	\$ -
Due to other funds	494,103	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
<b>Total liabilities</b>	<b>503,361</b>	<b>453</b>	<b>-</b>	<b>1,000</b>	<b>-</b>	<b>-</b>
<b>Deferred Inflows of Resources:</b>						
Other deferred revenues	-	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances (Deficits)</b>						
Nonspendable:						
Prepaid expenditures	2,639	-	-	-	-	-
Restricted for:						
Education programs	-	-	-	-	-	-
Public safety programs	960,732	-	-	-	-	-
Historical records preservation	-	72,136	-	-	-	-
Capital projects	-	-	-	-	-	-
Other programs	-	-	-	1,624	2,024	2,781
Committed for:						
Public safety programs	-	-	130,827	-	-	-
Capital projects	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
<b>Total fund balances (deficits)</b>	<b>963,371</b>	<b>72,136</b>	<b>130,827</b>	<b>1,624</b>	<b>2,024</b>	<b>2,781</b>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<b>\$ 1,466,732</b>	<b>\$ 72,589</b>	<b>\$ 130,827</b>	<b>\$ 2,624</b>	<b>\$ 2,024</b>	<b>\$ 2,781</b>

(Continued)

**TOWN OF NORTH SMITHFIELD, RHODE ISLAND**  
**Combining Balance Sheet (Continued)**  
**Nonmajor Governmental Funds**  
**June 30, 2025**

	<i>Special Revenue Funds</i>				<i>Total Special Revenue Funds</i>
	<i>EMA Grants</i>	<i>Opioid Fund</i>	<i>Grants Fund</i>	<i>Adopt- A-Spot Fund</i>	
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 2,034,667
Due from federal and state governments	-	-	254,293	-	653,954
Other receivables	-	-	-	-	92,108
Due from other funds	43,900	68,719	101,343	14,014	597,790
Prepaid expenditures	-	-	-	-	103,245
<b>Total assets</b>	<b>\$ 43,900</b>	<b>\$ 68,719</b>	<b>\$ 355,636</b>	<b>\$ 14,014</b>	<b>\$ 3,481,764</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)</b>					
<b>Liabilities</b>					
Accounts payable and accrued expenditures	\$ 5,018	\$ -	\$ 355,242	\$ -	\$ 402,087
Due to other funds	-	-	-	-	1,084,022
Unearned revenue	-	-	-	-	100,606
<b>Total liabilities</b>	<b>5,018</b>	<b>-</b>	<b>355,242</b>	<b>-</b>	<b>1,586,715</b>
<b>Deferred Inflows of Resources:</b>					
Other deferred revenues	-	-	-	-	92,108
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>92,108</b>
<b>Fund balances (Deficits)</b>					
Nonspendable:					
Prepaid expenditures	-	-	-	-	2,639
Restricted for:					
Education programs	-	-	-	-	243,587
Public safety programs	38,882	-	-	-	1,008,105
Historical records preservation	-	-	-	-	72,136
Capital projects	-	-	-	-	-
Other programs	-	68,719	394	14,014	373,353
Committed for:					
Public safety programs	-	-	-	-	130,827
Capital projects	-	-	-	-	-
Unassigned	-	-	-	-	(27,706)
<b>Total fund balances (deficits)</b>	<b>38,882</b>	<b>68,719</b>	<b>394</b>	<b>14,014</b>	<b>1,802,941</b>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<b>\$ 43,900</b>	<b>\$ 68,719</b>	<b>\$ 355,636</b>	<b>\$ 14,014</b>	<b>\$ 3,481,764</b>

*(Continued)*

**TOWN OF NORTH SMITHFIELD RHODE ISLAND**  
*Combining Balance Sheet (Continued)*  
**Nonmajor Governmental Funds**  
*June 30, 2025*

	<i>Capital Project Funds</i>			<i>Total Capital Project Funds</i>	<i>Total All Nonmajor Governmental Funds</i>
	<i>Town Building Bond</i>	<i>Capital Projects Fund</i>	<i>RIDE Revolving Capital</i>		
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,151,124	\$ -	\$ -	\$ 1,151,124	\$ 3,185,791
Due from federal and state governments	-	-	-	-	653,954
Other receivables	-	-	-	-	92,108
Due from other funds	-	88,639	385,909	474,548	1,072,338
Prepaid expenditures	-	-	-	-	103,245
<b>Total assets</b>	<b>\$ 1,151,124</b>	<b>\$ 88,639</b>	<b>\$ 385,909</b>	<b>\$ 1,625,672</b>	<b>\$ 5,107,436</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)</b>					
<i>Liabilities</i>					
Accounts payable and accrued expenditures	\$ -	\$ -	\$ -	\$ -	\$ 402,087
Due to other funds	815,663	-	-	815,663	1,899,685
Unearned revenue	-	-	-	-	100,606
<b>Total liabilities</b>	<b>815,663</b>	<b>-</b>	<b>-</b>	<b>815,663</b>	<b>2,402,378</b>
<i>Deferred Inflows of Resources:</i>					
Other deferred revenues	-	-	-	-	92,108
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>92,108</b>
<i>Fund balances (Deficits)</i>					
Nonspendable:					
Prepaid expenditures	-	-	-	-	2,639
Restricted for:					
Education programs	-	-	-	-	243,587
Public safety programs	-	-	-	-	1,008,105
Historical records preservation	-	-	-	-	72,136
Capital projects	335,461	88,639	-	424,100	424,100
Other programs	-	-	-	-	373,353
Committed for:					
Public safety programs	-	-	-	-	130,827
Capital projects	-	-	385,909	385,909	385,909
Unassigned	-	-	-	-	(27,706)
<b>Total fund balances (deficits)</b>	<b>335,461</b>	<b>88,639</b>	<b>385,909</b>	<b>810,009</b>	<b>2,612,950</b>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<b>\$ 1,151,124</b>	<b>\$ 88,639</b>	<b>\$ 385,909</b>	<b>\$ 1,625,672</b>	<b>\$ 5,107,436</b>

**TOWN OF NORTH SMITHFIELD, RHODE ISLAND**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Fiscal Year Ended June 30, 2025**

	<i>Special Revenue Funds</i>						
	<i>School Restricted Fund</i>	<i>Governor's Justice Commission Fund</i>	<i>Project D.A.R.E. Fund</i>	<i>Business Revolving Loan Fund</i>	<i>CDBG Fund</i>	<i>Canine Surcharge Fund</i>	<i>Dattco Fund</i>
<b>Revenues</b>							
Intergovernmental and grant revenue	\$ 1,590,240	\$ 8,445	\$ -	\$ -	\$ 25,923	\$ -	\$ -
Other departmental fees	-	-	-	-	-	434	3,000
Investment and interest income	-	-	-	1,626	184	-	-
Other revenue	696,673	-	-	-	-	-	-
<b>Total revenues</b>	<u>2,286,913</u>	<u>8,445</u>	<u>-</u>	<u>1,626</u>	<u>26,107</u>	<u>434</u>	<u>3,000</u>
<b>Expenditures</b>							
Current:							
General government	-	-	-	27,625	-	-	-
Public safety	-	8,870	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Education	2,262,276	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
<b>Total expenditures</b>	<u>2,262,276</u>	<u>8,870</u>	<u>-</u>	<u>27,625</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of revenues over (under) expenditures before other financing sources</b>	<u>24,637</u>	<u>(425)</u>	<u>-</u>	<u>(25,999)</u>	<u>26,107</u>	<u>434</u>	<u>3,000</u>
<b>Other financing sources</b>							
Transfers from other funds	-	-	-	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	24,637	(425)	-	(25,999)	26,107	434	3,000
<b>Fund balances (deficits) - beginning of year</b>	<u>450,644</u>	<u>7,809</u>	<u>1,107</u>	<u>59,400</u>	<u>(53,813)</u>	<u>1,685</u>	<u>13,583</u>
<b>Fund balances (deficits) - end of year</b>	<u>\$ 475,281</u>	<u>\$ 7,384</u>	<u>\$ 1,107</u>	<u>\$ 33,401</u>	<u>\$ (27,706)</u>	<u>\$ 2,119</u>	<u>\$ 16,583</u>

(Continued)

**TOWN OF NORTH SMITHFIELD, RHODE ISLAND**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Nonmajor Governmental Funds**  
**For the Fiscal Year Ended June 30, 2025**

	<i>Special Revenue Funds</i>					
	<i>EMS Fund</i>	<i>Record Retention Fund</i>	<i>Police Cruiser Fees</i>	<i>Recycling Grant</i>	<i>Clean &amp; Green Day</i>	<i>Pumpkin Festival</i>
<b>Revenues</b>						
Intergovernmental and grant revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other departmental fees	-	16,301	122,527	22,746	-	-
Investment and interest income	10,826	-	-	-	-	-
Other revenue	388,205	-	-	-	4,500	21,845
<b>Total revenues</b>	<u>399,031</u>	<u>16,301</u>	<u>122,527</u>	<u>22,746</u>	<u>4,500</u>	<u>21,845</u>
<b>Expenditures</b>						
Current:						
General government	-	7,493	-	-	-	-
Public safety	92,278	-	-	-	-	-
Public works	-	-	-	-	4,688	-
Education	-	-	-	-	-	-
Other	-	-	-	-	-	24,263
Capital outlay	-	-	92,537	34,668	-	-
<b>Total expenditures</b>	<u>92,278</u>	<u>7,493</u>	<u>92,537</u>	<u>34,668</u>	<u>4,688</u>	<u>24,263</u>
<b>Excess (deficiency) of revenues over (under) expenditures before other financing sources</b>	<u>306,753</u>	<u>8,808</u>	<u>29,990</u>	<u>(11,922)</u>	<u>(188)</u>	<u>(2,418)</u>
<b>Other financing sources</b>						
Transfers from other funds	-	-	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	306,753	8,808	29,990	(11,922)	(188)	(2,418)
<b>Fund balances (deficits) - beginning of year</b>	<u>656,618</u>	<u>63,328</u>	<u>100,837</u>	<u>13,546</u>	<u>2,212</u>	<u>5,199</u>
<b>Fund balances (deficits) - end of year</b>	<u>\$ 963,371</u>	<u>\$ 72,136</u>	<u>\$ 130,827</u>	<u>\$ 1,624</u>	<u>\$ 2,024</u>	<u>\$ 2,781</u>

(Continued)

**TOWN OF NORTH SMITHFIELD, RHODE ISLAND**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Nonmajor Governmental Funds**  
**For the Fiscal Year Ended June 30, 2025**

	<i>Special Revenue Funds</i>				<i>Total Special Revenue Funds</i>
	<i>EMA Grants</i>	<i>Opioid Fund</i>	<i>Grants Fund</i>	<i>Adopt- A-Spot Fund</i>	
<b>Revenues</b>					
Intergovernmental and grant revenue	\$ 8,972	\$ -	\$ 1,020,281	\$ -	\$ 2,653,861
Other departmental fees	-	-	-	-	165,008
Investment and interest income	-	-	-	-	12,636
Other revenue	-	30,284	-	-	1,141,507
<b>Total revenues</b>	<u>8,972</u>	<u>30,284</u>	<u>1,020,281</u>	<u>-</u>	<u>3,973,012</u>
<b>Expenditures</b>					
Current:					
General government	-	-	125,515	-	160,633
Public safety	25,304	130,873	30,724	-	288,049
Public works	-	-	17,485	378	22,551
Education	-	-	-	-	2,262,276
Other	-	-	-	-	24,263
Capital outlay	-	-	846,273	-	973,478
<b>Total expenditures</b>	<u>25,304</u>	<u>130,873</u>	<u>1,019,997</u>	<u>378</u>	<u>3,731,250</u>
<b>Excess (deficiency) of revenues over (under) expenditures before other financing sources</b>	<u>(16,332)</u>	<u>(100,589)</u>	<u>284</u>	<u>(378)</u>	<u>241,762</u>
<b>Other financing sources</b>					
Transfers from other funds	-	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	(16,332)	(100,589)	284	(378)	241,762
<b>Fund balances (deficits) - beginning of year</b>	<u>55,214</u>	<u>169,308</u>	<u>110</u>	<u>14,392</u>	<u>1,561,179</u>
<b>Fund balances (deficits) - end of year</b>	<u>\$ 38,882</u>	<u>\$ 68,719</u>	<u>\$ 394</u>	<u>\$ 14,014</u>	<u>\$ 1,802,941</u>

*(Continued)*

**TOWN OF NORTH SMITHFIELD RHODE ISLAND**  
*Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)*  
**Nonmajor Governmental Funds**  
*For the Fiscal Year Ended June 30, 2025*

	<u>Capital Project Funds</u>			<u>Total Capital Project Funds</u>	<u>Total All Nonmajor Governmental Funds</u>
	<u>Town Building Bond</u>	<u>Capital Projects Fund</u>	<u>RIDE Revolving Capital</u>		
<b>Revenues</b>					
Intergovernmental and grant revenue	\$ -	\$ -	\$ 218,048	\$ 218,048	\$ 2,871,909
Other departmental fees	-	-	-	-	165,008
Investment and interest income	30,674	-	-	30,674	43,310
Other revenue	-	-	-	-	1,141,507
<b>Total revenues</b>	<u>30,674</u>	<u>-</u>	<u>218,048</u>	<u>248,722</u>	<u>4,221,734</u>
<b>Expenditures</b>					
Current:					
General government	-	-	-	-	160,633
Public safety	-	-	-	-	288,049
Public works	-	-	-	-	22,551
Education	-	-	-	-	2,262,276
Other	-	-	-	-	24,263
Capital outlay	25,003	-	554,256	579,259	1,552,737
<b>Total expenditures</b>	<u>25,003</u>	<u>-</u>	<u>554,256</u>	<u>579,259</u>	<u>4,310,509</u>
<b>Excess (deficiency) of revenues over (under) expenditures before other financing sources</b>	<u>5,671</u>	<u>-</u>	<u>(336,208)</u>	<u>(330,537)</u>	<u>(88,775)</u>
<b>Other financing sources</b>					
Transfers from other funds	-	-	328,740	328,740	328,740
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>328,740</u>	<u>328,740</u>	<u>328,740</u>
<b>Net change in fund balances</b>	5,671	-	(7,468)	(1,797)	239,965
<b>Fund balances (deficits) - beginning of year</b>	<u>329,790</u>	<u>88,639</u>	<u>393,377</u>	<u>811,806</u>	<u>2,372,985</u>
<b>Fund balances (deficits) - end of year</b>	<u>\$ 335,461</u>	<u>\$ 88,639</u>	<u>\$ 385,909</u>	<u>\$ 810,009</u>	<u>\$ 2,612,950</u>

**TOWN OF NORTH SMITHFIELD, RHODE ISLAND**  
*Tax Collector's Annual Report*  
For the Fiscal Year Ending June 30, 2025

**Real Estate and Personal Property Taxes**

<i>Year</i>	<i>Balance June 30, 2024</i>	<i>Levy</i>	<i>Additions</i>	<i>Abatements and Adjustments</i>	<i>Amount to be Collected</i>	<i>Current Year Collections</i>	<i>Balance June 30, 2025</i>
2025	\$ -	\$ 36,176,836	\$ 131,239	\$ (83,117)	\$ 36,224,958	\$ 36,048,786	\$ 176,172
2024	317,075	-	899	(3,809)	314,165	246,769	67,396
2023	73,851	-	13,602	(14,296)	73,157	42,143	31,014
2022	70,190	-	665	(1,978)	68,877	15,485	53,392
2021	66,920	-	626	(271)	67,275	10,214	57,061
2020	48,641	-	393	(263)	48,771	7,679	41,092
2019	54,723	-	-	-	54,723	4,420	50,303
2018	53,172	-	-	-	53,172	4,141	49,031
2017	61,981	-	-	-	61,981	4,626	57,355
2016	74,201	-	-	-	74,201	4,349	69,852
2015	118,682	-	-	-	118,682	5,969	112,713
2014	130,063	-	-	-	130,063	5,947	124,116
2013	99,180	-	-	-	99,180	7,302	91,878
2012	75,672	-	-	-	75,672	1,401	74,271
2011	80,114	-	-	-	80,114	1,052	79,062
2010	50,104	-	-	-	50,104	442	49,662
2009	43,408	-	-	-	43,408	294	43,114
2008	35,660	-	-	-	35,660	-	35,660
2007	26,292	-	-	-	26,292	17	26,275
2006	21,579	-	-	-	21,579	137	21,442
2005	20,882	-	-	-	20,882	-	20,882
2004	21,680	-	-	-	21,680	-	21,680
2003	-	-	-	-	-	-	-
2002 and prior	413	-	-	-	413	-	413
	<u>\$ 1,544,483</u>	<u>\$ 36,176,836</u>	<u>\$ 147,424</u>	<u>\$ (103,734)</u>	<u>\$ 37,765,009</u>	<u>\$ 36,411,173</u>	<u>1,353,836</u>
							<u>(942,131)</u>
							<u>\$ 411,705</u>

**Schedule of Most Recent Net Assessed Property Value by Category**

<i>Description of Property</i>	<i>Valuation</i>	<i>Levy</i>
Real property - residential	\$ 1,552,712,770	\$ 22,939,778
Real property - commercial	363,969,450	7,436,624
Real property - FFOS	39,096,780	577,616
Real property - frozen	7,190,960	106,239
Tangible personal property	154,235,940	6,729,623
<b>Total</b>	<u>2,117,205,900</u>	<u>37,789,880</u>
Exemptions	71,583,146	1,613,044
<b>Net assessed value</b>	<u>\$ 2,045,622,754</u>	<u>\$ 36,176,836</u>

**Reconciliation of Current Year Property Tax Revenue**

Current year collections	\$ 36,411,173
Add: Revenue collected 60 days subsequent to fiscal year ending June 30, 2025	59,151
Less: Revenue collected 60 days subsequent to fiscal year ending June 30, 2024	(135,889)
Less: Other non-tax revenue	(1,018)
<b>Current year property tax revenue</b>	<u>\$ 36,333,417</u>

(Continued)

**TOWN OF NORTH SMITHFIELD, RHODE ISLAND**  
*Tax Collector's Annual Report (Continued)*  
For the Fiscal Year Ending June 30, 2025

**Fiscal Year 2025 Cash Collection Summary**

<u>Year</u>	<u>July - August 2024 Collections Subject to 60 day FY 24 Accrual</u>	<u>September 2024 - June 2025 Collections</u>	<u>Total FY 2025 Cash Collections</u>	<u>July - August 2025 Collections Subject to 60 day FY 25 Accrual</u>
2025	\$ -	\$ 36,048,786	\$ 36,048,786	\$ 51,223
2024	86,783	159,986	246,769	4,839
2023	23,140	19,003	42,143	1,303
2022	2,190	13,295	15,485	(414)
2021	4,663	5,551	10,214	1,494
2020	4,639	3,040	7,679	-
2019	2,520	1,900	4,420	-
2018	2,209	1,932	4,141	41
2017	2,087	2,539	4,626	176
2016	2,509	1,840	4,349	-
2015	1,593	4,376	5,969	(722)
2014	1,718	4,229	5,947	382
2013	1,180	6,122	7,302	194
2012	532	869	1,401	262
2011	120	932	1,052	373
2010	6	436	442	-
2009	-	294	294	-
2008	-	-	-	-
2007	-	17	17	-
2006	-	137	137	-
2005	-	-	-	-
2004	-	-	-	-
2003	-	-	-	-
2002 and prior	-	-	-	-
	<u>\$ 135,889</u>	<u>\$ 36,275,284</u>	<u>\$ 36,411,173</u>	<u>\$ 59,151</u>

## **OTHER SUPPLEMENTARY INFORMATION**

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

Annual Supplemental Transparency Report (MTP2) - Revenue

Annual Supplemental Transparency Report (MTP2) – Expenditures

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

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

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

Town of North Smithfield  
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	\$ 36,100,009	\$ -
Last Year's Levy Tax Collection	164,825	-
Prior Years Property Tax Collection	69,601	-
Interest & Penalty	226,948	-
PILOT & Tax Treaty (excluded from levy) Collection	-	-
Other Local Property Taxes	(9,029)	-
Licenses and Permits	267,883	-
Fines and Forfeitures	62,127	-
Investment Income	658,228	-
Departmental	628,377	-
Rescue Run Revenue	342,422	-
Police & Fire Detail	47,350	-
Other Local Non-Property Tax Revenues	570,676	-
Tuition	-	584,826
Impact Aid	-	-
Medicaid	-	264,054
Federal Stabilization Funds	-	-
Federal Food Service Reimbursement	-	266,398
CDBG	-	-
COPS Grants	-	-
SAFER Grants	-	-
Other Federal Aid Funds	-	1,089,097
COVID - ESSER	-	95,020
COVID - CRF	-	-
COVID - CDBG	-	-
COVID - FEMA	-	-
COVID - Other	-	-
COVID - ARPA	3,204,265	-
MV Excise Tax Reimbursement	-	-
State PILOT Program	-	-
Distressed Community Relief Fund	-	-
Library Resource Aid	98,289	-
Library Construction Aid	-	-
Public Service Corporation Tax	177,362	-
Meals & Beverage Tax / Hotel Tax	511,071	-
LEA Aid	-	8,057,886
Group Home	-	-
Housing Aid Capital Projects	923,665	-
Housing Aid Bonded Debt	149,128	-
State Food Service Revenue	-	6,991
Incentive Aid	-	-
Property Revaluation Reimbursement	57,041	-
Other State Revenue	698,875	132,732
Motor Vehicle Phase Out	4,389,559	-
Tangible Property Reimbursement	449,370	-
Cannabis Tax Distribution	-	-
Other Revenue	-	919,533
Local Appropriation for Education	-	22,131,491
Regional Appropriation for Education	-	-
Supplemental Appropriation for Education	-	-
Regional Supplemental Appropriation for Education	-	-
Other Education Appropriation	-	-
Rounding	-	-
<b>Total Revenue</b>	<b>\$ 49,788,044</b>	<b>\$ 33,548,029</b>
Financing Sources: Transfer from Capital Funds	\$ -	\$ -
Financing Sources: Transfer from Other Funds	68,765	-
Financing Sources: Debt Proceeds	-	-
Financing Sources: Other	-	-
Rounding	-	-
<b>Total Other Financing Sources</b>	<b>\$ 68,765</b>	<b>\$ -</b>

Town of North Smithfield  
Annual Supplemental Transparency Report (MTP2)  
Fiscal Year Ended June 30, 2025

EXPENDITURES	General		Social	Centralized	Planning	Libraries	Public	Parks and	Police
	Government	Finance	Services	IT					
Compensation- Group A	\$ 540,267	\$ 516,396	\$ -	\$ -	\$ 318,939	\$ -	\$ 863,195	\$ 162,744	\$ 2,460,581
Compensation - Group B	-	-	-	-	-	-	-	-	34,105
Compensation - Group C	-	-	-	-	-	-	-	-	-
Compensation -Volunteer	-	-	-	-	-	-	-	-	-
Overtime- Group A	1,597	-	-	-	1,086	-	92,938	4,613	402,420
Overtime - Group B	-	-	-	-	-	-	-	-	-
Overtime - Group C	-	-	-	-	-	-	-	-	-
Police & Fire Detail	-	-	-	-	-	-	-	-	-
Active Medical Insurance - Group A	86,257	86,433	-	-	35,058	-	225,165	20,209	418,172
Active Medical Insurance- Group B	-	-	-	-	-	-	-	-	-
Active Medical Insurance- Group C	-	-	-	-	-	-	-	-	-
Active Dental insurance- Group A	2,425	2,589	-	-	1,834	-	8,526	441	17,222
Active Dental Insurance- Group B	-	-	-	-	-	-	-	-	-
Active Dental Insurance- Group C	-	-	-	-	-	-	-	-	-
Payroll Taxes	26,319	41,152	-	-	24,276	-	71,815	14,042	284,863
Life Insurance	2,059	3,211	-	-	1,675	-	6,247	1,152	11,761
State Defined Contribution- Group A	3,415	4,959	-	-	2,742	-	9,170	1,504	-
State Defined Contribution - Group B	-	-	-	-	-	-	-	-	503
State Defined Contribution - Group C	-	-	-	-	-	-	-	-	-
Other Benefits- Group A	2,750	3,250	-	-	2,980	-	4,906	250	4,421
Other Benefits- Group B	-	-	-	-	-	-	-	-	-
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	14,105	20,455	-	-	11,323	-	35,577	6,899	497,558
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	915
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	-	-	-	-	-	-	-	-	-
Purchased Services	159,674	177,946	-	61,928	12,456	-	70,858	57,125	72,546
Materials/Supplies	8,505	5,083	-	-	1,973	-	3,324	529	42,514
Software Licenses	16,633	42,205	-	67,493	(5,949)	-	8,326	4,800	44,312
Capital Outlays	128,306	-	-	-	8,795	-	28,119	34,000	121,644
Insurance	334,851	-	-	-	-	-	-	-	-
Maintenance	27,394	906	-	7,775	971	-	78,347	34,501	27,997
Vehicle Operations	978	119	-	-	1,015	-	112,638	13,278	92,444
Utilities	14,577	22,185	-	1,200	12,787	-	23,481	16,662	42,909
Contingency	-	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	176,517	-	-
Revaluation	-	20,000	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	187,774	-	-
Trash Removal & Recycling	-	-	-	-	-	-	906,240	-	-
Claims & Settlements	37,240	-	-	-	-	-	-	-	-
Community Support	90,524	-	-	-	-	-	-	-	-
Other Operation Expenditures	59,683	8,351	-	-	4,134	508,594	1,134,729	335,244	84,730
Tipping Fees	-	-	-	-	-	-	219,521	-	-
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	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 1,557,557</b>	<b>\$ 955,239</b>	<b>\$ -</b>	<b>\$ 138,396</b>	<b>\$ 436,095</b>	<b>\$ 508,594</b>	<b>\$ 4,267,411</b>	<b>\$ 707,993</b>	<b>\$ 4,661,617</b>

Town of North Smithfield  
Annual Supplemental Transparency Report (MTP2)  
Fiscal Year Ended June 30, 2025

EXPENDITURES	Fire	Centralized	Public Safety	Education			Total	Education
	Department	Dispatch	Other	Appropriation	Debt	OPEB	Municipal	Department
Compensation- Group A	\$ -	\$ 225,024	\$ 94,183	\$ -	\$ -	\$ -	\$ 5,181,330	\$ 13,357,590
Compensation - Group B	-	-	-	-	-	-	34,105	1,798,887
Compensation - Group C	-	-	-	-	-	-	-	2,559,968
Compensation -Volunteer	-	-	-	-	-	-	-	-
Overtime- Group A	-	65,262	4,961	-	-	-	572,875	-
Overtime - Group B	-	-	-	-	-	-	-	-
Overtime - Group C	-	-	-	-	-	-	-	15,431
Police & Fire Detail	-	-	-	-	-	-	-	-
Active Medical Insurance - Group A	-	39,696	7,812	-	-	-	918,802	1,740,200
Active Medical Insurance- Group B	-	-	-	-	-	-	-	171,635
Active Medical Insurance- Group C	-	-	-	-	-	-	-	627,746
Active Dental insurance- Group A	-	1,376	231	-	-	-	34,645	110,070
Active Dental Insurance- Group B	-	-	-	-	-	-	-	10,474
Active Dental Insurance- Group C	-	-	-	-	-	-	-	34,420
Payroll Taxes	-	24,497	7,004	-	-	-	493,968	455,745
Life Insurance	-	1,291	419	-	-	-	27,815	86,900
State Defined Contribution- Group A	-	1,653	28	-	-	-	23,471	340,794
State Defined Contribution - Group B	-	-	-	-	-	-	503	38,428
State Defined Contribution - Group C	-	-	-	-	-	-	-	22,543
Other Benefits- Group A	-	2,500	-	-	-	-	21,057	20,356
Other Benefits- Group B	-	-	-	-	-	-	-	112,784
Other Benefits- Group C	-	-	-	-	-	-	-	62,717
Local Defined Benefit Pension- Group A	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-
State Defined Benefit Pension- Group A	-	6,737	115	-	-	-	592,770	2,022,665
State Defined Benefit Pension - Group B	-	-	-	-	-	-	915	241,675
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	91,406
Other Defined Benefit / Contribution	-	-	-	-	-	-	-	-
Purchased Services	-	-	-	-	-	-	612,532	5,664,141
Materials/Supplies	(23,526)	285	3,212	-	-	-	41,899	482,778
Software Licenses	-	-	-	-	-	-	177,819	79,075
Capital Outlays	82,231	-	-	-	-	-	403,095	749,842
Insurance	-	-	-	-	-	-	334,851	368,912
Maintenance	17,982	-	4,790	-	-	-	200,662	280,692
Vehicle Operations	28,406	-	1,130	-	-	-	250,007	82,781
Utilities	148	-	10,925	-	-	-	144,874	845,539
Contingency	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	176,517	-
Revaluation	-	-	-	-	-	-	20,000	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	187,774	-
Trash Removal & Recycling	-	-	-	-	-	-	906,240	-
Claims & Settlements	-	-	-	-	-	-	37,240	-
Community Support	-	-	-	-	-	-	90,524	-
Other Operation Expenditures	4,158,034	-	5,211	-	-	-	6,298,710	426,439
Tipping Fees	-	-	-	-	-	-	219,521	-
Local Appropriation for Education	-	-	-	22,131,491	-	-	22,131,491	-
Regional Appropriation for Education	-	-	-	-	-	-	-	-
Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	835,533	-	835,533	-
Municipal Debt- Interest	-	-	-	-	51,451	-	51,451	-
School Debt- Principal	-	-	-	-	2,498,629	-	2,498,629	24,842
School Debt- Interest	-	-	-	-	495,336	-	495,336	7,378
Retiree Medical Insurance- Total	-	-	-	-	-	436,487	436,487	54,945
Retiree Dental Insurance- Total	-	-	-	-	-	14,977	14,977	2,783
OPEB Contribution- Total	-	-	-	-	-	325,000	325,000	-
Rounding	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 4,263,276</b>	<b>\$ 368,322</b>	<b>\$ 140,021</b>	<b>\$ 22,131,491</b>	<b>\$ 3,880,949</b>	<b>\$ 776,464</b>	<b>\$ 44,793,425</b>	<b>\$ 32,992,579</b>

Financing Uses: Transfer to Capital Funds	\$ -	\$ -
Financing Uses: Transfer to Other Funds	3,287,603	328,740
Financing Uses: Payment to Bond Escrow Agent	-	-
Financing Uses: Other	-	-
<b>Total Other Financing Uses</b>	<b>\$ 3,287,603</b>	<b>\$ 328,740</b>
<b>Net Change in Fund Balance<sup>1</sup></b>	<b>1,775,781</b>	<b>226,710</b>
<b>Fund Balance1- beginning of year</b>	<b>\$11,566,939</b>	<b>\$3,200,230</b>
Funds removed from Reportable Government Services (RGS)	-	-
Funds added to Reportable Government Services (RGS)	-	-
Prior period adjustments	-	-
Misc. Adjustment	7,286	-
<b>Fund Balance<sup>1</sup> - beginning of year adjusted</b>	<b>11,574,225</b>	<b>3,200,230</b>
Rounding	-	-
<b>Fund Balance<sup>1</sup> - end of year</b>	<b>\$ 13,350,006</b>	<b>\$ 3,426,940</b>

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

Town of North Smithfield  
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 <sup>1</sup>	Beginning Fund Fund Balance <sup>1</sup> (Deficit)	Prior Period Adjustment	Restated Beginning Fund Balance <sup>1</sup> (Deficit)	Ending Fund Balance <sup>1</sup> (Deficit)
<b>Fund Balance<sup>1</sup> - per MTP-2 at June 30, 2024</b>						\$ 11,566,939	\$ -	\$ 11,566,939	
<i>No funds removed from RGS for fiscal 2024</i>						-	-	-	
<i>No funds added to RGS for Fiscal 2024</i>						-	-	-	
<i>Misc. adjustments made for fiscal 2024</i>						7,286	-	7,286	
<b>Fund Balance<sup>1</sup> - per MTP-2 at June 30, 2025 adjusted</b>						<u>\$ 11,574,225</u>	<u>\$ -</u>	<u>\$ 11,574,225</u>	
General Fund	\$ 46,583,779	\$ 498,306	\$ 23,160,240	\$ 22,146,065	\$ 1,775,780	\$ 11,574,225	\$ -	\$ 11,574,225	\$ 13,350,006
American Resuce Plan	3,204,265	68,765	-	3,273,030	-	-	-	-	-
<b>Totals per audited financial statements</b>	<u>\$ 49,788,044</u>	<u>\$ 567,071</u>	<u>\$ 23,160,240</u>	<u>\$ 25,419,095</u>	<u>\$ 1,775,780</u>	<u>\$ 11,574,225</u>	<u>\$ -</u>	<u>\$ 11,574,225</u>	<u>\$ 13,350,006</u>
<b><u>Reconciliation from financial statements to MTP2</u></b>									
Reclassify transfer of municipal appropriation to Education Department as expenditure on MTP2	\$ -	\$ -	\$ 22,131,491	\$ (22,131,491)	\$ -	\$ -	\$ -	\$ -	\$ -
GASB 87 Affiliated, Not Included for MTP2 Purposes	-	(498,306)	(498,306)	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
<b>Totals Per MTP2</b>	<u>\$ 49,788,044</u>	<u>\$ 68,765</u>	<u>\$ 44,793,425</u>	<u>\$ 3,287,603</u>	<u>\$ 1,775,781</u>	<u>\$ 11,574,225</u>	<u>\$ -</u>	<u>\$ 11,574,225</u>	<u>\$ 13,350,006</u>

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

Town of North Smithfield  
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 <sup>1</sup>	Beginning Fund Fund Balance <sup>1</sup> (Deficit)	Prior Period Adjustment	Restated Beginning Fund Balance <sup>1</sup> (Deficit)	Ending Fund Balance <sup>1</sup> (Deficit)
<b>Fund Balance<sup>1</sup> - per MTP-2 at June 30, 2024</b>						\$ 3,200,230	\$ -	\$ 3,200,230	
<i>No misc. adjustments made for fiscal 2024</i>						-	-	-	
<b>Fund Balance<sup>1</sup> - per MTP-2 at June 30, 2025 adjusted</b>						<u>\$ 3,200,230</u>	<u>\$ -</u>	<u>\$ 3,200,230</u>	
School Unrestricted Fund	\$ 10,817,103	\$ 22,131,491	\$ 32,417,781	\$ 328,740	\$ 202,073	\$ 2,749,586	\$ -	\$ 2,749,586	\$ 2,951,659
Food Service Special Revenue Fund	700,471	-	719,997	-	(19,526)	258,620	-	258,620	239,094
School Special Revenue Funds	1,586,442	-	1,542,279	-	44,163	192,024	-	192,024	236,187
<b>Totals per audited financial statements</b>	<u>\$ 13,104,016</u>	<u>\$ 22,131,491</u>	<u>\$ 34,680,057</u>	<u>\$ 328,740</u>	<u>\$ 226,710</u>	<u>\$ 3,200,230</u>	<u>\$ -</u>	<u>\$ 3,200,230</u>	<u>\$ 3,426,940</u>
<b><u>Reconciliation from financial statements to MTP2</u></b>									
Municipal appropriation for Education reported as a transfer on financial statements but a revenue on MTP2	\$ 22,131,491	\$ (22,131,491)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State contributions on behalf of teacher pensions are reported as revenue and expenditures on financial statements only	(1,687,477)	-	(1,687,477)	-	-	-	-	-	-
Rounding	(1)	-	(1)	-	0	-	-	-	0
<b>Totals Per MTP2</b>	<u>\$ 33,548,029</u>	<u>\$ -</u>	<u>\$ 32,992,579</u>	<u>\$ 328,740</u>	<u>\$ 226,710</u>	<u>\$ 3,200,230</u>	<u>\$ -</u>	<u>\$ 3,200,230</u>	<u>\$ 3,426,940</u>
<b><u>Reconciliation from MTP2 to UCOA</u></b>									
Appropriation of fund balance recognized as revenue in UCOA but not MTP2	\$ 400,235	\$ -	\$ -	\$ -	-				
Transfer to Town	-	-	328,740	(328,740)					
Misc Variance Rounding	-	-	-	-					
<b>Totals per UCOA Validated Totals Report Dated 11/18/2025</b>	<u>\$ 33,948,264</u>	<u>\$ -</u>	<u>\$ 33,321,319</u>	<u>\$ -</u>					

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

Town of North Smithfield, Rhode Island  
Reportable Government Services with  
MTP2 Notes  
Fiscal Year Ended June 30, 2025

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

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 annual financial statements 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 Town's budget and accounting system. To report these costs, the Town made allocations of costs to the State's departmental groupings based on a reasonable basis.

NOTE 4. Employee Groups - Compensation and Benefit Costs

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

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

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

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

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

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

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

NOTE 5. Education Revenue and Expenditures

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

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

**TOWN OF NORTH SMITHFIELD, RHODE ISLAND**  
*Schedule of Expenditures of Federal Awards*  
*For the Fiscal Year Ended June 30, 2025*

<i>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</i>	<i>Federal Assistance Listing Number</i>	<i>Pass-Through Entity Identifying Number</i>	<i>Total Federal Expenditures</i>
<b>US Department of Education</b>			
<b>Pass-through RI Department of Education:</b>			
<i>Special Education Cluster (IDEA):</i>			
Special Education Grants to States	84.027A	25-2725-13202-501	\$ 651,026
Special Education Preschool Grants	84.173A	25-2725-13502-501	11,858
<i>Total Special Education Cluster</i>			<u>662,884</u>
Title I Grants to Local Educational Agencies	84.010A	25-2725-11702-501	231,408
Supporting Effective Instruction State Grants	84.367A	25-2725-16402-501	72,709
Student Support and Academic Enrichment Program	84.424A	25-2725-20802-501	24,276
Career and Technical Education - Basic Grants to States	84.048A	25-2725-15302-501	40,305
Career and Technical Education - Basic Grants to States	84.048A	25-2725-15702-501	680
Career and Technical Education - Basic Grants to States	84.048A	25-2725-18502-501	11,337
			<u>52,322</u>
Comprehensive Literacy Development	84.371C	2725-22002-411	45,499
<b>COVID-19 - ARP Education Stabilization Fund - ESSER III</b>	84.425U	25-4872-50502-201	95,020
<b>COVID-19 - ARP Education Stabilization Fund - EANS II (Reverted Funds)</b>	84.425V	4872-51802-465	50,000
			<u>145,020</u>
<b>Total US Department of Education</b>			<u>1,234,118</u>
<b>US Department of Agriculture</b>			
<b>Pass-through RI Department of Education:</b>			
<i>Child Nutrition Cluster:</i>			
National School Lunch Program			
Cash assistance	10.555	N/A	234,058
Non-cash assistance (commodities)	10.555	N/A	51,808
School Breakfast Program	10.553	N/A	32,340
<i>Total Child Nutrition Cluster</i>			<u>318,206</u>
<b>Total US Department of Agriculture</b>			<u>318,206</u>
<b>US Department of Treasury</b>			
<b>Direct Program:</b>			
<b>COVID-19 - Coronavirus State and Local Fiscal Recovery Funds</b>	21.027	N/A	3,204,265
<b>Pass-through RI Department of Administration, Pandemic Recovery Office:</b>			
<b>COVID-19 - Coronavirus State and Local Fiscal Recovery Funds</b>	21.027	N/A	389,423
<b>Pass-through RI Department of Transportation:</b>			
<b>COVID-19 - Coronavirus State and Local Fiscal Recovery Funds</b>	21.027	N/A	539,911
			<u>4,133,599</u>
<b>Total US Department of Treasury</b>			<u>4,133,599</u>
<b>US Department of Transportation</b>			
<b>Pass-through RI Department of Transportation:</b>			
<i>Highway Safety Cluster:</i>			
State and Community Highway Safety	20.600	N/A	2,538
<i>Total Highway Safety Cluster</i>			<u>2,538</u>
<b>Total US Department of Transportation</b>			<u>2,538</u>

(Continued)

**TOWN OF NORTH SMITHFIELD, RHODE ISLAND**  
*Schedule of Expenditures of Federal Awards (Continued)*  
For the Fiscal year Ended June 30, 2025

<i>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</i>	<i>Federal Assistance Listing Number</i>	<i>Pass-Through Entity Identifying Number</i>	<i>Total Federal Expenditures</i>
<b>US Department of Homeland Security</b>			
<b>Pass-through RI Emergency Management Agency:</b>			
Hazard Mitigation Grant Program	97.039	FEMA-4505-DR-RI	2,800
Hazard Mitigation Grant Program	97.039	FEMA-4505-DR-RI	<u>103,536</u>
			<u>106,336</u>
State and Local Cybersecurity Grant Program	97.137	28-06A-2022 SLCGP	30,724
Emergency Management Performance Grants	97.042	28-04-2023 EPMG	4,972
<b>Total US Department of Homeland Security</b>			<u>142,032</u>
<b>US Department of Housing and Urban Development</b>			
<b>Direct Program:</b>			
Economic Development Initiative, Community Project Funding and Miscellaneous Grants	14.251	N/A	69,696
<b>Pass-through RI Executive Office of Commerce, Office of Housing and Community Development:</b>			
Community Development Block Grant	14.228	N/A	<u>25,923</u>
<b>Total US Department of Housing and Urban Development</b>			<u>95,619</u>
<b>US Department of Justice</b>			
<b>Direct Program:</b>			
Public Safety Partnership and Community Policing Grants	16.710	N/A	247,154
Congressionally Recommended Awards	16.753	N/A	140,000
<b>Pass-through RI Public Safety Grant Administration Office:</b>			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	18-124-JAG	<u>6,332</u>
<b>Total US Department of Justice</b>			<u>393,486</u>
<b>US Department of Health and Human Services</b>			
<b>Pass-through RI Department of Health:</b>			
Public Health Emergency Preparedness - MEDS	93.069	N/A	<u>20,332</u>
<b>Total US Department of Health and Human Services</b>			<u>20,332</u>
<b>Total Expenditures of Federal Awards</b>			<u><u>\$ 6,339,930</u></u>

## **TOWN OF NORTH SMITHFIELD, RHODE ISLAND**

*Notes to Schedule of Expenditures of Federal Awards*

*For the Fiscal Year Ended June 30, 2025*

### **NOTE 1 – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal award activity of the Town of North Smithfield, Rhode Island under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Town of North Smithfield, Rhode Island, it is not intended to and does not present the financial position, changes in financial position, or cash flows of the Town of North Smithfield, Rhode Island.

### **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

### **NOTE 3 – INDIRECT COST RATE**

The Town of North Smithfield, Rhode Island has elected not to use the de minimis indirect cost rate allowed under the Uniform Guidance.

### **NOTE 4 – PREPAID EXPENDITURES**

The ARP Education Stabilization Fund grant had \$100,606 in prepaid expenditures as of June 30, 2025 that have not been reported in the Schedule of Expenditures of Federal Awards for the year ended June 30, 2025. These prepaid expenditures will be recognized on the modified accrual basis of accounting in future years and reported as expenditures in the Schedule of Expenditures of Federal Awards in those years.



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***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***

***Independent Auditor's Report***

To the Honorable President and Members of the Town Council  
Town of North Smithfield, Rhode Island

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of North Smithfield, 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 North Smithfield, Rhode Island's basic financial statements, and have issued our report thereon dated January 30, 2026.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Town of North Smithfield, 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 North Smithfield, Rhode Island's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of North Smithfield, 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2025-001 and 2025-002 that we consider to be significant deficiencies.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Town of North Smithfield, Rhode Island's financial statements are free of 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*.

### **Town of North Smithfield's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Town of North Smithfield, Rhode Island's response to the findings identified in our audit and described in the schedule of findings and questioned costs. The Town of North Smithfield, Rhode Island's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **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.

*Bacon & Company CPAs, LLC*

Warwick, Rhode Island  
January 30, 2026



CERTIFIED PUBLIC ACCOUNTANTS

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**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM  
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE**

**Independent Auditor's Report**

To the Honorable President and Members of the Town Council  
Town of North Smithfield, Rhode Island

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the Town of North Smithfield, Rhode Island's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Town of North Smithfield, Rhode Island's major federal programs for the year ended June 30, 2025. The Town of North Smithfield, Rhode Island's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town of North Smithfield, Rhode Island complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

***Basis for Opinion on Each Major Federal Program***

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

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

determination of the Town of North Smithfield, Rhode Island's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

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

### ***Auditor's Responsibilities for the Audit of Compliance***

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

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

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

## Report on Internal Control Over Compliance

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

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2025-003 to be a material weakness.

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

*Government Auditing Standards* requires the auditor to perform limited procedures on the Town of North Smithfield, Rhode Island's response to the internal control over compliance findings identified in our compliance audit described in the schedule of findings and questioned costs. The Town of North Smithfield, Rhode Island's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

*Bacon & Company CPAs, LLC*

Warwick, Rhode Island  
January 30, 2026



**TOWN OF NORTH SMITHFIELD, RHODE ISLAND**  
*Schedule of Findings and Questioned Costs*  
*For the Fiscal Year Ended June 30, 2025*

**SECTION II - FINANCIAL STATEMENT FINDINGS**

**Finding: 2025-001 – Significant Deficiency**

**CAPITAL ASSETS**

**Criteria:** An entity's system of internal controls should include policies and procedures for the accounting of the entity's capital assets to ensure the capital assets are properly safeguarded and recorded in an accurate and timely manner in the financial statements.

**Condition:** The Town does not have formal policies and procedures in place to account for capital assets on a perpetual basis or for the periodic physical inventory of capital assets. Although the Town prepared detailed schedules of capital assets, accumulated depreciation and depreciation expense for the fiscal year ended June 30, 2025, these schedules were prepared after year-end. We proposed several audit adjustments to record omitted capital asset additions and deletions and to correct recorded capital asset additions.

**Effect:** The capital asset schedules provided by the Town as of June 30, 2025 were not materially complete and accurate.

**Cause:** Lack of formal policies and procedures to account for capital assets in the 2025 fiscal year.

**Identification of a Repeat Finding:** This is a repeat finding from previous audits 2023-002 and 2024-001.

**Recommendation:** We recommend that the Town establish formal policies and procedures to account for capital assets on a perpetual basis. We suggest these policies and procedures include updating capital asset additions and deletions on a quarterly basis, updating depreciation expense on an annual basis, and the performance of a physical inventory of capital assets on at least a bi-annual basis.

**Views of Responsible Officials and Corrective Action:** The Town has started the conversation and research for a software focused on the tracking and tabulation of all capital assets, both General Fund and Enterprise funds alike. This will allow for assets to be entered once received and provide a continuous stream of updated records. Once chosen, the onboarding and transition into this software will be carefully done to make sure all currently owned assets are recorded correctly.

**Finding: 2025-002 – Significant Deficiency**

**POLICE DETAIL RECEIVABLES**

**Criteria:** An entity's system of internal controls should include policies and procedures for the billing, collection and recording of service fees to ensure the transactions are recorded in an accurate and timely manner in the financial statements. The policies and procedures should include timely billing and monitoring of the collection of delinquent accounts, and the reconciliation of the service fee accounts receivable subsidiary ledger to the general ledger.

**TOWN OF NORTH SMITHFIELD, RHODE ISLAND**  
***Schedule of Findings and Questioned Costs***  
***For the Fiscal Year Ended June 30, 2025***

***Condition:*** The Town does not have formal policies and procedures in place for billing, collection and recording of the service fees billed for police details. During the performance of our audit procedures of the police detail accounts receivable account, we noted that the outstanding balance had more than doubled from the prior year to over \$1 million as of June 30, 2025. It was determined that the Town had not submitted invoices for reimbursement for police details to the RI Department of Transportation in a timely manner, some of which dated back to fiscal year 2024. In addition, the accounts receivable subsidiary ledger was only reconciled to the general ledger at year-end, and the collection of delinquent accounts were not reviewed until after year-end.

***Effect:*** Services fees not being billed in a timely manner resulted in material accounts receivable balances at June 30, 2025, that were not collected and until several months after year-end.

***Cause:*** Lack of formal policies and procedures for billing, collection and recording of the service fees billed for police details.

***Recommendation:*** We recommend that the Town establish formal policies and procedures for service fees billed for police details that include billing in a specified time frame, monthly reconciliation of the subsidiary ledger to the general ledger, and monthly review and follow-up on delinquent accounts.

***Views of Responsible Officials and Corrective Action:*** For fiscal year 2026-2027, the Town has shifted the internal controls of police detail service fees from the Police Station to the Finance Department. The department has allocated 1 staff member to be responsible for the billing, collection and record keeping of the service fees for police details starting July 1, 2026. The Finance Department is working to establish formal policies and has implemented a transition/training period from January 1, 2026, to June 30th, 2026, to test and finalize new procedures for the internal controls of police detail service fees as they shift to Finance. During this transition period, the department is focused on submitting invoices for RI Department of Transportation, following up on delinquent accounts, and creating a monthly process for billing, collecting, reconciliation & review of service fees.

**TOWN OF NORTH SMITHFIELD, RHODE ISLAND**  
**Schedule of Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2025**

**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

**Finding: 2025-003 - Material Weakness**

**Agency: U.S. Department of the Treasury**

**Program: Coronavirus State and Local Fiscal Recovery Funds**

**Federal Assistance Listing Number: 21.027**

**SUSPENSION AND DEBARMENT**

**Criteria:** When a non-federal entity enters into a covered transaction with an entity at a lower tier, the non-federal entity must verify that the entity, as defined in 2 CFR 180.995 and agency adopting regulations, is not suspended, or debarred or otherwise excluded from participating in the transaction. “Covered transactions” include contracts for goods and services awarded under a non-procurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet certain other criteria as specified in 2 CFR 180.220. This requirement applies to contracts and purchases entered into to procure goods and services with Coronavirus State and Local Fiscal Recovery Funds.

**Condition:** The Town of North Smithfield does not have a specific procedure in place for verifying that an entity with which it plans to enter into a covered transaction is not suspended, debarred, or otherwise excluded.

**Cause:** The Town has not established suspension and debarment policies and procedures for federal awards.

**Effect:** Contracts for goods and service that were “covered transactions” were entered into prior to verifying that an entity was not suspended, debarred, or otherwise excluded.

**Questioned Costs:** None

**Recommendation:** We recommend that the Town implement verification procedures to ensure that an entity with which it plans to enter into a covered transaction is not suspended, debarred, or otherwise excluded.

**Views of Responsible Officials and Corrective Action:** For any bids that intend to use federal funding through its award and execution, the Town will use a suspension and debarment certification that will require the bidder’s signature, as well as verifying the awarded bidder through [SAM.gov](https://www.sam.gov). Any other purchases made by the Town using federal funds will require the vendor to be verified through [SAM.gov](https://www.sam.gov).

**Anticipated Completion Date:** This policy will be in effect immediately.

**Contact Person:** Antony St. Onge, Purchasing Agent

**APPENDIX B**

PROPOSED FORM OF LEGAL OPINION FOR BONDS



**SAVAGE**  
**LAW PARTNERS**  
LLP  
*Law and Business Advisors*

Date of Delivery

Town of North Smithfield  
Town Hall  
North Smithfield, Rhode Island

**Re: \$9,000,000\* Town of North Smithfield, Rhode Island General Obligation Bonds**

Dear Sir or Madam:

We have examined the law, a certified copy of proceedings and other papers relating to the issuance of the \$9,000,000\* Town of North Smithfield, Rhode Island General Obligation Bonds (the "Bonds").

As to questions of fact, material to our opinion, we have relied upon representations of the Town of North Smithfield contained 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, as of the date hereof and under existing law, as follows:

1. The Bonds are valid general obligations of the Town of North Smithfield, Rhode Island, enforceable in accordance with their terms in accordance with law, and all taxable property in the Town of North Smithfield is subject to taxation without limitation as to rate or amount to pay the Bonds and the interest thereon.
2. Interest on the Bonds is excludable from gross income for federal income tax purposes the Internal Revenue Code of 1986, as amended (the "Code"). Interest on the Bonds will not be included in computing the alternative minimum taxable income of individuals. However, interest on the Bonds 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.

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\*Preliminary, subject to change

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 (the “Code”) that must be satisfied subsequent to the issuance of the Bonds 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 Town to comply with certain of such requirements may cause interest on the Bonds to become includible in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

3. Income from the Bonds is free from taxation by the State of Rhode Island (the “State”) or any instrumentality of the State, although income from the Bonds may be included in the measure of State estate taxes and certain State corporate and business taxes.

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 interpretation thereof, that may hereafter arise or occur, or for any other reason.

The rights of the holders of the Bonds and the enforceability thereof 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 accordance with general equitable principles.

Very truly yours,

SAVAGE LAW PARTNERS, LLP



**SAVAGE**  
LAW PARTNERS  
LLP

SAVAGELAWPARTNERS.COM

**APPENDIX C**

**PROPOSED FORM OF CONTINUING DISCLOSURE CERTIFICATE**

## CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the Town of North Smithfield, Rhode Island (the “Issuer”) in connection with the issuance of its \$9,000,000\* General Obligation Bonds, Series 2026 A dated their date of delivery (the “Obligations”). The Issuer covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of Owners of the Obligations and in order to assist the Participating Underwriter in complying with the Rule.

SECTION 2. Definitions. For purposes of this Disclosure Certificate the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board as established pursuant to Section 15B(b)(1) of the Securities Exchange Act of the 1934, or any successor thereto or to the functions of the MSRB contemplated by this Disclosure Certificate. Filing Information relating to the MSRB is set forth in Exhibit A attached hereto.

“Owners of the Obligations” shall mean the registered owners, including beneficial owners, of the Obligations.

“Participating Underwriter” shall mean any of the original underwriters of the Obligations required to comply with the Rule in connection with offering of the Obligations.

“Rule” shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

SECTION 3. Provision of Annual Reports.

(a) The Issuer shall, not later than nine (9) months after the end of each fiscal year, commencing with the fiscal year ending June 30, 2026, provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted when available separately from the balance of the Annual Report.

If the Issuer is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer shall send a notice to the MSRB, in substantially the form attached as Exhibit B.

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\*Preliminary, subject to change

SECTION 4. Content of Annual Reports. The Issuer's Annual Report described in Section 1 shall contain or incorporate by reference the following:

(a) quantitative information for the preceding fiscal year of the type presented in the Issuer's Official Statement dated June [], 2026 relating to the Obligations, including, but not limited to (i) the revenues and expenditures of the Issuer relating to its operating budget, (ii) capital expenditures, (iii) fund balances, (iv) property tax information, (v) outstanding indebtedness and overlapping debt of the Issuer, (vi) pension obligations of the Issuer, and (vii) other post-employment benefits liability of the Issuer, and

(b) the most recently available audited financial statements of the Issuer, prepared in accordance with generally accepted accounting principles. If audited financial statements for the preceding fiscal year are not available when the Annual Report is submitted, the Annual Report will include unaudited financial statements for the preceding fiscal year and audited financial statements for such fiscal year shall be submitted when available.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which (i) are available to the public on the MSRB internet website or (ii) have been filed with the Securities and Exchange Commission. The Issuer shall clearly identify each such other document so incorporated by reference.

SECTION 5. Reporting of Significant Events.

(a) The Issuer shall give notice, in accordance with the provisions of this Section 5, of the occurrence of any of the following events with respect to the Obligations:

1. Principal and interest payment delinquencies.
2. Non-payment related defaults, if material.
3. Unscheduled draws on debt service reserves reflecting financial difficulties.
4. Unscheduled draws on credit enhancements reflecting financial difficulties.
5. Substitution of credit or liquidity providers, or their failure to perform.
6. 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 Obligations, or other material events affecting the tax status of the Obligations.
7. Modifications to rights of the Owners of the Obligations, if material.
8. Bond calls, if material, and tender offers.
9. Defeasances.
10. Release, substitution or sale of property securing repayment of the Obligations, if material.

11. Rating changes.

12. Bankruptcy, insolvency, receivership or similar event of the Issuer.\*

13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, 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.

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

15. Incurrence of a financial obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or similar terms of a financial obligation of the Issue, any of which affects Owners of the Obligations, if material.\*\*

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Issuer, any of which reflect financial difficulties.\*\*

(b) Upon the occurrence of a Listed Event, the Issuer shall in a timely manner not in excess of ten (10) business days after the occurrence of the event, file a notice of such occurrence with the MSRB.

SECTION 6. Transmission of Information and Notices. Unless otherwise required by law, all notices, documents and information provided to the MSRB shall be provided in electronic format as prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

SECTION 7. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance in accordance with the terms of the Obligations or payment in full of all of the Obligations. If such termination occurs prior to the final maturity of the Obligations, the Issuer shall give notice of such termination in the same manner as for a Listed Event under Section 5(b).

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\* As noted in the Rule, this event is considered to occur when any of the following occur: (i) the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or (ii) the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

\*\* For the purposes of event number 15 and 16 in Section 5(a) of this Disclosure Certificate, 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” excludes municipal securities for which a final official statement has been provided to the MSRB consistent with the Rule.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate and any provision of this Disclosure Certificate may be waived if such amendment or waiver is permitted by the Rule, as evidenced by an opinion of counsel expert in federal securities law (which may include bond counsel to the Issuer), to the effect that such amendment or waiver would not cause the Disclosure Certificate to violate the Rule. The first Annual Report filed after enactment of any amendment to or waiver of this Disclosure Certificate shall explain in narrative form, the reasons for the amendment or waiver and the impact of the change in the type of information being provided in the Annual Report.

If the amendment provides for a change in the accounting principles to be followed in preparing financial statements, the Annual Report for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information in order to provide information to investors to enable them to evaluate the ability of the Issuer to meet its obligations. To the extent reasonably feasible, the comparison shall also be quantitative. A notice of the change in the accounting principles shall be sent to the MSRB.

SECTION 9. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any Owner of the Obligations may seek a court order for specific performance by the Issuer of its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not constitute a default with respect to the Obligations and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action for specific performance of the Issuer’s obligations hereunder and not for money damages in any amount.

SECTION 10. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Owners of the Obligations from time to time, and shall create no rights in any other person or entity.

Date: June [], 2026

TOWN OF NORTH SMITHFIELD,  
RHODE ISLAND

By: \_\_\_\_\_  
Antony St. Onge  
Director of Finance