

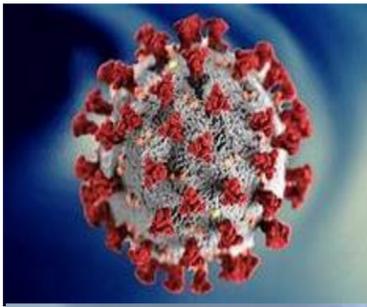


# Popular Annual Financial Report

A summary of the finances and operations of the Town of North Kingstown, RI for the fiscal year ending June 30, 2021

January 1, 2022

Issue # 3



## The News You Need to Know

Pictures: New NKFD rescue, NK Girls Soccer State Champions, Town Beach playground renovations, Covid-19

### Message to the Town of North Kingstown

**A.Ralph Mollis, Town Manager**

The Covid-19 pandemic brought unprecedented change to our community, pressing the limits of staff, residents, and local businesses.



This forced us to reimagine how we do business, provide services, and educate our children. We continue to work to be more efficient,

more effective, and more responsive to the needs of North Kingstown's residents and businesses.

2021 was a year of many accomplishments and tremendous progress. The new Beach Campus Playground and Wilson Park Splashpad/Playground opened in 2021. These are among the exciting projects and programming that have our Recreation Department the envy of RI.

Fiscally we continue to have positive results. Our fifth consecutive balanced budget and operating surplus resulted in an AA+ bond rating and receipt of our second consecutive GFOA budget award. We reported a combined (Town & School) surplus of \$3.9 million.

We will continue forward with an ambitious agenda for 2022 and continue to monitor Covid and its impact. This could not be accomplished without the hard work and dedication of our employees, the leadership of our elected officials, and the support of our residents.

Our community is indeed very fortunate!

Stay Safe, Be Well.

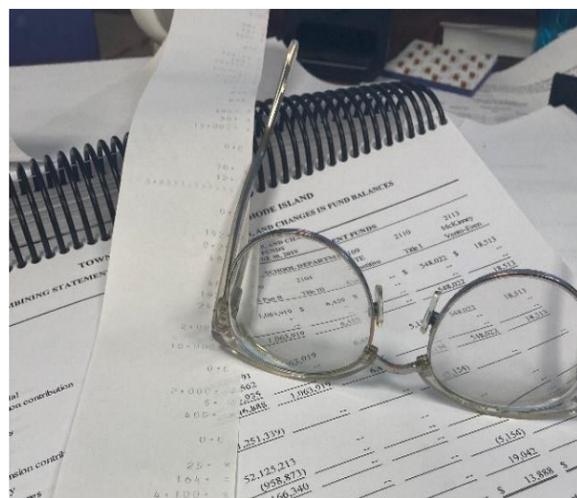
### Financial Update

**Jim Lathrop, CPA, MPA**  
**Director of Finance**

The Town of North Kingstown has presented the FY 2021 financial results as a Comprehensive Annual Financial Report (CAFR) for the third consecutive year. A CAFR is the highest level of reporting and includes financial and operation information that is beyond the basic financial statement and should be referred to when looking for historical and more in-depth information.

For the second year, North Kingstown's annual budget received recognition from the Government Financial Officials Association (GFOA) and was awarded the Distinguished Budget Presentation Award.

The Town of North Kingstown believes in transparency, particularly as it relates to its finances. The Town's website includes monthly non payroll check disbursements, monthly budget reports, annual financial reports, debt service schedules, union contracts and actuary reports on our OPEB (Other Post-Employment Benefits) liability.



\*A summary of financial results is on page #4

### Good News

**AWARDS & ACCOMPLISHMENTS**

#### HR/Personnel

Success comes from hard work. Haley Wicker received her Human Resources Management Certification from Bryant University and passed the Society of Human Resources Association exam so was the perfect candidate to head up the Town's new HR/Personnel Division.

Her training, positive attitude, and exceptional work ethic enabled her to take a lead role in the complex Covid-related issues and how these issues effect our employees. Her hard work was recognized



by the Providence Business News, naming her the 2021 Rising Star. Congratulations Haley!

#### Recreation

The Recreation Department faced many challenges related to Covid. Despite these obstacles the department was named the RI Recreation Department of the Year and received the Walter Henry Award.

Department head Chelsey Dumas-Gibbs completed the US Parks and Recreation Parks & Recreation Program and received the Certified Park & Recreation Professional designation.



The Recreation Department offered programming to 2,405 participants in 2021. The department also oversees the Town's golf course, which saw 51,560 rounds played during the year, and manages the Town's Allen Harbor Marina.



## North Kingstown's Government

North Kingstown's history can be traced back to the 1630's when Roger Williams established a temporary trading post near Cocumscussoc, a major thoroughfare of the Narragansett People. In 1674, Kings Towne was founded by the colonial government and included the present-day towns of North Kingstown, South Kingstown, Exeter, and Narragansett. As settlements expanded it was divided in 1722.

The Town operates under a home rule charter adopted in 1954, subsequently amended, providing for a Town Council/Town Manager for 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 Charter including adoption of the Town budget, ordering of any tax and enacting ordinances and resolutions.

## Department Updates

**Town Clerk & Canvasing:** We introduced E-recording to provide a safe environment for recording land evidence documents. We increased on-line/virtual access to the public and worked with other departments in hosting virtual meetings. There were three elections: primary, presidential election, and statewide referendum. Early voting, in person voting, and mail in ballots pushed the total ballots cast to over 5,000. The Town Clerk's office is also responsible for Municipal Court: 1,200 cases were processed in 2021

**Assessment:** Our focus has been on the revaluation. This information will be used in determining the FY 2023 tax rates. We have been part of the team developing a possible homestead exemption for 2023.

**Code Enforcement:** In addition to the standard building permits, we worked on permitting a new commercial storage facility, Town Hall renovation, three large solar projects, and supporting electrical infrastructure. We welcomed Matt Souza as our new Asst. Building Official and Heath Potter as our new Zoning/Housing Inspector

**Police, Animal Control, & Harbor Master:** 2021 was a challenging year given the pandemic and the loss of two of our own. We persevered and continued to provide the level of service the community has come to expect. The department was reaccredited by the RI Police Accreditation Commission. We received several grants and awards, including a DOT award of a new police cruiser, Stanton Foundation award for K9 unit costs, and Patrick Leahy Award for bulletproof vests. New programming included the creation of a bike patrol unit.

**Finance:** In 2021 we issued the final round of the Town/School \$27 million bond. Deb Bridgham our Munis administrator was promoted to Deputy Director of Finance. Our Tyler/Munis software requires updating in 2022 and will be one of our major projects.

**Senior Center/Human Services:** The Beechwood staff provided Meals on Wheels delivery for older adults in our community. A Covid hotline was provided, assisting with vaccination appointments and answered a variety of questions. The hotline center also reached out to older residents in the community as a check in making sure their individual needs were being addressed. Doors to the public reopened in June and the center provided various programming, including health clinics, lunch, and Medicare counseling.

**Personnel:** This is a new department for 2021! It was established to deal with the increasingly complex regulations associated with personnel. Its goal is to form uniform and consistent policies for all departments related to staffing issues. Covid regulations and dealing with changes in the workplace were a major issue in 2021. The department was able to create an employee self-service portal, allowing employees to access their personnel information. The department's second employee, Waleska Corona, joined the team in December 2021.

**Department of Public Works:** The Public Works Department oversees several divisions and Enterprise Funds. Divisions include Engineering, Facilities, & Highway. In addition, it oversees the Transfer Station and Sewer Department, both Enterprise Funds.

The department paved 9.33 miles in 2021. This is an increase from 6.89 miles and 3.46 miles in 2020 and 2019 respectively. The Transfer Station reported refuse collected in FY 21 as 6,544 tons and an additional 3,208 tons of recyclables. The department has made a sizable purchase in parts and new containers for recycling bins.

Sewer saw in an increase in average daily treatment in FY 21 to 224,400 gallons. This is an increase of 18% compared to the previous year. This increase is attributed to new development and more people working at home due to Covid pandemic. The Sewer Department is also responsible for cleaning of the Town's 2,054 storm drains.

Public Works is involved with all major renovation projects. This includes park & rec facilities, library, Town Hall, and Gilbert Stuart Bridge project.

### Recreation, Golf & Allen Harbor Marina

The department received the Walter Henry Award from the RI Parks & Recreation Assoc. Director Dumas-Gibbs completed training and was named a National Park & Recreation Assoc. Certified Parks & Rec Professional. The department secured an \$88,000 DEM grant for Phase I of the Ryan Park Trail Program.

**Fire/EMS:** The department saw a 7.2% increase in emergency calls and higher-than-normal requests for mutual aid from neighboring communities. We received a federal grant to assist in the purchase of personal protective equipment and a legislative grant to assist with training. The department took delivery of a new brush fire vehicle in 2021

**Technology:** Technology has become an increasingly important aspect of municipal operations. We continue to work protecting against fraud and unauthorized access to our system. The department completed various broadband projects and upgrades to CORE switch at the data center.

**Planning:** The department completed the Municipal Resiliency program and received CRMC approval for three right of way designations. The department continues to work on the protection of 400 acres of sensitive wetland areas and provides support to several Town projects that include the proposed public safety complex, recreation/community center, and redevelopment of the Wickford Elementary property. The department continues to administer the Post Road Façade Grant Program.



Covid has had a significant impact on our community. One of the first forms of relief from the Federal government was to provide reimbursement of certain expenses. These reimbursements were made via FEMA. In total the Town has received \$444,536. In addition the Town prepared reimbursement requests for the School Department and they are to receive approximately \$78,000. Deputy Director of Finance Deb Bridgham and Deputy Fire Chief John Linacre worked extensively with State, Federal, and FEMA officials in obtaining and maximizing these reimbursements



The Town also received additional funding from the State in FY21 related to Covid, the funding totaled \$699,608. The School Department received separate funding, mostly funneled through RI Department of Education, (RIDE).

The enactment of the American Rescue Plan Act (ARPA) is providing funding to North Kingstown. The Town will receive \$7,868,124 and the school will receive \$1,755,065. The Town has received 1/2 of these funds and will receive the remaining 50% in July 2022.

These funds need to be committed to projects by December 31, 2024 and fully spent by December 31, 2026. The Town Council will be seeking input for use of a portion of these funds as part of the FY23 budget.

## Enterprise Funds

The Town uses fund basis of accounting. Related accounts used to maintain control over resources that have been segregated for specific activities are designated a fund.

The General Fund is the Town's primary fund and the focus in reporting. Additional funds include Debt Service, Special Revenue, Capital Project, Permanent, Enterprise, and Fiduciary Funds. More details on each of these categories can be found in the Town's CAFR, which can be viewed on the Town's website.

Activities of the Enterprise Fund are accounted for much like a private for-profit business. The intent is that the activity is funded through use charges or other fees, with no impact to the taxpayer.

	Water	Sewer	Golf/Marina	Transfer Station	Municipal Court
<b>Revenues</b>					
Charges for Services	4,262,104	1,658,016	2,529,718	699,061	157,679
Interest	-	366,266	-	-	-
	4,262,104	2,024,282	2,529,718	699,061	157,679
<b>Expenses</b>					
Operations	3,160,819	643,999	1,513,190	641,480	80,456
Interest	91,550	356,077	-	-	-
Depreciation	565,301	295,606	383,453	-	-
	3,817,670	1,295,682	1,896,643	641,480	80,456
Operating Income(loss)	444,434	728,600	633,075	57,581	77,223
Transfers, net	(78,342)	(92,195)	(1,207,227)	(25,872)	(39,350)
Changes in Net Position	366,092	636,405	(574,152)	31,709	37,873
Net Position Begin	13,930,626	(391,773)	(1,086,875)	(198,539)	11,354
Net Position End	14,296,718	244,632	(1,661,027)	(166,830)	49,227



North Kingstown Water Department Awarded 2021 RRWA Best Tasting Water



## THE SCHOOL DEPARTMENT



### Phil Auger, Ph.D. Superintendent of Schools

US Secretary of Education, Miguel A. Cardona recognized North Kingston High School as one of 325 National Blue-Ribbon schools for 2021. The National Blue-Ribbon Award affirms the hard work of students, educators, families, and communities in creating safe and welcoming schools where students master challenging content.

This award followed the North Kingstown High School being ranked fifth within RI and 1,382<sup>nd</sup> nationally by US News.



### North Kingstown School Department

Revenues	
Town Aid	\$ 53,906,526
State Aid	\$ 11,861,298
Medicaid	\$ 310,961
Tuitions	\$ 4,236,638
Other	\$ 143,668
	<u>\$ 70,459,091</u>

Expenditures	
Salaries	\$ 39,379,071
Benefits	\$ 15,068,058
Professional Services	\$ 11,374,884
Supplies & Materials	\$ 2,594,174
Capital Outlay	\$ 1,606,401
Leases	\$ 124,699
	<u>\$ 70,147,287</u>

Transfers, net \$ 736,809

Surplus \$ 1,048,613

Fiscal Year	Enrollment	Cost / Pupil	Free/Reduced Lunch
2021	3,923	\$ 17,881	20.30%
2020	3,780	\$ 18,754	20.00%
2019	3,938	\$ 17,821	22.00%
2018	3,891	\$ 17,659	20.70%
2017	3,972	\$ 16,161	22.00%

### New Employees hired in 2021

WALESKA	CORONA	HR/Personnel	MARK	THURSTON	Police
MARIA	DELUCA-VACCARO	Finance	JOSEPH	DONOHUE	Planning
BRANDON	SCAVITTI	Technology	DAVID	ALVES	Public Works
LYNANN	ECKHOFF	Dispatch	STEVEN	WILSON	Public Works
ALEXIS	GUADALUPE	Dispatch	JESSE	ZEINER	Public Works
BRYAN	COCKSHUTT	Fire	DAVID	CRETA	Public Works
SARA	COUGHLIN	Fire	KEVIN	CONLEY	Senior Center
ADAM	CRABTREE	Fire	MELISSA	DUBOIS	Senior Center
MICHAEL	DANDURAND	Fire	DIANE	HARVEY	Senior Center
RYAN	HANRAHAN	Fire	ANDREA	WILLIAMS	Senior Center
JARED	HOPKINS	Fire	SOFIA	ALAVOSIUS	Library
JESSICA	HYNDS	Fire	ELIZABETH	FERRARA	Library
SCOTT	LYNCH	Fire	CANDICE	MACHATA	Library
PATRICK	MAIN	Fire	BRIAN	GARLAND	Water
RYAN	MCLAUGHLIN	Fire	ANDREW	EVANS	Water
MARK	NOLAN	Fire	MICHAEL	MOLLOY	Water
MALAKAI	PALMER	Fire	MICHEAL	POTTER	Water
ASA	RUBIN-CRUMP	Fire	ROBIN	SPEARS	Water
STEPHEN	RUSSO	Fire	TODD	TAYLOR	Water
STEPHEN	JARROW	Animal Control			



Fire Department's incoming recruits



## The Box Scores: Net Position and Statistics

Like a baseball scorecard, the annual financial statements of net position and changes in net position provide information on the activity and financial health of a community. The statistical section of the CAFR provides historic information going back 10 years, to show how operations and finances have changed during that period.

North Kingstown baseball team captured their second ever state championship, and their first since 1967. North Kingstown has been runner up 7 times between 1997 and 2013.

### North Kingstown Net Position June 30, 2021

	Governmental Activities	Business Type Activities	Total
Current & Other Assets	49,501,803	23,110,787	72,612,590
Capital Assets	104,025,257	223,230,397	327,255,654
<b>Total Assets</b>	<b>153,527,060</b>	<b>246,341,184</b>	<b>399,868,244</b>
Deferred Outflows	21,237,779	531,903	21,769,682
Current liabilities	10,592,552	2,417,261	13,009,813
Long-term liabilities	158,460,010	18,985,667	177,445,677
<b>Total Liabilities</b>	<b>169,052,562</b>	<b>21,402,928</b>	<b>190,455,490</b>
Deferred Inflows	22,186,139	11,444,125	33,630,264
Net Position			
Capital Assets, net	67,278,897	8,454,836	75,733,733
Restricted	3,282,356	343,908	2,427,264
Unrestricted	(86,999,115)	5,227,290	(81,771,825)
<b>Total Net Position</b>	<b>(16,437,862)</b>	<b>14,026,034</b>	<b>(3,610,828)</b>



#### OPEB: Other Post Employee Benefits Unfunded OPEB Liability

- FY 2021 \$17,298,738
- FY 2020 \$18,312,731
- FY 2019 \$20,108,753
- FY 2018 \$24,785,951

### North Kingstown Changes in Net Position FYE June 30, 2021

	Governmental Activities	Business Type Activities	Total
<b>Revenues</b>			
Charges for Services	7,364,207	9,391,536	16,755,743
Grants & Contributions	22,490,369	1,946,506	24,436,875
General Revenue	91,966,389	366,266	92,332,655
	121,820,965	11,704,308	133,525,273
<b>Program Expenses</b>	118,623,430	8,984,412	127,607,842
<b>Transfers</b>	1,423,718	(1,423,718)	-
Increase in Net Position	4,621,253	1,296,178	5,917,431
Net Position - Begin	(21,059,115)	12,729,856	(8,329,259)
<b>Net Position - End</b>	<b>(16,437,862)</b>	<b>14,026,034</b>	<b>(2,411,828)</b>

#### FY 2021 Budget Highlights

Town Surplus	\$2,815,192
School Dept Surplus	\$1,048,613

Fund Balance of total governmental funds increased \$14,182,577 from \$28,801,487 to \$42,984,064

- General Fund Balance \$18,243,921
- School Fund Balance \$5,865,895

#### Tax Collection Rates

- FY 2021 98.52%
- FY 2020 97.85%
- FY 2019 98.03%
- FY 2018 96.77%

## The Classifieds

The Town disposes of surplus inventory through [www.GovDeals.com](http://www.GovDeals.com). This website has a national reach and is dedicated solely to government and educational agencies. Surplus items can be sold via the site at no cost to the Town. Sales in the past three years have totaled: **\$27,851.00**.

In addition, items are listed on the Town website. Currently the Town is offering excess real property for sale. For more information contact Town Planner, Nicole LaFontaine, [nlafontaine@northkingstown.org](mailto:nlafontaine@northkingstown.org).

Notices for bid are posted on the Town and State of RI Purchasing websites. These notices can also be viewed on [www.bidnetdirect.com](http://www.bidnetdirect.com), a website listing government bid opportunities nationwide. The Town is part of the RI Purchasing Group. Posting on these sites allows us to reach a greater vendor audience thus enhancing competitive bidding for the best cost.

Vendors can register on both the Town website and Bidnet Direct to be notified of upcoming bids when they are posted.

For more information on bidding and surplus equipment, contact the Town's Purchasing Agent, Kris Kinder: [kkinder@northkingstown.org](mailto:kkinder@northkingstown.org)

#### Debt: Outstanding Debt & Ratios

Outstanding Debt (millions)	FY 2021	FY 2020	FY 2019	FY 2018
Municipal	\$ 26.09	\$ 19.35	\$ 21.79	\$ 20.38
School	\$ 18.24	\$ 10.88	\$ 11.61	\$ 9.43
Water	\$ 2.30	\$ 2.85	\$ 2.66	\$ 2.84
Sewer	\$ 12.40	\$ 13.07	\$ 13.45	\$ 14.16
<b>Debt Ratios</b>				
per assessed value	1.34%	1.23%	1.11%	1.13%
per capital	\$ 2,442	\$ 1,887	\$ 1,737	\$ 1,762

The Town continuously looks for ways to reduce costs and improve efficiency.

- Our recent communication audit resulted in rebates of \$17,228.75 and projected annual savings of \$1,983.12.
- The Town participates in the State of RI W.B Mason purchasing program and receives a rebate based on our annual purchases. For 2021 the rebate was \$2,188.26.
- We are in the final stage of implementing an LED streetlight program. Once complete, a 30% reduction in electric use is projected.

## Legal Notice

A Popular Annual Report is a document designed to increase transparency and awareness of the Town's government through user friendly financial reporting. The PAFR includes financial and other information that is present in the Town of North Kingstown's Comprehensive Annual Financial Report (CAFR) and annual budget document. Because the PAFR is a summary document, it does not comply with the requirements of Generally Accepted Account Principles (GAAP). Residents who prefer to review a report that is GAAP compliant may review the audited CAFR document on the Town's website.