



Town of North Kingstown, Rhode Island

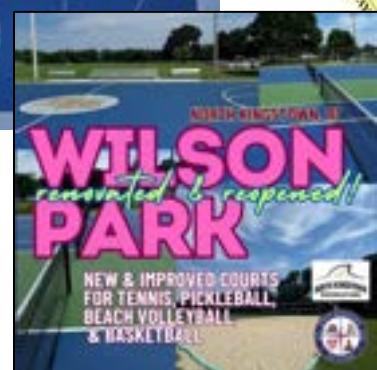
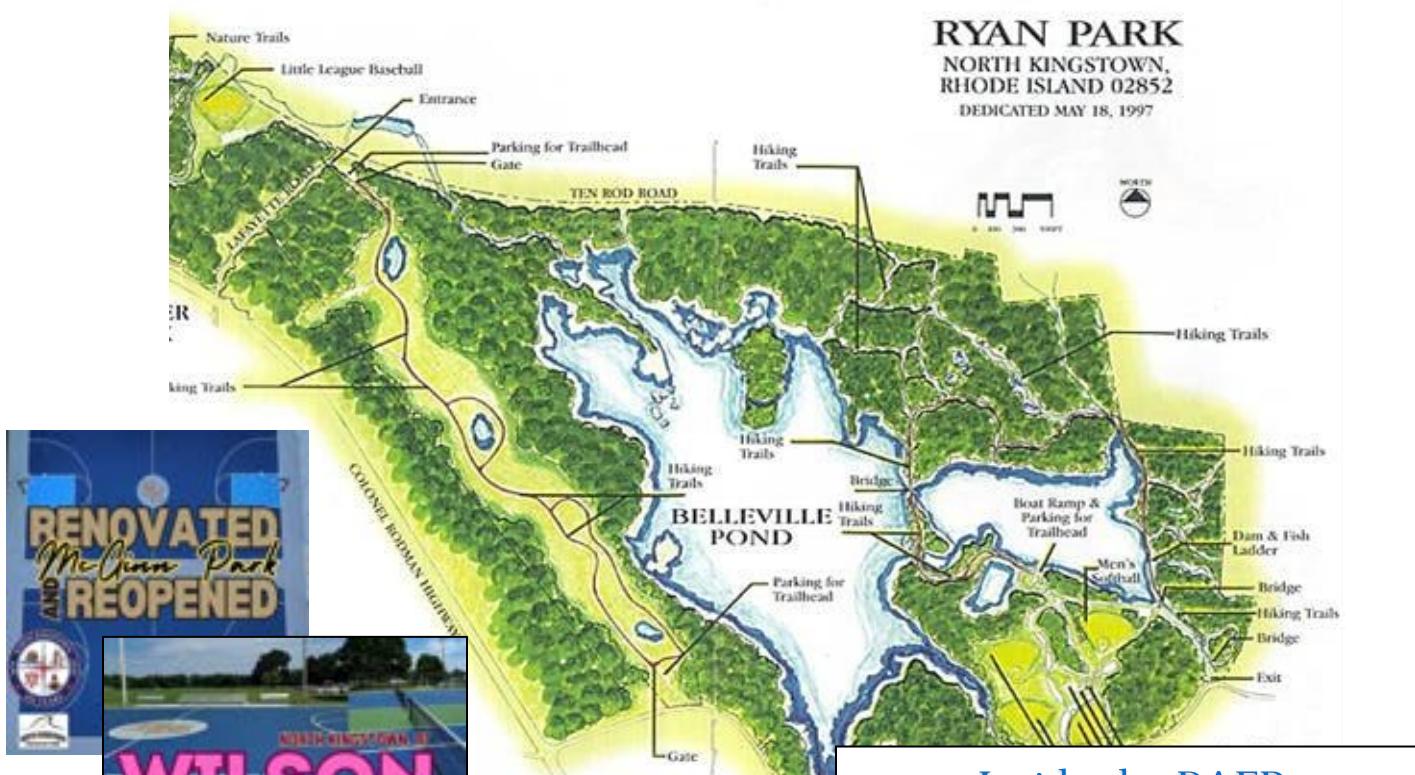


Popular Annual Financial Report For the Fiscal Year Ended June 30, 2024

A Popular Annual Financial Report (PAFR) 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 presented in the Town of North Kingstown's Annual Comprehensive Financial Report (ACFR) and the annual budget document.

Because the PAFR is a summary document, it does not comply with the requirement of Generally Accepted Accounting Principles (GAAP). Residents who prefer to review a report that is GAAP compliant may review the audited ACFR document on the Town's website:

<https://www.northkingstownri.gov/DocumentCenter/View/8215/FY-2024-Town-of-North-Kingstown-ACFR-FS>



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A Message from the Town Manager

Town Council and the residents of North Kingstown:

I am pleased to present the North Kingstown Popular Annual Financial Report (PAFR) for the Fiscal Year ending June 30, 2024. This document is our commitment to continued transparency and accessibility for our citizens.

Fiscal Year 2024 witnessed continued progress as we built on the many financial accomplishments we have realized during my eight years as Town Manager. We ended FY 2024 with a balanced budget and surplus, growing our unassigned accumuluated surplus to \$18.2 million. This surplus allows us to tackle one-time initiatives while also producing investment income which reduces our tax rate.

Fiscal Year 2024 continued our commitment to education as the Town provides annual average appropriations greater than any other community, resulting in an award-winning school school district. We also provided funding for exceptional Senior Center services, responsive and outstanding public safety, maintainace of over 150 miles of paved roads, parks and playgrounds that are the envy of the region, and efficient municipal operations with a misison to achieve outstanding customer service.

We also celebrated our Town's 350th Anniversary in 2024, with an exciting, year-long celebration of events, highlighted by our Gala, Parade, and Family Day celebrations. Fiscal Year 2025 builds on these accomplishments with infrastructure projects led by our streetscape improvement programs and flood mitigation efforts within our Municipal Parking Lot on Brown Street .These projects will continue to have a lasting, positive effect on the quality of life for all North Kingstown residents.



Thank you,

A handwritten signature in black ink that reads "A. Ralph Mollis".

A. Ralph Mollis,
Town Manager



Settled:	1641
Incorporated:	1674
RI State Population:	1,094,250*
Town Population:	27,719*
Area:	54 square miles

Mailing Address: 100 Fairway Drive
North Kingstown, RI 02852

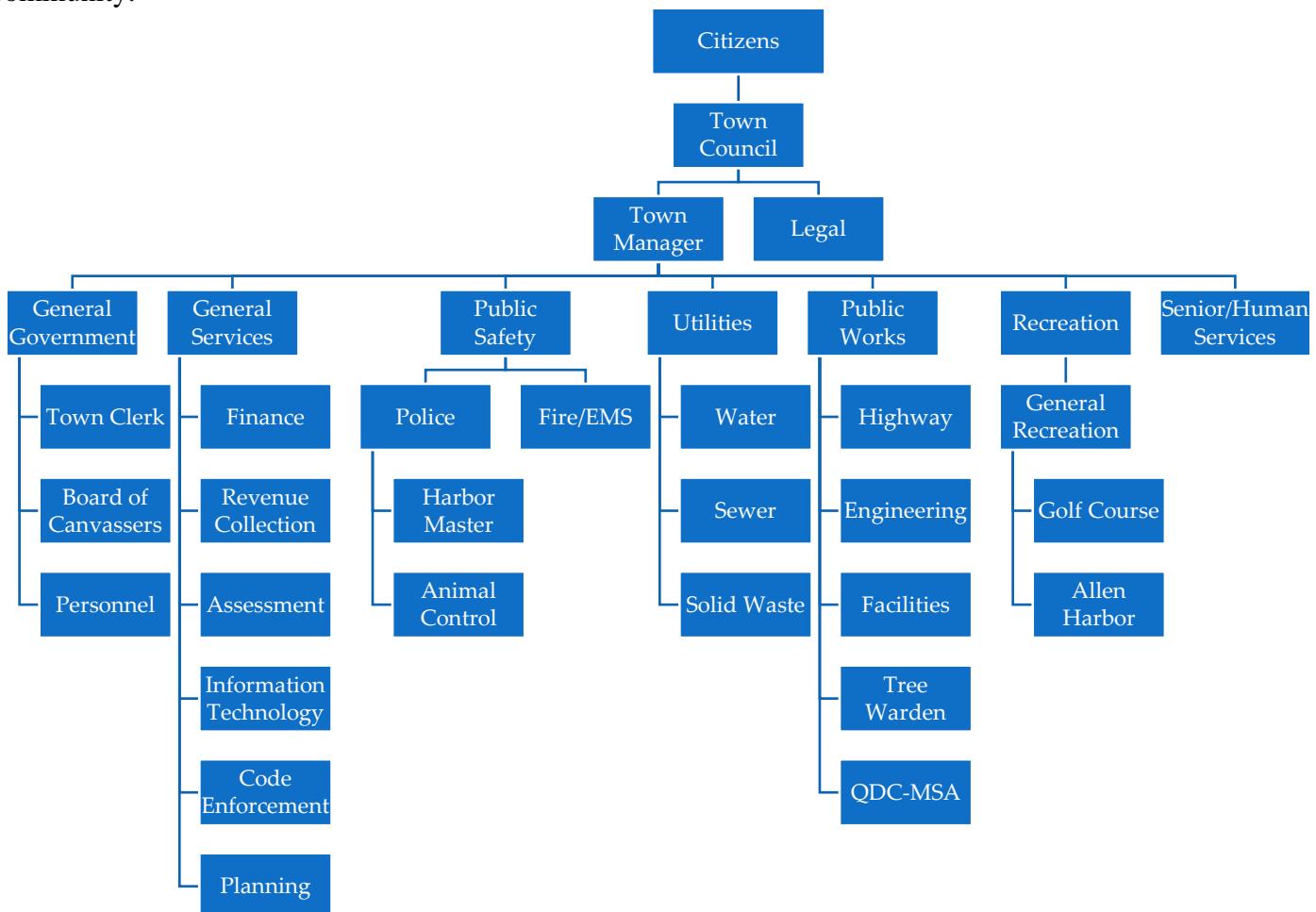
<https://www.northkingstownri.gov>
www.facebook.com/north.kingstown



Form of Government

The Town operates under a home rule charter adopted in 1954, and subsequently amended, providing for a Town Council/Town Manager form of government with a five-member Town Council headed by a Council President.

All legislative powers of the Town are vested in the Town Council by Charter, including adoption of the Town budget, the ordering of any tax and enacting the necessary ordinances and resolutions for the preservation of peace, health, safety, comfort, and welfare of the residents of the community.



2022 – 2024 North Kingstown Town Council



Gregory A. Mancini
President



Dr. Kimberly Page



Matthew B. McCoy



Katherine Anderson



Lawrence Mandel

Reaching a Significant Community Milestone

In 2024, the Town of North Kingstown convened a group of dedicated volunteers, residents, and community leaders to form the 350th Anniversary Steering Committee with a mission “to engage the entire North Kingstown community in a year-long celebration of the 350th Anniversary of the founding of our town.”



Town of
North Kingstown
RHODE ISLAND'S ONLY & OFFICIAL
AMERICAN WWII HERITAGE CITY

The goal of the Steering Committee was to plan and execute inclusive, memorable, educational, and enjoyable events made possible by extensive fundraising from individuals and businesses with support from the Town, to increase awareness of and connections to the rich history and innovative future of the Town of North Kingstown. The Committee accepted monetary donations, legislative appropriations, in-kind donations, and corporate sponsorships to support the Town’s budgetary contribution to the 350th Anniversary’s Signature Events: a Gala in April, Family Day Celebration in September, Parade in October, Founder’s Day in November, Holiday programming in December, and a year-long educational Speaker Series of 25 distinct and relevant lectures. Signature Events were most often no-cost events and were incredibly well attended; they were supplemented by a large number of additional commemorative and smaller-scale community events throughout the year.

In 2024, the Town of North Kingstown was designated as the only and official American World War II Heritage City in the State of Rhode Island by the National Park Service. This honor was officially bestowed on December 7, 2024, in a well-attended Pearl Harbor Remembrance Day ceremony.

The American World War II Heritage City program is a recognition from the Secretary of the Interior of the historic importance of the United States’ involvement in World War II. As World War II permeated every aspect of American life and resulted in a large migration of people within the United States, individuals and families relocated to industrial centers for higher paying war jobs and out of a sense of patriotic duty. Many industrial centers became “boom towns,” and in the case of North Kingstown specifically, forever transformed the landscape of a quiet agricultural community with roots to a bustling seaport village, to a significant contributor to the military industrial complex aiding in the nation’s war demands and evolving through phenomenal growth in a short period of time. As birthplace of the U.S. Navy Construction Battalion (Seabees), North Kingstown remembers its wartime legacy through the community-supported Seabee Museum and Memorial Park.



Photo Credit: Library of Congress. Images depict the former Quonset Point Naval Air Station (North Kingstown, RI). Much of the history of the U.S. Navy Seabees and Quonset Point NAS is preserved in collections and memorabilia at the Seabees Museum and Memorial Park in North Kingstown.



Community Profile

Courtesy of 2024 Fact Book: HousingWorks RI @ Roger Williams University

NORTH KINGSTOWN

POPULATION	HOUSEHOLDS	MEDIAN HOUSEHOLD INCOME	76% OWN	24% RENT
27,719	11,314	\$116,053		

HOUSING COSTS

MEDIAN SINGLE FAMILY

Home price **\$550,000**

Monthly housing payment **\$4,589**

5 YEAR COMPARISON

2018

\$401,704

2023

37% INCREASE

\$183,566

Income needed to afford this

AVERAGE 2-BEDROOM RENT

Rental payment **\$2,119**

2018

\$1,853

2023

14% INCREASE

\$84,760

Income needed to afford this

AFFORDABILITY GAP

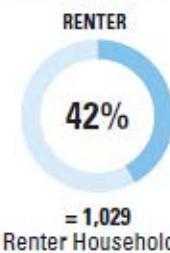
MONTHLY COSTS: OWNERS & RENTERS



COST BURDENED HOUSEHOLDS



2,556 HOUSEHOLDS ARE COST BURDENED



A household is considered burdened if it spends 30% or more of its income on housing costs.

CURRENT HOUSING & DEVELOPMENT

HOUSING STOCK

Total **12,227**

Single family **73%**

Two or more **27%**

INFRASTRUCTURE

REGION: South

Public Water

Nearly Full Partial None
Public Sewer
 Nearly Full < Partial None

MULTIFAMILY BY RIGHT

Permitted right in one or more zones

Yes No

RESIDENTIAL DEVELOPMENT ORDINANCES

ADU
G/VC

AHTF
ID

AR
IZ

CP
MU

FZ
TOD

2023 BUILDING PERMITS: Total 93
Municipally reported

LONG-TERM AFFORDABLE HOMES

RI General Law: 45-53-3(g) Low or Moderate Income Housing

Number of households below HUD 80% area median income: **2,990**

CURRENT **8.57%** % of year-round housing stock **1,014** # of long-term affordable homes

Elderly **35%** Family **49%** Special Needs **16%**

ADDED UNITS

Ownership **1** Rental **0**

PRESERVED RENTALS

0

State-Funded Homes

BUILDING HOMES RHODE ISLAND (I - IV):

145

FY2024 Operating Indicators: Municipal Departments

Police

Calls for Service	35,974
Incident Reports	1,391
Physical Arrests	445
Traffic Accidents	859
Prosecutions	2,948



Animal Control

Calls for Service	922
Adoptions	35

Harbormaster

Moorings Billed	588
Commercial Dock Billed	28
Boat Patrol (Hours)	850

Fire

Fire Reponses	6,718
Ambulance Responses	4,363
Residential Inspections	363
Box Alarms	234



Streets & Highway

Street Sweeping (miles)	156
Road Paving (miles)	5.62

Recreation

Programs	65
Participants	3,678

Libraries

Volumes in Collection	215,172
Reference Request	16,357
Visitors	100,119



Senior Services

Meals on Wheels	7,098
Sr Service Calls	41,513
Other Service Calls	10,58
Heat Cases	7
Rent Cases	3
Electric Shut Offs	2
Transportation Calls	42,28



Planning

Subdivision & Land Dev Apps	19
Zoning Board of Rev Apps	28
Historic Dist. Comm Apps	27



Code Enforcement

Permits Issued	2,870
Inspections Performed	5,325

School Enrollment

North Kingstown High School	1,316
Wickford Middle School	351
Davisville Middle School	449
Davisville Academy	20
Fish Cove Elementary School	333
Forest Park Elementary School	264
Hamilton Elementary School	446
Quidnessett Elementary School	252
Stony Lane Elementary School	339



The School Department has an oversight body, the North Kingstown School Committee, of five members plus a representative from Jamestown. This Committee governs the School Department on the policy and procedures, operation, capital infrastructure, budget, and audit.

North Kingstown's Financial Results

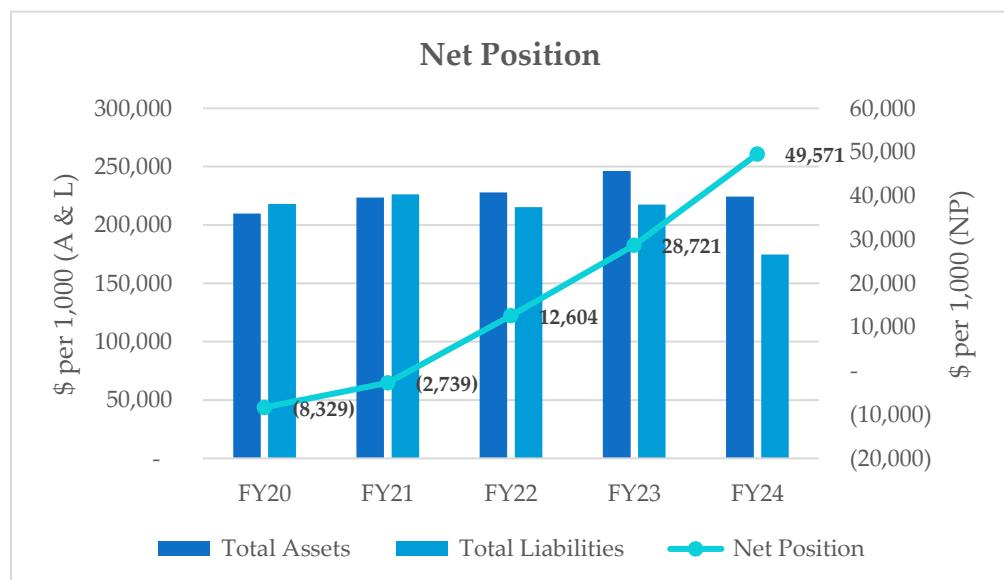
Government-wide Financial Statements provide readers with a broad overview of the Town's finances in a manner similar to private-sector business. They are presented on the accrual basis of accounting where all revenues and expenses are recognized on the date they occurred rather than the date they were collected or paid. They include all funds of the Town except for fiduciary funds and distinguish between governmental and business-type activities.

Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods and services.

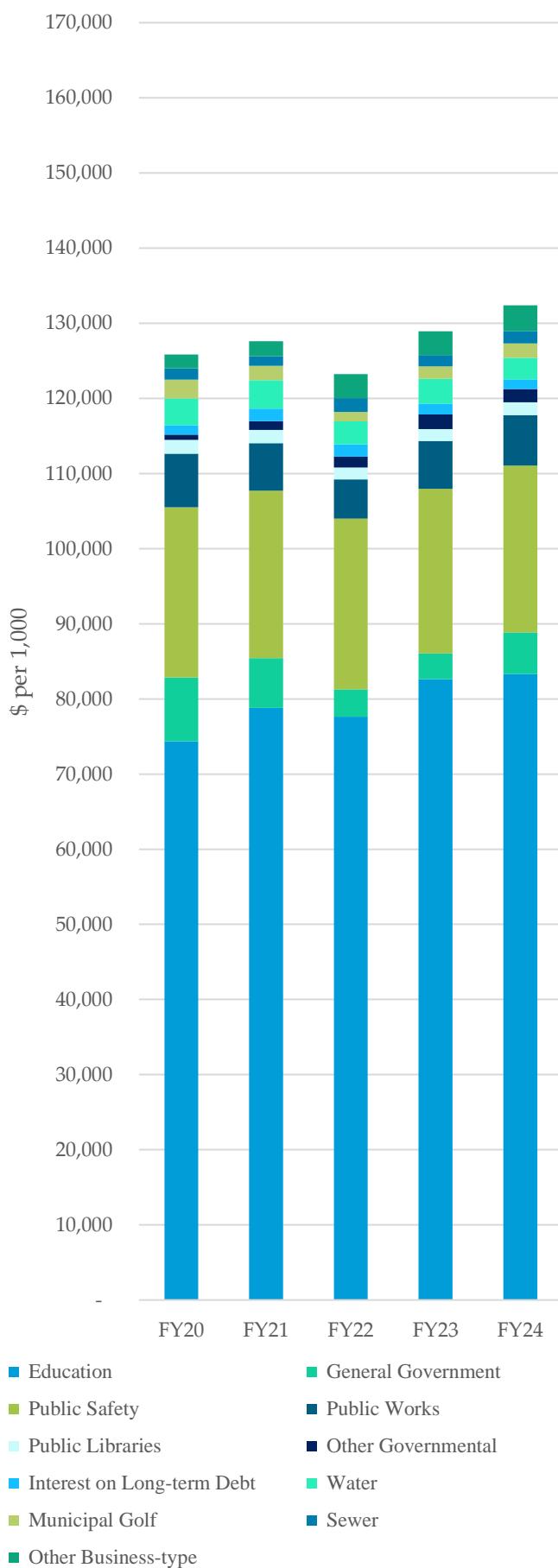
Net position is a good measure of the Town's overall health. The net position indicates if the town has sufficient financial capacity to cover its financial obligations. As of June 30, 2024, the Town has total assets of \$224,305,998 and total liabilities of \$174,735,065 resulting in total net position of \$49,570,993. It indicates the Town is in healthy financial shape. Of the total net position, it represents an increase of \$20,849,712 from FY23 to FY24.

The major factors for the change in net position in FY24:

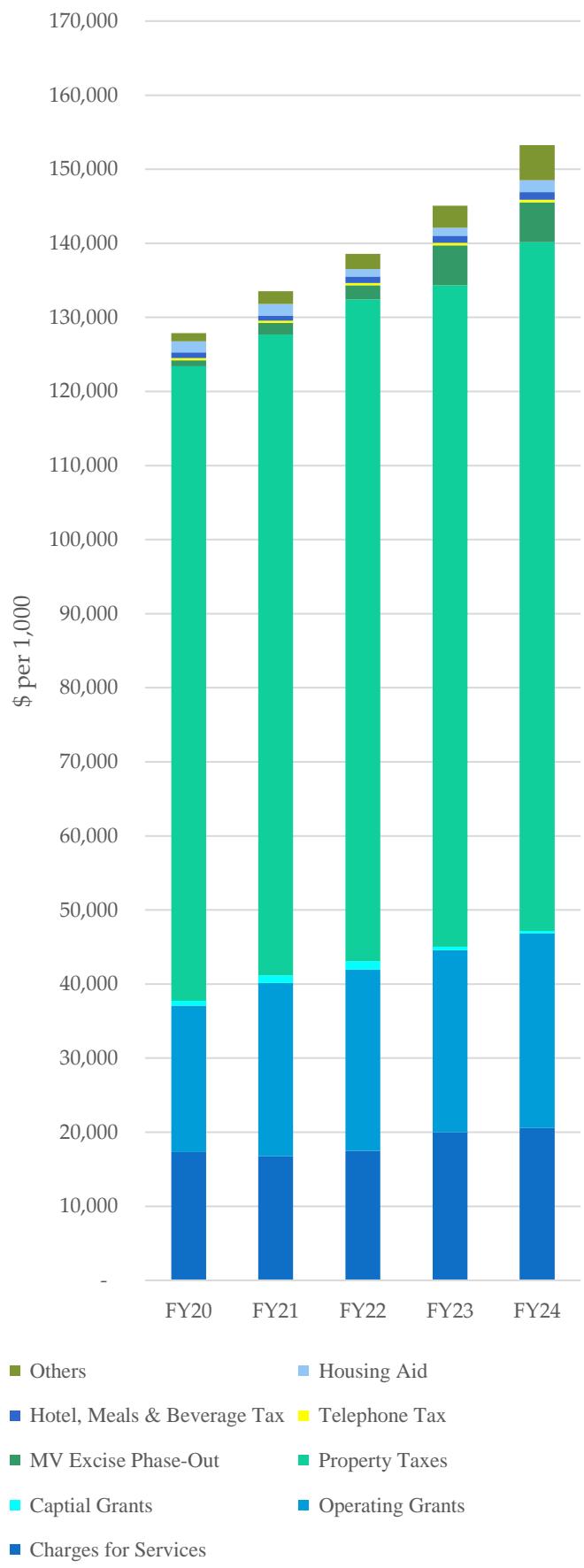
- Sewer Assessment (net) decreased in liabilities \$2,642,098
- General Obligation Bonds decreased in liabilities \$5,601,617
- Net Pension Liabilities decreased \$13,127,687



FY24 Government-wide Expenditures



FY24 Government-wide Revenues



FY 2023 and FY 2024 Comparison:

- Property taxes levied for real and tangible property increased \$2,68,399 or 3.0% for FY24. This is primarily due to a 2% increase in tax rates.
- Charges for services for governmental activities increased by \$41,966 (2.8%). This is primarily a result of increase in enterprise fund charges.
- Governmental Activities Grant Income (Operation and Capital) saw a combined increase of \$1,477,277 (5.6%) primarily due to increases in education.
- Education expenses account for approximately 68.0% of the total expenses within the governmental activities of the Town.
 - Public safety and public works expenses account for 18.1% and 5.5%, respectively.
 - General government makes up 4.5%, and the remainder relates to the public library, interest on long-term debt and other areas.
- GASB No. 75-Recognizes the accrual of net OPEB liability in the government-wide statement of net position. This accrual is recognized within general government expenditures (Note 9 on the ACFR). The net liability has increased from \$14,058,674 to \$729,929. As of June 30, 2024, \$13,467,617 of the OPEB liability is recorded in governmental activities with the remaining \$1,321,286 recorded in business-type activities.
- As of June 2024, the Town's OPEB was 18.2% funded. This is an increase of 1.1%.
- In FY24, the total OPEB actuarially determined contribution was \$1,636,770 of which the town contributed \$1,210,532 (74.0%).

Fund Financial Statements present the Town's finances by funds with a near-term focus of the spendable inflows, outflows, and balances at the end of the fiscal year. A fund is established to segregate specific activities or objectives to ensure and demonstrate compliance with finance-related legal requirements. Each fund holds its own assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance, revenues, and expenditures.

The funds are organized into three major categories: governmental, proprietary, and fiduciary.

Governmental Funds: The General Fund is the primary fund of the Town. It is used to account for and report all financial resources not accounted for and reported in any other funds. At the end of FY24, the unassigned fund balance of the Town's General Fund was \$18,206,369, or 17.34% of total general fund expenditures and other net financing uses; and the unassigned fund balance of the School Department's Unrestricted Fund was -\$29,172.

Debt service and major bond funds combined fund balance at the end of FY24 totaled \$2,291,220.

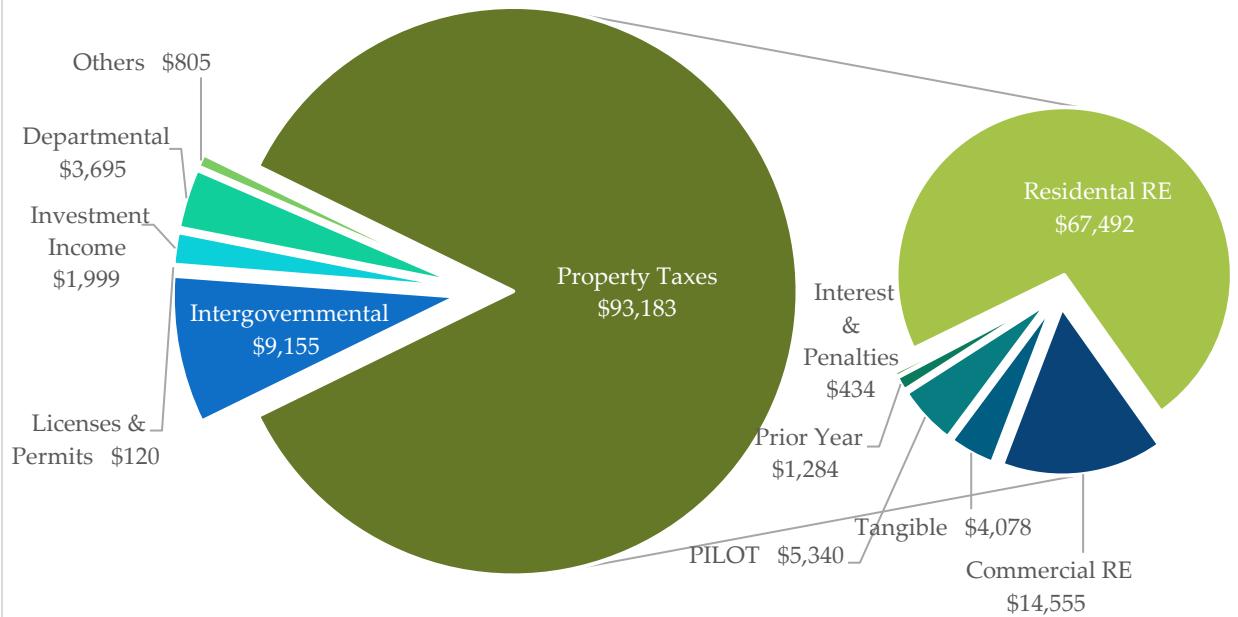
Non-major governmental funds include grants, donations, and transfers and income for restricted purposes i.e. non-major capital projects, tax revaluation, opioid settlement distribution, emergency medical services (EMS), etc. The total fund balance was \$ 9,261,726 at the end of FY24.

Proprietary Funds: These funds are reported in the subsequent section below.

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

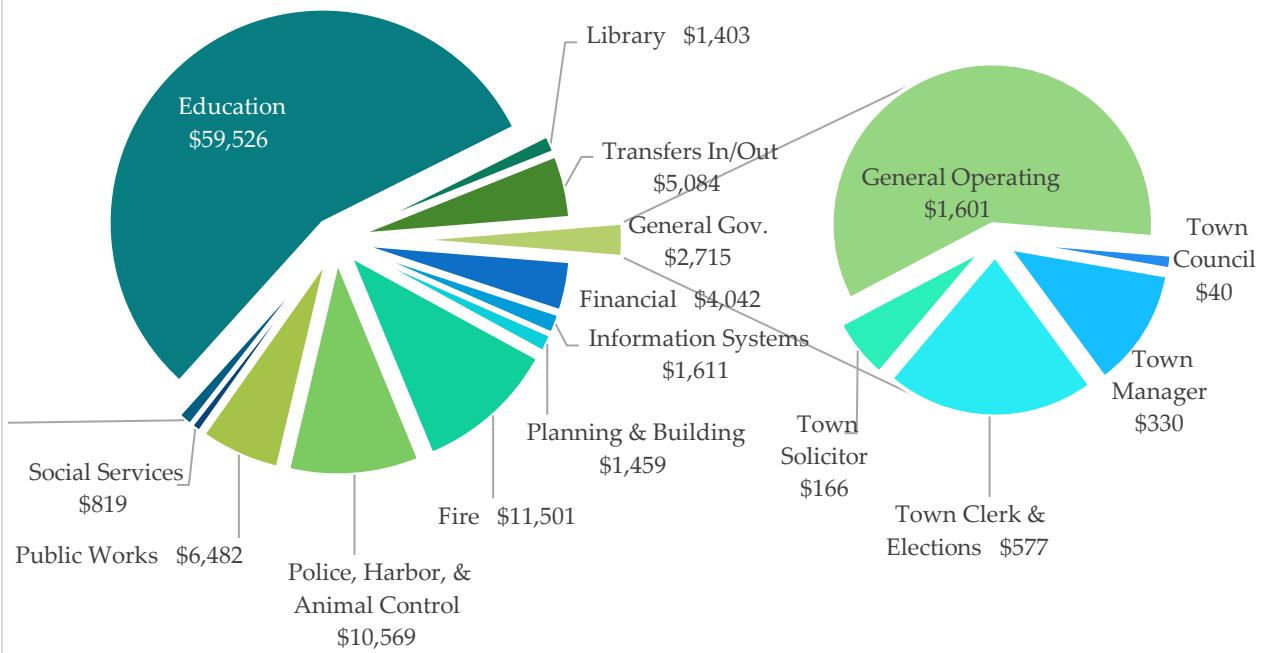
FY24 General Fund Revenues

\$ per 1,000



FY24 General Fund Expenditures

\$ per 1,000



FY24 Budget to Actual (Non-GAAP Basis)

Town General Fund			
	Budget	Actual	Variance
Revenues	\$ 104,989,231	\$ 108,956,870	\$ 3,967,639
Expenditures	39,370,562	40,390,554	1,019,992
Other Financing Sources (Uses)	<u>(65,618,669)</u>	<u>(66,013,683)</u>	<u>(395,014)</u>
Budgetary Gain (Loss)	\$ -	\$ 2,552,633	\$ 2,552,633

School Unrestricted Fund			
	Budget	Actual	Variance
Revenues	\$ 16,265,976	\$ 17,305,404	\$ 1,039,428
Expenditures	76,342,398	74,226,883	(2,115,515)
Other Financing Sources (Uses)	<u>60,076,422</u>	<u>58,350,473</u>	<u>(1,725,949)</u>
Budgetary Gain (Loss)	\$ -	\$ 1,428,994	\$ 1,428,994

- Town's Other Financing Sources (Uses) include:
 - Transfers between funds
 - Transfer to Debt Service Fund of \$5,365,110
 - Transfer appropriation to the Library of \$1,403,122
 - Transfer appropriation to the School Department of \$59,526,422
- School's Other Financing Sources (Uses) include:
 - Transfer between funds
 - Transfer appropriation from the Town of \$59,526,422
 - Transfer to School Capital Fund of \$1,739,202
 - Reappropriation of fund balance of \$500,000

Enterprise Funds are segregated from the rest of the government's finances. The money that comes in isn't a source for general revenue but provides funding for future enterprise activities.

Enterprise Funds can be financed by debt that will be paid off from future revenues. Others operate on a pay-as-you-go basis, using fees for services or goods to cover the budget. If it is a legal or policy requirement that the fund pay for itself, it must be identified as an Enterprise Fund.

The Town's Enterprise Funds consist of Water, Sewer, Allen Harbor, Municipal Golf Course, Transfer Station, and Municipal Court. The Quonset Davisville Reserve Fund has been inactive since FY19 but still carrying a fund balance of \$23,183.

The School's Enterprise Funds consist of Nutrition School Lunch, Computer Repair Maintenance Program, Athletic Gate, Athletic Activities Sports Camp, Music Choir and Orchestra, and STEM Camp.

FY24 Changes in Net Position (\$ per 1,000)

Town's Enterprise Funds

	Water	Sewer	Allen Harbor	NK Golf	Transfer Station	Municipal Court
Revenues	\$ 4,643	\$ 1,861	\$ 458	\$ 2,448	\$ 856	\$ 510
Expenses	2,790	1,328	84	1,918	1,621	144
Non-operating Rev (Exp)	(11)	240	700	-	501	-
Transfer In (Out)	(161)	(132)	(54)	(120)	(66)	(83)
Change in Net Position	1,680	642	1,020	410	(331)	284
Net Position-Beginning	16,688	289	745	(663)	(324)	115
Net Position-Ending	\$ 18,368	\$ 930	\$ 1,766	\$ (253)	\$ (655)	\$ 399

School's Enterprise Funds

	Computer			Athletic Activities		Music Choir	
	Nutrition	Repair Maint.	School Lunch	Program	Athletic Gate	Sports Camp	Orchestra and STEM Camp
Revenues	\$ 1,403	\$ 21	\$ 40	\$ 26	\$ 55	\$ 15	
Expenses	1,459	20	5	26	71		14
Non-operating Rev (Exp)	-	-	-	-	-	-	-
Transfer In (Out)	-	-	-	-	-	-	-
Change in Net Position	(56)	1	35	1	(16)		1
Net Position-Beginning	1,996	68	28	20	29		-
Net Position-Ending	\$ 1,939	\$ 69	\$ 63	\$ 21	\$ 13	\$ 1	

FY24 Operating Indicators: Enterprise Funds

Water

New Connections	35
Average Daily Consumption (gallon)	2,751,678



Sewer

Average Daily Treatment (gallon)	205,808
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Golf Course

Rounds Played	48,993
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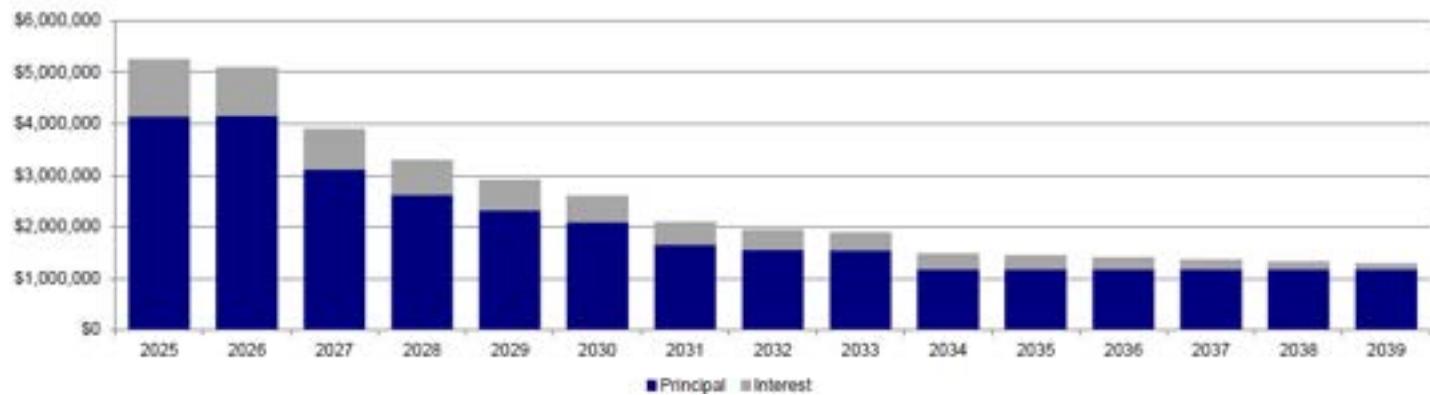
Transfer Station

Refused Collected (ton)	5,752
Recyclables Collected (ton)	2,866



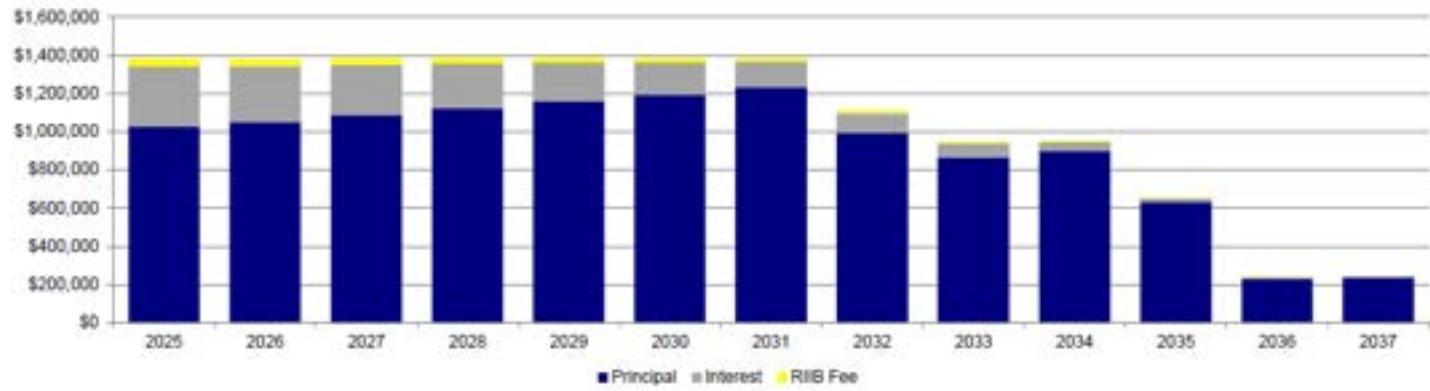
North Kingstown Debt General Fund

Town of North Kingstown, Rhode Island
General Fund Debt
As of June 30, 2024



Enterprise Fund

Town of North Kingstown, Rhode Island
Enterprise Fund Debt
As of June 30, 2024



Limits on Debt

Under Rhode Island State Law the Town may not, without special statutory authorization of ministerial approval by the Auditor General of the State, incur any debt which would increase its aggregate indebtedness not otherwise excepted by law to an amount greater than 3% of the full assessed value of the taxable property within the Town.

The Town's debt limit was \$180,015,536 based on net assessed valuation of \$6,000,511,850 as of December 31, 2022. As of June 30, 2024 the Town has an outstanding balance of \$47,939,091 on the general obligation bonds. This amount represents 26.63% of the Town's debt limit threshold.

North Kingstown's Bond Rating



A high bond rating signifies a lower risk of default, allowing the issuer to borrow money at lower interest rates. Lower interest rates mean less payment of interest on the principal. The Town has \$82,857,239 original principal on the currently outstanding bonds. Using a simple interest calculation for example, one percent (1.0%) of interest rate on the principal equals to \$828,572 of interest.

The Town of North Kingstown is rated by two national rating agencies, Moody's and S&P. The Town's current ratings are Aa2 and AA+ respectively. The Town's ratings are considered top tier.

Several factors earn the Town this optimistic ratings.

- Very strong economy
- Strong management
- Adequate budgetary performance
- Very strong budgetary flexibility
- Very strong liquidity
- Strong debt and contingent liability profile
- Strong institutional framework score

Moody's	S&P	Rating Description
Aaa	AAA	highest grade, prime
Aa1	AA+	
Aa2	AA	high grade
Aa3	AA-	
A1	A+	
A2	A	upper medium grade
A3	A-	
Baa1	BBB	
Baa2	BBB	lower medium grade
Baa3	BBB	
Ba1	BB+	
Ba2	BB	non-investment grades speculative
Ba3	BB-	
B1	B+	
B2	B	highly speculative
B3	B-	
Caa1	CCC	substantial risks
Caa2	CCC	extremely speculative
Caa3	CCC	default imminent
Ca	CC	with little prospect for recovery
	C	
C	D	in default

How North Kingstown Compares to Other RI Municipalities

According to data published by the State of Rhode Island Office of the General Treasurer:

Rhode Island has 39 municipalities. The table below summarizes the current general obligation ratings of the municipalities as of November 20, 2023.

Obligor Name	Moody's	S&P	Fitch	Obligor Name	Moody's	S&P	Fitch
Barrington	Aa1	AAA	NR	New Shoreham	NR	AA	NR
Bristol	Aa2	AA+	NR	Newport	NR	AA+	NR
Burrillville	NR	AA	NR	North Kingstown	Aa2	AA+	NR
Central Falls	A3*	NR	NR	North Providence	A1	AA-	NR
Charlestown	Aa2	NR	NR	North Smithfield	Aa2	NR	NR
Coventry	A1	NR	NR	Pawtucket	A3	A+	A+
Cranston	A1	AA-	AA+	Portsmouth	Aa2	AAA	NR
Cumberland	Aa3	AA+	NR	Providence	A3	BBB+	A
East Greenwich	Aa1	AA+	NR	Richmond	Aa3	NR	NR
East Providence	NR	AA	NR	Scituate	NR	AA	NR
Exeter	NR	NR	NR	Smithfield	Aa2	AA	NR
Foster	Aa2	NR	NR	South Kingstown	Aa1	NR	NR
Glocester	NR	AA+	NR	Tiverton	A1	AA	NR
Hopkinton	Aa3	NR	NR	Warren	Aa3	NR	NR
Jamestown	Aa1	NR	NR	Warwick	NR	AA	NR
Johnston	A1	AA	NR	West Greenwich	NR	AA+	NR
Lincoln	Aa2	NR	AAA	West Warwick	A3	NR	NR
Little Compton	NR	AAA	NR	Westerly	Aa3	AA	NR
Middletown	Aa1	NR	NR	Woonsocket	Baa2	A+	A+
Narragansett	Aa2	AA+	NR				

* Central Falls rating reflects Moody's assigned rating of A3 to RIHEBC Public School Revenue Bonds Financing Program Revenue Bonds, Series 2007B (Pooled Issue), which reflects the credit quality of Central Falls, the remaining pool participant.

Glossary

Assets	Resources owned by the town that can be used to create economic value.
Liabilities	Financial obligations that are owned to others.
Fund Balance	The difference between assets and liabilities. It is used to measure the available expendable financial resources.
Net Position	Similar to the Fund Balance but it appears on the Government-wide Statement of Net Position where Fund Balance appears on the Governmental Fund Balance Sheet.
Deferred Inflow of Resources	Resources to be received in the future that is greater than one year.
Deferred Outflow of Resources	Resources to be paid in the future that is greater than one year.