

Town of North Kingstown, Rhode Island

Popular Annual Financial Report

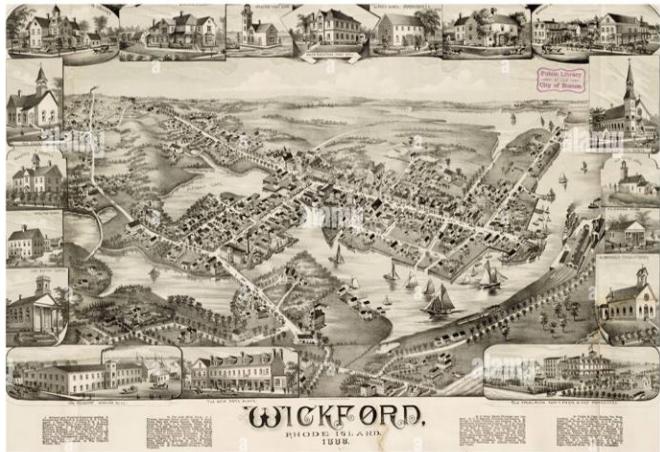
For the Fiscal Year Ended June 30, 2023

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-2023-Town-of-North-Kingstown-ACFR-FS>



A Message from the Town Manager



What's inside the PAFR?

All About North Kingstown	3
North Kingstown's Financial Results	4
Enterprise Funds	7
Schools	8
Debt	9
Budget-to-Actual	10

Town Council and the Town of North Kingstown Community:

I am pleased to present the North Kingstown Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2023. The Town presents this document in our commitment to continued transparency and accessibility for our citizens.

In Fiscal Year 2023, we continued to build on the many financial accomplishments we have realized during my seven years as Town Manager. We ended Fiscal Year 2023 with a combined Town and School surplus of \$819,640, resulting in an accumulated unrestricted surplus/fund balance of \$14,641,996.

With the use of ARPA Funds, accounts established for the restricted use of targeted projects, bond funds, and general operating expenses, we were able to complete the renovation of our historic Town Hall, repairs to Gilbert Stuart Bridge, installation of LED lights within our parks and along our roads, critical technology upgrades, improvements in energy-efficiency and HVAC, along with the installation of AEDs throughout our community. We were honored to be chosen as the 2023 recipient of the Rhode Island Office of Energy Resource's Clean Energy Award winner in the municipal division.

As we celebrate our Town's 350th Anniversary in 2024, I look forward to closing Fiscal Year 2024 with many exciting projects and initiatives then embark on Fiscal Year 2025 with many more thoughtful and well-planned initiatives. In FY 2025, we will see the renovation of our Municipal Office Building, streetscape improvements, and flood mitigation efforts within our Municipal Parking Lot. These projects and more, will all have a positive effect on the quality of life for North Kingstown residents.

A. Ralph Mollis,
Town Manager
townmanager@northkingstownri.gov



2020-2023 Town Council



Left to Right: Council President Gregory Mancini, Dr. Kimberly Ann Page, Matthew McCoy, Katherine Anderson, Larry Mandel



As we recognize our 350th Anniversary in 2024 with a year-long calendar of events to commemorate and celebrate the founding of our town with memorable educational events.

The Town of North Kingstown can be traced back to the 1630's when Roger Williams established a temporary trading post near Cocomscussooc along the major thoroughfares of the Narragansett people. In 1674, Kings Towne was founded by the colonial government. It now included the present-day towns of North Kingstown, South Kingstown, Exeter, and Narragansett. In 1722, as settlement expanded, it was divided into North and South Kingstown. North Kingstown continues to have an evolving economy. The 19th century saw an expanding textile industry that took advantage of our many rivers and streams. Later the 20th century economy was driven by the military with construction and development of the Quonset/Davisville military complex, Quonset Point Naval Air Station, and the Navy Construction Battalion Center. Today, North Kingstown is a dynamic and thriving place to live and work, highlighted by our frequent appearance in USA Today's Top 10 "Most Historic Small Town in America" rankings. We are home to one of the nation's premiere Business Parks with Quonset Business Park being the home of over 220 companies and 13,000 employees-a driving force of the 21st century.

We are indeed fortunate to call North Kingstown home.

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.



Town of North Kingstown Financial Results

Town of North Kingstown

Net Position

FYE June 30, 2023 (in millions)

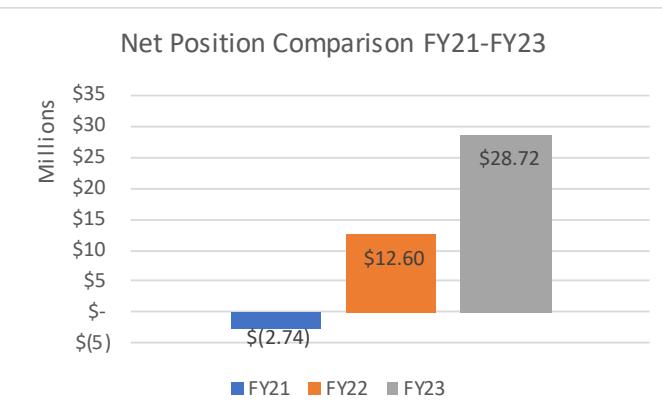
	Governmental Activities	Business-Type Activities	Government Wide
Assets	\$ 163.48	\$ 47.26	\$ 210.74
Deferred Outflows	\$ 34.18	\$ 1.35	\$ 35.54
Liabilities	\$ 148.61	\$ 18.46	\$ 167.07
Deferred Inflows	\$ 39.35	\$ 11.14	\$ 50.49
Net Position	\$ 9.71	\$ 19.01	\$ 28.72

Town of North Kingstown

Changes in Net Position

FYE June 30, 2023 (in millions)

	Governmental Activities	Business-Type Activities	Government Wide
REVENUES			
General Revenue	\$ 99.60	\$ 0.42	\$ 100.02
Charges for Services	\$ 8.94	\$ 11.06	\$ 20.00
Grants and Contributions	\$ 24.38	\$ 0.67	\$ 25.05
Transfers	\$ 0.18	\$ -	\$ 0.18
TOTAL	\$ 133.10	\$ 12.15	\$ 145.25
PROGRAM EXPENSES & TRANSFERS			
Program Expenses	\$ 119.30	\$ 9.65	\$ 128.95
Transfers	\$ -	\$ 0.18	\$ 0.18
TOTAL	\$ 119.30	\$ 9.83	\$ 129.13
+/- in Net Position	\$ 13.80	\$ 2.32	\$ 16.12
Net Position-Beginning	\$ (4.09)	\$ 16.69	\$ 12.60
Net Position-Ending	\$ 9.71	\$ 19.01	\$ 28.72



South Cove Wickford



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 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 change in net position over time indicates if the town has sufficient financial capacity to cover its financial obligations.

Across all funds, the Town's net position increased by \$16,117,016 or 127.8%, from FY 2022 to FY 2023.

The Town's net investment in capital assets was \$83.40 million as of June 30, 2023. This increase of \$3.10 million from June 30, 2022, was due to new assets acquisition and depreciation.

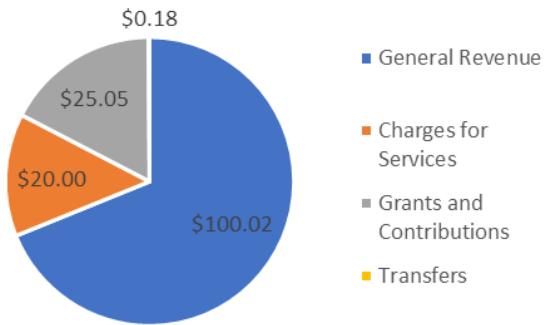
Wickford Village on Main Street



Town of North Kingstown Financial Results

Where the Money Comes From

Government-Wide Revenues

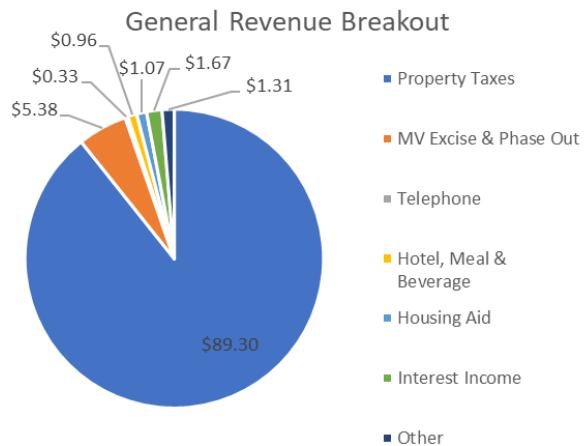


Where the Money Goes

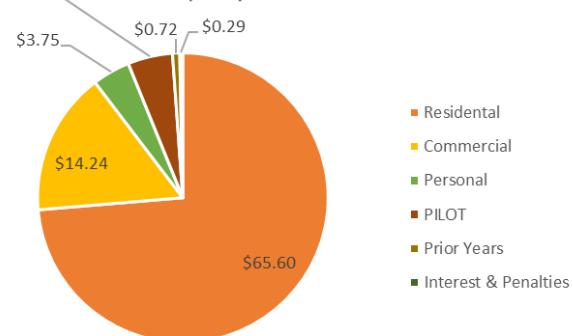
Government-Wide Expenditures



General Revenue Breakout



Property Tax Revenues



* Numbers displayed in millions

Right: Town beach in 1959



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:

At the end of FY23, the unassigned fund balance of the General Fund was \$14.67 million, or 14.4% of total general fund expenditures and other net financing uses.

At the end of FY23, the fund balance of the School Department's Unrestricted Fund was \$6.73 million. Of that, \$5.89 million is assigned.

Debt related funds combined fund balance at the end of FY23 totaled \$2.50 million.

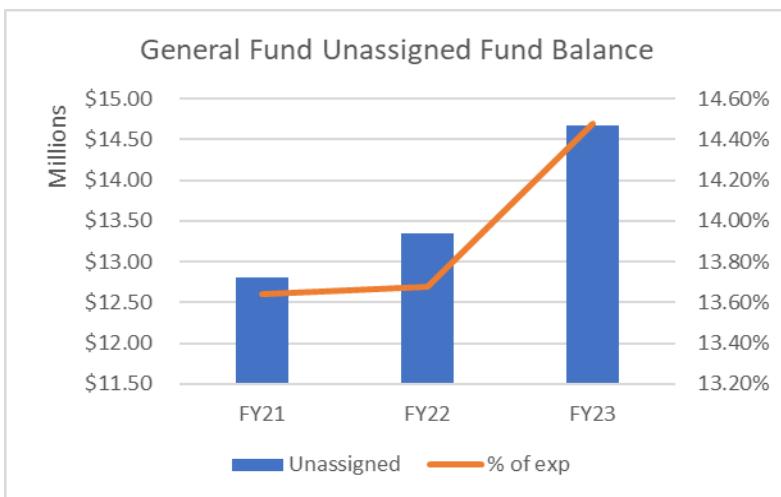
Non-major governmental funds totaled \$8.24 million at the end of FY23.

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.



*Above: Main Street in the past
Under: Main Street in the present*



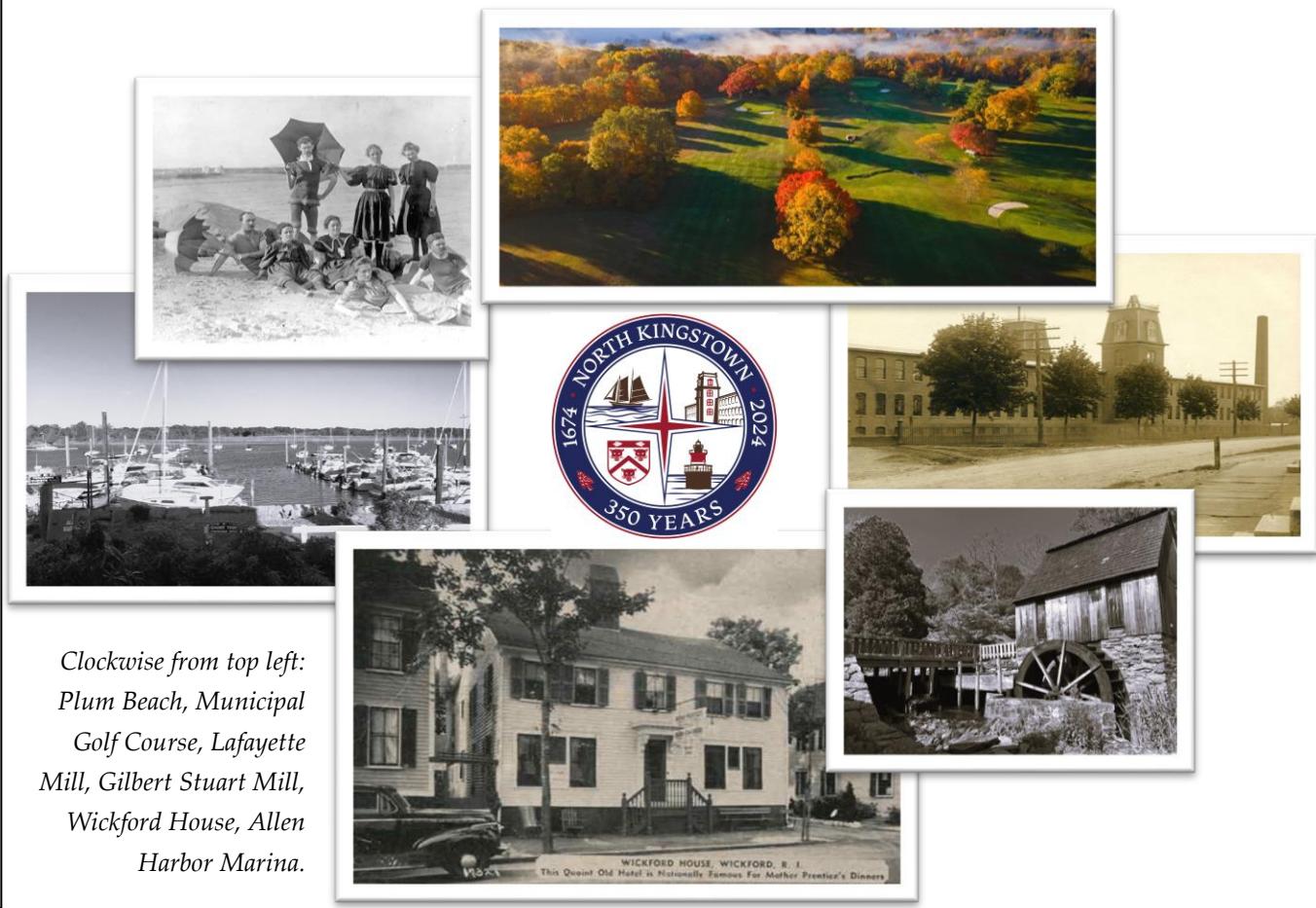
Enterprise Funds:

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.

	Water	Sewer	Allen Harbor	NK Golf	Quonset Davisville Reserve	Transfer Station	Municipal Court
Revenues	\$ 4,925,874	\$ 1,627,304	\$ 441,985	\$ 2,381,594	\$ -	\$ 647,944	\$ 293,519
Expenses	\$ 3,228,197	\$ 1,193,434	\$ 362,778	\$ 1,651,250	\$ -	\$ 1,158,631	\$ 108,842
Operating Income (Loss)	\$ 1,697,677	\$ 433,870	\$ 79,207	\$ 730,344	\$ -	\$ (510,687)	\$ 184,677
Nonoperating Revenue (Expenses)	\$ (76,876)	\$ 100,816	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer In (Out)	\$ (200,781)	\$ (119,582)	\$ (42,762)	\$ (121,023)	\$ -	\$ 397,721	\$ (92,438)
Change in Net Position	\$ 1,420,020	\$ 415,104	\$ 36,445	\$ 609,321	\$ -	\$ (112,966)	\$ 92,239
Net Position-Beginning	\$ 15,267,748	\$ (126,366)	\$ 708,622	\$ (1,272,455)	\$ 23,183	\$ (210,622)	\$ 23,061
Net Position-Ending	<u>\$ 16,687,768</u>	<u>\$ 288,738</u>	<u>\$ 745,067</u>	<u>\$ (663,134)</u>	<u>\$ 23,183</u>	<u>\$ (323,588)</u>	<u>\$ 115,300</u>



Town of North Kingstown Schools



<u>FY23 Enrollment Data</u>	<u>Students</u>
North Kingstown High School	1,352
Wickford Middle School	356
Davisville Middle School	442
Davisville Academy	20
Fishing Cove Elementary School	335
Forest Park Elementary School	257
Hamilton Elementary School	424
Quidnessett Elementary School	225
Stony Lane Elementary School	380

The School Department's finances are included along with the Town's in the previous section. At of June 30, 2023, the School Department's cumulative total fund balance is \$10,983.562, with \$5,889,319 assigned.

The School Department maintains their own set of enterprise funds

Net Position June 30, 2023

Nutrition School Lunch	\$1,995,500
Computer Repair/Maint Program	\$68,196
Athletic Gate Receipts	\$28,250
Athletic Activities Sports Camp	\$19,638
Music Choir and Orchestra	\$29,144



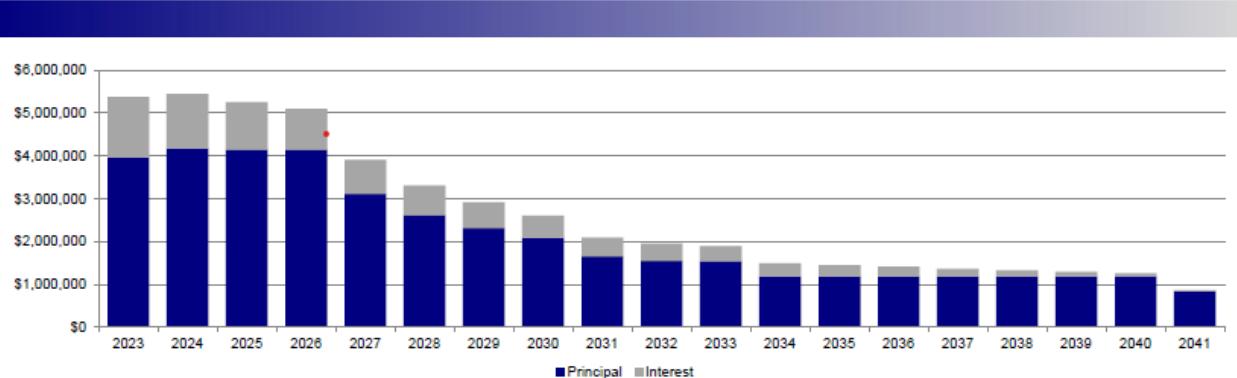
Historic Photos

*Above: Wickford Grammar School
Left: North Kingstown Free Library*

The School Department has an oversight body, the 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 Debt

Town of North Kingstown, Rhode Island
General Fund Debt
As of June 30, 2022



Future Debt Service

General Fund	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29+</u>
Municipal	3,386,675	3,489,739	3,326,543	3,201,422	2,041,129	1,957,115	10,984,805
School	1,996,980	1,957,405	1,931,495	1,897,895	1,867,555	1,347,805	11,346,388

Enterprise

Water	279,638	279,223	279,164	278,690	278,810	278,305	831,530
Sewer	1,099,699	1,099,344	1,103,905	1,101,259	1,105,565	1,108,484	7,474,699

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 \$175,048,679 based on net assessed valuation of \$5,834,955,951 as of December 31, 2021.

North Kingstown's Bond Rating

The Town of North Kingstown is rated by S&P and Moody's current ratings are AA+ and Aa2 respectively.

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

Town of North Kingstown Budget to Actual

FY23 Budget to Actual (Non-GAAP Basis)

Town General Fund			
	Budget	Actual	Variance
Revenues	\$ 101,407,854	\$ 102,762,114	\$ 1,354,260
Expenditures	37,896,197	37,666,733	\$ 229,464
Other Financing Sources (Uses)	(63,511,657)	(63,351,144)	\$ 160,513
Budgetary Gain (Loss)	\$ -	\$ 1,744,237	\$ 1,744,237

School Unrestricted

	Budget	Actual	Variance
Revenues	\$ 16,193,357	\$ 16,616,854	\$ 423,497
Expenditures	74,001,872	74,278,432	(276,560)
Other Financing Sources (Uses)	57,808,515	56,930,813	(877,702)
Budgetary Gain (Loss)	\$ -	\$ (730,765)	\$ (730,765)

- Town's Other Financing Sources (Uses) include:
 - Transfers between funds
 - Transfer to Debt Service Fund of \$5,383,655
 - Transfer appropriation to the School Department of \$57,273,515
 - Transfer to School Capital Fund of \$500,000
- School's Other Financing Sources (Uses) include:
 - Transfers between funds
 - Transfer appropriation from the Town of \$57,273,515
 - Transfer to School Capital Fund of \$1,000,000
 - Reappropriation of fund balance of \$500,000

