

**THE TOWN OF  
NORTH KINGSTOWN, RHODE ISLAND**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**FOR THE YEAR ENDED  
JUNE 30, 2010**

Prepared By:

Finance Department

# Town of North Kingstown, Rhode Island

Year Ended June 30, 2010

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Year Ended June 30, 2010

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THE TOWN OF  
NORTH KINGSTOWN, RHODE ISLAND

INTRODUCTORY SECTION



## Town of North Kingstown, Rhode Island

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December 14, 2010

To the Honorable Members of the Town Council and  
Citizens of the Town of North Kingstown, Rhode Island

Rhode Island State Statute requires that all municipal entities publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the Town of North Kingstown for the fiscal year ended June 30, 2010.

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

The Town of North Kingstown's financial statements have been audited by Braver, PC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of North Kingstown for the fiscal year ended June 30, 2010, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Town of North Kingstown's financial statements for the fiscal year ended June 30, 2010, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

## **PROFILE OF THE GOVERNMENT**

North Kingstown settled in 1641 and incorporated as a Town in 1674, covers an area of 54 square miles and is primarily a residential suburb approximately 22 miles south of Providence, but is also emerging as an important employment center because of the location of the Quonset Business Park. Based on the 2000 U.S. Census, the Town's population is approximately 26,326 residents.

### Governing Body:

The Town operates under a home rule charter adopted in 1954, and subsequently amended, providing for a council/town manager form of government with a five-member Town Council headed by a Council President. All legislative powers of the Town are vested in the Town Council by the Charter, including the adoption of the Town budget, the ordering of any tax, making appropriations and transacting any other business pertaining to the financial affairs of the Town.

Members of the Town Council are elected on a partisan basis at large for a term of two years. The Charter grants to the Town Council all powers to enact, amend, or repeal ordinances relating to the Town's property, affairs and government including the power to create offices, departments or agencies of the Town, to preserve the public peace, health and safety, to establish personnel policies, to authorize the issuance of Bonds (with the approval of the voters) and to provide for an annual audit of the Town's accounts.

The Town Manager is appointed by a majority vote of the Town Council and serves for no definite term, but at the pleasure of the Council. The manager is chosen by the council solely on the basis of his/her executive and administrative qualifications with special reference to his/her actual experience in, or his/her knowledge of, accepted practice in respect to the duties of his/her office. The Town Manager is the chief executive officer and head of the administrative branch of government. The Charter grants to the Town Manager the authority to appoint or remove all officers or employees of the Town except the Town Solicitor and School Department employees, to prepare and submit to the Town Council the annual budget and annual report of the Town, to recommend to the Town Council pay schedules for Town employees and to recommend to the Town Council the adoption of such measures as he or she may deem necessary for the health, safety or welfare of the Town.

### Reporting Entity and It's Services:

The Town of North Kingstown provides a full range of services, including education, public safety, the construction and maintenance of highways, streets, storm and sanitary sewers and infrastructure, social services, parks and recreational activities, and general administration. In addition, the town operates the Municipal Court, Water and Quonset/Davisville Recreation enterprise funds. Approximately 249 full-time municipal employees provide services to a community of 22 square miles and 26,326 residents.

This report includes all the funds and account groups of the Town and the funds of the North Kingstown School Department.

Budgetary Process:

The annual budget serves as the foundation for the Town of North Kingstown's financial planning and control. In accordance with the North Kingstown Home Rule Charter, the Town has established budgetary control for its General Fund, Library Fund, three Enterprise Funds, School Unrestricted Fund, which is a Special Revenue Fund, School Capital Reserve Fund and Debt Service Fund. Based on the charter, the final action by the council shall take place on or before the first Wednesday in May. Accordingly, the manager shall submit to the council on or before the fiftieth day preceding said first Wednesday in May, a proposed budget of receipts and expenditures and an explanatory budget message. The Town departments are required to submit requests for appropriation to the Town Manager on or before the 2<sup>nd</sup> Friday in December. Two weeks prior to the date on which the manager is required to submit the town budget to the council (first Wednesday in May) the school committee and the library board of trustees shall submit budget estimates to the manager in the same manner as other departments, for inclusion in that budget. The council shall consider appropriations for the school committee and for the library board in total only, and the allocation of moneys appropriated for the school and library purposes shall be determined by the school committee and the library board of trustees respectively. All annual operating budgets' appropriation amounts are supported by revenue estimates and takes into account the elimination of accumulated deficits and the re-appropriation of accumulated surpluses to the extent necessary. Appropriations which are not expended or encumbered lapse at year end except if a program has not been completed before the end of the fiscal year (as is the case with the Enterprise Funds).

Following preliminary approval of the budget, the council shall schedule and hold two (2) public hearings, one (1) on the school portion of the budget at which the school committee shall be represented, and the other on the remainder of the budget. These hearings shall be scheduled to begin approximately three (3) weeks following preliminary approval of the budget and be completed on or before the thirteenth day preceding the first Wednesday in May. The appropriated budget is prepared by fund and function (e.x., public works).

Expenditure Control:

The Town maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Town Council. Under the Town Council's budget cap, total expenditures cannot exceed the final appropriation within each budgeted fund, once the budget is adopted. Amendments to the operating budgets that do not result in additional appropriations may be made within departments by means of a transfer. The Town Manager has authority to make such transfers within departments. Any other transfers made outside the departmental level during the fiscal year require Town Council approval. The level at which all budgeted funds may not legally exceed appropriations is at the department level.

At the direction of the Town Manager, all Department Directors are expected to follow strict guidelines for expenditure control within the approved budget appropriation. The Town Manager reserves the right to set "administrative spending authority" limits when justified to maintain the fiscal integrity of the budget. The finance Department also monitors expenditures to budget through the general ledger/accounting system.

The Town maintains an encumbrance accounting system as another method of maintaining budgetary control. All purchases require a purchase requisition and a purchase order unless deemed otherwise, as in an emergency situation. The Town's Purchasing Policy requires formal competitive bidding for expenditures over \$5,000. Funds are recorded as encumbered when the purchase order is issued and expenditures are recorded when the Town incurs a liability.

## **ECONOMIC DEVELOPMENT AND OUTLOOK**

Over the past two decades, North Kingstown's economy has emerged as a dominant employment center for the region. Employment has grown in industrial, commercial and office uses.

### **Industrial Development**

About one third of North Kingstown employment is associated with manufacturing and industry. The majority of new manufacturing employment in the Town has been the result of migration of firms into North Kingstown. Seven major employers account for most of the manufacturing employment: Electric Boat Corporation; Toray Plastics of America; Ocean State Jobbers; SENESCO shipbuilding; Fuji Film (formerly Arch Chemicals); NORAD; and Illumination Concepts and Engineering, Inc.

Other significant employers include: 143<sup>rd</sup> Air Wing, Rhode Island Air National Guard; Wal-Mart; Scalabrini Villa; Seafreeze Limited; New England Stone; Maro Display; Dominion Diagnostics; Goldline Controls; Emissive Energy; South County Nursing Center; Stop and Shop Supermarkets; Lowe's; Kohl's; and Home Depot.

### **Quonset Business Park**

The centerpiece of industrial development in North Kingstown is the Quonset Business Park, which is operated by the Quonset Development Corporation (QDC). The industrial and commerce park complex contains approximately 3,000 acres of land; approximately 555 acres remain available for development. Overall the park area is served by an airport, rail, and deep-water piers and is thus suitable for a wide diversity of manufacturing and port activities. One hundred sixty eight companies employing more than 6,810 full-time employees and 1,730 part-time employees currently occupy the industrial park. The complex also includes an 18-hole golf course and marina owned and operated by the Town of North Kingstown.

The vision for the Quonset Business Park calls for mixed industrial, commercial, limited service/retail and waterfront uses. The QDC has completed improvements to the freight rail system, internal roadways, a bike path and a limited access highway from Route 4.

Several major facilities have been proposed, have recently expanded or are under construction at Quonset Point/Davisville. Keifer Park, the technology center of Quonset Point Davisville, exemplifies the mixed industrial development that has characterized the growth of the Quonset Business Park. Another area of the Park boasting significant current and anticipated growth is Commerce Park located at the heart of Quonset Point. Here, existing park tenants and new arrivals continue to prosper. The Executive Park area is under development by a private investment firm, the New Boston Group, is developing the "Quonset Gateway" into a mixed-use office and service area to serve existing and future residents of the business park. The Gateway complex currently houses a Kohls department store, a Lowe's store, and a new Dave's Marketplace. A 10-room

Marriot Extended Stay is currently under construction with an opening set for April 2011. North Davisville and West Davisville are the final areas of the park slated for industrial development. The Town and the QDC have recently entered into a Memorandum of Agreement to create a unified development process for all future developments at the Business Park.

### **Commercial Development**

Post Road (U.S. 1) and the intersection of Routes 4/102 are the primary areas where the larger-scale commercial and shopping plaza uses have located in North Kingstown. Post Road has a mix of retail stores, offices, restaurants and services one would expect in a typical commercial corridor. The Town has recently adopted new zoning and design regulations that implement a number of recommendations of the Post Road corridor plan and the recommendations in the Town Comprehensive Community Plan. These innovative zoning techniques have won two Rhode Island American Planning Association Awards in the last two years. The Town worked with consultants to update and amend the zoning regulations for the Post Road corridor as well as a study of the feasibility and cost of allowing sewer service to the Post Road Corridor to foster additional commercial and residential development. The Town approved a \$10 million bond referendum for the first phase of the Post Road sewer project in November 2009 and an additional \$9.2 million bond referendum will be voted on in November 2010. This proposed development will be in the form of high density village type “growth centers” with a strong design focus towards pedestrian scale and architectural improvements to encourage mixed use development, less reliance on the automobile and increased use of alternative transportation methods such as bicycle, walking and public transportation through the expansion of existing bus services to the area and in conjunction with the commuter rail station at Wickford Junction. It is the intent of the Town to encourage redevelopment of the Post Road Corridor through the use of residential and commercial density allowances and other zoning incentives in the revised zoning ordinance. With a diminishing amount of commercially zoned land, it is anticipated that development will continue to focus on redevelopment of sites along Post Road.

The Town expects that the commercial sector will continue to grow, particularly in response to development at the Quonset Business Park. Wickford Junction, a commercial project of nearly 300,000 square feet, includes a commuter rail station near the village of Lafayette that is currently under construction with an expected completion date of the spring of 2012. Construction of the final phases of the commercial development are expected to coincide with the completion of the commuter rail station which will once more connect North Kingstown to points Providence and Boston via rail. Tarbox Toyota has purchased 8 acres of land and has received approval for a new larger new car dealership to be located on Quaker Lane. It is anticipated that the new facility will be a LEED certified “green” building.

### **Business Tax Exemptions and Economic Development Tax Incentive**

The Town Council adopted an ordinance in April of 1997 allowing a phase-in over a period of six years of the assessment on property located at the Quonset Point Davisville Port and Commerce Park. The phase-in applies to any new buildings, new structures or new additions to existing buildings used essentially for offices, manufacturing or commercial enterprises. The phase-in is intended to help any commercial concern that is willing to locate at the Quonset Point Davisville Industrial Park. This incentive program has played an important role in encouraging new businesses to locate their facilities at the Quonset Point Davisville Industrial Park. In 2008 the

ordinance was amended to allow for the phase-in over a period of six years the assessment for any manufacturing or commercial property located in town.

**Tax Roll Assessment Value Increases by 1.05%:**

The taxable totals \$4,464,015,447 is up 1.0527% over the previous year. **Real Estate** rose about .70%, from \$4.2 billion to \$4.22 billion. The net **personal property** assess values rose about 18%, from \$99.6 million to \$118.5 million. The **motor vehicles** portion of the assessed values decreased from \$140 million to \$115.5 million, approximately 17.75% decrease.

	Assessment 12/31/2007	Increases (Decreases)	Assessment 12/31/2008
<b>Variable</b>			
Residential Real Estate	4,200,559,695	29,392,510	4,229,952,205
Personal Property	99,656,000	18,878,430	118,534,430
<b>Variable Total</b>	4,300,215,695	48,270,940	4,348,486,635
<b>Fixed</b>			
Motor Vehicles	140,397,300	(24,868,488)	115,528,812
<b>Grand Total</b>	4,440,612,995	23,402,452	4,464,015,447

Assessed Value Increase 1.0527%

**Long-Term Financial Planning/Relevant Financial Policies:**

The unreserved, undesignated fund balance in the general fund (8.99% of the total budgeted expenditures of all Town Funds) is below the Town Council’s Debt Policy and Management/Fiscal Practices that was amended and adopted on April 7, 2008 as well as the Policy for Accumulation and Utilization of Fund Balance which was adopted on July 23, 2007. The policies state that the unreserved, undesignated fund balance shall be maintained at a minimum of 10% of the current period’s total budgeted expenditures for all Town Funds. For all intensive purposes this equates to 10% of \$92,946,333, or \$9,294,633.

During the FYE 2009 budgetary process, the Town Council voted to loan \$1,500,000 to the Quonset Davisville Recreation Fund (an Enterprise Fund) for the irrigation project which has been reserved on the balance sheet. Although reservations of fund balance are not considered as part of the undesignated fund balance under the generally accepted accounting principles, it must be noted that this loan is to be repaid to the General Fund, interest-free, over ten years.

Additionally, the Town Council’s Debt Policy and Management/Fiscal Practices provides for the Town Manager to recommend to the Town Council an alternative plan for financing of proposed capital projects if the alternative plan is in the best interest for the Town of North Kingstown. (This allows Tax Incentive Financing (TIF) or revenue pledges).

**Debt Administration:**

The Town issued a General Obligation Bond in January, 2009 for \$9,790,000. Bonds in the amount of \$4M were authorized by the voters in November, 2006 to finance the construction, renovations, additions, improvements and/or related equipment at the North Kingstown Senior Center complex, Beechwood House, Community Center and Town Beach. Bonds in the amount of \$4.5M were

authorized by the voters in November, 2006 to finance land acquisition, construction, renovations, additional improvements and/or related equipment and vehicles for public safety facilities. The remaining balance of \$1.29M was authorized by the voters in November, 1992 to finance improvements to public facilities.

In April, 2008, the Town Council adopted a “Debt Policy & Management/Fiscal Practices” policy which establishes criteria for debt issuance as well as setting benchmarks for evaluating the Town’s level of debt. Some of the specifics of the language request the following limits while considering the issuance of debt and maintaining a healthy reserve to indicate the Town’s financial strength and flexibility:

- The Town’s legal debt limit as set forth by RIGL 45-12-2 is limited to three (3%) percent of total assessed value,
- The Town’s direct debt burden should be maintained at less than two (2%) percent of full assessed valuation,
- The Unreserved/Undesignated General Fund balance shall be maintained at 10% of the current period’s total budgeted expenditures for all Town Funds,
- The enterprise funds should maintain an unrestricted net asset balance adequate to meet unanticipated expenditures to remain self-supported and,
- The Town Council shall have as a goal to appropriate a \$100,000 contingency each year in the General Fund Operating Budget.

## **MUNICIPAL SERVICES**

### **Planning Department**

The North Kingstown Department of Planning and Development is responsible for providing technical services to boards and commissions, the Town Manager, and the Town Council. The Planning Department reviews and prepares staff reports for commercial, industrial, and subdivision development. The Department serves as staff to advisory committees, as appropriate. The Department works with the Planning Commission in updating and implementing the North Kingstown Comprehensive Plan. The Planning Department assists the Town Manager and Finance Department in the preparation of the Capital Improvement Plan.

The Planning Department is responsible for chairing the Town Technical Review Committee and coordinating the review of all subdivision, commercial, and industrial plans among Committee members. The Technical Review Committee also reviews proposed state highway projects and reports its recommendations to the Town Manager, Town Council or other Town boards as appropriate.

Additionally, the Planning Department serves as a resource to residents and property owners needing information regarding subdivision and land development regulations, zoning regulations, flood zones and other general land use issues. Frequently, when homeowner’s seek minor variances from the Zoning Board of Review and/or the Historic District Commission, the Planning Department staff is available to help the homeowner through the application and abutter notification process.

## **Information Service Department**

The Department Information Services (IS) consists of three (3) full time employees (Director of Information Technology, Network Administrator, and Technology Support Technician). This department provides technology and telecommunications services to all municipal departments at twenty (20) facilities including Assessors, Code Enforcement, Finance, Fire, North Kingstown Free Library, North Kingstown Golf Course, Police, Planning, Public Works, Recreation Town Clerk, Senior Center, Town Manager, and Water Departments as well as the School Administration Offices. These services include but are not limited to PC and peripheral installation, repair, maintenance, network infrastructure administration/development, database administration/development, administration and maintenance of Internet Protocol (IP) Telephony systems, and technical support/upgrades of all software applications. The IS Department is responsible for maintaining the Town's network infrastructure which consists of twenty one (21) servers, thirty one (31) networking devices, two hundred and seventy five (275) workstations, five (5) fiber optic connected sites (Annex Building, Police, Fire, North Kingstown Free Library, and the North Kingstown School Administration offices), nine (9) Virtual Area Network (VAN) connections (North Kingstown Municipal Golf Course, two (2) remote Fire stations, Fire Department of Training, Wilson Park Facility, Water Pump Station, North Kingstown Transfer Station, DPW facility, and the North Kingstown Senior Center. This department is also responsible for maintaining and developing the Town's web site, video archive (Town and School) and Geographic Information System (GIS). The Department Information Services has also become the Information Technology support entity for the neighboring town of Exeter as well, creating Rhode Island's first inter-municipal regional technology support agreement. The Department Information Services supports Exeter's nine (9) departments in three (3) facilities including Town Clerk, Finance, Tax Assessor, Tax Collector, Public Works, Animal Control, Town Sheriff, Planning and Building. Exeter's Technology infrastructure consists of two (2) servers, fourteen (14) workstations, three (3) networking devices, ten (10) printers and three (3) CBI internet connections.

## **Library**

The North Kingstown Free Library has been a municipal service of the town of North Kingstown since 1897. Fulfilling its role as the "symbolic center of the community," the library serves every age group; every neighborhood; every income level; and every educational level. The North Kingstown Free Library is the one integrated municipal service that our citizens can come to for information, education, culture, and recreation.

Guided by a seven-member Board of Trustees, appointed by the Town Council to staggered, three-year terms, the library strives to be a vital town resource that serves as a place for the exchange of information and ideas, as a gateway to resources and services which are available to assist the citizens in living and enriching their daily lives, as a repository of the Town's collective culture and history, and as an embodiment of the democratic ideals that have shaped society: freedom, equality, and plurality.

## **Public Works**

The Administrative Division of public works is made up of the Department Director, Facilities Project Manager, Public Works Programs Coordinator and (part-time) Secretary. This division is responsible for the overall operation of the department, including policy and personnel decisions,

purchasing, budgeting, research, supervision, record keeping, resident inquiries, and general overall department operations. In addition, the Facilities Project Manager is responsible for the preparation, implementation and completion of major school and town capital projects. The Public Works Programs Coordinator manages the town's solid waste and curbside recycling programs, while offering administrative support for all divisions. The Director and Facilities Project Manager offer staff support to the Asset Management Commission.

The Highway Division is responsible for maintaining and improving the town's infrastructure (roads, dams, drainage and bridges), responding to resident inquiries, street sweeping, snow plowing, tree trimming and brush cutting, catch basin cleaning, sign making, and other responsibilities which involve heavy and light equipment. This division is comprised of 14 employees.

The Town Engineer heads the Engineering Division. The major responsibilities of this division are subdivision review, highway and drainage improvement design, resident responses, plat map updates, ACAD and GIS computer mapping, subdivision inspections, bid specification preparation and project management, deed and title research, compliance with State storm water permit requirements, and staff support to the Department Director. Other Division responsibilities include working with consulting engineers on the design of collector and secondary roads, updating the Highway Pavement Management Program, preparation of bid specifications for road resurfacing, aerial photos and bridge inspections. The Town Engineer provides staff support to the Planning Commission, and oversees, with the help of two Engineering Inspectors, construction of all new subdivisions and associated public improvements.

The Transfer Station Division is responsible for the daily operation of the Town's solid waste transfer station and recycling facility. As of July 1, 2009, the facility is open three days per week, Tuesday, Friday and Saturday. Approximately half of the residents of North Kingstown use this facility. The transfer station will accept household garbage in plastic bags, metals, brush, demolition material, appliances, empty propane tanks, mattresses and box springs, waste oil, batteries, tires, blue and green stream recyclables, used books, electronic waste and leaf and yard waste. Fees are established by ordinance.

The Facilities and Grounds Division is responsible for the maintenance of and improvements to all Town buildings, grounds, athletic facilities and parks. The employees of this division assist with snow plowing operations during the winter. This Division is also involved with town festivals and tournaments. Additional responsibilities include custodial coverage for the Town Hall, Town Hall Annex, Beechwood House and the Community Center. This division is comprised of 5 employees assigned to maintaining facilities and grounds and 2 full-time custodians.

### **Recreation and Leisure Services Activities**

The Department oversees the administration, personnel, budgeting, policy implementation and supervision of the Quonset/Davisville Enterprise Fund. The Fund is supported by the operation of the Municipal Golf Course and the Allen Harbor Marina. Both facilities were acquired from the Navy through the Department of the Interior Federal Land Disposal Program for the purpose of providing recreational opportunities for the Town. The Golf Course originally built as a 9-hole course in the 1940's and expanded to 18 holes in the 1960's is a classic layout and is one of the most popular in the state with over 42,000 rounds played there each year. The Marina consists of a

public boat ramp and 180 slips and moorings. The department also serves as the liaison for the North Kingstown Arts Council. Calf Pasture Point, 215 acres of property surrounding Allen Harbor acquired from the Department of Interior, is being developed as a passive recreation area.

### **Senior and Human Services**

On December 12, 2010 marks the one year anniversary of the North Kingstown Department of Senior and Human Services occupation of new building, Beechwood, A Center for Life Enrichment. The new center is located at 44 Beach Street, on the Town Beach complex. Beechwood, a Center for Life Enrichment, replaces Beechwood House as the site of the North Kingstown Senior Center. In November of 2006 the citizens of North Kingstown passed a four million dollar bond to improve the beach campus and build a new senior center, make improvements to the beach, create a walking path and erect a new band shell. The North Kingstown Senior Association launched a Capital Campaign to raise additional funds needed to complete the project. The NKSA Capital Campaign will end in 2014.

The North Kingstown Senior Center is in the process of reaccreditation by the National Council on Aging (NCOA), National Institute of Senior Centers (NISC). The center is evaluated based on national standards in nine areas: Purpose, Community, Governance, Administration, Human Resources, Program Planning, Evaluation, Fiscal management, Records and Reports and Facility.

The Senior Center is open five days a week, Monday through Friday 8:30 am to 4:30 pm and many evenings. The Department of Senior and Human Services serves as a “community focal point” for senior programs and services and coordinates the following: nutrition and transportation programs, social and recreational activities, health promotion and screenings, case management, advisory groups, volunteer services, educational programming and information and referral services.

There are ten employees, three full time and seven part-time. Full time staff includes the Director, Assistant Director and Secretary. The Social Services Department has two part staff, a licensed social worker and social service specialist. They assist elders and others, regardless of age. A dining room manager and kitchen supervisor oversee the hot meals served at the senior center Monday through Friday and Meals on Wheels delivered to homebound elders by volunteers in the community. There are three part time bus drivers and two operating buses to transport seniors to and from the senior center, to doctor appointments, hairdressers, food shopping, recreational trips and other quality of life excursions.

### **Tax Assessment**

The Tax Assessor’s Office maintains records pertaining to ownership and assessments of real property (taxable and exempt), motor vehicles, and tangible business property. In addition the tax assessor’s office maintains state and local exemption forms. This information is used to generate the town’s annual tax roll. The Tax Assessor’s Office assists taxpayers with the filing of exemption applications, tangible business property returns, farm forest and open space applications, and tax appeal applications. The office answers inquiries on real property including ownership information, sales information, assessments, land and building size, and construction details. All information pertaining to real property is maintained on the town’s CAMA system which is available to the public on computers in the assessor’s office and on the Vision Appraisal website.

## **Code Enforcement**

The Code Enforcement Department is staffed by a Building Official and an Assistant Building Official, one full time clerk and one part time clerical employee. There are three contracted, licensed inspectors to provide mechanical, plumbing and electrical inspection services. The Department reviews plans and specifications for all construction relative to new and existing structures in town. In addition, we issue building permits, conduct inspections of permitted projects, and respond to complaints. This department is responsible for compliance and enforcement of the State Building Code, the State Housing Maintenance and Occupancy Code and various local ordinances. We conduct inspections with regard to compliance for licensing of mobile home parks, public and private schools, day care facilities, laundries, purveyors of alcoholic beverages, bed & breakfasts, hotels, motels, rooming houses and second hand furniture dealers. The staff also provides assistance and information to the public concerning permit applications, inspection requirements, appeals, and the interpretation of flood maps, codes, regulations and ordinances.

## **Fire Department**

The Fire Department has 4 manned Fire Stations which provide Fire Suppression, Fire Prevention and Emergency Medical Service to 58.3 sq. miles of the Town including the Quonset Point/Davisville Industrial Park. The Department was budgeted for 81 full time employees including the 5 Staff positions of Chief of Department, Fire Marshal, The Department Mechanic, Assistant Mechanic and the Department Secretary, the remaining 76 Line Officers and Firefighters were distributed over 4 Platoons. The current budget for this year has funding for 71 positions on the Line, 5 positions less than previous years. The 71 Officers and Firefighters provide staffing for 5 Engine Companies, 2 ALS Transport Rescue Companies, 1 Command Vehicle. In addition these Companies cross-staff 2 Brush Trucks, a Ladder Truck, a Special Hazards Vehicle, a Regional Decontamination Trailer and 2 Fire Boats. Their responsibilities include Fire Suppression, Hazardous Material Response, Confined Space Rescue, Rope Rescue, State Wide Decontamination Response, Marine Fire Suppression/Rescue and Emergency Medical Services including Advanced and Basic Life Support service and transport. In addition the Fire Department operates its own Dispatch Office staffed by sworn uniformed firefighters. The Fire Marshal's office is responsible for fire cause and origin investigations, residential and commercial plan review, smoke detector and carbon monoxide detector inspections and fire alarm radio box assignment and repair. The Department is responsible for maintaining a municipal fire alarm system for both the Town and the Quonset Point/Davisville Industrial Park. The Department Mechanics are responsible for the preventative maintenance and repair of the Department's 30 pieces of Fire Apparatus and all associated equipment.

## **North Kingstown School Department**

The North Kingstown School Department is a state-mandated agency of the town, governed by a school committee that is elected to four-year terms every two years. The school department serves nearly 4500 students in eight schools – one high school, two middle schools, and five elementary schools (Davisville Elementary, a sixth elementary school was closed as a school in June 2010). 369 professionally certified personnel supported by over 200 non-certified staff provide these services. The mission of the North Kingstown School Department is, "Since education plays a vital role in the present and future success of all students, every school must provide for the maximum intellectual, social, aesthetic, moral, vocational, and physical development of each student towards challenging

the student to achieve excellence”. This mission is supported by twenty belief statements about student capabilities, conditions that enhance learning and student learning results. The district and each school develop yearly improvement plans to maximize student achievement in conjunction with these beliefs.

### **Water Department**

The Department of Water Supply provides domestic water service and fire protection to the majority of residents and businesses in North Kingstown. North Kingstown Water owns and operates 11 gravel packed wells located throughout three aquifers, the Hunt, Annaquatucket and Pettaquamscutt, which underlie the Town. North Kingstown wells produce just over one billion gallons of water per year. The average demand is just over three million gallons per day, with a peak summer demand of up to eight million gallons per day. The distribution system consists of 176 miles of water pipe, 1,042 fire hydrants, four (4) standpipes, and one (1) storage reservoir.

### **Police Department**

The Police Department continues with its mission to ensure that police services are delivered in an effective and efficient manner – providing a quality of life for all residents and visitors free from the threat or fear of crime impacting their lives. Our goal is to accomplish this mission by employing contemporary methods and techniques, while remaining ever vigilant of the need to operate with the utmost regard for customer service.

The North Kingstown Police Department is staffed by fifty (50) sworn personnel. Counted amongst the personnel are the Chief of Police, one police dispatcher and forty-eight (48) sworn police officers of various ranks. The civilian support staff includes two full time dispatchers, three part time dispatchers (weekend coverage), three administrative secretaries, one full time records clerk, one custodian and one mechanic.

Included within the operations of the police department are the services of the Harbormaster, who also assists in the operation of Allen Harbor Marina and Animal Control. Personnel include: one Animal Control Warden, one Assistant Control Animal Warden, a full-time Harbormaster and two part-time (seasonal) Assistant Harbormasters.

- Office of the Harbormaster is located within the Public Safety Building, with a patrol boat berthed at the Town Wharf, at the end of Main Street.
- The Animal Control Division is under the supervision of the Operations Commander of the Police Department. Business is primarily conducted from the animal shelter located at 395 Hamilton Allenton Road.

The Police Department maintains operations 24 hours a day, seven days a week, providing services to approximately 26,000 residents, covering an area of approximately 45 square miles. To accomplish this task a fleet of twenty-three police vehicles is maintained, which includes marked and unmarked cars. Two of these vehicles are four wheel drive utility vehicles, one utilized for commercial vehicle enforcement, the other assigned to the Detective Division. Both utility vehicles are used to supplement special needs and services, in addition to being used for times of inclement weather. The patrol vehicles are equipped with moving RADAR, mobile data terminals and a printer; providing our police officers with freedom of movement in what is truly a mobile office.

## **MUNICIPAL INITIATIVES FOR THE YEAR**

### **Planning Department**

Over the last five years the Planning Department has worked with the Planning Commission on implementing the corridor improvement plan for Post Road, the primary commercial area in North Kingstown. In 2008 the town adopted new zoning and design regulations that will facilitate a substantial increase in the town's tax base through incentive zoning and the creation of a sewer district enabling redevelopment to be at much higher densities than previously allowed. These innovative zoning techniques have won two Rhode Island American Planning Association Awards in the last two years. The department also worked with consultants on the feasibility and cost of allowing sewer service to the Post Road Corridor to foster additional commercial and residential development.

This proposed redevelopment along Post Road will be in the form of high density village type "growth centers" with a strong design focus towards the pedestrian scale and architectural improvements that encourage mixed use development. The area will also promote less reliance on the automobile and an increased use of alternative transportation methods such as bicycling, walking, and public transportation. It is the intent of the town to encourage redevelopment of the Post Road corridor through the use of residential and commercial density allowances. With a diminishing amount of commercially zoned land available in North Kingstown, it is anticipated that developers will continue to focus on the redevelopment of sites along Post Road.

In connection with the zoning incentives along Post Road, the town adopted the state's first Transfer of Development Rights (TDR) program in 2008. Under the TDR program developers are allowed to buy the development rights on properties identified for conservation and to then transfer that development potential to other areas in North Kingstown where growth is being encouraged, such as the Post Road Corridor. A primary benefit of this ordinance is it directs resources into locations with existing infrastructure, as opposed to expanding services and resources in rural areas of North Kingstown. As added benefit, the program enables more land to be protected for open space and the town is not financially responsible for purchasing the development rights as often done in the past.

This year, the Planning Department has been involved in the adoption of state legislation enabling the town to take the next steps in expanding the TDR program to allow "across the street" TDR's, which were previously prohibited in North Kingstown due to the restrictive nature of overlay zones under state law. This legislation is specific to the Town of North Kingstown and establishes new definitions that will allow the town to establish transfer zones anywhere, without the restrictive nature of overlay zones. This legislation could potentially expand in the future to enable statewide transferring of development rights, however for the time being, North Kingstown will be able to move forward with this innovative planning tool. The town also has more options within future residential developments for preservation, development, layout, and intensity options. Essentially, North Kingstown can facilitate much more quickly and efficiently the development of growth centers and village centers as outlined in the Comprehensive Plan. During the past year, the town received a \$70,000 planning challenge grant from the Rhode Island Statewide Planning Program to further expand the Transfer of Development Rights program to redirect growth not only to the Post Road corridor, but towards the historic and emerging village centers in North Kingstown that are capable of future growth opportunities.

North Kingstown received \$298,250 in Community Development Block Grant funds for use in FY 2010-2011. This funding is \$255,200 more than last year's award of \$43,050. The funds will provide assistance to several local social service agencies such as Church Community Housing Corporation for Bellville House, the Domestic Violence Resource Center, Crossroads Rhode Island, revitalization in the Davisville neighborhood, Welcome House of South County, Washington County Community Development Corporation, Community Housing Land Trust, and The Sensational Child, Inc.

The Planning Department continuously works to strengthen the town's relationship with the Quonset Development Corporation (QDC), responsible for managing the Quonset Business Park (QBP). The Planning Department meets with current and prospective businesses in the QBP, and coordinates the review of development projects with other town departments through the North Kingstown Technical Review Committee. A separate joint town and QDC staff Technical Review Committee meets monthly to discuss pending development projects. Recently the Planning Department, along with the Town Manager have been working with the QDC staff to speed up the review process for new development projects in the QBP. One of the items addressed in the recently signed Municipal Services Agreement is to develop a set of coordinated policies and a unified process to handle all future development applications at the QBP. Items under review for this project include changes to the North Kingstown Zoning Ordinance and Comprehensive Plan, as well as, changes to the QDC development package and standards. As part of this unified process the North Kingstown Planning Commission and Town Council, and QDC Board of Directors will review and approve all recommended changes to each body's respective regulations.

The Planning Department has worked with the Water Department and the University of Rhode Island Cooperative Extension on a program called Healthy Landscapes. The intent of the program is to educate landowners and promote landscape practices that minimize impacts to the environment as well as promote water conservation. The Planning Department along with the Town Manager and Water Department are currently working with the State Department of Environmental Management and the State Water Resources Board to effectively plan for future development and growth potential that sustains our water resources into the future.

The Planning Department is in the initial phases of updating the town's Hazard Mitigation Plan. The Planning Department has successfully secured a pre-disaster planning grant of \$8,829 from the Rhode Island Emergency Management Agency (RIEMA) to update the Hazard Mitigation Plan, as required by RIEMA. The existing Plan was approved in June 2005 and recently expired in June 2010. Also hazard mitigation related the Planning Department serves as the town's Coordinator for the Federal Emergency Management Agency's Community Rating Service (CRS). North Kingstown's CRS rating allows businesses and residents to take advantage of a five percent saving in the cost of flood insurance.

Protecting open space and farmland are among the principal goals and objectives outlined in the North Kingstown Comprehensive Plan. To implement this vision, the Planning Department has been working with the Planning Commission, Town Council, and Town Manager to achieve conservation of significant rural land in North Kingstown. A key approach to this task has been leveraging grants, tax incentives and other techniques to minimize the cost of acquisition to the town. The town through active strategies to protect farms, open space and the character of North Kingstown, has protected over 5,000 acres of land. Many of these properties have been preserved through joint ventures with property owners, as well as state and federal environmental agencies.

Since 2009 the town has protected 15-acres at the Hazard Farm along Boston Neck Road, 11-acres of coastal property along Wickford Cove, 110-acres of the Bald Hill Nursery property in both North Kingstown and Exeter, and is in negotiations to protect over 200 additional acres throughout town. These open space purchases were accomplished using town bond funds and grants from the Rhode Island Agriculture Preservation Commission, the Rhode Island Department of Environmental Management, the Water Resources Board, and the U.S. Department of Agriculture to assist in the acquisition.

The Planning Department and Planning Commission worked extensively this year on changes to the wind energy systems ordinance. During this time the department consulted with numerous wind experts from around the state and region in the crafting of revised ordinance. The adopted ordinance changes include the creation of standards for building mounted wind energy systems, metrological towers, small wind energy systems, medium wind energy systems, and large wind energy systems. North Kingstown now has some of the most sophisticated and comprehensive wind energy regulations in the state that take into account current technologies and those of the future in the rapidly advancing field of renewable energy.

The Planning Department participates in several regional-planning efforts coordinated mainly through the Washington County Regional Planning Council. The Planning Department attends meetings with the planners from the eight other communities to discuss relevant planning activities occurring in their respective towns. Recent regional planning efforts involving the nine Washington County town's includes a sustainability grant from the U.S. Environmental Protection Agency, the Rhode Island Department of Environmental Management, and the University of Rhode Island to support the development of alternative land use regulations aimed to manage growth, prevent urban sprawl, protect sensitive natural resources, and promote balanced economic development. Additionally, the Department participated with all other Washington County communities for the development of a regional vision for the county, a greenway system, and a regional economic development initiative.

The Planning and Public Works Departments have been working with the Narragansett Bay Estuary Program, as well as state and federal agencies to improve water quality in both Sawmill Pond and Sand Hill Brook. In October of 2006 the town received notification that the state will award \$410,000 in natural resource damages funds to support water quality improvements in the area of Saw Mill Pond. These improvements were based in part on the November 2005 Southern Rhode Island Conservation District (SRICD) report, which identified potential strategies and resources for water quality improvements to the pond. The town has hired the Horsley Whitten Group to take a watershed to determine most effective way to address surface and groundwater problems in the Sawmill Pond area. The Town was recently awarded a grant from the RIDEM and the US Environmental Protection Agency under their 319 nonpoint source pollution grant program for over \$267,000 to implement this watershed plan.

Affordable housing has been an important focus of the work of the Planning Department over the past few years. During the last several years the Planning Department and the Planning Commission have worked closely with developers who allocate 20 to 25 percent of their residential development projects as affordable units. Currently 8 percent (848 units) of North Kingstown's 10,477 total housing units are designated affordable to low- and moderate-income households. This figure is just 2 percent shy of the state's 10 percent affordable housing requirement. There are 46 additional affordable housing units under construction as part of the Crossroads Rhode Island's

Kingstown Crossing project. Also Belleville House, the site of the former St. Bernard's Church has just received final approval for 40 units of affordable senior housing.

### **Information Services Department**

Fiscal year 2010 brought many new technological advances and innovations to automate citizen facing processes, manual procedures and to empower North Kingstown employees and constituency.

During fiscal year 2010 new internet facing portals were be made available via our website [www.northkingstown.org](http://www.northkingstown.org). A new more interactive online Permitting Application and Complaint tracking system were implemented. This updated portal provides a more comprehensive system to track permits and complaints for both the municipal departments and taxpayers/contractors. A system of this magnitude could have the potential to be a statewide Building Permitting system.

North Kingstown IT upgraded the core of its network in Fiscal Year 2010 as part of its technology lifecycle plan. Core networking equipment that had reached its end of life was be upgraded as part of this process. A new server was also installed at the North Kingstown Free Library that will provide a much needed upgrade to its system.

The Universal Chart of Accounts account conversion mandate by the State of RI for all school systems was completed in MUNIS in 2010. The Municipal ERP (Enterprise Resource Management) system MUNIS was also be upgraded in fiscal year 2010, putting North Kingstown (Town and School) at the latest revision of the software and database.

The construction projects in North Kingstown were also a major part of our departments work load in fiscal year 2010. The new Senior Center and the completion of the Public Safety facility brought updated technology infrastructure to Police, Fire, and Senior Services. Information Services played a lead role in the technology, electrical, and telecommunication systems for both of these construction projects.

A feasibility study was also conducted in fiscal 2010 to look at the relocation of the existing data center from an antiquated residential building to an industry standard data center.

In efforts to consolidate services, IS brought the Municipal, North Kingstown Library and Golf Course websites onto a single server for more efficient and cost effective delivery of web content to our residents. We explored potential cost savings in the area of cell phone carriers, and were able to realize \$19,248.00 annual savings by consolidating all Departments under one umbrella that is supported by IS. Inter-municipal agreements with other communities were also explored to create a pioneering IT shared services model to the State of RI.

The Town's Geographical Information Systems (GIS) continued to build its data warehouse by working with departments to create new layers such as manhole locations and catch basin locations. GPS technology was used in conjunction with the engineering department to locate and map this infrastructure. State funded aerial photography was also integrated into our GIS system this fiscal year to provide up to date aerial data of North Kingstown.

## **Library**

The record of library usage illustrates how vital the library was to the citizens of North Kingstown in FY 09-10.

- 193,897 people came to the library in FY 2009-10 (up 5.5% from the previous year).
- They borrowed 363,609 books, movies, audio books, and other library materials (up 6.06% from the previous year) to learn, to grow, and to be entertained.
- They used the library's 19 public Internet computers 32,669 times (up 30% from the previous year) to get information, do research, send and receive e-mail, and otherwise conduct the business of their daily lives in our technology-based society.
- They connected their own laptop computers to the library's Wi-Fi network to take advantage of the library's high-speed connection.
- They got answers to 28,326 reference questions, which they asked the library staff in person, over the phone, or via e-mail. Librarians are still a vital link in the information chain, helping people find the best path for the answers to their questions and teaching them how to use the library's many resources.
- They visited the library's web page 72,671 times (up 13% from the previous year) to access many of the library's services 24/7 and to search, either from home or in the library, the 27 online databases to which the library provides access.
- 12,251 children, adults, and teens attended 580 programs, activities, and events at the library, which brought the community together to enjoy the arts, culture, be entertained, and learn about their world and the unique historical heritage of the town.

In FY 2009-10, the library did the following to serve our users:

- Maintained our place as the sixth busiest public library in the state, behind only the four major urban libraries and the Barrington Public Library.
- Maintained the library's consistent and convenient 62-hour-a-week, year-round business schedule including four nights and every Saturday.
- Began regular service to our fiction collection—one of the largest and most popular collections in the library—with regular staff hours and online services.
- Expanded our downloadable audiobook and e-book collection by 309 new titles. North Kingstown library card holders downloaded 2,502—a 60% increase over the previous year.
- Purchased new flat panel monitors for all of the public Internet stations. These replaced the large, old-style monitors that had been in place for 14 years.
- Replaced fourteen computers through a BTOP (stimulus package funding) grant that Ocean State Libraries received.
- Shared our resources with the other 49 public library systems in Rhode Island, borrowing more than 42,000 books and other materials from other RI public libraries for pick up here by North Kingstown library users and loaning more than 51,000 items in our collections to cardholders of other RI libraries (an increase of 13% over what we loaned in FY 08-09).
- Replaced six areas of worn carpeting with funding from The Champlin Foundations.

## **Public Works**

The Public Works department continues its commitment to maintaining the town's road infrastructure. Using the VHB report that rated the pavement condition of all town-maintained roads, the department has completed the resurfacing of those roads that were rated as being failed or very poor and the continues to pave the roads rated as poor.

The Wickford Village Improvement Project, a cooperative effort between the Town of North Kingstown and the Rhode Island Department of Transportation was recently completed. The most recent project completed was the reconstruction of Main Street, which included the installation of new gas and water mains, improved environmental drainage systems, reconstruction of sidewalk and curbing, the installation of improved street lighting and the re-surfacing of Main Street. The Public Works department continues to work with ATC Lincoln Associates implementing the approved RIDEM Site Investigation Work Plans for the former Hamilton Allenton and Oak Hill Landfills and developing Final Closure Reports for each landfill to be submitted to RIDEM for approval. These site investigation and landfill closure requirements fall under Section 5.0 of the RIDEM Closure Policy for Inactive or Abandoned Solid Waste Landfills. The Public Works and Informational Technology (IT) Departments are also nearing completion on the relocation of IT equipment to the Public Safety Facility. This work was necessary to protect vital telephone/data infrastructure from potential electrical grid issues and insure its proper operations at the new Emergency Operations Center during storm events. The department continues to implement the Town's Storm Water Management Plan and has completed several significant drainage projects and inspections to over 100 storm water control ponds and structures throughout town.

The Highway Division continues its mosquito abatement efforts treating town maintained catch basins and detention/retention ponds monthly with an environmentally safe larvicide provided by RIDEM Mosquito Abatement office. This division continues to reconstruct and repair damaged infrastructure from the March of 2010 floods.

The Facilities Division continues to successfully manage and maintain an increasing number of town parks, playground and newly constructed facilities like Fire Station 5, Public Safety addition and Senior Center. Many organizations including the Wickford Little League and North Kingstown Youth Football utilize the fields at Wilson Park and McGinn Park, gaining statewide recognition for the quality of these facilities.

The Engineering Division continues to work with the IT Department in its implementation of GIS/Mapping systems, including ortho-photo planimetrics, sight surveys associated with commercial and residential development, and the linking of various town department databases. The town has completed inspections of private and municipally owned dams and drainage systems this past year as required by State mandates. The division also manages the requests for removal/maintenance of street trees and works with the Tree Warden in following the Street Tree Ordinance. This office acts as a liaison between residents and the Tree Warden during this process.

The pay-as-you-throw program at the Transfer Station on Devils Foot Road continues to be successful in reducing the amount of solid waste generated in town. Over 32% of waste generated in town is recycled, either through the town's curbside recycling program or at the Transfer Station where containers are available for the disposal of acceptable recyclables, at no cost. This recycling rate represents the ratio of blue and green stream recyclables tonnage to solid waste tonnage

disposed of at RI Resource Recovery's landfill and recycling facilities in Johnston. Recent changes to State law require cities/towns reach a minimum recycling rate of 35% and overall municipal solid waste diversion rate of 50% by July 1, 2012. The Transfer Station's composting operation continues to produce a high quality product, offered to residents at no cost, which is in demand throughout the year. Leaf and yard waste processed at this facility helps keep the town's disposal costs down and is included in the town's overall municipal solid waste diversion rate, which is currently at 46%.

### **Recreation and Leisure Services Activities**

This year the Department continues to plan and implement improvements to the Golf Course. To remove the possibility of a major rupture the new irrigation system that is also more time and volume efficient has been installed. At Allen Harbor Marina, the bulkhead, built over sixty years ago, was replaced. The implementation of the Calf Pasture Point Master Plan to convert the park into a passive recreation complex continued with the completion of parking facilities and some trails. The new bike path that leads down to the park is completed.

The Arts Council has developed another variety of outstanding programs including events and concert series for the enjoyment of Town residents. Take an Arts Break Classes for both the spring and fall offer a variety of programs to adults. Sunday Musicals and Rhode Island Voices at the North Kingstown Free Library were well attended. The council also provided support to Smith's Castle's Strawberry Festival Celebration and a Halloween event called The Spirits of Wickford . The Programming was enhanced by donations and sponsorships.

### **Recreation**

As always, North Kingstown Recreation made every effort to reach as many of its very diverse population as possible in the past year. Again, the instructors and leaders were the most important influence to the success of the department.

The Saturday Art Program for pre-school through second grade was extremely popular with about 250 participants. We have added a new offering of Advanced Art Classes for third through fifth grade students and a Little Chef's Cooking class for 6 – 9 year olds that are getting off to a great start. One of the older programs to continue a high level of success was the Girls Field Hockey League, which attracted about 80 third to eighth graders. Some of these also had the opportunity to play games at other towns, moving the level of competition up a notch. Almost 200 girls stretched, vaulted and cart wheeled their way through our winter gymnastics program located at the High School.

This was our fifteenth season to offer our little actors a chance to audition for a play directed by the Missoula Children's Theatre Performance. The instructors did a wonderful job of leading the 60 boys and girls of all ages in "Sleeping Beauty". It is always exciting and heart-warming to witness the growth of these actors in a week's time. The children were confident and professional in (almost) every way and never missed a cue as they sang and danced their way across the stage.

The Basketball Program for children ages five to 13 year olds continues to be very popular and successful with over 650 participants.

The Summer Playground Program, an eight week program designed for 6 through 13 year olds was enjoyed by over 300 children with activities such as field day, T-Shirt Tie-dye day, as well as field trips to Six Flags, Seekonk Grand Prix, Yawgoo Water Slides and this year a new offering of Ice Skating at Boss Arena. The “Busy Bodies” Program is continuing to gain momentum. 250 of our 18 month to 5 year olds are learning coordination and social skills in the Cold Spring Community Center.

Yoga was offered to adults and an adult exercise program was also available. Basketball and Volleyball are also enjoyed by many of our adult citizens, including some 50 to 70 year olds.

We hope to have a shelter built for this summer’s Playground Program at Yorktown Park.

### **Senior and Human Services**

The Department of Senior and Human Services provides programs and services to older adults 55 and over, both at Beechwood, and in the community. The senior center coordinates the following senior programs and services: nutrition (Seabreeze Dining, Beechwood Café and Meals on Wheels), transportation programs, social and recreational activities, health promotion and screenings, social services and case management, advisory groups, volunteer services, educational programming and information and referral services.

The new senior center will accommodate the needs of the current older adults in North Kingstown as well as the anticipated growth expected in the coming decades. The Senior and Human Services Department received a second year of the Title IIIB Supportive Grant for \$40,000 from the Department of Elderly Affairs. This funding is used for senior center programs and services and provides an opportunity to expand programs and services.

The unduplicated number of individuals who utilized services in all divisions in 2009-2010 is 2,359. In 1997-1998 1,367 individuals received services, illustrating the growth in participation. Programming at the senior center is divided into health wellness and general programming. Over the past year 1,607 individuals participated in programs at the Senior Center. A total of 705 new participants were enrolled during this time period.

### **General Programs**

#### **Community Connections**

We continued our collaboration with the Feinstein Center for Hunger Free America assisting seniors and families to access Food Stamps. A center knitting project provided lap robes and afghans to Hospice, a Farmers’ market vouchers are distributed to low-income elderly. New community partnerships were created with URI’s Master Gardener Program and the Wild Plant Society to provide an ongoing gardening series at Beechwood. The North Kingstown Arts Council offers ‘Take an Arts Break’ Programs at Beechwood. Beechwood offers North Kingstown residents, over the age of 55, a 25% discount for Arts Council Programs. NKSA funds many programs and hosts special events on site and in the community. Many community groups utilize Beechwood’s conference room and other space for meetings and programs when space is available.

## **Programs**

Exercise programs offered through our department this year were: Tai Chi, Mix It Up, Fun Fitness, Fun Flex, Jazzercise, Yoga, Strength and Stretch, Lo-Impact Aerobics, Zumba (new) and Line Dancing. Evening programs such as Nite Owls continue to be popular, as are special events, dinners, ice cream socials, etc. Please refer to the monthly newsletter for a complete listing of all programs offered at the senior center. The 'You Can' Program in cooperation with the U.S. Department of Health and Human Services Administration on Aging and the Rhode Island Department of Elderly Affairs, with programs for adults on healthier lifestyles through exercise and good nutrition.

## **Fitness Room**

The new Fitness Room creates opportunities for older adults to use fitness equipment in a safe and supportive environment. This year 160 older adults registered and oriented on the equipment. Westbay YMCA provides technical assistance and training for this component of our program.

## **Health Programs and Services**

Health Wellness programming continues to expand with use of our Health Room for nursing and other health services. South County Hospital, Rhode Island College Student Nursing Program and Visiting Nurse Services each offer health clinics including individual health counseling, blood pressure checks, and cholesterol and glucose screenings. Health Programs offered in conjunction with collaborating agencies include URIdeal (exercise and nutrition), URI Pharmacy programs, VNS Health Fairs and ten Lunch and Learn programs by Westbay YMCA.

Participants may use the 'Telemedicine' machine to monitor their vital signs and manage their weight which can lead to improved health and wellness. This equipment makes it possible for participants to self-monitor blood pressure, weight, pulse, and respirations. Our Flu Clinic held in October immunized 396 people. Volunteers pre-registered every individual to minimize wait times.

A Podiatrist and Chiropractor offered services in our health room. Special health services are also provided on site by other agencies such as educational programs on Alzheimer's disease, support groups for caregivers and Insight, a support group for older adults coping with visual impairments. Alternative wellness opportunities are offered such as Reflexology and Massage Therapy.

## **Trips**

Trips organized through the senior center during this time period were: multiple performances at Theatre by the Sea, Newport Playhouse, U.S. Army Spirit of America, Isles of Shoals, Spirit of Boston, South County Tours, 'Wicked' and Jersey Boys at PPAC, West Valley Inn, the Flower Show, and Tanglewood.

## **Volunteerism**

The senior center also offers extensive volunteer opportunities, both at the senior center and in the community, through collaboration with Southern Rhode Island Volunteers (SHO). At our Volunteer Recognition Program held last April we recognized 252 volunteers who contributed over 10,423 hours of volunteer service. Joan McCabe, Beechwood's Volunteer Coordinator was named Volunteer of the Year.

## **Intergenerational Programs**

The senior center has ongoing intergenerational programs involving youth and older adults. The Special Friends Program involves students from Wickford Middle School who volunteer at the senior center and socialize with seniors through games and volunteer activities. We also invite students of all ages to perform musical and related programs throughout the year. In addition, we

developed a cooperative relationship with LINKS, Laymen in North Kingstown Schools, offering opportunities for seniors to volunteer in the North Kingstown school system.

### **Transportation**

Transportation services made 15,909 calls, assisting 130 seniors. We provide transportation to three older adults in wheelchairs. RIDE, RIPTA's state transportation for seniors and people with disabilities, provided 56 older adults transportation to the senior center. In addition, RIDE currently provides North Kingstown residents transportation to adult day care and out of town medical appointments. Volunteer organizations such as FISH and Seniors Helping Others supplement the state services for out of town medical needs whenever necessary. Shopping trips to local supermarkets and plazas increased and continues to be an essential service that makes it possible for elders to maintain their independence in a community setting. In addition, we provide transportation to banks, the library, post office, hair dressers and pharmacies.

### **Nutritional Program**

A total of 14,463 meals were served through our federal meals program. Meals on site at our Sea Breeze Dining room served 8,575 meals to a total of 343 individuals. Meals on Wheels served 57 homebound seniors with 5,888 meals. Meals on Wheels are delivered Monday through Friday by over 40 volunteers to an average of 45 homebound elders each day. The Beechwood Café started in February 2010, in collaboration with the North Kingstown School Dining Program, and offers a flexible alternative of sandwiches, soups, salads etc. between 11:00 am and 1:30 pm. Blackstone Health, Inc. began as our new caterer for the hot noon meal in April 2010. This change has resulted in high praise from participants for the improvements in the quality of the meals.

### **Social and Human Services**

We maintain separate statistics for our senior clients and the population we serve under the age of 55. The Social Service office served 538 seniors including 151 SHIP (Senior Health Insurance Program) appointments. Social workers made 25 home visits to homebound elders. Health issues, financial difficulties, and the increasing cost of living generated the most contacts.

There were 74 families under the age of fifty-five provided financial assistance from the Town for issues such as utility shut offs, funding to prevent eviction, or emergency heating needs. A total of 404 individuals were assisted with some type of service through this component of the program. Other agencies, particularly the Salvation Army Chapter in North Kingstown and state office, also support families in crisis in North Kingstown. Although not funded by the town, nor operated by this office, the NK Food Pantry served 1,279 families, almost a 50% increase from last year. Thanksgiving dinner was provided to 196 families.

Christmas again was a combination of agencies and donors working together to provide food and gifts for those in need residing in North Kingstown. The Holiday Giving Program was organized and managed by the social service staff and volunteers. Families in need applied and gifts were provided for children of 167 families. Food and gifts were provided to 579 families. St. Paul's Church provided food baskets with a week's worth of food to 100 persons. Gift certificates were made available by private donations, and the NK Food Pantry assisted where needed.

We continue working with families in crisis as well as referring them to other agencies and services so that assistance is never duplicated and plans can be put into place to prevent future crises. We are

always developing new resources to assist residents in an emergency situation with town funds provided in the Human Services/Public Assistance budget.

The primary focus for this year has been establishing operations and programs for the new senior center and continuing the North Kingstown Senior Association (NKSA) Capital Campaign, supplementing the four million dollar municipal bond for the new senior center project.

### **Tax Assessment**

The Tax Assessor's Office completed a revaluation as of December 31, 2009 with the assistance of Vision Appraisal Technology. The new assessments were sent to all property owners in February of 2010. The new assessments were used for the 2010 tax roll. The Tax Assessor's Office continues to supply CAMA information to be used with the town's GIS system.

### **Code Enforcement**

This year the Code Enforcement Department will continue to work on achieving code compliance for all construction projects and buildings in the town of North Kingstown including, but not limited to, mobile home parks, public and private schools, day care facilities, laundries, purveyors of alcoholic beverages, bed & breakfasts, hotels, motels, rooming houses and second hand furniture dealers. We will also continue to create a history of all past permits and correspondence and integrate same, into a digital format. Due to a reduction in our staff, maintaining the current level of service is our goal.

### **North Kingstown School Department**

The North Kingstown School department is a high performing School District. This past year the District has began a process of building a comprehensive assessment system that will enable the schools in the District to take the next step in school improvement. Work in this area is characterized by teacher professional development and technology applications that allow practitioners to review instructional practices and student progress.

Systems to improve parent and community involvement continued in this fiscal year. These systems provide for the continuation of school advisory councils at each of the schools in the district and the continuation of the Parents as Teachers program for preschool parents. School Advisory Councils have been established at each school along with training and follow-up support to each advisory council. Parent development and volunteer programs have been implemented through the local Parent Teacher Organizations, LINKS and the COZ. Our Parents as Teachers program begins working with parents when their children are born. PTO's and SAC's have been very active in addressing district-wide issues in the areas of growth management, technology, grading systems and necessary school improvements; both physical construction and academic support.

Over the past eleven years, the technological capability of the school system has been expanded and modernized. All classrooms have computers and high speed Internet access in support of instruction. All teachers have e-mail accounts. Technology has become a common and integral part of our instructional program. North Kingstown students are becoming increasingly comfortable and sophisticated in their use of technology in support of their learning. A student

information system; SchoolMax is fully implemented. This system is a part of a statewide technology initiative to establish a common integrated data system for all school functions.

Our high school students are receiving their educational programs in a state of the art building and utilizing a top-notch athletic facility to participate in interscholastic competitions. A revised facility master plan is scheduled to begin in FY10 and be submitted to RIDE for review in FY11. Parking lots, curbing, fire alarm systems, lighting improvement, networking systems, roof and numerous other improvements have been completed in all of our schools over the past ten years. The programmatic needs of all of our schools have been reviewed and a long term plan developed to address these needs. A bond issue to address issues identified in a facility master plan is anticipated in FY11. While there is still more to do, these improvements of our infrastructure have resulted in a district with buildings and facilities that are among the best in the state. Parents and students take an active role in school beautification programs.

The North Kingstown School Department will continue with the development of the systems it has in place. Greater emphasis will be placed on the development of higher expectations and higher achievement for students with special needs. A program of modernization and upgrading of all facilities will be implemented as funding allows.

### **Water Department**

Providing high quality and adequate quantity of drinking water and maintaining critical water system infrastructure is the paramount goal of the North Kingstown Department of Water Supply. The five year update of our Clean Water Infrastructure Replacement Plan which will be completed over the next few months will help in this effort. Our water storage tank improvement projects will continue to move forward over the upcoming year. In addition the Department intends to install emergency generators at key facilities to ensure that adequate flow and pressure can be provided during power outages. The Water Department has recently updated our water system hydraulic model, which is used to evaluate whether the water system is capable of supplying water at adequate pressure and volume to sustain development. The recent adoption of a new lawn watering policy will help minimize seasonal stresses on the water distribution system.

### **Police Department**

The Police Department continues with several projects designed to maintain the professionalism of our personnel and to provide them with improved equipment in their service to the community. To do so, we have been fortunate to benefit from grants provided by the Rhode Island Justice Commission under their annual Byrne / JAG allocations, and direct / indirect funding provided through the U.S. Department of Justice under the American Recovery and Reinvestment Act. The following projects have been completed or continue to be developed as part of the Police Department's growth –

- 2009 Byrne / JAG (Stimulus) Sub Grant (State)  
2009-SU-B9-0016 ARRA  
Purchase (replace) MDT – Mobile Data Terminals for Police Patrol Vehicles – marked fleet. (Panasonic Tough Books)
- 2009 Byrne / JAG Grant (Yearly allocation).

Update and codify Police Department Rules and Regulations, Policy and Procedure Manual, Job Descriptions, implement Early Intervention Program.

It remains our commitment to ensure that police services are delivered in an effective and efficient manner. The Police Department will strive to maintain an aggressive training schedule for our police personnel. The areas of training include; annual firearms qualifications, use of force techniques and procedures, emergency motor vehicle operation, as well as other annual recertification's.

As the community and societal expectations for police services change, we remain cognizant of this responsibility and the need for an ongoing review of policy and procedures to best meet the changes.

## **FOR THE FUTURE**

### **Planning Department**

The Planning Department will continue to work with the Wickford Plan Committee and other Town offices to implement the Wickford Village Plan. To protect farmland from development, the Department is continuing to assess the costs of delivering services to different land use categories; information from studies indicates that residential land uses consume more tax dollars than are generated and that conversely farmland generates more tax dollars than are used to deliver services to agricultural uses. The Department is continuing its development rights acquisition efforts for farms using agriculture monies, state open space funds, the Town open space fund, and the funds authorized by the North Kingstown electorate.

The Planning Department will continue the work with the QDC to coordinate the joint review of services and facilitate business development and to assure the full implementation of the Base Re-use Plan adopted for the Quonset Business Park. The Quonset Master Plan and Post Road Corridor Plan have been adopted as part of the town's comprehensive plan and the Town and the QDC are in the process of implementing those Plans and will continue to do so in the future.

Regional efforts will continue to be a component of the work of the North Kingstown Planning Department. With the Washington County Regional Planning Council, the Town will be working on an assessment of potential for Transit Oriented Development in Washington County; the study will be focused on North Kingstown and neighboring Exeter as prototypes for such development concepts.

Over the next year, the Planning Department will focus on completing the implementation strategies associated with a number of special projects: the Davisville Neighborhood Revitalization Plan and the various phases of the Allen Harbor Master Plan, the Calf Pasture Point Master Plan, implementing the recommendations of the Post Road Corridor Plan, Post Road sewer extension study, the design of the Post Road Sewer project, and construction of phase two of the Yorktown Park Master Plan. The Planning Department and the Town Manager have been working extensively with the QDC to accommodate the sewer needs of the Town by utilizing the Quonset sewage treatment facility and the successful implementation of the sewer district for the Post Road Corridor.

The Planning Department is working with the Planning Commission and the Town Council to create regulations to allow for different types of alternative energy use throughout Town, such as the recently revised zoning language that will allow for windmills in certain zoning districts.

### **Information Services Department**

In fiscal year 2011 the IS department will continue its mission to bring to the table technological advances and innovations to automate citizen facing processes, empower North Kingstown employees and constituency to create a collaborative and open government.

During fiscal year 2011, as a result of the feasibility study and Town Council mandate in fiscal year 2010, a new Data Center will be constructed at the Public Safety complex. This construction will provide the redundancy, power and cooling necessary to run all town technology and telecommunication operations for the organization. All systems, data and telecommunications, will be moved from the existing 30 Reynolds St location to the Post Road facility creating more efficient emergency operations and secure environment for the town's critical systems. As part of the Data Center project the towns twenty on (21) servers will be consolidated into a virtual environment providing a more cost effective operations while in turn enhancing the speed and intelligence of our systems.

The Town Clerks office will also benefit from new systems in fiscal year 2011. A "Boards and Commissions" tracking system and "Probate Court" system will be implemented to assist in creating more efficient and accurate data collection and tracking in this department. IS and the Town Clerks office will also work to create a paperless Town Council in fiscal year 2011. Mobile devices and electronic packets will be used to promote a "Green Town Council".

A new RI DEM software package will be installed in the Department of Public Works in fiscal year 2011. The RI DEM ASIST software is a suite of interrelated desktop applications that offer flexible and powerful tools that can help municipalities and other government agencies manage the various aspects of a Phase I or Phase II RI Pollutant Discharge Elimination System (RIPDES) program. ASIST tools include 19 different modules that can be used to track and report on storm water programs and storm water infrastructure, as well as construction permitting, street sweeping, recycling, septic system management, garbage and yard waste collection, complaints/spills, catch and manhole basin cleaning, and deicing operations. Software users can create reports documenting program activities and work efficiently with others by sharing, collecting and reviewing data.

The Municipal ERP (Enterprise Resource Management) system MUNIS will also be upgraded in fiscal year 2011. The software vendor MUNIS (Tyler Technologies) has placed the Informix database that the town utilizes in an "End of Support" status, requiring North Kingstown to upgrade to the MS SQL platform. This will put North Kingstown (Town and School) at the latest revision of the software and database. Additional modules will also be added to the MUNIS ERP system to create efficiencies for the town. An online portal will be added which will allow residents to check their Tax and Water bills online. A second module will be added to make paperless interactions between the departments, employees, vendors and residents a reality. These enhancements will realize savings for the town by creating efficiencies, streamlining the processes and by cutting consumables costs.

A wireless initiative will also begin in fiscal year 2011. A secure wireless pilot system will be installed in the Town Hall, Annex and Public Safety building to study the need and benefit of wireless in municipal buildings.

Because of the popularity and incredible growth of the Town Website ([www.northkingstown.org](http://www.northkingstown.org)) an open source Content Management System will be implemented to better manage the website data and content. This will offer a secure portal to more efficiently and effectively manage the website content in a more dynamic fashion.

In fiscal year 2011 our lifecycle replacement program will replace workstations, networking equipment and systems that have reached end of life/support status.

An even more collaborative and shared service environment will be promoted in the IS Department in fiscal 2011. IS will work with other municipalities, the University of RI and Bryant University to enhance or create new technological initiative while creating economies of scale in turn saving taxpayer dollars. Fiber optic projects and Interoperability/Collaboration systems have already been discussed with the Universities in FY 2010 and implementation discussions have set for FY 2011.

The Town's Geographical Information Systems (GIS) will continue to build its data warehouse in fiscal year 2011 by working with departments to create new layers such as water and public works infrastructure. GPS technology will be used in conjunction with the Engineering and Water departments to locate and map this infrastructure. The aging municipal Internet Mapping Server will also be upgraded in fiscal year 2011 as part of the IS lifecycle program.

### **Public Works**

Public Works continues to successfully oversee and inspect subdivisions under construction and related public improvements resulting from the Town's growth. The Facilities division continues to manage and maintain the increased number of parks and playground facilities in Town, as well as Town owned buildings, with 5 full-time staff.

The department has several projects scheduled for the upcoming year including the RI-LEAP paving program, improvements to the Wickford Elementary School building, HVAC upgrades to the town library, the construction of a town bandstand at the town beach and the potential start to numerous school facilities improvements (with the approval of a town bond referendum next year). Public Works will be responsible for the maintenance of the Calf Pasture recreational area that was recently opened for public use.

Public Works continues to strive to promote maximum recycling and reduce the amount of solid waste generated in North Kingstown to achieve the target 50% overall solid waste diversion rate set by the General Assembly. To that end, the Town of North Kingstown continues to excel with its Maximum Recycling Program, as it is among the top three municipalities with its recycling rate (32%). The General Assembly recently passed legislation that banned all electronic waste from the Central Landfill in Johnston. In January 2008, the Electronic Waste Prevention, Reuse, and Recycling Act was amended to place greater responsibility for disposal on the manufacturers of this type of equipment and requiring RIRRC to provide a statewide program for collecting, transporting and recycling covered electronic products that would be funded by the manufacturers of these products. The statewide program managed by RIRRC was put in place February 1, 2009. The town

participates in this electronic waste collection program with containers at its Transfer Station for residential and school electronic waste. E-waste tonnage collected at the Transfer Station is credited to the town's overall diversion rate.

### **Recreation and Leisure Services Activities**

The development of a long-range plan to schedule improvements to the Municipal Golf Course will continue by focusing on numerous small projects that will be required to enhance the conditions of the Golf Course. Many of these projects have had initial evaluations and include additional cart paths, rebuilding of tees and greens as needed, rain shelters and replacement of drainage pipes.

Efforts are being made to dredge the channel at Allen Harbor. The Allen Harbor Master Plan will be updated to define the future phases of the Project.

The Arts Council continues to add more programs to their schedule. They continue to explore ways to raise additional funds for Arts programming such as sponsorships.

### **Senior and Human Services Department**

The new senior center, Beechwood, A Center for Life Enrichment is built and is fully operational. The North Kingstown Senior Association (NKSA) Capital Campaign for one million dollars will continue through 2014. A Brick Campaign will occur in 2012.

NKSA continues to subsidize the majority of our ongoing programs as well as providing generous support for the new facility. Funding from the town and the Department of Elderly Affairs make it possible for social workers to reach out to isolated elders, assist in the resolution of issues that affect the well-being of North Kingstown's older adults and their families.

We continue to expect many requests for aid from families and elders in North Kingstown to continue as unemployment remains high. The high cost of heating fuel, gasoline, electricity and food also create an increased demand for assistance.

### **Tax Assessment**

The Tax Assessor's Office continues to maintain sales information by sending out sales verification letters and monitoring sales information to accurately reflect market trends. This information will be used for any future revaluation. The goal of the state mandated triennial revaluations is to promote uniform assessments for all real property. The town's CAMA information will continue to be available on the web to allow the public easier access to all real property information.

The Tax Assessor's Office is in the process of adding the common open space lots from cluster and compound developments to the CAMA system to be used with the town's GIS system. In addition the land associated with any condo developments are also being added to the CAMA system to be used with the town's GIS system.

The Tax Assessor's Office continues to notify taxpayers of exemptions by newspaper advertisements and mailings to taxpayers.

## **Code Enforcement**

The Code Enforcement Department will continue to provide the best service possible to the public. In order to make the process easier we have implemented software that allows on line permitting. This has provided homeowners and contractors a quick way to get the application started. We are working on an upgraded to our website that will be user friendly with more information.

## **Fire Department**

The Department will be continue to identifying all areas of the ISO report for improvements by conducting additional training, pre-fire planning and inspections. Planning for a new fire station for the Quonset Davisville Commerce Park area of town will continue and is in the discussion phase with the QDC.

The Department will continue to upgrade the Computer Aided Dispatch system and Records Management program to provide information more quickly and accurately. The Department will be going out to bid shortly for 56 sets of PPE, funded 90% by a federal grant award.

The Department will continue to upgrade the Computer Aided Dispatch system and Records Management program to provide information more quickly and accurately.

## **Water Department**

Discussions over the past year regarding potential State regulations including stream flow standards, water allocation and water conservation will likely have an impact on the Water Departments future initiatives. This focus on reducing water demand and the associated environmental impacts while maintaining adequate funding for distribution system infrastructure is an important Department initiative. In the interest of meeting seasonal demands, construction of a new Pressure Reducing Valve is planned so that treated water can be moved from the Slocum High Service Area into the Low Service Area. This project has been modified to include an upgrade of the existing booster pump vault on Ten Rod Road which will provide additional flexibility and redundancy in meeting water supply demands. In addition, a meter upgrade project is underway which will result in more efficient and accurate meter reading, as well as enhanced leak detection capability.

## **ACCOMPLISHMENTS**

### **Planning and Development**

The Planning Department prepared multiple successful grant applications over the past year. Statewide Planning Challenge Grants in the amount of \$59,000, \$15,000, and \$70,000 for the updating of the zoning for the Post Road Corridor and the creation of a Transfer of Development Rights Ordinance. Over the past year, the Planning Department assisted the Planning Commission and the Town Council in the review and approval of a Transfer of Development Rights ordinance, as well as the new Post Road Corridor zoning regulations changes, and the changes to the Subdivision and Land Development Regulations to improve the development process. The Department was also recently awarded a \$200,000 grant from the United States Environmental Protection agency and the Rhode Island Department of Environmental Management for the implementation of storm water improvements in the Saw Mill Pond watershed.

The Planning Department has and will continue to prepare grant applications every year to the State Community Development Block grant program requesting \$400,000 for use in the community this upcoming year. In recent years funds were secured for use in the Davisville neighborhood for housing affordability protection; community services; improving linkages between residential and commercial areas, and making aesthetic improvements to commercial areas.

### **Information Services Department**

In fiscal year 2010 the IS department continued its mission to bring to the table technological advances and innovations, to automate citizen facing processes and to empower North Kingstown employees and constituency.

The IS Department was the proud recipient of many national industry awards and state recognition this fiscal year. North Kingstown municipal technology was nationally recognized with two Public Technology Institute awards and in the State of RI by the Providence Business News articles and awards.

#### **Public Technology Institute's National Technology Solutions Awards**

- Web & E-Government Services - *Serving the Community by Streamlining the Permitting Process* –
- Telecommunications and IT - *Government Efficiency Through IT Shared Services and Consolidation*

**Providence Business News- Apr 26, 2010** - “At Home on Info Tech’s Cutting Edge”

**Providence Business News RI 2010** - “40 Under Forty” Award The North Kingstown Director of Information Technology

In fiscal year 2010 Information Services implemented a new dog licensing system for the Town Clerk’s office. This system was installed to assist in creating more efficiencies and accuracies for the Town Clerks dog licensing processes.

More updated and interactive online Permitting Application and Complaint tracking systems were implemented in fiscal year 2010. These improved portals provide a more comprehensive system to track permits and zoning complaints for both the municipal departments and taxpayers/contractors. A system of this magnitude could have the potential to be a statewide Building Permitting system and potentially generate revenue for North Kingstown.

The annual lifecycle replacement program took place this fiscal year. Thirty (30) workstations and eight (8) mission critical pieces of networking equipment were replaced as they approached “End of Life/Support” status. A new server was also installed at the North Kingstown Free Library that will provide a much needed upgrade to its system.

The new Senior Center and the completion of the Public Safety facility brought updated technology infrastructure to Police, Fire, and Senior Services this year. These technology advances provide for more advanced emergency operations and telecommunications for our public safety entities, and more advanced technologies to help support our senior citizen programs.

A feasibility study was also conducted in fiscal 2010 to look at the relocation of the existing data center from an antiquated residential building to an industry standard data center. The completion of

this study identified the Public Safety complex as the ideal location for Data Center operations and security.

Fiscal Year 2010 opened the doors for shared services and collaboration. A national broadband grant application was spearheaded by North Kingstown IS and Washington County Regional Planning Council. This 12 million dollar application would construct 255 miles of fiber optic high speed cabling throughout Washington County directly connecting 187 anchor institutions. This application for BTOP funds also developed a strong relationship between NK IT, WCRPC and URI that could facilitate future shared and collaboration.

From the consolidation of cell phone carriers and plans in Fiscal year 2010, North Kingstown was able to realize \$19,248.00 annual savings. This was achieved by consolidating all municipal departments under one umbrella that is supported by the Department of IS.

Inter-municipal agreements with other communities in RI were also explored to create a pioneering IT shared services model to the State of RI. The first stage of this initiative was achieved with the Town of Exeter. The Department Information Services has become the Information Technology support entity for the neighboring town of Exeter, creating Rhode Island's first inter-municipal regional technology support agreement. The Department Information Services supports Exeter's nine (9) departments in three (3) facilities including Town Clerk, Finance, Tax Assessor, Tax Collector, Public Works, Animal Control, Town Sheriff, Planning and Building. Exeter's Technology infrastructure consists of two (2) servers, fourteen (14) workstations, ten (10) printers and three (3) CBI internet connections.

The Town's Geographical Information Systems (GIS) continued to build its data warehouse by working with departments to create new layers such as manhole locations and catch basin locations. GPS technology was used in conjunction with the engineering department to achieve these goals.

### **Public Works**

Public Works remains successful in its oversight and inspection of subdivisions under construction and of related public improvements required by the Town's growth. The Facilities division continues to manage and maintain parks, grounds, playgrounds and town-owned buildings.

The final phase of the Wickford Village Improvement projects was completed this year, which included over 10 years worth of effort and six construction projects.

Fire Station 5 in Slocum was opened in 2009 and the addition/improvements to the Public Safety Complex were completed in early 2010. Construction of the new senior center and beach campus improvements was also completed in 2010. These improvements included the construction of the new two-story, 11,400+ square foot facility, fire and life safety improvements to the town Community Center, the installation of two costly environmentally designed septic systems, parking lot improvements, as well as campus landscaping and walkways.

The town completed two significant recreation/leisure services projects. The first was the replacement of the town golf course irrigation system with water now being supplied by a newly constructed irrigation pond and refurbished well. This has allowed the town to significantly reduce its irrigation dependence on potable water from the stressed Hunt River aquifer. The other project

completed this year was the reconstruction of a large section of marina bulkhead. The failing bulkhead was installed by the Navy over 50 years ago and its condition was threatening the use of many docks and slips.

The department continues to work diligently to promote maximum recycling, reducing the amount of solid waste generated in North Kingstown. Currently, 46% of all waste generated in North Kingstown is being diverted from the landfill, meeting the mandated 50% diversion rate set for July 1, 2012. The Town of North Kingstown continues to participate in Rhode Island Resource Recovery's Maximum Recycling Program and once again achieved a recycling rate of 32% and is close to achieving the mandated minimum 35% recycling rate by July 1, 2012.

### **Leisure Activities Department**

The North Kingstown Municipal Golf Course completed another successful season with a more cooperative weather season than last year.

### **Code Enforcement**

The Department has made improvements in its ability to track and respond to our customers (homeowners and contractors). We have implemented new software, designed standardized forms, adjusted inter-office policies, and become more efficient in our overall operation. These changes have helped to increase productivity and accountability; however the reduction of one part time position has had a negative effect in our overall operation.

### **Fire Department**

The Fire Department's new Slocum Fire Station (Station # 5) and Engine Company # 5 completed its first year in service on January 23<sup>rd</sup>, 2010. Engine Company # 5 responded to 1013 Alarms from 1/23/09 to 1/23/10. The addition and renovations to the Public Safety Building on Post Road (Station # 1) is close to final completion, the Fire Department Administrative Offices and Fire and Rescue Companies are back in Station # 1. The Fire Department was notified on October 14<sup>th</sup>, 2009 by the Insurance Services Office (ISO) that they had completed their analysis of the structural fire suppression delivery system provided in North Kingstown. The resulting Public Protection Classification is: 4, the prior Public Protection Classification was: 4/9. The Fire Department will endeavor to make improvements in the ISO rating in the future.

The Fire Department responded to 4,638 calls for service last year, this was achieved through a total of 9,892 Fire Apparatus Responses.

### **Water Department**

Remediation of lead contaminated soil on properties adjacent to the Juniper Hill Standpipe and the construction of an elevated storage tank to replace this standpipe is almost complete.

North Kingstown Water continues our effort to provide information to customers on maintaining landscapes for clean water and encouraging water conservation practices. As part of this water use efficiency/conservation effort, the Town Council adopted a revised lawn and ornamental landscape irrigation ordinance that will reduce seasonal demand and promote industry recommended irrigation

practices. The Department in coordination with the Groundwater Committee will be developing and enhanced education program to keep customers informed about water issues. The Department has been working with the Planning Department and other state agencies on programs for water use efficiency and initiatives for land acquisition to protect water quality.

### **Police Department**

The North Kingstown Police Department continues to work to maintain a good relationship within the community. To accomplish this we search and employ those programs that will best assist in helping us fulfill this commitment. Examples include, Neighborhood Watch Groups, Commercial Enforcement Program, T.E.A.R. – Traffic Education and Accident Reduction, Traffic Calming, and the Juvenile Hearing Board.

In addition, the Police Department continues to maintain our relationship with young adults –

- A School Resource Officer – North Kingstown High School. A full time police officer is assigned to the North Kingstown High School to assist in facilitating a safe environment for students, but also to build on the understanding of police and community relations.
- The DARE program continues as a part of the elementary school program for all 5<sup>th</sup> graders; which can be attributed to the cooperative effort of the North Kingstown Rotary Club and North Kingstown Police Department.
- Working Together for Wellness Taskforce continues to partnership with the Police Department to address underage drinking and substance abuse in North Kingstown. Together we are committed to reducing and deterring substance abuse by underage persons in North Kingstown. A program made possible through a grant application known as Strategic Prevention Framework-State Incentive Grant (SPF-SIG) Program.

Police services to the community amounted to approximately 29,790 total calls for services in FY 10, a reduction of approximately 7% from FY 09. The police department recorded a slight increase in reports related to assault and larceny with a decrease in vandalism and fraud reports; complaints related to breaking and entering remained unchanged at approximately 70 for the year (fiscal).

In 2010 AAA Southern New England awarded the Town of North Kingstown with a 2009 *Pedestrian Safety Commendation* in recognition form fifteen years with no pedestrian fatalities.

The Harbor Division, through the efforts of our Harbor Staff, has accomplished the following –

- Harbor Management Plan has completed a three year survey of vessels with heads within our mooring fields. Information will be used to reapply to DEM for a water quality certificate.
- Allen Harbor – channel was dredged after successfully obtaining emergency dredge permit, thus allowing for a full season of operation with minimal problems.
- Allen Harbor Marina operated at full capacity, while some local marinas experienced higher than normal vacancies.
- Harbor patrols logged approximately 800 hours on the waters within our jurisdiction, few complaints received.

In 2009 a second addition was completed to what is the current Public Safety Building, at 8166 Post Road, bringing together the original Public Safety (Police and Fire) building constructed in 1958 with the previous addition constructed in 1976. This new addition forms the main lobby to the building. Upon entering the public is provided direct access to Police / Fire Dispatch and Police Records personnel. From this point visitors can be directed to other locations and services within the building. The most notable changes to the building are those directly affecting police personnel, such as locker facilities for women and men, and the work stations for daily reporting and investigations. The equipment and office essentials for this improvement project were made possible through a direct grant award, provided by the US Department of Justice under an *FY09 Byrne / JAG as authorized by the American Recovery and Reinvestment Act of 2009*.

#### ***AWARDS AND ACKNOWLEDGEMENTS:***

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of North Kingstown for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2009. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

The Certificate of Achievement is valid for a period of one year only and is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment for a government unit and its management. The Town of North Kingstown has received a Certificate of Achievement for the last ten (10) consecutive years (FYE 2000 through FYE 2009). We believe that this report continues to conform to the Certificate of Achievement program requirement and we are submitting it to GFOA to determine its eligibility for another certification.

A special thanks to the Town Manager, Department Directors and Division Supervisors for their assistance and contributions to this report. I especially commend the members of the Finance Department, particularly, for their responsible competence and diligence in the continuation of the progressive financial activities of the Town. The preparation of this report on a timely basis was made possible by the efficient and dedicated service of Jeanna Krukowski, Controller.

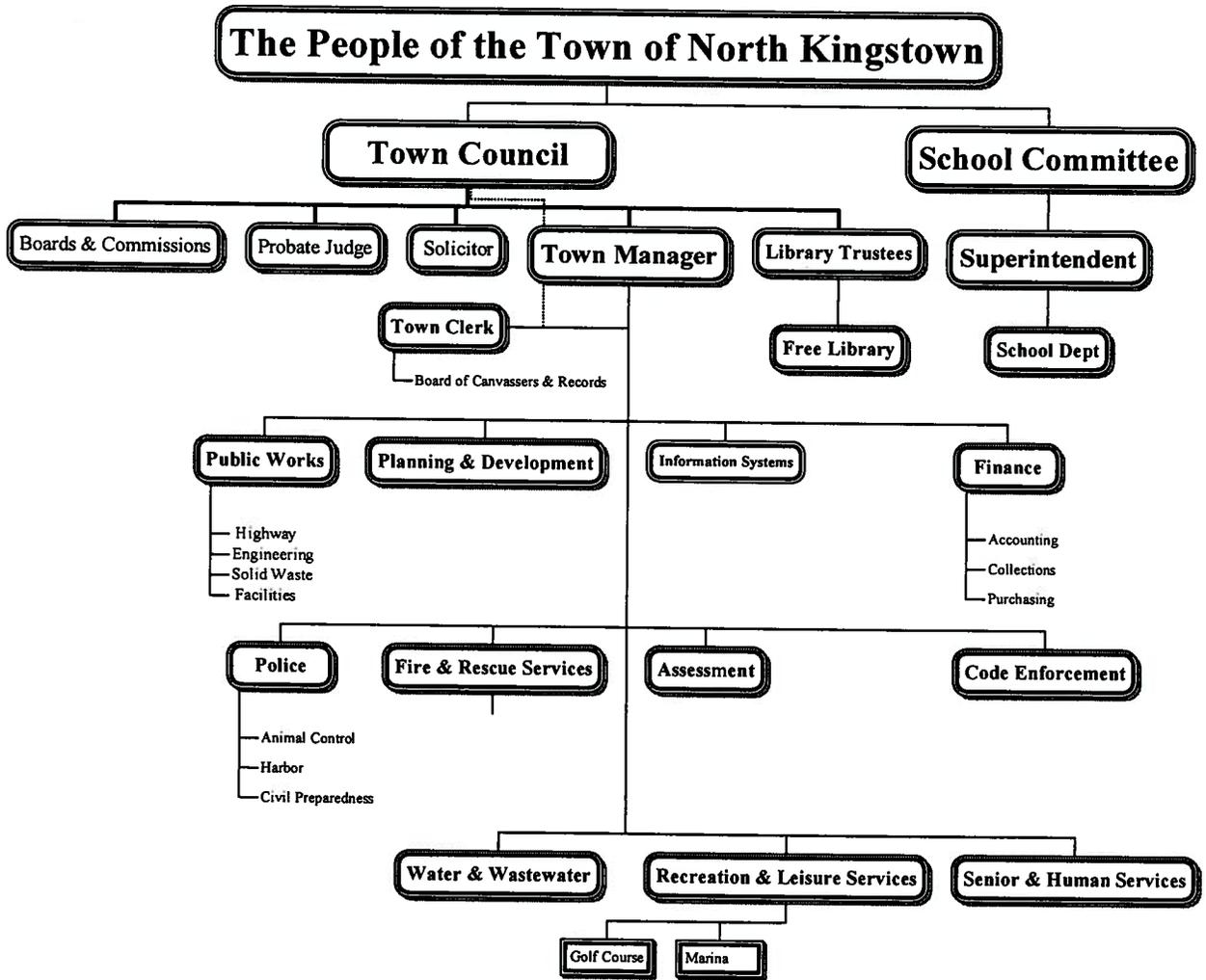
Appreciation is also expressed to the Town Council and all town employees for their cooperation and assistance throughout the year in matters pertaining to the financial affairs of the Town.

Sincerely,



Patricia A. Sunderland  
Finance Director

## North Kingstown Governmental Organization



TOWN OF NORTH KINGSTOWN

TOWN COUNCIL

ELIZABETH S. DOLAN – PRESIDENT  
MICHAEL S. BESTWICK  
STEVEN R. DETOY  
CAROL H. HUESTON  
CHARLES H. STAMM

SCHOOL COMMITTEE

LARRY D. CERESI - CHAIRPERSON  
LYNDA AVANZATO  
MELVOID J. BENSON  
APRIL BRUNELLE  
KIMBERLY ANN PAGE  
DOUGLAS S. ROTH  
RICHARD WALSH

TOWN MANAGER  
TOWN SOLICITOR  
TOWN CLERK  
DEPUTY TOWN CLERK  
ASSESSOR  
DIRECTOR OF FINANCE  
CONTROLLER  
DIRECTOR OF PUBLIC WORKS  
TOWN ENGINEER  
DIRECTOR OF RECREATION  
DIRECTOR OF PLANNING  
POLICE CHIEF  
FIRE CHIEF  
BUILDING OFFICIAL  
DIRECTOR OF WATER SUPPLY  
HIGHWAY SUPERINTENDENT  
DIRECTOR OF SENIOR/HUMAN SERVICES  
ANIMAL WARDEN  
HARBOR MASTER  
TOWN SARGEANT  
LIBRARY DIRECTOR  
MIS DIRECTOR  
SCHOOL SUPERINTENDENT

MICHAEL E. EMBURY  
JAMES H. REILLY  
JAMES D. MARQUES  
JEANNETTE ALYWARD  
LINDA CWIEK  
PATRICIA A. SUNDERLAND  
JEANNA KRUKOWSKI  
PHILIPPE BERGERON  
KIM WIEGAND  
ALLEN SOUTHWICK  
JONATHAN J. REINER  
EDWARD A. CHARBONEAU  
PATRICK CAMPION  
GARY TEDESCHI  
SUSAN LICARDI  
ROBERT VARGAS  
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# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of North Kingstown  
Rhode Island

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employees retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

THE TOWN OF  
NORTH KINGSTOWN, RHODE ISLAND

FINANCIAL SECTION

## ***INDEPENDENT AUDITORS' REPORT***

To the Honorable Town Council  
North Kingstown, Rhode Island

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of North Kingstown, Rhode Island, as of and for the year ended June 30, 2010, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of North Kingstown, Rhode Island's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of North Kingstown, Rhode Island, as of June 30, 2010, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Boston

Newton

Taunton

Concord

In accordance with *Government Auditing Standards*, we have also issued a report dated December 14, 2010 on our consideration of the Town of North Kingstown, Rhode Island's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis, historical pension information, and budgetary comparison information on Pages 3 through 11 and 60 through 64 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of North Kingstown, Rhode Island's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules for nonmajor funds and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, and budgetary comparison schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements and budgetary comparison schedules taken as a whole. The introductory section and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



Braver, PC  
Providence, Rhode Island  
December 14, 2010

**TOWN OF NORTH KINGSTOWN, RI  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Introduction:**

Management's Discussion and Analysis provides a narrative overview and analysis of the financial activities of the Town for the year ended June 30, 2010 with comparison to the prior year, where appropriate. The information complements the data presented in the basic financial statements. Its purpose, along with the material in the Letter of Transmittal, is to enhance the reader's understanding of the Town's financial performance.

**Financial Highlights:**

- The assets of the Town of North Kingstown exceeded its liabilities at the close of the most recent fiscal year by \$ 79.2 million (net assets). Of this amount, \$28.8 million (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The governments total net assets decreased by \$3,180,340.
- As of the close of the current fiscal year, the Town of North Kingstown's governmental funds reported combined ending fund balances of \$20.0 million. Approximately 81.5% of this total, \$16.3 million, is available for spending at the government's discretion (unreserved fund balance).
- At the end of the current fiscal year, the unreserved, undesignated fund balance for the general fund was \$8.5 million, or 36.6% of total general fund expenditures on a budgetary basis. All of this balance is available for spending at the government's discretion within the General Fund.
- The Town's total bonded debt declined by \$3,270,600 (5.8%) during the current fiscal year. The key factor in this decline was the retirement of \$3,474,192 in bonds combined with no new debt being issued and a Refunding of Debt in December, 2009 resulting in a principal savings of \$203,592.

**Overview of the Financial Statements:**

This discussion and analysis are intended to serve as an introduction to the Town of North Kingstown's basic financial statements. The Town's basic financial statements comprise of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplementary information and a statistical section. The statistical section provides comparisons of selected information beginning with FYE 2001 and running through the current fiscal year.

**Government-Wide Financial Statements** – The government-wide financial statements are designed to provide readers with a broad overview of the Town of North Kingstown's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the Towns assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The statement of activities presents information showing how the governments' net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements outline both the functions of the Town that are principally supported by property taxes and intergovernmental revenues (government activities) and the business-type activities that are supported by user fees and charges. The governmental activities of the Town include public safety, public works, education, recreation, library, senior services, and general government. The business-type activities of the Town include a water fund, recreation fund, school cafeteria fund and capital reserve funds. The recreation fund is comprised of the North Kingstown Municipal Golf Course and the Allen Harbor Marina Facility.

The government-wide financial statements (statement of net assets and statement of activities) can be found on pages 12-13 of this report.

**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 of North Kingstown, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

**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, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a 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 financial 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 governmental activities.

The Town of North Kingstown maintains over 100 individual non-major governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, school unrestricted fund, debt service fund, and \$4M senior center complex fund, all of which are considered to be major funds. Forty-four special revenue funds, School Department funds, a Debt Service Fund, a Capital Projects Fund, and several Permanent Funds are combined into aggregate funds in this presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

**Proprietary Funds:** The Town of North Kingstown maintains two proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements, only in more detail. The Town of North Kingstown uses enterprise funds to account for its water fund, recreations fund, school cafeteria fund and capital reserve funds. Internal service funds are an accounting device used to accumulate costs internally among the Town's various functions. The Town uses internal service funds to account for its worker's compensation and self insurance property damage funds. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. The basic proprietary fund financial statements can be found on pages 19–21 of this report.

**Fiduciary Funds:** Fiduciary Funds are used to account for resources held for the parties outside the government. Fiduciary Funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Town of North Kingstown's own programs. The Town maintains two private purpose funds: Police Pension Trust and Probate Trust Funds of which the Town hold 16 separate accounts. The basic fiduciary fund financial statements can be found on pages 22-23 of this report.

**Notes to the Financial Statements:** The Notes to the Financial Statements 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 can be found on Pages 24 to 59 of this report.

**Other Information:** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town of North Kingstown's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on page 60 of this report. The Combining Statements referred to earlier in connection with non-major Governmental Funds are presented following the Notes to the Financial Statements. Combining and Individual Fund Statements can be found starting on pages 65 of this report.

### **Government-Wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future. Town of North Kingstown's governmental activity assets exceeded liabilities by \$79,239,201 on June 30, 2010.

**Table 1 – Net Assets**

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Current and Other Assets	\$31,263,219	\$ 35,951,029	\$ 11,588,067	\$ 8,554,196	\$ 42,851,286	\$ 44,505,225
Capital Assets	100,261,208	99,527,373	8,310,590	7,374,727	108,571,798	106,902,100
Total Assets	131,524,427	135,478,402	19,898,657	15,928,923	151,423,084	151,407,325
Other Current Liabilities	13,061,629	11,931,599	2,750,505	1,690,103	15,812,134	13,621,702
Long-Term Liabilities	51,217,319	55,338,402	5,154,424	288,968	56,371,743	55,627,370
Total Liabilities	64,278,948	67,270,001	7,904,929	1,979,071	72,183,877	69,249,072
Net Assets invested in capital assets, net of related debt	47,064,382	43,435,744	3,228,071	7,067,811	50,292,453	50,503,555
Net Assets - restricted	97,316	96,559	-	-	97,316	96,559
Net Assets - unrestricted	20,083,778	24,937,386	8,765,654	6,882,041	28,849,432	31,819,427
Total Net Assets	\$67,245,476	\$ 68,469,689	\$ 11,993,725	\$ 13,949,852	\$ 79,239,201	\$ 82,419,541

The largest portion of the Town's net assets (63.5%) reflects its investment in capital assets (e.g. land, building, infrastructure, machinery and equipment), less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Since the capital assets themselves cannot be used to liquidate these liabilities, the resources needed to repay this debt must be provided from other sources and, therefore, the Town of North Kingstown's investment in its capital assets is reported net of related debt.

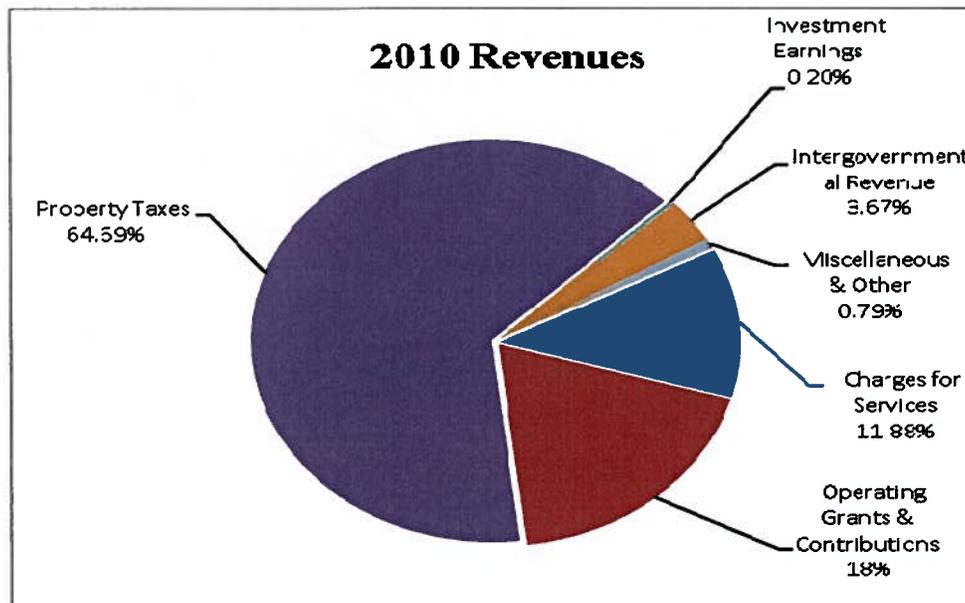
The unrestricted net assets \$28.9 may be used to meet the government's ongoing obligations to citizens and creditors. However, the restricted net assets \$97,316 are subject to external restrictions on how they may be used.

The Town's net assets decreased by \$3,180,340 during the current fiscal year. Of this amount, governmental activities accounted for \$1,224,213 of the decrease while business-type activities accounted for a decrease of \$1,956,127.

**Governmental Activities.** Property taxes are the largest revenue source for governmental activities accounting for approximately 65% of total revenues. Operating grants and Contributions contributed to 18% of the revenues followed by 15.5% from program revenues such as charges for services, fees, and licenses and finally about 1.% of the Town's revenues was derived from miscellaneous revenue and investment earnings.

**Table 2**  
Changes in Net Assets (in millions)

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
<b>Program Revenues</b>						
Charges for Services	\$ 6.0	\$ 8.2	\$ 5.9	\$ 5.7	\$ 12.0	\$ 14.0
Operating Grants & Contributions	18.5	18.7	0.4	0.7	18.9	19.4
<b>General Revenues:</b>						
Property Taxes	65.3	64.7	-	-	65.3	64.7
Investment Earnings	0.2	0.6	-	0.1	0.2	0.7
Intergovernmental Revenue	3.7	4.0	-	-	3.7	4.0
Miscellaneous & Other	0.8	1.0	-	-	0.8	1.0
<b>Total Program/General Revenues</b>	<b>94.6</b>	<b>97.3</b>	<b>6.4</b>	<b>6.5</b>	<b>101.0</b>	<b>103.8</b>
<b>Expenses:</b>						
Governmental Activities	95.5	98.3			95.5	98.6
Business-Type Activities:						
Water			4.9	2.9	4.9	2.9
Quonset/Davisville Recreation			2.0	0.7	2.0	0.7
School Cafeteria Fund			1.3	1.3	1.3	1.3
Water Capital Reserve			-	0.1	-	0.1
Other business-type activities			0.4	0.4	0.4	0.4
<b>Total Gov't/Business Expenses</b>	<b>95.5</b>	<b>98.3</b>	<b>8.6</b>	<b>5.4</b>	<b>104.1</b>	<b>104.0</b>
Excess Before Transfers	(0.9)	(1.0)	(2.2)	1.1	(3.1)	(0.2)
Transfers	(0.3)	(0.2)	0.3	0.2		
Increase (Decrease) in Net Assets	(1.2)	(1.2)	(1.9)	1.3	(3.1)	0.8

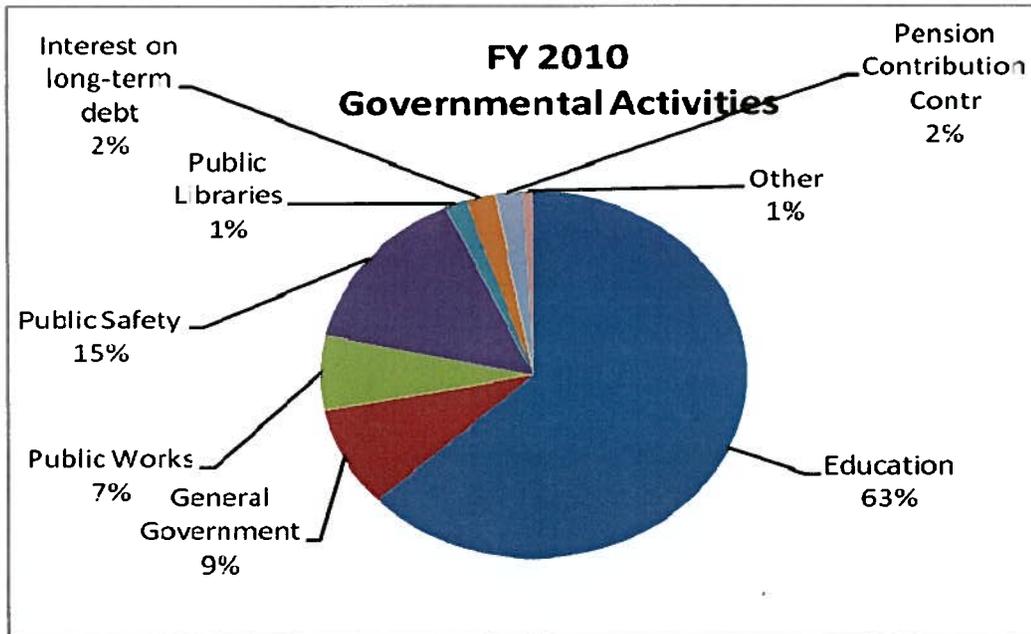


Major revenue factors over the prior year included:

- Property taxes being levied resulted in an increase of \$729,635, or 1.17% for fiscal year 2010. The Town's taxable property increased by \$23,410,668 from \$4,440,612,995 to \$4,464,023,663. This represents a .53% increase in taxable property. Based on the increase in values, the property tax rate increased from \$13.83 to \$13.97 per thousand dollars of assessed value.
- Charges for services decreased by approximately \$2,193,237. Building inspection fees, town clerk recording fees, real estate conveyance fees, and school miscellaneous fees all declined sharply in the 2010 fiscal year. One of the major components of this reduction was a reduction of \$1.2M in School Capital Reserve funds being procured for projects in 2010.
- Operating grants and contributions declined by \$182,395 from the previous year. A few of the major decreases in this revenue source was mainly attributable to a reduction in Miscellaneous State Grants (\$880,058) and Community Development Block Grant (\$353,133). Somewhat offsetting the above reductions in operating grants and contributions was the initial receipt of ARRA (IDEA & TITLE 1) for the School Department (\$939,285).
- Investment earnings declined from \$692,515 in the prior fiscal year to \$206,664 in the current fiscal year, 2010. The significant decline in the market is a direct impact on investment earnings. The average interest rate earned in 2010 was approximately 0.5% whereas the average interest rate earned in 2009 was approximately 1.2%

#### Cost of Governmental Activities (in millions of dollars)

	Total Cost of Services			Net Cost of Services		
	2010	2009	% Change	2010	2009	% Change
Education	60.3	60.5	0%	\$ 43.8	\$43.8	1%
General Government	8.4	7.9	10%	5.3	2.6	-15%
Public Works	6.3	8.4	-27%	5.3	7.6	-28%
Public Safety	14.1	14.9	-5%	12.6	13.5	-7%
Public Libraries	1.5	1.5	0%	1.1	1.2	-8%
Interest on long-term debt	2.2	2.3	-4%	2.2	2.3	-4%
Pension Contribution Contr	2.0	2.2	n/a	-	-	n/a
Other	<u>0.7</u>	<u>0.8</u>	<u>-25%</u>	<u>0.6</u>	<u>0.6</u>	<u>-33%</u>
<b>Total Expenses</b>	<b>\$ 95.5</b>	<b>\$ 98.5</b>	<b>-3%</b>	<b>\$ 68.2</b>	<b>\$71.6</b>	<b>-5%</b>



Education expenses account for approximately 63% of the total expenses within the governmental funds of the Town of North Kingstown. Public safety and public works expenses account for 15% and 7% respectively, general government makes up 9% and the remainder relates to public libraries, interest on long-term debt, pension contribution commitments and other areas. The net cost of services decreased by \$3.4 million.

For the most part, increases in expenses closely paralleled inflation, wage and benefit cost increases and the difference between the accounting recognition of budgetary basis expenditures versus GAAP basis expenditures.

Major expenditure factors over the prior year included:

- GASB No. 45 – OPEB has recognized the accrual of net OPEB obligations in the governmental wide financial statements of net assets for June 30, 2009. This accrual is recognized within general government expenditures (Note: 12, page 54)
- GASB No. 49 – Pollution Remediation Obligations – The Town is currently involved in the State of Rhode Island’s Landfill Closure Program for both the Hamilton Allenton and Oak Hill Landfills. The accrual for this obligation was recognized within the public works expenditures and as a current liability on the balance sheet (note: 17,p. 59).
- Increases in employee wages and fringe benefits resulting from negotiated step and cost of living increases.
- The difference between the accounting recognition of budgetary basis expenditures versus GAAP basis of \$139,924 were expensed in 2010 thus creating a deficit in the Planning Department of (\$17,293), of the (\$41,339) deficit in the Information Systems budget \$28,000 was a 2009 encumbrance expensed in 2010 for the Network Configuration upgrade and the surplus in Public Works of \$188,495 was the culmination of 2009 encumbrances being expensed and liquidated within fiscal year 2010.
- The increase recognized in the Town Solicitor’s budget of \$138,276 was a result of a supplemental appropriation being requested in June. The original estimate of Labor Attorney costs were estimated higher than actual due to the timing for Fire Arbitration hearings being scheduled.
- Interest on long term debt declined by \$74,517 due to the Town’s aggressive debt service schedule combined with the fact that no new debt was issued during the previous fiscal year coupled with a refunding of the 1998, 1999 and 2000 bonds.

**Business-type activities.** Net Assets in business-type activities decreased by (\$1,956,127) which results in a 14% decrease in business-type net assets.

Charges for services for business-type activities accounted for 93.7% of the total revenue sources. The balance of revenues for business-type activities was from operating grants and contributions as well as investment income (6.3%). Of the 93.7% of the total revenue coming into the business-type activities, 48.6% is being generated by the water fund, 26.4% from the recreation fund, and the remaining from the school cafeteria fund, interest on investments, and transfers in.

A slight decrease is reflected in the business-type activities of (\$24,155). The net impact of this decrease is reflective of decrease in Water Department sales and rentals of \$8,590, Quonset/Davisville Recreation, charges for usage and service, of \$49,645 and increases in Water Department, charges for usage and service, of \$85,520. Unrestricted investment earnings declined from \$104,787 to \$36,541 for all business-type activities. Lower interest rates earned on investments were responsible for generating the decline in this revenue sources.

A transfer from the school operating fund of \$122,954 into the Nutrition Fund to rid the fund of an accumulated deficit was recognized again in 2010.

The water fund expenses accounted for 56.47% of the expenditures within the business-type activities of the Town. Quonset/Davisville Recreation, Nutrition Fund, Water Capital Reserve and Non-major Enterprise funds accounted for 22.7%, 15.5%, 0.6%, and 4.8% respectively of the business-type activities expenditures for the 2010 fiscal year.

Expenses in the Water Fund rose significantly by \$1,933,573 due to costs associated with the replacement of the water tank and related renovations, additions, improvements, and remediation of the Juniper Hill Facility. The Juniper Hill Tank's exterior was coated with lead based paint which has impacted the soil surrounding the tank. The total expenditures charged to this project during the fiscal year ended June 30, 2010 was \$718,696. The estimated remaining cost to remediate the soil and complete the project is \$878,061.

Expenses associated with Quonset/Davisville Recreation fund increased by \$1,223,544 which was mainly associated with the restatement of the Recreation Fund which was originally budgeted in the General Fund Operating Budget as well as the expenditures associated with the golf irrigation project and the payment designated to the General Fund Undesignated Fund Balance of \$150,000.

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

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

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

As of the end of the current fiscal year, the Town of North Kingstown's governmental funds reported combined ending fund balances of \$20,045,983. Approximately 81.7% of this amount, \$16,373,733 constitutes unreserved fund balance of which \$10,541,497 is available for spending at the government's discretion within the Town and School's General Operating Fund. The remaining unreserved fund balance of \$5,832,236 includes \$75,000 school designation to fund the 2011 budget, \$2,689,199 designated for Special Revenue Funds, \$3,157,669 earmarked for Capital Projects for the \$9M School Renovations Bond, Farmland & Open Space Reserve, \$6M Public Facilities Bond, School Capital Reserve, \$4.5M Public Safety Facilities, \$4M Farmland Open Space Fund and the Town Capital Reserve fund within the non-major Governmental Funds and \$97,316 for Permanent Purpose Trust Funds. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) to liquidate contracts and purchase orders of the prior period (\$1,557,128), 2) reserved for debt service (\$651,665), 3) reservation for golf course irrigation (\$1.35M) and 4) reservation for future expenses associated with health/dental capital costs (\$143,457).

**General Fund.** The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, unreserved undesignated fund balance of the general fund was \$8,498,068 which is included in the total fund balance of \$10,315,751. As a measure of the general fund's liquidity, it may be useful to compare both unreserved undesignated fund balance and total fund balance to total fund expenditures. Unreserved undesignated fund balance represents 34.1% of total the 2011 Adopted General fund Expenditure Budget.

The total fund balance of the Town of North Kingstown's general fund increased by \$162,637 during the current fiscal year. Key factors in the total fund balance increase are as follows:

- A budgetary basis operating surplus in the general fund of \$1,005,021.
- Expenditures under budget contributed \$205,447 to the surplus, while an aggressive tax collection program property tax revenues for the current year resulted in an additional \$626,788 surplus accounting for the operating surplus and offsetting a shortfall in departmental revenues of (\$96,316). The current year recognized a supplemental appropriation of \$880,000 from the undesignated fund balance to compensate for losses being anticipated from the intergovernmental revenues, investment income and anticipated collective bargaining agreement arbitration hearings that did not occur until 2011.
- Favorable expenditure variances of significance included savings in the town solicitor's department (\$138,276) and public work department (\$188,495). Other minor favorable variances were recognized.

The school fund has a total fund balance of \$3,351,331 of which \$1,089,445 has been committed to liquidate contracts and purchase orders of the prior period, \$75,000 is designated to help finance the 20110 budget, \$143,457 is reserved for future health/dental capital expenditures. The remaining balance of \$2,043,429 is available to help finance future year's school budgets.

<b>Major Funds Governmental</b>	<b>Beg Fund Balance 2010</b>	<b>Ending Fund Balance 2010</b>	<b>Change \$</b>
General Fund	10,153,114	10,315,751	162,637
School Unrestricted Fund	<u>2,412,579</u>	<u>3,351,331</u>	<u>938,752</u>
	12,565,693	13,667,082	1,101,389
Other Governmental Funds	9,377,818	5,639,230	(3,738,588)

**Proprietary Funds.** The Town of North Kingstown's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Separate information is provided for the Department of Water Supply and the Quonset/Davisville Recreation Fund which includes the Municipal Golf Course and the Allen Harbor Marina, both of which are considered major funds of the Town of North Kingstown.

Net assets in the water fund at the end of the fiscal year amounted to \$7,614,188, a decline of (\$1,422,959). Net assets in the Q/D recreation fund decreased by (\$205,994), from \$2,415,395 to \$2,209,401. The most significant decreases in these funds is due to the new long-term debt being recognized within the fund. The long-term debt is a liability within the Water Fund to pay for projects that were approved by the RI Clean Water Finance Agency in the amount of \$4.8M. The Water Department took advantage of The American Recovery and Reinvestment Act of 2009 which provided an additional Drinking Water State Revolving Fund capitalization grant to the State of Rhode Island. A portion of the Borrower Loan will be forgiven, annually, as debt service is paid. The amount of principal forgiveness that the Water Department will recognize at the end of the term will be approximately \$1.18M.

The Water Department was required to provide a copy of the construction agreement to the RI Clean Water Agency by January 15, 2010, otherwise the principal forgiveness would have been forfeited. The program concluded with approvals from the RI Department of Health for the 1) construction of a .75 MG elevated water storage tank, 2) remediation of the soil around the existing tank site due to lead soil contamination, 3) demolition of the existing tank and 4) the water meter reader improvements. All of these projects were required to be under contract/construction by February 17, 2010, unfortunately, the Water Department could not meet the deadline for the demolition to the existing tank and will forfeit the remaining authorization of the initial approval of \$4.8M. This portion of the project will be funded from the Water Department's Capital Reserve.

<b>Major Funds Proprietary</b>	<b>Beg Net Assets 2010</b>	<b>Ending Net Assets 2010</b>	<b>Change\$</b>
Water Fund	9,037,147	7,614,188	(1,422,959)
Q/D Recreation Fund	2,415,395	2,209,401	(205,994)
Nutrition Fund	-	-	-
Water Capital Reserve Fund	<u>2,016,495</u>	<u>1,991,586</u>	<u>(24,909)</u>
	13,469,037	11,815,175	(1,653,862)
Non-Major Enterprise Funds	480,815	178,550	(302,265)

#### **General Fund Budgetary Highlights**

Overall the Town finished the 2009-2010 fiscal year with budgetary surpluses as follows:

- General Fund - \$1,005,021
- School Unrestricted Fund - \$426,917
- Library Fund - \$12,550
- Debt Service - \$37,667

Differences between the original budget and the final amended budget were relatively minor and only involved transferring funds from departments with expenditure surpluses to departments with expenditure deficits.

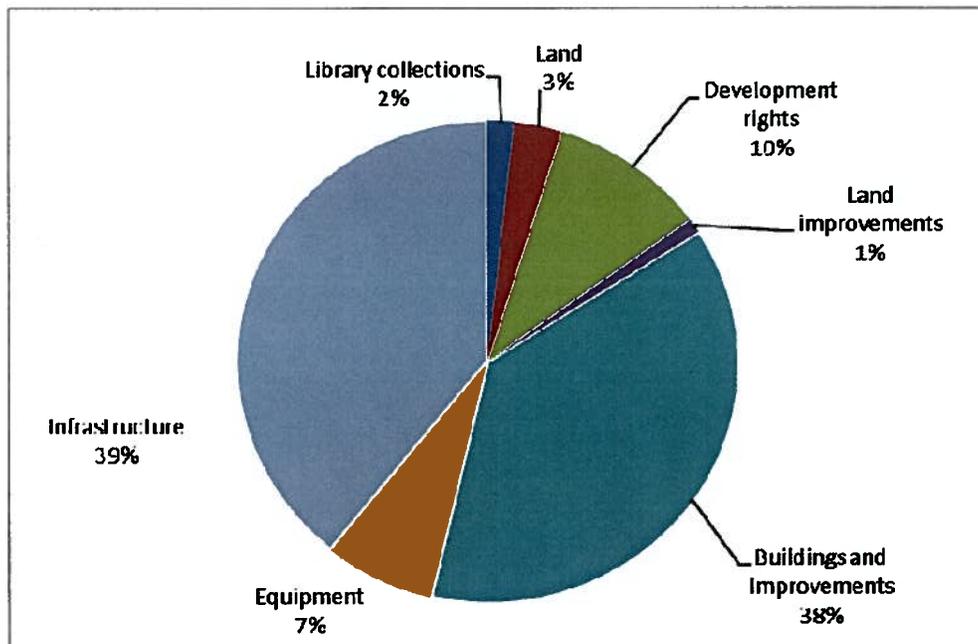
The actual collection rate was estimated to be 97.0% while the actual collections achieved were 96.04% of the total levy. The Town collects supplemental taxes during the course of the year for real estate construction that receives a certificate of occupancy after the assessment date. The amount generated from this is recorded as tax revenue but has not historically been used in the calculation of the tax rate because it is uncertain as to what may occur. Supplemental taxes received for the Fiscal Year were \$56,179, a decrease of approximately \$25,763 from the previous year.

**Capital Asset and Debt Administration:**

**Capital Assets** – The Town of North Kingstown’s investment in capital assets for its governmental activities as of June 30, 2010, amounts to \$100,261,208 (net of accumulated depreciation). This investment in capital assets includes investments in development rights, land and building improvements, machinery and equipment, park facilities, infrastructure and construction in progress. The total increase in the Town of North Kingstown’s investment in capital assets for the current fiscal year was approximately 1.6% mainly due to the completion and capitalization of the new senior center.

**Town of North Kingstown, RI  
Capital Assets**

	June 30, 2010	June 30, 2009
		<b>Restated</b>
Library collections	2,967,000	3,191,228
Land	5,372,113	5,372,113
Development rights	17,558,412	16,930,122
Land improvements	1,609,471	1,609,471
Buildings and Improvements	64,896,015	56,624,323
Equipment	12,390,955	12,098,778
Infrastructure	67,429,670	65,589,563
Construction in Progress	-	5,694,766
<b>Total</b>	<b>172,223,636</b>	<b>167,110,364</b>



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

- Regarding development rights: Hazard Farm-15 acres along Boston Neck Road (\$628,290)
- Regarding building and improvements: Public Safety Complex (\$3,728,853.70) and the Senior Center (\$4,289,568.28)
- Regarding infrastructure: a variety of road construction projects were completed and capitalized. Projects capitalized as infrastructure totaled \$1,840,107 and included pavement project expenses of \$509,401, sidewalks/ramps curbs project expenses of \$373,94 and drains/culvert project expenses of \$956,742.

Additional information on the Town of North Kingstown’s capital assets can be found in Note 3 on pages 36 & 37 of this report.

**Long-term Debt** – At the end of the current fiscal year, the Town of North Kingstown had \$52,662,484 in bonds outstanding at fiscal year-end, compared to \$55,933,084 last year, a decrease of \$3,270,600. In December 2009, the Town issued \$6,585,000 of general obligation refunding bonds to provide resources that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments on \$6,375,000 of refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the statement of net assets. This advance refunding was undertaken to reduce total debt service payment over the next 10 years by \$534,119 and resulted in an economic gain of \$465,587. As of June 30, 2010, the in-substance defeased bonds, which remain outstanding was \$6,375,000. Accordingly, the trust accounts and the defeased bonds are not included in the accompanying basic financial statements. Total bonded debt for the Town is entirely backed by the full faith and credit of the Town. Bonds authorized but unissued totaled an additional \$4,350,000.

State statutes limit the amount of general obligation bonded debt a town can issue to 3 percent of net assessed property values. However, all bonds approved through State enabling legislation and voter referendums are exempt from the limit. As of June 30, 2010, the Town had a legal debt limit of approximately \$133,218,390 of which the Town had only \$282,516 of debt outstanding subject to the Maximum Aggregate Indebtedness. The Town's debt limit calculation is shown on Page 35 in the Notes and Page 125 of this report.

On January 14, 2009, the town received notice from Standard & Poor that the Town's bond rating had been upgraded one notch to 'AA' from 'AA-' based on the town's strong financial performance and position and strong income levels. The report further noted the following:

- Primarily residential property tax base with a diverse and growing commercial presence
- Good management policies, and
- Low debt burden.

Standard & Poor further notes the town's full faith and credit pledge secures the bonds.

**Additional information on the Town of North Kingstown's long-term debt can be found in Note 6 on pages 39-41 of this report.**

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

- Rhode Island General Laws limits the amount by which a city or town may increase its tax levy in each year unless the city or town qualifies for certain exemptions relating to loss of non-property tax revenue, emergencies, payment of debt service and substantial increase in the tax base necessitate significant expenditures. The maximum amount by which a city or town can increase its levy for 2012 is 4.25%. This levy will decrease by .25% until it reaches 4.0% in 2013.
- As of June 2010 the Town had an unemployment rate of 9.6% as compared to the State of Rhode Island's rate of 12%, and the national average of 9.5%.
- The State of Rhode Island continues to have significant budget deficit problems, which could result in a loss of state-aid received by the Town and the School Department such as the motor vehicle excise tax. Because North Kingstown appropriates this revenue in the next fiscal year, it does not have an impact on the current fiscal year, however, in 2011 we only receive \$220,000 which will be appropriated to the 2012 budget, therefore, we will have to react to this reduction of \$2.2M.
- The School Committee voted to eliminate the School Nutrition Fund's cumulative fund balance deficit for the 2010 fiscal year. The deficit will be funded through the School Unrestricted fund for an amount of \$122,954. It is anticipated that this fund will break-even after some contractual adjustments are finalized.

All of these factors will be considered as we plan for our 2012 Budget.

The fiscal year 2010 rate of collection of current taxes was 96.04%. It is anticipated that the fiscal year 2011 rate of collection will be 97.00% which was approved as we were finalizing the budget to take into consideration the local and state economy conditions. With an overwhelming reliance on property taxes, approximately 68.4% of the current year revenues are derived from property taxes; any reduction in other revenues would necessitate either a use of a portion of the fund balance, a property tax increase or a reduction in services in the upcoming year or some combination thereof. Based upon preliminary discussion regarding the state budget, we are anticipating a shortfall in state revenues and as such the Town Manager has instituted, again this year, a freeze on non-essential spending and a hiring freeze where applicable. All departments are reminded that prior approval is required to purchase equipment and supplies which are not of an emergency nature. We are hopeful that holding the line on the expenditure side of the budget will help offset all revenue reductions we are anticipating for fiscal year 2011.

**Requests for Information:** This financial report is designed to provide a general overview of the Town of North Kingstown's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director's Office, Town of North Kingstown, Town Hall, 80 Boston Neck Road, North Kingstown, RI 02852.

**Statement of Net Assets**  
**June 30, 2010**

	Governmental Activities	Business-type Activities	Total	Component Unit North Kingstown Free Library
<i>Assets</i>				
<i>Current Assets</i>				
Cash and cash equivalents	\$ 22,048,511	\$ 8,218,992	\$ 30,267,503	\$ 217,989
Taxes receivable	2,681,465		2,681,465	
User charges receivables		530,168	530,168	
Other receivables	1,800,994	38,378	1,839,372	
Internal balances	1,076,644	(1,076,644)	-	
Inventory		169,045	169,045	
Due from federal and state governments	1,719,853	33,030	1,752,883	
<i>Total Current Assets</i>	<u>29,327,467</u>	<u>7,912,969</u>	<u>37,240,436</u>	<u>217,989</u>
<i>Noncurrent Assets</i>				
Cash on deposit with Rhode Island Clean Water Finance Agency		3,605,598	3,605,598	
Deferred Charges on bond refunding, net of amortization	1,638,060		1,638,060	
Bond issuance costs, net of amortization	297,689	69,500	367,189	
Capital assets:				
Non-depreciable	25,897,525	3,429,171	29,326,696	
Depreciable, net	74,363,683	4,881,416	79,245,099	
<i>Total Noncurrent Assets</i>	<u>102,196,957</u>	<u>11,985,685</u>	<u>114,182,642</u>	<u>-</u>
<b>Total assets</b>	<u><u>131,524,424</u></u>	<u><u>19,898,654</u></u>	<u><u>151,423,078</u></u>	<u><u>217,989</u></u>
<i>Liabilities</i>				
<i>Current Liabilities</i>				
Accounts payable	1,642,591	1,026,911	2,669,502	
Accrued liabilities	1,475,739		1,475,739	
Other payables	572,070		572,070	
Compensated absences payable	569,062	11,800	580,862	
Serial bonds payable	3,686,694	34,306	3,721,000	
Pollution remediation obligation	1,650,000	1,365,061	3,015,061	
Unearned revenue	196,904	276,240	473,144	
Other liabilities		36,187	36,187	
Escrow deposits	587,399		587,399	
<i>Total Current Liabilities</i>	<u>10,380,459</u>	<u>2,750,505</u>	<u>13,130,964</u>	<u>-</u>
<i>Noncurrent Liabilities</i>				
OPEB liabilities (net)	2,681,170		2,681,170	
Serial bonds payable	48,975,790	5,048,210	54,024,000	
Bond premium	534,342		534,342	
Compensated absences payable	1,707,187	106,214	1,813,401	
<i>Total Noncurrent Liabilities</i>	<u>53,898,489</u>	<u>5,154,424</u>	<u>59,052,913</u>	<u>-</u>
<b>Total liabilities</b>	<u><u>64,278,948</u></u>	<u><u>7,904,929</u></u>	<u><u>72,183,877</u></u>	<u><u>-</u></u>
<i>Net Assets</i>				
Invested in Capital Assets, net of related debt	47,064,382	3,331,877	50,396,259	
Permanently restricted for:				
Permanent funds	97,316		97,316	
Unrestricted	20,083,778	8,661,848	28,745,626	217,989
<b>Total net assets</b>	<u><u>\$ 67,245,476</u></u>	<u><u>\$ 11,993,725</u></u>	<u><u>\$ 79,239,201</u></u>	<u><u>\$ 217,989</u></u>

Town of North Kingstown, Rhode Island

Statement of Activities  
Year Ended June 30, 2010

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Component Unit North Kingstown Free Library
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
<i>Governmental activities:</i>							
General government	\$ 8,395,102	\$ 1,252,645	\$ 1,795,845	\$ -	\$ (5,346,612)	\$ -	\$ (5,346,612)
Public safety	14,057,004	1,239,404	231,867		(12,585,733)		(12,585,733)
Public works	6,271,283	776,499			(5,494,784)		(5,494,784)
Parks and recreation	17,039		245,547		228,508		228,508
Education	62,367,064	2,522,073	16,082,080		(43,762,911)		(43,762,911)
Public libraries	1,462,576	256,239	120,156		(1,086,181)		(1,086,181)
Department of senior services	561,098		45,843		(515,255)		(515,255)
Amortization	91,377				(91,377)		(91,377)
Interest on long-term debt	2,243,730				(2,243,730)		(2,243,730)
<i>Total governmental activities</i>	<u>95,466,273</u>	<u>6,046,860</u>	<u>18,521,338</u>	<u>-</u>	<u>(70,898,075)</u>	<u>-</u>	<u>(70,898,075)</u>
<i>Business-type activities:</i>							
Water	4,888,182	3,247,619			(1,640,563)		(1,640,563)
Quonset/Davisville Recreation	1,970,328	1,770,058			(200,270)		(200,270)
School Cafeteria	1,343,055	794,838	425,263		(122,954)		(122,954)
Water Capital Reserve Fund	52,910	18,896			(34,014)		(34,014)
Other business-type activities	418,699	114,924			(303,775)		(303,775)
<i>Total business-type activities</i>	<u>8,673,174</u>	<u>5,946,335</u>	<u>425,263</u>	<u>-</u>	<u>(2,301,576)</u>	<u>-</u>	<u>(2,301,576)</u>
<i>Total</i>	<u>\$ 104,139,447</u>	<u>\$ 11,993,195</u>	<u>\$ 18,946,601</u>	<u>-</u>	<u>(70,898,075)</u>	<u>(2,301,576)</u>	<u>(73,199,651)</u>

Component Unit:						
North Kingstown Free Library	\$ 22,537	\$ 17,634				(4,903)
	\$ 22,537	\$ 17,634	\$ -	\$ -		(4,903)

<i>General revenues:</i>						
Property taxes	65,278,552					65,278,552
Unrestricted investment earnings	170,123			36,541		206,664
Unrestricted intergovernmental revenue	3,746,855					3,746,855
Licenses and permits	395,984					395,984
Other	402,039			(10,783)		391,256
<i>Transfers</i>	(319,691)			319,691		-
<i>Total general revenues and transfers</i>	<u>69,673,862</u>			<u>345,449</u>		<u>70,019,311</u>
Change in Net Assets	(1,224,213)			(1,956,127)		(3,180,340)
Net Assets - beginning, as restated	68,469,689			13,949,852		82,419,541
Net Assets - ending	\$ 67,245,476	\$ 11,993,725	\$ 79,239,201	\$	\$	217,989

Town of North Kingstown, Rhode Island

B - I

Balance Sheet  
Governmental Funds  
June 30, 2010

	General Fund	School Unrestricted Fund	Debt Service Fund	4M Senior Center Complex Fund	Other Governmental Funds	Total Governmental Funds
Cash and cash equivalents	\$ 9,738,795	\$ 4,027,548	\$ 639,001	\$ -	\$ 6,445,951	\$ 20,851,295
Taxes receivable	2,681,465					2,681,465
Other receivables	1,637,520	39,989			123,485	1,800,994
Due from federal and state governments	18,615	294,361			1,406,877	1,719,853
Due from other funds	2,157,609	743,002			60,912	2,961,523
Total assets	16,234,004	5,104,900	639,001	-	8,037,225	30,015,130

Assets

Liabilities and Fund Balances

	General Fund	School Unrestricted Fund	Debt Service Fund	4M Senior Center Complex Fund	Other Governmental Funds	Total Governmental Funds
Accounts payable	586,068	837,488	6,272	-	212,644	1,642,472
Accrued liabilities	537,254	340,634				877,888
Due to other funds		8,377		216,948	1,659,554	1,884,879
Other payables		567,070			5,000	572,070
Deferred revenue	4,207,532				196,907	4,404,439
Escrow deposits	587,399					587,399
Total liabilities	5,918,253	1,753,569	6,272	216,948	2,074,105	9,969,147

Fund Balances (Deficits)

Reserved for debt service			632,729		18,936	
Reserved for golf course irrigation	1,350,000					651,665
Reserved for GHGRI and Delta Dental		143,457				1,350,000
Reserved for encumbrances	467,683	1,089,445				143,457
Unreserved:						1,557,128
Designated for subsequent year's expenditures		75,000				75,000
Undesignated	8,498,068	2,043,429				10,541,497
Unreserved, reported in nonmajor:						
Special revenue funds					2,689,199	2,689,199
Capital project funds				(216,948)	3,157,669	2,940,721
Permanent funds					97,316	97,316
Total fund balances (deficits)	10,315,751	3,351,331	632,729	(216,948)	5,963,120	20,045,983
Total liabilities and fund balances (deficits)	\$ 16,234,004	\$ 5,104,900	\$ 639,001	\$ -	\$ 8,037,225	\$ 30,015,130

See notes to the basic financial statements

(Continued)  
14

**Town of North Kingstown, Rhode Island**

B - 1

**Balance Sheet  
Governmental Funds  
June 30, 2010**

*Amounts reported for governmental activities in the statement of net assets differ because:*

<b>Total Fund Balances (B-1)</b>	<b>\$ 20,045,983</b>
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	100,261,208
Deferred charges, deferred bond issuance costs, and bond premium resulting from issuance of advanced refunding bonds. These charges have been included in the governmental activities in the Statement of Net Assets.	1,587,305
Long-term liabilities and related items are not due and payable in the current period and therefore are not reported in the funds.	(55,124,628)
Deferred revenues (net of an allowance for uncollectible) are recorded in the funds, but are not deferred under the measurement focus employed in the Statement of Net Assets.	4,207,532
Internal Service funds are recorded as proprietary funds in the fund financial statements but are recorded as governmental activities on the government-wide financial statements.	1,197,097
Accrual for pollution remediation obligation.	(1,650,000)
Accrual for OPEB liabilities (net)	(2,681,170)
Accrued interest payable is recorded in government activities, but is not recorded in the funds.	<u>(597,851)</u>
<b>Total Net Assets (A-1)</b>	<b><u><u>\$ 67,245,476</u></u></b>

Town of North Kingstown, Rhode Island

B - 2

Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
Year Ended June 30, 2010

	General Fund	School Unrestricted Fund	Debt Service Fund	4M Senior Center Complex Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>						
General property taxes	\$ 65,239,235	\$ -	\$ -	\$ -	\$ -	\$ 65,239,235
Intergovernmental	3,746,855	12,266,115	1,221,626	-	6,576,725	23,811,321
Departmental	1,564,269	-	-	-	920,968	2,485,237
Licenses and permits	395,984	-	-	-	-	395,984
Investment income	128,296	1,309	2,140	-	32,978	164,723
On behalf pension contribution	-	2,018,495	-	-	-	2,018,495
Other	92,783	93,159	-	-	216,097	402,039
Total revenues	71,167,422	14,379,078	1,223,766	-	7,746,768	94,517,034
<b>Expenditures</b>						
<i>Current:</i>						
General government	4,842,371	-	-	40,609	1,689,966	6,572,946
Public safety	14,196,583	-	-	-	147,456	14,344,039
Public works	3,798,636	-	-	-	248,958	4,047,594
Parks and recreation	6,527	-	-	-	-	6,527
Senior services	367,464	-	-	-	144,535	511,999
Education	-	54,957,962	-	-	4,214,730	59,172,692
Public libraries	-	-	-	-	1,394,451	1,394,451
Per trust agreements	-	-	-	-	421,985	421,985
On behalf pension contribution	-	2,018,495	-	-	-	2,018,495
<i>Debt Service:</i>						
Principal	-	-	3,474,190	-	-	3,474,190
Interest and other costs	-	-	2,371,284	-	-	2,371,284
<i>Capital:</i>						
Capital expenditures	-	213,084	-	2,537,620	2,168,896	4,919,600
Total expenditures	23,211,581	57,189,541	5,845,474	2,578,229	10,430,977	99,255,802

See notes to the basic financial statements

(Continued)

Town of North Kingstown, Rhode Island

B - 2

Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
Year Ended June 30, 2010

	General Fund	School Unrestricted Fund	Debt Service Fund	4M Senior Center Complex Fund	Other Governmental Funds	Total Governmental Funds
Excess of revenues over (under) expenditures before other financing sources (uses)	47,955,841	(42,810,463)	(4,621,708)	(2,578,229)	(2,684,209)	(4,738,768)
Other financing sources (uses)						
Proceeds of bond issuance			6,738,825			6,738,825
Transfer to refunding debt escrow agent			(6,631,737)			(6,631,737)
Bond premium						
Bond issuance costs	869,671	43,872,169	4,552,287		1,608,366	50,902,493
Transfers in	(48,662,875)	(122,954)			(2,338,855)	(51,124,684)
Transfers out	(47,793,204)	43,749,215	4,659,375		(730,489)	(115,103)
Net other financing sources (uses)						
Net change in fund balance	162,637	938,752	37,667	(2,578,229)	(3,414,698)	(4,853,871)
Fund balance at beginning of year	10,153,114	2,412,579	595,062	2,361,281	9,377,818	24,899,854
Fund balance (deficit) at end of year	\$ 10,315,751	\$ 3,351,331	\$ 632,729	\$ (216,948)	\$ 5,963,120	\$ 20,045,983

See notes to the basic financial statements

(Concluded)

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances  
of Governmental Funds (B-2) to the Statement of Activities (A-2)  
Year Ended June 30, 2010**

<i>Net Change in Fund Balances - Total Governmental Funds (B-2):</i>	\$ (4,853,871)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	472,547
Proceeds from issuance of long - term debt	
Deferred charges, bond premium, cost of issuance and change in accrued interest	(70,911)
Decrease in liability for compensated absences	1,143,786
Principal payments made on long - term debt	3,474,190
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds.	39,317
Accrual for OPEB liabilities (net)	(1,332,523)
Excess of internal service funds' expenses over revenues, reported as governmental fund activity.	(96,748)
	<hr/>
<i>Change in Net Assets of Governmental Activities in the Statement of Activities (A-2)</i>	<u><u>\$ (1,224,213)</u></u>

Town of North Kingstown, Rhode Island

Statement of Net Assets  
Proprietary Funds  
June 30, 2010

	Enterprise Funds					Internal Service Funds
	Water	Quonset/Davisville Recreation	Nutrition Fund	Water Capital Reserve	Non-major Enterprise Funds	
<b>Assets</b>						
<i>Current Assets</i>						
Cash and cash equivalents	\$ 5,264,977	\$ 738,268	\$ 1,190	\$ 1,991,586	\$ 222,971	\$ 8,218,992
Water and sewer assessments and user fees, net	530,168					530,168
Due from other funds	34,791	38,638			12,329	85,758
Due from government			33,030			33,030
Other receivables		33,886	4,492			38,378
Inventory	104,486	26,636	37,923			169,045
<b>Total Current Assets</b>	<b>5,934,422</b>	<b>837,428</b>	<b>76,635</b>	<b>1,991,586</b>	<b>235,300</b>	<b>9,075,371</b>
<i>Noncurrent Assets</i>						
Cash on deposit with Rhode Island Clean Water Finance Agency	3,605,598					3,605,598
Bond issuance costs	69,500					69,500
Capital assets, net of accumulated depreciation	4,942,356	3,364,925	3,306			8,310,587
<b>Total Noncurrent Assets</b>	<b>8,617,454</b>	<b>3,364,925</b>	<b>3,306</b>	<b>-</b>	<b>-</b>	<b>11,985,685</b>
<b>Total assets</b>	<b>14,551,876</b>	<b>4,202,353</b>	<b>79,941</b>	<b>1,991,586</b>	<b>235,300</b>	<b>21,061,056</b>
<b>Liabilities</b>						
<i>Current Liabilities</i>						
Accounts payable and accrued liabilities	710,982	229,761	35,501		50,667	1,026,911
Due to other funds		1,111,879	44,440		6,083	1,162,402
Deferred revenue		276,240				276,240
Pollution remediation obligation	1,365,061					1,365,061
Other liabilities		36,187				36,187
Current portion of compensated absences payable	6,164	5,636				11,800
Current portion of long term debt	1,000	33,306				34,306
<b>Total Current Liabilities</b>	<b>2,083,207</b>	<b>1,693,009</b>	<b>79,941</b>	<b>-</b>	<b>56,750</b>	<b>3,912,907</b>
<i>Noncurrent Liabilities</i>						
Compensated absences payable	55,481	50,733				106,214
Long-term debt, net	4,799,000	249,210				5,048,210
<b>Total Noncurrent Liabilities</b>	<b>4,854,481</b>	<b>299,943</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,154,424</b>
<b>Total liabilities</b>	<b>6,937,688</b>	<b>1,992,952</b>	<b>79,941</b>	<b>-</b>	<b>56,750</b>	<b>9,067,331</b>
<b>Net Assets</b>						
Restricted:						
Invested in Capital Assets, net	212,856	3,115,715	3,306			3,331,877
Unrestricted net assets	7,401,332	(906,314)	(3,306)	1,991,586	178,550	8,661,848
<b>Total net assets</b>	<b>\$ 7,614,188</b>	<b>\$ 2,209,401</b>	<b>\$ -</b>	<b>\$ 1,991,586</b>	<b>\$ 178,550</b>	<b>\$ 11,993,725</b>
						<b>\$ 1,197,097</b>

See notes to the basic financial statements

**Town of North Kingstown, Rhode Island**

**Statement of Revenues, Expenses and Changes in Net Assets  
Proprietary Funds  
For Year Ended June 30, 2010**

	Enterprise Funds					Totals	Internal Service Funds
	Water	Quonset/ Davisville Recreation	Nutrition Fund	Water Capital Reserve	Non-major Enterprise Funds		
<b>Operating Revenues</b>							
Charges for usage and service	\$ 3,018,875	\$ 1,770,058	\$ 794,838	\$ 18,896	\$ 114,924	\$ 5,717,591	\$ -
Sundry sales and rentals	222,913					222,913	
Miscellaneous	5,831					5,831	
<b>Total Operating Revenues</b>	<b>3,247,619</b>	<b>1,770,058</b>	<b>794,838</b>	<b>18,896</b>	<b>114,924</b>	<b>5,946,335</b>	<b>-</b>
<b>Operating Expenses</b>							
Operations	4,651,832	769,118		52,910	418,699	5,892,559	4,648
Golf course							
Pro shop		513,137				513,137	
Allen's Harbor		254,036				254,036	
Recreation		295,156				295,156	
School cafeteria			1,342,258			1,342,258	
Bad debts							
Depreciation	236,350	138,881	797			376,028	
<b>Total Operating Expenses</b>	<b>4,888,182</b>	<b>1,970,328</b>	<b>1,343,055</b>	<b>52,910</b>	<b>418,699</b>	<b>8,673,174</b>	<b>4,648</b>
<b>Operating Income (Loss)</b>	<b>(1,640,563)</b>	<b>(200,270)</b>	<b>(548,217)</b>	<b>(34,014)</b>	<b>(303,775)</b>	<b>(2,726,839)</b>	<b>(4,648)</b>
<b>Nonoperating Revenues (Expenses)</b>							
Investment income	20,867	5,059		9,105	1,510	36,541	5,400
Federal grants			406,441			406,441	
State matching funds			18,822			18,822	
Interest expense		(10,783)				(10,783)	
<b>Net Nonoperating Revenues (Expenses)</b>	<b>20,867</b>	<b>(5,724)</b>	<b>425,263</b>	<b>9,105</b>	<b>1,510</b>	<b>451,021</b>	<b>5,400</b>
<b>Income (Loss) Before Transfers</b>	<b>(1,619,696)</b>	<b>(205,994)</b>	<b>(122,954)</b>	<b>(24,909)</b>	<b>(302,265)</b>	<b>(2,275,818)</b>	<b>752</b>
<b>Transfers:</b>							
Transfers In	196,737		122,954			319,691	(97,500)
Transfers (Out)							(97,500)
<b>Total Transfers</b>	<b>196,737</b>	<b>-</b>	<b>122,954</b>	<b>-</b>	<b>-</b>	<b>319,691</b>	<b>(97,500)</b>
<b>Change in Net Assets</b>	<b>(1,422,959)</b>	<b>(205,994)</b>	<b>-</b>	<b>(24,909)</b>	<b>(302,265)</b>	<b>(1,956,127)</b>	<b>(96,748)</b>
<b>Total Net Assets - Beginning</b>	<b>9,037,147</b>	<b>2,415,395</b>	<b>-</b>	<b>2,016,495</b>	<b>480,815</b>	<b>13,949,852</b>	<b>1,293,845</b>
<b>Total Net Assets - Ending</b>	<b>\$ 7,614,188</b>	<b>\$ 2,209,401</b>	<b>\$ -</b>	<b>\$ 1,991,586</b>	<b>\$ 178,550</b>	<b>\$ 11,993,725</b>	<b>\$ 1,197,097</b>

See notes to the basic financial statements

**Statement of Cash Flows**  
**Proprietary Funds**  
**Year Ended June 30, 2010**

	Enterprise Funds					Totals	Internal Service Funds
	Water	Davisville Recreation	Nutrition Fund	Water Capital Reserve	Non-major Enterprise Funds		
<b>Cash flows from Operating Activities</b>							
Cash received from customers	\$ 3,252,315	\$ 1,743,451	\$ 896,250	\$ 18,896	\$ 114,924	\$ 6,025,836	\$ -
Cash paid to suppliers	(3,966,658)	(969,992)	(1,324,857)	733,619	(378,888)	(5,906,776)	
Cash paid to employees	(838,833)	(816,554)	(456,875)	-	-	(2,112,262)	
Cash paid for other operating expenses	646,365					646,365	(4,603)
<i>Net cash provided by (used for) operating activities</i>	<u>(906,811)</u>	<u>(43,095)</u>	<u>(885,482)</u>	<u>752,515</u>	<u>(263,964)</u>	<u>(1,346,837)</u>	<u>(4,603)</u>
<b>Cash Flows from Capital and Related Financing Activities</b>							
Acquisition of capital assets	(481,761)	(859,539)	(2,818)	-	-	(1,344,118)	
Principal paid on bonds		(30,808)		-	-	(30,808)	
Interest paid on bonds		(10,783)	-	-	-	(10,783)	
<i>Net cash used for capital and related financing activities</i>	<u>(481,761)</u>	<u>(901,130)</u>	<u>(2,818)</u>	<u>-</u>	<u>-</u>	<u>(1,385,709)</u>	<u>-</u>
<b>Cash Flows from Noncapital Financing Activities</b>							
Increase in bond proceeds	1,124,902					1,124,902	
Federal grant receipts			406,441	-	-	406,441	
State matching funds receipts			18,822	-	-	18,822	
Transfer from other funds	196,737		122,954	-	-	319,691	
Transfer to other funds	-	-	-	-	-	-	(97,500)
<i>Net cash provided by (used for) noncapital financing activities</i>	<u>1,321,639</u>	<u>-</u>	<u>548,217</u>	<u>-</u>	<u>-</u>	<u>1,869,856</u>	<u>(97,500)</u>
<b>Cash Flows from Investing Activities</b>							
Interest on investments	20,867	5,059	-	9,105	1,510	36,541	5,400
<i>Net cash provided by investing activities</i>	<u>20,867</u>	<u>5,059</u>	<u>-</u>	<u>9,105</u>	<u>1,510</u>	<u>36,541</u>	<u>5,400</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(46,066)</b>	<b>(939,166)</b>	<b>(340,083)</b>	<b>761,620</b>	<b>(262,454)</b>	<b>(826,149)</b>	<b>(96,703)</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>5,311,043</b>	<b>1,677,434</b>	<b>341,273</b>	<b>1,229,966</b>	<b>485,425</b>	<b>9,045,141</b>	<b>1,293,919</b>
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 5,264,977</b>	<b>\$ 738,268</b>	<b>\$ 1,190</b>	<b>\$ 1,991,586</b>	<b>\$ 222,971</b>	<b>\$ 8,218,992</b>	<b>\$ 1,197,216</b>
<i>Reconciliation of operating loss to net cash provided by (used for) operating activities:</i>							
Operating income (loss)	\$ (1,640,563)	\$ (200,270)	\$ (548,217)	\$ (34,014)	\$ (303,775)	\$ (2,726,839)	\$ (4,648)
Adjustments to reconcile:							
Depreciation	236,350	138,881	797	-	-	376,028	
(Increase) decrease in accounts receivable	4,696	(26,607)	101,412	-	-	79,501	
(Increase) decrease in inventory	23,544	2,937	(8,073)	-	-	18,408	
(Increase) decrease in due from other governments			(33,030)			(33,030)	
(Increase) decrease in due from other funds	253,739			840,217	(12,329)	1,081,627	
Increase (decrease) in accounts payable and accrued payroll	407,226	98,636	15,164	(53,688)	46,057	513,395	45
Increase (decrease) in due to other funds	(840,217)	(45,121)	(413,535)		6,083	(1,292,790)	
Increase (decrease) in deferred revenue		2,655		-		2,655	
Increase (decrease) in compensated absences payable	2,049	(12,632)		-		(10,583)	
Increase (decrease) in pollution remediation obligation	646,365					646,365	
Increase (decrease) in other liabilities		(1,574)		-		(1,574)	
<i>Net cash provided by (used for) operating activities</i>	<u>\$ (906,811)</u>	<u>\$ (43,095)</u>	<u>\$ (885,482)</u>	<u>\$ 752,515</u>	<u>\$ (263,964)</u>	<u>\$ (1,346,837)</u>	<u>\$ (4,603)</u>

Statement of Fiduciary Net Assets  
 Fiduciary Funds  
 June 30, 2010

	Police Pension Trust	Private Purpose Trust Funds	Agency Funds
<i>Assets</i>			
Cash and cash equivalents	\$ 297,906	\$ 48,351	\$ 1,689,671
<i>Total assets</i>	<u>297,906</u>	<u>48,351</u>	<u>1,689,671</u>
<i>Liabilities</i>			
Due to student groups			351,342
Payroll withholdings			366,933
Other Payables			869,151
Deposits held in custody for others			102,245
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>1,689,671</u>
<i>Net Assets</i>			
Reserved for principal		48,351	
Reserved for employee retirement	297,820		
<i>Total net assets</i>	<u>\$ 297,820</u>	<u>\$ 48,351</u>	<u>\$ -</u>

Statement of Changes in Fiduciary Net Assets  
 Fiduciary Funds  
 Year Ended June 30, 2010

	Police Pension Trust	Private Purpose Trust Funds
	<u>                    </u>	<u>                    </u>
<b><i>Additions:</i></b>		
<i>Investment income:</i>		
Interest, dividends and gains	\$ 359	\$ 17,167
Net investment earnings	<u>359</u>	<u>17,167</u>
<b><i>Deductions:</i></b>		
Administrative expenses	43	
Total deductions	<u>43</u>	<u>-</u>
Change in Net Assets	316	17,167
Net Assets - beginning	297,504	31,184
Net Assets - ending	<u>\$ 297,820</u>	<u>\$ 48,351</u>

# Town of North Kingstown, Rhode Island

## Notes to Financial Statements June 30, 2010

### 1. Summary of Significant Accounting Policies

The accounting methods and procedures adopted by the Town of North Kingstown, Rhode Island conform to generally accepted accounting principles (GAAP) as applied to governmental entities. The following notes to the basic financial statements are an integral part of the Town's Comprehensive Annual Financial Report.

#### *Reporting Entity*

The Town of North Kingstown was incorporated in 1674. The Town is governed largely under the 1954 North Kingstown Home Rule Charter. In some matters, including the issuance of short and long-term debt, the Town is governed by the general laws of the State of Rhode Island. The Town operates under a Town Council form of Government and provides the following services as authorized by its charter: Public Safety (police, fire, civil preparedness, animal control and harbors and wharfs), Public Works (engineering, highways and facilities maintenance), Water Supply, Code Enforcement, Library, Education, Social Services and General Administration Services.

The Town complies with generally accepted accounting principles (GAAP). Generally accepted accounting principles (GAAP) include all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide Statement of Net Assets and Statement of Activities, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. Enterprise funds also apply the same principles. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note.

In evaluating how to define the government for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB Statement No. 39. Under GASB Statement No. 39, the financial reporting entity includes both the primary government and all of its component units. Component units are legally separate entities that meet any one of the following three tests:

Test 1 - The primary government appoints the voting majority of the board of the potential component unit and

- \* is able to impose its will on the potential component unit and/or
- \* is in a relationship of financial benefit or burden with the potential component unit;

Test 2 - The potential component unit is fiscally dependent upon the primary government; or

Test 3 - The financial statements would be misleading if data from the potential component unit were not included.

The following entities were considered for classification as component units for fiscal year 2010:

- \* North Kingstown School Department
- \* North Kingstown Public Library

# Town of North Kingstown, Rhode Island

## Notes to Financial Statements June 30, 2010

### 1. Summary of Significant Accounting Policies (Continued)

Although the North Kingstown School Department met certain criteria of the tests listed above, it is not deemed to have separate legal status apart from the Town. As a result, the financial data of the North Kingstown School Department has been included as a major special revenue fund within the Town's financial statements.

The North Kingstown Free Library Corporation, a not for profit agency was formed in July of 1993. The library supports the charitable, scientific and educational purposes of the North Kingstown Library a non-major fund of the Town of North Kingstown. The Town of North Kingstown is able to impose its will on the component unit as the Town appoints the Library Trustees who serve as the Library's Board of Directors. Accordingly, the Library is included as discretely presented component unit in the financial statements of the Town. The North Kingstown Free Library Corporation issued a separate financial statement dated July 27, 2010, for their fiscal year ended December 31, 2009. A copy of this report can be obtained by contacting the North Kingstown Free Library Corporation, 80 Boston Neck Road, North Kingstown, RI, 02852.

#### *Recently Issued Accounting Standards*

- ✓ GASB Statement No. 51 – Accounting and Financial Reporting for Intangible Assets, effective for the Town's fiscal year ending June 30, 2010. This pronouncement had no effect on the Town's financial statements for the fiscal year ended June 30, 2010.
- ✓ GASB Statement No. 53 – Accounting and Financial Reporting for Derivative Instruments, effective for the Town's fiscal year ending June 30, 2010. This pronouncement had no effect on the Town's financial statements for the fiscal year ended June 30, 2010.
- ✓ The Town implemented GASB Statement No. 58 – Accounting and Financial Reporting for Chapter 9 Bankruptcies the fiscal year ending June 30, 2010. This pronouncement had no effect on the Town's financial statements for fiscal year end June 30, 2010.

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

- ✓ GASB Statement No. 54 - Fund Balance Reporting and Governmental Fund Type Definitions, effective for the Town's fiscal year ending June 30, 2011.
- ✓ GASB Statement No. 57 - OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, full implementation for the Town's fiscal year ending June 30, 2011
- ✓ GASB Statement No. 59 - Financial Instruments Omnibus, effective for the Town's fiscal year ending June 30, 2011.

The effect of these pronouncements on the Town's financial statements has not been determined.

# Town of North Kingstown, Rhode Island

## Notes to Financial Statements June 30, 2010

### 1. Summary of Significant Accounting Policies (Continued)

#### *Basis of Presentation*

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

The Statement of Net Assets and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

##### *Fund Financial Statements*

Fund financial statements of the reporting entity are organized into funds each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts which constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Town or meets the following criteria:

- a) Total assets, liabilities, revenues, or expenditures/expenses of that individual, governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b) Total assets, liabilities, revenues, or expenditures/expenses of the individual, governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The funds of the financial reporting entity are described below:

#### *Governmental Funds*

##### General Fund

The General Fund is the primary operating fund of the Town and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

##### Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally or administratively restricted to expenditures for certain purposes.

##### Capital Project Funds

Capital Project Funds are used to account for resources restricted for the acquisition or construction of specific capital projects or items.

(Continued)

# Town of North Kingstown, Rhode Island

## Notes to Financial Statements June 30, 2010

### 1. Summary of Significant Accounting Policies (Continued)

#### *Governmental Funds (Continued)*

##### Permanent Funds

The Permanent Funds account for assets held by the Town pursuant to trust agreements. The principal portion of this fund type must remain intact, but the earnings may be used to achieve the objectives of the fund.

##### Proprietary Funds

Proprietary funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. Operating revenues of the Proprietary Funds consist of customer/taxpayer charges for uses and services and certain other miscellaneous revenues. All other revenues of the Proprietary Funds are considered non-operating sources of revenue. Operating expenses for the enterprise funds includes costs of providing services, including administration and depreciation on capital assets. All other expense items not meeting the above criteria is reported as non operating expenses. The Town has two internal service funds which are used to pay insurance expenses relating to workers and non workers compensation claims.

##### Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest, other than those payable from Enterprise Funds.

#### *Fiduciary Funds (Not included in government-wide statements)*

##### Agency Funds

Agency funds account for assets held by the Town in a purely custodial capacity. The reporting entity includes five agency funds. Since agency funds are custodial in nature (i.e. assets equal liabilities), they do not involve the measurement of results of operations. The agency funds are as follows:

#### *Major and Non-Major Funds*

The funds are further classified as major or non-major as follows:

<u>Fund</u>	<u>Brief Description</u>
<i>Major:</i> General Fund:	See above for description
School Unrestricted Fund	This fund is used to report all financial transactions of the North Kingstown School Department, which are not legally required to be accounted for separately.
Debt Service Fund	This fund is used to account for the payments of interest and principal on all general long-term debt other than that payable from the Enterprise Funds.

(Continued)

# Town of North Kingstown, Rhode Island

## Notes to Financial Statements June 30, 2010

### 1. Summary of Significant Accounting Policies (Continued)

#### *Major and Non-Major Funds (Continued)*

4M Senior Center Complex Fund	Accounts for the construction and renovations of the Senior Center Complex.
<b>Proprietary:</b> Water Fund	Accounts for the supply of water to the Town
Quonset/Davisville Recreation Fund	Accounts for the golf course operations
Nutrition Fund	Accounts for operations of school nutrition fund.
Water Capital Reserve	Accounts for reservations for water fund future projects.

#### Fund

#### Brief Description

#### ***Non-Major:***

Special Revenue: Willet Library Fund, Champlin Foundation Fund, Davisville Library Fund, Library Fund, Juniper Hill Tank Grant, Miscellaneous State Grants, State Grants - Police Department, Seized and Forfeited Property Escrow, Beachwood House Senior Center Equipment Escrow, RIDEM Potowomut Pond Clean-up, RI Emergency Management, Town Municipal Court, State Elderly Affairs Grant, Land Dedication Escrow, State Council on the Arts Grant, RI Foundation Grant, Local Law Enforcement Block Grant, Technology Replacement, Governor's Justice Commission, Miscellaneous Senior Citizens Grant, Senior Center Legislative Grant, Impact Fees, Emergency Medical Services, CDBG Grants, Fire Department Legislative Grant, Old Library Park, Groundwater Education Donation, Miscellaneous Library Donations, Operation Drug Dog, Special Purpose Donations, School Department Substance Abuse Donations, Tax Revaluation Reserve Fund, Infrastructure Replacement, URI Septic Loan Program, Retirement Allowance Reserve Fund, Health Insurance Reserve, Ann Ward Wallou Memorial Garden, Senior Citizens Center, Senior Citizens Bus Gasoline Escrow, Arts Council, Senior Outreach Escrow, Project Dare, Fireworks Donation, Parade Committee, Leisure Services Brochure, Community Center Maintenance, Heritage Committee, Recreation Escrow, Non Civic Detail Escrow Fund, School Public Law 94-142, School Support Plan, Title III LEP, Perkins Vocational Education, Title I, RI Learn & Serve America, Homeless Children & Youth, The Boston Foundation, Medicaid, Title II, Title II D-ED Tech Model Class, Title IV Drug Free Schools, Title V, 91-142 Preschool Services, 21<sup>st</sup> Century Learning Center, Target Grant, Student Equity New Fund, Language Investment, Technology, Early Childhood, Toshiba Grant, Uniform Chart of Accounts, RI Council on the Arts, COZ Family Center, School Literacy Set-Aside, Walmart Grant, COZ Education Exchange, USDA-FFVP, New England Dairy and Food Council, RI Interscholastic League, COZ Miscellaneous Donations, Siemens Foundation, Use of Buildings, Nickelodeon, Kellogg's Nucrew Program, RIPIN, Circle of Parents, Amagen Foundation, Town Substance Abuse Task Force, Spirit Day, RIPIN Award #2, ARRA IDEA Part B, ARRA IDEA-Preschool, Title I ARRA, and ARRA E2T2-MCI.

(Continued)

# Town of North Kingstown, Rhode Island

## Notes to Financial Statements June 30, 2010

### 1. Summary of Significant Accounting Policies (Continued)

#### *Major and Non-Major Funds (Continued)*

<u>Fund</u>	<u>Brief Description</u>
Debt Service Fund	FY 2005 Refunding
Capital Projects:	Capital Reserve, 9M School Renovations Bond, Farmland & Open Space Reserve, 6M Public Facilities Plan bond, School Capital Reserve Fund, 4.5M Public Safety Facilities, and 4M Farmland Open Space Fund.
Permanent Funds:	Henry Reynolds Indigent Care, Tri-Centennial Park, 400 <sup>th</sup> Anniversary, Henry Reynolds Outside Poor Fund, John J. Spink Outside Poor Fund, John B. Spink Outside Poor Fund, Thomas Casey Outside Poor Fund, Elizabeth Miller Library Fund, William D. Davis Library Fund, Veterans Memorial Scholarship, Hendrick Library Fund, Gardiner Fund, Updike Fund, Tennis Fund, and Lynette Olson Memorial Fund.
Private Purpose Trust Funds:	Hall, Vaughn, Young, Rebecca Hammond, W.H. Welling, George C. Hall, B.H. Davis, Updike, Mary Carpenter, Smith-Lawton, Old Baptist Cemetery, Smith, Lawton, Weeks, Cogan, Jones, Horowitz, Mattia, and Tarchis.
Pension Trust Fund:	Police Pension Trust Fund.
Agency Funds:	School Activity Funds, Payroll Fund, School Payroll Fund, Developer Surety Escrow Fund, and Perkins Vocational Education Fund.
Enterprise Funds:	Quonset/Davisville Reserve Fund, NKSD Adult Education, NKHS Summer School Remedial, School Sports Camp, Schools Sport Camps, and Summer School Fund.
Internal Service Funds:	Workers Compensation, Self Insurance Property Damage.

#### *Measurement Focus*

On the government-wide Statement of Net Assets and the Statement of Activities both governmental and business-like activities are presented using the economic resources measurement focus as defined in item (b) below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- (a) All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period. The Town considers property taxes as available if they are collected within 60 days after year end.

(Continued)

# Town of North Kingstown, Rhode Island

## Notes to Financial Statements June 30, 2010

### 1. Summary of Significant Accounting Policies (Continued)

#### *Measurement Focus (Continued)*

- (b) All proprietary funds utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of net income, financial position and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net assets.
- (c) Fiduciary funds include agency funds, private purpose trust funds, and pension trust funds. Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them. Private purpose trust funds are not involved in the measurement of results of operations for the Town as the activity for each fund is restricted solely to the purpose of the original trust fund specifications and not included in the Town's financial position. Pension trust funds are not involved in the measurement of results of operations for the Town as the fund is strictly utilized for the operation and payments into the Police pension trust fund.

#### *Basis of Accounting*

In the government-wide Statement of Net Assets and Statement of Activities both governmental and business-like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues, such as property taxes, are recognized when "measurable and available". Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days thereafter to pay current liabilities. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

All proprietary funds, private purpose trust funds, police pension trust fund, and agency funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

Amounts reported as program revenues include charges to customers or applicants for goods, services or privileges provided and operating grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

#### *Cash Equivalents*

For purposes of the cash flow statement, the proprietary funds consider all investments with original maturities of three months or less when purchased to be cash equivalents.

# Town of North Kingstown, Rhode Island

## Notes to Financial Statements

June 30, 2010

### 1. Summary of Significant Accounting Policies (Continued)

#### *Accounts Receivable*

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include property taxes, other receivables and intergovernmental receivables. Business-type activities report service fees as its major receivables.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as property taxes and grants and other similar intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis. Proprietary fund material receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivables are based upon historical trends and the periodic aging of accounts receivable. The allowance for uncollectible accounts receivable amounted to \$295,000 at June 30, 2010. Major receivable balances for the governmental activities include property taxes and intergovernmental receivables (70% and 30%, respectively of total governmental receivables). Business-type activities report service fees as its major receivables.

#### *Property Taxes*

Real and personal property taxes are based on values assessed as of each December 31 (lien date) and attach as an enforceable lien on property as of July 1 (levy date). Taxes are due in equal quarterly installments on July 1, October 1, January 1 and April 1, annually. Taxes due and unpaid after the respective due dates are subject to interest rate at the rate of 12% per annum calculated on the unpaid portion of the total tax. An automatic lien is placed on the taxpayer's property if payment has not been received by the tax due date. Property taxes levied are recorded as receivables in the fiscal year of levy. Property tax revenues are recorded in accordance with the modified accrual basis of accounting in the fund financial statements.

#### *Encumbrances*

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in governmental funds. Open encumbrances at year-end are reported as reservations of fund balance since they do not constitute expenditures or liabilities.

Certain unexpended and unencumbered appropriations for incomplete projects are carried over to succeeding years. Such continuing appropriations are accounted for similar to encumbrances. Other unencumbered appropriations lapse at year end.

#### *Investments*

In accordance with GASB No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, investments are reported at fair value. Investments are disclosed in accordance with GASB No. 40, *Deposits and Investment Risk Disclosures*.

(Continued)

# Town of North Kingstown, Rhode Island

## Notes to Financial Statements June 30, 2010

### 1. Summary of Significant Accounting Policies (Continued)

#### *Compensated Absences*

Under the terms of various contracts and policies, Town employees are granted vacation and sick leave based on length of service. The Town's policy is to recognize the cost of vacation and sick leave in governmental funds when paid and on the accrual basis in proprietary funds. The amount of earned but unpaid vacation and sick leave relating to governmental fund employees is recorded as long-term debt in the government-wide financial statements.

#### *Judgments and Claims*

Liabilities for legal cases and other claims against governmental funds are recorded when the ultimate liability can be estimated and such cases are expected to be liquidated with expendable available financial resources. Proprietary fund types record these liabilities using the accrual basis of accounting.

#### *Inventory*

Proprietary fund inventory is stated at cost (first-in, first-out). Inventory consists primarily of materials and supplies. Inventory maintained in governmental funds is recorded as expenditures at the time of purchase.

#### *Property, Plant and Equipment*

The accounting treatment over property, plant and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

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

All capital assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets, which are recorded at their estimated fair value at the date of donation. Library collections, capital assets that are not being depreciated, are placed into service using the replacement method of cost for any new assets and the expense is charged to depreciation expense in the year of acquisition.

As of June 30, 2010, the Town's infrastructure assets have been capitalized and reported within the financial statements. .

Capital assets are defined by the Town, as assets with an initial individual cost of \$5,000 or more and an estimated useful life in excess of one year.

Depreciation of all exhaustible capital assets is recorded, as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings.....	10 – 50 years
Equipment.....	3 – 20 years
Property and leasehold improvements.....	5 – 10 years
Furniture .....	5 – 10 years
Vehicles and golf carts .....	3 – 4 years

(Continued)

# Town of North Kingstown, Rhode Island

## Notes to Financial Statements June 30, 2010

### 1. Summary of Significant Accounting Policies (Continued)

#### *Property, Plant and Equipment (Continued)*

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

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide financial statements.

#### *Bond Issuance Costs*

Bond issuance costs are amortized on a straight-line basis over 20 years. The total bond issuance costs as of June 30, 2010 were \$306,777. The accumulated amortization through June 30, 2010 was \$109,929.

#### *Deferred Charge on Bond Refunding*

The deferred charge on refunding is amortized on a straight-line basis over 20 years. The total deferred charge on refunding as of June 30, 2010 was \$1,890,215. The accumulated amortization as of June 30, 2010 was \$487,881 in accordance with GASB Statement 23.

#### *Unearned Revenue*

In the government-wide financial statements, unearned revenue represents funds received in advance of being earned/owed or receivables which will be collected and included in revenues of future fiscal years. In the General Fund, (of the financial statements), unearned revenue include property tax receivables which are assessed on December 31, 2008 and prior and are not collected within 60 days of June 30, 2010. Net unearned taxes included in the fund financial statements were \$1,784,071.

#### *Interfund Transactions*

Interfund activity within and among the funds of the Town have been classified and reported as follows:

- Reciprocal interfund activities:
  - Interfund loans are reported as interfund receivables in the lending fund and interfund payables in borrower funds.
  - Interfund services are reported as revenues in the seller fund and as expenditures on expenses in the purchasing fund.
- Non-reciprocal interfund activities:
  - Interfund transfers are reported in governmental funds as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers. In proprietary funds, transfers are reported after nonoperating revenues and expenses.

(Continued)

# Town of North Kingstown, Rhode Island

## Notes to Financial Statements June 30, 2010

### 1. Summary of Significant Accounting Policies (Continued)

#### *Interfund Transactions (Continued)*

- Interfund reimbursements are repayments from the fund responsible for particular expenditures or expenses to other funds that initially paid for them. Reimbursements are not displayed separately within the financial statements.
- Interfund transactions are accounted for as expenditures/expenses when they constitute reimbursements from one fund to another. These transactions are recorded as expenditures/expenses in the reimbursing fund and are recorded as reductions of expenditures/expenses in the fund receiving the reimbursement. All other interfund transactions are reported as transfers.

#### *Self-Insurance*

The Town's self-insurance costs for health and general liabilities are accounted for in the Town's internal service funds. Claims incurred but not paid, including those which have not been reported, are accounted for as expenses and accrued claims in those funds when a liability has been incurred.

#### *Equity Classifications*

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

Equity is classified as net assets and displayed in three components:

- (a) Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- (b) Restricted net assets - Consists of net assets with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- (c) Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

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

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated. Proprietary fund equity is classified the same as in the government-wide statements.

# Town of North Kingstown, Rhode Island

## Notes to Financial Statements June 30, 2010

### 1. Summary of Significant Accounting Policies (Continued)

#### *Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance and the Government-wide Statement of Activities*

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between *net changes in fund balances – total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their useful lives and reported as depreciation expense.” The details of this \$472,547 difference are as follows:

Capital Outlays (net of disposals)	\$ 4,861,984
Depreciation expense	<u>(4,389,437)</u>
Net Adjustment	<u>\$ 472,547</u>

Another element of that reconciliation states that “the issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.” The details of this (\$70,911) difference are as follows:

Decrease in accrued interest	\$ 20,466
Amortization expense	<u>(91,377)</u>
Net adjustment	<u>\$ (70,911)</u>

### 2. Stewardship, Compliance, and Accountability

#### *Legal Debt Margin*

The Town's legal debt margin as set forth by State Statute is limited to three percent of total assessed value which approximates \$133,920,463. As of June 30, 2010, the Town had \$282,516 of debt outstanding subject to the Maximum Aggregate Indebtedness provision (3% Debt Limit) of the Rhode Island General Laws 45-12-2. All other Town debt has been incurred through special statutory authority which consists of approval by the legislature and voter referendum.

# Town of North Kingstown, Rhode Island

## Notes to Financial Statements June 30, 2010

### 3. Capital Assets

Capital asset activity for the year ended June 30, 2010 was as follows:

	<u>Beginning Balance 6/30/09 (as restated)</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance 6/30/10</u>
<b>Governmental activities:</b>				
<b>Capital assets not being depreciated</b>				
Library collections	\$ 3,191,228	\$ -	\$ (224,228)	\$ 2,967,000
Land	5,372,113			5,372,113
Developmental rights	16,930,122	628,290		17,558,412
Work in progress	5,702,782	4,104,315	\$ (9,807,097)	-
<i>Total capital assets not being depreciated</i>	<u>\$ 31,196,245</u>	<u>\$ 4,732,605</u>	<u>\$ (10,031,325)</u>	<u>\$ 25,897,525</u>
<b>Other capital assets</b>				
Land improvements	\$ 1,609,471			1,609,471
Building	56,877,595	8,018,420		64,896,015
Equipment	12,098,778	302,177	(10,000)	12,390,955
Infrastructure	65,589,563	1,840,107		67,429,670
<i>Total other capital assets at historical cost</i>	<u>136,175,407</u>	<u>10,160,704</u>	<u>(10,000)</u>	<u>146,326,111</u>
<b>Less: accumulated depreciation for:</b>				
Land improvements	(19,836)	(6,612)		(26,448)
Building	(18,386,453)	(1,652,817)		(20,039,270)
Equipment	(8,777,881)	(678,908)	10,000	(9,446,789)
Infrastructure	(40,398,821)	(2,051,100)		(42,449,921)
<i>Total accumulated depreciation</i>	<u>(67,582,991)</u>	<u>(4,389,437)</u>	<u>10,000</u>	<u>(71,962,428)</u>
<b>Other capital assets, net</b>	<u>68,592,416</u>	<u>5,771,267</u>	<u>-</u>	<u>74,363,683</u>
<b>Governmental activities, capital assets, net</b>	<u>\$ 99,788,661</u>	<u>\$ 10,503,872</u>	<u>\$ (10,031,325)</u>	<u>\$ 100,261,208</u>
<b>Business-type activities:</b>				
<b>Capital assets not being depreciated</b>				
Land	\$ 839,934	\$ -	\$ -	\$ 839,934
Work in progress	1,699,844	1,081,283	(191,890)	2,589,237
<i>Total capital assets not being depreciated</i>	<u>2,539,778</u>	<u>1,081,283</u>	<u>(191,890)</u>	<u>3,429,171</u>
<b>Other capital assets:</b>				
Building	10,368,511	307,000	(253,808)	10,421,703
Property and leasehold improvements	2,280,689		(1,013,622)	1,267,067
Furniture and equipment	660,567	32,270	(476,665)	216,172
Vehicle and golf carts	769,712	83,225	(749,963)	102,974
<i>Total other capital assets at historical cost</i>	<u>14,079,479</u>	<u>422,495</u>	<u>(2,494,058)</u>	<u>12,007,916</u>
<b>Less: accumulated depreciation for:</b>				
Building	(6,274,573)	(236,204)	253,808	(6,256,969)
Property and leasehold improvements	(1,595,960)	(13,144)	1,013,620	(595,484)
Furniture and equipment	(659,612)	(67,014)	476,665	(249,961)
Vehicle and golf carts	(714,383)	(59,666)	749,963	(24,086)
<i>Total accumulated depreciation</i>	<u>(9,244,528)</u>	<u>(376,028)</u>	<u>2,494,056</u>	<u>(7,126,500)</u>
<b>Other capital assets, net</b>	<u>4,834,951</u>	<u>46,467</u>	<u>(2)</u>	<u>4,881,416</u>
<b>Business-type activities capital assets, net</b>	<u>\$ 7,374,729</u>	<u>\$ 1,127,750</u>	<u>\$ (191,892)</u>	<u>\$ 8,310,587</u>

(Continued)

# Town of North Kingstown, Rhode Island

## Notes to Financial Statements June 30, 2010

### 3. Capital Assets (Continued)

Depreciation expense was charged to functions as follows:

**Governmental activities:**

General government	\$ 153,042
Public Safety	501,337
Public Works	2,202,974
Education	1,463,959
Public libraries	68,125
<b>Total governmental activities depreciation expense</b>	<b>\$ 4,389,437</b>

**Business-type activities:**

**Major Funds:**

Water	\$ 236,350
Quonset/Davisville Recreation	138,881
Non-major enterprise funds	797
<b>Total business-type activities depreciation expense</b>	<b>\$ 376,028</b>

### 4. Property Taxes

The Town is responsible for assessing, collecting, and distributing property taxes in accordance with enabling state legislation.

Net property taxes levied for the fiscal year 2010 were based on a net assessed value of approximately \$4,464,015,447 at December 31, 2008 and amounted to \$63,293,576. Collections through June 30, 2010 amounted to \$60,789,177, which represents approximately 96.0% of the total tax levy.

The Town recognizes property tax revenues in accordance with Section P70, "Property Taxes" of the Codification of Governmental Accounting and Financial Reporting Standards on the Fund statements. Unpaid property taxes as of June 30, 2010 (\$2,681,465) are recorded as a receivable, net of an allowance for uncollectible property taxes of \$295,000. Those net property taxes receivable which were not collected within the 60 days immediately following June 30, 2010 are recorded as deferred revenue and amounted to \$1,784,071 at June 30, 2010. Property taxes recognized as revenue on the Fund statements for the fiscal year ended June 30, 2010 (due to their collection within the 60 days immediately following June 30, 2010) amounted to \$903,816. On June 30, 2010, the Town levied property taxes for its next fiscal year based on the December 31, 2009 assessment as follows (unaudited):

	<u>Taxable Assessment</u>	<u>Exemptions</u>	<u>Net Taxable Assessments</u>	<u>Rate Per \$1,000</u>	<u>Net Levy</u>
Real property	\$3,606,985,580	\$ 69,312,580	\$3,537,673,000	\$ 16.85	\$ 59,609,790
Motor vehicle	263,344,921	74,688,632	188,656,289	22.04	4,157,985
Tangible property	119,111,190	451,240	118,659,950	16.85	1,998,383
<b>Total</b>	<b>\$3,989,441,691</b>	<b>\$ 144,452,452</b>	<b>\$3,844,989,239</b>		<b>\$ 65,766,158</b>

(Continued)

**Town of North Kingstown, Rhode Island**

**Notes to Financial Statements  
June 30, 2010**

**4. Property Taxes (continued)**

Taxes are due in equal quarterly installments on July 1, October 1, January 1, and April 1 during the fiscal year.

**5. Deposits**

*Cash and Investments*

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. It is the Town's policy to follow the requirements contained in Section 35-10.1-7 of the General Laws of the State of Rhode Island, dealing with the collateralization of public deposits, which requires that all time deposits with maturities of greater than 60 days and all deposits in institutions that do not meet the minimum capital requirements of its Federal regulator must be collateralized.

At June 30, 2010, the carrying amount of the Town's deposits was \$32,303,431, (including Fiduciary Funds and petty cash of \$2,640) while the bank balance was \$32,513,785. Of the balance, \$1,105,360 was covered by federal depository insurance and \$31,408,425 was uninsured. The Town has entered into collateralization agreements with various financial institutions and as a result, \$19,169,415 of the uninsured balance at June 30, 2010 was collateralized by securities held by the financial institutions and/or third parties in the name of the Town. The remaining uninsured balance of \$12,239,010 was held in other accounts that were not required to be covered by collateralization agreements. During fiscal year 2010, the Town will be transitioning into the Cedar Promotory Network. As the Town's certificates of deposit mature during the year, these funds will be transferred into the Cedar Promotory Network which allows all investments to become fully FDIC insured and fully collateralized.

***Reconciliation to Government-wide Statement of Net Assets:***

Unrestricted cash, including time deposits .....	\$32,303,431
Less: Fiduciary funds cash, including time deposits (not included in the government-wide statement).....	<u>(2,035,928)</u>
<b><i>Total cash and cash equivalents on A-1</i></b> .....	<b><u>\$30,267,503</u></b>

# Town of North Kingstown, Rhode Island

## Notes to Financial Statements June 30, 2010

### 6. Long-Term Liabilities

#### (a) Long-Term Liability Activity

Long-term liability activity for the year ended June 30, 2010 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<b>Governmental Activities:</b>					
<b>Long-term debt:</b>					
General obligation debt	\$ 55,933,084	\$ 6,302,484	\$ 9,573,084	\$ 52,662,484	\$ 3,686,694
<b>Total long-term debt</b>	55,933,084	6,302,484	9,573,084	52,662,484	3,686,694
<b>Other long-term liabilities:</b>					
Compensated Absences	3,420,035	1,478,046	2,621,832	2,276,249	569,062
<b>Total other long-term liabilities</b>	3,420,035	1,478,046	2,621,832	2,276,249	569,062
<b>Governmental activities</b>					
Long-term liabilities	\$ 59,353,119	\$ 7,780,530	\$ 12,194,916	\$ 54,938,733	\$ 4,255,756
<b>Business-type Activities</b>					
<b>Long-term debt:</b>					
General obligation debt	\$ 306,916	\$ 5,082,516	\$ 306,916	\$ 5,082,516	\$ 34,306
<b>Total long-term debt</b>	306,916	5,082,516	306,916	5,082,516	34,306
<b>Other long-term liabilities:</b>					
Compensated absences	128,597	116,291	126,874	118,014	11,800
<b>Total other long-term liabilities</b>	128,597	116,291	126,874	118,014	11,800
<b>Business-type activities:</b>					
Long-term liabilities	\$ 435,513	\$ 5,198,807	\$ 433,790	\$ 5,200,530	\$ 46,106

Payments on all long-term debt and other long-term liabilities that pertain to the Town's governmental activities are made by the Debt Service Fund and General Fund. The General Fund typically has been used in prior years to liquidate the liability for compensated absences.

In December 2009, the Town issued \$6,585,000 of general obligation refunding bonds to provide resources that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments on \$6,375,000 of refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the statement of net assets. This advance refunding was undertaken to reduce total debt service payment over the next 10 years by \$534,119 and resulted in an economic gain of \$465,587. As of June 30, 2010, the in-substance defeased bonds, which remain outstanding was \$6,375,000. Accordingly, the trust accounts and the defeased bonds are not included in the accompanying basic financial statements.

(Continued)

# Town of North Kingstown, Rhode Island

## Notes to Financial Statements June 30, 2010

### 6. Long-Term Liabilities (Continued)

#### (b) Debt Maturity

Debt service requirements at June 30, 2010 were as follows:

#### GOVERNMENTAL ACTIVITIES

##### General Obligation Debt

Year Ended <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 3,686,694	\$ 2,059,589	\$ 5,746,283
2012	3,566,850	1,926,234	5,493,084
2013	3,527,240	1,807,102	5,334,342
2014	3,547,630	1,684,675	5,232,305
2013	3,543,410	1,550,632	5,094,042
2016-2020	16,265,660	5,804,732	22,070,392
2021-2025	12,675,000	2,834,083	15,509,083
2026-2030	5,850,000	490,082	6,340,082
Total	<u>\$ 52,662,484</u>	<u>\$ 18,157,129</u>	<u>\$ 70,819,613</u>

#### BUSINESS-TYPE ACTIVITIES

##### General Obligation Debt

Year Ended <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 34,306	\$ 98,268	\$ 132,574
2012	211,150	116,739	327,889
2013	213,760	114,230	327,990
2014	216,370	111,153	327,523
2015	219,590	107,486	327,076
2016-2020	1,148,340	465,517	1,613,857
2021-2025	1,226,000	324,222	1,550,222
2026-2030	1,483,000	147,667	1,630,667
2031	330,000	4,486	334,486
Total	<u>\$ 5,082,516</u>	<u>\$ 1,489,768</u>	<u>\$ 6,572,284</u>

# Town of North Kingstown, Rhode Island

## Notes to Financial Statements June 30, 2010

### 6. Long-Term Liabilities (Continued)

General long-term liabilities consist of the long-term liabilities that are not recorded as fund liabilities (i.e., debt of the proprietary fund). Amounts are as follows:

	Date of Issue	Purpose	Amount Issued	Interest Rate	Maturity Date	Balance Outstanding 06/30/09	Additions	Retirement	Bond Refunding of Debt	Balance Outstanding 06/30/10
<b>General obligation debt:</b>										
\$2,840 M Refunding Bond	5/1/2006	Development Rights	\$ 2,840,000	4.0 - 5.25%	5/1/07 - 21	\$ 2,280,000	\$ -	\$ (190,000)	\$ -	\$ 2,090,000
\$9,790 M Refunding Bond	1/15/2009	Renovations, Additions and Improvements	9,790,000	2.0 - 4.0%	1/15/11 - 30	9,790,000				9,790,000
\$30.36 M Refunding Bond	4/21/2005	Refunding of High School Bond \$33M	30,360,000	3.0 - 5.0%	10/1/05 - 26	24,145,000		(1,895,000)		22,250,000
		Open Space, Road, Athletics, Technology, Elementary and Public Facilities Bonds								
\$7,885 M GOB 1998 Series A	12/15/1998	Elementary and Public Facilities Bonds	7,885,000			3,935,000		(395,000)	(3,540,000)	-
Less: Q/D recreation portion			(615,000)	3.7 - 6.0%	12/15/98 - 19	(306,916)		30,810	276,106	-
\$7M GOB 2007B Series B Bond	8/15/2007	Renovations and Additions - School Bond	7,000,000	4.25 - 5.0%	8/15/08 - 27	6,755,000		(255,000)		6,500,000
\$1,505 M GOB	6/15/1999	School Athletics	1,505,000	4.8 - 7.0%	6/15/00 - 19	935,000			(935,000)	-
\$3,835 M GOB	9/15/2000	Farmland & Open Space	3,835,000	4.75 - 6.5%	9/15/01 - 21	2,280,000		(190,000)	(1,900,000)	190,000
\$3,845 M GOB	6/15/2001	Farmland, Public Facilities, & Asset Protection	3,845,000	3.75 - 5.5%	6/15/02 - 16	1,745,000		(250,000)		1,495,000
\$1.9 M GOB	12/15/2001	School Additions	1,900,000	3.5 - 4.35%	12/15/02 - 11	500,000		(200,000)		300,000
\$4M GOB- Open Space	7/1/2007	Open Space	4,000,000	3.6 - 4.1%	7/15/08 - 27	3,875,000		(130,000)		3,745,000
		School Technology, School Athletics, Public Facilities, Open Space, and Library.								
\$3,622M GOB	12/15/2009	Facilities, Open Space, and Library.	3,622,000	1.25-3.50%	6/15/10/12/15/19		3,622,000			3,622,000
Less: Q/D recreation portion		Q/D Recreation Asset Protection	(282,516)				(282,516)			(282,516)
\$,960M GOB	12/15/2009	School Athletics	960,000	1.25-3.50%	6/15/10-12/15/19		960,000			960,000
\$2,003M GOB	12/15/2009	Farmland/Open Space	2,003,000	1.25-3.50%	6/15/10-12/15/19		2,003,000			2,003,000
			<u>78,647,484</u>			<u>55,933,084</u>	<u>6,302,484</u>	<u>(3,474,190)</u>	<u>(6,098,894)</u>	<u>52,662,484</u>
<b>Total general obligation debt</b>										
<b>Other long-term liabilities:</b>										
Compensated absences						3,420,035	1,478,046	2,621,832	-	2,276,249
			<u>\$ 78,647,484</u>			<u>\$ 59,353,119</u>	<u>\$ 7,780,530</u>	<u>\$ (852,358)</u>	<u>\$ (6,098,894)</u>	<u>\$ 54,938,733</u>

Total interest expense paid on general long-term liabilities for the year ended June 30, 2010 was approximately \$2,410,518.

### 7. Operating Leases

On July 14, 2005 the School Department entered into a five year operating lease for various copiers ending July 14, 2011. The lease payments for these copiers during the year ended June 30, 2010 amounted to \$229,152.

Future minimum lease payments are as follows:

2011 ..... \$ 19,096

# Town of North Kingstown, Rhode Island

## Notes to Financial Statements June 30, 2010

### 8. Interfund Receivables and Payables

Interfund balances represent short-term advances from one fund (primarily the General Fund) to another fund. The advances may represent balances resulting from operating advances or reimbursement for expenditures paid by one fund on behalf of another fund. The composition of interfund balances at June 30, 2010 is as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
<i>General Fund</i>	\$ 2,157,609	\$ -
<i>School Unrestricted Fund</i>	743,002	8,377
<i>Special Revenue Funds:</i>		
Governor's Justice Commission		91
Community Development Grants		102,323
Miscellaneous State Grants		621,716
RI Learn and Serve America		4,640
Anne Ward Wallou Memorial Garden		901
School Public Law		166,360
School Title I		82,215
School Title II		29,855
School Literacy	2,072	
Homeless Children and Youth		4,971
School Preschool Services		6,584
21 <sup>st</sup> Century Learning Center		55,325
COZ Family Center		5,178
Willett Library		48
Library Fund	32,677	
Town Municipal Court	1,119	564
State Elderly Affairs Grant		277
Miscellaneous Senior Citizens Grants	1,441	12,266
Senior Center Legislative Grant		185
Emergency Medical Services		32,805
School Support Plan		342
Title IV Drug Free Schools		738
Student Equity New Fund		5,546
Language Investment		3,270
Early Childhood		1,663
Use of Buildings		17,425
RI Parents Info Network		7,086
ARRA IDEA Part B		83,516
ARRA IDEA Preschool		161
School ARRA Title I		22,350
Senior Citizens Center	361	
Recreation Escrow	7,135	
Non Civic Detail Escrow	16,107	129,343
<i>Capital Project Funds:</i>		
School Capital Reserve		261,810
Senior Center Complex		216,948
<i>Enterprise Funds:</i>		
Water Fund	34,791	
Quonset/Davisville Recreation	38,638	1,111,879
Nutrition Fund		44,440
Athletic Gate Receipts	6,469	
North Kingstown High School Summer School Remedial	4,930	
School Sports Camp		1,153
School Sports Camp	930	
Summer School Fund		4,930
<b>TOTALS</b>	<b>\$ 3,047,281</b>	<b>\$ 3,047,281</b>

(Continued)

**Town of North Kingstown, Rhode Island**

**Notes to Financial Statements  
June 30, 2010**

**9. Fund Equity**

*(a) Reserves and Designations*

Reservations and designations of fund balances at June 30, 2010 were as follows:

<b>General Fund:</b>	
Reserved for encumbrances	\$ 467,683
Reserved for golf course irrigation	1,350,000
<b>School Unrestricted Fund:</b>	
Reserved for GHGRI and Delta Dental	143,457
Reserved for encumbrances	1,089,329
Designated for future expenditures	75,000
<b>Debt Service Fund:</b>	
Reserved for debt service	632,729
<b>Other Governmental Funds:</b>	
Reserved for debt service	18,936
<b>Fiduciary Fund Types:</b>	
Reserved for trust principal	48,351
Reserved for employee retirement system	297,906
<b>Total reservations and designations of fund balances</b>	<b>\$ 4,123,391</b>

*(b) Transfers In and Out*

The principal purpose of interfund transfers is to provide a financing source to various funds that may not have the ability to cover all costs with revenue generated by the fund. The composition of interfund transfers for the year ended June 30, 2010 is as follows

	<u>Transfers In</u>	<u>Transfers Out</u>
<b>Major Funds:</b>		
General Fund	\$ 869,671	\$ 48,662,875
School Unrestricted Fund	43,872,169	122,954
Quonset/Davisville Recreation Fund		
Water	196,737	
Nutrition Fund	122,954	
Debt Service fund	4,552,287	
<b>Non-major Funds:</b>		
Special revenue funds	1,139,589	1,147,201
Capital Reserve	468,777	
School capital reserve		1,191,654
Internal service		97,500
<b>Totals</b>	<b>\$ 51,222,184</b>	<b>\$ 51,222,184</b>

(Continued)

# Town of North Kingstown, Rhode Island

## Notes to Financial Statements June 30, 2010

### 9. Fund Equity (Continued)

(c) *Disclosure of Individual Fund Deficits*

Major Governmental funds		
Debt Service Fund	\$	216,948
Non-major Governmental fund Activities:		
Willet Library	\$	48
State Elderly Affairs Grant	\$	277
Governors Justice Commission	\$	91
Miscellaneous Senior Citizens Grant	\$	17,791
Senior Center Legislative Grant	\$	546
Community Center Maintenance	\$	2,283
Non Civic Detail Escrow Fund	\$	16,258
Language Investment	\$	3,270

Deficit for non-major business-type fund will be funded through the School Fund, a major governmental activities fund.

Deficit for non-major governmental fund activities will be funded through the General Fund, a major governmental activities fund, and bond issuance.

### 10. Bonds Authorized But Unissued

Bonds authorized but unissued at June 30, 2010 are as follows:

Library	\$	350,000
School Improvements		2,000,000
Commercial Septic System Loan		2,000,000
		<hr/>
<b>Total</b>	\$	<b>4,350,000</b>
		<hr/> <hr/>

# Town of North Kingstown, Rhode Island

## Notes to Financial Statements

June 30, 2010

### 11. Defined Benefit Pension Plans

#### (a) *General Municipal Employees' Pension Plan*

The Town of North Kingstown participates in the Municipal Employees' Retirement System of the State of Rhode Island ("System"), an agent multiple employer defined benefit plan. The System includes a normal plan for general employees and both a normal and optional plan for police and fire personnel. All full-time Town and non-certified School Department general employees participate in the System.

The payroll for employees covered by the System for the year ended June 30, 2010 was approximately \$11,575,000 and the Town wide payroll was approximately \$52,708,000.

#### *Plan Description*

The following eligibility and benefit provisions are established by State Statute. The System generally provides retirement benefits equal to 2 percent of final average salary per year of service with a maximum benefit of 75 percent of final average salary. Final average salary is the three highest consecutive years of earned salary exclusive of overtime, bonuses or severance pay. Such benefits are available to members at least age 58 with 10 years of service or after 30 years regardless of age. The plan also provides non-occupational disability benefits after 5 years of service, occupational disability benefits with no minimum service requirement, survivors' benefits, and certain lump sum death benefits. Employees are vested in their retirement benefits on completion of 10 years of service. Benefits are established by State Statute.

#### *Contributions Required and Contributions Made*

General employees were required by State Statute to contribute 7% of their annual earnings until the maximum benefit (75 percent of final average salary) is accrued. The Town is required to contribute based on an actuarially computed amount and as provided by State Statute for each participating municipality. The actuarial method used is the entry age normal cost with part of each municipality's unfunded actuarial liability funded over a closed thirty year amortization period and the balance funded over the projected future payroll of active members. Due to large fluctuations in the contribution rates of certain municipalities, the plan has adopted a procedure which would allow a unit the option of paying a smoothed contribution rate. The smoothed contribution rate equals the previous fiscal year's contribution rate plus the greater of 2 percent or one eighth of the increase in contribution rate plus the cost of any benefit improvements. The actuarially determined contribution amount for the Town was determined as described above and was based on an actuarial valuation as of June 30, 2009.

The annual required contribution for the Town which equals the annual pension cost for the year ended June 30, 2010 was approximately \$1,395,885 for general employees. This contribution represents 12.06% of covered payroll. General municipal employees were required to contribute approximately \$810,217. This contribution represents 7.0% of covered payroll.

(Continued)

# Town of North Kingstown, Rhode Island

## Notes to Financial Statements June 30, 2010

### 11. Defined Benefit Pension Plans (Continued)

#### *Trend Information*

There were no current year changes in actuarial assumptions, benefit provisions, or actuarial funding method that would significantly affect the contribution requirement. Significant actuarial assumptions and other actuarial information are presented in the following required supplemental information.

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
2008	\$1,481,814	100%	\$0
2009	\$1,503,673	100%	\$0
2010	\$1,395,885	100%	\$0

Trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is presented in the State of Rhode Island's Employee Retirement System's June 30, 2009 annual financial report, which may be obtained from the administrative offices of the State of Rhode Island Retirement Board, 40 Fountain Street, Providence, Rhode Island. This report is the most recent report available from the State who administers the Plan.

#### *Funded Status of Plan*

The required supplementary information which follows the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. Listed below are the details of the funding progress of the General Municipal Employees' Pension Plan with a valuation date of June 30, 2009 which is the most recent report available from the State who administers this plan.

- Actuarial value of assets - \$40,052,448
- Actuarial accrued liability - \$52,144,406
- Unfunded actuarial accrued liability (UAAL) - \$12,091,958
- Funded Ratio – 76.8%
- Annual covered payroll - \$11,833,062
- UAAL as percentage of payroll – 102.2%

#### *(b) Police and Fire Pension Plans*

##### *Municipal Police and Fire Pension Fund Plans*

The Town of North Kingstown participates in the Municipal Employees' Retirement System of the State of Rhode Island ("System"), an agent multiple employer defined benefit plan. The System includes a normal plan for general employees and both a normal and optional plan for police and fire personnel. All full-time police and fire personnel participate in the System.

The payroll for police and fire personnel covered by the System for the year ended June 30, 2010 was approximately \$2,701,109 and \$3,683,041, respectively. The Town wide payroll was approximately \$52,708,000.

(Continued)

# Town of North Kingstown, Rhode Island

## Notes to Financial Statements June 30, 2010

### 11. Defined Benefit Pension Plans (Continued)

#### *(b) Police and Fire Pension Plans (Continued)*

##### *Basis of Accounting*

The financial statements of the MERS are prepared in accordance with generally accepted accounting principles using the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when incurred. Dividend income is recorded on the ex-dividend date. Interest income is accrued daily.

##### *Plan Description*

The following eligibility and benefit provisions are established by State Statute. The System provides the following retirement benefits to employees at or after age 55 with 10 years of service or after 20 years of service with no restriction on age:

**Police** – 2.5% of final average salary per year of service accrued after July 1, 1993 and 2% of final average salary per year of service accrued prior to July 1, 1993 with a maximum benefit of 75% of final average salary.

**Fire** – 2.5% of final average salary per year of service with a maximum benefit of 75% of final average salary.

Final average salary is the three highest consecutive years of earned salary exclusive of overtime, bonuses or severance pay. The plan also provides non-occupational disability benefits after 5 years of service, occupational disability benefits with no minimum service requirement, survivors' benefits, and certain lump sum death benefits. Employees are vested in their retirement benefits on completion of 10 years of service. Retirees' benefits are adjusted annually by 3 percent, not compounded, to allow for increases in the cost of living.

##### *Contributions Required and Contributions Made*

Police and fire personnel are required by State Statute to contribute 9% until the maximum benefit (75 percent of final average salary) is accrued. The Town is required to contribute based on an actuarially computed amount and as provided by State Statute for each participating municipality. The actuarial method used is the entry age normal cost with part of each municipality's unfunded actuarial liability funded over a closed thirty year amortization period and the balance funded over the projected future payroll of active members. Due to large fluctuations in the contribution rates of certain municipalities, the plan has adopted a procedure which would allow a unit the option of paying a smoothed contribution rate. The smoothed contribution rate equals the previous fiscal year's contribution rate plus the greater of 2 percent or one eighth of the increase in contribution rate plus the cost of any benefit improvements. The actuarially determined contribution amount for the Town was determined as described above and was based on an actuarial valuation as of June 30, 2009.

The annual required contribution for police and fire personnel for the Town which equals the annual pension cost for the year ended June 30, 2010 was approximately \$1,414,336. These contributions represent 17.52% of covered payroll for fire personnel and 21.00% for police personnel. Police and fire personnel were required to contribute approximately \$243,101 and \$331,085, respectively. This contribution represents 9% of covered payroll.

(Continued)

# Town of North Kingstown, Rhode Island

## Notes to Financial Statements June 30, 2010

### 11. Defined Benefit Pension Plans (Continued)

*(b) Municipal Police and Fire Pension Plans (Continued)*

There were no current year changes in actuarial assumptions, benefit provisions, or actuarial funding method that would significantly affect the contribution requirements. Significant actuarial assumptions and other actuarial information are presented in the following required supplemental information.

*Trend Information*

**Municipal Police Pension Plan:**

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
2008	\$508,251	100%	\$0
2009	\$584,784	100%	\$0
2010	\$571,401	100%	\$0

**Municipal Fire Pension Plan:**

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
2008	\$732,751	100%	\$0
2009	\$874,286	100%	\$0
2010	\$842,935	100%	\$0

Trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is presented in the State of Rhode Island's Employee Retirement System's June 30, 2009 annual financial report, which may be obtained from the administrative offices of the State of Rhode Island Retirement Board, 40 Fountain Street, Providence, Rhode Island. This report is the most recent report available from the State, who administers the Plan.

*Funded Status of Plan*

The required supplementary information which follows the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. Listed below are the details of the funding progress of the Municipal Police and Fire Pension Plans with a valuation date of June 30, 2009, which is the most recent report available from the State who administers this plan.

**Municipal Police Pension Plan:**

- Actuarial value of assets - \$16,853,498
- Actuarial accrued liability - \$20,673,297
- Unfunded actuarial accrued liability (UAAL) - \$3,819,798
- Funded Ratio – 81.5%
- Annual covered payroll - \$2,684,648
- UAAL as percentage of payroll – 142.3%

(Continued)

**Town of North Kingstown, Rhode Island**

Notes to Financial Statements  
June 30, 2010

**11. Defined Benefit Pension Plans (Continued)**

*Funded Status of Plan (Continued)*

**Municipal Fire Pension Plan:**

- Actuarial value of assets - \$26,351,379
- Actuarial accrued liability - \$29,534,211
- Unfunded actuarial accrued liability (UAAL) - \$3,182,832
- Funded Ratio - 89.2%
- Annual covered payroll - \$4,005,886
- UAAL as percentage of payroll - 79.5%

The information presented in the required supplementary schedules was determined as part of the annual actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

	General Municipal Employees <u>Pension Plan</u>	Municipal Police and Fire <u>Pension Plan</u>
Valuation Date.....	6/30/09	6/30/09
Actuarial Cost Method.....	Entry Age Normal Cost	Entry Age Normal Cost
Amortization Method.....	Level Percent Closed, 30 year from 6/30/99	Level Percent Closed
Remaining Amortization Period.....	21 years	21 years
Asset Valuation Method.....	5-year Smoothed Market Value	5-Year Smoothed Market Value
Actuarial assumptions:		
Investment rate of return.....	8.25%, compounded annually	8.25%, compounded annually
Projected Salary Increases.....	4.50% - 8.5%, compounded annually	4.75% - 14.75%, compounded annually
Cost-of-living Adjustments.....	3.0% not compounded	3.00% not compounded
Inflation Adjustments.....	3.0%	3.0%
Participant Information.....	Active Employees 350	Active Employees 124
	Retirees and beneficiaries 177	Retirees and beneficiaries 83
	<u>527</u>	<u>207</u>

Note: COLA C was put into place for General Municipal Employees.  
Fire and Police have adopted COLA Plan C and 20 year optional Police and Fire Plan.

# Town of North Kingstown Rhode Island

## Notes to Financial Statements

June 30, 2010

### 11. Defined Benefit Pension Plans (Continued)

#### (c) *Teacher's Pension Plan*

All North Kingstown School Department certified school personnel participate in the Employees' Retirement System of the State of Rhode Island ("System"), a cost-sharing multiple-employer defined benefit plan. The payroll for employees covered by the System for the year ended June 30, 2010 was approximately \$26,971,729, which consisted of approximately \$960,193 for employees charged to federal programs and approximately \$26,011,536 for all other employees. The School Department's total payroll was approximately \$36,403,000. The Town wide payroll for the year ended June 30, 2010 was approximately \$52,708,000.

#### *Plan Description*

The ERS was established under section two of chapter 2334 of the Rhode Island Public Laws of 1951 and placed under the management of the Retirement Board for the purpose of providing retirement allowances for employees of the State of Rhode Island under the provisions of chapters 8 to 10, inclusive, of title 36, and public school teachers under the provisions of chapters 15 to 17, inclusive, of title 16 of the Rhode Island General Laws. The plan provides a two tier benefit structure referred to as schedules A and B as follows:

Schedule A Benefits: Schedule A benefits are available to members who possess 10 years or more of contributory service on or before July 1, 2005. Schedule A provides unreduced benefits of 1.7% of earnings for each of the first ten years of service; 1.9% for each of the next ten years of service; 3.0% per year for each of the next fourteen years; and 2% for the 35<sup>th</sup> year. Joint and survivor options are available as well as the Service Retirement Allowance (SRA) Plus option that provides for the payment of a larger benefit before the attainment of age 62 and a reduced amount thereafter. The reduced amount is equal to the benefit before age 62, including cost-of-living increases, minus the member's estimated social security benefit payable at age 62. The maximum benefit is 80% of "final average" (FAC) earnings after 35 years of service. Final average earnings are the three highest consecutive years of earned salary excluding overtime, bonuses, or severance pays. Such benefits are available to members at least age 60 with 10 years of service, or after 28 years at any age. On the third January after retirement, a cost-of-living increase of 3% (compounded annually) is provided independent of actual changes in the consumer price index. The plan also provides nonservice-connected disability benefits after five years of service; service-connected disability pensions with no minimum service requirements; vested benefits after ten years of service; survivor's benefits for service connected death; and certain lump sum death benefits. For Schedule A members who are not grandfathered, i.e., members who had at least 10 years of creditable service at June 30, 2005 but who were not eligible to retire on September 30, 2009, benefits are based on Schedule A for services through September 30, 2009 and on Schedule B for services after September 30, 2009. Maximum benefit is 80% of FAC.

Schedule B Benefits: Schedule B benefits are provided to members who have less than 10 years of contributory service on or before July 1, 2005. For Schedule B members, the plan provides unreduced benefits of 1.6% of earnings for each of the first ten years of service; 1.8% for each of the next ten years; 2.0% per year for years 21 through 25 inclusive; 2.25% per year for years 26 through 30 inclusive; 2.5% per year for years 31 through 37 inclusive and 2.25% for the 38<sup>th</sup> year. Only single life, and joint and survivor options are available. The maximum benefit is 75% of his or her average highest three years of compensation after 38 years of service. Such benefits are available to members at least age 65 with 10 years of service, or after 29 years of service and age 59. Actuarially reduced retirement is available at age 55 and 20 years of service, the benefit is reduced actuarially for each month that the age of the member is less than sixty-five years.

(Continued)

# Town of North Kingstown Rhode Island

## Notes to Financial Statements

June 30, 2010

### 11. Defined Benefit Pension Plans (Continued)

(c) *Teacher's Pension Plan (Continued)*

#### *Plan Description (Continued)*

**Schedule B Benefits:** On the month following the third anniversary date of the retirement, and on the month following the anniversary date of each succeeding year, a cost of living increase of 3% (compounded annually) or the percentage of increase in the Consumer Price Index for all Urban Consumers (CPI-U) as published by the United States Department of Labor Statistics, determined as of September 30 of the prior calendar year, whichever is less is provided for Schedule B members.

The ERS plan also provides a survivor benefit to public school teachers via a "Teachers Survivor Benefits Fund" in lieu of Social Security. The details of the survivor death benefits and other death benefits are provided in the financial section of the Annual Financial Report of the Employees' Retirement System of Rhode Island for the fiscal year ending June 30, 2009 which can be found at [www.ersri.org](http://www.ersri.org).

#### *Funding Policy*

Rhode Island general laws set the contribution rates for participating plan employees at 9.5% of salary. Annual contributions by both employers and the State on behalf of those employees are determined by actuaries and assessed as a percentage of participants' payroll. The School Department was required to contribute 11.25%, 11.89%, and 13.04% for all full-time employees for fiscal years 2010, 2009, and 2008, respectively. The required contributions include (a) normal costs; (b) payments to amortize the unfunded frozen actuarial accrued liability as of July 1, 1985 over 30 years; and (c) interest on the unfunded frozen actuarial liability. Normal cost is determined using the entry age normal cost method with frozen initial liability. A variety of significant actuarial assumptions are used and these assumptions are summarized below:

- (a) **Mortality** – 1994 Group Annuity Mortality Tables
- (b) **Investment return** – 8.25 percent, compounded annually.
- (c) **Salary increase** - Salaries will increase at a rate of 4.5 – 13.25 percent, compounded annually.
- (d) **Retirement age** – 75% of Schedule B members who reach the age of 59 with 29 years of service before age 65 are assumed to retire when first eligible. 75% of other members are expected to retire when first eligible, at age 65 with 10 years of service. Because of enactment of Article 7 in 2009, the retirement assumption was modified for members not eligible for retirement by October 1, 2009. Members who would have been assumed to retire prior to age 62 under the rules in effect before the enactment of Article 7 are assumed to retire when first eligible for an unreduced benefit under Article 7.
- (e) **Cost of living adjustments** – Schedule A members – 3% compounded; Schedule B members 2.5%.

(Continued)

# Town of North Kingstown Rhode Island

## Notes to Financial Statements

June 30, 2010

### 11. Defined Benefit Pension Plans (Continued)

(c) *Teacher's Pension Plan (Continued)*

*Funding Policy (Continued)*

As prescribed by Rhode Island general law, the State pays the entire portion of the annual required contribution attributable to the costs of contributions deferred by the State in prior years plus 40% of contributions assessed to employers on payroll not reimbursable through Federal programs. For fiscal year 2010, actuarial required contributions were 19.01% of the participant's salary. This resulted in a contribution rates paid by the State on behalf of the School Department of 7.76% of non-federally reimbursable payrolls totaling \$2,018,495 for the fiscal year ended June 30, 2010. The contributions are recognized as revenue and expenditures during the fiscal year ended June 30, 2010. The School Department contributed the remaining 11.25% of the required 19.01%.

The School Department does not have any investments or related party investments with the State Plan. The School Department's contributions for the year ended June 30, 2009 represented approximately 1.2% percent of total contributions required of all participating entities for the fiscal year ended June 30, 2009 (latest available information).

The amounts contributed to the plan are as follows:

<u>Years Ending June 30,</u>	<u>Employee</u>	<u>Town's Portion of Annual Required Contributions</u>	<u>Percentage Contributed</u>
2010	\$2,562,309	\$3,108,830	100%
2009	\$2,498,771	\$3,189,857	100%
2008	\$2,427,871	\$3,201,667	100%

In accordance with GASB 27, "Accounting for Pensions by State and Local Governmental Employers," the School Department has determined that there is no net pension obligation relating to the funding requirements of the plan.

Trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is presented in the State of Rhode Island's Employee Retirement System's June 30, 2009 annual financial report, which may be obtained from the administrative offices of the State of Rhode Island Retirement Board, 40 Fountain Street, Providence, Rhode Island. This report is the most recent report available from the State who administers the Plan.

(Continued)

# Town of North Kingstown Rhode Island

## Notes to Financial Statements

June 30, 2010

### 12. Other Post Employment Benefit Obligations (OPEB)

In addition to the pension benefits described in Note 11, the Town provides post employment benefits (health insurance) in accordance with union contracts and Town personnel policies under a single-employer plan. These benefits, by employee group, are described below.

Type of Coverage:

a. Plan Types:

Fully insured Medical  
Prescription Drug contribution for Municipal Union employees

b. Eligibility:

Firefighters and Policemen: Age 55 and 10 years of service or 20 years of service.

Municipal Employees (Local 1033): Age 58 and 20 years of service or 30 years of service.

Others: Age 58 and 10 years of service or 30 years of service.

c. Benefit/Cost Sharing:

Firefighters: Retiree pays 15% of premium until eligible for Medicare.

Policemen: Town pays all until eligible for Medicare.

Municipal Employees (Local 1033):

Retiree pays 20% of premium (0% if hired prior to 4/1/2002) up to the "cap", plus 50% of the premium in excess of the "cap". Effective March 1, 2008, the "cap" is \$13,980 per year for family coverage and \$5,280 per year for individual coverage.

Town contributes \$1,680 (effective July 1, 2007) per year toward prescription drug coverage.

Town provides Medicare Supplemental Coverage for life upon becoming eligible for Medicare.

Nonunion Employee: Town pays all. Town provides Medicare Supplemental Coverage for life upon becoming eligible for Medicare.

School Employees: Retirees pay 100% premium. Coverage until Medicare eligible.

d. Spouse Benefit:

Yes

e. Surviving Spouse Benefit:

No

f. Annual Premiums:

Varies by plan, see plan provision section

(Continued)

# Town of North Kingstown Rhode Island

## Notes to Financial Statements

June 30, 2010

### 12. Other Post Employment Benefit Obligations (OPEB) (Continued)

<u>Annual OPEB Cost</u>	<u>Year ended June 30, 2010</u>
Normal cost	\$ 2,406,527
Adjustments to ARC	(60,081)
Interest	60,689
Annual Required Contribution (expense)	<u>2,407,135</u>
Contributions made during year	(1,074,612)
Net OPEB obligation at beginning of year	1,348,647
Net OPEB obligation at end of year	<u><u>\$2,681,170</u></u>

Town contributions to the plan for the year ended June 30, 2010 represented 45% of annual OPEB expense. The difference represents the Town's OPEB obligation to the plan and has been accrued as an expense in the government-wide financial statements.

The required supplementary information which follows the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. Listed below are the details of the funding progress of the OPEB obligation with a valuation date of July 1, 2010, which is the most recent report available from the actuary who values this plan.

- Actuarial value of assets - \$0
- Actuarial accrued liability - \$34,510,724
- Unfunded actuarial accrued liability - (\$34,510,724)
- Funded ratio - 0%
- Annual covered payroll - N/A
- UAAL as percentage of payroll - N/A

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and annual required contributions are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information on page 60 will, over time, present multi-year trend information about whether the actuarial value of plan assets (none at present) is increasing or decreasing relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (as understood by the employees and management) and include the type of benefit provided at the time of each valuation. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The following assumptions were made:

- Funding interest rate - 4.5%
- Ultimate Trend Rate - 5.0%
- Actuarial Cost Method - Entry Age Normal
- The remaining amortization period at May 31, 2008 - 29 years
- 2007 Medical Trend Rate - 10%
- Year ultimate trend rate reached - 2012

(Continued)

# Town of North Kingstown Rhode Island

## Notes to Financial Statements

June 30, 2010

### 12. Other Post Employment Benefit Obligations (OPEB) (Continued)

#### Employee Counts

		<u>As of July 1, 2007</u>		
		<u>Actives</u>	<u>Retirees</u>	<u>Total</u>
Firefighters	Male	65	21	86
	Female	<u>2</u>	<u>0</u>	<u>2</u>
	Total	67	21	88
Police	Male	42	28	70
	Female	<u>1</u>	<u>0</u>	<u>1</u>
	Total	43	28	71
Local 1033	Male	34	1	35
	Female	<u>33</u>	<u>3</u>	<u>36</u>
	Total	67	4	71
Non-Union	Male	13	19	32
	Female	<u>11</u>	<u>28</u>	<u>39</u>
	Total	24	47	71
School	Male	135	9	144
	Female	<u>435</u>	<u>42</u>	<u>477</u>
	Total	570	51	621

### 13. Summary Disclosure of Significant Contingencies and Commitments

#### *Litigation*

During the ordinary course of its operations, the Town is a party to various claims, legal actions and complaints, and adequately provides for losses and accrues liabilities for losses when they are both probable and can be reasonably estimated.

#### *Commitments*

The Town has a \$1,000,000 available line of credit from the Rhode Island Clean Water Finance Agency for the Community Septic System Loan Program. The balance on the entire line of credit was drawn down at June 30, 2010.

(Continued)

# Town of North Kingstown Rhode Island

## Notes to Financial Statements June 30, 2010

### 13. Summary Disclosure of Significant Contingencies and Commitments (Continued)

#### *Commitments (Continued)*

The Town of North Kingstown had several outstanding construction and technology projects as of June 30, 2010. These projects are evidenced by contractual commitments with contractors and include:

FUND/PROJECT	SPENT TO DATE	COMMITMENT REMAINING	FUNDING FUNDING SOURCE(S)
Server Upgrades & IT Relocation	409,507	111,633	General Fund, Operating Budget
Fingerprint System	34,800	8,400	General Fund, Operating Budget
Development Transfer Rights Policy Update	34,273	5,727	General Fund, Operating Budget
Impact Fee Study	9,500	4,500	General Fund, Operating Budget
Wickford Sewer Extension Study	2,125	10,375	General Fund, Operating Budget
Window and External Repairs at Town Hall & Annex	213,245	-	Town Capital Reserve Funds
	35,365	-	State Grants
	-	6,959	General Fund, Operating Budget
Life Safety Modificatons at Four Schools	4,799,015	-	\$9M School Bond
Main Street Improvements	148,092	-	Town Capital Reserve Funds
	994,145	-	State Grants
	120,000	114,989	\$ 6M Public Facilities Bond
Architectual Design New Senior Center	434,565	-	\$4M Senior Center Complex Bond
Construction of New Senior Center	3,794,041	-	\$4M Senior Center Complex Bond
	49,507	-	Town Capital Reserve Funds
Renovation of Public Safety Complex	3,822,570	-	\$4.5M Public Facilities Bond
	1,851,138	274,914	Town Capital Reserve Funds
	566,564	-	\$6M Public Facilities Bond
Construction of New Fire Station #5	1,329,300	-	\$4.5M Public Facilities Bond
	37,274	-	Town Capital Reserve Funds
	7,936	-	General Fund, Operating Budget
Radio Alarm Reporting System	35,627	428	\$4.5M Public Facilities Bond
Video Surveillance and Phone System	133,436	2,768	\$4.5M Public Facilities Bond
Custom Radio Consoles	66,500	43,796	\$4.5M Public Facilities Bond
Allen Harbor Bulkhead Reconstruction	31,524	31,544	Quonset/Davisville Rec Fund, Operating Budget
	277,481	-	Q/D Recreation Fund, Capital Reserve
Dredging of Allen Harbor Channel	11,224	1,296	Quonset/Davisville Rec Fund, Operating Budget
Golf Course Irrigation Design	105,084	1,916	Q/D Recreation Fund, Capital Reserve
	37,001	2,999	Q/D Recreation Fund, Operating Budget
	-	4,000	General Fund, Operating Budget
Water System Upgrades for Highway/Bridge Construction	294,495	64,176	Water Fund, Operating Budget
Utility Trench Patching	4,012	13,879	Water Fund, Operating Budget
Construction of New Well 11	449,339	-	Water Fund, Operating Budget
	405,239	-	Water Fund, Capital Reserve
Repair of Flood Damaged Well #9	-	68,400	Water Fund, Operating Budget
Rehabilitation of Emergency Meter Vault Between No Kingstown & Kent County Water.	82,400	-	Water Fund, Operating Budget
	52,400	-	Water Fund, Capital Reserve
Storage Tank Design and Standpipe Improvements	268,024	-	Water Fund, Operating Budget
	177,816	-	Water Fund, Operating Budget
Lead Soil Remediation Juniper Hill	1,015,716	265,948	Water Fund, Operating Budget
New Juniper Hill Water Tank	1,673,000	964,707	Water Fund, Operating Budget
Meter Replacements	1,159,000	279,930	Water Fund, Operating Budget
Hydraulic Model Update	35,025	2,975	Water Fund, Operating Budget
Infrastructure Replacement Plan Update	35,282	14,718	Water Fund, Operating Budget
	21,063	8,786	Water Fund, Capital Reserve
<b>Grand Totals</b>	<b>\$ 25,063,650</b>	<b>\$ 2,309,763</b>	

(Continued)

# Town of North Kingstown Rhode Island

## Notes to Financial Statements

June 30, 2010

### 13. Summary Disclosure of Significant Contingencies and Commitments (Continued)

#### *Grants*

The Town has received federal and state grants for specific purposes that are subject to audit by the grantors or their representatives. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. Town officials believe such disallowances, if any, would be immaterial.

### 14. Deferred Compensation Plan

The Town offers its municipal employees a deferred compensation plan established in accordance with the provisions of Internal Revenue Code Section 457. The Plan, available to certain municipal employees, permits the deferral of a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

During the year ended June 30, 2000, the Town implemented the Governmental Accounting Standards Board, Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plan*. All assets and income of the plan are held in trust for the exclusive benefit of the participants and their beneficiaries. As a result, deferred compensation investments and the respective liability have been removed from the Town's financial statements.

### 15. Self-Insurance Activities

The Town, on July 1, 1992, adopted the provisions of the Governmental Accounting Standards Board Statement 10 (GASB 10) and has classified its self-insurance activities as Internal Service Funds. These activities (subject to the stop/loss insurance provisions explained below) have included the financing of workers' compensation and property damage losses on behalf of all Town departments. The Town's Finance Department oversees the self-insurance program, and a consultant is used to administer the claims of the workers' compensation fund.

Effective January 1, 1999, the Town switched to a premium-basis insurance coverage plan for workers' compensation. Effective September 1, 2001, the Town switched to a premium-basis insurance coverage for property damage.

For self-insured worker's compensation activities, individual Town funds/departments were charged a "premium" based on actuarial studies considering historical claims experience, projected payroll levels, administration costs, and projected insurance industry inflation rates. Assessments for property damage were based upon estimates of liability for uninsured losses to be incurred by the Town as a whole, apportioned to individual funds based on historical experience. Billings from the Workers' Compensation and Property Damage funds for the fiscal year ended June 30, 2010 were \$0.

There have been no reductions in insurance coverage from coverage in the previous year and settlements have not exceeded insurance coverage since 2001.

(Continued)

**Town of North Kingstown Rhode Island**

**Notes to Financial Statements**  
June 30, 2010

**15. Self-Insurance Activities (Continued)**

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors. There were no unpaid claims for the current fiscal year and past fiscal year.

Other types of insurance coverage purchased through the Rhode Island Interlocal Risk Management Trust and private insurers are as follows: Property including blanket Buildings and Contents, Flood and Earthquake, Business Interruptions, Auto Physical Damage, Valuable papers, EDP Media and Equipment, Crime and Employee Dishonesty, Comprehensive General Liability, Automotive Liability, Uninsured Motorist, Medical Payments, Police Professional Liability, Medical Service Providers' Liability, Employee Benefit Liability, Public Officials' Liability, School Board Liability, Marina Operators, and Accidental Death Police and Fire including volunteers and community service personnel.

There have been no significant reductions in insurance coverage during the year ended June 30, 2010 as compared to the previous year. The claims incurred did not exceed insurance coverage this year.

**16. Restatement**

Net assets at June 30, 2009 have been restated due to capital assets changes and a change in fund types utilized in last year's issued financial statements. The details of the restatements and impact on net assets are as follows:

<b>Government-wide Financial Statements</b>	
Net assets at June 30, 2009, as originally stated .....	\$68,208,401
Understatement of capital assets for government-wide activities.....	<u>261,288</u>
Net assets at June 30, 2009, as restated.....	<u>\$68,469,689</u>

# Town of North Kingstown Rhode Island

## Notes to Financial Statements

June 30, 2010

### 17. Pollution Remediation Obligation

The Town is currently involved in the State of Rhode Island's Landfill Closure Program for both the Hamilton Alleton and Oak Hill Landfills. ACT Lincoln Environmental, the Town's consultant, has completed a Site Investigation Report for the Hamilton Allenton Landfill and submitted closure recommendations to the RI DEM. The highest priority recommendations include soil gas extraction and monitoring, wetland and drainage remediation, landfill cap improvements and additional groundwater monitoring. The Town still awaits comments from DEM from their site investigation recommendations submitted last year. The State's comments on the recommendations will dictate that either additional site investigation is required or a final landfill closure scope can proceed. Closure requirements established by DEM will be designed and bid for construction. Preliminary closure estimates for both landfills is estimated at \$1.650 million. A future bond referendum will be required to pay for this project and could be combined with other infrastructure improvements. Immediate and more minor remediation efforts during fiscal year 2011 and 2012 are to be funded from Town Capital Reserve.

The Town is also currently involved in the replacement of the water tank and related renovations, additions, improvements, and remediation of the Juniper Hill Facility. The Juniper Hill Tank's exterior was coated with lead based paint which has impacted the soil surrounding the tank. The total expenditures charged to this project during the fiscal year ended June 30, 2010 was \$718,696. The estimated remaining cost to remediate the soil and complete the project is \$878,061.

Engineering and remedial activities are also required at the Saunderstown Tank site. The Saunderstown Tank remediation has an estimated cost of \$487,000.

The Town has recorded the remaining liabilities and corresponding charge to expenses for this estimated cost of the remedial work in the financial statements.

### 18. Communication Tower Rentals

The Town leases several structures to several unrelated parties under separate operating leases. The rental revenue from leases changes on a monthly basis due to the contract agreements. Several leases are charged on a month to month basis, while there are others that are extended until various future dates. The final lease date for revenue charges under these operating leases is August 7, 2012.

THE TOWN OF  
NORTH KINGSTOWN, RHODE ISLAND

REQUIRED SUPPLEMENTARY INFORMATION

# **Town of North Kingstown Rhode Island**

## **Required Supplementary Information**

**June 30, 2010**

This section presents the Schedule of Funding Progress for Pension Plan. This schedule is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board.

This section also presents budgetary comparison schedules for the Town's major funds. These schedules are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board.

**Town of North Kingstown, Rhode Island**

E-1

**Required Supplementary Information  
June 30, 2010**

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	AAL (UAAL) Funding Excess (deficit)	Funded Ratio	Covered Payroll	AAL (UAAL) Funding Excess (deficit) Percentage of Covered Payroll
<b>General municipal employees pension plan</b>						
6/30/2007	\$ 30,599,354	\$ 41,733,669	\$ (11,134,315)	73.3%	\$ 11,112,424	-100.20%
6/30/2008	\$ 34,880,408	\$ 45,590,461	\$ (10,710,053)	76.5%	\$ 11,892,435	-90.06%
6/30/2009	\$ 40,052,448	\$ 52,144,406	\$ (12,091,958)	76.8%	\$ 11,833,062	-102.19%
<b>Municipal police pension plan</b>						
6/30/2007	\$ 13,126,977	\$ 16,456,886	\$ (3,329,909)	79.8%	\$ 2,370,507	-140.47%
6/30/2008	\$ 14,896,951	\$ 18,638,857	\$ (3,741,906)	79.9%	\$ 2,688,493	-139.18%
6/30/2009	\$ 16,853,498	\$ 20,673,297	\$ (3,819,799)	81.5%	\$ 1,933,255	-197.58%
<b>Municipal firemen pension plan</b>						
6/30/2007	\$ 22,133,914	\$ 24,207,502	\$ (2,073,588)	91.4%	\$ 5,212,740	-39.78%
6/30/2008	\$ 23,310,758	\$ 27,091,707	\$ (3,780,949)	86.0%	\$ 4,087,061	-92.51%
6/30/2009	\$ 26,351,379	\$ 29,534,211	\$ (3,182,832)	89.2%	\$ 4,005,886	-79.45%
<b>Other Post Employment Benefit Obligations</b>						
7/1/2007	\$ -	\$ 25,294,765	\$ (25,294,765)	0.0%	n/a	n/a
7/1/2010	\$ -	\$ 34,510,724	\$ (34,510,724)	0.0%	n/a	n/a

The information included in the schedule of funding progress was obtained from the annual actuarial valuation at the date indicated.

## TOWN OF NORTH KINGSTOWN

*Schedule of Revenues and Expenditures (Non GAAP Budgetary Basis)*  
*Budget and Actual*  
*(Unaudited)*

*General Fund*  
*Year Ended June 30, 2010*

Revenues:	Originally Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Property Tax	\$ 64,570,862	\$ 64,570,862	\$ 65,239,235	\$ 668,373
Intergovernmental	3,745,961	3,745,961	3,746,999	1,038
Licenses & Permits	393,371	393,371	395,984	2,613
Investment Income	600,000	130,000	128,296	(1,704)
Departmental	2,529,825	1,660,440	1,564,125	(96,315)
Other	40,000	40,000	92,783	52,783
Total Revenues	71,880,019	70,540,634	71,167,422	626,788
Expenditures:				
Town Council	111,415	91,015	89,767	1,248
Town Manager	204,830	204,830	202,185	2,645
Town Clerk & Elections	487,542	487,542	484,675	2,867
Town Solicitor	251,400	429,400	291,124	138,276
Finance	392,831	432,831	424,790	8,041
Information Systems	231,085	229,085	270,424	(41,339)
Assessor	239,881	285,881	279,768	6,113
Planning	330,616	319,616	336,909	(17,293)
General Operating	2,342,524	2,367,524	2,358,416	9,108
Code Enforcement	303,987	277,987	275,860	2,127
Fire	7,835,856	7,894,848	7,983,440	(88,592)
Police, Harbor & Animal Control	6,062,318	5,922,718	5,928,467	(5,749)
Public Works	4,236,661	4,007,061	3,818,566	188,495
Senior Citizens	368,157	368,157	368,657	(500)
Contributions	130,549	136,149	136,149	-
Total Expenditures	23,529,652	23,454,644	23,249,197	205,447
Excess of revenues over expenditures	48,350,367	47,085,990	47,918,225	832,235
Other financing sources (uses):				
Transfers from fund balance	-	880,000	880,000	-
Transfers in	97,500	696,885	869,671	172,786
Transfers out	(48,447,867)	(48,662,875)	(48,662,875)	-
Net other financing sources (uses)	(48,350,367)	(47,085,990)	(46,913,204)	172,786
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ -	-	\$ 1,005,021	\$ 1,005,021

## TOWN OF NORTH KINGSTOWN

*Schedule of Revenues and Expenditures (Non GAAP Budgetary Basis)*  
*Budget and Actual*  
*(Unaudited)*

*School Unrestricted Fund*  
*Year Ended June 30, 2010*

Revenues:	Originally Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
State Aid	\$ 11,462,944	\$ 9,382,635	\$ 9,235,651	\$ (146,984)
Federal Aid	642,155	642,155	642,155	-
Tuition	2,290,097	2,290,097	2,388,310	98,213
Miscellaneous	690,635	690,635	94,467	(596,168)
<b>Total Revenues</b>	<b>15,085,831</b>	<b>13,005,522</b>	<b>12,360,583</b>	<b>(644,939)</b>
<b>Expenditures:</b>				
Salaries	33,898,033	33,207,792	32,773,218	434,574
Fringe Benefits	14,310,530	12,989,739	12,884,834	104,905
Professional Services	6,897,162	6,517,356	6,189,265	328,091
Supplies and Materials	2,132,621	2,521,827	2,204,788	317,039
Capital Outlay	554,000	1,454,846	1,747,609	(292,763)
Debt Services	49,000	99,284	64,232	35,052
Other			1,842	(1,842)
<b>Total Expenditures</b>	<b>57,841,346</b>	<b>56,790,844</b>	<b>55,865,788</b>	<b>925,056</b>
Excess of revenues over expenditures	(42,755,515)	(43,785,322)	(43,505,205)	280,117
<b>Other financing sources (uses):</b>				
Transfers from fund balance	75,000	75,000	182,907	107,907
Operating transfer from Town	42,680,515	43,710,322	43,872,169	161,847
Transfers out			(122,954)	(122,954)
<b>Net other financing sources (uses)</b>	<b>42,755,515</b>	<b>43,785,322</b>	<b>43,932,122</b>	<b>146,800</b>
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ -	\$ -	\$ 426,917	\$ 426,917

**Town of North Kingstown, Rhode Island**

**Notes to Required Supplementary Information  
June 30, 2010**

**Budgetary Process**

*(a) Adoption*

The Town Manager shall submit to the Council not later than the fiftieth day preceding the 1<sup>st</sup> Wednesday in May a proposed budget of anticipated revenues and proposed expenditures after a review of estimated requirements from department heads. Town Council conducts all-day Public Work Sessions to discuss the Town Manager’s Proposed Budget, which is not a Charter requirement. The Council has two weeks to give preliminary approval to the Town Manager’s budget, which the Council may revise. Approximately three weeks after preliminary approval by the Council, two public hearings are held (one for school portion and one for all other budgets). After preliminary approval of the budget, any qualified elector may circulate a petition requesting that the Council increase or decrease the budget. At least 50 signatures, validated by the Board of Canvassers, are required. The Council is required to consider and vote on each valid petition. On or before the first Wednesday in May, the Council is required to make any final changes to the budget by a majority vote and consider any petitions. Following final approval, the budget is published and copies are available for the public. Following final approval by the Council, any qualified elector may circulate a petition requesting a referendum for either an increase or decrease to the total appropriation for a specific fund. Petition forms approved by the Town Clerk must be returned before the 20<sup>th</sup> day following the first Wednesday in May. Each valid petition with no less than 300 signatures along with the Council’s final adopted budget is presented to the votes for a referendum vote on the second Saturday in June.

The following governmental funds have annual appropriated budgets:

- General Fund
- School Unrestricted Fund
- Library Fund
- Debt Service Fund

*(b) Budgetary to GAAP Basis Reconciliation*

The following reconciliation summarizes the difference for the Town’s General Fund between budgetary and GAAP basis accounting principles for the year ended June 30, 2010:

Excess revenues and other sources over expenditures and other uses (Non-GAAP Budgetary Basis)	\$ 1,005,021
Prior year encumbrances	(297,399)
Current year encumbrances	467,683
Prior year cancelled or voided purchase orders	(132,668)
Use of accumulated fund balance	<u>(880,000)</u>
Excess of expenditures and other sources over revenues (GAAP)	<u><u>\$ 162,637</u></u>

## Town of North Kingstown, Rhode Island

### Notes to Required Supplementary Information June 30, 2010

*(b) Budgetary to GAAP Basis Reconciliation (Continued)*

The following reconciliation summarizes the difference for the School's Unrestricted Fund between budgetary and GAAP basis accounting principles for the year ended June 30, 2010:

Excess revenues and other sources over expenditures and other uses (Non-GAAP Budgetary Basis)	\$ 426,917
Prior year encumbrances	(595,425)
Current year encumbrances	1,089,445
Prior year cancelled or voided purchase orders	200,722
Use of accumulated fund balance	<u>(182,907)</u>
Excess of expenditures and other sources over revenues (GAAP)	<u><u>\$ 938,752</u></u>

(Continued)

THE TOWN OF  
NORTH KINGSTOWN, RHODE ISLAND

OTHER SUPPLEMENTARY INFORMATION

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**NON-MAJOR GOVERNMENTAL FUNDS**

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**SPECIAL REVENUE FUNDS:**

Special Revenue Funds are used to account for revenues from specific taxes or other earmarked revenue sources which by law are designated to finance particular functions or activities of government, and which therefore cannot be diverted to other uses.

**Library Funds** - Funds established to account for State grants and operational activities of the North Kingstown Free Library. The following is a list of the Library Funds included in this section.

Willet Library Fund  
Champlin Foundation Fund  
Davisville Library Fund  
Library Fund  
Miscellaneous Library Donations

**Juniper Hill Tank Grant** – To account for monies received for engineering expenses relating to the Juniper Hill Tank

**Miscellaneous State Grants** – To account for monies received from the State for miscellaneous purposes.

**State Grants - Police Department** - To account for money received from the State for miscellaneous purposes.

**Seized & Forfeited Property Escrow** - To account for money received as the result of drug related criminal seizures and forfeitures.

**Beachwood House Senior Center Equipment Escrow** - To account for reimbursements to the Town for possible major equipment replacement expenses provided at the Beechwood House Senior Center for the operation of the Elderly Lunch Program.

**RIDEM Potowomut Pond Clean-up** - To account for funds received from the State to be used for the clean up of Potowomut Pond.

**Rhode Island Emergency Management** – To account for monies received from the State to fund State sponsored Homeland Security efforts.

**Town Municipal Court** – To account for monies received from the State to fund State sponsored Homeland Security efforts.

**State Elderly Affairs Grant** - To account for State Department of Elderly Affairs Grant used for the purpose of providing Senior Citizens with special elderly programs.

**Land Dedication Escrow** - To account for monies received from local land developers in lieu of open space which is proportioned between education, recreation and general improvements to the community.

**State Council on the Arts Grant** – To account for monies received from the State Council on the Arts to support the advancement of arts in North Kingstown.

**RI Foundation Grant** - To account for grant monies received for various expenses relating to the RI Foundation Grant.

(Continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NON-MAJOR GOVERNMENTAL FUNDS

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**SPECIAL REVENUE FUNDS (CONTINUED):**

**Local Law Enforcement Block Grant** – To account for funds received from the State that allows the Police Department to provide certain stated additional services.

**Technology Replacement** – To account for funds received from the State that allows the Police Department to provide certain stated additional services.

**Governor's Justice Commission** – To account for funds received from the Governor's Justice Commission to assist the Police Department.

**Miscellaneous Senior Citizens Grant** – To account for monies received, to be used by the Senior Citizens Department.

**Senior Center Legislative Grant** - To account for money received from the State for the Senior Citizens Center.

**Impact Fees** - To account for funds received from anyone obtaining a new building permit to offset the impact of increased population on education, recreation, and library use.

**Emergency Medical Services** - To account for funds received for payment for services provided by Fire Department Rescue Division.

**Community Development Block Grants** - To account for Federal Community Development Block Grants.

**Fire Department Legislative Grant** – To account for money received from the State to be used by the Fire Department

**Old Library Park** – To account for donations received for the renovation and upkeep of Old Library Park..

**Groundwater Education Donation** – To account for donations received by the Town to be used for Groundwater Education.

**Operation Drug Dog** – To account for money received to assist in expenditures produced from drug prevention programs.

**Special Purpose Donations** - To account for any minor miscellaneous monies received by the Town for various special purposes.

**School Department Substance Abuse Donations** - To account for donations received to be used by Working Together for Wellness, formerly the Substance Abuse Task Force.

**Tax Revaluation Reserve Fund** – To account for monies set aside for the 2004 townwide revaluation project.

**Infrastructure Replacement** – To account for monies received to be used for the replacement of the Water System Infrastructure.

**URI Septic Loan Program** – To account for a grant from URI funded by URI's EPA fine funds.

(Continued)

**TOWN OF NORTH KINGSTOWN, RHODE ISLAND**

**NON-MAJOR GOVERNMENTAL FUNDS**

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**SPECIAL REVENUE FUNDS (CONTINUED):**

***Retirement Allowance Reserve Fund*** - To account for monies set aside to pay accrued sick and vacation due upon retirement

***Health Insurance Reserve*** – To account for monies set aside to pay health insurance due upon retirement.

***Anne Ward Wallou Memorial Garden*** - An account established as bequested to the Town of North Kingstown to be used to plant and preserve a garden, in memory of Anne Ward Wallou, in Updike Park.

***Senior Citizens Center*** - To account for monies received as donations for the Senior Citizens Center

***Senior Citizens Bus Gasoline Escrow*** – To account for funds received to pay for special purpose transportation.

***Arts Council*** - To account for monies received as donations for the Arts Council.

***Senior Outreach Escrow*** - To account for donations received by the Town of North Kingstown to be used to assist elderly in need.

***Project D.A.R.E.*** - To account for donations received by the Town of North Kingstown to be used for Drug Abuse Resistance Education.

***Fireworks Donation*** – To account for money received as fireworks donations.

***Parade Committee*** – To account for donations received to aid in defraying the expense of providing the Veteran's and Memorial Day parades.

***Leisure Services Brochure*** – To account for monies received to offset the expense of printing a Leisure Services brochure.

***Community Center Maintenance*** - To account for monies received for the use of the Community Center.

***Heritage Committee*** - To account for funds raised by the Heritage Committee to be used for North Kingstown Community functions.

***Recreation Escrow*** – To account for funds collected for Recreation activities and used to pay for those activities.

***Non Civic Detail Escrow Fund*** - To account for police detail revenues and expenditures.

(Continued)

**TOWN OF NORTH KINGSTOWN, RHODE ISLAND**

**NON-MAJOR GOVERNMENTAL FUNDS**

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**SPECIAL REVENUE FUNDS (CONTINUED):**

**School Department** - Funds established to account for federal, state, and private grant monies used for the benefit of the North Kingstown School Department. The following is a list of the School funds included in this section:

Public Law 94-142	Literacy Set-Aside
Support Plan	Walmart Grant
Title III - LEP	COZ Education Exchange
Perkins Vocational Education	USDA-FFVP
Title I	New England Dairy and Food Council
RI Learn & Serve	RI Interscholastic League
Homeless Children & Youth	COZ Miscellaneous Donations
The Boston Foundation	Siemens Foundation
Medicaid	Use of Buildings
Title II	Nickelodeon
Title II D-ED Tech Model Class	Kellogg's Nucrew Program
Title IV Drug Free Schools	RIPIN
Title V	Circle of Parents
91-142 Preschool Services	Amagen Foundation
21 <sup>st</sup> Century Learning Center	Town Substance Abuse Task Force
Target Grant	Spirit Day
Student Equity New Fund	RIPIN Award #2
Language Investment	COZ Family Center
Early Childhood	ARRA IDEA Part B
Toshiba Grant	ARRA IDEA Preschool
Uniform Chart of Account	Title I ARRA
RI Council On The Arts	ARRA E2T2-MCI

**DEBT SERVICE FUNDS:**

The Debt Service Funds are used to account for the payment of interest and principal on all general long-term debt other than that payable from the Enterprise Funds.

**CAPITAL PROJECT FUNDS:**

The Capital Project Funds account for all resources used for the acquisition and/or construction of capital facilities by the Town, except those financed by the Enterprise Funds.

**Capital Reserve Fund** - To account for Town's capital projects.

**9M School Renovations Bond** - To account for bond monies used to finance improvements to School facilities.

**Farmland and Open Space Reserve** - To account for that portion of the realty conveyance fee set aside for preservation of farmland, undeveloped land, or open space.

(Continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NON-MAJOR GOVERNMENTAL FUNDS

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**CAPITAL PROJECT FUNDS (CONTINUED):**

*6M Public Facilities Plan Bond* - To account for the construction and renovations of various municipal facilities.

*School Capital Reserve Fund* - To account for school capital projects.

*4.5 M Public Safety Facilities* - To account for bond monies used to finance improvements to municipal public safety facilities.

*4M Senior Center Complex Fund* - To account for bond monies used to finance improvements to senior center facilities.

**PERMANENT FUNDS:**

Permanent funds are resources that are legally restricted to the extent that only earnings and not principal may be used for purposes that support the reporting government's programs - that is, for the benefit of the government or its citizenry.

*Henry Reynolds Indigent Care* - An account established to benefit the poor and needy of North Kingstown and is authorized to be used as required by the Welfare Director.

*Tri-Centennial Park* - To account for monies received in 1974 for upkeep of the Tri-Centennial Park and monument.

*400th Anniversary* - To account for monies set aside to be used in the year 2074 to fund North Kingstown's 400th Anniversary Celebration.

*Poor Funds* - To account for monies left in the wills of various Town citizens to be used for aid to the poor of North Kingstown. The following is a list of Poor Funds included in this section:

Henry Reynolds Outside  
John J. Spink Outside  
John B. Spink Outside  
Thomas Casey Outside

*Library Funds* - To account for the transfer of interest earned in these funds to the Library Fund to offset expenses. The following is a list of Library Funds included in this section:

Elizabeth Miller  
William D. Davis

*Veterans Memorial Scholarship* - Fund established to allow the expenditure of interest earned to be used for scholarships as determined by the North Kingstown Veterans Memorial Scholarship Committee.

(Continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

*NON-MAJOR GOVERNMENTAL FUNDS*

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**PERMANENT FUNDS (CONTINUED):**

*School Funds* - To account for monies bequested to the North Kingstown School Department to be used for various activities. The following is a list of the School Funds included in this Section:

Library  
Gardiner  
Updike  
Tennis

*Lynette Olson Memorial Fund* - Fund established to allow the expenditure of interest earned to be used for scholarships.

Town of North Kingstown, Rhode Island

F-1

Combining Balance Sheet  
Non-Major Governmental Funds  
June 30, 2010

	SPECIAL REVENUE FUNDS					
	Willet Library Fund	Champlin Foundation Fund	Davisville Library Fund	Library Fund	Juniper Hill Tank Grant	Miscellaneous State Grants
<i>Assets</i>						
Cash and cash equivalents	\$ -	\$ 74,422	\$ -	\$ 133,845	\$ 23,559	\$ -
Due from other governments						739,350
Due from other funds				32,677		
Other receivables						
<i>Total Assets</i>	-	74,422	-	166,522	23,559	739,877
<i>Liabilities</i>						
Accounts payable and accrued liabilities				52,039		
Due to other funds	48					621,716
Due to other governments						
Deferred revenue						
<i>Total Liabilities</i>	48	-	-	52,039	-	621,716
<i>Fund Balances</i>						
Capital Projects, unreserved, undesignated						
Special Revenue, unreserved, undesignated	(48)	74,422	-	114,483	23,559	118,161
Permanent Fund, unreserved, undesignated						
Debt Service, unreserved, undesignated						
<i>Total Fund Balances</i>	(48)	74,422	-	114,483	23,559	118,161
<i>Total Liabilities and Fund Balances</i>	\$ -	\$ 74,422	\$ -	\$ 166,522	\$ 23,559	\$ 739,877

(Continued)



Town of North Kingstown, Rhode Island

F-1

Combining Balance Sheet  
 Non-Major Governmental Funds  
 June 30, 2010

SPECIAL REVENUE FUNDS						
	State Elderly Affairs Grant	Land Dedication Escrow	State Council on the Arts Grant	RI Foundation Grant	Local Law Enforcement Block Grant	Technology Replacement
Cash and cash equivalents	\$ -	\$ 89,818	\$ 10,697	\$ 888	\$ 358	\$ 21,821
Due from other governments						
Due from other funds						
Other receivables						
<b>Total Assets</b>		<b>89,818</b>	<b>10,697</b>	<b>888</b>	<b>358</b>	<b>21,821</b>
Accounts payable and accrued liabilities						
Due to other funds	277					12,782
Due to other governments						
Deferred revenue						
<b>Total Liabilities</b>	<b>277</b>					<b>12,782</b>
Capital Projects, unreserved, undesignated						
Special Revenue, unreserved, undesignated	(277)	89,818	10,697	888	358	9,039
Permanent Fund, unreserved, undesignated						
Debt Service, unreserved, undesignated						
<b>Total Fund Balances</b>	<b>(277)</b>	<b>89,818</b>	<b>10,697</b>	<b>888</b>	<b>358</b>	<b>9,039</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ -</b>	<b>\$ 89,818</b>	<b>\$ 10,697</b>	<b>\$ 888</b>	<b>\$ 358</b>	<b>\$ 21,821</b>

(Continued)

Town of North Kingstown, Rhode Island

F-1

Combining Balance Sheet  
Non-Major Governmental Funds  
June 30, 2010

		SPECIAL REVENUE FUNDS					
		Miscellaneous		Senior Center		Emergency	
		Governor's	Senior	Senior Center	Impact	Medical	CDBG
		Justice	Citizens	Legislative	Fees	Services	Grants
		Commission	Grant	Grant			
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 39,762	\$ 38,964	\$ 95,439
Due from other governments							176,282
Due from other funds			1,441				
Other receivables							
<b>Total Assets</b>			1,441	-	39,762	38,964	271,721
<b>Liabilities</b>							
Accounts payable and accrued liabilities			6,966	361		6,159	
Due to other funds	91		12,266	185		32,805	102,323
Due to other governments							5,000
Deferred revenue							164,398
<b>Total Liabilities</b>	91		19,232	546	-	38,964	271,721
<b>Fund Balances</b>							
Capital Projects, unreserved, undesignated							
Special Revenue, unreserved, undesignated	(91)		(17,791)	(546)	39,762	-	-
Permanent Fund, unreserved, undesignated							
Debt Service, unreserved, undesignated							
<b>Total Fund Balances</b>	(91)		(17,791)	(546)	39,762	-	-
<b>Total Liabilities and Fund Balances</b>	\$ -	\$ 1,441	\$ -	\$ -	\$ 39,762	\$ 38,964	\$ 271,721

(Continued)

**Town of North Kingstown, Rhode Island**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2010**

SPECIAL REVENUE FUNDS							
Fire Department Legislative Grant	\$	2,627	\$	2,570	\$	1,410	\$
Special Purpose Donations			Miscellaneous Library Donations		Groundwater Education Donation		Old Library Park
Operation Drug Dog	\$	2,437	\$	7,138	\$	1,410	\$
Total Assets		8,974		2,437		7,138	2,570
Cash and cash equivalents		2,627		2,570		1,410	
Due from other governments							
Due from other funds							
Other receivables							
<b>Total Assets</b>		<b>2,627</b>		<b>2,570</b>		<b>1,410</b>	
<b>Liabilities</b>							
Accounts payable and accrued liabilities							41
Due to other funds							
Due to other governments							
Deferred revenue							
<b>Total Liabilities</b>							<b>41</b>
<b>Fund Balances</b>							
Capital Projects, unreserved, undesignated							
Special Revenue, unreserved, undesignated							8,933
Permanent Fund, unreserved, undesignated							
Debt Service, unreserved, undesignated							
<b>Total Fund Balances</b>		<b>2,627</b>		<b>2,570</b>		<b>1,410</b>	<b>8,933</b>
<b>Total Liabilities and Fund Balances</b>		<b>2,627</b>		<b>2,570</b>		<b>1,410</b>	<b>8,974</b>

(Continued)

Town of North Kingstown, Rhode Island

F-1

Combining Balance Sheet  
Non-Major Governmental Funds  
June 30, 2010

		SPECIAL REVENUE FUNDS					
		School Department Substance Abuse Donations	Tax Revaluation Fund	Infrastructure Replacement	URI Septic Loan Program	Retirement Allowance Reserve Fund	Health Insurance Reserve
<i>Assets</i>							
Cash and cash equivalents	\$	3,255	1,135	20,167	104,866	494,261	1,254,478
Due from other governments							
Due from other funds							
Other receivables			9,873				
<i>Total Assets</i>		3,255	1,135	30,040	104,866	494,261	1,254,478
<i>Liabilities</i>							
Accounts payable and accrued liabilities							
Due to other funds							
Due to other governments							
Deferred revenue							
<i>Total Liabilities</i>							
<i>Fund Balances</i>							
Capital Projects, unreserved, undesignated							
Special Revenue, unreserved, undesignated		3,255	1,135	30,040	104,866	494,261	1,254,478
Permanent Fund, unreserved, undesignated							
Debt Service, unreserved, undesignated							
<i>Total Fund Balances</i>		3,255	1,135	30,040	104,866	494,261	1,254,478
<i>Total Liabilities and Fund Balances</i>		3,255	1,135	30,040	104,866	494,261	1,254,478

(Continued)

Town of North Kingstown, Rhode Island

Combining Balance Sheet  
 Non-Major Governmental Funds  
 June 30, 2010

		SPECIAL REVENUE FUNDS						
	Ann Ward Wallou Memorial Garden	Senior Citizens Center	Senior Citizens Bus Gasoline Escrow	Arts Council	Senior Outreach Escrow	Project Dare		
<b>Assets</b>								
Cash and cash equivalents	\$ -	\$ 24,884	\$ 61	\$ 27,270	\$ 1,641	\$ 4,356		
Due from other governments								
Due from other funds		361						
Other receivables								
<b>Total Assets</b>		<u>25,245</u>	<u>61</u>	<u>27,270</u>	<u>1,641</u>	<u>4,356</u>		
<b>Liabilities</b>								
Accounts payable and accrued liabilities		2,840		5,114				
Due to other funds	901							
Due to other governments								
Deferred revenue								
<b>Total Liabilities</b>		<u>2,840</u>	<u>-</u>	<u>5,114</u>	<u>-</u>	<u>-</u>		
<b>Fund Balances</b>								
Capital Projects, unreserved, undesignated								
Special Revenue, unreserved, undesignated	(901)	22,405	61	22,156	1,641	4,356		
Permanent Fund, unreserved, undesignated								
Debt Service, unreserved, undesignated								
<b>Total Fund Balances</b>		<u>(901)</u>	<u>22,405</u>	<u>61</u>	<u>22,156</u>	<u>1,641</u>	<u>4,356</u>	
<b>Total Liabilities and Fund Balances</b>		<u>\$ -</u>	<u>\$ 25,245</u>	<u>\$ 61</u>	<u>\$ 27,270</u>	<u>\$ 1,641</u>	<u>\$ 4,356</u>	

(Continued)

Town of North Kingstown, Rhode Island

Combining Balance Sheet  
Non-Major Governmental Funds  
June 30, 2010

SPECIAL REVENUE FUNDS							
	Fireworks Donation	Parade Committee	Leisure Services Brochure	Community Center Maintenance	Heritage Committee	Recreation Escrow	
<b>Assets</b>							
Cash and cash equivalents	\$ 934	\$ 1,935	\$ 900	\$ 30,266	\$ 144	\$ 72,440	
Due from other governments							7,135
Due from other funds							
Other receivables							
<b>Total Assets</b>	<b>934</b>	<b>1,935</b>	<b>900</b>	<b>30,266</b>	<b>144</b>	<b>79,575</b>	
<b>Liabilities</b>							
Accounts payable and accrued liabilities		235		184			12,673
Due to other funds							
Due to other governments							
Deferred revenue				32,365	144		
<b>Total Liabilities</b>	<b>-</b>	<b>235</b>	<b>-</b>	<b>32,549</b>	<b>144</b>	<b>12,673</b>	
<b>Fund Balances</b>							
Capital Projects, unreserved, undesignated							
Special Revenue, unreserved, undesignated	934	1,700	900	(2,283)	-	66,902	
Permanent Fund, unreserved, undesignated							
Debt Service, unreserved, undesignated							
<b>Total Fund Balances</b>	<b>934</b>	<b>1,700</b>	<b>900</b>	<b>(2,283)</b>	<b>-</b>	<b>66,902</b>	
<b>Total Liabilities and Fund Balances</b>	<b>\$ 934</b>	<b>\$ 1,935</b>	<b>\$ 900</b>	<b>\$ 30,266</b>	<b>\$ 144</b>	<b>\$ 79,575</b>	

(Continued)

**Town of North Kingstown, Rhode Island**

**Combining Balance Sheet  
Non-Major Governmental Funds  
June 30, 2010**

SPECIAL REVENUE FUNDS							
	Non Civic Detail Escrow Fund	School Public Law 94-142	School Support Plan	School Title III LEP	Perkins Vocational Ed	School Title I	
<b>Assets</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Due from other governments	16,107	168,868	342				82,755
Due from other funds	113,085						
Other receivables	129,192	168,868	342				
<b>Total Assets</b>							<b>82,755</b>
<b>Liabilities</b>							
Accounts payable and accrued liabilities	16,107	2,508					540
Due to other funds	129,343	166,360	342				82,215
Deferred revenue							
<b>Total Liabilities</b>	<b>145,450</b>	<b>168,868</b>	<b>342</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>82,755</b>
<b>Fund Balances</b>							
Capital Projects, unreserved, undesignated							
Special Revenue, unreserved, undesignated	(16,258)	-	-	-	-	-	-
Permanent Fund, unreserved, undesignated							
Debt Service, unreserved, undesignated							
<b>Total Fund Balances</b>	<b>(16,258)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 129,192</b>	<b>\$ 168,868</b>	<b>\$ 342</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 82,755</b>

(Continued)

Town of North Kingstown, Rhode Island

Combining Balance Sheet  
Non-Major Governmental Funds  
June 30, 2010

SPECIAL REVENUE FUNDS						
	RI Learn & Serve America	Homeless Children & Youth	The Boston Foundation	Medicaid	School Title II	Title II D-ED Tech Model Class
<b>Assets</b>						
Cash and cash equivalents	\$ -	\$ -	\$ 1,022	\$ -	\$ -	\$ -
Due from other governments	5,013	4,971			29,855	
Due from other funds						
Other receivables						
<b>Total Assets</b>	<b>5,013</b>	<b>4,971</b>	<b>1,022</b>	<b>-</b>	<b>29,855</b>	<b>-</b>
<b>Liabilities</b>						
Accounts payable and accrued liabilities	373					
Due to other funds	4,640	4,971			29,855	
Due to other governments						
Deferred revenue						
<b>Total Liabilities</b>	<b>5,013</b>	<b>4,971</b>	<b>-</b>	<b>-</b>	<b>29,855</b>	<b>-</b>
<b>Fund Balances</b>						
Capital Projects, unreserved, undesignated						
Special Revenue, unreserved, undesignated			1,022			
Permanent Fund, unreserved, undesignated						
Debt Service, unreserved, undesignated						
<b>Total Fund Balances</b>	<b>-</b>	<b>-</b>	<b>1,022</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 5,013</b>	<b>\$ 4,971</b>	<b>\$ 1,022</b>	<b>\$ -</b>	<b>\$ 29,855</b>	<b>\$ -</b>

(Continued)

Town of North Kingstown, Rhode Island

Combining Balance Sheet  
Non-Major Governmental Funds  
June 30, 2010

SPECIAL REVENUE FUNDS						
	Title IV Drug Free Schools	School Title V	91-142 Preschool Services	21st Century Learning Center	Target Grant	Student Equity New Fund
\$	-	\$ -	\$ -	\$ -	\$ -	\$ 10,745
	738		6,584	55,423		
	738	-	6,584	55,423	-	10,745
	738		6,584	55,325	98	5,546
	738	-	6,584	55,423	-	5,546
	-	-	-	-	-	5,199
	-	-	-	-	-	5,199
\$	738	\$ -	6,584	55,423	\$ -	\$ 10,745

*Assets*

Cash and cash equivalents  
Due from other governments  
Due from other funds  
Other receivables  
*Total Assets*

*Liabilities*

Accounts payable and accrued liabilities  
Due to other funds  
Due to other governments  
Deferred revenue  
*Total Liabilities*

*Fund Balances*

Capital Projects, unreserved, undesignated  
Special Revenue, unreserved, undesignated  
Permanent Fund, unreserved, undesignated  
Debt Service, unreserved, undesignated  
*Total Fund Balances*

*Total Liabilities and Fund Balances*

(Continued)

Town of North Kingstown, Rhode Island

F-1

Combining Balance Sheet  
Non-Major Governmental Funds  
June 30, 2010

SPECIAL REVENUE FUNDS						
	Language Investment	Technology	Early Childhood	Toshiba Grant	Uniform Chart of Accounts	RI Council On The Arts
\$	-	\$ 4,436	\$ 14,189	\$ -	\$ -	\$ -
	-	4,436	14,189	-	-	-
	3,270	1,292	1,663			
	3,270	1,292	1,663			
	(3,270)	3,144	12,526			
	(3,270)	3,144	12,526			
\$	-	\$ 4,436	\$ 14,189	\$ -	\$ -	\$ -

*Assets*

Cash and cash equivalents  
Due from other governments  
Due from other funds  
Other receivables  
*Total Assets*

*Liabilities*

Accounts payable and accrued liabilities  
Due to other funds  
Due to other governments  
Deferred revenue  
*Total Liabilities*

*Fund Balances*

Capital Projects, unreserved, undesignated  
Special Revenue, unreserved, undesignated  
Permanent Fund, unreserved, undesignated  
Debt Service, unreserved, undesignated  
*Total Fund Balances*

*Total Liabilities and Fund Balances*

(Continued)

Town of North Kingstown, Rhode Island

Combining Balance Sheet  
Non-Major Governmental Funds  
June 30, 2010

		SPECIAL REVENUE FUNDS					
	COZ Family Center	School Literacy Set-Aside	Walmart Grant	COZ Education Exchange	USDA-FFVP	New England Dairy and Food Council	
<i>Assets</i>							
Cash and cash equivalents	\$ -	\$ -	\$ 150	\$ -	\$ -	\$ 2,000	
Due from other governments	5,178	2,072					
Due from other funds							
Other receivables							
<i>Total Assets</i>	<u>5,178</u>	<u>2,072</u>	<u>150</u>	<u>-</u>	<u>-</u>	<u>2,000</u>	
<i>Liabilities</i>							
Accounts payable and accrued liabilities	5,178						
Due to other funds							
Due to other governments							
Deferred revenue							
<i>Total Liabilities</i>	<u>5,178</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
<i>Fund Balances</i>							
Capital Projects, unreserved, undesignated							
Special Revenue, unreserved, undesignated	-	2,072	150	-	-	2,000	
Permanent Fund, unreserved, undesignated							
Debt Service, unreserved, undesignated							
<i>Total Fund Balances</i>	<u>-</u>	<u>2,072</u>	<u>150</u>	<u>-</u>	<u>-</u>	<u>2,000</u>	
<i>Total Liabilities and Fund Balances</i>	<u>\$ 5,178</u>	<u>\$ 2,072</u>	<u>\$ 150</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,000</u>	

(Continued)

**Town of North Kingstown, Rhode Island**

**Combining Balance Sheet  
Non-Major Governmental Funds  
June 30, 2010**

		SPECIAL REVENUE FUNDS					
		RI Interscholastic League	School COZ Miscellaneous Donations	Siemens Foundation	Use of Buildings	Nickelodeon	Kellogg's Nucruw Program
<i>Assets</i>							
Cash and cash equivalents	\$	3,045	3,201	1,000	-	1,535	-
Due from other governments					17,425		
Due from other funds							
Other receivables							
<i>Total Assets</i>		<u>3,045</u>	<u>3,201</u>	<u>1,000</u>	<u>17,425</u>	<u>1,535</u>	<u>-</u>
<i>Liabilities</i>							
Accounts payable and accrued liabilities							
Due to other funds					17,425		
Due to other governments							
Deferred revenue							
<i>Total Liabilities</i>		<u>-</u>	<u>-</u>	<u>-</u>	<u>17,425</u>	<u>-</u>	<u>-</u>
<i>Fund Balances</i>							
Capital Projects, unreserved, undesignated							
Special Revenue, unreserved, undesignated		3,045	3,201	1,000	-	1,535	-
Permanent Fund, unreserved, undesignated							
Debt Service, unreserved, undesignated							
<i>Total Fund Balances</i>		<u>3,045</u>	<u>3,201</u>	<u>1,000</u>	<u>-</u>	<u>1,535</u>	<u>-</u>
<i>Total Liabilities and Fund Balances</i>	\$	<u>3,045</u>	<u>3,201</u>	<u>1,000</u>	<u>17,425</u>	<u>1,535</u>	<u>-</u>

(Continued)

**Town of North Kingstown, Rhode Island**

**Combining Balance Sheet  
Non-Major Governmental Funds  
June 30, 2010**

SPECIAL REVENUE FUNDS						
	RIPIN	Circle of Parents	Amagen Foundation	Town Substance Abuse Task Force	Spirit Day	RIPIN Award #2
<i>Assets</i>						
Cash and cash equivalents	\$ -	\$ -	\$ 166	\$ -	\$ 1,681	\$ -
Due from other governments				7,463		
Due from other funds						
Other receivables						
<i>Total Assets</i>	-	-	166	7,463	1,681	-
<i>Liabilities</i>						
Accounts payable and accrued liabilities				377		
Due to other funds				7,086		
Due to other governments						
Deferred revenue						
<i>Total Liabilities</i>	-	-	-	7,463	-	-
<i>Fund Balances</i>						
Capital Projects, unreserved, undesignated						
Special Revenue, unreserved, undesignated			166		1,681	
Permanent Fund, unreserved, undesignated						
Debt Service, unreserved, undesignated						
<i>Total Fund Balances</i>	-	-	166	-	1,681	-
<i>Total Liabilities and Fund Balances</i>	\$ -	\$ -	\$ 166	\$ 7,463	\$ 1,681	\$ -

(Continued)

Town of North Kingstown, Rhode Island

Combining Balance Sheet  
Non-Major Governmental Funds  
June 30, 2010

	SPECIAL REVENUE FUNDS				DEBT SERVICE	CAPITAL PROJECT
ARRA IDEA Part B	ARRA IDEA Preschool	TITLE I ARRA	ARRA E2T2-MCI	FY 2005 Refunding	Capital Reserve	
\$ -	\$ -	\$ -	\$ -	\$ 26,519	\$ 1,364,296	
84,119	161	22,350				
<b>84,119</b>	<b>161</b>	<b>22,350</b>	<b>-</b>	<b>26,519</b>	<b>1,364,296</b>	
603				7,583	48,082	
83,516	161	22,350				
<b>84,119</b>	<b>161</b>	<b>22,350</b>	<b>-</b>	<b>7,583</b>	<b>48,082</b>	
-	-	-	-	18,936	1,316,214	
-	-	-	-	18,936	1,316,214	
<b>84,119</b>	<b>161</b>	<b>22,350</b>	<b>-</b>	<b>26,519</b>	<b>1,364,296</b>	

*Assets*

Cash and cash equivalents  
Due from other governments  
Due from other funds  
Other receivables  
*Total Assets*

*Liabilities*

Accounts payable and accrued liabilities  
Due to other funds  
Due to other governments  
Deferred revenue  
*Total Liabilities*

*Fund Balances*

Capital Projects, unreserved, undesignated  
Special Revenue, unreserved, undesignated  
Permanent Fund, unreserved, undesignated  
Debt Service, unreserved, undesignated  
*Total Fund Balances*

*Total Liabilities and Fund Balances*

(Continued)

Town of North Kingstown, Rhode Island

F-1

Combining Balance Sheet  
Non-Major Governmental Funds  
June 30, 2010

		CAPITAL PROJECT FUNDS					
		9M School Renovations Bond	Farmland & Open Space Reserve	6M Public Facilities Plan Bond	School Capital Reserve Fund	4.5M Public Safety Facilities	4M Farmland Open Space Fund
<i>Assets</i>							
Cash and cash equivalents	\$	72,085	597,210	372,727	618,056	57,556	387,382
Due from other governments							
Due from other funds							
Other receivables							
<i>Total Assets</i>		72,085	597,210	372,727	618,056	57,556	387,382
<i>Liabilities</i>							
Accounts payable and accrued liabilities			1,751		261,810		
Due to other funds							
Due to other governments							
Deferred revenue							
<i>Total Liabilities</i>		-	1,751	-	261,810	-	-
<i>Fund Balances</i>							
Capital Projects, unreserved, undesignated							
Special Revenue, unreserved, undesignated		72,085	595,459	372,727	356,246	57,556	387,382
Permanent Fund, unreserved, undesignated							
Debt Service, unreserved, undesignated							
<i>Total Fund Balances</i>		72,085	595,459	372,727	356,246	57,556	387,382
<i>Total Liabilities and Fund Balances</i>	\$	72,085	597,210	372,727	618,056	57,556	387,382

(Continued)

Town of North Kingstown, Rhode Island

Combining Balance Sheet  
Non-Major Governmental Funds  
June 30, 2010

		PERMANENT FUNDS				
	Henry Reynolds Indigent Care	Tri-Centennial Park	400th Anniversary	Henry Reynolds Outside Poor Fund	John J. Spink Outside Poor Fund	John B. Spink Outside Poor Fund
\$	18,821	\$ 6,107	\$ 3,596	\$ 2,183	\$ 21,049	\$ 5,262
	<u>18,821</u>	<u>6,107</u>	<u>3,596</u>	<u>2,183</u>	<u>21,049</u>	<u>5,262</u>
<i>Assets</i>						
	Cash and cash equivalents					
	Due from other governments					
	Due from other funds					
	Other receivables					
	<i>Total Assets</i>					
<i>Liabilities</i>						
	Accounts payable and accrued liabilities					
	Due to other funds					
	Due to other governments					
	Deferred revenue					
	<i>Total Liabilities</i>					
<i>Fund Balances</i>						
	Capital Projects, unreserved, undesignated					
	Special Revenue, unreserved, undesignated					
	Permanent Fund, unreserved, undesignated					
	Debt Service, unreserved, undesignated					
	<i>Total Fund Balances</i>					
\$	18,821	\$ 6,107	\$ 3,596	\$ 2,183	\$ 21,049	\$ 5,262
	<u>18,821</u>	<u>6,107</u>	<u>3,596</u>	<u>2,183</u>	<u>21,049</u>	<u>5,262</u>
\$	18,821	\$ 6,107	\$ 3,596	\$ 2,183	\$ 21,049	\$ 5,262

(Continued)

**Town of North Kingstown, Rhode Island**

**Combining Balance Sheet  
Non-Major Governmental Funds  
June 30, 2010**

		PERMANENT FUNDS				
	Thomas Casey Outside Poor Fund	Elizabeth Miller Library Fund	William D. Davis Library Fund	Veterans Memorial Scholarship	Hendrick Library Fund	Gardiner Fund
<b>\$</b>	2,183 \$	2,004 \$	5,009 \$	6,880 \$	8,681 \$	5,738
	<u>2,183</u>	<u>2,004</u>	<u>5,009</u>	<u>6,880</u>	<u>8,681</u>	<u>5,738</u>
<b>Assets</b>						
	Cash and cash equivalents					
	Due from other governments					
	Due from other funds					
	Other receivables					
	<i>Total Assets</i>					
<b>Liabilities</b>						
	Accounts payable and accrued liabilities					
	Due to other funds					
	Due to other governments					
	Deferred revenue					
	<i>Total Liabilities</i>					
<b>Fund Balances</b>						
	Capital Projects, unreserved, undesignated					
	Special Revenue, unreserved, undesignated					
	Permanent Fund, unreserved, undesignated					
	Debt Service, unreserved, undesignated					
	<i>Total Fund Balances</i>					
<b>\$</b>	2,183 \$	2,004 \$	5,009 \$	6,880 \$	8,681 \$	5,738
	<u>2,183</u>	<u>2,004</u>	<u>5,009</u>	<u>6,880</u>	<u>8,681</u>	<u>5,738</u>

(Continued)

**Town of North Kingstown, Rhode Island**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2010**

PERMANENT FUNDS				
	Uptike Fund	Tennis Fund	Lynette Olson Memorial Fund	Grand Totals
<b>Assets</b>				
Cash and cash equivalents	\$ 4,195	\$ 268	\$ 5,340	\$ 6,445,951
Due from other governments				1,406,877
Due from other funds				60,912
Other receivables				123,485
<i>Total Assets</i>	<u>4,195</u>	<u>268</u>	<u>5,340</u>	<u>8,037,225</u>
<b>Liabilities</b>				
Accounts payable and accrued liabilities				212,644
Due to other funds				1,659,554
Due to other governments				5,000
Deferred revenue				196,907
<i>Total Liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,074,105</u>
<b>Fund Balances</b>				
Capital Projects, unreserved, undesignated				3,157,669
Special Revenue, unreserved, undesignated				2,689,199
Permanent Fund, unreserved, undesignated	4,195	268	5,340	97,316
Debt Service, unreserved, undesignated				18,936
<i>Total Fund Balances</i>	<u>4,195</u>	<u>268</u>	<u>5,340</u>	<u>5,963,120</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 4,195</u>	<u>\$ 268</u>	<u>\$ 5,340</u>	<u>\$ 8,037,225</u>

(Concluded)

Town of North Kingstown, Rhode Island

Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Non-Major Governmental Funds  
Year Ended June 30, 2010

	SPECIAL REVENUE FUNDS					
	Willet Library Fund	Champlin Foundation Fund	Davisville Library Fund	Library Fund	Juniper Hill Tank Grant	Miscellaneous State Grants
Revenues						
Interest and investment income	\$ -	\$ 178	\$ -	\$ -	\$ -	\$ -
Intergovernmental	35,111	67,500	17,545	211,362	23,559	337,492
Departmental				41,512		
Other						
<b>Total Revenues</b>	<b>35,111</b>	<b>67,678</b>	<b>17,545</b>	<b>252,874</b>	<b>23,559</b>	<b>337,492</b>
Expenditures						
General government		3,506				834,930
Public safety						
Public works						
Per trust agreements						
Education						
Public libraries	36,461		21,927	1,331,601		
Senior services						
Capital and special appropriations						
Debt service:						
Debt principal						
Debt interest						
<b>Total Expenditures</b>	<b>36,461</b>	<b>3,506</b>	<b>21,927</b>	<b>1,331,601</b>	<b>-</b>	<b>834,930</b>
<i>Excess of revenues over expenditures before transfers</i>	<i>(1,350)</i>	<i>64,172</i>	<i>(4,382)</i>	<i>(1,078,727)</i>	<i>23,559</i>	<i>(497,438)</i>
Other Financing Sources (Uses)						
Proceeds from bond issuance						
Transfers in				1,124,589		
Transfers out				(15,000)		(78,769)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,109,589</b>	<b>-</b>	<b>(78,769)</b>
Excess of revenues and expenditures	(1,350)	64,172	(4,382)	30,862	23,559	(576,207)
Fund balance, beginning of year	1,302	10,250	4,382	83,621	-	694,368
Fund balance, end of year	<b>(48)</b>	<b>74,422</b>	<b>-</b>	<b>114,483</b>	<b>23,559</b>	<b>118,161</b>

(Continued)

Town of North Kingstown, Rhode Island

Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
 Non-Major Governmental Funds  
 Year Ended June 30, 2010

		SPECIAL REVENUE FUNDS					
	State Grants - Police Department	Seized and Forfeited Property Escrow	Beachwood House Senior Center Equipment Escrow	RIDEM Potowomut Pond Clean-up	RI Emergency Management	Town Municipal Court	
Revenues							
Interest and investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Intergovernmental Departmental	5,984				225,883	215,722	
Other		1,263					
<b>Total Revenues</b>	<b>5,984</b>	<b>1,263</b>	<b>-</b>	<b>-</b>	<b>225,883</b>	<b>215,722</b>	
Expenditures							
General government		1,178				86,781	
Public safety	4,846				131,880		
Public works							
Per trust agreements							
Education							
Public libraries							
Senior services							
Capital and special appropriations							
Debt service:							
Debt principal							
Debt interest							
<b>Total Expenditures</b>	<b>4,846</b>	<b>1,178</b>	<b>-</b>	<b>-</b>	<b>131,880</b>	<b>86,781</b>	
<i>Excess of revenues over expenditures before transfers</i>	<b>1,138</b>	<b>85</b>	<b>-</b>	<b>-</b>	<b>94,003</b>	<b>128,941</b>	
Other Financing Sources (Uses)							
Proceeds from bond issuance							
Transfers in							
Transfers out							
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
Excess of revenues and expenditures	<b>1,138</b>	<b>85</b>	<b>-</b>	<b>-</b>	<b>94,003</b>	<b>128,941</b>	
Fund balance, beginning of year	<b>6,592</b>	<b>15,352</b>	<b>709</b>	<b>4,500</b>	<b>(72,789)</b>	<b>-</b>	
Fund balance, end of year	<b>\$ 7,730</b>	<b>\$ 15,437</b>	<b>\$ 709</b>	<b>\$ 4,500</b>	<b>\$ 21,214</b>	<b>\$ 128,941</b>	

(Continued)

Town of North Kingstown, Rhode Island

Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
 Non-Major Governmental Funds  
 Year Ended June 30, 2010

	SPECIAL REVENUE FUNDS					
	State Elderly Affairs Grant	Land Dedication Escrow	State Council on the Arts Grant	RI Foundation Grant	Local Law Enforcement Block Grant	Technology Replacement
Revenues						
Interest and investment income	\$ -	\$ 396	\$ -	\$ -	\$ -	\$ -
Intergovernmental	9,234					
Departmental						
Other						
<b>Total Revenues</b>	<b>9,234</b>	<b>396</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23,963</b>
Expenditures						
General government				1,818		14,924
Public safety						
Public works						
Per trust agreements						
Education						
Public libraries						
Senior services	9,511					
Capital and special appropriations						
Debt service:						
Debt principal						
Debt interest						
<b>Total Expenditures</b>	<b>9,511</b>	<b>-</b>	<b>-</b>	<b>1,818</b>	<b>-</b>	<b>14,924</b>
<i>Excess of revenues over expenditures before transfers</i>	(277)	396	-	(1,818)	-	9,039
Other Financing Sources (Uses)						
Proceeds from bond issuance						
Transfers in						
Transfers out						
<b>Total Other Financing Sources (Uses)</b>	<b>(277)</b>	<b>396</b>	<b>-</b>	<b>(1,818)</b>	<b>-</b>	<b>9,039</b>
Excess of revenues and expenditures						
Fund balance, beginning of year		89,422	10,697	2,706	358	-
Fund balance, end of year	(277)	89,818	10,697	888	358	9,039

(Continued)

Town of North Kingstown, Rhode Island

Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
 Non-Major Governmental Funds  
 Year Ended June 30, 2010

	SPECIAL REVENUE FUNDS					
	Governor's Justice Commission	Miscellaneous Senior Citizens Grant	Senior Center Legislative Grant	Impact Fees	Emergency Medical Services	CDBG Grants
Revenues						
Interest and investment income	\$ -	\$ -	\$ -	\$ 124	\$ 1,545	\$ -
Intergovernmental		35,109	1,500	39,638	630,544	99,397
Departmental					659	
Other						
<b>Total Revenues</b>	<b>-</b>	<b>35,109</b>	<b>1,500</b>	<b>39,762</b>	<b>632,748</b>	<b>99,397</b>
Expenditures						
General government					33,363	99,397
Public safety						
Public works						
Per trust agreements						
Education						
Public libraries						
Senior services		61,278	2,068			
Capital and special appropriations						
Debt service:						
Debt principal						
Debt interest						
<b>Total Expenditures</b>	<b>-</b>	<b>61,278</b>	<b>2,068</b>	<b>-</b>	<b>33,363</b>	<b>99,397</b>
<i>Excess of revenues over expenditures before transfers</i>	-	(26,169)	(568)	39,762	599,385	-
Other Financing Sources (Uses)						
Proceeds from bond issuance						
Transfers in						
Transfers out				(84,524)	(599,385)	
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(84,524)</b>	<b>(599,385)</b>	<b>-</b>
Excess of revenues and expenditures	-	(26,169)	(568)	(44,762)	-	-
Fund balance, beginning of year	(91)	8,378	22	84,524	-	-
<b>Fund balance, end of year</b>	<b>(91)</b>	<b>(17,791)</b>	<b>(546)</b>	<b>39,762</b>	<b>-</b>	<b>-</b>

(Continued)

Town of North Kingstown, Rhode Island

Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
 Non-Major Governmental Funds  
 Year Ended June 30, 2010

		SPECIAL REVENUE FUNDS					
		Fire Department Legislative Grant	Old Library Park	Groundwater Education Donation	Miscellaneous Library Donations	Operation Drug Dog	Special Purpose Donations
Revenues							
Interest and investment income		\$ 11	\$ 11	\$ -	\$ 33	\$ -	\$ -
Intergovernmental				1,250			
Departmental					3,365		
Other					430		2,475
<b>Total Revenues</b>		<b>11</b>	<b>11</b>	<b>1,250</b>	<b>3,828</b>	<b>-</b>	<b>2,475</b>
Expenditures							
General government							10,337
Public safety							
Public works							
Per trust agreements							
Education							
Public libraries					4,462		
Senior services							
Capital and special appropriations							
Debt service:							
Debt principal							
Debt interest							
<b>Total Expenditures</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>4,462</b>	<b>-</b>	<b>10,337</b>
<i>Excess of revenues over expenditures before transfers</i>			11	1,250	(634)	-	(7,862)
Other Financing Sources (Uses)							
Proceeds from bond issuance							
Transfers in							
Transfers out							
<b>Total Other Financing Sources (Uses)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess of revenues and expenditures		-	11	1,250	(634)	-	(7,862)
Fund balance, beginning of year		2,627	2,559	160	7,772	2,437	16,795
Fund balance, end of year		<b>\$ 2,627</b>	<b>\$ 2,570</b>	<b>\$ 1,410</b>	<b>\$ 7,138</b>	<b>\$ 2,437</b>	<b>\$ 8,933</b>

(Continued)

Town of North Kingstown, Rhode Island

Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
 Non-Major Governmental Funds  
 Year Ended June 30, 2010

	SPECIAL REVENUE FUNDS					
	School Department Substance Abuse Donations	Tax Revaluation Reserve Fund	Infrastructure Replacement	URI Septic Loan Program	Retirement Allowance Reserve Fund	Health Insurance Reserve
Revenues						
Interest and investment income	\$ -	\$ 559	\$ 495	\$ -	\$ 2,236	\$ 4,764
Intergovernmental		5	190,616			
Departmental						
Other						
<b>Total Revenues</b>	<b>\$ -</b>	<b>\$ 5</b>	<b>\$ 191,175</b>	<b>\$ 495</b>	<b>\$ 2,236</b>	<b>\$ 4,764</b>
Expenditures						
General government			17,039			
Public safety						
Public works				7,500	421,985	
Per trust agreements						
Education						
Public libraries						
Senior services						
Capital and special appropriations						
Debt service:						
Debt principal						
Debt interest						
<b>Total Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 17,039</b>	<b>\$ 7,500</b>	<b>\$ 421,985</b>	<b>\$ -</b>
<i>Excess of revenues over expenditures before transfers</i>						
	\$ -	\$ 5	\$ 174,136	\$ (7,005)	\$ (419,749)	\$ 4,764
Other Financing Sources (Uses)						
Proceeds from bond issuance						
Transfers in					15,000	
Transfers out			(196,737)			
<b>Total Other Financing Sources (Uses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (196,737)</b>	<b>\$ -</b>	<b>\$ 15,000</b>	<b>\$ -</b>
Excess of revenues and expenditures						
	\$ -	\$ 5	\$ (22,601)	\$ (7,005)	\$ (404,749)	\$ 4,764
Fund balance, beginning of year	3,255	1,130	52,641	111,871	899,010	1,249,714
Fund balance, end of year	\$ 3,255	\$ 1,135	\$ 30,040	\$ 104,866	\$ 494,261	\$ 1,254,478

(Continued)

Town of North Kingstown, Rhode Island

Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
 Non-Major Governmental Funds  
 Year Ended June 30, 2010

	SPECIAL REVENUE FUNDS						
	Ann Ward Wallou Memorial Garden	Senior Citizens Center	Senior Citizens Bus Gasoline Escrow	Arts Council	Senior Outreach Escrow	Project Dare	
Revenues							
Interest and investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental							
Departmental							
Other		76,279		35,761	400	470	470
<b>Total Revenues</b>	<b>-</b>	<b>76,279</b>	<b>-</b>	<b>35,761</b>	<b>400</b>	<b>470</b>	<b>470</b>
Expenditures							
General government				32,567			393
Public safety							
Public works							
Per trust agreements							
Education							
Public libraries							
Senior services		70,651			1,027		
Capital and special appropriations							
Debt service:							
Debt principal							
Debt interest							
<b>Total Expenditures</b>	<b>-</b>	<b>70,651</b>	<b>-</b>	<b>32,567</b>	<b>1,027</b>	<b>393</b>	<b>393</b>
<i>Excess of revenues over expenditures before transfers</i>							
	-	5,628	-	3,194	(627)	77	77
Other Financing Sources (Uses)							
Proceeds from bond issuance							
Transfers in							
Transfers out							
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess of revenues and expenditures		5,628	-	3,194	(627)	77	77
Fund balance, beginning of year	(901)	16,777	61	18,962	2,268	4,279	4,279
Fund balance, end of year	\$ (901)	\$ 22,405	\$ 61	\$ 22,156	\$ 1,641	\$ 4,356	\$ 4,356

(Continued)

Town of North Kingstown, Rhode Island

Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
 Non-Major Governmental Funds  
 Year Ended June 30, 2010

	SPECIAL REVENUE FUNDS					
	Fireworks Donation	Parade Committee	Leisure Services Brochure	Community Center Maintenance	Heritage Committee	Recreation Escrow
Revenues						
Interest and investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental						
Departmental						
Other		1,275				245,547
<b>Total Revenues</b>		<b>1,275</b>				<b>245,547</b>
Expenditures						
General government		1,135		142		221,940
Public safety						
Public works						
Per trust agreements						
Education						
Public libraries						
Senior services						
Capital and special appropriations						
Debt service:						
Debt principal						
Debt interest						
<b>Total Expenditures</b>		<b>1,135</b>		<b>142</b>		<b>221,940</b>
<i>Excess of revenues over expenditures before transfers</i>		140		(142)		23,607
Other Financing Sources (Uses)						
Proceeds from bond issuance						
Transfers in						
Transfers out						
<b>Total Other Financing Sources (Uses)</b>						
Excess of revenues and expenditures		140		(142)		23,607
Fund balance, beginning of year	934	1,560	900	(2,141)		43,295
Fund balance, end of year	\$ 934	\$ 1,700	\$ 900	\$ (2,283)	\$ -	\$ 66,902

(Continued)

Town of North Kingstown, Rhode Island

Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
 Non-Major Governmental Funds  
 Year Ended June 30, 2010

	SPECIAL REVENUE FUNDS						
	Non Civic Detail Escrow Fund	School Public Law 94-142	School Support Plan	School Title III LEP	School Perkins Vocational Ed	School Title I	
Revenues							
Interest and investment income	\$ -	\$ -					
Intergovernmental	330,823	962,187	342	9,187			418,777
Departmental							
Other							
<b>Total Revenues</b>	<b>330,823</b>	<b>962,187</b>	<b>342</b>	<b>9,187</b>	<b>-</b>	<b>-</b>	<b>418,777</b>
Expenditures							
General government	174,295						
Public safety							
Public works							
Per trust agreements							
Education		962,187	342	9,187			418,777
Public libraries							
Senior services							
Capital and special appropriations							
Debt service:							
Debt principal							
Debt interest							
<b>Total Expenditures</b>	<b>174,295</b>	<b>962,187</b>	<b>342</b>	<b>9,187</b>	<b>-</b>	<b>-</b>	<b>418,777</b>
<i>Excess of revenues over expenditures before transfers</i>	156,528	-	-	-	-	-	-
Other Financing Sources (Uses)							
Proceeds from bond issuance							
Transfers in							
Transfers out	(172,786)						
<b>Total Other Financing Sources (Uses)</b>	<b>(172,786)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess of revenues and expenditures	(16,258)	-	-	-	-	-	-
Fund balance, beginning of year	-	-	-	-	-	-	-
Fund balance, end of year	\$ (16,258)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(Continued)

**Town of North Kingstown, Rhode Island**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Non-Major Governmental Funds  
Year Ended June 30, 2010**

		SPECIAL REVENUE FUNDS					
		RI Learn & Serve America	Homeless Children & Youth	Boston Foundation	School Medicaid	School Title II	Title II D-ED Tech Model Class
Revenues							
Interest and investment income	\$	-	-	-	-	-	-
Intergovernmental		7,659	55,718	5,000		216,764	39,600
Departmental							
Other							
<i>Total Revenues</i>		<u>7,659</u>	<u>55,718</u>	<u>5,000</u>	<u>-</u>	<u>216,764</u>	<u>39,600</u>
Expenditures							
General government							
Public safety							
Public works							
Per trust agreements							
Education		7,659	55,718			216,764	39,600
Public libraries							
Senior services							
Capital and special appropriations				3,978			
Debt service:							
Debt principal							
Debt interest							
<i>Total Expenditures</i>		<u>7,659</u>	<u>55,718</u>	<u>3,978</u>	<u>-</u>	<u>216,764</u>	<u>39,600</u>
<i>Excess of revenues over expenditures before transfers</i>		-	-	1,022	-	-	-
Other Financing Sources (Uses)							
Proceeds from bond issuance							
Transfers in							
Transfers out							
<i>Total Other Financing Sources (Uses)</i>		-	-	-	-	-	-
Excess of revenues and expenditures		-	-	1,022	-	-	-
Fund balance, beginning of year		-	-	-	-	-	-
Fund balance, end of year	\$	-	-	1,022	-	-	-

(Continued)

Town of North Kingstown, Rhode Island

Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
 Non-Major Governmental Funds  
 Year Ended June 30, 2010

	SPECIAL REVENUE FUNDS					Student Equity New Fund
	Title IV Drug Free Schools	School Title V	91-142 Preschool Services	21st Century Learning Center	Target Grant	
Revenues						
Interest and investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental Departmental	18,656		28,034	220,348		629,309
Other						
<b>Total Revenues</b>	<b>18,656</b>	<b>-</b>	<b>28,034</b>	<b>220,348</b>	<b>-</b>	<b>629,309</b>
Expenditures						
General government						
Public safety						
Public works						
Per trust agreements						
Education	18,656		28,034	220,348		624,110
Public libraries						
Senior services						
Capital and special appropriations						
Debt service:						
Debt principal						
Debt interest						
<b>Total Expenditures</b>	<b>18,656</b>	<b>-</b>	<b>28,034</b>	<b>220,348</b>	<b>-</b>	<b>624,110</b>
<i>Excess of revenues over expenditures before transfers</i>	-	-	-	-	-	5,199
Other Financing Sources (Uses)						
Proceeds from bond issuance						
Transfers in						
Transfers out						
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess of revenues and expenditures	-	-	-	-	-	5,199
Fund balance, beginning of year	-	-	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,199

(Continued)

Town of North Kingstown, Rhode Island

Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
 Non-Major Governmental Funds  
 Year Ended June 30, 2010

	SPECIAL REVENUE FUNDS					
	Language Investment	Technology	Early Childhood	Toshiba Grant	Uniform Chart of Accounts	RI Council On The Arts
Revenues						
Interest and investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental Departmental	42,611	98,889	188,546	-	-	400
Other						
<b>Total Revenues</b>	<b>42,611</b>	<b>98,889</b>	<b>188,546</b>	<b>-</b>	<b>-</b>	<b>400</b>
Expenditures						
General government					8,750	400
Public safety						
Public works						
Per trust agreements						
Education	45,881	95,745	176,020			
Public libraries						
Senior services						
Capital and special appropriations						
Debt service:						
Debt principal						
Debt interest						
<b>Total Expenditures</b>	<b>45,881</b>	<b>95,745</b>	<b>176,020</b>	<b>-</b>	<b>8,750</b>	<b>400</b>
<b>Excess of revenues over expenditures before transfers</b>	<b>(3,270)</b>	<b>3,144</b>	<b>12,526</b>	<b>-</b>	<b>(8,750)</b>	<b>-</b>
Other Financing Sources (Uses)						
Proceeds from bond issuance						
Transfers in						
Transfers out						
<b>Total Other Financing Sources (Uses)</b>	<b>(3,270)</b>	<b>3,144</b>	<b>12,526</b>	<b>-</b>	<b>(8,750)</b>	<b>-</b>
Excess of revenues and expenditures						
Fund balance, beginning of year						
Fund balance, end of year	\$ (3,270)	\$ 3,144	\$ 12,526	\$ -	\$ -	\$ -

(Continued)

Town of North Kingstown, Rhode Island

Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
 Non-Major Governmental Funds  
 Year Ended June 30, 2010

		SPECIAL REVENUE FUNDS					
	COZ Family Center	School Literacy Set-Aside	Walmart Grant	COZ Education Exchange	USDA-FFVP	New England Dairy and Food Council	
Revenues							
Interest and investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Intergovernmental	15,346	289,122			9,999		
Departmental							
Other							
<i>Total Revenues</i>	15,346	289,122	-	-	9,999	-	
Expenditures							
General government							
Public safety							
Public works							
Per trust agreements							
Education	15,346	287,050			9,999		
Public libraries							
Senior services							
Capital and special appropriations							
Debt service:							
Debt principal							
Debt interest		2,072					
<i>Total Expenditures</i>	15,346	287,050	-	-	9,999	-	
<i>Excess of revenues over expenditures before transfers</i>	-	2,072	-	-	-	-	
Other Financing Sources (Uses)							
Proceeds from bond issuance							
Transfers in							
Transfers out							
<i>Total Other Financing Sources (Uses)</i>	-	-	-	-	-	-	
Excess of revenues and expenditures	-	2,072	-	-	-	-	
Fund balance, beginning of year	-	-	150	-	-	2,000	
Fund balance, end of year	\$ -	\$ 2,072	\$ 150	\$ -	\$ -	\$ 2,000	

(Continued)

Town of North Kingstown, Rhode Island

Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
 Non-Major Governmental Funds  
 Year Ended June 30, 2010

	SPECIAL REVENUE FUNDS						
	RI Interscholastic League	School COZ Miscellaneous Donations	Siemens Foundation	Use of Buildings	Nickelodeon	Kellogg's Nucrew Program	
Revenues							
Interest and investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Intergovernmental	3,582	2,662		78,066			
Departmental							
Other			1,000				
<b>Total Revenues</b>	<b>3,582</b>	<b>2,662</b>	<b>1,000</b>	<b>78,066</b>			
Expenditures							
General government							
Public safety							
Public works							
Per trust agreements							
Education	2,641	1,156					
Public libraries							
Senior services							
Capital and special appropriations				78,066			
Debt service:							
Debt principal							
Debt interest							
<b>Total Expenditures</b>	<b>2,641</b>	<b>1,156</b>		<b>78,066</b>			
<i>Excess of revenues over expenditures before transfers</i>	941	1,506	1,000	-	-	-	
Other Financing Sources (Uses)							
Proceeds from bond issuance							
Transfers in							
Transfers out							
<b>Total Other Financing Sources (Uses)</b>							
Excess of revenues and expenditures	941	1,506	1,000	-	-	-	
Fund balance, beginning of year	2,104	1,695	-	-	1,535	-	
Fund balance, end of year	\$ 3,045	\$ 3,201	\$ 1,000	\$ -	\$ 1,535	\$ -	

(Continued)

Town of North Kingstown, Rhode Island

Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
 Non-Major Governmental Funds  
 Year Ended June 30, 2010

	SPECIAL REVENUE FUNDS						
	RIPIN	Circle of Parents	Amagen Foundation	School RI Parent Info Network	Spirit Day	RIPIN Award #2	
Revenues							
Interest and investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	5,314			29,853	988		3,299
Departmental							
Other							
<i>Total Revenues</i>	5,314	-	-	29,853	988		3,299
Expenditures							
General government			4,834				
Public safety							
Public works							
Per trust agreements							
Education	5,314			29,853	1,759		3,299
Public libraries							
Senior services							
Capital and special appropriations							
Debt service:							
Debt principal							
Debt interest							
<i>Total Expenditures</i>	5,314	-	4,834	29,853	1,759		3,299
<i>Excess of revenues over expenditures before transfers</i>	-	-	(4,834)	-	(771)	-	-
Other Financing Sources (Uses)							
Proceeds from bond issuance							
Transfers in							
Transfers out							
<i>Total Other Financing Sources (Uses)</i>	-	-	-	-	-	-	-
Excess of revenues and expenditures	-	-	(4,834)	-	(771)	-	-
Fund balance, beginning of year	-	-	5,000	-	2,452	-	-
Fund balance, end of year	\$ -	\$ -	\$ 166	\$ -	\$ 1,681	\$ -	\$ -

(Continued)

Town of North Kingstown, Rhode Island

Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
 Non-Major Governmental Funds  
 Year Ended June 30, 2010

	SPECIAL REVENUE FUNDS			DEBT SERVICE	CAPITAL PROJECT	
	ARRA IDEA Part B	ARRA IDEA Preschool	TITLE I ARRA	ARRA E2T2-MCI	FY 2005 Refunding	Capital Reserve
Revenues						
Interest and investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,677
Intergovernmental	762,347	3,142	167,196	6,600		
Departmental						
Other					72,122	
<i>Total Revenues</i>	<u>762,347</u>	<u>3,142</u>	<u>167,196</u>	<u>6,600</u>	<u>72,122</u>	<u>4,677</u>
Expenditures						
General government					68,170	
Public safety						
Public works						
Per trust agreements						
Education	762,347	3,142	167,196	6,600		
Public libraries						
Senior services						
Capital and special appropriations						691,877
Debt service:						
Debt principal						
Debt interest						
<i>Total Expenditures</i>	<u>762,347</u>	<u>3,142</u>	<u>167,196</u>	<u>6,600</u>	<u>68,170</u>	<u>691,877</u>
<i>Excess of revenues over expenditures before transfers</i>	-	-	-	-	3,952	(687,200)
Other Financing Sources (Uses)						
Proceeds from bond issuance						
Transfers in						468,777
Transfers out						
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>468,777</u>
Excess of revenues and expenditures	-	-	-	-	3,952	(218,423)
Fund balance, beginning of year	-	-	-	-	14,984	1,534,637
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -	\$ 18,936	\$ 1,316,214

(Continued)

Town of North Kingstown, Rhode Island

Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
 Non-Major Governmental Funds  
 Year Ended June 30, 2010

	CAPITAL PROJECT FUNDS					
	9M School Renovations Bond	Farmland & Open Space Reserve	6M Public Facilities Plan Bond	School Capital Reserve Fund	4.5M Public Safety Facilities	4M Farmland Open Space Fund
Revenues						
Interest and investment income	\$ 2	\$ 2,257	\$ 1,196	\$ 6,372	\$	\$ 7,244
Intergovernmental		113,771		295,681		
Departmental						
Other						
<b>Total Revenues</b>	<b>2</b>	<b>116,028</b>	<b>1,196</b>	<b>302,053</b>	<b>-</b>	<b>7,244</b>
Expenditures						
General government		15,307			69,358	
Public safety						
Public works	241,458					
Per trust agreements						
Education						
Public libraries						
Senior services						
Capital and special appropriations		239,250		192,217		628,290
Debt service:						
Debt principal						
Debt interest						
<b>Total Expenditures</b>	<b>241,458</b>	<b>254,557</b>	<b>192,217</b>	<b>-</b>	<b>404,576</b>	<b>628,290</b>
<i>Excess of revenues over expenditures before transfers</i>	(241,456)	(138,529)	(191,021)	302,053	(404,576)	(621,046)
Other Financing Sources (Uses)						
Proceeds from bond issuance						
Transfers in						
Transfers out				(1,191,654)		
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,191,654)</b>	<b>-</b>	<b>-</b>
Excess of revenues and expenditures	(241,456)	(138,529)	(191,021)	(889,601)	(404,576)	(621,046)
Fund balance, beginning of year	313,541	733,988	563,748	1,245,847	462,132	1,008,428
Fund balance, end of year	\$ 72,085	\$ 595,459	\$ 372,727	\$ 356,246	\$ 57,556	\$ 387,382

(Continued)

Town of North Kingstown, Rhode Island

Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
 Non-Major Governmental Funds  
 Year Ended June 30, 2010

	PERMANENT FUNDS					
	Henry Reynolds Indigent Care	Tri-Centennial Park	400th Anniversary	Henry Reynolds Outside Poor Fund	John J. Spink Outside Poor Fund	John B. Spink Outside Poor Fund
Revenues						
Interest and investment income	\$ 84	\$ 6	\$ 16	\$ 1	\$ 21	\$ 5
Intergovernmental						
Departmental						
Other						
<i>Total Revenues</i>	84	6	16	1	21	5
Expenditures						
General government						
Public safety						
Public works						
Per trust agreements						
Education						
Public libraries						
Senior services						
Capital and special appropriations						
Debt principal						
Debt interest						
<i>Total Expenditures</i>	-	-	132	-	-	-
<i>Excess of revenues over expenditures before transfers</i>	84	6	(116)	1	21	5
Other Financing Sources (Uses)						
Proceeds from bond issuance						
Transfers in						
Transfers out						
<i>Total Other Financing Sources (Uses)</i>	-	-	-	-	-	-
Excess of revenues and expenditures	84	6	(116)	1	21	5
Fund balance, beginning of year	18,737	6,101	3,712	2,182	21,028	5,257
Fund balance, end of year	\$ 18,821	\$ 6,107	\$ 3,596	\$ 2,183	\$ 21,049	\$ 5,262

(Continued)

Town of North Kingstown, Rhode Island

Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
 Non-Major Governmental Funds  
 Year Ended June 30, 2010

	PERMANENT FUNDS					
	Thomas Casey Outside Fund	Elizabeth Miller Library Fund	William D. Davis Library Fund	Veterans Memorial Scholarship	School Library Fund	School Gardiner Fund
Revenues						
Interest and investment income	\$ 1	\$ 3	\$ 5	\$ 31	\$ 78	\$ 49
Intergovernmental						
Departmental						
Other						
<i>Total Revenues</i>	1	3	5	31	78	49
Expenditures						
General government						
Public safety						
Public works						
Per trust agreements						
Education						
Public libraries						
Senior services						
Capital and special appropriations						
Debt service:						
Debt principal						
Debt interest						
<i>Total Expenditures</i>	-	-	-	-	-	-
<i>Excess of revenues over expenditures before transfers</i>	1	3	5	31	78	49
Other Financing Sources (Uses)						
Proceeds from bond issuance						
Transfers in						
Transfers out						
<i>Total Other Financing Sources (Uses)</i>	-	-	-	-	-	-
Excess of revenues and expenditures	1	3	5	31	78	49
Fund balance, beginning of year	2,182	2,001	5,004	6,849	8,603	5,689
Fund balance, end of year	\$ 2,183	\$ 2,004	\$ 5,009	\$ 6,880	\$ 8,681	\$ 5,738

(Continued)

Town of North Kingstown, Rhode Island

Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
 Non-Major Governmental Funds  
 Year Ended June 30, 2010

	PERMANENT FUNDS				
	School Updike Fund	School Tennis Fund	Lynette Olson Memorial Fund	Grand Totals	
Revenues					
Interest and investment income	\$ 23	\$ -	\$ 566	\$ 32,978	
Intergovernmental				6,576,725	
Departmental				920,968	
Other				216,097	
<i>Total Revenues</i>	23	-	566	7,746,768	
Expenditures					
General government				1,689,966	
Public safety				147,456	
Public works				248,958	
Per trust agreements				421,985	
Education				4,214,730	
Public libraries				1,394,451	
Senior services				144,535	
Capital and special appropriations				2,168,896	
Debt service:				-	
Debt principal				-	
Debt interest				-	
<i>Total Expenditures</i>	-	-	-	10,430,977	
<i>Excess of revenues over expenditures before transfers</i>	23	-	566	(2,684,209)	
Other Financing Sources (Uses)					
Proceeds from bond issuance				-	
Transfers in				1,608,366	
Transfers out				(2,338,855)	
<i>Total Other Financing Sources (Uses)</i>	-	-	-	(730,489)	
Excess of revenues and expenditures	23	-	566	(3,414,698)	
Fund balance, beginning of year	4,172	268	4,774	9,377,818	
Fund balance, end of year	\$ 4,195	\$ 268	\$ 5,340	\$ 5,963,120	

(Concluded)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**NON-MAJOR ENTERPRISE FUNDS**

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The Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprise or where the Town has decided that periodic determination of net income is appropriate for capital maintenance, management control, accountability, public policy or other purposes.

***Quonset/Davisville Reserve*** – To account for funds set aside for capital expenditures of the Quonset/Davisville Recreation Fund.

***NKSD Adult Education*** - To account for funds set aside for adult education services.

***Athletic Gate Receipts*** - To account for funds set aside for adult education services.

***Summer School Remedial*** - To account for funds set aside for the summer school remedial program.

***Schools Sports Camp*** - To account for funds set aside for school sport programs.

***Schools Sport Camps*** - To account for funds set aside for school sport programs.

***Summer School Fund*** - To account for funds set aside to operate the summer school program for eligible students.

Town of North Kingstown, Rhode Island

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Non-Major Enterprise Funds  
 Combining Statement of Net Assets  
 June 30, 2010

	Quonset/ Davisville Reserve	NKSD Adult Education	Athletic Gate Receipts	NKHS Summer School Remedial	School Sports Camp	School Sport Camps	Summer School Fund	Total
<b>Assets</b>								
<i>Current assets</i>								
Cash and cash equivalents	\$ 132,846	\$ 610	\$ -	\$ 6,127	\$ 37,923	\$ 22,633	\$ 22,832	\$ 222,971
Other receivables								-
Inventory								-
Due from other funds			6,469	4,930		930		12,329
<b>Total current assets</b>	<b>132,846</b>	<b>610</b>	<b>6,469</b>	<b>11,057</b>	<b>37,923</b>	<b>23,563</b>	<b>22,832</b>	<b>235,300</b>
<i>Net Capital Assets</i>								
<b>Total assets</b>	<b>132,846</b>	<b>610</b>	<b>6,469</b>	<b>11,057</b>	<b>37,923</b>	<b>23,563</b>	<b>22,832</b>	<b>235,300</b>
<b>Liabilities and Fund Equity</b>								
<i>Current liabilities</i>								
Accounts payable and accrued expense	48,976					1,650	41	50,667
Due to other funds					1,153		4,930	6,083
<b>Total current liabilities</b>	<b>48,976</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,153</b>	<b>1,650</b>	<b>4,971</b>	<b>56,750</b>
<b>Net Assets</b>								
Invested in Capital Assets, net								-
Restricted net assets								-
Unrestricted	83,870	610	6,469	11,057	36,770	21,913	17,861	178,550
<b>Total net assets</b>	<b>83,870</b>	<b>610</b>	<b>6,469</b>	<b>11,057</b>	<b>36,770</b>	<b>21,913</b>	<b>17,861</b>	<b>178,550</b>
<b>Total liabilities and net assets</b>	<b>\$ 132,846</b>	<b>\$ 610</b>	<b>\$ 6,469</b>	<b>\$ 11,057</b>	<b>\$ 37,923</b>	<b>\$ 23,563</b>	<b>\$ 22,832</b>	<b>\$ 235,300</b>

**Town of North Kingstown, Rhode Island**

**Non-Major Enterprise Funds  
Combining Statement of Revenues, Expenses and Changes in Net Assets  
Year Ended June 30, 2010**

	Quonset/ Davisville Reserve	NKSD Adult Education	Athletic Gate Receipts	NKHS Summer School Remedial	School Sports Camp	School Sport Camps	Summer School Fund	Total
Operating revenues:								
Charges for services	\$ -	\$ -	\$ 6,469	\$ 32,295	\$ 35,529	\$ 35,469	\$ 5,162	\$ 114,924
<i>Total operating revenues</i>	-	-	6,469	32,295	35,529	35,469	5,162	114,924
Operating expenses:								
Operations	306,867			29,316	48,724	18,528	15,264	418,699
<i>Total operating expenses</i>	306,867	-	-	29,316	48,724	18,528	15,264	418,699
<i>Operating income (loss)</i>	(306,867)	-	6,469	2,979	(13,195)	16,941	(10,102)	(303,775)
Non-operating revenues (expenses):								
Investment income	1,510							1,510
<i>Total non-operating revenues (expenses):</i>	1,510	-	-	-	-	-	-	1,510
<i>Income (loss) before transfers:</i>	(305,357)	-	6,469	2,979	(13,195)	16,941	(10,102)	(302,265)
Transfers:								
Transfers In								-
Transfers (Out)								-
<i>Total Transfers</i>	-	-	-	-	-	-	-	-
Change in Net Assets	(305,357)	-	6,469	2,979	(13,195)	16,941	(10,102)	(302,265)
Net assets - July 1, 2009	389,227	610	-	8,078	49,965	4,972	27,963	480,815
Net assets - June 30, 2010	\$ 83,870	\$ 610	\$ 6,469	\$ 11,057	\$ 36,770	\$ 21,913	\$ 17,861	\$ 178,550

Town of North Kingstown, Rhode Island

Non-Major Enterprise Funds  
 Combining Statement of Cash Flows  
 Year Ended June 30, 2010

	Quonset/ Davisville Reserve	NKSD Adult Education	Athletic Gate Receipts	NKHS Summer School Remedial	School Sports Camp	School Sport Camps	Summer School Fund	Total
Cash flows from operating activities								
Cash received from customers	\$ -	\$ -	\$ 6,469	\$ 32,295	\$ 35,529	\$ 35,469	\$ 5,162	\$ 114,924
Cash payments to suppliers for goods and services	(261,791)	-	(6,469)	(34,246)	(48,281)	(17,808)	(10,293)	(378,888)
Cash payments to employees for services	-	-	-	-	-	-	-	-
<i>Net cash provided (used) by operating activities</i>	<u>(261,791)</u>	<u>-</u>	<u>-</u>	<u>(1,951)</u>	<u>(12,752)</u>	<u>17,661</u>	<u>(5,131)</u>	<u>(263,964)</u>
Cash flows from capital financing activities:								
Acquisition of capital assets	-	-	-	-	-	-	-	-
Principal paid on bonds	-	-	-	-	-	-	-	-
Interest paid on bonds	-	-	-	-	-	-	-	-
<i>Net cash used by capital financing activities</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from noncapital financing activities								
Federal grant receipts	-	-	-	-	-	-	-	-
State matching funds receipts	-	-	-	-	-	-	-	-
Transfer from other funds	0	-	-	-	-	-	-	-
Transfer to other funds	0	-	-	-	-	-	-	-
<i>Net cash used by noncapital financing activities</i>	<u>0</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities								
Interest on investments	1,510	-	-	-	-	-	-	1,510
<i>Net cash provided by investing activities</i>	<u>1,510</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,510</u>
Net increase (decrease) in cash and cash equivalents	(260,281)	-	-	(1,951)	(12,752)	17,661	(5,131)	(262,454)
Cash and cash equivalents, July 1, 2009	393,127	610	-	8,078	50,675	4,972	27,963	485,425
Cash and cash equivalents, June 30, 2010	\$ 132,846	\$ 610	\$ -	\$ 6,127	\$ 37,923	\$ 22,633	\$ 22,832	\$ 222,971
Reconciliation of operating income to net cash provided by (used for) operating activities								
Operating income (loss)	\$ (306,867)	\$ -	\$ 6,469	\$ 2,979	\$ (13,195)	\$ 16,941	\$ (10,102)	\$ (303,775)
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:								
(Increase) decrease in due from other funds			(6,469)	(4,930)		(930)		(12,329)
Increase (decrease) in due to other funds					1,153		4,930	6,083
Increase (decrease) in accounts payable	45,076				(710)	1,650	41	46,057
<i>Net cash provided by (used for) operating activities</i>	<u>\$ (261,791)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,951)</u>	<u>\$ (12,752)</u>	<u>\$ 17,661</u>	<u>\$ (5,131)</u>	<u>\$ (263,964)</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

*PRIVATE PURPOSES TRUST FUNDS*

---

Private Purpose Trust Funds are all trust arrangements under which principal and income benefit individuals, private organizations, or other governments. The following is a list of Private Purpose Trust Funds:

***Burial Funds*** – The net assets of these funds are for the care and maintenance expenses for certain burial lots within the Town of North Kingstown. The following is a list of Burial Funds included in this section:

Hall	B.H. Davis
Vaughn	Udike
Young	Mary Carpenter
Rebecca Hammond	Smith-Lawton
W.H. Welling	Old Baptist Cemetery
George C. Hall	Smith

***Probate Funds*** – Funds established as a result of unlocatable heirs to various funds. The following is a list of Probate Funds accounted for by the Town:

Lawton	Jones
Weeks	Cogan

**Town of North Kingstown, Rhode Island**

H-1

**Combining Statement of Net Assets  
Private Purpose Trust Funds  
For the year ended June 30, 2010**

**Burial Funds**

	<u>Hall</u>	<u>Vaughn</u>	<u>Young</u>	<u>Rebecca Hammond</u>	<u>W.H. Welling</u>	<u>George C. Hall</u>
Cash	\$ 501	\$ 100	\$ 301	\$ 301	\$ 8,678	\$ 200

**Assets**

**Liabilities**

**Net Assets**

Held in Trust for private purposes  
per trust agreements

	\$ 501	\$ 100	\$ 301	\$ 301	\$ 8,678	\$ 200
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**Town of North Kingstown, Rhode Island**

H-1

**Combining Statement of Net Assets  
Private Purpose Trust Funds  
For the year ended June 30, 2010**

		Burial Funds						
		Updike	Mary Carpenter	Smith- Lawton	Old Baptist Cemetery	Smith	Burial Totals	
<b>Assets</b>								
Cash	\$ 501	\$ 1,583	\$ 1,002	\$ 4,608	\$ 701	\$ 1,002	\$ 19,478	
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>Liabilities</b>								
<b>Net Assets</b>								
Held in Trust for private purposes per trust agreements	\$ 501	\$ 1,583	\$ 1,002	\$ 4,608	\$ 701	\$ 1,002	\$ 19,478	

(Continued)

Combining Statement of Net Assets  
 Private Purpose Trust Funds  
 For the year ended June 30, 2010

		Probate Funds					
		<u>Beriah Lawton</u>	<u>James L. R. Weeks</u>	<u>Marguerite R. Cogan</u>	<u>Delphis R. Jones</u>	<u>J. Weeks</u>	<u>Doris Horowitz</u>
	<i>Assets</i>						
Cash		\$ 8,312	\$ 2,605	\$ 605	\$ 229	\$ 5,692	\$ 3,810
	<i>Liabilities</i>	-	-	-	-	-	-
	<i>Net Assets</i>						
Held in Trust for private purposes per trust agreements		\$ 8,312	\$ 2,605	\$ 605	\$ 229	\$ 5,692	\$ 3,810

(Continued)

**Town of North Kingstown, Rhode Island**

**Combining Statement of Net Assets  
Private Purpose Trust Funds  
For the year ended June 30, 2010**

		Probate Funds			
		Lillian <u>Mattia</u>	Arthur <u>Tarchis</u>	Probate <u>Totals</u>	GRAND <u>TOTALS</u>
	<i>Assets</i>				
Cash		\$ 3,810	\$ 3,810	\$ 28,873	\$ 48,351
	<i>Liabilities</i>	-	-	-	-
	<i>Net Assets</i>				
Held in Trust for private purposes per trust agreements		\$ 3,810	\$ 3,810	\$ 28,873	\$ 48,351

(Concluded)

**Town of North Kingstown, Rhode Island**

H-2

**Combining Statement of Changes in Net Assets  
Private Purpose Trust Funds  
For the year ended June 30, 2010**

	Burial Funds					
	Hall	Vaughn	Young	Rebecca Hammond	W.H. Welling	George C. Hall
<b>Additions</b>						
Investment income	\$ -	\$ -	\$ 1	\$ 1	\$ 9	\$ -
	-	-	1	1	9	-
<b>Deductions</b>						
Operating expense per trust agreement	-	-	-	-	-	-
<b>Change in Net Assets</b>	-	-	1	1	9	-
<b>Net Assets, beginning</b>	501	100	300	300	8,669	200
<b>Net Assets, ending</b>	\$ 501	\$ 100	\$ 301	\$ 301	\$ 8,678	\$ 200

(Continued)

**Town of North Kingstown, Rhode Island**

**Combining Statement of Changes in Net Assets  
Private Purpose Trust Funds  
For the year ended June 30, 2010**

		Burial Funds							
		Updike	Mary Carpenter	Smith-Lawton	Old Baptist Cemetery	Smith	Burial Totals		
<b>Additions</b>									
	Investment income	\$ 1	\$ 2	\$ 1	\$ 4	\$ -	\$ 1	\$ 20	
		1	2	1	4	-	1	20	
<b>Deductions</b>									
	Operating expense per trust agreement	-	-	-	-	-	-	-	
		1	2	1	4	-	1	20	
	Change in Net Assets	500	1,581	1,001	4,604	701	1,001	19,458	
	Net Assets, beginning	\$ 501	\$ 1,583	\$ 1,002	\$ 4,608	\$ 701	\$ 1,002	\$ 19,478	
	Net Assets, ending								

(Continued)

Town of North Kingstown, Rhode Island

Combining Statement of Changes in Net Assets  
Private Purpose Trust Funds  
For the year ended June 30, 2010

	Probate Funds					
	<u>Beriah Lawton</u>	<u>James L. R. Weeks</u>	<u>Marguerite R. Cogan</u>	<u>Delphis R. Jones</u>	<u>J. Weeks</u>	<u>Doris Horowitz</u>
Additions						
Investment income	\$ 9	\$ 12	\$ 3	\$ 1	\$ 5,692	\$ 3,810
	9	12	3	1	5,692	3,810
Deductions						
Operating expense per trust agreement	-	-	-	-	-	-
Change in Net Assets	9	12	3	1	5,692	3,810
Net Assets, beginning	8,303	2,593	602	228	-	-
Net Assets, ending	\$ 8,312	\$ 2,605	\$ 605	\$ 229	\$ 5,692	\$ 3,810

(Continued)

**Town of North Kingstown, Rhode Island**

**Combining Statement of Changes in Net Assets  
Private Purpose Trust Funds  
For the year ended June 30, 2010**

	Probate Funds			GRAND <u>TOTALS</u>
	<u>Lillian Mattia</u>	<u>Arthur Tarchis</u>	<u>Probate Totals</u>	
<b>Additions</b>				
Investment income	\$ 3,810	\$ 3,810	\$ 17,147	\$ 17,167
	<u>3,810</u>	<u>3,810</u>	<u>17,147</u>	<u>17,167</u>
<b>Deductions</b>				
Operating expense per trust agreement				-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Assets	3,810	3,810	17,147	17,167
Net Assets, beginning	-	-	11,726	31,184
Net Assets, ending	<u>\$ 3,810</u>	<u>\$ 3,810</u>	<u>\$ 28,873</u>	<u>\$ 48,351</u>

(Concluded)

**TOWN OF NORTH KINGSTOWN, RHODE ISLAND**

**AGENCY FUNDS**

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Agency Funds were established to function as clearing mechanisms for cash resources which are collected and disbursed to authorized recipients. The following is a list of Agency Funds included in this section:

***Student Activity Fund*** - To account for monies received and expended for various student activities.

***Payroll Fund*** - To account for the Town employees payroll withholdings.

***School Payroll Fund*** - To account for the School employees payroll withholdings.

***Developer Surety Escrow*** - To account for monies received from developers which are drawn upon by the Town due to failure by the developer to complete improvements to roadways, drainage, and for which the Town must use these funds to complete said improvements.

Town of North Kingstown, Rhode Island

I-1

Statement of Changes in Assets and Liabilities  
 Agency Funds  
 Year ended June 30, 2010

	Beginning Balance	Additions	Deductions	Ending Balance
<b><u>SCHOOL ACTIVITY FUNDS</u></b>				
<i>Assets</i>				
Cash	\$ 347,665	\$ 659,553	\$ 655,876	\$ 351,342
<i>Liabilities</i>				
Due to student groups	347,665	659,553	655,876	351,342
<b><u>PAYROLL FUND</u></b>				
<i>Assets</i>				
Cash	67,416	48,680,167	47,802,466	945,117
Accounts Receivable	-		-	-
Other Receivables	9,580		9,580	-
<i>Total assets</i>	<u>76,996</u>	<u>48,680,167</u>	<u>47,812,046</u>	<u>945,117</u>
<i>Liabilities</i>				
Other Payables	-	829,722	-	829,722
Payroll withholdings	76,996	29,894,291	29,855,892	115,395
<i>Total liabilities</i>	<u>76,996</u>	<u>30,724,013</u>	<u>29,855,892</u>	<u>945,117</u>
<b><u>SCHOOL PAYROLL FUND</u></b>				
<i>Assets</i>				
Cash	221,838	117,503,978	117,434,849	290,967
Other Receivables	5,879	41,601,138	41,601,435	5,582
<i>Total assets</i>	<u>227,717</u>	<u>159,105,116</u>	<u>159,036,284</u>	<u>296,549</u>
<i>Liabilities</i>				
Other Payables	-	382,434	337,423	45,011
Payroll withholdings	227,717	62,109,421	62,085,600	251,538
<i>Total liabilities</i>	<u>227,717</u>	<u>62,491,855</u>	<u>62,423,023</u>	<u>296,549</u>

(Continued)

**Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**Year ended June 30, 2010**

	Beginning Balance	Additions	Deductions	Ending Balance
<b><u>DEVELOPER SURETY ESCROW</u></b>				
<i>Assets</i>				
Cash	\$ 312,651	\$ 212,512	\$ 422,918	\$ 102,245
<i>Liabilities</i>				
Deposits held in custody for others	312,521	-	210,276	102,245
Other Payables	130	-	130	-
<i>Total liabilities</i>	312,651	-	210,406	102,245
<b><u>PERKINS VOCATIONAL ED</u></b>				
<b><u>ASSETS</u></b>				
Cash	-		-	-
<b><u>LIABILITIES</u></b>				
Due to Subrecipient	-	-	-	-
<b><u>TOTAL - ALL AGENCY FUNDS</u></b>				
<i>Assets</i>				
Cash	949,570	167,056,210	166,316,109	1,689,671
Other Receivables	15,459	41,601,138	41,611,015	5,582
<i>Total assets</i>	965,029	208,657,348	207,927,124	1,695,253
<i>Liabilities</i>				
Accounts payable	-	-	-	-
Due to student groups	347,665	659,553	655,876	351,342
Deposits Held in Custody for Others	312,521	-	210,276	102,245
Other Payables	130	1,212,156	337,553	874,733
Payroll withholdings	304,713	92,003,712	91,941,492	366,933
<i>Total liabilities</i>	\$ 965,029	\$ 93,875,421	\$ 93,145,197	\$ 1,695,253

(Concluded)

**TOWN OF NORTH KINGSTOWN**

***Schedule of Revenues and Expenditures (Non-GAAP Budgetary Basis)  
Budget and Actual  
(Unaudited)***

***Library Fund  
Year Ended June 30, 2010***

	Originally Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
<b>Revenues:</b>				
State Aid	\$ 199,517	\$ 199,517	\$ 201,362	\$ 1,845
Departmental Revenue	42,000	42,000	41,512	(488)
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<b>241,517</b>	<b>241,517</b>	<b>242,874</b>	<b>1,357</b>
<b>Expenditures:</b>				
Library	1,376,106	1,376,106	1,349,913	26,193
<b>Total Expenditures</b>	<b>1,376,106</b>	<b>1,376,106</b>	<b>1,349,913</b>	<b>26,193</b>
<b>Excess of expenditures over revenues</b>	<b>(1,134,589)</b>	<b>(1,134,589)</b>	<b>(1,107,039)</b>	<b>27,550</b>
<b>Other financing sources:</b>				
Operating transfer from Town	1,124,589	1,124,589	1,124,589	-
Transfers out	-	-	(15,000)	(15,000)
Transfer from fund balance	10,000	10,000	10,000	-
<b>Net other financing sources</b>	<b>1,134,589</b>	<b>1,134,589</b>	<b>1,119,589</b>	<b>(15,000)</b>
<b>Excess (deficiency) of revenues and other sources over expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 12,550</b>	<b>\$ 12,550</b>

**TOWN OF NORTH KINGSTOWN**

***Schedule of Revenues and Expenditures (Non-GAAP Budgetary Basis)  
Budget and Actual  
(Unaudited)***

***Debt Service Fund  
Year Ended June 30, 2010***

	Originally Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
<b>Revenues:</b>				
State Aid	\$ 1,276,204	\$ 1,276,204	\$ 1,221,622	\$ (54,582)
Miscellaneous	25,000	25,000	2,146	(22,854)
<b>Total Revenues</b>	<b>1,301,204</b>	<b>1,301,204</b>	<b>1,223,768</b>	<b>(77,436)</b>
<b>Expenditures:</b>				
Debt Service Municipal	1,934,652	1,934,652	1,923,097	11,555
Debt Service School	3,923,691	3,923,691	3,815,290	108,401
<b>Total Expenditures</b>	<b>5,858,343</b>	<b>5,858,343</b>	<b>5,738,387</b>	<b>119,956</b>
<b>Excess of expenditures over revenues</b>	<b>(4,557,139)</b>	<b>(4,557,139)</b>	<b>(4,514,619)</b>	<b>42,520</b>
<b>Other financing sources:</b>				
Operating transfer from Town	4,467,762	4,467,762	4,467,762	-
Transfer from Impact Fees	55,000	55,000	84,524	29,524
Transfer from fund balance	34,377	34,377	-	(34,377)
<b>Net other financing sources</b>	<b>4,557,139</b>	<b>4,557,139</b>	<b>4,552,286</b>	<b>(4,853)</b>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 37,667</b>	<b>\$ 37,667</b>

THE TOWN OF  
NORTH KINGSTOWN, RHODE ISLAND

STATISTICAL SECTION

## **Statistical Section**

This part of the Town's comprehensive annual financial report presents information to supplement and provide multi-year trend information to enable readers to gain a better understanding of the Town's financial health.

**Financial Trends:** Schedules 1 through 4 contain trend information to help the reader understand changes in financial performance over time.

**Revenue capacity:** Schedules 5 through 11 contain information to help the reader assess the factors affecting the Town's ability to generate its property taxes.

**Debt capacity:** Schedules 12 through 15 contain information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.

**Demographic information:** Schedules 16 through 18 contain demographic information to help the reader understand the environment in which the Town's financial activities take place.

**Operating information:** Schedules 19 and 20 contain information about the Town's operations and resources.

**School Department information:** Schedules 21 and 22 contain information about the School Department's operations and building information.

**Town of North Kingstown, Rhode Island**

**Schedule 1**

**Net Assets by Component  
Last Seven Fiscal Years**

FISCAL YEAR	2010	2009	2008	2007	2006	2005	2004
<b>Governmental Activities</b>							
Invested in Capital assets, net of related debt	\$47,064,382	\$43,174,456	\$41,954,816	\$45,665,960	\$12,563,318	\$(1,469,025)	\$(1,861,551)
Restricted For:							
Permanent Funds	97,316	96,559	95,607	94,451	88,580	86,537	87,654
Debt Service							
Capital Projects							
Specific Programs							
Unrestricted	20,083,778	24,937,386	25,645,661	21,492,526	25,719,107	23,083,191	20,305,262
<b>Total governmental Activities net assets</b>	<u>67,245,476</u>	<u>68,208,401</u>	<u>67,696,084</u>	<u>67,252,937</u>	<u>38,371,005</u>	<u>21,700,703</u>	<u>18,531,365</u>
<b>Business-type activities</b>							
Invested in Capital assets, net of related debt	3,331,877	7,067,811	5,263,868	5,054,302	4,835,395	4,720,878	3,856,102
Unrestricted	8,664,848	6,882,041	7,359,621	7,507,799	5,663,520	5,209,767	5,599,958
<b>Total business-type activities net assets</b>	<u>11,996,725</u>	<u>13,949,852</u>	<u>12,623,489</u>	<u>12,562,101</u>	<u>10,498,915</u>	<u>9,930,645</u>	<u>9,456,060</u>
<b>Primary Government</b>							
Invested in Capital assets, net of related debt	50,396,259	50,242,267	47,218,684	50,720,262	17,398,713	3,251,853	1,994,551
Restricted for:							
Permanent Funds	97,316	96,559	95,607	94,451	88,580	86,537	87,654
Debt Service							
Capital Projects							
Specific Programs							
Unrestricted	28,748,626	31,819,427	33,005,282	29,000,325	31,382,627	28,292,958	25,905,220
<b>Total primary government net assets</b>	<u>\$79,242,201</u>	<u>\$82,158,253</u>	<u>\$80,319,573</u>	<u>\$79,815,038</u>	<u>\$48,869,920</u>	<u>\$31,631,348</u>	<u>\$27,987,425</u>

Note: seven years of data presented due to issuance of GASB 34 - Basic Financial Statements-and Managements Discussion and Analysis for State and Local Governments during fiscal year 2002.

**Town of North Kingstown, Rhode Island**

**Schedule 2  
Changes in Net Assets, Last Seven Fiscal Years  
Governmental Activities  
(Accrual Basis of Accounting)**

Fiscal Year	2010	2009	2008	2007	2006	2005	2004
<b>Expenses</b>							
<b>Governmental activities:</b>							
General government	\$ 8,395,102	\$ 7,879,939	\$ 6,982,639	\$ 6,722,225	\$ 6,558,106	\$ 6,207,401	\$ 5,391,630
Public Safety	14,057,004	14,890,167	14,102,227	13,763,174	13,000,576	11,719,377	11,138,814
Public Works	6,271,283	8,424,583	4,293,248	3,427,940	4,116,279	4,696,321	4,232,614
Parks and recreation	17,039	325,669	331,434	284,710	500,417		
Senior Services	561,099	421,340	329,396	298,143			
Education	62,367,064	62,748,553	60,406,926	58,426,032	55,583,451	54,738,498	54,941,481
Public libraries	1,462,576	1,462,395	1,311,869	1,426,343	1,055,453	1,186,589	1,185,692
Per trust agreements				40,748			
Human resources			25,933	30,248			
Debt Services	2,243,730	2,318,247	2,245,068	1,836,140	1,832,206	2,083,706	2,625,066
Other					2,131,144	1,485,870	2,900,209
Amortization	91,376	79,495					
Unallocated depreciation			4,105,464	1,554,813			
<b>Total governmental activities</b>	<b>95,466,273</b>	<b>98,550,388</b>	<b>94,134,204</b>	<b>87,810,516</b>	<b>84,777,632</b>	<b>82,117,762</b>	<b>82,415,506</b>
<b>Business-type activities:</b>							
Water	4,888,182	2,936,959	2,973,401	2,121,390	2,552,342	2,259,774	2,166,391
Q/D Recreation	1,970,328	746,784	1,461,895	1,338,711	1,329,769	1,282,294	1,308,819
School Cafeteria	1,343,055	1,288,909					
Water Capital Reserve Fund	52,910	131,295					
Other business-type activities	418,699	402,438	1,385,278	1,585,318	1,420,496	1,416,646	1,291,890
<b>Total business-type activities</b>	<b>8,673,174</b>	<b>5,506,385</b>	<b>5,820,574</b>	<b>5,045,419</b>	<b>5,302,607</b>	<b>4,958,714</b>	<b>4,767,100</b>
<b>Total primary government expense</b>	<b>104,139,447</b>	<b>104,056,773</b>	<b>99,954,778</b>	<b>92,855,935</b>	<b>90,080,239</b>	<b>87,076,476</b>	<b>87,182,606</b>
<b>Program Revenues</b>							
<b>Governmental activities:</b>							
Charges for services:							
General government	\$ 1,252,645	\$ 3,959,542	1,571,397	1,498,424	1,815,913	2,615,797	2,613,286
Public safety	1,239,404	893,450	1,000,275	937,037	877,391	1,137,570	687,065
Public works	776,499	709,149	624,204	693,034	761,671	571,815	581,484
Parks and recreation		9,874	204,901	211,096			
Education	2,522,073	2,380,751	2,350,550	2,276,599	2,543,882	2,329,670	2,123,849
Public libraries	256,239	262,371					
Department of senior services		25,834	3,000	6,500			
Other						165,423	260,267
Operating grants and contributions	18,521,338	18,703,733	18,916,120	18,466,460	19,340,305	17,007,379	16,341,986
<b>Total governmental activities program revenues</b>	<b>24,568,198</b>	<b>26,944,704</b>	<b>24,670,447</b>	<b>24,089,150</b>	<b>25,339,162</b>	<b>23,827,654</b>	<b>22,607,937</b>
<b>Business-type activities:</b>							
Charges for services:							
Water	3,247,619	2,952,251	3,121,283	2,953,358	2,876,360	2,457,870	2,232,361
Q/D Recreation	1,770,058	1,819,703	1,957,790	1,841,284	1,659,252	1,583,353	1,553,365
School Cafeteria	794,838	801,522					
Water Capital Reserve Fund	18,896						
Other business-type activities	114,924	132,053	911,433	1,084,278	1,042,533	1,287,182	1,296,653
Operating grants and contributions	425,263	695,689	351,846	314,329	287,591		
<b>Total business-type activities</b>	<b>6,371,598</b>	<b>6,401,218</b>	<b>6,342,352</b>	<b>6,193,249</b>	<b>5,865,736</b>	<b>5,328,405</b>	<b>5,082,379</b>
<b>Total primary government revenues</b>	<b>30,939,796</b>	<b>33,345,922</b>	<b>31,012,799</b>	<b>30,282,399</b>	<b>31,204,898</b>	<b>29,156,059</b>	<b>27,690,316</b>
<b>Net (Expense)/Revenue</b>							
Governmental activities	(70,898,075)	(71,605,684)	(69,463,757)	(63,721,366)	(59,438,470)	(58,290,108)	(59,807,569)
Business-type activities	(2,301,576)	894,833	521,778	1,147,830	563,129	369,691	315,279
<b>Total primary government net expense</b>	<b>\$ (73,199,651)</b>	<b>\$ (70,710,851)</b>	<b>\$ (68,941,979)</b>	<b>\$ (62,573,536)</b>	<b>\$ (58,875,341)</b>	<b>\$ (57,920,417)</b>	<b>\$ (59,492,290)</b>

Note: seven years of data presented due to issuance of GASB 34 - Basic Financial Statements and Managements Discussion and Analysis for State and Local Governments during fiscal year 2002.

**Town of North Kingstown, Rhode Island**

**Schedule 2**

**Changes in Net Assets, Last Seven Fiscal Years**

**Governmental Activities**

**(Accrual Basis of Accounting)**

Fiscal Year	2010	2009	2008	2007	2006	2005	2004
<b>General Revenues and Other Charges in Net Assets</b>							
Governmental activities:							
Property taxes	\$ 65,278,552	\$ 64,727,956	\$ 61,222,691	\$ 59,439,540	\$ 56,331,520	\$ 53,530,984	\$ 53,049,157
Unrestricted investment earnings	170,123	587,725	1,440,248	1,599,737	1,330,547	864,875	441,941
Unrestricted intergovernmental revenue	3,746,855	4,020,209	5,914,775	5,466,317	4,276,607	6,237,179	5,648,071
Licenses and permits	395,984	428,107	482,329	581,969	539,812		114,912
Other	402,039	538,960	131,761	43,729	48,273	446,473	
Proceeds of refunding debt						30,360,000	
Refunding debt escrow agent						(30,660,215)	
Bond premium						606,993	
Bond issuance costs						(188,635)	
Transfers	(319,691)	(235,197)	715,100	(657,909)	170,064	134,862	278,383
<b>Total governmental activities</b>	<b>69,673,862</b>	<b>70,067,760</b>	<b>69,906,904</b>	<b>66,473,383</b>	<b>62,696,823</b>	<b>61,332,516</b>	<b>59,532,464</b>
Business-type activities:							
Unrestricted investment earnings	36,541	104,787	254,710	257,447	175,205	95,499	67,629
Other	(10,783)	-				144,257	121,331
Transfers	319,691	235,197	(715,100)	657,909	(170,064)	(134,862)	(278,383)
<b>Total business-type activities</b>	<b>345,449</b>	<b>339,984</b>	<b>(460,390)</b>	<b>915,356</b>	<b>5,141</b>	<b>104,894</b>	<b>(89,423)</b>
<b>Total primary government</b>	<b>70,019,311</b>	<b>70,407,744</b>	<b>69,446,514</b>	<b>67,388,739</b>	<b>62,701,964</b>	<b>61,437,410</b>	<b>59,443,041</b>
<b>Change in Net Assets</b>							
Governmental activities	(1,224,213)	(1,537,924)	443,147	2,752,017	3,258,353	3,042,408	(275,105)
Business-type activities	(1,956,127)	1,234,817	61,388	2,063,186	568,270	474,585	225,856
<b>Total primary government</b>	<b>\$ (3,180,340)</b>	<b>\$ (303,107)</b>	<b>\$ 504,535</b>	<b>\$ 4,815,203</b>	<b>\$ 3,826,623</b>	<b>\$ 3,516,993</b>	<b>\$ (49,249)</b>

Note: seven years of data presented due to issuance of GASB 34 - *Basic Financial Statements-and Managements Discussion and Analysis for State and Local Governments* during fiscal year 2002.

**Town of North Kingstown, Rhode Island**

**Schedule 3**

**Fund Balance, Governmental Funds, Last Ten Years  
(Modified Accrual of Accounting)**

FISCAL YEAR	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<b>General Fund</b>										
Reserved	\$ 1,817,683	\$ 1,797,399	\$ 2,184,716	\$ 910,280	\$ 773,094	\$ 1,419,288	\$ 1,148,088	\$ 1,566,317	\$ 1,089,535	\$ 1,766,553
Unreserved	8,498,068	8,355,715	8,633,263	9,522,710	9,310,242	8,307,409	8,440,188	7,070,034	5,546,543	5,140,412
<b>Total General Fund</b>	<b>10,315,751</b>	<b>10,153,114</b>	<b>10,817,979</b>	<b>10,432,990</b>	<b>10,083,336</b>	<b>9,726,697</b>	<b>9,588,276</b>	<b>8,636,351</b>	<b>6,636,078</b>	<b>6,906,965</b>
<b>School Fund</b>										
Reserved	1,232,902	813,882	1,382,667	846,487	1,206,105	928,823	229,962	2,034,919	2,025,027	970,395
Unreserved	2,118,429	1,598,697	570,659	520,235	891,558	257,930	682,931	378,429	171,893	127,829
<b>Total School Fund</b>	<b>3,351,331</b>	<b>2,412,579</b>	<b>1,953,326</b>	<b>1,366,722</b>	<b>2,097,663</b>	<b>1,186,753</b>	<b>912,893</b>	<b>2,413,348</b>	<b>2,196,920</b>	<b>1,098,224</b>
<b>All Other Governmental Funds</b>										
Reserved	651,665	610,046	13,964,592	679,785	884,321	1,138,700	1,667,297	1,445,923	820,301	1,998,134
Unreserved, reported in:										
Special revenue funds	2,689,199	3,403,954	6,218,839	2,758,265	2,935,006	2,776,413	2,602,830	1,187,037	1,335,144	636,491
Capital project funds	2,940,721	8,223,602	5,635,662	2,414,376	5,688,318	4,083,618	3,136,510	4,412,453	3,923,003	16,402,712
Permanent funds	97,316	96,559	95,607	94,451	88,580	86,537	87,654	1,658,821		
<b>Total all other governmental funds</b>	<b>6,378,901</b>	<b>12,334,161</b>	<b>25,914,700</b>	<b>5,946,877</b>	<b>9,596,225</b>	<b>8,085,268</b>	<b>7,494,291</b>	<b>8,704,234</b>	<b>6,078,448</b>	<b>19,037,337</b>
<b>Total governmental funds</b>	<b>\$ 20,045,983</b>	<b>\$ 24,899,854</b>	<b>\$ 38,686,005</b>	<b>\$ 17,746,589</b>	<b>\$ 21,777,224</b>	<b>\$ 18,998,718</b>	<b>\$ 17,995,460</b>	<b>\$ 19,753,933</b>	<b>\$ 14,911,446</b>	<b>\$ 27,042,526</b>

Town of North Kingstown, Rhode Island

Schedule 4  
Changes in Fund Balance, Governmental Fund, Last Ten Fiscal Years  
(Modified Accrual Basis of Accounting)

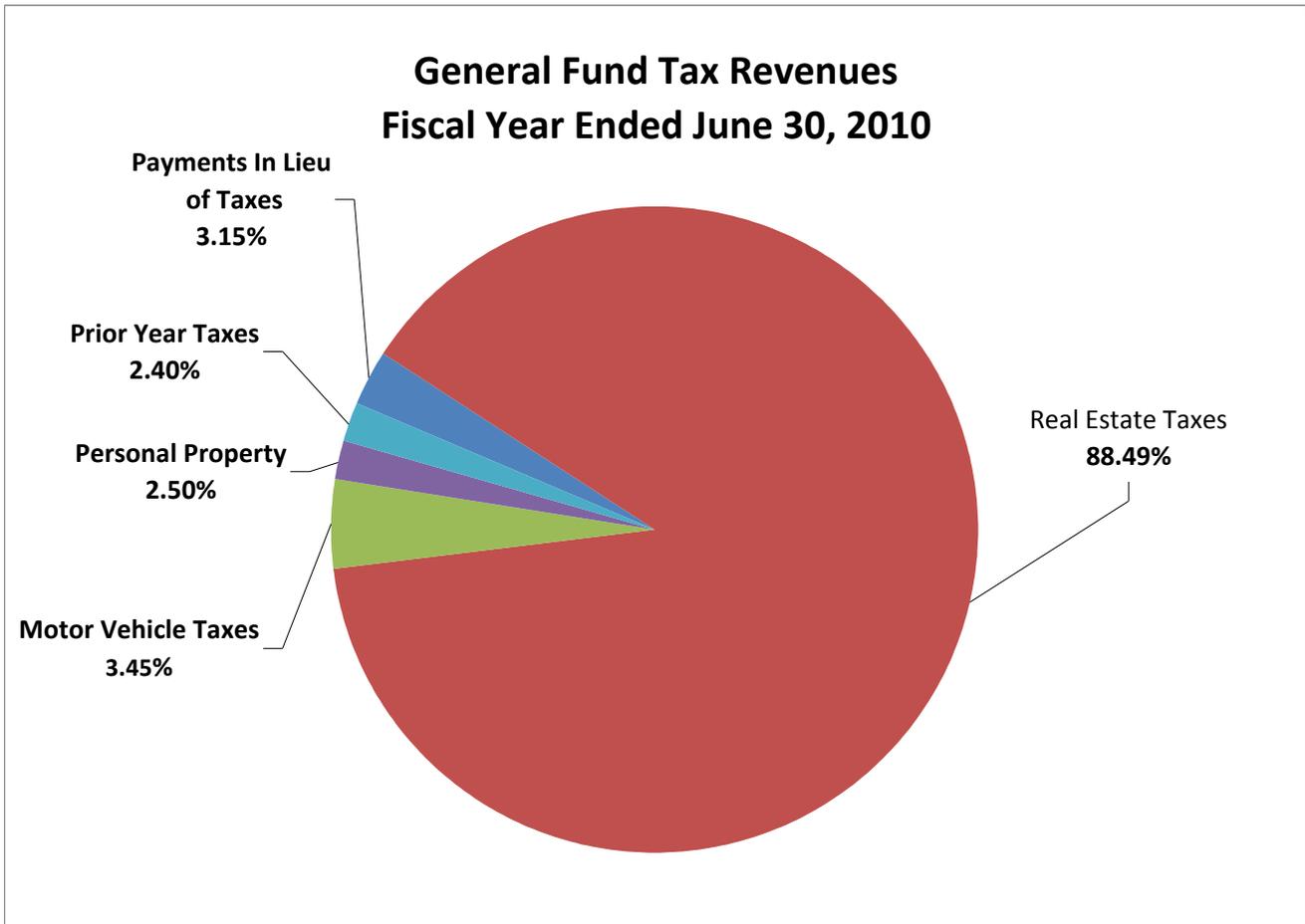
FISCAL YEAR	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<b>Revenues:</b>										
General property taxes	\$ 65,239,235	\$ 64,310,326	\$ 61,187,866	\$ 58,892,935	\$ 56,100,311	\$ 53,653,354	\$ 53,805,401	\$ 51,272,225	\$ 48,570,277	\$ 44,883,156
Intergovernmental	23,811,321	26,137,118	24,345,666	23,199,098	22,292,512	21,486,434	19,567,049	18,606,909	17,772,102	16,835,239
Departmental	2,485,237	2,639,445	1,993,198	1,923,295	2,054,915	1,867,836	1,867,836	1,686,501		
Licenses and permits	395,984	428,107	482,329	581,969	539,812	442,178	524,995	355,158	374,236	392,050
Investment income	164,723	568,801	1,394,171	1,540,098	1,277,430	817,032	403,138	365,601	643,042	2,375,650
On behalf pension contribution	2,018,495	2,188,350								
Other	402,039	538,960	4,328,119	4,476,803	5,308,497	6,452,149	6,411,041	5,369,664	3,587,938	3,728,396
<b>Total revenues</b>	<b>94,317,034</b>	<b>96,811,107</b>	<b>93,731,349</b>	<b>90,614,198</b>	<b>87,573,477</b>	<b>84,981,692</b>	<b>82,579,460</b>	<b>77,656,058</b>	<b>70,947,595</b>	<b>68,214,491</b>
<b>Expenditures:</b>										
General Government	6,572,946	6,069,341	6,619,016	6,348,375	6,531,836	7,310,123	6,437,736	6,303,068	4,620,090	4,935,355
Public Safety	14,344,039	14,018,207	13,965,387	13,586,608	12,557,047	11,551,917	11,297,060	10,151,088	10,065,679	8,946,977
Public works	4,047,594	4,542,437	4,320,822	3,875,742	4,158,503	4,530,289	4,330,139	3,316,262	3,618,773	3,750,904
Parks and recreation	6,527	317,648	330,658	283,747	499,780	585,699	593,594	376,334		
Senior services	511,999	459,838	332,711	340,782	285,376	297,474	286,475	271,638		
Education	59,172,692	58,670,436	60,453,700	58,983,401	54,852,418	53,565,325	53,810,038	47,534,281	44,401,975	41,719,508
Public libraries	1,394,451	1,392,669	1,311,869	1,304,033	1,223,869					
Per trust agreements	421,985	355,862	177,801	40,748	101,657	173,407	204,109	184,879		
Human resources			25,933	30,248	55,939	35,730	228,162	138,295	1,940,276	1,909,148
On behalf pension contribution	2,018,495	2,188,350								
Debt service										
Principal	3,474,190	3,559,192	3,294,192	3,404,192	3,624,190	3,309,194	3,309,190	3,319,190	3,129,192	1,344,192
Interest and other costs	2,371,284	2,122,236	2,068,511	1,851,579	1,801,980	2,409,259	2,564,086	2,725,731	2,871,863	2,668,113
Capital expenditures	4,919,600	10,185,026	8,164,270	4,145,728	2,313,693	673,545	1,555,726	458,479	14,488,499	23,531,451
<b>Total expenditures</b>	<b>99,255,802</b>	<b>103,881,242</b>	<b>101,064,870</b>	<b>94,195,183</b>	<b>88,006,288</b>	<b>84,441,962</b>	<b>84,616,315</b>	<b>74,779,245</b>	<b>85,136,347</b>	<b>88,805,648</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(4,738,768)</b>	<b>(7,070,135)</b>	<b>(7,333,521)</b>	<b>(3,580,985)</b>	<b>(432,811)</b>	<b>539,730</b>	<b>(2,036,855)</b>	<b>2,876,813</b>	<b>(14,188,752)</b>	<b>(20,591,157)</b>
<b>Other financing sources (uses):</b>										
Proceeds of bond issuance	6,738,825	9,790,000	11,000,000			30,360,000			1,900,000	7,680,000
Refunding Debt Escrow Agent	(6,631,737)					(30,660,215)				
Bond premium						606,993				
Bond issuance					2,840,000	(188,635)				
Bond issuance costs										
Lease Proceeds										
Transfers in	50,902,493	49,918,906	49,516,906	46,054,711	44,197,516	43,615,244	41,708,213	38,965,689	39,444,613	630,709
Transfers out	(51,124,684)	(50,018,335)	(48,561,829)	(46,504,361)	(43,826,199)	(43,269,859)	(41,429,830)	(38,560,448)	(39,007,816)	32,769,514
<b>Total other financing sources (uses)</b>	<b>(115,103)</b>	<b>9,690,571</b>	<b>11,955,077</b>	<b>(449,650)</b>	<b>3,211,317</b>	<b>463,528</b>	<b>278,383</b>	<b>405,241</b>	<b>2,336,797</b>	<b>8,721,872</b>
<b>Net change in fund balances</b>	<b>\$ (4,853,871)</b>	<b>\$ 2,620,436</b>	<b>\$ 4,621,556</b>	<b>\$ (4,030,635)</b>	<b>\$ 2,778,506</b>	<b>\$ 1,003,258</b>	<b>\$ (1,758,472)</b>	<b>\$ 3,282,054</b>	<b>\$ (11,851,955)</b>	<b>\$ (11,869,285)</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>6.20%</b>	<b>6.06%</b>	<b>5.77%</b>	<b>5.84%</b>	<b>6.33%</b>	<b>6.83%</b>	<b>7.07%</b>	<b>8.13%</b>	<b>8.49%</b>	<b>6.15%</b>

Notes:  
Intergovernmental and Departmental revenues were combined until Fiscal Year 2003  
Parks and recreation, Senior services and Human resources were combined until Fiscal Year 2003

**Town of North Kingstown, Rhode Island**

**Schedule 5  
Tax Revenue by Source, Government Funds  
Last Ten Years**

<b>Fiscal Year Ended June 30</b>	<b>Payments in Lieu of Taxes</b>	<b>Real Estate Taxes</b>	<b>Motor Vehicle Taxes</b>	<b>Personal Property Taxes</b>	<b>Prior Year Taxes</b>	<b>Totals</b>
2010	\$ 2,027,720	\$ 56,957,343	\$ 2,222,798	\$ 1,609,036	\$ 1,546,831	\$ 64,363,728
2009	\$ 1,832,908	\$ 56,653,099	\$ 2,858,398	\$ 1,355,400	\$ 1,293,807	\$ 63,993,612
2008	\$ 1,731,508	\$ 54,056,434	\$ 2,740,719	\$ 1,199,130	\$ 1,169,716	\$ 60,897,507
2007	\$ 1,797,214	\$ 51,560,229	\$ 2,885,543	\$ 1,315,986	\$ 1,075,577	\$ 58,634,549
2006	\$ 1,932,964	\$ 48,706,823	\$ 2,998,680	\$ 1,253,190	\$ 1,000,309	\$ 55,891,966
2005	\$ 1,911,952	\$ 46,621,254	\$ 2,623,349	\$ 1,185,974	\$ 1,003,704	\$ 53,346,233
2004	\$ 2,389,421	\$ 45,232,284	\$ 2,762,556	\$ 1,911,634	\$ 1,203,814	\$ 53,499,709
2003	\$ 2,097,705	\$ 43,130,374	\$ 2,742,140	\$ 1,805,045	\$ 1,185,060	\$ 50,960,324
2002	\$ 1,540,240	\$ 40,886,216	\$ 2,873,157	\$ 1,866,828	\$ 1,155,500	\$ 48,321,941
2001	\$ 2,206,529	\$ 36,211,628	\$ 2,852,599	\$ 2,033,005	\$ 1,278,165	\$ 44,581,926

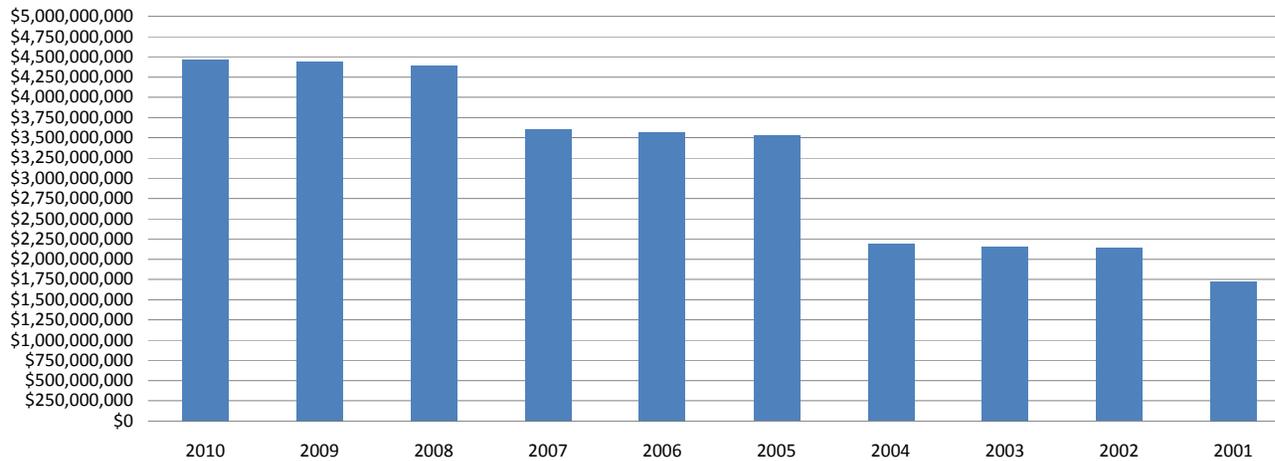


**Town of North Kingstown, Rhode Island**

**Schedule 6  
Assessed Values and Actual Values of Taxable Property  
Last Ten Fiscal Years**

Fiscal Year Ended June 30	Assessed Value						Total Direct Tax Rate Real Property	Total Direct Tax Rate Motor Vehicle	Total Direct Tax Rate Inventory	Total Direct Tax Rate	Estimated Actual Taxable Value	Real Estate Only Assessed Value as a Percentage of Actual Value
	Real Estate	Personal Property	Inventory	Motor Vehicles	Less Exemptions	Total Taxable Assessed Value						
2010	4,298,501,545	118,987,280		244,213,902	197,687,280	4,464,015,447	13.97	22.04		14.16	5,361,458,792	0.86
2009	4,269,958,905	100,038,690		270,442,815	199,827,415	4,440,612,995	13.83	22.04			6,626,996,905	0.68
2008	4,238,884,090	91,778,320		259,144,446	196,696,764	4,393,110,092	13.30	22.04			6,309,538,166	0.71
2007	3,440,758,510	88,604,990		264,447,537	186,437,005	3,607,374,032	15.55	22.04			4,880,366,356	0.76
2006	3,401,172,700	86,288,720		250,051,917	169,029,676	3,568,483,661	14.85	22.04			4,434,139,071	0.83
2005	3,373,797,470	84,417,360		221,425,702	154,036,444	3,525,604,088	14.38	22.04			3,679,640,532	1.00
2004	2,011,507,975	85,317,810		228,647,217	136,310,757	2,189,162,245	23.31	22.04			3,107,726,103	0.72
2003	1,986,996,310	82,121,190		226,694,293	134,732,509	2,161,079,284	22.60	22.04			2,702,786,941	0.83
2002	1,954,112,590	83,110,590		211,150,852	111,877,715	2,136,496,317	21.94	22.04			2,308,810,504	0.97
2001	1,536,301,370	80,991,371	5,192,610	191,199,906	85,165,453	1,728,519,804	24.65	22.04	18.24	18.24	2,017,988,288	0.88

**Assessed Values  
by Grand Lists**



Source: Town of North Kingstown Tax Assessor

# Town of North Kingstown, Rhode Island

## Schedule 7 Direct Property Tax Sales Last Ten Fiscal Years

Fiscal Year Ended June 30,	Direct Rates			Total Direct Rate
	Real Estate & Personal Property	Motor Vehicles	Inventory	
2010	13.97	22.04		14.16
2009	13.97	22.04		
2008	13.83	22.04		
2007	13.30	22.04		
2006	15.55	22.04		
2005	14.85	22.04		
2004	14.38	22.04		
2003	23.31	22.04		
2002	22.60	22.04		
2001	21.94	22.04	18.24	

**Source:** Town of North Kingstown Tax Assessor

Town of North Kingstown, Rhode Island

Schedule 8  
Principle Property Tax Payers  
Current Year and Ten Years Ago

2010		2001		Percent of Total Town Taxable Assessed Value		Percent of Total Town Taxable Assessed Value	
Taxable Assessed Value	Rank	Taxable Assessed Value	Rank	Value	Rank	Value	Rank
NARRAGANSETT ELECTRIC CO	1	50,390,660	1	1.08% NARRAGANSETT ELECTRIC CO	1	31,339,760	1
LISCHIO DEVELOPMENT CO. LLC	2	15,117,400	2	0.32% WREC - BROWN & SHARPE MFG CO	2	16,703,810	2
PRECISION PARK RHODE ISLAND LLC	3	14,652,000	3	0.31% NEW PLAN HUNT RIVER COMMONS LLC	3	8,607,000	3
HOME DEPOT USA INC	4	14,391,490	4	0.31% WAL-MART STORES INC	4	7,722,740	4
ZAKOPANE REAL ESTATE ASSOC INC	5	13,812,800	5	0.30% NEW ENGLAND GAS COMPANY	5	6,765,370	5
NEW PLAN HUNT RIVER COMMONS LLC	6	12,284,200	6	0.26% HERITAGE PRESERVATION ASSOC LTD	6	6,110,100	6
WAL-MART REAL ESTATE BUSINESS TRUST	7	11,922,000	7	0.26% QUIDNESSETT COUNTRY CLUB	7	4,447,600	7
LOWES HOME CENTERS INV	8	11,182,310	8	0.24% ZAKAPONE REAL ESTATE ASSOC INC	8	3,823,800	8
HERITAGE PRESERVATION ASSOC	9	11,020,500	9	0.24% CPL (SOUTH COUNTY) LLC	9	3,804,500	9
MILLCREEK LIMITED LIABILITY CO	10	10,560,000	10	0.23% TORAY PLASTICS AMERICA INC	10	3,781,170	10
FUJIFILM ELECTRONIC MATERIALS	11	9,957,300	11	0.21% ESSEX VILLAGE COMPANY	11	3,750,300	11
ESSEX VILLAGE COMPANY	12	7,827,600	12	0.17% MILLCREEK LIMITED LIABILITY CO	12	3,731,100	12
WEST DAVISVILLE REALTY CO LLC	13	7,487,000	13	0.16% KINGSTOWN PLAZA LIMITED PART	13	3,684,000	13
MEADOWS PROFESSIONAL	14	7,343,100	14	0.16% KINGS GRANT CO	14	3,541,400	14
QUIDNESSETT CNTRY CLUB INC	15	7,121,600	15	0.15% COX COMMUNICATIONS LLC	15	3,268,840	15
WICKFORD VILLAGE REALTY	16	7,097,700	16	0.15% WICKFORD VILLAGE REALTY LP	16	3,228,700	16
KOHL'S DEPT STORES	17	7,008,850	17	0.15% ARCH SPECIALTY CHEMICALS	17	2,878,230	17
KINGSTOWN PLAZA LIMITED PARTN	18	6,672,600	18	0.14% HIGH LEA PROPERTIES LLC	18	2,813,400	18
WICKFORD SHIPYARD INC	19	6,419,800	19	0.14% MEADOWS PROFESSIONAL	19	2,621,300	19
HIGH LEA PROPERTIES LLC	20	6,209,800	20	0.13% ASQAH CO-OPERATIVE INC	20	2,287,100	20
WICKBAY PROPERTIES INC	21	6,171,500	21	0.13% STONE, DON W & CAROLE A	21	2,168,000	21
COX COMMUNICATION	22	6,115,270	22	0.13% TUCKER, LINDA	22	2,152,700	22
GOLDLINE PROPERTIES	23	5,891,500	23	0.13% S L S ASSOCIATES LTD PRTRSH	23	2,130,800	23
KINGS GRANT CO	24	5,796,900	24	0.12% WICKBAY PROPERTIES INC	24	2,105,600	24
SLOCUM WOODS INC	25	5,277,800	25	0.11% STOP & SHOP SUPERMARKET CO	25	2,104,080	25

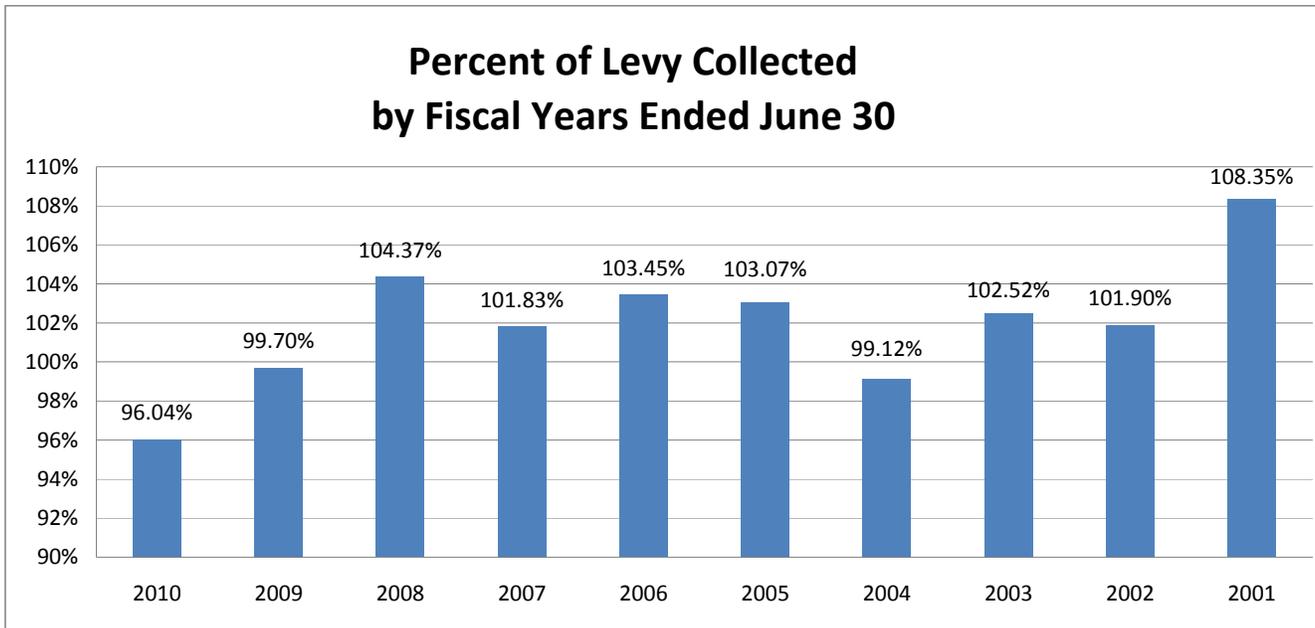
Source: Town of North Kingstown Tax Assessor

## Town of North Kingstown, Rhode Island

### Schedule 9 Property Tax Levies and Collections Last Ten Fiscal Years

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Amount Uncollected as of 6/30/10	Amount Collected in Subsequent Years as of 6/30/10	Total Collections as of 6/30/10	Total Collected Amount as a Percentage of Levy
		Amount	Percentage of Levy				
2010	\$ 63,293,576	\$ 60,789,176	96.04%	\$ 2,510,029	\$ -	\$ 60,789,176	96.04%
2009	\$ 62,565,154	\$ 60,866,897	97.29%	\$ 171,452	\$ 1,512,721	\$ 62,379,618	99.70%
2008	\$ 59,586,154	\$ 60,866,897	102.15%	\$ 52,228	\$ 1,320,716	\$ 62,187,613	104.37%
2007	\$ 56,991,563	\$ 57,996,283	101.76%	\$ 38,374	\$ 41,004	\$ 58,037,287	101.83%
2006	\$ 54,015,438	\$ 55,761,758	103.23%	\$ 36,502	\$ 114,784	\$ 55,876,542	103.45%
2005	\$ 51,486,719	\$ 52,958,693	102.86%	\$ 27,337	\$ 108,825	\$ 53,067,518	103.07%
2004	\$ 50,952,549	\$ 50,430,577	98.98%	\$ 32,971	\$ 75,914	\$ 50,506,491	99.12%
2003	\$ 48,766,433	\$ 49,906,474	102.34%	\$ 34,370	\$ 89,694	\$ 49,996,168	102.52%
2002	\$ 46,885,673	\$ 47,677,559	101.69%	\$ 36,841	\$ 98,631	\$ 47,776,190	101.90%
2001	\$ 42,225,274	\$ 45,626,201	108.05%	\$ 36,363	\$ 123,006	\$ 45,749,207	108.35%

Source: Town of North Kingstown Tax Assessor and Finance Departments

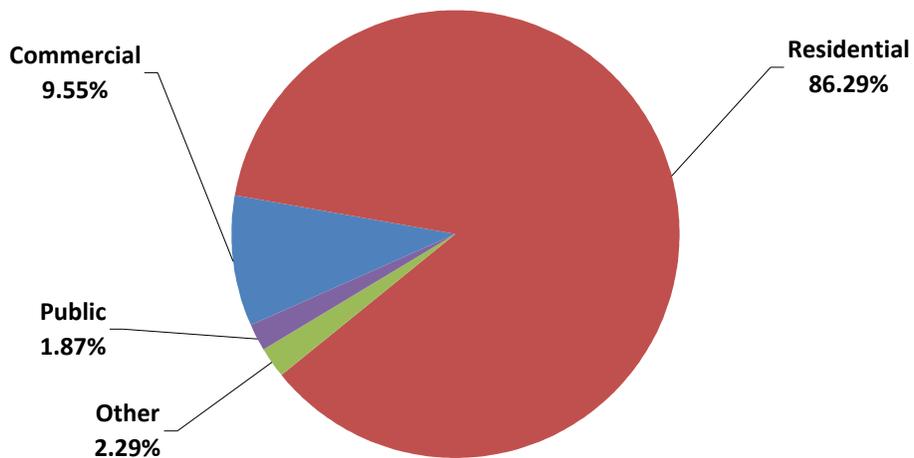


# Town of North Kingstown, Rhode Island

## Schedule 10 Water Sold by Type of Service Last Ten Calendar Years

Fiscal Year	Type of Service				Total
	Commercial	Residential	Other	Public	
2010	66,144,706	597,828,414	15,831,630	12,976,533	692,781,283
2009	76,761,854	667,485,803	21,045,040	16,443,472	781,736,169
2008	69,827,939	737,898,130	58,583,363	17,347,062	883,656,494
2007	75,213,320	666,404,419	10,694,594	11,236,260	763,548,593
2006	59,812,660	566,963,705	6,010,500	10,111,350	642,898,215
2005	71,331,330	727,902,558	8,847,020	22,658,056	830,738,964
2004	64,643,680	568,184,747	8,499,400	7,993,173	649,321,000
2003	49,583,850	872,035,060	13,862,625	121,555,750	1,057,037,285
2002	52,474,569	594,940,338	8,056,080	6,618,810	662,089,797
2001	55,560,300	621,967,273	8,056,080	6,618,810	692,202,463

### Amount of Water Sold by Type of Service



**Town of North Kingstown, Rhode Island**

**Schedule 11  
Water Rates  
Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Base Rate</b>	<b>Rate per 1,000 Gallons</b>
2010	14.26	3.000
2009	14.26	2.800
2008	13.72	2.920
2007	18.30	2.500
2006	13.49	2.400
2005	13.26	2.200
2004	13.03	2.050
2003	12.41	1.935
2002	12.41	1.935
2001	12.15	1.898

*Source:* North Kingstown Water Department

**Town of North Kingstown, Rhode Island**

**Schedule 12**

**Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years**

Fiscal Year June 30,	Governmental Activities		Business-Type Activities		Quonset Davisville Recreation Bonds	Total Primary Government	Percentage of Personal Income	Net Bonded Debt per Capita	Taxable Assessed Value	Net Bonded Debt as % of Taxable Assessed Value
	General Obligation Bonds	52,662,484	Water Bonds	4,800,000						
2010	52,662,484			4,800,000	282,516	57,745,000	1235.56%	2,193.46	4,464,015,447	1.29%
2009	56,352,917			-	306,916	56,659,833	1212.34%	2,152.24	4,440,612,995	1.28%
2008	49,702,276			-	337,724	50,040,000	1070.69%	1,900.78	4,393,110,092	1.14%
2007	41,996,465			-	368,533	42,364,998	906.47%	1,609.25	3,607,374,032	1.17%
2006	45,405,657			114,198	399,342	45,919,197	982.52%	1,744.25	3,568,483,661	1.29%
2005	46,184,851			222,261	430,148	46,837,260	1002.17%	1,779.13	3,525,604,088	1.33%
2004	47,904,043			324,448	460,980	48,689,471	1041.80%	1,849.48	2,189,162,245	2.22%
2003	51,213,233			421,079	491,790	52,126,102	1115.33%	1,980.02	2,161,079,284	2.41%
2002	54,532,424			512,456	522,600	55,567,480	1188.97%	2,110.75	2,136,496,317	2.60%
2001	55,761,616			598,864	553,410	56,913,890	1217.77%	2,161.89	1,728,519,804	3.29%

**Note:** Details regarding the town's outstanding debt can be found in the notes to the financial statements  
\*See Schedule 16 for personal income and population data.

**Town of North Kingstown, Rhode Island**

**Schedule 13  
Ratios of General Bonded Debt Outstanding  
Last Ten Fiscal Years**

Fiscal Year June 30,	Governmental Activities General Obligation Bonds	Percentage of Actual Taxable Value of Property	Per Capita*
2010	52,662,484	1.18%	2,000.40
2009	56,352,917	1.27%	2,140.58
2008	49,702,276	1.13%	1,887.95
2007	41,996,465	1.16%	1,595.25
2006	45,400,659	1.27%	1,724.56
2005	46,184,851	1.31%	1,754.34
2004	47,904,043	2.19%	1,819.65
2003	51,213,233	2.37%	1,945.35
2002	54,532,424	2.55%	2,071.43
2001	55,761,616	3.23%	2,118.12

**Note:** Details regarding the town's outstanding debt can be found in the notes to the financial statements

^ See Schedule 6 for property value data.

\* Population data can be found in Schedule 16.

Town of North Kingstown, Rhode Island

Schedule 14  
Legal Debt Margin Information  
Last Ten Fiscal Years

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Total assessed value	\$ 4,464,015,447	\$ 4,440,612,995	\$ 4,393,110,092	\$ 3,607,374,032	\$ 3,568,483,661	\$ 3,525,604,088	\$ 2,189,162,245	\$ 2,161,079,284	\$ 2,136,496,317	\$ 1,728,519,804
Rhode Island General Law debt limitation as % of assessed value	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Debt limit	133,920,463	133,218,390	131,793,303	108,221,221	107,054,510	105,768,123	65,674,867	64,832,379	64,094,890	51,855,594
Debt applicable to limit:										
Q/D Recreation Issue	282,516	306,916	337,724	368,533	399,342	430,148	460,980	491,790	522,600	553,410
Water Tower Issue	-	-	-	-	114,198	222,261	324,448	421,079	512,456	598,864
Bonded Debt Subject to Limit	282,516	306,916	337,724	368,533	513,540	652,409	785,428	912,869	1,033,056	1,152,274
Legal debt limit	133,920,463	133,218,390	131,793,303	108,221,221	107,054,510	105,768,123	65,674,867	65,975,175	65,218,657	52,776,928
Total net debt applicable to the limit	282,516	306,916	337,724	368,533	513,540	114,198	222,261	326,448	512,456	598,864
Legal debt margin	133,637,947	132,911,474	131,455,579	107,852,688	106,540,970	105,653,925	65,452,606	65,648,727	64,706,201	52,178,064
Total net debt applicable to the limit as a percentage of debt limit	0.21%	0.23%	0.26%	0.34%	0.48%	0.62%	1.20%	1.41%	1.61%	2.22%

Note: The Town has only one debt issue outstanding under the Maximum Aggregate Indebtedness provision (3% Debt Limit) - Rhode Island General Law 45-12-2. All other Town debt has been incurred through special statutory authority which consists of approval by the legislature and voter referendum.

The State Legislature may by special act permit the Town to incur indebtedness in excess of the three percent (3%) limit in accordance with Rhode Island General Law 45-12-11. The Town of North Kingstown has never requested authorization under the Authority for the issuance of Indebtedness Excess - Rhode Is General Law 45-12-11.

**Town of North Kingstown, Rhode Island**

**Schedule 15  
Pledged Revenue Coverage  
Water Bonds  
Last Ten Fiscal Years**

Fiscal Year June 30,	Gross Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage	
				Principal	Interest	Dollars	Percentage
2010	\$ 3,268,486	\$ 4,888,182	\$ (1,619,696)	\$ -	\$ -	\$ (1,619,696)	0.00%
2009	\$ 3,332,808	\$ 2,936,959	\$ 395,849	\$ -	\$ -	\$ 395,849	0.00%
2008	3,281,482	2,702,281	579,201	-	6,566	572,635	8721.22%
2007	2,953,358	2,114,824	838,534	114,197	6,566	717,771	594.36%
2006	2,876,360	2,539,562	336,798	108,063	12,780	215,955	178.71%
2005	2,534,054	2,241,119	292,935	102,187	18,656	172,092	142.41%
2004	2,266,601	1,920,257	346,344	96,631	24,212	225,501	186.61%
2003	2,320,485	1,805,529	514,956	91,377	29,466	394,113	326.14%
2002	2,475,044	1,575,459	899,585	86,408	34,435	778,742	644.42%
2001	2,057,847	1,922,461	135,386	81,710	39,133	14,543	12.03%

**Note:** Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

# Town of North Kingstown, Rhode Island

## Schedule 16 Demographic and Economic Statistics Last Ten Fiscal Years

Fiscal Year June 30,	Population	Per Capita Personal Income	School Enrollment	Unemployment Rate
2010	26,326	46,736	4,401	12.0
2009	26,326	46,736	4,315	10.2
2008	26,326	46,736	4,334	6.4
2007	26,326	46,736	4,535	3.7
2006	26,326	46,736	4,607	4.2
2005	26,326	46,736	4,711	4.1
2004	26,326	46,736	4,729	4.7
2003	26,326	46,736	4,659	3.8
2002	26,326	46,736	4,599	3.3
2001	26,326	46,736	4,560	3.4

- (1) Population and Per Capita Personal Income from the U.S. Department of Commerce, Bureau of the Census 2000.
- (2) North Kingstown School Department as of June 30th of each years.  
Numbers include resident students sent out.
- (3) Rhode Island Department of Labor and Training.

**Town of North Kingstown, Rhode Island**

**Schedule 17**

**Principal Employers**

**Current Year and Ten Years Ago**

2010

2001

2010		2001		Percentage of Total Town Employment	
Employer	Employees	Rank	Employer	Rank	Percentage of Total Town Employment
GENERAL DYNAMICS ELECTRIC BOAT	2100	1	ELECTRIC BOAT CORPORATION	1	9.81%
PERSPECTIVES CORP	850	2	TORAY PLASTICS AMERICA INC	2	5.23%
BROWN & SHARPE MFG. CO.	700	3	PERSPECTIVES CORP	3	3.92%
TORAY PLASTICS OF AMERICA	589	4	BROWN & SHARPE MFG. CO.	4	2.62%
OCEAN STATE JOBBERS	500	5	STOP & SHOP CO., INC.	5	1.47%
SENESCO Marine LLC	350	6	OCEAN STATE JOBBERS INC	6	1.31%
134d AIR WING, RIANG	303	7	WAL-MART	7	1.31%
TOWN OF NORTH KINGSTOWN	300	8	CUSTOM DESIGN INC	8	0.98%
NORTH ATLANTIC DISTRIBUTIONS INC	260	9	GRINNELL CORP	9	0.98%
HOME DEPOT	250	10	GREGG'S	10	0.98%
HEXAGON METROLOGY	240	11	SO COUNTY NURSING CTR	11	0.98%
THE STOP & SHOP CO., INC.	225	12	SCALABRINI VILLA	12	0.78%
STAR GAS SERVICE	212	13	AMES DEPARTMENT STORE	13	0.65%
WAL-MART	200	14	MARO DISPLAY INC	14	0.65%
LOWES HOME IMPROVEMENT	175	15	NO ATLANTIC DISTRIBUTION INC	15	0.65%
SO COUNTY NURSING & REHAB.	165	16	JOHN J ORR & SONS INC	16	0.65%
GREGG'S	150	17	ICON INTERNATIONAL, INC.	17	0.61%
QUIDNESSETT COUNTRY CLUB	150	18	RI BEVERAGE PACKAGING CO	18	0.59%
CUSTOM DESIGN	125	19	COMMUNITY CARE NURSES INC	19	0.56%
SCALABRINI VILLA	125	20	ARCH CHEMICALS, INC.	20	0.49%
KOHL'S CORP	123	21	ROBERTS HEALTH CENTRE, INC	21	0.49%
DAVE'S MARKETPLACE NORTH KINGST	100	22	AUTOMATION SOFTWARE, INC.	22	0.46%
DAVE'S MARKETPLACE WICKFORD	100	23	SENESCO	23	0.39%
GREATER PROVIDENCE YMCA	100	24	LAFAYETTE NURSING HOME	24	0.39%
ICON INTERNATIONAL	100	25	PAUL BAILEY'S DODGE	25	0.39%

**Source:** Rhode Island Department of Economic Development

**Town of North Kingstown, Rhode Island**

**Schedule 18  
Full-Time Equivalent City Government Employees by Function  
Last Ten Fiscal Years**

	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Town Council	5	5	5	5	5	5	5	5	5	5
Town Manager	2	2	2	2	2	2	2	2	2	2
Town Clerk/Bd. Of Canvassers	5	6	6	6	6	6	6	6	6	6
Finance/Data Processing	6	9	9	7	8	8	9	10	9	10
Assessor	3	4	4	4	4	4	4	4	4	4
Fire	76	81	81	81	71	71	74	72	78	80
Police/Animal Control	61	63	63	59	58	58	61	66	63	61
Planning	4	4	4	5	6	6	6	5	5	5
Public Works	29	33	33	33	34	34	34	33	34	31
Welfare	0	0	0	0	1	1	1	1	1	1
Senior Citizens	3	3	3	3	3	3	3	3	3	3
Code Enforcement	3	3	3	3	3	3	3	3	3	3
Recreation	0	1	1	2	2	2	2	2	2	2
Library	14	14	14	12	12	12	12	12	11	12
Quonset/Davisville Recreation Fund/Golf Course/Allens Harbor	8	7	7	6	7	7	8	8	8	8
Water Fund	14	14	16	13	13	13	13	13	13	12
<b>Total</b>	<b>233</b>	<b>249</b>	<b>251</b>	<b>241</b>	<b>235</b>	<b>235</b>	<b>243</b>	<b>245</b>	<b>247</b>	<b>245</b>
<b>Public Education:</b>										
Teachers	367	378	374	374	371	380	384	371	367	363
Pupil Support	223	231	246	253	236	246	255	228	224	221
Executive and Administrative	29	31	36	33	34	34	37	34	34	31

**Source:** Town of North Kingstown Municipal and School Personnel Departments

**Town of North Kingstown, Rhode Island**

**Schedule 19  
Operating Indicators by Function/Program  
Last Ten Years**

Function/Program	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<b>Police</b>										
Calls for Service	29,791	32,092	35,745	32,192	16,342	32,095	30,867	28,783	24,390	20,442
Arrests	849	878	904	901	579	1,182	1,229	1,306	1,177	1,055
Prosecutions	4,554	4,910	6,155	6,133	4,013	9,227	4,597	1,905	1,814	1,481
<b>Fire</b>										
Medical Calls/Rescue Runs	4,789	4,716	2,633	2,461	1,108	2,144	2,014	2,358	2,727	2,512
Residential Inspections	412	401	408	430	605	301	445	722	681	681
<b>Public Works</b>										
Miles Resurfaced	-	-	2.7	6	2.4	2.5	2.8	3.4	11	0
Plowed Miles	161	161	159	159	158.4	158.2	157.9	155.6	157	156
<b>Refuse collection</b>										
Refuse collected (tons/day, avg)	7,730	8,405	8,471	8,399	8,325.5	8,044.7	8,077.6	7,665.4	7,528.0	8,004.5
Recyclables collected (tons/day, avg)	3,474	3,557	3,953	3,677	3,651.5	3,670.6	3,594.2	3,475.1	3,353.7	3,344.1
<b>Recreation</b>										
Bussing ages 6-13	13,650	9,750	8,600	6,825	4,900	9,500	9,500	8,250	9,000	9,000
Summer Playground Part.	670	550	500	500	450	900	900	900	900	900
<b>Human Services</b>										
Meals on Wheels	5,183	5,888	6,980	10,579	5,206	10,927	11,596	8,587	10,408	11,269
# of Sr. Serv. Calls	28,631	10,500	10,859	2,538	3,404	7,314	9,178	10,644	9,735	11,568
# of Other Service Calls	3,369	1,645	1,629	793	5	28	28	26	32	32
# of Heat Cases	32	41	22	37	5	22	20	24	29	29
# of Electric Shutoffs	23	36	9	9						
# of Transportation Calls	15,909	12,146	7,675	7,064						
<b>Library</b>										
Person visits	193,897	183,803	179,216	170,164	88,002	180,481	192,959	186,090	190,729	175,600
# of users at IT workstations	32,669	25,207	22,216	20,280	10,363	19,283	18,918	17,817		
Public Service transactions	28,326	29,681	34,429	37,403	23,841	51,760	61,373	40,941	32,441	29,578
Number of items borrowed	363,609	342,834	319,711	332,191						
<b>Water Dept</b>										
Metered services	9,366	9,308	9,301	9,268	9,197	9,157	9,068	9,047	9,014	8,860
Annual Production (million gallons)	926	900	1,100	1,106	1,224	1,287	1,272	1,266	1,328	1,018

Sources: various town departments

**Town of North Kingstown, Rhode Island**

**Schedule 20  
Capital Asset Statistics by Function/Program  
Last Ten Fiscal Years**

Function/Program	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<b>Police</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	23	23	23	23	23	23	23	23	21	21
<b>Fire Stations</b>	4	4	3	3	3	3	3	3	3	3
<b>Public Works</b>										
Road Miles	159	159	157	157	156	156	155.7	153.4	155	154
Acres Maintained	480	480	479	479	479	479	479	479	469	469
<b>Recreation</b>										
Baseball/softball fields	16	16	16	16	16	16	16	16	16	16
Soccer fields	9	9	9	9	9	9	9	9	9	9
Multi use parks	4	4	4	4	4	4	4	4	4	4
Football fields	1	1	1	1	-	-	-	-	-	-
<b>Senior Center</b>	1	1	1	1	1	1	1	1	1	1
<b>Library</b>										
Size of collection	129,011	129,890	129,576	125,967	-	-	-	-	-	-
<b>Water Dept</b>										
Water mains (miles)	177	177	176	175	170	168	168	156	156	155
Water towers	5	5	5	5	5	5	5	5	5	5
Hydrants	1,043	1,042	1,041	1,024	995	994	994	980	980	980

Sources: various town departments

**Town of North Kingstown, Rhode Island**

**Schedule 21  
School Building Information  
Last Ten Fiscal Years**

	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<b>Davisville Elementary (1954)</b>										
Square Feet	31,737	31,737	31,737	31,737	31,737	31,737	31,737	31,737	31,737	31,737
Capacity	284	284	284	284	284	284	284	284	284	284
Enrollment	192	188	168	183	164	143	179	211	268	267
<b>Fishing Cove Elementary (1957)</b>										
Square Feet	46,160	46,160	46,160	46,160	46,160	46,160	46,160	46,160	46,160	46,160
Capacity	335	335	335	335	335	335	335	335	335	335
Enrollment	286	270	285	321	307	264	280	15	166	184
<b>Forest Park Elementary (1962)</b>										
Square Feet	31,812	31,812	31,812	31,812	31,812	31,812	31,812	31,812	31,812	31,812
Capacity	275	275	275	275	275	275	275	275	275	275
Enrollment	199	207	209	223	217	224	266	260	241	235
<b>Hamilton Elementary (1962)</b>										
Square Feet	49,274	49,274	49,274	49,274	49,274	49,274	49,274	49,274	49,274	49,274
Capacity	450	450	450	450	450	450	450	450	450	450
Enrollment	354	368	376	374	410	414	433	426	372	402
<b>Quidnessett Elementary (1971)</b>										
Square Feet	43,544	43,544	43,544	43,544	43,544	43,544	43,544	43,544	43,544	34,000
Capacity	383	383	383	383	383	383	383	383	383	337
Enrollment	214	246	270	272	289	240	258	355	261	260
<b>Stony Lane Elementary (1971)</b>										
Square Feet	49,319	49,319	49,319	49,319	49,319	49,319	49,319	49,319	49,319	49,319
Capacity	450	450	450	450	450	450	450	450	450	450
Enrollment	375	389	392	456	419	386	423	448	412	378
<b>Wickford Elementary (1907)*</b>										
Square Feet	32,952	32,952	32,952	32,952	32,952	32,952	32,952	32,952	32,952	32,952
Capacity	252	252	252	252	252	252	252	252	252	252
Enrollment	0	0	0	0	0	208	235	282	241	237
<b>Davisville Middle (1967)</b>										
Square Feet	96,748	96,748	96,748	96,748	96,748	96,748	96,748	96,748	96,748	96,748
Capacity	680	680	680	680	680	680	680	680	680	680
Enrollment	565	542	571	602	644	627	630	629	614	615
<b>Wickford Middle (1932)</b>										
Square Feet	63,129	63,129	63,129	63,129	63,129	63,129	63,129	63,129	63,129	63,129
Capacity	465	465	465	465	465	465	465	465	465	465
Enrollment	457	477	485	511	472	490	446	452	445	418
<b>North Kingstown High (2001)</b>										
Square Feet	253,600	253,600	253,600	253,600	253,600	253,600	253,600	253,600	253,600	253,600
Capacity	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600
Enrollment	1,640	1,628	1,578	1,536	1,532	1,519	1,475	1,398	1,320	1,327
<b>Administration (1968)</b>										
Square Feet	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000
<b>Data Center (1971)</b>										
Square Feet	10,440	10,440	10,440	10,440	10,440	10,440	10,440	10,440	10,440	10,440
<b>Maintenance (1978)</b>										
Square Feet	5,390	5,390	5,390	5,390	5,390	5,390	5,390	5,390	5,390	5,390

Source: North Kingstown School Department Business Office

**Town of North Kingstown, Rhode Island  
School Department**

**Schedule 22  
Operating Statistics  
Last Ten Years**

Fiscal Year	Expenses	Enrollment	Cost Per Pupil	Percentage Change
2010	\$ 61,428,555	4,389	\$ 13,996	2.14%
2009	\$ 58,670,436	4,315	\$ 13,597	-2.52%
2008	\$ 60,453,700	4,334	\$ 13,949	5.90%
2007	\$ 58,983,401	4,478	\$ 13,172	10.63%
2006	\$ 54,852,418	4,607	\$ 11,906	4.71%
2005	\$ 53,565,325	4,711	\$ 11,370	-0.07%
2004	\$ 53,810,038	4,729	\$ 11,379	11.53%
2003	\$ 47,534,281	4,659	\$ 10,203	5.68%
2002	\$ 44,401,975	4,599	\$ 9,655	5.53%
2001	\$ 41,719,508	4,560	\$ 9,149	6.68%

**Source:** North Kingstown School Department Business Office