

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

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**FOR THE YEAR ENDED
JUNE 30, 2002**

Prepared By:

Finance Department

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2002**

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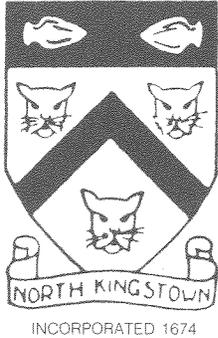
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THE TOWN OF
NORTH KINGSTOWN, RHODE ISLAND

INTRODUCTORY SECTION



TOWN OF
NORTH KINGSTOWN, RHODE ISLAND

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December 11, 2002

Honorable Members of the
Town Council
North Kingstown, Rhode Island

The Comprehensive Annual Financial Report of the Town of North Kingstown for the fiscal year ended June 30, 2002 is hereby submitted.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, financial statements, supporting schedules, and statistical tables rests with the Town. We are also responsible for the adequacy of internal accounting controls. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the government. All disclosures necessary to enable the reader to gain an understanding of the Town's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections: Introductory, Financial, Statistical and Single Audit. The introductory section includes this transmittal letter, the Town's organizational chart, and a list of principal officials. The financial section includes the general purpose financial statements, the combined and individual fund and account group financial statements and schedules, as well as the independent auditors' report thereon. The statistical section includes selected financial and demographic information generally presented on a multiyear basis.

The Town is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and U.S. Office of Management and Budget (OMB) Circular A-133, "Audits of State and Local Governments and Non-Profit Organizations". Information related to this single audit, including the schedule of expenditures of federal awards and the independent auditors' reports on the internal control structure and compliance with applicable laws and regulations, are included in the single audit section of this report.

REPORTING ENTITY AND ITS SERVICES

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

The Town of North Kingstown provides a full range of services. These services include public safety, streets, recreation and parks, education, health and welfare, and general administration. In addition, the town operates the Water and Quonset/Davisville Recreation enterprise funds.

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 thirty-one percent 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; SENESCO shipbuilding; Brown and Sharpe Manufacturing Company; Seafreeze, Limited; Custom Design, Inc.; Grinnell Corporation, Illumination Concepts and Engineering, Inc.; and New England Stone, LLC.

Other significant employers include: 143rd Air Wing, Rhode Island Air National Guard; Ocean State Jobbers, Inc.; Wal-Mart; Scalabrini Villa; NORAD; John J. Orr & Sons, Inc.; South County Nursing Center; and Home Depot.

Quonset Point/Davisville Port and Commerce Park

The heart of industrial development in North Kingstown is the Quonset Point/Davisville Port and Commerce Park, which is operated by the Rhode Island Economic Development Corporation (RIEDC). The industrial and commerce park complex contains 3000 acres of land; approximately 750 acres remain available for development. The park is actually composed of a number of smaller parks that are distinguished by their services and types of industry. The overall industrial 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 twenty-seven tenants employing more than 6200 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 industrial complex was once the home of the Davisville Naval Construction Battalion Center and the Quonset Naval Air Station. The Naval Air Station closed in 1972 and the Naval Construction Battalion Center, 900 acres in size, was closed in 1994. The Town and the RIEDC prepared a base reuse plan for the 1994 closure site with the expectation that the majority of the site would be converted to industrial and associated purposes. Most of the 900 acres has now been conveyed to the RIEDC or is a part of an interim master lease for the site. As a part of the Base Closure process, two hundred four acres of land have been conveyed to the Town by the U.S. Department of Interior for recreation and conservation purposes; this land adjoins an additional 75 acres and was included in the development of a master plan for the entire area.

ECONOMIC DEVELOPMENT AND OUTLOOK (Continued)

Quonset Point/Davisville Port and Commerce Park (Continued)

The Town has been participating in the development of plans for Quonset Point/Davisville in anticipation of the full transfer of the Navy property to the State Economic Development Corporation and the Town. The vision for the industrial complex focuses on the development of a commerce park and port area of nearly 2,200 acres. A bond referendum passed by Rhode Island voters secured \$72.0 million to enhance the existing freight rail system and make infrastructure improvements to Quonset Point/Davisville. Construction has begun on the relocation and improvement of Route 403, which will, upon completion, provide a limited access highway link between development at Quonset Point and Davisville and Route 4. The importance of linking the development of Quonset Point/Davisville to community objectives is demonstrated in the recent development of a separate element of the North Kingstown Comprehensive Plan devoted to the industrial complex.

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 Point Davisville Port and Commerce Park. In this portion of Quonset Point/ Davisville alone there is extensive activity and construction. Dominion Diagnostics completed the construction of a 23,000 square foot office and medical testing laboratory and is now preparing for the construction of Phase II development. Goldline is developing its plans for construction of a 67, 206 square foot facility. Seiferts MTM, an electronic manufacturing firm has received approval to construct a manufacturing operation in a new 56,900 square foot facility. Finally Cal-Greg Electronics, Inc. has received approval to construct a 15,000 square foot electronics manufacturing facility.

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. Among the expanded existing facilities are Ocean State Jobbers with a 104,000 square foot addition to their existing warehouse/ distribution facility (raising their total square footage to 978,188 square feet). General Dynamics/ Electric Boat, with the addition of two new structures, 43,000 square foot materials processing plant and 4,500 square foot paint application facility, continues to grow and remains the largest employer at Quonset Point/Davisville. SENESCO, a shipbuilder continues to grow and can be ranked as one of Quonset Point/Davisville's best success stories to date. Ocean State Oil, a petroleum transportation operation has recently acquired additional land from the RIEDC to facilitate expansion of its operations. D.S. Nelson, a manufacturer of custom interior woodwork completed a small addition to its manufacturing facility last year and has prepared construction plans for a four-unit 22,000 square foot structure to house its expansion and act as an incubator for additional industrial growth. Also in Commerce Park is the recently completed Concept Warehouse. This distribution facility is housed in a new 120,000 square foot structure. New England Stone plans an expansion to respond to their award of the contract for development of the granite structures for the new World War II monument in Washington, D.C.

North Davisville and West Davisville are the final areas of the park slated for industrial development. Here, as elsewhere in the park, existing uses continue to expand and new tenants are ready to move in. NORAD, an automobile importer, continues to expand its activities at the Davisville piers. Meanwhile, as the RIEDC finalizes its development plan for this area of the park, Landmark Building, Delfino Construction and Quonset Trucking (an existing park tenant) have received approvals for new facilities to be located in North Davisville. Also in North Davisville, the new Town Public Works garage has been completed and is now open.

ECONOMIC DEVELOPMENT AND OUTLOOK (Continued)

Quonset Point/Davisville Port and Commerce Park (Continued)

In West Davisville, three businesses have announced expansion plans: All-American Meats and Seafoods who will be adding 25,400 square feet to their existing 28,000 square foot facility; Trussco, a truss assembly company will be adding a 5,238 square foot addition; and BB and S is constructing a small addition to their current facility to incorporate new operational processes. Maro Display has acquired two 200,000 square foot former Navy buildings and will be renovating them not only for reuse for their own warehousing and assembly purposes but also for the potential to provide space for several smaller industrial operations.

Other Industrial Development

Industrial activity is located in other parts of the community, particularly in the mill village of Lafayette and adjacent to the rail lines that cross through North Kingstown. These areas include Dry Bridge Road and Old Baptist Road. Toray Plastics of America has recently acquired land adjacent to its Old Baptist Road facility for future expansion of its facility there. Along Dry Bridge Road, T. Miozzi, Inc. has erected a concrete batch mixing facility and Nooney Controls Inc., a manufacturing operation, has begun construction of a new facility on a nearby lot, also on Dry Bridge Road, that will allow the firm to relocate from its existing facility, which it shares with another operation. The relocation will facilitate the growth of both operations.

The Town and neighboring communities formed a regional economic development corporation focused on enhancing manufacturing activities in the region. The Corporation has a targeted manufacturer outreach program designed to assess business needs for management and workforce support and training and to assist the business community with meeting those needs. The success of the regional corporation is reflected in the recent addition of new member communities and by a \$350,000 grant from the U.S. Department of Commerce Economic Development Administration.

Commercial Development

Post Road (Route 1) and to a smaller degree, Boston Neck Road and Route 2/102 are the primary locations for the larger-scale commercial and shopping plaza uses. Many of the commercial establishments now located on Post Road were developed in response to the Navy base and associated growth during the 1960's. Post Road development suffered following the closure of the Navy base during the 1970's and early 1980's. Since then, growth has begun anew with the addition of Wickford Commons and Hunt River Commons. More recently, several business locations have been the subject of redevelopment or expansion efforts.

In the near future anticipated development along the Post Road corridor is expected to include the redevelopment of a former restaurant site and the development of a modern dentist facility. With a diminishing amount of commercially zoned land, it is anticipated that development will continue to focus on redevelopment of sites along Post Road. Finally the Town has begun to review a proposal for a 150-room hotel complex at the entrance to the Quonset Point/Davisville Industrial Park which will include, in addition to the hotel, two out-parcels slated for restaurant or commercial development.

ECONOMIC DEVELOPMENT AND OUTLOOK (Continued)

Commercial Development (Continued)

Prime examples of redevelopment or expansion along Post Road are the U.S. Post Office's rehabilitation of a former supermarket; the construction of a Washington Trust Bank; Brooks Drugs demolishing a former car dealer facility to make way for a modern drug and convenience store; Bess Eaton Donuts rehabilitating a former bank; and Kingstown Plaza, first constructed in 1961, investing \$500,000 in a clock tower, new signage and façade improvements. Cingular Wireless has completed the development of a 5,000 square foot retail location on a long vacant lot; a new 7-11/ Citgo convenience store and gas station on a previously undeveloped lot has been constructed; and a former health and fitness facility acquired by the YMCA has received extensive renovations. The YMCA is currently seeking approval for additional site improvements. Three auto rental agencies have already located on Post Road. Getty Petroleum demolished a former service station and completed construction of a gas station/convenience store; Koch Eye Associates renovated a former restaurant into medical office space; and a new Dunkin Donuts has been added to the Kingstown Square plaza. Additionally, Tarbox Motors completed a substantial renovation of their facilities.

The importance of Post Road to the economic base of the Town is best reflected by the inclusion of a separate element within the Town Comprehensive Plan for the Post Road Corridor. This element addresses issues such as improving traffic conditions, updating design features of the commercial area, and the introduction of landscaping, pedestrian and bicycle enhancements. As development or redevelopment is occurring, the Planning Commission and Planning Department work to achieve these goals. The Town is also working with the Rhode Island Department of Transportation to insure that their projects work toward Town objectives.

In addition to the commercial development along Post Road, there is considerable activity in each of the Town's villages. Seven villages are recognized for their historic prominence in the National Register of Historic Places. Most notable is the seaport of Wickford, a popular tourist attraction with many well-preserved historic buildings from the eighteenth and nineteenth century. The Town is also working on finalizing plans for Wickford that will provide the village with significant improvements to the roads and right of way amenities without sacrificing the historic character of the village. This improvement process has begun with the recently completed improvements to Library Park, a waterfront park linking the commercial heart of the village, Brown Street, with the waterfront; these improvements were funded by the Town and a grant from the Rhode Island Department of Environmental Management.

In Wickford village, redevelopment activity is underway in the business district. Brook's Drugs acquired a former pharmacy and is undertaking extensive renovations designed to make the building design more in keeping with the historic quality of the area. Other smaller projects are underway including the opening of a candy shop, a leather shop, and a wellness store; the latter project was facilitated by expansion of an historic building while protecting its character and design. Renovations are also in progress on a former diner and office building both recently acquired by the same local businessman.

Wickford village is such an integral component of the Town's economic vitality and cultural center that the Town prepared a Wickford Village Plan (1998). A committee has been established by the Town Council to assist in the implementation of the Plan. The Town has been awarded \$575,000 in transportation enhancement monies for sidewalk and streetscape improvements and \$125,000 to design a bicycle connection between the village of Wickford and the Quonset Davisville Port and Commerce Park. A consultant is working with the Town to prepare a zoning amendment to further implement the Plan.

ECONOMIC DEVELOPMENT AND OUTLOOK (Continued)

Commercial Development (Continued)

Richard Smith's Castle located near Wickford village is a recognized historic dwelling in Rhode Island. Richard Smith was the first English settler in Narragansett County and opened his trading post at Cocumscussoc in 1637. Through local, state, and federal assistance, the property was recently refurbished over a three-year period and received historic preservation awards from the State of Rhode Island and the National Trust for Historic Preservation. Smith's Castle, along with the Gilbert Stuart Birthplace, is one component of the tourism attractions in North Kingstown.

The Town expects that the commercial sector will continue to grow, particularly in response to development at Quonset Point/Davisville. Wickford Junction, a commercial project of nearly 300,000 square feet, includes a proposed commuter rail station near the village of Lafayette; Staples has recently added a 25,000 square foot building in the complex. A 120,000 square foot Home Depot is now open on a site in the same vicinity. A proposal for a BankRI branch is under review for the Wickford Junction area. Dave's Marketplace opened his second North Kingstown market in the former supermarket building in Wickford.

Office Development

The Meadows, an office park located at the intersection of Routes 2, 4, and 102, is a 27-acre office park that opened in 1988; two new buildings have been added to the complex in the last two years. The Wickford Professional Building on Phillips Street, a 40,000 square foot office complex, opened in 1989.

The Lafayette Mill has been converted to a satellite office for the State Department of Children, Youth, and Families. The state office uses comprise more than 13,000 square feet. Approval has been granted and construction commenced on a two building office complex at the intersection of Scrabbletown Road and Ten Rod Road. The site lies across from the Meadow Office Park and between the Wickford Junction commercial complex and the site of the new Home Depot. Along the Post Road Corridor the redevelopment of two sites for office uses, including a long underutilized 30,000 square foot building has occurred. This complex represents the type of sustainable development that complements the Town's character and is called for in the Comprehensive Plan. Office development called for in the Executive Park area of the Quonset Point Davisville Port and Commerce Park is expected to have a positive impact on the Town's stock of professional office space in the future.

BUSINESS TAX EXEMPTIONS AND ECONOMIC DEVELOPMENT TAX INCENTIVE

The Town Council adopted an ordinance in April of 1997, which allows 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 Port and Commerce Park as a new business to Rhode Island or for any existing business who is expanding their facilities. This incentive program has encouraged several new businesses to locate their facilities at the Quonset Point Davisville Port and Commerce Park.

MUNICIPAL PLANNING AND DEVELOPMENT

Planning

The North Kingstown Planning Commission was established in 1948. A full-time Planning Department assists this and other boards in the growth management of the town. The Town of North Kingstown adopted a Comprehensive Plan in 1992 that was prepared by a citizens advisory committee under the review of the Planning Commission; the Comprehensive Plan received approval from the State Department of Administration in 1995. The State-required Five-Year Update to the North Kingstown Comprehensive Plan was approved by the State Department of Administration in June 2002. The Commission provides recommendations to the Town Council for its implementation.

Zoning and Subdivision Regulation

In May 1998, the town completed the zoning that implements the comprehensive community plan. The ordinance expanded the number of zones in North Kingstown and now includes a five-acre residential zone intended to direct growth into Town villages. The zoning ordinance also provides for business, industrial, public and open space zones. Certain types of uses within these districts are restricted by soils limitations and groundwater protection overlay regulation. Subdivision regulations first adopted by North Kingstown in 1946 have been amended a number of times, more recently to implement the comprehensive plan and respond to new State Enabling legislation.

Growth Management

In support of the North Kingstown Comprehensive Plan, in 1999 the North Kingstown Town Council adopted a Growth Management Program for 1999-2001. With the adoption of the Comprehensive Plan Five-Year Update an updated Action Plan will be developed in concert with the Town Council budget goals and capital improvement program. The intent of the program is to schedule and prioritize growth management activities for the next several years.

Over the past few years many of the growth management objectives have been achieved. These activities included the adoption of zoning ordinance amendments; subdivision and land development regulation amendments; the acquisition of farmland development rights; the preparation of cost of community services reports and the adoption of wastewater management and revised groundwater protection ordinances. The Town Council also adopted a Water Service Area, which helps recognize the limits of growth in the community.

One component of the Growth Management Program and the Action Plan is the acquisition of farmland development rights. The community electorate expressed their support for this activity in a June 1998 referendum where \$4.0 million was approved for continued acquisitions. The proceeds of the bond authorization, along with federal and state grants and in-kind charitable donations, has allowed for the permanent open space preservation of nearly 1,500 acres of land during the past four years. An additional \$4.0 million bond referendum was approved by the voters in November 2000.

The success of the community growth management program led to the Town Council receiving the Senator John H. Chafee Conservation Award for 2001 from the Environment Council of Rhode Island.

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. For example the Department staffed the Wickford Village Plan Advisory Committee and prepared the plan report. The Department works with the Planning Commission in implementing the North Kingstown Comprehensive Plan. The Planning Department assists the Town Manager and Finance Department in the preparation of the Capital Improvement Plan.

In 1992, the Town adopted a comprehensive plan prepared by the Planning Department, Planning Commission and a 52 member Citizens Advisory Committee. This plan addressed issues related to land use, housing, natural resource protection, economic development and the provision of community services and facilities. A special component of the plan was one element devoted entirely to economic development and, where appropriate, revitalization of the commercial district along Post Road. The plan also included a detailed implementation program that serves as a guide to accomplishing the programs, policies and regulatory recommendations of the plan. The plan was approved by the State of Rhode Island in 1995. A Five-Year Update of the Comprehensive Plan was prepared and completed in June 2001; adopted by the Planning Commission in June 2001 and by the Town Council at their July 9, 2001 meeting; and approved by the State Department of Administration in June 2002. The Five-Year Update includes the results of surveys conducted by the Town of the residents and businesses and a visioning process that included 50 members of the community. The visioning process led to the inclusion of an additional special element in the Comprehensive Plan devoted solely to the future development of Quonset Point/Davisville.

The Planning Department prepares the Town's annual application for the State Community Development Block Grant program. The Department is and has been involved in Town environmental, economic development, and transportation programs. As an example, the Planning Department served as coordinator for the Town's Watershed Watch Program and worked with the Conservation Commission in the development of a proposed wetland restoration program. In conjunction with the Groundwater Committee, the Planning Department prepared the Groundwater Protection Plan for the Town's aquifer areas. This plan was adopted by the Town Council and incorporated into the town's Comprehensive Plan by the Planning Commission. The delineation of the Annaquatucket Aquifer wellhead, one of three aquifers the town uses for its public water supply, was chosen by the Rhode Island Department of Environmental Management to serve as a demonstration project for a program funded by the United States Environmental Protection Agency. This study became a joint effort of Rhode Island Department of Environmental Management, U.S. Environmental Protection Agency, and the Town. The study provided the basis for a zoning amendment to further protect the Town's drinking water supply.

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.

ASSESSOR

The Tax Assessor's Office assists taxpayers with the filing of personal property returns, exemption applications, farm forest and open space applications and tax appeal applications. The Tax Assessor's Office maintains accurate ownership and sales information that is readily available to the public. The office maintains and answers inquiries on real property. Some of the information includes ownership, sales information, assessments, zoning, land and building size, and construction details which is maintained on the town's CAMA system. All information pertaining to real property – taxable and exempt, motor vehicles, tangible property, and exemptions is used to generate the town's annual tax roll. The assessor's CAMA information is currently available to the public on computers in the assessor's office and on a website.

CODE ENFORCEMENT

The Building Official's Office/Code Enforcement Department is charged with the enforcement of the State Building Code, Zoning Regulations, specific Town Ordinances and the RI Housing Maintenance and Occupancy Code. This department provides interpretation of codes, ordinances and regulations, assistance to the general public and business community throughout the permitting process.

FIRE DEPARTMENT

The Fire Department has 3 manned Fire Stations, which provide Fire Suppression, Fire Prevention and Emergency Medical Service to 44 sq. miles of the Town and 12sq. miles at the Quonset Point/Davisville Industrial Park. The Department has 75 full time employees including the Chief, Fire Marshal, The Department Mechanic, Assistant Mechanic and the Department Secretary.

The full time members staff 4 Engine Companies, 2 ALS Rescue Companies, and cross man 2 Brush Trucks, a Ladder Truck and 1 Special Hazards Vehicle. Their responsibilities include fire suppression, hazardous material response, confined space rescue, rope rescue and Emergency Medical Services including Advanced and Basic Life Support service and transport.

The Fire Marshal's office offers various programs to educate and serve the public. Some of the programs include residential and commercial plan review, smoke detector and carbon monoxide detector inspection, senior citizen fire safety, juvenile firesetter program and baby sitter fire safety.

The Department Mechanics are responsible for the maintenance and repair of the Departments 25 vehicles. The Department also maintains a municipal fire alarm system for the Town and the Industrial Park.

The Department responded to 3,701 requests for emergency services in the past year.

INFORMATION SERVICES DEPARTMENT

The Information Services (IS) Department, under the Finance Department, consists of two (2) full time employees. This department provides services to all departments in the Town Hall, Annex, Senior Center, Department of Public Works, Police and Fire buildings as well as the School Administration Offices. These services include PC and peripheral installation, repair and maintenance, networking infrastructure development, database administration and development, installation and maintenance of Internet Protocol (IP) Telephony systems and assistance and upgrading of all software applications. The IS Department is responsible for maintaining the Town's networking infrastructure which consists of four (4) fiber optic connected sites (Annex Building, central Public Safety offices, North Kingstown Free Library and the North Kingstown School Administration offices), five (5) frame relay connections (North Kingstown Municipal Golf Course, two (2) remote Fire stations, North Kingstown Senior Center and North Kingstown Transfer Station) and one (1) Point-to-Point (PTP) connection for the new Department of Public Works facility. This department also has the responsibility of maintaining the Town's web site.

POLICE DEPARTMENT

The police department is staffed by fifty-one (51) sworn personnel – the Chief of Police and fifty (50) officers of various ranks. Support staff includes three dispatchers, three secretaries, two clerks, two custodians and one mechanic. Animal Control and Harbormaster staffs include: one Animal Warden, two Assistant Animal Wardens, a full-time Harbormaster and two part-time Assistant Harbormasters. The Police Department operates from its headquarters building located at 8166 Post Road, the Animal Control Division from the Animal Pound located on Hamilton Allenton Road, and the Harbormaster from the patrol boat berth at the Town Dock located at the end of Main Street. The Department uses and maintains a fleet of twenty-one vehicles that log in excess of 500,000 patrol miles each year. Vehicle configuration consists of marked vehicles equipped with moving radar units, as well as unmarked vehicles. There are two vans for use by the Animal Wardens, and a patrol boat for use by the Harbormaster.

The department strives to ensure that police services are delivered in an effective and efficient manner - providing a quality of life for all residents and visitors that is 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 department handles on average 21,000 calls for service a year.

PUBLIC WORKS

The Administration Division is made up of the Department Director, Facilities Project Manager and Secretary. The 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 Director and Facilities Project Manager offer staff support to the Asset Management Commission.

PUBLIC WORKS (Continued)

The Highway Division is responsible for maintaining and improving the Town's infrastructure (roads, dams, drainage, bridges), responding to resident's inquiries, street sweeping, snow plowing, heavy pick-up, tree trimming and brush cutting, catch basin cleaning, sign making, and other responsibilities which involve heavy and light equipment. This division is comprised of 17 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, 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. This division manages the Town's curbside recycling program. The Town Engineer provides staff support to the Planning Commission.

The Transfer Station Division is responsible for the day-to-day operations of the Town's solid waste transfer station. 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 with valve removed, waste oil, batteries, tires, mixed paper, recyclable containers, leaf and yard waste. A yearly fee schedule is established by Ordinance.

The Facilities and Grounds Division is responsible for the maintenance and improvements to all Town buildings, grounds, athletic facilities and parks. The employees of this division are utilized in 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.

SENIOR SERVICES

The Department of Senior Services encompasses four divisions: A Federal Meals Program, (Meals on Wheels, Meals on Site), General Programming (including Health Wellness, Educational, Travel, Cultural and Recreational Activities), Social Services (Case Management & Information and Referral Services) and Transportation (one 20 passenger and one 15 passenger vehicle). The North Kingstown Senior Center (Beechwood House) is staffed by three full time and eight part-time employees. Beechwood House is a nationally accredited senior center.

LIBRARY

“The North Kingstown Free Library is the symbolic center of our community. It is a permanent physical space that acts as a meeting place for the exchange of information and ideas, as a gateway to resources and services which are available to assist our citizens in living and enriching their daily lives, as a repository of our collective culture and history, and as an embodiment of the democratic ideals that have shaped our society: freedom, equality, and plurality.” These words, taken from the library’s first long range plan written in 1986, clearly describe our mission to meet the changing and enduring cultural, educational, informational, recreational and research needs of our users. Governed by a seven-member Board of Trustees appointed by the Town Council, the library is open 62 hours each week, Monday through Saturday and on Sunday afternoons from October through May. The Library Director, assisted by three administrative librarians, carries out the policies established by the Board of Trustees and is responsible for the entire program of library service to the community. A staff of two full-time librarians, six full-time paraprofessionals, five part-time paraprofessionals, two part-time clerical employees, two part-time custodians, up to seven part-time seasonal Sunday staff members and up to eight high school students work together to provide the high quality public service for which our library has a statewide reputation. The collections of the North Kingstown Free Library number over 114,000 items including books, audiobooks, videos, music, computer software, magazines and newspapers, as well as a vast array of materials pertaining to local history and culture. As a member of the Cooperating Libraries Automated Network (CLAN), the statewide public library system, North Kingstown Free Library patrons have access to over six million items in 68 public libraries throughout Rhode Island. North Kingstown cardholders can also search 20 online databases, they can request material from other CLAN libraries, check their library record, and renew books at the library or from their homes via the Internet. Throughout the year, with funds granted from the Friends of the North Kingstown Free Library and other sources, the library conducts many free public programs and events for all age groups on a variety of subjects.

LEISURE ACTIVITIES DEPARTMENT

The mission of the Leisure Activities Department is to maintain and provide quality leisure activities at the Municipal Golf Course and Allen Harbor Marina and continue to assist the Arts Council in their goal to provide diverse and quality programs for the residents of North Kingstown.

The Department oversees the administration, personnel, budgeting, policy implementation and supervision of the Quonset/Davisville Enterprise Fund. The Fund supports 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 through the Town. The Golf Course is a classic layout 18-hole and is one of the most popular in the state with 40,000 rounds played there each year. The Marina consists of 146 slips and moorings. The department also serves as the liaison for the North Kingstown Arts Council. During the past year the Town has acquired an additional 215 acres of property from the Department of Interior that will be developed into a passive recreation area.

WATER DEPARTMENT

The Department of Water Supply provides domestic water service and fire protection to the majority of residents and businesses in North Kingstown. Currently there are 8954 active accounts. On average, the Town has 170 new connections per year. In addition, North Kingstown also provides water for 1624 services in the Town of Narragansett and has served as an emergency source of supply to the Town of Jamestown. Narragansett meters and bills for water under their own rate structure.

WATER DEPARTMENT (Continued)

North Kingstown Water owns and operates 10 gravel packed wells ranging in capacity from 180 to 2000 gallons per minute yield. The wells are located throughout three aquifers, the Hunt, Annaquatucket and Pettaquamscutt, which underlie the Town. North Kingstown wells produce one billion gallons of water per year. The average demand is three million gallons per day, with a peak summer demand of up to eight million gallons per day. The distribution system consists of 156 miles of water pipe, 978 fire hydrants, four standpipes, and one storage reservoir.

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 over 4600 students in ten schools – one high school, two middle schools, six elementary schools, and one preschool center. 367 professionally certified personnel supported by over 259 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.

MUNICIPAL INITIATIVES FOR THE YEAR

Planning Department

North Kingstown received \$183,000 in Community Development Block Grant funds in the 2001-2002 fiscal year. These funds supported a variety of activities including housing rehabilitation; continued work on implementing the Davisville neighborhood revitalization plan; adding dental care for a local health organization; and continuing support for the Women's Resource Center of South County. The grant award included \$136,000 dedicated to the Town's revitalization effort in the Davisville neighborhood; these funds will be used for housing rehabilitation; renovations of the physical structures at a transitional housing complex; programs in the neighborhood school; assistance for a Town recreation program in the Davisville neighborhood; and redevelopment of a neighborhood park. The neighborhood revitalization funds represent year two of a three-year commitment by the State CDBG program for activities in the Davisville neighborhood. The Planning Department has been working with a partnership that includes Rhode Island Housing, the Community Development Consortium, the Town Child Opportunity Zone, and Traveler's Aid first in working with the neighborhood to develop a Revitalization Plan and now to implement that plan. The targeted assistance from the first two years begins that process. Very quickly following the completion of the plan, a neighborhood organization was created that now serves as a link between the neighborhood and the Planning Department and other town agencies. The Planning Department and the Community Development Consortium was able to interest the University of Rhode Island Landscape Architecture and Community Planning Department in conducting a studio class for the Davisville neighborhood. The work of the studio class will further implement the Revitalization Plan and set the stage for additional activities.

MUNICIPAL INITIATIVES FOR THE YEAR (Continued)

Planning Department (Continued)

The Town of North Kingstown has managed a Community Development Block Grant Program for the past 15 years. For the past eight years, the Town has participated in a regional program, first by managing a program for the Town of East Greenwich and since the spring of 1996, when the regional program was expanded to include three other communities, Exeter, West Greenwich, and Hopkinton.

The Planning Department works to strengthen the Town's relationship with the Rhode Island Economic Development Corporation (RIEDC). The Planning Department, along with the Town Manager, meets regularly with the staff of the RIEDC to address issues of mutual concern and to coordinate activities. The Planning Department attends meetings with prospective businesses and coordinates the review of development projects with other Town departments through the Town Technical Review Committee. A separate joint Technical Review Committee composed of staff from the Town and staff from the RIEDC also meets monthly to discuss pending projects.

The Planning Department served as staff to the citizens advisory committee that developed the Wickford Village Plan and is now working to implement the Plan. The Plan set out ideas and a vision for future infrastructure programs and design guidelines to enhance and protect the historic village character; the work of the committee was supported by a grant from the National Trust for Historic Preservation. A number of programs proposed in the village plan have reached an implementation stage. A proposal for a walkway along the harbor; improvements to Library Park; and additional transient dockage were part of a successful grant application to the Rhode Island Department of Environmental Management; these improvements were completed last year. Planning for the sidewalk and streetscape improvements is in progress. The Planning Department prepared successful applications to the Rhode Island Department of Transportation Enhancement Program for funding for the sidewalk and streetscape improvements and design monies for a bicycle connection between the village of Wickford and the Quonset Davisville Port and Commerce Park.

The Planning Department prepared an impact fee study that resulted in the adoption of impact fees by the town. Each year the Planning Department works with the Finance Department to update those fees to reflect current conditions. An application to the U.S. Department of Interior for a 200-acre site at the former Davisville Naval Base has been approved and the property has been conveyed to the Town; the site will be used for recreation, conservation, and public access to the water. The Cost of Community services prepared by the Planning Department is used to assess the impact of different land uses on the tax base and is a component of the Town's Growth Management Program.

MUNICIPAL INITIATIVES FOR THE YEAR (Continued)

Planning Department (Continued)

Protecting open space and farmland are among the goals and objectives of the North Kingstown Comprehensive Plan. To implement this vision, the Planning Department has been working with the Planning Commission, the Town Manager, and the Town Council to achieve the protection of important land in North Kingstown. A key approach to this task has been leveraging grants, tax incentives, and other techniques to minimize the cost to the Town. Development rights to 145 acres of farmland associated with two farms have already been purchased using monies from the Water Resources Board and Town bond funds; 14 acres were purchased using Water Resources Board monies for a future well site. A 200-acre farm and wetland complex was protected by a successful grant application for North American Wetlands Conservation Act monies. The protection of 338 acres of farmland and 136 acres of forested land through the purchase of development rights and the acquisition by the Town of 36 acres for a future well site was accomplished last year; in this fiscal year the Town completed the acquisition of development rights for an additional 127 acres of farmland. These farmland purchases were accomplished using grants and Town bond funds; grants from the Rhode Island Agriculture Preservation Commission and the U.S. Department of Agriculture to assist in the acquisition. In addition to other supporting Town policies, the Town's cost of community services studies documented the advantage to the Town to keeping land open. Working with the Rhode Island Department of Environmental Management, the North Kingstown Land Conservancy and Narragansett Electric, the Town was able to secure the protection of 230 acres of land along Narragansett Bay; the land protection opens access to the water for the public, provides protection for wildlife, and provides a viewing opportunity for the public of sea mammals.

The Planning Department participates in several regional-planning efforts. Washington Trust Bank has been a leader in encouraging a regional approach to planning in Washington County. The Planning Department attends meetings of the planners from the nine communities in southern Rhode Island. A Sustainability Grant from the US Environmental Protection Agency and funds from the Rhode Island Department of Environmental Management and the University of Rhode Island support a program for the development of alternative land use regulations to manage growth, prevent urban sprawl, protect sensitive natural resources and promote balanced economic development; the nine Washington County communities are participating in the program. Additionally, the Planning Department participated with elected officials from the nine communities in the development of a regional vision for Washington County and a county greenway system. A study of future economic development initiatives is in progress.

CODE ENFORCEMENT

The Code Enforcement Department issued a total of 2182 permits during FY 01/02 representing a total construction value of \$38,110,228.00. Included in the total of permits issued and total construction value were permits for 142 residential units with a construction value of \$17,332,718.00 and 7 commercial units with a construction value of \$2,883,080.00.

INFORMATION SERVICES

During Fiscal Year 2002, the IS department upgraded or replaced four (4) servers for the Town Hall, Police and Fire departments. Three were new servers that replaced ones running NT 4.0 with Exchange 5.5 to Windows 2000 with Exchange 2000, while one (1) was an upgrade to our existing web server. Also, at the Fire department, networking switches were replaced. Overall, the IS department replaced approximately thirty (30) PCs in various departments in keeping with our policy to stay current with emerging technology.

INFORMATION SERVICES (Continued)

The IS department started to investigate a new technology in telephone systems, namely IP Telephony. With the new Public Works facility needing a telephone system and the telephone systems at Town Hall and Annex buildings showing their age, approximately ten (10) plus years old, it seemed appropriate to get these Town offices all on one phone system. This technology allows the Town of North Kingstown to capitalize on its investments in our networking infrastructure. IP Telephony utilizes the same computer lines that the network uses thus reducing the overall cost for a telephone system. This technology will also position the Town to take advantage of integrating our email and voice mail systems thus having greater access to this information will increase response times to better serve the public.

The IS Department, working with the Water Supply, Public Works and Planning departments, went out to bid for a Needs Analysis and parcel alignment of our tax maps in preparation for a fully developed Geographic Information Systems (GIS). Thanks to a Department of Housing and Urban Development (HUD) Grant awarded to the Town of North Kingstown, the IS Department was able to research the best route and methodology the Town should take before deploying a full-blown GIS.

POLICE DEPARTMENT

The Police Department continues to emphasize its role in community youth services. The DARE Core Curriculum has been taught in the elementary schools since 1990 and access to REPORT-IT.COM, an Internet tool for reporting dangerous situations, has been provided to the middle schools and high school. RadKids is a joint venture of the police department and the Substance Abuse Task Force, Working Together for Wellness, which is a self-empowerment program for children ages 5-7 and 8-10 (till the 11th birthday). Going For The Goal is a 10-lesson program on creating goals from dreams and making them reachable. Going For The Goal is taught by High School Student Instructor Volunteers at the middle schools as an after-school enrichment program. Going For The Goal is a joint venture with Working Together for Wellness. The department also conducts an annual "Safety Day" that exhibits various things to know in promoting the safety of our children and families. New this August 2002 is the department's School Resource Officer (SRO) Program. Through a federal grant, the department has deployed three (3) veteran police officers in three town schools: North Kingstown High School, Wickford Middle School and Davisville Middle School. These officers will bring both a policing role and faculty resource role to the school environment. Thus far, it has been well received in the community.

The Mobile Data Project has resulted in the installation of laptop computers in all of the patrol cars. The laptop computers provide for State and Federal records checks, including warrants and motor vehicle data, car-to-car communications, and in the near future, report writing capabilities and silent dispatch (no radio transmissions). The officer will be able to perform all of these functions while maintaining a presence in his/her assigned patrol area. The project and needed updates are still ongoing.

The Bike Patrol 2002 deployment was another resounding success with positive feed back from the community. Along with regular community patrol the Bike Patrol was assigned to all major summer events, which included the Air Show, Fourth of July, and the Wickford Art Festival.

Seatbelt Safety was the focus of Operation ABC Mobilization based on a Federal Highway Safety Grant that was administered by the Rhode Island Governor's Office of Highway Safety. The funding provided for Seatbelt Enforcement Patrols, which intensified the enforcement of adult seatbelt and child passenger restraint laws. The grant also provided for training clinics for instruction on the proper use of child safety seats and belts. Enforcement patrols and Safety Clinics have been conducted.

POLICE DEPARTMENT (Continued)

The Harbor Division is completing its second season with a full time Harbormaster. Efforts were invested in upgrading record-keeping and computer systems. An in-depth survey of all mooring fields inside of Wickford Harbor had been completed. An ongoing effort exists to enforce compliance with the ordinances. The Harbor Division boat was replaced August 2002 with a new and more suitable boat to better serve the mission. Other: Proposing changes to the Harbor Management Plan, personnel trainings needs, and a complete survey of our haul moorings are still under ongoing consideration and review.

The department is also continuing its traffic safety enforcement plan(s) that targets different areas in town, based on problems, complaints or other traffic patterns / concerns, on a weekly and sometimes monthly basis. The Speed Monitoring Awareness Radar Trailer (SMART) is also deployed in conjunction with the ongoing traffic initiative.

PUBLIC WORKS

During the last 5 years, public works has re-surfaced approximately 50 miles of roads. The department is now independently assessing secondary/subdivision roads and will prioritize each for the next phase of its resurfacing program. The pay-as-you-throw program at the Transfer Station on Devils Foot Road, implemented in July 1999, has successfully reduced the amount of solid waste disposed of by town residents by 34% and the town has seen an increase of 35.6% in the amount recycled since its inception three years ago. As of June 30, 2002, the Town of North Kingstown had the second highest diversion rate in the State of Rhode Island at 31%. This diversion rate represents the ratio of recycling tonnage to garbage tonnage disposed of at RI Resource Recovery's landfill and recycling facilities in Johnston. The Transfer Station's composting operation continues to produce a product of high quality, available at no cost to residents, and is in demand throughout the year.

The Engineering Division continues to work with the I.S. Department in its implementation of the GIS system, including the digitizing of ortho-photo planimetrics, and the linking of various Town department databases.

The long anticipated construction of a new Highway Garage is complete. Located at the new Public Works Facility, at 2050 Davisville Road, are the Administrative Offices and the Highway Division of the Department of public works, and the department's Facilities Project Manager. In the next few months, the Facilities Division is expected to relocate to this facility, and it is anticipated that the Engineering Office will also be moving to this location.

SENIOR SERVICES

The unduplicated number of individuals who utilized services in all divisions in 2001-2002 is 2,033. Programming at the senior center is divided into health wellness and general programming. Over the past year 1,720 individuals participated in programs at the Senior Center representing an increase of 16%.

Transportation services made 9,735 calls, assisting 156 seniors. Medical transport to community locations decreased 16% since the establishment of our Wellness Center and new services such as podiatry. Transportation to adult day care and out of town medical appointments is currently provided by state transportation services. Volunteer organizations such as FISH and Seniors Helping Others assist with out of town medical needs when volunteers are available.

SENIOR SERVICES (Continued)

A total of 24,478 meals were served through our federal meals program. Meals on site at our Sea Breeze Dining room served 14,070 meals over last year to a total of 242 individuals served. Meals on Wheels served 85 homebound seniors with 10,408 meals.

Outreach (social services) assisted 487 persons. Services offered through this division include caregiver's support, volunteer visiting, Meals on Wheels, Medicare counseling, prescription drug benefits, as well as information and referral and case management services. Service contacts in this component increased by 13.5%.

RECREATION

North Kingstown was again blessed with a great group of leaders and volunteers in a wide variety of activities and skill levels.

A new art program was very well received by third, fourth and fifth grade boys and girls. They were introduced to drawing with a pencil, charcoal, and pen & ink and learned the basics of line, tone, shading and perspective. The Saturday Morning Art Program for kindergarten to second grade students was also well attended as the children learned how to blend colors and shapes by using their own very vivid imaginations.

The tennis program enjoyed a great surge of success as the six to twelve year olds not only honed their skills in our weekly program but also took advantage of the opportunity to move to a higher skill level through a camp offered by the instructors.

Once the beautiful new high school was completed we were able to offer our girls gymnastics program in that setting. Girls from the first through the 6th grade enjoyed learning how to balance and coordinate their bodies on the beam, bars, floor and vault.

Over 700 boys and girls participated in our basketball program this season and many played on tournament teams that again enjoyed great success. Some of those teams also stepped up to AAU Basketball where they honed their skills against tough competition from all over the eastern half of the United States.

Over 60 boys and girls from five to fifteen years of age again performed at the Theatre By The Sea. The play this year was "Little Red Riding Hood". They did two shows on a Friday following the audition the previous Monday. The building was sold out for both shows and everyone was so impressed by this wonderful example in organization. The children were like veterans of the stage.

This was the fourth summer that we have offered a "Teen Extreme" program to seventh through ninth grade students. Over 150 took part in kayaking, white-water rafting, giant water slides, Six Flags, swimming, whale watching, para sailing and many more activities that made the summer memorable for all.

The track and cross country teams reached many hundreds of boys and girls of all ages and a few reached the pinnacle of the sport by achieving All America status. However, even those who were not stars felt the exhilaration of doing their personal best and seeing great improvement in their distances and their times.

The summer playground program was again successful in offering many activities to help the children enjoy their season in a safe and eventful environment. Among the excursions was the opportunity to take both a train ride and a boat ride at the Essex Railroad in Essex, Connecticut. Other field trips included going to the beach, bowling, Chuck E. Cheese, roller-skating, Theatre By The Sea Performances, the Pawtucket Red Sox, pizza, the movies and many more.

LIBRARY

The library continues to be one of the busiest public libraries in Rhode Island, checking out 374,927 items last year, an increase of 5% over the previous year. The number of items checked out of the library is just one of many ways to calculate the volume of use that the library enjoyed during the year. For instance, library staff responded to 33,441 patron questions at our three public service desks; 2,349 new patrons registered to use the library; we recorded more than 27,000 connections to our Web page and more than 64,000 searches were conducted using the online databases which the library makes available. We held 503 programs, which were attended by almost 12,000 adults, and children and the people counter at the front door recorded 190,729 people visiting the library. Our library director retired from service at the end of FY 01-02 and much of the fiscal year was spent preparing for this major transition in the administrative hierarchy of the library. As a result, we did not undertake any new initiatives. Rather, we worked to ensure that basic service would not be interrupted as a result of the transition and we worked to get our internal "house in order" making sure that policies and procedures were well-documented in order to effect as smooth a transition as possible.

LEISURE ACTIVITIES DEPARTMENT

The North Kingstown Municipal Golf Course, completed another successful season generating revenues in excess of 1.4 million dollars with over 40,000 rounds of golf played there again this year. This year the Department will continue to plan and implement improvements to the Golf Course. The major initiative will be the start of the design of a state-of-the-art irrigation system that will provide greater coverage using less water. In addition, a new fairway mower will be purchased, the golf cart fleet will continue to be upgrade through its three-year replacement plan, a PM system will be implemented for all golf course equipment and a 12-year rolling stock replacement program will be implemented. As course conditions continue to improve, this season projects to be an even better year.

At the Allen Harbor Marina, the Department has begun to implement Phase I Improvements for Allen Harbor/Calf Pasture Point Master Plan with awarding of a design contract for Phase I Improvements. An application to the CRMC will be submitted for the long planned expansion of the Marina. As part of the expansion, a new sewer system and restroom will be built as well as over thirty additional slips. In addition, an application was submitted for a National Boating Infrastructure Grant for a transient boater facility.

The Allen Harbor/Calf Pasture Point complex consists of approximately 215 acres of land to be used for passive recreation. The design and construction of parking facilities, trails and paths will be initiated this year.

The Arts Council has developed another outstanding program including events and concert series for the enjoyment of Town residents. It will again seek financial support from the RI State Council on the Arts.

WATER DEPARTMENT

Providing high quality and adequate quantity of drinking water is the paramount goal of the North Kingstown Department of Water Supply. In this regard, the Department is currently installing an ultra violet disinfection system to allow us to reactivate Well #10. This well is a two million gallon per day source of water. Well #10 was deactivated in 1992 due to the presence of bacteria. Two additional important projects underway this year include a hydrological study to locate an additional one million gallon per day water source and the construction of a Supervisory Control and Data Acquisition (SCADA) system. Potential well locations have been selected and test well drilling will be initiated over the next few months. Developing a new well may take up to five years and cost one million dollars or more. An additional well will provide redundancy and flexibility in supplying water during times of high demand. The updated SCADA system will control and/or coordinate the operation of North Kingstown Water's wells and storage facilities to meet existing demands with an emphasis on reducing the overall energy and operational costs. The system will also store and process data to provide unattended monitoring of the water system.

The Water Department has been working on establishing emergency interconnections with abutting water systems. Construction of an emergency interconnection with Warwick Water is currently under construction and a plan for the reestablishment of a connection with Kent County Water Authority has recently been completed.

The North Kingstown Department of Water Supply is also responsible for the Town's Wastewater Management District Ordinance. This ordinance requires that all property owners inspect and maintain their individual sewage disposal system (ISDS) or cesspool. Educating citizens about the importance of such maintenance and the role it plays in protecting their drinking water quality is a major initiative for the Water Department.

NORTH KINGSTOWN SCHOOL DEPARTMENT

The major initiatives, which the North Kingstown School Department has undertaken during this past fiscal year, are as follows.

Plans were implemented to construct a \$1.9 million addition to Quidnessett Elementary School.

The district continued implementation of a comprehensive seven-year curriculum cycle for the district. We continued development of curriculum office headed by curriculum director who worked extensively with teachers in a wide range of curriculum areas and initiatives throughout the school year. The department continued development of a system of school level K-12 curriculum coordinators to oversee, lead and monitor curriculum development in specific curriculum areas. We continued the process of construction of goals, objectives, scope and sequence for the district in each subject area in grades kindergarten through twelve.

NORTH KINGSTOWN SCHOOL DEPARTMENT (Continued)

The district developed, implemented and monitored a school level improvement process at each district school. We continued to implement the district-wide school improvement process in each district school creating improvement plans and stating those plans in terms of student results. Schools utilize student performance assessment data, State Frameworks, National Standards and the 2000 SALT survey data (Information Works) in identifying areas for improvement. The district adopt and implement a district wide assessment program that is congruent with the state assessment program and provides information at each grade level for curriculum development and improvement of student achievement. The department conducted extensive staff development with school improvement teams in techniques for utilizing data to develop action plans in terms of student results and in effective utilization of information in decision making. The school improvement process enabled all schools and the district to respond effectively to state/federal requests for information in relation to Improving America's Schools Act, Article 31 and SALT. Two schools prepared for and received external visiting teams resulting in glowing reports in support of the educational programs offered to students of the district.

In the area of educational improvement, the department continues the process of implementing a long-range strategic plan. The district mission statement has been expanded throughout this fiscal year.

An instructional improvement process which provides the foundation for the development of the skills of all educational personnel to deliver instruction utilizing a variety of techniques matched to individual student needs continued with the training of new members of the teaching and administrative staff.

Systems to improve parent and community involvement continued in this fiscal year. These systems provides for the continuation of school advisory councils at each of the schools in the district and implementation of the Parents as Teachers program for preschool parents.

FOR THE FUTURE

Planning Department

The Planning Department led the Planning Commission and the Town Council through a Comprehensive Plan Five-Year Update process that culminated in the adoption of the document by the Planning Commission in June 2001 and July 2001 by the Town Council. State law mandates this process and North Kingstown was the first Rhode Island community to complete their Five-Year Update. The Five-Year Update to the Plan allowed the community an opportunity to assess progress in accomplishing the goals set out in the 1995 Plan and modify or retarget the Town's view for the future. With the approval by the State in June, 2002, the Planning Commission and Town Council will be meeting to establish an Action Plan for the next two years that sets the priorities within the full implementation program.

The Planning Department will continue to work with the Wickford Plan Committee and other Town offices to implement the Wickford Village Plan. Funding from the town, the Rhode Island Department of Environmental Management, and the Rhode Island Department of Transportation has been secured to implement the traffic calming and streetscape improvements envisioned. The business community and the Plum Beach Garden Club are partners in this program.

Over the next year, the Planning Department and other boards and commissions will be completing a special ordinance for Wickford village to assure the protection of the village character and to provide guidance and regulation for new development and redevelopment. The Planning Department will also be working with the public in a discussion of a study of potential additional areas of Wickford village that should be incorporated into the National Register Historic District.

FOR THE FUTURE (Continued)

Planning Department (Continued)

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 Planning Department is also working with the Water Department on a study of future well sites. 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 Town through the Planning Department will continue to partner with organizations such as The Nature Conservancy, the North Kingstown Land Conservancy and the Narrow River Land Trust, and the Rhode Island Department of Environmental Management on these efforts.

The Planning Department will continue to work with the RIEDC to coordinate review of services and facilitate business development. The Planning Department will also work with the RIEDC to assure the full implementation of the Base Re-use Plan adopted for Quonset Point/Davisville. The Planning Department will be working with the North Kingstown Chamber of Commerce and their Post Road Task Force on a corridor study for Post Road.

Regional efforts will continue to be a component of the work of the North Kingstown Planning Department. The Planning Department will be participating with Washington Trust Bank's regional planning effort in implementing the vision plan. The Planning Department will also be taking part in the Sustainability Grant program, which we believe will demonstrate land use alternatives that can be applied to North Kingstown.

Over the next year, the Planning Department will focus on completion of or implementation associated with a number of special projects: the completion of our Hazard Mitigation Plan; and the implementation of the Davisville Neighborhood Revitalization Plan and the various phases of the Allen Harbor Master Plan. In the Wickford harbor area, the Planning Department in conjunction with Save the Bay and the Department of Public Works will be developing the design for improved stormwater management systems. The Planning Department will also be working on the grant from the Department of Transportation for the development of a bikeway from Wickford village to the Quonset Point/Davisville Port and Commerce Park and the design and engineering for sidewalks in the village of Wickford.

ASSESSOR

North Kingstown will be implementing the next revaluation as of the December 31, 2003 assessment date. Currently the assessor's office is maintaining sales information to accurately reflect market trends prior to the assessment date. As part of the revaluation project, the assessor's office sends sales verification letters to qualify the sale and the accuracy of the town's information. The triennial revaluation promotes uniform assessments for all real property. The assessor's office plans to keep the CAMA information available on the website to allow the public easier access to all real property information. The Town plans to integrate the GIS information into the CAMA system and this will be part of the next revaluation cycle.

FIRE DEPARTMENT

The Department is in the process of having all Engine and Ladder Companies Advanced Life Support licensed by the Rhode Island Department of Health. This will provide a much higher level of care for the patient until the arrival of the Rescue.

The Department will be working with the Town and Rhode Island Economic Development Corporation officials in the fire-safe development of the Quonset Point/Davisville Industrial Park.

The Department will continue with the Radio Master Box replacement program and to update the Computer Aided Dispatch and Records Management program to provide information more quickly and accurately.

INFORMATION SERVICES:

In the upcoming year, the two major projects before the IS Department will be deploying the IP Telephony system at new Department of Public Works building and then to the Town Hall, Annex and the Senior Center offices and the advancement, installation and integration of a GIS.

The IP Telephony system will give more phone lines available to all users both incoming and outgoing, greater voice mail options at the Annex and Senior Centers and the benefit of having one telephone system for ease of use. The Town of North Kingstown will be the first municipality to deploy such technology in the State of Rhode Island. As the technology converges both voice and data onto one system, the Town will reap the benefits of overall lower cost of ownership and a reduction in the cost of telephone lines. This system will also allow the Town to easily add other office buildings as needed and add functionality such as faxing via email and wireless phones. As part of the implementation of this system, the Town will also be upgrading the speed between the IS department to outlying offices (namely Town Hall, Annex and Public Safety) to gigabyte connectivity. Thus, allowing the Town to better capitalize on its already existing fiber optic connections.

Our second project is the deployment of GIS to Town offices. With the aerial orthophotography that the Town was able to receive from a HUD Grant, the first phase of this project is to have these photos overlaid with our Assessor's plat maps. This process is called parcel alignment and will take several months to complete. As a concurrent phase, the Town awarded a contract to Fuss & O'Neill for a Town wide needs analysis for GIS. The analysis will assist the Town in making decisions in what will best serve the most Town departments as it pertains to GIS. This analysis is an in-depth review of the major functions that each department must perform. Once this is complete, Fuss & O'Neill will present to the Town of North Kingstown their findings at which point internally, the Town will decide which avenues to pursue. The last phase of this project will be the integration of the Assessor's database to the GIS geodatabase. This will allow the Town, as well as the public, to view the Assessor's data and photo along side the orthophotography.

POLICE DEPARTMENT

The Police Department is currently researching software programs that facilitate the booking of persons into custody. These programs include, but are not limited to, digital photography and image management and retrieval and storage of fingerprint images, and database input of vital statistics on a given individual. The use of state of the art hardware and software in the booking process speeds up the entry of data into the law enforcement database and leads to a swifter analysis of these data and in some cases an apprehension of a suspect close in time to an offense.

POLICE DEPARTMENT (Continued)

The chain of custody for all evidence seized by the Police Department is a critical task, which, must be done with due diligence and absolute documentation. The sequential passing of the evidence from one police officer to another or to an outside agency for analysis must be recorded in a form that is accepted by the courts and that accounts for the journey of the particular item. It must also describe the item with sufficient particularity to leave no question as to its authenticity. There are numerous software programs that are aimed at tracking evidence in a manner that allows for a formatted recording system that does not change from officer to officer and creates an easy to read, yet authentic report. The Police Department is investigating these various software programs for future purchase and integration into its Records Management System (RMS)

Automated Fingerprint Identification System (AFIS) equipment allows for the rapid analysis and comparison, by a specialized computer-driven reader, of fingerprints lifted by police officers at crime scenes. Currently, officers must manually read prints and classify them in an effort to link them to a criminal suspect with prints already on file from a previous conviction. The Police Department is researching the costs and training associated with the acquisition of an AFIS device.

The department expects to conduct testing, in conjunction with the New Shoreham (RI) Police Department, of PDA software that connects or interfaces with the state RILETS system. In short, the software and hardware combined will result in a small handheld device (portable computer) that would be available to officers in the field for inputting data checks, such as inquiries for wanted persons. It would be especially useful for our Bike Patrol Officers and Detectives working in the field.

PUBLIC WORKS

The future goals of Public Works include: Refinement and effective use of a town-wide pavement management program, the first step toward pavement life cycle management; Town-wide Internet accessible GIS system, with integration of state and federal mapping; Continued public works fleet upgrade that will improve the efficiency of our infrastructure maintenance programs; Continued improvement to solid waste program, including household waste reduction and recycling tonnage increase; Implementation of the Town tree management program; Improvements and Building Life Cycle management of all Town facilities.

SENIOR SERVICES

In addition to surveys and customer satisfaction questionnaires, plans are underway to begin utilizing outcome-based evaluations of programs and services. We are also in the process of evaluating our marketing materials and welcome packets distributed both at the senior center and in the community. New materials will then be included in the packets for next year.

The North Kingstown Senior Association (NKSA) continues to fund the majority of our ongoing programs as well as new initiatives. The redecorating project at the senior center, which began five years ago with NKSA funding, continues with the upcoming renovation of the crafts room.

While we maintain accurate statistics on how many people in the community utilize senior services, we will also be exploring new software to potentially improve efficiency in data collection and reporting.

LIBRARY

The North Kingstown Free Library plans to solidify its role as the “symbolic center of our community.” Our long-range plan and our annual service plans that grow out of that long range plan address our established goals—to build and maintain our collections, to deliver economical, efficient, and technologically advanced library service to the community, to train and develop a qualified staff, to provide a full-range of library programs for all age groups, and to maintain an attractive, comfortable physical space where the community can come together.

LEISURE ACTIVITIES DEPARTMENT

Continuing the development of a long-range improvement plan and to schedule improvements to the Municipal Golf Course is a top priority. With the initiation of the irrigation system replacement, attention will be given to the numerous small projects that will be required to maintain the Golf Course in top shape. 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.

Replacement of existing docks at the Allen Harbor Marina will continue in conjunction with the Phase I Improvements. Next year an update to the Allen Harbor/Calf Pasture Point Master Plan will be completed and will be used to define the future phases of the work.

The Arts Council continues to add more programs to their schedule including a presentation of Beowulf Theatre’s Hamlet and providing entertainment for Seniors at the Senior Center. They are also exploring ways to raise additional funds for Arts programming such as sponsorships.

WATER DEPARTMENT

Maintaining distribution system infrastructure is an important Department initiative. The Water Department maintains four steel water towers and a concrete water storage reservoir. While these structures are cleaned and inspected on a regular basis a recent physical inspection identified specific tank features that are in need of rehabilitation or repair. Over the next few years the Water Department will be incorporating necessary corrective actions and/or improvements into the capital and operating budget to assure that these facilities remain structurally sound, safe, and protective of water quality.

Maintenance of the Town’s 10 municipal wells is also of vital importance. Wells are inspected and flow tested on a yearly basis. In addition the wells are on a schedule of redevelopment. This includes capacity testing, TV inspection and a combination of chemical treatment and mechanical surging and pumping to clean the well and maintain well yield.

This year the Water Department will be preparing a five-year update to our *Clean Water Infrastructure Plan*. This plan details the principal components of the water system infrastructure and provides a mechanism for funding to replace and/or rehabilitate these components at the end of their useful lives.

ACCOMPLISHMENTS

Department of Planning and Development

The Planning Department prepared three successful grant applications for Transportation Enhancement program monies to the Rhode Island Department of Transportation. One grant for \$500,000 was awarded to improve the sidewalks in Wickford village. A second grant for \$75,000 dovetails with the previous; it has been awarded to provide streetscape improvements such as benches, lighting, and other amenities in Wickford village. A third grant for \$125,000 has been awarded to provide funds for designing a bicycle connection between Wickford village and the Quonset Davisville Port and Commerce Park which is approximately three miles away.

The Planning Department with Save the Bay and the North Kingstown Department of Public Works prepared a successful grant application to the Rhode Island Department of Transportation for funds to design and construct systems to mitigate stormwater pollution flowing to Wickford Harbor. A grant from USEPA allowed the Town to develop a wetlands inventory and plan while a grant from the State Division of Forestry allowed the Town to inventory the street trees on Town roads and develop a management plan for protecting this resource. Both of these plans are now completed and in use by the Town and the public.

The Planning Department prepared a successful grant application to the US Department of Agriculture, Natural Resources Conservation Service for funds to provide education to landowners about the benefits of charitable donation of land or development rights. The funds awarded were used in a partnership with two adjacent communities, their respective land trusts, the State Department of Environmental Management, and The Nature Conservancy; while the grant has expired, the Town continues to make the service available through contacts with tax experts.

The Planning Department assisted the Planning Commission and Town Council in the development of the Five-Year Update to the North Kingstown Comprehensive Plan; a Comprehensive Plan Five-Year Update is a requirement of State law and North Kingstown was the first Rhode Island community to submit their Five-Year Update to the State Department of Administration.

The Planning Department prepared a successful grant application to the State Community Development Block grant program netting \$183,000 for use in the community. Most significantly a three-year commitment of funds has been 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

Over the last year, the IS Department continued to advance the Town's networking infrastructure to position itself for the deployment of an IP Telephony system. New servers were put in place. Several pieces of networking equipment were upgraded or replaced as well. The IS Department, working with Planning, Public Works and Water Supply, was able to procure monies from various departments and utilize the HUD Grant money to start to develop the GIS mapping project. This project, once complete, will allow all departments access to mapping information, abutter queries and labels and access to a multitude of data elements linked within our orthophotos in a much more timely manner. Having this data at our fingertips will greatly enhance production in many departments and reduce some very labor-intensive tasks to mere minutes.

POLICE DEPARTMENT

The Town now owns two Speed Monitoring Awareness Radar Trailers (SMART) that were purchased after a recommendation of the North Kingstown Citizens' Traffic Safety Committee (NKCTSC). This device is comprised of a radar unit mounted in a trailer that is towed to a site and parked, unattended, and displays to approaching motorists their actual speed compared to the legal limit. The SMART unit's design allows it to be used as an educational tool in the Town's overall traffic safety plan(s).

The department reorganized its reserve (special) police officer unit into a civilian auxiliary unit now referred to as Community Service Officers (CSO). The unit is comprised of part-time civilian employees of the police department who handle a variety of department field functions or details that do not specifically require a uniformed police officer. A few examples include traffic direction assignments, crowd direction at civic events and searching for missing children. There are other functions performed that are assigned and approved by the Chief of Police.

PUBLIC WORKS

Public Works completed its Collector Road Resurfacing Program. Staff has been successful in the overseeing and inspection of the numerous subdivisions under construction and related public improvements required by the Town's growth. Our Facilities Division continues its successful management and maintenance of the increased number of parks and playground facilities. The pay-as-you-throw program continues its successful reduction in the amount of solid waste generated in Town and has seen an increase to the amount of recycling tonnage collected both curbside and at the Transfer Station. North Kingstown received \$13,700.00 from Rhode Island Resource Recovery, the Town's share of the 2002 Recycling Participation Grant Program. Public Works continues its commitment to promote maximum recycling and reduce the amount of solid waste generated in North Kingstown.

SENIOR SERVICES

After a one-year process the senior center was awarded national accreditation by the National Council on the Aging/National Institute of Senior Centers for a period of five years (January 2002-December 2006). This accrediting body emphasized many center strengths including strong support from the Governing Officials and the North Kingstown Senior Association. Other aspects of the program mentioned in the final accreditation report were the senior center's creative programming and a strong volunteer corps.

Center programming continues to involve an increasing number of older adults from the community each year: 125 more older adults used center services and programs in the year 2001-2002. Thirty day-trips were offered through the senior center this past year. New programs developed in this time period include Reminisce, Grandparents Bingo (for prizes), Lo-Impact Aerobics, and Tai Chi for Arthritis. We now offer a total of seven physical activity programs. Evening programs such as Watercolor Painting and Nite Owls continue to be popular, as are special events, dinners, ice cream socials, etc.

Health Wellness programming continues to expand with use of our Health Room for nursing and other health services. Kent County Hospital, South County Hospital and Visiting Nurse Services provide these services. Podiatry services and special health services are also provided by other agencies.

The senior center also offers extensive volunteer opportunities through collaboration with Seniors Helping Others, a Retired and Senior Volunteer Program.

LIBRARY

Our major accomplishment in FY 2001/2002 was to help our director finish up her career at our library. We spent a great deal of time during the year to create a Personnel Manual for each staff member, which outlined policies and procedures relating to personnel issues. We also gathered all of our policies and procedures for library service and arranged them into an administrative binder that now lives in the director's office. The last quarter of the fiscal year was spent on a nationwide search for a new library director, a process in which both the library staff and the trustees were heavily involved.

LEISURE ACTIVITIES DEPARTMENT

At the golf course, 2,000 feet of cart paths were installed, the golf cart pen was resurfaced, all ball washers were refurbished or replaced, club washers were added and over 120 tons of sand was used to improve the bunkers. In addition, signage was installed to improve the pace of play.

Over 200 feet of existing docks at the Allen Harbor Marina have been replaced this year. One third of the moorings have been pulled on schedule, inspected and repaired as necessary. In addition, the Town received 2 National Boating Infrastructure Grants totaling \$40,000.

The North Kingstown Arts Council has completed another successful year of programming. The Family Entertainment series and the Tuesday Evening Summer Concert Series at the Town Dock continue to grow. Sunday Musicals and Rhode Island Voices at the North Kingstown Free Library were well attended. The annual Tuba Fests and Bill Staines' concert were back by popular demand. A performance at the Town Beach of Shakespeare's Romeo and Juliet produced and directed by Ricardo Pitts-Wiley was a great success. The Council also provided support to Smith's Castle's Strawberry Festival and provided entertainment for the Senior Center. The Arts Council is extremely grateful for the support from the RI State Council on the Arts for the award of two grants totaling \$7,000.

WATER DEPARTMENT

The looping of water mains to allow for uninterrupted water service during emergencies has been an important initiative for the Water Department. The Slocum Road loop, which was completed last year, has greatly improved system hydraulics as well as fire protection and emergency capabilities. In addition a new connection on Devils Foot road has been installed as part of the state reconstruction of Route 403.

The Town continues to distribute the wellhead brochure developed with wellhead protection grant funds to new homeowners. The brochure was designed to make homeowners aware of the Town's groundwater protection zoning and wastewater management program requirements. The Water Department continues to make water quality data available through voluntary quarterly monitoring of wells and storage tanks and through the distribution and posting of the Department's Annual Drinking Water Quality Report.

A major component of the wastewater management program is the recent establishment of the North Kingstown Community Septic Loan Program. This program provides low interest loans for septic system repair and replacement. In addition we are about to initiate the Wickford Harbor Watershed Wastewater System Improvement Project in coordination with the USEPA and the University of Rhode Island. This project will provide grant money toward upgrading individual sewage disposal systems to certain advanced technologies, the goal being to improve wastewater treatment in this important watershed.

GENERAL FUND

Revenues and other financing sources for the general fund totaled \$54,256,001 in 2002, an increase of 8.5 percent over 2001. Property taxes produced 89.5 percent of general revenue compared to 90.0 percent last year. The amount of revenues from various sources and the increase (decrease) over (under) last year are shown in the following tabulation:

<u>Revenue Source</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase From 2001</u>
General property tax	\$48,570,277	89.5%	\$3,687,121
Intergovernmental and departmental.....	4,231,343	7.8	1,042,403
Licenses and permits	374,236	0.7	(17,814)
Interest on investments	395,042	0.7	(411,087)
Other revenues	13,624	0.1	(99,061)
Transfer in.....	671,479	1.2	37,614
Total	\$54,256,001	100.0%	\$4,239,176

The increase in tax revenue resulted, for the most part, from an increase in the tax base and rate.

Expenditures and other financing uses for the general fund totaled \$54,526,888 in 2002, an increase of 13.4 percent over 2001. Increases (decreases) in levels of expenditures for major functions of the Town over (under) the preceding year are summarized in the following tabulation.

<u>Function</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase From 2001</u>
General government	\$ 3,991,423	7.3%	\$ (247,034)
Public safety.....	10,037,113	18.4	1,140,153
Public works.....	3,521,915	6.5	544,148
Human resources.....	788,645	1.4	(13,851)
Transfers out.....	36,187,792	66.4	5,050,797
Total	\$54,526,888	100.0%	\$6,474,213

Special Revenue Funds

These funds had combined revenues of \$48,641,590 including \$32,379,212 in other financing sources. Total expenditures for these funds were \$46,844,251 including \$536,544 in other financing uses.

Debt Service Funds

With the exception of debt issued by Enterprise Funds, long-term debt is serviced through the Debt Service Fund. During fiscal year 2002, debt service payments amounted to \$5,070,647.

PROPRIETARY FUNDS

Enterprise Funds

The Water Enterprise fund had operating revenues of \$2,547,374 and expenses of \$1,575,459, resulting in net income from operations of \$971,915 for the year. Net non-operating revenues of \$35,826 resulted in a net increase in retained earnings of \$1,007,741.

The Quonset/Davisville Recreation fund had operating revenues of \$1,582,716 and expenses of \$1,213,310 resulting in a net income from operations of \$369,406 for the year. Net non-operating expenses and transfers out of \$446,379 resulted in a net decrease in retained earnings of \$76,973.

The Quonset/Davisville reserve fund did not have operating revenues or expenses for the year. Net non-operating income of \$847 resulted in a net increase in retained earnings of \$847.

The School Cafeteria Fund had operating revenues of \$1,185,892 and expenses of \$1,167,255, resulting in net income from operations of \$18,637 for the year which resulted in a net increase in retained earnings of \$18,637.

FIDUCIARY FUND TYPES

The Town maintains Expendable and Non-Expendable Trust Funds, and Agency Funds.

EXPENDABLE AND NON-EXPENDABLE TRUST FUNDS - Various trust funds are included in the report as expendable and non-expendable trusts. These trusts are for educational and welfare purposes.

AGENCY FUNDS - Various payroll deduction accounts and outside organizations are accounted for as Agency Funds.

DEBT ADMINISTRATION

The ratio of net bonded debt to assessed valuation and the amount of bonded debt per capita are useful indicators of the Town's debt position to municipal management, citizens and investors. This data for the Town at June 30, 2002 is as follows:

Net directed bonded debt	\$54,532,424	2.51%	\$2,071.43
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Outstanding general obligation bonds at June 30, 2002 totaled \$1,035,032 which is considered to be self-supporting. The remainder of \$54,532,424 is considered to be net direct tax supported debt. Table 7 and 11 in the statistical section of this report presents more detailed information about the debt position of the Town.

The Town's bonds continue to have the same rating which they have carried for the past several years. This rating is as follows:

	<u>MOODY'S INVESTORS SERVICE</u>	<u>STANDARD AND POOR</u>
General Obligation Bonds	AA – 3	A+

CASH MANAGEMENT

The intention of the cash management system is to limit the amount of funds placed in accounts where low or no interest is paid. Idle cash is invested in various instruments with various maturity dates, depending on the anticipated cash requirements during the period.

RISK MANAGEMENT

Effective January 1, 1999, the Town switched to a premium-basis insurance coverage for workers' compensation. The Town remains to be self-insured for property damage.

Formerly, all Town employees, excluding police and fire, and including the School Department, are covered under the Town's self insured Worker's Compensation Program. This program was established in December, 1991 by the Town Council. Committees consisting of department heads were established to oversee claims and make recommendations for improvements to safety practices. The committees meet on a monthly basis. A text containing safety procedures is being compiled by the Safe Work Subcommittee. A service organization and a loss control specialist were contracted to administer the Worker's Compensation Program in accordance with State law and to advise and train in the areas of safety improvements in the work place. Excess insurance for Worker's Compensation is purchased on an annual basis.

The Town's general liability insurance carrier provides loss control services on a regular basis. They work closely with Department heads in making loss prevention service visits to all Town facilities. The department heads are given a report of areas of concern and recommendations for improvements. A written response, which includes the action taken by the Town to correct problem areas, is made.

The Town requires all vendors providing services to the Town to carry \$1,000,000 general liability insurance, Worker's compensation according to law and \$1,000,000 automobile liability insurance. Certificates of insurance are required to list the Town as an additional insured on all policies.

In 1978, the Town established a self insurance fund to self insure physical damage on most Town vehicles. Liability insurance for these vehicles is purchased from a private carrier.

Other types of insurance purchased through private carriers is as follows: public officials' and employees' liability insurance, flood and earthquake insurance, boiler and machinery coverage, law enforcement liability, garage liability, ocean marine, and fiduciary. As of September 1, 2001, the Town of North Kingstown has joined the Rhode Island Interlocal Risk Management Trust (the Trust). Liability as well as collision coverage for all Town vehicles is now insured through the Trust as well as coverage for public officials' and employees' liability, flood, boiler, and law enforcement.

INDEPENDENT AUDIT

Pursuant to Section 1002 of the Town Charter, an audit of the accounts and financial statements has been completed by the Town's Independent Certified Public Accountants, Cayer Prescott Clune & Chatellier, LLP and their opinion is included herein.

AWARDS

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, 2001. 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.

ACKNOWLEDGEMENTS

I would like to take this opportunity to thank the members of the Finance Department in the Division of Accounting Control, Treasury and Tax Collection, Contract and Purchase for their diligence and cooperation on a daily basis in carrying out the duties and responsibilities of these departments. The success that this department has enjoyed in recent years is due in large part to their efforts.

Sincerely,

A handwritten signature in black ink, appearing to read 'Cynthia J. Olobri', written in a cursive style.

Cynthia J. Olobri
Director of Finance

TOWN OF NORTH KINGSTOWN

TOWN COUNCIL

ELIZABETH S. DOLAN - PRESIDENT
DALE M. GROGAN
ANTHONY F. MICCOLIS, JR
JOHN A. PATTERSON
ROBIN PORTER

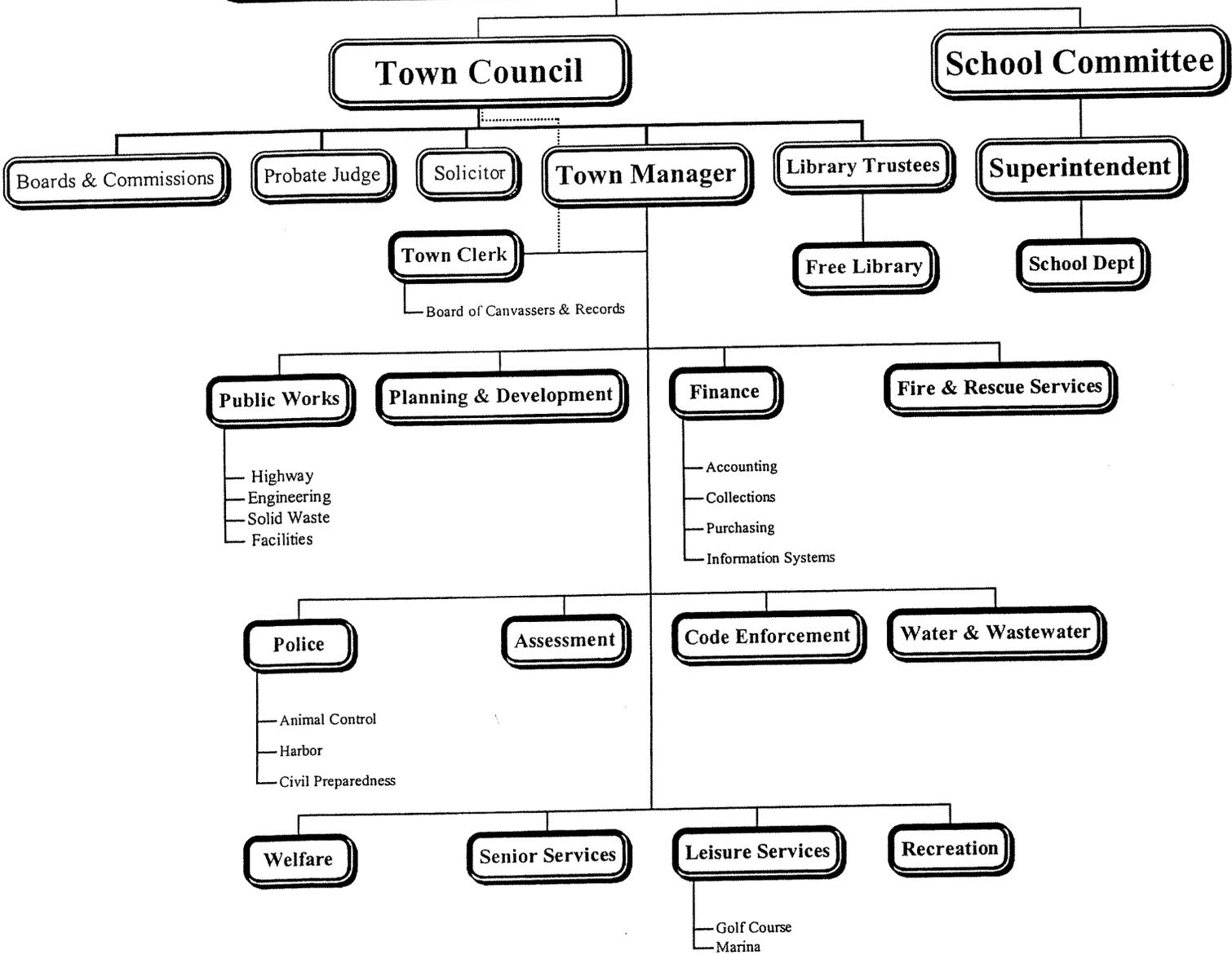
SCHOOL COMMITTEE

DONALD DEFEDELE - CHAIRPERSON
DENISE A. COPPA
LYNNE HAFT
BARRY M. MARTASIAN
KEVIN D. MULVEY
WILLIAM C. MUDGE, III
PATRICIA E. WATKINS

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 LEISURE ACTIVITIES
DIRECTOR OF PLANNING
POLICE CHIEF
FIRE CHIEF
BUILDING OFFICIAL
DIRECTOR OF WATER SUPPLY
HIGHWAY SUPERINTENDENT
FACILITIES PROJECT MANAGER
WELFARE DIRECTOR
DIRECTOR/ SENIOR CITIZENS
ANIMAL WARDEN
HARBOR MASTER
TOWN SARGEANT
LIBRARY DIRECTOR
MIS DIRECTOR
SCHOOL SUPERINTENDENT

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DAVID MURRAY
JOHN H. LEES
SUSAN LICARDI
FORREST SPEARS
JOHN NELSON
MARY ELIZABETH WINSOR
KATHLEEN M. CARLAND
MARY E. MACLAUGHLIN
MARK KNAPP
BRUCE RENNER
SUSAN AYLWARD
LORI-ANN FOX
JAMES M. HALLEY

The People of the Town of North Kingstown



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, 2001

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 employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



William Patrick Pate
President

Jeffrey L. Essler
Executive Director

THE TOWN OF
NORTH KINGSTOWN, RHODE ISLAND

FINANCIAL SECTION



CERTIFIED PUBLIC ACCOUNTANTS

BUSINESS CONSULTANTS

Providence, Rhode Island

INDEPENDENT AUDITORS' REPORT

To the Honorable Town Council
North Kingstown, Rhode Island

We have audited the accompanying general purpose financial statements of the TOWN OF NORTH KINGSTOWN, RHODE ISLAND, as of and for the year ended June 30, 2002, as listed in the foregoing table of contents. These general purpose financial statements are the responsibility of the Town of North Kingstown, Rhode Island's management. Our responsibility is to express an opinion on these general purpose 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1 to the financial statements, during fiscal year 2002, the Town changed its financial accounting and reporting to comply with the provisions of Statements No. 33 and 38 of the Governmental Accounting Standards Board.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Town of North Kingstown, Rhode Island, as of June 30, 2002, and the results of its operations and the cash flows of its proprietary fund types and nonexpendable trust funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated December 11, 2002, on our consideration of the Town of North Kingstown, Rhode Island's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents, including the schedule of expenditures of federal awards, are presented for purposes of additional analysis and as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and are not a required part of the general purpose financial statements. Such information, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the general purpose financial statements; and, in our opinion, the information is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

We did not audit the statistical data as set forth in the table of contents, and therefore, express no opinion thereon.

Cayer Prescott Clem & Chatelain, LLP

December 11, 2002

TOWN OF NORTH KINGSTOWN

COMBINED BALANCE SHEET, ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 2002

	Governmental Fund Types			Proprietary Fund Types			Fiduciary Fund Type			Account Groups			Totals (Memorandum Only)	
	General	Special Revenue	Debt Service	Capital Projects	Enterprise Fund	Internal Service	Trust and Agency	General Long- Term Debt	Fixed Assets					
ASSETS AND OTHER DEBITS														
Assets:														
Cash and cash equivalents	\$ 13,628,643	\$ 1,335,116		\$ 3,443,917	\$ 4,383,297	\$ 2,390,524	\$ 2,548,230							\$ 27,729,727
Cash - nonexpendable trust funds							74,584							74,584
Investments	1,900,776						3,820,435							3,820,435
Taxes receivable														1,900,776
Due from federal and state governments	270,567	548,379												818,946
Due from grantors		3,510												3,510
User charges receivable					398,395									398,395
Other receivables	152,163	383,719			59,126									595,008
Due from other funds	155,085	3,439,004	\$ 820,301	501,555			459,671							5,375,616
Inventories					135,706									135,706
Property, plant and equipment - net					5,238,807								\$ 69,597,516	74,836,323
Other Debits:														
Amount available in debt service fund									\$ 820,301					820,301
Amount to be provided for retirement of long-term obligations												55,693,968		55,693,968
TOTAL ASSETS AND OTHER DEBITS	\$ 16,107,234	\$ 5,709,728	\$ 820,301	\$ 3,945,472	\$ 10,215,331	\$ 2,390,524	\$ 6,902,920	\$ 56,514,269	\$ 69,597,516	\$ 172,203,295				

TOWN OF NORTH KINGSTOWN

COMBINED BALANCE SHEET, ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 2002

	Governmental Fund Types			Proprietary Fund Types		Fiduciary Fund Type		Account Groups			Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Enterprise Fund	Internal Service	Trust and Agency	General Fixed Assets	General Term Debt		
LIABILITIES, EQUITY AND OTHER CREDITS											
Liabilities:											
Accounts payable	\$ 580,392	\$ 882,545		\$ 22,469	\$ 204,370	\$ 9,190	\$ 13,751				\$ 1,712,717
Accrued liabilities	1,674	2,429									4,103
Contingent liabilities	300,000					306,214					300,000
Claims payable											306,214
Due to students groups							186,189				186,189
Due to other funds	4,575,187	793,133					7,296				5,375,616
Deposits held in custody for others							679,856				679,856
Payroll withholdings							560,176				560,176
Deferred revenue	3,610,976	499,557			192,001						4,302,534
Escrow deposits	402,927										402,927
Other liabilities											33,895
Bonds payable									\$ 54,532,424		54,532,424
Accrued compensated absences									1,877,361		1,967,888
Capital leases payable					1,035,031				104,484		1,139,515
Total liabilities	9,471,156	2,177,664	\$ 0	22,469	1,555,824	315,404	1,447,268	\$ 0	56,514,269	\$ 0	71,504,054

SEE NOTES TO FINANCIAL STATEMENTS.

(CONTINUED)

TOWN OF NORTH KINGSTOWN

COMBINED BALANCE SHEET, ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 2002

	Governmental Fund Types				Proprietary Fund Types		Fiduciary	Account Groups			Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Enterprise Fund	Internal Service	Fund Type	Trust and Agency	General Term Debt	Fixed Assets	
Equity and Other Credits:											
Investment in general fixed assets											
Retained earnings:											
Reserved		128,426			128,426						128,426
Unreserved					8,531,081	2,075,120				69,597,516	10,606,201
Fund Balance:											
Reserved for employee retirement system							3,961,545				3,961,545
Reserved for trust principal							37,023				37,023
Reserved for debt service			820,301								820,301
Reserved for encumbrances	1,044,535	1,963,027									3,007,562
Reserved for COPS grant	45,000	90,000									135,000
Unreserved:											
Designated	150,000	132,000									282,000
Undesignated	5,396,543	1,347,037		3,923,003			1,457,084				12,123,667
Total equity and other credits	6,636,078	3,532,064	820,301	3,923,003	8,659,507	2,075,120	5,455,652	0	69,597,516	100,699,241	
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	\$ 16,107,234	\$ 5,709,728	\$ 820,301	\$ 3,945,472	\$ 10,215,331	\$ 2,390,524	\$ 6,902,920	\$ 56,514,269	\$ 69,597,516	\$ 172,203,295	

SEE NOTES TO FINANCIAL STATEMENTS.

(CONCLUDED)

TOWN OF NORTH KINGSTOWN

ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS

COMBINED STATEMENT OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES) AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2002

	Governmental Fund Types				Fiduciary Fund Types		Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust		
Revenues:							
General property tax	\$ 48,570,277						\$ 48,570,277
Intergovernmental and departmental revenue	4,231,343	\$ 13,053,362	\$ 487,397				17,772,102
Licenses and permits	374,236						374,236
Investment income	395,042	11,893	2,579	\$ 233,528	\$ 29,825		672,867
Other revenue	13,624	3,197,123		377,191	173		3,588,111
Total revenues	53,584,522	16,262,378	489,976	610,719	29,998		70,977,593
Expenditures:							
Current:							
General government	3,991,423	628,667					4,620,090
Public safety	10,037,113	28,566					10,065,679
Public works	3,521,915	96,858					3,618,773
Human resources	788,645	1,151,631					1,940,276
Education		44,401,975					44,401,975
Per trust agreements					146,236		146,236
Capital outlay			14,488,499				14,488,499
Debt service:							
Principal			3,129,192				3,129,192
Interest			1,941,455	930,408			2,871,863
Total expenditures	18,339,096	46,307,697	5,070,647	15,418,907	146,236		85,282,583
Excess of revenues over (under) expenditures before other financing sources (uses)	35,245,426	(30,045,319)	(4,580,671)	(14,808,188)	(116,238)		(14,304,990)
Other financing sources (uses):							
Operating transfers from other funds	671,479	32,379,212	4,316,113	1,798,684	279,125		39,444,613
Operating transfers (to) other funds	(36,187,792)	(536,544)	(913,275)	(1,370,205)			(39,007,816)
Bond issuance				1,900,000			1,900,000
Total other financing sources (uses)	(35,516,313)	31,842,668	3,402,838	2,328,479	279,125		2,336,797

SEE NOTES TO FINANCIAL STATEMENTS.

(CONTINUED)

TOWN OF NORTH KINGSTOWN

ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS

**COMBINED STATEMENT OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES) AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2002**

	Governmental Fund Types			Fiduciary Fund Types		Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	
<i>Excess of revenues and other sources over (under) expenditures and other uses</i>	(270,887)	1,797,349	(1,177,833)	(12,479,709)	162,887	(11,968,193)
<i>Fund balances, July 1, 2001</i>	6,906,965	1,734,715	1,998,134	16,402,712	1,256,636	28,299,162
<i>Fund balances, June 30, 2002</i>	\$ 6,636,078	\$ 3,532,064	\$ 820,301	\$ 3,923,003	\$ 1,419,523	\$ 16,330,969

SEE NOTES TO FINANCIAL STATEMENTS.

(CONCLUDED)

TOWN OF NORTH KINGSTOWN

COMBINED STATEMENT OF REVENUES AND EXPENDITURES
 BUDGET AND ACTUAL - BUDGETARY BASIS
 GENERAL, SPECIAL REVENUE AND DEBT SERVICE FUNDS
 YEAR ENDED JUNE 30, 2002

	General Fund		Variance Favorable (Unfavorable)	Special Revenue Funds		Variance Favorable (Unfavorable)
	Budget	Actual		Budget	Actual	
Revenues:						
General property tax	\$ 47,437,814	\$ 48,570,277	\$ 1,132,463			
Intergovernmental and departmental revenue	4,260,773	4,231,343	(29,430)	\$ 11,067,713	\$ 10,718,316	\$ (349,397)
Licenses and permits	77,190	374,236	297,046			
Interest on investments	630,000	395,042	(234,958)			
Other revenue	12,000	13,624	1,624	1,856,500	1,864,308	7,808
Total revenues	52,417,777	53,584,522	1,166,745	12,924,213	12,582,624	(341,589)
Expenditures:						
Current:						
General government	4,254,353	4,154,811	99,542			
Public safety	9,338,405	9,272,191	66,214			
Public works	3,552,331	3,446,995	105,336			
Human resources	842,759	796,327	46,432	1,078,059	1,066,695	11,364
Education				43,788,966	43,301,267	487,699
Total expenditures	17,987,848	17,670,324	317,524	44,867,025	44,367,962	499,063
Excess of revenues over (under) expenditures before other financing sources (uses)	34,429,929	35,914,198	1,484,269	(31,942,812)	(31,785,338)	157,474
Other financing sources (uses):						
Operating transfers from other funds	662,463	671,479	9,016	31,933,812	31,933,812	
Operating transfer (to) other funds	(35,742,392)	(36,187,792)	(445,400)			
Operating transfers to School Capital Reserve Fund					(1,555)	(1,555)
Re-appropriation of prior year surplus	650,000	650,000		9,000	9,000	
Total other financing sources (uses)	(34,429,929)	(34,866,313)	(436,384)	31,942,812	31,941,257	(1,555)
Excess of revenues and other sources over expenditures and other uses	\$ 0	\$ 1,047,885	\$ 1,047,885	\$ 0	\$ 155,919	\$ 155,919

SEE NOTES TO FINANCIAL STATEMENTS.

(CONTINUED)

TOWN OF NORTH KINGSTOWN

COMBINED STATEMENT OF REVENUES AND EXPENDITURES
 BUDGET AND ACTUAL - BUDGETARY BASIS
 GENERAL, SPECIAL REVENUE AND DEBT SERVICE FUNDS
 YEAR ENDED JUNE 30, 2002

	Debt Service		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues:			
General property tax	\$ 1,319,888	\$ 487,397	\$ (832,491)
Intergovernmental and departmental revenue			
Licenses and permits	10,000	2,579	(7,421)
Interest on investments			
Other revenue			
Total revenues	<u>1,329,888</u>	<u>489,976</u>	<u>(839,912)</u>
Expenditures:			
Current:			
General government			
Public safety			
Public works			
Human resources			
Education			
Debt service debt	6,226,678	5,070,647	1,156,031
Total expenditures	<u>6,226,678</u>	<u>5,070,647</u>	<u>1,156,031</u>
Excess of revenues over (under) expenditures before other financing sources (uses)	<u>(4,896,790)</u>	<u>(4,580,671)</u>	<u>316,119</u>
Other financing sources (uses):			
Operating transfers from other funds	4,396,790	4,316,113	(80,677)
Operating transfer (to) other funds		(913,275)	(913,275)
Operating transfers to School Capital Reserve Fund			
Re-appropriation of prior year surplus	500,000	1,335,000	835,000
Total other financing sources (uses)	<u>4,896,790</u>	<u>4,737,838</u>	<u>(158,952)</u>
Excess of revenues and other sources over expenditures and other uses	<u>\$ 0</u>	<u>\$ 157,167</u>	<u>\$ 157,167</u>

(CONCLUDED)

SEE NOTES TO FINANCIAL STATEMENTS.

TOWN OF NORTH KINGSTOWN

COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS/FUND BALANCE
ALL PROPRIETARY FUND TYPES AND NON-EXPENDABLE TRUST FUND TYPES
YEAR ENDED JUNE 30, 2002

	Proprietary Fund Type		Fiduciary Fund Type Non-expendable Trust Fund	Totals (Memorandum Only)
	Enterprise Fund	Internal Service Funds		
Operating revenues:				
Charges for services	\$ 4,979,830	\$ 38,000		\$ 5,017,830
Sundry sales and rentals	67,831			67,831
Miscellaneous	268,321		\$ 717	269,038
Total operating revenues	5,315,982	38,000	717	5,354,699
Operating expenses:				
Water operations	1,395,984			1,395,984
Golf course	441,329			441,329
Pro Shop	347,259			347,259
Allen's Harbor	142,721			142,721
School cafeteria	1,165,131			1,165,131
Depreciation	463,600			463,600
Program costs		316,366		316,366
Per trust agreements			30,790	30,790
Total operating expenses	3,956,024	316,366	30,790	4,303,180
Operating income (loss)	1,359,958	(278,366)	(30,073)	1,051,519

(CONTINUED)

SEE NOTES TO FINANCIAL STATEMENTS.

TOWN OF NORTH KINGSTOWN

COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS/FUND BALANCE
 ALL PROPRIETARY FUND TYPES AND NON-EXPENDABLE TRUST FUND TYPES
 YEAR ENDED JUNE 30, 2002

	Proprietary Fund Type		Fiduciary Fund Type Non-expendable Trust Fund	Totals (Memorandum Only)
	Enterprise Fund	Internal Service Funds		
Non-operating revenues (expenses):				
Investment income	77,402	56,251	2,037	135,690
Interest expense	(50,311)			(50,311)
Total non-operating revenues	27,091	56,251	2,037	85,379
Income (loss) before operating transfers	1,387,049	(222,115)	(28,036)	1,136,898
Operating transfers in (out):				
Operating transfers (to) other funds	(436,797)			(436,797)
Net income (loss)	950,252	(222,115)	(28,036)	700,101
Retained earnings/fund balance, July 1, 2001	7,709,255	2,297,235	102,620	10,109,110
Retained earnings/fund balance, June 30, 2002	\$ 8,659,507	\$ 2,075,120	\$ 74,584	\$ 10,809,211

SEE NOTES TO FINANCIAL STATEMENTS.

(CONCLUDED)

TOWN OF NORTH KINGSTOWN

COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES AND NON-EXPENDABLE TRUST FUND TYPES
YEAR ENDED JUNE 30, 2002

	Proprietary Fund Type		Fiduciary Fund Type Non-expendable Trust Funds	Totals (Memorandum Only)
	Enterprise Fund	Internal Service Funds		
Cash flows from operating activities:				
Cash received from customers	\$ 5,075,834			\$ 5,075,834
Cash payments to suppliers for goods and services	(2,009,881)	\$ (78,143)	\$ (30,790)	(2,118,814)
Cash payments to employees for services	(1,449,855)			(1,449,855)
Miscellaneous revenues	300,589	38,000	717	339,306
Net cash provided by (used for) operating activities	1,916,687	(40,143)	(30,073)	1,846,471
Cash flows from noncapital financing activities:				
Operating transfers (to) other funds	(436,797)			(436,797)
Net cash used for noncapital financing activities	(436,797)	0	0	(436,797)

SEE NOTES TO FINANCIAL STATEMENTS.

TOWN OF NORTH KINGSTOWN

COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES AND NON-EXPENDABLE TRUST FUND TYPES
YEAR ENDED JUNE 30, 2002

	Proprietary Fund Type		Fiduciary Fund Type Non-expendable Trust Funds	Totals (Memorandum Only)
	Enterprise Fund	Internal Service Funds		
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(252,418)			(252,418)
Loan principal repayments	(117,217)			(117,217)
Interest paid	(50,311)			(50,311)
Net cash used for capital and related financing activities	(419,946)	0	0	(419,946)
Cash flows from investing activities:				
Interest and dividends on investments	77,402	56,251	2,037	135,690
Net cash provided by investing activities	77,402	56,251	2,037	135,690
Net increase (decrease) in cash and cash equivalents	1,137,346	16,108	(28,036)	1,125,418
Cash and cash equivalents, July 1, 2001	3,245,951	2,374,416	102,620	5,722,987
Cash and cash equivalents, June 30, 2002	\$ 4,383,297	\$ 2,390,524	\$ 74,584	\$ 6,848,405

SEE NOTES TO FINANCIAL STATEMENTS.

(CONTINUED)

TOWN OF NORTH KINGSTOWN

COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES AND NON-EXPENDABLE TRUST FUND TYPES
YEAR ENDED JUNE 30, 2002

	Proprietary Fund Type		Fiduciary Fund Type	Totals (Memorandum Only)
	Enterprise Fund	Internal Service Funds		
Reconciliation of operating cash provided by (used for) operating activities:				
Operating income (loss)	\$ 1,359,958	\$ (278,366)	\$ (30,073)	\$ 1,051,519
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	463,600			463,600
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Changes in assets and liabilities:				
Increase in accounts receivable	29,232			29,232
Increase in other receivables	32,016			32,016
Increase in inventory	(6,106)			(6,106)
Increase (decrease) in accounts payable and increase in claims payable	3,505	(17,991)		(14,486)
Decrease in compensated absences	29,178	256,214		256,214
Increase in deferred revenues	(806)			(806)
Increase in other liabilities	6,110			6,110
Total adjustments	556,729	238,223	0	794,952
Net cash provided by (used for) operating activities	\$ 1,916,687	\$ (40,143)	\$ (30,073)	\$ 1,846,471

SEE NOTES TO FINANCIAL STATEMENTS.

(CONCLUDED)

TOWN OF NORTH KINGSTOWN

**STATEMENT OF PLAN NET ASSETS, POLICE PENSION TRUST FUND
JUNE 30, 2002**

<u>ASSETS</u>	
<i>Cash and cash equivalents</i>	<u>\$ 141,110</u>
<i>Investments, at fair value:</i>	
Government and agency issues	1,960,800
Corporate obligations	1,787,584
Mortgage backed securities	<u>72,051</u>
<i>Total investments</i>	<u>3,820,435</u>
<i>TOTAL ASSETS</i>	<u><u>\$ 3,961,545</u></u>
 <u>LIABILITIES AND NET ASSETS</u> 	
<i>Total liabilities</i>	<u>\$ 0</u>
<i>Net assets held in trust for pension benefits</i>	<u><u>\$ 3,961,545</u></u>

SEE NOTES TO FINANCIAL STATEMENTS.

TOWN OF NORTH KINGSTOWNSTATEMENT OF CHANGES IN PLAN NET ASSETS, POLICE PENSION TRUST FUND
YEAR ENDED JUNE 30, 2002**Additions:****Investment income:**

Dividends and interest	\$ 270,766
Net increase in fair value of investment	42,875
Total investment income	<u>313,641</u>
Less: investment expense	(25,564)
Net investment income	<u>288,077</u>
Total additions	<u>288,077</u>

Deductions:

Benefits	273,796
Total deductions	<u>273,796</u>

Net increase 14,281

Net assets held in trust for pension benefits:

Beginning of year 3,947,264

End of year \$ 3,961,545

TOWN OF NORTH KINGSTOWN

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002**

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 financial statements are an integral part of the Town's Comprehensive Annual Financial Report.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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. 14. Under GASB Statement No. 14, 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 2002:

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

Although these entities meet certain criteria of the tests listed above, neither entity is deemed to have separate legal status apart from the Town. As a result, the financial data of the above entities has been included as special revenue funds within the Town's financial statements.

(CONTINUED)

TOWN OF NORTH KINGSTOWN

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation

The accounts of the Town are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, retained earnings, revenues and expenditures/expenses. The funds are grouped into three fund types and six generic funds.

Amounts in the "Totals (Memorandum Only)" columns in the preceding financial statements represent a summation of the combined financial statement line of the fund types and account groups and are presented for analytical purposes only. The summation includes fund types and account groups that use different bases of accounting, interfund transactions that have not been eliminated, and the caption "amounts to be provided", which is not an asset in the usual sense. Consequently, amounts shown in the "Totals (Memorandum Only)" columns are not comparable to a consolidation and do not represent the total resources available or total revenues and expenditures/expenses of the Town.

The following fund types and account groups are used by the Town:

Governmental Funds - These are the funds through which most governmental functions are typically financed. The funds included in this category are as follows:

General Fund - is used to account for resources devoted to financing the general services that the Town performs for its citizens. General tax revenues and other sources of revenues used to finance the fundamental operations of the Town are included in this fund. The fund is charged with all costs of operating the government for which a separate fund has not been established.

Special Revenue Funds - are used to account for the proceeds of specific revenue sources (other than expendable trust, or major capital projects) that are legally restricted to expenditures for specified purposes.

Debt Service Funds - are 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.

Capital Projects Funds - are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary or Trust funds).

Proprietary Funds - These funds account for operations that are organized to be self-supporting through user charges. The funds included in this category are as follows:

Enterprise Fund - is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy management control, accountability, or other purposes.

(CONTINUED)

TOWN OF NORTH KINGSTOWN

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Internal Service Fund - is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the Town on a cost-reimbursement basis.

Fiduciary Funds - These funds account for assets held by the Town as a trustee or agent for individuals, private organizations, and other units of government. These funds are as follows:

Expendable Trust, Non-expendable Trust and Agency Funds - are used to account for funds that are to be used for educational and welfare expenditures, and for funds held in escrow for other parties.

Pension Trust Funds – are established to provide pension benefits to Town Police. The principle revenue source for this fund is employer and employee contributions.

Account Groups - Account groups are not funds, they do not reflect available financial resources and related liabilities, but are accounting records of the general fixed assets and general long-term debt, respectively, and certain associated information. The following is a description of the Account Groups of the Town:

General Long-Term Debt Account Group - is used to record the outstanding long-term debt other than debt recorded in Proprietary Funds.

General Fixed Assets Account Group - is used to maintain control and cost information for all fixed assets other than those accounted for in the Proprietary Funds.

Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds, non-expendable, and pension trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Proprietary fund-type operating statements present increases (i.e., revenue) and decrease (i.e., expenses) in net total assets.

The Town has not adopted GASB Statement No. 20, paragraph 7, thus the Town only applies FASB Statements and Interpretations issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, to its proprietary funds, non-expendable, and pension trust funds.

(CONTINUED)

TOWN OF NORTH KINGSTOWN

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting (Continued)

These financial statements include the implementation of GASB No. 33, *Accounting and Reporting for Nonexchange Transactions*. This new standard provides for significant changes in terminology and recognition of capital contributions in the Statement of Revenue, Expenses, Transfers and Changes in Retained Earnings of the Enterprise Funds.

The Town has implemented GASB No. 38, *Certain Financial Statement Note Disclosures*, for the year ended June 30, 2002, which changes the way the Town presents the details to its receivables and payables. The adoption of this Statement did not have a significant impact on the Town's financial position or results of operations.

All governmental funds, expendable trust funds and agency funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or within 60 days after the fiscal year end to pay liabilities of the current period. Licenses and permits, charges for services, fines, forfeits, and miscellaneous revenue are recorded as revenues when received in cash. Those revenues susceptible to accrual are property taxes and investment earnings. Fines and permits are not susceptible to accrual because generally they are not measurable until received in cash. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except expenditures for debt service, prepaid expenses, and other long-term obligations, which are recognized when paid.

Non-current portions of long-term receivables of governmental fund types are reported on their balance sheets, in spite of their spending measurement focus. Special reporting treatments are used to indicate, however, that they should not be considered "available spendable resources" since they do not represent net current assets. Recognition of governmental fund type revenues represented by non-current receivables is deferred until they become current receivables.

Because of their spending measurement focus, expenditure recognition for governmental fund types includes amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the general long-term debt account group.

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

All Proprietary, Nonexpendable, and Pension Trust Funds - are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned and expenses when they are incurred.

Agency Funds - assets and liabilities are accounted for on the modified accrual basis.

(CONTINUED)

TOWN OF NORTH KINGSTOWN

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Data and Budgetary Compliance

In accordance with the North Kingstown Home Rule Charter, the Town has formally established budgetary accounting control for its General Fund, Library Fund, Debt Service Fund, two Enterprise Funds and the School Unrestricted Fund, which is a Special Revenue Fund. The General Fund, Library Fund and two Enterprise Funds are subject to an annual operating budget adopted by the Town Council. The School Unrestricted Fund is subject to an annual operating budget approved by the School Committee and adopted by the Town Council. The annual operating budgets' appropriation amounts are supported by revenue estimates and take into account the elimination of accumulated deficits and the reappropriation of accumulated surpluses to the extent necessary. The annual operating budgets are in conformance with the legally enacted budgetary basis and the budget-to-actual presentation in the financial statements reflects the same basis of accounting. Appropriations which are not expended or encumbered lapse at year end.

The Town of North Kingstown makes use of an encumbrance system. Encumbrances are commitments related to unperformed contracts for goods or services. When a purchase order or commitment is placed, the Town reduces the amount of budgetary authority remaining in a budget category and records an encumbrance. When goods or services are received, the encumbrance balance is reduced and an expenditure and liability is recorded. The Town's outstanding encumbrances at year end are carried forward as reservation of fund balance.

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 on which all budgeted funds may not legally exceed appropriations is at the departmental level. These budgeted funds are the General Operating Fund; two Special Revenue Funds, the School Fund and the Library Fund; and two enterprise funds, the Water Fund and the Quonset/Davisville Recreation Fund. There were no supplemental budgetary appropriations made during the year.

Cash Equivalents

For the purpose of the Statement of Cash Flows, the Proprietary Funds and Nonexpendable Trust Funds consider all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Receivables

Accounts receivable are recorded in the General, Special Revenue, Capital Projects, Enterprise and Fiduciary fund types. Where appropriate, an associated allowance for uncollectible accounts has been established.

Property taxes which were levied on July 1 of the current year and other delinquent balances are recorded as receivables.

(CONTINUED)

TOWN OF NORTH KINGSTOWN

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventories

Inventories are maintained on a periodic system and are stated at cost (first in, first out method of inventory valuation). Inventories in the Governmental Funds are recorded as expenditures when consumed.

Amounts to be Provided for Retirement of Long-Term Obligations

The balance in this account represents the amount to be provided from future general revenues to retire long-term obligations.

Deferred Revenues

Deferred revenues represent funds received in advance of being owed or receivables which will be collected and included in revenues of future fiscal years. In the General Fund, deferred revenues related to property tax receivables which were assessed on December 31, and billed on the 1st of July to be payable on July 31st (with provisions to be paid quarterly) and which were received prior to June 30th, plus delinquent balances less amounts due as of the balance sheet date and received sixty days thereafter.

Fund Equity

The unreserved fund balances for governmental funds represent the amount available for budgeting future operations. The reserved fund balances for governmental funds represent the amount that has been legally identified for specific purposes. Unreserved retained earnings for proprietary funds represent the net assets available for future operations or distribution. The reserved retained earnings for proprietary funds represents the amounts reserved for future commitments.

Revenues, Expenditures and Expenses

Revenues for governmental funds are recorded when they are determined to be both measurable and available. Generally, tax revenues, fees and non-tax revenues are recognized when received. Grants from other governments are recognized when qualifying expenditures are incurred. Expenditures for governmental funds are recorded when the related liability is incurred. Revenues and expenses of proprietary funds are recognized in essentially the same manner as in commercial accounting.

Property Taxes

The Town is permitted by state law to levy property taxes. Current tax collections for the Town were approximately 97.40% of the total 2002 levy. The tax rate of the Town is established by the Town Council.

The Town's fiscal 2001-2002 property taxes were levied on July 1, 2001 on assessed valuation as of December 31, 2000. Upon levy, taxes are billed quarterly and are due on July 31, October 30, January 31, and April 30. An automatic lien is placed on the taxpayer's property if payment has not been received by the due date. Assessed values are established by the Tax Assessor's Office and are currently calculated at approximately 97.3% of current market value for real estate and 100% for motor vehicles. A revaluation of all property was completed as of December 31, 2000.

(CONTINUED)

TOWN OF NORTH KINGSTOWN

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Vacation, Sick Leave, and Other Compensated Absences

Unused vacation leave is paid upon an employee's termination. Sick leave not taken is paid only to terminating employees who are retiring. Amounts of vested or accumulated vacations and sick leave relating to governmental fund employees are not expected to be liquidated with expendable available financial resources and, as such, are reported in the General Long-Term Debt Account Group. No expenditure is recorded for these amounts. Vested or accumulated vacation and sick leave of Proprietary Funds is recorded as an expense and liability of those funds as the benefits accrue to employees. At June 30, 2002, approximately \$1,877,361 of aggregated compensated absences for non-proprietary fund employees is reflected in the long-term debt account group.

Interfund Transactions

Quasi-external transactions are accounted for as fund revenues, expenditures or expenses (as appropriate). Transactions which constitute reimbursements of a fund for expenditures or expenses initially made from it which are properly applicable to another fund are recorded as expenditures or expenses (as appropriate) in the reimbursing fund and as reductions of the expenditure or expense in the fund that is reimbursed.

All interfund transactions except advances, quasi-external transactions and reimbursement are accounted for as transfers. All other interfund transactions are treated as operating transfers.

Use of Estimates

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

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 \$64,094,890. As of June 30, 2002, the Town had \$1,035,031 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.

3. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment acquired for proprietary funds are carried at historical cost. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

(CONTINUED)

TOWN OF NORTH KINGSTOWN

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002**

3. PROPERTY, PLANT AND EQUIPMENT (Continued)

Depreciation on the fixed assets of the Proprietary Fund is provided on the straight-line method over the assets estimated useful lives. A full year's depreciation is recorded in the year of addition with no depreciation recorded in the year of retirement.

The Water, Quonset/Davisville Recreation, and School Cafeteria Enterprise Funds have assigned various estimated useful lives to its fixed assets as follows:

WATER	
Buildings	50 years
Pumping Plant and Equipment	33.33 years
Furniture and Equipment	10 years
Vehicles	5 years
QUONSET/DAVISVILLE RECREATION	
Property Improvements.....	10 years
Golf Carts	4 years
Furniture and Equipment	5 years
Vehicles	3 years
SCHOOL CAFETERIA	
Equipment	5 – 10 years

A summary of the Enterprise Fund's fixed assets are as follows as of June 30, 2002:

	<u>Water</u>	<u>Quonset/ Davisville Recreation</u>	<u>School Cafeteria</u>	<u>Total</u>
Land	\$ 89,520	\$ 494,950		\$ 584,470
Building	6,952,315	1,905,080		8,857,395
Equipment and Furniture	1,200,956	398,341	\$18,571	1,617,868
Motor Vehicles	96,720	598,197		694,917
Total cost.....	8,339,511	3,396,568	18,571	11,754,650
Less: accumulated depreciation	(5,017,004)	(1,488,948)	(9,891)	(6,515,843)
Net property, plant and equipment	<u>\$3,322,507</u>	<u>\$1,907,620</u>	<u>\$ 8,680</u>	<u>\$5,238,807</u>

Fixed assets used in governmental fund type operations are accounted for in the General Fixed Assets Account Group. Public domain (infrastructure) general fixed assets consisting of certain improvements other than buildings, such as road, sidewalks and bridges are not capitalized. Property, plant and equipment acquired or constructed for general governmental operations are recorded as expenditures in the fund making the expenditure, and capitalized at historical cost in the General Fixed Assets Account Group. These assets are capitalized at estimated historical cost in the event the historical cost can not be determined. Donated fixed assets are stated at their fair market value on the date donated. No depreciation is provided on general fixed assets.

(CONTINUED)

TOWN OF NORTH KINGSTOWN

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002**

3. PROPERTY, PLANT AND EQUIPMENT (Continued)

The following schedule reflects the change in general fixed assets during fiscal 2002:

	<u>Balance</u> <u>July 1, 2001</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2002</u>
Land.....	\$ 5,332,654		\$ 4,929	\$ 5,327,725
Buildings.....	16,131,859	\$34,800,000	4,302,754	46,629,105
Equipment	<u>16,107,134</u>	<u>2,875,371</u>	<u>1,341,819</u>	<u>17,640,686</u>
Total	<u>\$37,571,647</u>	<u>\$37,675,371</u>	<u>\$5,649,502</u>	<u>\$69,597,516</u>

4. PROPERTY TAXES

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

The Town recognizes property tax revenues in accordance with Section P70, "Property Taxes" of the Codification of Governmental Accounting and Financial Reporting Standards. Unpaid property taxes as of June 30, 2002 are recorded as a receivable, net of an allowance for uncollectible property taxes of \$490,000. Those net property taxes receivable which were not collected within the 60 days immediately following June 30, 2002 are recorded as deferred revenue.

5. CASH DEPOSITS

At June 30, 2002, the carrying amount of the Town's deposits, was \$4,926,796, while the bank balance was \$6,062,685. Of the balance, \$400,000 was covered by federal depository insurance and \$5,662,685 was uninsured and uncollateralized. In addition, the Town had \$20,868,192 in certificates of deposit.

6. INVESTMENTS

The Town invests in various types of investments which are stated at fair value. The Finance Director has control over the type of investments made. The Town Charter nor any other legally contracted agreement limits the type of investments that may be made.

The Town's investment holdings include collateralized mortgage obligations (CMO's), which are a form of a mortgage backed security commonly termed a derivative. These securities are used in part to maximize yields and in part to hedge against a rise in interest rates. These securities are based on cash flows from interest payments on underlying mortgages. Therefore, they are sensitive to prepayments by mortgagees, which may result from a decline in interest rates. For example, if interest rates decline and homeowners refinance mortgages, thereby prepaying the mortgages underlying these securities, the cash flows from interest payments are reduced and the value of these securities decline. Likewise, if homeowners pay on mortgages longer than anticipated, the cash flows are greater and the return on the initial investment would be higher than anticipated.

(CONTINUED)

TOWN OF NORTH KINGSTOWN

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002**

6. INVESTMENTS (Continued)

The following schedule categorizes the Town's investments to provide an indication of the degree of risk assumed as of year-end. Category 1 investments are insured or registered in the Town's name and held by the Town or its agent in the Town's name. Category 2 investments include uninsured and unregistered securities that are held by the counterparty's trust department or agent in the Town's name.

<u>Description</u>	<u>Category</u>			<u>Fair Value</u>
	<u>1</u>	<u>2</u>	<u>3</u>	
Repurchase agreements.....		<u>\$2,000,000</u>		<u>\$2,000,000</u>
U.S. Government agency Obligations	\$1,960,800			\$1,960,800
Corporate obligations	1,787,584			1,787,584
Collateralized mortgage obligations	72,051			72,051
Total investments	<u>\$3,820,435</u>	<u>\$ 0</u>	<u>\$0</u>	<u>\$3,820,435</u>

The carrying value of deposits \$4,926,796, cash and cash equivalents of \$22,868,192, and petty cash funds relate to the Combined Balance Sheet totals as follows:

Cash deposits.....	\$ 4,926,796
Add:	
Investments classified as cash equivalents	22,868,192
Petty cash funds.....	<u>9,323</u>
Cash and cash equivalents (Exhibit 1).....	<u>\$27,804,311</u>

7. LEASE COMMITMENTS AND LEASED ASSETS

The Town's capital leases consist of leases for various public works and computer equipment.

As of June 30, 2002, future minimum rental commitments under capital leases are as follows:

<u>Fiscal Year Ended</u> <u>June 30</u>	<u>Governmental Funds</u>
2003.....	\$ 81,900
2004.....	<u>27,320</u>
Future minimum rental payments.....	109,220
Interest portion of payments.....	<u>(4,736)</u>
Obligation under capital leases	<u>\$104,484</u>

(CONTINUED)

TOWN OF NORTH KINGSTOWN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

8. LONG-TERM DEBT

(a) General Long-term Debt

Long-term debt liabilities directly related to and intended to be paid from the Proprietary Funds are included in the accounts of such funds. All other long-term indebtedness of the Town is accounted for in the General Long-Term Account Group. The following schedule reflects the changes in long-term debt as shown in the General Long-Term Debt Account Group during fiscal 2002:

	<u>Balance</u> <u>July 1, 2001</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2002</u>
General Obligation Bonds Payable.....	\$55,761,616	\$1,900,000	\$3,129,192	\$54,532,424
Accrued Compensated Absences	1,668,808	208,553		1,877,361
Capital Lease Payable	937,307		832,823	104,484
Total long-term debt	<u>\$58,367,731</u>	<u>\$2,108,553</u>	<u>\$3,962,015</u>	<u>\$56,514,269</u>

In December 2001, the Town issued General Obligation Bonds with a face value of \$1,900,000. The proceeds were used to finance additions and improvements at Quidnesset Elementary School.

The following schedule summarizes the Town's General Obligation Debt:

	<u>Interest</u> <u>Rates</u>	<u>Principal</u>	<u>Due</u> <u>Dates</u>
General Long-Term Debt Account Group:			
General Obligation Bonds.....	3.50 – 6.80	\$54,532,424	2003 - 2026

The debt service through maturity for the above funds is as follows:

<u>Fiscal Year</u> <u>Ending</u> <u>June 30</u>	<u>General Long-Term</u> <u>Debt Account Group</u>	
	<u>Principal</u>	<u>Interest</u>
2003	\$ 3,396,858	\$ 2,761,257
2004	3,336,008	2,592,280
2005	3,309,191	2,396,211
2006	3,274,192	2,253,160
2007	2,949,191	2,098,837
Thereafter	<u>38,371,468</u>	<u>17,039,279</u>
Total	<u>\$54,636,908</u>	<u>\$29,141,024</u>

In addition, the Town has bonds authorized and unissued at June 30, 2002 of \$4,480,000 for all funds.

(CONTINUED)

TOWN OF NORTH KINGSTOWN

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002**

8. LONG-TERM DEBT (Continued)

(b) Enterprise Fund

The water loan payable, presented in the financial statements as a direct liability of the water enterprise fund, is an obligation of the Town backed ultimately by its taxing power. Because the proceeds of the loan are used entirely for the benefits of the water fund, the liabilities and related debt service of this loan are accounted for in the water enterprise fund.

The Q/D Recreation loan payable, presented in the financial statements as a direct liability of the Q/D Recreation Enterprise Fund, is an obligation of the Town backed ultimately by its taxing power. Because the proceeds of the loan are used entirely for the benefits of the Q/D Recreation Fund, the liabilities and related debt service of this loan are accounted for in the Q/D Recreation Enterprise Fund.

The following schedule summarizes the enterprise fund debt:

	<u>Interest Rate</u>	<u>Principal</u>	<u>Due Dates</u>
Enterprise Funds:			
Water loan payable	5.75%	\$ 512,456	2003 – 2007
Q/D Recreation	3.7% - 5.375%	<u>522,575</u>	2003 – 2019
Total		<u>\$1,035,031</u>	

The debt service through maturity for the above fund is as follows:

<u>Fiscal year ending June 30</u>	<u>Enterprise Funds</u>	
	<u>Principal</u>	<u>Interest</u>
2003	\$ 122,185	\$ 52,926
2004	127,439	45,919
2005	132,995	38,965
2006	138,871	31,934
2007	145,006	24,541
2008	30,808	16,782
2009	30,808	15,565
2010	30,808	14,332
2011	30,808	13,085
2012	30,808	11,806
2013	30,808	10,504
2014	30,808	9,176
2015	30,808	7,809
2016	30,808	6,422
2017	30,419	5,017
2018	30,419	3,589
2019	<u>30,425</u>	<u>2,883</u>
Total	<u>\$1,035,031</u>	<u>\$311,255</u>

(CONTINUED)

TOWN OF NORTH KINGSTOWN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

9. INTERFUND RECEIVABLES AND PAYABLES

Interfund receivable and payable balances at June 30, 2002 are as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 155,085	\$4,575,187
Special Revenue Funds:		
Community Development Block Grants	11,356	
Library Fund	88,174	
School Unrestricted Fund	3,339,474	466,887
Miscellaneous Federal Grants		93,619
Senior Health Insurance Program		1,170
School Restricted Fund		178,457
Noncivic Detail Escrow Fund		33,097
Miscellaneous State Water Dept. Grants		7,625
Miscellaneous State Grants		12,278
Total special revenue funds	3,439,004	793,133
Debt service fund	820,301	0
Fiduciary Funds:		
Payroll Fund	(5,660)	
School Payroll Fund	465,331	
Old Library Park Fund		7,296
Total fiduciary funds	459,671	7,296
Capital Projects:		
School Capital Reserve Fund	501,555	
Total capital projects	501,555	0
TOTALS	\$5,375,616	\$5,375,616

(CONTINUED)

TOWN OF NORTH KINGSTOWN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

10. FUND EQUITY

(a) Reserves and Designations

Reservations and designations of fund balances at June 30, 2002 were as follows:

General Fund:

Reserved for encumbrances.....	\$1,044,535
Reserved for COPS grant.....	45,000
Designated for future expenditures.....	150,000

Special Revenue Fund Types:

Reserved for encumbrances.....	1,963,027
Reserved for COPS grant.....	90,000
Designated for future expenditures.....	132,000

Debt Service Fund:

Reserved for debt service.....	820,301
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Fiduciary Fund Types:

Reserved for trust principal.....	37,023
Reserved for employee retirement system.....	<u>3,961,545</u>

Total reservations and designations of fund balances **\$8,243,431**

(b) Operating Transfers In and Out

A reconciliation of all operating, interfund transfers presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balance - All Governmental Fund Types and Expendable Trust Funds (Exhibit 2) and the Combined Statement of Revenues, Expenses and Change in Retained Earnings/Fund Balances – All Proprietary Fund Type and Non-Expendable Trust Funds (Exhibit 4) is below:

	<u>Transfers In</u>	<u>Transfers Out</u>
Exhibit 2	\$39,444,613	\$39,007,816
Exhibit 4		436,797
Totals.....	<u>\$39,444,613</u>	<u>\$39,444,613</u>

(CONTINUED)

TOWN OF NORTH KINGSTOWN

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002**

11. BONDS AUTHORIZED BUT UNISSUED

Bonds authorized but unissued at June 30, 2002 are as follows:

Open Space/Farmland Bonds	\$2,840,000
Public Facilities Plan Bonds.....	1,290,000
Library	<u>350,000</u>
Total.....	<u>\$4,480,000</u>

12. 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, 2002 was \$9,137,671 and the Town wide payroll was approximately \$40,100,428.

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 fixed 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, 2000.

(CONTINUED)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002**

12. DEFINED BENEFIT PENSION PLANS (Continued)

(a) General Municipal Employees' Pension Plan (Continued)

The annual required contribution for the Town which equals the annual pension cost for the year ended June 30, 2002 was \$0 for general employees. This contribution represents 0% of covered payroll. General municipal employees were required to contribute \$639,637. This contribution represents 7% of covered payroll.

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.

Trend Information

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
2000	\$0	100%	\$0
2001	\$0	100%	\$0
2002	\$0	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, 2000 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.

(b) Police and Fire Pension Plans

Town of North Kingstown Police Pension Fund Plan Description

All retired police department personnel as of June 30, 1996 are covered by the Town of North Kingstown PERS. The Police Pension Fund is a single-employer defined benefit pension plan that was established by the Town in accordance with state statutes. Included in the plan are only 13 retired, 4 disabled and 3 beneficiaries. All active participants as of July 1, 1996 were transferred into the Employee's Retirement System of the State of Rhode Island.

As of June 30, 2002 employee membership data related to the pension plan is as follows:

Retirees and beneficiaries 20

The following eligibility and benefit provisions are established or amended by the Administrator of the Plan, the Town of North Kingstown. The publicly available financial report may be obtained by writing to the Town of North Kingstown, 80 Boston Neck Road, North Kingstown, RI 02852-5767.

(CONTINUED)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002**

12. DEFINED BENEFIT PENSION PLANS (Continued)

(b) Police and Fire Pension Plans (Continued)

The pension plan provides pension benefits, disability and survivorship benefits. A member may retire the first day of the month following the attainment of age 55 or completion of 20 years of service, if earlier. Benefits vest 100% after 10 years of service.

Compensation averaged over the 3 consecutive years out of the last 10 years producing the highest average prior to termination of employment or normal retirement date is used in determining pension benefits.

Upon the death of any regular and permanent police official or officer, 67.5% of the benefits paid to such policeman shall be paid to his dependent widow for her lifetime until she remarries or, if there is no widow or the widow remarries, then to his dependent children until they attain the age of eighteen.

The Police Pension Fund is presented on the accrual basis of accounting. Investment income is recognized as earned by the pension plan. Investments are valued at fair value. Neither the Town nor any individual employee is contributing to this plan.

The actuarial method used is the Entry Age Normal Actuarial Cost Method.

The net pension obligation was determined as part of an actuarial valuation at July 1, 2002. Significant actuarial assumptions used include:

- | | |
|--|---|
| a) Rate of return on investment of present and future assets compounded annually | 7.5% |
| b) Projected salary increases attributable to inflation | N/A |
| c) Pre and post mortality tables | 1971 Group Annuity Mortality Table. |
| d) Assumed retirement age | Later of attainment of age 50 or the completion of 20 years of service. Participants who are past this age are assumed to retire immediately. |
| e) Disability | N/A |
| f) Cost of living increase | None |
- No changes in actuarial assumptions have occurred since the prior valuation.

Required Supplementary Information

Three-Year Trend Information

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/00	\$0	N/A	\$0
6/30/01	\$0	N/A	\$0
6/30/02	\$0	N/A	\$0

Ten-year historical trend information is disclosed in the supplemental section of this report.

(CONTINUED)

TOWN OF NORTH KINGSTOWN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

12. DEFINED BENEFIT PENSION PLANS (Continued)

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 active participants as of July 1, 1996 were transferred into the Employee's Retirement System of the State of Rhode Island. 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, 2002 was approximately \$2,034,947 and \$2,853,001, respectively. The Town wide payroll was approximately \$40,100,428.

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 25 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 fixed 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, 2000.

(CONTINUED)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002**

12. DEFINED BENEFIT PENSION PLANS (Continued)

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

The annual required contribution for police and fire personnel for the Town which equals the annual pension cost for the year ended June 30, 2002 was \$55,920. These contributions represent 1.96% of covered payroll for fire personnel. Police and fire personnel were required to contribute \$183,146 and \$256,770, respectively. This contribution represents 9% of covered payroll.

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>
2000	\$ 0	100%	\$0
2001	\$ 0	100%	\$0
2002	\$ 0	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>
2000	\$ 0	100%	\$0
2001	\$ 0	100%	\$0
2002	\$55,920	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, 2000 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)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

12. DEFINED BENEFIT PENSION PLANS (Continued)

Pension Plan Required Supplemental Information
(unaudited)

Schedules of Funding Progress (1)

	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Liability (AAL) Entry Age	Funding Excess (deficit)	Funded Ratio	Covered Payroll	Funding Excess (deficit) as a Percentage of Covered Payroll
General municipal employees pension plan	6/30/98	23,033,317	20,662,869	2,370,448	111.5%	7,448,473	31.8%
	6/30/99	25,314,429	22,464,464	2,849,965	112.7%	7,821,072	36.4%
	6/30/00	27,773,145	25,079,454	2,693,691	110.7%	8,377,608	32.2%
Municipal police pension plan	6/30/98	10,068,247	7,575,039	2,493,208	132.9%	1,752,261	142.3%
	6/30/99	10,957,682	8,577,243	2,380,439	127.8%	1,808,463	131.6%
	6/30/00	12,197,066	10,262,549	1,934,517	118.9%	1,997,601	96.8%
Municipal firemen pension plan	6/30/98	17,717,147	14,810,135	2,907,012	119.6%	2,354,426	123.5%
	6/30/99	18,415,354	16,040,147	2,375,207	114.8%	2,601,921	91.3%
	6/30/00	20,021,727	18,946,070	1,075,657	105.7%	3,077,298	35.0%

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

(CONTINUED)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

12. **DEFINED BENEFIT PENSION PLANS (Continued)**

Pension Plan Required Supplemental Information
(unaudited)

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	6/30/00	6/30/00
Actuarial Cost Method	Entry Age Normal Cost	Entry Age Normal Cost
Amortization Method	Level Percent Closed	Level Percent Closed
Remaining Amortization Period	N/A - No unfunded actuarial accrued liability	N/A - No unfunded actuarial accrued liability
Asset Valuation Method	3-year Market Value	3-Year Market Value
Actuarial assumptions:		
Investment rate of return	8.25%, compounded annually	8.25%, compounded annually
Projected Salary Increases	4.75% - 10.75%, compounded annually	5.0% - 15.0%, compounded annually
Cost-of-living Adjustments	3.0% not compounded	3%, not compounded, beginning on the January 1 following participant's retirement
Participant Information	Active Employees 328	Active Employees 118
	Retirees and beneficiaries 117	Retirees and beneficiaries 54
	<u>445</u>	<u>172</u>

Note: As of January 1, 2001, COLA B was put into place for General Municipal Employees.

(CONTINUED)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002**

12. 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, 2002 was \$20,817,502, which consisted of \$1,223,375 for employees charged to federal programs and \$19,594,127 for all other employees. The School Department's total payroll was approximately \$27,981,762. The Town wide payroll for the year ended June 30, 2002 was approximately \$40,100,428.

Plan Description

The following eligibility and benefit provisions are established by State Statute. All North Kingstown School Department certified school personnel are eligible to participate in the System if they are certified by the Board of Regents, engaged in teaching as principal occupation, and are regularly employed on at least a half time basis. Employees who retire at or after age 60 with 10 years of credited service or after 28 years of credited service regardless of age are entitled to a retirement benefit. The retirement benefit is equal to 1.7 percent of their final average salary for each year of credited service up to 10 years, plus 1.9 percent of their final average salary in excess of 10 years through 20 years, plus 3.0 percent of their final average salary in excess of 20 years up to the 34th year of service, plus 2.0 percent of their final average salary for the 35th year, up to a maximum benefit of 80 percent of their final average salary. Final average salary is the three highest consecutive years of earned salary exclusive of overtime, bonuses, or severance pay. Employees are vested in their retirement benefits on completion of 10 years of service. Retirees' benefits are adjusted annually by 3 percent compounded to allow for increases in cost of living. Cost of living adjustments begin on the January 1st following the third anniversary of an employee's retirement. There were no changes in the method, and assumptions in the June 30, 2000 actuarial valuation to determine plan cost. The System also provides death and disability benefits. The System also provides pre-retirement benefits at a minimum of 17% of salary for non-occupational disabilities after 5 years of service and at 67% of salary for occupational disabilities regardless of service. Surviving spouses are also eligible for both pre and post-retirement benefits with minimum amounts established under varying circumstances.

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 5.73%, 6.86%, and 8.43% for all full-time employees for fiscal years 2002, 2001, and 2000, 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 Uninsured Pensioner mortality tables.
- (b) **Investment return** – 8.25 percent, compounded annually.
- (c) **Salary increase** - Salaries will increase at a rate of 4.25 - 13.25 percent, compounded annually.
- (d) **Retirement age** - Teachers are assumed to retire at the later of age 61 or completion of the service requirements.
- (e) **Cost of living adjustments** – 3.0 percent compounded annually beginning on the January 1st following a participant's third anniversary of retirement.

(CONTINUED)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002**

12. 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 2002, actuarial required contributions were 12.01% of participant salary, plus an additional .5% of non-federally reimbursable salary attributable to State contribution deferrals. This resulted in contribution rates paid by the State on behalf of the School Department of 4.22% of non-federally reimbursable payrolls totaling \$507,091 for the fiscal year ended June 30, 2002.

The School Department does not have any investments or related party investments with the State Plan. The School Department's contribution represented 2.28 percent of total contributions required of all participating entities.

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>
2002	\$1,977,662	\$1,168,324	100%
2001	\$1,909,632	\$1,394,642	100%
2000	\$1,814,930	\$1,633,073	100%

In accordance with GASB 27, "Accounting for Pensions by State and Local Governmental Employers," the School Department has determined that there are no assets or liabilities 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, 2000 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.

13. POST RETIREMENT BENEFITS

In addition to the pension benefits described in Note 12, the Town provides post employment benefits (health insurance) in accordance with union contracts and Town personnel policies. These benefits, by employee group, are described below.

Police Employees

The Town is obligated to provide health insurance coverage until the retiree reaches age 65, or until the retiree or spouse obtains an alternative health insurance plan.

(CONTINUED)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002**

13. POST RETIREMENT BENEFITS (Continued)

Other Municipal Employees

The Town is obligated to provide health insurance coverage for certain retirees until the retiree or spouse obtains an alternative health insurance plan.

Fire Department Employees

The Town is obligated to provide health insurance coverage until the retiree reaches age 65, or until the retiree or spouse obtains an alternative health insurance plan.

The expenditures for these post retirement benefits are recognized on a pay-as-you-go basis as the monthly premiums for the benefits become due. During the year ended June 30, 2002, expenditures of \$427,767 were recognized for post retirement benefits. Of this amount, \$212,575 was paid for health insurance for 24 fire department retirees, \$74,680 was paid for health insurance for 32 municipal retirees and their spouses, and \$140,512 was paid for health insurance for 22 police retirees.

14. COMMUNICATION TOWER RENTALS

The Town leases several structures to four unrelated parties under separate operating leases.

The minimum future rentals for these leases were determined using the rates in effect at June 30, 2002. Minimum rentals on the leases for the next five years are as follows:

<u>Year Ended June 30</u>	<u>Amount</u>
2003	\$ 319,000
2004	313,000
2005	307,000
2006	289,000
2007	<u>286,000</u>
Total	<u>\$1,514,000</u>

(CONTINUED)

TOWN OF NORTH KINGSTOWN

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002**

15. BUDGETARY - GAAP REPORTING RECONCILIATION

The accompanying statements of Revenues, Expenditures/Expenses (Budgetary Basis) presents comparisons of the legally adopted budget (more fully described in Note 1) with actual data on a budgetary basis. Because accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with GAAP, a reconciliation of resultant basis, timing, and entity differences in the excess (deficiency) of revenues and other sources of financial resources over expenditures/expenses and other uses of financial resources for the year ended June 30, 2002 is presented below:

	<u>General</u>	<u>Special Revenue</u>	<u>Enterprise</u>
Excess of revenues and other sources over (under) expenditures/expenses and other uses (budgetary basis) ..	\$1,047,885	\$ 155,919	\$1,075,375
Adjustments:			
To adjust for encumbrances.....	(668,772)	946,997	
To adjust for depreciation recorded			(461,476)
To adjust for reappropriated fund balance	(650,000)	(9,000)	(30,000)
To adjust for debt service principal payment.....			117,216
To adjust for acquisition of fixed assets			<u>229,653</u>
Excess of revenues and other sources over expenditures/expenses and other uses (GAAP Basis) - budgetary classifications	(270,887)	1,093,916	930,768
Reclassifications and other adjustments:			
To record excess (deficiency) of revenues and other sources over expenditures/expenses and other uses for non-budgeted funds		<u>703,433</u>	<u>19,484</u>
Excess (deficiency) of revenues and other sources over (under) expenditures/expenses and other uses (GAAP Basis).....	<u>\$(270,887)</u>	<u>\$1,797,349</u>	<u>\$ 950,252</u>

16. SEGMENT INFORMATION OF THE ENTERPRISE FUNDS

Segment information of the Enterprise Funds at June 30, 2002 and for the year then ended is summarized as follows:

	<u>Water Enterprise Fund</u>	<u>Quonset/ Davisville Recreation Enterprise Fund</u>	<u>Quonset/ Davisville Reserve</u>	<u>School Cafeteria Fund</u>	<u>Total</u>
Operating revenues.....	\$2,547,374	\$1,582,716	\$ 0	\$1,185,892	\$ 5,315,982
Depreciation	179,475	282,001	0	2,124	463,600
Operating income	971,915	369,406	0	18,637	1,359,958
Net income (loss)	1,007,741	(76,973)	847	18,637	950,252
Operating transfers out.....	0	(436,797)	0	0	(436,797)
Property, plant and equipment additions	229,653	18,698	0	4,067	252,418
Net working capital	3,687,102	483,011	39,141	124,477	4,333,731
Total assets	7,301,901	2,706,914	39,141	167,375	10,215,331
Total equity	6,588,153	1,899,056	39,141	133,157	8,659,507
Long-term debt, net	421,456	491,575	0	0	913,031

(CONTINUED)

TOWN OF NORTH KINGSTOWN

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002**

17. 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. In the opinion of the Town's management and legal counsel, these matters are not anticipated to have a material financial impact on the Town.

Commitments

The Town had a \$300,000 available line of credit from the Rhode Island Clean Water Finance Agency for the Community Septic System Loan Program. The balance on the line of credit was \$0 at June 30, 2002.

The Town of North Kingstown had several outstanding construction and technology projects as of June 30, 2002. These projects are evidenced by contractual commitments with contractors and include:

<u>Fund/Project</u>	<u>Spent-to-Date</u>	<u>Commitment Funding Source Remaining</u>	<u>Funding Source(s)</u>
High School.....	\$35,603,167	\$ 10,937	General Obligation Bonds
High School.....	37,159	255,788	Self Insurance Fund
High School.....	594,629	844,485	School Capital Reserve Fund
High School.....	216,230		School Fund, Operating Budget
School Additions	1,757,156	41,621	General Obligation Bonds
Roads (Public Facilities)	2,219,916	47,431	General Obligation Bonds
School Athletic Facility	2,161,232	296,952	General Obligation Bonds
Highway Garage	2,517,547	14,606	General Obligation Bonds
Highway Garage	134,348	27,650	Town Capital Reserve Fund
Telephone System		140,000	General Fund, Operating Budget
Overlaying Services	489,109	189,798	General Fund, Operating Budget
Total	<u>\$45,730,493</u>	<u>\$1,869,268</u>	

18. 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.

(CONTINUED)

TOWN OF NORTH KINGSTOWN

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002**

19. 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, 2002 were \$0 and \$38,000, respectively.

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. Changes in the balances of claims liabilities during the past two fiscal years are as follows:

	<u>June 30, 2002</u>			<u>June 30, 2001</u>		
	Workers' Compensation Fund	Property Damage Fund	Total	Workers' Compensation Fund	Property Damage Fund	Total
Unpaid claims, beginning of fiscal year	\$ 75,900	\$ 0	\$ 75,900	\$ 62,300	\$ 0	\$ 62,300
Incurred claims (including IBNR's).....		300,802	300,802	15,850	56,367	72,217
Claim payments	(25,900)	(44,588)	(70,488)	(2,250)	(56,367)	(58,617)
Unpaid claims, end of fiscal year	<u>\$ 50,000</u>	<u>\$256,214</u>	<u>\$306,214</u>	<u>\$75,900</u>	<u>\$ 0</u>	<u>\$ 75,900</u>

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, 2002 as compared to the previous year. The claims incurred did not exceed insurance coverage in any of the last three years.

(CONCLUDED)

TOWN OF NORTH KINGSTOWN

POLICE PENSION TRUST FUND

**REQUIRED SUPPLEMENTAL INFORMATION
ANALYSIS OF FUNDING PROGRESS
"UNAUDITED"**

Actuarial Valuation <u>July 1,</u>	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)- <u>Entry Age (b)</u>	Excess Funded (Unfunded) <u>AAL (UAAL) (b-a)</u>	Funded Ratio (a/b)	Covered <u>Payroll</u>	UAAL as a Percentage of Covered <u>Payroll ((b-a)/c)</u>
1991	\$ 3,252,627 (1)	\$ 4,721,045	\$ (1,468,418)	68.9%	\$1,314,207	111.73%
1992	6,208,746 (1)	6,737,374	(528,628)	92.2%	1,427,197	37.04%
1993	6,731,000 (1)	7,106,740	(375,740)	94.7%	1,541,121	24.38%
1994	7,115,077 (1)	7,598,232	(483,155)	93.6%	1,571,263	30.75%
1995	7,443,416 (1)	9,484,800	(2,041,384)	78.5%	1,709,082	119.44%
1996	9,440,939 (1)	10,053,327	(612,388)	93.9%	1,723,781	35.53%
1997	4,003,670 (1)	3,590,829	412,841	111.5%	N/A	N/A
1999	3,963,941 (2)	2,910,516	1,053,425	136.2%	N/A	N/A
2001	3,947,037 (2)	2,819,182	1,127,855	140.0%	N/A	N/A

(1) At Cost

(2) At Fair Value

TOWN OF NORTH KINGSTOWN

POLICE PENSION TRUST FUND

**REQUIRED SUPPLEMENTAL INFORMATION
CONTRIBUTION REQUIREMENTS AND CONTRIBUTIONS MADE
"UNAUDITED"**

<u>Year Ended June 30</u>	<u>Annual Required Contributions</u>	<u>Percentage Contributed</u>
1993	\$ 278,359	100%
1994	\$ 266,360	100%
1995	\$ 316,486	100%
1996	\$ 297,838	100%
1997	\$ 0	100%
1998	\$ 0	100%
1999	\$ 0	100%
2000	\$ 0	100%
2001	\$ 0	100%
2002	\$ 0	100%

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TOWN OF NORTH KINGSTOWN

COMBINING AND INDIVIDUAL FUNDS

Detailed financial statements for each fund are presented in a combining or individual fund statement under the dividers labeled accordingly.

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TOWN OF NORTH KINGSTOWN

GENERAL FUND

The General Fund is the principal fund of the Town and is used to account for all activities not included in other funds. The General Fund accounts for the normal recurring activities of the Town (i.e., police, fire, public works, general government, etc.). These activities are funded principally by property taxes, intergovernmental revenues, and licenses and fees.

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TOWN OF NORTH KINGSTOWN

GENERAL FUND

BALANCE SHEET
JUNE 30, 2002

ASSETS

Cash and cash equivalents	\$ 13,628,643
Uncollected property taxes (net)	1,900,776
Due from federal and state governments	270,567
Due from other funds	155,085
Miscellaneous receivables	<u>152,163</u>
TOTAL ASSETS	<u><u>\$ 16,107,234</u></u>

LIABILITIES AND FUND BALANCE

Liabilities:

Accounts payable	\$ 580,392
Accrued liabilities	1,674
Contingent liabilities	300,000
Due to other funds	4,575,187
Deferred revenues	3,610,976
Escrow deposits	<u>402,927</u>
Total liabilities	<u>9,471,156</u>

Fund Balance:

Reserved for encumbrances	1,044,535
Reserved for COPS grant	45,000
Designated for future expenditures	150,000
Unreserved - undesignated	<u>5,396,543</u>
Total fund balance	<u>6,636,078</u>

TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 16,107,234</u></u>
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TOWN OF NORTH KINGSTOWN

GENERAL FUND

**STATEMENT OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)
AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 2002**

Revenues:

General property tax	\$ 48,570,277
Intergovernmental and departmental revenue	4,231,343
Licenses and permits	374,236
Interest on investments	395,042
Other revenue	13,624
Total revenues	<u>53,584,522</u>

Expenditures:

General government	3,991,423
Public safety	10,037,113
Public works	3,521,915
Human resources	788,645
Total expenditures	<u>18,339,096</u>

Excess of revenues over expenditures before other financing sources (uses) 35,245,426

Other financing sources (uses):

Operating transfers from other funds	671,479
Operating transfers (to) other funds	<u>(36,187,792)</u>
Net other financing sources (uses)	<u>(35,516,313)</u>

Excess of revenues and other sources over expenditures and other uses (270,887)

Fund balance, July 1, 2001 6,906,965

Fund balance, June 30, 2002 \$ 6,636,078

TOWN OF NORTH KINGSTOWN

GENERAL FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2002

	Original Budget	Transfers and Additional Appropriations	Final Budget	Actual GAAP Basis	Addition Adjustments	Subtraction Adjustments	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues:								
Property taxes	\$ 47,437,814		\$ 47,437,814	\$ 48,570,277			\$ 48,570,277	\$ 1,132,463
Intergovernmental and departmental	4,260,773		4,260,773	4,231,343			4,231,343	(29,430)
Licenses and permits	77,190		77,190	374,236			374,236	297,046
Interest	630,000		630,000	395,042			395,042	(234,958)
Other	12,000		12,000	13,624			13,624	1,624
Total revenues	52,417,777	0	52,417,777	53,584,522	0	0	53,584,522	1,166,745
Expenditures:								
General government								
Town council	737,863	(387,500)	350,363	345,157	5,000		350,157	206
Town manager	174,894		174,894	174,671			174,671	223
Town clerk	411,378		411,378	374,281	20,582	20,383	374,480	36,898
Town solicitor	206,000	248,001	454,001	363,848	160,290	75,031	449,107	4,894
Department of finance	584,006		584,006	594,698	28,963	60,351	563,310	20,696
Assessing	193,887		193,887	181,809	121	48	181,882	12,005
Planning	305,166	75,000	380,166	388,336	27,022	46,353	369,005	11,161
General operations	1,916,782	(211,124)	1,705,658	1,568,623	127,076	3,500	1,692,199	13,459
Subtotal	4,529,976	(275,623)	4,254,353	3,991,423	369,054	205,666	4,154,811	99,542
Public safety:								
Fire department	4,906,955	182,160	5,089,115	5,791,691	16,070	719,783	5,087,978	1,137
Animal control	137,482	400	137,882	127,768			127,768	10,114
Harbor management	55,391	5,641	61,032	61,022			61,022	10
Police department	3,877,769	(43,201)	3,834,568	3,844,424	5,896	66,529	3,783,791	50,777
Code enforcement	215,808		215,808	212,208		576	211,632	4,176
Subtotal	9,193,405	145,000	9,338,405	10,037,113	21,966	786,888	9,272,191	66,214
Public works:								
Public works administration	177,739	373	178,112	172,750			172,750	5,362
Highway	1,647,569	(107,678)	1,539,891	1,748,073	278,690	531,656	1,495,107	44,784
Solid waste landfill	9,000	(2,056)	6,944	5,928	432		6,360	584
Engineering	291,152	76,020	367,172	250,665	156,552	41,345	365,872	1,300

TOWN OF NORTH KINGSTOWN

GENERAL FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2002

	Original Budget	Transfers and Additional Appropriations	Final Budget	Actual GAAP Basis	Addition Adjustments	Subtraction Adjustments	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Public works (continued):								
Transfer station	794,281	101,188	895,469	843,315	1,100	1,100	842,215	53,254
Public facilities	531,092	33,651	564,743	501,184	71,847	8,340	564,691	52
Subtotal	3,450,833	101,498	3,552,331	3,521,915	507,521	582,441	3,446,995	105,336
Human resources:								
Recreation	385,925		385,925	338,926	12,970	814	351,082	34,843
Art festival	7,852		7,852	7,745			7,745	107
Contributions	135,221		135,221	140,849	2,000	7,628	135,221	
Welfare	46,930		46,930	42,807			42,807	4,123
Senior citizens	266,831		266,831	258,318	1,154		259,472	7,359
Subtotal	842,759	0	842,759	788,645	16,124	8,442	796,327	46,432
Total expenditures	18,016,973	(29,125)	17,987,848	18,339,096	914,665	1,583,437	17,670,324	317,524
Excess of revenues over (under) expenditures before other financing sources (uses)	34,400,804	29,125	34,429,929	35,245,426	914,665	(1,583,437)	35,914,198	1,484,269
Other sources (uses):								
Transfers in:								
Q/D rec fund	436,797		436,797	436,797			436,797	
Lease purchase escrow				9,016			9,016	9,016
Emergency medical services	225,666		225,666	225,666			225,666	
Fund balance	650,000		650,000			650,000	650,000	
Transfers out:								
School	(29,744,759)		(29,744,759)	(29,744,759)			(29,744,759)	
Library	(861,718)		(861,718)	(861,718)			(861,718)	
School capital	(500,000)		(500,000)	(500,000)			(500,000)	
Tax revaluation				(445,400)			(445,400)	(445,400)
Debt service	(4,006,790)		(4,006,790)	(4,006,790)			(4,006,790)	
Capital reserve	(350,000)		(350,000)	(350,000)			(350,000)	
Termination trust fund	(150,000)	(19,125)	(169,125)	(169,125)			(169,125)	
Health insurance reserve	(100,000)	(10,000)	(110,000)	(110,000)			(110,000)	
Subtotal	(34,400,804)	(29,125)	(34,429,929)	(35,516,313)	0	650,000	(34,756,313)	(436,384)
Excess of revenues and other sources over (under) expenditures and other uses	\$ 0	\$ 0	\$ 0	\$ (270,887)	\$ 914,665	\$ (2,233,437)	\$ 1,047,885	\$ 1,047,885

(CONCLUDED)

TOWN OF NORTH KINGSTOWN

**TAX COLLECTOR'S ANNUAL REPORT
JUNE 30, 2002**

REAL ESTATE AND PERSONAL PROPERTY TAXES:

	<u>Total</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>	<u>1993</u>	1992 and prior
Balance, July 1, 2001	\$ 2,365,928	\$ 46,885,673	\$ 1,213,439	\$ 103,756	\$ 98,608	\$ 96,772	\$ 85,272	\$ 86,262	\$ 87,814	\$ 130,660	\$ 463,345
Current assessment	46,885,673	\$ 46,885,673									
Additions	298,226	298,185	41								
Abatements/adjustments	(353,446)	(307,500)	(6,319)	(1,827)	(3,262)	(2,989)	(4,220)	(2,450)	(4,352)	(5,449)	(15,078)
	49,196,381	46,876,358	1,207,161	101,929	95,346	93,783	81,052	83,812	83,462	125,211	448,267
Collections (net)	46,805,605	45,641,683	1,120,075	13,269	6,843	6,069	4,250	3,478	2,965	2,564	4,409
Balance, June 30, 2002	<u>2,390,776</u>	<u>1,234,675</u>	<u>87,086</u>	<u>\$ 88,660</u>	<u>\$ 88,503</u>	<u>\$ 87,714</u>	<u>\$ 76,802</u>	<u>\$ 80,334</u>	<u>\$ 80,497</u>	<u>\$ 122,647</u>	<u>\$ 443,858</u>
Less: Allowance	(490,000)										
Net balance	<u>\$ 1,900,776</u>										

SCHEDULE OF MOST RECENT NET ASSESSED PROPERTY VALUES, BY CATEGORY:

Description:	<u>Valuations</u>	<u>Levy</u>
Real property	\$ 1,954,112,590	\$ 42,093,912
Motor vehicles	211,150,852	4,599,989
Personal property	83,110,590	1,812,601
Total	<u>2,248,374,032</u>	<u>48,506,502</u>
Exemptions	37,458,922	
Motor vehicle phaseout	73,540,330	1,620,829
Motor vehicle hold harmless	878,463	
Total	<u>111,877,715</u>	<u>1,620,829</u>
Net Assessed Values/ Levy	<u>\$ 2,136,496,317</u>	<u>\$ 46,885,673</u>

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TOWN OF NORTH KINGSTOWN

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.

The following are activities of the Town:

Senior Health Insurance Program - To account for monies received from the State to be used in informing adults about health insurance eligibility and benefits available to them.

Employment Act Title I - To account for funds being held for non-completion/acceptance of projects while in litigation with bonding companies.

Police Tactical Team - To account for donations received for the establishment and training of a North Kingstown Tactical Team.

Beechwood 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.

HUD CAED Grant – To account for funds received from the U.S. Department of Housing and Urban Development to assist local government in providing economic diversification planning services.

Miscellaneous Federal Grants – To account for monies received from the Federal Government for miscellaneous purposes.

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.

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

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

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

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

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

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.

Fire Alarm Cable - To account for fees charged for fire alarm cable installations provided by the Fire Department to the general business community.

(CONTINUED)

TOWN OF NORTH KINGSTOWN

SPECIAL REVENUE FUNDS

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.

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.

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

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

Operation Drug Dog - To account for donations received to help provide care and support for “Heidi” the Town’s drug dog.

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

Wickford Village – To account for monies received from the State to allow for acquiring and developing certain recreation areas in Wickford.

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.

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.

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 any one 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 in payment for services provided by Fire Department Rescue Division.

Welfare Emergency Fund - To account for funds received to be used by the welfare department in case of an emergency.

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

(CONTINUED)

TOWN OF NORTH KINGSTOWN

SPECIAL REVENUE FUNDS

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

RI Resource Protection Project – To account for monies received from the United States Department of Agriculture and the Natural Resources Conservation Service to provide professional tax assistance to landowners considering donating open space land.

Tax Revaluation Reserve – To account for monies set aside for the 200? townwide revaluation project.

Miscellaneous State Water Department Grants – To account for monies received from the State for miscellaneous, water related purposes.

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

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.

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

School Department - Funds established to account for both the operational activities and federal and state 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:

Unrestricted
Restricted
Adult Education Fund
Summer School Fund
Sports Camp

The Restricted section is further identified by the following funds:

Public Law 94-142	Even Start Family Literacy
Title I	School to Career WMS/DMS
Title VI	Community Development Block Grant
Title II	RIF Quidnessett Operetta
Drug-Free Schools	Duck Cove Saltmarsh
Child Opportunity Zone - Homeless	COZ Miscellaneous Donations
Title VI – Class Size Reduction	A Window Into the New Millennium
Preschool Services	Champlin Grant
Reading Excellence	
SORICO Model Classroom	
RITIE	
RI Child Opportunity Zone	
Substance Abuse	
Literacy Set-Aside	
Reading Excellence Family Literacy	
Parents as Teachers	
School to Career	

(CONCLUDED)

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TOWN OF NORTH KINGSTOWN

SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET
JUNE 30, 2002

	Senior Health Insurance Program	Employment Act Title I	Police Tactical Team	Beechwood House Senior Center Equipment Escrow	Miscellaneous Federal Grants	State Council on the Arts Grant
	\$ 1,170	\$ 0	\$ 0	\$ 709	\$ 93,619	\$ 2,510
TOTAL ASSETS	\$ 1,170	\$ 0	\$ 0	\$ 709	\$ 93,619	\$ 2,510

ASSETS

Cash
 Due from federal and state governments
 Due from grantors
 Other receivables
 Due from other funds

TOTAL ASSETS

LIABILITIES AND FUND BALANCE

Liabilities:

Accounts payable
 Accrued liabilities
 Due to other funds
 Deferred revenue

Total liabilities

Fund Balances:

Reserved for encumbrances
 Reserved for COPS grant
 Unreserved:
 Designated for future expenditures
 Undesignated

Total fund balances

TOTAL LIABILITIES AND FUND BALANCE

	\$ 1,170	\$ 0	\$ 0	\$ 0	\$ 93,619	\$ 30
	\$ 1,170	\$ 0	\$ 0	\$ 0	\$ 93,619	\$ 30
	\$ 1,170	\$ 0	\$ 0	\$ 709	\$ 93,619	\$ 30
	0	0	0	709	0	2,392
	1,170	0	0	709	0	2,480
	\$ 1,170	\$ 0	\$ 0	\$ 709	\$ 93,619	\$ 2,510

TOWN OF NORTH KINGSTOWN

SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET
JUNE 30, 2002

	<u>Non Civic Detail Escrow Fund</u>	<u>Governor's Justice Commission</u>	<u>Special Purpose Donations</u>	<u>Miscellaneous Senior Citizens Grant</u>	<u>Community Development Block Grants</u>	<u>Land Dedication Escrow</u>
Cash	\$ 379	\$ 10,704	\$ 13,363	\$ 2,000	\$ 17,749	\$ 91,064
Due from federal and state governments					211,966	
Due from grantors					242,110	
Other receivables	43,124				11,356	
Due from other funds						
TOTAL ASSETS	\$ 43,503	\$ 10,704	\$ 13,363	\$ 2,000	\$ 483,181	\$ 91,064

ASSETS

Cash
 Due from federal and state governments
 Due from grantors
 Other receivables
 Due from other funds

TOTAL ASSETS

LIABILITIES AND FUND BALANCE

Liabilities:

Accounts payable
 Accrued liabilities
 Due to other funds
 Deferred revenue
Total liabilities

\$ 10,406						
33,097						
43,503	\$ 0	\$ 0	\$ 0	\$ 0	\$ 483,181	\$ 0

Fund Balances:

Reserved for encumbrances
 Reserved for COPS grant
 Unreserved:
 Designated for future expenditures
 Undesignated
Total fund balances

		6,000		2,000		
	4,704		13,363			91,064
0	10,704		13,363	2,000	0	91,064

TOTAL LIABILITIES AND FUND BALANCE

\$ 43,503	\$ 10,704	\$ 13,363	\$ 2,000	\$ 483,181	\$ 91,064
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TOWN OF NORTH KINGSTOWN

SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET
JUNE 30, 2002

	Fire Alarm Cable	State Elderly Affairs Grant	State Grants - Police Department	Seized and Forfeited Property Escrow	Local Law Enforcement Block	Groundwater Education Donation	Operation Drug Dog
Cash	\$ 1,612		\$ 1,807	\$ 4,553	\$ 14,504	\$ 835	\$ 845
Due from federal and state governments							
Due from grantors							
Other receivables							
Due from other funds							
TOTAL ASSETS	\$ 1,612	\$ 0	\$ 1,807	\$ 4,553	\$ 14,504	\$ 835	\$ 845

ASSETS

Cash
Due from federal and state governments
Due from grantors
Other receivables
Due from other funds

TOTAL ASSETS

LIABILITIES AND FUND BALANCE

Liabilities:

Accounts payable
Accrued liabilities
Due to other funds
Deferred revenue
Total liabilities

\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
------	------	------	------	------	------	------	------

Fund Balances:

Reserved for encumbrances
Reserved for COPS grant
Unreserved:
Designated for future expenditures
Undesignated
Total fund balances

			951				
1,612		856	4,553	14,504	835	845	
1,612	0	1,807	4,553	14,504	835	845	

TOTAL LIABILITIES AND FUND BALANCE

\$ 1,612	\$ 0	\$ 1,807	\$ 4,553	\$ 14,504	\$ 835	\$ 845
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TOWN OF NORTH KINGSTOWN

SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET
JUNE 30, 2002

	School Department Substance Abuse Donations	Wickford Village	Infrastructure Replacement	URI Septic Loan Program	Community Center Maintenance	Heritage Committee	Senior Center Legislative Grant
Cash	\$ 176		\$ 29,550	\$ 251,702	\$ 8,262	\$ 144	\$ 5,529
Due from federal and state governments							
Due from grantors							
Other receivables							
Due from other funds							
TOTAL ASSETS	\$ 176	\$ 0	\$ 29,550	\$ 251,702	\$ 8,262	\$ 144	\$ 5,529

ASSETS

LIABILITIES AND FUND BALANCE

Liabilities:							
Accounts payable					\$ 1,394		\$ 105
Accrued liabilities							
Due to other funds							
Deferred revenue					6,868	\$ 144	
Total liabilities	\$ 0	\$ 0	\$ 0	\$ 0	\$ 8,262	\$ 144	\$ 105
Fund Balances:							
Reserved for encumbrances							
Reserved for COPS grant							
Unreserved:							
Designated for future expenditures							
Undesignated	176		29,550	251,702			5,424
Total fund balances	176	0	29,550	251,702	0	0	5,424
TOTAL LIABILITIES AND FUND BALANCE	\$ 176	\$ 0	\$ 29,550	\$ 251,702	\$ 8,262	\$ 144	\$ 5,529

TOWN OF NORTH KINGSTOWN

SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET
JUNE 30, 2002

	Miscellaneous State Water Department Grants	Miscellaneous State Grants	Library Funds	School Department	Totals
Cash	\$ 7,625	\$ 12,278	\$ 19,868	\$ 61,587	\$ 1,335,116
Due from federal and state governments				219,721	548,379
Due from grantors				3,510	3,510
Other receivables				98,485	383,719
Due from other funds			88,174	3,339,474	3,439,004
TOTAL ASSETS	\$ 7,625	\$ 12,278	\$ 108,042	\$ 3,722,777	\$ 5,709,728

ASSETS

LIABILITIES AND FUND BALANCE

Liabilities:

Accounts payable				\$ 827,951	\$ 882,545
Accrued liabilities				2,429	2,429
Due to other funds	\$ 7,625	\$ 12,278		645,344	793,133
Deferred revenue				9,364	499,557
Total liabilities	7,625	12,278	41,103	1,485,088	2,177,664

Fund Balances:

Reserved for encumbrances			18,961	1,935,027	1,963,027
Reserved for COPS grant				90,000	90,000
Unreserved:					
Designated for future expenditures				120,000	132,000
Undesignated				92,662	1,347,037
Total fund balances	0	0	66,939	2,237,689	3,532,064

TOTAL LIABILITIES AND FUND BALANCE

\$ 7,625	\$ 12,278	\$ 108,042	\$ 3,722,777	\$ 5,709,728
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(CONCLUDED)

TOWN OF NORTH KINGSTOWN

SPECIAL REVENUE FUNDS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)
AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2002**

	Senior Health Insurance Program	Employment Act Title I	Police Tactical Team	Beechwood House Senior Center Equipment Escrow	Miscellaneous Federal Grants	State Council on the Arts Grant
Revenues:						
Intergovernmental revenue	\$ 1,170				\$ 59,869	\$ 7,200
Interest on investments	1,170	0	0	0	59,869	7,200
Tuitions and other revenues						
Total revenues	\$ 1,170	\$ 0	\$ 0	\$ 0	\$ 59,869	\$ 7,200
Expenditures:						
General government						
Public safety			454			
Public works	1,628				59,869	11,446
Human resources		3,420				
Education	1,628	3,420	454	0	59,869	11,446
Total expenditures	(458)	(3,420)	(454)	0	0	(4,246)
Excess of revenue over (under) expenditures before other financing sources	0	0	0	0	0	0
Other financing sources (uses):						
Transfers from other funds						
Transfers (to) other funds						
Other financing sources (uses):	0	0	0	0	0	0
Excess of revenues and other sources over (under) expenditures and other uses	(458)	(3,420)	(454)	0	0	(4,246)
Fund balance, beginning of the year	458	3,420	454	709	0	6,726
Fund balance, end of the year	\$ 0	\$ 0	\$ 0	\$ 709	\$ 0	\$ 2,480

(CONTINUED)

TOWN OF NORTH KINGSTOWN

SPECIAL REVENUE FUNDS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)
AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2002**

	Non Civic Detail Escrow Fund	Governor's Justice Commission	Special Purpose Donations	Miscellaneous Senior Citizens Grant	Community Development Block Grants	Land Dedication Escrow
Revenues:						
Intergovernmental revenue		\$ 25,527			\$ 61,053	\$ 352
Interest on investments			\$ 5,825	\$ 2,000		2,023
Tuitions and other revenues	\$ 309,073		\$ 5,825	2,000		2,375
Total revenues	309,073	25,527	5,825	2,000	61,053	
Expenditures:						
General government	309,073	14,823	1,100		61,053	20,823
Public safety						
Public works						
Human resources						
Education						
Total expenditures	309,073	14,823	1,100	0	61,053	20,823
Excess of revenue over (under) expenditures before other financing sources	0	10,704	4,725	2,000	0	(18,448)
Other financing sources (uses):						
Transfers from other funds						
Transfers (to) other funds						
Other financing sources (uses):	0	0	0	0	0	0
Excess of revenues and other sources over (under) expenditures and other uses	0	10,704	4,725	2,000	0	(18,448)
Fund balance, beginning of the year	0	0	8,638	0	0	109,512
Fund balance, end of the year	\$ 0	\$ 10,704	\$ 13,363	\$ 2,000	\$ 0	\$ 91,064

TOWN OF NORTH KINGSTOWN

SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)
AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2002

	Fire Alarm Cable	State Elderly Affairs Grant	State Grants - Police Department	Seized and Forfeited Property Escrow	Local Law Enforcement Block	Groundwater Education Donation	Operation Drug Dog
Revenues:							
Intergovernmental revenue		\$ 21,600	\$ 8,202		\$ 5,768		\$ 40
Interest on investments							
Tuitions and other revenues							
Total revenues	\$ 0	21,600	8,202	\$ 0	5,768	\$ 0	40
Expenditures:							
General government		21,600					
Public safety	911		6,418		12,048		2,070
Public works							
Human resources							
Education							
Total expenditures	911	21,600	6,418	0	12,048	0	2,070
Excess of revenue over (under) expenditures before other financing sources	(911)	0	1,784	0	(6,280)	0	(2,030)
Other financing sources (uses):							
Transfers from other funds							
Transfers (to) other funds							
Other financing sources (uses):	0	0	0	0	0	0	0
Excess of revenues and other sources over (under) expenditures and other uses	(911)	0	1,784	0	(6,280)	0	(2,030)
Fund balance, beginning of the year	2,523	0	23	4,553	20,784	835	2,875
Fund balance, end of the year	\$ 1,612	\$ 0	\$ 1,807	\$ 4,553	\$ 14,504	\$ 835	\$ 845

TOWN OF NORTH KINGSTOWN

SPECIAL REVENUE FUNDS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)
AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2002**

	School Department Substance Abuse Donations	Wickford Village	Infrastructure Replacement	URI Septic Loan Program	Community Center Maintenance	Heritage Committee	Senior Center Legislative Grant
Revenues:							
Intergovernmental revenue		\$ 18,792	\$ 8,999	\$ 251,702	\$ 4,733		\$ 6,000
Interest on investments			551				
Tuitions and other revenues							
Total revenues	\$ 0	18,792	9,550	251,702	4,733	0	6,000
Expenditures:							
General government		18,792			4,733		
Public safety							
Public works							
Human resources							3,609
Education							
Total expenditures	0	18,792	0	0	4,733	0	3,609
Excess of revenue over (under) expenditures before other financing sources	0	0	9,550	251,702	0	0	2,391
Other financing sources (uses):							
Transfers from other funds							
Transfers (to) other funds							
Other financing sources (uses):	0	0	0	0	0	0	0
Excess of revenues and other sources over (under) expenditures and other uses	0	0	9,550	251,702	0	0	2,391
Fund balance, beginning of the year	176	0	20,000	0	0	0	3,033
Fund balance, end of the year	\$ 176	\$ 0	\$ 29,550	\$ 251,702	\$ 0	\$ 0	\$ 5,424

(CONTINUED)

TOWN OF NORTH KINGSTOWN

SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)
AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2002

	Emergency Medical Services	Welfare Emergency Fund	RIDEM Potowomut Pond Clean-up	Fire Department Legislative Grant	Rhode Island Resource Protection Project	Tax Revaluation Reserve Fund
Revenues:						
Intergovernmental revenue	\$ 342,192				\$ 400	
Interest on investments	3,716	\$ 1,949				
Tuitions and other revenues	401,487					
Total revenues	345,908	\$ 403,436	\$ 0	\$ 0	400	\$ 0
Expenditures:						
General government	177,770					
Public safety				5,565		
Public works					775	
Human resources						
Education						
Total expenditures	0	177,770	0	5,565	775	0
Excess of revenue over (under) expenditures before other financing sources	345,908	225,666	0	(5,565)	(375)	0
Other financing sources (uses):						
Transfers from other funds						445,400
Transfers (to) other funds	(309,323)	(225,666)				
Other financing sources (uses):	(309,323)	(225,666)	0	0	0	445,400
Excess of revenues and other sources over (under) expenditures and other uses	36,585	0	0	(5,565)	(375)	445,400
Fund balance, beginning of the year	309,323	0	300	5,565	375	0
Fund balance, end of the year	\$ 345,908	\$ 0	\$ 300	\$ 0	\$ 0	\$ 445,400

TOWN OF NORTH KINGSTOWN

SPECIAL REVENUE FUNDS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)
AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2002**

	Miscellaneous State Water Department Grants	Miscellaneous State Grant	Library Funds	School Department	Totals
Revenues:					
Intergovernmental revenue		\$ 36,989	\$ 201,802	\$ 11,997,267	\$ 13,053,362
Interest on investments			533	4,752	11,893
Tuitions and other revenues			61,851	2,408,961	3,197,123
Total revenues	\$ 0	36,989	264,186	14,410,980	16,262,378
Expenditures:					
General government					628,667
Public safety					28,566
Public works		36,989			96,858
Human resources			1,134,173		1,151,631
Education				44,398,555	44,401,975
Total expenditures	0	36,989	1,134,173	44,398,555	46,307,697
Excess of revenue over (under) expenditures before other financing sources	0	0	(869,987)	(29,987,575)	(30,045,319)
Other financing sources (uses):					
Transfers from other funds			861,718	31,072,094	32,379,212
Transfers (to) other funds				(1,555)	(536,544)
Other financing sources (uses):	0	0	861,718	31,070,539	31,842,668
Excess of revenues and other sources over (under) expenditures and other uses	0	0	(8,269)	1,082,964	1,797,349
Fund balance, beginning of the year	0	0	75,208	1,154,725	1,734,715
Fund balance, end of the year	\$ 0	\$ 0	\$ 66,939	\$ 2,237,689	\$ 3,532,064

(CONCLUDED)

TOWN OF NORTH KINGSTOWN

SPECIAL REVENUE FUNDS

LIBRARY FUNDS

**COMBINING BALANCE SHEET
JUNE 30, 2002**

	Davisville Library Fund	Champlin Foundation Fund	Library Fund	Willet Library Fund	Miscellaneous Library Donations	Totals
ASSETS						
Cash						
Due from other funds	\$ 0	\$ 9,630	\$ 50	\$ 1,033	\$ 9,155	\$ 19,868
			88,174			88,174
TOTAL ASSETS	\$ 0	\$ 9,630	\$ 88,224	\$ 1,033	\$ 9,155	\$ 108,042
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 0	\$ 2,981	\$ 35,766	\$ 1,033	\$ 1,323	\$ 41,103
Total liabilities	\$ 0	2,981	35,766	1,033	1,323	41,103
Fund Balances:						
Reserved for encumbrances			17,496		1,465	18,961
Unreserved:						
Designated for future expenditure			12,000			12,000
Undesignated		6,649	22,962		6,367	35,978
Total fund balances	0	6,649	52,458	0	7,832	66,939
TOTAL LIABILITIES AND FUND BALANCES	\$ 0	\$ 9,630	\$ 88,224	\$ 1,033	\$ 9,155	\$ 108,042

TOWN OF NORTH KINGSTOWN

SPECIAL REVENUE FUNDS

LIBRARY FUNDS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 2002**

	Davisville Library Fund	Champlin Foundation Fund	Library Fund	Willet Library Fund	Miscellaneous Library Donations	Totals
Revenues:						
Intergovernmental revenue	\$ 14,853	\$	\$ 168,341	\$ 14,853	\$ 3,755	\$ 201,802
Interest on investments		237			296	533
Other revenue		16,195	45,656			61,851
Total revenues:	<u>14,853</u>	<u>16,432</u>	<u>213,997</u>	<u>14,853</u>	<u>4,051</u>	<u>264,186</u>
Expenditures:						
Human resources	14,853	16,539	1,080,495	14,853	7,433	1,134,173
Excess of revenues over (under) expenditures before other financing sources	<u>0</u>	<u>(107)</u>	<u>(866,498)</u>	<u>0</u>	<u>(3,382)</u>	<u>(869,987)</u>
Other financing sources:						
Operating transfer from other funds			861,718			861,718
Excess of revenues and other sources over (under) expenditures	<u>0</u>	<u>(107)</u>	<u>(4,780)</u>	<u>0</u>	<u>(3,382)</u>	<u>(8,269)</u>
Fund balance, July 1, 2001	<u>0</u>	<u>6,756</u>	<u>57,238</u>	<u>0</u>	<u>11,214</u>	<u>75,208</u>
Fund balance, June 30, 2002	<u>\$ 0</u>	<u>\$ 6,649</u>	<u>\$ 52,458</u>	<u>\$ 0</u>	<u>\$ 7,832</u>	<u>\$ 66,939</u>

TOWN OF NORTH KINGSTOWN

SPECIAL REVENUE FUNDS

**SCHOOL DEPARTMENT
COMBINING BALANCE SHEET
JUNE 30, 2002**

	School Unrestricted	School Restricted	Adult Education Fund	Summer School Fund	Sports Camp	Totals
ASSETS						
Cash	\$ 3,336	\$ 14,747	\$ 12,896	\$ 15,239	\$ 15,369	\$ 61,587
Due from federal and state governments		219,721				219,721
Due from grantors		3,510				3,510
Other receivables	95,205	2,645		635		98,485
Due from other funds	3,339,474					3,339,474
TOTAL ASSETS	\$ 3,438,015	\$ 240,623	\$ 12,896	\$ 15,874	\$ 15,369	\$ 3,722,777

LIABILITIES AND FUND BALANCES

Liabilities:						
Accounts payable	\$ 771,779	\$ 52,802	\$ 535		\$ 2,835	\$ 827,951
Accrued liabilities	2,429					2,429
Due to other funds	466,887	178,457				645,344
Deferred revenue		9,364				9,364
Total liabilities	1,241,095	240,623	535	\$ 0	2,835	1,485,088
Fund Balances:						
Reserved for encumbrances	1,935,027					1,935,027
Reserved for COPS grant	90,000					90,000
Unreserved:						
Designated for subsequent year's expenditures	120,000					120,000
Undesignated	51,893		12,361	15,874	12,534	92,662
Total fund balances	2,196,920	0	12,361	15,874	12,534	2,237,689
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,438,015	\$ 240,623	\$ 12,896	\$ 15,874	\$ 15,369	\$ 3,722,777

TOWN OF NORTH KINGSTOWN

SPECIAL REVENUE FUNDS

**SCHOOL DEPARTMENT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)
AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 2002**

	School Unrestricted	School Restricted	Adult Education Fund	Summer School Fund	Sports Camp	Totals
Revenues:						
Intergovernmental revenue	\$ 10,549,975	\$ 1,447,292				\$ 11,997,267
Interest on investments	4,752					4,752
Other revenue	2,320,991		\$ 40,556	\$ 2,285	\$ 45,129	2,408,961
Total revenues	12,875,718	1,447,292	40,556	2,285	45,129	14,410,980
Expenditures						
Education	42,847,561	1,447,292	44,000	23,469	36,233	44,398,555
Excess of revenues over (under) expenditures before other financing sources	(29,971,843)	0	(3,444)	(21,184)	8,896	(29,987,575)
Other financing sources (uses):						
Operating transfer from other funds	31,072,094					31,072,094
Operating transfer (to) other funds	(1,555)					(1,555)
Total other financing sources (uses)	31,070,539	0	0	0	0	31,070,539
Excess of revenues and other sources over (under) expenditures and other uses	1,098,696	0	(3,444)	(21,184)	8,896	1,082,964
Fund balance, July 1, 2001	1,098,224	0	15,805	37,058	3,638	1,154,725
Fund balance, June 30, 2002	\$ 2,196,920	\$ 0	\$ 12,361	\$ 15,874	\$ 12,534	\$ 2,237,689

TOWN OF NORTH KINGSTOWN

SPECIAL REVENUE FUNDS

**SCHOOL DEPARTMENT - RESTRICTED
COMBINING BALANCE SHEET
JUNE 30, 2002**

Public Law 94-142	Title I	Title VI	Title II	Drug-Free Schools	Child Opportunity Zone- Homeless	Title VI - Class Size Reduction
	\$ 2	\$ 13,817	\$ 4,420	\$ 690	\$ 3,268	\$ 18,547
\$ 53,922	48,315					
2,300	75					
\$ 56,222	\$ 48,392	\$ 13,817	\$ 4,420	\$ 690	\$ 3,268	\$ 18,547

ASSETS

Cash and cash equivalents
 Due from State of Rhode Island
 Due from grantor
 Other receivables

TOTAL ASSETS

LIABILITIES AND FUND BALANCE

Liabilities:

Accounts payable	\$ 9,771	\$ 8,677	\$ 4,085	\$ 1,455
Due to other funds	46,451	39,715	9,732	17,092
Deferred revenue				
Total liabilities	56,222	48,392	13,817	18,547
	0	0	0	0
Fund Balance	\$ 56,222	\$ 48,392	\$ 13,817	\$ 3,268
TOTAL LIABILITIES AND FUND BALANCE	\$ 56,222	\$ 48,392	\$ 13,817	\$ 18,547

TOWN OF NORTH KINGSTOWN

SPECIAL REVENUE FUNDS

**SCHOOL DEPARTMENT - RESTRICTED
COMBINING BALANCE SHEET
JUNE 30, 2002**

Preschool Services	Reading Excellence	Sorico Model Classroom	RITIE	RI Child Opportunity Zone	Substance Abuse	Literacy Set-Aside
\$ 3,606	\$ 7,841			\$ 26,523	\$ 4,380 278	\$ 3,596
\$ 3,606	\$ 7,841	\$0	\$0	\$ 26,523	\$ 4,658	\$ 3,596

ASSETS

Cash and cash equivalents
 Due from State of Rhode Island
 Due from grantor
 Other receivables

TOTAL ASSETS

LIABILITIES AND FUND BALANCE

Liabilities:

Accounts payable
 Due to other funds
 Deferred revenue

Total liabilities

Fund Balance

TOTAL LIABILITIES AND FUND BALANCE

\$ 783	\$ 2,263			\$ 2,760	\$ 4,658	
2,823	5,578			23,763		
3,606	7,841	\$0	\$0	26,523	4,658	\$ 3,596
0	0	0	0	0	0	0
\$ 3,606	\$ 7,841	\$0	\$0	\$ 26,523	\$ 4,658	\$ 3,596

TOWN OF NORTH KINGSTOWN

SPECIAL REVENUE FUNDS

**SCHOOL DEPARTMENT - RESTRICTED
COMBINING BALANCE SHEET
JUNE 30, 2002**

	Reading Excellence Family Literacy	Parents as Teachers	School to Career	Even Start Family Literacy	School to Career WMS/DMS	Community Development Block Grant
Cash and cash equivalents		\$ 1,110				\$ 2,250
Due from State of Rhode Island	\$ 13,118		\$ 1,385	\$ 25,376	\$ 2,125	
Due from grantor						
Other receivables						
TOTAL ASSETS	\$ 13,118	\$ 1,110	\$ 1,385	\$ 25,376	\$ 2,125	\$ 2,250

ASSETS

LIABILITIES AND FUND BALANCE

Liabilities:						
Accounts payable	\$ 2,594		\$ 885	\$ 10,500	\$ 1,751	
Due to other funds	9,175		500	14,876	374	
Deferred revenue	1,349	\$ 1,110				\$ 2,250
Total liabilities	13,118	1,110	1,385	25,376	2,125	2,250
Fund Balance	0	0	0	0	0	0
TOTAL LIABILITIES AND FUND BALANCE	\$ 13,118	\$ 1,110	\$ 1,385	\$ 25,376	\$ 2,125	\$ 2,250

TOWN OF NORTH KINGSTOWN

SPECIAL REVENUE FUNDS

**SCHOOL DEPARTMENT - RESTRICTED
COMBINING BALANCE SHEET
JUNE 30, 2002**

	RIF Smith Castle 2002	Duckcove Saltmarsh	COZ Miscellaneous Donations	A Window into the New Millenium	Champlin Grant	Totals
ASSETS						
Cash and cash equivalents	\$ 1,443		\$ 1,763	\$ 203		\$ 14,747
Due from State of Rhode Island						219,721
Due from grantor						3,510
Other receivables			270			2,645
TOTAL ASSETS	\$ 1,443	\$ 0	\$ 2,033	\$ 203	\$ 0	\$ 240,623

LIABILITIES AND FUND BALANCE

Liabilities:						
Accounts payable	\$ 1,443		\$ 1,177			\$ 52,802
Due to other funds						178,457
Deferred revenue			856	\$ 203		9,364
Total liabilities	1,443	\$ 0	2,033	203	\$ 0	240,623
Fund Balance	0	0	0	0	0	0
TOTAL LIABILITIES AND FUND BALANCE	\$ 1,443	\$ 0	\$ 2,033	\$ 203	\$ 0	\$ 240,623

TOWN OF NORTH KINGSTOWN

SPECIAL REVENUE FUNDS

**SCHOOL DEPARTMENT - RESTRICTED
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 2002**

	Public Law 94-142	Title I	Title VI	Title II	Drug-Free Schools	Child Opportunity Zone- Homeless	Title VI - Class Size Reduction
Revenues:							
Intergovernmental revenue	\$ 429,297	\$ 252,926	\$ 24,710	\$ 27,698	\$ 29,315	\$ 19,985	\$ 82,446
	429,297	252,926	24,710	27,698	29,315	19,985	82,446
Expenditures							
Education	0	0	0	0	0	0	0
Revenues over (under) expenditures	0	0	0	0	0	0	0
Fund balance, June 30, 2001	0	0	0	0	0	0	0
Fund balance, June 30, 2002	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

TOWN OF NORTH KINGSTOWN

SPECIAL REVENUE FUNDS

**SCHOOL DEPARTMENT - RESTRICTED
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 2002**

	<u>Preschool Services</u>	<u>Reading Excellence</u>	<u>Model Classroom</u>	<u>RITIE</u>	<u>RI Child Opportunity Zone</u>	<u>Substance Abuse</u>	<u>Literacy Set-Aside</u>
Revenues:							
Intergovernmental revenue	\$ 20,008	\$ 13,689	\$ 40,000	\$ 1,066	\$ 65,000	\$ 41,652	\$ 301,436
Expenditures							
Education	20,008	13,689	40,000	1,066	65,000	41,652	301,436
Revenues over (under) expenditures	0	0	0	0	0	0	0
Fund balance, June 30, 2001	0	0	0	0	0	0	0
Fund balance, June 30, 2002	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

TOWN OF NORTH KINGSTOWN

SPECIAL REVENUE FUNDS

**SCHOOL DEPARTMENT - RESTRICTED
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 2002**

	Reading Excellence Family Literacy	Parents as Teachers	School to Career	Even Start Family Literacy	School to Career WMS/DMS	Community Development Block Grant
Revenues:						
Intergovernmental revenue	\$ 25,563	\$ 5,724	\$ 1,385	\$ 38,583	\$ 4,992	\$ 2,750
	25,563	5,724	1,385	38,583	4,992	2,750
Expenditures						
Education	0	0	0	0	0	0
Revenues over (under) expenditures	0	0	0	0	0	0
Fund balance, June 30, 2001	0	0	0	0	0	0
Fund balance, June 30, 2002	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

TOWN OF NORTH KINGSTOWN

SPECIAL REVENUE FUNDS

**SCHOOL DEPARTMENT - RESTRICTED
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 2002**

	RIF Smith Castle 2002	Duckcove Saltmarsh	COZ Miscellaneous Donations	A Window into the New Millenium	Champlin Grant	Total
Revenues:						
Intergovernmental revenue	\$ 3,448	\$ 249	\$ 15,322	\$ 0	\$ 48	\$ 1,447,292
Expenditures						
Education	3,448	249	15,322	0	48	\$ 1,447,292
Revenues over (under) expenditures	0	0	0	0	0	0
Fund balance, June 30, 2001	0	0	0	0	0	0
Fund balance, June 30, 2002	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

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TOWN OF NORTH KINGSTOWN

DEBT SERVICE FUND

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

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TOWN OF NORTH KINGSTOWN

DEBT SERVICE FUND

**BALANCE SHEET
JUNE 30, 2002**

<u>ASSETS</u>	
Due from other funds	<u>\$ 820,301</u>
TOTAL ASSETS	<u><u>\$ 820,301</u></u>
 <u>LIABILITIES AND FUND BALANCE</u>	
Liabilities	\$ 0
Fund balance:	
Designated for debt service	<u>820,301</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 820,301</u></u>

TOWN OF NORTH KINGSTOWN

DEBT SERVICE FUND

**STATEMENT OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)
AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 2002**

Revenues:	
Dedicated revenues	\$ 487,397
Interest on investments	2,579
Total revenues	<u>489,976</u>
Expenditures:	
Debt Service:	
Principal retirement bonds	3,129,192
Interest	1,941,455
Total expenditures	<u>5,070,647</u>
Excess of expenditures over revenues before other financing sources	(4,580,671)
Other financing sources (uses):	
Operating transfers in	4,316,113
Operating transfers out	(913,275)
Total other financing sources (uses):	<u>3,402,838</u>
Excess of revenues and other financing sources over expenditures	(1,177,833)
Fund balance, July 1, 2001	<u>1,998,134</u>
Fund balance, June 30, 2002	<u>\$ 820,301</u>

TOWN OF NORTH KINGSTOWN

CAPITAL PROJECTS FUNDS

The Capital Projects 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 – To account for Town capital projects.

High School Bond – To account for monies used to build a new high school.

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

6.5M School Additions Bond – To account for the construction and renovations of various school buildings.

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

2.3M Athletic Facilities Bond Fund - To account for the improvements of various athletic and physical education facilities at the middle schools and high school.

Asset Protection Bond Fund - To account for funding to support the requirements of the Town's Asset Protection Plan.

Farmland Preservation Bond Fund – To account for the purchase of land and development rights to allow for the preservation of farmland.

Capital Lease Fund - To account for purchases made under a Lease Purchase agreement.

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TOWN OF NORTH KINGSTOWN

CAPITAL PROJECTS FUNDS

COMBINING BALANCE SHEET

JUNE 30, 2002

	Capital Reserve	High School Bond	School Capital Reserve Fund	6.5M School Additions Bond	6M Public Facilities Plan Bond
<u>ASSETS</u>					
Cash and cash equivalents	\$ 1,028,961	\$ 22,820	\$ 485,567	\$ 152,326	\$ 685,988
Due from other funds			501,555		
TOTAL ASSETS	\$ 1,028,961	\$ 22,820	\$ 987,122	\$ 152,326	\$ 685,988
<u>LIABILITIES</u>					
Accounts payable	\$ 1,600	\$ 11,882		\$ 2,023	\$ 6,878
Total liabilities	1,600	11,882	\$ 0	2,023	6,878
<u>FUND BALANCE</u>					
Unreserved	1,027,361	10,938	987,122	150,303	679,110
TOTAL LIABILITIES AND FUND BALANCE	\$ 1,028,961	\$ 22,820	\$ 987,122	\$ 152,326	\$ 685,988

TOWN OF NORTH KINGSTOWN

CAPITAL PROJECTS FUNDS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
OTHER FINANCING SOURCES (USES) AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 2002**

	Capital Reserve	High School Bond	School Capital Reserve Fund	6.5M School Additions Bond	6M Public Facilities Plan Bond
Revenue:					
Interest on investments	\$ 24,591	\$ 91,873	\$ 21,424	\$ 7,459	\$ 46,098
Miscellaneous		63,015			
Total revenues	24,591	154,888	21,424	7,459	46,098
Expenditures:					
Capital outlays	413,507	8,188,044		1,665,427	1,765,860
Interest expense		913,275			
Total expenditures	413,507	9,101,319	0	1,665,427	1,765,860
Excess of revenues over (under) expenditures before other financing sources	(388,916)	(8,946,431)	21,424	(1,657,968)	(1,719,762)
Other financing sources:					
Operating transfers in	350,000		1,414,830		
Operating transfers out			(1,327,335)		
Bond issuance				1,900,000	
Total other financing sources	350,000	0	87,495	1,900,000	0
Excess of revenues and other financing sources over (under) expenditures and other uses	(38,916)	(8,946,431)	108,919	242,032	(1,719,762)
Fund balance (deficit), July 1, 2001	1,066,277	8,957,369	878,203	(91,729)	2,398,872
Fund balance, June 30, 2002	\$ 1,027,361	\$ 10,938	\$ 987,122	\$ 150,303	\$ 679,110

(CONTINUED)

TOWN OF NORTH KINGSTOWN

CAPITAL PROJECTS FUNDS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
OTHER FINANCING SOURCES (USES) AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 2002**

	Farmland & Open Space Reserve	2.3M Athletic Facilities Bond Fund	Asset Protection Bond Fund	Farmland Preservation Bond Fund	Capital Lease Fund	Totals
Revenue:						
Interest on investments	\$ 13,510	\$ 7,504	\$ 5,294	\$ 6,188	\$ 9,587	\$ 233,528
Miscellaneous	314,176					377,191
Total revenues	327,686	7,504	5,294	6,188	9,587	610,719
Expenditures:						
Capital outlays	976	5,030	385,780	1,517,053	546,822	14,488,499
Interest expense					17,133	930,408
Total expenditures	976	5,030	385,780	1,517,053	563,955	15,418,907
Excess of revenues over (under) expenditures before other financing sources	326,710	2,474	(380,486)	(1,510,865)	(554,368)	(14,808,188)
Other financing sources:						
Operating transfers in	33,854					1,798,684
Operating transfers out				(33,854)	(9,016)	(1,370,205)
Bond issuance						1,900,000
Total other financing sources	33,854	0	0	(33,854)	(9,016)	2,328,479
Excess of revenues and other financing sources over (under) expenditures and other uses	360,564	2,474	(380,486)	(1,544,719)	(563,384)	(12,479,709)
Fund balance (deficit), July 1, 2001	395,159	300,819	387,355	1,544,719	565,668	16,402,712
Fund balance, June 30, 2002	\$ 755,723	\$ 303,293	\$ 6,869	\$ 0	\$ 2,284	\$ 3,923,003

(CONCLUDED)

TOWN OF NORTH KINGSTOWN

PROPRIETARY FUND TYPES

Proprietary Funds are used to account for operations that are organized to be self-supporting through user charges. As described on the following pages, the Town maintains both Enterprise and Internal Service Funds which are included within the Proprietary Fund Type definition.

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TOWN OF NORTH KINGSTOWN

ENTERPRISE FUNDS

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.

Water - To account for the operation of the Town's Water Supply Department.

Quonset/Davisville Recreation - To account for the operation of a golf course and a marina facility by the Town.

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

School Cafeteria Fund - To account for the School's Food Service operation.

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TOWN OF NORTH KINGSTOWN

ENTERPRISE FUNDS

**COMBINING BALANCE SHEET
JUNE 30, 2002**

	<u>Water</u>	<u>Quonset/ Davisville Recreation</u>	<u>Quonset/ Davisville Reserve</u>	<u>School Cafeteria</u>	<u>Total</u>
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 3,506,640	\$ 772,885	\$ 39,141	\$ 64,631	\$ 4,383,297
User charges receivables	398,395				398,395
Other receivables	2,752	560		55,814	59,126
Inventory	71,607	25,849		38,250	135,706
Total current assets	3,979,394	799,294	39,141	158,695	4,976,524
Property, plant and equipment:					
Land	89,520	494,950			584,470
Building	6,952,315	1,905,080			8,857,395
Equipment and furniture	1,200,956	398,341		18,571	1,617,868
Motor vehicles	96,720	598,197			694,917
Less: accumulated depreciation	(5,017,004)	(1,488,948)		(9,891)	(6,515,843)
Net property, plant and equipment	3,322,507	1,907,620	0	8,680	5,238,807
TOTAL ASSETS	\$ 7,301,901	\$ 2,706,914	\$ 39,141	\$ 167,375	\$ 10,215,331

LIABILITIES AND FUND EQUITY

Current liabilities:					
Accounts payable	\$ 108,092	\$ 62,060		\$ 34,218	\$ 204,370
Deferred revenue		192,001			192,001
Other liabilities	33,895				33,895
Compensated absences payable	59,305	31,222			90,527
Current portion of loan payable	91,000	31,000			122,000
Total current liabilities	292,292	316,283	\$ 0	34,218	642,793

TOWN OF NORTH KINGSTOWN

ENTERPRISE FUNDS

**COMBINING BALANCE SHEET
JUNE 30, 2002**

	<u>Water</u>	<u>Quonset/ Davisville Recreation</u>	<u>Quonset/ Davisville Reserve</u>	<u>School Cafeteria</u>	<u>Total</u>
Long-term liabilities:					
Loan payable (net of current portion)	421,456	491,575	0	0	913,031
Total long-term liabilities	421,456	491,575	0	0	913,031
<u>FUND EQUITY</u>					
Retained Earnings:					
Reserved for future commitments		128,426			128,426
Unreserved	6,588,153	1,770,630	39,141	133,157	8,531,081
Total fund equity	6,588,153	1,899,056	39,141	133,157	8,659,507
TOTAL LIABILITIES AND FUND EQUITY	\$ 7,301,901	\$ 2,706,914	\$ 39,141	\$ 167,375	\$ 10,215,331

TOWN OF NORTH KINGSTOWN

ENTERPRISE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES, TRANSFERS AND CHANGES IN RETAINED EARNINGS
YEAR ENDED JUNE 30, 2002

	Water	Quonset/ Davisville Recreation	Quonset/ Davisville Reserve	School Cafeteria	Total
Operating revenues:					
Charges for services	\$ 2,475,044	\$ 1,582,716	\$ 0	\$ 922,070	\$ 4,979,830
Sundry sales and rentals	67,831				67,831
Miscellaneous	4,499			263,822	268,321
Total operating revenues	2,547,374	1,582,716	\$ 0	1,185,892	5,315,982
Operating expenses:					
Water operations	1,395,984				1,395,984
Golf course		441,329			441,329
Pro shop		347,259			347,259
Allen's Harbor		142,721			142,721
School cafeteria	179,475	282,001		1,165,131	1,165,131
Depreciation	1,575,459	1,213,310	0	2,124	463,600
Total operating expenses	971,915	369,406	0	18,637	1,359,958
Operating income					
Non-operating revenues (expenses):					
Interest income	62,676	13,879	847		77,402
Interest expense	(26,850)	(23,461)			(50,311)
Total non-operating revenues (expenses):	35,826	(9,582)	847	0	27,091
Income before transfers	1,007,741	359,824	847	18,637	1,387,049
Operating transfers out:					
Operating transfer to other funds		(436,797)			(436,797)
Total operating transfers out	0	(436,797)	0	0	(436,797)

TOWN OF NORTH KINGSTOWN

ENTERPRISE FUNDS

**COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2002**

	Water	Quonset/ Davisville Recreation	Quonset/ Davisville Reserve	School Cafeteria	Total
Cash flows from operating activities:					
Cash received from customers	\$ 2,513,135	\$ 1,640,629		\$ 922,070	\$ 5,075,834
Cash payments to suppliers for goods and services	(845,650)	(462,216)		(702,015)	(2,009,881)
Cash payments to employees for services	(548,761)	(456,526)		(444,568)	(1,449,855)
Miscellaneous revenues	17,407			283,182	300,589
Net cash provided by operating activities	1,136,131	721,887	\$ 0	58,669	1,916,687
Cash flows from noncapital financing activities:					
Operating transfers to other funds	0	(436,797)	0	0	(436,797)
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	(229,653)	(18,698)		(4,067)	(252,418)
Loan principal payments	(86,408)	(30,809)			(117,217)
Interest expense	(26,850)	(23,461)			(50,311)
Net cash used in capital and related financing activities	(342,911)	(72,968)	0	(4,067)	(419,946)
Cash flows from investing activities:					
Interest and dividends on investments	62,676	13,879	847		77,402
Net cash provided by investing activities	62,676	13,879	847	0	77,402
Net increase (decrease) in cash and cash equivalents	855,896	226,001	847	54,602	1,137,346
Cash and cash equivalents, July 1, 2001	2,650,744	546,884	38,294	10,029	3,245,951
Cash and cash equivalents, June 30, 2002	\$ 3,506,640	\$ 772,885	\$ 39,141	\$ 64,631	\$ 4,383,297

TOWN OF NORTH KINGSTOWN

ENTERPRISE FUNDS

**COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2002**

	<u>Water</u>	<u>Quonset/ Davisville Recreation</u>	<u>Quonset/ Davisville Reserve</u>	<u>School Cafeteria</u>	<u>Total</u>
	\$ 971,915	\$ 369,406	\$ 0	\$ 18,637	\$ 1,359,958
	179,475	282,001		2,124	463,600
	(29,740)	58,972			29,232
	(6,386)	280			(6,106)
	12,908	(253)		19,361	32,016
	(20,025)	4,983		18,547	3,505
		(806)			(806)
	6,110				6,110
	21,874	7,304			29,178
	\$ 1,136,131	\$ 721,887	\$ 0	\$ 58,669	\$ 1,916,687

Reconciliation of operating income to net cash provided by (used for) operating activities:

Operating income
 Adjustments to reconcile operating income to net cash provided by (used for) operating activities:
 Depreciation
 Decrease (increase) in accounts receivable
 Increase in inventory
 Decrease (increase) in other receivable
 Increase (decrease) in accounts payable
 Increase in deferred revenues
 Increase (decrease) in other liabilities
 Increase (decrease) in compensated absences

Net cash provided by (used for) operating activities

TOWN OF NORTH KINGSTOWN

ENTERPRISE FUNDS

**COMBINING SCHEDULE OF EXPENDITURES AND TRANSFERS - BUDGET AND ACTUAL - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2002**

	Water Fund		Quonset/Davisville Recreation Fund		Totals		Variance Favorable (Unfavorable)
	Budget	Actual	Budget	Actual	Budget	Actual	
Expenditures:							
Operations:							
Water supply	\$ 24,000	\$ 7,386	\$ 24,000	\$ 7,386	\$ 24,000	\$ 7,386	\$ 16,614
Pumping	387,945	347,893	387,945	347,893	387,945	347,893	40,052
Water treatment	121,960	96,216	121,960	96,216	121,960	96,216	25,744
Water transportation and distribution	434,268	375,192	434,268	375,192	434,268	375,192	59,076
Accounting and collection	27,060	24,929	27,060	24,929	27,060	24,929	2,131
Administration and general expense	504,472	394,204	504,472	394,204	504,472	394,204	110,268
Customer services	75,597	53,101	75,597	53,101	75,597	53,101	22,496
Ground water committee	71,500	52,785	71,500	52,785	71,500	52,785	18,715
Wastewater	83,230	36,362	83,230	36,362	83,230	36,362	46,868
Golf course			\$ 492,511	\$ 441,329	\$ 492,511	\$ 441,329	\$ 51,182
Pro shop			493,679	347,259	493,679	347,259	146,420
Allen's Harbor			191,028	142,721	191,028	142,721	48,307
Total operations	1,730,032	1,388,068	1,730,032	1,388,068	1,730,032	1,388,068	341,964
Other expenditures:							
Operational reserve	30,000		30,000		30,000		30,000
Debt service	120,844	113,258	120,844	113,258	120,844	113,258	7,586
Capital outlay	554,345	237,569	554,345	237,569	554,345	237,569	316,776
Total other expenditures	705,189	350,827	705,189	350,827	705,189	350,827	354,362
Operating transfers out:							
Transfer to other funds	0	0	0	0	0	0	0
Total expenditures and operating transfers out	\$ 2,435,221	\$ 1,738,895	\$ 2,435,221	\$ 1,738,895	\$ 2,435,221	\$ 1,738,895	\$ 696,326
Total operations and operating transfers out							
			\$ 1,668,284	\$ 1,422,375	\$ 1,668,284	\$ 1,422,375	\$ 245,909
			\$ 4,103,505	\$ 3,161,270	\$ 4,103,505	\$ 3,161,270	\$ 942,235

TOWN OF NORTH KINGSTOWN

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments of the Town on a cost-reimbursement basis.

Workers' Compensation - To account for the operations of the Town's self-insurance activities for workers' compensation claims and safety related.

Property Damage - To account for operations of the Town's self-insurance activities for uninsured damage to Town property as determined by the Self-Insurance Committee.

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TOWN OF NORTH KINGSTOWNINTERNAL SERVICE FUNDSCOMBINING BALANCE SHEET
JUNE 30, 2002

	<u>Workers'</u> <u>Compensation</u>	<u>Property</u> <u>Damage</u>	<u>Total</u>
<u>ASSETS</u>			
<i>Current assets:</i>			
Cash and cash equivalents	\$ 1,498,645	\$ 891,879	\$ 2,390,524
TOTAL ASSETS	\$ 1,498,645	\$ 891,879	\$ 2,390,524
<u>LIABILITIES AND FUND EQUITY</u>			
<i>Current liabilities:</i>			
Accounts payable	\$ 1,762	\$ 7,428	\$ 9,190
Claims payable	50,000	256,214	306,214
<i>Current liabilities</i>	51,762	263,642	315,404
<i>Fund equity:</i>			
Retained earnings	1,446,883	628,237	2,075,120
TOTAL LIABILITIES AND FUND EQUITY	\$ 1,498,645	\$ 891,879	\$ 2,390,524

TOWN OF NORTH KINGSTOWN

INTERNAL SERVICE FUNDS

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS
YEAR ENDED JUNE 30, 2002**

	<u>Workers'</u> <u>Compensation</u>	<u>Property</u> <u>Damage</u>	<u>Total</u>
<i>Operating revenues:</i>			
Charges for insurance and services	\$ 0	\$ 38,000	\$ 38,000
<i>Operating expenses:</i>			
Program costs	15,565	300,801	316,366
<i>Operating loss</i>	(15,565)	(262,801)	(278,366)
<i>Non-operating revenue:</i>			
Interest income	35,041	21,210	56,251
<i>Net income (loss)</i>	19,476	(241,591)	(222,115)
<i>Retained earnings, beginning of year</i>	1,427,407	869,828	2,297,235
<i>Retained earnings, end of year</i>	<u>\$ 1,446,883</u>	<u>\$ 628,237</u>	<u>\$ 2,075,120</u>

TOWN OF NORTH KINGSTOWNINTERNAL SERVICE FUNDS**COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2002**

	<u>Workers'</u> <u>Compensation</u>	<u>Property</u> <u>Damage</u>	<u>Total</u>
<i>Cash flows from operating activities:</i>			
Charges for services		\$ 38,000	\$ 38,000
Program costs	\$ (40,984)	(37,159)	(78,143)
<i>Net cash provided by (used for) operating activities</i>	<u>(40,984)</u>	<u>841</u>	<u>(40,143)</u>
<i>Cash flows from investing activities</i>			
Investment income	<u>35,041</u>	<u>21,210</u>	<u>56,251</u>
<i>Net increase in cash and cash equivalents</i>	(5,943)	22,051	16,108
<i>Cash and cash equivalents, June 30, 2001</i>	<u>1,504,588</u>	<u>869,828</u>	<u>2,374,416</u>
<i>Cash and cash equivalents, June 30, 2002</i>	<u>\$ 1,498,645</u>	<u>\$ 891,879</u>	<u>\$ 2,390,524</u>
<i>Reconciliation of operating loss to net cash used for operating activities:</i>			
Operating loss	\$ (15,565)	\$ (262,801)	\$ (278,366)
Increase (decrease) in accounts payable	(25,419)	7,428	(17,991)
Increase in claims payable		256,214	256,214
<i>Net cash provided by (used for) operating activities</i>	<u>\$ (40,984)</u>	<u>\$ 841</u>	<u>\$ (40,143)</u>

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TOWN OF NORTH KINGSTOWN

FIDUCIARY FUNDS

TRUST

Expendable trust funds and non-expendable trust funds were established to account for assets held by the Town in a fiduciary capacity for individuals, governmental entities and others. Such trust funds operate by carrying out specific terms of trust indentures, statutes, ordinances, grant requirements or other governing regulations.

EXPENDABLE TRUST FUNDS

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.

Wilson Park - To account for monies received as donations for the upkeep and improvement of Wilson Park.

Termination Trust 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.

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:

Updike
Gardiner
Library
Tennis

Henry Reynolds Indigent Care - An account established to receive the annual interest proceeds from a trust account at Fleet National Bank which was established to benefit the poor and needy of North Kingstown and is authorized to be used as required by the Welfare Director.

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.

NON-EXPENDABLE TRUST FUNDS

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:

Thomas J. Casey
H.N. Reynolds Outside
John J. Spink Outside
John B. Spink Outside

(CONTINUED)

TOWN OF NORTH KINGSTOWN

FIDUCIARY FUNDS

NON-EXPENDABLE TRUST FUNDS (Continued)

Burial Funds - To account for the transfer of interest earned in these funds to the General Fund for care and maintenance expenses for certain burial lots by the Town of North Kingstown. The following is a list of Burial Funds included in this section:

Hall	B.H. Davis
Vaughn	Updike
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
Dubois
Weeks
E. Rogers/C. Levalley
Cogan

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

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

Elizabeth Miller
William D. Davis

AGENCY

Agency Funds were established to function as clearing mechanisms for cash resources which are collected and disbursed to authorized recipients.

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

Payroll Fund - To account for the Town's payroll expenses.

School Payroll Fund - To account for the School's payroll expenses.

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

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

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

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

(CONTINUED)

TOWN OF NORTH KINGSTOWN

FIDUCIARY FUNDS

AGENCY

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

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

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.

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

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

Surplus Equipment Escrow - To account for funds received from surplus equipment activities.

(CONCLUDED)

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TOWN OF NORTH KINGSTOWN

FIDUCIARY FUNDS

COMBINING BALANCE SHEET
JUNE 30, 2002

	Trust Funds				Totals
	<u>Expendable</u>	<u>Non-Expendable</u>	<u>Police Pension</u>	<u>Agency Funds</u>	
\$ 1,419,523	\$ 74,584	\$ 141,110	\$ 987,597	\$ 2,622,814	
		3,820,435	459,671	3,820,435	
				459,671	
TOTAL ASSETS	\$ 74,584	\$ 3,961,545	\$ 1,447,268	\$ 6,902,920	

ASSETS

Cash and cash equivalents				
Investments				
Due from other funds				

TOTAL ASSETS

LIABILITIES AND FUND BALANCES

Liabilities:

Accounts payable	\$ 13,751	\$	\$	\$ 13,751
Due to student groups	186,189			186,189
Due to other funds	7,296			7,296
Deposits held in custody for others	679,856			679,856
Payroll withholding	560,176			560,176
Total liabilities	1,447,268	0	0	1,447,268

Fund Balances:

Reserved for employee retirement system	3,961,545			3,961,545
Reserved for trust principal	37,023			37,023
Unreserved	1,457,084			1,457,084
Total fund balances	5,455,652	0	0	5,455,652

TOTAL LIABILITIES AND FUND BALANCES

\$ 1,419,523	\$ 74,584	\$ 3,961,545	\$ 1,447,268	\$ 6,902,920
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TOWN OF NORTH KINGSTOWN

EXPENDABLE TRUST FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES) AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2002

	Anniversary Funds	Centennial Park	400th Anniversary	Wilson Park	Termination Trust Fund	Health Insurance Reserve	School Funds	Henry Reynolds Indigent Care	Anne Ward Wallou Memorial Garden	Totals
Revenues:										
Interest on investments	\$ 105		\$ 70	\$ 68	\$ 21,425	\$ 7,622	\$ 148	\$ 460	\$ 100	\$ 29,825
Other										173
Total revenues	105	70	68	21,425	7,622	148	460	100		29,998
Expenditures:										
Per trust agreements	0	0	0	144,857	0	500	879			146,236
Excess of revenues over (under) expenditures before other financing sources (uses)	105	70	68	(123,432)	7,622	(352)	460	(779)		(116,238)
Other financing sources (uses):										
Operating transfers from other funds				169,125	110,000					279,125
Excess of revenues and other sources over (under) expenditures and other uses	105	70	68	45,693	117,622	(352)	460	(779)		162,887
Fund balances, July 1, 2001	5,813	2,977	3,775	898,025	300,620	22,271	18,710	4,445		1,256,636
Fund balances, June 30, 2002	\$ 5,918	\$ 3,047	\$ 3,843	\$ 943,718	\$ 418,242	\$ 21,919	\$ 19,170	\$ 3,666		\$ 1,419,523

TOWN OF NORTH KINGSTOWN

EXPENDABLE TRUST FUNDS

SCHOOL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2002

	<u>Updike</u>	<u>Gardiner</u>	<u>Library</u>	<u>Tennis Fund</u>	<u>Totals</u>
<u>ASSETS</u>					
Cash	\$ 3,754	\$ 9,721	\$ 8,183	\$ 261	\$ 21,919
<u>FUND BALANCES</u>					
Unreserved	\$ 3,754	\$ 9,721	\$ 8,183	\$ 261	\$ 21,919

TOWN OF NORTH KINGSTOWN

EXPENDABLE TRUST FUNDS

SCHOOL FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 YEAR ENDED JUNE 30, 2002

	<u>Updike</u>	<u>Gardiner</u>	<u>Library</u>	<u>Tennis Fund</u>	<u>Totals</u>
Revenues:					
Interest income	\$ 26	\$ 72	\$ 49	\$ 1	\$ 148
Expenditures:					
Expenditures	0	0	500	0	500
Excess of revenues over (under) expenditures	26	72	(451)	1	(352)
Fund balances, July 1, 2001	3,728	9,649	8,634	260	22,271
Fund balances, June 30, 2002	<u>\$ 3,754</u>	<u>\$ 9,721</u>	<u>\$ 8,183</u>	<u>\$ 261</u>	<u>\$ 21,919</u>

TOWN OF NORTH KINGSTOWN

NON-EXPENDABLE TRUST FUNDS

COMBINING BALANCE SHEET
JUNE 30, 2002

	<u>Poor Funds</u>	<u>Burial Funds</u>	<u>Probate Funds</u>	<u>Veterans Memorial Scholarship Fund</u>	<u>Library Funds</u>	<u>Totals</u>
<u>ASSETS</u>						
Cash	\$ 29,728	\$ 19,178	\$ 11,899	\$ 6,754	\$ 7,025	\$ 74,584
<u>FUND BALANCES</u>						
Reserved for principal	\$ 6,000	\$ 13,000	\$ 4,323	\$ 6,700	\$ 7,000	\$ 37,023
Unreserved	23,728	6,178	7,576	54	25	37,561
TOTAL FUND BALANCES	\$ 29,728	\$ 19,178	\$ 11,899	\$ 6,754	\$ 7,025	\$ 74,584

TOWN OF NORTH KINGSTOWN

NON-EXPENDABLE TRUST FUNDS

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 2002**

	Poor Funds	Burial Funds	Probate Funds	Veterans Memorial Scholarship Fund	Library Funds	Totals
Operating revenues:						
Other	\$ 0	\$ 717	\$ 0	\$ 0	\$ 0	\$ 717
Operating expenses:						
Per trust agreements	0	1,627	28,316	700	147	30,790
Operating income (loss)	0	(910)	(28,316)	(700)	(147)	(30,073)
Non-operating revenues:						
Investment income	526	348	868	169	126	2,037
Net income (loss)	526	(562)	(27,448)	(531)	(21)	(28,036)
Fund balances, July 1, 2001	29,202	19,740	39,347	7,285	7,046	102,620
Fund balances, June 30, 2002	\$ 29,728	\$ 19,178	\$ 11,899	\$ 6,754	\$ 7,025	\$ 74,584

TOWN OF NORTH KINGSTOWN

NON-EXPENDABLE TRUST FUNDS

**COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2002**

	Poor Funds	Burial Funds	Probate Funds	Veterans Memorial Scholarship Fund	Library Funds	Totals
Cash flows from operating activities:						
Trust expenses		\$ (1,627)	\$ (28,316)	\$ (700)	\$ (147)	\$ (30,790)
Miscellaneous revenues	717					717
Net cash provided by (used for) operating activities	\$ 0	(910)	(28,316)	(700)	(147)	(30,073)
Cash flows from investing activities:						
Investment income	526	348	868	169	126	2,037
Net increase (decrease) in cash	526	(562)	(27,448)	(531)	(21)	(28,036)
Cash, July 1, 2001	29,202	19,740	39,347	7,285	7,046	102,620
Cash, June 30, 2002	\$ 29,728	\$ 19,178	\$ 11,899	\$ 6,754	\$ 7,025	\$ 74,584
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:						
Cash flows from operating activities:						
Operating income (loss)	\$ 0	\$ (910)	\$ (28,316)	\$ (700)	\$ (147)	\$ (30,073)

TOWN OF NORTH KINGSTOWN

NON-EXPENDABLE TRUST FUNDS

POOR FUNDS

COMBINING BALANCE SHEET

JUNE 30, 2002

	<u>Thomas J. Casey</u>	<u>H.N. Reynolds</u> <u>Outside</u>	<u>John J. Spink</u> <u>Outside</u>	<u>John B. Spink</u> <u>Outside</u>	<u>Totals</u>
<u>ASSETS</u>					
Cash	\$ 2,116	\$ 2,116	\$ 20,397	\$ 5,099	\$ 29,728
<u>FUND BALANCES</u>					
Reserved for principal	\$ 500	\$ 500	\$ 4,000	\$ 1,000	\$ 6,000
Unreserved	1,616	1,616	16,397	4,099	23,728
TOTAL FUND BALANCES	\$ 2,116	\$ 2,116	\$ 20,397	\$ 5,099	\$ 29,728

TOWN OF NORTH KINGSTOWN

NON-EXPENDABLE TRUST FUNDS

POOR FUNDS

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2002**

	<u>Thomas J. Casey</u>	<u>H.N. Reynolds</u> <u>Outside</u>	<u>John J. Spink</u> <u>Outside</u>	<u>John B. Spink</u> <u>Outside</u>	<u>Totals</u>
Operating revenues	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Operating expenses - Per trust agreements	0	0	0	0	0
Operating income	0	0	0	0	0
Non-operating revenues - Investment income	38	38	360	90	526
Net income	38	38	360	90	526
Fund balance, July 1, 2001	2,078	2,078	20,037	5,009	29,202
Fund balance, June 30, 2002	\$ 2,116	\$ 2,116	\$ 20,397	\$ 5,099	\$ 29,728

TOWN OF NORTH KINGSTOWN

NON-EXPENDABLE TRUST FUNDS

POOR FUNDS

**COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2002**

	<u>Thomas J. Casey</u>	<u>H.N. Reynolds Outside</u>	<u>John J. Spink Outside</u>	<u>John B. Spink Outside</u>	<u>Totals</u>
Cash flows from investing activities:					
Investment income	\$ 38	\$ 38	\$ 360	\$ 90	\$ 526
Net increase in cash	38	38	360	90	526
Cash, July 1, 2001	2,078	2,078	20,037	5,009	29,202
Cash, June 30, 2002	<u>\$ 2,116</u>	<u>\$ 2,116</u>	<u>\$ 20,397</u>	<u>\$ 5,099</u>	<u>\$ 29,728</u>

Reconciliation of operating income to net cash provided by operating activities:

Cash flows from operating activities:					
Operating income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

TOWN OF NORTH KINGSTOWN

NON-EXPENDABLE TRUST FUNDS

**BURIAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2002**

	Hall	Vaughn	Young	Rebecca Hammond	W.H. Welling	George C. Hall	B.H. Davis
<u>ASSETS</u>							
Cash	\$ 502	\$ 100	\$ 301	\$ 301	\$ 8,409	\$ 201	\$ 502
	\$ 500	\$ 100	\$ 300	\$ 300	\$ 2,300	\$ 200	\$ 500
Reserved for principal	2		1	1	6,109	1	2
Unreserved							
TOTAL FUND BALANCES	\$ 502	\$ 100	\$ 301	\$ 301	\$ 8,409	\$ 201	\$ 502

TOWN OF NORTH KINGSTOWN

NON-EXPENDABLE TRUST FUNDS

**BURIAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2002**

	<u>Updike</u>	<u>Mary Carpenter</u>	<u>Smith- Lawton</u>	<u>Old Baptist Cemetery</u>	<u>Smith</u>	<u>Totals</u>
<u>ASSETS</u>						
Cash	\$ 1,534	\$ 1,004	\$ 4,617	\$ 703	\$ 1,004	\$ 19,178
<u>FUND BALANCES</u>						
Reserved for principal	\$ 1,500	\$ 1,000	\$ 4,600	\$ 700	\$ 1,000	\$ 13,000
Unreserved	34	4	17	3	4	6,178
TOTAL FUND BALANCES	\$ 1,534	\$ 1,004	\$ 4,617	\$ 703	\$ 1,004	\$ 19,178

TOWN OF NORTH KINGSTOWN

NON-EXPENDABLE TRUST FUNDS

**BURIAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 2002**

	Hall	Vaughn	Young	Rebecca Hammond	W.H. Welling	George C. Hall	B.H. Davis
<i>Operating revenues</i>	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<i>Operating expenses - Per trust agreements</i>	10	3	6	6	0	4	10
<i>Operating income (loss)</i>	(10)	(3)	(6)	(6)	0	(4)	(10)
<i>Non-operating revenues - Investment income</i>	9	2	5	5	148	4	9
<i>Net income (loss)</i>	(1)	(1)	(1)	(1)	148	0	(1)
<i>Fund balance, July 1, 2001</i>	503	101	302	302	8,261	201	503
<i>Fund balance, June 30, 2002</i>	\$ 502	\$ 100	\$ 301	\$ 301	\$ 8,409	\$ 201	\$ 502

TOWN OF NORTH KINGSTOWN

NON-EXPENDABLE TRUST FUNDS

**BURIAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 2002**

	<u>Updike</u>	<u>Mary Carpenter</u>	<u>Smith- Lawton</u>	<u>Old Baptist Cemetery</u>	<u>Smith</u>	<u>Totals</u>
Operating revenues	\$ 717	\$ 0	\$ 0	\$ 0	\$ 0	\$ 717
Operating expenses - Per trust agreements	1,435	21	96	15	21	1,627
Operating income (loss)	(718)	(21)	(96)	(15)	(21)	(910)
Non-operating revenues - Investment income	34	18	83	13	18	348
Net income (loss)	(684)	(3)	(13)	(2)	(3)	(562)
Fund balance, July 1, 2001	2,218	1,007	4,630	705	1,007	19,740
Fund balance, June 30, 2002	\$ 1,534	\$ 1,004	\$ 4,617	\$ 703	\$ 1,004	\$ 19,178

TOWN OF NORTH KINGSTOWN

NON-EXPENDABLE TRUST FUNDS

**BURIAL FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2002**

	Hall	Vaughn	Young	Rebecca Hammond	W.H. Welling	George C. Hall	B.H. Davis
\$ (10)	\$ (3)	\$ (6)	\$ (6)	\$ (6)	\$ 0	\$ (4)	\$ (10)
(10)	(3)	(6)	(6)	(6)	0	(4)	(10)
9	2	5	5	5	148	4	9
(1)	(1)	(1)	(1)	(1)	148	0	(1)
503	101	302	302	302	8,261	201	503
\$ 502	\$ 100	\$ 301	\$ 301	\$ 301	\$ 8,409	\$ 201	\$ 502

Cash flows from operating activities:

Trust expenses
Miscellaneous revenues

Total cash used for operating activities

Cash flows from investing activities:

Investment income

Net increase (decrease) in cash

Cash, July 1, 2001

Cash, June 30, 2002

Reconciliation of operating income to net cash used for operating activities:

Cash flows from operating activities:
Operating income (loss)

\$ (10)	\$ (3)	\$ (6)	\$ (6)	\$ (6)	\$ 0	\$ (4)	\$ (10)
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TOWN OF NORTH KINGSTOWN

NON-EXPENDABLE TRUST FUNDS

**BURIAL FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2002**

	<u>Updike</u>	<u>Mary Carpenter</u>	<u>Smith- Lawton</u>	<u>Old Baptist Cemetery</u>	<u>Smith</u>	<u>Totals</u>
Cash flows from operating activities:						
Trust expenses	\$ (1,435)	\$ (21)	\$ (96)	\$ (15)	\$ (21)	\$ (1,627)
Miscellaneous revenue	717					717
Total cash provided by operating activities	(718)	(21)	(96)	(15)	(21)	(910)
Cash flows from investing activities:						
Investment income	34	18	83	13	18	348
Net increase (decrease) in cash	(684)	(3)	(13)	(2)	(3)	(562)
Cash, July 1, 2001	2,218	1,007	4,630	705	1,007	19,740
Cash, June 30, 2002	\$ 1,534	\$ 1,004	\$ 4,617	\$ 703	\$ 1,004	\$ 19,178
Reconciliation of operating income to net cash provided by operating activities:						
Cash flows from operating activities:						
Operating income (loss)	\$ (718)	\$ (21)	\$ (96)	\$ (15)	\$ (21)	\$ (910)

TOWN OF NORTH KINGSTOWN

NON-EXPENDABLE TRUST FUNDS

PROBATE FUNDS

COMBINING BALANCE SHEET

JUNE 30, 2002

	<u>Lawton</u>	<u>Dubois</u>	<u>Weeks</u>	<u>E. Rogers/ C. Levalley</u>	<u>Cogan</u>	<u>Totals</u>
<u>ASSETS</u>						
Cash	\$ 8,054	\$0	\$ 2,203	\$ 1,130	\$ 512	\$ 11,899
<u>FUND BALANCES</u>						
Reserved for principal	\$ 750		\$ 2,073	\$ 1,000	\$ 500	\$ 4,323
Unreserved	7,304		130	130	12	7,576
TOTAL FUND BALANCES	\$ 8,054	\$0	\$ 2,203	\$ 1,130	\$ 512	\$ 11,899

TOWN OF NORTH KINGSTOWN

NON-EXPENDABLE TRUST FUNDS

PROBATE FUNDS

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 2002**

	<u>Lawton</u>	<u>Dubois</u>	<u>Weeks</u>	<u>E. Rogers/ C. Levalley</u>	<u>Cogan</u>	<u>Totals</u>
<i>Operating revenues - Other</i>	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<i>Operating expenses - Per trust agreement</i>	0	28,316	0	0	0	28,316
<i>Operating income (loss)</i>	0	(28,316)	0	0	0	(28,316)
<i>Non-operating revenues - Investment income</i>	142	637	51	26	12	868
<i>Net income (loss)</i>	142	(27,679)	51	26	12	(27,448)
<i>Fund balance, July 1, 2001</i>	7,912	27,679	2,152	1,104	500	39,347
<i>Fund balance, June 30, 2002</i>	\$ 8,054	\$ 0	\$ 2,203	\$ 1,130	\$ 512	\$ 11,899

TOWN OF NORTH KINGSTOWN

NON-EXPENDABLE TRUST FUNDS

**PROBATE FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2002**

	<u>Lawton</u>	<u>Dubois</u>	<u>Weeks</u>	<u>E. Rogers/ C. Levalley</u>	<u>Cogan</u>	<u>Totals</u>
Cash flows from operating activities:						
Trust expenses	\$ 0	\$ (28,316)	\$ 0	\$ 0	\$ 0	\$ (28,316)
Cash flows from investing activities:						
Investment income	142	637	51	26	12	868
Net increase (decrease) in cash	142	(27,679)	51	26	12	(27,448)
Cash, July 1, 2001	7,912	27,679	2,152	1,104	500	39,347
Cash, June 30, 2002	\$ 8,054	\$ 0	\$ 2,203	\$ 1,130	\$ 512	\$ 11,899

Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:

Cash flows from operating activities:	
Operating income (loss)	\$ 0
	\$ (28,316)
	\$ 0
	\$ 0
	\$ 0
	\$ (28,316)

TOWN OF NORTH KINGSTOWN
NON-EXPENDABLE TRUST FUNDS
LIBRARY FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2002

	<u>Elizabeth Miller</u>	<u>William D. Davis</u>	<u>Totals</u>
<u>ASSETS</u>			
Cash	<u>\$ 2,007</u>	<u>\$ 5,018</u>	<u>\$ 7,025</u>
<u>FUND BALANCES</u>			
Reserved for principal	\$ 2,000	\$ 5,000	\$ 7,000
Unreserved	<u>7</u>	<u>18</u>	<u>25</u>
TOTAL FUND BALANCES	<u>\$ 2,007</u>	<u>\$ 5,018</u>	<u>\$ 7,025</u>

TOWN OF NORTH KINGSTOWN

NON-EXPENDABLE TRUST FUNDS

LIBRARY FUNDS

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2002**

	Elizabeth <u>Miller</u>	William D. <u>Davis</u>	<u>Totals</u>
Operating revenues	\$ 0	\$ 0	\$ 0
Operating expenses	42	105	147
Operating loss	(42)	(105)	(147)
Non-operating revenues - Investment income	36	90	126
Net income loss	(6)	(15)	(21)
Fund balance, July 1, 2001	2,013	5,033	7,046
Fund balance, June 30, 2002	<u>\$ 2,007</u>	<u>\$ 5,018</u>	<u>\$ 7,025</u>

TOWN OF NORTH KINGSTOWN

NON-EXPENDABLE TRUST FUNDS

**LIBRARY FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2002**

	Elizabeth <u>Miller</u>	William D. <u>Davis</u>	<u>Totals</u>
<i>Cash flows from operating activities:</i>			
Trust expenses	\$ (42)	\$ (105)	\$ (147)
<i>Cash flows from investing activities:</i>			
Investment income	36	90	126
<i>Net decrease in cash</i>	(6)	(15)	(21)
<i>Cash, July 1, 2001</i>	2,013	5,033	7,046
<i>Cash, June 30, 2002</i>	<u>\$ 2,007</u>	<u>\$ 5,018</u>	<u>\$ 7,025</u>
 <i>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</i>			
Cash flows from operating activities:			
Operating loss	<u>\$ (42)</u>	<u>\$ (105)</u>	<u>\$ (147)</u>

TOWN OF NORTH KINGSTOWN

AGENCY FUNDS

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
YEAR ENDED JUNE 30, 2002**

	Balance July 1, 2001	Additions	Deductions	Balance June 30, 2002
<u>SCHOOL ACTIVITY FUND</u>				
<u>ASSETS</u>				
Cash	\$ 163,635	\$ 501,097	\$ 478,543	\$ 186,189
<u>LIABILITIES</u>				
Due to student groups	\$ 163,635	\$ 496,700	\$ 474,146	\$ 186,189
<u>PAYROLL FUND</u>				
<u>ASSETS</u>				
Cash	\$ 31,606	\$ 28,471,182	\$ 28,437,516	\$ 65,272
Due from other funds	23,042	12,241,361	12,270,063	(5,660)
TOTAL ASSETS	\$ 54,648	\$ 40,712,543	\$ 40,707,579	\$ 59,612
<u>LIABILITIES</u>				
Payroll withholdings	\$ 54,648	\$ 19,614,182	\$ 19,609,218	\$ 59,612
<u>SCHOOL PAYROLL FUND</u>				
<u>ASSETS</u>				
Cash	\$ 27,338	\$ 63,586,865	\$ 63,578,970	\$ 35,233
Due from other funds	448,493	28,917,473	28,900,635	465,331
TOTAL ASSETS	\$ 475,831	\$ 92,504,338	\$ 92,479,605	\$ 500,564
<u>LIABILITIES</u>				
Payroll withholdings	\$ 475,831	\$ 43,703,187	\$ 43,678,454	\$ 500,564

(CONTINUED)

TOWN OF NORTH KINGSTOWN

AGENCY FUNDS

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
YEAR ENDED JUNE 30, 2002**

	Balance <u>July 1, 2001</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>June 30, 2002</u>
<u>RECREATION ESCROW</u>				
<u>ASSETS</u>				
Cash	\$ 26,411	\$ 120,269	\$ 99,567	\$ 47,113
<u>LIABILITIES</u>				
Accounts payable	\$ 732	\$ 106,380	\$ 99,680	\$ 7,432
Deposits held in custody for others	25,679	126,207	112,205	39,681
TOTAL LIABILITIES	\$ 26,411	\$ 232,587	\$ 211,885	\$ 47,113
<u>SENIOR CITIZENS CENTER</u>				
<u>ASSETS</u>				
Cash	\$ 17,180	\$ 60,335	\$ 62,627	\$ 14,888
<u>LIABILITIES</u>				
Accounts payable	\$ 7,175	\$ 49,482	\$ 51,055	\$ 5,602
Deposits held in custody for others	10,005	79,712	80,431	9,286
TOTAL LIABILITIES	\$ 17,180	\$ 129,194	\$ 131,486	\$ 14,888
<u>ARTS COUNCIL</u>				
<u>ASSETS</u>				
Cash	\$ 6,965	\$ 7,525	\$ 3,008	\$ 11,482
<u>LIABILITIES</u>				
Accounts payable	\$ 350	\$ 2,734	\$ 2,732	\$ 352
Deposits held in custody for others	6,615	7,525	3,010	11,130
TOTAL LIABILITIES	\$ 6,965	\$ 10,259	\$ 5,742	\$ 11,482

(CONTINUED)

TOWN OF NORTH KINGSTOWN

AGENCY FUNDS

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
YEAR ENDED JUNE 30, 2002**

	Balance <u>July 1, 2001</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>June 30, 2002</u>
<u>SENIOR OUTREACH</u>				
<u>ASSETS</u>				
Cash	\$ 1,491	\$ 200	\$ 951	\$ 740
<u>LIABILITIES</u>				
Accounts payable	\$ 0	\$ 951	\$ 951	\$ 0
Deposits held in custody for others	1,491	3,802	4,553	740
TOTAL LIABILITIES	\$ 1,491	\$ 4,753	\$ 5,504	\$ 740

PROJECT D.A.R.E.

<u>ASSETS</u>				
Cash	\$ 7,249	\$ 1,239	\$ 3,583	\$ 4,905
<u>LIABILITIES</u>				
Accounts payable	\$ 0	\$ 2,924	\$ 2,559	\$ 365
Deposits held in custody for others	7,249	1,239	3,948	4,540
TOTAL LIABILITIES	\$ 7,249	\$ 4,163	\$ 6,507	\$ 4,905

LEISURE SERVICES BROCHURE

<u>ASSETS</u>				
Cash	\$ 900	\$ 0	\$ 0	\$ 900
<u>LIABILITIES</u>				
Deposits held in custody for others	\$ 900	\$ 0	\$ 0	\$ 900

(CONTINUED)

TOWN OF NORTH KINGSTOWN

AGENCY FUNDS

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
YEAR ENDED JUNE 30, 2002**

	Balance <u>July 1, 2001</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>June 30, 2002</u>
<u>DEVELOPER SURETY ESCROW</u>				
<u>ASSETS</u>				
Cash	\$ 650,053	\$ 14,811,513	\$ 14,879,112	\$ 582,454
<u>LIABILITIES</u>				
Accounts payable	\$ 0	\$ 157,156	\$ 157,156	\$ 0
Deposits held in custody for others	650,053	90,631	158,230	582,454
TOTAL LIABILITIES	\$ 650,053	\$ 247,787	\$ 315,386	\$ 582,454

**SENIOR CITIZENS BUS
GASOLINE ESCROW**

<u>ASSETS</u>				
Cash	\$ 61	\$ 0	\$ 0	\$ 61
<u>LIABILITIES</u>				
Deposits held in custody for others	\$ 61	\$ 0	\$ 0	\$ 61

OLD LIBRARY PARK FUND

<u>ASSETS</u>				
Cash	\$ 19,602	\$ 482,213	\$ 474,814	\$ 27,001
<u>LIABILITIES</u>				
Accounts payable	\$ 0	\$ 1,800	\$ 1,800	\$ 0
Due to other funds	0	7,296	0	7,296
Deposits held in custody for others	19,602	1,917	1,814	19,705
TOTAL LIABILITIES	\$ 19,602	\$ 11,013	\$ 3,614	\$ 27,001

(CONTINUED)

TOWN OF NORTH KINGSTOWNAGENCY FUNDS**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
YEAR ENDED JUNE 30, 2002**

	Balance July 1, 2001	Additions	Deductions	Balance June 30, 2002
<u>SURPLUS EQUIPMENT ESCROW</u>				
<u>ASSETS</u>				
Cash	\$ 11,359	\$ 0	\$ 0	\$ 11,359
<u>LIABILITIES</u>				
Deposits held in custody for others	\$ 11,359	\$ 0	\$ 0	\$ 11,359
 <u>TOTAL - ALL AGENCY FUNDS</u>				
<u>ASSETS</u>				
Cash	\$ 963,850	\$ 108,042,438	\$ 108,018,691	\$ 987,597
Due from other funds	471,535	41,158,834	41,170,698	459,671
TOTAL ASSETS	\$ 1,435,385	\$ 149,201,272	\$ 149,189,389	\$ 1,447,268
<u>LIABILITIES</u>				
Accounts payable	\$ 8,257	\$ 321,427	\$ 315,933	\$ 13,751
Due to student groups	163,635	496,700	474,146	186,189
Due to other funds	0	7,296	0	7,296
Deposits held in custody for others	733,014	311,033	364,191	679,856
Payroll withholdings	530,479	63,317,369	63,287,672	560,176
TOTAL LIABILITIES	\$ 1,435,385	\$ 64,453,825	\$ 64,441,942	\$ 1,447,268

(CONCLUDED)

TOWN OF NORTH KINGSTOWN

ACCOUNT GROUPS

Account Groups are not funds, but are accounting records of the general fixed assets and general long-term debt of the Town. The General Long-Term Debt Account Group is used to record the outstanding long-term debt other than debt recorded in Proprietary Funds. The General Fixed Asset Account Group is used to maintain control and cost information for all fixed assets other than those accounted for in the Proprietary and Non-Expendable Trust Funds.

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TOWN OF NORTH KINGSTOWN

**SCHEDULE OF GENERAL LONG-TERM DEBT
JUNE 30, 2002**

Amount to be provided:

Amount to be provided for the payment of general long-term debt \$ 56,514,269

TOTAL AVAILABLE AND TO BE PROVIDED \$ 56,514,269

General long-term debt payable:

Serial Bonds:

School \$ 41,398,675

Open space 9,790,692

Public facilities 2,493,342

Library 849,715

Total serial bonds 54,532,424

Other:

Accrued compensated absences 1,877,361

Capital leases payable 104,484

Total other 1,981,845

TOTAL LONG-TERM DEBT PAYABLE \$ 56,514,269

TOWN OF NORTH KINGSTOWN

**SCHEDULE OF CHANGES IN GENERAL LONG-TERM DEBT
YEAR ENDED JUNE 30, 2002**

	Balance July 1, 2001	Decrease in Capital Lease Obligations	Net Increase in Accrued Compensated Absences	General Obligation Bonds Retired	General Obligation Bonds Additions	Balance June 30, 2002
Amount to be provided for retirement of long-term debt	\$ 58,367,731	\$ (832,823)	\$ 208,553	\$ (3,129,192)	\$ 1,900,000	\$ 56,514,269
Total to be provided	\$ 58,367,731	\$ (832,823)	\$ 208,553	\$ (3,129,192)	\$ 1,900,000	\$ 56,514,269
General Long-Term Debt Payable:						
Serial bonds payable	\$ 55,761,616			\$ (3,129,192)	\$ 1,900,000	\$ 54,532,424
Accrued compensated absences	1,668,808		\$ 208,553			1,877,361
Capital lease payable	937,307	\$ (832,823)				104,484
Total general long-term debt payable	\$ 58,367,731	\$ (832,823)	\$ 208,553	\$ (3,129,192)	\$ 1,900,000	\$ 56,514,269

TOWN OF NORTH KINGSTOWN

**SCHEDULE OF GENERAL FIXED ASSETS
JUNE 30, 2002**

General fixed assets:	
Land	\$ 5,327,725
Buildings	46,629,105
Equipment	17,640,686
Total general fixed assets	\$ 69,597,516
Investments in general fixed assets	\$ 69,597,516

**SCHEDULE OF GENERAL FIXED ASSETS BY SOURCES
JUNE 30, 2001**

General fixed assets:	
Land	\$ 5,327,725
Buildings	46,629,105
Equipment	17,640,686
Total general fixed assets	\$ 69,597,516
Investments in general fixed assets from:	
General Fund	\$ 13,653,814
Special Revenue Fund - Library	6,048,827
Special Revenue Fund - School Department	49,894,875
Total investments in general fixed assets	\$ 69,597,516

TOWN OF NORTH KINGSTOWNSCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY
JUNE 30, 2002

<u>Function and Activity</u>	<u>Land</u>	<u>Buildings</u>	<u>Equipment</u>	<u>Total</u>
General government:				
Town Council			\$ 2,131	\$ 2,131
Town Manager			10,044	10,044
Town Clerk			114,649	114,649
Finance			360,452	360,452
Assessment			45,085	45,085
Planning			21,620	21,620
Welfare			1,839	1,839
Senior citizens			213,058	213,058
Recreation			159,568	159,568
General government land and building	\$ 4,534,288	\$ 761,446		5,295,734
General operating			45,310	45,310
Total general government	4,534,288	761,446	973,756	6,269,490
Public safety:				
Fire			1,999,650	1,999,650
Animal control			46,602	46,602
Harbor			54,518	54,518
Police			1,167,066	1,167,066
Code Enforcement			54,988	54,988
Public safety land and building	29,500	962,738		992,238
Total public safety	29,500	962,738	3,322,824	4,315,062
Public works:				
Administration			38,967	38,967
Highway/Street			1,395,488	1,395,488
Facilities Maintenance			603,165	603,165
Engineering			70,901	70,901
Solid waste			629,241	629,241
Public works land and building	9,600	321,900		331,500
Total public works	9,600	321,900	2,737,762	3,069,262
Library	42,296	2,578,148	3,428,383	6,048,827
School	712,041	42,004,873	7,177,961	49,894,875
Total general fixed assets	\$ 5,327,725	\$ 46,629,105	\$ 17,640,686	\$ 69,597,516

TOWN OF NORTH KINGSTOWN

**SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY
YEAR ENDED JUNE 30, 2002**

<u>Function and Activity</u>	<u>Fixed assets July 1, 2001</u>	<u>Additions</u>	<u>Deductions</u>	<u>Fixed assets June 30, 2002</u>
General government:				
Town Council	\$ 2,131			\$ 2,131
Town Manager	13,957	\$ 2,003	\$ 5,916	10,044
Town Clerk	106,854	7,795		114,649
Finance	308,749	53,241	1,538	360,452
Assessment	43,166	2,890	971	45,085
Planning	25,510	4,222	8,112	21,620
Welfare	1,839			1,839
Senior citizens	208,397	4,661		213,058
Recreation	156,571	2,997		159,568
General government land and building	5,295,734			5,295,734
General operating	45,159	151		45,310
Total general government	6,208,067	77,960	16,537	6,269,490
Public safety:				
Fire	1,917,265	167,153	84,768	1,999,650
Animal control	46,775	1,342	1,515	46,602
Harbor	54,083	2,790	2,355	54,518
Police	1,116,684	298,116	247,734	1,167,066
Code Enforcement	55,142	1,685	1,839	54,988
Public safety land and building	992,238			992,238
Total public safety	4,182,187	471,086	338,211	4,315,062
Public works:				
Administration	46,819	5,346	13,198	38,967
Highway/Street	1,236,660	158,830	2	1,395,488
Engineering	69,543	1,358		70,901
Solid waste	503,291	129,084	3,134	629,241
Facilities maintenance	673,093	4,396	74,324	603,165
Public works land and building	331,500			331,500
Total public works	2,860,906	299,014	90,658	3,069,262
Library	5,672,326	426,079	49,578	6,048,827
School	18,648,161	36,444,446	5,197,732	49,894,875
Total general fixed assets	\$ 37,571,647	\$ 37,718,585	\$ 5,692,716	\$ 69,597,516

TOWN OF NORTH KINGSTOWN

GENERAL LONG-TERM DEBT

**DEBT SERVICE REQUIREMENTS TO MATURITY
JUNE 30, 2002**

<u>Fiscal Year</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Budget</u> <u>Debt Service</u>
2003	\$ 3,396,858	\$ 2,761,257	\$ 6,158,115
2004	3,336,008	2,592,280	5,928,288
2005	3,309,191	2,396,211	5,705,402
2006	3,274,192	2,253,160	5,527,352
2007	2,949,191	2,098,837	5,048,028
2008	2,869,191	1,951,051	4,820,242
2009	2,789,151	1,819,422	4,608,573
2010	2,794,191	1,688,658	4,482,849
2011	2,799,191	1,554,970	4,354,161
2012	2,699,191	1,420,700	4,119,891
2013	2,209,191	1,297,343	3,506,534
2014	2,214,191	1,182,143	3,396,334
2015	2,214,191	1,067,015	3,281,206
2016	2,219,237	951,275	3,170,512
2017	1,974,581	834,058	2,808,639
2018	1,979,581	727,635	2,707,216
2019	1,989,581	619,420	2,609,001
2020	1,510,000	521,457	2,031,457
2021	1,510,000	435,252	1,945,252
2022	1,320,000	348,480	1,668,480
2023	1,320,000	271,425	1,591,425
2024	1,320,000	193,875	1,513,875
2025	1,320,000	116,325	1,436,325
2026	1,320,000	38,775	1,358,775
Total	<u>\$ 54,636,908</u>	<u>\$ 29,141,024</u>	<u>\$ 83,777,932</u>

TOWN OF NORTH KINGSTOWN

**SCHEDULE OF LONG-TERM DEBT
YEAR ENDED JUNE 30, 2002**

	Authority Public Law of RI Chapter Year	Date Issued	Amount Issued	Interest Rate	Maturities		Outstanding Balance July 1, 2001	Additions	Retirements	Outstanding Balance June 30, 2002
					Amounts	Dates				
General Fund Debt:										
Open Space	616 1989	12/15/91	\$ 800,000	6.400	65,000	12/15/02	\$ 415,000		\$ 60,000	\$ 355,000
				6.500	65,000	12/15/03				
				6.600	70,000	12/15/04				
				6.700	75,000	12/15/05				
				6.800	80,000	12/15/06				
Open Space	616 1989	05/15/96	\$ 790,000	5.100	52,445	08/01/02	\$ 577,560		\$ 53,110	\$ 524,450
				5.000	52,445	08/01/03				
				5.000	52,445	08/01/04				
				5.000	52,445	08/01/05				
				5.100	52,445	08/01/06				
				5.200	52,445	08/01/07				
				5.300	52,445	08/01/08				
				5.300	52,445	08/01/09				
				5.400	52,445	08/01/10				
				5.400	52,445	08/01/11				

TOWN OF NORTH KINGSTOWN

**SCHEDULE OF LONG-TERM DEBT
YEAR ENDED JUNE 30, 2002**

	<u>Authority Public Law of RI Chapter Year</u>	<u>Date Issued</u>	<u>Amount Issued</u>	<u>Interest Rate</u>	<u>Maturities</u>		<u>Outstanding Balance July 1, 2001</u>	<u>Additions</u>	<u>Retirements</u>	<u>Outstanding Balance June 30, 2002</u>
					<u>Amounts</u>	<u>Dates</u>				
Public Facilities	165 1992	05/15/96	\$ 560,000	5.100	37,177	08/01/02	\$ 409,416		\$ 37,646	\$ 371,770
				5.000	37,177	08/01/03				
				5.000	37,177	08/01/04				
				5.000	37,177	08/01/05				
				5.100	37,177	08/01/06				
				5.200	37,177	08/01/07				
				5.300	37,177	08/01/08				
				5.300	37,177	08/01/09				
				5.400	37,177	08/01/10				
				5.400	37,177	08/01/11				
School Additions	409 1994	05/15/96	\$ 4,600,000	5.100	305,378	08/01/02	\$ 3,363,024		\$ 309,244	\$ 3,053,780
				5.000	305,378	08/01/03				
				5.000	305,378	08/01/04				
				5.000	305,378	08/01/05				
				5.100	305,378	08/01/06				
				5.200	305,378	08/01/07				
				5.300	305,378	08/01/08				
				5.300	305,378	08/01/09				
				5.400	305,378	08/01/10				
				5.400	305,378	08/01/11				

TOWN OF NORTH KINGSTOWN

**SCHEDULE OF LONG-TERM DEBT
YEAR ENDED JUNE 30, 2002**

Authority Public Law of RI Chapter Year	Date Issued	Amount Issued	Interest Rate	Maturities Amounts	Dates	Outstanding Balance July 1, 2001	Additions	Retirements	Outstanding Balance June 30, 2002
School Athletics	62 1996	\$ 1,505,000	5.000	50,000	06/15/03	\$ 1,410,000		\$ 50,000	\$ 1,360,000
			5.000	55,000	06/15/04				
			4.850	60,000	06/15/05				
			4.800	60,000	06/15/06				
			4.800	65,000	06/15/07-08				
			4.800	70,000	06/15/09				
			4.800	75,000	06/15/10				
			4.800	80,000	06/15/11				
			4.900	80,000	06/15/12				
			5.000	85,000	06/15/13				
			5.050	90,000	06/15/14				
			5.100	95,000	06/15/15				
			5.150	100,000	06/15/16				
			5.200	105,000	06/15/17				
			5.250	110,000	06/15/18				
			5.250	115,000	06/15/19				
Refunding - Open Space	12/15/98	\$ 1,749,000	3.600	241,150	07/15/02	\$ 1,275,000		\$ 268,000	\$ 1,007,000
			3.700	233,200	07/15/03				
			3.800	227,900	07/15/04				
			3.900	219,950	07/15/05				
			3.950	42,400	07/15/06				
			4.000	42,400	07/15/07				

TOWN OF NORTH KINGSTOWN

**SCHEDULE OF LONG-TERM DEBT
YEAR ENDED JUNE 30, 2002**

Authority Public Law of RI Chapter Year	Date Issued	Amount Issued	Interest Rate	Maturities Amounts	Dates	Outstanding Balance July 1, 2001	Additions	Retirements	Outstanding Balance June 30, 2002
School Activities	12/15/98	\$ 2,995,000	5.375	150,035	12/15/02	\$ 2,694,930		\$ 150,035	\$ 2,544,895
			3.700	150,035	12/15/03				
			3.800	150,035	12/15/04				
			3.850	150,035	12/15/05				
			3.900	150,035	12/15/06				
			4.000	150,035	12/15/07-08				
			4.100	150,035	12/15/09				
			4.200	150,035	12/15/10				
			4.250	150,035	12/15/11				
			4.375	150,035	12/15/12				
			4.500	150,035	12/15/13-14				
			4.625	150,035	12/15/15				
			4.700	148,136	12/15/16-17				
			4.750	148,133	12/15/18				
Refunding - School Improvements	12/15/98	\$ 1,550,000	3.600	213,850	07/15/02	\$ 1,090,000		\$ 197,000	\$ 893,000
			3.700	206,800	07/15/03				
			3.800	202,100	07/15/04				
			3.900	195,050	07/15/05				
			3.950	37,600	07/15/06				
			4.000	37,600	07/15/07				

TOWN OF NORTH KINGSTOWN

**SCHEDULE OF LONG-TERM DEBT
YEAR ENDED JUNE 30, 2002**

Authority Public Law of RI Chapter Year	Date Issued	Amount Issued	Interest Rate	Maturities		Outstanding Balance July 1, 2001	Additions	Retirements	Outstanding Balance June 30, 2002
				Amounts	Dates				
Roads/Open Space	12/15/98	\$ 3,275,000	5.375	164,062	12/15/02	\$ 2,946,876		\$ 164,062	\$ 2,782,814
			3.700	164,062	12/15/03				
			3.800	164,062	12/15/04				
			3.850	164,062	12/15/05				
			3.900	164,062	12/15/06				
			4.000	164,062	12/15/07-08				
			4.100	164,062	12/15/09				
			4.200	164,062	12/15/10				
			4.250	164,062	12/15/11				
			4.375	164,062	12/15/12				
			4.500	164,062	12/15/13-14				
			4.625	164,062	12/15/15				
			4.700	161,985	12/15/16-17				
			4.750	161,976	12/15/18				
Library Renovations	12/15/98	\$ 1,000,000	5.375	50,095	12/15/02	\$ 899,810		\$ 50,095	\$ 849,715
			3.700	50,095	12/15/03				
			3.800	50,095	12/15/04				
			3.850	50,095	12/15/05				
			3.900	50,095	12/15/06				
			4.000	50,095	12/15/07-08				
			4.100	50,095	12/15/09				
			4.200	50,095	12/15/10				
			4.250	50,095	12/15/11				
			4.375	50,095	12/15/12				
			4.500	50,095	12/15/13-14				
			4.625	50,095	12/15/15				
			4.700	49,462	12/15/16-17				
			4.750	49,461	12/15/18				

TOWN OF NORTH KINGSTOWN

**SCHEDULE OF LONG-TERM DEBT
YEAR ENDED JUNE 30, 2002**

	<u>Authority</u>	<u>Public Law of RI</u>	<u>Date</u>	<u>Amount</u>	<u>Interest</u>	<u>Maturities</u>	<u>Outstanding</u>	<u>Additions</u>	<u>Retirements</u>	<u>Outstanding</u>
	<u>Chapter</u>	<u>Year</u>	<u>Issued</u>	<u>Issued</u>	<u>Rate</u>	<u>Amounts</u>	<u>Balance</u>			<u>Balance</u>
							<u>July 1, 2001</u>			<u>June 30, 2002</u>
High School	16	1996	12/1/99	\$33,000,000	5.250	1,320,000	\$ 33,000,000		\$ 1,320,000	\$ 31,680,000
					5.500	1,320,000				
					5.625	1,320,000				
					5.500	1,320,000				
					5.600	1,320,000				
					5.625	1,320,000				
					5.700	1,320,000				
					5.750	1,320,000				
					5.800	1,320,000				
					5.875	1,320,000				
Open Space	20	1998	09/15/00	\$ 3,600,000	6.000	183,050	\$ 3,600,000		183,050	\$ 3,416,950
					5.000	183,050				
					4.850	183,050				
					4.800	183,050				
					4.750	183,050				
					4.750	178,357				
					4.800	178,357				
					5.000	178,357				
					5.125	178,357				
					5.250	178,357				
					5.375	178,366				

TOWN OF NORTH KINGSTOWN

**SCHEDULE OF LONG-TERM DEBT
YEAR ENDED JUNE 30, 2002**

Authority Public Law of RI Chapter Year	Date Issued	Amount Issued	Interest Rate	Maturities Amounts	Dates	Outstanding Balance July 1, 2001	Additions	Retirements	Outstanding Balance June 30, 2002
Open Space	616 1987	235,000	6.000	11,950	09/15/02	\$ 235,000		\$ 11,950	\$ 223,050
			5.000	11,950	09/15/03				
			4.850	11,950	09/15/04				
			4.800	11,950	09/15/05				
			4.750	11,950	09/15/06-07				
			4.750	11,643	09/15/08-10				
			4.800	11,643	09/15/11				
			5.000	11,642	09/15/12-14				
			5.125	11,642	09/15/15				
			5.250	11,642	09/15/16-19				
			5.375	11,642	09/15/20				
Open Space	20 1998	400,000	5.500	28,608	06/15/03	\$ 400,000		\$ 28,608	\$ 371,392
			4.375	28,608	06/15/04				
			4.000	28,608	06/15/05				
			3.600	26,008	06/15/06				
			3.750	26,008	06/15/07				
			3.900	26,008	06/15/08				
			4.000	26,008	06/15/09				
			4.100	26,008	06/15/10				
			4.200	26,008	06/15/11				
			4.300	26,008	06/15/12				
			4.400	26,008	06/15/13				
			4.500	26,008	06/15/14				
			4.600	26,008	06/15/15				
			4.700	25,488	06/15/16				

TOWN OF NORTH KINGSTOWN

**SCHEDULE OF LONG-TERM DEBT
YEAR ENDED JUNE 30, 2002**

Authority Public Law of RI Chapter Year	Date Issued	Amount Issued	Interest Rate	Maturities Amounts	Dates	Outstanding Balance July 1, 2001	Additions	Retirements	Outstanding Balance June 30, 2002
Open Space	129/229 2000	06/15/01 \$ 1,160,000	5.500	82,964	06/15/03	\$ 1,160,000		\$ 82,964	\$ 1,077,036
			4.375	82,964	06/15/04				
			4.000	82,964	06/15/05				
			3.600	75,423	06/15/06				
			3.750	75,423	06/15/07				
			3.900	75,423	06/15/08				
			4.000	75,423	06/15/09				
			4.100	75,423	06/15/10				
			4.200	75,423	06/15/11				
			4.300	75,423	06/15/12				
			4.400	75,423	06/15/13				
			4.500	75,423	06/15/14				
			4.600	75,423	06/15/15				
			4.700	73,914	06/15/16				
Public Works	165 1992	06/15/01 \$ 1,900,000	5.500	135,891	6/15/03	\$ 1,900,000		\$ 135,891	\$ 1,764,109
			4.375	135,891	06/15/04				
			4.000	135,891	06/15/05				
			3.600	123,537	06/15/06				
			3.750	123,537	06/15/07				
			3.900	123,537	06/15/08				
			4.000	123,537	06/15/09				
			4.100	123,537	06/15/10				
			4.200	123,537	06/15/11				
			4.300	123,537	06/15/12				
			4.400	123,537	06/15/13				
			4.500	123,537	06/15/14				
			4.600	123,537	06/15/15				
			4.700	121,066	06/15/16				

TOWN OF NORTH KINGSTOWN

**SCHEDULE OF LONG-TERM DEBT
YEAR ENDED JUNE 30, 2002**

Authority Public Law of RI Chapter Year	Date Issued	Amount Issued	Interest Rate	Maturities		Balance July 1, 2001	Additions	Retirements	Balance June 30, 2002	
				Amounts	Dates					
Enterprise Fund Debt: Public Improvement: Water tower	10/7/96	\$ 900,000	5.750	91,377	10/7/02	\$ 598,864		\$ 86,408	\$ 512,456	
			5.750	96,631	10/7/03					
			5.750	102,187	10/7/04					
			5.750	108,063	10/7/05					
			5.750	114,198	10/7/06					
Q/D Recreation	12/15/98	\$ 615,000	5.375	30,808	12/15/02	\$ 553,384		\$ 30,808	\$ 522,575	
			3.700	30,808	12/15/03					
			3.800	30,808	12/15/04					
			3.850	30,808	12/15/05					
			3.900	30,808	12/15/06					
			4.000	30,808	12/15/07-08					
			4.100	30,808	12/15/09					
			4.200	30,808	12/15/10					
			4.250	30,808	12/15/11					
			4.375	30,808	12/15/12					
			4.500	30,808	12/15/13-15					
			4.700	30,419	12/15/16-17					
			4.750	30,426	12/15/18					
Total long-term debt							\$ 1,152,248	\$ 0	\$ 117,216	\$ 1,035,031
							\$ 57,851,171	\$ 1,900,000	\$ 4,079,231	\$ 55,671,939

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THE TOWN OF
NORTH KINGSTOWN, RHODE ISLAND

STATISTICAL SECTION

TOWN OF NORTH KINGSTOWN

SUPPLEMENTARY INFORMATION

The information provided herein contains schedules which the Town deems necessary to provide additional disclosures.

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TOWN OF NORTH KINGSTOWN

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION

LAST TEN FISCAL YEARS (1)

	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
General government	\$ 4,620,090	\$ 4,935,355	\$ 4,294,109	\$ 4,374,433	\$ 3,434,508
Public safety	\$ 10,065,679	\$ 8,946,977	\$ 8,647,435	\$ 8,397,280	\$ 7,878,245
Public works	\$ 3,618,773	\$ 3,750,904	\$ 3,459,956	\$ 3,196,476	\$ 3,609,213
Education	\$ 44,401,975	\$ 41,719,508	\$ 39,107,712	\$ 37,551,560	\$ 34,711,315
Human resources	\$ 1,940,276	\$ 1,909,148	\$ 1,842,729	\$ 1,955,234	\$ 2,123,528
Capital improvement	\$ 14,488,499	\$ 23,531,451	\$ 7,856,089	\$ 5,470,694	\$ 2,249,067
Debt service	\$ 6,001,055	\$ 4,012,305	\$ 2,936,840	\$ 1,477,845	\$ 1,820,271
Other					\$ 447
TOTAL	\$ 85,136,347	\$ 88,805,648	\$ 68,144,870	\$ 62,423,522	\$ 55,826,594

(1) This schedule includes expenditures of the General Fund, Special Revenue Funds, Debt Service and Capital Project Funds after elimination of transfer between these funds.

TOWN OF NORTH KINGSTOWN

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION

LAST TEN FISCAL YEARS (1)

	<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>	<u>1993</u>
General government	\$ 3,224,369	\$ 3,079,558	\$ 3,362,978	\$ 3,323,485	\$ 4,003,604
Public safety	\$ 7,604,265	\$ 7,612,298	\$ 7,000,544	\$ 6,927,734	\$ 7,316,006
Public works	\$ 3,679,032	\$ 3,900,436	\$ 3,405,914	\$ 2,417,992	\$ 2,089,048
Education	\$ 32,464,689	\$ 32,207,641	\$ 30,437,009	\$ 29,245,062	\$ 28,987,603
Human resources	\$ 1,814,810	\$ 1,834,893	\$ 1,591,449	\$ 1,330,939	\$ 1,468,747
Capital improvement	\$ 5,285,928	\$ 2,909,803	\$ 343,012	\$ 739,276	\$ 878,047
Debt service	\$ 769,514	\$ 913,240	\$ 1,020,724	\$ 1,078,665	\$ 1,065,968
Other			\$ 92,610	\$ 452,687	\$ 63,719
TOTAL	\$ 54,842,607	\$ 52,457,869	\$ 47,254,240	\$ 45,515,840	\$ 45,872,742

(1) This schedule includes expenditures of the General Fund, Special Revenue Funds, Debt Service and Capital Project Funds after elimination of transfer between these funds.

TOWN OF NORTH KINGSTOWN

GENERAL GOVERNMENTAL REVENUES BY SOURCE

LAST TEN FISCAL YEARS (1)

	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
Taxes	\$ 48,570,277	\$ 44,883,156	\$ 42,758,479	\$ 40,769,858	\$ 37,770,965
Intergovernmental revenues	17,772,102	16,835,239	14,836,130	14,174,653	13,214,911
Other	4,605,216	6,496,096	5,142,352	5,664,831	3,476,097
TOTAL	\$ 70,947,595	\$ 68,214,491	\$ 62,736,961	\$ 60,609,342	\$ 54,461,973
	<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>	<u>1993</u>
Taxes	\$ 34,807,161	\$ 33,050,988	\$ 31,741,576	\$ 31,618,879	\$ 30,659,213
Intergovernmental revenues	12,408,786	12,780,087	11,005,370	10,767,297	11,274,213
Other	2,646,575	2,948,771	2,352,633	2,299,048	2,751,798
	<u>\$ 49,862,522</u>	<u>\$ 48,779,846</u>	<u>\$ 45,099,579</u>	<u>\$ 44,685,224</u>	<u>\$ 44,685,224</u>

(1) This schedule includes revenues of the General Fund, Special Revenue Funds, Debt Service and Capital Project Funds.

TOWN OF NORTH KINGSTOWN

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Net Adjusted Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collected</u>	<u>Percent of Total Tax Collections To Tax Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Percent of Delinquent Taxes To Tax Levy</u>
1992/1993	\$ 28,055,292	\$ 26,247,293	93.56%	\$ 1,756,280	\$ 28,003,573	99.82%	\$ 2,924,410	10.42%
1993/1994	28,863,476	27,232,688	94.35%	1,665,896	28,898,584	100.12%	2,805,101	9.72%
1994/1995	28,840,863	27,579,528	95.63%	1,488,730	29,068,258	100.79%	2,522,171	8.75%
1995/1996	31,037,326	29,812,237	96.05%	1,112,102	30,924,339	99.64%	2,534,065	8.16%
1996/1997	32,674,331	31,280,074	95.73%	1,100,294	32,380,368	99.10%	2,724,267	8.34%
1997/1998	35,738,674	34,325,596	96.05%	1,248,475	35,574,071	99.54%	2,696,351	7.54%
1998/1999	38,338,764	36,994,035	96.49%	1,295,062	38,289,097	99.87%	2,591,196	6.76%
1999/2000	40,225,839	38,986,528	96.92%	1,286,536	40,273,064	100.12%	2,454,705	6.10%
2000/2001	42,225,274	41,097,232	97.33%	1,278,165	42,375,397	100.36%	2,365,928	5.60%
2001/2002	46,885,673	45,641,683	97.35%	1,163,922	46,805,605	99.83%	2,390,776	5.10%

TOWN OF NORTH KINGSTOWN

**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
"UNAUDITED"**

LAST TEN FISCAL YEARS (1)

Fiscal Year	Real Property		Personal Property		Total		Ratio of Total Assessed to Total Estimated Actual Value
	Assessed Value (1)	Estimated Actual Value	Assessed Value (1)	Estimated Actual Value	Assessed Value (1)	Estimated Actual Value	
1992/1993	\$ 777,344,534	\$ 1,860,325,883	\$ 148,915,952	\$ 148,915,952	\$ 926,260,486	\$ 2,009,241,835	0.461
1993/1994	790,026,434	2,066,040,658	156,980,638	156,980,638	947,007,072	2,223,021,296	0.426
1994/1995	1,348,154,900	1,348,154,900	187,454,955	187,454,955	1,535,609,855	1,535,609,855	1.000
1995/1996	1,378,485,000	1,443,273,795	188,068,180	188,068,180	1,566,553,180	1,631,341,975	0.955
1996/1997	1,401,248,700	1,499,336,100	200,492,952	200,492,952	1,601,741,652	1,699,829,052	0.935
1997/1998	1,433,174,000	1,508,604,210	211,230,520	211,230,520	1,644,404,520	1,719,834,730	0.950
1998/1999	1,470,037,800	1,594,401,085	230,918,953	230,918,953	1,700,956,753	1,825,320,038	0.922
1999/2000	1,500,902,170	1,658,455,436	230,541,395	230,541,395	1,731,443,565	1,888,996,831	0.920
2000/2001	1,536,301,370	1,745,797,011	222,929,548	222,929,548	1,759,230,918	1,968,726,559	0.880
2001/2002	1,954,112,590	2,014,549,061	219,842,649	219,842,649	2,173,955,239	2,234,391,710	0.973

(1) Gross amount is reflected without deduction for exemptions.

TOWN OF NORTH KINGSTOWN
PROPERTY TAX RATES
(PER \$1,000 OF ASSESSED VALUE)
"UNAUDITED"

LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Total Tax Rate</u>	<u>Municipal Portion</u>	<u>School Portion</u>
1993	\$30.64	\$8.95	\$21.69
1994	30.83	9.14	21.69
1995	19.26	5.59	13.67
1996	20.24	5.82	14.42
1997	20.76	6.01	14.75
1998	22.04	6.39	15.65
1999	22.79	7.09	15.70
2000:			
Real Estate	23.68	7.18	16.50
Motor Vehicle	22.04	6.68	15.36
Tangible	23.68	7.18	16.50
Inventory	20.52	6.22	14.30
2001:			
Real Estate	24.65	6.96	17.69
Motor Vehicle	22.04	6.22	15.82
Tangible	18.24	5.15	13.09
2002:			
Real Estate	21.94	5.57	16.37
Motor Vehicle	22.04	5.51	16.53
Tangible	21.94	5.57	16.37

TOWN OF NORTH KINGSTOWN

WATER ASSESSMENTS

LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Current Year Collections</u>	<u>Total Outstanding Assessments at Fiscal Year-End (1)</u>
1992/1993	\$ 1,165,307	\$ 661,334
1993/1994	\$ 1,451,786	\$ 686,940
1994/1995	\$ 1,506,050	\$ 665,226
1995/1996	\$ 1,577,581	\$ 551,541
1996/1997	\$ 2,099,135	\$ 198,021
1997/1998	\$ 1,818,357	\$ 185,690
1998/1999	\$ 1,972,837	\$ 172,558
1999/2000	\$ 2,191,025	\$ 158,492
2000/2001	\$ 2,020,279	\$ 142,615
2001/2002	\$ 2,420,659	\$ 181,443

(1) No receivables are deemed to be uncollectible.

TOWN OF NORTH KINGSTOWN

**RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE AND
NET BONDED DEBT PER CAPITA
"UNAUDITED"**

LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Assessed Value (2)</u>	<u>Gross Bonded Debt</u>	<u>Debt Payable from Enterprise Revenues</u>	<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt per Capita</u>
1993	23,786	\$ 915,628,830	\$ 7,250,000	\$ 438,270	\$ 6,811,730	0.74%	\$ 286.38
1994	23,786	\$ 936,642,267	\$ 6,450,000	\$ 271,195	\$ 6,178,805	0.66%	\$ 259.77
1995	23,786	\$ 1,512,225,068	\$ 5,645,000	\$ 1,016,398	\$ 5,543,302	0.37%	\$ 233.04
1996	23,786	\$ 1,542,372,324	\$ 10,925,000	\$ 0	\$ 10,925,000	0.71%	\$ 459.30
1997	23,786	\$ 1,578,054,704	\$ 11,365,000	\$ 900,000	\$ 10,465,000	0.66%	\$ 439.96
1998	23,786	\$ 1,622,101,177	\$ 10,430,907	\$ 830,907	\$ 9,600,000	0.59%	\$ 403.60
1999	23,786	\$ 1,678,779,770	\$ 19,117,841	\$ 757,841	\$ 18,360,000	1.09%	\$ 771.88
2000	23,786	\$ 1,709,592,473	\$ 50,690,574	\$ 680,574	\$ 50,010,000	2.93%	\$ 2,102.50
2001	26,326	\$ 1,759,230,918	\$ 56,913,864	\$ 1,152,248	\$ 55,761,616	3.17%	\$ 2,118.12
2002	26,326	\$ 2,173,955,239	\$ 55,567,456	\$ 1,035,032	\$ 54,532,424	2.51%	\$ 2,071.43

(1) U.S. Department of Commerce, Bureau of Census 1990 and 2000.

(2) Net taxable assessed value.

TOWN OF NORTH KINGSTOWN

**COMPUTATION OF LEGAL DEBT MARGIN
"UNAUDITED"**

JUNE 30, 2002

Assessed value	\$ 2,173,955,239
Less: exemptions	<u>(37,458,922)</u>
NET TOTAL TAXABLE ASSESSED VALUE	<u>\$ 2,136,496,317</u>
Debt limit - 3 percent of total assessed value	64,094,890
Amount of debt applicable to debt limit: Water Tower Issue	<u>1,035,031</u>
LEGAL DEBT MARGIN	<u>\$ 63,059,859</u>

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 Island General Law 45-12-11.

TOWN OF NORTH KINGSTOWN

COMPUTATION OF OVERLAPPING DEBT

JUNE 30, 2002

The Town of North Kingstown does not have any overlapping governmental units, and accordingly, does not have any overlapping debt.

TOWN OF NORTH KINGSTOWN

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
GENERAL BONDED DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES**

LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total General Governmental Expenditures</u>	<u>Ratio of Debt Service to Total General Governmental Expenditures</u>
1993	\$ 636,132	\$ 429,836	\$ 1,065,968	\$ 45,872,742	0.0232
1994	\$ 632,925	\$ 445,740	\$ 1,078,665	\$ 45,515,840	0.0237
1995	\$ 635,503	\$ 385,221	\$ 1,020,724	\$ 47,254,240	0.0216
1996	\$ 568,302	\$ 344,938	\$ 913,240	\$ 52,457,869	0.0174
1997	\$ 460,000	\$ 309,514	\$ 769,514	\$ 54,842,607	0.0140
1998	\$ 865,000	\$ 721,118	\$ 1,586,118	\$ 55,644,644	0.0285
1999	\$ 870,000	\$ 427,660	\$ 1,297,660	\$ 62,423,522	0.0208
2000	\$ 1,319,190	\$ 986,342	\$ 2,305,532	\$ 68,144,870	0.0338
2001	\$ 1,344,192	\$ 841,563	\$ 2,185,755	\$ 88,805,648	0.0246
2002	\$ 3,129,192	\$ 1,941,455	\$ 5,070,647	\$ 85,136,347	0.0596

TOWN OF NORTH KINGSTOWN

**REVENUE BOND COVERAGE
WATER BONDS**

LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Gross Revenues (1)</u>	<u>Direct Operating Expenses (2)</u>	<u>Net Revenue Available for Debt Service</u>	<u>Principal</u>	<u>Debt Service Requirements Interest</u>	<u>Total</u>	<u>Coverage</u>
1992/1993	\$ 1,205,957	\$ 1,250,070	\$ (44,113)	\$ 188,868	\$ 39,149	\$ 228,017	\$ (272,130)
1993/1994	\$ 1,422,247	\$ 1,378,374	\$ 43,873	\$ 167,075	\$ 27,817	\$ 194,892	\$ (151,019)
1994/1995	\$ 1,484,336	\$ 1,427,136	\$ 57,200	\$ 169,497	\$ 17,458	\$ 186,955	\$ (129,755)
1995/1996	\$ 1,506,349	\$ 1,490,766	\$ 15,583	\$ 101,698	\$ 6,610	\$ 108,308	\$ (92,725)
1996/1997	\$ 1,569,468	\$ 1,496,749	\$ 72,719	\$ 0	\$ 0	\$ 0	\$ 72,719
1997/1998	\$ 1,806,026	\$ 1,759,703	\$ 46,323	\$ 69,093	\$ 49,531	\$ 118,624	\$ (72,301)
1998/1999	\$ 1,959,705	\$ 1,946,845	\$ 12,860	\$ 73,066	\$ 43,950	\$ 117,016	\$ (104,156)
1999/2000	\$ 2,214,595	\$ 1,779,305	\$ 435,290	\$ 77,267	\$ 40,289	\$ 117,556	\$ 317,734
2000/2001	\$ 2,057,847	\$ 1,922,461	\$ 135,386	\$ 81,710	\$ 42,420	\$ 124,130	\$ 11,256
2001/2002	\$ 2,475,044	\$ 1,575,459	\$ 899,585	\$ 86,408	\$ 26,850	\$ 113,258	\$ 786,327

(1) Gross revenues does not include interest and miscellaneous income.

(2) Total expenses exclusive of bond interest.

TOWN OF NORTH KINGSTOWN

**DEMOGRAPHIC STATISTICS
"UNAUDITED"**

LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Population</u>	<u>School Enrollment (1)</u>	<u>Unemployment Rate Percent (2)</u>
1992/1993	23,786	4,292	6.7%
1993/1994	23,786	4,241	5.0%
1994/1995	23,786	4,354	5.8%
1995/1996	23,786	4,470	3.4%
1996/1997	23,786	4,482	4.2%
1997/1998	23,786	4,533	2.9%
1998/1999	23,786	4,539	2.8%
1999/2000	23,786	4,560	2.8%
2000/2001	26,326 (3)	4,560	3.4%
2001/2002	26,326	4,599	3.3%

Sources:

- (1) North Kingstown School Department as of June 30th of each year. Numbers include resident students sent out.
- (2) Rhode Island Department of Employment Security.
- (3) U.S. Department of Commerce, Bureau of the Census 2000.

TOWN OF NORTH KINGSTOWN

PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS
"UNAUDITED"

LAST TEN FISCAL YEARS

Fiscal Year	Residential Construction (1)		Commercial Construction (1)		Bank Deposits	Taxable		Property Value	
	Number of Units	Value	Number of Units	Value		Commercial	Residential	Residential	Nontaxable
1992/1993	131	\$ 10,914,070	2	\$ 589,700	N/A	\$ 145,683,844	631,660,690	\$ 157,911,210	\$ 935,255,744
1993/1994	131	17,113,666	9	4,427,650	N/A	151,967,944	638,058,490	161,009,410	951,035,844
1994/1995	138	13,967,813	4	943,000	N/A	168,446,300	1,179,708,600	310,431,000	1,658,585,900
1995/1996	153	16,441,443	6	11,905,114	N/A	172,443,300	1,206,041,700	310,184,700	1,688,669,700
1996/1997	147	15,493,941	2	187,285	N/A	173,329,550	1,227,919,150	339,744,000	1,740,992,700
1997/1998	167	16,171,887	16	17,571,217	N/A	204,710,400	1,228,463,600	323,003,500	1,756,177,500
1998/1999	134	14,771,530	7	1,675,150	N/A	207,092,900	1,262,944,900	324,483,200	1,794,521,000
1999/2000	151	17,506,881	11	18,621,736	N/A	208,536,370	1,292,365,800	325,207,100	1,826,109,270
2000/2001	115	13,946,610	9	11,878,148	N/A	213,811,670	1,322,489,700	343,118,710	1,879,420,080
2001/2002	142	17,332,718	7	2,883,080	N/A	307,993,200	1,646,119,390	350,633,860	2,304,746,450

Information relating to the Town of North Kingstown only is not available.

(1) Information obtained from Building Official

TOWN OF NORTH KINGSTOWNPRINCIPAL TAXPAYERS
"UNAUDITED"

JUNE 30, 2002

<u>Taxpayer</u>	<u>Total Valuation</u>	<u>Percent of Total Assessed Valuation</u>
Narragansett Electric Company	\$ 26,865,880	1.17%
Electric Boat Corporation	21,418,860	0.93%
BNS Co.	15,265,600	0.66%
Rig Hunt River Commons LLC	10,440,700	0.45%
Home Depot USA, Inc.	10,072,100	0.44%
Wal-Mart Stores, Inc.	8,706,840	0.38%
Zakapone Real Estate Associates, Inc.	7,489,700	0.33%
New England Gas Co.	7,048,100	0.31%
Toray Plastics America	6,881,630	0.30%
Quidnessett Country Club	5,987,690	0.26%
Heritage Village Associates	5,779,300	0.25%
Meadows Professional	5,150,400	0.22%
Millcreek Limited	4,717,400	0.21%
Essex Village Company	4,506,800	0.20%
WFD Associates LP	4,435,500	0.19%
OCG Microelectronic Materials	4,108,900	0.18%
Kingstown Plaza Limited Part	4,086,300	0.18%
Kings Grant Co.	3,964,600	0.17%
Wickford Junction Assoc LLC	3,932,100	0.17%
High Lea Properties LLC	3,797,000	0.17%
Wickford Shipyard Inc.	3,637,900	0.16%
South County Nursing & Rehab	3,619,670	0.16%
Wickford Village Associates	3,619,500	0.16%
Arch Specialty Chemicals Inc.	3,565,990	0.16%
Coxcom, Inc.	3,492,600	0.15%
Total	<u>\$ 182,591,060</u>	

TOWN OF NORTH KINGSTOWN

**PRINCIPAL EMPLOYERS
"UNAUDITED"**

JUNE 30, 2002

<u>Name</u>	<u>Type of Business</u>	<u>Number of Employees</u>
<u>Private Employers</u>		
Electric Boat Corporation	Submarine Hull Components	2000
Toray Plastics America, Inc.	Polypropylene Film	695
Perspectives Corporation	Operate Program for Disabled Adults	600
Browne & Sharpe Mfg. Co.	Metrology Products	350
The Home Depot	Retail Home Supply Store	250
The Stop & Shop Co., Inc.	Groceries and Misc Merchandise	225
Ocean State Jobbers, Inc.	Retail Closeouts & General Merchandise Stores	200
Wal-Mart	Discount Department Store	200
SENESCO	Shipbuilders	160
South County Nursing Center	Nursing Facility	150
Gregg's	Food & Beverage Sales	150
Custom Design, Inc.	Jewelry Displays & Silk Screening	150
Anvil International, Inc.	Engineered Pipe Supports	134
Scalabrini Villa	Nursing Homes	120
Arch Chemicals, Inc.	Manufacturer of Chemicals	120
Dave's Marketplace of Wickford	Market	100
Dave's Marketplace of No. Kingstown	Market	100
Ames Department Store	Department Store	100
Adecco Staffing	Temporary Help for Business & Industry	100
Icon International, Inc.	Commercial & Architectural Lighting Fixtures	94
RI Beverage Packaging Co.	Beverage Warehousing	90
EMAC Transport & Leasing Co., Inc.	Trailer Load Freight Carrier	90
Community Care Nurses, Inc.	Comprehensive Home Health Care	85
Roberts Health Centre, Inc.	Long Term Nursing Care	82
All American Meats & Seafood	Warehouse, Cold Storage & Food Distribution	<u>80</u>
Total		<u><u>6425</u></u>
<u>Public Installations</u>		
Town of North Kingstown		1200
R.I. Air National Guard		303
Army Aviation Support Facility		<u>65</u>
Total		<u><u>1568</u></u>

TOWN OF NORTH KINGSTOWN

TAX REVENUE BY SOURCE

LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Operations</u>	<u>Debt Service</u>	<u>Total Taxes</u>
1992/1993	\$ 26,988,976	\$ 1,065,968	\$ 28,054,944
1993/1994	\$ 27,798,022	\$ 1,078,665	\$ 28,876,687
1994/1995	\$ 27,820,139	\$ 1,020,724	\$ 28,840,863
1995/1996	\$ 30,124,086	\$ 913,240	\$ 31,037,326
1996/1997	\$ 34,037,647	\$ 769,514	\$ 34,807,161
1997/1998	\$ 36,547,863	\$ 1,586,118	\$ 38,133,981
1998/1999	\$ 39,472,198	\$ 1,297,660	\$ 40,769,858
1999/2000	\$ 42,758,479	\$ 2,305,532	\$ 45,064,011
2000/2001	\$ 44,883,156	\$ 2,185,755	\$ 47,068,911
2001/2002	\$ 48,570,277	\$ 5,070,647	\$ 53,640,924

TOWN OF NORTH KINGSTOWN

**MISCELLANEOUS STATISTICS
"UNAUDITED"**

JUNE 30, 2002

<u>Town Incorporated</u>	1674
<u>Home Rule Charter Adopted</u>	1954
<u>Type of Government</u>	Town Council/Manager
<u>Fiscal Year Begins</u>	July 1

Population:

Official U.S. Census

1900	4,194
1910	4,084
1920	3,397
1930	4,279
1940	4,604
1950	14,810
1960	18,977
1970	29,793
1980	21,938
1990	23,786
2000	26,326

<u>Area of Town</u>	44.2 square miles
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Miles of Roads:

Local paved	151.79
State paved	42.65

Municipal Employees:

Exclusive of Library, Police, Fire and Regular Education	90
Part-Time	149

Construction (2001-2002)

Permits issued	2,182
Total Value	38,110,228

Fire Protection

Fire Stations - Town Owned	3
Employees: Uniformed	74
Civilian	1
Fire Alarm Boxes	319
Fire Hydrants	978

(CONTINUED)

TOWN OF NORTH KINGSTOWNMISCELLANEOUS STATISTICS
"UNAUDITED"

JUNE 30, 2002

<u>Police Protection</u>	
Police Buildings	1
Animal Control Buildings	1
Employees: Law Enforcement	51
Civilian	7
Animal control	3
Harbor Division	3
 <u>Budget/Referendum (June 6, 2001)</u>	
Registered Voters	19,218
Number of Votes Cast	3,409
Percentage Voting	18%
 <u>Recreation</u>	
Parks and Public Squares	12
Acres for Recreation (Development)	358.6
Tot Lots	4
Playfields and Major Recreation Facilities	4
Playgrounds	5
Bandstand	1
Undeveloped Sites	10
Municipal Tennis Courts	10
In-Line Hockey Courts	1
Bathing Beaches	1
Golf Courses	1
Marina	1
Ball Diamonds (INC RIPA):	
Youth Baseball	12
Softball	4
Basketball Courts (outdoor)	7
Football Fields	2
Boat Landings	2
Soccer Fields	8
Lacrosse Fields	1
 <u>Library</u>	
Buildings	1
Employees:	
Regular	12
Part-time	14

(CONTINUED)

TOWN OF NORTH KINGSTOWN

**MISCELLANEOUS STATISTICS
"UNAUDITED"**

JUNE 30, 2002

Education

Central Administrative Building	1
Schools:	
High	1
Middle	2
Elementary	6
Early Childhood Center	<u>1</u>
Total Schools	<u>10</u>

Students *

Kindergarten/Pre-One	309
Elementary (1-5)	1780
Middle (6-9)	1046
High (9-12)	1309
Special Education Program	<u>98</u>
Sub-total in our Schools	4542
Resident Pupils Sent Out	<u>57</u>
Total Students	<u>4599</u>

Personnel **

Administrative and Certified	19
Non-Certified	15
Classroom Teachers	367
Aides	91
Lunch Workers, Bus Drivers	53
Clerical	40
Operation and Maintenance	49

* Enrollment as of June 2002

** Totals as of June 2002 measured in FTE

Municipal Buildings - (Excluding Library, Fire, Police and Education)

Town Hall	Highway Garage - 55 Oak Hill Road
Town Hall Annex	Highway Garage - Rear of Water Dept.
Beachwood Senior Center	Transfer Station - Three Buildings
Community Center	Donald Downes Playground Rec. Bldg.
Town Beach Snack Bar and Beach Facilities	Water Department:
Little Red School House	5 Towers
Allen Harbor (3 buildings)	5 Booster Pumping Stations (Water & Sewer)
Golf Course/Facilities:	3 Bay Garage
Maintenance Buildings	PRV Vault
Hazmat Building	8 Well Buildings
Golf Course Club House	30 Reynolds Street & Garage

(CONTINUED)

TOWN OF NORTH KINGSTOWN

**MISCELLANEOUS STATISTICS
"UNAUDITED"**

JUNE 30, 2002

Wickford Public Restrooms	Signal Rock Recreation Center:
Wilson Park Recreation:	Main Building
Facilities	Storage Building
2 Concession Stands & Restrooms	Press Box/Concession
Gazebo	House & Garage - 37 Oak Hill Road
Wilson Park Maintenance Facility	Bandstand
Ryan Park Nature Center	McGinn Park Concession Building (includes
(includes Meeting Room, Concessions, Restrooms)	Restrooms, Utility Room and Press Box)
Ryan Park Press Box (2)	McGinn Park Conex Storage Box
35 West Main Street	

(CONCLUDED)

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THE TOWN OF
NORTH KINGSTOWN, RHODE ISLAND

SINGLE AUDIT SECTION

TOWN OF NORTH KINGSTOWN

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2002**

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Expenditures Incurred</u>
<i>U.S. Department of Housing and Urban Development:</i>		
Community Development Block Grant (CDBG)	14.219	<u>\$ 61,053</u>
<i>U.S. Department of Justice:</i>		
Cops in School	16.710	35,523
Local Law Enforcement Block Grant	16.004	<u>12,048</u>
<i>Total U.S. Department of Justice</i>		<u>47,571</u>
<i>U.S. Department of Education:</i>		
ECIA Chapter I	84.010	252,926
PL 94-142*	84.027	429,297
Title VI	84.151	24,710
Title VI - Class Size Reduction	84.151	82,446
Title II	84.164	27,698
Preschool services	84.173	20,008
Drug-free schools	84.186	29,315
Child opportunity zone	84.298	65,000
Child opportunity - homeless	84.298	19,985
Reading excellence family literacy 02	84.338A	25,563
Reading excellence	84.338A	13,689
Even start family literacy	84.213C	38,583
<i>Total U.S. Department of Education</i>		<u>1,029,220</u>
<i>U.S. Department of Agriculture:</i>		
National school lunch	10.555	209,190
National school milk	10.556	1,363
National school breakfast	10.557	35,284
Resource protection project	10.xxx	775
Food commodities	10.xxx	49,812
USDA Natural resources	10.072	<u>24,346</u>
<i>Total U.S. Department of Agriculture</i>		<u>320,770</u>
<i>Total Expenditures of Federal Awards</i>		<u>\$ 1,458,614</u>

*Denotes major program

TOWN OF NORTH KINGSTOWN

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2002**

1. General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of the Town of North Kingstown. All federal awards received from federal agencies are included on the Schedule.

2. Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting.

3. Determination of Major Programs

The determination of major federal awards programs was based upon the overall level of expenditures for all federal programs for the Town of North Kingstown. As such, the threshold for determining Type A and Type B programs are defined as those with program expenditures greater than \$300,000 or 3 percent of total expenditures when the total expenditures are over \$10,000,000. The Town had one program with expenditures greater than \$300,000. For the fiscal year ended June 30, 2002, the PL 94-142 Grant was the major program of the Town of North Kingstown.



CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS CONSULTANTS

Providence, Rhode Island
**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Honorable Town Council
Town of North Kingstown
North Kingstown, Rhode Island

We have audited the general purpose financial statements of the Town of North Kingstown, Rhode Island as of and for the year ended June 30, 2002, and have issued our report thereon dated December 11, 2002. 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.

Compliance

As part of obtaining reasonable assurance about whether the Town of North Kingstown's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town of North Kingstown's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to the management of the Town of North Kingstown in a separate letter dated December 11, 2002.

This report is intended solely for the information and use of the Town Council, management, federal awarding agencies and those governments from which federal awards were received and is not intended to be and should not be used by anyone other than these specified parties.

Cayer Prescott Clune & Chatellier LLP

December 11, 2002

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CERTIFIED PUBLIC ACCOUNTANTS

BUSINESS CONSULTANTS

Providence, Rhode Island

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Honorable Town Council
Town of North Kingstown
North Kingstown, Rhode Island

Compliance

We have audited the compliance of the Town of North Kingstown, Rhode Island with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2002. The Town of North Kingstown's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs is the responsibility of the Town of North Kingstown's management. Our responsibility is to express an opinion on the Town of North Kingstown's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal programs occurred. An audit includes examining, on a test basis, evidence about the Town of North Kingstown's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Town of North Kingstown's compliance with those requirements.

In our opinion, the Town of North Kingstown complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended June 30, 2002.

Internal Control Over Compliance

The management of the Town of North Kingstown is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Town of North Kingstown's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Town Council, management, and those other governments from which federal awards were received and is not intended to be and should not be used by anyone other than these specified parties.

Carpe Presentum & Chastellin, LLP

December 11, 2002

TOWN OF NORTH KINGSTOWN

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2002**

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expressed an unqualified opinion on the financial statements of the Town of North Kingstown.
2. No reportable conditions relating to the audit of the financial statements are reported in the Independent Auditor's report.
3. No instances of noncompliance material to the financial statements of the Town of North Kingstown were disclosed during the audit.
4. No reportable conditions relating to the audit of the major federal award program were reported.
5. The auditor's report on compliance for the major federal award program for the Town of North Kingstown expresses an unqualified opinion.
6. There were no audit findings relative to the major federal award program from the Town of North Kingstown.
7. The program tested as the major programs include:

 PL 94-142 #84.027
8. The threshold for distinguishing Type A and B programs is described in note 3 to the Schedule of Expenditures of Federal Awards.
9. The Town of North Kingstown qualified as a low-risk auditee for the year ended June 30, 2002.

B. FINDINGS -- RELATED TO THE AUDIT OF FINANCIAL STATEMENTS

None.

C. FINDINGS AND QUESTIONED COSTS RELATING TO FEDERAL AWARDS

None.

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