

THE TOWN OF  
NORTH KINGSTOWN, RHODE ISLAND

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

FOR THE YEAR ENDED  
JUNE 30, 2007

Prepared By:

Finance Department

**TOWN OF NORTH KINGSTOWN, RHODE ISLAND**

**YEAR ENDED JUNE 30, 2007**

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THE TOWN OF  
NORTH KINGSTOWN, RHODE ISLAND

INTRODUCTORY SECTION

December 27, 2007

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

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the Town of North Kingstown for the fiscal year ended June 30, 2007.

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

The Town of North Kingstown's financial statements have been audited by Braver, PC, a licensed certified public accountant firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of North Kingstown for the fiscal year ended June 30, 2007, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Town of North Kingstown's financial statements for the fiscal year ended June 30, 2007, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

## **PROFILE OF THE GOVERNMENT**

North Kingstown settled in 1641 and incorporated as a Town in 1674, covers an area of 54 square miles and is primarily a residential suburb approximately 22 miles south of Providence, but is also emerging as an important employment center because of the location of the Quonset Business Park. The Town operates under a home rule charter adopted in 1954, and subsequently amended, providing for a council/town manager form of government with a five-member Town Council headed by a Council President. All legislative powers of the Town are vested in the Town Council by the Charter, including the adoption of the Town budget, the ordering of any tax, making appropriations and transacting any other business pertaining to the financial affairs of the Town.

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

The Town Manager is appointed by a majority vote of the Town Council for an indefinite term solely based on his or her executive and administrative qualifications. The Town Manager is the chief executive officer and head of the administrative branch of government. The Charter grants to the Town Manager the authority to appoint or remove all officers or employees of the Town except the Town Solicitor and School Department employees, to prepare and submit to the Town Council the annual budget and annual report of the Town, to recommend to the Town Council pay schedules for Town employees and to recommend to the Town Council the adoption of such measures as he or she may deem necessary for the health, safety or welfare of the Town.

In accordance with the North Kingstown Home Rule Charter, the Town has established budgetary control for its General Fund, Library Fund, two Enterprise Funds, School Unrestricted Fund, which is a Special Revenue Fund, School Capital Reserve Fund and Debt Service Fund. The Town Council adopts an annual operating budget for the General Fund. The School Unrestricted Fund and the School Capital Reserve are subject to an annual budget approved by the School Committee and adopted by the Town Council. The Library Fund budget is submitted by the Library Board of Trustees and adopted by the Town Council. All annual operating budgets' appropriation amounts are supported by revenue estimates and take into account the elimination of accumulated deficits and the re-appropriation of accumulated surpluses to the extent necessary. Appropriations which are not expended or encumbered lapse at year end.

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

## **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, retail, and office uses.

### **Industrial Development**

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

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

### **Quonset Business Park**

The centerpiece of industrial development in North Kingstown is the Quonset Business Park, which is operated by the Quonset Development Corporation (QDC). The industrial and commerce park complex contains 3000 acres of land; a significant amount of acreage remains available for development. The park is actually composed of a number of smaller districts that are distinguished by their services and types of industry. Overall the park area is served by an airport, rail and deep-water piers and is thus suitable for a wide diversity of manufacturing and port activities. One hundred fifty eight (158) tenants employing more than 6513 full-time employees and 1699 part-time employees currently occupy the industrial park. The complex also includes an 18-hole golf course and marina owned and operated by the Town of North Kingstown.

The 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 1973 and the Naval Construction Battalion Center, 900 acres in size, was closed in 1994. The Town and the RI Economic Development Corporation (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 (now QDC) and is part of an interim master lease for the site. As a part of the Base Closure process, two hundred and 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 the two public marina areas and was included in the development of a master plan for the entire area, known as Allen Harbor Calf Pasture Point. The goal of the master plan is to establish Allen Harbor and Calf Pasture Point as a boating and passive recreation area.

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 Quonset Business Park calls for mixed industrial, commercial and waterfront uses. Bond referendums passed by Rhode Island voters have secured funds to enhance the existing freight rail system and other infrastructure improvements to the park including on going improvement projects to the internal roadways and public signage servicing the park. The Quonset Development Corporation has been systematically implementing these improvements. Two projects that are currently in the construction and design stages are the construction of Cross Park Road linking the north and south portions of the park, the relocation of Davisville Road and the Quonset Bike Path. The Quonset Business Park portion of the relocation and improvement of Route 403 is now open. Route 403 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 day to day coordination between the Town and the QDC. Efforts are ongoing to ensure that the Town's Comprehensive Plan and the Master Plan for the park are consistent.

Several major facilities have been proposed, have recently expanded or are under construction at Quonset Point/Davisville. Keifer Park, the technology center of Quonset Point Davisville, exemplifies the mixed industrial development that has characterized the growth of the Quonset Business Park. In this portion of Quonset Point/ Davisville alone there is extensive activity and construction. Dominion Diagnostics operates a 23,000 square foot office and medical testing laboratory and recently constructed a 30,000 square foot addition. Goldline Controls, a high technology manufacturer, operates a 67,206 square foot facility and has recently constructed a 60,000 addition. Seiferts MTM, an electronic manufacturing firm has constructed a manufacturing operation in a new 56,900 square foot facility. Emissive Energy, an emerging leader in the use of LED technology, has constructed a 30,000 square foot addition to their Keifer Park facility. Vantage Point Properties has completed a 43,000 square foot industrial building and a 30,000 square foot building in Keifer Park with a third 48,000 square foot structure currently under construction. Also in Keifer Park, the State of Rhode Island and Hexagon Metrology have partnered in the construction for a 100,000 square foot manufacturing facility for Hexagon's Brown and Sharp Division, one of Rhode Island's oldest manufacturing firms.

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. Ocean State Jobbers is preparing to begin construction on the final phase of their warehouse, which will bring their total square footage to 1.5 million square feet. General Dynamics/Electric Boat, with the recent addition of three new structures; a 43,000 square foot materials processing plant, a 4,500 square foot paint application facility and a 14,000 square foot addition that will connect two of their existing buildings, continues to grow and remains the largest employer at Quonset Point/Davisville. SENESCO, a barge builder continues to grow and can be ranked as one of Quonset Point/Davisville's best success stories to date with contracts for large barges coming in at a sufficient rate as to drive both additional employment and the expansion of their facility. SENESCO was recently purchased by a larger firm but the barge building facility will remain in Quonset. Toray Plastics of America, a long time North Kingstown employer, has received approvals to construct a number of additions and upgrades to their existing facility. D.S. Nelson, a manufacturer of custom interior woodwork recently constructed a four-unit 22,000 square foot structure to house an expansion of the woodworking operation with the remaining units to act as an incubator for additional industrial growth. Also of note in Commerce Park are plans of Virginia Trucking to construct a corporate headquarters and service facility for their truck transport operation and UNETIX, a precision manufacturer already located in the park, to construct a new facility to house their operations. Finally, Commerce Park also houses the Rhode Island Army National Guard and

Rhode Island Air National Guard installations both slated to expand and upgrade their facilities to better provide for their current missions and responsibilities.

The Executive Park area has a development proposal from a private investment firm, the New Boston Group, to develop the "Quonset Gateway" into a mixed-use office and service area to serve existing and future residents of the business park. Construction of the proposed 961,660 total square foot Gateway complex has begun and the first buildings will be occupied in the spring or summer of 2008.

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 to the area. NORAD, an automobile importer, continues to expand its activities at the Davisville piers. Adjacent to the NORAD facility, Little Allen Harbor is home to a number of marine related operations ranging from vessel maintenance, salvage, marinas and on land storage. Meanwhile, as the QDC finalizes its development plan for this area of the park, Landmark Building, Delfino Construction and Quonset Trucking (an existing park tenant) have completed new facilities in North Davisville. Also in North Davisville, the Town's Public Works garage is now open and houses the Department of Public Works. North Davisville appears to be a high priority for the QDC and further redevelopment is anticipated in this area including the potential realignment of Davisville Road. In order to streamline port operations, QDC has begun the process of finding a port operations management firm to oversee the Davisville Port. The port activities currently focus on automobile and seafood products with growth currently occurring and anticipated for both these uses.

In West Davisville, existing businesses have continued to expand: All-American Meats and Seafoods has added 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 has constructed a small addition to their current facility to incorporate new operational processes. West Davisville Realty acquired two 200,000 square foot former Navy buildings and has renovated them for reuse for warehousing and assembly purposes and also to provide space for a number of smaller industrial operations; a number of new tenants are settled into the renovated buildings. Seafresh USA, a seafood packaging and distribution operation, completed construction of a 20,000 square foot facility. D.S. Nelson, also a tenant of Commerce Park, has completed construction of phase one of a three building multi-tenant industrial complex intended to serve as a business incubator by attracting small industrial operations. Marrinan Realty LLC, a promotional materials distributor has received approval for a 14,000 sf office and warehousing structure to serve as a headquarters for its operations. Other development options for the West Davisville area include the development of a Transient Oriented Development (TOD), a mixed-use walkable village combining high-density residential and commercial uses in conjunction with a commuter rail train station. Further development within West Davisville is anticipated with the completion of the relocation of Route 403 as a limited access highway with access ramps at West Davisville.

### **Other Industrial Development**

Industrial activity is also 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. Atlantic Tree Service has located its operation on Dry Bridge Road and is seeking to construct additional buildings on their site to house small business uses. Two developments providing for small unit flexible space for light industrial uses are in the final stages of construction. These developments will provide further growth capacity for the Town's industrial base and additional start-up space for local small businesses. Along Old Baptist Road a long time recycling operation has constructed a building to house the recycling operation as well as provide three additional tenant units.

More recently as a component of the economic development strategy of the Washington County Regional Planning Council, of which North Kingstown is a member, the Town completed an Economic Development Plan for the Town. The recommendations of the plan include designating some areas for office uses and developing zoning ordinances to implement the strategies. The Plan also addressed protecting the community character through zoning regulations that address pedestrian scale and design.

### **Commercial Development**

Post Road (U.S. 1) and the intersection of Routes 4/102 are the primary areas where larger-scale commercial and shopping plaza uses have located in North Kingstown. Many of the commercial establishments now located on Post Road were developed in response to the Navy base at Quonset Point 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 redevelopment of sites originally constructed in the 1950's and 1960's. Post Road has a mix of retail stores, offices, restaurants and services one would expect in a typical commercial corridor. The Town is currently in the process of implementing a number of recommendations of the Post Road corridor study that was recently conducted. The Town hired consultants to update the zoning regulations for the Post Road corridor as well as a consultant to study the feasibility and cost of allowing sewer service to the Post Road Corridor to foster additional commercial and residential development. This development will be in the form of village type "growth centers" with a strong design focus towards pedestrian scale and architectural improvements to encourage mixed use development, and less reliance on the automobile, and more use of alternative methods of transportation such as bike, walking and public transportation either through the expansion of RIPTA services to the area and in conjunction with the planned commuter rail station at Wickford Junction.

With a diminishing amount of commercially zoned land, it is anticipated that development will continue to focus on redevelopment of sites along Post Road. The gateway to the Quonset Business Park is located along Post Road and the Quonset Development Corporation is in the construction stages for a large parcel adjacent to Post Road identified as the Quonset Point Davisville Business Park gateway in the QDC Master Plan for mixed-use commercial/office development. Planned uses include a hotel; retail that supports the region and the industrial complex; and a significant amount of office uses.

Prime examples of recent development and redevelopment along Post Road are the U.S. Post Office's rehabilitation of a former supermarket; the construction of a Washington Trust Bank; demolition of a former service station and completed construction of a gas station/convenience store by Getty Petroleum; the redevelopment and construction of a "drive through" gas station/convenience store on the site of a former Extramart; Brooks Drugs' (now Rite Aid) demolition of a former car dealer facility to make way for a modern pharmacy and convenience store; Bess Eaton Donuts' (now Tim Hortons), rehabilitation of a former bank; and Kingstown Plaza, first constructed in 1961, investing in a clock tower, new signage and façade improvements. Additionally, Tarbox Motors completed substantial renovations of their facilities; Cingular Wireless has completed the development of a 5,000 square foot retail location on a long vacant lot; 7-11/CITGO has constructed a convenience store and gas station on a previously undeveloped lot; and a former health and fitness facility acquired by the YMCA has received extensive renovations. The YMCA has also undertaken additional site improvements that will enhance the site through additional parking and enhanced landscaping. Three auto rental agencies have already located on Post Road; and Tire Pro, an automotive services facility, operates a 7560 square foot establishment and is just finishing construction of an addition. Seven Moons and Bay Leaves restaurants redeveloped two long time restaurant sites with interior and exterior renovations as well as site improvements. Further south in the US 1 corridor Dave's Marketplace has completed construction of an 11,000 square foot expansion of an existing market that includes façade, landscaping, and septic system upgrades.

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, Planning Department and Town Council 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. The Town has adopted a corridor plan for Post Road that will help guide development within the corridor in the future. The planning effort is now in the final stages of implementing the recommended zoning changes from the Corridor Plan, which will allow for much higher density of commercial and residential development to encourage the redevelopment of many older or underutilized parcels on the Corridor, while requiring aesthetic improvements for these redeveloped parcels. The Town is also in the final stages of developing an update to the Town Wastewater Facilities Plan to allow for the planned expansion of sewers for the Post Road Corridor to allow for these higher densities. The Town is working with the Quonset Development Corporation to utilize their existing sewage treatment facility.

Post Road has a long history as a commercial center. 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. With local, state, and federal assistance, the property was 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; Casey Farm, the Quonset Air Museum together with passive recreation sites such as the John H. Chaffee Preserve at Rome Point, recently enhanced with the construction of an off road parking area, form vital components of North Kingstown's stock of tourism attractions. Helping to better serve visitors to the Town is the recently expanded Hamilton Village Inn and another new restaurant in Town Valuna Restaurant, which redeveloped an existing restaurant site.

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, nineteenth, and early twentieth centuries. The Town completed the first phase of improvement plans for Wickford, which included significant upgrades to the roads and right of way amenities without sacrificing the historic character of the village. This upgrade process began with improvements to Library Park, a waterfront park linking the Brown Street commercial heart of the village with the waterfront and continued with the Brown Street reconstruction project; these improvements were funded by the Town, a grant from the Rhode Island Department of Environmental Management, and a grant from the Rhode Island Department of Transportation. The next phase, currently under construction, involves improvements to the infrastructure of Main Street, the heart of the local historic district. Construction of the Main Street improvements is underway and will include reconstruction of the roadway and sidewalks and installation of lighting and drainage improvements. The Main Street project is being funded by the Town and with State and Federal grants.

In Wickford village, redevelopment activity is underway in the business district. Brook's Drugs (now Rite Aid) acquired a former pharmacy and completed extensive renovations designed to make the building more in keeping with the historic quality of the area. Centreville Bank operates a new branch facility on a former location of a U.S. Post Office. The building was designed in coordination with the Town's historic district commission to ensure the new building's compatibility with the village. Another project just completed is the redevelopment of a property at the gateway to the village center; the design for the redeveloped building takes into account the protection of historic structure as well as the village character and was accomplished through a collaborative effort involving the property owner, the town Historic District Commission and Rhode Island Historic Preservation and Heritage

Commission. The same property owner is also refurbishing another property located on Main Street for commercial and office use and has received approval to construct a pedestrian connection between Main Street and Brown Street. A former service station site in the village is being redeveloped as the new location of a larger Wickford Package Store, an existing Wickford business. The project will allow expansion of this long time village business. Adjacent to the service station is a site formerly used as the Wickford Fire Station, which is being renovated for reuse as retail and office space. Renovations are now complete on a former diner and office building both recently acquired by the same local businessman and another local businessman has converted a long time restaurant to commercial space. The renovated space is quickly filling up with the relocation of some businesses already in the village or new businesses to the new space.

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 \$564,000 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. Zoning designed to protect the character of Wickford village has been adopted.

The Town expects that the commercial sector will continue to grow, particularly in response to development at the Quonset Business Park. Wickford Junction, a commercial project of nearly 300,000 square feet, includes a proposed commuter rail station near the village of Lafayette; Staples added a 25,000 square foot building in the complex and a new bank/retail building is under construction. Construction of the final phases of the commercial development are expected to coincide with the development of a train station on the site which will once more connect North Kingstown to Providence and Boston via rail. A 120,000 square foot Home Depot is now open on a site in the same vicinity with a Dunkin Donuts and Washington Trust drive through automated teller on an adjacent parcel. Construction of a shopping complex anchored by a Super Stop and Shop across from Home Depot is partially completed. The supermarket is now open along with the Bank Newport Branch. Construction is underway for a Starbuck's Coffee Shop and 3-5 other commercial tenants. BankRI has constructed a branch facility in the immediate area. Additional small retail development is also located along Boston Neck Road, particularly in the villages of Hamilton and Saunderstown and along the Quaker Lane portion of Route 2.

### **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; growth in the office market led to the construction of two additional buildings to the complex. The same developer has recently completed a 2 building office complex directly across the street from The Meadows. The Wickford Professional Building on Phillips Street is another 40,000 square foot office complex.

The Lafayette Mill is now a satellite office for the State Department of Children, Youth, and Families. The state office uses comprise more than 13,000 square feet. Office development along the Post Road corridor includes renovation of a former residence as an accountant's office (the first stage of a mixed use development that will ultimately include a mini-storage facility as well as a multi-tenant office building); reuse of a long vacant furniture store has been redeveloped for 30,000 sf of office use; Koch Eye Associates' renovation of a former restaurant into medical office space; construction of a new 2700 sf dental office by Dr. Thomas Vutech; and conversion from restaurant to office use of the Former Red Rooster Tavern. Additionally two bank facilities are being proposed along Post Road and are currently under development review. Office development called for in the Gateway area of the Quonset Point Davisville Industrial Park is expected to have a positive impact on the Town's stock of professional office stock in the future.

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

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 Industrial Park as a new business to Rhode Island or for any existing business in North Kingstown who is expanding their facilities. This incentive program has played an important role in encouraging new businesses to locate their facilities at the Quonset Point Davisville Industrial Park.

## **Municipal Planning and Development**

### **Planning**

The North Kingstown Planning Commission was established in 1946. A full-time professional 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 citizen 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 in 2002 and a second five year update was recently completed. The Planning Commission and Town Council have adopted the Plan and it is currently under review by the State Department of Administration.

### **Zoning and Subdivision Regulation**

In May 1998, the town completed zoning that implements the comprehensive community plan. The ordinance expanded the number of zones in North Kingstown and directs growth into Town villages. Certain types of uses are restricted by soil 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, respond to new State Enabling legislation and incorporate conservation development subdivision regulations. The Town is updating the Zoning Ordinance to facilitate a more orderly and streamlined review process for commercial and mixed use development and for the implementation of the Post Road Corridor Plan. The Town has also completed the necessary zoning ordinance updates to implement the Town's Affordable Housing Plan.

### **Growth Management**

In support of the North Kingstown Comprehensive Plan, the Town Council has focused on implementing the Plan through a set of growth management strategies. As a component of the Town budget process, departments are asked to document how proposed activities meet the vision of the Town and the Comprehensive Plan.

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 adopted a Water Service Area, which helped recognize the limits of growth in the community and directs growth into areas with existing services.

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 1998, 2000 and 2006 by approving a total of three \$4.0 million bond referenda for continued acquisitions. The proceeds of the first two bond authorizations, along with federal and state grants and in-kind charitable donations, has allowed for permanent open space preservation of nearly 1,200 acres of land. It is anticipated that the 2006 bond, in conjunction with state and federal grant funds, will allow for protection through development rights acquisition of large tracts of land in the Groundwater protection areas and headwaters of the Saugatucket River. In addition, the North Kingstown Town Council established an Open Space Fund that is supported by the dedication of a portion of the real estate transfer tax to the fund.

## ***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 and works with the Planning Commission in updating and implementing the North Kingstown Comprehensive Plan. The Planning Department assists the Town Manager and Finance Department in the preparation of the Capital Improvement Plan.

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. Five-Year Updates of the Comprehensive Plan were prepared and adopted by the Planning Commission and by the Town Council in 2001 and 2007. The Five-Year Updates include the results of surveys conducted by the Town of the residents and businesses and a visioning process that included members of the community. The visioning process for the 2001 Update 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 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 the 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.

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

### **Information Services Department**

The Information Services (IS) Department consists of two (2) full time employees (IT Director and GIS Manager) and one (1) part time employee (Program Assistant/Intern). This department provides services to all departments including Assessor, Code Enforcement, Finance, Fire, Police, Planning, Public Works, Recreation, Town Clerk, Senior Center, Town Manager and Water Departments as well as the School Administration Offices. These services include PC and peripheral installation, repair and maintenance, network infrastructure administration and development, database administration and development, administration and maintenance of Internet Protocol (IP) Telephony systems and technical support and upgrades of all software applications. The IS Department is responsible for maintaining the Town's network infrastructure which consists of twenty five (25) servers, two hundred (200) workstations, four (4) fiber optic connected sites (Annex Building, central Public Safety offices, North Kingstown Free Library, and the North Kingstown School Administration offices), six (6) Virtual Area Network (VAN) connections (North Kingstown Municipal Golf Course, two (2) remote Fire stations, Wilson Park Facility, Water Pump Station and North Kingstown Transfer Station) and two (2) Point-to-Point (PTP) T1 connections for the DPW facility, and the North Kingstown Senior Center. This department is also responsible for maintaining and developing the Town's web site, and Geographic Information System (GIS).

### **Library**

The North Kingstown Free Library has been a municipal service of the town of North Kingstown since August 31, 1897 when the Town Council appointed a Board of Trustees to carry out the plan suggested in the will of C. Allen Chadsey, a prominent North Kingstown resident, who gave the town \$10,000 and a plot of land for establishing a Free Public Library. The library is the symbolic center of the 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 the citizens in living and enriching their daily lives, as a repository of the Town's collective culture and history and as an embodiment of the democratic ideals that have shaped society: freedom, equality, and plurality. These words, taken from the library's first long range plan written in 1986, clearly describe the Library's mission to meet the changing and enduring cultural, educational, informational, recreational and research needs of users. The seven-member Board of Trustees, appointed by the Town Council to staggered, three-year terms, governs the library and is responsible for the following: the library budget and finance, the personnel, the care of the property, policy-making and planning, and making rules and regulations for the governance of the library and the use of library materials.

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 five librarians, seven paraprofessionals, one clerical employee, two custodians and two high school students work together to provide the high quality public service for which the North Kingstown Free Library has a statewide reputation. The library is open 62 hours each week, Monday through Saturday, including evening hours Monday through Thursday. When the library budget can support it, the weekly schedule includes Sunday afternoons in the winter months.

The collections of the North Kingstown Free Library number over 128,000 items including books, audio books, 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 Ocean State Libraries Network (formerly CLAN), the statewide public library system, the North Kingstown Free Library provides patrons with access to over four million items in 49 public library systems throughout Rhode Island. North Kingstown cardholders can also search 28 online databases, request material from other libraries in the network, 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, a separate 501c3 organization, as well other sources, the library conducts many free public programs and events for all age groups on a variety of subjects.

### **Police Department**

The North Kingstown Police Department is staffed by fifty (50) sworn personnel. Counted amongst the personnel are the Chief of Police and forty-nine (49) sworn police officers of various ranks. The civilian support staff includes three full time dispatchers, three part time dispatchers (weekend coverage), three administrative secretaries, two full time records clerks, one part time clerk, one custodian and one mechanic. Included within the operations of the police department are the services of Animal Control and Harbormaster. The personnel include: one Animal Control Warden, one Assistant Animal Control Warden, a full-time Harbormaster and two part-time (seasonal) Assistant Harbormasters.

The police station is located at 8166 Post Road in the Public Safety Building, a location shared with North Kingstown Fire Department, Station-1. Also located within the building is the office of the Harbormaster, with a patrol boat berthed at the Town Wharf at the end of Main Street. Included in the responsibilities of the Harbormaster is the assistance with the operation of the Allen Harbor Marina.

The Animal Control Division is under the supervision of the Operations Commander of the Police Department but primarily conducts business from the animal pound located at 395 Hamilton Allenton Road. The pick-up and transporting of animals is completed utilizing two GMC Safari Vans, with occasional assistance from uniformed patrol officers.

The Police Department maintains operations 24 hours a day, seven days a week, providing services to approximately 26,000 residents covering an area of approximately 45 square miles. To accomplish this task a fleet of twenty-one police vehicles is maintained including marked and unmarked cars, two four wheel drive sport utility vehicles, one utilized for commercial vehicle enforcement, the other assigned to the Detective Division. Both of these utility type vehicles are used to supplement special needs or services, in addition to use for travel in times of inclement weather. The patrol fleet is equipped with moving RADAR units, which average approximately 500,000 miles a year. The combined efforts of the police personnel have provided for approximately 31,900 calls for service to the community of North Kingstown in 2006.

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

### **Public Works**

The Administrative Division of Public Works is made up of the Department Director, Facilities Project Manager, Public Works Programs Coordinator and Secretary. This division is responsible for the overall operation of the department, including policy and personnel decisions, purchasing, budgeting, research, supervision, record keeping, resident inquiries and general overall department operations. In addition, the Facilities Project Manager is responsible for the preparation, implementation and completion of major School and Town capital projects. The Public Works Programs Coordinator manages the Town's solid waste and curbside recycling programs, while offering administrative support for all divisions. The Director and Facilities Project Manager offer staff support to the Asset Management Commission.

The Highway Division is responsible for maintaining and improving the Town's infrastructure (roads, dams, drainage and bridges), responding to resident inquiries, street sweeping, snow plowing, tree trimming and brush cutting, catch basin cleaning, sign making and other responsibilities which involve heavy and light equipment. This division is comprised of 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. The Town Engineer provides staff support to the Planning Commission, and oversees, with the help of two Engineering Inspectors, construction of all new subdivisions and associated public improvements.

The Transfer Station Division is responsible for the daily operation of the Town's solid waste transfer station and recycling facility. Approximately half of the residents of North Kingstown use this facility. The transfer station will accept household garbage in plastic bags, metals, brush, demolition material, appliances, empty propane tanks, mattresses and box springs, waste oil, batteries, tires, blue and green stream recyclables and leaf and yard waste. Fees are established by ordinance. The Transfer Station also participates in the Hands Across the Water used books for charity collection program.

The Facilities and Grounds Division is responsible for the maintenance of and improvements to all Town buildings, grounds, athletic facilities and parks. The employees of this division assist with snow plowing operations during the winter. This Division is also involved with Town festivals and tournaments. Additional responsibilities include custodial coverage for the Town Hall, Town Hall Annex, Beechwood House and the Community Center. This division is comprised of 5 employees assigned to maintaining facilities and grounds and 3 employees, 1 full-time and 2 part-time, assigned to custodial coverage.

### **Leisure Activities Department**

The Department oversees the administration, personnel, budgeting, policy implementation and supervision of the Quonset/Davisville Enterprise Fund. The Fund is supported by the operation of the Municipal Golf Course and the Allen Harbor Marina. Both facilities were acquired from the Navy

through the Department of the Interior Federal Land Disposal Program for the purpose of providing recreational opportunities for the Town. The Golf Course originally built as a 9-hole course in the 1940's and expanded to 18 holes in the 1960's is a classic layout and is one of the most popular in the state with over 42,000 rounds played there each year. The Marina consists of a public boat ramp and 168 slips and moorings. The department also serves as the liaison for the North Kingstown Arts Council. Calf Pasture Point, 215 acres of property surrounding Allen Harbor, acquired from the Department of Interior, is being developed as a passive recreation area.

### **Senior and Human Services**

The North Kingstown Department of Senior and Human Services is housed at Beechwood House, 10 Beach Street right at the Town Beach Complex. Beechwood House was built in 1897 as a summer home for a former Governor, Elisha Dyer. Since 1975 it has served as the site of the North Kingstown Senior Center.

The North Kingstown Senior Center is nationally accredited by the National Council on Aging (NCOA), National Institute of Senior Centers (NISC) for meeting national standards in nine areas: Purpose, Community, Governance, Administration, Human Resources, Program Planning, Evaluation, Fiscal Management, Records and Reports and Facility.

The Senior Center is open five days a week, Monday through Friday 8:30 am to 5:30 pm and many evenings. The Department of Senior Services serves as a "community focal point" for senior programs and services and coordinates the following: nutrition and transportation programs, social and recreational activities, health promotion and screenings, case management, advisory groups, volunteer services, educational programming and information and referral services.

There are ten employees, three full time and six part-time. Full time staff includes the Director, Assistant Director and Secretary. The Social Services Department has two part time social services specialists who assist elders and others, regardless of age, who need assistance through this division. A dining room manager and kitchen supervisor oversee the hot meals served at the senior center Monday through Friday and Meals on Wheels delivered to homebound elders by volunteers in the community. There are three part time bus drivers and two operating buses to transport seniors to and from the senior center, to doctor appointments, hair dressers, food shopping and other quality of life excursions.

### **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 9,243 active accounts. In addition, North Kingstown also provides water to the Town of Narragansett and has emergency connections to both the City of Warwick and to the Town of Jamestown. (Narragansett meters and bills for water under their own rate structure.) North Kingstown Water owns and operates 10 gravel packed wells ranging in capacity from 180 to 1800 gallons per minute. The wells are located throughout three aquifers, the Hunt, Annaquatucket and Pettaquamscutt, which underlie the Town. North Kingstown wells produce just over one billion gallons of water per year. The average demand is just over three million gallons per day, with a peak summer demand of up to eight million gallons per day. The distribution system consists of 175 miles of water pipe, 1,017 fire hydrants, four (4) standpipes, and one (1) storage reservoir

## **Tax Assessor**

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

## **Code Enforcement**

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

## **Fire Department**

The Fire Department has 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 84 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, Special Hazards Vehicle, a Decontamination Trailer and a Fire Boat. Their responsibilities include fire suppression, hazardous material response, confined space rescue, rope rescue, Statewide decontamination response, marine fire suppression and 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 fire setter program and baby sitter fire safety. The Department Mechanics are responsible for the maintenance and repair of the Departments 30 vehicles. The Department also maintains a municipal fire alarm system for the Town and the Industrial Park. The Department responded to 5,133 requests for services in the past year.

## **NORTH KINGSTOWN SCHOOL DEPARTMENT**

The North Kingstown School Department is a state-mandated agency of the town, governed by a school committee that is elected to four-year terms every two years. The School Department serves nearly 4500 students in nine schools – one high school, two middle schools and six elementary schools. 380 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 \$248,713 in Community Development Block Grant funds for use in the 2007-2008 fiscal year. These funds supported a variety of activities including housing rehabilitation and continued work on implementing the Davisville neighborhood revitalization plan. The grant award included \$196,500 dedicated to the Town's revitalization effort in the Davisville neighborhood. These funds will be used to assist a Town recreation program in the Davisville neighborhood and a housing information program in the local school in addition to funding for a Post Road Corridor Sewer Expansion Study. The award also includes \$160,000 in funding (\$80,000 in 2007/2008 and \$80,000 in 2008/2009) awarded to Crossroads Rhode Island for the reconstruction of fifty seven (57) existing affordable rental apartments and the construction of an additional 47 new affordable rental apartments at their present location off Devil's Foot Road. The neighborhood revitalization funds represent year seven in a multi-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 Crossroads Rhode Island to initially develop a Revitalization Plan and now to implement that plan. The Town also received a grant from Rhode Island Housing's Funders Collaborative to develop a master plan for a Davisville neighborhood park. The master plan developed with these funds has been the basis for ongoing improvements to the park.

In addition to the funds set aside for the Davisville neighborhood, the Town received CDBG funds to support housing rehabilitation town wide; to provide assistance to several local social service agencies; the Domestic Violence Resource Center, The Sensational Child, Inc., Bayside Family Healthcare, Inc., and South County Community Action, Inc.; and two groups that are actively working to support affordable housing.

The Planning Department works to strengthen the Town's relationship with the Quonset Development Corporation (QDC), a component of the Rhode Island Economic Development Corporation (RIEDC), responsible for managing the business park. The Planning Department, along with the Town Manager, meets regularly with the staff of the QDC to address issues of mutual concern and to coordinate activities. Planning Department personnel attend meetings with prospective businesses and coordinate 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 QDC meets monthly to discuss pending projects. Over the past year, the Planning Department has worked with the QDC staff and their consultants to amend the Quonset Master Plan to insure its consistency with the North Kingstown Comprehensive Plan.

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 been completed: a walkway along the harbor; improvements to Library Park; and additional transient dockage. The Planning Department prepared successful applications to the Rhode Island Department of Transportation

(RIDOT) Enhancement Program for funding for the sidewalk, streetscape improvements and stormwater improvements. These improvements are currently underway for Main Street.

During the past year the Department worked with the Planning Commission on the implementation of the corridor plan for Post Road, which is a primary commercial area in North Kingstown. Implementing the Plan will allow for a substantial increase in the tax base in the Town over the coming years through incentive zoning and the creation of a sewer district to allow for new development at densities much higher than previously allowed. Accomplishing such a study is a specific recommendation of the North Kingstown Comprehensive Plan and it is providing an opportunity to examine the potential of using village center development techniques.

The Planning Department has worked with the Town Water Department and the University of Rhode Island Cooperative Extension on a program called Healthy Landscapes. The intent of the program is to educate landowners and promote landscape practices that minimize impacts to the environment as well as promote water conservation. The Planning Department is now working with development applicants to incorporate these Healthy Landscape principals into their subdivision and land development proposals

The Planning Department prepared an impact fee study that resulted in the adoption of impact fees by the town. Each year the Department works with the Finance Department to update those fees to reflect current conditions and is in the process of updating the methodology used to update these fees as well as looking at the possibility of additional fees.

The Cost of Community services prepared by the 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.

The Planning Department completed an update of its Hazard Mitigation Plan for the Town in cooperation with other Town departments, the public and the North Kingstown Chamber of Commerce. The update responds to changes in Emergency Management regulations regarding Hazard Mitigation Plans. The Planning Department also serves as the Town's Coordinator for the Federal Emergency Management Agency's Community Rating Service (CRS). The Town's CRS rating allows businesses and residents to take advantage of a five percent saving in the cost of flood insurance. In addition, in response to requirements for Homeland Security, Department staff worked with the Town Police and Fire Departments to update the Town Emergency Management Plan and prepare a separate chapter dedicated to responding to Weapons of Mass Destruction.

With the reduction of staffing for the Leisure Services Department, the Planning Department, working with the Recreation Department and the Public Works Department, are moving forward to complete the design for a trail system at Calf Pasture Point. Calf Pasture Point is a 189-acre parcel that the Town acquired from the Department of Interior following the closure of the Davisville Naval Construction Battalion Center. Also, the Planning Department was able to secure a grant from the RIDEM to support the development of a skateboard facility at McGinn Park and is now working with the Town Leisure Services Committee, the Town Recreation Department and a group of skaters and parents on development of the park.

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. The Town of North Kingstown, through active strategies to protect farms, open space and the character of North Kingstown, has protected over 5,000 acres of land. Many of these properties have been preserved through joint ventures with property owners and state and federal environmental agencies. Since 2005 the town has protected 14 acres on Harrison Street through acquisition, the development rights to a 57 acre

horse farm on Tower Hill Road, 9 acres on Gilbert Stuart Road located in the aquifer protection area, the development rights on 30 acres in the Quidnessett neighborhood and is in negotiations to protect an additional 700 additional acres throughout Town. These open space purchases were accomplished using grants and Town bond funds; grants from the Rhode Island Agriculture Preservation Commission, the Rhode Island Department of Environmental Management, the Water Resources Board and the U.S. Department of Agriculture to assist in the acquisition. The Planning Department worked with the Planning Commission on the development of Conservation Development regulations, which will enhance the Town's ability to protect environmentally sensitive land. These regulations were adopted by the Town Council and the Planning Commission in 2006 and are currently being implemented.

In addition to supporting other Town policies, the cost of community service studies conducted by the Town, documented the advantages to the Town keeping land open. During the past year, the Town secured a \$300,000 grant for the outright acquisition to a large parcel in the groundwater protection area for future recreation purposes and a \$123,814 grant for redevelopment of Yorktown Park in addition to many other successful grant applications for the Town.

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 supported 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 and the preparation of a regional economic development initiative.

The Town Planning and Public Works Departments have been working with State and Federal agencies and the Narragansett Bay Estuary Program with a goal of making water quality improvements to both Sawmill Pond and Sand Hill Brook. In October of 2006 the Town received notification that the State will award \$410,000 in natural resource damages funds to be used for water quality improvements in the area of Saw Mill Pond. These improvements will be based in part on the November 2005 Southern Rhode Island Conservation District (SRICD) report, which identifies potential strategies and potential resources for water quality improvements to the pond.

Affordable housing has been an important focus of the work of the Planning Department over the past few years. State legislation mandating the preparation of municipal affordable housing strategies was adopted by the State General Assembly; each municipality was expected to re-examine its policies, regulations and planning documents to insure consistency with the State Planning Program requirements for Comprehensive Plan Housing elements. The North Kingstown Affordable Housing Plan was adopted by the Town Council and The Planning Commission in November of 2004 and revised in June of 2005. The Town of North Kingstown, acting as the lead agency for an eight Town regional planning implementation study, received a grant award in the amount of \$158,909 to implement the Affordable Housing Plans of eight Southern and Washington County Towns. This grant has allowed for the writing and adoption of the necessary ordinances and financial framework for the Towns to adequately address the needs of affordable housing in the southern portions of Rhode Island. The Town of North Kingstown has completed and adopted all of the ordinance amendments as part of this grant program. In addition, during the last year the Planning Department and the Planning Commission has worked closely with several developers who will be providing for 20% to 25% of their residential development projects to be deed restricted affordable units.

## **Information Services**

Fiscal year 2007 will bring many new technological endeavors and the completion of open projects.

During fiscal year 2007 the IS Department will acquire all the technological responsibility of the IT infrastructure at the Police Department, including servers, networking equipment, fuel management systems, workstations and peripherals. Two new servers will be added to the IS infrastructure during fiscal year 07. Our web server will be upgraded to provide more space and processing speed for future web endeavors. A new Domain Controller will be added to the Towns enterprise domain to provide more space, enterprise level security and performance.

A 40 workstation rollout will take place in fiscal year 07 to replace the older workstations in the town. The creation of an online training and technical support resources site will also become available for town staff to utilize for training and answers to technical support questions.

The land use application GeoTMS will be expanded to provide Engineering and Assessors with access to the system. This will allow for Engineering to sign off on projects, and the Assessor to maintain owners and addresses.

GIS will continue to grow, with IS, Planning, Tax Assessor, Public Works and Water working together to create new layers such as edge of pavement and building footprints for the system. Phase II of the Internet mapping server will also take place adding additional modules such as Interactive mapping, intersection searches, measuring tools, and more granular search capabilities.

Phase II (upgrade) of the Virtual Area Network will be completed providing high speed services to North Kingstown Municipal Golf Course, two (2) remote Fire stations, Wilson Park Facility, Water Pump Station and North Kingstown Transfer Station.

## **Library**

Fiscal Year 2006-07 was another successful and exciting year for library service in North Kingstown. The library served more than 170,000 patrons who visited the library and countless others who called on the telephone or accessed online resources through their home computers. The Library's usage statistics remain at a very high level, keeping us among the top six busiest public libraries in Rhode Island. Of the five libraries ahead of the NKFL in the standings, four of them are major urban libraries with multiple branches. The Library checked out more than 332,000 books, videos, talking books, language tapes, compact discs, and magazines from the collections. The number of items checked out of the library is just one of the many ways to calculate the volume of use that the library enjoyed throughout the year. The staff actually handled over 941,000 items in the separate processes that make it possible for users to borrow library materials. Also, library staff responded to more than 37,000 patron questions at our three public service desks; more than 19,000 borrowers have NKFL library cards in the Ocean State Libraries network; more than 20,000 adults, teens, and children used the nineteen internet computers in the library during the course of the year. We took full advantage of sharing our resources with the other 49 public library systems in Rhode Island, borrowing more than 35,000 books and other materials from other RI public libraries for pick up here by North Kingstown library users and we loaned more than 35,000 items in our collections to cardholders of other RI libraries. The library arranged 441 public programs, which were attended by more than 11,000 adults, teens, and children.

The library went wireless in FY 2007, which has increased significantly the convenience of computer services for our users and made it possible for us to add more flexible and portable staff workstations in the future. We received two grants from The Champlin Foundations—one in the amount of \$22,275 to purchase a new server for the library's local area network; four wireless access points; and

replacement computers and software through the Ocean State Libraries network; and another, paid directly to the town, in the amount of \$20,180, for the partial cost of fire safety upgrades on the library's 32-year-old elevator. The library Trustees continued their commitment to the ongoing care and maintenance of the building and grounds by committing funds remaining from the 1998 capital campaign to help pay for the elevator fire safety project.

With cost savings resulting from the mid-year retirement of a long-serving para-professional employee, the library continued to implement a long-range staffing plan that paves the way for future leadership transitions. By converting two part-time professional librarian positions to full-time and upgrading two para-professional positions, the library took the next step in creating career-track positions in order to recruit and retain capable, enthusiastic professional librarians who can grow into positions of senior leadership at our library as long-serving administrators and senior staff approach retirement age.

### **Police Department**

The North Kingstown Police Department continues with the installation of a video surveillance system to monitor some of the town's infrastructure. The installation will address several initiatives, including:

- Installation of a core storage and retrieval system at police headquarters
- Deployment of cameras at the police communications tower and Town Hall.

This project originated as one part of a grant from the Rhode Island Emergency Management Agency.

The Police Department continued efforts to address the need of radio interoperability with the purchase of additional 800 MHz portable radios, to supplement those radios supplied through the statewide 800 MHz communications project. This purchase was possible with assistance from the Edward Byrne Memorial Grant Program offered through The Rhode Island Justice Commission.

In 2007 the North Kingstown Police and Fire Departments participated in a mock pandemic exercise, coordinated through the North Kingstown Fire Department under the direction of the North Kingstown Emergency Management Director, Fire Chief David Murray. The exercise was intended to simulate a pandemic outbreak in which medication would be distributed to individual residents' community wide. Other exercises in the area of Emergency Management included a "communications drill" with the Rhode Island Amateur Radio Service and the Police Department emergency operations center. This drill was completed with a representative of the police department, local ham radio operators, RI Emergency Management Agency, and surrounding communities. It offered a unique opportunity to work with the public in developing a redundant communication network to insure services can be met in the time of an emergency.

The North Kingstown Animal Pound was a recipient of \$6,900 in grant funding from *The Rhode Island Foundation*. The funding along with matching funds will assist in the cost to repair the cement flooring of the facility located at 395 Hamilton Allenton Road, bringing it into compliance with state code and recommendations.

### **Public Works**

The Public Works department continues its commitment to maintaining the town's road infrastructure. Using the VHB report that rated the pavement condition of all town-maintained roads, the department has completed the resurfacing of those roads that were rated as being failed or very poor and has developed a schedule to address those roads, which received a rating of poor. It is anticipated that fourteen town roads will be paved during the 2007-paving season.

The Wickford Village Improvement Project, a cooperative effort between the Town of North Kingstown and the Rhode Island Department of Transportation is ongoing. Improvements to Brown Street are complete. Improvements to Main Street are underway with the completion of a new gas line and

water line installation. The Belleville Pond Dam Rehabilitation project was finished in 2007. Northern Construction Service, LLC was awarded the contract and made the necessary repairs to the dam. The Public Works Department continues to work with ATC Lincoln Associates (formerly Lincoln Environmental) implementing the RIDEM approved Site Investigation Work Plans for the former Hamilton Allenton and Oak Hill Landfills and developing Final Closure Reports for each landfill to be submitted to RIDEM for approval. This site investigation/enclosure process is per the requirements of Section 5.0 of the RIDEM Closure Policy for Inactive or Abandoned Solid Waste Landfills.

The Facilities Division continues to successfully manage and maintain the increased number of town parks and playground facilities. Many organizations including the Wickford Little League and North Kingstown Youth Football utilize the fields at Wilson Park and McGinn Park, gaining statewide recognition for the quality of these facilities.

The Engineering Division continues to work with the 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 division also manages the requests for removal/maintenance of street trees and works with the Tree Warden in following the Street Tree Ordinance. This office acts as a liaison between residents and the Tree Warden during this process.

The pay-as-you-throw program at the Transfer Station on Devils Foot Road continues to be successful in reducing the amount of solid waste generated in town. Over 32% of the waste generated in town is recycled, either through the town's curbside recycling program or at the Transfer Station where containers are available for the disposal of acceptable recyclables, at no cost. These collected recyclables are then transported to RI Resource Recovery's Municipal Recycling Facility for processing. This 32% diversion rate represents the ratio of blue and green stream recyclables tonnage to solid waste tonnage disposed of at RI Resource Recovery's landfill and recycling facilities in Johnston. The RI Resource Recovery Corporation offers an Incentive Grant Program to encourage cities and towns throughout the state to reach a minimum recycling rate of 20%. The goal is to have all participating cities and towns in Rhode Island achieve a 35% recycling rate by 2011. For 2007, RIRRC awarded \$300,000 in grant monies shared by 18 cities/towns achieving a recycling rate of 20% or better. The Town of North Kingstown received \$27,428.89 for its recycling program, for a recycling rate of 32%, once again the best in the State. The total received for 2007 is less than last year's amount, a result of the number of cities/towns achieving a 20% recycling rate increasing from 14 in 2006 to 18 for 2007. The Transfer Station's composting operation continues to produce a high quality product, offered to residents at no cost, which is in demand throughout the year. The Transfer Station completed its second year of operation this past June at its site at 345 Devil's Foot Road.

### **Leisure Activities Department**

This year the Department continues to plan and implement improvements to the Golf Course. A new rough mower and turf sprayer were purchased along with the annual purchase of 25 replacement golf carts. To remove the possibility of a major rupture a proposal is underway to replace the old irrigation system with one that is also more time and volume efficient. At the Allen Harbor Marina, the Department was the first in Rhode Island to receive the "Clean Harbor Award" that demonstrates its effort to be environmentally friendly as well as a responsible facility. The implementation of the Calf Pasture Point Master Plan to convert the property into a passive recreation complex continued with the design of parking facilities and Phase I trails being the top priority.

The Arts Council has developed another outstanding program including events and concert series for the enjoyment of Town residents. Highlighting this year's Program, were an expanded Tuesday Night concert series in July and August and this year's "Drama at the Town Beach" that featured Mixed Magic Theatre's innovative *Moby Dick: Then and Now*. The Programming was enhanced by donations, sponsorships and financial support from the Rhode Island State Council on the Arts.

## **Recreation**

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

The Dance Program was enjoyed by about 30 children at their new location on the stage at Davisville Middle School, while 150 third to fifth grade children attended Drawing Classes and the Saturday Art Program for pre-school through second grade were extremely popular with about 250 participants. Many of the children experienced the excitement of seeing their drawings put on display at the North Kingstown Library throughout the year for the host of visitors to view. One of the older programs to continue a high level of success was the Girls Field Hockey League, which attracted about 80 third to eighth graders. Some of these participants also had the opportunity to play games at other towns, moving the level of competition up a notch. Almost 180 girls stretched, vaulted and cart wheeled their way through our winter gymnastics program located at the High School.

This was our thirteenth season to offer our little actors a chance to audition for a play directed by the Missoula Children's Theatre Performance. The instructors did a wonderful job of leading the 50 boys and girls of all ages in "Tales by Hans Christian Andersen". It is always exciting and heart-warming to witness the growth of these actors in a week's time. The children were confident and professional in (almost) every way and never missed a cue as they sang and danced their way across the stage.

In concert with The Arts Council, "Cinderella the Musical" was also performed by about 80 boys and girls and was a near sell out at the High School Auditorium.

Girls Softball was played by over 300 six to thirteen year olds and over 750 six to fifteen year old boys and girls playing basketball with over 200 of those participating at the tournament level.

A summer Tennis Ladder League was enjoyed by older teens and adults with another 125 six to thirteen year olds learning the skills in our instructional program. Volleyball was introduced to 30 sixth to eighth grade students during the summer.

The Teen Extreme Program for seventh through ninth grade students was again a huge success with 100% occupancy (42 per session for four sessions). They enjoyed kayaking, thrills at Six Flags, whale watching, parasailing, rock climbing and many other exhilarating adventures. The "Busy Bodies" Program is continuing to gain momentum. 250 of our 18 month to 5 year olds are learning coordination and social skills in the Cold Spring Community Center.

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

## **Senior and Human Services**

The Department of Senior and Human Services provides programs and services to adults 55 and over, both at the North Kingstown Senior Center and in the community. The senior center is nationally accredited by the National Council on Aging and serves as a "community focal point" for the following senior programs and services: nutrition (Seabreeze Dining and Meals on Wheels), transportation programs, social and recreational activities, health promotion and screenings, social services and case management, advisory groups, volunteer services, educational programming and information and referral services.

In November 2006, North Kingstown voters passed a Bond Referendum for four million dollars to build a new senior center at the town beach, a new band shell and other improvements to the town beach complex. The new senior center will accommodate the needs of the current older adults in North Kingstown as well as the anticipated growth expected in the coming decades.

The unduplicated number of individuals who utilized services in all divisions in 2006-2007 is 2,219. In 1997-1998 1,367 individuals received services, illustrating the growth in participation. Programming at the senior center is divided into health wellness and general programming. Over the past year 1,757 individuals participated in programs at the Senior Center.

### **General Programs**

New programs included Genealogy, Expressive Arts, Feinstein Center for Hunger Free America, collaboration with the Arthritis Foundation to distribute recycle bins on wheels to seniors with Arthritis and a knitting group who donate lap robes and afghans to Hospice have been added this year. Farmers' market vouchers were distributed to low-income elderly and we provided transportation to Farmers Markets held on Fridays. Exercise programs offered through our department this year were: Tai Chi, PACE (People with Arthritis Can Exercise), Intermediate Fitness, Dancersize (at Beechwood and Essex Village Senior Housing), Yoga, Lo-Impact Aerobics, and Line Dancing. Evening programs such as Nite Owls continue to be popular, as are special events, dinners, ice cream socials, etc. A mosaic glass class and Drama Club's production of The 'Ladies at Lunch' were sponsored through funding by the North Kingstown Arts Council. Please refer to the monthly newsletter for a complete listing of all programs offered at the senior center.

### **Health Programs and Services**

Health Wellness programming continues to expand with use of our Health Room for nursing and other health services. Kent County Hospital, South County Hospital, Rhode Island College Student Nursing Program and Visiting Nurse Services each offer monthly health clinics including individual health counseling, blood pressure checks and cholesterol and glucose screenings. Unfortunately Kent County Hospital was unable to continue their outreach programs.

The Visiting Nurses continue to monitor 'Telemedicine': a program that electronically transmits vital signs at the senior center to a health care professional and the participant's physician. This program monitors blood pressure, weight, pulse and respirations with a report given to individuals at the monthly clinic. Our Flu Clinic held in October was well received: 459 people participated in the clinic. Volunteers pre-registered every individual to minimize wait times. Several other health programs were offered this year including "Maintain your Brain" offered by the Alzheimer's Association.

Two Podiatrists offered Podiatry services in our health room. Special health services are also provided on site by other agencies such as educational programs on Alzheimer's disease, support groups for caregivers and Life Strategies, a support group for seniors coping with loss and transitions. There is also an Insight support group for elders with visual impairments. Alternative wellness opportunities are offered such as Reiki, Reflexology and Massage Therapy.

The 'You Can' Program in cooperation with the U.S. Department of Health and Human Services Administration on Aging and the Rhode Island Department of Elderly Affairs, with programs for adults on healthier lifestyles through exercise and good nutrition. This year included a nutrition program with student chefs from Johnson and Wales University. Seniors were educated in nutrition as well as enjoying (and tasting) a 'hands on' cooking program. Upon completion they received a certificate from Johnson and Wales and a cookbook.

## **Trips**

Trips organized through the senior center during this time period were: Newport Playhouse (3), Beechwood Mansion in Newport, Providence Performing Arts (2), Trinity, Newport Dinner Train, the Sea Princess Cruise, West Valley Inn, and the Flower Show. New trips included Tanglewood, Radio City Music Christmas show with the Rockettes, and the Bay Queen Cruise/Tall ships viewing, which were all well attended.

## **Transportation**

Transportation services made 7,259 calls, assisting 185 seniors, 32 more riders than last year. 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.

## **Food Services (Seabreeze Dining and Meals on Wheels)**

A total of 19,598 meals were served through our federal meals program. Meals on site at our Sea Breeze Dining room served 10,074 meals over last year to a total of 406 individuals, an increase of 54 persons. Meals on Wheels served 86 homebound seniors with 9,524 meals.

## **Social and Human Services**

Social Services assisted 817 unduplicated persons. This was the first year we served individuals and families with Welfare/Human Services, regardless of age, in addition to older adults. In October 2006, the Welfare Director Mary Winsor retired and all human service functions were transferred to the Senior Services department as a service consolidation. Senior Social 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. In addition, human services are also provided for families at risk including coordination of a community wide Holiday Giving Program, matching community donors with families who need assistance over the holidays.

## **Water Department**

Providing high quality and adequate quantity of drinking water is the paramount goal of the North Kingstown Department of Water Supply. A new 750 gallon per minute well that will provide redundancy and flexibility in supplying water during times of high demand will be on line within the next couple of months. The design plans for the replacement of the Juniper Hill Standpipe have been completed and plans for improvements to the Forge Road and Saunderstown standpipes are being finalized. The discovery of lead contaminated soils at the storage tank sites resulted in site investigation studies, which have recently been finalized and plans for remediation are underway. The replacement of some of the oldest water main in the system will be completed over the next two months with the upgrades to Main Street in Wickford.

## **Tax Assessor**

The Tax Assessor's Office completed a revaluation as of December 31, 2006 with the assistance of Vision Appraisal Technology. The new assessments were sent to all property owners in February of 2007 and Vision Appraisal Technology conducted hearings with taxpayers during February and March of 2007. Final assessment notices were sent to all taxpayers that had hearings. The new assessments were used for the 2007 tax roll. The Tax Assessor's Office continues to supply CAMA information to be used with the town's GIS system.

## **Code Enforcement**

This year the Code Enforcement Department will continue to work on achieving code compliance for all construction projects and buildings in the town of North Kingstown including, but not limited to, mobile home parks, public and private schools, day care facilities, laundries, purveyors of alcoholic beverages, bed & breakfasts, hotels, motels, rooming houses and second hand furniture dealers. We will also continue to create a history of all past permits and correspondence and integrate same, into a digital format. In fiscal year 06-07 the department issued 2,560 permits, Inspected 3,613 buildings, and took in \$598,581.00 in permit fees. Town wide construction projects had an estimated value of \$61,831,351.00.

## **NORTH KINGSTOWN SCHOOL DEPARTMENT**

The curriculum office headed by director of curriculum, instruction and assessment worked extensively with teachers in a wide range of curriculum areas and initiatives throughout the school year. The district continued implementation of a comprehensive seven-year curriculum cycle for the district. 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. The district continued the process of construction of goals, objectives, scope and sequence as well as grade level expectations for the district in each subject area in grades kindergarten through twelve. Over the past ten years, the district has reviewed and renewed all of our curriculum areas as a result of our curriculum review cycle. This cycle has provided us with standards based goals and objectives as well as materials in Science, Social Studies, Guidance, Foreign Languages, English/Language Arts, Reading, Mathematics, Art, Music, Careers and Physical Education. This school year the district continued into the fourth phase of the second cycle. The Director of Curriculum, Instruction and Assessment has established and led a cadre of curriculum coordinators and classroom teachers in implementing an excellent system of curriculum renewal. Work continues in the development and implementation of grade level standards in the areas of Mathematics, Language Arts and Reading.

The district developed, implemented and monitored a school level improvement process at each district school. The district 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 SALT survey data (Information Works) in identifying areas for improvement. The district adopted and implemented 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. A school level improvement process is functioning at each district school creating improvement plans and stating those plans in terms of student results. This process utilizes student performance assessment data, State Frameworks, National Standards and the SALT survey data (Information Works) in identifying areas for improvement. The school improvement process enables 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. This improvement process has also been applied to educational support areas such as guidance, nursing and special education services. All schools have participated in very successful SALT visits. North Kingstown High School has also participated in a very successful accreditation visit by the Northeast Accreditation Association.

In the area of educational improvement, the department continues the process of implementing a long-range strategic plan based on bringing the school departments Mission and Belief Statement closer to operational reality.

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. All teachers in the district have participated in training using The Study of Teaching to continuously improve their skills in instruction and to foster a collegial approach for the improvement of instruction. A teacher evaluation program that emphasizes continuous growth and development has been implemented on an optional basis. A peer mentoring program has also been implemented for new teachers and teachers needing assistance. Partnerships with the University of Rhode Island and Rhode Island College for professional development and teacher preparation have been implemented throughout the district. Our professional development coordinator has been very successful in developing and delivering a broad range of professional development opportunities for professional staff.

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

Over the past eleven years, the technological capability of the school system has been expanded and modernized. All classrooms have computers and high speed Internet access in support of instruction. All teachers have e-mail accounts. Technology has become a common and integral part of our instructional program. North Kingstown students are becoming increasingly comfortable and sophisticated in their use of technology in support of their learning. North Kingstown operates one of three decision centers in the state. A new student information system has been adopted and implemented. This system is a part of a statewide technology initiative to establish a common integrated data system for all school functions. North Kingstown is participating in a statewide pilot program to develop and implement a statewide data warehouse. We are looking at combining all data systems into one system that can compare and analyze all data collected by the schools.

Our high school students are receiving their educational programs in a state of the art building and utilizing a top-notch athletic facility to participate in interscholastic competitions. Major additions have been constructed on Hamilton, Quidnessett and Stony Lane Elementary Schools. Parking lots, curbing, fire alarm systems, lighting improvement, networking systems, roof and numerous other improvements have been completed in all of our schools over the past ten years. The programmatic needs of all of our schools have been reviewed and a long term plan developed to address these needs. A bond issue to correct life and safety issues was approved by the voters and is in the process of being implemented. While there is still more to do, these improvements of our infrastructure have resulted in a district with buildings and facilities that are among the best in the state. Parents and students take an active role in school beautification programs.

A pilot full day kindergarten program continues to be offered at Davisville Elementary School. The preschool special needs program operates at Davisville Elementary School. Fishing Cove continues to be used by the LINKS volunteer program and some district specialists.

## **FOR THE FUTURE**

### **Planning Department**

The Planning Department led the Planning Commission and the Town Council through a second Comprehensive Plan Five-Year Update process that culminated in the adoption of the document by the Planning Commission and by the Town Council in 2007. State law mandates this process and North Kingstown was the first Rhode Island community to complete their first 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 and 2001 Plans and modify or retarget the Town's view for the future. A second five year update has been completed by the Town and is currently under review by the State Department of Administration. As a part of the Comprehensive Plan implementation program, the Planning Commission and Town Council adopted new regulations that allow for Conservation Development.

The Planning Department will continue to work with the Wickford Plan Committee and other Town offices to implement the Wickford Village Plan. With the completion of the sidewalk, street and streetscape improvements in the commercial areas of Wickford, the next focus will be in residential areas within the village; the Planning Department has been assisting the Public Works Department with the public participation component and the review process. The Planning Department will also be working with the Rhode Island Heritage and Historic Preservation Commission and the public regarding a study of potential areas of Wickford village that should be incorporated into the National Register Historic District.

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 land uses. The Department is continuing its development rights acquisition efforts for farms using agriculture monies, state open space funds, the Town open space fund and the funds authorized by the North Kingstown electorate. The 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 Town anticipates closing on development rights acquisition for over 420 acres of farm, forest, and open space during this next fiscal year.

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 QDC to assure the full implementation of the Base Re-use Plan adopted for Quonset Point/Davisville. The Quonset Master Plan and Post Road Corridor Plan have been adopted as part of the town's comprehensive plan. The Town and QDC are in the process of implementing those Plans and will continue to do so in the future.

Regional efforts will continue to be a component of the work of the North Kingstown Planning Department. The Planning Department has taken part in a feasibility study examining the potential structure for a regional housing entity. With the Washington County Regional Planning Council, the Town will be working on an assessment of potential for Transit Oriented Development in Washington County. The study will be focused on North Kingstown and neighboring Exeter as prototypes for such development concepts. The Town also worked in conjunction with the WCRPC, Gates Leighton and Associates and the Maguire Group on a regional study of the Route 1 corridor from Westerly to North Kingstown. This completed study makes recommendations for roadway improvement projects, future development options and ways to preserve the character of South County. Implementing this Plan will be a priority of the Department over the coming years.

Over the next year, the Planning Department will focus on completing the implementation strategies associated with a number of special projects: the Davisville Neighborhood Revitalization Plan; various phases of the Allen Harbor Master Plan; the Calf Pasture Point Master Plan; implementing the recommendations of the Post Road Corridor Plan; Post Road sewer extension study; and construction of phase two of the Yorktown Park Master Plan. The Planning Department and the Town Manager will be working extensively with the QDC to gain access to the Quonset sewage treatment facility and the creation of a sewer district. In the Wickford harbor area, the Planning Department in conjunction with Save the Bay and the Department of Public Works will be implementing improved storm water management systems.

The Planning Department is working with the Planning Commission and the Town Council to create regulations allowing for different types of alternative energy use throughout Town, such as windmills, and drafting zoning regulations that will allow for better planned mixed village uses, and to promote affordable housing,

### **Information Services**

Fiscal year 2008 will bring many new technological advances and innovations to automate citizen facing processes and manual procedures.

A Citizen Relationship Management (CRM) system will be implemented to create a hub or single point of contact for non-emergency services. The town will be given the opportunity to consolidate our points of contact, in turn saving significant costs. In addition, using a CRM system reduces staffing requirements, empowers citizens with self service information, and increases citizen satisfaction.

A data and email archiving system will be installed to conform to the recent amendments to the Federal Rules of Civil Procedure, more specifically the Electronic Discovery Rules. This will also fall into place with the Town Councils request of emails being saved as record of business.

In Fiscal Year 2008 IS will team with hardware vendors to create an Energy Smart program. With all of the power issues we have faced, not only have we been investigating ways to save at the service entries to buildings, but have also been working with hardware vendors on ways to save on energy costs on the equipment side. This would allow North Kingstown to be on the forefront of Energy Smart "Green" datacenters, reducing energy costs, and assist in the revitalization of the environment, all at a very minimal upfront cost.

Consolidation of services will also be on the forefront of IS initiatives. Information Services is looking to extend its support to the North Kingstown Free Library and North Kingstown Golf Course Pro Shop in order to consolidate technology services and cut consulting costs for the town.

Laptops, mobile broadband cards, software and vehicle mountings will be purchased and configured to begin the creation of a mobile and connected Fire Department. Not unlike the Police Department, Fire will be able to connect to its Dispatch and EMS applications from their vehicles

IS will look to replace the existing antiquated phone system at Public Safety and consolidate them into the town's existing Voice over Internet Protocol (VoIP) system. VoIP will afford Public Safety with many of the modern and unified technologies needed for swift and efficient communications.

A video streaming service will be introduced to North Kingstown's constituents in fiscal year 2008. This solution provides North Kingstown the ability to offer streamed municipal meetings, public service announcements, and training videos online. A new high definition camera, a laptop, two servers and a hosted service provided by Granicus make up the architecture of a pioneering service that North Kingstown will be at the forefront of.

The Town's Geographical Information Systems (GIS) will continue to build its data warehouse by creating layers such as Private Roads, Quonset Water Supply Area, Boat Ramps, and Historic Sites. The Internet Mapping Server will also be released on the Internet as a service for the residents of North Kingstown in fiscal year 2008.

A 40 workstation rollout will be completed in fiscal year 2008 to replace the older workstations in the town. Assessors, Code Enforcement, Police, Fire, Planning, Water, Town Clerks, Finance, Senior Center, Town Manager, and Public Works Departments all will benefit from this rollout.

### **Library**

The North Kingstown Free Library will continue to solidify its role as the "symbolic center of the community." The library serves every age group; every neighborhood; every income level; and every educational level. There are no qualifying factors that anyone has to meet to use the library; it is the one place in North Kingstown where the entire town can come together to build the common bond of community. Building community is the essential role that the public library fills in a municipality. The North Kingstown Free Library accomplishes this by being the one place, the one integrated municipal service that our citizens come to for information, education, culture, and recreation.

Our services and the tools we use to deliver them have changed markedly in the past twenty-five years and will continue to change in the years ahead. Our largest goal is to prepare the institution for that future by continuing to implement the long-range staffing plan to ensure an uninterrupted strong program of service in the future; by planning for and implementing technological upgrades that help us extend our service beyond the walls of the library and expand the capabilities of our users; by protecting and maintaining the building and grounds; and by responding to the changing needs of our users with regard to collections and services.

### **Police Department**

In the spring of 2008 the Police Department anticipates the construction of an addition of approximately 5,100 gross square feet, located between the police and fire departments. The addition is based upon a design submitted by Edward Rowse Architects. The funding for this construction project includes monies in capital reserve, two federal grants – (2004-DD-BX-1179 / RIEMA 23-100-FY05) and a municipal bond. The new addition will provide for the relocation of police and fire dispatch, police record's office suite, including the records archive room and the DARE office. The project includes a new heating and air conditioning system for the addition as well as the existing police station. The lower portion of this addition will include a newly created Emergency Operations Center for the central coordination of Town services in the event of an emergency. The space created from these anticipated moves will provide for increase in the number of work stations for police officers, male and female locker rooms, office space for police staff, an interview room, and additional storage. The project also includes improvement for handicap access throughout the building, including the cell block and processing area.

In the interest of officer safety and as provided for in an agreement with The Town of North Kingstown and the International Brotherhood of Police Officers (I.B.P.O., Local 473); the police department will be seeking bids for the replacement of approximately fifty (50) bullet resistant vests which meet the standards of the National Institute of Justice – Threat Level II.

In our commitment to ensure that police services are delivered in an effective and efficient manner we will strive to maintain an aggressive training schedule for our police personnel. The areas of training include; annual firearms qualifications, use of force techniques and procedures, emergency motor vehicle operation, as well as other annual recertification's. As the community and societal expectations for police services change, we remain cognizant of this responsibility and the need for an ongoing review of policy and procedures to best meet the changes.

### **Public Works**

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

2007 will see the Town Hall Annex, 55 Brown Street, receiving an exterior facelift, with the repair of the building's wooden columns and front steps. When finished, the front entrance to the Annex will again look like it did when originally constructed. The project will also include roof work and window refurbishment at the Town Hall on Boston Neck Road. Support for this project is provided by a State Preservation Grant awarded by the R.I. Historical Preservation and Heritage Commission.

Public Works continues to strive to promote maximum recycling and reduce the amount of solid waste generated in North Kingstown. To that end, the Town of North Kingstown continues to shine with its Maximum Recycling Program, as it was again named as having the highest diversion rate (32%) of recyclables to solid waste in the state.

The improvement project for Main Street is scheduled to begin in late 2007, which will include the replacement of the gas main by National Grid, replacement of the water main, and upgrading the drainage system along Main Street.

### **Leisure Activities Department**

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

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

The design of the Calf Pasture Point passive recreation complex continues with wetlands mitigation and Phase 2 trails being the top priorities.

The Arts Council continues to add more programs to their schedule including a fourth "Shakespeare at the Beach" Festival, the building of a model of the historic Wickford Light and Master Classes for artists and amateurs. They continue to explore ways to raise additional funds for Arts programming such as sponsorships.

### **Water Department**

Maintaining distribution system infrastructure is an important Department initiative. The Department will begin to evaluate the condition of existing water mains to plan for upgrade and replacement. In addition, we are looking at developing a more comprehensive leak detection program in an effort to reduce non-account water.

Over the next few years the water department plans to move forward with the installation of emergency generators at key water facilities to ensure that treated water can be provided during emergencies. In addition, the department is investigating system improvements that will facilitate moving water from the high pressure zone into the low pressure zone during high demand periods.

Maintenance of the Town's 10 municipal wells is also of vital importance. Wells are inspected and flow tested on a yearly basis. All 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. In addition we continue to work to protect and acquire properties that have been identified as potential future well sites.

### **Tax Assessor**

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

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

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

### **Code Enforcement**

The Code Enforcement Department will continue to provide the best service possible to the public. In order to make the process easier we are working toward providing Internet access to the permit application process. This would allow homeowners and contractors a quick way to get the application started. In addition we are working on providing an Internet link to this office for registering complaints regarding zoning issues, certain town ordinances, and all mandated codes.

### **Fire Department**

The department will be busy identifying and implementing the recommendations of the ISO report as well as the Matrix Consulting Group Comprehensive Fire Department Report including additional training, inspections and reduced response times. The department will be constructing an addition to the Public Safety Building including a new dispatch center. A new fire station for the Slocum area of town has been approved and construction will begin in early 2008. The department will be purchasing two new fire engines in 2007/2008

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 is working with its Computer Aided Dispatch Company to have the rescues equipped with the ability to electronically report State EMS reports directly to Hospitals for quicker patient information to increase the level of care to the patient.

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.

## **NORTH KINGSTOWN SCHOOL DEPARTMENT**

The North Kingstown School Department will continue with the development of the systems it has in place. Greater emphasis will be placed on the development of higher expectations and higher achievement for students with special needs. The implementation of a full day kindergarten program for all students will be investigated. A program of modernization and upgrading of all facilities will be developed and implemented.

### **ACCOMPLISHMENTS**

#### **Planning and Development**

The Planning Department prepared multiple successful grant applications over the past year. These grants included: the Yorktown Park project improvement grant in the amount of \$123,814, Recreation Land Acquisition grant in the amount of \$300,000, a Statewide Planning Challenge Grants in the amount of \$59,000 and \$15,000 for the updating of the zoning for the Post Road Corridor and the creation of a Transfer of Development Rights Ordinance, participating with the WCRPC on the regional corridor planning for Route 1 with a grant amount of \$113,650, and the Rhode Island Historical Preservation grant for \$36,000 to assist with improvements to the Town Hall. The Planning Department, working with 7 other local municipalities, was the lead applicant on the successful award of \$158,909 to rewrite and develop new zoning ordinance language to implement the local Affordable housing plans. The previous year, the Planning Department had 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. 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 storm water pollution flowing to Wickford Harbor. That grant award is assisting in the reconstruction of Main Street in Wickford. A past grant from the 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 to the State Department of Environmental Management for funds for phase two improvements for Yorktown Park facility and for the development of trails and amenities at Calf Pasture Point. 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 contracts 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 has now completed development of a second five year update. The Plan was adopted by The Planning Commission and Town Council and forwarded to the State Department of Administration for review and approval.

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

### **Information Services**

The Town of North Kingstown's Department of Information Services continued its mission to provide innovative technological opportunities during fiscal year 2007.

During fiscal year 2007 the IS Department acquired all the technological responsibility of the IT infrastructure at the Police Department, including servers, networking equipment, fuel management systems, workstations and peripherals.

Six new servers were added to the IS infrastructure during fiscal year 2007. A new IBM p630 Server was added to our infrastructure, to replace an antiquated and failing RS6000 that houses the town's MUNIS enterprise resource and financial software package. A new web server was brought online to house our website and aid in performance for our town's growing web presence. A migration to a new domain controller server and updated software replaced the existing "end of life" hardware and applications. The Fire Departments Computer Aided Dispatch FD Manager application was also migrated to a new platform this fiscal year. The fuel management system previously housed at the Police Department was transferred to a new server and moved to the Data Center. A new disaster recovery server was introduced to our environment in the Data center to provide high rate enterprise level backups in one centralized location, vs. the decentralized back/recovery methods of the past.

The land use application GeoTMS, was expanded to provide Engineering and Assessors with access to the system.

A secure, centralized, and shared Senior Center application called MySeniorCenter was introduced to fully automate the processes of this department. The application includes, but is not limited to case management, events and trip scheduling, staff and volunteer management, payments, transportation, meals, state reporting and statistics.

North Kingstown's GIS continued it's in collaboration with Planning, Tax Assessor, Public Works, Engineering, Public Safety, Code Enforcement and Water to create new layers such as Edge of Pavement, Voting Districts, RIPTA stops and routes, Water Service Area, Park and Rides, and USDA color aerial photography, for the system. Phase II of the Internet Mapping server was also completed by adding a new interface, interactive mapping tab, intersection searches, and measuring tools.

Phase II (upgrade) of the 384K Virtual Area Network was completed, providing high speed services to North Kingstown Municipal Golf Course, two (2) remote Fire stations, Fire Department of Training, Wilson Park Facility, Water Pump Station and North Kingstown Transfer Station.

A 30 workstation rollout was completed in fiscal year 2007 to replace the older workstations in the town. Code Enforcement, Fire, Finance, Planning, Water, Town Clerks, Senior Center, and Public Works Departments all benefited from this rollout.

### **Library**

There were many accomplishments of note in the fiscal year just ended. We were voted the best library in South County by the readers of the SRI Newspapers! The successful budget process for the upcoming fiscal year allowed us to implement the next phase of our long-term staffing goals and to retain three-months of Sunday service within a responsible budget request. The elevator safety project was finished and the project to replace the boiler was begun. The NKFL continued its practice

of communication with the town's two private neighborhood libraries—the Davisville Free Library and the Willett Free Library—by scheduling regular directors' meetings and we hope to build on this to create a stronger bond in the years ahead. We continued our commitment to the development of librarianship in the state through the participation of our librarians on the following statewide committees: R.I. Council for the Humanities; Ocean State Libraries Steering Committee; Ocean State Libraries Technology Committee; Ocean State Libraries Database Management Committee; Ocean State Libraries Circulation Committee; Ocean State Libraries Reference and Children's Issues Committee; State Publications Clearinghouse Advisory Committee; Young Adult Roundtable; and the State Children's Services Advisory Council. We are working closely with the town's MIS Director on a number of technology initiatives and are pleased that he will be assisting us on a regular basis with technology questions, problems, and planning, so that we can fulfill this important function in-house rather than paying outside contractors. We continue to see unprecedented levels of use of our facility and services by the townspeople of North Kingstown.

### **Police Department**

A long standing objective of the North Kingstown Police Department is not just to maintain a good relationship within the community – but also to find ways to improve that relationship. In an effort to meet this objective there has been the development of various programs and services, such as the Commercial Enforcement Unit, Neighborhood Watch Groups, T.E.A.R. – Traffic Education and Accident Reduction, Traffic Calming, Youth Services Bureau – Juvenile Hearing Board. The Police Department continues to promote and maintain our relationship with young adults via use of three School Resource Officers, one in each of the Town's middle schools and one in the high school. The DARE program continues as a part of the elementary school program for all 5<sup>th</sup> graders. Its' continued existence can be attributed to a community effort from the North Kingstown Rotary Club, the North Kingstown School Department and North Kingstown Police Department.

On June 7, 2006 The North Kingstown Police Department received several awards from the Rhode Island Department of Transportation, Office on Highway Safety. The awards acknowledged the participation and contributions of the women and men of the North Kingstown Police Department in the area of traffic enforcement. The programs included:

- Operation Blue RIPTIDE – The high visibility Driving While Intoxicated (DWI) campaign
- Click it or Ticket – Seatbelt Safety program – enforcement
- Local Speed Enforcement Program (T.E.A.R.)

In addition, AAA Southern New England presented North Kingstown with its 2005 *Silver Award*. The award is presented to the top three communities within Rhode Island for their work in the area of traffic enforcement. North Kingstown ranked second and received the *Silver Award* in recognition for the outstanding achievement in traffic safety and continued efforts to educate and protect the citizens of the community.

In 2007 the North Kingstown Police Department continued to employ new technology to accomplish our mission. With the assistance of a grant program and under the direction of Deputy Chief Paul Valente, Portsmouth Police our patrol fleet participated in an electronic ticketing (*e-ticket*) program with the Rhode Island Traffic Tribunal. Each patrol vehicle was equipped with a printer that was coupled to the mobile data terminal. This program is similar to the electronic interface of the Rhode Island Court Interface with local police agencies, allowing for a timely exchange of information and documents needed for processing traffic summonses.

The Harbor Division, through the efforts of the Harbor Staff had another successful year. Accomplishments include –

- The Harbor Management Plan is in final stages. It will be presented to the Town Council by the end of 2007 and then to the Coastal Resources Management Council (CRMC) for another review and revisions.
- The harbor patrol obtained a new engine for the Patrol Boat. The previous engine was used for 3020 hours – many times the normal length of service.
- The Harbormaster took over responsibilities of customer placement and collections for Allen Harbor Marina. Problems with high turnover (60 empty spots) were minimized by early and consistent efforts to fill spaces and collect monies due.
- Allen Harbor Marina became the first marina in Rhode Island to earn the “Clean Marina” designation, awarded by Coastal Resources Management Council and state and federal regulatory agencies. This was possible through the efforts of the Harbor Division and Allen Harbor Marina Staff.
- Increased the number of visitor moorings by two (2). These moorings have been hugely successful in bringing loyal visiting boaters to North Kingstown.
- Harbor Division received numerous letters of appreciation from boaters who were assisted in the course of our duties.
- The second season concluded without a single complaint related to speeding vessels and wakes in the vicinity of Wickford Shipyard, (previously our biggest problem).
- Worked with Town Manager’s Office to address serious shoaling in Allen Harbor entrance channel. Efforts to get the channel dredged are ongoing.

Our website ([www.nkpolice.org](http://www.nkpolice.org)) was recently updated to provide a more uniform look with other Rhode Island police agencies. It continues to be a source of public information, maintained by Mark Knapp, North Kingstown Harbormaster. The information includes a listing of local, state, and federal Level III sex offenders; daily police logs and press releases. It provides for the down load of forms such as state accident reports, civilian complaints, and residential and business alarm contact information. Also Links for further assistance from the American Red Cross and Code RED®, an extremely high-speed telephone communication service available for local emergency notifications. The link allows for residents and businesses to add their information for inclusion of any emergency notification.

### **Public Works**

Public Works remains successful in its oversight and inspection of numerous subdivisions under construction and of related public improvements required by the Town’s growth. The Facilities division continues to manage and maintain the numerous parks and playground facilities in Town, as well as all Town-owned buildings, with only 5 full-time staff.

The department continues to work diligently to promote maximum recycling, reducing the amount of solid waste generated in North Kingstown. Currently, 36% of all waste generated in North Kingstown is being diverted from the landfill, ranking North Kingstown 5<sup>th</sup> among the 39 cities/towns in the State. The Town of North Kingstown continues to participate in Rhode Island Resource Recovery’s Maximum Recycling Program and once again had the highest recycling rate of participating cities and towns in the State at 32%.

### **Leisure Activities Department**

The North Kingstown Municipal Golf Course, completed another successful season generating revenues in excess of \$1.34 million with over 42,000 rounds of golf played there this year.

One third of the moorings have been pulled on schedule, inspected and repaired as necessary.

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 Harley Concert were back by popular demand. The Council also provided support to Smith's Castle's Strawberry Festival celebration and entertainment for the Senior Center. The Arts Council is grateful for the support from the RI State Council on the Arts for the award of two grants totaling \$5,500.00.

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

The primary focus for this year is the planning and construction of the new senior center at the town beach, stabilization of Beechwood House, moving and building a new band shell and other projects identified in the bond referendum. On October 15, 2007 the North Kingstown Senior Association (NKSA) launched a one million dollar Capital Campaign to supplement the four million dollar municipal bond for the new senior center project. It is anticipated that construction will begin on the new senior center in the summer or fall of 2008. In the meantime we will continue to implement as many of the program choices listed in our 2003 Interest Survey as possible.

NKSA continues to subsidize the majority of our ongoing programs as well as providing support for the planned new facility. Continued funding from the Department of Elderly Affairs and Working Together for Wellness makes it possible to reach out to isolated elders, provide them transportation and engage them in evening and other programs.

### **Water Department**

The water department has stepped up our efforts to replace older water meters with new radio read technology. This will provide better data regarding water usage and allow for more efficient meter reading. The completion of the construction of new Well #11 will help to ensure the dependability of the water supply. The disinfection of the low service area has helped the department of water supply control seasonal bacterial regrowth in the distribution system and maintain compliance with the Total Coliform Rule.

North Kingstown Water continues our effort to provide information to customers on maintaining landscapes for clean water and encouraging water conservation practices. The Department prepares a quarterly newsletter called *The Puddle* to keep customers informed about water issues and provides water quality data to customer through voluntary quarterly monitoring of wells and storage tanks and through the distribution and posting of the Department's Annual Drinking Water Quality Report.

### **Code Enforcement**

The Department has made improvements in its ability to track and respond to our customers (homeowners and contractors). We have implemented new software, designed standardized forms, adjusted inter-office policies, and become more efficient in our overall operation. These changes have helped to increase productivity and accountability, while at the same time increasing employee moral.

## **Fire Department**

The Fire Department is making progress in the elimination of the town wide (including QPD) overhead fire alarm system, and implementing a system of Radio Fire Alarm Boxes. The Department continues delivery of its Fire Prevention Education program in the school system, the Juvenile Firesetter Program, and the inspections of high hazard occupancies. The Fire Marshal's office has been busy implementing the new State Fire Codes and Regulations including inspections of all businesses, schools and town buildings.

The Fire Department has refurbished two Rescue/Ambulances as well as having received several homeland security grants which has provided the department with a Decontamination Trailer with associated equipment (250,000), a Special Hazards/Heavy Rescue with associated equipment (495,000), an air compressor to fill the departments self contained breathing apparatus (50,000), Vehicle exhaust removal system (112,000) and many other smaller grants to provide much needed equipment. Finally the department responded to 5133 requests for service including 2499 requests for emergency medical services.

## **NORTH KINGSTOWN SCHOOL DEPARTMENT**

North Kingstown teachers and administrators have been selected for recognition at the state and national levels for their contributions to students and their profession. Davisville Middle School was named one of the top middle schools in the state in terms of student achievement. The New England Middle Level Education association selected Davisville as an exemplar for middle level education. Jane Kondon was selected as Rhode Island Middle School Principal of the Year. Gerry Foley was selected as Rhode Island High School Principal of the Year. North Kingstown High School is one of the top schools in the state for the number of students receiving college credit for advanced placement courses. The high school was selected by the College Board for recognition as the top school in New England for the improvement of achievement in advanced placement test results in Math and Science. SAT scores are among the highest in the state. The high school followed up its successful implementation of the advisory program with the start of block scheduling last year in order to provide longer time periods to deliver instruction. All of our students achieve at high levels on state assessments. No school was found to be low achieving and all of our schools have met the No Child Left Behind standard for student achievement for 2011. A higher percentage of at risk students at the high school showed proficiency in the state assessments than students in the general population.

## **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**

The Town joined the Rhode Island Interlocal Risk Management Trust (The Trust) in September 2001. Liability as well as collision coverage for all Town vehicles is insured through the Trust as well as coverage for general liability, public officials, law enforcement, employees' liability, flood and boiler. Coverage for worker's compensation is purchased from a separate carrier. The Trust and the Worker's Compensation carrier provide loss control services on a regular basis. The Town has a pro-active Employee Safety Program with an Employee/Employer Joint Safety Committee, which meets monthly, to monitor work related injury claims. The Town requires all vendors providing services to the Town to carry \$1,000,000 general liability insurance, workers' 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 vendor policies and require a waiver of subrogation in favor of the Town for vendor's workers' compensation coverage.

## **OTHER POSTEMPLOYMENT BENEFITS**

The Town of North Kingstown provides other post-employment benefits (OPEB), i.e., health care benefits for retirees and their dependents. As of the end of the last fiscal year, there were 98 retired employees receiving these benefits, which are financed on a pay-as-you-go basis. Currently GAAP does not require governments to report a liability in the financial statements in connection with an employer's obligation to provide these benefits. However, that is about to change as the Governmental Accounting Standards Board (GASB) has issued Statement #45 that requires financial accounting of retiree post employment benefits. The standard will require that governments account for and report the annual cost of OPEB and the outstanding obligations and commitments related to OPEB in the same manner as they currently do for pensions. The Statement requires an implementation date of FY 2009 and allows for the amortization of the unfunded liability over a 30-year period.

Additional information on the Town of North Kingstown's pension arrangements and other post employment benefits can be found in Notes 11 and 12 to the Financial Statements.

## **AWARDS AND ACKNOWLEDGEMENTS**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of North Kingstown for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2006. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

The Certificate of Achievement is valid for a period of one year only and is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment for a government unit and its management. The Town of North Kingstown has received a Certificate of Achievement for the last seven consecutive years (FYE 2000 through FYE 2006). We believe that this report continues to conform to the Certificate of Achievement program requirement and we are submitting it to GFOA to determine its eligibility for another certification.

Also, for the tenth time, the GFOA presented an Award for Distinguished Budget Presentation to the Town of North Kingstown for its annual budget, the FYE 2008 Adopted Budget. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device. The Award is the highest form of recognition in governmental budgeting.

A special thanks to the Town Manager, Department Directors and Division Supervisors for their assistance and contributions to this report. I especially commend the members of the Finance Department in the Division of Accounting, Treasury and Tax Collection, Information Services, Contract and Purchase for their responsible competence and diligence in the continuation of the progressive financial activities of the Town. The preparation of this report on a timely basis was made possible by the efficient and dedicated service of Barbara Strate, Controller.

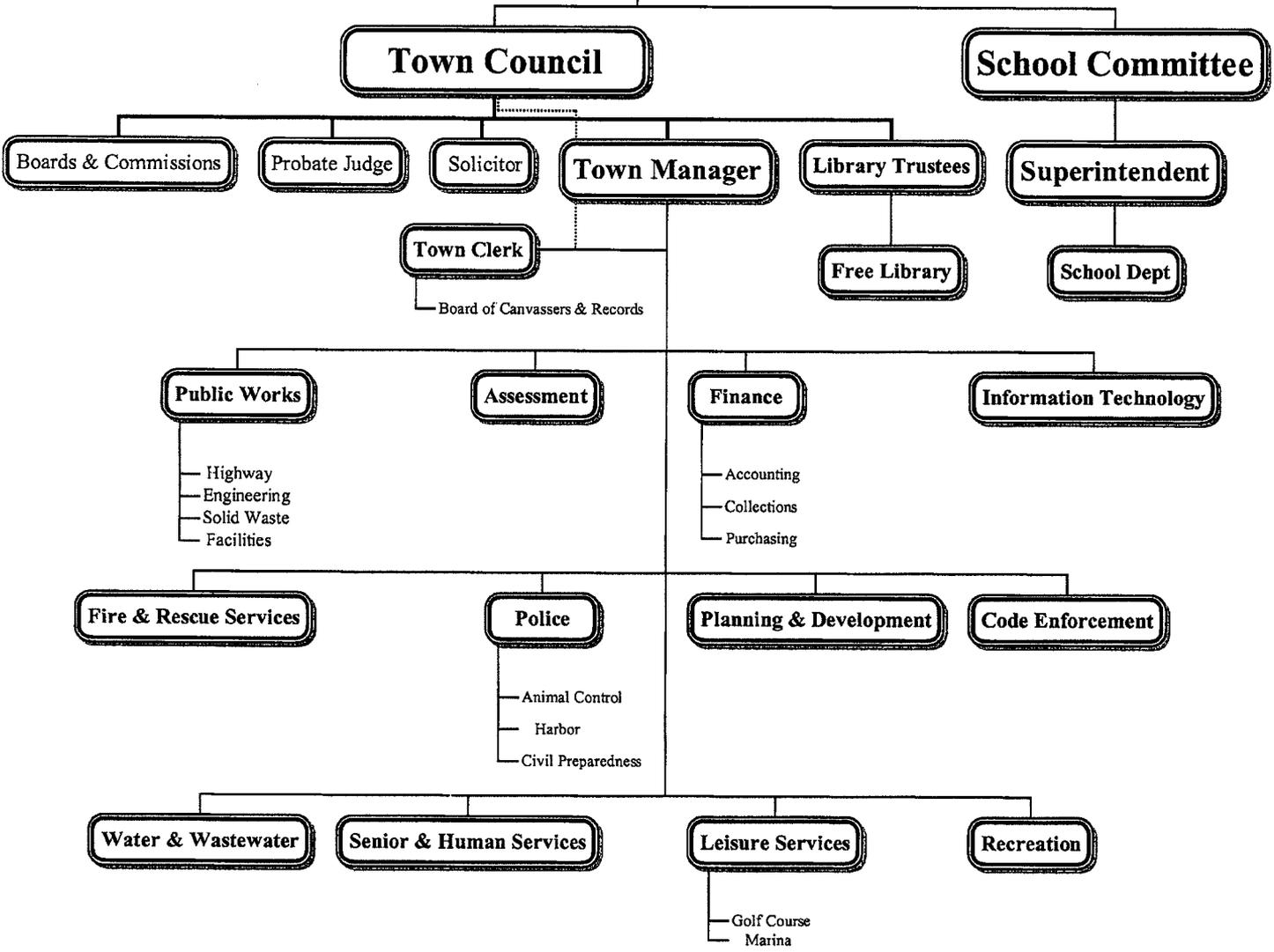
Sincerely,

A handwritten signature in black ink, reading "Patricia A. Sunderland". The signature is written in a cursive, flowing style with a large initial "P".

Patricia A. Sunderland  
Finance Director

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# The People of the Town of North Kingstown



**TOWN OF NORTH KINGSTOWN**

TOWN COUNCIL

EDWARD J. COONEY – PRESIDENT  
STEVEN CAMPO  
ANTHONY F. MICCOLIS, JR.  
JOHN A. PATTERSON  
EDWARD J. WHITAKER

SCHOOL COMMITTEE

DOUGLAS S. ROTH – CHAIRPERSON  
MELVOID. J. BENSON  
FAITH RENEE COCKERILL  
JANICE E. DEFRANCES  
APRIL BRUNELLE  
LARRY D.CERESI  
KIMBERLY ANN PAGE

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

MICHAEL E. EMBURY  
JAMES H. REILLY  
JAMES D. MARQUES  
JEANNETTE HOLLOWAY  
LINDA CWIEK  
PATRICIA A. SUNDERLAND  
BARBARA L. STRATE  
PHILIPPE BERGERON  
DENNIS BROWCHUK  
ALLEN SOUTHWICK  
JONATHAN J. REINER  
EDWARD A. CHARBONEAU  
DAVID MURRAY  
GARY TEDESCHI  
SUSAN LICARDI  
FORREST SPEARS  
KATHLEEN M. CARLAND  
MARY E. MACLAUGHLIN  
MARK KNAPP  
BRUCE RENNER  
SUSAN AYLWARD  
JASON ALBUQUERQUE  
PRISCILLA FEIR

# 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, 2006

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.



President

Executive Director

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THE TOWN OF  
NORTH KINGSTOWN, RHODE ISLAND

FINANCIAL SECTION

## **INDEPENDENT AUDITORS' REPORT**

To the Honorable Town Council  
North Kingstown, Rhode Island

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of North Kingstown, Rhode Island, as of and for the year ended June 30, 2007, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of North Kingstown, Rhode Island's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of North Kingstown, Rhode Island, as of June 30, 2007, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 28, 2007 on our consideration of the Town of North Kingstown, Rhode Island's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis, historical pension information, and budgetary comparison information on Pages 3 through 11 and 58 through 63 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

*Braver, PC*

Braver, PC  
Providence, Rhode Island  
November 28, 2007

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

**Introduction:**

Management's Discussion and Analysis provides a narrative discussion of the Town's financial activities as a whole for the year ended June 30, 2007 with comparison to the prior year, where appropriate. The information complements the data presented in the basic financial statements. Its purpose, along with the material in the Letter of Transmittal, is to enhance the reader's understanding of the Town's financial performance.

**Financial Highlights:**

- The assets of the Town of North Kingstown exceeded its liabilities at the close of the most recent fiscal year by \$67.3 million (net assets). Of this amount, \$21.5 million (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- This year's change in net assets results for all Governmental Activities exceeded spending by approximately \$2.8 million a decrease of \$506,336 from the prior year's net asset change.
- Revenues for Business type activities exceeded spending by approximately \$2.1 million for fiscal year 2007 and spending decreased by approximately \$257,000 over fiscal year 2006.
- The government's total net assets increased by \$4,815,203. This increase is mainly attributable to an increase in revenues over expenses.
- As of the close of the current fiscal year, the Town of North Kingstown's governmental funds reported combined ending fund balances of \$17.8 million. Approximately 82% of this total, \$14.6 million, is available for spending at the government's discretion (unreserved fund balance). The Town Council has an adopted policy for the maintenance of a minimum undesignated fund balance equal to 10% of the total operating budget prior to the end of the 2007 fiscal year. Through the FYE 2008 budgetary process, the Town Council authorized the use of \$671,000 of fund balance to balance the general fund budget.
- At the end of the current fiscal year, the unreserved, undesignated fund balance for the general fund was \$8.9 million, or 39.8% of total general fund expenditures on a budgetary basis.

**Overview of the Financial Statements:**

This discussion and analysis are intended to serve as an introduction to the Town of North Kingstown's basic financial statements. The Town's basic financial statements comprise of three components:

- 1) Government-wide Financial Statements,
- 2) Fund Financial Statements and
- 3) Notes to the Financial Statements.

This report also contains other supplementary information and a statistical section. The statistical section provides comparisons of selected information beginning with FYE 1998 and running through the current fiscal year.

**Government-Wide Financial Statements** – The government-wide financial statements are designed to provide readers with a broad overview of the Town of North Kingstown’s finances, in a manner similar to a private-sector business. All of the resources the Town has at its disposal are shown, including major assets such as buildings and infrastructure. A thorough accounting of the cost of government is rendered because the statements present all costs, not just how much was collected and disbursed. They provide both long-term and short-term information about the Town’s overall financial status.

The Statement of Net Assets presents information on all of the Towns assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Town of North Kingstown is improving or deteriorating. Other non-financial factors need to be considered as well such as changes in the Town’s property tax base and the condition of the Town’s infrastructure to assess the overall financial health of the Town.

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

These government-wide financial statements outline both the functions of the Town that are principally supported by property taxes and intergovernmental revenues (Government Activities) and the business-type activities that are supported by fees to customers. The Government Activities of the Town include Police, Fire and Rescue, Public Works, Education, Recreation, Library, Senior Services, Welfare and General Administration and the Business-type Activities of the Town include the operations of the Department of Water Supply, the Quonset/Davisville Recreation Fund, and the School Cafeteria Fund. The Quonset/Davisville Recreation Fund is comprised of the North Kingstown Municipal Golf Course and the Allen Harbor Marina Facility.

The financial statements include two main basic financial statements in accordance with Statement No. 34 of the Governmental Accounting Standards Board (GASB), the Statement of Net Assets (Statement A-1, Page 12) and the Statement of Activities (Statement A-2, Page 13). These two statements consolidate much of the information contained in the fund based financial statements (Statements B-1, B-2, C-1 and C-2 found on Pages 14 through 21) into statements which facilitate in answering the question is the Town of North Kingstown better or worse off financially than it was in the previous year.

**Fund Financial Statements** – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The town of North Kingstown, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories: governmental funds and proprietary funds.

**Governmental Funds:** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on

balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

It is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements so that the readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town of North Kingstown maintains over 100 individual nonmajor governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, School Unrestricted Fund, Debt Service Fund, Capital Reserve, and \$9M School Renovations Bond, which are considered to be major funds. Forty-four special revenue funds, School Department funds, a Debt Service Fund, a Capital Projects Fund, and sever Permanent Funds are combined into aggregate funds in this presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

**Proprietary Funds:** The Town of North Kingstown maintains two proprietary funds. These funds report the same function presented as business-type activities in the Government-wide Financial Statements, only in more detail. The Proprietary Fund Financial Statements provide separate information for the Department of Water supply and the Quonset/Davisville Recreation Fund including the North Kingstown Municipal Golf Course and the Allen Harbor Marina Facility, both of which are considered to be major funds of the Town of North Kingstown. Enterprise Fund Financial Statements are designed to provid readers with a broad overview of both the Water Fund and the Quonset/Davisville Fund's finances, in a manner similar to a private-section business.

The basic proprietary fund financial statements can be found on pages 19–23 of this report.

**Private Purpose Trust Funds:** Private Purpose Trust Funds are arrangements under which principal and income benefit parties outside the government. Private Purpose Trust Funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support services to the Town's constituency. The Town maintains two funds: Burial Funds and Probate Funds of which the Town hold 16 separate accounts. The basic private purpose fund financial statements can be found on pages 24-25 of this report.

**Notes to the Financial Statements:** The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the Government-wide and Fund Financial Statements. The Notes to the Financial Statements can be found on Pages 26 to 56 of this report.

**Other Information:** The Combining Statements referred to earlier in connection with non-major Governmental Funds are presented immediately following the Notes to the Financial Statements. Combining and Individual Fund Statements can be found starting on pages 64 to 97 of this report.

**Government-Wide Financial Analysis:**

As previously noted, net assets may serve over time as a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future. The Town of North Kingstown's governmental activity assets exceeded liabilities by \$67.3 on June 30, 2007. This is an increase of 75% over FYE 2006 of \$38.4. (See Table below).

Table 1 – Net Assets

	Governmental Activities		Business-Type Activities		Total		Total Percent Change 2007-2006
	2007	2006	2007	2006	2007	2006	
Current Assets	\$ 27,941,896	\$ 29,602,185	\$ 8,555,091	\$ 6,482,959	\$ 36,496,987	\$ 36,085,144	
Non-current Assets	89,601,383	60,022,585	5,422,835	5,348,932	95,024,218	65,371,517	
Total Assets	<u>117,543,279</u>	<u>89,624,770</u>	<u>13,977,926</u>	<u>11,831,891</u>	<u>131,521,205</u>	<u>101,456,661</u>	29%
Current Liabilities (payable from current assets)	9,042,447	7,211,601	971,234	859,653	10,013,711	8,065,119	
Non-current Liabilities	41,247,865	44,042,164	444,591	473,323	41,692,456	44,521,622	
Total Liabilities	<u>50,290,342</u>	<u>51,253,765</u>	<u>1,415,825</u>	<u>1,332,976</u>	<u>51,706,167</u>	<u>52,586,741</u>	-2%
Net Assets invested in capital assets, net of related debt	45,665,960	12,563,318	5,054,302	4,835,395	50,720,262	17,398,713	
Net Assets - restricted	94,451	88,580	-	-	94,451	88,580	
Net Assets - unrestricted	21,492,526	25,719,107	7,507,799	5,663,520	29,000,325	31,382,627	
Total Net Assets	<u>\$ 67,252,937</u>	<u>\$ 38,371,005</u>	<u>\$ 12,562,101</u>	<u>\$ 10,498,915</u>	<u>\$ 79,815,038</u>	<u>\$ 48,869,920</u>	63%

The largest portion of the Town of North Kingstown's net assets (71%) reflects its investment in capital assets (e.g. land, building, machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Since the capital assets themselves cannot be used to liquidate these liabilities, the resources needed to repay this debt must be provided from other sources and, therefore, the Town of North Kingstown's investment in its capital assets is reported net of related debt.

Under GASB No. 34, the requirement to report the Town's infrastructure was mandatory for North Kingstown for fiscal year 2007, thus the significant increase in the Net Assets invested in capital assets, net of related debt. The capitalization of development rights for land acquisitions, additional bookings of capital assets and the paying down of debt during fiscal year 2006 also attributed to the significant increase in investments in capital assets

The unrestricted net assets (\$21.5) may be used to meet the government's ongoing obligations to citizens and creditors.

The total net assets of the Town's business type activities increased by approximately \$2,063,000 with much of the increase being attributable to a significant increase in total assets. The Water System's usage rates generated operating revenues in excess of \$838,000 which exceed expenses, the financial condition of the business type activities is sound. The Town continued to invest in our Water system with the encumbrance of approximately \$1,100,000 for storage tank design and standpipe improvements, lead abatement program, upgrades for highway/bridge and new well #11. The Town's Municipal Golf Course and Marina operations unrestricted net assets increased by approximately \$85,000 due to operational expenses and transfers to the General Fund, Recreation program that exceeded revenues.

As shown on Table 2, below, the total revenues for 2007 increased by \$3.7 million over 2006 for governmental activities. A \$900,000 decrease in Program Revenues was attribute by the decrease in departmental revenue such as building permits, Town Clerk land evidence activity which has seen a significant decline since 2006 where refinancing has stabilized. This departmental revenue loss accounts for approximately \$600,000 of the \$900,000 loss in revenue as well as a \$300,000 decrease in program revenues from the school department. The Town is realizing a \$300,000 decrease in Operating grants and contributions as well. The increase in General Revenues is reflective of an increase in investment earnings due to higher rates of return paid for investments in 2007 and for increases in tax revenue that were raised for increased spending for Town and School employee pay and benefits in the School and General Fund. Additionally, the Town is realizing an increase in intergovernmental state aid and grant funded activities of \$1.2 over prior year.

Approximately 65% of the revenues were derived from property taxes, followed by 21% from grants and contributions, then 6% from intergovernmental revenue, 6% from program revenues and, finally approximately 2% from investment earnings.

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

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change 2007-2006
	2007	2006	2007	2006	2007	2006	
<b>Program Revenues</b>							
Charges for Services	\$ 5.1	\$ 6.0	\$ 5.9	\$ 5.6	\$ 11.0	\$ 11.6	-5%
Operating Grants & Contributions	19.0	19.3	0.3	0.3	19.3	19.6	-2%
<b>General Revenues:</b>							
Property Taxes	59.4	56.3			59.4	56.3	6%
Investment Earnings	1.6	1.3	0.2	0.2	1.8	1.5	27%
Intergovernmental Revenue	5.5	4.3			5.5	4.3	28%
Miscellaneous & Other	0.6	0.6			0.6	0.6	0%
<b>Total Program/General Revenues</b>	<b>91.2</b>	<b>87.8</b>	<b>6.4</b>	<b>6.1</b>	<b>97.6</b>	<b>93.9</b>	<b>54%</b>
<b>Expenses:</b>							
Governmental Activities	87.8	84.8			87.8	84.8	4%
Business-Type Activities:							
Water			2.1	2.6	2.1	2.6	-19%
Quonset/Davisville Recreation			1.3	1.3	1.3	1.3	0%
School Cafeteria Fund			1.6	1.4	1.6	1.4	14%
<b>Total Gov't/Business Expenses</b>	<b>87.8</b>	<b>84.8</b>	<b>5.0</b>	<b>5.3</b>	<b>92.8</b>	<b>90.1</b>	<b>2%</b>
Excess Before Transfers	3.40	3.00	1.4	0.80	4.8	3.8	26%
Transfers	(0.70)	0.20	0.7	(0.20)			
Increase (Decrease) in Net Assets	\$ 2.7	\$ 3.2	\$ 2.1	\$ 0.6	\$ 4.8	\$ 3.8	26%

**Governmental Activities**

The Statement of Activities in Chart 3, below, shows the total cost and the net cost of services. The Net Cost identifies the cost of these services supported by tax revenue and unrestricted state aid after deducting for departmental revenues. Spending for General Government decreased while spending for all other government activities increased. The net cost of services increased by \$4.2 million. Major expenditure factors included: Increases in employee wages resulting from negotiated step and general wage increases; Increases in health insurance costs and approximately \$2.4 over 2006 in Education service increases due to contractual obligations, and employee health insurance cost increases. Public Safety costs included increases for fire call back and overtime pay due to less than minimum manning of firefighters, fire equipment and increased contributions to reserve funds. A considerable increase in spending was attributed to the implementation of capital assets in the Other category.

**Table 3**

Cost of Governmental Activities (in millions of dollars)

	Total Cost of Services			Net Cost of Services		
	2007	2006	% Change	2007	2006	% Change
Education	58.4	55.6	5%	\$ 39.5	\$ 37.1	6%
General Government	6.7	6.6	2%	3.7	3.9	-5%
Public Works	3.4	4.1	-17%	2.3	2.3	0%
Public Safety	13.8	13.0	6%	12.8	12.1	6%
Public Libraries	1.4	1.1	27%	1.4	1.1	27%
Interest on long-term debt	1.8	1.8	0%	1.8	1.8	0%
Other	<u>2.2</u>	<u>2.6</u>	<u>-15%</u>	<u>2.1</u>	<u>1.1</u>	<u>91%</u>
Total Expenses	\$ 87.7	\$ 84.8	3%	\$ 63.6	\$ 59.4	7%

The presentation of the Town's major fund financial reports begin on Page 14. Fund Financial reports provide detailed information about the Town's major funds based on the restrictions on the use of monies. The Town has established many funds, which account for the multitude of services, facilities and infrastructure provided to our residents. However, these fund financial statements focus on the Town's most significant funds. In the case of the Town the major funds are the General Fund and the School Unrestricted Fund. Shown below is the change in the total fund balance for those two funds. Portions of the fund balance of the General Fund and the School Unrestricted Fund are reserved for encumbrances and designated for fiscal year 2008 leaving an unreserved fund balance of \$8,851,710 in the General Fund and \$445,235 in the School Unrestricted Fund. The General Fund increased slightly by 4%. The major change in the School Unrestricted Fund is that 2007 ended with reservations for encumbrances of \$559,541 compared to \$1,142,192 being reserved for encumbrances on June 30, 2006. The fund balance of the non-major governmental funds, declined mainly due to additional contributions the Health Insurance Reserve fund and the building up of Capital Reserve funds in reserve for future spending for capital "pay-as-we-go" projects.

Major Governmental Funds	Beg Fund Balance 2007	Ending Fund Balance 2007	Change \$	Change %
General Fund	\$ 10,083,336	\$10,432,990	\$349,654	4%
School Unrestricted Fund	<u>2,097,663</u>	<u>1,366,722</u>	<u>(730,941)</u>	<u>(35%)</u>
	\$12,180,999	\$ 11,806,712	\$(374,287)	(31%)

Major Governmental Funds	Beg Fund Balance 2007	Ending Fund Balance 2007	Change \$	Change %
Other Governmental Funds	\$ 6,257,244	\$ 4,883,007	\$ (1,374,237)	(22%)

Shown below is the change in the total fund balance for the two Proprietary Funds. The Department of Water Supply and the Quonset/Davisville Recreation Fund are also considered to be major funds of the Town of North Kingstown. The non-major proprietary funds are reflective of a significant increase due to

Proprietary	Beg Net Assets 2007	Ending Net Assets 2007	Change \$	Change %
Water Fund	\$8,841,932	\$8,841,541	(391)	0%
Q/D Recreation Fund	1,693,508	1,734,028	40,520	2%
Total Major Funds Proprietary	\$10,535,440	\$ 10,575,569	\$ 40,129	2%
Non-Major Funds Proprietary	\$ (36,525)	\$ 1,986,532	\$2,023,057	n/a

Below is an analysis showing variations for expenditures between original and final budget amounts and between final budget amounts and actual budget results for the Town's General Fund.

General Fund Expenditures and Transfers Out	Originally Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
General Government	\$ 4,535,811	\$ 4,632,242	\$ 4,590,601	\$ 41,641
Public Safety	13,570,906	13,506,906	13,219,775	287,131
Public Works	4,502,776	4,235,257	4,143,248	92,009
Recreation	263,722	273,722	286,012	(12,290)
Senior Citizens	304,534	305,800	305,797	3
Other	86,440	85,174	83,767	1,407
Total Expenditures	23,264,189	23,039,101	22,629,200	409,901
Transfers Out	44,430,308	44,697,827	45,379,827	(682,000)
Grand Total	\$ 67,694,497	\$ 67,736,928	\$ 68,009,027	\$ (272,099)

The following is an analysis showing variations for revenues between final budget amounts and actual budget results for the General Fund. In total the revenues exceeded estimates by \$1,105,021. Tax collections were under estimated by \$377,000 due to a better than anticipated collection percentage for all current year taxes and prior year taxes of real estate and motor vehicle receivables. A large increase of \$566,000 was attributable to maintain a healthy fund balance for investment earning whiling benefiting from a stabilized interest rate on returns.

General Fund Revenues and Transfers In	Originally Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Difference
Property Tax	\$ 58,516,109	\$ 58,516,109	\$ 58,892,935	\$ 376,826
Intergovernmental	4,354,028	4,354,028	4,381,938	27,910
Licenses & Permits	546,545	546,545	581,969	35,424
Investment Income	650,000	650,000	1,215,825	565,825
Departmental	2,487,815	1,847,988	1,923,295	75,307
Other	20,000	20,000	43,729	23,729

Total Revenues	66,574,497	65,934,670	67,039,691	1,105,021
Transfers from fund balance	870,000	870,000	870,000	-
Transfers in	250,000	932,258	932,258	-
Total General Fund	\$ 67,694,497	\$ 67,736,928	\$ 68,841,949	\$ 1,105,021

Town uses a conservative approach when estimating tax dollar revenue to be generated. The collection rate was estimated at 97.4% while the actual collections achieved were 97.84% of the total levy. This surplus was offset by the estimate of \$155,000 for abatement based upon the prior year's experience and what was known to be potential abatements at the time. The actual abatement of taxes was approximately \$100,000. The Town collects supplemental taxes during the course of the year for real estate construction that receives a certificate of occupancy after the assessment date. The amount generated from this is recorded as tax revenue but has not historically been used in the calculation of the tax rate because it is uncertain as to what may occur. Supplemental taxes received for the Fiscal Year were \$38,243 a decrease of approximately \$43,857 from the previous year.

The balance of the tax revenue generated that exceeded budget was due to the higher than anticipated tax collection rate as explained above. In general over the past few years, taxpayers have been keeping more current with taxes. It is believed that this is due to the Town's interest rate for delinquent taxes being 12% per annum, which is higher than may be available from banks and some credit cards. Basically, what we are seeing here with the other revenue sources is business is stabilizing, the market remains flat thus mortgage refinancing has remained constant, and spending has flattened. However, our investments remain the same; the undesignated fund balance is seeing a slight increase and the rate of return on our investments have remained flat. Investment income was budgeted conservatively due to the questionable state and local revenues anticipated thus the Town has benefited from the undesignated fund balance investments.

The State Aid for Meal and Beverage Tax exceeded budget by \$76,000. This amount was in excess of State provided projections received during the budget process and is a result of final increased amounts being provided in the State budget. However, offsetting this increase is the revenue received for the telephone tax monies generated by the State had decreased by \$47,000. Public Safety is realizing a decrease in state fines of approximately \$32,000 from 2006 as well as Fire Department revenues of \$34,000. Rental revenue exceeded budget by \$21,000 for communication tower rental fees. Departmental revenues for the Public Works department is realizing a \$28,000 decrease from 2006 mainly due to a decrease in Subdivision Inspections of \$44,000, however, the Transfer Station fees exceeded estimates by \$23,000 for the current fiscal year. Code Enforcement permits exceeded estimates by \$37,000.

**Outstanding Debt** - The Town of North Kingstown had \$41,996,465 in bonds outstanding at fiscal year-end, compared to \$45,400,659 last year, a decrease of \$3,404,194. No new debt was issued during the fiscal year ended June 30, 2007. General Obligation Refunding Bonds were issued in April 2005 in the amount of \$30.36 million with savings of approximately \$1.5 million dollars through 2026. Please refer to Pages 40 to 43 in the Notes for further information regarding outstanding debt. The Town of North Kingstown continued to carry a Moody's rating of "Aa3" and a Standard & Poor's rating of "AA-." As of June 30, 2007, the Town has \$25,140,000 in unused bonding authority. Under state law, the Town may not, without special statutory authorization, incur any debt that would increase its aggregate indebtedness to an amount greater than 3% of the taxable property of the Town. The Town's debt limit calculation is shown on Page 37 in the Notes and Page 124 of this report.

**Capital Assets** - During fiscal year ended June 30, 2007, the Town began implementation of the infrastructure requirement of GASB Statement 34. The Town has implemented the retroactive reporting requirement of GASB #34 for infrastructure. Net assets are restated to include the addition of infrastructure (roads, sidewalks, drainage and capital improvements other than buildings) on the Government-Wide Statement of Activities, therefore increasing total net assets. The amount included of \$62,407,312 has been added as a restatement of net assets. Infrastructure represents a significant portion of the Town's assets. Similarly, the outflow of resources expended by the Town to maintain infrastructure also represents a sizable portion of its operations. GASB 34 requires that the infrastructure assets be valued and reported within the Governmental column of the Government-wide statements.

The fiscal year 2007 Budget was adopted to include a tax rate increase of .70 cents per thousand of assessed valuation. The Levy increased by approximately \$2,976,000 or a 5.5% percent increase. This increase was required to cover projected increases in spending for personnel related expenses including salaries and significant increases in the cost of health insurance and retirement contributions for personnel.

For fiscal year 2008, the budget was adopted to include a tax rate decrease from \$15.55 per thousand of assessed value to \$13.30 per thousand. The levy increased by approximately \$2.6 million or 4.55%. This decrease was a result of a town-wide revaluation of assessments as of December 31, 2006 where the assessed valued increased from \$3.6 billion to \$4.4 billion. The fiscal year 2008 General Fund budget includes an appropriation from fund balance of \$671,000 to help stabilize the tax rate.

The fiscal year 2007 rate of collection of current taxes was 97.84%. It is anticipated that the fiscal year 2008 rate of collection will be 98.0% which is the assumption used in the calculation of the tax rate during the budget process. Based upon this, the current projection is that tax collections will be over estimated by approximately \$610,000 for fiscal 2008. Additionally, it is projected that there will be revenues over estimate for FY2008 of \$142,000 for delinquent taxes. The Town is anticipating a decrease in departmental revenues of approximately \$150,000 due mainly to a decrease in building permits and State revenues. However, the Town is estimating that investment earnings will exceed the budgeted projection by \$350,000. Overall, it is anticipated that the current estimates for revenues will exceed budget in the General Fund by approximately \$830,000. However if that does not occur, spending for fiscal year 2008 will be reduced to offset any revenue shortfalls.

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

**TOWN OF NORTH KINGSTOWN****Statement of Net Assets  
June 30, 2007**

	Governmental Activities	Business-type Activities	Total	Component Unit North Kingstown Free Library
<b>ASSETS:</b>				
<b>Current Assets:</b>				
Cash and cash equivalents	\$ 25,465,180	\$ 7,655,577	\$ 33,120,757	\$ 187,650
Taxes receivable	1,369,470		1,369,470	
User charges receivables		620,910	620,910	
Other receivables	253,260	78,464	331,724	
Inventory		200,140	200,140	
Due from federal and state governments	853,986		853,986	
<b>Total Current Assets</b>	<b>27,941,896</b>	<b>8,555,091</b>	<b>36,496,987</b>	<b>187,650</b>
<b>Noncurrent Assets:</b>				
Deferred Charges on bond refunding, net of amortization	1,685,867		1,685,867	
Bond issuance costs, net of amortization	253,091		253,091	
Capital assets (as restated):				
Non-depreciable	24,477,424	584,470	25,061,894	
Depreciable, net	63,185,001	4,838,365	68,023,366	
<b>Total Noncurrent Assets</b>	<b>89,601,383</b>	<b>5,422,835</b>	<b>95,024,218</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>\$ 117,543,279</b>	<b>\$ 13,977,926</b>	<b>\$ 131,521,205</b>	<b>\$ 187,650</b>
<b>LIABILITIES:</b>				
<b>Current Liabilities:</b>				
Accounts payable	\$ 3,011,895	\$ 594,303	\$ 3,606,198	\$ 1,214
Claims payable	50,000		50,000	
Accrued liabilities	1,060,839		1,060,839	
Compensated absences payable	100,000	5,625	105,625	
Serial bonds payable	3,294,192	30,808	3,325,000	
Bond Premium, net of amortization	500,768		500,768	
Unearned revenue	233,850	307,001	540,851	
Other liabilities		33,497	33,497	
Escrow deposits	790,933		790,933	
<b>Total Current Liabilities</b>	<b>9,042,477</b>	<b>971,234</b>	<b>10,013,711</b>	<b>1,214</b>
<b>Noncurrent Liabilities:</b>				
Serial bonds payable	38,702,273	337,725	39,039,998	
Compensated absences payable	2,545,592	106,866	2,652,458	
<b>Total Noncurrent Liabilities</b>	<b>41,247,865</b>	<b>444,591</b>	<b>41,692,456</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>50,290,342</b>	<b>1,415,825</b>	<b>51,706,167</b>	<b>1,214</b>
<b>NET ASSETS:</b>				
Invested in Capital Assets, net of related debt	45,665,960	5,054,302	50,720,262	
Permanently restricted for:				
Permanent funds	94,451		94,451	
Unrestricted	21,492,526	7,507,799	29,000,325	186,436
<b>TOTAL NET ASSETS</b>	<b>\$ 67,252,937</b>	<b>\$ 12,562,101</b>	<b>\$ 79,815,038</b>	<b>\$ 186,436</b>

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

**TOWN OF NORTH KINGSTOWN**

A - 2

**Statement of Activities  
Year Ended June 30, 2007**

Functions/Programs:	Net (Expense) Revenue and Changes in Net Assets					Component Unit North Kingstown Free Library
	Program Revenues		Business-type Activities		Total	
	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities		
<b>Governmental activities:</b>	Expenses					
General government	\$ 6,722,225	\$ 1,488,424	\$ 1,329,471	\$ (3,894,330)	\$ (3,894,330)	
Public safety	13,763,174	937,037	29,781	(12,796,356)	(12,796,356)	
Public works	3,427,940	693,034	391,733	(2,343,173)	(2,343,173)	
Parks and recreation	284,710	211,096		(73,614)	(73,614)	
Education	58,426,032	2,276,599	16,649,531	(39,499,902)	(39,499,902)	
Public libraries	1,426,343			(1,426,343)	(1,426,343)	
Senior services	298,143	6,500	65,944	(225,699)	(225,699)	
Human resources	30,248			(30,248)	(30,248)	
Per trust agreements	40,748			(40,748)	(40,748)	
Capital expenditures	1,554,813			(1,554,813)	(1,554,813)	
Interest on long-term debt	1,836,140			(1,836,140)	(1,836,140)	
<b>Total governmental activities</b>	<b>87,810,516</b>	<b>5,622,690</b>	<b>18,466,460</b>	<b>(63,721,366)</b>	<b>(63,721,366)</b>	
<b>Business-type activities:</b>						
Water	2,121,390	2,953,358		831,968	831,968	
Quonset/Davisville Recreation	1,338,711	1,841,284		502,573	502,573	
School Cafeteria fund	1,585,318	1,084,278	314,329	(186,711)	(186,711)	
<b>Total business-type activities (See Note 2)</b>	<b>5,045,419</b>	<b>5,878,920</b>	<b>314,329</b>	<b>1,147,830</b>	<b>1,147,830</b>	
<b>Total</b>	<b>\$ 92,855,935</b>	<b>\$ 11,501,610</b>	<b>\$ 18,780,789</b>	<b>(63,721,366)</b>	<b>(62,573,536)</b>	
<b>Component Unit:</b>						
North Kingstown Free Library	\$ 6,344	\$ 15,428		\$	\$ 9,084	
	\$ 6,344	\$ 15,428			\$ 9,084	
<b>General revenues:</b>						
Property taxes			59,439,540		59,439,540	
Unrestricted investment earnings			1,599,737	257,447	1,857,184	6,397
Unrestricted intergovernmental revenue			5,466,317		5,466,317	
Miscellaneous			581,969		581,969	
Other			43,729		43,729	
<b>Transfers</b>			(657,909)	657,909		
<b>Total general revenues and transfers</b>			<b>66,473,383</b>	<b>915,356</b>	<b>67,388,739</b>	<b>6,397</b>
<b>Change in Net Assets</b>			<b>2,752,017</b>	<b>2,063,186</b>	<b>4,815,203</b>	<b>15,481</b>
<b>Net Assets - beginning</b>			<b>64,500,920</b>	<b>10,498,915</b>	<b>74,999,835</b>	<b>170,955</b>
<b>Net Assets - ending</b>			<b>\$ 67,252,937</b>	<b>\$ 12,562,101</b>	<b>\$ 79,815,038</b>	<b>\$ 186,436</b>

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

**TOWN OF NORTH KINGSTOWN**

**Balance Sheet  
Governmental Funds  
June 30, 2007**

	General Fund	School Unrestricted Fund	Debt Service Fund	Capital Reserve	9M School Renovations Bond	Other Governmental Funds	Total Governmental Funds
<b>ASSETS:</b>							
Cash and cash equivalents	\$ 15,692,234	\$ 3,727	\$ 664,801	\$ 2,394,795		\$ 5,081,764	\$ 23,837,321
Taxes receivable	1,369,470						1,369,470
Other receivables	90,847	43,473				118,940	253,260
Due from federal and state governments	83,438					770,548	853,986
Due from other funds	1,945,062	3,312,094				446,558	5,703,714
<b>TOTAL ASSETS</b>	<b>\$ 19,181,051</b>	<b>\$ 3,359,294</b>	<b>\$ 664,801</b>	<b>\$ 2,394,795</b>	<b>\$ -</b>	<b>\$ 6,417,810</b>	<b>\$ 32,017,751</b>
<b>LIABILITIES AND FUND BALANCES:</b>							
<b>LIABILITIES:</b>							
Accounts payable	\$ 376,256	\$ 1,209,423		\$ 22,144	\$ 805,687	\$ 208,760	\$ 2,622,270
Accrued liabilities	625,392	189,693					815,085
Due to other funds	3,239,720	593,456			1,167,895	1,092,193	6,093,264
Deferred revenue	3,715,760					233,850	3,949,610
Escrow deposits	790,933						790,933
<b>TOTAL LIABILITIES</b>	<b>8,748,061</b>	<b>1,992,572</b>	<b>-</b>	<b>22,144</b>	<b>1,973,582</b>	<b>1,534,803</b>	<b>14,271,162</b>
<b>FUND BALANCES:</b>							
Reserved for debt service			664,801			14,984	679,785
Reserved for settlements		164,741					164,741
Reserved for encumbrances	910,280	559,541					1,469,821
Reserved for School Cafeteria fund		122,205					122,205
Unreserved:							
Designated for subsequent year's expenditures	671,000	75,000					746,000
Undesignated	8,851,710	445,235					9,296,945
Unreserved, reported in nonmajor:							
Special revenue funds				2,372,651	(1,973,582)	2,758,265	2,758,265
Capital project funds						2,015,307	2,414,376
Permanent funds						94,451	94,451
<b>TOTAL FUND BALANCES</b>	<b>10,432,990</b>	<b>1,366,722</b>	<b>664,801</b>	<b>2,372,651</b>	<b>(1,973,582)</b>	<b>4,883,007</b>	<b>17,746,589</b>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)</b>	<b>\$ 19,181,051</b>	<b>\$ 3,359,294</b>	<b>\$ 664,801</b>	<b>\$ 2,394,795</b>	<b>\$ -</b>	<b>\$ 6,417,810</b>	<b>\$ 32,017,751</b>

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

(CONTINUED)

**TOWN OF NORTH KINGSTOWN****Balance Sheet  
Governmental Funds  
June 30, 2007****Amounts reported for governmental activities in the statement of net assets differ because:**

<b>Total Fund Balances (B-1)</b>	\$ 17,746,589
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	87,662,425
Deferred charges, deferred bond issuance costs, and bond premium resulting from issuance of advanced refunding bonds. These charges have been included in the governmental activities in the Statement of Net Assets	1,438,190
Long-term liabilities and related items are not due and payable in the current period and therefore are not reported in the funds.	(44,642,057)
Deferred revenues (net of an allowance for uncollectible) are recorded in the funds, but are not deferred under the measurement focus employed in the Statement of Net Assets.	3,715,760
Internal Service funds are recorded as proprietary funds in the fund financial statements but are recorded as governmental activities on the government-wide financial statements.	1,577,784
Accrued interest payable is recorded in government activities, but is not recorded in the funds	<u>(245,754)</u>
<b>Total Net Assets (A-1)</b>	<b><u><u>\$ 67,252,937</u></u></b>

(CONCLUDED)

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

**TOWN OF NORTH KINGSTOWN**

**Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
Year Ended June 30, 2007**

	General Fund	School Unrestricted Fund	Debt Service Fund	Capital Reserve	9M School Renovations Bond	Other Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>							
General property taxes	\$ 58,892,935	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 58,892,935
Intergovernmental	4,381,938	13,660,413	1,084,379			4,072,368	23,199,098
Departmental	1,923,295						1,923,295
Licenses and permits	581,969	9,499	28,904	93,162		192,708	581,969
Investment income	1,215,825	2,215,550				2,217,524	1,540,098
Other	43,729						4,476,803
<b>TOTAL REVENUES</b>	<b>67,039,691</b>	<b>15,885,462</b>	<b>1,113,283</b>	<b>93,162</b>	<b>-</b>	<b>6,482,600</b>	<b>90,614,198</b>
<b>EXPENDITURES:</b>							
<b>Current:</b>							
General government	4,814,369					1,534,006	6,348,375
Public safety	13,014,335					572,273	13,586,608
Public works	3,825,235			49,184		1,323	3,875,742
Parks and recreation	283,747						283,747
Senior services	304,782			36,000			340,782
Education		55,966,486					58,983,401
Public libraries						3,016,915	1,304,033
Per trust agreements						1,304,033	40,748
Human resources						40,748	30,248
<b>Debt Service:</b>							
Principal			3,404,192				3,404,192
Interest and other costs			1,851,479				1,851,479
<b>Capital:</b>							
Capital expenditures				687,590	1,973,582	1,484,556	4,145,728
<b>TOTAL EXPENDITURES</b>	<b>22,242,468</b>	<b>55,966,486</b>	<b>5,255,671</b>	<b>772,774</b>	<b>1,973,582</b>	<b>7,984,202</b>	<b>94,195,183</b>

SEE NOTES TO BASIC FINANCIAL STATEMENTS.

(CONTINUED)

**TOWN OF NORTH KINGSTOWN**

**Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
Year Ended June 30, 2007**

	General Fund	School Unrestricted Fund	Debt Service Fund	Capital Reserve	9M School Renovations Bond	Other Governmental Funds	Total Governmental Funds
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)</b>	44,797,223	(40,081,024)	(4,142,388)	(679,612)	(1,973,582)	(1,501,602)	(3,580,985)
<b>OTHER FINANCING SOURCES (USES)</b>	932,258	39,350,083	3,937,952	582,519		1,251,899	46,054,711
Transfers in	(45,379,827)					(1,124,534)	(46,504,361)
Transfers out	(44,447,569)	39,350,083	3,937,952	582,519	-	127,365	(449,650)
<b>NET OTHER FINANCING SOURCES (USES)</b>							
<b>NET CHANGE IN FUND BALANCE</b>	349,654	(730,941)	(204,436)	(97,093)	(1,973,582)	(1,374,237)	(4,030,635)
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	10,083,336	2,097,663	869,237	2,469,744	-	6,257,244	21,777,224
<b>FUND BALANCE (DEFICIT) AT END OF YEAR</b>	\$ 10,432,990	\$ 1,366,722	\$ 664,801	\$ 2,372,651	\$ (1,973,582)	\$ 4,883,007	\$ 17,746,589

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

(CONCLUDED)

TOWN OF NORTH KINGSTOWN

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances  
of Governmental Funds (B-2) to the Statement of Activities (A-2)  
Year Ended June 30, 2007**

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<b>Net Change in Fund Balances - Total Governmental Funds (B-2):</b>	\$ (4,030,635)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	3,568,535
Deferred charges, bond premium, cost of issuance and change in accrued interest	(53,628)
Increase in liability for compensated absences	(499,895)
Principal payments made on long - term debt	3,404,192
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds.	546,605
Excess of internal service funds' expenses over revenues, reported as governmental fund activity.	(183,157)
	<hr/>
<b>Change in Net Assets of Governmental Activities in the Statement of Activities (A-2)</b>	<b><u><u>\$ 2,752,017</u></u></b>

**TOWN OF NORTH KINGSTOWN**

**Statement of Net Assets  
Proprietary Funds  
June 30, 2007**

	Enterprise Funds				Internal Service Funds
	Water	Quonset/ Davisville Recreation	Non-major Enterprise Funds	Totals	
<b>ASSETS:</b>					
<b>Current Assets:</b>					
Cash and cash equivalents	\$ 4,440,416	\$ 1,042,609	\$ 2,172,552	\$ 7,655,577	\$ 1,627,859
Water and sewer assessments and user fees, net	620,910			620,910	
Other receivables	117,019	14,654	63,810	78,484	
Inventory	5,178,345	37,664	45,457	200,140	
<b>Total Current Assets</b>		<b>1,094,927</b>	<b>2,281,819</b>	<b>8,555,091</b>	<b>1,627,859</b>
<b>Net Capital Assets</b>	3,905,857	1,514,551	2,427	5,422,835	
<b>TOTAL ASSETS</b>	<b>\$ 9,084,202</b>	<b>\$ 2,609,478</b>	<b>\$ 2,284,246</b>	<b>\$ 13,977,926</b>	<b>\$ 1,627,859</b>
<b>LIABILITIES:</b>					
<b>Current Liabilities:</b>					
Accounts payable	\$ 187,527	\$ 109,062	\$ 91,861	\$ 388,450	\$ 75
Claims payable					
Due to other funds			205,853	205,853	
Deferred revenue		307,001		307,001	
Other liabilities		33,497		33,497	
Current portion of compensated absences payable	52,377	54,489		106,866	
Current portion of long term debt		30,808		30,808	
<b>Total Current Liabilities</b>	<b>239,904</b>	<b>534,857</b>	<b>297,714</b>	<b>1,072,475</b>	<b>50,075</b>
<b>Noncurrent Liabilities:</b>					
Compensated absences payable	2,757	2,868		5,625	
Long-term debt, net		337,725		337,725	
<b>Total Noncurrent Liabilities</b>	<b>2,757</b>	<b>340,593</b>	<b>-</b>	<b>343,350</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>242,661</b>	<b>875,450</b>	<b>297,714</b>	<b>1,415,825</b>	<b>50,075</b>
<b>NET ASSETS:</b>					
Invested in Capital Assets, net	3,905,857	1,146,018	2,427	5,054,302	
Unrestricted net assets	4,935,684	588,010	1,984,105	7,507,799	1,577,784
<b>TOTAL NET ASSETS</b>	<b>\$ 8,841,541</b>	<b>\$ 1,734,028</b>	<b>\$ 1,986,532</b>	<b>\$ 12,562,101</b>	<b>\$ 1,577,784</b>

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

**Statement of Revenues, Expenses and Changes in Net Assets  
Proprietary Funds  
Year Ended June 30, 2007**

	Enterprise Funds				Internal Service Funds
	Water	Quonset/ Davisville Recreation	Non-major Enterprise Funds	Totals	
<b>OPERATING REVENUES:</b>					
Charges for usage and service	\$ 2,567,465	\$ 1,841,284	\$ 1,084,278	\$ 5,493,027	\$ -
Sundry sales and rentals	231,017			231,017	
Miscellaneous	154,876			154,876	
<b>Total Operating Revenues</b>	<b>2,953,358</b>	<b>1,841,284</b>	<b>1,084,278</b>	<b>5,878,920</b>	<b>-</b>
<b>OPERATING EXPENSES:</b>					
Operations	1,878,517		128,419	2,006,936	34,537
Golf course		394,559		394,559	
Pro shop		478,132		478,132	
Allen's Harbor		205,343		205,343	
School cafeteria			1,456,271	1,456,271	
Bad debts			38	38	
Depreciation	236,307	243,895	590	480,792	
<b>Total Operating Expenses</b>	<b>2,114,824</b>	<b>1,321,929</b>	<b>1,585,318</b>	<b>5,022,071</b>	<b>34,537</b>
<b>OPERATING INCOME (LOSS)</b>	<b>838,534</b>	<b>519,355</b>	<b>(501,040)</b>	<b>856,849</b>	<b>(34,537)</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>					
Investment income	215,140	37,302	5,005	257,447	59,639
Federal grants			294,107	294,107	
State matching funds			20,222	20,222	
Interest expense	(6,566)	(16,782)		(23,348)	
<b>Net Nonoperating Revenues (Expenses)</b>	<b>208,574</b>	<b>20,520</b>	<b>319,334</b>	<b>548,428</b>	<b>59,639</b>

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

(CONTINUED)

**Statement of Revenues, Expenses and Changes in Net Assets  
Proprietary Funds  
Year Ended June 30, 2007**

	Enterprise Funds				Internal Service Funds
	Water	Quonset/ Davisville Recreation	Non-major Enterprise Funds	Totals	
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	1,047,108	539,875	(181,706)	1,405,277	25,102
<b>Transfers:</b>					
Transfers In	225,910		2,204,763	2,430,673	
Transfers (Out)	(1,273,409)	(499,355)		(1,772,764)	(208,259)
<b>Total Transfers</b>	<b>(1,047,499)</b>	<b>(499,355)</b>	<b>2,204,763</b>	<b>657,909</b>	<b>(208,259)</b>
<b>CHANGE IN NET ASSETS</b>	(391)	40,520	2,023,057	2,063,186	(183,157)
<b>TOTAL NET ASSETS - BEGINNING</b>	8,841,932	1,693,508	(36,525)	10,498,915	1,760,941
<b>TOTAL NET ASSETS - ENDING</b>	<b>\$ 8,841,541</b>	<b>\$ 1,734,028</b>	<b>\$ 1,986,532</b>	<b>\$ 12,562,101</b>	<b>\$ 1,577,784</b>

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

(CONCLUDED)

**Statement of Cash Flows  
Proprietary Funds  
Year Ended June 30, 2007**

	Enterprise Funds					Internal Service Funds
	Quonset/ Davisville		Non-major Enterprise Funds	Totals		
	Water	Recreation				
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>						
Cash received from customers	\$ 2,877,788	\$ 1,830,079	\$ 1,078,013	\$ 5,785,880	\$ -	
Cash paid to suppliers	(864,740)	(338,052)	(804,005)	(2,006,797)		
Cash paid to employees	(965,159)	(686,683)	(654,131)	(2,305,973)		
Cash paid for claims					(2,920)	
Cash paid for other operating expenses					(31,692)	
<b>Net cash provided by (used for) operating activities</b>	<b>1,047,889</b>	<b>805,344</b>	<b>(380,123)</b>	<b>1,473,110</b>	<b>(34,612)</b>	
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>						
Acquisition of capital assets	(385,860)	(168,836)		(554,696)		
Principal paid on bonds	(114,197)	(30,808)		(145,005)		
Interest paid on bonds	(6,566)	(16,782)		(23,348)		
<b>Net cash used for capital and related financing activities</b>	<b>(506,623)</b>	<b>(216,426)</b>	<b>-</b>	<b>(723,049)</b>	<b>-</b>	
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>						
Federal grant receipts			294,107			
State matching funds receipts			20,222			
Transfer from other funds	225,910		2,204,763			
Transfer to general fund	(1,273,409)	(499,355)		(1,772,764)	(208,259)	
<b>Net cash provided by (used for) noncapital financing activities</b>	<b>(1,047,499)</b>	<b>(499,355)</b>	<b>2,519,092</b>	<b>972,238</b>	<b>(208,259)</b>	
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>						
Interest on investments	215,140	37,302	5,005	257,447	59,639	
<b>Net cash provided by investing activities</b>	<b>215,140</b>	<b>37,302</b>	<b>5,005</b>	<b>257,447</b>	<b>59,639</b>	

(CONTINUED)

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

Statement of Cash Flows  
Proprietary Funds  
Year Ended June 30, 2007

	Enterprise Funds					Internal Service Funds
	Quonset/		Non-major Enterprise Funds	Totals		
	Water	Davisville Recreation				
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(291,093)	126,865	2,143,974	1,979,746		(183,232)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	4,731,509	915,744	28,578	5,675,831		1,811,091
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	\$ 4,440,416	\$ 1,042,609	\$ 2,172,552	\$ 7,655,577		\$ 1,627,859
<b>Reconciliation of operating loss to net cash provided by (used for) operating activities:</b>						
Operating income (loss)	\$ 838,534	\$ 519,355	\$ (501,040)	\$ 856,849		\$ (34,537)
Adjustments to reconcile:						
Depreciation	236,307	243,895	590	480,792		
Decrease (increase) in accounts receivable	(75,570)	(11,205)	(6,265)	(93,040)		
Decrease (increase) in inventory	3,574	(2,918)		656		
Increase (decrease) in accounts payable	43,214	(2,845)	69,952	110,321		(75)
Increase in deferred revenue	6,593	57,734		57,734		
Increase (decrease) in compensated absences payable	(4,763)	(2,703)		3,890		
Increase (decrease) in other liabilities		4,031	56,640	55,908		
<b>Net cash provided by (used for) operating activities</b>	\$ 1,047,889	\$ 805,344	\$ (380,123)	\$ 1,473,110		\$ (34,612)

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

**Statement of Fiduciary Net Assets**  
**Fiduciary Funds**  
**June 30, 2007**

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	<u>Police Pension Trust</u>	<u>Private Purpose Trust Funds</u>	<u>Agency Funds</u>
<b>ASSETS:</b>			
Cash and cash equivalents	\$ 287,124	\$ 31,005	\$ 901,207
Other receivables			595,454
<b>Total assets</b>	<u>287,124</u>	<u>31,005</u>	<u>1,496,661</u>
<b>LIABILITIES:</b>			
Due to student groups			306,333
Payroll withholdings			768,414
Deposits held in custody for others			421,914
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>1,496,661</u>
<b>NET ASSETS:</b>			
Reserved for principal		31,005	
Reserved for employee retirement	287,124		
<b>Total net assets</b>	<u>\$ 287,124</u>	<u>\$ 31,005</u>	<u>\$ -</u>

**Statement of Changes in Fiduciary Net Assets  
Fiduciary Funds  
Year Ended June 30, 2007**

	Police Pension Trust	Private Purpose Trust Funds
<b>ADDITIONS:</b>		
<b>Investment income:</b>		
Interest, dividends and gains	\$ 115,083	\$ 167
Net increase (decrease) in fair value of investment	28,928	
Total investment earnings	144,011	167
Less investment expense	(8,950)	
<b>Net investment earnings (loss)</b>	<b>135,061</b>	<b>167</b>
<b>DEDUCTIONS:</b>		
Benefits paid	(82,864)	
Administrative expenses	(6,117)	(4)
Purchase of annuities for beneficiaries	(3,239,000)	
<b>Total deductions</b>	<b>(3,327,981)</b>	<b>(4)</b>
<b>CHANGE IN NET ASSETS</b>	<b>(3,192,920)</b>	<b>163</b>
<b>Net Assets - beginning</b>	<b>3,480,044</b>	<b>30,842</b>
<b>Net Assets - ending</b>	<b>\$ 287,124</b>	<b>\$ 31,005</b>

**TOWN OF NORTH KINGSTOWN, RHODE ISLAND**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**REPORTING ENTITY**

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

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

In evaluating how to define the government for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB Statement No. 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 2007:

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

(CONTINUED)

**TOWN OF NORTH KINGSTOWN, RHODE ISLAND**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

The North Kingstown Free Library Corporation, a not for profit agency was formed in July of 1993. The library supports the charitable, scientific and educational purposes of the North Kingstown Library a non-major fund of the Town of North Kingstown. The Town of North Kingstown is able to impose its will on the component unit and is in relationship of financial benefit and burden with the potential component unit. Accordingly, the Library is included as discretely presented component unit in the financial statements of the Town. The North Kingstown Free Library Corporation issued a separate financial statement dated November 27, 2007, for their fiscal year ended December 31, 2006. A copy of this report can be obtained by contacting the North Kingstown Free Library Corporation, 80 Boston Neck Road, North Kingstown, RI, 02852.

***Recently Issued Accounting Standards***

The Town has implemented GASB Statement No. 42 – Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries. The adoption of this Statement did not have an effect on the Town's financial statements or results of operations.

The Town has implemented GASB Statement No. 46 – Net Assets Restricted by Enabling Legislation an amendment of GASB Statement No. 34. The adoption of this Statement did not have an effect on the Town's financial statements or results of operations.

The Town has implemented GASB No. 47 – Accounting for Termination Benefits. The adoption of this Statement did not have an effect on the Town's financial statements or results of operations.

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

- ✓ GASB Statement No. 45 – Accounting and Financial Reporting by Employees for Post-employment Benefits Other Than Pensions, effective for the Town's fiscal year ending June 30, 2009.
- ✓ GASB Statement No. 48 – Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues, effective for the Town's fiscal year ending June 30, 2008.
- ✓ GASB Statement No. 49 – Accounting and Financial Reporting for Pollution Remediation Obligations, effective for the Town's fiscal year ending June 30, 2009.
- ✓ GASB Statement No. 50 – Pension Disclosures – an amendment of GASB Statements No. 25 and No. 27, effective for the Town's fiscal year ending June 30, 2008.
- ✓ GASB Statement No. 51 – Accounting and Financial Reporting for Intangible Assets, effective for the Town's fiscal year ending June 30, 2010.

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

(CONTINUED)

**TOWN OF NORTH KINGSTOWN, RHODE ISLAND**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Basis of Presentation***

*Government-Wide Financial Statements*

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

*Fund Financial Statements*

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

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

The funds of the financial reporting entity are described below:

***Governmental Funds***

**General Fund**

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

**Special Revenue Funds**

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

**Capital Project Funds**

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

(CONTINUED)

**TOWN OF NORTH KINGSTOWN, RHODE ISLAND**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Governmental Funds (Continued)***

**Permanent Funds**

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

**Proprietary Funds**

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

**Debt Service Fund**

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

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

**Agency Funds**

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

- Student Activity Funds
- Payroll Fund
- Perkins Vocational Ed
- School Payroll Fund
- Developer Surety Escrow

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

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

<u>Fund</u>	<u>Brief Description</u>
<b>Major:</b> General Fund:	See above for description

(CONTINUED)

**TOWN OF NORTH KINGSTOWN, RHODE ISLAND**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

School Unrestricted Fund	This fund is used to report all financial transactions of the North Kingstown School Department, which are not legally required to be accounted for separately.
Debt Service Fund	This fund is used to account for the payments of interest and principal on all general long-term debt other than that payable from the Enterprise Funds.
Capital Reserve	Accounts for Town capital projects
9M School Renovations Bond	Accounts for the construction and renovations of various school facilities
<b>Proprietary:</b> Water Fund	Accounts for the supply of water to the Town
Quonset/Davisville Recreation Fund	Accounts for the golf course operations

Fund

Brief Description

**Non-Major:**

Special Revenue: Beachwood House Senior Center Equipment Escrow, RI Water Resource Board Supplier, State Council on the Arts Grant, Non-Civic Detail Escrow Fund, Governor's Justice Commission, Special Purpose Donations, Juniper Hill Tank Grant, Miscellaneous Senior Citizens Grant, CDBG Grants, Land Dedication Escrow, State Elderly Affairs Grant, State Grants – Police Department, Seized and Forfeited Property Escrow, Local Law Enforcement Block Grant, Groundwater Education Donation, RI Resource Protection Project, School Department Substance Abuse Donations, Infrastructure Replacement, URI Septic Loan Program, Community Center Maintenance, Heritage Committee, Senior Center Legislative Grant, Impact Fees, Emergency Medical Services, RIDEM Potowomut Pond Clean-up, Fire Department Legislative Grant, Operation Drug Dog, Tax Revaluation Reserve Fund, Miscellaneous State Water Department Grants, Miscellaneous State Grants, Davisville Library Fund, Champlin Foundation Fund, Library Fund, Willet Library Fund, RI Emergency Management, Miscellaneous Library Donations, School Public Law 94-142, School Title I, School Title V, School Title II, Drug Free Schools, School Title II Technology, School Title III LEP, School Preschool Services, Perkins Vocational Ed, Comprehensive School Reform, School NEA Learning & Leadership, Comprehensive School Reform, School Child Opportunity Zone Family Center, School Substance Abuse, School Child Opportunity Zone Tutorial Homeless, School Literacy Set-Aside, School Even Start Family Literacy, School RI Electronic Portfolio System, NKHS Living Democracy, Consortium Student Info System, Emergency Response Plans, School COZ Miscellaneous Donations, School Adult Education Fund, School Summer School Fund, School Sports Camp, E2T2 MCI Enhancing ED Tech 06, COZ ADA Project, Champlin, Medicaid, SAELP Demonstration Site, RI Parent Info Network, School Sport Camps, Information Technology Services, Recreation Escrow, Parade Committee, Wilson Park, Retirement Allowance Reserve Fund, Health Insurance Reserve, Ann Ward Wallou Memorial Garden, Old Library Park, Senior Citizens Center, Senior Citizens Bus Gasoline Escrow, Arts Council, Senior Outreach Escrow, Project Dare, Fireworks Donation, Leisure Services Brochure, RI Foundation Grant, RI Learn and Serve America.

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**TOWN OF NORTH KINGSTOWN, RHODE ISLAND**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

<u>Fund</u>	<u>Brief Description</u>
Debt Service Fund:	FY 2005 Refunding
Capital Projects:	6M Public Facilities Plan Bond, 4.5M Public Safety Facilities, Farmland & Open Space Reserve, Farmland Preservation Bond, School Capital Reserve.
Permanent Funds:	Tri-Centennial Park, 400 <sup>th</sup> Anniversary, Henry Reynolds Indigent Care, School Updike Fund, School Gardiner Fund, School Library Fund, School Tennis Fund, Lynette Olsen Memorial Fund, Henry Reynolds Outside Poor Fund, Veterans Memorial Scholarship, William D. Davis Library Fund, John J. Spink Outside Poor Fund, John B. Spink Outside Poor Fund, Thomas Casey Outside Poor Fund, Elizabeth Miller Library Fund.
Private Purpose Trust Funds:	Hall, Vaughn, Young, Rebecca Hammond, W.H. Welling, George C. Hall, B.H. Davis, Updike, Mary Carpenter, Smith-Lawton, Old Baptist Cemetery, Smith-Lawton, Old Baptist Cemetery, Smith, Lawton, Weeks, Cogan, Jones.
Enterprise Funds:	Quonset/Davisville Reserve Fund, School Lunch Fund, Water Capital Reserve
Internal Service Funds:	Workers Compensation, Self Insurance Property Damage

**Measurement Focus**

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

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

- (a) All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period. The Town considers property taxes as available if they are collected within 60 days after year end.
- (b) All proprietary funds utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of net income, financial position and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net assets.
- (c) Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

(CONTINUED)

**TOWN OF NORTH KINGSTOWN, RHODE ISLAND**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Measurement Focus (Continued)***

***Basis of Accounting***

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

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

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

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

***Cash Equivalents***

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

***Accounts Receivable***

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

In the fund financial statements, material receivables in governmental funds include revenue accruals such as property taxes and grants and other similar intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis. Proprietary fund material receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivables are based upon historical trends and the periodic aging of accounts receivable. The allowance for uncollectible accounts receivable amounted to \$490,000 at June 30, 2007. Major receivable balances for the governmental activities include property taxes and intergovernmental receivables (84% and 6%, respectively of total governmental receivables). Business-type activities report service fees as its major receivables.

(CONTINUED)

**TOWN OF NORTH KINGSTOWN, RHODE ISLAND**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Property Taxes***

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

***Encumbrances***

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

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

***Investments***

In accordance with GASB No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, investments are reported at fair value. For fiscal year June 30, 2007, investments are disclosed in accordance with GASB No. 40, *Deposits and Investment Risk Disclosures*.

***Compensated Absences***

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

***Judgments and Claims***

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

***Inventory***

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

(CONTINUED)

**TOWN OF NORTH KINGSTOWN, RHODE ISLAND**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Property, Plant and Equipment***

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

**Government-Wide Financial Statements**

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

As of June 30, 2007, the Town's infrastructure assets placed in service prior to July 1, 2002 have been capitalized and reported within the financial statements. The Town was in the process of developing the information necessary to report all pre-existing infrastructure assets (including roads) within its future financial statements for fiscal year ended June 30, 2006.

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

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

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

**Fund Financial Statements**

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

***Bond Issuance Costs***

Bond issuance costs are amortized on a straight-line basis over 20 years. The total bond issuance costs as of June 30, 2007 were \$306,777. The accumulated amortization through June 30, 2007 was \$53,686.

***Deferred Charge on Bond Refunding***

The deferred charge on refunding is amortized on a straight-line basis over 20 years. The total deferred charge on refunding as of June 30, 2007 was \$1,890,215. The accumulated amortization as of June 30, 2007 was \$204,348 in accordance with GASB Statement 23.

(CONTINUED)

**TOWN OF NORTH KINGSTOWN, RHODE ISLAND**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Unearned Revenue***

In the government-wide financial statements, unearned revenue represents funds received in advance of being earned/owed or receivables which will be collected and included in revenues of future fiscal years. In the General Fund, (of the financial statements), unearned revenue include property tax receivables which are assessed on December 31, 2005 and prior and are not collected within 60 days of June 30, 2007. Net unearned taxes included in the fund financial statements were \$811,140.

***Interfund Transactions***

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

- Reciprocal interfund activities:
  - Interfund loans are reported as interfund receivables in the lending fund and interfund payables in borrower funds.
  - Interfund services are reported as revenues in the seller fund and as expenditures on expenses in the purchasing fund.
- Non-reciprocal interfund activities:
  - Interfund transfers are reported in governmental funds as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers. In proprietary funds, transfers are reported after nonoperating revenues and expenses.
  - Interfund reimbursements are repayments from the fund responsible for particular expenditures or expenses to other funds that initially paid for them. Reimbursements are not displayed separately within the financial statements.
  - Interfund transactions are accounted for as expenditures/expenses when they constitute reimbursements from one fund to another. These transactions are recorded as expenditures/expenses in the reimbursing fund and are recorded as reductions of expenditures/expenses in the fund receiving the reimbursement. All other interfund transactions are reported as transfers.

***Self-Insurance***

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

(CONTINUED)

**TOWN OF NORTH KINGSTOWN, RHODE ISLAND**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Equity Classifications***

**Government-Wide Statements**

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

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

**Fund Financial Statements**

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

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between *net changes in fund balances – total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their useful lives and reported as depreciation expense." The details of this \$3,568,535 difference are as follows:

Capital outlays (net of disposals).....	\$ 5,351,750
Depreciation expense .....	<u>(1,783,215)</u>
Net adjustment.....	<u>\$ 3,568,535</u>

(CONTINUED)

**TOWN OF NORTH KINGSTOWN, RHODE ISLAND**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

Another element of that reconciliation states that "the issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net assets." The details of this (\$53,628) difference are as follows:

Decrease in accrued Interest.....	\$ 15,439
Amortization expense .....	<u>(69,067)</u>
Net adjustment .....	<u>\$ (53,628)</u>

**2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

***Legal Debt Margin***

The Town's legal debt margin as set forth by State Statute is limited to three percent of total assessed value which approximates \$59,500,000. As of June 30, 2007, the Town had \$368,533 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. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2007 was as follows:

	<b>PRIMARY GOVERNMENT</b>			
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b><i>Governmental activities (as restated):</i></b>				
<b><i>Capital assets not being depreciated:</i></b>				
Library collections .....	\$ 3,152,767		\$ (60,895)	\$ 3,091,872
Land .....	5,372,113			5,372,113
Developmental rights .....	13,411,949	\$ 717,438		14,129,387
Work in progress .....		1,884,052		1,884,052
<b><i>Total capital assets not being depreciated</i></b> .....	<b><u>\$21,936,829</u></b>	<b><u>\$ 2,601,490</u></b>	<b><u>\$ (60,895)</u></b>	<b><u>\$24,477,424</u></b>
<b><i>Other capital assets:</i></b>				
Land improvements .....		\$ 132,230		\$ 132,230
Buildings .....	\$ 47,245,627	702,575		47,948,202
Equipment .....	9,781,320	692,044	\$ (36,599)	10,436,765
Infrastructure .....	62,407,312	1,284,306		63,691,618
<b><i>Total other capital assets at historical cost</i></b> .....	<b><u>119,434,259</u></b>	<b><u>2,811,155</u></b>	<b><u>(36,599)</u></b>	<b><u>122,208,815</u></b>
Less: accumulated depreciation for:				
Land improvements .....		(6,612)		(6,612)
Buildings .....	(14,412,302)	(1,117,413)		(15,529,715)
Equipment .....	(6,587,497)	(594,975)	36,599	(7,145,873)
Infrastructure .....	(36,277,399)	(64,215)		(36,341,614)
<b><i>Total accumulated depreciation</i></b> .....	<b><u>(57,277,198)</u></b>	<b><u>(1,783,215)</u></b>	<b><u>36,599</u></b>	<b><u>(59,023,814)</u></b>

(CONTINUED)

**TOWN OF NORTH KINGSTOWN, RHODE ISLAND**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007**

**3. CAPITAL ASSETS (Continued)**

	<b>PRIMARY GOVERNMENT</b>			
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Other capital assets, net</b> .....	62,157,061	1,027,940	-	63,185,001
<b>Governmental activities capital assets, net</b> .....	<u>\$84,093,890</u>	<u>\$3,629,430</u>	<u>\$(60,895)</u>	<u>\$87,662,425</u>
<b>Business-type activities (as restated):</b>				
<b>Capital assets not being depreciated:</b>				
Land .....	\$ 584,470			\$ 584,470
<b>Total capital assets not being depreciated</b> .....	<u>\$ 584,470</u>		<u>\$ -</u>	<u>\$ 584,470</u>
<b>Other capital assets:</b>				
Buildings .....	\$ 8,979,523	\$ 24,437		\$ 9,003,960
Property and leasehold improvements .....	925,662	379,595		1,305,257
Furniture and equipment .....	2,161,210	60,766		2,200,076
Vehicles and golf carts .....	715,313	89,560		717,523
<b>Total other capital assets at historical cost</b> .....	<u>12,781,708</u>	<u>457,939</u>		<u>13,226,816</u>
Less: accumulated depreciation for:				
Buildings .....	(5,396,575)	(126,927)		(5,523,502)
Property and leasehold improvements .....	(530,469)	(189,777)		(720,246)
Furniture and equipment .....	(1,480,120)	(77,442)		(1,535,662)
Vehicles and golf carts .....	(609,745)	(86,646)		(609,041)
<b>Total accumulated depreciation</b> .....	<u>(8,016,909)</u>	<u>(480,792)</u>		<u>(8,388,451)</u>
<b>Other capital assets, net</b> .....	<u>4,764,799</u>	<u>(73,566)</u>		<u>4,838,365</u>
<b>Business-type activities capital assets, net</b> .....	<u>\$ 5,349,269</u>	<u>\$ (73,566)</u>	<u>\$ -</u>	<u>\$ 5,422,835</u>

Depreciation expense was charged to functions as follows:

<b>Governmental activities:</b>	
General government .....	\$ 124,605
Public safety .....	304,115
Public works .....	157,396
Education .....	1,127,834
Public libraries .....	69,265
<b>Total governmental activities depreciation expense</b> .....	<u>\$1,783,215</u>
<b>Business-type activities:</b>	
<b>Major Funds:</b>	
Water .....	\$ 236,307
Quonset/Davisville Recreation .....	243,895
Non-major enterprise funds .....	590
<b>Total business-type activities depreciation expense</b> .....	<u>\$ 480,792</u>

(CONTINUED)

**TOWN OF NORTH KINGSTOWN, RHODE ISLAND**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007**

**4. PROPERTY TAXES**

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

Net property taxes levied for the fiscal year 2007 were based on a net assessed value of approximately \$3,607,374,032 at December 31, 2005 and amounted to \$56,991,563. Collections through June 30, 2007 amounted to \$55,761,758, which represents approximately 98.00% of the total tax levy.

The Town recognizes property tax revenues in accordance with Section P70, "Property Taxes" of the Codification of Governmental Accounting and Financial Reporting Standards on the Fund statements. Unpaid property taxes as of June 30, 2007 (\$1,210,822) 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, 2007 are recorded as deferred revenue and amounted to \$824,726 at June 30, 2007. Property taxes recognized as revenue on the Fund statements for the fiscal year ended June 30, 2007 (due to their collection within the 60 days immediately following June 30, 2007) amounted to \$386,095.

On June 30, 2007, the Town levied property taxes for its next fiscal year based on the December 31, 2006 assessment as follows (unaudited):

	<u>Taxable Assessment</u>	<u>Exemptions</u>	<u>Net Taxable Assessments</u>	<u>Rate Per \$1,000</u>	<u>Net Levy</u>
Real property .....	\$4,238,884,090	\$ 71,325,683	\$4,167,558,407	\$13.30	\$55,428,527
Motor vehicle .....	259,144,446	124,881,782	134,262,664	22.04	2,959,149
Tangible property .....	91,778,320	489,299	91,289,021	13.30	1,214,144
Total .....	<u>\$4,589,806,856</u>	<u>\$196,696,764</u>	<u>\$3,607,374,032</u>		<u>\$59,601,820</u>

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

**5. DEPOSITS**

**CASH AND INVESTMENTS**

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

At June 30, 2007, the carrying amount of the Town's deposits was \$34,340,093, (including Fiduciary Funds) while the bank balance was \$36,554,301. Of the balance, \$504,052 was covered by federal depository insurance and \$36,050,249 was uninsured. The Town has entered into collateralization agreements with various financial institutions and as a result, \$9,320,542 of the uninsured balance at June 30, 2007 was collateralized by securities held by the financial institutions and/or third parties in the name of the Town. The remaining uninsured balance of \$26,729,707 was held in other accounts that were not required to be covered by collateralization agreements.

(CONTINUED)

**TOWN OF NORTH KINGSTOWN, RHODE ISLAND**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007**

**5. DEPOSITS (Continued)**

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

Unrestricted cash, including time deposits .....	\$34,340,093
Less: Fiduciary funds cash, including time deposits (not included in the government-wide statement) .....	<u>(1,219,336)</u>
<b>Total cash and cash equivalents on A-1 .....</b>	<b><u>\$33,120,757</u></b>

**6. LONG-TERM LIABILITIES**

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

Long-term liability activity for the year ended June 30, 2007 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<b>Governmental Activities:</b>					
<b>Long-term debt:</b>					
General obligation debt	\$ 45,400,657	\$ -	\$ (3,404,192)	\$ 41,996,465	\$ 3,294,192
<b>Total long-term debt</b>	<u>45,400,657</u>	<u>-</u>	<u>(3,404,192)</u>	<u>41,996,465</u>	<u>3,294,192</u>
<b>Other long-term liabilities:</b>					
Compensated absences	2,145,697	2,062,910	(1,563,015)	2,645,592	100,000
<b>Total other long-term liabilities</b>	<u>2,145,697</u>	<u>2,062,910</u>	<u>(1,563,015)</u>	<u>2,645,592</u>	<u>100,000</u>
<b>Governmental activities:</b>					
Long-term liabilities	\$ 47,546,354	\$ 2,062,910	\$ (4,967,207)	\$ 44,642,057	\$ 3,394,192
<b>Business-type Activities:</b>					
<b>Long-term debt:</b>					
General obligation debt	\$ 513,540	\$ -	\$ (145,007)	\$ 368,533	\$ 30,808
<b>Total long-term debt</b>	<u>513,540</u>	<u>-</u>	<u>(145,007)</u>	<u>368,533</u>	<u>30,808</u>
<b>Other long-term liabilities:</b>					
Compensated absences	108,601	133,847	(129,957)	112,491	5,625
<b>Total other long-term liabilities</b>	<u>108,601</u>	<u>133,847</u>	<u>(129,957)</u>	<u>112,491</u>	<u>5,625</u>
<b>Business-type activities:</b>					
Long-term liabilities	\$ 622,141	\$ 133,847	\$ (274,964)	\$ 481,024	\$ 36,433

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

(CONTINUED)

**TOWN OF NORTH KINGSTOWN, RHODE ISLAND**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007**

**6. LONG-TERM LIABILITIES (Continued)**

**(b) Debt Maturity**

Debt service requirements at June 30, 2007 were as follows:

**GOVERNMENTAL ACTIVITIES**

**General Obligation Debt**

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 3,294,192	\$ 1,732,007	\$ 5,026,199
2009	3,189,192	1,616,879	4,806,071
2010	3,164,192	1,501,667	4,665,859
2011	3,144,192	1,384,129	4,528,321
2012	3,019,192	1,266,356	4,285,548
2013-2017	12,136,345	4,703,634	16,839,979
2018-2022	9,059,160	2,188,681	11,247,841
2023-2026	4,990,000	489,070	5,479,070
Total	<u>\$ 41,996,465</u>	<u>\$ 14,882,423</u>	<u>\$ 56,878,888</u>

**BUSINESS-TYPE ACTIVITIES**

**General Obligation Debt**

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 30,808	\$ 16,782	\$ 47,590
2009	30,808	15,565	46,373
2010	30,809	14,332	45,141
2011	30,809	13,085	43,894
2012	30,809	11,806	42,615
2013-2017	153,653	38,928	192,581
2018-2022	60,837	6,472	67,309
Total	<u>\$ 368,533</u>	<u>\$ 116,970</u>	<u>\$485,503</u>

(CONTINUED)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007**

**6. LONG-TERM LIABILITIES (Continued)**

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

Amounts are as follows:

	Date of Issue	Amount Issued	Interest Rate	Maturity Date	Balance Outstanding 6/30/06	Additions	Retirement	Balance Outstanding 6/30/07
<b>General obligation debt:</b>								
\$2.840 M Refunding Bond	5/1/06	\$ 2,840,000	4.0 – 5.25%	5/1/07 – 21	\$ 2,840,000		\$ 185,000	\$ 2,655,000
\$30.36 M Refunding Bond	4/21/05	30,360,000	3 – 5%	10/1/05 – 26	30,010,000		1,985,000	28,025,000
\$7.885 M GOB 1998 Series A		7,885,000			5,120,000		395,000	4,725,000
Less: Q/D recreation portion	12/15/98	(615,000)	3.7 – 6%	12/15/99 – 18	(399,343)		(30,808)	(368,535)
\$3.3 M GOB 1998 Series B Refunding Bond	12/15/98	3,300,000	3.0 – 5.5%	7/15/99 – 07	150,000		70,000	80,000
\$800,000 Bond	12/15/92	800,000	6.3 – 8.5%	12/15/92 – 06	85,000		85,000	-
\$1.505 M GOB	6/15/99	1,505,000	4.8 – 7.0%	6/15/00 – 19	1,140,000		70,000	1,070,000
\$3.835 M GOB	9/15/00	3,835,000	4.75 – 6.5%	9/15/01 – 21	2,860,000		195,000	2,665,000
\$3.845 M GOB	6/15/01	3,845,000	3.75 – 5.5%	6/15/02 – 16	2,495,000		250,000	2,245,000
\$1.9 M GOB	12/15/01	1,900,000	3.5 – 4.35%	12/15/02 – 11	1,100,000		200,000	900,000
<b>Total general obligation debt</b>		<b>55,655,000</b>			<b>45,400,657</b>		<b>3,404,192</b>	<b>41,996,465</b>
<b>Other long-term liabilities:</b>								
Compensated absences					2,145,697	\$2,062,910	1,563,015	2,645,592
<b>Total long-term liabilities</b>		<b>\$ 55,655,000</b>			<b>\$47,546,354</b>	<b>\$2,062,910</b>	<b>\$ 4,967,207</b>	<b>\$44,642,057</b>

Total interest expense paid on general long-term liabilities for the year ended June 30, 2007 was approximately \$1,852,596.

(CONTINUED)

**TOWN OF NORTH KINGSTOWN, RHODE ISLAND**

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2007**

**7. INTERFUND RECEIVABLES AND PAYABLES**

Interfund balances represent short-term advances from one fund (primarily the General Fund) to another fund. The advances may represent balances resulting from operating advances or reimbursement for expenditures paid by one fund on behalf of another fund. The composition of interfund balances at June 30, 2007 is as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
<b>General Fund</b> .....	\$1,945,062	\$3,239,720
<b>School Unrestricted Fund</b> .....	3,312,094	593,456
<b>Special Revenue Funds:</b>		
Library Fund .....	108,865	
Miscellaneous State Grants .....		104,553
RI Emergency Management .....		152,695
Juniper Hill Tank Grant .....		140,998
Senior Center Legislative Grant .....		234
Community Development Grants .....		10,017
School Public law 94-142 .....		118,290
Title I .....		97,053
Title V .....		210
Title II .....		25,379
Drug Free Schools .....		426
Title II Technology .....		2,025
School Preschool Services .....		9,526
Perkins Vocational Education .....		18,693
School Child Opportunity Zone Family Center .....		7,822
School Child Opportunity Zone Tutorial Homeless .....		14,937
School Even Start Family Literacy .....		13,712
NKHS Living Democracy .....		4,791
RI Parent Info Network .....		2,161
RI Learn & Serve America .....		51
Non Civic Detail Escrow .....		49,680
<b>Total special revenue funds</b> .....	<u>108,865</u>	<u>773,253</u>
<b>Debt service fund</b> .....		
<b>Enterprise funds</b> .....		
<b>Enterprise funds – Non-major</b> .....		<u>205,853</u>
<b>Fiduciary Funds:</b>		
Payroll Fund .....	1,998	
School Payroll Fund .....	593,456	
<b>Total fiduciary funds</b> .....	<u>\$ 595,454</u>	<u>\$ -</u>

(CONTINUED)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007**

**7. INTERFUND RECEIVABLES AND PAYABLES (Continued)**

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
<b>Capital Projects:</b>		
School Renovations Bond.....		\$ 1,167,895
Public Facilities Plan Bond.....		276,931
Public Safety Facilities Bond.....		42,060
School Capital Reserve Fund.....	\$ 337,693	
<b>Total capital projects</b> .....	<u>337,693</u>	<u>1,486,886</u>
<b>TOTALS</b> .....	<u>\$6,299,168</u>	<u>\$6,299,168</u>

**8. FUND EQUITY**

**(a) Reserves and Designations**

Reservations and designations of fund balances at June 30, 2007 were as follows:

<b>General Fund:</b>		
Reserved for encumbrances.....		\$ 910,280
Designated for future expenditures.....		671,000
<b>School Unrestricted Fund:</b>		
Reserved for settlements.....		164,741
Reserved for encumbrances.....		559,541
Reserved for School Cafeteria fund deficit.....		122,205
Designated for future expenditures.....		75,000
<b>Debt Service Fund:</b>		
Reserved for debt service.....		664,801
<b>Other Governmental Funds:</b>		
Reserved for debt service.....		14,984
<b>Fiduciary Fund Types:</b>		
Reserved for trust principal.....		31,005
Reserved for employee retirement system.....		<u>287,124</u>
<b>Total reservations and designations of fund balances</b> .....		<u>\$3,500,681</u>

(CONTINUED)

**TOWN OF NORTH KINGSTOWN, RHODE ISLAND**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007**

**8. FUND EQUITY (Continued)**

**(b) Operating Transfers In and Out**

The principal purpose of interfund transfers is to provide a financing source to various funds that may not have the ability to cover all costs with revenue generated by the fund. The composition of interfund transfers for the year ended June 30, 2007 is as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
<b>Major Funds:</b>		
General Fund .....	\$ 932,258	\$45,379,827
School Unrestricted Fund .....	39,350,083	
Quonset/Davisville Recreation Fund .....		499,355
Water .....	225,910	1,273,409
Debt Service fund .....	3,937,952	
Capital Reserve .....	582,519	
<b>Non-major Funds:</b>		
Special revenue funds .....	1,154,186	921,956
School capital reserve .....	97,713	202,578
Quonset/Davisville Reserve Fund .....	931,355	
Water Capital Reserve Fund .....	1,273,408	
Internal service .....		208,259
<b>Totals</b> .....	<b><u>\$48,485,384</u></b>	<b><u>\$48,485,384</u></b>

**(c) Disclosure of Individual Fund Deficits**

Major Governmental fund Activities:	
9M School Renovations Bond .....	\$1,973,582
Non-major Business-type Activities:	
School Cafeteria Fund .....	\$122,205
Non-major Governmental fund Activities:	
Emergency Medical Services .....	\$ 90
RI Emergency Management .....	152,695
6M Public Facilities Plan Bond .....	276,931
4.5M Public Safety Facilities .....	42,060

Deficit for major governmental type fund will be funded through the General fund, a major governmental activities fund.

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

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

(CONTINUED)

**TOWN OF NORTH KINGSTOWN, RHODE ISLAND**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007**

**8. FUND EQUITY (Continued)**

**(d) Prior Period Adjustment – Net Assets**

Net assets were restated to include the addition of infrastructure net assets on the Government-Wide Statement of Activities, therefore increasing total net assets. All infrastructure with the exception of Developmental Rights were not included in the financial statements at June 30, 2006. During fiscal year ended June 30, 2007, the Town began implementation of the infrastructure requirement of GASB Statement 34. For the 2006-2007 fiscal year the remaining infrastructure net assets were added as part of this implementation and listed on the financial statements as a restatement of net assets. The Town included valued infrastructure in the amount of \$62,407,312 as a restatement of net assets.

**9. BONDS AUTHORIZED BUT UNISSUED**

Bonds authorized but unissued at June 30, 2007 are as follows:

Public Facilities Plan Bonds.....	\$ 1,290,000
Library .....	350,000
School Improvements .....	9,000,000
Beechwood House, Etc.....	4,000,000
Farmland, Development Rights .....	4,000,000
Public Safety Facilities .....	4,500,000
Commercial Septic System Loan.....	<u>2,000,000</u>
<b>Total .....</b>	<b><u>\$25,140,000</u></b>

**10. 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, 2007 was approximately \$11,257,145 and the Town wide payroll was approximately \$49,929,432.

**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.

(CONTINUED)

**TOWN OF NORTH KINGSTOWN, RHODE ISLAND**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007**

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

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

**Contributions Required and Contributions Made**

General employees were required by State Statute to contribute 7% of their annual earnings until the maximum benefit (75 percent of final average salary) is accrued. The Town is required to contribute based on an actuarially computed amount and as provided by State Statute for each participating municipality. The actuarial method used is the entry age normal cost with part of each municipality's unfunded actuarial liability funded over a closed thirty year amortization period and the balance funded over the projected future payroll of active members. Due to large fluctuations in the contribution rates of certain municipalities, the plan has adopted a procedure which would allow a unit the option of paying a smoothed contribution rate. The smoothed contribution rate equals the previous fiscal year's contribution rate plus the greater of 2 percent or one eighth of the increase in contribution rate plus the cost of any benefit improvements. The actuarially determined contribution amount for the Town was determined as described above and was based on an actuarial valuation as of June 30, 2004.

The annual required contribution for the Town which equals the annual pension cost for the year ended June 30, 2007 was approximately \$1,363,334 for general employees. This contribution represents 10.34% of covered payroll. General municipal employees were required to contribute approximately \$788,002. This contribution represents 7% of covered payroll.

**Trend Information**

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

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
2005	\$ 642,000	100%	\$0
2006	\$1,046,610	100%	\$0
2007	\$1,363,334	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, 2005 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 Annuity Fund Plan Description**

On October 3, 2006, the Town paid a premium of \$3,239,000 to purchase Annuities under a contract with the Hartford Life Insurance Company for individual retirees under the inactive Police Pension Plan. This premium was the amount specified in Hartford Life Insurance Company's quote that was accepted by the Town and was based on the census data and plan specifications listed by the Town.

The annuities were purchased in the names of the individual retirees, however, the Town retains assets in the Police Pension Fund to cover potential future, although unexpected, plan liabilities.

(CONTINUED)

**TOWN OF NORTH KINGSTOWN, RHODE ISLAND**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007**

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

**(b) Police and Fire 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, 2007 was approximately \$2,447,725 and \$3,620,661, respectively. The Town wide payroll was approximately \$49,929,432.

**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.

(CONTINUED)

**TOWN OF NORTH KINGSTOWN, RHODE ISLAND**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007**

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

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

**Contributions Required and Contributions Made**

Police and fire personnel are required by State Statute to contribute 9% until the maximum benefit (75 percent of final average salary) is accrued. The Town is required to contribute based on an actuarially computed amount and as provided by State Statute for each participating municipality. The actuarial method used is the entry age normal cost with part of each municipality's unfunded actuarial liability funded over a closed thirty year amortization period and the balance funded over the projected future payroll of active members. Due to large fluctuations in the contribution rates of certain municipalities, the plan has adopted a procedure which would allow a unit the option of paying a smoothed contribution rate. The smoothed contribution rate equals the previous fiscal year's contribution rate plus the greater of 2 percent or one eighth of the increase in contribution rate plus the cost of any benefit improvements. The actuarially determined contribution amount for the Town was determined as described above and was based on an actuarial valuation as of June 30, 2004.

The annual required contribution for police and fire personnel for the Town which equals the annual pension cost for the year ended June 30, 2007 was approximately \$1,186,936. These contributions represent 21.22% of covered payroll for fire personnel and 21.78% for police personnel. Police and fire personnel were required to contribute approximately \$220,296 and \$325,855, 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>
2005	\$ 384,360	100%	\$0
2006	\$457,346	100%	\$0
2007	\$508,504	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>
2005	\$474,140	100%	\$0
2006	\$715,457	100%	\$0
2007	\$678,432	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, 2006 annual financial report, which may be obtained from the administrative offices of the State of Rhode Island Retirement Board, 40 Fountain Street, Providence, Rhode Island. This report is the most recent report available from the State, who administers the Plan.

(CONTINUED)

**TOWN OF NORTH KINGSTOWN, RHODE ISLAND**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007**

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

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 .....	6/30/05	6/30/05
Actuarial Cost Method.....	Entry Age Normal Cost	Entry Age Normal Cost
Amortization Method .....	Level Percent Closed	Level Percent Closed
Remaining Amortization Period .....	24 years	24 years
Asset Valuation Method .....	5-year Smoothed Market Value	5-Year Smoothed Market Value
Actuarial assumptions:		
Investment rate of return.....	8.25%, compounded annually	8.25%, compounded annually
Projected Salary Increases.....	4.50% - 9.00%, compounded annually	5.0% - 15.5%, compounded annually
Cost-of-living Adjustments .....	1.50% not compounded	2.00% not compounded
Inflation Adjustments.....	3.0%	3.0%
Participant Information .....	Active Employees 386	Active Employees 122
	Retirees and beneficiaries 141	Retirees and beneficiaries 68
	<u>527</u>	<u>190</u>

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

(CONTINUED)

**TOWN OF NORTH KINGSTOWN, RHODE ISLAND**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007**

**10. 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, 2007 was approximately \$24,994,209, which consisted of approximately \$511,290 for employees charged to federal programs and approximately \$24,482,919 for all other employees. The School Department's total payroll was approximately \$34,242,529. The Town wide payroll for the year ended June 30, 2007 was approximately \$49,929,432.

**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, 2004 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 11.62%, 9.72%, and 8.72% for all full-time employees for fiscal years 2007, 2006, and 2005, 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 – 16.75 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.
- (f) **Inflation rate** – 3.0 percent

(CONTINUED)

**TOWN OF NORTH KINGSTOWN, RHODE ISLAND**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007**

**10. 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 2007, actuarial required contributions were 19.64% of the participant's salary. This resulted in a contribution paid by the State on behalf of the School Department totaling \$1,963,530 for the fiscal year ended June 30, 2007.

The School Department does not have any investments or related party investments with the State Plan. The School Department's contribution represented 2.70 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>
2007	\$2,374,457	\$2,844,910	100%
2006	\$2,271,188	\$2,268,683	100%
2005	\$2,266,850	\$2,032,960	100%

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

Trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is presented in the State of Rhode Island's Employee Retirement System's June 30, 2005 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.

**11. POST RETIREMENT BENEFITS**

In addition to the pension benefits described in Note 11, the Town provides post employment benefits (health insurance) in accordance with union contracts and Town personnel policies. 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, 2007**

**11. 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, 2007, expenditures of \$805,410 were recognized for post retirement benefits. Of this amount, \$314,677 was paid for health insurance for 27 fire department retirees, \$200,318 was paid for health insurance for 52 municipal retirees and their spouses, and \$290,415 was paid for health insurance for 27 police retirees.

**12. 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, 2007. Minimum rentals on the leases for the next five years are as follows:

<u>Year Ended</u> <u>June 30</u>	<u>Amount</u>
2008 .....	\$126,060
2009 .....	24,000
2010 .....	24,000
2011 .....	<u>12,000</u>
Total .....	<u>\$186,060</u>

**13. SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES AND COMMITMENTS**

***Litigation***

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

***Commitments***

The Town 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, 2007.

The Town of North Kingstown had several outstanding construction and technology projects as of June 30, 2007. These projects are evidenced by contractual commitments with contractors and include:

(CONTINUED)

**TOWN OF NORTH KINGSTOWN, RHODE ISLAND**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007**

**13. SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES AND COMMITMENTS (Continued)**

**Commitments (Continued)**

<u>FUND/PROJECT</u>	<u>SPENT TO DATE</u>	<u>COMMITMENT REMAINING</u>	<u>FUNDING SOURCE(S)</u>
Overlaying Services	\$ 53,392	\$ 220,416	General Fund, Operating Budget
EEO, Personnel Rules & Regulations Update	5,363	2,638	General Fund, Operating Budget
Comprehensive Plan Update	44,660	5,340	General Fund, Operating Budget
Fingerprint System	13,200	30,000	General Fund, Operating Budget
Impact Fee Study	6,900	7,100	General Fund, Operating Budget
2 Crown Victoria Police Cars		37,020	General Fund, Operating Budget
2 Dump Trucks, Ford F550 Diesel		115,115	General Fund, Operating Budget
F350 Pickup		32,306	General Fund, Operating Budget
Town Hall Carpeting		12,002	General Fund, Operating Budget
Upgrade Library Elevator		20,180	Champlin Foundation Library Grant
		470	Library Fund, Operating Budget
Replace Underground Gas Line Main Street		102,274	Town Capital Reserve Funds
Replace or Repair Boilers at Various Town Buildings	23,310	55,724	Town Capital Reserve Funds
	9,585	22,915	Champlin Foundation Library Grant
	1,223	2,922	Library Donations
Window and External Repairs at Town Hall & Annex		231,635	Town Capital Reserve Funds
		35,365	State Grants
Window/Door Replacement, Asbestos Removal at Four Schools	538,320	630,180	\$9M School Bond
Life Safety Modifications at Four Schools	778,430	3,578,570	9M School Bond
Rehabilitation of Belleville Pond Dam	411,613	31,527	Town Capital Reserve Funds
Allen Harbor Bulkhead Design Reconstruction		21,000	Q/D Rec. Fund, Operating Budget
Allen Harbor, Calf Pasture Improve	51,648	1,342	State Grant Funds
	35,007	10,033	Payment in Lieu of Land Dedication
	20,210		Q/D Recreation Fund, Operating Budget
Water System Upgrades for Highway/Bridge	248,484	108,164	Water Fund, Operating Budget
Ford F250 4X4 With Plow		22,693	Water Fund, Operating Budget
Construction of New Well 11	127,416	321,923	Water Fund, Operating Budget
	114,911	290,329	Water Fund, Capital Reserve
Rehabilitation of Emergency Meter Vault Between No Kingstown & Kent County Water	15,467	44,533	Water Fund, Operating Budget
	13,508	38,892	Water Fund, Capital Reserve
Storage Tank Design and Standpipe Improv.	102,951	150,674	Water Fund, Operating Budget
Lead Abatement at 3 Water Tank Sites	155,009	180,311	Water Fund, Operating Budget
<b>Grand Totals</b>	<b>\$2,770,607</b>	<b>\$6,363,593</b>	

(CONTINUED)

**TOWN OF NORTH KINGSTOWN, RHODE ISLAND**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007**

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**13. SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES AND COMMITMENTS**

**Grants**

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

**14. DEFERRED COMPENSATION PLAN**

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

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

**15. SELF-INSURANCE ACTIVITIES**

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

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

For self-insured worker's compensation activities, individual Town funds/departments were charged a "premium" based on actuarial studies considering historical claims experience, projected payroll levels, administration costs, and projected insurance industry inflation rates. Assessments for property damage were based upon estimates of liability for uninsured losses to be incurred by the Town as a whole, apportioned to individual funds based on historical experience. Billings from the Workers' Compensation and Property Damage funds for the fiscal year ended June 30, 2007 were \$0.

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

(CONTINUED)

**TOWN OF NORTH KINGSTOWN, RHODE ISLAND**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007**

**15. SELF-INSURANCE ACTIVITIES (Continued)**

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors. Changes in the balances of claims liabilities during the past two fiscal years are as follows:

	<u>June 30, 2007</u>			<u>June 30, 2006</u>		
	Workers' Compensation Fund	Property Damage Fund	Total	Workers' Compensation Fund	Property Damage Fund	Total
Unpaid claims, beginning of fiscal year .....	\$50,000	\$ -	\$50,000	\$50,000	\$70,168	\$120,168
Incurred claims (including IBNR's) .....						
Claim payments .....			-		(70,168)	(70,168)
Unpaid claims, end of fiscal year .....	<u>\$50,000</u>	<u>\$ -</u>	<u>\$ 50,000</u>	<u>\$50,000</u>	<u>\$ -</u>	<u>\$50,000</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, 2007 as compared to the previous year. The claims incurred did not exceed insurance coverage in any of the last three years.

(CONCLUDED)

THE TOWN OF  
NORTH KINGSTOWN, RHODE ISLAND

REQUIRED SUPPLEMENTARY INFORMATION

**TOWN OF NORTH KINGSTOWN, RHODE ISLAND**

**REQUIRED SUPPLEMENTARY INFORMATION**

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

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

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TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF FUNDING PROGRESS FOR PENSION PLANS  
JUNE 30, 2007**

	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	AAL (UAAL) Funding Excess (deficit)	Funded Ratio	Covered Payroll	AAL (UAAL) Funding Excess (deficit) as Percentage of Covered Payroll
General municipal employees pension plan	6/30/03	27,651,706	32,946,121	(5,294,415)	83.9%	9,517,449	(55.6%)
	6/30/04	27,567,463	35,288,291	(7,720,829)	78.1%	10,791,847	(71.5%)
	6/30/05	28,290,030	38,320,570	(10,030,540)	73.8%	10,852,333	(92.4%)
Municipal police pension plan	6/30/03	12,085,034	13,454,686	(1,369,652)	89.8%	2,067,633	(66.2%)
	6/30/04	11,972,027	15,081,134	(3,109,106)	79.4%	2,257,865	(137.7%)
	6/30/05	12,181,369	16,419,227	(4,237,858)	74.2%	2,366,001	(179.1%)
Municipal firemen pension plan	6/30/03	19,276,926	22,508,273	(3,231,347)	85.6%	3,291,128	(98.2%)
	6/30/04	19,017,109	23,585,108	(4,568,000)	80.6%	3,431,941	(133.1%)
	6/30/05	19,140,008	25,071,693	(5,931,685)	76.3%	3,338,739	(177.7%)
Town of North Kingstown Police Pension Fund	7/1/03	4,110,617	2,558,536	1,552,081	160.7%	n/a	
n/a	7/1/05	3,806,393	2,467,920	1,338,473	154.2%	n/a	
n/a	7/1/06	3,508,888	2,374,917	1,133,971	147.8%	n/a	

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

(CONCLUDED)

**TOWN OF NORTH KINGSTOWN****Schedule of Revenues and Expenditures (Non GAAP Budgetary Basis)  
Budget and Actual  
(Unaudited)****General Fund  
Year Ended June 30, 2007**

	Originally Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
<b>Revenues:</b>				
Property Tax	\$ 58,516,109	\$ 58,516,109	\$ 58,892,935	\$ 376,826
Intergovernmental	4,354,028	4,354,028	4,381,938	27,910
Licenses & Permits	546,545	546,545	581,969	35,424
Investment Income	650,000	650,000	1,215,825	565,825
Departmental	2,487,815	1,847,988	1,923,295	75,307
Other	20,000	20,000	43,729	23,729
<b>Total Revenues</b>	<b>66,574,497</b>	<b>65,934,670</b>	<b>67,039,691</b>	<b>1,105,021</b>
<b>Expenditures:</b>				
Town Council	118,840	105,340	41,722	63,618
Town Manager	219,856	219,856	213,730	6,126
Town Clerk & Elections	555,989	555,989	499,344	56,645
Town Solicitor	269,500	337,000	284,045	52,955
Finance and Information Systems	682,600	682,600	673,974	8,626
Assessor	225,445	225,445	223,917	1,528
Planning	371,376	371,376	370,449	927
General Operating	2,092,205	2,134,636	2,283,420	(148,784)
Code Enforcement	283,653	283,653	269,215	14,438
Fire	7,596,784	7,576,784	7,492,403	84,381
Police, Harbor & Animal Control	5,690,469	5,646,469	5,458,157	188,312
Public Works	4,502,776	4,235,257	4,143,248	92,009
Recreation	263,722	273,722	286,012	(12,290)
Senior Citizens	304,534	305,800	305,797	3
Contributiions	61,557	61,557	61,558	(1)
Welfare	24,883	23,617	22,209	1,408
<b>Total Expenditures</b>	<b>23,264,189</b>	<b>23,039,101</b>	<b>22,629,200</b>	<b>409,901</b>
<b>Excess of revenues over expenditures</b>	<b>43,310,308</b>	<b>42,895,569</b>	<b>44,410,491</b>	<b>1,514,922</b>
<b>Other financing sources (uses):</b>				
Transfers from fund balance	870,000	870,000	870,000	-
Transfers in	250,000	932,258	932,258	-
Transfers out	(44,430,308)	(44,697,827)	(45,379,827)	(682,000)
<b>Net other financing sources (uses)</b>	<b>(43,310,308)</b>	<b>(42,895,569)</b>	<b>(43,577,569)</b>	<b>(682,000)</b>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 832,922</b>	<b>\$ 832,922</b>

TOWN OF NORTH KINGSTOWN

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

**School Unrestricted Fund  
Year Ended June 30, 2007**

	Originally Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
<b>Revenues:</b>				
State Aid	\$ 11,717,523	\$ 11,717,523	\$ 11,696,883	\$ (20,640)
Tuition	2,200,000	2,200,000	2,088,609	(111,391)
Miscellaneous	107,500	107,500	136,440	28,940
<b>Total Revenues</b>	<u>14,025,023</u>	<u>14,025,023</u>	<u>13,921,932</u>	<u>(103,091)</u>
<b>Expenditures:</b>				
Education	53,081,700	53,882,939	53,670,924	212,015
<b>Total Expenditures</b>	<u>53,081,700</u>	<u>53,882,939</u>	<u>53,670,924</u>	<u>212,015</u>
<b>Excess of revenues over expenditures</b>	(39,056,677)	(39,857,916)	(39,748,992)	108,924
<b>Other financing sources (uses):</b>				
Transfers from fund balance	75,000	507,833	507,833	-
Operating transfer from Town	38,981,677	39,350,083	39,350,083	-
<b>Net other financing sources (uses)</b>	<u>39,056,677</u>	<u>39,857,916</u>	<u>39,857,916</u>	<u>-</u>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 108,924</u>	<u>\$ 108,924</u>

**TOWN OF NORTH KINGSTOWN, RHODE ISLAND**

**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2007**

**BUDGETARY PROCESS**

**(a) Adoption**

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

The following governmental funds have annual appropriated budgets:

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

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

The following reconciliation summarizes the difference for the Town's General Fund between budgetary and GAAP basis accounting principles for the year ended June 30, 2007:

Excess revenues and other sources over expenditures and other uses (Non-GAAP Budgetary Basis) .....	\$ 832,922
Prior year encumbrances .....	(773,094)
Current year encumbrances .....	910,280
Prior year cancelled or voided purchase orders .....	249,546
Use of accumulated fund balance .....	<u>(870,000)</u>
Excess of expenditures and other sources over revenues (GAAP) .....	<u>\$ 349,654</u>

(CONTINUED)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2007**

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

The following reconciliation summarizes the difference for the School's Unrestricted Fund between budgetary and GAAP basis accounting principles for the year ended June 30, 2007:

Excess of revenues and other sources over expenditures and other uses (Non-GAAP Budgetary Basis) .....	\$ 108,924
Prior year encumbrances .....	(1,142,192)
Current year encumbrances .....	559,541
Prior year cancelled or voided purchase orders .....	250,619
Use of accumulated fund balance .....	<u>(507,833)</u>
Excess of expenditures and other sources over revenues (GAAP) .....	<u>\$ (730,941)</u>

(CONCLUDED)

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THE TOWN OF  
NORTH KINGSTOWN, RHODE ISLAND

OTHER SUPPLEMENTARY INFORMATION

**TOWN OF NORTH KINGSTOWN, RHODE ISLAND**

**NON-MAJOR GOVERNMENTAL FUNDS**

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**SPECIAL REVENUE FUNDS:**

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

***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.

***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.

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

***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.

***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.

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

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

***Local Law Enforcement Block Grant*** – 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.

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**TOWN OF NORTH KINGSTOWN, RHODE ISLAND**

**NON-MAJOR GOVERNMENTAL FUNDS**

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**SPECIAL REVENUE FUNDS (CONTINUED):**

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

**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 anyone obtaining a new building permit to offset the impact of increased population on education, recreation, and library use.

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

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

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

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

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

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

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

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

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

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

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

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

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**TOWN OF NORTH KINGSTOWN, RHODE ISLAND**

**NON-MAJOR GOVERNMENTAL FUNDS**

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**SPECIAL REVENUE FUNDS (CONTINUED):**

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

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

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

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

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

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

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

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

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

Public Law 94-142	Substance Abuse
Title I	Literacy Set-Aside
Title V	Title II Technology
Title II	Preschool Services
Drug-Free Schools	Perkins Vocational
Even Start Family Literacy	Comprehensive School Reform
Parent Information Network	Title III LEP
Child Opportunity Zone Family Center	2ET2 MCI Enhancing Education
COZ Miscellaneous Donations	NKHS Living Democracy
Consortium Student Info system	COZ ADA Project
Sports Camp	Adult Education Fund
Champlin	Summer School Fund
Medicaid	Child Opportunity Zone Tutorial Homeless
RI Electronic Portfolio System	Emergency Response Plans
Information Technology Services	RI Learn and Serve America

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**TOWN OF NORTH KINGSTOWN, RHODE ISLAND**

**NON-MAJOR GOVERNMENTAL FUNDS**

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**DEBT SERVICE FUNDS:**

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

**CAPITAL PROJECT FUNDS:**

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

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

**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.

**Farmland Preservation Bond** – To account for bond monies used to finance the acquisition of development rights to farmland, undeveloped land and/or open spaces.

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

**PERMANENT FUNDS:**

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

**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.

**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 benefit the poor and needy of North Kingstown and is authorized to be used as required by the Welfare Director.

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**TOWN OF NORTH KINGSTOWN, RHODE ISLAND**

**NON-MAJOR GOVERNMENTAL FUNDS**

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**PERMANENT FUNDS (CONTINUED):**

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

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

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

Elizabeth Miller  
William D. Davis

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

(CONCLUDED)

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**TOWN OF NORTH KINGSTOWN**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2007**

		SPECIAL REVENUE FUNDS						
		Beachwood House Senior Center Equipment Escrow	State Council on the Arts Grant	Non Civic Detail Escrow Fund	Governor's Justice Commission	Special Purpose Donations	Juniper Hill Tank Grant	
<b>ASSETS:</b>								
Cash and cash equivalents	\$	709	\$ 11,247		\$ 7,631	\$ 20,159	\$ 140,998	
Due from other governments								
Due from other funds								
Other receivables				\$ 79,295				
<b>TOTAL ASSETS</b>		<u>709</u>	<u>11,247</u>	<u>79,295</u>	<u>7,631</u>	<u>20,159</u>	<u>140,998</u>	
<b>LIABILITIES:</b>								
Accounts payable								
Due to other funds				29,615	7,631	64	140,998	
Deferred revenue				49,680				
<b>TOTAL LIABILITIES</b>		<u>-</u>	<u>-</u>	<u>79,295</u>	<u>7,631</u>	<u>64</u>	<u>140,998</u>	
<b>FUND BALANCES:</b>								
Capital Projects								
Special Revenue		709	11,247	-	-	20,095	-	
Permanent Fund								
Debt Service								
<b>TOTAL FUND BALANCES (DEFICITS)</b>		<u>709</u>	<u>11,247</u>	<u>-</u>	<u>-</u>	<u>20,095</u>	<u>-</u>	
<b>TOTAL LIABILITIES AND FUND BALANCES</b>		<u>\$ 709</u>	<u>\$ 11,247</u>	<u>\$ 79,295</u>	<u>\$ 7,631</u>	<u>\$ 20,159</u>	<u>\$ 140,998</u>	

**TOWN OF NORTH KINGSTOWN**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2007**

	SPECIAL REVENUE FUNDS						
	Miscellaneous Senior Citizens Grant	CDBG Grants	Land Dedication Escrow	State Elderly Affairs Grant	State Grants - Police Department	Seized and Forfeited Property Escrow	
<b>ASSETS:</b>							
Cash and cash equivalents	\$ 1,242	\$ 55,072	\$ 85,270	\$ 1,103	\$ 1,902	\$ 3,488	
Due from other governments		170,130			1,909		
Due from other funds							
Other receivables							
<b>TOTAL ASSETS</b>	<b>1,242</b>	<b>225,202</b>	<b>85,270</b>	<b>1,103</b>	<b>3,811</b>	<b>3,488</b>	
<b>LIABILITIES:</b>							
Accounts payable				1,103			
Due to other funds		10,017					
Deferred revenue		215,185					
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>225,202</b>	<b>-</b>	<b>1,103</b>	<b>-</b>	<b>-</b>	
<b>FUND BALANCES:</b>							
Capital Projects							
Special Revenue	1,242	-	85,270	-	3,811	3,488	
Permanent Fund							
Debt Service							
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<b>1,242</b>	<b>-</b>	<b>85,270</b>	<b>-</b>	<b>3,811</b>	<b>3,488</b>	
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 1,242</b>	<b>\$ 225,202</b>	<b>\$ 85,270</b>	<b>\$ 1,103</b>	<b>\$ 3,811</b>	<b>\$ 3,488</b>	

(CONTINUED)

**TOWN OF NORTH KINGSTOWN**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2007**

	SPECIAL REVENUE FUNDS						
	Local Law Enforcement Block Grant	Groundwater Education Donation	School Department Substance Abuse Donations	Infrastructure Replacement	URI Septic Loan Program	Community Center Maintenance	
<b>ASSETS:</b>							
Cash and cash equivalents	\$ 358	\$ 610	\$ 4,976	\$ 48,047	\$ 129,393	\$ 15,761	
Due from other governments							
Due from other funds				20,952			
Other receivables	358	610	4,976	68,999	129,393	15,761	
<b>TOTAL ASSETS</b>							
<b>LIABILITIES:</b>							
Accounts payable							15,761
Due to other funds							15,761
Deferred revenue							
<b>TOTAL LIABILITIES</b>							
<b>FUND BALANCES:</b>							
Capital Projects							
Special Revenue	358	610	4,976	68,999	129,393	-	
Permanent Fund							
Debt Service							
<b>TOTAL FUND BALANCES (DEFICITS)</b>							
<b>TOTAL LIABILITIES AND FUND BALANCES</b>							

(CONTINUED)

**TOWN OF NORTH KINGSTOWN**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2007**

		SPECIAL REVENUE FUNDS						
		Heritage Committee	Senior Center Legislative Grant	Impact Fees	Emergency Medical Services	RIDEM Potowomut Pond Clean-up	Fire Department Legislative Grant	
<b>ASSETS:</b>								
Cash and cash equivalents	\$	144	\$	49,014	\$	1,385	\$	2,627
Due from other governments								
Due from other funds								
Other receivables								
<b>TOTAL ASSETS</b>		<u>144</u>	<u>\$ -</u>	<u>49,014</u>	<u>1,385</u>	<u>4,500</u>	<u>2,627</u>	
<b>LIABILITIES:</b>								
Accounts payable			115		1,475			
Due to other funds		144	234					
Deferred revenue								
<b>TOTAL LIABILITIES</b>		<u>144</u>	<u>349</u>	<u>-</u>	<u>1,475</u>	<u>-</u>	<u>-</u>	
<b>FUND BALANCES:</b>								
Capital Projects								
Special Revenue			(349)	49,014	(90)	4,500	2,627	
Permanent Fund								
Debt Service								
<b>TOTAL FUND BALANCES (DEFICITS)</b>		<u>-</u>	<u>(349)</u>	<u>49,014</u>	<u>(90)</u>	<u>4,500</u>	<u>2,627</u>	
<b>TOTAL LIABILITIES AND FUND BALANCES</b>		<u>\$ 144</u>	<u>\$ -</u>	<u>\$ 49,014</u>	<u>\$ 1,385</u>	<u>\$ 4,500</u>	<u>\$ 2,627</u>	

(CONTINUED)

**TOWN OF NORTH KINGSTOWN**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2007**

		SPECIAL REVENUE FUNDS					
		Operation Drug Dog	Tax Revaluation Reserve Fund	Miscellaneous State Grants	Davisville Library Fund	Champlin Foundation Fund	Library Fund
<b>ASSETS:</b>							
Cash and cash equivalents	\$	2,917	\$ 1,094	\$		\$ 49,543	\$ 50
Due from other governments				153,548			108,865
Due from other funds							
Other receivables							
<b>TOTAL ASSETS</b>		<u>2,917</u>	<u>1,094</u>	<u>153,548</u>	<u>\$ -</u>	<u>49,543</u>	<u>108,915</u>
<b>LIABILITIES:</b>							
Accounts payable				48,995		4,306	49,698
Due to other funds				104,553			
Deferred revenue							
<b>TOTAL LIABILITIES</b>		<u>-</u>	<u>-</u>	<u>153,548</u>	<u>-</u>	<u>4,306</u>	<u>49,698</u>
<b>FUND BALANCES:</b>							
Capital Projects							
Special Revenue		2,917	1,094	-	-	45,237	59,217
Permanent Fund							
Debt Service							
<b>TOTAL FUND BALANCES (DEFICITS)</b>		<u>2,917</u>	<u>1,094</u>	<u>-</u>	<u>-</u>	<u>45,237</u>	<u>59,217</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>		<u>\$ 2,917</u>	<u>\$ 1,094</u>	<u>\$ 153,548</u>	<u>\$ -</u>	<u>\$ 49,543</u>	<u>\$ 108,915</u>

**TOWN OF NORTH KINGSTOWN**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2007**

		SPECIAL REVENUE FUNDS					
	Willlet Library Fund	RI Emergency Management	Miscellaneous Library Donations	School Public Law 94-142	School Title I	School Title V	
<b>ASSETS:</b>							
Cash and cash equivalents							
Due from other governments							
Due from other funds							
Other receivables	\$ 649	\$ -	\$ 12,673	\$ 118,290	\$ 97,053	\$ 210	
<b>TOTAL ASSETS</b>	<u>649</u>	<u>\$ -</u>	<u>12,673</u>	<u>118,290</u>	<u>97,053</u>	<u>210</u>	
<b>LIABILITIES:</b>							
Accounts payable							
Due to other funds	649	152,695	920	118,290	97,053	210	
Deferred revenue							
<b>TOTAL LIABILITIES</b>	<u>649</u>	<u>152,695</u>	<u>920</u>	<u>118,290</u>	<u>97,053</u>	<u>210</u>	
<b>FUND BALANCES:</b>							
Capital Projects							
Special Revenue	-	(152,695)	11,753	-	-	-	
Permanent Fund							
Debt Service	-	(152,695)	11,753	-	-	-	
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<u>-</u>	<u>(152,695)</u>	<u>11,753</u>	<u>-</u>	<u>-</u>	<u>-</u>	
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 649</u>	<u>\$ -</u>	<u>\$ 12,673</u>	<u>\$ 118,290</u>	<u>\$ 97,053</u>	<u>\$ 210</u>	

**TOWN OF NORTH KINGSTOWN**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2007**

	SPECIAL REVENUE FUNDS					
	School Title II	Drug Free Schools	School Title II Technology	School Title III LEP	School Preschool Services	Perkins Vocational Ed
<b>ASSETS:</b>						
Cash and cash equivalents						
Due from other governments						
Due from other funds						
Other receivables	\$ 25,379	\$ 426	\$ 2,025	\$ -	\$ 9,526	\$ 18,693
<b>TOTAL ASSETS</b>	<u>25,379</u>	<u>426</u>	<u>2,025</u>	<u>\$ -</u>	<u>9,526</u>	<u>18,693</u>
<b>LIABILITIES:</b>						
Accounts payable						
Due to other funds						
Deferred revenue	25,379	426	2,025	-	9,526	18,693
<b>TOTAL LIABILITIES</b>	<u>25,379</u>	<u>426</u>	<u>2,025</u>	<u>-</u>	<u>9,526</u>	<u>18,693</u>
<b>FUND BALANCES:</b>						
Capital Projects						
Special Revenue						
Permanent Fund						
Debt Service						
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 25,379</u>	<u>\$ 426</u>	<u>\$ 2,025</u>	<u>\$ -</u>	<u>\$ 9,526</u>	<u>\$ 18,693</u>

**TOWN OF NORTH KINGSTOWN**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2007**

		SPECIAL REVENUE FUNDS						
		Comprehensive School Reform	Child Opportunity Zone Family Center	School Substance Abuse	Child Opportunity Zone Tutorial Homeless	School Literacy Set-Aside	School Even Start Family Literacy	
<b>ASSETS:</b>								
Cash and cash equivalents								
Due from other governments								
Due from other funds								
Other receivables			7,822		14,937	2,504	13,712	
<b>TOTAL ASSETS</b>			<b>7,822</b>	<b>\$ -</b>	<b>14,937</b>	<b>2,504</b>	<b>13,712</b>	
<b>LIABILITIES:</b>								
Accounts payable								
Due to other funds			7,822		14,937		13,712	
Deferred revenue								
<b>TOTAL LIABILITIES</b>			<b>7,822</b>	<b>-</b>	<b>14,937</b>	<b>-</b>	<b>13,712</b>	
<b>FUND BALANCES:</b>								
Capital Projects						2,504		
Special Revenue								
Permanent Fund								
Debt Service								
<b>TOTAL FUND BALANCES (DEFICITS)</b>			<b>-</b>	<b>-</b>	<b>-</b>	<b>2,504</b>	<b>-</b>	
<b>TOTAL LIABILITIES AND FUND BALANCES</b>			<b>\$ 7,822</b>	<b>\$ -</b>	<b>\$ 14,937</b>	<b>\$ 2,504</b>	<b>\$ 13,712</b>	

**TOWN OF NORTH KINGSTOWN**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2007**

		SPECIAL REVENUE FUNDS						
		School RI Electronic Portfolio System	NKHS Living Democracy	Consortium Student Info System	Emergency Response Plans	School COZ Miscellaneous Donations	School Adult Education Fund	
<b>ASSETS:</b>								
Cash and cash equivalents								
Due from other governments								
Due from other funds								
Other receivables								
<b>TOTAL ASSETS</b>								
	\$	4,387	\$ 4,791	-	-	\$ 2,753	\$	610
		<u>4,387</u>	<u>4,791</u>	<u>-</u>	<u>-</u>	<u>2,753</u>		<u>610</u>
<b>LIABILITIES:</b>								
Accounts payable								
Due to other funds								
Deferred revenue								
<b>TOTAL LIABILITIES</b>								
		4,387	4,791	-	-	2,753		-
		<u>4,387</u>	<u>4,791</u>	<u>-</u>	<u>-</u>	<u>2,753</u>		<u>-</u>
<b>FUND BALANCES:</b>								
Capital Projects								
Special Revenue								
Permanent Fund								
Debt Service								
<b>TOTAL FUND BALANCES (DEFICITS)</b>								
		-	-	-	-	-		610
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>		<u>610</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>								
	\$	4,387	\$ 4,791	-	-	\$ 2,753	\$	610
		<u>4,387</u>	<u>4,791</u>	<u>-</u>	<u>-</u>	<u>2,753</u>		<u>610</u>

**TOWN OF NORTH KINGSTOWN**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2007**

		SPECIAL REVENUE FUNDS						
		School Summer School Fund	School Sports Camp	E2T2 MCI Enhancing Education	COZ ADA Project	Champlin	Medicaid	
<b>ASSETS:</b>								
Cash and cash equivalents	\$	31,970	\$ 43,328		\$ 1,208	\$ 7	\$ 8,649	
Due from other governments								
Due from other funds								
Other receivables								
<b>TOTAL ASSETS</b>		<u>31,970</u>	<u>\$ 43,328</u>	<u>\$ -</u>	<u>1,208</u>	<u>7</u>	<u>8,649</u>	
<b>LIABILITIES:</b>								
Accounts payable		7,771	1,998		282		8,649	
Due to other funds								
Deferred revenue						7		
<b>TOTAL LIABILITIES</b>		<u>7,771</u>	<u>1,998</u>	<u>-</u>	<u>282</u>	<u>7</u>	<u>8,649</u>	
<b>FUND BALANCES:</b>								
Capital Projects		24,199	41,330		926			
Special Revenue								
Permanent Fund								
Debt Service								
<b>TOTAL FUND BALANCES (DEFICITS)</b>		<u>24,199</u>	<u>41,330</u>	<u>-</u>	<u>926</u>	<u>-</u>	<u>-</u>	
<b>TOTAL LIABILITIES AND FUND BALANCES</b>		<u>\$ 31,970</u>	<u>\$ 43,328</u>	<u>\$ -</u>	<u>\$ 1,208</u>	<u>\$ 7</u>	<u>\$ 8,649</u>	

**TOWN OF NORTH KINGSTOWN**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2007**

		SPECIAL REVENUE FUNDS					
		RI Parent Info Network	School Sport Camps	Information Technoloy Services	RI Learn & Serve America	Recreation Escrow	Parade Committee
<b>ASSETS:</b>							
Cash and cash equivalents	\$	2,161	17,033			75,012	780
Due from other governments							
Due from other funds							
Other receivables							
<b>TOTAL ASSETS</b>		<u>2,161</u>	<u>17,033</u>	<u>\$ -</u>	<u>\$ -</u>	<u>75,012</u>	<u>780</u>
<b>LIABILITIES:</b>							
Accounts payable			2,357			6,695	68
Due to other funds		2,161					
Deferred revenue							
<b>TOTAL LIABILITIES</b>		<u>2,161</u>	<u>2,357</u>	<u>-</u>	<u>-</u>	<u>6,695</u>	<u>68</u>
<b>FUND BALANCES:</b>							
Capital Projects			14,676			68,317	712
Special Revenue							
Permanent Fund							
Debt Service			14,676			68,317	712
<b>TOTAL FUND BALANCES (DEFICITS)</b>		<u>-</u>	<u>14,676</u>	<u>-</u>	<u>-</u>	<u>68,317</u>	<u>712</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>		<u>\$ 2,161</u>	<u>\$ 17,033</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 75,012</u>	<u>\$ 780</u>

**TOWN OF NORTH KINGSTOWN**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2007**

		SPECIAL REVENUE FUNDS					
		Wilson Park	Retirement Allowance Reserve Fund	Health Insurance Reserve	Ann Ward Wallou Memorial Garden	Old Library Park	Senior Citizens Center
<b>ASSETS:</b>							
Cash and cash equivalents	\$		1,244,365	987,461	978	2,752	24,280
Due from other governments							
Due from other funds							
Other receivables							
<b>TOTAL ASSETS</b>			<u>1,244,365</u>	<u>987,461</u>	<u>978</u>	<u>2,752</u>	<u>24,280</u>
<b>LIABILITIES:</b>							
Accounts payable			24,267			120	2,646
Due to other funds							
Deferred revenue							
<b>TOTAL LIABILITIES</b>			<u>24,267</u>	<u>-</u>	<u>-</u>	<u>120</u>	<u>2,646</u>
<b>FUND BALANCES:</b>							
Capital Projects							
Special Revenue			1,220,098	987,461	978	2,632	21,634
Permanent Fund							
Debt Service							
<b>TOTAL FUND BALANCES (DEFICITS)</b>			<u>1,220,098</u>	<u>987,461</u>	<u>978</u>	<u>2,632</u>	<u>21,634</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>			<u>\$ 1,244,365</u>	<u>\$ 987,461</u>	<u>\$ 978</u>	<u>\$ 2,752</u>	<u>\$ 24,280</u>

**TOWN OF NORTH KINGSTOWN**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2007**

**SPECIAL REVENUE FUNDS**

	Senior Citizens Bus Gasoline Escrow	Arts Council	Senior Outreach Escrow	Project Date	Fireworks Donation	Leisure Services Brochure
<b>ASSETS:</b>						
Cash and cash equivalents	\$ 61	\$ 11,862	\$ 2,298	\$ 4,867	\$ 934	\$ 900
Due from other governments						
Due from other funds						
Other receivables						
<b>TOTAL ASSETS</b>	<u>61</u>	<u>11,862</u>	<u>2,298</u>	<u>4,867</u>	<u>934</u>	<u>900</u>
<b>LIABILITIES:</b>						
Accounts payable		4,024	150			
Due to other funds						
Deferred revenue						
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>4,024</u>	<u>150</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES:</b>						
Capital Projects	61	7,838	2,148	4,867	934	900
Special Revenue						
Permanent Fund						
Debt Service						
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<u>61</u>	<u>7,838</u>	<u>2,148</u>	<u>4,867</u>	<u>934</u>	<u>900</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 61</u>	<u>\$ 11,862</u>	<u>\$ 2,298</u>	<u>\$ 4,867</u>	<u>\$ 934</u>	<u>\$ 900</u>

**TOWN OF NORTH KINGSTOWN**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2007**

	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECT FUNDS			
	RI	FY 2005 Refunding	6M Public Facilities Plan Bond	4.5M Public Safety Facilities	Farmland & Open Space Reserve	Farmland Preservation Bond
<b>ASSETS:</b>						
Cash and cash equivalents		\$ 14,984			\$ 991,419	
Due from other governments	2,017					
Due from other funds						
Other receivables						
<b>TOTAL ASSETS</b>	<b>2,017</b>	<b>14,984</b>	<b>\$ -</b>	<b>\$ -</b>	<b>991,419</b>	<b>\$ -</b>
<b>LIABILITIES:</b>						
Accounts payable					550	
Due to other funds			276,931	42,060		
Deferred revenue						
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>276,931</b>	<b>42,060</b>	<b>550</b>	<b>-</b>
<b>FUND BALANCES:</b>						
Capital Projects					990,869	
Special Revenue	2,017					
Permanent Fund						
Debt Service		14,984				
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<b>2,017</b>	<b>14,984</b>	<b>(276,931)</b>	<b>(42,060)</b>	<b>990,869</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 2,017</b>	<b>\$ 14,984</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 991,419</b>	<b>\$ -</b>

**TOWN OF NORTH KINGSTOWN**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2007**

	PERMANENT FUNDS					
CAPITAL PROJECT	School Capital Reserve Fund	Tri-Centennial Park	400th Anniversary	Henry Reynolds Indigent Care	School Updike Fund	School Gardiner Fund
<b>ASSETS:</b>						
Cash and cash equivalents	\$ 1,005,736	\$ 6,089	\$ 3,433	\$ 17,967	\$ 4,040	\$ 5,395
Due from other governments						
Due from other funds	337,693					
Other receivables						
<b>TOTAL ASSETS</b>	<b>1,343,429</b>	<b>6,089</b>	<b>3,433</b>	<b>17,967</b>	<b>4,040</b>	<b>5,395</b>
<b>LIABILITIES:</b>						
Accounts payable						
Due to other funds						
Deferred revenue						
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES:</b>						
Capital Projects	1,343,429					
Special Revenue		6,089	3,433	17,967	4,040	5,395
Permanent Fund						
Debt Service						
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<b>1,343,429</b>	<b>6,089</b>	<b>3,433</b>	<b>17,967</b>	<b>4,040</b>	<b>5,395</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 1,343,429</b>	<b>\$ 6,089</b>	<b>\$ 3,433</b>	<b>\$ 17,967</b>	<b>\$ 4,040</b>	<b>\$ 5,395</b>

**TOWN OF NORTH KINGSTOWN**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2007**

		PERMANENT FUNDS					
		School Library Fund	School Tennis Fund	Lynette Olson Memorial Fund	Henry Reynolds Outside Poor Fund	Veterans Memorial Scholarship	William D. Davis Library Fund
<b>ASSETS:</b>							
Cash and cash equivalents	\$	8,132	\$ 268	\$ 4,774	\$ 2,177	\$ 6,985	\$ 5,003
Due from other governments							
Due from other funds							
Other receivables							
<b>TOTAL ASSETS</b>		<u>8,132</u>	<u>268</u>	<u>4,774</u>	<u>2,177</u>	<u>6,985</u>	<u>5,003</u>
<b>LIABILITIES:</b>							
Accounts payable						225	
Due to other funds							
Deferred revenue							
<b>TOTAL LIABILITIES</b>		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>225</u>	<u>-</u>
<b>FUND BALANCES:</b>							
Capital Projects							
Special Revenue		8,132	268	4,774	2,177	6,760	5,003
Permanent Fund							
Debt Service							
<b>TOTAL FUND BALANCES (DEFICITS)</b>		<u>8,132</u>	<u>268</u>	<u>4,774</u>	<u>2,177</u>	<u>6,760</u>	<u>5,003</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>		<u>\$ 8,132</u>	<u>\$ 268</u>	<u>\$ 4,774</u>	<u>\$ 2,177</u>	<u>\$ 6,985</u>	<u>\$ 5,003</u>

**TOWN OF NORTH KINGSTOWN**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2007**

PERMANENT FUNDS					
	John J. Spink Outside Poor Fund	John B. Spink Outside Poor Fund	Thomas Casey Outside Poor Fund	Elizabeth Miller Library Fund	Grand Totals
<b>ASSETS:</b>					
Cash and cash equivalents	\$ 20,988	\$ 5,247	\$ 2,177	\$ 2,001	\$ 5,081,764
Due from other governments					770,548
Due from other funds					446,558
Other receivables					118,940
<b>TOTAL ASSETS</b>	<u>20,988</u>	<u>5,247</u>	<u>2,177</u>	<u>2,001</u>	<u>6,417,810</u>
<b>LIABILITIES:</b>					
Accounts payable					208,760
Due to other funds					1,092,193
Deferred revenue					233,850
<b>TOTAL LIABILITIES</b>					<u>1,534,803</u>
<b>FUND BALANCES:</b>					
Capital Projects					2,015,307
Special Revenue					2,758,265
Permanent Fund	20,988	5,247	2,177	2,001	94,451
Debt Service	20,988	5,247	2,177	2,001	14,984
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<u>20,988</u>	<u>5,247</u>	<u>2,177</u>	<u>2,001</u>	<u>4,883,007</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 20,988</u>	<u>\$ 5,247</u>	<u>\$ 2,177</u>	<u>\$ 2,001</u>	<u>\$ 6,417,810</u>

(CONCLUDED)

**TOWN OF NORTH KINGSTOWN**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Non-Major Governmental Funds**  
**Year Ended June 30, 2007**

	SPECIAL REVENUE FUNDS						
	Beachwood House Senior Center Equipment Escrow	State Council on the Arts Grant	Non Civic Detail Escrow Fund	Governor's Justice Commission	Special Purpose Donations	Juniper Hill Tank Grant	
<b>REVENUES:</b>							
Interest and investment income							
Intergovernmental	\$	12,500	\$	9,358	\$	\$	140,998
Other		12,500	649,545	9,358	29,781	140,998	140,998
<b>TOTAL REVENUES</b>							
	\$	12,500	649,545	9,358	29,781	140,998	140,998
<b>EXPENDITURES:</b>							
General government		4,950	478,080		1,013		140,998
Public safety					30,981		
Public works							
Per trust agreements				9,358			
Education							
Public libraries							
Human resources							
Capital and special appropriations							
Debt service:							
Debt interest							
<b>TOTAL EXPENDITURES</b>							
	-	4,950	478,080	9,358	31,994	140,998	140,998
<b>Excess of revenues over expenditures before transfers</b>	-	7,550	171,465	-	(2,213)	-	-
<b>OTHER FINANCING SOURCES (USES):</b>							
Proceeds from bond issuance							
Transfers in							
Transfers out			(171,465)				
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>							
	-	-	(171,465)	-	-	-	-
<b>Excess of revenues and expenditures</b>	-	7,550	-	-	(2,213)	-	-
<b>Fund balance, beginning of year</b>	709	3,697	-	-	22,308	-	-
<b>Fund balance (deficit), end of year</b>	\$	\$	\$	\$	\$	\$	\$
	709	11,247	-	-	20,095	-	-

(CONTINUED)

**TOWN OF NORTH KINGSTOWN**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Non-Major Governmental Funds**  
**Year Ended June 30, 2007**

	SPECIAL REVENUE FUNDS						
	Miscellaneous Senior Citizens Grant	CDBG Grants	Land Dedication Escrow	State Elderly Affairs Grant	State Grants - Police Department	Seized and Forfeited Property Escrow	
<b>REVENUES:</b>							
Interest and investment income	\$ 531	\$ 194,415	\$ 2,860	\$ 20,520	\$ 7,972		
Intergovernmental							
Other							
<b>TOTAL REVENUES</b>	<b>531</b>	<b>194,415</b>	<b>2,860</b>	<b>20,520</b>	<b>7,972</b>		<b>\$ -</b>
<b>EXPENDITURES:</b>							
General government		194,415					2,066
Public safety							
Public works							
Per trust agreements							
Education							
Public libraries							
Human resources				20,520	9,728		
Capital and special appropriations							
Debt service:							
Debt interest							
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>194,415</b>	<b>-</b>	<b>20,520</b>	<b>9,728</b>		<b>2,066</b>
<b>Excess of revenues over expenditures before transfers</b>	<b>531</b>	<b>-</b>	<b>2,860</b>	<b>-</b>	<b>(1,756)</b>		<b>(2,066)</b>
<b>OTHER FINANCING SOURCES (USES):</b>							
Proceeds from bond issuance							
Transfers in							
Transfers out							
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
<b>Excess of revenues and expenditures</b>	<b>531</b>	<b>-</b>	<b>2,860</b>	<b>-</b>	<b>(1,756)</b>		<b>(2,066)</b>
<b>Fund balance, beginning of year</b>	<b>711</b>	<b>-</b>	<b>82,410</b>	<b>-</b>	<b>5,567</b>		<b>5,554</b>
<b>Fund balance (deficit), end of year</b>	<b>\$ 1,242</b>	<b>\$ -</b>	<b>\$ 85,270</b>	<b>\$ -</b>	<b>\$ 3,811</b>		<b>\$ 3,488</b>

(CONTINUED)

**TOWN OF NORTH KINGSTOWN**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Non-Major Governmental Funds**  
**Year Ended June 30, 2007**

	SPECIAL REVENUE FUNDS					
	Local Law Enforcement Block Grant	Groundwater Education Donation	School Department Substance Abuse Donations	Infrastructure Replacement	URI Septic Loan Program	Community Center Maintenance
<b>REVENUES:</b>						
Interest and investment income				\$ 5,563	\$ 5,187	
Intergovernmental				201,491		\$ 5,280
Other	150	90	252			
<b>TOTAL REVENUES</b>	<b>\$ 150</b>	<b>\$ 90</b>	<b>\$ 252</b>	<b>\$ 207,306</b>	<b>\$ 5,187</b>	<b>\$ 5,280</b>
<b>EXPENDITURES:</b>						
General government	175					5,280
Public safety						
Public works						
Per trust agreements						
Education						
Public libraries						
Human resources					30,000	
Capital and special appropriations						
Debt service:						
Debt interest						
<b>TOTAL EXPENDITURES</b>	<b>175</b>				<b>30,000</b>	<b>5,280</b>
<b>Excess of revenues over expenditures before transfers</b>	<b>(25)</b>	<b>90</b>		<b>207,306</b>	<b>(24,813)</b>	
<b>OTHER FINANCING SOURCES (USES):</b>						
Proceeds from bond issuance						
Transfers in				(225,910)		
Transfers out				(225,910)		
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>						
<b>Excess of revenues and expenditures</b>	<b>(25)</b>	<b>90</b>		<b>(18,604)</b>	<b>(24,813)</b>	
<b>Fund balance, beginning of year</b>	<b>358</b>	<b>635</b>	<b>4,886</b>	<b>87,603</b>	<b>154,206</b>	
<b>Fund balance (deficit), end of year</b>	<b>\$ 358</b>	<b>\$ 610</b>	<b>\$ 4,976</b>	<b>\$ 68,999</b>	<b>\$ 129,393</b>	<b>\$ -</b>

(CONTINUED)

**TOWN OF NORTH KINGSTOWN**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Non-Major Governmental Funds**  
**Year Ended June 30, 2007**

	Heritage Committee	Senior Center Legislative Grant	Impact Fees	Emergency Medical Services	RIDEM Potowomut Pond Clean-up	Fire Department Legislative Grant
<b>REVENUES:</b>						
Interest and investment income		\$	1,220	\$		
Intergovernmental		6,500	47,794	507,770		
Other		6,500	49,014	517,380		
<b>TOTAL REVENUES</b>	<b>\$</b>			<b>\$</b>		<b>\$</b>
<b>EXPENDITURES:</b>						
General government		12,270		49,109		12,873
Public safety						
Public works						
Per trust agreements						
Education						
Public libraries						
Human resources						
Capital and special appropriations						
Debt service:						
Debt interest						
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>12,270</b>	<b>-</b>	<b>49,109</b>	<b>-</b>	<b>12,873</b>
<b>Excess of revenues over expenditures before transfers</b>	<b>-</b>	<b>(5,770)</b>	<b>49,014</b>	<b>468,271</b>	<b>-</b>	<b>(12,873)</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Proceeds from bond issuance						
Transfers in			(56,220)	(468,361)		
Transfers out			(56,220)	(468,361)		
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>		<b>(112,440)</b>	<b>(911,722)</b>	<b>-</b>	
<b>Excess of revenues and expenditures</b>	<b>-</b>	<b>(5,770)</b>	<b>(63,426)</b>	<b>(443,451)</b>	<b>-</b>	<b>(12,873)</b>
<b>Fund balance, beginning of year</b>		<b>5,421</b>	<b>56,220</b>		<b>4,500</b>	<b>15,500</b>
<b>Fund balance (deficit), end of year</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
		(349)	49,014	(90)	4,500	2,627

(CONTINUED)

**TOWN OF NORTH KINGSTOWN**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Non-Major Governmental Funds**  
**Year Ended June 30, 2007**

	SPECIAL REVENUE FUNDS					
	Operation Drug Dog	Tax Revaluation Reserve Fund	Miscellaneous State Grants	Davisville Library Fund	Champlin Foundation Fund	Library Fund
<b>REVENUES:</b>						
Interest and investment income					1,525	
Intergovernmental	1,000		391,583	17,545	20,179	
Other		1,002				254,606
<b>TOTAL REVENUES</b>	<b>1,000</b>	<b>1,002</b>	<b>391,583</b>	<b>17,545</b>	<b>21,704</b>	<b>254,606</b>
<b>EXPENDITURES:</b>						
General government						
Public safety	983	33,674	391,583			
Public works						
Per trust agreements						
Education						
Public libraries				17,545	9,585	1,259,358
Human resources						
Capital and special appropriations						
Debt service:						
Debt interest						
<b>TOTAL EXPENDITURES</b>	<b>983</b>	<b>33,674</b>	<b>391,583</b>	<b>17,545</b>	<b>9,585</b>	<b>1,259,358</b>
<b>Excess of revenues over expenditures before transfers</b>	<b>17</b>	<b>(32,672)</b>	<b>-</b>	<b>-</b>	<b>12,119</b>	<b>(1,004,752)</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Proceeds from bond issuance						
Transfers in						1,004,186
Transfers out						(1,004,186)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>						
<b>Excess of revenues and expenditures</b>	<b>17</b>	<b>(32,672)</b>	<b>-</b>	<b>-</b>	<b>12,119</b>	<b>(566)</b>
<b>Fund balance, beginning of year</b>	<b>2,900</b>	<b>33,766</b>	<b>-</b>	<b>-</b>	<b>33,118</b>	<b>59,783</b>
<b>Fund balance (deficit), end of year</b>	<b>\$ 2,917</b>	<b>\$ 1,094</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 45,237</b>	<b>\$ 59,217</b>

(CONTINUED)

**TOWN OF NORTH KINGSTOWN**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Non-Major Governmental Funds**  
**Year Ended June 30, 2007**

		SPECIAL REVENUE FUNDS						
	Willet Library Fund	RI Emergency Management	Miscellaneous Library Donations	School Public Law 94-142	School Title I	School Title V		
<b>REVENUES:</b>								
Interest and investment income			\$ 605					
Intergovernmental	\$ 17,545	\$ 247,599	8,911	\$ 613,152	\$ 522,170	\$ 8,404		
Other			9,516					
<b>TOTAL REVENUES</b>	<b>17,545</b>	<b>247,599</b>	<b>9,516</b>	<b>613,152</b>	<b>522,170</b>	<b>8,404</b>		
<b>EXPENDITURES:</b>								
General government			5,906					
Public safety		400,294						
Public works								
Per trust agreements								
Education				613,152	522,170	8,404		
Public libraries	17,545							
Human resources								
Capital and special appropriations			12,135					
Debt service:								
Debt interest								
<b>TOTAL EXPENDITURES</b>	<b>17,545</b>	<b>400,294</b>	<b>18,041</b>	<b>613,152</b>	<b>522,170</b>	<b>8,404</b>		
<b>Excess of revenues over expenditures before transfers</b>	-	(152,695)	(8,525)	-	-	-		
<b>OTHER FINANCING SOURCES (USES):</b>								
Proceeds from bond issuance								
Transfers in								
Transfers out								
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	-	-	-	-	-	-		
<b>Excess of revenues and expenditures</b>	-	(152,695)	(8,525)	-	-	-		
<b>Fund balance, beginning of year</b>	-	-	20,278	-	-	-		
<b>Fund balance (deficit), end of year</b>	\$ -	\$ (152,695)	\$ 11,753	\$ -	\$ -	\$ -		

**TOWN OF NORTH KINGSTOWN**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Non-Major Governmental Funds**  
**Year Ended June 30, 2007**

	SPECIAL REVENUE FUNDS						
	School Title II	School Drug Free Schools	School Title II Technology	School Title III LEP	School Preschool Services	School Perkins Vocational Ed	
<b>REVENUES:</b>							
Interest and investment income	197,512	\$ 21,564	\$ 3,023	\$ 3,966	\$ 42,460	\$ 27,733	
Intergovernmental							
Other							
<b>TOTAL REVENUES</b>	<u>197,512</u>	<u>21,564</u>	<u>3,023</u>	<u>3,966</u>	<u>42,460</u>	<u>27,733</u>	
<b>EXPENDITURES:</b>							
General government							
Public safety							
Public works							
Per trust agreements							
Education	197,512	21,564	3,023	3,966	42,460	27,733	
Public libraries							
Human resources							
Capital and special appropriations							
Debt service:							
Debt interest							
<b>TOTAL EXPENDITURES</b>	<u>197,512</u>	<u>21,564</u>	<u>3,023</u>	<u>3,966</u>	<u>42,460</u>	<u>27,733</u>	
<b>Excess of revenues over expenditures before transfers</b>	-	-	-	-	-	-	
<b>OTHER FINANCING SOURCES (USES):</b>							
Proceeds from bond issuance							
Transfers in							
Transfers out							
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	-	-	-	-	-	-	
<b>Excess of revenues and expenditures</b>	-	-	-	-	-	-	
<b>Fund balance, beginning of year</b>	-	-	-	-	-	-	
<b>Fund balance (deficit), end of year</b>	-	-	-	-	-	-	\$ -

(CONTINUED)

**TOWN OF NORTH KINGSTOWN**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Non-Major Governmental Funds**  
**Year Ended June 30, 2007**

		SPECIAL REVENUE FUNDS						
		Comprehensive School Reform	School Child Opportunity Zone Family Center	School Substance Abuse	School Child Opportunity Zone Tutorial Homeless	School Literacy Set-Aside	School Even Start Family Literacy	
<b>REVENUES:</b>	Interest and investment income	\$ 51,152	\$ 44,973	\$ 38,612	\$ 88,754	\$ 289,123	\$ 74,204	
	Intergovernmental							
	Other							
	<b>TOTAL REVENUES</b>	<u>51,152</u>	<u>44,973</u>	<u>38,612</u>	<u>88,754</u>	<u>289,123</u>	<u>74,204</u>	
<b>EXPENDITURES:</b>	General government							
	Public safety							
	Public works							
	Per trust agreements							
	Education	51,152	44,973	38,612	88,754	294,664	74,204	
	Public libraries							
	Human resources							
	Capital and special appropriations							
	Debt service:							
	Debt interest					(5,541)		
	<b>TOTAL EXPENDITURES</b>	<u>51,152</u>	<u>44,973</u>	<u>38,612</u>	<u>88,754</u>	<u>294,664</u>	<u>74,204</u>	
	<b>Excess of revenues over expenditures before transfers</b>	-	-	-	-	-	-	
<b>OTHER FINANCING SOURCES (USES):</b>	Proceeds from bond issuance							
	Transfers in							
	Transfers out							
	<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	-	-	-	-	-	-	
	<b>Excess of revenues and expenditures</b>	-	-	-	-	(5,541)	-	
	<b>Fund balance, beginning of year</b>	-	-	-	-	8,045	-	
	<b>Fund balance (deficit), end of year</b>	\$ -	\$ -	\$ -	\$ -	\$ 2,504	\$ -	

(CONTINUED)

**TOWN OF NORTH KINGSTOWN**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Non-Major Governmental Funds**  
**Year Ended June 30, 2007**

	SPECIAL REVENUE FUNDS						
	School RI Electronic Portfolio System	School NKHS Living Democracy	School Consortium Student Info System	School Emergency Response Plans	School COZ Miscellaneous Donations	School Adult Education Fund	
<b>REVENUES:</b>							
Interest and investment income							
Intergovernmental	4,387	\$ 13,214					
Other				1,383			
<b>TOTAL REVENUES</b>	<u>4,387</u>	<u>13,214</u>	<u>\$ -</u>	<u>1,383</u>	<u>\$ -</u>	<u>\$ -</u>	
<b>EXPENDITURES:</b>							
General government							
Public safety							
Public works							
Per trust agreements							
Education	4,387	13,214		1,383			
Public libraries							
Human resources							
Capital and special appropriations							
Debt service:							
Debt interest							
<b>TOTAL EXPENDITURES</b>	<u>4,387</u>	<u>13,214</u>	<u>-</u>	<u>1,383</u>	<u>-</u>	<u>-</u>	
<b>Excess of revenues over expenditures before transfers</b>	-	-	-	-	-	-	
<b>OTHER FINANCING SOURCES (USES):</b>							
Proceeds from bond issuance							
Transfers in							
Transfers out							
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	-	-	-	-	-	-	
<b>Excess of revenues and expenditures</b>	-	-	-	-	-	-	
<b>Fund balance, beginning of year</b>	-	-	-	-	-	610	
<b>Fund balance (deficit), end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 610</u>	

(CONTINUED)

**TOWN OF NORTH KINGSTOWN**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Non-Major Governmental Funds**  
**Year Ended June 30, 2007**

	SPECIAL REVENUE FUNDS						
	School Summer School Fund	School Sports Camp	E2T2 MCI Enhancing Education	COZ ADA Project	School Champlin	School Medicaid	
<b>REVENUES:</b>							
Interest and investment income			\$ 35,000				\$ 729,615
Intergovernmental	\$ 25,982	\$ 35,068		\$ 5,000	\$ 3,641		
Other	25,982	35,068	35,000	5,000	3,641		729,615
<b>TOTAL REVENUES</b>							
	\$ 25,982	\$ 35,068	\$ 35,000	\$ 5,000	\$ 3,641		\$ 729,615
	25,982	35,068	35,000	5,000	3,641		729,615
<b>EXPENDITURES:</b>							
General government							
Public safety							
Public works							
Per trust agreements							
Education	39,403	50,535	35,000	4,074	3,641		788,170
Public libraries							
Human resources							
Capital and special appropriations							
Debt service:							
Debt interest							
<b>TOTAL EXPENDITURES</b>							
	39,403	50,535	35,000	4,074	3,641		788,170
	(13,421)	(15,467)	-	926	-		(58,555)
<b>Excess of revenues over expenditures before transfers</b>							
	(13,421)	(15,467)	-	926	-		(58,555)
<b>OTHER FINANCING SOURCES (USES):</b>							
Proceeds from bond issuance							
Transfers in							
Transfers out							
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>							
	(13,421)	(15,467)	-	926	-		(58,555)
<b>Excess of revenues and expenditures</b>							
	37,620	56,797	-	-	-		58,555
<b>Fund balance, beginning of year</b>							
	\$ 24,199	\$ 41,330	\$ -	\$ 926	\$ -	\$ -	\$ -
<b>Fund balance (deficit), end of year</b>							

(CONTINUED)

**TOWN OF NORTH KINGSTOWN**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Non-Major Governmental Funds**  
**Year Ended June 30, 2007**

	SPECIAL REVENUE FUNDS						
	School RI Parent Info Network	School Sport Camps	School Information Technology Services	RI Learn & Serve America	Recreation Escrow	Parade Committee	
<b>REVENUES:</b>							
Interest and investment income							
Intergovernmental	\$ 4,000	\$ 41,763	\$ 4,682	\$ 4,421	\$ 210,335	\$ 761	
Other	4,000	41,763	4,682	4,421	210,335	761	
<b>TOTAL REVENUES</b>							
<b>EXPENDITURES:</b>							
General government							
Public safety							
Public works							
Per trust agreements							
Education	4,000	36,083	4,682				
Public libraries							
Human resources							
Capital and special appropriations							
Debt service:							
Debt interest							
<b>TOTAL EXPENDITURES</b>	4,000	36,083	4,682	4,421	213,098	801	
<b>Excess of revenues over expenditures before transfers</b>	-	5,680	-	-	(2,763)	(40)	
<b>OTHER FINANCING SOURCES (USES):</b>							
Proceeds from bond issuance							
Transfers in							
Transfers out							
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>							
<b>Excess of revenues and expenditures</b>	-	5,680	-	-	(2,763)	(40)	
<b>Fund balance, beginning of year</b>							
<b>Fund balance (deficit), end of year</b>	-	\$ 14,676	\$ -	\$ -	\$ 68,317	\$ 712	

(CONTINUED)

**TOWN OF NORTH KINGSTOWN**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Non-Major Governmental Funds**  
**Year Ended June 30, 2007**

		SPECIAL REVENUE FUNDS						
		Wilson Park	Retirement Allowance Reserve Fund	Health Insurance Reserve	Ann Ward Wallou Memorial Garden	Old Library Park	Senior Citizens Center	
<b>REVENUES:</b>								
Interest and investment income								
Intergovernmental								
Other	9	\$	\$ 45,778	\$ 38,570	\$ 1,024	\$ 127	\$ 65,944	
<b>TOTAL REVENUES</b>	9		45,778	38,570	1,024	127	65,944	
<b>EXPENDITURES:</b>								
General government	3,950					742	84,178	
Public safety								
Public works			40,271	1,323				
Per trust agreements								
Education								
Public libraries								
Human resources								
Capital and special appropriations								
Debt service:								
Debt interest								
<b>TOTAL EXPENDITURES</b>	3,950		40,271	1,323	742		84,178	
<b>Excess of revenues over expenditures before transfers</b>	(3,941)		5,507	(299)	(615)		(18,234)	
<b>OTHER FINANCING SOURCES (USES):</b>								
Proceeds from bond issuance			150,000					
Transfers in								
Transfers out								
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>			150,000					
<b>Excess of revenues and expenditures</b>	(3,941)		155,507	(299)	(615)		(18,234)	
<b>Fund balance, beginning of year</b>	3,941		1,064,591	948,891	1,277	3,247	39,868	
<b>Fund balance (deficit), end of year</b>	-		\$ 1,220,098	\$ 987,461	\$ 978	\$ 2,632	\$ 21,634	

(CONTINUED)

**TOWN OF NORTH KINGSTOWN**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Non-Major Governmental Funds**  
**Year Ended June 30, 2007**

SPECIAL REVENUE FUNDS

	Senior Citizens Bus Gasoline Escrow	Arts Council	Senior Outreach Escrow	Project Date	Fireworks Donation	Leisure Services Brochure
<b>REVENUES:</b>						
Interest and investment income						
Intergovernmental						
Other	\$ 16,469		\$ 1,025		\$ 100	
<b>TOTAL REVENUES</b>	\$ 16,469		\$ 1,025		\$ 100	\$ -
<b>EXPENDITURES:</b>						
General government		21,920	351		9,181	
Public safety						
Public works						
Per trust agreements						
Education						
Public libraries						
Human resources						
Capital and special appropriations						
Debt service:						
Debt interest						
<b>TOTAL EXPENDITURES</b>		21,920	351		9,181	
<b>Excess of revenues over expenditures before transfers</b>		(5,451)	674		(9,081)	
<b>OTHER FINANCING SOURCES (USES):</b>						
Proceeds from bond issuance						
Transfers in						
Transfers out						
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>						
<b>Excess of revenues and expenditures</b>		(5,451)	674		(9,081)	
<b>Fund balance, beginning of year</b>	61	13,289	1,474	4,867	10,015	900
<b>Fund balance (deficit), end of year</b>	\$ 61	\$ 7,838	\$ 2,148	\$ 4,867	\$ 934	\$ 900

(CONTINUED)

**TOWN OF NORTH KINGSTOWN**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Non-Major Governmental Funds**  
**Year Ended June 30, 2007**

	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECT FUNDS			
	RI Foundation Grant	FY 2005 Refunding	6M Public Facilities Plan Bond	4.5M Public Safety Facilities	Farmland & Open Space Reserve	Farmland Preservation Bond
<b>REVENUES:</b>						
Interest and investment income			\$ 3,145		\$ 37,682	\$ 6,072
Intergovernmental	5,000				145,154	
Other			3,145		182,836	6,072
<b>TOTAL REVENUES</b>	<b>5,000</b>	<b>\$ -</b>	<b>\$ 3,145</b>	<b>\$ -</b>	<b>\$ 315,672</b>	<b>\$ 12,144</b>
<b>EXPENDITURES:</b>						
General government					37,823	
Public safety	2,983			42,060		
Public works						
Per trust agreements						
Education						
Public libraries						
Human resources			645,000			708,180
Capital and special appropriations						
Debt service:						
Debt interest		100				
<b>TOTAL EXPENDITURES</b>	<b>2,983</b>	<b>100</b>	<b>645,000</b>	<b>42,060</b>	<b>37,823</b>	<b>708,180</b>
<b>Excess of revenues over expenditures before transfers</b>	<b>2,017</b>	<b>(100)</b>	<b>(641,855)</b>	<b>(42,060)</b>	<b>145,013</b>	<b>(702,108)</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Proceeds from bond issuance						
Transfers in						
Transfers out						
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>						
<b>Excess of revenues and expenditures</b>	<b>2,017</b>	<b>(100)</b>	<b>(641,855)</b>	<b>(42,060)</b>	<b>145,013</b>	<b>(702,108)</b>
<b>Fund balance, beginning of year</b>		<b>15,084</b>	<b>364,924</b>		<b>845,856</b>	<b>702,108</b>
<b>Fund balance (deficit), end of year</b>	<b>\$ 2,017</b>	<b>\$ 14,984</b>	<b>\$ (276,931)</b>	<b>\$ (42,060)</b>	<b>\$ 990,869</b>	<b>\$ -</b>

(CONTINUED)

**TOWN OF NORTH KINGSTOWN**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Non-Major Governmental Funds**  
**Year Ended June 30, 2007**

	PERMANENT FUNDS						
	CAPITAL PROJECTS	School Capital Reserve Fund	Tri-Centennial Park	400th Anniversary	Henry Reynolds Indigent Care	School Update Fund	School Gardiner Fund
<b>REVENUES:</b>							
Interest and investment income	\$	27,398		\$	115	\$	75
Intergovernmental		115,210	\$	19		\$	166
Other							
<b>TOTAL REVENUES</b>		<u>142,608</u>	<u>19</u>	<u>115</u>	<u>603</u>	<u>75</u>	<u>166</u>
<b>EXPENDITURES:</b>							
General government							
Public safety							
Public works							
Per trust agreements							
Education							
Public libraries							
Human resources							
Capital and special appropriations							
Debt service:							
Debt interest							
<b>TOTAL EXPENDITURES</b>		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess of revenues over expenditures before transfers</b>		142,608	19	115	603	75	166
<b>OTHER FINANCING SOURCES (USES):</b>							
Proceeds from bond issuance							
Transfers in		97,713					
Transfers out		(202,578)					
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>		<u>(104,865)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess of revenues and expenditures</b>		37,743	19	115	603	75	166
<b>Fund balance, beginning of year</b>		1,305,686	6,070	3,318	17,364	3,965	5,229
<b>Fund balance (deficit), end of year</b>	\$	<u>\$ 1,343,429</u>	<u>\$ 6,089</u>	<u>\$ 3,433</u>	<u>\$ 17,967</u>	<u>\$ 4,040</u>	<u>\$ 5,395</u>

(CONTINUED)

**TOWN OF NORTH KINGSTOWN**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Non-Major Governmental Funds**  
**Year Ended June 30, 2007**

		PERMANENT FUNDS					
		School Library Fund	School Tennis Fund	Lynette Olson Memorial Fund	Henry Reynolds Outside Poor Fund	Veterans Memorial Scholarship	William D. Davis Library Fund
<b>REVENUES:</b>							
Interest and investment income	\$	265		\$ 4,774	\$ 7	\$ 236	
Intergovernmental							
Other							
<b>TOTAL REVENUES</b>	<b>\$</b>	<b>265</b>	<b>-</b>	<b>4,774</b>	<b>7</b>	<b>236</b>	<b>\$ -</b>
<b>EXPENDITURES:</b>							
General government							4
Public safety							
Public works							
Per trust agreements						475	
Education							
Public libraries							
Human resources							
Capital and special appropriations							
Debt service:							
Debt interest							4
<b>TOTAL EXPENDITURES</b>						<b>475</b>	
<b>Excess of revenues over expenditures before transfers</b>		<b>265</b>	<b>-</b>	<b>4,774</b>	<b>7</b>	<b>(239)</b>	<b>(4)</b>
<b>OTHER FINANCING SOURCES (USES):</b>							
Proceeds from bond issuance							
Transfers in							
Transfers out							
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>							
<b>Excess of revenues and expenditures</b>		<b>265</b>	<b>-</b>	<b>4,774</b>	<b>7</b>	<b>(239)</b>	<b>(4)</b>
<b>Fund balance, beginning of year</b>		<b>7,867</b>	<b>268</b>	<b>-</b>	<b>2,170</b>	<b>6,999</b>	<b>5,007</b>
<b>Fund balance (deficit), end of year</b>	<b>\$</b>	<b>8,132</b>	<b>\$ 268</b>	<b>\$ 4,774</b>	<b>\$ 2,177</b>	<b>\$ 6,760</b>	<b>\$ 5,003</b>

**TOWN OF NORTH KINGSTOWN**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Non-Major Governmental Funds**  
**Year Ended June 30, 2007**

	PERMANENT FUNDS					
	John J. Spink Outside Poor Fund	John B. Spink Outside Poor Fund	Thomas Casey Outside Poor Fund	Elizabeth Miller Library Fund	Grand Totals	
<b>REVENUES:</b>						
Interest and investment income	\$ 68	\$ 17	\$ 7		\$ 192,708	
Intergovernmental					4,072,368	
Other					2,217,524	
<b>TOTAL REVENUES</b>	<b>68</b>	<b>17</b>	<b>7</b>	<b>-</b>	<b>6,482,600</b>	
<b>EXPENDITURES:</b>						
General government					1,571,829	
Public safety					614,333	
Public works				2	1,323	
Per trust agreements					40,748	
Education					3,016,915	
Public libraries					1,304,033	
Human resources					30,248	
Capital and special appropriations					1,404,673	
Debt service:					-	
Debt interest					100	
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>7,984,202</b>	
<b>Excess of revenues over expenditures before transfers</b>	<b>68</b>	<b>17</b>	<b>7</b>	<b>(2)</b>	<b>(1,501,602)</b>	
<b>OTHER FINANCING SOURCES (USES):</b>						
Proceeds from bond issuance					-	
Transfers in					1,251,899	
Transfers out					(1,124,534)	
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>127,365</b>	
<b>Excess of revenues and expenditures</b>	<b>68</b>	<b>17</b>	<b>7</b>	<b>(2)</b>	<b>(1,374,237)</b>	
<b>Fund balance, beginning of year</b>	<b>20,920</b>	<b>5,230</b>	<b>2,170</b>	<b>2,003</b>	<b>6,257,244</b>	
<b>Fund balance (deficit), end of year</b>	<b>\$ 20,988</b>	<b>\$ 5,247</b>	<b>\$ 2,177</b>	<b>\$ 2,001</b>	<b>\$ 4,883,007</b>	

(CONCLUDED)

**TOWN OF NORTH KINGSTOWN, RHODE ISLAND**

**NON-MAJOR ENTERPRISE FUNDS**

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

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

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

**Water Capital Reserve** – To account for funds set aside for capital expenditures of the Water Fund.

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**TOWN OF NORTH KINGSTOWN**  
**NON-MAJOR ENTERPRISE FUNDS**  
**COMBINING STATEMENT OF NET ASSETS**  
**JUNE 30, 2007**

<b><u>ASSETS</u></b>	<u>Quonset/ Davisville Reserve</u>	<u>School Cafeteria</u>	<u>Water Capital Reserve</u>	<u>Total</u>
<b>Current assets:</b>				
Cash and cash equivalents	\$ 959,694	\$ 1,190	1,211,668	\$ 2,172,552
Other receivables		63,810		63,810
Inventory		45,457		45,457
<b>Total current assets</b>	<u>959,694</u>	<u>110,457</u>	<u>1,211,668</u>	<u>2,281,819</u>
<b>Net Capital Assets</b>		<u>2,427</u>		<u>2,427</u>
<b>TOTAL ASSETS</b>	<u>959,694</u>	<u>112,884</u>	<u>1,211,668</u>	<u>2,284,246</u>
<b><u>LIABILITIES AND FUND EQUITY</u></b>				
<b>Current liabilities:</b>				
Due to other funds		205,853		205,853
Accounts payable		29,236	62,625	91,861
<b>Total current liabilities</b>	<u>-</u>	<u>235,089</u>	<u>62,625</u>	<u>297,714</u>
<b><u>NET ASSETS</u></b>				
Invested in Capital Assets, net		2,427		2,427
Unrestricted	959,694	(124,632)	1,149,043	1,984,105
<b>Total net assets</b>	<u>959,694</u>	<u>(122,205)</u>	<u>1,149,043</u>	<u>1,986,532</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 959,694</u>	<u>\$ 112,884</u>	<u>1,211,668</u>	<u>\$ 2,284,246</u>

**TOWN OF NORTH KINGSTOWN**

**NON-MAJOR ENTERPRISE FUNDS**

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
YEAR ENDED JUNE 30, 2007**

	<u>Quonset/ Davisville Reserve</u>	<u>School Cafeteria</u>	<u>Water Capital Reserve</u>	<u>Total</u>
<b>Operating revenues:</b>				
Charges for services		\$ 1,084,278		\$ 1,084,278
<b>Total operating revenues</b>	\$ -	1,084,278	\$ -	1,084,278
<b>Operating expenses:</b>				
Operations			128,419	128,419
School cafeteria		1,456,271		1,456,271
Bad debts		38		38
Depreciation		590		590
<b>Total operating expenses</b>	-	1,456,899	128,419	1,585,318
<b>Operating income (loss)</b>	-	(372,621)	(128,419)	(501,040)
<b>Non-operating revenues (expenses):</b>				
Investment income	951		4,054	5,005
Federal grants		294,107		294,107
State matching funds		20,222		20,222
Interest expense				
<b>Total non-operating revenues (expenses):</b>	951	314,329	4,054	319,334
<b>Income (loss) before transfers:</b>	951	(58,292)	(124,365)	(181,706)
<b>Transfers:</b>				
Transfers In	931,355		1,273,408	2,204,763
<b>Total Transfers</b>	931,355	-	1,273,408	2,204,763
<b>Change in Net Assets</b>	932,306	(58,292)	1,149,043	2,023,057
<b>Net assets - July 1, 2006</b>	27,388	(63,913)	-	(36,525)
<b>Net assets - June 30, 2007</b>	\$ 959,694	\$ (122,205)	\$ 1,149,043	\$ 1,986,532

TOWN OF NORTH KINGSTOWNNON-MAJOR ENTERPRISE FUNDS**COMBINING STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2007**

	<u>Quonset/ Davisville Reserve</u>	<u>School Cafeteria</u>	<u>Water Capital Reserve</u>	<u>Total</u>
<b>Cash flows from operating activities:</b>				
Cash received from customers		1,078,013		1,078,013
Cash payments to suppliers for goods and services		(738,211)	(65,794)	(804,005)
Cash payments to employees for services		(654,131)	-	(654,131)
<b>Net cash provided (used) by operating activities</b>	-	(314,329)	(65,794)	(380,123)
<b>Cash flows from noncapital financing activities:</b>				
Federal grant receipts		294,107		294,107
State matching funds receipts		20,222		20,222
Transfer from other funds	931,355		1,273,408	2,204,763
<b>Net cash used by noncapital financing activities</b>	931,355	314,329	1,273,408	2,519,092
<b>Cash flows from investing activities:</b>				
Interest on investments	951		4,054	5,005
<b>Net cash provided by investing activities</b>	951	-	4,054	5,005
<b>Net increase (decrease) in cash and cash equivalents</b>	932,306	-	1,211,668	2,143,974
<b>Cash and cash equivalents, July 1, 2006</b>	27,388	1,190	-	28,578
<b>Cash and cash equivalents, June 30, 2007</b>	959,694	1,190	1,211,668	2,172,552
<b>Reconciliation of operating income to net cash provided by (used for) operating activities:</b>				
Operating income (loss)		(372,621)	(128,419)	(501,040)
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:				
Depreciation		590		590
Decrease (increase) in other receivable		(6,265)		(6,265)
Increase in due to other funds		56,640		56,640
Increase (decrease) in accounts payable		7,327	62,625	69,952
<b>Net cash provided by (used for) operating activities</b>	-	(314,329)	(65,794)	(380,123)

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**TOWN OF NORTH KINGSTOWN, RHODE ISLAND**

**PRIVATE PURPOSE TRUST FUNDS**

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

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

Hall	B.H. Davis
Vaughn	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	Jones
Weeks	Cogan

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**TOWN OF NORTH KINGSTOWN**

H-1

**Combining Statement of Net Assets  
Private Purpose Trust Funds  
For the year ended June 30, 2007**

	Burial Funds					
	Hall	Vaughn	Young	Rebecca Hammond	W.H. Welling	George C. Hall
<b>ASSETS</b>						
Cash	\$ 501	\$ 100	\$ 300	\$ 300	\$ 8,652	\$ 200
	-	-	-	-	-	-
<b>LIABILITIES</b>						
<b>NET ASSETS</b>						
Held in Trust for private purposes per trust agreements	\$ 501	\$ 100	\$ 300	\$ 300	\$ 8,652	\$ 200

(CONTINUED)

**Combining Statement of Net Assets  
Private Purpose Trust Funds  
For the year ended June 30, 2007**

		Burial Funds						Burial Totals
		B.H. Davis	Updike	Mary Carpenter	Smith-Lawton	Old Baptist Cemetery	Smith	
<b>ASSETS</b>								
Cash	\$	501	\$ 1,578	\$ 1,001	\$ 4,603	\$ 700	\$ 1,001	\$ 19,437
		-	-	-	-	-	-	-
<b>LIABILITIES</b>								
<b>NET ASSETS</b>								
Held in Trust for private purposes per trust agreements	\$	501	\$ 1,578	\$ 1,001	\$ 4,603	\$ 700	\$ 1,001	\$ 19,437

(CONTINUED)

**Combining Statement of Net Assets  
Private Purpose Trust Funds  
For the year ended June 30, 2007**

	Probate Funds					
	Lawton	Weeks	Cogan	Jones	Probate Totals	GRAND TOTALS
<b>ASSETS</b>						
Cash	\$ 8,287	\$ 2,486	\$ 577	\$ 218	\$ 11,568	\$ 31,005
<b>LIABILITIES</b>						
	-	-	-	-	-	-
<b>NET ASSETS</b>						
Held in Trust for private purposes per trust agreements	\$ 8,287	\$ 2,486	\$ 577	\$ 218	\$ 11,568	\$ 31,005

(CONCLUDED)

**TOWN OF NORTH KINGSTOWN**  
**Combining Statement of Changes in Net Assets**  
**Private Purpose Trust Funds**  
**For the year ended June 30, 2006**

H-2

	Burial Funds					
	Hall	Vaughn	Young	Rebecca Hammond	W.H. Welling	George C. Hall
<b>ADDITIONS:</b>						
Investment income	\$ -	\$ -	\$ -	\$ -	\$ 27	\$ -
	-	-	-	-	27	-
<b>DEDUCTIONS:</b>						
Operating expense per trust agreement	-	-	-	-	-	-
<b>CHANGE IN NET ASSETS</b>	-	-	-	-	27	-
<b>Net Assets, beginning</b>	501	100	300	300	8,625	200
<b>Net Assets, ending</b>	\$ 501	\$ 100	\$ 300	\$ 300	\$ 8,652	\$ 200

(CONTINUED)

**TOWN OF NORTH KINGSTOWN**  
**Combining Statement of Changes in Net Assets**  
**Private Purpose Trust Funds**  
**For the year ended June 30, 2007**

H-2

	Burial Funds							
B.H. Davis	Updike	Mary Carpenter	Smith-Lawton	Old Baptist Cemetery	Smith	Burial Totals		
\$ -	\$ 5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32	
-	5	-	-	-	-	-	32	
<b>ADDITIONS:</b>								
Investment income								
<b>DEDUCTIONS:</b>								
Operating expense per trust agreement			3	1			4	
-	-	-	3	1	-	-	4	
<b>CHANGE IN NET ASSETS</b>								
-	5	-	(3)	(1)	-	-	28	
501	1,573	1,001	4,606	701	1,001	19,409		
\$ 501	\$ 1,578	\$ 1,001	\$ 4,603	\$ 700	\$ 1,001	\$ 19,437		

(CONTINUED)

**TOWN OF NORTH KINGSTOWN**  
**Combining Statement of Changes in Net Assets**  
**Private Purpose Trust Funds**  
**For the year ended June 30, 2007**

	Probate Funds					GRAND TOTALS
	Lawton	Weeks	Cogan	Jones	Probate Totals	
<b>ADDITIONS:</b>						
Investment income	\$ 26	\$ 83	\$ 19	\$ 7	\$ 135	\$ 167
	26	83	19	7	135	167
<b>DEDUCTIONS:</b>						
Operating expense per trust agreement	-	-	-	-	-	4
	-	-	-	-	-	4
<b>CHANGE IN NET ASSETS</b>	26	83	19	7	135	163
<b>Net Assets, beginning</b>	8,261	2,403	558	211	11,433	30,842
<b>Net Assets, ending</b>	\$ 8,287	\$ 2,486	\$ 577	\$ 218	\$ 11,568	\$ 31,005

(CONCLUDED)

**TOWN OF NORTH KINGSTOWN, RHODE ISLAND**

**AGENCY FUNDS**

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

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

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

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

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

***Perkins Vocational Education*** - To account for funds received on behalf of other school departments.

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**Statement of Changes in Assets and Liabilities  
Agency Funds  
Year ended June 30, 2007**

	Beginning Balance	Additions	Deductions	Ending Balance
<b><u>SCHOOL ACTIVITY FUNDS</u></b>				
<b><u>ASSETS</u></b>				
Cash	\$ 294,166	\$ 777,447	\$ 765,280	\$ 306,333
<b><u>LIABILITIES</u></b>				
Due to student groups	\$ 294,166	\$ 777,447	\$ 765,280	\$ 306,333
<b><u>PAYROLL FUND</u></b>				
<b><u>ASSETS</u></b>				
Cash	\$ 68,308	\$ 38,047,506	\$ 38,042,451	\$ 73,363
Due from other funds	2,031	15,793,077	15,793,110	1,998
<b>TOTAL ASSETS</b>	<b>\$ 70,339</b>	<b>\$ 53,840,583</b>	<b>\$ 53,835,561</b>	<b>\$ 75,361</b>
<b><u>LIABILITIES</u></b>				
Payroll withholdings	\$ 70,339	\$ 21,764,705	\$ 21,759,683	\$ 75,361
<b><u>SCHOOL PAYROLL FUND</u></b>				
<b><u>ASSETS</u></b>				
Cash	\$ 33,416	\$ 77,565,123	\$ 77,498,942	\$ 99,597
Due from other funds	57,934	35,575,708	35,040,186	593,456
<b>TOTAL ASSETS</b>	<b>\$ 91,350</b>	<b>\$ 113,140,831</b>	<b>\$ 112,539,128</b>	<b>\$ 693,053</b>
<b><u>LIABILITIES</u></b>				
Payroll withholdings	\$ 91,350	\$ 43,115,694	\$ 42,513,991	\$ 693,053

(CONTINUED)

**Statement of Changes in Assets and Liabilities  
Agency Funds  
Year ended June 30, 2007**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<b><u>DEVELOPER SURETY ESCROW</u></b>				
<b><u>ASSETS</u></b>				
Cash	\$ 710,110	\$ 401,345	\$ 689,541	\$ 421,914
<b><u>LIABILITIES</u></b>				
Deposits held in custody for others	\$ 710,110	\$ 426,049	\$ 714,245	\$ 421,914
<b><u>PERKINS VOCATIONAL ED</u></b>				
<b><u>ASSETS</u></b>				
Cash	\$ -	\$ 62,960	\$ 62,960	\$ -
<b><u>LIABILITIES</u></b>				
Due to Subrecipient	\$ -	\$ 62,960	\$ 62,960	\$ -
<b><u>TOTAL - ALL AGENCY FUNDS</u></b>				
<b><u>ASSETS</u></b>				
Cash	\$ 1,106,000	\$ 116,854,381	\$ 117,059,174	\$ 901,207
Due from other funds	59,965	51,368,785	50,833,296	595,454
<b><u>TOTAL ASSETS</u></b>	<b>\$ 1,165,965</b>	<b>\$ 168,223,166</b>	<b>\$ 167,892,470</b>	<b>\$ 1,496,661</b>
<b><u>LIABILITIES</u></b>				
Due to student groups	294,166	777,447	765,280	306,333
Deposits Held in Custody for Others	710,110	426,049	714,245	421,914
Due to sub recipients	-	62,960	62,960	-
Payroll withholdings	161,689	64,880,399	64,273,674	768,414
<b><u>TOTAL LIABILITIES</u></b>	<b>\$ 1,165,965</b>	<b>\$ 66,146,855</b>	<b>\$ 65,816,159</b>	<b>\$ 1,496,661</b>

(CONCLUDED)

**TOWN OF NORTH KINGSTOWN**

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

**Library Fund  
Year Ended June 30, 2007**

	Originally Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
<b>Revenues:</b>				
State Aid	\$ 199,517	\$ 199,517	\$ 199,517	\$ -
Departmental Revenue	40,000	40,000	42,993	2,993
Miscellaneous	500	500	96	(404)
<b>Total Revenues</b>	<b>240,017</b>	<b>240,017</b>	<b>242,606</b>	<b>2,589</b>
<b>Expenditures:</b>				
Library	1,256,203	1,256,203	1,259,358	(3,155)
<b>Total Expenditures</b>	<b>1,256,203</b>	<b>1,256,203</b>	<b>1,259,358</b>	<b>(3,155)</b>
<b>Excess of expenditures over revenues</b>	<b>(1,016,186)</b>	<b>(1,016,186)</b>	<b>(1,016,752)</b>	<b>(566)</b>
<b>Other financing sources:</b>				
Operating transfer from Town	1,004,186	1,004,186	1,004,186	-
Transfer from fund balance	12,000	12,000	12,000	-
<b>Net other financing sources</b>	<b>1,016,186</b>	<b>1,016,186</b>	<b>1,016,186</b>	<b>-</b>
<b>Excess (deficiency) of revenues and other sources over expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (566)</b>	<b>\$ (566)</b>

**TOWN OF NORTH KINGSTOWN****Schedule of Revenues and Expenditures (Non-GAAP Budgetary Basis)  
Budget and Actual  
(Unaudited)****Debt Service Fund  
Year Ended June 30, 2007**

	Originally Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
<b>Revenues:</b>				
State Aid	\$ 1,084,378	\$ 1,084,378	\$ 1,084,379	\$ 1
Miscellaneous	9,563	9,563	28,904	19,341
<b>Total Revenues</b>	<b>1,093,941</b>	<b>1,093,941</b>	<b>1,113,283</b>	<b>19,342</b>
<b>Expenditures:</b>				
Debt Service Municipal	1,562,368	1,562,368	1,562,367	1
Debt Service School	3,693,305	3,693,305	3,693,304	1
<b>Total Expenditures</b>	<b>5,255,673</b>	<b>5,255,673</b>	<b>5,255,671</b>	<b>2</b>
<b>Excess of expenditures over revenues</b>	<b>(4,161,732)</b>	<b>(4,161,732)</b>	<b>(4,142,388)</b>	<b>19,344</b>
<b>Other financing sources:</b>				
Operating transfer from Town	3,881,732	3,881,732	3,881,732	-
Transfer from Impact Fees	80,000	80,000	56,220	(23,780)
Transfer from fund balance	200,000	200,000	-	(200,000)
<b>Net other financing sources</b>	<b>4,161,732</b>	<b>4,161,732</b>	<b>3,937,952</b>	<b>(223,780)</b>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (204,436)</b>	<b>\$ (204,436)</b>

THE TOWN OF  
NORTH KINGSTOWN, RHODE ISLAND

STATISTICAL SECTION

## **Statistical Section**

This part of the Town's comprehensive annual financial report presents information to supplement and provide multi-year trend information to enable readers to gain a better understanding of the Town's financial health.

Financial Trends: Schedules 1 through 4 contain trend information to help the reader understand changes in financial performance over time.

Revenue capacity: Schedules 5 through 11 contain information to help the reader assess the factors affecting the Town's ability to generate its property taxes.

Debt capacity: Schedules 12 through 15 contain information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.

Demographic information: Schedules 16 through 18 contain demographic information to help the reader understand the environment in which the Town's financial activities take place.

Operating information: Schedules 19 and 20 contain information about the Town's operations and resources.

School Department information: Schedules 21 and 22 contain information about the School Department's operations and building information.

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**TOWN OF NORTH KINGSTOWN, RHODE ISLAND**

**SCHEDULE 1  
NET ASSETS BY COMPONENT  
LAST FIVE FISCAL YEARS**

FISCAL YEAR	2007	2006	2005	2004	2003
<b>Governmental Activities</b>					
Invested in Capital assets, net of related debt	\$ 45,665,960	\$ 12,563,318	\$ (1,469,025)	\$ (1,861,551)	\$ (4,333,063)
Restricted For:					
Permanent Funds	94,451	88,580	86,537	87,654	
Debt Service					1,445,923
Capital Projects					4,412,453
Specific Programs					2,980,858
Unrestricted	21,492,526	25,719,107	23,083,191	20,305,262	14,300,299
<b>Total governmental Activities net assets</b>	<b>67,252,937</b>	<b>38,371,005</b>	<b>21,700,703</b>	<b>18,531,365</b>	<b>18,806,470</b>
<b>Business-type activities</b>					
Invested in Capital assets, net of related debt	5,054,302	4,835,395	4,720,878	3,856,102	4,221,731
Unrestricted	7,507,799	5,663,520	5,209,767	5,599,958	5,008,473
<b>Total business-type activities net assets</b>	<b>12,562,101</b>	<b>10,498,915</b>	<b>9,930,645</b>	<b>9,456,060</b>	<b>9,230,204</b>
<b>Primary Government</b>					
Invested in Capital assets, net of related debt	50,720,262	17,398,713	3,251,853	1,994,551	(111,332)
Restricted for:					
Permanent Funds	94,451	88,580	86,537	87,654	
Debt Service					1,445,923
Capital Projects					4,412,453
Specific Programs					2,980,858
Unrestricted	29,000,325	31,382,627	28,292,958	25,905,220	19,308,772
<b>Total primary government net assets</b>	<b>\$ 79,815,038</b>	<b>\$ 48,869,920</b>	<b>\$ 31,631,348</b>	<b>\$ 27,987,425</b>	<b>\$ 28,036,674</b>

**TOWN OF NORTH KINGSTOWN, RHODE ISLAND**

**SCHEDULE 2  
CHANGES IN NET ASSETS, LAST FIVE FISCAL YEARS  
GOVERNMENTAL ACTIVITIES  
(ACCRUAL BASIS OF ACCOUNTING)**

Fiscal Year	2007	2006	2005	2004	2003
<b>Expenses</b>					
<b>Governmental Activities:</b>					
General government	\$ 6,722,225	\$ 6,558,106	\$ 7,310,123	\$ 6,437,736	\$ 6,303,068
Public Safety	13,763,174	13,000,576	11,551,917	11,297,060	10,151,088
Public Works	3,427,940	4,116,279	4,530,289	4,330,139	3,316,262
Parks and recreation	284,710	500,417	585,699	593,594	376,334
Senior Services	298,143	300,022	297,474	286,475	271,638
Education	58,426,032	55,583,451	53,565,325	53,810,038	47,534,281
Public libraries	1,426,343	1,055,453	-	-	-
Per trust agreements	40,748	101,657	173,407	204,109	184,879
Human resources	30,248	55,939	35,730	228,162	138,295
Debt Services	1,836,140	1,901,273	5,718,453	5,873,276	6,044,921
Capital Expenditure	1,554,813	1,604,459	673,545	1,555,726	458,479
<b>Total governmental activities</b>	<b>87,810,516</b>	<b>84,777,632</b>	<b>84,441,962</b>	<b>84,616,315</b>	<b>74,779,245</b>
<b>Business-type activities:</b>					
Water	2,121,390	2,552,342	2,241,119	2,142,179	1,805,529
Q/D Recreation	1,338,711	1,329,769	1,263,139	1,288,509	1,153,835
Non-major	1,585,318	1,420,496	1,416,646	1,291,890	1,231,243
<b>Total business-type activities</b>	<b>5,045,419</b>	<b>5,302,607</b>	<b>4,920,904</b>	<b>4,722,578</b>	<b>4,190,607</b>
<b>Total primary government expense</b>	<b>92,855,935</b>	<b>90,080,239</b>	<b>89,362,866</b>	<b>89,338,893</b>	<b>78,969,852</b>
<b>General Revenues and Other Changes in Net Assets</b>					
<b>Governmental activities:</b>					
General property taxes	59,439,540	56,331,520	53,653,354	53,805,401	51,272,225
Charges for services	5,124,419	-	-	-	-
Operating grants and services	18,974,230	-	-	-	-
Intergovernmental	5,466,317	22,292,512	21,486,434	19,567,049	18,606,909
Departmental	-	2,054,915	2,130,545	1,867,836	1,686,501
Licenses and permits	581,969	539,812	442,178	524,995	355,158
Investment income	1,590,238	1,338,665	817,032	403,138	365,601
Other	43,729	5,308,497	6,452,149	6,411,041	5,369,664
Transfer from/(to) business-type activity	(657,909)	170,064	375,000	278,383	405,241
<b>Total governmental activities revenues</b>	<b>90,562,533</b>	<b>88,035,985</b>	<b>85,356,692</b>	<b>82,857,843</b>	<b>78,061,299</b>
<b>Business-type activities:</b>					
Water	3,210,805	3,051,565	2,602,127	2,353,692	2,431,537
Q/D Recreation	1,841,284	1,659,252	1,583,353	1,553,365	1,470,694
Non-major	1,398,607	1,330,124	1,010,897	1,296,653	1,234,882
Transfer (to)/from governmental activity	657,909	(170,064)	(375,000)	(278,383)	(405,241)
<b>Total business-type activities</b>	<b>7,108,605</b>	<b>5,870,877</b>	<b>4,821,377</b>	<b>4,925,327</b>	<b>4,731,872</b>
<b>Total primary government revenues</b>	<b>97,671,138</b>	<b>93,906,862</b>	<b>90,178,069</b>	<b>87,783,170</b>	<b>82,793,171</b>
Net (Expense)/Revenue	2,752,017	3,258,353	914,730	(1,758,472)	3,282,054
Governmental activities	2,063,186	568,270	(99,527)	202,749	541,265
Business-type activities	\$ 4,815,203	\$ 3,826,623	\$ 815,203	\$ (1,555,723)	\$ 3,823,319
<b>Total primary government net expense</b>	<b>\$ 4,815,203</b>	<b>\$ 3,826,623</b>	<b>\$ 815,203</b>	<b>\$ (1,555,723)</b>	<b>\$ 3,823,319</b>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

SCHEDULE 3  
 FUND BALANCES, GOVERNMENTAL FUNDS, LAST TEN FISCAL YEARS  
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

FISCAL YEAR	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
General Fund										
Reserved	\$ 910,280	\$ 773,094	\$ 1,419,288	\$ 1,148,088	\$ 1,566,317	\$ 1,089,535	\$ 1,766,553	\$ 673,354	\$ 744,131	\$ 333,283
Unreserved	9,522,710	9,310,242	8,307,409	8,440,188	7,070,034	5,546,543	5,140,412	4,269,461	2,965,374	1,685,719
Total General Fund	10,432,990	10,083,336	9,726,697	9,588,276	8,636,351	6,636,078	6,906,965	4,942,815	3,709,505	2,019,002
School Fund										
Reserved	846,487	1,206,105	928,823	229,962	2,034,919	2,025,027	970,395	636,715	606,268	257,997
Unreserved	520,235	891,558	257,930	682,931	378,429	171,893	127,829	222,667	471,559	259,728
Total School Fund	\$ 1,366,722	\$ 2,097,663	\$ 1,186,753	\$ 912,893	\$ 2,413,348	\$ 2,196,920	\$ 1,098,224	\$ 859,382	\$ 1,077,827	\$ 517,725
All Other Governmental Funds										
Reserved	679,785	884,321	1,138,700	1,667,297	1,445,923	820,301	1,498,134	1,104,243	1,030,534	
Unreserved, reported in:										
Special revenue funds	2,758,265	2,935,006	2,776,413	2,602,830	1,187,037	1,335,144	636,491	881,568	1,073,935	574,935
Capital project funds	2,414,376	5,688,318	4,083,618	3,136,510	4,412,453	3,923,003	16,402,712	31,100,614	3,600,642	(1,866,232)
Permanent funds	94,451	88,580	86,537	87,654	1,658,821		500,000			
Debt service funds										
Total all other governmental funds	\$ 5,946,877	\$ 9,596,225	\$ 8,085,268	\$ 7,494,291	\$ 8,704,234	\$ 6,078,448	\$ 19,037,337	\$ 33,086,425	\$ 5,705,111	\$ (1,291,297)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

SCHEDULE 4  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS, LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

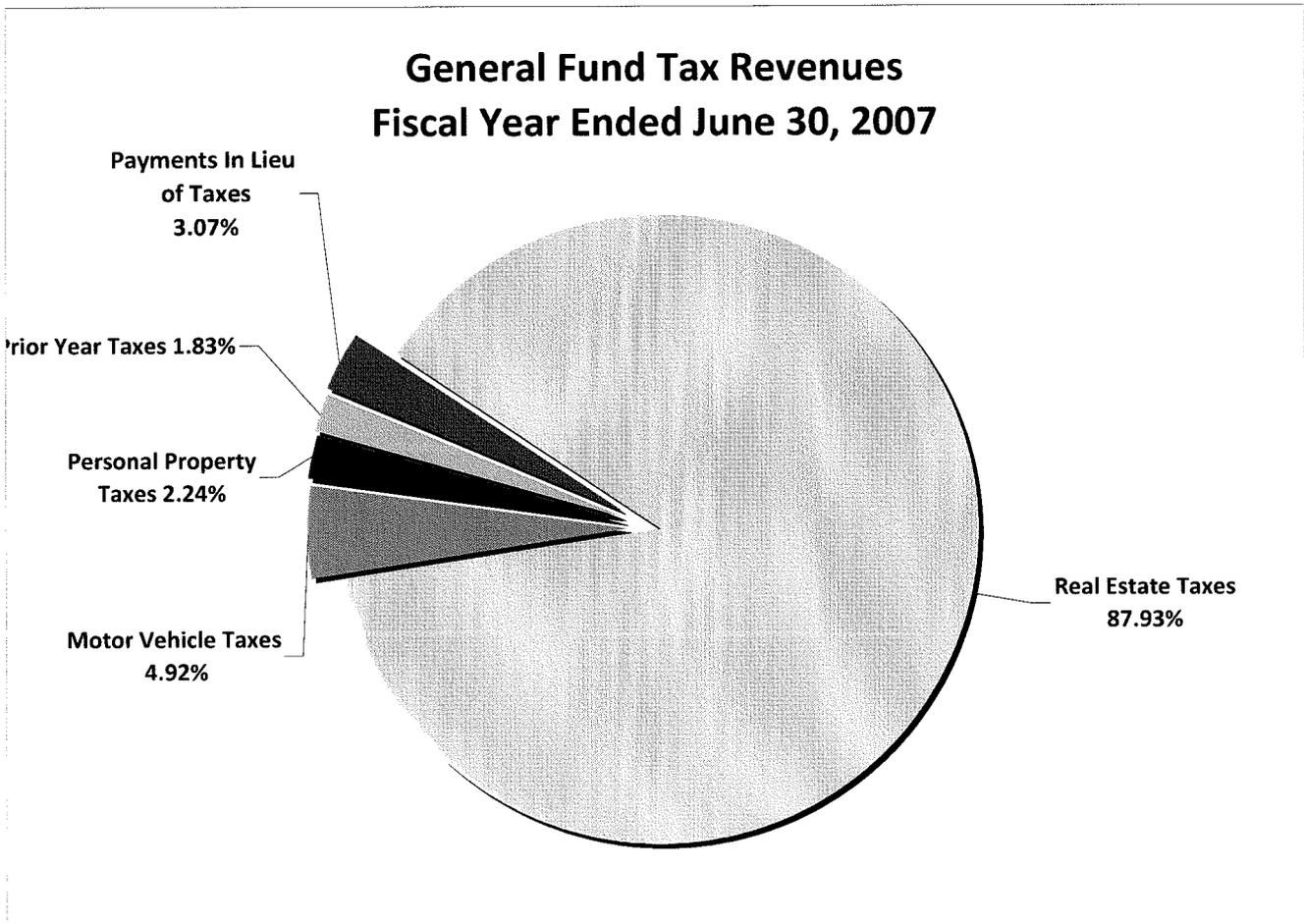
FISCAL YEAR	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
<b>Revenues:</b>										
General property taxes	\$ 58,892,935	\$ 56,100,311	\$ 53,653,354	\$ 53,805,401	\$ 51,272,225	\$ 48,570,277	\$ 44,883,156	\$ 42,758,479	\$ 40,769,858	\$ 37,952,468
Intergovernmental	23,199,098	22,292,512	21,486,434	19,567,049	18,606,909	17,772,102	16,835,239	14,836,130	14,174,653	13,214,911
Departmental	1,923,295	2,054,915	2,130,545	1,867,836	1,686,501					
Licenses and permits	581,969	539,812	442,178	524,995	355,158	374,236	392,050	402,843	357,301	468,894
Investment income	1,540,098	1,277,430	817,032	403,138	365,601	643,042	2,375,650	2,084,237	780,129	572,223
Other	4,476,803	5,308,497	6,452,149	6,411,041	5,389,664	3,587,938	3,728,396	3,655,272	4,527,401	2,434,980
Total revenues	90,614,198	87,573,477	84,981,692	82,579,460	77,656,058	70,947,595	68,214,491	63,736,961	60,609,342	54,643,476
<b>Expenditures:</b>										
General Government	6,348,375	6,531,836	7,310,123	6,437,736	6,303,068	4,620,090	4,935,355	4,294,109	4,374,433	3,434,508
Public Safety	13,586,608	12,557,047	11,551,917	11,297,060	10,151,088	10,065,679	8,948,977	8,647,435	8,397,280	7,878,245
Public works	3,875,742	4,158,503	4,530,289	4,330,139	3,316,262	3,618,773	3,750,904	3,459,956	3,196,476	3,609,213
Parks and recreation	283,747	499,760	585,699	593,594	376,334					
Senior services	340,782	285,376	297,474	286,475	271,638					
Education	58,983,401	54,852,418	53,565,325	53,810,038	47,534,281	44,401,975	41,719,508	39,107,712	37,551,560	34,711,315
Public libraries	1,304,033	1,223,869								
Per trust agreements	40,748	101,657	173,407	204,109	184,879	1,940,276	1,909,148	1,842,729	1,955,234	2,123,528
Human resources	30,248	55,939	35,730	228,162	136,295					
Debt service										
Principal	3,404,192	3,624,190	3,309,194	3,309,190	3,319,190	3,129,192	1,344,192	1,319,190	870,000	865,000
Interest and other costs	1,851,579	1,801,980	2,409,259	2,584,086	2,725,731	2,871,863	2,668,113	1,617,650	607,845	955,271
Capital expenditures	4,145,728	2,313,693	673,545	1,555,726	458,479	14,488,499	23,531,451	7,856,089	5,470,694	2,249,067
Total expenditures	94,195,183	88,006,288	84,441,962	84,616,315	74,779,245	85,136,347	88,805,648	68,144,870	62,423,522	55,826,147
Excess of revenues over (under) expenditures	(3,580,985)	(432,811)	539,730	(2,036,855)	2,876,813	(14,188,752)	(20,591,157)	(4,407,909)	(1,814,180)	(1,182,671)
<b>Other financing sources (uses):</b>										
Proceeds of Refunding Debt			30,360,000						3,300,000	
Refunding Debt Escrow Agent			(30,680,215)						(3,290,541)	
Bond premium			606,983							
Bond issuance		2,840,000				1,900,000	7,680,000	33,000,000	9,690,000	
Bond issuance costs			(188,635)						(9,459)	
Lease Proceeds							630,709	122,545	200,000	480,000
Transfers in		44,197,516	43,615,244	41,708,213	38,965,689	39,444,613	32,769,514	30,345,832	27,111,938	25,419,957
Transfers out	(4,030,635)	(43,826,199)	(43,269,859)	(41,429,830)	(38,560,448)	(39,007,816)	(32,358,351)	(29,976,127)	(26,768,714)	(25,075,406)
Total other financing sources (uses)	(4,030,635)	3,211,317	463,528	278,383	405,241	2,336,797	8,721,872	33,492,250	10,232,224	824,551
Net change in fund balances	\$ (7,611,620)	\$ 2,778,506	\$ 1,003,258	\$ (1,758,472)	\$ 3,282,054	\$ (11,851,955)	\$ (11,869,285)	\$ 29,084,341	\$ 8,418,044	\$ (358,120)
Debt service as a percentage of noncapital expenditures	5.84%	6.33%	6.83%	7.07%	8.13%	8.49%	6.15%	4.87%	2.59%	3.40%

Notes:  
Intergovernmental and Departmental revenues were combined until Fiscal Year 2003  
Parks and recreation, Senior services and Human resources were combined until Fiscal Year 2003

**TOWN OF NORTH KINGSTOWN, RHODE ISLAND**

**SCHEDULE 5  
TAX REVENUE BY SOURCE, GOVERNMENT FUNDS  
LAST TEN YEARS**

<b>Fiscal Year Ended June 30</b>	<b>Payments in Lieu of Taxes</b>	<b>Real Estate Taxes</b>	<b>Motor Vehicle Taxes</b>	<b>Personal Property Taxes</b>	<b>Prior Year Taxes</b>	<b>Totals</b>
2007	1,797,214	51,560,229	2,885,543	1,315,986	1,075,577	58,634,549
2006	1,932,964	48,706,823	2,998,680	1,253,190	1,000,309	55,891,966
2005	1,911,952	46,621,254	2,623,349	1,185,974	1,003,704	53,346,233
2004	2,389,421	45,232,284	2,762,556	1,911,634	1,203,814	53,499,709
2003	2,097,705	43,130,374	2,742,140	1,805,045	1,185,060	50,960,324
2002	1,540,240	40,886,216	2,873,157	1,866,828	1,155,500	48,321,941
2001	2,206,529	36,211,628	2,852,599	2,033,005	1,278,165	44,581,926
2000	2,192,765	34,054,552	2,939,681	1,992,295	1,286,536	42,465,829
1999	2,248,978	31,989,565	3,155,394	1,849,265	1,295,059	40,538,261
1998	2,050,510	29,939,618	2,764,434	1,615,416	1,254,466	37,624,444

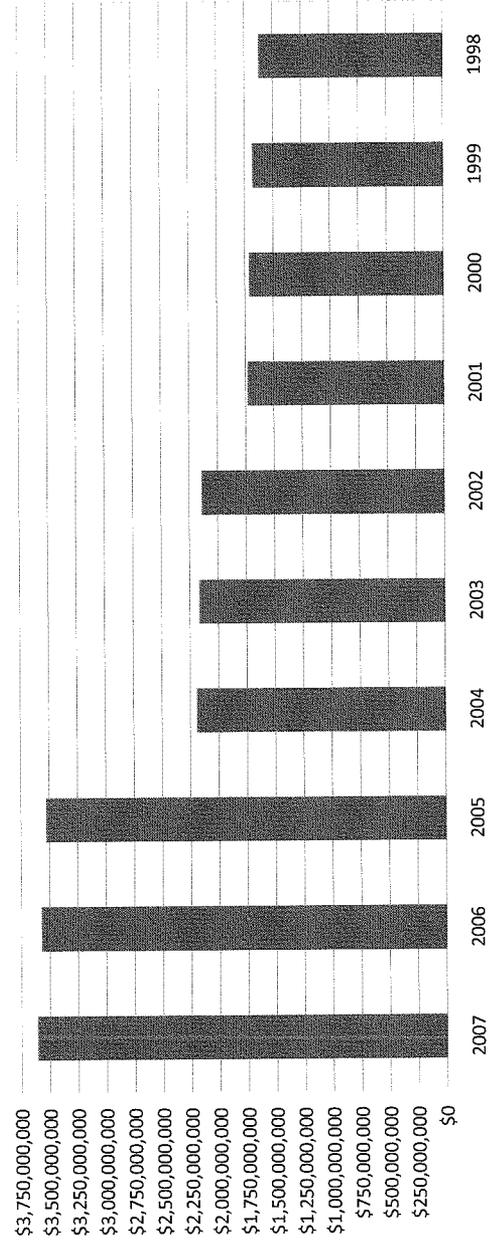


**TOWN OF NORTH KINGSTOWN, RHODE ISLAND**

**SCHEDULE 6  
ASSESSED VALUES AND ACTUAL VALUES OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Assessed Value					Less Exemptions	Total Taxable Assessed Value	Total Direct Tax Rate	Total Direct Tax Rate	Total Direct Tax Rate	Real Estate Only Assessed Value as a Percentage of Actual Value
	Real Estate	Personal Property	Inventory	Motor Vehicles	Motor Vehicle Inventory						
2007	3,440,758,510	88,604,990		264,447,537	186,437,005	3,607,374,032	15.55	22.04	22.04	22.04	0.760
2006	3,401,172,700	86,288,720		250,051,917	169,029,676	3,568,483,661	14.85	22.04	22.04	22.04	0.830
2005	3,373,797,470	84,417,360		221,425,702	154,036,444	3,525,604,088	14.38	22.04	22.04	22.04	1.000
2004	2,011,507,975	85,317,810		228,647,217	136,310,757	2,189,162,245	23.31	22.04	22.04	22.04	0.720
2003	1,986,996,310	82,121,190		226,694,293	134,732,509	2,161,079,284	22.60	22.04	22.04	22.04	0.830
2002	1,954,112,590	83,110,590	5,192,610	211,150,852	111,877,715	2,136,496,317	21.94	22.04	22.04	22.04	0.970
2001	1,536,301,370	80,991,371	10,134,680	191,199,906	85,165,453	1,728,519,804	24.65	22.04	22.04	22.04	0.880
2000	1,500,902,170	79,192,539		174,978,378	55,615,294	1,709,592,473	23.68	22.04	22.04	22.04	0.920
1999	1,470,037,800	84,597,805		146,321,148	22,176,983	1,678,779,770	22.79	22.04	22.04	22.04	0.922
1998	1,433,174,000	77,555,850		133,674,670	22,303,343	1,622,101,177	22.04	22.04	22.04	22.04	0.950

**Assessed Values  
by Grand Lists**



**TOWN OF NORTH KINGSTOWN, RHODE ISLAND**

**SCHEDULE 7  
DIRECT PROPERTY TAX RATES  
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30,	Direct Rates		
	Real Estate & Personal Property	Motor Vehicles	Inventory
2007	15.55	22.04	
2006	14.85	22.04	
2005	14.38	22.04	
2004	23.31	22.04	
2003	22.60	22.04	
2002	21.94	22.04	
2001	24.65	22.04	18.24
2000	23.68	22.04	20.52
1999	22.79	22.79	
1998	22.04	22.04	
1997	20.76	20.76	

**Source:** Town of North Kingstown Tax Assessor

**TOWN OF NORTH KINGSTOWN, RHODE ISLAND**

**SCHEDULE 8  
PRINCIPLE PROPERTY TAX PAYERS  
CURRENT YEAR AND TEN YEARS AGO**

2007		1998			
Taxable Assessed Value	Rank	Percent of Total Town Taxable Assessed Value	Rank	Taxable Assessed Value	Percent of Total Town Taxable Assessed Value
NARRAGANSETT ELECTRIC CO	1	0.82%	1	31,742,490	1.87%
WREC PRECISION PARK LLC	2	0.44%	2	17,851,550	1.05%
ZAKAPANE REAL ESTATE ASSOC INC	3	0.35%	3	8,609,600	0.51%
HOME DEPOT USA INC	4	0.34%	4	6,110,100	0.36%
WAL-MART REAL ESTATE BUSINESS TRUST	5	0.31%	5	5,575,410	0.33%
NEW PLAN HUNT RIVER COMMONS LLC	6	0.30%	6	5,085,900	0.30%
MILLCREEK LIMITED LIABILITY CO	7	0.29%	7	4,441,940	0.26%
HERITAGE VILLAGE ASSOCIATE	8	0.25%	8	3,804,500	0.22%
LISCHIO DEVELOPMENT CO. LLC	9	0.23%	9	3,750,300	0.22%
FUJIFILM ELECTRONIC MATERIALS USA	10	0.19%	10	3,731,100	0.22%
WEST DAVISVILLE REALTY CO LLC	11	0.18%	11	3,728,500	0.22%
MEADOWS PROFESSIONAL	12	0.17%	12	3,541,400	0.21%
ESSEX VILLAGE COMPANY	13	0.17%	13	3,385,250	0.20%
KINGSTOWN PLAZA LIMITED PART	14	0.16%	14	3,358,100	0.20%
QUIDNESSETT CNTRY CLUB INC	15	0.16%	15	3,308,100	0.19%
WICKFORD SHIPYARD INC	16	0.15%	16	2,936,000	0.17%
R I INDUSTRIAL FACILITIES CORP	17	0.15%	17	2,813,400	0.17%
WICKBAY PROPERTIES INC	18	0.15%	18	2,287,100	0.13%
SLOCUM WOODS INC	19	0.13%	19	2,168,000	0.13%
KINGS GRANT CO	20	0.13%	20	2,130,800	0.13%
TORAY PLASTICS AMERICA INC	21	0.13%	21	2,054,800	0.12%
HIGH LEA PROPERTIES LLC	22	0.13%	22	1,976,100	0.12%
STONE, DON W	23	0.12%	23	1,957,300	0.12%
CIOE WJA1 LLC	24	0.11%	24	1,921,600	0.11%
BAKEFORD PROPERTIES LLC	25	0.11%	25	1,874,870	0.11%

Source: Town of North Kingstown Tax Assessor

**TOWN OF NORTH KINGSTOWN, RHODE ISLAND**

**SCHEDULE 9  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2007	\$ 56,991,563	\$ 55,761,758	97.84%	\$ 1,075,577	\$ 56,837,335	99.73%
2006	54,015,438	\$ 52,958,693	98.04%	\$ 1,000,309	53,959,002	99.90%
2005	51,486,719	\$ 50,430,577	97.95%	\$ 1,003,704	51,434,281	99.90%
2004	50,952,549	\$ 49,906,474	97.95%	\$ 1,203,814	51,110,288	100.31%
2003	48,766,433	\$ 47,677,559	97.77%	\$ 1,185,060	48,862,619	100.20%
2002	46,885,673	\$ 45,626,201	97.31%	\$ 1,155,500	46,781,701	99.78%
2001	42,225,274	\$ 41,097,232	97.33%	\$ 1,278,165	42,375,397	100.36%
2000	40,225,839	\$ 38,986,528	96.92%	\$ 1,286,536	40,273,064	100.12%
1999	38,338,764	\$ 36,994,224	96.49%	\$ 1,295,059	38,289,283	99.87%
1998	35,738,674	\$ 34,319,468	96.03%	\$ 1,254,466	35,573,934	99.54%

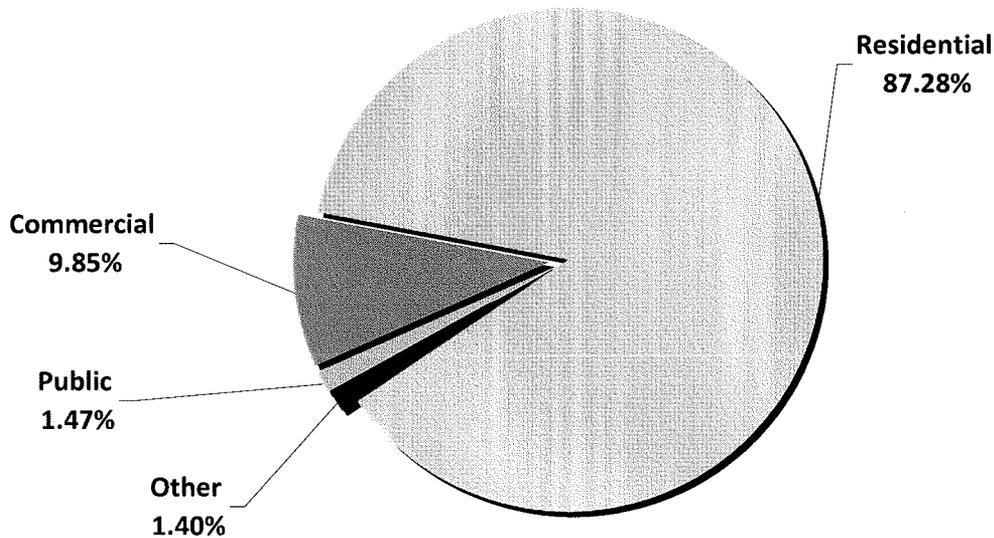
**Source:** Town of North Kingstown Tax Assessor and Finance Departments

**TOWN OF NORTH KINGSTOWN**

**SCHEDULE 10  
WATER SOLD BY TYPE OF SERVICE  
LAST EIGHT CALENDAR YEARS**

Fiscal Year	Type of Service				Total
	Commercial	Residential	Other	Public	
2007	75,213,320	666,404,419	10,694,594	11,236,260	763,548,593
2006	59,812,660	566,963,705	6,010,500	10,111,350	642,898,215
2005	71,331,330	727,902,558	8,847,020	22,658,056	830,738,964
2004	64,643,680	568,184,747	8,499,400	7,993,173	649,321,000
2003	49,583,850	872,035,060	13,862,625	121,555,750	1,057,037,285
2002	52,474,569	594,940,338	8,056,080	6,618,810	662,089,797
2001	55,560,300	621,967,273	8,056,080	6,618,810	692,202,463
2000	59,142,555	539,772,768	5,083,570	12,192,396	616,191,289

**Amount of Water Sold by  
Type of Service**



**TOWN OF NORTH KINGSTOWN**

**SCHEDULE 11  
WATER RATES  
LAST TEN FISCAL YEARS**

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Fiscal Year	Base Rate	Rate per 1,000 Gallons
2007	18.30	2.500
2006	13.49	2.400
2005	13.26	2.200
2004	13.03	2.050
2003	12.41	1.935
2002	12.41	1.935
2001	12.15	1.898
2000	11.90	1.863
1999	11.64	1.714
1998	11.10	1.592
1997	10.00	1.400

**Source:** North Kingstown Water Department

TOWN OF NORTH KINGSTOWN

**SCHEDULE 12  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**

Fiscal Year June 30,	Governmental Activities		Business-Type Activities		Total Primary Government	Percentage of Personal Income	Net Bonded Debt per Capita	Taxable Assessed Value	Net Bonded Debt as % of Taxable Assessed Value
	General Obligation Bonds	Water Bonds	Quonset Davisville Recreation Bonds	Quonset Davisville Recreation Bonds					
2007	41,996,465	-	368,533	368,533	42,364,998	906.47%	1,609.25	3,607,374,032	1.17%
2006	45,405,657	114,198	399,342	399,342	45,919,197	982.52%	1,744.25	3,568,483,661	1.29%
2005	46,184,851	222,261	430,148	430,148	46,837,260	1002.17%	1,779.13	3,525,604,088	1.33%
2004	47,904,043	324,448	460,980	460,980	48,689,471	1041.80%	1,849.48	2,189,162,245	2.22%
2003	51,213,233	421,079	491,790	491,790	52,126,102	1115.33%	1,980.02	2,161,079,284	2.41%
2002	54,532,424	512,456	522,600	522,600	55,567,480	1188.97%	2,110.75	2,136,496,317	2.60%
2001	55,761,616	598,864	553,410	553,410	56,913,890	1217.77%	2,161.89	1,728,519,804	3.29%
2000	50,010,000	680,574	584,190	584,190	51,274,764	1097.11%	2,155.67	1,709,592,473	3.00%
1999	18,360,000	757,841	615,000	615,000	19,732,841	1083.15%	829.60	1,678,779,770	1.18%
1998	9,600,000	830,907	-	-	10,430,907	572.56%	438.53	1,622,101,177	0.64%

**Note:** Details regarding the town's outstanding debt can be found in the notes to the financial statements  
\*See Schedule 16 for personal income and population data.

**TOWN OF NORTH KINGSTOWN**

**SCHEDULE 13  
RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS**

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Fiscal Year June 30,	Governmental Activities General Obligation Bonds	Percentage of Actual Taxable Value <sup>^</sup> of Property	Per Capita*
2007	41,996,465	1.16%	1,595.25
2006	45,400,659	1.27%	1,724.56
2005	46,184,851	1.31%	1,754.34
2004	47,904,043	2.19%	1,819.65
2003	51,213,233	2.37%	1,945.35
2002	54,532,424	2.55%	2,071.43
2001	55,761,616	3.23%	2,118.12
2000	50,010,000	2.93%	2,102.50
1999	18,360,000	1.09%	771.88
1998	9,600,000	0.59%	403.60

**Note:** Details regarding the town's outstanding debt can be found in the notes to the financial statements

<sup>^</sup> See Schedule 6 for property value data.

\* Population data can be found in Schedule 16.

TOWN OF NORTH KINGSTOWN

SCHEDULE 14

LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS

	Fiscal Year									
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Total assessed value	3,607,374,032	3,568,483,661	3,525,604,088	2,189,162,245	2,161,079,284	2,136,496,317	1,728,519,804	1,709,592,473	1,678,779,770	1,622,101,177
Rhode Island General Law debt limitation as % of assessed value	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Debt limit	108,221,221	107,054,510	105,768,123	65,674,867	64,832,379	64,094,890	51,855,594	51,287,774	50,363,393	48,663,035
Debt applicable to limit:										
Q/D Recreation Issue	368,533	399,342	430,148	460,980	491,790	522,600	553,410	584,190	615,000	-
Water Tower Issue	-	114,198	222,261	324,448	421,079	512,456	598,864	680,574	757,841	830,907
Bonded Debt Subject to Limit	368,533	513,540	652,409	785,428	912,869	1,035,056	1,152,274	1,264,764	1,372,841	830,907
Legal debt limit	108,221,221	107,054,510	105,768,123	65,674,867	65,975,175	65,218,657	52,776,928	51,287,774	50,363,393	48,663,035
Total net debt applicable to the limit	368,533	513,540	114,198	222,261	326,448	512,456	598,864	680,574	757,841	830,907
Legal debt margin	107,852,688	106,540,970	105,653,925	65,452,606	65,648,727	64,706,201	52,178,064	50,607,200	49,605,552	47,832,128
Total net debt applicable to the limit as a percentage of debt limit	0.34%	0.48%	0.62%	1.20%	1.41%	1.61%	2.22%	2.47%	2.73%	1.71%

Note: The Town has only one debt issue outstanding under the Maximum Aggregate Indebtedness provision (3% Debt Limit) - Rhode Island General Law 45-12-2. All other Town debt has been incurred through special statutory authority which consists of approval by the legislature and voter referendum.

The State Legislature may by special act permit the Town to incur indebtedness in excess of the three percent (3%) limit in accordance with Rhode Island General Law 45-12-11. The Town of North Kingstown has never requested authorization under the Authority for the issuance of Indebtedness Excess - Rhode Is General Law 45-12-11.

**TOWN OF NORTH KINGSTOWN**

**SCHEDULE 15  
PLEDGED REVENUE COVERAGE  
WATER BONDS  
LAST TEN FISCAL YEARS**

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Fiscal Year June 30,	Gross Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage	
				Principal	Interest	Dollars	Percentage
2007	2,953,358	2,114,824	838,534	114,197	6,566	717,771	594.36%
2006	2,876,360	2,539,562	336,798	108,063	12,780	215,955	178.71%
2005	2,534,054	2,241,119	292,935	102,187	18,656	172,092	142.41%
2004	2,266,601	1,920,257	346,344	96,631	24,212	225,501	186.61%
2003	2,320,485	1,805,529	514,956	91,377	29,466	394,113	326.14%
2002	2,475,044	1,575,459	899,585	86,408	34,435	778,742	644.42%
2001	2,057,847	1,922,461	135,386	81,710	39,133	14,543	12.03%
2000	2,214,595	1,779,305	435,290	77,267	43,576	314,447	260.21%
1999	1,959,705	1,946,845	12,860	73,066	47,777	(107,983)	-89.36%
1998	1,806,026	1,759,703	46,323	69,093	51,750	(74,520)	-61.67%

**Note:** Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

**TOWN OF NORTH KINGSTOWN**

**SCHEDULE 16  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN YEARS**

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Fiscal Year June 30,	Population	Per Capita Personal Income	School Enrollment	Unemployment Rate
2007	26,326	46,736	4,535	3.7
2006	26,326	46,736	4,607	4.2
2005	26,326	46,736	4,711	4.1
2004	26,326	46,736	4,729	4.7
2003	26,326	46,736	4,659	3.8
2002	26,326	46,736	4,599	3.3
2001	26,326	46,736	4,560	3.4
2000	23,786	18,218	4,560	2.8
1999	23,786	18,218	4,539	2.8
1998	23,786	18,218	4,533	2.9

- (1) Population and Per Capita Personal Income from the U.S. Department of Commerce, Bureau of the Census 2000.
- (2) North Kingstown School Department as of June 30th of each years. Numbers include resident students sent out.
- (3) Rhode Island Department of Labor and Training.

**TOWN OF NORTH KINGSTOWN**

**SCHEDULE 17  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND TEN YEARS AGO**

**2007**

**1998**

Employer	Employees	Rank	Percentage of Total Town Employment	Employer	Employees	Rank	Percentage of Total Town Employment
General Dynamics Electric Boat	2000	1	12.98%	ELECTRIC BOAT CORPORATION	1032	1	6.96%
Perspectives Corp.	800	2	5.19%	TOWN OF NORTH KINGSTOWN	800	2	5.39%
Toray Plastics, Inc.	695	3	4.51%	TORAY PLASTICS AMERICA INC	573	3	3.86%
Hexagon Metrology, Inc	360	4	2.27%	PERSPECTIVES CORP	500	4	3.37%
SENECO Marine LLC	325	5	2.11%	BROWN & SHARPE MFG. CO.	400	5	2.70%
143d Air Wing, RIANG	303	6	1.97%	R.I. AIR NATIONAL GUARD	252	6	1.70%
Ocean State Jobbers Inc.	300	7	1.95%	OCEAN STATE JOBBERS INC	200	7	1.35%
Town of North Kingstown	300	8	1.95%	WAL-MART	200	8	1.35%
The Home Depot	250	9	1.62%	CUSTOM DESIGN INC	150	9	1.01%
North Atlantic Distribution Inc. (NO RAD)	248	10	1.61%	GRINNELL CORP	150	10	1.01%
The Stop & Shop Co., Inc. (North Kingstown)	225	11	1.46%	GREGG'S	150	11	1.01%
Star Gas Service	212	12	1.38%	SO COUNTY NURSING CTR	150	12	1.01%
Wal-Mart	200	13	1.30%	SCALABRINI VILLA	120	13	0.81%
Gregg's	150	14	0.97%	AMES DEPARTMENT STORE	100	14	0.67%
South County Nursing Center	150	15	0.97%	NO ATLANTIC DISTRIBUTION INC	100	15	0.67%
Custom Design, Inc.	150	16	0.97%	JOHN J ORR & SONS INC	100	16	0.67%
American Biophysics Corp.	150	17	0.97%	ILLUMINATION CONCEPTS & ENG.	94	17	0.63%
Anvil International LP	122	18	0.79%	COMMUNITY CARE NURSES INC	85	18	0.57%
Scalabrini Villa	120	19	0.78%	MARO DISPLAY INC	75	19	0.51%
Arch Chemicals, Inc.	120	20	0.78%	AUTOMATION SOFTWARE INC	70	20	0.47%
Adecco Staffing	100	21	0.65%	CASTELLUCCI STONE IND., INC.	60	21	0.40%
Quidnessett Country Club	100	22	0.65%	LAFAYETTE NURSING HOME	60	22	0.40%
RI Beverage Packaging Co.	90	23	0.58%	PAUL BAILEY'S DODGE	60	23	0.40%
Roberts Health Centre, Inc.	82	24	0.53%	NARAGANSETT LITHO LTD	59	24	0.40%
C & J Forms	80	25	0.52%	ARMY AVIATION SUPPORT FACILITY	58	25	0.39%
All American Foods, Inc	80	26	0.52%	ROBERTS HEALTH CENTRE, INC	55	26	0.37%

**Source:** Rhode Island Department of Economic Development

**TOWN OF NORTH KINGSTOWN**

**SCHEDULE 18  
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION  
LAST TEN FISCAL YEARS**

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	Fiscal Year									
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Town Council	5	5	5	5	5	5	5	5	5	5
Town Manager	2	2	2	2	2	2	2	3	3	2
Town Clerk/Bd. Of Canvassers	6	6	6	6	6	6	6	7	7	7
Finance/Data Processing	7	8	8	9	10	9	10	11	10	10
Assessor	4	4	4	4	4	4	4	3	4	4
Fire	81	71	71	74	72	78	80	69	72	75
Police/Animal Control	59	58	58	61	66	63	61	61	62	60
Planning	5	6	6	6	5	5	5	5	5	5
Public Works	33	34	34	34	33	34	31	34	32	32
Welfare	0	1	1	1	1	1	1	1	1	1
Senior Citizens	3	3	3	3	3	3	3	2	2	2
Code Enforcement	3	3	3	3	3	3	3	3	3	3
Recreation	2	2	2	2	2	2	2	1	2	3
Library	12	12	12	12	12	11	12	12		
Quonset/Davisville Recreation Fund/Golf Course/Allens Harbor	6	7	7	8	8	8	8	7	5	4
Water Fund	13	13	13	13	13	13	12	12	12	13
Total	241	235	235	243	245	247	245	236	225	226
Public Education:										
Teachers	374	371	380	384	371	367	363	351	340	352
Pupil Support	253	236	246	255	228	224	221	214	211	214
Executive and Administrative	33	34	34	37	34	34	31	30	31	30

**Source:** Town of North Kingstown Municipal and School Personnel Departments

**TOWN OF NORTH KINGSTOWN**

**SCHEDULE 19  
OPERATING INDICATORS BY FUNCTION/PROGRAM  
LAST EIGHT YEARS**

Function/Program	Fiscal Year							
	2007	2006	2005	2004	2003	2002	2001	2000
<b>Police</b>								
Calls for Service	32,192	16,342	32,095	30,867	28,783	24,390	20,442	17,577
Arrests	901	579	1,182	1,229	1,306	1,177	1,055	1,145
Prosecutions	6,133	4,013	9,227	4,597	1,905	1,814	1,481	1,439
<b>Fire</b>								
Medical Calls/Rescue Runs	2,461	1,108	2,144	2,014	2,358	2,727	2,512	2,259
Residential Inspections	430	605	301	445	722	681	681	724
<b>Public Works</b>								
Miles Resurfaced	6	2.4	2.5	2.8	3.4	11	0	16
Plowed Miles	159	158.4	158.2	157.9	155.6	157	156	155
<b>Refuse collection</b>								
Refuse collected (tons/day, avg)	8,399	8,325.5	8,044.7	8,077.6	7,665.4	7,528.0	8,004.5	8,451.5
Recyclables collected (tons/day, avg)	3,677	3,651.5	3,670.6	3,594.2	3,475.1	3,353.7	3,344.1	3,285.1
<b>Recreation</b>								
Bussing ages 6-13	6,825	4,900	9,500	9,500	8,250	9,000	9,000	8,200
Summer Playground Part.	500	450	900	900	900	900	900	900
<b>Human Services</b>								
Meals on Wheels	10,579	5,206	10,927	11,596	8,587	10,408	11,269	10,433
# of Sr. Serv. Calls	2,538	3,404	7,314	9,178	10,644	9,735	11,568	12,508
# of Other Service Calls	793	5	28	28	26	32	32	13
# of Heat Cases	37	5	22	20	24	29	29	53
# of Electric Shutoffs	9							
# of Transportation Calls	7,064							
<b>Library</b>								
Person visits	170,164	88,002	180,481	192,959	186,090	190,729	175,600	183,694
# of users at IT workstations	20,280	10,363	19,283	18,918	17,817			
Public Service transactions	37,403	23,841	51,760	61,373	40,941	32,441	29,578	
Number of items borrowed	332,191							
<b>Water Dept</b>								
Metered services	9,268	9,197	9,157	9,068	9,047	9,014	8,860	8,843
Annual Production (million gallons)	1,106	1,224	1,287	1,272	1,266	1,328	1,018	1,092

**Sources:** various town departments

**TOWN OF NORTH KINGSTOWN**

**SCHEDULE 20  
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM  
LAST EIGHT FISCAL YEARS**

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Function/Program	Fiscal Year							
	2007	2006	2005	2004	2003	2002	2001	2000
Police								
Stations	1	1	1	1	1	1	1	1
Patrol Units	23	23	23	23	23	21	21	21
Fire Stations	3	3	3	3	3	3	3	3
Public Works								
Road Miles	157	156	156	155.7	153.4	155	154	153
Acres Maintained	479	479	479	479	479	469	469	469
Recreation								
Baseball/softball fields	16	16	16	16	16	16	16	16
Soccer fields	9	9	9	9	9	9	9	9
Multi use parks	4	4	4	4	4	4	4	4
Football fields	1	-	-	-	-	-	-	-
Senior Center	1	1	1	1	1	1	1	1
Library	1	1	1	1	1	1	1	1
Size of collection	125,967	-	-	-	-	-	-	-
Water Dept								
Water mains (miles)	175	170	168	168	156	156	155	155
Water towers	5	5	5	5	5	5	5	5
Hydrants	1,024	995	994	994	980	980	980	950

**Sources:** various town departments

**TOWN OF NORTH KINGSTOWN**  
**SCHEDULE 21**  
**SCHOOL BUILDING INFORMATION**  
**LAST TEN FISCAL YEARS**

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Davisville Elementary (1954)										
Square Feet	31,737	31,737	31,737	31,737	31,737	31,737	31,737	31,737	31,737	31,737
Capacity	284	284	284	284	284	284	284	284	284	284
Enrollment	214	244	245	267	268	211	179	143	164	183
Fishing Cove Elementary (1957)										
Square Feet	46,160	46,160	46,160	46,160	46,160	46,160	46,160	46,160	46,160	46,160
Capacity	335	335	335	335	335	335	335	335	335	335
Enrollment	207	196	175	184	166	15	280	264	307	321
Forest Park Elementary (1962)										
Square Feet	31,812	31,812	31,812	31,812	31,812	31,812	31,812	31,812	31,812	31,812
Capacity	275	275	275	275	275	275	275	275	275	275
Enrollment	284	258	265	235	241	260	266	224	217	223
Hamilton Elementary (1962)										
Square Feet	49,274	49,274	49,274	49,274	49,274	49,274	49,274	49,274	49,274	49,274
Capacity	450	450	450	450	450	450	450	450	450	450
Enrollment	432	425	448	402	372	426	433	414	410	374
Quidnessett Elementary (1971)										
Square Feet	34,000	34,000	34,000	34,000	43,544	43,544	43,544	43,544	43,544	43,544
Capacity	337	337	337	337	383	383	383	383	383	383
Enrollment	244	252	251	260	261	355	258	240	289	272
Stony Lane Elementary (1971)										
Square Feet	49,319	49,319	49,319	49,319	49,319	49,319	49,319	49,319	49,319	49,319
Capacity	450	450	450	450	450	450	450	450	450	450
Enrollment	361	361	368	378	412	448	423	386	419	456
Wickford Elementary (1907)*										
Square Feet	32,952	32,952	32,952	32,952	32,952	32,952	32,952	32,952	32,952	32,952
Capacity	252	252	252	252	252	252	252	252	252	252
Enrollment	252	236	235	237	241	282	235	208	0	0
Davisville Middle (1967)										
Square Feet	96,748	96,748	96,748	96,748	96,748	96,748	96,748	96,748	96,748	96,748
Capacity	680	680	680	680	680	680	680	680	680	680
Enrollment	574	567	571	615	614	629	630	627	644	602
Wickford Middle (1932)										
Square Feet	63,129	63,129	63,129	63,129	63,129	63,129	63,129	63,129	63,129	63,129
Capacity	465	465	465	465	465	465	465	465	465	465
Enrollment	487	478	473	418	445	452	446	490	472	511
North Kingstown High (2001)										
Square Feet	197,553	197,553	197,553	253,600	253,600	253,600	253,600	253,600	253,600	253,600
Capacity	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600
Enrollment	1,341	1,329	1,306	1,327	1,320	1,398	1,475	1,519	1,532	1,536
Administration (1968)										
Square Feet	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000
Data Center (1971)										
Square Feet	10,440	10,440	10,440	10,440	10,440	10,440	10,440	10,440	10,440	10,440
Maintenance (1978)										
Square Feet	5,390	5,390	5,390	5,390	5,390	5,390	5,390	5,390	5,390	5,390

Source: North Kingstown School Department Business

**TOWN OF NORTH KINGSTOWN**  
**SCHOOL DEPARTMENT**

**SCHEDULE 22**  
**OPERATING STATISTICS**  
**LAST TEN YEARS**

Fiscal Year	Expenses	Enrollment	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio	Student Attendance Percentage
2007	\$ 58,983,401	4,478	\$ 13,172	10.63%	373.50	11.99	95.25%
2006	54,852,418	4,607	11,906	4.71%	371.40	12.40	94.90%
2005	53,565,325	4,711	11,370	-0.07%	381.20	12.36	93.98%
2004	53,810,038	4,729	11,379	11.53%	385.40	12.27	95.26%
2003	47,534,281	4,659	10,203	5.68%	370.70	12.57	95.21%
2002	44,401,975	4,599	9,655	5.53%	373.30	12.32	94.85%
2001	41,719,508	4,560	9,149	6.68%	365.65	12.47	94.64%
2000	39,107,712	4,560	8,576	3.66%	352.00	12.95	94.73%
1999	37,551,560	4,539	8,273	8.04%	340.30	13.34	94.69%
1998	34,711,315	4,533	7,657	5.72%	352.80	12.85	95.22%

**Source:** North Kingstown School Department Business Office

THE TOWN OF  
NORTH KINGSTOWN, RHODE ISLAND

SINGLE AUDIT SECTION

**TOWN OF NORTH KINGSTOWN**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2007**

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Expenditures Incurred</u>
<b><i>U.S. Department of Housing and Urban Development</i></b>		
Community Development Block Grant (CDBG)	14.219	\$ 194,415
<b><i>Total Department of Housing and Urban and Development</i></b>		<u>194,415</u>
<b><i>U.S. Department of Education:</i></b>		
Public Law 94-142	84.027A	613,152
Title I *	84.010A	522,170
Title II Technology	84.367A	197,512
Comprehensive School Reform Program	84.332A	51,152
Education of Homeless Children	84.196A	88,754
Even start family literacy	84.213C	74,204
Preschool services	84.173A	42,460
Drug-free schools	84.186A	21,564
Title III English Language Learners	84.365A	3,966
Title II Technology Education	84.318X	3,023
E2T2 MCI	84.318X	35,000
Title V	84.298A	8,404
Testing of Emergency Response Plans	84.938C	1,383
<b><i>Total U.S. Department of Education</i></b>		<u>1,662,744</u>
<b><i>U.S. Department of Homeland Security:</i></b>		
Homeland Security Domestic Preparedness	97.004	217,177
<b><i>Total U.S. Department of Homeland Security</i></b>		<u>217,177</u>
<b><i>Environmental Protection Agency:</i></b>		
Environmental Protection Agency Water Take Refurbishment	66.202	140,998
<b><i>Total U.S. Department of Homeland Security</i></b>		<u>140,998</u>
<b><i>U.S. Department of Agriculture:</i></b>		
National school lunch *	10.555	248,846
National school milk *	10.556	794
National school breakfast *	10.557	44,467
Food commodities	10.550	65,134
<b><i>Total U.S. Department of Agriculture</i></b>		<u>359,241</u>
<b><i>Total Expenditures of Federal Awards</i></b>		<u>\$ 2,574,575</u>

\*Denotes major program

**TOWN OF NORTH KINGSTOWN, RHODE ISLAND**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
JUNE 30, 2007**

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**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 two programs with expenditures greater than \$300,000. For the fiscal year ended June 30, 2007, the Title I, National School Lunch, National School Milk, and National School Breakfast were the major programs of the Town of North Kingstown.

**REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER  
MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS**

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

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of North Kingstown, Rhode Island as of and for the year ended June 30, 2007, which collectively comprise The Town of North Kingstown's basic financial statements and have issued our report thereon dated November 28, 2007. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town of North Kingstown's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of North Kingstown, Rhode Island's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town of North Kingstown's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Town of North Kingstown, Rhode Island's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Town of North Kingstown, Rhode Island's financial statements that is more than inconsequential will not be prevented or detected by the Town of North Kingstown, Rhode Island's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will be prevented or detected by the Town of North Kingstown, Rhode Island's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as described above.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of North Kingstown's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, 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*.

This report is intended solely for the information and use of the Town Council, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Bram. PC*

Providence, Rhode Island  
November 28, 2007

**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, 2007. 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 of 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 each of its major federal programs for the year ended June 30, 2007. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompany schedule of findings and questioned costs as items 2007-1.

## 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town of North Kingstown's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2007-1 to be a significant deficiency.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. We do not consider any of the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses.

The Town of North Kingstown's response to findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the Town of North Kingstown's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Town Council, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Brown, PC*

Providence, Rhode Island  
November 28, 2007

**TOWN OF NORTH KINGSTOWN, RHODE ISLAND**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2007**

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**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:

Title I .....	84.010
National School Lunch .....	10.555
National School Milk .....	10.556
National School Breakfast .....	10.557
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, 2007.

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

None.

**TOWN OF NORTH KINGSTOWN, RHODE ISLAND**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2007**

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**C. FINDINGS AND QUESTIONED COSTS RELATING TO FEDERAL AWARDS**

**Current Year Findings:**

**2007-1. Title I and National School Lunch, Milk and Breakfast - 84.010, 10.555, 10.556, and 10.557**

Criteria: Federal regulations require that personnel who work on multiple federal cost objectives and charge the time to a federal grant must document their time through personnel activity reports. Personnel must certify actual time spent on programs attributable to that grant so their salary and wages can be distributed to the various objectives. This is accomplished by the completion of time and effort worksheets or certifications. Additionally, personnel who work on a single cost objective must sign semi-annual certifications stating that they work solely for a single cost objective.

Condition: We found instances where personnel did not document their actual time spent on programs attributable to the grants tested. We found no time and effort worksheets or certifications that document how much time was spent on selected grants.

Recommendation: We recommend the North Kingstown School Department implement a personnel activity reporting system and a time certification system for all personnel charged to federal grants.

Management response: The North Kingstown School Department has begun implementation of such reporting systems for the fiscal year 2008.