New Issue – Book-Entry Only **Moody's Investors Service Rating: Aa3**
Standard & Poor's Rating: AA

In the opinion of Bond Counsel, under existing law, interest on the Bonds, as hereafter defined, will be exempt from Rhode Island income taxes, although the Bonds and the income therefrom may be included in the measure of Rhode Island estate taxes and certain Rhode Island corporate and business taxes, and, assuming continued compliance by the Town with the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Bonds will be excluded from gross income for federal income tax purposes, and will not be an item of tax preference for purposes of computing the federal alternative minimum tax imposed on individuals and corporations, although interest on the Bonds will be taken into account in computing certain federal taxes imposed on corporations. ***The Bonds are designated as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. See "Tax Exemption" and "Appendix C" herein.***

$9,790,000
Town of North Kingstown, Rhode Island
General Obligation Bonds

Dated: January 15, 2009 **Due: As shown below**

The Bonds are issuable only as fully registered Bonds without coupons, and, when issued, will be registered in the name of Cede & Co., as Bondowner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form, in the denomination of $5,000 or any multiple thereof. Purchasers will not receive certificates representing their interest in Bonds purchased. So long as Cede & Co. is the Bondowner, as nominee of DTC, references herein to the Bondowners or registered owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as defined herein) of the Bonds. So long as DTC or its nominee, Cede & Co., is the Bondowner, principal and semiannual interest payments will be made directly to such Bondowner. Principal of and interest on the Bonds will be payable by U.S. Bank National Association, Corporate Trust Department, Boston, Massachusetts, as Paying Agent, to DTC. Disbursement of such payments to the DTC Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of the DTC Participants and the Indirect Participants, as more fully described herein. (See "THE BONDS—Book-Entry Only System" herein.)

The Bonds will be dated January 15, 2009. Interest on the Bonds will be payable on July 15, 2009 and semiannually thereafter on January 15 and July 15 of each year at the rates as shown in the maturity schedule below. Principal on the Bonds will be paid on January 15 of each year as shown in the maturity schedule below.

Maturity January 15	Principal Amount	Interest Rate	Yield	CUSIP*	Maturity January 15	Principal Amount	Interest Rate	Yield	CUSIP*
2011	$ 50,000	2.000%	1.250%	660325 UZ2	2021	$ 540,000	3.250%	3.350%	660325 VK4
2012	50,000	2.000%	1.350%	660325 VA6	2022	540,000	3.450%	3.550%	660325 VL2
2013	510,000	2.000%	1.500%	660325 VB4	2023	540,000	3.600%	3.700%	660325 VM0
2014	540,000	2.500%	1.750%	660325 VC2	2024	540,000	3.700%	3.800%	660325 VN8
2015	540,000	2.750%	2.000%	660325 VD0	2025	540,000	3.750%	3.850%	660325 VP3
2016	540,000	2.750%	2.200%	660325 VE8	2026	540,000	3.800%	3.900%	660325 VQ1
2017	540,000	2.750%	2.400%	660325 VF5	2027	540,000	3.850%	3.950%	660325 VR9
2018	540,000	3.000%	2.600%	660325 VG3	2028	540,000	4.000%	4.000%	660325 VS7
2019	540,000	3.000%	2.800%	660325 VH1	2029	540,000	4.000%	4.050%	660325 VT5
2020	540,000	3.000%	3.100%	660325 VJ7	2030	540,000	4.000%	4.100%	660325 VU2

*The CUSIP Numbers have been assigned by an independent company not affiliated with the Town or the Financial Advisor and are included solely for the convenience of the holders of the Bonds. Neither the Financial Advisor nor the Town is responsible for the selection or uses of the CUSIP numbers, and no representation is made as to their correctness on the Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity.

The Bonds are subject to optional redemption prior to maturity as described herein.

The Bonds are offered for delivery when, as, and if issued, subject to the final approving opinion of Taft & McSally LLP, Bond Counsel, of Cranston, Rhode Island, and to certain other conditions referred to herein. It is expected that the Bonds, in definitive form, will be available for delivery to DTC in New York, New York, or to its custodial agent, on or about January 27, 2009.

Morgan Keegan & Company, Inc.

Official Statement Dated January 15, 2009

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No dealer, broker, salesperson or other person has been authorized to give any information or to make any representations, other than those contained, incorporated by reference or referred to in this Official Statement in connection with the offer made hereby, and, if given or made, such information or representations must not be relied upon as having been authorized by the Town. This Official Statement is not to be construed as a contract or agreement between the Town and the purchasers or holders of any of the Bonds. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinion and not as representation of fact by the Town. The information and expression of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale hereunder shall, under any circumstances create any implication that there has been no change in the affairs of the Town since the date hereof. The information contained herein has been obtained from the Town and other sources believed to be reliable, but it is not guaranteed as to accuracy or completeness and is not to be construed as a representation of the Town as to information from sources other than the Town.

All quotations from and summaries and explanations of provisions of laws and documents described herein do not purport to be complete and reference is made to said laws and documents for full and complete statements of their provisions.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of any of the Bonds in any jurisdiction in which such offer, solicitation or sale is not authorized, or in which the person making such offer, solicitation or sale is not qualified to do so, or to any person to whom it is unlawful to make such offer, solicitation or sale.

Upon issuance, the Bonds will not be registered under the Securities Act of 1933, as amended, in reliance upon examinations contained in such Act. Neither the Bonds will not be listed on any stock or other securities exchange. Any registration or qualification of the Bonds in accordance with applicable provisions of securities laws of the states in which the Bonds may be registered or qualified and the exemption from registration or qualification in other states cannot be regarded as a recommendation thereof. Neither the Securities and Exchange Commission nor any other federal, state or other governmental entity or agency will have passed upon the accuracy of this Official Statement or, except for the Town, approved the Bonds for sale. Any representation to the contrary may be a criminal offense.

The information relating to The Depository Trust Company ("DTC") and the book-entry only system contained in this Official Statement have been furnished by the DTC (see "THE BONDS—Book-Entry Only System" herein). No representation is made by the Town as to the adequacy or accuracy of such information. The Town has not made any independent investigation of DTC or the book-entry only system.

The financial advisor to the Town has provided the following sentence for inclusion in this Official Statement. The financial advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the Town and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the financial advisor does not guarantee the accuracy or completeness of such information.

The cover page hereof, this page and the appendices attached hereto are an integral part of this Official Statement.

OFFICIAL STATEMENT
of the
TOWN OF NORTH KINGSTOWN, RHODE ISLAND
Relating to

$9,790,000
GENERAL OBLIGATION BONDS

This Official Statement provides certain information concerning the Town of North Kingstown, Rhode Island (the "Town" or "North Kingstown") in connection with the issuance by the Town of its $9,790,000 General Obligation Bonds dated January 15, 2009 (the "Bonds").

THE BONDS

Description of the Bonds

The Bonds will be issued only as fully registered bonds in the denomination of $5,000 or any integral multiple thereof. The Bonds will be dated January 15, 2009 and will bear interest at the rates shown on the inside cover page hereof. Interest on the Bonds will be payable on July 15, 2009 and semiannually thereafter on January 15 and July 15 of each year. Principal of the Bonds will be payable on January 15 of each year as shown on the cover page hereof.

The Bonds are issuable only as fully registered Bonds and, when issued will be registered in the name of Cede & Co., as Bondowner and nominee for DTC. DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form, in the denomination of $5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their interest in Bonds purchased. So long as Cede & Co. is the Bondowner, as nominee of DTC, references herein to the Bondowners or registered owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as defined herein) of the Bonds. See "THE BONDS - Book-Entry Only System" herein.

For every transfer and exchange of the Bonds, whether in certified form or otherwise, the Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto. Adequate indemnification may be required to replace any lost, stolen or destroyed Bonds, whether in certificate form or otherwise.

Record Date

The Record Date for each payment of interest on the Bonds is the fifteenth day preceding the interest payment date or, if such day is not a business day of the Paying Agent, the next preceding day which is a regular business day of the Paying Agent.

Authorization and Purpose

Bond in the amount of $4,000,000 are authorized pursuant to Chapters 398 and 518 of the Public Laws of 2006 and a resolution passed by the Town Council on February 13, 2006 to finance the construction, renovations, additions, improvements and/or related equipment at the North Kingstown Senior Center complex, Beechwood House, Community Center and Town Beach and all costs incidental thereto.

Bond in the amount of $4,500,000 are authorized pursuant to Chapters 397 and 519 of the Public Laws of 2006 and a resolution passed by the Town Council on September 10, 2007 to finance land acquisition, construction, renovations, additional improvements and/or related equipment and vehicles for public safety facilities and all costs incidental thereto.

Bonds in the amount of $1,290,000 are authorized pursuant to Chapters 165 of the Public Laws of 1992 and resolutions passed by the Town Council on June 26, 2006 and June 9, 2008 to finance improvements to public facilities.

Book-Entry Only System

This section describes how ownership of the Bonds is to be transferred and how the principal of, premium, if any, and interest on the Bonds are to be paid to and credited by DTC while the Bonds are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in

disclosure documents such as this Official Statement. The Town believes the source of such information to be reliable, but takes no responsibility for the accuracy or completeness thereof.

The Town cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Bonds, or redemption or other notices, to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Bonds), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered security certificate will be issued for each maturity of the Bonds in the principal amounts of such issue, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit

has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds, and redemption proceeds, will be made to Cede & Co., or such other nominee as may be required by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Issuer or the Paying Agent/Registrar on payable dates in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as in the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and principal and interest to Cede & Co., or such other nominee as may be required by an authorized representative of DTC is the responsibility of the Issuer, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Town and the Paying Agent/Registrar. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The Issuer may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bonds will be printed and delivered.

Use of Certain Terms in Other Sections of this Official Statement. In reading this Official Statement it should be understood that while the Bonds are in the Book-Entry-Only System, references in other sections of this Official Statement to registered owners should be read to include the person for which the Participant acquires an interest in the Bonds, but (i) all rights of ownership must be exercised through DTC and the Book-Entry-Only System, and (ii) except as described above, notices that are to be given to registered owners will be given only to DTC.

Information is this section concerning DTC and the Book-Entry-Only System has been obtained from sources that the Issuer believes to be reliable but neither the Issuer nor the Underwriter takes any responsibility for the accuracy thereof.

Redemption Prior to Maturity

The Bonds maturing on or after January 15, 2020, shall be subject to redemption prior to their stated dates of maturity, at the option of the Town, on or after January 15, 2019, as a whole or in part at any time (by lot by DTC), at 100% of the aggregate principal amount of the Bonds to be redeemed, together with interest accrued and unpaid to the redemption date.

Notice of any redemption of Bonds, specifying the numbers and other designations of Bonds to be redeemed, shall be given not more than 60 days nor less than 30 days prior to the date set for redemption by mailing a copy of such notice to DTC or its nominees.

The Town, so long as a book-entry system is used for determining beneficial ownership of the Bonds, shall send any notice of redemption to DTC, or its nominee, as registered owner of the Bonds. Transfer of such notice to the DTC Participants is the responsibility of DTC. Transfer of such notice to Beneficial Owners by DTC Participants is the responsibility of the DTC Participants and other nominees of Beneficial Owners of the Bonds. Any failure of DTC to mail such notice to any DTC Participant, or any failure by any DTC Participant to notify any Beneficial Owner, will not affect the validity of the redemption of the Bonds. The Town can make no assurances that DTC, the DTC Participants or other nominees of the Beneficial Owners of the Bonds will distribute such redemption notices to the Beneficial Owners of the Bonds, or that they will do so on a timely basis, or that DTC will act as described in this Official Statement.

Security for the Bonds

Rhode Island General Laws Section 45-15-5 permits any person who shall have any claim for money due from any town to present a demand for such claim to the town council and, if satisfaction of such claim is not made within 40 days, to commence an action against the town treasurer for recovery of the claim. If judgment is obtained for such debt due and if the monies available in the town treasury are insufficient to pay the judgment, Rhode Island General Laws Section 45-15-6 authorizes the town treasurer to apply to any justice of the peace for an order requiring the town to hold a town meeting "for the speedy ordering and making a tax" to be collected for such purpose. If the town meeting shall fail voluntarily to assess a tax sufficient to satisfy judgment on a town debt, the Superior Court is authorized to order the assessors of the town "to assess upon the ratable property thereof, and the collector to collect, a tax sufficient for the payment of such judgment, with all incidental costs and charges, and the expense of assessing and collecting such tax."

The rights of the holders of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

TOWN OF NORTH KINGSTOWN

General

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. North Kingstown, with a population of 26,326 as of the 2000 U.S. Census, has a current full value of real and tangible personal property of $4,300,215,695 with a budget of $93,170,926 (i.e. all budgeted funds) for the fiscal year ending June 30, 2009.

Theodore Francis Green Airport, a stop for seven major airlines, is located 12 miles north in the City of Warwick via Interstate Route 95.

Government

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.

The Town Manager is appointed by a majority vote of the Town Council for an indefinite term solely on the basis of 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.

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.

Public Education

The general administration of the Town's school system is directed by a seven-member School Committee elected on a partisan basis from the Town at large to staggered four-year terms. The School Committee determines and controls all policies affecting the administration, maintenance and operations of the public schools in the Town, appoints a

Superintendent of Schools as its chief administrative agent and appoints and removes all school employees upon recommendation of the Superintendent of Schools, except as may be provided otherwise by the laws of the State.

The Town has six elementary schools, two middle schools and one senior high school.

The School Department has 398 professional staff members comprised of 364 teachers and 335 administrators. The average enrollment is 4,490 students in the 2008-2009 school year. There are approximately 12.3 students per teacher in the system. Historically, more than 87% of the graduating students have attended college.

The total cost of operating the public school system for the 2007-08 school year was $55,675,612 of which $11,696,882 came from the State of Rhode Island, $42,271,439 from the Town's 2008 appropriation, $2,081,963 from nonresident tuition, and $188,590 from other sources. Set forth below are actual and projected enrollment data for the years indicated.

	Actual					Projected			
	2004	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Kindergarten……	261	293	240	269	283	285	302	302	302
Grade 1 & PRE 1….	317	286	298	253	316	316	269	285	285
Grade 2…….	332	313	282	295	274	316	301	269	285
Grade 3…….	347	328	314	282	287	320	260	301	269
Grade 4…….	351	341	319	309	286	321	237	260	300
Grade 5…….	354	363	326	314	330	290	272	236	260
Grade 6…….	391	353	347	319	310	321	314	272	236
Grade 7…….	351	394	334	339	327	337	314	314	272
Grade 8…….	352	337	392	329	329	344	311	314	314
Grade 9…….	384	412	383	445	409	408	380	349	352
Grade 10……..	378	376	402	378	401	395	397	379	349
Grade 11……..	365	355	370	389	381	416	397	397	379
Grade 12……..	356	370	344	361	370	360	402	402	397
Special Education..	109	110	138	154	187	193	205	212	209
Totals……	4,645	4,648	4,631	4,489	4,490	4,492	4,361	4,292	4,209

In addition to its schools, the Town provides major public services, certain of which are described below:

Government Services

Police and Fire Protection

As of July 1, 2008, the North Kingstown Police Department consisted of 69 employees comprised of 51 law enforcement personnel and 18 civilians. The Town expended $5,599,405 in fiscal 2008, and the Town's budget for fiscal 2009 is $6,068,917.

As of July 1, 2008, the Fire Department had a force of 81 employees including 1 civilian workers and 76 fire and rescue personnel. The Town expended $7,727,460 in fiscal 2008, and the Town's budget for fiscal 2009 is $7,959,167.

Highway & Public Works

The Town has approximately 152 miles of paved streets maintained by the Public Works Department. In addition to other services, the department maintains Town property and provides snow removal services. The Town operates a trash transfer station, composting facility and recycling program. Refuse collection for the Town is provided by private collectors. The Public Works Department budgeted $4,862,513 in fiscal 2008, and the Department's budget for fiscal 2009 is $4,829,940.

Recreation and Leisure Activities

The Recreation Department/Leisure Activities Department provides a variety of activities for the Town's youth including field trips, art and creative dramatics, and most sports that are available through Recreation or organizations that rely on facilities provided by Recreation and the Town of North Kingstown. These facilities include five major areas for active and passive recreation includes boating. They are Ryan Park, Wilson Park, Yorktown Park (the Town recently spent over $110,000 on Yorktown Park improvements mostly through grants) Signal Rock Park and McGinn Park. The Recreation Department Secretary schedules the Cold Spring Community Center, a building used to host meetings, family outings and Recreation Activities. The Town also enjoys 30 miles of shoreline on Narragansett Bay and has its own Town Beach. The Arts Council sponsors numerous activities throughout the Town including Children's and Family Concerts and Theater Productions. The Town and the Wickford Art Association work collectively to hold the Annual Wickford Art Festival in Historic Wickford each July.

The Recreation/Leisure Activities Department is continuing its plan to improve the conditions of the municipal golf course and the Allen Harbor/Calf Pasture Point Recreation Complex that consists of approximately 250 acres on Narragansett Bay including the Allen Harbor Marina and the recently acquired Calf Pasture Point. Funding for the Operation and Maintenance of Municipal Golf Course and the Allen Harbor Marina as well as the planned Capital Improvements for these facilities will come from the proceeds of the operation of the Golf Course and the Marina that are deposited in the Town's Quonset/Davisville Enterprise Account.

The North Kingstown Municipal Golf Course generated fees in excess of $1.5 million in FY 2008 and over 43,000 rounds. The golf course remains one of top golf destinations in Rhode Island and hosted the US Open Qualifier in May 2006. Additional improvements that are part of the Golf Course Capital Improvement Plan include the replacement of the irrigation system and a number of tees, bunkers and greens. Plans for a credit card system are underway.

The Town has expanded the Marina by adding 54 slips and 4 moorings to bring the total number of slips and moorings to 205. A new sewer has been constructed and the new restroom opened for the 2006 boating season. The replacement of the bulkhead in the northern section of the Marina will begin next fiscal year.

The parking area for the Calf Pasture Point Recreation area has been completed and work is underway to develop trails and outlooks for use by the general public. This 180 plus acre waterfront park is expected to open to the public within the next year.

Libraries

The North Kingstown Free Library is governed by the Library Board of Trustees, which is made up of seven (7) members appointed by the Town Council for a three-year term. The North Kingstown Free Library, with a staff of 15 full-time and 4 part-time employees, continues to be one of the six busiest public libraries in Rhode Island. The library has more than 129,000 books, magazines, newspapers, videos, DVDs, compact discs, and talking books in its collection. In fiscal year 2007-2008, more than 17,000 OSL (Ocean State Libraries) cardholders borrowed over 345,000 items. More than 179,000 people visited the library to borrow books, to use the Internet computers, to attend public events, to find information, and to enjoy the warmth and hospitality of one of the most attractive public libraries in Rhode Island. The library staff hosted 457 public events that were attended by more than 12,000 children, teens, and adults. Patrons asked the staff more than 34,000 reference questions. The Library's 21 public Internet computers were used more than 22,000 times. North Kingstown CLAN cardholders accessed the Library's 17 online reference databases either here at the library or from their homes more than 68,000 times. In addition to the North Kingstown Free Library, the Town's municipal public library, there are two small, non-municipal libraries in North Kingstown: the Willett Free Library in Saunderstown and the Davisville Free Library in Davisville.

Water

The Town draws groundwater from three aquifers using 11 gravel packed wells. Average system demand is approximately 3.3 million gallons per day (MGD). Maximum daily production for all wells is 8.5 MGD. Revenue is collected on approximately 85% of total well production.

The Town meters all active service connections. Inactive accounts are charged a quarterly flat fee. Private fire protection services are charged a quarterly fee based on connection size. All Town owned buildings and sales to the Town of Narragansett are metered and charged in accordance with the rate schedule. There is no discount for large volume users. All requests for additional services, such as turn on/off, are charged a service fee of $25.00. Accounts that fall into arrears

are served shut-off notices. The total budget for the Water Department for fiscal year 2009 is $2,584,047. Ninety-five percent of revenues are from the sale of water. Non-operating revenues such as service fees, lateral charges, penalties, interest and investments makeup the remaining five percent of the needed revenue. A full cost of service rate study was completed in July 2008 and a new inclining block rate schedule was adopted. The Town's water rates are not regulated by the Public Utilities Commission. It is the Town Council by their legislative authority that sets water rates in the Town. The Town is currently working with one of its consultants on a build out analysis and an analysis of the hydraulic model and infrastructure plan for the water system to determine the capacity and needs of the system based upon the growth over the past 10 years, as well as the new revisions to the Zoning Ordinance, specifically for the Post Road Corridor and the transfer of development rights program.

Employee Relations

As of July 1, 2008 the Town had 245.5 full-time employees exclusive of the School Department. The School Department employs 398 professional employees. In addition, there are 200 substitute teachers and 187 full-time non-professional employees. Set forth below is the current status of union contracts for municipal employees.

Teachers—3 year contract expires August 31, 2010
Firemen—3 year contract expires June 30, 2010
Policemen—3 year contract expires June 30, 2010
Public Works/Clerical—3 year contract expired June 30, 2008 (currently in negotiations)
School Support Professionals—3 year contract expires June 30, 2009

Employee Retirement Plans

See Note 11 to Financial Statements, Appendix B.

Other Post Employment Benefits

The Town provides its workers with certain health care benefits after retirement sometimes called "other post-employment benefits or "OPEB's." Changes in accounting rules will require the Town to estimate its actuarial OPEB liability and amortize the unfunded liability over thirty years beginning with the 2008-2009 fiscal year. In November 2007 the Town contracted with a valuation company to appraise its OPEB liability and has estimated that the liability to be approximately $20-$29M depending on the Town's funding options. In the fiscal year ending June 30, 2009, the Town (including school) has budgeted approximately $967,000 for post-employment benefits.

ECONOMIC CHARACTERISTICS

Population

North Kingstown ranks thirteenth among thirty-nine cities and towns in Rhode Island in population, with 26,326 residents according to the 2000 U.S. Census. North Kingstown is the largest of nine communities in Washington County, having approximately 25% of the total county population.

Year	Population
1980	21,938
1982	22,664
1984	22,999
1986	24,080
1990	23,786
1994	24,065
2000	26,326

Source: 2000 U.S. Bureau of the Census. The 1982, 1984 and 1986 population are estimates obtained from the Local Population Estimate Reports, prepared by the U.S. Department of Commerce; 1994 population estimate was obtained from the Population Estimates Branch, U.S. Bureau of the Census, January, 1995 Report.

Employment

In 2007, the Town of North Kingstown had 1,057 private business and industrial firms subject to employment security taxes with yearly payrolls which totaled $524,480,984 and the average number of persons employed was 13,248 according to the most recent statistics. The following is a listing of the various types of industry in the Town covered by the Department of Employment Security.

	Total Wage	# of Units	Avg. Empmnt.	% of Covered Emp.
Agriculture, Forestry, Fishing & Hunting	$ 1,654,837	10	43	0.32 %
Utilities	8,825,223	3	121	0.91
Construction	26,926,843	139	561	4.23
Manufacturing	227,478,807	67	4,361	32.92
Wholesale Trade	29,933,556	108	472	3.56
Retail Trade	54,298,148	107	2,000	15.10
Transportation & Warehousing	15,275,256	40	425	3.21
Information	10,449,301	23	198	1.49
Finance & Insurance	16,527,471	50	312	2.36
Real Estate & Rental & Leasing	2,825,295	36	104	0.79
Professional & Technical Services	24,192,850	137	401	3.03
Management of Companies and Enterprises	21,260,549	10	544	4.11
Administrative & Waste Services	12,533,781	67	469	3.54
Educatinal Services	3,771,406	19	123	0.93
Health Care & Social Assistance	41,441,495	73	1,463	11.04
Arts, Entertainment, & Recreation	5,777,556	24	248	1.87
Accommodations & Food Services	13,359,876	70	1,022	7.71
Other Service Except Public Admin	7,948,734	74	381	2.88
TOTAL	**$ 524,480,984**	**1,057**	**13,248**	**100.00 %**

Source: RI Department of Labor & Training.
Data compiled May 2008.

Unemployment

The most recent labor market information summary indicates that annualized unemployment for the years indicated was as shown in the following table:

	Annualized*				
	2003	2004	2005	2006	2007
North Kingstown	4.0%	4.1%	4.1%	4.1%	4.1%
Rhode Island	5.4	5.2	5.0	5.1	5.0
United States	6.0	5.5	5.1	4.6	4.6

Source: Department of Labor and Training
Not Seasonally Adjusted

	2008 Monthly*									
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
North Kingstown	6.3%	5.8%	5.8%	5.0%	6.0%	6.4%	6.5%	7.5%	7.0%	7.7%
Rhode Island	7.0	6.7	6.7	6.0	7.2	7.5	8.1	8.8	8.3	8.8
United States	6.3	5.8	5.8	5.0	6.0	6.4	6.5	7.5	7.0	6.1

Source: Department of Labor and Training
*Not Seasonally Adjusted

Largest Employers

Name	Type of Business	# of Employees
	Private Employers	
General Dynamics Electric Boat	Mfr/Submarine	2,100
Perspectives, Corp.	Program for Disabled Adults	750
Toray Plastics of America	Mfr/Plastic Products	600
Ocean State Jobbers	Retail Warehouse	505
Hexagon Metrology, Inc.	Mfr/Precision Instruments	350
SENESCO	Ship Builders	325
Home Depot	Retail	250
North Atlantic Distribution, Inc.	Storage & Prep of Imported Cars	248
The Stop & Shop Co., Inc.	Retail	225
Star Gas Services	Distributor	212
Wal-Mart	Retail	200
American Biophysics Corp.	Mosquito Magnet Developer	150
Custom Design	Jewelry Displays	150
Gregg's	Restaurant	150
South County Nursing Center	Nursing Home	150
Anvil International	Engineered Pipe Support	122
Scalabrini Villa	Nursing Home	120
Fuji Film	Mfg/Chemicals	120
Adecco Staffing	Employment Staffing	100
Quidnesstt Country Club	Private Country Club	100
	Public Employers	
143d Air Wing, RI National Guard	Air National Guard	303
Town of North Kingstown		300

Source: Rhode Island Economic Development Corporation—January 2008.

Income Levels

According to the 2000 U.S. Census, median family income for the Town of North Kingstown was $69,559 compared with $57,781 for the State as a whole; 1990 per capita income was $28,139 compared with $21,688 for the State. The Town ranked 6th and 8th, respectively, for these income levels among the 39 cities and towns in the State.

Housing and Building Permits

The U.S. Census reported a total of 9,348 housing units in the Town in 1990 and 10,743 housing units in 2000; this represents an increase of 1,395 new units, or a 14.9 percent increase.

Building permits issued by the Town's Building Inspector for the fiscal years indicated and the declared value of construction are as follows:

Fiscal Year	Permits Issued	Value
1998	1,009	$43,046,625
1999	924	24,026,817
2000	995	44,668,975
2001	997	35,668,975
2002	2,182	38,110,228
2003	1,641	29,232,887
2004	1,001	34,112,952
2005	2,625	33,683,393
2006	2,638	45,741,081
2007	2,244	52,272,852
2008	2,285	55,798,111

Source: Town Building Inspector

ECONOMIC DEVELOPMENT AND OUTLOOK

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

Industrial Development

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

Other significant employers include: 143rd 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; approximately 675 acres remain 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 sixty eight companies employing more than 6550 full-time employees and 1700 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 was conveyed to the RIEDC and is part of an interim master lease for the site. RIEDC formed a new department to oversee the development of the Quonset Business Park – the Quonset Development Corporation (QDC). The Corporation has its own staff headed by an Executive Director, Deputy Director and is overseen by a Board of Directors. 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 an additional 75 acres 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 establish Allen Harbor Calf Pasture Point as a 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 by January of 2008, 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 and ongoing efforts to ensure that the Town's Comprehensive Plan and the Master Plan for the park are consistent as well as the development of a separate element of the North Kingstown Comprehensive Plan devoted to the industrial complex.

Several major facilities have been proposed, have recently expanded or are under construction at Quonset Point/Davisville. Keifer Park, the technology center of Quonset Point Davisville, exemplifies the mixed industrial development that has characterized the growth of the Quonset 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, a 38,000 square foot building, and a 48,000 square foot building also in Keifer Park. 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. Two new buildings constructed in the last year are the 30,000 square foot Falvey Cargo Underwriting building and the 11,000 square foot Ocean State Testing building.

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 the recent construction of a 26,000 square foot building by Unetixs, a precision manufacturer already located in the park 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 is under development by a private investment firm, the New Boston Group, is developing the "Quonset Gateway" into a mixed-use office and service area to serve existing and future residents of the business park. Construction of the proposed 961,660 total square foot Gateway complex has begun. The first building an 89,000 square foot Kohl's department store is opened and an 117,000 Lowe's store is under construction and scheduled to open in early 2009.

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 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 Public Works garage has been completed and is now open, housing the Department of public works. The Town has also just recently purchased land adjacent to this facility to house a future fire maintenance facility to combine all of the future operations in one location for the Town. 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 the 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 have 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. In this past year a 40,000 square foot PODS building was constructed and opened. Other development options for the West Davisville area include the development of a Transient Orient 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 has constructed additional buildings on their site to house small business uses. Two developments providing for small unit flexible space light industrial complexes to provide further growth capacity for the Town's industrial base and additional start-up space for local small businesses are beginning to be occupied.. Along Old Baptist Road a long time recycling operation recently constructed a building to house the recycling operation as well as provide three additional tenant units. Toray Plastics has recently applied for a minor expansion to their satellite plant located in this area.

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.. 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 provided for address pedestrian scale and design. The Town is actively implementing these strategies through its recently adopted Post Road Corridor Plan and Post Road Corridor zoning.

Commercial Development

Post Road (U.S. 1) and the intersection of Routes 4/102 are the primary areas where the larger-scale commercial and shopping plaza uses have located in North Kingstown. 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 has recently adopted zoning and design regulations that implement a number of recommendations of the Post Road corridor study and adopted as a component of the Town Comprehensive Community Plan. The Town worked with consultants to update and amend the zoning regulations for the Post Road corridor as well as a study of the feasibility and cost of allowing sewer service to the Post Road Corridor to foster additional commercial and residential development. This proposed development will be in the form of high density village type "growth centers" with a strong design focus towards pedestrian scale and architectural improvements to encourage mixed use development, less reliance on the automobile and increased use of alternative transportation methods such as bicycle, walking and public transportation through the expansion of existing bus services to the area and in conjunction with the planed commuter rail station at Wickford Junction. It is the intent of the Town to encourage redevelopment of the Post Road Corridor through the use of density and other zoning incentives in the revised zoning ordinance.

With a diminishing amount of commercially zoned land, it is anticipated that development will continue to focus on redevelopment of sites along Post Road. The 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 (QDC) 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 and commercial recreational uses. Construction on the first anchor store, Kohl's Department Store is completed and the store is now open.

During the last year, a new branch of Coventry Credit Union was constructed and development of a new branch of People's Bank is under review. 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 and reconstruction of several gas station/ convenience stores; 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 Horton's); rehabilitation of a former bank; and Kingstown Plaza, first constructed in 1961, investing in, new signage and façade improvements. Additionally, Tarbox Motors expanded, completing substantial renovations of their facilities; Cingular Wireless (now AT&T) 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, constructed a 7560 square foot establishment and an addition to the facility. Seven Moons and El Tapatio Mexican 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 and the 700 seat St. Bernard's Church is under construction .

The importance of Post Road to the economic base of the Town is best reflected by the inclusion of a separate element within the Town Comprehensive Plan for the Post Road Corridor. This element addresses issues such as improving traffic conditions, updating design features of the commercial area and the introduction of landscaping, pedestrian and bicycle enhancements. As development or redevelopment is occurring, the Planning Commission and Planning Department work to achieve these goals. The Town is also working with the Rhode Island Department of Transportation to insure that their projects work toward Town objectives. 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. The zoning changes and design standards from the Corridor Plan allow for much higher densities 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 and have been adopted by the Town Council. The Town has also completed an update to the Town Wastewater Facilities Plan which will allow for the planned expansion of sewers for the Post Road Corridor to permit these higher densities. The Town worked closely with the Quonset Development Corporation to utilize their existing sewage treatment facility. The Town Council has adopted the necessary ordinances and has forwarded proposed enabling legislation for this sewer system to the State for adoption.

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 improvement 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. The drainage, water and other utility improvements are completed and reconstruction of the roadway and sidewalks and installation of lighting is planned for this Spring. 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. Also in the village a former service station site 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 was 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 construction of a new bank/retail building is completed. 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 points Providence and Boston via rail. A recently constructed 120,000 square foot Home Depot is on a site proximate to with a Dunkin Donuts and Washington Trust drive through automated teller.. Construction of a shopping complex anchored by a Super Stop and Shop across Route 102 from Home Depot is completed, with the market and several other stores now open. The plaza also contains a Bank Newport Branch, 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. Tarbox Toyota has purchased 8 acres of land and submitted plans for review and approval for a new larger new car dealership to be located on Quaker Lane. It is anticipated that the new facility will be a LEED certified "green" building. Additionally, Quaker Lane Liquors located on Quaker Lane has recently received approval for a major expansion of their building which will include both a threefold expansion of the store and the addition of office space above the store.

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. One of the banks is completed and the other is 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 INCENTIVE

The Town adopted an ordinance in 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 Town amended this ordinance on October 20, 2008 to allow for the phase in over a six year period of all property used for manufacturing or commercial purposes located in the Town of North Kingstown. 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 within the Town as a new business to Rhode Island or for any existing businesses 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 and the Town is hopeful that this new incentive package will lead to more investment in the Town over the coming years.

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 and approved by the Stated during 2008.

Zoning and Subdivision Regulation

In May 1998, the town completed the zoning implementing 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 soils limitations and groundwater protection overlay regulation. Subdivision regulations first adopted by North Kingstown in 1946 have been amended a number of times, more recently to implement the comprehensive plan, respond to new State Enabling legislation and incorporate conservation development subdivision regulations. The Town has recently updated 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 North Kingstown Town Council has focused on implementing the Plan through a set of growth management strategies and as a component of the Town budget process, Town 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 adoption of wastewater management and revised groundwater protection ordinances. The Town Council also 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, allowed for the permanent open space preservation of nearly 1,200 acres of land. The 2006 bond, in conjunction with state and federal grant funds, allowed for protection through development rights acquisition of large tracts of land in the Groundwater protection areas and the northern, more developed area of Town. 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. The Town also recently adopted a transfer of developments rights ordinance that will allow for the transfer of development rights from the more rural areas of Town, to the Post Road Corridor, an area targeted for redevelopment. This ordinance in conjunction with the recently adopted Post Road zoning, will allow for better planned growth in the future, while also protecting open space at no cost to the tax payers of the Town.

PROPERTY TAXES

General

In North Kingstown, the fiscal year begins July 1 with taxes based on the prior December 31 assessment payable on July 31 or quarterly thereafter.

Rhode Island municipalities, including the Town, are restricted from levying general taxes except *ad valorem* taxes upon real and personal property and an excise tax on motor vehicles.

Tax Limitations

Rhode Island General Laws Section 44-5-2 limits the amount by which a city or town may increase its tax levy in each year unless the city or town qualifies for certain exemptions relating to loss of non-property tax revenue, emergencies, payment of debt service and substantial increase in the tax base necessitating significant expenditures. Through and including its fiscal year 2007, the maximum amount by which a city or town can increase its tax levy is five and one-half percent (5.5%) in excess of the amount levied for the prior year. The maximum amount a city or town may levy in excess of the amount levied for the prior fiscal year is gradually decreased each year by one quarter percent (.25%) from five and one-half percent (5.5%) in 2007 to four percent (4.0%) in 2013.

If a city or town desires to increase its tax levy in excess of the maximum amounts contained in Section 44-5-2, it must be approved by the affirmative vote of at least four-fifths (4/5) of the full membership of the governing body of the city or town and, in the case of a city or town with a financial town meeting, the majority of electors present and voting at the financial town meeting.

Section 44-5-2 makes it clear that nothing contained in that Section constrains the payment of obligations as described by Section 45-12-1 of the Rhode Island General Laws, which provides that the outstanding notes, bonds and contracts of cities and towns shall be paid and be fulfilled and that the power and obligation of each city and town to pay its general obligation bonds and notes shall be unlimited and each city and town shall levy ad valorem taxes upon all taxable property within the city or town for the payment of such bonds and notes and interest thereon, without limitation as to rate or amount, except as otherwise provided by or pursuant to law.

Motor Vehicle Excise Tax Phase Out

The General Assembly passed legislation during the 1998 Legislative Session that eliminated municipal authority to levy an excise tax on motor vehicles and trailers after fiscal year 2007. This legislative directive required all cities and towns to exempt the first $4,500 (based on NADA valuation) in value on all motor vehicles subject to taxation in Fiscal Year 2003-2004. The legislation provided that the value of the exemption would increase each year until a full phase-out was reached in fiscal year 2007. The adopted Motor Vehicle Tax Phase-Out also froze the Town's 1998 Tax Rate for motor vehicles for all future assessment periods.

To offset State budget deficits, in 2002, the General Assembly amended this legislation to extend this phase-out period until fiscal year 2008 and to establish the exemption for fiscal year 2003 and thereafter at $4,500. However, phase-outs occurring beyond fiscal year 2003 were subject to annual review and appropriation by the General Assembly. In 2005, the General Assembly increased the exemption for fiscal year 2006 and in 2006 the General Assembly increased the exemption for fiscal year 2007 to $6,000. Any future increases in the phase-out must be specifically approved by the General Assembly.

Assessed Valuations

The following table indicates assessed valuations of taxable real and personal property as of December 31 for the years 2003—2007.

	12/31/2003[2]	12/31/2004	12/31/2005	12/31/2006[3]	12/31/07
Real Estate	$3,373,797,470	$3,401,172,700	$3,440,758,510	$4,238,884,090	$4,269,858,905
Personal Property	305,843,062	336,340,637	353,051,142	350,922,766	370,481,505
Total	$3,679,640,532	$3,737,513,337	$3,793,809,652	$4,589,806,856	$4,640,440,410
Less Exemptions[1]	154,036,444	169,029,676	186,435,620	196,696,764	199,827,415
Net Total	$3,525,604,088	$3,568,483,661	$3,607,374,032	$4,393,110,092	$4,440,612,995
Full Value Ratio of Assessment	1.00	0.84	0.77	0.93	0.96

(1) Tax exemptions are applied for on an accrual basis and are allowed as provided under State law. The Town offers exemptions to assessed value to qualified applicants who are Certified Blind Residents, $28,070; Gold Star Parents,$10,250; 100% Disabled Veteran, $13,630; Prisoner of War, $26,993; Disabled Veteran in Special Housing, $21,040; Veterans and Widows, $11,700; Poverty/Infirmity, based on need; Totally Disabled under age 65 with a maximum income of $25,000, from $34,200 to $85,300; and Elderly Exemption for persons over age 65 with income for single person of $22,800 and two person household with income of $30,800 from $80,000 to $133,000 with an additional ten percent for persons age 75 and older, and $28,100 exemption based on years of ownership for elderly. In addition, a State Exemption of $6,000 is prorated for each motor vehicle.

(2) Revaluation

(3) Full Revaluation.

Principal Taxpayers

The following table sets forth the principal taxpayers in the Town and the assessed valuation of the property held by such taxpayers as of December 31, 2007.

Taxpayer	Type of Business	Assessed Value	% of Total Valuation
Narragansett Electric Co	Utility	$36,674,620	0.790%
WREC Precision Park LLC	Manufacturing and Warehouse	20,304,900	0.437
Zakopane Real Estate Assoc Inc	Corporate Office and Warehouse	16,033,000	0.345
Home Depot USA Inc	Building Supply Store	15,617,490	0.336
Lischio Development Company LLC	Apartments	15,405,200	0.331
New Plan Hunt River Commons LLC	Retail Plaza	13,749,100	0.296
Millcreek Limited Liability Co	Apartments	13,077,200	0.282
Wal-Mart Real Estate Business Trust	Retail Store	12,071,500	0.260
Heritage Preservation Assoc Ltd Partner	Apartments	11,357,900	0.245
Meadows Professional Office Park Condos Ltd	Office condos	7,891,300	0.170
Essex Village Company	Apartments	7,766,300	0.167
Kingstown Plaza Limited Partnership	Retail Plaza	7,191,600	0.155
Quidnessett Country Club Inc	Golf Course & Restaurant	7,160,980	0.154
Fujifilm Electronic Materials USA	Electronic Materials	7,121,300	0.153
Wickford Shipyard Inc	Marina, Boat Repairs, Storage	6,991,800	0.151
Wickford Village Realty LP	Apartments	6,724,100	0.145
Wickbay Properties Inc	Marina & Rental Propeties	6,626,000	0.143
West Davisville Realty Co LLC	Warehouse	6,551,800	0.141
Slocum Woods Inc	Real Estate Developer	6,179,500	0.133
Kings Grant Co	Apartments	6,123,800	0.132
High Lea Properties LLC	Retail Plaza	5,994,800	0.129
Stone Don W & Carole A Trustees	Real Estate Rentals	5,315,400	0.114
CIOE WJA1 LLC	Retail Plaza	5,247,400	0.113
Goldline Properties LLC	Manufacturing and Warehouse	5,068,600	0.109
Bakeford Properties LLC	Office Condos	4,832,100	0.104

Taxed Under Payment in Lieu of Taxes (PILOT) Agreements – Not Part of Assessed Valuation:

		Assessed Valuation*
Toray Plastics America	Polypropylene film, polyester film	$43,391,800
Electric Boat Corporation	Submarine and hull components	$19,496,025

*Agreed upon values upon which assessments are based.

Analysis of Property

The following table shows an analysis of taxable real and personal property in the Town, assessed as of December 31, 2006 and as reflected in the Tax Rolls for the fiscal year ended June 30, 2008:

	% of Total Real Estate & Tangible Property	
Class	**Town**	**State**
Residential	81.86%	80.75%
Commercial	9.37	10.16
Industrial	1.96	2.11
Utilities & Railroads	0.83	1.11
Motor Vehicles	5.65	5.20
Other	0.33	0.58
	100.00%	**100.00%**

Tax Rate, Levy and Collection Records

Fiscal Year	Actual Tax Rate [(1)]	Levy	Net abatements or Additions	Net Levy	Uncollected at Fiscal Year end	% Uncollected at Fiscal Year End
1998-99	$22.79	$38,259,389	$ 79,375	$38,338,764	$1,344,729	3.51%
1999-00	23.68	40,203,103	22,736	40,225,839	1,239,311	3.08%
2000-01	24.65	42,189,391	35,883	42,225,274	1,128,042	2.67%
2001-02	21.94	46,925,569	(39,896)	46,885,673	1,243,990	2.65%
2002-03	22.60	48,766,433	212,451	48,978,884	1,301,325	2.66%
2003-04	23.38	50,861,710	90,839	50,952,549	1,046,075	2.05%
2004-05	14.38	51,656,183	(132,741)	51,523,442	1,121,814	2.18%
2005-06	14.85	54,015,438	46,165	54,061,603	1,036,850	1.92%
2006-07	15.55	56,991,563	(37,685)	56,953,878	1,230,204	2.16%
2007-08	13.30	59,584,474	(200,298)	59,384,176	1,579,619	2.66%
2008-09	13.83	62,565,143	23,390	62,588,533	-	-

(1) Tax rate for Real Estate (motor vehicle tax rate has been frozen at $22.04 since Fiscal Year 1999-00).

The Town of North Kingstown has an annual tax sale for prior year delinquent real property taxes. Delinquent automobile excise taxes are collected in cooperation with the Rhode Island Registry of Motor Vehicles. If automobile taxes have not been paid, registration renewals are not mailed to the taxpayer and information is supplied to the Registry of Motor Vehicles and the taxpayer. Motor vehicles may not be re-registered until taxes are paid in full. After 2 years, all unpaid tax accounts are turned over to a collection agency. Other delinquent personal property taxes are collected through delinquency notices and use of collection with legal action by the Town Solicitor. The Town assesses an interest charge of 12% per annum on delinquent accounts.

TOWN DEBT

Debt Limit

Except as provided below, under Rhode Island law the Town may not, without special statutory authorization or ministerial approval by the Auditor General of the State (described below), incur any debt which would increase its aggregate indebtedness not otherwise excepted by law to an amount greater than 3% of the full assessed value of the taxable property within Town. Deducted from the computation of aggregated indebtedness is the amount of any borrowing in anticipation of taxes authorized by law and the amount of any fund held on account to pay such indebtedness maintained by the Town. In computing the value of taxable property, motor vehicles and trailers are valued at full value without regard to assessed value reductions provided for in other sections of the general laws. In July 2007, the Rhode Island State Legislature enacted legislation providing for ministerial approval by the State's Auditor General of debt outside of the 3% debt limit for communities with an "A" rating or better, if the community satisfies certain requirements. The 3% debt limit of the Town is $133,218,390 based on net assessed valuations of $4,440,612,995 as of December 31, 2007. As of June 30,

2008, the Town had no debt outstanding under the 3% debt limit provision or under the ministerial approval process. All outstanding debt has been authorized by special act of the Rhode Island State Legislature and referenda approved by the Town electorate

In addition to debt authorized within the 3% debt limit and debt authorized by special act of the Legislature, Rhode Island General Laws 45-12-11 authorizes the Rhode Island State Director of Administration, upon petition by a municipality, to authorize such municipality to incur indebtedness in excess of the 3% debt limit whenever the Director shall determine that the sums appropriated by the municipality or its funds available are insufficient to pay the necessary expenses of the municipality. The Town has never requested the State Director of Administration to authorize indebtedness of the Town under section 45-12-11.

Current Outstanding Debt

The outstanding general obligation debt of the Town for the fiscal years ended June 30, 2004 through 2008 was as follows:

	2004	2005	2006	2007	2008
General Obligation Bonds					
School	$36,954,964	$36,285,418	$33,714,955	$ 31,372,321	$ 36,059,686
Public Facilities	3,778,856	3,474,246	3,171,780	2,870,440	2,569,159
Open Space	6,420,812	5,725,759	7,864,591	7,154,465	10,524,287
Library	749,388	699,428	649,334	599,239	549,144
Total GO Bonds	$47,904,020	$46,184,851	$45,400,660	$ 41,996,465	$ 49,702,276
Enterprise Fund Bonds	785,428	652,409	513,538	368,535	337,724
Total Bonds	$48,689,448	$46,837,260	$45,914,198	$ 42,365,000	$ 50,040,000

Actual Bonded Debt Service Requirements

Fiscal Year	Existing Debt Service[1]		This Issue of Bonds		Total
Ended 6/30	Principal	Interest	Principal	Interest	Debt Service
2009	$ 3,590,000	$ 2,136,571	$ -	$ -	$ 5,726,571
2010	3,580,000	2,001,426	-	320,810	5,902,236
2011	3,575,000	1,863,528	50,000	320,810	5,809,338
2012	3,460,000	1,724,964	50,000	319,810	5,554,774
2013	2,970,000	1,595,462	510,000	318,810	5,394,272
2014	2,970,000	1,471,379	540,000	308,610	5,289,989
2015	2,985,000	1,338,251	540,000	295,110	5,158,361
2016	2,995,000	1,204,063	540,000	280,260	5,019,323
2017	2,755,000	1,074,305	540,000	265,410	4,634,715
2018	2,770,000	948,240	540,000	250,560	4,508,800
2019	2,785,000	818,941	540,000	234,360	4,378,301
2020	2,290,000	702,353	540,000	218,160	3,750,513
2021	2,305,000	597,660	540,000	201,960	3,644,620
2022	1,940,000	493,539	540,000	184,410	3,157,949
2023	1,960,000	401,429	540,000	165,780	3,067,209
2024	1,970,000	308,463	540,000	146,340	2,964,803
2025	1,990,000	213,250	540,000	126,360	2,869,610
2026	2,015,000	115,422	540,000	106,110	2,776,532
2027	830,000	46,688	540,000	85,590	1,502,278
2028	305,000	6,672	540,000	64,800	916,472
2029	-	-	540,000	43,200	583,200
2030	-	-	540,000	21,600	561,600
Total	**$ 50,040,000**	**$ 19,062,604**	**$ 9,790,000**	**$ 4,278,860**	**$ 83,171,464**

(1) Includes self-supporting recreation debt.

Debt Ratios and Debt Per Capita

Fiscal Year	Population[1]	Assessed Valuation[2]	Gross Bonded Debt & Bond Anticipatin Notes	Debt Payable From Enterprise Revenue	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
1996	23,786	$ 1,542,372,324	$ 10,925,000	$ -	$ 10,925,000	0.71%	$ 459.30
1997	23,786	1,578,054,704	11,365,000	900,000	10,465,000	0.66%	439.96
1998	23,786	1,622,101,177	10,430,907	830,907	9,600,000	0.59%	403.60
1999	23,786	1,678,799,770	19,117,841	757,841	18,360,000	1.09%	771.88
2000	23,786	1,709,592,473	50,690,574	680,574	50,010,000	2.93%	2,102.50
2001	26,326	1,728,519,804	56,913,864	1,152,248	55,761,616	3.23%	2,118.12
2002	26,326	2,136,496,317	55,567,456	1,035,032	54,532,424	2.55%	2,071.43
2003	26,326	2,161,079,284	52,126,079	912,846	51,213,233	2.37%	1,945.35
2004	26,326	2,189,162,245	48,689,445	785,402	47,904,043	2.19%	1,819.65
2005	26,326	3,525,604,088	46,837,263	652,412	46,184,851	1.31%	1,754.34
2006	26,326	3,568,483,661	45,919,198	513,539	45,400,659	1.27%	1,724.56
2007	26,326	3,607,374,032	42,364,998	368,533	41,996,465	1.17%	1,609.25
2008	26,326	4,440,612,995	50,040,000	337,724	49,702,276	1.13%	1,900.78

(1) U.S. Department of Commerce, Bureau of Census 1990 & 2000.
(2) Net Taxable Assessed Value.

Overlapping and Underlying Debt

The Town of has no overlapping or underlying governmental units and accordingly has no overlapping or underlying debt.

Outstanding Bond Authorizations

The following schedule sets forth the status of the various bond authorizations after this issue of Bonds.

Authorization RI Public Laws Chapter	Year	Purpose	Original Total Authority	Bonds Issued	Bond Anticipation Notes Outstanding	Unissued Authority
13	1997	Library	$ 1,350,000	$ 1,000,000	$ -	$ 350,000
534	2004	School Facilities	9,000,000	7,000,000	-	2,000,000
400 & 520	2006	Community Septic Syst Loan	2,000,000	300,000		1,700,000
		Totals	**$ 12,350,000**	**$ 8,300,000**	**$ -**	**$ 4,050,000**

TOWN FINANCES

Basis of Accounting

See note 1 to Financial Statements, Appendix B.

Annual Audit

The Town Charter provides that within three months after the beginning of each fiscal year the Town Council, by resolution, shall arrange for an annual independent audit of the Town's financial records as of the close of the preceding fiscal year. The audit may be conducted by any independent certified public accountant and the audit shall conform to generally accepted auditing standards.

The comparative financial statements set forth in Appendix A have been prepared by the Town Treasurer from audited financial statements for the fiscal years 2004—2008. Set forth in Appendix B are audited financial statements for the fiscal year ended June 30, 2008.

Budgetary Procedures

The Town Charter requires the following process for adoption of the Town's annual budget. The preliminary preparation for the 2008—2009 budget actually began in September when capital budgets were submitted to the Manager by department heads. In December, department heads began work on their proposed operating budgets which were submitted to the Manager in January. During the months of January and February, department heads met with the Manager to discuss their requests.

The Library Board of Trustees and the School Committee were required by the charter to submit their budget requests to the manager not later than March 3, 2008.

STEP	DATE	CHARTER CONSTRAINTS
Proposed Budget	March 10, 2008	The Manager shall submit to the Council not later than the fiftieth day preceding the first Wednesday in May a proposed budget of anticipated revenues and proposes expenditures after a review of estimated requirements from department heads.
Preliminary Approval of the Budget	March 24, 2008	The Council has two weeks to give preliminary approval to the manager's budget which the Council may revise.
Public Hearing	April 14, 2008 and April 16, 2008	Approximately three weeks after preliminary approval by the Council, two public hearings are held (one for school portion and one for all other budgets).
Petitions to Council	April 28, 2008	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.
Final approval of the budget	May 7, 2008	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.
Referendum petitions	May 27, 2008	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 appropriations for a specific fund. Petition forms approved by the Town Clerk must be returned before the twentieth day following the first Wednesday in May.
Budget Referendum	June 10, 2008	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 first Tuesday following the first Saturday in June. The polls are open from 8:00 a.m. to 8:00 p.m.

Comparative Budgets (General Fund Only)

	Adopted Budget 2006/07	Adopted Budget 2007/08	Adopted Budget 2008/09
Current Revenue			
General Property Tax[1]	$11,607,328	$12,146,567	$12,787,396
Prior Year's Taxes	950,000	1,000,000	1,009,000
Interest and Penalties	225,000	240,000	250,000
State Revenues	4,354,028	4,649,470	4,526,078
Licenses and permits	98,695	98,650	98,650
Departmental Revenue	2,463,325	2,474,809	2,426,790
Property Rental	472,340	465,440	490,700
Investment Earnings	650,000	850,000	900,000
Miscellaneous	20,000	20,000	35,000
Payments in Lieu of Tax (PILOT)	1,768,473	1,757,527	1,901,674
Transfer from Q/D Recreation Fund	250,000	250,000	332,000
Transfer from Self Insurance Fund	0	52,015	101,871
Total Current Revenue	$22,859,189	$24,004,478	$24,859,159
Prior Year Revenue	870,000	671,000	0
Total Estimated Available for Appropriation	$23,729,189	$24,675,478	$24,859,159
Estimated Requirements			
Personnel Expenses	$18,404,357	$19,058,643	$19,585,402
Non-Personnel Expenses	4,967,275	5,050,573	4,894,603
Total Ordinary Recurring Expenses	$23,371,632	$24,109,216	$24,480,005
Major Capital Outlay	296,000	477,008	289,900
Contributions to Other Agencies	61,557	89,254	89,254
Total Estimated Requirements	$23,729,189	$24,675,478	$24,859,159

(1) Amount to be raised by tax levy.

Tax Anticipation Notes

Under Rhode Island Law the Town may borrow in each fiscal year in anticipation of the receipt of the proceeds of the property tax due in such fiscal year, an amount which shall not exceed the total tax levy of the then current fiscal year. Tax anticipation notes must be payable no later than one year from their date, but notes issued for less than one year may be renewed provided such renewal notes are payable within one year of the date of the original notes. The Town has not borrowed in anticipation of taxes since 1983 and does not expect to do so in the future.

State Aid

State School Operations Aid

Pursuant to Rhode Island General Laws Sections 16-7-15 to 16-7-34, as amended, the State provides operations assistance to each municipality and school district in the State. The statute provides for a guaranteed minimum per pupil expenditure set by each municipality under a formula prescribed by the statute and equalized with other municipalities on the basis of assessed valuations and other factors as determined by the Rhode Island General Assembly. The legislation guarantees a minimum program for every pupil, and, if the municipality fails to provide adequate funds for such program, the State transfers other State Aid due to the municipality to the school account. The Town's School Department received $11,696,882 School Operations Aid during the fiscal year ended June 30, 2008 and expects to receive $11,696,882 for the fiscal year ending June 30, 2009.

In the proposed Fiscal 2009 Supplemental Budget for the State of Rhode Island, the Governor has proposed a 6% reduction in State Aid to education. If approved in its present form by the Rhode Island General Assembly, it is anticipated that the loss to the Town would be approximately $702,000 for the fiscal year ending June 30, 2009.

State School Construction Aid

Pursuant to Rhode Island General Laws Section 16-7-35 to 16-7-47, as amended, the State provides construction aid to Rhode Island municipalities for the cost of building or renovating public schools. All buildings constructed or renovated since July 1, 1949 are eligible for assistance of a minimum of 30% of the full cost of such buildings. Such assistance level may be further increased by a formula which takes into account the equalized assessed valuation and debt service burden of the particular municipality. For the fiscal year ended June 30, 2008 the Town received $1,219,743 in school construction aid and expects to receive $1,401,828 in the fiscal year ending June 30, 2009. The legislation authorizing State School Construction Aid is subject to future change and all State aid is subject to annual appropriation by the Rhode Island General Assembly.

Other State Aid

In addition to school operations assistance, municipalities in Rhode Island receive additional aid through the State General Revenue Sharing program. The program, with the distribution formula similar to the Federal Revenue Sharing program, replaced various state grant and aid programs as of July 1, 1987. For the fiscal year ended June 30, 2008, the Town received $754,148 in funding from the General Revenue Sharing program and expects to receive $709,000 in the fiscal year ending June 30, 2009. However, in the proposed Fiscal 2009 Supplemental Budget for the State of Rhode Island, the Governor has proposed a reduction in General Revenue Sharing. If approved in its present form by the Rhode Island General Assembly, it is anticipated that the loss to the Town would be approximately $709,000 for the fiscal year ending June 30, 2009.

Summary of State Aid Revenues

Shown below is a summary of various State Aid revenues credited to the Town's General Fund (excluding School Operations Aid and School Construction Aid, which are accounted for in the Special Revenue Fund and Debt Services Fund, respectively).

	2005 Actual	2006 Actual	2007 Actual	2008 Actual	2009 Projected
General Revenue Sharing	$ 806,625	$ 1,014,310	$ 890,042	$ 754,148	$ 709,085
Telephone Tax	361,535	306,537	259,572	256,272	231,151
State PILOT (non profits)	8,301	6,631	6,826	6,836	6,591
Excise Tax Phase Out	2,179,062	2,341,148	2,478,693	2,891,033	2,813,829
Hotel, Meal & Beverage Tax	403,193	380,000	456,469	436,399	450,051
Total State Aid	**$ 3,758,716**	**$ 4,048,626**	**$ 4,091,602**	**$ 4,344,688**	**$ 4,210,707**

LITIGATION

The Town Solicitor is of the opinion that there is not now pending or, to his knowledge, threatened any litigation seeking to restrain or enjoin the issuance or delivery of the Bonds, or in any way affecting the validity of the Bonds or in any way contesting the power of the Town to sell the Bonds to the purchasers thereof. The Town, its officers and employees are defendants in several lawsuits. The Town Solicitor is of the opinion that none of such litigation is likely to result either individually or in the aggregate in final judgments against the Town which would materially affect its ability to pay the principal of, and interest on, the Bonds.

TAX EXEMPTION

In the opinion of Taft & McSally LLP, Bond Counsel, under existing law, interest on the Bonds will be exempt from Rhode Island income taxes although the Bonds and the income therefrom may be included in the measure of Rhode Island estate taxes and certain Rhode Island corporate and business taxes, and interest on the Bonds will be excludable from the gross income of recipients thereof for federal income tax purposes and will not be treated as an item of preference in calculating the alternative minimum tax imposed on individuals and corporations, although interest on the Bonds will be taken into account in computing certain federal taxes imposed on corporations. See Appendix B herein for "Proposed Form of Legal Opinion" for the Bonds.

The opinion of Bond Counsel is subject to the condition that the Town comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Code") that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. Failure to

comply with certain of such requirements could cause the interest on the Bonds to be so included in gross income retroactive to the date of issuance of the Bonds. The Town has covenanted to comply with all such requirements. Bond Counsel expresses no opinion regarding other federal tax consequences arising with respect to the Bonds.

The foregoing analysis of the exclusion of interest from gross income for purposes of federal income taxation is limited to the initial issuance of the Bonds. Noteholders should consult their tax advisors with respect to any federal tax consequences of secondary market transactions.

Ownership of tax-exempt obligations may result in collateral federal income tax consequences to certain taxpayers including, without limitation, corporations subject to the foreign branch profits tax, Subchapter S corporations, financial institutions, certain insurance companies, individual recipients of Social Security or railroad retirement benefits. It should also be noted that Section 265 of the Code denies a deduction for interest on indebtedness incurred or continued to purchase or carry the Bonds, and that for insurance companies subject to the tax imposed by Section 831 of the Code, the deduction for loss reserves is reduced by 15 percent of the sum of certain items, including interest on the Bonds. In addition, taxpayers disposing of property, the acquisition of which is financed in whole or in part after 1990 with federally-subsidized indebtedness (qualified mortgage bonds or mortgage credit certificates) must take receipts or accruals of interest on the Bonds into account in determining what portion, if any, of the federally-subsidized amount is subject to recapture. Prospective purchasers of the Bonds should consult their tax advisors as to the applicability of any such collateral consequences.

The Bonds are designated as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

CONDITIONS PRECEDENT TO DELIVERY

The following, among other things, are conditions precedent to the delivery of the Bonds to the original purchasers thereof.

No Litigation Certificate

Upon delivery of the Bonds, the Town shall deliver or cause to be delivered a certificate of the President of the Town Council, the Town Treasurer and the Town Clerk, dated the date of delivery, to the effect that there is no litigation pending or, to the knowledge of such officers, threatened affecting the validity of the Bonds or the power of the Town to levy and collect taxes to pay them, and that neither the corporate existence nor the boundaries of the Town, nor the title of any said officers to their respective offices, is being contested.

Approval of Legality

The legality of the Bonds will be approved by Taft & McSally LLP, Bond Counsel. The unqualified approving opinion of such counsel with respect to the Bonds will be delivered at the time of original delivery of the Bonds. The opinion will be substantially the form attached hereto as Appendix B. The scope of engagement of Bond Counsel does not extend to passing upon or assuming responsibility for the accuracy or adequacy of the statements made in this Official Statement (other than matters expressly set forth as their opinion) and they make no representations that they have independently verified the same.

Certificate With Respect to Official Statement

At the time of the original delivery of and payment for the Bonds, the Town will deliver a certificate of the Finance Director certifying that, to the best of her knowledge and belief, both as of its date and as of the date of delivery of the Bonds, this Official Statement does not contain any untrue statement of a material fact and does not omit to state a material fact necessary to make the statements made herein, in the light of the circumstances under which they were made, not misleading.

Financial Advisor

First Southwest Company is employed as Financial Advisor to the Town in connection with the issuance of the Bonds. The Financial Advisor's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. First Southwest Company may submit a bid for the Bonds, either independently or as a member of a syndicate organized to submit a bid for the Bonds. First Southwest Company, in its capacity as Financial

Advisor, does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Bonds, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

CONTINUING DISCLOSURE

The Securities and Exchange Commission has promulgated amendments to Rule 15c2-12 (the "Rule") under the Securities and Exchange Act of 1934, as amended, which requires that issuers of municipal securities undertake to provide continuing disclosure with respect to their securities, subject to certain exemptions. The Rule is effective for municipal securities for which an underwriter enters into a contractual commitment on or after July 3, 1995 to purchase such securities and, therefor, applies to the Bonds. The Town will covenant, at the time of the delivery of the Bonds, to provide continuing disclosure consistent with the terms of the Rule, as provided in a Continuing Disclosure Certificate to be dated as of the date of the Bonds.

Pursuant to the Continuing Disclosure Certificate, the Town will undertake to provide the following continuing disclosure with respect to the Bonds:

(I.) The Town will provide to each Nationally Recognized Municipal Securities Information Repository ("National Repository") and the appropriate State Information Depository for the State ("State Repository"), if any: (a) <u>not later than nine (9) months</u> after the close of the Town's fiscal year, which is June 30, commencing June 30, 2009, certain financial information and operating data relating to the Town updating the financial information and operating data presented in the Official Statement prepared in connection with the Bonds to the extent required to comply with the Rule; and (b) as soon as available the audited financial statements of the Town for the most recently ended fiscal year, prepared on a modified accrual basis, reflecting assets, liabilities and financial activities not recorded in separate fund groups. The Town reserves the right to provide the information required in the above clauses (a) and (b) separately and to modify from time to time the specific types of information provided under clause (a) above or the format of the presentation of such information, to the extent necessary or appropriate, provided that any such modification will be done in a manner consistent with the Rule.

(II.) The Town will provide in a timely manner to each National Repository or the Municipal Securities Rulemaking Board, and the State Repository, if any, notice of the occurrence of any of the following events with respect to the Bonds, if material:

1. Principal and interest payment delinquencies.
2. Non-payment related defaults.
3. Unscheduled draws on debt service reserves reflecting financial difficulties.
4. Unscheduled draws on credit enhancements reflecting financial difficulties.
5. Substitution of credit or liquidity providers, or their failure to perform.
6. Adverse tax opinions or events affecting the tax-exempt status of the Bonds.
7. Modifications to rights of beneficial owners and the holders of the Bonds.
8. Bond calls.
9. Defeasances.
10. Release, substitution, or sale of property securing repayment of the Bonds.
11. Rating changes.

(a) Whenever the Town obtains knowledge of the occurrence of a listed event, the Town shall as soon as possible determine if such event would constitute material information for the beneficial owners and holders of the Bonds, provided, that any event under subsection (II.) (1), (4), (5) or (6) will always be deemed to be material.

(b) If the Town determines that knowledge of the occurrence of a listed event would be material, the Town, or, if appointed, any Dissemination Agent (as defined in the Continuing Disclosure Certificate) shall promptly file a notice of such occurrence with the Municipal Securities Rulemaking Board or the National Repository and each State Repository. Notwithstanding the foregoing, notice of listed events described in subsections (II.) (8) and (9) need not be given any earlier than the notice (if any) of the underlying event is given to beneficial owners or holders of affected Bonds pursuant to the Bonds or the Legislation (as defined in the Continuing Disclosure Certificate).

The Town from time to time may choose to provide notice of the occurrence of certain other events, in addition to those listed above, if, in the judgment of the Town, such other event is material with respect to the Bonds, but the Town does not undertake to commit to provide any such notice of the occurrence of any material event except those listed above.

(III.) The Town will provide, in a timely manner, to each National Repository or to the Municipal Securities Rulemaking Board and to the State Repository, if any, notice of a failure to satisfy the requirements of paragraph (I) above.

The intent of the Town's undertaking in the Continuing Disclosure Certificate is to provide on a continuing basis the information described in the Rule. Accordingly, the Town reserves the right to modify the disclosure thereunder or format thereof so long as any such modification is made in a manner consistent with the Rule. Furthermore, to the extent that the Rule no longer requires the issuers of municipal securities to provide all or any portion of the information the Town has agreed to provide pursuant to the Continuing Disclosure Certificate, the obligation of the Town to provide such information also shall cease immediately.

The purpose of the Town's undertaking is to conform to the requirements of the Rule and not to create new contractual or other rights for the original purchasers of the Bonds, any registered owner or beneficial owner of the Bonds, any municipal securities broker or dealer, any potential purchaser of the Bonds, the Securities and Exchange Commission or any other person. The sole remedy in the event of any actual or alleged failure by the Town to comply with any covenant of the Continuing Disclosure Certificates shall be an action for the specific performance of the Town's obligations thereunder and not for money damages in any amount. Any failure by the Town to comply with any provision of such undertaking shall not constitute an event of default with respect to the Bonds.

The Town Treasurer, or such official's designee from time to time, shall be the contact person on behalf of the Town from whom the foregoing information, data and notices may be obtained. The name, address and telephone number of the initial contact person is Patricia A. Sunderland, Town of North Kingstown, 80 Boston Neck Road, North Kingstown, Rhode Island 02852, Telephone (401-294-3331).

The Town has complied in all material respects with all continuing disclosure agreements made by it in accordance with SEC Rule 15c2-12.

RATINGS

The Bonds have been assigned ratings by Moody's Investor Service ("Moody's") and Standard and Poor's Rating Services, a division of the McGraw-Hill Companies, Inc. ("S&P"), (collectively, the "Rating Agencies"). The ratings assigned by Moody's and S&P are Aa3 and AA, respectively,.

The above ratings are not a recommendation to buy, sell or hold the Bonds, and such ratings may be subject to revision or withdrawal at any time by the Rating Agencies. Any downward revision or withdrawal of the ratings may have an adverse effect on the market price of the Bonds.

MISCELLANEOUS

All quotations from and summaries and explanations of provisions of laws and documents described herein do not purport to be complete and reference is made to the laws and documents for a full and complete statement of their provisions.

This Official Statement is submitted only in connection with the sale of the Bonds by the Town and may not be reproduced or used in whole or in part for any other purpose.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

By: /s/ Patricia A. Sunderland
Town Treasurer

Dated: January 15, 2009

APPENDIX A

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

Comparitive Balance Sheets - General Fund

For the Fiscal Years Ended June 30,

	2004	2005	2006	2007	2008
Assets					
Cash & Cash Equivalents	$ 15,663,454	$ 14,954,301	$ 16,144,905	$ 15,692,234	$ 15,195,752
Taxes Receivable	1,170,009	1,133,405	1,109,095	1,369,470	1,546,923
Other Receivables	176,568	176,568	166,158	90,847	437,529
Due from Federal & State Governments	375,066	668,649	304,868	83,438	18,615
Due from Other Funds	403,781	403,781	305,908	1,945,062	1,771,242
Total Assets	**$ 17,788,878**	**$ 17,336,704**	**$ 18,030,934**	**$ 19,181,051**	**$ 18,970,061**
Liabilities & Fund Balances					
Liabilities:					
Accounts Payable	$ 823,161	$ 821,420	$ 937,500	$ 376,256	$ 673,161
Accrued Liabilities	531,281	565,505	828,391	625,392	659,350
Due to Other Funds	3,785,844	3,549,147	2,928,314	3,239,720	3,059,905
Deferred Revenue	3,060,316	3,937,147	3,253,393	3,715,760	3,750,585
Escrow Deposits	-	-	-	790,933	691,081
Total Liabilities	**$ 8,200,602**	**$ 8,873,219**	**$ 7,947,598**	**$ 8,748,061**	**$ 8,834,082**
Fund Balances:					
Reserved	$ 1,148,088	$ 1,419,288	$ 773,094	$ 1,581,280	$ 2,184,716
Unreserved	8,440,188	8,307,409	9,310,242	8,851,710	8,633,263
Total Fund Balances	**$ 9,588,276**	**$ 9,726,697**	**$ 10,083,336**	**$ 10,432,990**	**$ 10,817,979**
Total Liabilities & Fund Balances	**$ 17,788,878**	**$ 18,599,916**	**$ 18,030,934**	**$ 19,181,051**	**$ 19,652,061**

(1) Prepared from audited financial statements.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

Comparitive Statement of Revenues & Expenditures - Genreal Fund

For the Fiscal Years Ended June 30,

	2004	2005	2006	2007	2008
Revenues:					
Taxes	$ 53,805,401	$ 53,653,354	$ 56,100,311	$ 58,892,935	$ 61,187,866
Intergovernmental/Departments	5,620,071	6,007,777	6,331,522	6,305,233	6,418,819
Local Receipts	864,115	1,215,046	1,389,412	581,969	482,329
Investment Income	-	-		1,215,825	923,544
Other	-	-		43,729	81,761
Total Revenues	**$ 60,289,587**	**$ 60,876,177**	**$ 63,821,245**	**$ 67,039,691**	**$ 69,094,319**
Expenditures					
General Government	$ 4,040,582	$ 4,089,378	$ 4,610,761	$ 4,814,369	$ 5,146,625
Public Safety	11,290,558	11,531,311	12,532,831	13,014,335	13,832,647
Public Works	3,936,763	4,238,446	4,122,524	3,825,235	4,022,262
Senior Services	286,475	297,474	285,376	304,782	332,711
Parks & Recreation	-	585,699	499,780	283,747	330,657
Human Resources	-	-	-	-	
Total Expenditures	**$ 19,554,378**	**$ 20,742,308**	**$ 22,051,272**	**$ 22,242,468**	**$ 23,664,902**
Excess (deficiency) of Revenues over Expenditures	$ 40,735,209	$ 40,133,869	$ 41,769,973	$ 44,797,223	$ 45,429,417
Other Financing Sources (Uses)	39,189,690	(39,989,448)	(41,413,334)	(44,447,569)	(45,044,428)
Excess (deficiency) of Revenues & Other Sources over Expenditures & Other Uses	$ 951,925	$ 138,421	$ 356,639	$ 349,654	$ 384,989

(1) Prepared from audited financial statements.

THE TOWN OF NORTH KINGSTOWN, RHODE ISLAND

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
JUNE 30, 2008

Prepared By:

Finance Department

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

YEAR ENDED JUNE 30, 2008

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(CONCLUDED)

THE TOWN OF
NORTH KINGSTOWN, RHODE ISLAND

INTRODUCTORY SECTION

TOWN OF
NORTH KINGSTOWN, RHODE ISLAND

80 BOSTON NECK ROAD
NORTH KINGSTOWN, R.I. 02852-5762
PHONE: (401) 294-3331
FAX: (401) 885-7373

December 26, 2008

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, 2008.

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, 2008, 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, 2008, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

PROFILE OF THE GOVERNMENT

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

GOVERNING BODY

The Town operates under a home rule charter adopted in 1954, and subsequently amended, providing for a council/town manager form of government with a five-member Town Council headed by a Council President. All legislative powers of the Town are vested in the Town Council by the Charter, including the adoption of the Town

budget, the ordering of any tax, making appropriations and transacting any other business pertaining to the financial affairs of the Town.

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

The Town Manager is appointed by a majority vote of the Town Council 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 takes into account the elimination of accumulated deficits and the re-appropriation of accumulated surpluses to the extent necessary. Appropriations which are not expended or encumbered lapse at year end.

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

REPORTING ENTITY AND ITS SERVICES

The Town of North Kingstown provides a full range of services, including education, public safety, the construction and maintenance of highways, streets, storm and sanitary sewers and infrastructure, social services, parks and recreational activities, and general administration. In addition, the town operates the Water and Quonset/Davisville Recreation enterprise funds. Approximately 230 full-time municipal employees provide services to a community of 22 square miles and 26,326 residents.

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

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 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 firms migrating 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: 143rd 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; Kohl's Department Store 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 3,000 acres of land; a significant amount of acreage remains available for development. The park is 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, a new limited access highway (Rt. 403), rail and deep-water piers making the park suitable for a wide variety of manufacturing and port activities. One hundred sixty eight (168) companies employing more than 6,550 full-time employees and 1,700 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 (Seabees) 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 (204) 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 participated in the development of plans for Quonset Point/Davisville in anticipation of the full transfer of the Navy property to the RIEDC/QDC 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 secured funds to enhance the existing freight rail system and other infrastructure improvements to the park, including on-going infrastructure improvements signage servicing the park which are being systematically implemented by QDC. Three projects currently in process 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 importance of linking the development of Quonset Point/Davisville to community objectives is demonstrated by the day-to-day coordination between the Town and the QDC staff as well as the on-going efforts to ensure that the Town's Comprehensive Plan and the park's Master Plan are consistent.

Several major facilities 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 park.

- 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, a 38,000 square foot building, and a 48,000 square foot building also in Keifer Park.
- 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.
- Two new buildings constructed in the last year are the 30,000 square foot Falvey Cargo Underwriting building and the 11,000 square foot Ocean State Testing building.

Another area of the Business Park boasting significant current and anticipated growth is Commerce Park located at the heart of Quonset Point. Here existing park companies 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. The company 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 barges coming in at a sufficient rate to drive both additional employment and the expansion of their facility. SENESCO was recently purchased by a larger firm but the operation will remain in Quonset.
- Toray Plastics of America, a long time North Kingstown employer, received approvals to construct multiple 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 the recent construction of a 26,000 square foot building by Unetixs, a precision manufacturer which relocated from within the park.

- 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 is under development by the New Boston Group, a private investment firm. The project is known as the "Quonset Gateway" a mixed-use office and service area to serve existing and future residents of the business park as well as the general community. Construction of the proposed 961,660 total square foot Gateway complex has begun. The first building an 89,000 square foot Kohl's department store is opened and an 117,000 Lowe's store is under construction and scheduled to open in early 2009.

North Davisville and West Davisville are the final areas of the park slated for industrial development. Existing uses continue to expand and new tenants are preparing to move in to the area.

- NORAD, an automobile importer, continues to expand its activities at the Davisville piers.
- Adjacent to the NORAD facility is Little Allen Harbor, 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.
- The Town Public Works facility if located in North Davisville with plans for the Town to construct a new Fire maintenance facility and permanent records storage building.

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, the QDC has begun the process of hiring a port operations management firm to oversee the Davisville Port. Port activities currently focus on automobile and seafood products with growth currently occurring and anticipated for both these uses.

In West Davisville, existing businesses continue 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
- BB and S 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 which have 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, 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, received approval for a 14,000 sf office and warehousing structure to serve as a headquarters for its operations.
- A 40,000 square foot PODS building was constructed and opened this year.
- Other development options for the West Davisville area include the development of a Transient Orient Development (TOD), a mixed-use walkable village combining high-density residential and commercial uses in conjunction with a commuter rail train station.

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 intersect North Kingstown. These areas include Dry Bridge Road and Old Baptist Road. Atlantic Tree Service has located its operation on Dry Bridge Road and has constructed additional buildings on their site to house small business uses. Two developments providing for small unit flexible space light industrial complexes to provide further growth capacity for the Town's industrial base and additional start-up space for local small businesses are beginning to be occupied.

Along Old Baptist Road a long time recycling operation recently constructed a building to house the recycling operation as well as provide three additional tenant units. Toray Plastics has recently applied for a minor expansion to their satellite plant located in this area.

As a component of the economic development strategy for the Washington County Regional Planning Council, of which North Kingstown is a member, the Town updated its Economic Development Plan for the Town. Plan recommendations include designating specific areas for office uses and developing zoning ordinances to implement these strategies. The Plan also addressed protecting the community character through zoning regulations that address pedestrian scale and design. The Town is actively implementing these strategies through our recently adopted Post Road Corridor Plan and Post Road Corridor zoning.

Commercial Development

Post Road (U.S. 1) and the intersection of Routes 4/102 are the primary areas where the larger-scale commercial and shopping plaza uses have located in North Kingstown. Many 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, new growth has emerged 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 recently adopted zoning and design regulations implementing a number of recommendations of the Post Road corridor study recently adopted as a component of the Town Comprehensive Community Plan.

The Town worked with a consultant to study the feasibility and cost of installing sewers in the Post Road Corridor to foster additional commercial and residential development. This development will be in the form of high density village type "growth centers" with a strong design focus towards pedestrian scale and architectural improvements to encourage mixed use development. These standards are also designed to promote less reliance on the automobile, and increased use of alternative methods of transportation such as bicycle, walking, and public transportation, either through the expansion of existing bus services to the area and in conjunction with the planed commuter rail station at Wickford Junction.

Prime examples of additional development along the Post Road corridor are:

- A new branch of Coventry Credit Union is under construction

- The development of a new branch of People's Credit Union is under review
- U.S. Post Office's rehabilitated a former supermarket
- Construction of a Washington Trust Bank
- Demolition and reconstruction of several gas station/ convenience stores
- Brooks Drugs' (now Rite Aid) demolition of a former car dealer facility to make way for a modern pharmacy and convenience store
- Rehabilitation of a former bank
- Kingstown Plaza, first constructed in 1961, investing in new signage and façade improvements
- Tarbox Motors completed substantial renovations and expansion of their facilities
- Cingular Wireless (now AT&T) has completed the development of a 5,000 square foot retail location on a long vacant lot
- 7-11/ CITGO constructed a convenience store and gas station on a previously undeveloped lot
- A former health and fitness facility acquired by the YMCA was extensively renovated
- 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
- Tire Pro, an automotive services facility, constructed a 7,560 square foot establishment and an addition to the facility.
- Seven Moons and El Tapatio restaurants redeveloped two long time sites with interior and exterior renovations as well as site improvements.
- Further south in the US 1 corridor, Dave's Marketplace completed construction of an 11,000 square foot expansion of an existing market that includes façade, landscaping, and septic system upgrades
- The 700 seat St. Bernard's Church is under construction

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

The Town completed an update of its Wastewater Facilities Plan to allow for the construction of sewers within the Post Road Corridor which will accommodate these higher densities. The Town worked closely with the Quonset Development Corporation to utilize their existing sewage treatment facility and the Town Council has adopted the necessary ordinances that will enable the construction of these sewers.

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 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 village 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 two phases of improvements for Wickford, which included significant upgrades to the roads, drainage and right-of-way amenities without sacrificing the historic character of the village. This improvement 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 reconstruction of Brown Street. 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.

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 recently completed project is the redevelopment of a property at the gateway to the village center. The design of the building accounted for the protection of the 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 received approval to construct a pedestrian connection between Main Street and Brown Street.
- Also in the village, a former service station site is being redeveloped as the new location of a larger Wickford Package Store, an existing Wickford 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
- Another local businessman has converted a long time restaurant to commercial space. The renovated space is quickly filling up with tenants.

Wickford Village is recognized as an integral component of the Town's economic vitality and cultural center. The Town prepared a Wickford Village Plan in 1998 and appointed a committee to assist in the Plan's implementation. The Town was 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 was been adopted as part of this process.

The Town expects that the commercial sector will continue to grow, particularly in response to development at the Quonset Business Park. Wickford Junction, a 300,000 sf commercial project, 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 development are expected to coincide with the development of a train station on the site which will once more connect North Kingstown to points in Providence and Boston via rail.

A recently constructed 120,000 square foot Home Depot is 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 Route 102 from Home Depot is completed and contains the market, a Bank Newport Branch, Starbuck's Coffee Shop and 3-5 other commercial tenants. BankRI constructed a branch facility in the immediate area.

Additional small retail development has located along Boston Neck Road, particularly in the villages of Hamilton and Saunderstown and along the Quaker Lane portion of Route 2. Tarbox Toyota has purchased 8 acres of land and submitted plans for review and approval for a new larger new car dealership to be located on Quaker Lane. It is anticipated that the new facility will be a LEED certified "green" building. Additionally, Quaker Lane Liquors located on Quaker Lane has recently received approval for a major expansion of their building which will include both a threefold expansion of the store and the addition of office space above the store.

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 in the complex.

The same developer 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 has become a satellite office for the State Department of Children, Youth, and Families, comprising 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 2,700 sf dental office by Dr. Thomas Vutech
- Conversion from restaurant to office use of the Former Red Rooster Tavern
- 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 Incentive

The Town Council adopted an ordinance in April of 1997 allowing a phase-in over a period of six years of the assessment on property located at the Quonset Point Davisville Port and Commerce Park. The phase-in applies to any new buildings, new structures or new additions to existing buildings used essentially for offices, manufacturing or commercial enterprises. The phase-in is intended to help any commercial concern that is willing to locate at the Quonset Point Davisville Industrial Park 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 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 mandated Five-Year Update to the Comprehensive Plan was approved in 2002 and a second five year update was recently completed during 2008. The Planning Commission and Town Council 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 the zoning revisions that implement 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 soils limitations and groundwater protection overlay regulation. Subdivision regulations, first adopted by North Kingstown in 1946, have been periodically amended in order to implement the comprehensive plan, respond to new State Enabling legislation initiatives and incorporate conservation development subdivision regulations. The Town recently updated 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 Town's Comprehensive Plan, the Town Council focused on implementing the Plan through a set of growth management strategies. As a component of the Town budget process, departments are required to document how proposed activities meet the vision of the Town and the Comprehensive Plan.

Over the past few years many growth management objectives have been achieved. These activities included the adoption of zoning ordinance amendments; subdivision and land development regulation amendments; acquisition of farmland development rights; preparation of cost of community services reports; adoption of wastewater management and revised groundwater protection ordinances. The Town Council also 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 expressed their support for this activity in 1998, 2000, and 2006 by approving a total of three $4.0 million bond referendums for continued acquisitions. The proceeds of the first two bond authorizations, along with federal and state grants and in-kind charitable donations, allowed for the permanent preservation of nearly 1,200 acres of open space. The 2006 bond, in conjunction with state and federal grant funds, allowed for protection through development rights acquisition of large tracts of land in the Groundwater protection areas and the northern, more developed, area of the Town. In addition, the Town Council established an Open Space Fund that is supported by the dedication of a portion of the real estate transfer tax.

MUNICIPAL SERVICES

Planning Department

The Department of Planning and Development is responsible for providing technical support to boards and commissions, Town Manager and the Town Council. The Planning Department reviews and prepares staff reports for commercial, industrial and subdivision development and serves as staff to advisory committees, as appropriate. The Department works with the Planning Commission in updating and implementing the Town's Comprehensive Plan and 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 2008. 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 and is 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's Technical Review Committee which is a coordinated review of all subdivision, commercial, and industrial plans. 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.

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

Information Service Department

The 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 municipal departments at seventeen (17) facilities including Assessors, Code Enforcement, Finance, Fire, North Kingstown Free Library, North Kingstown Golf Course, Police, Planning, Public Works, Recreation Town Clerk, Senior Center, Town Manager, and Water Departments as well as some service to the School Administration Offices. These services include PC and peripheral installation, repair, maintenance, network infrastructure administration/development, database administration/development, administration and maintenance of Internet Protocol (IP) Telephony systems, and technical support/upgrades of all software applications. The IS Department is responsible for maintaining the Town's network infrastructure which consists of twenty eight (28) servers, two hundred and twenty five (225) workstations, five (5) fiber optic connected sites (Annex Building, Police, Fire, North Kingstown Free Library, and the North Kingstown School Administration offices), seven (7) Virtual Area Network (VAN) connections (North Kingstown Municipal Golf Course, two (2) remote Fire stations, Fire Department of Training, Wilson Park Facility, Water Pump Station 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, video archive (Town and School) and Geographic Information System (GIS).

Library

The North Kingstown Free Library has been a municipal service of the town 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 donated $10,000 and a plot of land to the Town 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 two 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, three graduate library school interns, one college undergraduate library aide, and two custodians 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. Beginning in January 2009, the library will make Sunday afternoon hours a permanent part of its regular schedule, which will extend for the entire academic year in FY 2009-10.

The collections of the North Kingstown Free Library number over 129,000 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 48 public library systems throughout Rhode Island. North Kingstown cardholders can also search 25 online databases, they can 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.

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 and collects gently used clothing for Planet Aid.

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.

Senior and Human Services

The North Kingstown Department of Senior and Human Services is housed at Beechwood House, 10 Beach Street 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 4:30 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 seven 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.

Tax Assessment

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

Code Enforcement

The Code Enforcement Department is staffed by a Building Official and an Assistant Building Official, one full time clerk and two part time clerical employees. There are three part-time licensed inspectors who 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, they 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. Personnel conduct inspections with regard to compliance for licensing of mobile home parks, pubic and private schools, day care facilities, laundries, purveyors of alcoholic beverages, bed & breakfasts, hotels, motels, rooming houses and second hand furniture dealers. The staff also provides assistance and information to the public concerning permit applications, inspection requirements, appeals, and the interpretation of flood maps, codes, regulations and ordinances.

Fire Department

The Fire Department has 4 manned Fire Stations providing Fire Suppression, Fire Prevention and Emergency Medical Service to 44 sq. miles of the Town and 12 sq. 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, State wide 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 firesetter program and baby sitter fire safety. 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 elected to staggered 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. 365 professionally certified personnel supported by over 200 non-certified staff provide these services. The mission of the North Kingstown School Department states: "Since education plays a vital role in the present and future success of all

students, every school must provide for the maximum intellectual, social, aesthetic, moral, vocational, and physical development of each student towards challenging the student to achieve excellence". This mission is supported by twenty belief statements about student capabilities, conditions that enhance learning and student learning results. The district and each school develop yearly improvement plans to maximize student achievement in conjunction with these beliefs.

Water Department

The Department of Water Supply provides domestic water service and fire protection to the majority of residents and businesses in North Kingstown. 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. The Town of Narragansett meters and bills for water under their own rate structure. North Kingstown Water owns and operates 11 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

Police Department

The North Kingstown Police Department is staffed by fifty-one (51) sworn personnel. Counted amongst the personnel are the Chief of Police and fifty (50) 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 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 Control Animal 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, which includes marked and unmarked cars and 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 34,350 calls for service to the community of North Kingstown in 2007.

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.

MUNICIPAL INITIATIVES FOR THE YEAR

Planning Department

North Kingstown received $218,920 in Community Development Block Grant funds for use in FY 2008-2009. These funds support a variety of activities including: housing rehabilitation; $146,800 dedicated to the Town's revitalization effort in the Davisville neighborhood to be used for activities including but not limited to a Town summer recreation program, the installation of a pedestrian crossing signal, a youth education program regarding fair housing and housing advocacy for Davisville families. Included in the award is $80,000 in funding 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 existing location off Devil's Foot Road. These funds represent year eight 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 first in working with the neighborhood to 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 and 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 such as the Domestic Violence Resource Center, Bayside Family Healthcare, Washington County Community Development Corporation, Community Housing Land Trust, and The Sensational Child, Inc.

The Planning Department works to strengthen the Town's relationship with the Quonset Development Corporation (QDC), 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. The Planning Department attends meetings with prospective businesses and coordinates the review of development projects with other Town departments through the Town Technical Review Committee. A separate joint Technical Review Committee composed of staff from the Town and staff from the QDC meets monthly to discuss pending projects. Recently, the Planning Department 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 three years the Planning 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 Town's tax base through incentive zoning and the creation of a sewer district allowing for new development at densities much higher than previously allowed. The new Post Road Corridor district zoning and design guidelines were adopted by the Town Council and the Planning Commission respectively. The Post Road Corridor Sewer ordinance has been adopted and enabling legislation is under review by the State.

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 Department prepared an impact fee study that resulted in the adoption of impact fees by the town and is in the process of updating the methodology used to update these fees. The Cost of Community services prepared by the Planning Department is used to assess the impact of different land uses on the tax base and is a component of the Town's Growth Management Program. And fee structure.

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 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, the Planning Department 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 in conjunction with the Recreation Department and Public Works Department are working to complete the design for the 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.

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, the 25 acre Freeborn Farm and the 44 acre Delvecchio Farm and is in negotiations to protect an additional 400 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 Department worked with the Planning Commission developing Conservation Development regulations, enhancing 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 other supporting Town policies, the Town's cost of community service studies documented the advantage to the Town to keeping land open. In recent years 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. During the past year, the Town received a $15,000 planning challenge grant from the Rhode Island Statewide Planning Office to develop a Transfer of Development Rights (TDR) program to be utilized with the Post Road Corridor zoning. The transfer of development rights from the more rural areas of the town will be in conjunction with the availability of sewers to service the corridor.

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. 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 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 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 fund 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. It has been determined that a watershed approach would be the most effective way to address surface and groundwater problems in the Sawmill Pond area and the Town is in the process of hiring a consulting firm to work with the Planning Department on development of a Sawmill Pond Watershed Plan.

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, 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 area towns. This grant allowed for the writing and adoption of the necessary ordinances and financial framework for the communities to adequately address the needs of affordable housing in the southern Rhode Island. The Town of North Kingstown has completed and adopted all of the ordinance amendments as part of this grant program. The Town's inclusionary zoning ordinance requires all projects which propose to add at least five new housing units include a mandatory 10% affordable housing. The affordable housing units add a bonus to the number of units/or house lots allowed under zoning. In addition, during the last several years the Planning Department and the Planning Commission have worked closely with developers who will be providing for 20% to 25% of their residential development projects to be deed restricted affordable units.

Information Services Department

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 to the web, in turn realizing significant savings. In addition, using a CRM system reduces staffing requirements, empowers the 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 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, Fire, Police and Public Works Departments all will benefit from this rollout.

Library

Fiscal Year 2007-08 was another successful and exciting year for library service in North Kingstown. The library served 179,216 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 319,000 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. Library staff responded to more than 34,000 patron questions at our three public service desks; more than 17,000 borrowers have NKFL library cards in the Ocean State Libraries network; more than 22,000 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 48 public library systems in Rhode Island, borrowing more than 34,000 books and other materials from other RI public libraries for pick up here by North Kingstown library users and loaning more than 41,000 items in our collections to cardholders of other RI libraries (an increase of 18% over what we loaned in FY 06-07). The library arranged 457 public programs, which were attended by more than 12,000 adults, teens, and children.

The library added two new formats of audiobooks to its collection in FY 07-08—downloadable audio titles and *Playaway* audios, which are convenient and easy-to-use without having to change tapes or cds. We continued our longstanding commitment to maintaining the infrastructure—installing a new LAN server; completing the installation of a new boiler; replacing the HVAC ventilator units in the meeting room; assisting the Town's MIS director in writing specifications for joining the town's VoIP system to replace the library's 33-yr-old telephone technology; coping with a major pipe leak during the January months which forced us to shut down operations for one day; working with the Public Works facilities crew to repair an electrical problem in the parking lot lighting; and arranging for an energy audit to be conducted. These infrastructure projects were completed with funding from the strong public/private partnerships that the library has cultivated and nurtured throughout its history. The lion's share of our infrastructure improvements is funded through grants from The Champlin Foundations and from the North Kingstown Free Library Corporation, which controls funds remaining from the 1998 capital campaign. A small percentage of these projects are also funded through the library's annual budget appropriation from the town. The library has not requested funds from the Town's Capital Improvement Program in more than a decade.

The library conducted an exhaustive study of Sunday hours after the close of the Sunday schedule in March 2008. The conclusions of this study indicated a significant need on the part of the taxpayers for the library to be open on Sundays during the academic year. Since it is clearly no longer an option to separate Sundays hours out of the weekly business schedule, the library is working on ways to resolve staffing and funding issues in order to make this happen. To that end, the retirement of a long-serving librarian in July of 2008 and the subsequent restructuring of the library staff is going to make it possible to expand the Sunday calendar through

May in FY 2008-09 and will likely make it possible to offer Sunday hours from mid-October through mid-May in FY 2009-10.

Public Works

The Public Works department continues its commitment to maintaining the town's road infrastructure. Using the VHB report that rated the pavement condition of all town-maintained roads, the department has completed the resurfacing of those roads that were rated as being failed or very poor and the continues to pave the roads rated as poor. The department anticipates the award of its next paving contract in the spring of 2009.

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, installation of new gas and water mains and drainage improvements along Main Street are complete with the contract for road and sidewalk work anticipated for an October 2008 award. The RI Department of Transportation, CRMC, RI Historic Preservation and the Historic District Commission have reviewed and approved the proposed work. 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. Work has started on the Public Safety Building Improvements project and the construction of a new Fire Station #5 in Slocum, scheduled to be completed by the end of the year. The department continues its project oversight of the $7 million window, fire/life safety, ADA and HVAC improvements to Wickford Middle School and the Davisville, Forest Park and Fishing Cove Elementary Schools. The department continues to implement the Town's Storm Water Management Plan and has completed several significant drainage projects, improving storm water quality at River Road and Walmsley Lane.

The Highway Division continues its mosquito abatement efforts treating town maintained catch basins and detention/retention ponds monthly with an environmentally safe larvicide provided by RIDEM Mosquito Abatement office.

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 34% 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 34% recycling rate represents the ratio of blue and green stream recyclables tonnage to solid waste tonnage disposed of at RI Resource Recovery's landfill and recycling facilities in Johnston. 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 35% by July 1, 2012. In 2007, RIRRC awarded $300,000 in grant monies shared by 18 cities/towns achieving a recycling rate of 20% or better. In 2008, the Corporation gave back to municipalities 50% of the profits realized through the marketing of those recyclables processed at the MRF. Approximately $2.25 million was shared between 37 municipalities based on the total tonnage recycled by the community. The Town of North Kingstown received $101,121.00 for its recycling program for 3953 tons recycled. North Kingstown ended the previous fiscal year with a recycling rate of 34%, once again the best in the State. Recent changes in State law require each city/town to develop a Recycling Program Plan that will address the municipalities plan to reach the mandated minimum recycling rate of 35% and overall municipal solid waste diversion rate of 50% by July 1, 2012. This plan must address all sectors of recycling – residential, schools, municipal, and commercial. The Transfer

Station's composting operation continues to produce a high quality product, offered to residents at no cost, which is in demand throughout the year. Leaf and yard waste processed at this facility helps keep the town's disposal costs down and is included in the town's overall municipal solid waste diversion rate, which is currently at 47%.

Senior and Human Services

The Department of Senior and Human Services provides programs and services to older 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 2007-2008 is 1,927. 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 1,618 individuals participated in programs at the Senior Center.

General Programs

New programs included Digital Photography Class, a drama reenactment from our acting class about the Suffragettes, 'Reviving the Dead Ladies', co-sponsored by the North Kingstown Arts Council, a new exercise class, 'Mix It Up', a Tee Shirt painting class, an Italian Author's class and card making. We continued our collaboration with the Feinstein Center for Hunger Free America, and our knitting project which provides lap robes and afghans to Hospice. 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, ECIF (Exercise Can Improve Flexibility), Intermediate Fitness, Dancersize, 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. Please refer to the monthly newsletter for a complete listing of all programs offered at the senior center. The senior center participates in 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.

Health Programs and Services

Health Wellness programming continues to expand with use of our Health Room for nursing and other health services. South County Hospital, Rhode Island College Student Nursing Program and Visiting Nurse Services each offer bi-monthly health clinics including individual health counseling, blood pressure checks, and cholesterol and glucose screenings. Health Programs offered this past year include the following: A Good Night Sleep, Ask the Doctor, Guided Imagery for Relaxation, Living Well RI, Maintain Your Brain, the Mind-Body Connection, Options in Elder Care, Shingles Presentation and vaccination program, and a Women's and Infant's Health Program.

Participants continue to use the 'Telemedicine' machine to monitor their vital signs and manage their weight which leads to improved health and wellness. This equipment makes it possible for participants to self-monitor blood pressure, weight, pulse, and respirations with a report given to individuals by our nurse at the monthly clinic. Our Flu Clinic held in October was well received with 698 people receiving flu shots. Volunteers pre-registered every individual to minimize wait times.

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.

Trips
Trips organized through the senior center during this time period were: Waterfire, Newport Playhouse (3), Theatre by the Sea (3), Rhode Island College production of 'Damn Yankees', Camelot, Boston Duck Tour, Pawsox baseball, Nutcracker Ballet, Vermont Foliage Tour, Newport Cruise and Luncheon, The Producers, Swan Lake Ballet, David Copperfield, Providence Performing Arts (2), Trinity, West Valley Inn, the Flower Show, and Tanglewood.

Volunteerism
The senior center also offers extensive volunteer opportunities both at the senior center and in the community through collaboration with Seniors Helping Others (SHO), a Retired and Senior Volunteer Program. At our Volunteer Recognition Program held last April we recognized 200 plus volunteers who contributed over 9,842 hours of volunteer service. Volunteer of the Year was Hazel Pilon, Leader of the Swingers, musical volunteers who entertain at nursing homes throughout the state.

Intergenerational Programs
The senior center has ongoing intergenerational programs involving youth and older adults. The Special Friends Program involves students from Wickford Middle School who volunteer at the senior center and socialize with seniors through games and volunteer activities. We also invite students of all ages to perform musical and related programs throughout the year. In addition, we developed a cooperative relationship with LINKS, Laymen in North Kingstown Schools, offering opportunities for seniors to volunteer in the North Kingstown school system.

Transportation
Transportation services made 7,675 calls, assisting 185 seniors. We provide transportation to three older adults in wheelchairs. RIDE, RIPTA's state transportation for seniors and people with disabilities, provided 39 older adults transportation to the senior center. In addition, RIDE currently provides North Kingstown residents transportation to adult day care and out of town medical appointments. Volunteer organizations such as FISH and Seniors Helping Others supplement the state services for out of town medical needs whenever necessary. Shopping trips to local supermarkets and plazas increased and continues to be an essential service that makes it possible for elders to maintain their independence in a community setting. In addition, we provide transportation to banks, the library, post office, hair dressers and pharmacies.

Nutrition Program
A total of 15,708 meals were served through our federal meals program. Meals on site at our Sea Breeze Dining room served 8,728 meals to a total of 341 individuals. Meals on Wheels served 71 homebound seniors with 6,980 meals. Meals on Wheels are delivered Monday through Friday by over 40 volunteers to an average of 45 homebound elders each day.

Social and Human Services

We maintain separate statistics for our senior clients and the population we serve under the age of 60. The Social Service office served 748 seniors, including 108 SHIP (Senior Health Insurance Program) clients, as well as providing 53 home visits. Health issues, financial difficulties, and the increasing cost of living generated the most contacts.

The population under the age of sixty serviced was a total of 50 families with issues such as utility shut offs, funding to prevent eviction, or emergency heating needs. Other agencies, particularly the Salvation Army Chapter in North Kingstown and state office, also support families in crisis in North Kingstown. Although not funded by the town, nor run by this office, the NK Food Pantry served 625 families consisting of 1,052 adults and 1,044 children during 2007. A combination of agencies was responsible for providing Thanksgiving dinner to 73 families, a total of 273 adults and 231 children were provided food for Thanksgiving. Ten hot meals were delivered to single individuals and the remaining families were provided food by the NK Food Pantry.

Christmas again was a combination of agencies working together to provide food and gifts for those in need residing in North Kingstown. The holiday event was organized and managed by the social service staff and

volunteers. Toys were provided to 162 children. These donated toys came from individual donors and the North Kingstown High School Toy Drive. Food and/or gifts were provided to 205 families. St. Paul's Church provided food baskets with a week's worth of food to 100 persons. Gift certificates were made available by private donations, and the NK Food Pantry assisted where needed.

We continue working with families in crisis as well as referring them to other agencies and services so that assistance is never duplicated and plans can be put into place to prevent future crises. We are always developing new resources to assist residents in an emergency situation with town funds provided in the Human Services/Public Assistance budget.

The primary focus for this year 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. In the meantime we continue to implement as many of the program choices listed in our 2003 Interest Survey as possible.

Tax Assessment

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, pubic 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 07-08 the department issued 2,279 permits, Inspected 3,928 buildings, and took in $534,212.00 in permit fees. Town wide construction projects had an estimated value of $55,807,611.00.

North Kingstown School Department

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

Systems to improve parent and community involvement continued in this fiscal year. These systems provides for the continuation of school advisory councils at each of the schools in the district and 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.

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.

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 need. A program of modernization and upgrading of all facilities will be developed and implemented.

Water Department

Providing high quality and adequate quantity of drinking water is the paramount goal of the North Kingstown Department of Water Supply. The *North Kingstown Clean Water Infrastructure Replacement Plan* is scheduled to be updated this year. This plan provides an evaluation of all water system components, includes a schedule for replacement as well as a financial analysis so that funds can be set aside for scheduled replacements. This planning effort with also include the development of a geodatabase to begin to evaluate pipeline conditions and plan for pipeline replacement. In the interest of meeting seasonal demands, design and engineering for a new Pressure Reducing Valve is planned so that treated water can be moved from the Slocum High Service Area into the Low Service Area. Our water storage tank improvement project will move forward with the clean up of lead contaminated soils at the Forge Road tank site, followed by much needed improvements to this standpipe. The bidding process for the replacement of the Juniper Hill standpipe is about to be initiated concurrently with the clean up of soils at this site. In addition the Department intends to develop design plans and specifications for emergency generators at key facilities. The Water Department is in the process of updated our water system hydraulic model. This model is used to evaluate whether the water system is capable of supplying water at adequate pressure and volume to sustain development. We are working with the Department of Planning and Development to determine if municipal water is available to meet projected demand under build out conditions.

Police Department

The installation of a video surveillance system to monitor some of the town's infrastructure has been completed and in service. The installation addresses several initiatives, including:

- A core storage and retrieval system at police headquarters
- Deployment and operation of cameras at the police communications tower, Town Hall and the Town Hall Annex.

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

The Police Department received and installed nineteen (19) 800 MHz portable radios and other related equipment for our police vehicles. The equipment addresses the need of radio interoperability statewide. The purchase was possible with assistance from the Edward Byrne Memorial Grant Program offered through The Rhode Island Justice Commission.

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 has provided all sworn police personnel with bullet resistant vests from First Choice Armor, a product that meets the standards of the National Institute of Justice – Threat Level II. The purchase of this equipment was made possible with a 50% match from the Bulletproof Vest Partnership, offered through the U.S. Department of Justice.

The telephone communications equipment of the police and fire departments was replaced with the Cisco / Call Manager 6.1 phone system (VOIP). As a result of the upgraded phone system it required further upgrade and

replacement of the Emergency Recorder System utilized to record all emergency communications coming into the Police and Fire Dispatch Center. The replacement equipment is the Eventide VR725. The equipment records the incoming telephone calls to Police and Fire on the identified emergency lines. In addition it provides for the instant recall and storage of telephone and radio communications to both police and fire dispatchers – assuring quality customer service. The upgrade to the communications system is expected to address current and anticipated growth to police and fire communications.

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 2008. The Plan is currently under review by the State Department of Administration. 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. As a part of the Comprehensive Plan implementation program, the Planning Commission and Town Council adopted new zoning and subdivision regulations that allow for Conservation Development, affordable housing development, open space preservation through transfer of development rights, and redevelopment of the Post Road Corridor.

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 focus has moved to the 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 in a discussion of a study of potential additional 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 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 400 acres of farm, forest, and open space in the near future.

The Planning Department will continue to work with the RIQDC to coordinate review of services, facilitate business development and 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 and the Town and the QDC are in the process of implementing those Plans and will continue to do so in the future.

Regional efforts will continue to be a component of the work of the Planning Department. The 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 assessing the potential for Transit Oriented Development in Washington County. The study will focus on North Kingstown and neighboring Exeter as prototypes for these 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; 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 have been working extensively with the QDC towards gaining access to the Quonset sewage treatment facility and the creation of a sewer district for the Post Road Corridor. In the Wickford harbor area, the 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 to allow for different types of alternative energy use throughout Town, such as the recently adopted zoning language that will allow for windmills in certain zoning districts.

Information Services Department

In fiscal year 2009 the IS department will continue its mission to bring to the table technological advances and innovations, to automate citizen facing processes and to empower North Kingstown employees and constituency.

During fiscal year 2009 new internet facing portals will be made available via our website www.northkingstown.org. Online, over the counter, and IVR (Interactive Voice Response) systems will be implemented for water bill, motor vehicle tax, real estate tax, and personal property tax payments. This system will allow for credit card, debit card and e-check payment methods. An online complaint tracking portal will be implemented to work in conjunction with the permit tracking system to allow residents to more effectively interface with the Building Official. An online recreation portal will be created to streamline the Recreation Department. This portal will allow for residents to sign up, and pay for activities and facility rentals all online. In turn this portal will reduce staffing requirements, empower the citizens, and increases citizen satisfaction.

Public Safety technology will continue to move forward in fiscal year 2009. The Police Department will have a new database/data storage server installed to replace the existing antiquated server, which has reached capacity and lifecycle. A new domain controller will also be implemented at Police. This will provide redundancy for directory services within the domain, and strategic placement for the future decommissioning of the existing domain controller. As a second phase to the Public Safety VoIP (Voice over IP) system, a new digital voice recording system will be implemented to replace the existing analog PBX (Private Branch Exchange). The recorder and voice gateway will be installed to record Police and Fire RF frequencies and dispatch lines, to provide a digital on demand/archiving solution to save and access these recordings. New Public Safety IP traffic cameras will be installed on Boston Neck Rd. and Brown St. to allow for real time monitoring of these locations. The new Public Safety Complex will be under construction in fiscal year 2009 and IS will be working on a multitude of assignments for this project. The IS department will relocate the Fire administration office to the Town Hall Annex, so they can remain open and accessible during construction. All data, radio, telecommunications, fire alarm, generator, electrical, conduits, fiber, and projected outage times will all be collaborated through Information Services in conjunction with Police, Fire and DPW.

The North Kingstown Free Library, in efforts to consolidate services will be integrated into the town VoIP phone system. This will allow for NKFL to replace their costly and antiquated PBX system and move to a digital platform, all for minimal cost. The North Kingstown Municipal Golf Course will look to be integrated into the town's data network. This will allow for streamlined data and telecommunications services for NKGC.

In fiscal year 2009 Information Services will implement two new systems for the Town Clerk's office. Municipal Court and Probate Court tracking systems will be released in fiscal year 2009. Two new audio PA systems will also be installed in the meeting room at the Senior Center and Town Hall.

Working with the Town Manager and Audit Committee a web and telephone based Whistleblower system will be released for both the town and school department. Town Information Services will be the implementation lead and provide the application's administrative services and technical support for both the town and school.

In fiscal year 2009 the School Departments Universal Chart of Account migration will take place in the MUNIS system. Town IS will be the technical lead on this project, providing technical support for the entire conversion.

The Town's Geographical Information Systems (GIS) will continue to build its data warehouse by working with departments to create zoning, public safety, and hydro layers. Information Services will empower the Engineering Division of Public Works by providing in depth training in GIS software suites. GPS units will be used in the field this fiscal year to create a comprehensive hydrant, evacuation sign, and water infrastructure layers for more accurate mapping and tracking of these resources. This will allow for a more accurate and streamlined tax cut, mapping and analysis process. Online plat maps will be made available via the town's website for download. Information Services will work with the GIS user forum that consists of representatives from Planning, Assessors, Code Enforcement, Engineering, and Water on a digital submission policy and updated and accurate zoning data.

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 a flexible, long-range staffing plan that flattens the staff hierarchy, controls rising personnel costs, and empowers the staff to carry out a 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; by increasing our commitment to preserving and promoting the library's unique collection that documents North Kingstown's rich history; and by responding to the changing needs of our users with regard to collections and services.

Public Works

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

The department has many projects scheduled for the upcoming year. It will oversee the Allen Harbor Marina bulkhead replacement, the final phase of the Main Street Improvement project, Mt. View beach restoration, improvements to the Public Safety buildings, construction of the new Senior Center and beach complex improvements, and the Golf Course Irrigation project. Public Works will be responsible for the maintenance of the Calf Pasture recreational area that will be opening for public use in 2009.

Public Works continues to strive to promote maximum recycling and reduce the amount of solid waste generated in North Kingstown working to achieve the target 50% overall solid waste diversion rate set by the General Assembly. To that end, the Town of North Kingstown continues to shine with its Maximum Recycling Program, as it shares the highest recycling rate (34%) of recyclables to solid waste in the state with Middletown. The General Assembly recently passed legislation that banned all electronic waste from the Central Landfill in Johnston. In January 2008, the Electronic Waste Prevention, Reuse, and Recycling Act was amended to place greater responsibility for disposal on the manufacturers of this type of equipment and requiring RIRRC to provide a statewide program for collecting, transporting and recycling covered electronic products that would be funded by the manufacturers of these products. This statewide program must be in place by February 1, 2009. The town will work with RIRRC to provide e-waste disposal to town residents in compliance with this legislation.

The final phase of the improvement project for Main Street should be completed this year. The contract for the road and sidewalk work is anticipated for award in October 2008, with work to be completed by the summer of 2009.

Senior and Human Services Department

The groundbreaking for the new senior center and beach enhancements was held on September 16, 2008 with work beginning October 2008. The project is anticipated to be complete in September 2009. The Capital Campaign for one million dollars will extend over the next five years. Plans for the new senior center and beach enhancements are available for public viewing at the senior center

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 an evening and other programs.

We expect more requests for aid from families and elders in North Kingstown as the downturn in the economy challenges individual and family budgets. The high cost of heating fuel, gasoline, electricity and food will most certainly create an increased demand for assistance.

Tax Assessment

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

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

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

Code Enforcement

The Code Enforcement Department will continue to provide the best service possible to the public. In order to make the process easier we have initiated internet access to the permit application process. This allows homeowners and contractors a quick way to get the application started. In addition we have provided an internet link to this office for registering complaints regarding zoning issues, certain town ordinances, and all mandated codes. Both of these internet programs are in their infancy and require adjustments and modifications. We will continue to improve internet access and information retrieval going forward.

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 Town is constructing an addition to the Public Safety Building including a new dispatch center and emergency operations center and is expected to be completed in 2009. Construction of the new fire station for the Slocum area of town has begun and is scheduled to open by December 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.

Water Department

Discussions over the past year regarding potential State regulations including streamflow standards, water allocation and water conservation will likely have an impact on the Water Departments future initiatives. This focus on reducing water demand and the associated environmental impacts. Maintaining distribution system infrastructure is an important Department initiative. The Department will refine our efforts to evaluate the condition of existing water mains to plan for upgrade and replacement. We are currently developing a comprehensive leak detection program that will help both to reduce non-account water and identify water mains that may need rehabilitation or replacement.

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.

Police Department

2008 began the construction of the Police and Fire Department addition, which is approximately 5,100 gross square feet and will be located between the existing buildings. The addition is based upon a design submitted by Edward Rowse Architects. 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 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.

ACCOMPLISHMENTS

Planning and Development

The Planning Department prepared multiple successful grant applications over the past year. These grants included:

- Yorktown Park project improvement grant in the amount of $123,814
- Coastal and Estuarine Lands Program grant in the amount of $750,000
- 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 creation of a Transfer of Development Rights Ordinance
- 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

- In prior years, 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 $500,000 grant. The award was 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.
- 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.
- A grant 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.

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

Information Services Department

The Town of North Kingstown's Department of Information Services continued its mission to provide innovative and pioneering technological opportunities to all municipal departments and North Kingstown constituency during fiscal year 2008.

The IS Department was the proud recipient of many industry accolades this year. North Kingstown received the Public Technology Institutes 2007-2008 Technology Services award for Web Services, for providing a streamlined and open government. This recognized North Kingstown's efforts to provide and open government by providing the latest web services to its constituency. North Kingstown was also recognized through press releases and media outreach for it "Green" technology initiatives by various industry leaders, like Dell, Forbes, Reuters and Computer Weekly.

During fiscal year 2008 a Citizen Relationship Management (CRM) system was implemented to create a hub or single point of contact for non-emergency services. Citizens can now place requests for services via this portal. Fifteen citizen facing and internal request are currently live on this web based system. As part of the eGov CRM (Citizen Relationship Management) initiative, an online document repository and interactive calendar will be added to the town website. This document repository creates a central location for residents to download and print forms, applications, minutes and agendas from all town departments, boards and commissions. The town has now begun to take advantage of the opportunity to consolidate our points of contact, in turn saving significant operational costs. This system empowers citizens with self service information, and increases citizen satisfaction.

A data and email archiving system was installed to conform to the December 2006 amendments to the Federal Rules of Civil Procedure, more specifically the Electronic Discovery Rules. This also aligned with the Town Councils request of emails being saved as record of business.

A new file, print and DC server was installed at the Department of Public Works. All data, databases, printers and services were migrated from the aged and failing server.

In Fiscal Year 2008 the IS Department teamed with hardware vendors like DELL to create an Energy Smart initiative. With all of the power issues we have faced, not only have we worked with RISE Engineering on 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. North Kingstown teamed with DELL on an initiative to create an Energy Smart "Green" datacenter. North Kingstown currently has 60% of servers and 75 % of PCs running in Energy Smart configurations. Total potential energy savings for this project is approximately twenty one thousand dollars per year.

Consolidation of services was also on the forefront of IS initiatives. Information Services extended 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. The North Kingstown Free Library infrastructure was upgraded by IS to a new server and email system.

In preparation for the new Public Safety facility and their need for a new phone system, IS upgraded the current municipal Voice over IP System to allow for the redundancy, flexibility and the needed capacity to consolidate the Public Safety complex into the municipal phone system scheme.

Information Services also met with data/telecommunications service providers to reconfigure the monthly leased line costs for the town, in efforts to save on reoccurring costs. After reconfiguring the tariff prices on two 92) T1 and two (2) PRI circuits, the total savings realized for North Kingstown is approximately eighteen thousand dollars a year.

IS replaced the antiquated analog PBX phone system at Public Safety and consolidated them into the town's existing digital Voice over Internet Protocol (VoIP) system. VoIP will afford Police and Fire with many of the modern and unified technologies needed for swift and efficient communications required in a Public Safety environment.

The last phase of consolidating all municipal email servers into one was completed. Previously there were three email serves servicing Police Fire, and municipal departments. By consolidating these servers into one will save tens of thousands of dollars in licensing and hardware costs.

The Fire Departments CAD system and data were migrated to a new platform so the existing, end of life server could be decommissioned. Laptops, mobile broadband cards, software and vehicle mountings were purchased and configured to create a mobile and connected Fire Department. Not unlike the Police Department, Fire is now able to connect to its Dispatch and EMS applications from their EMS vehicles. The Fire Department of Training, on Oak Hill Rd. was added to the municipal network providing email, data and internet access to this location.

A video streaming service was 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 was and still is the forefront of. North Kingstown is currently streaming Town Council, School Committee, Planning Commission and Audit Committee meetings.

A 50 workstation rollout was 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, Police, Fire and Public Works Departments all benefited from this rollout.

The Town's Geographical Information Systems (GIS) continued to build its data warehouse by creating layers such as Private Roads, Water Service Pipeline (Low, High and Slocum), Water Pressure Zones (Low, Slocum, Saunderstown), Meter Pits, Storage tanks, Census Zones, Police Patrol Areas, Quonset Water Supply Area, Boat Ramps, Bike Paths, and Historic Sites. An Internet Mapping Server http://gis.northkingstown.org was also released via our website as a service in fiscal year 2008. This service offers North Kingstown website users the ability to create their own interactive maps, abutters list, mailing labels and printed documents all online.

Library

There were many accomplishments of note in the fiscal year just ended. We saw a 5% increase in attendance at the library and an absolute explosion (18% increase) in loaning our materials through the Ocean State Libraries cooperative system. The state grant-in-aid program was level-funded for another year in a row, but not cut—the only local aid program that saw no cut. The boiler was replaced; the HVAC units in the meeting room were replaced; and we weathered a near-disaster when one of the heating and cooling pipes broke during the January heating season.

The Town Council generously provided funding to help the library continue Sunday hours in FY 2008-09. And the local budget process was successful in that the library was able to deliver a responsible budget request to the Town that stayed within locally mandated expenditure caps and the state tax levy cap. 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 holding regular directors' meetings and for the first time in a number of years by holding a joint meeting with representatives of all three Boards of Trustees. 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 continue to work closely with the town's Public Works Facilities crew to maintain the building and grounds and have forged a good working relationship 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 continue to fulfill this important function in-house rather than paying outside contractors.

Public Works

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

The first 2 phases of the Main Street portion of the Wickford Village Improvement project were completed this year, which included the replacement of the gas main on Main Street and the contract work for the installation of a new water main and storm water drainage improvements, awarded to A. DiFazio Construction, Inc., along Main Street. The department is looking forward to the road and sidewalk construction being completed by summer 2009.

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

The department continues implementation of the Town's Storm Water Management Plan and has completed several significant drainage projects, improving storm water quality at River Road and Walmsley Lane.

The department continues to work diligently to promote maximum recycling, reducing the amount of solid waste generated in North Kingstown. Currently, 47% of all waste generated in North Kingstown is being diverted from the landfill, close to meeting the mandated 50% diversion rate by July 1, 2012. The Town of North Kingstown continues to participate in Rhode Island Resource Recovery's Maximum Recycling Program and once again

achieved the highest recycling rate of participating cities and towns in the State at 34%. The Town is looking to improve its diversion rate when it launches the e-waste recycling program in early 2009.

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 department has purchased two new fire pumpers, a new command vehicle and a reserve rescue. Finally the department responded to 5580 requests for service including 2433 requests for emergency medical services.

Water Department

Construction of a new well that will provide redundancy and flexibility in supplying water during times of high demand has recently been completed. The replacement of some of the oldest water main in the system was completed with the upgrades to Main St. in Wickford. The design plans for the replacement of the Juniper Hill Standpipe and plans for improvements to the Forge Road and Saunderstown standpipes have been finalized along with the plans for cleaning up lead contaminated soils at the storage tank sites. A contract for the clean-up at the Forge Rd location was recently awarded. We anticipate that once the clean up is complete, improvements to that standpipe can move forward. North Kingstown's updated Water Supply System Management Plan was approved by the State Water Resources Board. Upcoming initiatives include an update of our Clean Water Infrastructure Replacement Plan, as well as an update to the water system hydraulic model. Both will aide us in ensuring that safe drinking water is available for the future. 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.

North Kingstown Water continues our effort to provide information to customers on maintaining landscapes for clean water and encouraging water conservation practices. As part of this water use efficiency/conservation effort, the Town Council adopted a revised water rate structure that incorporates inclining block rates. 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.

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 School Resource Officers, one for 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 5th 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.

The North Kingstown Police Department in conjunction with The North Kingstown Working Together for Wellness Taskforce has partnered to address underage drinking in the Town of North Kingstown. This program and related police patrol activity were made possible through a grant application known as Strategic Prevention Framework-State Incentive Grant (SPF-SIG) Program. Our police officers will be encouraged to search and locate any and all underage drinking events and make all the appropriate arrests, notifications, detentions and evaluations during such events. Officers will be proactive and comply with all of the Rhode Island General Laws and Town ordinances in regards to underage drinking and substance abuse. Together the North Kingstown Police Department and Working Together for Wellness Taskforce are committed to reducing and deterring substance abuse by underage persons in North Kingstown.

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

- The important Harbor Management Plan continues to get closer to final CRMC approval. Work continued this year by harbormaster, planning department and Harbor Management Commission to tie up loose ends. The Town Council approved changes to Plan and Harbor Ordinances in November.
- The Harbor Division logged over 800 hours of patrolling and assistance during the season. Diligent maintenance continues to extend the useful life of our equipment beyond industry expectations.
- The Harbormaster continues with the responsibility of customer placement and collections for Allen Harbor Marina. High turnover continues to be an issue. The marina was completely filled in 2008 by persistent efforts, with higher than expected revenues. The harbormaster has continued a dialog with Leisure Services Committee to improve the process of fair and responsible placement and collections.
- The Harbormaster conducted mooring fees surveys of other waterfront towns and recommended a mooring and docking fee increase for 2009. The Town Council approved the increase with an expected increase in revenues of approximately $42,000.
- Harbor Division received numerous letters of appreciation from boaters who were assisted in the course of our duties.
- The third season concluded without a single complaint related to speeding vessels and wakes in the vicinity of Wickford Shipyard, and Greens River (previously our biggest problem).
- Worked with DEM, CRMC and others to obtain an emergency dredge permit for Allen Harbor. The dredging was completed within the dredge window and assured that Allen Harbor Marina could remain open in 2008.
- Ongoing work with engineer and Town to secure six year maintenance dredge permit that will preserve the Allen Harbor Entrance channel.
- The Harbormaster continues to provide liaison and services to Harbor Management Commission, Leisure Services Committee, USCG Law Enforcement Division, MSO Port Security and Safety Committees and others.

Our website (www.nkpolice.org) continues to be a source of public information and now attracts an average of 65 unique visitors per day and 7-8000 page "hits" per month. The information includes a listing of local, state, and federal Level III sex offenders; daily police logs and press releases. It provides for the download 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 website is maintained by Mark Knapp, North Kingstown Harbormaster.

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. Except for cash in certain restricted and special revenues funds, the Town of North Kingstown operates a "pooled" cash account and reserve balances from all funds in order to maximize investment earnings and to increase efficiencies with regards to investment pricing, safekeeping and administration. As investment income is earned, it is allocated proportionately to the various funds within the "pooled" cash account based on their respective participation and in accordance with generally accepted accounting principles.

The Town of North Kingstown invests their operating funds primarily in shorter-term securities, money market, or similar investment pools to meet cash requirements to minimize the needs to sell securities on the open market prior to maturity. The liquidity of investments is sufficient enough to meet the operating requirements which are reasonably anticipated by structuring the portfolio so that securities mature concurrently with cash needs.

The "prudent person" standard is utilized in North Kingstown when it applies to investments. The controller exercises discretion, good judgment and intelligence when making investment decisions on behalf of the Town. One considers the probable safety of their assets as well as the probable income to be derived as if they were investing their own personal affairs.

Rhode Island law restricts investments of municipal funds beyond 60 days without full collateralization and, as such, has limited investing in CD's when the money market accounts, with higher rates became available. Investment of CD's requires us to invest for a specific term and there are severe penalties if they are "called in" prior to their maturity date. As well, CD's are not collateralized beyond the $100,000 FDIC insurance at each bank.

RISK MANAGEMENT:

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 oversee the safety program and assure compliance with OSHA regulations relative to 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 119 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 in June 2004, the Governmental Accounting Standards Board (GASB) issued Statement #45, entitled "Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions". Retiree medical plans will be required to disclose information about asset and liability levels and disclose historical contribution information. Actuarial valuations will be required to determine liability levels and show historical contribution information.

The Statement requires an implementation date of FY 2009 and allows for the amortization of the unfunded liability over a 30-year period. Based on an actuarial study conducted in FY 2008, it was estimated that the Town's OPEB liability was approximately $20 to $29 million depending on our funding options.

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.

DEBT ADMINISTRATION:

The Town issued two General Obligation Bonds during FY 2008. The first bond was issued in July, 2007, for 20 years, maturing in July, 2027. This Bond was approved by the voters in November, 2006 and was issued for $4M and was used for the Acquisition of Development Rights to Farmland and/or Other Real Estate and/or Development Rights. The second bond was issued in August, 2007, for 20 years, maturing in August, 2027. This Bond was approved by the voters in November, 2004 for $9M and was issued through Rhode Island Health, Education and Building Corporation, for $7M to be utilized to Finance Septic Systems and Other Repairs

and Renovations and/or Related Equipment at the Davisville, Fishing Cove and/or Forest Park Elementary Schools and/or the Wickford Middle School.

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

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

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, 2007. 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 eight (8) consecutive years (FYE 2000 through FYE 2007). 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.

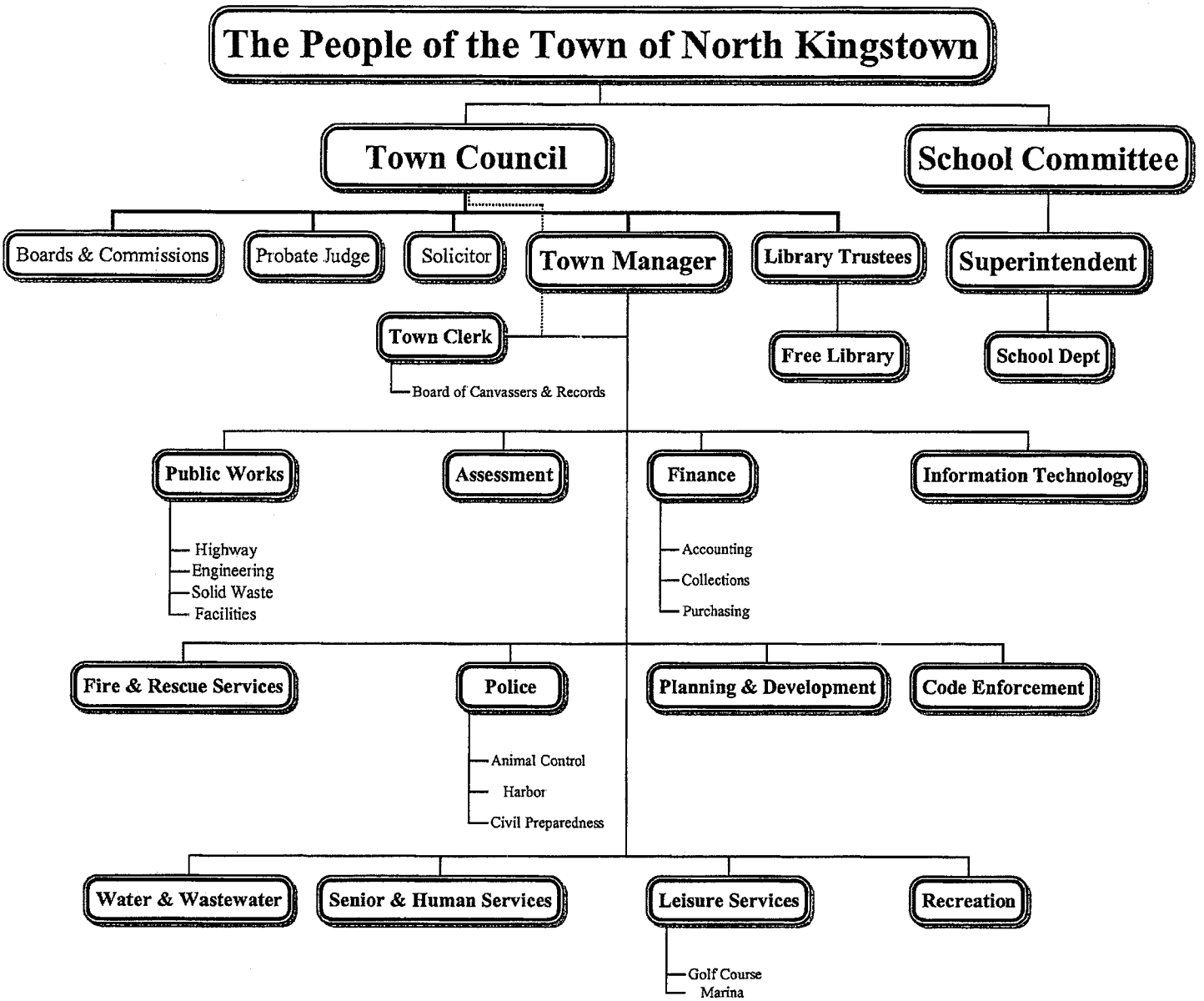
Also, for the eleventh year, the GFOA presented an Award for Distinguished Budget Presentation to the Town of North Kingstown for its annual budget, the FYE 2009 Adopted Budget. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy 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 Jeanna Krukowski, Controller.

Sincerely,

Patricia A. Sunderland

Patricia A. Sunderland
Finance Director


The People of the Town of North Kingstown
Town Council
School Committee
Boards & Commissions
Probate Judge
Solicitor
Town Manager
Library Trustees
Superintendent
Town Clerk
Board of Canvassers & Records
Free Library
School Dept
Public Works
Assessment
Finance
Information Technology
Highway
Engineering
Solid Waste
Facilities
Accounting
Collections
Purchasing
Fire & Rescue Services
Police
Planning & Development
Code Enforcement
Animal Control
Harbor
Civil Preparedness
Water & Wastewater
Senior & Human Services
Leisure Services
Recreation
Golf Course
Marina

TOWN OF NORTH KINGSTOWN

AS OF JUNE 30, 2008

TOWN COUNCIL

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

SCHOOL COMMITTEE

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

TOWN MANAGER	MICHAEL E. EMBURY
TOWN SOLICITOR	JAMES H. REILLY
TOWN CLERK	JAMES D. MARQUES
DEPUTY TOWN CLERK	JEANNETTE HOLLOWAY
ASSESSOR	LINDA CWIEK
DIRECTOR OF FINANCE	PATRICIA A. SUNDERLAND
CONTROLLER	JEANNA KRUKOWSKI
DIRECTOR OF PUBLIC WORKS	PHILIPPE BERGERON
TOWN ENGINEER	DENNIS BROWCHUK
DIRECTOR OF RECREATION	ALLEN SOUTHWICK
DIRECTOR OF PLANNING	JONATHAN J. REINER
POLICE CHIEF	EDWARD A. CHARBONEAU
FIRE CHIEF	DAVID MURRAY
BUILDING OFFICIAL	GARY TEDESCHI
DIRECTOR OF WATER SUPPLY	SUSAN LICARDI
HIGHWAY SUPERINTENDENT	JOEL ROCHA
DIRECTOR OF SENIOR/HUMAN SERVICES	KATHLEEN M. CARLAND
ANIMAL WARDEN	MARY E. MACLAUGHLIN
HARBOR MASTER	MARK KNAPP
TOWN SARGEANT	BRUCE RENNER
LIBRARY DIRECTOR	SUSAN AYLWARD
MIS DIRECTOR	JASON ALBUQUERQUE
INTERIM SCHOOL SUPERINTENDENT	PHILIP THORNTON

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, 2007

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

Braver PC
Accountants & Advisors

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, 2008, 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, 2008, 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 December 16, 2008 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 56 through 61 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of North Kingstown, Rhode Island's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules for nonmajor funds and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The 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
December 16, 2008

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, 2008 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 $67.7 million (net assets). Of this amount, $25.6 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 $443,000, a decrease of $2.4 million from the prior year's net asset change. The decrease in revenues is consistent with the economic conditions we are experiencing in departmental revenues of approximately $105,000, approximately $300,000 less of investment earnings and $200,000 less appropriation of undesignated fund balance.
- Revenues for Business type activities exceeded spending by approximately $776,500 for fiscal year 2008 and spending increased by approximately $900,000 over fiscal year 2007. This increase is mainly attributed to contractual obligations and rate increases in utility costs.
- As of the close of the current fiscal year, the Town of North Kingstown's governmental funds reported combined ending fund balances of $22.4 million. Approximately 81% of this total, $18.0 million, is available for spending at the government's discretion (unreserved fund balance). On July 23, 2007 the Town Council adopted an undesignated fund balance policy which states that the Town shall maintain a minimum unreserved undesignated fund balance of 10% of the current period's total budgeted expenditures for all Town funds. The unreserved undesignated fund balance does not include reservations of fund balance for the payment of encumbrances nor designations for the purposes that are allowed under generally accepted accounting principles. The 2009 budget did not include an appropriation from the undesignated fund balance as previously had been the process to balance prior year's budgets.
- At the end of the current fiscal year, the unreserved, undesignated fund balance for the general fund was $8.6 million, or 36.5% of total general fund expenditures on a budgetary basis.
- The Town of North Kingstown's Debt Service Fund increased by $107,030 during the current fiscal year. This was mainly due to increases ($335,286) in the interest amounts due on bonds for general government obligation debt and school debt. These two bonds were issued in July and August, thus were not budgeted.

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 1999 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, in accordance with Statement No. 34, 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 governmental 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 government-wide financial statements (statement of net assets and statement of activities) can be found on pages 12-13 of this report.

Fund Financial Statements – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of North Kingstown, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into 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, $4M Farmland Open Space Fund and $4.5M Public Safety Facilities Fund, which are considered to be major funds. Forty-four special revenue funds, School Department funds, a Debt Service Fund, a Capital Projects Fund, and several Permanent Funds are combined into aggregate funds in this presentation. Individual fund data for each of these 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 provide 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 19–21 of this report.

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

Notes to the Financial Statements: The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the Government-wide and Fund Financial Statements. The Notes to the Financial Statements can be found on Pages 24 to 55 of this report.

Other Information: The Combining Statements referred to earlier in connection with non-major Governmental Funds are presented following the Notes to the Financial Statements. Combining and Individual Fund Statements can be found starting on pages 62 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 $67.7 on June 30, 2008.

Table 1 – Net Assets

	Governmental Activities		Business-Type Activities		Total		Total Percent Change
	2008	2007	2008	2007	2008	2007	2008-2007
Current Assets	$ 31,209,667	$ 27,970,675	$ 8,146,318	$ 8,555,091	$ 39,355,985	$ 36,525,766	
Non-current Assets	93,475,974	89,042,322	5,601,592	5,422,835	99,077,566	94,465,157	
Total Assets	124,685,641	117,012,997	13,747,910	13,977,926	138,433,551	130,990,923	6%
Current Liabilities (payable from current assets)	8,253,716	9,071,887	700,344	971,234	8,954,060	10,043,121	
Non-current Liabilities	48,735,841	41,247,865	424,077	444,591	49,159,918	41,692,456	
Total Liabilities	56,989,557	50,319,752	1,124,421	1,415,825	58,113,978	51,735,577	12%
Net Assets invested in capital assets, net of related debt	41,954,816	45,665,960	5,263,868	5,054,302	47,218,684	50,720,262	
Net Assets - restricted	95,607	94,451	-	-	95,607	94,451	
Net Assets - unrestricted	25,645,661	21,499,526	7,359,621	7,507,799	33,005,282	29,007,325	
Total Net Assets	$ 67,696,084	$ 67,259,937	$ 12,623,489	$12,562,101	$ 80,319,573	$ 79,822,038	1%

The largest portion of the Town of North Kingstown's net assets (62%) 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.

The unrestricted net assets ($25.6) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Town of North Kingstown is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its business type activities.

The total net assets of the Town's business type activities increased by approximately $61,400. The Water System's usage rates generated operating revenues in excess of $419,000 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 $1,430,000 for storage tank design and standpipe improvements, lead abatement programs, upgrades for highway/bridge and new well #11. The Town's Municipal Golf Course and Marina operations unrestricted net assets increased by approximately $171,733 due to operational expenses and transfers to the General Fund, Recreation program that exceeded revenues.

Table 2
Changes in Net Assets (in millions)

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2008	2007	2008	2007	2008	2007	2008-2007
Program Revenues							
Charges for Services	$ 5.8	$ 5.6	$ 6.0	$ 5.9	$ 11.8	$ 11.5	3%
Operating Grants & Contributions	18.9	18.5	0.4	0.3	19.3	18.8	3%
General Revenues:							
Property Taxes	61.2	59.4	-	-	61.2	59.4	3%
Investment Earnings	1.4	1.6	0.3	0.3	1.7	1.9	-11%
Intergovernmental Revenue	5.9	5.5	-	-	5.9	5.5	7%
Miscellaneous & Other	0.6	0.6	-	-	0.6	0.6	0%
Total Program/General Revenues	93.8	91.2	5.9	7.1	100.5	97.7	3%
Expenses:							
Governmental Activities	94.1	87.8			94.1	87.8	7%
Business-Type Activities:							
Water			3.0	2.1	3.0	2.1	43%
Quonset/Davisville Recreation			1.5	1.3	1.5	1.3	15%
School Cafeteria Fund			1.4	1.6	1.4	1.6	-13%
Total Gov't/Business Expenses	94.1	87.8	5.9	5.0	100.0	92.8	8%
Excess Before Transfers	(0.3)	3.4	(0.0)	2.1	0.5	4.9	-89%
Transfers	0.7	(0.7)	(0.7)	0.7			
Increase (Decrease) in Net Assets	0.4	2.7	(0.7)	2.8	(0.3)	5.5	-106%

Major revenue increases over the prior year included:

- A slight increase of $600,000 in Program Revenues was attributed by a slight increase in rates charged for services, approximately $200,000, such as Rental Revenue, Administrative Fees for Details, and Emergency Medical Billing services provided to all residents who are self-insured or for their "co-pay" obligations if they are insured. As well as an increase of approximately $500,000 for Operating Grants & Contributions for the School entity.

- Property tax revenues recorded for fiscal year 2008 increased due to an increase of 5.25% on the tax levy, maximum allowed under RIGL 3050. The Town's Levy rate increased from $56,991,563 to $59,586,154.

Approximately 65% of the revenues were derived from property taxes in order to fund the overall operating budget for the Town and School.

- Investment earnings fell off by approximately $200,000 due to the advance funding for the $4.5M Public Safety Bond and a decline in the interest rates. However, intergovernmental revenue had a slight increase over the prior year of approximately $400,000 which is mainly attributable to an increase in the motor vehicle phase out revenue from the state.

Governmental Activities

The Statement of Activities in Table 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.

For Governmental Activities, 59% of the Town's expenditures relate to Education, 19% relate to public safety, 6.5% relate to general government/services, 5.7% to public works, and the remainder to interest on long-term debt and other areas. The net cost of services increased by $5.9 million.

Major expenditure factors included:

- Increases in employee wages resulting from negotiated step and general wage increases. Public Safety increases were recognized in fire vehicle maintenance, rescue supplies, vehicle equipment purchases and typical contractual obligations. Police departmental increases were attributed mainly to contractual obligations as well as maintenance of the communications equipment, repair parts and vehicle replacement.

- Increases associated with the Town's contribution to the retirement, health insurance (active and retiree health).

- Increases in utility costs associated with heating town buildings and fueling town vehicles. Public Works increased their contribution to the Town Capital Reserve account by approximately $20,000 to fund infrastructure and future landfill closure projects.

- The cost of education services increased, due to negotiated wage settlements, utility costs and special education increases.

Table 3
Cost of Governmental Activities (millions of dollars)

	Total Cost of Services			Net Cost of Services		
	2008	2007	% Change	2008	2007	% Change
Education	60.4	58.4	3%	$ 40.7	$ 39.5	3%
General Government	7.0	6.7	4%	4.5	3.7	22%
Public Works	4.3	3.4	26%	3.2	2.3	39%
Public Safety	14.1	13.8	2%	13.1	12.8	2%
Public Libraries	1.3	1.4	-7%	1.3	1.4	-7%
Interest on long-term debt	2.2	1.8	22%	2.2	1.8	22%
Other	4.8	2.2	118%	4.5	2.1	114%
Total Expenses	$ 94.1	$ 87.7	0%	$ 69.5	$ 63.6	9%

The Town's major fund financial presentations 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's 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, reservation for golf course irrigation of $1.5M, however, there is no designation for fiscal year 2009, leaving an unreserved fund balance of $8,633,263 in the

General Fund and $495,659 in the School Unrestricted Fund. The General Fund increased slightly by 4%. The major change in the School Unrestricted Fund is that 2008 ended with reservations for encumbrances of $1,128,390 compared to $559,541 compared to the prior year. The School Unrestricted Fund has continued to reserve a portion of their fund balance to cover the accumulated deficit in the School Cafeteria fund until management assesses the direction of this enterprise fund. The fund balance of the non-major governmental funds increased due to the proceeds received for the $7M School Bond which was issued in July, 2007. Additionally, contributions were made to the Health Insurance Reserve fund and the Capital Reserve fund for future spending of capital "pay-as-we-go" projects as approved by the Asset Management Commission.

Major Governmental Funds	Beg Fund Balance 2008	Ending Fund Balance 2008	Change $	Change %
General Fund	$ 10,432,990	$10,817,979	$384,989	4%
School Unrestricted Fund	1,366,722	1,953,326	586,604	43%
	$11,799,712	$ 12,771,305	$971,593	8%
Other Governmental Funds	$ 4,324,136	$ 7,241,796	$1,917,660	36%

The proprietary funds of the town of North Kingstown report the same functions presented as business-type activities in the Government-wide Financial Statements, only in more detail. Separate information is provided for the Department of Water Supply and the Quonset/Davisville Recreation Fund which includes the Municipal Golf Course and the Allen Harbor Marina, both of which are considered major funds of the Town of North Kingstown.

Major Funds Proprietary	Beg Net Assets 2008	Ending Net Assets 2008	Change$	Change %
Water Fund	$8,841,932	$9,254,881	$412,949	5%
Q/D Recreation Fund	1,734,028	1,816,638	82,610	5%
	$10,575,960	$11,071,519	$495,559	5%

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. The General Fund is the chief operating fund of the Town. In November, 2007, the Town Manager had instituted a policy to hold non-discretionary spending for the remainder of the fiscal year thus the net result was a $270,482 savings in expenditures which reverted back to the General Fund's undesignated fund balance.

General Fund Expenditures and Transfers Out	Originally Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
General Government	$ 4,733,779	$ 4,614,729	$ 4,542,957	$ 71,772
Public Safety	13,863,857	14,016,759	13,886,785	129,974
Public Works	4,663,768	4,548,941	4,481,936	67,005
Recreation	278,686	294,834	297,060	(2,226)
Senior Citizens	340,079	340,079	333,187	6,892
Other	89,254	89,254	92,189	(2,935)
Total Expenditures	23,969,423	23,904,596	23,634,114	270,482
Transfers Out	46,740,623	46,805,450	46,805,450	-
Grand Total	$70,710,046	$70,710,046	$70,439,564	$ 270,482

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 $134,295.

Key factors in the total fund balance increase area as follows:

- During the FY 2008 budget development process, it was anticipated that $671,000 of fund balance would be needed to balance the budget, however, that amount was not required.

- Tax collections were under estimated by $9,204 due to a better than anticipated collection percentage for all current year taxes and prior year taxes of real estate and motor vehicle receivables.

- An additional $73,544 in Revenue from Investments or 8.7% over budget due to maintaining a healthy fund balance for investment earning while benefiting from a stabilized interest rate on returns.

- An additional $100,988 in Departmental revenues or 4% over budget. This is a direct reflection of an increase in admin. Fees for detail and rescue services provided.

- All of the revenues over budget helped offset a reduction of ($24,199) in state revenues/grants and reductions of ($87,003) in licenses & permits.

General Fund Revenues and Transfers In	Originally Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Difference
Property Tax	$ 61,178,662	$ 61,178,662	$ 61,187,866	$ 9,204
Intergovernmental	4,649,470	4,649,470	4,625,271	(24,199)
Licenses & Permits	569,332	569,332	482,329	(87,003)
Investment Income	850,000	850,000	923,544	73,544
Departmental	2,469,567	1,692,560	1,793,548	100,988
Other	20,000	20,000	81,761	61,761
Total Revenues	69,737,031	68,960,024	69,094,319	134,295
Transfers from fund balance	671,000	671,000	671,000	-
Transfers in	302,015	1,079,022	1,079,022	-
Total General Fund	$ 70,710,046	$ 70,710,046	$ 70,844,341	$ 134,295

Town uses a conservative approach when estimating tax dollar revenue to be generated. The collection rate was estimated at 98.0% while the actual collections achieved were 97.34% of the total levy. This estimate of $215,000 for abatement based upon the prior year's experience and what was known to be potential abatements at the time was considered while computing the tax rate, however, the total amount of abatements for the year was $260,750. 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 $65,837, an increase of approximately $27,594 from the previous year. FY 2008 was a revaluation year.

We are experiencing that our 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 decrease, mainly due to a reservation of fund balance for the golf course irrigation project which will be paid back over 10 years at 0% interest. The rate of return on our investments has fallen off. 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 $36,000. 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, a slight decrease in revenue received for the telephone tax by $3,500. Public Safety is realized a decrease of approximately $53,000 in state fines, we hope to stream line this process by the implementation of a Municipal Court during FY 2009. However, we are seeing an increase of $28,000 in revenues

received for rescue services provided by the Fire Department. Rental revenue exceeded budget by $40,000 for communication tower rental fees. Departmental revenues for the Public Works department is realizing a $70,000 decrease from 2007 mainly due to a decrease in Subdivision Inspections of $34,000, $17,000 in Municipal Tipping Fees at the transfer station as well as $12,000 decrease in the Residential tipping Fee and Transfer Station Bag Tags are down $10,000. Code Enforcement permits declined by approximately $100,000.

Outstanding Debt - The Town of North Kingstown had $49,702,276 in bonds outstanding at fiscal year-end, compared to $41,996,465 last year, an increase of $7,705,811. This increase was due to two new general obligation bonds which were issued in July, 2007 in the amount of $4 million for the acquisition of development rights to farmland, undeveloped land and/or open spaces and the preservation or restriction of use of farmland, undeveloped land and open spaces. The second bond was issued in August, 2007 in the amount of $7 million for school improvements.

The Town of North Kingstown continued to carry a Moody's rating of "Aaa" and a Standard & Poor's rating of "AAA" for general obligation debt. As of June 30, 2008, the Town has $14,140,000 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 total assessed value of the Town. The Town's debt limit calculation is shown on Page 35 in the Notes and Page 124 of this report.

Additional information on the Town of North Kingstown's long-term debt can be found in Note 6 Please refer to Pages 39 to 41.

Capital Assets – The Town of North Kingstown's investment in capital assets for its governmental activated as of June 30, 2008, amounts to $154,786,370. This investment in capital assets includes land, buildings and improvements, machinery and equipment, park facilities, roads and highways. The total increase in the Town of North Kingstown's investment in capital assets for the current fiscal year was approximately 6% mainly due to the school constructions projects and development right acquisitions.

Town of North Kingstown, RI
Capital Assets

	June 30, 2008	June 30, 2007
Library collections	3,191,228	3,091,872
Land	5,372,113	5,372,113
Development rights	15,533,362	14,129,387
Land improvements	132,230	132,230
Buildings and Improvements	52,983,051	47,948,202
Equipment	11,582,158	10,436,765
Infrastructure	64,807,242	63,691,618
Construction in Progress	1,184,986	1,884,052
Total	**154,786,370**	**146,686,239**

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

- Regarding school bonded projects, Life Safety Modifications were completed at Davisville Elementary, Forest Park and Fishing Cove Elementary and Wickford Middle School with the expenditure of $5,045,349. Additionally, Septic Systems upgrades at Davisville, Wickford Middle and Forest Park, totaling $655,328 and Window and Door Replacements at same four schools, totaling $729,269.

- Regarding open space bonded projects, the Town secured the development rights on the Delvecchio property for $1,403,975

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

Economic Factors and Next Year's Budgets and Rates:

- As of June 2008 the Town had an unemployment rate of 6.4% as compared to the State of Rhode Island's rate of 7.5%, and the national average of 6.4%.
- In 2007, the Town of North Kingstown had 1,057 private business and industrial firms subject to employment security taxes with yearly payrolls which totaled $524,480,984 and the average number of persons employed was 13,248 according to the most recent statistics.
- North Kingstown ranks thirteenth among thirty-nine cities and towns in Rhode Island in population, with 26,326 residents according to the 2000 U.S. Census. North Kingstown is the largest of nine communities in Washington County, having approximately 25% of the total county population.

The fiscal year 2008 Budget was adopted to include a tax rate decrease of $2.25 per thousand of assessed valuation. The Levy increased by approximately $2,992,000 or a 5.25% percent increase. The rate decreased from $15.55 to $13.30 which was a direction reflection of a town-wide revaluation of assessments as of December 31, 2006 where the assessed value increased from $3.6 billion to $4.4 billion. .

For fiscal year 2009, the budget was adopted to include a tax rate increase from $13.30 per thousand of assessed value to $13.83 per thousand. The levy increased by approximately $2.9 million or 5%. Gross residential **real estate** rose by $31,263,386. The **motor vehicle** portion of the tax roll rose from $132,469,353 to $140,388,865, up approximately 6%. As well as, **personal property** values rose 9%, from $91,344,430 to $99,656,000. The increase in personal property values is related to the development of Quonset Business Park.

The fiscal year 2008 rate of collection of current taxes was 97.33%. It is anticipated that the fiscal year 2009 rate of collection will be 97.72% while the rate used in the calculation of the tax rate allowed for a 97.5%. Based upon this, the current projection is that tax collections will be over estimated by approximately $33,000 for fiscal 2009. Additionally, it is projected that there will be revenues over estimate for FY2009 of $260,000 for delinquent taxes. The Town is anticipating a decrease in departmental revenues of approximately $70,000 due mainly to a decrease in town clerk recordings, however, anticipating as offset an increase in public safety revenues from town details and rescue services. We are anticipating a shortfall in investment earnings of approximately $250,000 directly related to the economic financial conditions and a decline in the rate of return on investments. The Town is also anticipating a decline in state revenues by approximately ($740,000) which remains unknown until the supplementary budget is made available. Thus, with the news of these revenue shortfalls, the Town Manager has instituted, again this year, a freeze on non-essential spending and a hiring freeze where applicable. All departments are reminded that prior approval is required to purchase equipment and supplies which are not of an emergency nature. We are hopeful that holding the line on the expenditure side of the budget will help offset all revenue reductions we are anticipating for fiscal year 2009.

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.

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TOWN OF NORTH KINGSTOWN

Statement of Net Assets
June 30, 2008

	Governmental Activities	Business-type Activities	Total	Component Unit North Kingstown Free Library
ASSETS:				
Current Assets:				
Cash and cash equivalents	$ 27,982,351	$ 7,501,162	$ 35,483,513	$ 194,911
Taxes receivable	1,546,923		1,546,923	
User charges receivables		658,847	658,847	
Other receivables	636,394	120,917	757,311	
Internal balances	336,061	(336,061)	-	
Inventory		201,453	201,453	
Due from federal and state governments	707,938		707,938	
Total Current Assets	31,209,667	8,146,318	39,355,985	194,911
Noncurrent Assets:				
Deferred Charges on bond refunding, net of amortization	1,591,356		1,591,356	
Bond issuance costs, net of amortization	227,526		227,526	
Capital assets:				
Non-depreciable	25,281,689	669,608	25,951,297	
Depreciable, net	66,375,403	4,931,984	71,307,387	
Total Noncurrent Assets	93,475,974	5,601,592	99,077,566	-
TOTAL ASSETS	$ 124,685,641	$ 13,747,910	$ 138,433,551	$ 194,911
LIABILITIES:				
Current Liabilities:				
Accounts payable	$ 1,971,842	$ 336,572	$ 2,308,414	
Accrued liabilities	1,227,974		1,227,974	
Other payables	17,068		17,068	
Compensated absences payable	150,000	6,167	156,167	
Serial bonds payable	3,559,192	30,808	3,590,000	
Bond Premium, net of amortization	450,185		450,185	
Unearned revenue	186,374	293,037	479,411	
Other liabilities		33,760	33,760	
Escrow deposits	691,081		691,081	
Total Current Liabilities	8,253,716	700,344	8,954,060	$ -
Noncurrent Liabilities:				
Serial bonds payable	46,143,084	306,916	46,450,000	
Compensated absences payable	2,592,757	117,161	2,709,918	
Total Noncurrent Liabilities	48,735,841	424,077	49,159,918	-
TOTAL LIABILITIES	56,989,557	1,124,421	58,113,978	-
NET ASSETS:				
Invested in Capital Assets, net of related debt	41,954,816	5,263,868	47,218,684	
Permanently restricted for:				
Permanent funds	95,607		95,607	
Unrestricted	25,645,661	7,359,621	33,005,282	194,911
TOTAL NET ASSETS	$ 67,696,084	$ 12,623,489	$ 80,319,573	$ 194,911

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

TOWN OF NORTH KINGSTOWN

Statement of Activities
Year Ended June 30, 2008

Functions/Programs:	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Governmental Activities	Net (Expense) Revenue and Changes in Net Assets: Business-type Activities	Net (Expense) Revenue and Changes in Net Assets: Total	Component Unit North Kingstown Free Library
Governmental activities:							
General government	$ 6,982,639	$ 1,571,397	$ 959,370	$ (4,451,872)		$ (4,451,872)	
Public safety	14,102,227	1,000,275	17,287	(13,084,665)		(13,084,665)	
Public works	4,293,248	624,204	463,521	(3,205,523)		(3,205,523)	
Parks and recreation	331,434	204,901		(126,533)		(126,533)	
Education	60,406,926	2,350,550	17,404,232	(40,652,144)		(40,652,144)	
Public libraries	1,311,869		1,127	(1,310,742)		(1,310,742)	
Department of senior services and human resources	355,329	3,000	70,583	(281,746)		(281,746)	
Unallocated depreciation	4,105,464			(4,105,464)		(4,105,464)	
Interest on long-term debt	2,245,068			(2,245,068)		(2,245,068)	
Total governmental activities	94,134,204	5,754,327	18,916,120	(69,463,757)	-	(69,463,757)	
Business-type activities:							
Water	2,973,401	3,121,283			$ 147,882	147,882	
Quonset/Davisville Recreation	1,461,895	1,957,790			495,895	495,895	
School Cafeteria fund	1,385,278	911,433	351,846		(121,999)	(121,999)	
Total business-type activities	5,820,574	5,990,506	351,846		521,778	521,778	
Total	$ 99,954,778	$ 11,744,833	$ 19,267,966	(69,463,757)	521,778	(68,941,979)	
Component Unit:							
North Kingstown Free Library	$ 13,590		$ 14,650				$ 1,060
	$ 13,590		$ 14,650				1,060
General revenues:							
Property taxes				61,222,691		61,222,691	
Unrestricted investment earnings				1,440,248	254,710	1,694,958	7,415
Unrestricted intergovernmental revenue				5,914,775		5,914,775	
Licenses and permits				482,329		482,329	
Other				131,761		131,761	
Transfers				715,100	(715,100)	-	
Total general revenues and transfers				69,906,904	(460,390)	69,446,514	7,415
Change in Net Assets				443,147	61,388	504,535	8,475
Net Assets - beginning				67,252,937	12,562,101	79,815,038	186,436
Net Assets - ending				$ 67,696,084	$ 12,623,489	$ 80,319,573	$ 194,911

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

TOWN OF NORTH KINGSTOWN

Balance Sheet
Governmental Funds
June 30, 2008

	General Fund	School Unrestricted Fund	Debt Service Fund	4M Farmland Open Space Fund	4.5M Public Safety Facilities	Other Governmental Funds	Total Governmental Funds
ASSETS:							
Cash and cash equivalents	$ 15,877,702	$ 2,695	$ 166,023	$ 2,621,636		$ 7,895,349	$ 26,563,405
Taxes receivable	1,546,923						1,546,923
Other receivables	437,529	46,562				152,303	636,394
Due from federal and state governments	18,615					689,323	707,938
Due from other funds	1,771,292	2,874,575	498,778			371,060	5,515,705
TOTAL ASSETS	$ 19,652,061	$ 2,923,832	$ 664,801	$ 2,621,636	$ -	$ 9,108,035	$ 34,970,365
LIABILITIES AND FUND BALANCES:							
LIABILITIES:							
Accounts payable	$ 662,099	$ 818,184			$ 30,829	$ 460,690	$ 1,971,802
Accrued liabilities	659,350	146,316					805,666
Due to other funds	3,059,905				900,564	1,219,175	5,179,644
Other payables	11,062	6,006					17,068
Deferred revenue	3,750,585					186,374	3,936,959
Escrow deposits	691,081						691,081
TOTAL LIABILITIES	8,834,082	970,506	-	-	931,393	1,866,239	12,602,220
FUND BALANCES (DEFICITS):							
Reserved for debt service			$ 664,801			14,984	679,785
Reserved for golf course irrigation	1,500,000						1,500,000
Reserved for GHGRI		10,073					10,073
Reserved for encumbrances	684,716	1,128,390					1,813,106
Reserved for School Cafeteria fund		244,204					244,204
Unreserved:							
Designated for subsequent year's expenditures		75,000					75,000
Undesignated	8,633,263	495,659					9,128,922
Unreserved, reported in nonmajor:							
Special revenue funds						3,185,786	3,185,786
Capital project funds				$ 2,621,636	(931,393)	3,945,419	5,635,662
Permanent funds						95,607	95,607
TOTAL FUND BALANCES (DEFICITS)	10,817,979	1,953,326	664,801	2,621,636	(931,393)	7,241,796	22,368,145
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	$ 19,652,061	$ 2,923,832	$ 664,801	$ 2,621,636	$ -	$ 9,108,035	$ 34,970,365

(CONTINUED)

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

TOWN OF NORTH KINGSTOWN

Balance Sheet
Governmental Funds
June 30, 2008

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

Total Fund Balances (B-1)	$	22,368,145
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds		91,657,092
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		1,368,697
Long-term liabilities and related items are not due and payable in the current period and therefore are not reported in the funds.		(52,445,033)
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.		3,750,585
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.		1,418,906
Accrued interest payable is recorded in government activities, but is not recorded in the funds.		(422,308)
Total Net Assets (A-1)	$	67,696,084

(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, 2008

	General Fund	School Unrestricted Fund	Debt Service Fund	4M Farmland Open Space Fund	4.5M Public Safety Facilities	Other Governmental Funds	Total Governmental Funds
REVENUES:							
General property taxes	$ 61,187,866						$ 61,187,866
Intergovernmental	4,625,138	$ 13,917,831	$ 1,090,120			$ 4,712,577	24,345,666
Departmental	1,793,681					199,517	1,993,198
Licenses and permits	482,329						482,329
Investment income	923,544	11,010	161,504	$ 59,047		239,066	1,394,171
Other	81,761	2,259,543				1,986,815	4,328,119
TOTAL REVENUES	69,094,319	16,188,384	1,251,624	59,047	$ -	7,137,975	93,731,349
EXPENDITURES:							
Current:							
General government	5,106,895					1,512,121	6,619,016
Public safety	13,832,647					132,740	13,965,387
Public works	4,022,263					298,560	4,320,823
Parks and recreation	330,657						330,657
Senior services	332,711						332,711
Education		57,100,601				3,353,099	60,453,700
Public libraries						1,311,869	1,311,869
Per trust agreements						177,801	177,801
Human resources						25,933	25,933
Debt Service:							
Principal			3,294,192				3,294,192
Interest and other costs			2,068,511				2,068,511
Capital:							
Capital expenditures	39,729	177,940		1,437,411	889,333	5,619,857	8,164,270
TOTAL EXPENDITURES	23,664,902	57,278,541	5,362,703	1,437,411	889,333	12,431,980	101,064,870

(CONTINUED)

SEE NOTES TO BASIC FINANCIAL STATEMENTS.

TOWN OF NORTH KINGSTOWN

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2008

	General Fund	School Unrestricted Fund	Debt Service Fund	4M Farmland Open Space Fund	4.5M Public Safety Facilities	Other Governmental Funds	Total Governmental Funds
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	45,429,417	(41,090,157)	(4,111,079)	(1,378,364)	(889,333)	(5,294,005)	(7,333,521)
OTHER FINANCING SOURCES (USES)							
Proceeds of bond issuance				4,000,000		7,000,000	11,000,000
Transfers in	1,761,022	41,694,698	4,111,079			1,950,107	49,516,906
Transfers out	(46,805,450)	(17,937)				(1,738,442)	(48,561,829)
NET OTHER FINANCING SOURCES (USES)	(45,044,428)	41,676,761	4,111,079	4,000,000	-	7,211,665	11,955,077
NET CHANGE IN FUND BALANCE	384,989	586,604	-	2,621,636	(889,333)	1,917,660	4,621,556
FUND BALANCE AT BEGINNING OF YEAR	10,432,990	1,366,722	664,801	-	(42,060)	5,324,136	17,746,589
FUND BALANCE (DEFICIT) AT END OF YEAR	$ 10,817,979	$ 1,953,326	$ 664,801	$ 2,621,636	$ (931,393)	$ 7,241,796	$ 22,368,145

(CONCLUDED)

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

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, 2008

Net Change in Fund Balances - Total Governmental Funds (B-2):	$ 4,621,556
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.	3,994,667
Proceeds from issuance of long - term debt	(11,000,000)
Deferred charges, bond premium, cost of issuance and change in accrued interest	(246,050)
Increase in liability for compensated absences	(97,165)
Principal payments made on long - term debt	3,294,192
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds.	34,825
Excess of internal service funds' expenses over revenues, reported as governmental fund activity.	(158,878)
Change in Net Assets of Governmental Activities in the Statement of Activities (A-2)	$ 443,147

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

TOWN OF NORTH KINGSTOWN

Statement of Net Assets
Proprietary Funds
June 30, 2008

	Enterprise Funds				
	Water	Quonset/ Davisville Recreation	Non-major Enterprise Funds	Totals	Internal Service Funds
ASSETS:					
Current Assets:					
Cash and cash equivalents	$ 4,464,118	$ 1,191,960	$ 1,845,084	$ 7,501,162	$ 1,418,946
Water and sewer assessments and user fees, net	658,847			658,847	
Other receivables		24,879	96,038	120,917	
Inventory	131,059	32,870	37,524	201,453	
Total Current Assets	5,254,024	1,249,709	1,978,646	8,482,379	1,418,946
Net Capital Assets	4,205,136	1,394,619	1,837	5,601,592	
TOTAL ASSETS	$ 9,459,160	$ 2,644,328	$ 1,980,483	$ 14,083,971	$ 1,418,946
LIABILITIES:					
Current Liabilities:					
Accounts payable	$ 145,685	$ 98,435	$ 92,452	$ 336,572	$ 40
Due to other funds			336,061	336,061	
Deferred revenue		293,037		293,037	
Other liabilities		33,760		33,760	
Current portion of compensated absences payable	55,664	61,497		117,161	
Current portion of long term debt		30,808		30,808	
Total Current Liabilities	201,349	517,537	428,513	1,147,399	40
Noncurrent Liabilities:					
Compensated absences payable	2,930	3,237		6,167	
Long-term debt, net		306,916		306,916	
Total Noncurrent Liabilities	2,930	310,153	-	313,083	-
TOTAL LIABILITIES	204,279	827,690	428,513	1,460,482	40
NET ASSETS:					
Invested in Capital Assets, net	4,205,136	1,056,895	1,837	5,263,868	
Unrestricted net assets	5,049,745	759,743	1,550,133	7,359,621	1,418,906
TOTAL NET ASSETS	$ 9,254,881	$ 1,816,638	$ 1,551,970	$ 12,623,489	$ 1,418,906

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

TOWN OF NORTH KINGSTOWN

Statement of Revenues, Expenses and Changes in Net Assets
Proprietary Funds
For Year Ended June 30, 2008

	Enterprise Funds				
	Water	Quonset/ Davisville Recreation	Non-major Enterprise Funds	Totals	Internal Service Funds
OPERATING REVENUES:					
Charges for usage and service	$ 2,865,644	$ 1,957,790	$ 911,433	$ 5,734,867	
Sundry sales and rentals	238,959			238,959	
Miscellaneous	16,680			16,680	
Total Operating Revenues	3,121,283	1,957,790	911,433	5,990,506	$ -
OPERATING EXPENSES:					
Operations	2,483,084		296,663	2,779,747	14,978
Golf course		484,115		484,115	
Pro shop		468,804		468,804	
Allen's Harbor		235,164		235,164	
School cafeteria			1,384,688	1,384,688	
Depreciation	219,197	226,138	590	445,925	
Total Operating Expenses	2,702,281	1,414,221	1,681,941	5,798,443	14,978
OPERATING INCOME (LOSS)	419,002	543,569	(770,508)	192,063	(14,978)
NONOPERATING REVENUES (EXPENSES):					
Investment income	160,199	36,960	57,551	254,710	46,077
Cancellation of claims payable					50,000
Federal grants			332,801	332,801	
State matching funds			19,045	19,045	
Interest expense	(6,566)	(15,565)		(22,131)	
Net Nonoperating Revenues (Expenses)	153,633	21,395	409,397	584,425	96,077
INCOME (LOSS) BEFORE TRANSFERS	572,635	564,964	(361,111)	776,488	81,099
Transfers:					
Transfers In	664,254		1,055,903	1,720,157	
Transfers (Out)	(823,549)	(482,354)	(1,129,354)	(2,435,257)	(239,977)
Total Transfers	(159,295)	(482,354)	(73,451)	(715,100)	(239,977)
CHANGE IN NET ASSETS	413,340	82,610	(434,562)	61,388	(158,878)
TOTAL NET ASSETS - BEGINNING	8,841,541	1,734,028	1,986,532	12,562,101	1,577,784
TOTAL NET ASSETS - ENDING	$ 9,254,881	$ 1,816,638	$ 1,551,970	$ 12,623,489	$ 1,418,906

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2008

	Enterprise Funds				
	Water	Quonset/ Davisville Recreation	Non-major Enterprise Funds	Totals	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from customers	$ 3,083,346	$ 1,947,565	$ 879,205	$ 5,910,116	
Cash paid to suppliers	(1,570,347)	(457,691)	(803,156)	(2,831,194)	
Cash paid to employees	(965,159)	(742,548)	(739,463)	(2,447,170)	
Cash paid for other operating expenses					$ (15,013)
Net cash provided by (used for) operating activities	547,840	747,326	(663,414)	631,752	(15,013)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Acquisition of capital assets	(518,476)	(106,208)		(624,684)	
Principal paid on bonds		(30,808)		(30,808)	
Interest paid on bonds	(6,566)	(15,565)		(22,131)	
Net cash used for capital and related financing activities	(525,042)	(152,581)	-	(677,623)	-
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Federal grant receipts			332,801		
State matching funds receipts			19,045		
Transfer from other funds	664,254		1,055,903		
Transfer to other funds	(823,549)	(482,354)	(1,129,354)	(2,435,257)	(239,977)
Net cash provided by (used for) noncapital financing activities	(159,295)	(482,354)	278,395	(363,254)	(239,977)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest on investments	160,199	36,960	57,551	254,710	46,077
Net cash provided by investing activities	160,199	36,960	57,551	254,710	46,077
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	23,702	149,351	(327,468)	(154,415)	(208,913)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	4,440,416	1,042,609	2,172,552	7,655,577	1,627,859
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 4,464,118	$ 1,191,960	$ 1,845,084	$ 7,501,162	$ 1,418,946
Reconciliation of operating loss to net cash provided by (used for) operating activities:					
Operating income (loss)	$ 419,002	$ 543,569	$ (770,508)	$ 192,063	$ (14,978)
Adjustments to reconcile:					
Depreciation	219,197	226,138	590	445,925	
(Increase) decrease in accounts receivable	(37,937)	(10,225)	(32,228)	(80,390)	
(Increase) decrease in inventory	(14,040)	4,794	7,933	(1,313)	
Increase (decrease) in accounts payable	(41,842)	(10,626)	591	(51,877)	(35)
Increase (decrease) in deferred revenue		(13,964)		(13,964)	
Increase (decrease) in compensated absences payable	3,460	7,377		10,837	
Increase (decrease) in other liabilities		263	130,208	130,471	
Net cash provided by (used for) operating activities	$ 547,840	$ 747,326	$ (663,414)	$ 631,752	$ (15,013)

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

TOWN OF NORTH KINGSTOWN

Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2008

	Police Pension Trust	Private Purpose Trust Funds	Agency Funds
ASSETS:			
Cash and cash equivalents	$ 295,715	$ 31,121	$ 836,259
Other receivables			17,068
Total assets	295,715	31,121	853,327
LIABILITIES:			
Due to student groups			316,077
Payroll withholdings			173,016
Deposits held in custody for others			364,234
Total liabilities	-	-	853,327
NET ASSETS:			
Reserved for principal		31,121	
Reserved for employee retirement	295,715		
Total net assets	$ 295,715	$ 31,121	$ -

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

TOWN OF NORTH KINGSTOWN

Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
Year Ended June 30, 2008

	Police Pension Trust	Private Purpose Trust Funds
ADDITIONS:		
Investment income:		
Interest, dividends and gains	$ 8,591	$ 131
Net investment earnings	8,591	131
DEDUCTIONS:		
Administrative expenses		(15)
Total deductions	-	(15)
CHANGE IN NET ASSETS	8,591	116
Net Assets - beginning	287,124	31,005
Net Assets - ending	$ 295,715	$ 31,121

SEE NOTES TO THE BASIC FINANCIAL STATEMENTS.

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 2008:

* North Kingstown School Department
* North Kingstown Public Library

(CONTINUED)

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 December 5, 2008, for their fiscal year ended December 31, 2007. 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 implementated 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. The adoption of this Statement did not have an effect of the Town's financial statements or results of operations.

The Town has implemented 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.

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. 49 – Accounting and Financial Reporting for Pollution Remediation Obligations, effective for the Town's fiscal year ending June 30, 2009.
- ✓ 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)

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)

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:

Fund	Brief Description
Major:	
General Fund:	See above for description

(CONTINUED)

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.
4M Farmland Open Space	Accounts for the construction and renovations of various open space projects.
4.5M Public Safety Facilities	Accounts for the construction and renovations of various public safety facilities
Proprietary:	
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, State Council of 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 Enforcement Block Grant, Groundwater Education Donation, School Department Substance Abuse Donations, Infrastructure Replacement, URI Septic Loan Program, Community Center Maintenance, Heritage Committee, Senior Center Legislative Grant, Impace Fees, Emergency Medical Services, RIDEM Potowomut Pont Clean-Up, Fire Department Legislative Grant, Operation Drug Dog, Tax Revaluation Reserve Fund, Miscellaneous State Grants, Davisville Library Fund, Champlin Fund, Uniform Chart of Accounts, Library Fund, Willet Library Fund, RI Emergency Management, Miscellaneous Library Donations, Public Law 94-142, RI Electronic Portfolio System, Title I, Title V, Title II, Drug Free Schools, Title II Technology, Title III LEP, Preschool Services, 21st Century Learning Center, Perkins Vocational Ed, COZ Family Literacy, Child Opportunity Zone Family Center, NKHS Living Democracy, School Substance Abuse, Child Opportunity Zone Tutorial Homeless, Literacy Set-Aside, Cirle of Parents, Kellogg's Nucrew Program, Even Start Family Literacy, Nickelodeon, COZ Miscellaneous Donations, Adult Education Fund, Summer School Fund, Sports Camp, COZ ADA Project, Champlin, Spirit Day, Medicaid, NKHS Summer School, Information Technology Services, Recreation Escrow, Parade Committee, 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, and RI Learn & Serve America.

(CONTINUED)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Major and Non-Major Funds (Continued)

Fund	Brief Description
Debt Service Fund:	FY 2005 Refunding
Capital Projects:	6M Public Facilities Plan Bond, Capital Reserve, 9M School Renovations Bond, Farmland & Open Space Reserve, Farmland Preservation Bond, School Capital Reserve, Capital Reserve, and 4M Senior Complex Fund.
Permanent Funds:	Tri-Centennial Park, 400th 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, 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)

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, 2008. Major receivable balances for the governmental activities include property taxes and intergovernmental receivables (71% and 29%, respectively of total governmental receivables). Business-type activities report service fees as its major receivables.

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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. 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)

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, 2008, the Town's infrastructure assets have been capitalized and reported within the financial statements. .

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

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

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

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, 2008 were $306,777. The accumulated amortization through June 30, 2008 was $79,251.

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, 2008 was $1,890,215. The accumulated amortization as of June 30, 2008 was $298,859 in accordance with GASB Statement 23.

(CONTINUED)

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, 2006 and prior and are not collected within 60 days of June 30, 2008. Net unearned taxes included in the fund financial statements were $936,756.

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 form 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)

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 $3,994,667 difference are as follows:

Capital outlays (net of disposals)	$ 8,100,131
Depreciation expense	(4,105,464)
Net adjustment	$ 3,994,667

(CONTINUED)

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 ($246,050) difference are as follows:

Increase in accrued Interest	$ (176,557)
Amortization expense	(69,493)
Net adjustment	$ (246,050)

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 $132,880,666. As of June 30, 2008, the Town had $337,724 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.

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3. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2008 was as follows:

	Beginning Balance 6/30/07	Additions	Deletions	Ending Balance 6/30/08
Governmental activities:				
Capital assets not being depreciated				
Library collections	$ 3,091,872	$ 99,356		$ 3,191,228
Land	5,372,113			5,372,113
Developmental rights	14,129,387	1,403,975		15,533,362
Work in progress	1,884,052	1,184,986	$ (1,884,052)	1,184,986
Total capital assets not being depreciated	$ 24,477,424	$ 2,688,317	$ (1,884,052)	$ 25,281,689
Other capital assets				
Land improvements	$ 132,230			$ 132,230
Building	47,948,202	$ 5,045,349	$ (10,500)	52,983,051
Equipment	10,436,765	1,145,393		11,582,158
Infrastructure	63,691,618	1,115,624		64,807,242
Total other capital assets at historical cost	122,208,815	7,306,366	(10,500)	129,504,681
Less: accumulated depreciation for:				
Land improvements	(6,612)	(6,612)		(13,224)
Building	(15,529,715)	(1,379,113)		(16,908,828)
Equipment	(7,145,873)	(686,502)		(7,832,375)
Infrastructure	(36,341,614)	(2,033,237)		(38,374,851)
Total accumulated depreciation	(59,023,814)	(4,105,464)	-	(63,129,278)
Other capital assets, net	63,185,001	3,200,902	(10,500)	66,375,403
Governmental activities, capital assets, net	$ 87,662,425	$ 5,889,219	$ (1,894,552)	$ 91,657,092
Business-type activities:				
Capital assets not being depreciated				
Land	$ 584,470			$ 584,470
Work in progress		$ 85,138		85,138
Total capital assets not being depreciated	$ 584,470	$ 85,138	$ -	$ 669,608
Other capital assets:				
Building	$ 9,003,960	$ 255,464		$ 9,259,424
Property and leasehold improvements	1,305,257	191,890		1,497,147
Furniture and equipment	2,200,076	77,066		2,277,142
Vehicle and golf carts	717,523	15,124		732,647
Total other capital assets at historical cost	13,226,816	539,544	$ -	13,766,360
Less: accumulated depreciation for;				
Building	(5,523,502)	(312,328)		(5,835,830)
Property and leasehold improvements	(720,246)			(720,246)
Furniture and equipment	(1,535,662)	(66,113)		(1,601,775)
Vehicle and golf carts	(609,041)	(67,484)		(676,525)
Total accumulated depreciation	(8,388,451)	(445,925)	-	(8,834,376)
Other capital assets, net	4,838,365	93,619	-	4,931,984
Business-type activities capital assets, net	$ 5,422,835	$ 178,757	$ -	$ 5,601,592

(CONTINUED)

3. CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions as follows:

Governmental activities:	
General government	$ 2,102,932
Public safety	383,065
Public works	178,197
Education	1,370,087
Public libraries	71,183
Total governmental activities depreciation expense	$4,105,464
Business-type activities:	
Major Funds:	
Water	$ 219,198
Quonset/Davisville Recreation	226,138
Non-major enterprise funds	589
Total business-type activities depreciation expense	$ 445,925

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 2008 were based on a net assessed value of approximately $4,393,110,092 at December 31, 2006 and amounted to $59,586,154. Collections through June 30, 2008 amounted to $57,996,283, which represents approximately 97.3% 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, 2008 ($1,546,923) 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, 2008 are recorded as deferred revenue and amounted to $936,756 at June 30, 2008. Property taxes recognized as revenue on the Fund statements for the fiscal year ended June 30, 2008 (due to their collection within the 60 days immediately following June 30, 2008) amounted to $432,406.

On June 30, 2008, the Town levied property taxes for its next fiscal year based on the December 31, 2006 assessment as follows (unaudited):

	Taxable Assessment	Exemptions	Net Taxable Assessments	Rate Per $1,000	Net Levy
Real property	$4,269,958,905	$ 71,077,621	$4,198,881,281	$13.30	$58,093,745
Motor vehicle	270,442,815	127,164,514	143,278,301	22.04	3,093,165
Tangible property	100,038,690	1,585,280	98,453,410	13.30	1,378,243
Total	$4,640,440,410	$199,827,415	$4,440,612,992		$62,565,153

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

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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, 2008, the carrying amount of the Town's deposits was $36,655,558, (including Fiduciary Funds) while the bank balance was $38,553,155. Of the balance, $600,000 was covered by federal depository insurance and $37,953,155 was uninsured. The Town has entered into collateralization agreements with various financial institutions and as a result, $5,544,676 of the uninsured balance at June 30, 2008 was collateralized by securities held by the financial institutions and/or third parties in the name of the Town. The remaining uninsured balance of $32,408,479 was held in other accounts that were not required to be covered by collateralization agreements.

Reconciliation to Government-wide Statement of Net Assets:

Unrestricted cash, including time deposits	$36,646,608
Less: Fiduciary funds cash, including time deposits (not included in the government-wide statement)	(1,163,095)
Total cash and cash equivalents on A-1	$35,483,513

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6. LONG-TERM LIABILITIES

(a) Long-Term Liability Activity

Long-term liability activity for the year ended June 30, 2008 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Long-term debt:					
General obligation debt	$ 41,996,468	$ 11,000,000	$ 3,294,192	$ 49,702,276	$ 3,559,192
Total long-term debt	41,996,468	11,000,000	3,294,192	49,702,276	3,559,192
Other long-term liabilities:					
Compensated absences	2,645,592	1,901,354	(1,804,189)	2,742,757	150,000
Total other long-term liabilities	2,645,592	1,901,354	(1,804,189)	2,742,757	150,000
Governmental activities:					
Long-term liabilities	$ 44,642,060	$ 12,901,354	$ 1,490,003	$ 52,445,033	$ 3,709,192
Business-type Activities:					
Long-term debt:					
General obligation debt	$ 368,532	$ -	$ (30,808)	$ 337,724	$ 30,808
Total long-term debt	368,532	-	(30,808)	337,724	30,808
Other long-term liabilities:					
Compensated absences	112,491	142,497	(131,660)	123,328	6,166
Total other long-term liabilities	112,491	142,497	(131,660)	123,328	6,166
Business-type activities:					
Long-term liabilities	$ 481,023	$ 142,497	$ (162,468)	$ 461,052	$ 36,974

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.

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6. LONG-TERM LIABILITIES (Continued)

(b) Debt Maturity

Debt service requirements at June 30, 2008 were as follows:

GOVERNMENTAL ACTIVITIES

General Obligation Debt

Year Ended June 30,	Principal	Interest	Total
2009	$ 3,559,192	$ 2,122,240	$ 5,681,432
2010	3,549,192	1,988,342	5,537,534
2011	3,544,192	1,851,723	5,395,915
2012	3,434,192	1,714,460	5,148,652
2013	2,939,192	6,651,452	9,590,644
2014-2018	14,321,737	6,011,245	20,332,982
2019-2023	11,249,579	3,013,199	14,262,778
2024-2028	7,105,000	690,489	7,795,489
Total	$ 49,702,276	$ 24,043,150	$ 73,745,426

BUSINESS-TYPE ACTIVITIES

General Obligation Debt

Year Ended June 30,	Principal	Interest	Total
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	30,809	10,504	41,313
2014-2018	153,264	32,013	185,277
2019	30,416	2,882	33,298
Total	$ 337,724	$ 100,187	$ 437,911

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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	Purpose	Amount Issued	Interest Rate	Maturity Date	Balance Outstanding 6/30/07	Additions	Retirement	Balance Outstanding 6/30/08
General obligation debt:									
$2.840 M Refunding Bond	5/1/06	Development Rights	$ 2,840,000	4.0 – 5.25%	5/1/07 – 21	$ 2,655,000		$ 185,000	$2,470,000
$30.36 M Refunding Bond	4/21/05	Refunding of High School Bond $33M	30,360,000	3 – 5%	10/1/05 – 26	28,025,000		1,955,000	26,070,000
$7.885 M GOB 1998 Series A		Open Space, Road, Athletics, Technology, Elementary and Public	7,885,000			4,725,000		395,000	4,330,000
Less: Q/D recreation portion	12/15/98	Facilities Bonds	(615,000)	3.7 – 6%	12/15/98 – 19	(368,532)		(30,808)	(337,724)
$3.3 M GOB 1998 Series B Refunding Bond	12/15/98	School Bond and Open Space Recreation	3,300,000	3.0 – 5.5%	7/15/99 – 07	80,000		80,000	-
$7M GOB 2007B Series B Bond	8/15/07	Renovations and Additions - School Bond	7,000,000	4.25 – 5%	8/15/08 – 27		$7,000,000		7,000,000
$1.505 M GOB	6/15/99	School Athletics	1,505,000	4.8 – 7.0%	6/15/00 – 19	1,070,000		65,000	1,005,000
$3.835 M GOB	9/15/00	Farmland & Open Space	3,835,000	4.75 – 6.5%	9/15/01 – 21	2,665,000		195,000	2,470,000
$3.845 M GOB	6/15/01	$1.56M Farmland, $1.9M Public Facilities, $.385 Asset Protection	3,845,000	3.75 – 5.5%	6/15/02 – 16	2,245,000		250,000	1,995,000
$1.9 M GOB	12/15/01	School Additions	1,900,000	3.5 – 4.35%	12/15/02 – 11	900,000		200,000	700,000
$4M GOB- Open Space	7/1/07	Open Space	4,000,000	3.6 – 4.1%	7/15/08 – 27		4,000,000		4,000,000
Total general obligation debt			65,855,000			41,996,468	11,000,000	3,294,192	49,702,276
Other long-term liabilities: Compensated absences						2,645,592	1,901,354	1,804,189	2,742,757
Total long-term liabilities			$65,855,000			$44,642,060	$12,901,354	$ 5,098,381	$52,445,033

Total interest expense paid on general long-term liabilities for the year ended June 30, 2008 was approximately $2,068,510.

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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, 2008 is as follows:

	Due From Other Funds	Due To Other Funds
General Fund	$1,771,292	$3,059,905
School Unrestricted Fund	2,874,575	
Special Revenue Funds:		
Non Civic Detail Fund		107,150
Governor's Justice Commission		91
Juniper Hill Tank Grant		4,419
Community Development Grants		117,006
State Elderly Affairs Grant		3,356
Senior Center Legislative Grant		307
Library Fund	149,721	
Willet Library Fund		5,326
Library Fund		9,000
RI Emergency Management		73,573
School Public Law		184,374
School Title I		102,854
School Title IV		96
School Title II		18,982
Drug Free Schools		376
School Title III LEP		1,180
School Preschool Services		5,448
21st Century Learning Center		28,771
COZ Family Literacy		13,308
School Child Opportunity Zone Family Center		12,316
School Child Opportunity Zone Tutorial Homeless		3,058
School Capital Reserve Fund	221,339	
RI Parent Info Network		1,437
RI Learn & Serve America		9,436
Capital Project Funds:		
9M School Renovations Bond		24,890
6M Public Facilities Plan Bond		276,931
4.5M Public Safety Facilities		900,564
4M Senior Center Complex Fund		215,490
Debt service fund	498,778	
Enterprise funds – Non-major: Cafeteria Fund		336,061
TOTALS	$5,515,705	$5,515,705

(CONTINUED)

8. FUND EQUITY

(a) Reserves and Designations

Reservations and designations of fund balances at June 30, 2008 were as follows:

General Fund:	
Reserved for encumbrances	$ 684,716
Reserved for golf course irrigation	1,500,000
School Unrestricted Fund:	
Reserved for GHGRI	10,073
Reserved for encumbrances	1,128,390
Reserved for School Cafeteria fund deficit	244,204
Designated for future expenditures	75,000
Debt Service Fund:	
Reserved for debt service	664,801
Other Governmental Funds:	
Reserved for debt service	14,984
Fiduciary Fund Types:	
Reserved for trust principal	31,121
Reserved for employee retirement system	295,715
Total reservations and designations of fund balances	$4,469,004

(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, 2008 is as follows:

	Transfers In	Transfers Out
Major Funds:		
General Fund	$ 1,761,022	$46,805,450
School Unrestricted Fund	41,694,698	17,937
Quonset/Davisville Recreation Fund		482,354
Water	664,254	823,549
Debt Service fund	4,111,079	
Non-major Funds:		
Special revenue funds	1,434,341	1,051,921
Capital Reserve	395,577	
School capital reserve	120,189	686,521
Quonset/Davisville Reserve Fund	232,354	682,000
Water Capital Reserve Fund	823,549	447,354
Internal service		239,977
Totals	$51,237,063	$51,237,063

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8. FUND EQUITY (Continued)

(c) Disclosure of Individual Fund Deficits

Major Governmental fund Activities:	
4.5M Public Safety Facilities	$ 931,393
Non-major Business-type Activities:	
School Cafeteria Fund	244,204
Non-major Governmental fund Activities:	
4M Senior Center Complex	285,664
6M Public Facilities Plan Bond	276,931
RI Emergency Management	73,573
Non Civil Escrow Fund	25,773
Juniper Hill Grant	4,419
State Elderly Affairs Grant	3,356
Senior Center Legislative Grant	307
Governors Justice Commission	91
Emergency Medical Services	91
Emergency Medical Services	$ 90

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

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

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

9. BONDS AUTHORIZED BUT UNISSUED

Bonds authorized but unissued at June 30, 2008 are as follows:

Public Facilities Plan Bonds	$ 1,290,000
Library	350,000
School Improvements	2,000,000
Beechwood House, Etc.	4,000,000
Public Safety Facilities	4,500,000
Commercial Septic System Loan	2,000,000
Total	$14,140,000

(CONTINUED)

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, 2008 was approximately $12,045,761 and the Town wide payroll was approximately $52,957,956.

Plan Description

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

Contributions Required and Contributions Made

General employees were required by State Statute to contribute 7% of their annual earnings until the maximum benefit (75 percent of final average salary) is accrued. The Town is required to contribute based on an actuarially computed amount and as provided by State Statute for each participating municipality. The actuarial method used is the entry age normal cost with part of each municipality's unfunded actuarial liability funded over a closed thirty year amortization period and the balance funded over the projected future payroll of active members. Due to large fluctuations in the contribution rates of certain municipalities, the plan has adopted a procedure which would allow a unit the option of paying a smoothed contribution rate. The smoothed contribution rate equals the previous fiscal year's contribution rate plus the greater of 2 percent or one eighth of the increase in contribution rate plus the cost of any benefit improvements. The actuarially determined contribution amount for the Town was determined as described above and was based on an actuarial valuation as of June 30, 2005.

The annual required contribution for the Town which equals the annual pension cost for the year ended June 30, 2008 was approximately $1,481,814 for general employees. This contribution represents 11.74% of covered payroll. General municipal employees were required to contribute approximately $774,020. This contribution represents 6.4% of covered payroll.

(CONTINUED)

10. DEFINED BENEFIT PENSION PLANS (Continued)

Trend Information

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

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2006	$1,046,610	100%	$0
2007	$1,363,334	100%	$0
2008	$1,481,814	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.

(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.

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, 2008 was approximately $2,791,995 and $4,063,147, respectively. The Town wide payroll was approximately $52,957,956.

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.

(CONTINUED)

10. DEFINED BENEFIT PENSION PLANS (Continued)

(b) Police and Fire Pension Plans (Continued)

Plan Description

The following eligibility and benefit provisions are established by State Statute. The System provides the following retirement benefits to employees at or after age 55 with 10 years of service or after 25 years of service with no restriction on age:

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

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

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

Contributions Required and Contributions Made

Police and fire personnel are required by State Statute to contribute 9% until the maximum benefit (75 percent of final average salary) is accrued. The Town is required to contribute based on an actuarially computed amount and as provided by State Statute for each participating municipality. The actuarial method used is the entry age normal cost with part of each municipality's unfunded actuarial liability funded over a 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, 2005.

The annual required contribution for police and fire personnel for the Town which equals the annual pension cost for the year ended June 30, 2008 was approximately $1,241,002. These contributions represent 24.27% of covered payroll for fire personnel and 24.60% for police personnel. Police and fire personnel were required to contribute approximately $251,280 and $365,682, 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.

(CONTINUED)

10. DEFINED BENEFIT PENSION PLANS (Continued)

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

Trend Information

Municipal Police Pension Plan:

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2006	$457,346	100%	$0
2007	$508,504	100%	$0
2008	$508,251	100%	$0

Municipal Fire Pension Plan:

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2006	$715,457	100%	$0
2007	$678,432	100%	$0
2008	$732,751	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)

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 Pension Plan		Municipal Police and Fire Pension Plan	
Valuation Date	6/30/06		6/30/06	
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	377	Active Employees	116
	Retirees and beneficiaries	150	Retirees and beneficiaries	68
		527		184

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)

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, 2008 was approximately $25,562,076, which consisted of approximately $796,695 for employees charged to federal programs and approximately $24,482,919 for all other employees. The School Department's total payroll was approximately $35,278,412. The Town wide payroll for the year ended June 30, 2008 was approximately $52,957,956

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, 2005 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 13.04%, 11.62%, and 9.72% for all full-time employees for fiscal years 2008, 2007, and 2006, 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)

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 2008, actuarial required contributions were 22.01% of the participant's salary. This resulted in a contribution paid by the State on behalf of the School Department totaling $2,220,949 for the fiscal year ended June 30, 2008.

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:

Years Ending June 30,	Employee	Town's Portion of Annual Required Contributions	Percentage Contributed
2008	$2,427,871	$3,201,667	100%
2007	$2,374,457	$2,844,910	100%
2006	$2,271,188	$2,268,683	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, 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.

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)

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, 2008, expenditures of $843,299 were recognized for post retirement benefits. Of this amount, $312,202 was paid for health insurance for 28 fire department retirees, $217,242 was paid for health insurance for 62 municipal retirees and their spouses, and $313,855 was paid for health insurance for 29 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, 2008. Minimum rentals on the leases for the next five years are as follows:

Year Ended June 30	Amount
2009	24,000
2010	24,000
2011	12,000
Total	$186,060

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, 2008.

(CONTINUED)

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

Commitments (Continued)

The Town of North Kingstown had several outstanding construction and technology projects as of June 30, 2008. These projects are evidenced by contractual commitments with contractors and include:

FUND/PROJECT	SPENT TO DATE	COMMITMENT REMAINING	FUNDING SOURCE(S)
Overlaying Services	$ 189,835	$ 119,995	General Fund, Operating Budget
EEO and Personnel Rules and Regulations Update	5,363	2,638	General Fund, Operating Budget
Municipal Court Software Purchase and Install	-	13,726	General Fund, Operating Budget
Senior System Sound System	-	21,822	General Fund, Operating Budget
Fire Station #5 Furniture, Appliances, and Base Radio	-	17,493	General Fund, Operating Budget
Fingerprint System	20,400	22,800	General Fund, Operating Budget
Impact Fee Study	9,500	4,500	General Fund, Operating Budget
4 Crown Victoria Police Cars	8,950	67,522	General Fund, Operating Budget
1 Dump Truck, Sterling L-8511	-	94,153	General Fund, Operating Budget
Rescue Equipment Zoll Auto Pulse	-	29,903	General Fund, Operating Budget
Police Voice Recorder	-	1,107	General Fund, Operating Budget
	-	17,878	Byrne Grant Funds
Voice Over IP Router		6,688	Library Fund, Operating Budget
Window and External Repairs at Town Hall & Annex	123,927	107,708	Town Capital Reserve Funds
	18,921	16,444	State Grants
Window/Door Replacement, Asbestos Removal at Four Schoo	1,133,353	36,233	$9M School Bond
Life Safety Modificatons at Four Schools	4,309,010	47,990	$9M School Bond
Architectual Design New Senior Center	215,490	219,075	$4M Senior Center Complex Bond
Renovation of Public Safety Complex	-	1,856,186	$4.5M Public Facilities Bond
	-	929,814	Town Capital Reserve Funds
	-	400,000	$6M Public Facilities Bond
Construction of New Fire Station #5		1,329,300	$4.5M Public Facilities Bond
Radio Alarm Reporting System	-	34,055	$4.5M Public Facilities Bond
Video Surveillance and Phone System	75,211	60,993	$4.5M Public Facilities Bond
Custom Radio Consoles	-	107,896	$4.5M Public Facilities Bond
Allen Harbor Bulkhead Design Reconstruction	22,742	4,908	Q/D Rec Fund, Operating Budget
Dredging of Allen Harbor Channel	2,220	10,300	Q/D Rec Fund, Operating Budget
Golf Course Irrigation Design	30,971	53,029	Q/D Rec Fund, Capital Reserve
	-	4,000	Q/D Rec Fund, Operating Budget
Water System Upgrades for Highway/Bridge Construction	294,495	64,176	Water Fund, Operating Budget
Utility Trench Patching	31,767	32,606	Water Fund, Operating Budget
Construction of New Well 11	389,546	59,792	Water Fund, Operating Budget
	352,315	52,924	Water Fund, Capital Reserve
Rehabilitation of Emergency Meter Vault Between	46,553	35,847	Water Fund, Operating Budget
No Kingstown & Kent County Water	40,657	11,743	Water Fund, Capital Reserve
Storage Tank Design and Standpipe Improvements	144,334	123,690	Water Fund, Operating Budget
Lead Abatement at 3 Water Tank Sites	217,473	117,847	Water Fund, Operating Budget
Hydraulic Model Update	-	38,000	Water Fund, Operating Budget
Grand Totals	$ 7,683,032	$ 6,174,780	

(CONTINUED)

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, 2008 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)

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:

	June 30, 2008			June 30, 2007		
	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		$50,000
Incurred claims (including IBNR's)						
Cancellation of unpaid claim payments	(50,000)		(50,000)			-
Unpaid claims, end of fiscal year	$ -	$ -	$ -	$50,000	$ -	$50,000

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, 2008 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

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, 2008

	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	AAL (UAAL) Funding Excess (deficit)	Funded Ratio	Covered Payroll	AAL (UAAL) Funding Excess (deficit) Percentage of Covered Payroll
General municipal employees pension plan	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%)
	6/30/06	30,599,354	41,733,669	(11,134,315)	73.3%	11,112,424	(100.2%)
Municipal police pension plan	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%)
	6/30/06	13,126,977	16,456,886	(3329910)	79.8%	2,370,507	(140.5%)
Municipal firemen pension plan	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%)
	6/30/06	22,133,914	24,207,502	(2,073,588)	91.4%	5,212,740	(39.8%)
Town of North Kingstown Police Pension Fund	7/1/04	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	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, 2008

	Originally Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Revenues:				
Property Tax	$ 61,178,662	$ 61,178,662	$ 61,187,866	$ 9,204
Intergovernmental	4,649,470	4,649,470	4,625,271	(24,199)
Licenses & Permits	569,332	569,332	482,329	(87,003)
Investment Income	850,000	850,000	923,544	73,544
Departmental	2,469,567	1,692,560	1,793,548	100,988
Other	20,000	20,000	81,761	61,761
Total Revenues	69,737,031	68,960,024	69,094,319	134,295
Expenditures:				
Town Council	118,885	118,885	98,423	20,462
Town Manager	197,518	197,518	195,918	1,600
Town Clerk & Elections	563,268	563,268	533,238	30,030
Town Solicitor	250,200	289,200	291,755	(2,555)
Finance and Information Systems	728,992	670,992	647,309	23,683
Assessor	233,772	233,772	231,518	2,254
Planning	372,847	372,797	371,970	827
General Operating	2,268,297	2,168,297	2,172,826	(4,529)
Code Enforcement	300,079	293,796	286,511	7,285
Fire	7,750,820	7,750,820	7,727,461	23,359
Police, Harbor & Animal Control	5,812,958	5,972,143	5,872,813	99,330
Public Works	4,663,768	4,548,941	4,481,936	67,005
Recreation	278,686	294,834	297,060	(2,226)
Senior Citizens	340,079	340,079	333,187	6,892
Contributiions	89,254	89,254	92,189	(2,935)
Total Expenditures	23,969,423	23,904,596	23,634,114	270,482
Excess of revenues over expenditures	45,767,608	45,055,428	45,460,205	404,777
Other financing sources (uses):				
Transfers from fund balance	671,000	671,000	671,000	-
Transfers in	302,015	1,079,022	1,761,022	(682,000)
Transfers out	(46,740,623)	(46,805,450)	(46,805,450)	-
Net other financing sources (uses)	(45,767,608)	(45,055,428)	(44,373,428)	(682,000)
Excess (deficiency) of revenues and other sources over expenditures and other uses	$ -	$ -	$ 1,086,777	$ (277,223)

TOWN OF NORTH KINGSTOWN

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

School Unrestricted Fund
Year Ended June 30, 2008

	Originally Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Revenues:				
State Aid	$ 11,696,882	$ 11,696,882	$ 11,696,882	$ -
Tuition	2,117,597	2,117,597	2,117,486	(111)
Miscellaneous	117,413	117,413	153,068	35,655
Total Revenues	13,931,892	13,931,892	13,967,436	35,544
Expenditures:				
Education	55,015,069	56,203,331	55,824,157	379,174
Total Expenditures	55,015,069	56,203,331	55,824,157	379,174
Excess of revenues over expenditures	(41,083,177)	(42,271,439)	(41,856,721)	414,718
Other financing sources (uses):				
Transfers from fund balance	75,000	576,741	576,741	-
Operating transfer from Town	41,008,177	41,694,698	41,694,698	-
Transfer out	-	-	(17,937)	(17,937)
Net other financing sources (uses)	41,083,177	42,271,439	42,253,502	(17,937)
Excess (deficiency) of revenues and other sources over expenditures and other uses	$ -	$ -	$ 396,781	$ 396,781

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2008

BUDGETARY PROCESS

(a) Adoption

The Town Manager shall submit to the Council not later than the fiftieth day preceding the 1st 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 of 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 20th day following the first Wednesday in May. Each valid petition with no less than 300 signatures along with the Council's final adopted budget is presented to the votes for a referendum vote on the second Saturday in June.

The following governmental funds have annual appropriated budgets:

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

(b) Budgetary to GAAP Basis Reconciliation

The following reconciliation summarizes the difference for the Town's General Fund between budgetary and GAAP basis accounting principles for the year ended June 30, 2008:

Excess revenues and other sources over expenditures and other uses (Non-GAAP Budgetary Basis)	$ 1,086,777
Prior year encumbrances	(910,280)
Current year encumbrances	684,716
Prior year cancelled or voided purchase orders	194,776
Use of accumulated fund balance	(671,000)
Excess of expenditures and other sources over revenues (GAAP)	$ 384,989

(CONTINUED)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2008

(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, 2008:

Excess of revenues and other sources over expenditures and other uses (Non-GAAP Budgetary Basis)	$ 396,781
Prior year encumbrances	(559,541)
Current year encumbrances	1,128,390
Prior year cancelled or voided purchase orders	197,715
Use of accumulated fund balance	(576,741)
Excess of expenditures and other sources over revenues (GAAP)	$ 586,604

(CONCLUDED)

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THE TOWN OF
NORTH KINGSTOWN, RHODE ISLAND

OTHER SUPPLEMENTARY INFORMATION

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.

(CONTINUED)

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.

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.

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

(CONTINUED)

SPECIAL REVENUE FUNDS (CONTINUED):

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.

UCOA Implementation – To account for monies received to implement the new Uniform Chart of Accounts.

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
Title I
Title V
Title II
Drug-Free Schools
Kellogg Nucrew Program
Parent Information Network
Spirit Day
COZ Miscellaneous Donations
Circle of Parents
Sports Camp
Summer School Fund
Medicaid
Nickelodeon
Substance Abuse
Literacy Set-Aside
NKHS Summer School
Preschool Services
Perkins Vocational
COZ Family Center
Title III LEP
2ET2 MCI Enhancing Education
NKHS Living Democracy
COZ ADA Project
Adult Education Fund
21st Century Learning Center
Child Opportunity Zone Tutorial Homeless
RI Learn and Serve America

(CONTINUED)

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.

Capital Reserve Fund - To account for Town's 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.

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

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

PERMANENT FUNDS:

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

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

(CONTINUED)

PERMANENT FUNDS (CONTINUED):

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.

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.

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

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TOWN OF NORTH KINGSTOWN
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2008

	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
ASSETS:						
Cash and cash equivalents	$ 709	$ 10,697			$ 24,627	
Due from other governments						
Due from other funds						
Other receivables			$ 107,375			
TOTAL ASSETS	$ 709	$ 10,697	$ 107,375	$ -	$ 24,627	$ -
LIABILITIES:						
Accounts payable			$ 25,998		$ 222	
Due to other funds			107,150	$ 91		$ 4,419
Deferred revenue						
TOTAL LIABILITIES	$ -	$ -	133,148	91	222	4,419
FUND BALANCES:						
Capital Projects						
Special Revenue	709	10,697	(25,773)	(91)	24,405	(4,419)
Permanent Fund						
Debt Service						
TOTAL FUND BALANCES	709	10,697	(25,773)	(91)	24,405	(4,419)
TOTAL LIABILITIES AND FUND BALANCES	$ 709	$ 10,697	$ 107,375	$ -	$ 24,627	$ -

(CONTINUED)

TOWN OF NORTH KINGSTOWN
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2008

	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
ASSETS:						
Cash and cash equivalents		$ 64,927	$ 88,255	$ -	$ 12,002	$ 12,392
Due from other governments		215,023			257	
Due from other funds						
Other receivables						
TOTAL ASSETS	$ -	$ 279,950	$ 88,255	$ -	$ 12,259	$ 12,392
LIABILITIES:						
Accounts payable					$ 293	
Due to other funds		$ 117,006		$ 3,356		
Deferred revenue		162,944				
TOTAL LIABILITIES	$ -	279,950	$ -	3,356	293	$ -
FUND BALANCES:						
Capital Projects						
Special Revenue	-	-	88,255	(3,356)	11,966	12,392
Permanent Fund						
Debt Service						
TOTAL FUND BALANCES	-	-	88,255	(3,356)	11,966	12,392
TOTAL LIABILITIES AND FUND BALANCES	$ -	$ 279,950	$ 88,255	$ -	$ 12,259	$ 12,392

(CONTINUED)

TOWN OF NORTH KINGSTOWN
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2008

	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
ASSETS:						
Cash and cash equivalents	$ 358	$ 385	$ 4,476	$ 55,792	$ 117,822	$ 20,777
Due from other governments						
Due from other funds						
Other receivables				23,666		
TOTAL ASSETS	$ 358	$ 385	$ 4,476	$ 79,458	$ 117,822	$ 20,777
LIABILITIES:						
Accounts payable						$ 310
Due to other funds						
Deferred revenue						20,467
TOTAL LIABILITIES	$ -	$ -	$ -	$ -	$ -	20,777
FUND BALANCES:						
Capital Projects						
Special Revenue	358	385	4,476	79,458	117,822	-
Permanent Fund						
Debt Service						
TOTAL FUND BALANCES	358	385	4,476	79,458	117,822	-
TOTAL LIABILITIES AND FUND BALANCES	$ 358	$ 385	$ 4,476	$ 79,458	$ 117,822	$ 20,777

(CONTINUED)

TOWN OF NORTH KINGSTOWN
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2008

	SPECIAL REVENUE FUNDS					
	Heritage Committee	Senior Center Legislative Grant	Impact Fees	Emergency Medical Services	RIDEM Potowomut Pond Clean-up	Fire Department Legislative Grant
ASSETS:						
Cash and cash equivalents	$ 144		$ 51,386	$ 1,464	$ 4,500	$ 2,627
Due from other governments						
Due from other funds						
Other receivables						
TOTAL ASSETS	$ 144	$ -	$ 51,386	$ 1,464	$ 4,500	$ 2,627
LIABILITIES:						
Accounts payable				$ 1,555		
Due to other funds		$ 307				
Deferred revenue	$ 144					
TOTAL LIABILITIES	144	307	$ -	1,555	$ -	$ -
FUND BALANCES:						
Capital Projects						
Special Revenue	-	(307)	51,386	(91)	4,500	2,627
Permanent Fund						
Debt Service						
TOTAL FUND BALANCES	-	(307)	51,386	(91)	4,500	2,627
TOTAL LIABILITIES AND FUND BALANCES	$ 144	$ -	$ 51,386	$ 1,464	$ 4,500	$ 2,627

(CONTINUED)

TOWN OF NORTH KINGSTOWN
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2008

	SPECIAL REVENUE FUNDS					
	Operation Drug Dog	Tax Revaluation Reserve Fund	Miscellaneous State Grants	Davisville Library Fund	Champlin Foundation Fund	Uniform Chart of Accounts
ASSETS:						
Cash and cash equivalents	$ 2,437	$ 1,116	$ 27,329		$ 18,042	$ 8,750
Due from other governments			104,870			
Due from other funds						
Other receivables						
TOTAL ASSETS	$ 2,437	$ 1,116	$ 132,199	$ -	$ 18,042	$ 8,750
LIABILITIES:						
Accounts payable			$ 12,849		$ 17,717	
Due to other funds						
Deferred revenue						
TOTAL LIABILITIES	$ -	$ -	12,849	$ -	17,717	$ -
FUND BALANCES:						
Capital Projects						
Special Revenue	2,437	1,116	119,350	-	325	8,750
Permanent Fund						
Debt Service						
TOTAL FUND BALANCES	2,437	1,116	119,350	-	325	8,750
TOTAL LIABILITIES AND FUND BALANCES	$ 2,437	$ 1,116	$ 132,199	$ -	$ 18,042	$ 8,750

(CONTINUED)

TOWN OF NORTH KINGSTOWN
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2008

	SPECIAL REVENUE FUNDS				
	Library Fund	Willet Library Fund	RI Emergency Management	Miscellaneous Library Donations	School Public Law 94-142
ASSETS:					
Cash and cash equivalents	$ 50			$ 8,659	
Due from other governments					$ 185,142
Due from other funds	149,721				
Other receivables		$ 5,326			
TOTAL ASSETS	$ 149,771	$ 5,326	$ -	$ 8,659	$ 185,142
LIABILITIES:					
Accounts payable	$ 68,319			$ 1,829	$ 768
Due to other funds	9,000	$ 5,326	$ 73,573		184,374
Deferred revenue					
TOTAL LIABILITIES	77,319	5,326	73,573	1,829	185,142
FUND BALANCES:					
Capital Projects					
Special Revenue	72,452	-	(73,573)	6,830	-
Permanent Fund					
Debt Service					
TOTAL FUND BALANCES	72,452	-	(73,573)	6,830	-
TOTAL LIABILITIES AND FUND BALANCES	$ 149,771	$ 5,326	$ -	$ 8,659	$ 185,142

TOWN OF NORTH KINGSTOWN
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2008

	SPECIAL REVENUE FUNDS				
	School Title I	School Title V	School Title II	Drug Free Schools	School Title III LEP
ASSETS:					
Cash and cash equivalents					
Due from other governments	$ 102,854	$ 96	$ 18,982	$ 376	$ 1,180
Due from other funds					
Other receivables					
TOTAL ASSETS	$ 102,854	$ 96	$ 18,982	$ 376	$ 1,180
LIABILITIES:					
Accounts payable					
Due to other funds	$ 102,854	$ 96	$ 18,982	$ 376	$ 1,180
Deferred revenue					
TOTAL LIABILITIES	102,854	96	18,982	376	1,180
FUND BALANCES:					
Capital Projects					
Special Revenue	-	-	-	-	-
Permanent Fund					
Debt Service					
TOTAL FUND BALANCES	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	$ 102,854	$ 96	$ 18,982	$ 376	$ 1,180

(CONTINUED)

TOWN OF NORTH KINGSTOWN
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2008

	SPECIAL REVENUE FUNDS					
	School Preschool Services	21st Century Learning Center	Perkins Vocational Ed	COZ Family Literacy	School Child Opportunity Zone Family Center	NKHS Living Democracy
ASSETS:						
Cash and cash equivalents						
Due from other governments	$ 5,448	$ 28,771			$ 12,316	
Due from other funds						
Other receivables			$ 1,050	$ 13,308		
TOTAL ASSETS	$ 5,448	$ 28,771	$ 1,050	$ 13,308	$ 12,316	$ -
LIABILITIES:						
Accounts payable			$ 1,050			
Due to other funds	5,448	$ 28,771		$ 13,308	$ 12,316	
Deferred revenue						
TOTAL LIABILITIES	5,448	28,771	1,050	13,308	12,316	$ -
FUND BALANCES:						
Capital Projects						
Special Revenue	-	-	-	-	-	-
Permanent Fund						
Debt Service						
TOTAL FUND BALANCES	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	$ 5,448	$ 28,771	$ 1,050	$ 13,308	$ 12,316	$ -

(CONTINUED)

TOWN OF NORTH KINGSTOWN
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2008

	SPECIAL REVENUE FUNDS				
	School Substance Abuse	School Child Opportunity Zone Tutorial Homeless	School Literacy Set-Aside	Circle of Parents	Kellogg's Nucrew Program
ASSETS:					
Cash and cash equivalents				$ 12,420	$ 2,000
Due from other governments		$ 3,058			
Due from other funds					
Other receivables					
TOTAL ASSETS	$ -	$ 3,058	$ -	$ 12,420	$ 2,000
LIABILITIES:					
Accounts payable					
Due to other funds		$ 3,058			
Deferred revenue					
TOTAL LIABILITIES	$ -	3,058	$ -	$ -	$ -
FUND BALANCES:					
Capital Projects					
Special Revenue	-	-	-	12,420	2,000
Permanent Fund					
Debt Service					
TOTAL FUND BALANCES	-	-	-	12,420	2,000
TOTAL LIABILITIES AND FUND BALANCES	$ -	$ 3,058	$ -	$ 12,420	$ 2,000

TOWN OF NORTH KINGSTOWN
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2008

	SPECIAL REVENUE FUNDS					
	Nickelodeon	School COZ Miscellaneous Donations	School Adult Education Fund	School Summer School Fund	School Sports Camp	COZ ADA Project
ASSETS:						
Cash and cash equivalents	$ 5,000	$ 2,819	$ 610	$ 23,844	$ 52,206	
Due from other governments						
Due from other funds						
Other receivables				-		
TOTAL ASSETS	$ 5,000	$ 2,819	$ 610	$ 23,844	$ 52,206	$ -
LIABILITIES:						
Accounts payable				$ 105	$ 2,681	
Due to other funds						
Deferred revenue		$ 2,819				
TOTAL LIABILITIES	$ -	2,819	$ -	105	2,681	$ -
FUND BALANCES:						
Capital Projects						
Special Revenue	5,000	-	610	23,739	49,525	-
Permanent Fund						
Debt Service						
TOTAL FUND BALANCES	5,000	-	610	23,739	49,525	-
TOTAL LIABILITIES AND FUND BALANCES	$ 5,000	$ 2,819	$ 610	$ 23,844	$ 52,206	$ -

(CONTINUED)

TOWN OF NORTH KINGSTOWN
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2008

	SPECIAL REVENUE FUNDS				
	Spirit Day	Medicaid	RI Parent Info Network	School Sport Camps	NKHS Summer School
ASSETS:					
Cash and cash equivalents	$ 1,871	$ 7,187		$ 13,113	$ 4,619
Due from other governments					
Due from other funds			$ 1,578		
Other receivables					
TOTAL ASSETS	$ 1,871	$ 7,187	$ 1,578	$ 13,113	$ 4,619
LIABILITIES:					
Accounts payable		$ 7,187	$ 141	$ 60	
Due to other funds			1,437		
Deferred revenue					
TOTAL LIABILITIES	$ -	7,187	1,578	60	$ -
FUND BALANCES:					
Capital Projects					
Special Revenue	1,871	-	-	13,053	4,619
Permanent Fund					
Debt Service					
TOTAL FUND BALANCES	1,871	-	-	13,053	4,619
TOTAL LIABILITIES AND FUND BALANCES	$ 1,871	$ 7,187	$ 1,578	$ 13,113	$ 4,619

(CONTINUED)

TOWN OF NORTH KINGSTOWN
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2008

	SPECIAL REVENUE FUNDS				
	Recreation Escrow	Parade Committee	Retirement Allowance Reserve Fund	Health Insurance Reserve	Ann Ward Wallou Memorial Garden
ASSETS:					
Cash and cash equivalents	$ 66,751	$ 1,209	$ 1,267,730	$ 1,235,317	$ 401
Due from other governments					
Due from other funds					
Other receivables					
TOTAL ASSETS	$ 66,751	$ 1,209	$ 1,267,730	$ 1,235,317	$ 401
LIABILITIES:					
Accounts payable	$ 28,596		$ 27,763		
Due to other funds					
Deferred revenue					
TOTAL LIABILITIES	28,596	$ -	27,763	$ -	$ -
FUND BALANCES:					
Capital Projects					
Special Revenue	38,155	1,209	1,239,967	1,235,317	401
Permanent Fund					
Debt Service					
TOTAL FUND BALANCES	38,155	1,209	1,239,967	1,235,317	401
TOTAL LIABILITIES AND FUND BALANCES	$ 66,751	$ 1,209	$ 1,267,730	$ 1,235,317	$ 401

(CONTINUED)

TOWN OF NORTH KINGSTOWN
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2008

	SPECIAL REVENUE FUNDS					
	Old Library Park	Senior Citizens Center	Senior Citizens Bus Gasoline Escrow	Arts Council	Senior Outreach Escrow	Project Dare
ASSETS:						
Cash and cash equivalents	$ 2,526	$ 25,968	$ 61	$ 15,000	$ 1,707	$ 4,621
Due from other governments						
Due from other funds						
Other receivables						
TOTAL ASSETS	$ 2,526	$ 25,968	$ 61	$ 15,000	$ 1,707	$ 4,621
LIABILITIES:						
Accounts payable		$ 1,563		$ 6,155		
Due to other funds						
Deferred revenue						
TOTAL LIABILITIES	$ -	1,563	$ -	6,155	$ -	$ -
FUND BALANCES:						
Capital Projects						
Special Revenue	2,526	24,405	61	8,845	1,707	4,621
Permanent Fund						
Debt Service						
TOTAL FUND BALANCES	2,526	24,405	61	8,845	1,707	4,621
TOTAL LIABILITIES AND FUND BALANCES	$ 2,526	$ 25,968	$ 61	$ 15,000	$ 1,707	$ 4,621

(CONTINUED)

TOWN OF NORTH KINGSTOWN
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2008

	SPECIAL REVENUE FUNDS				DEBT SERVICE
	Fireworks Donation	Leisure Services Brochure	RI Foundation Grant	RI Learn & Serve America	FY 2005 Refunding
ASSETS:					
Cash and cash equivalents	$ 934	$ 900	$ 815		$ 14,984
Due from other governments				$ 10,950	
Due from other funds					
Other receivables					
TOTAL ASSETS	$ 934	$ 900	$ 815	$ 10,950	$ 14,984
LIABILITIES:					
Accounts payable				$ 1,514	
Due to other funds				9,436	
Deferred revenue					
TOTAL LIABILITIES	$ -	$ -	$ -	10,950	$ -
FUND BALANCES:					
Capital Projects					
Special Revenue	934	900	815	-	
Permanent Fund					
Debt Service					14,984
TOTAL FUND BALANCES	934	900	815	-	14,984
TOTAL LIABILITIES AND FUND BALANCES	$ 934	$ 900	$ 815	$ 10,950	$ 14,984

(CONTINUED)

TOWN OF NORTH KINGSTOWN
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2008

	CAPITAL PROJECT FUNDS						
	School Capital Reserve Fund	Capital Reserve	9M School Renovations Bond	6M Public Facilities Plan Bond	Farmland & Open Space Reserve	Farmland Preservation Bond	4M Senior Center Complex Fund
ASSETS:							
Cash and cash equivalents	$ 758,016	$ 2,191,203	$ 408,685	$ -	$ 1,137,302	$ -	
Due from other governments							
Due from other funds	221,339						
Other receivables							
TOTAL ASSETS	$ 979,355	$ 2,191,203	$ 408,685	$ -	$ 1,137,302	$ -	$ -
LIABILITIES:							
Accounts payable		$ 180,238	$ 3,027		$ 376		$ 70,174
Due to other funds			24,890	$ 276,931			215,490
Deferred revenue							
TOTAL LIABILITIES	$ -	180,238	27,917	276,931	376	$ -	285,664
FUND BALANCES:							
Capital Projects	979,355	2,010,965	380,768	(276,931)	1,136,926	-	(285,664)
Special Revenue							
Permanent Fund							
Debt Service							
TOTAL FUND BALANCES	979,355	2,010,965	380,768	(276,931)	1,136,926	-	(285,664)
TOTAL LIABILITIES AND FUND BALANCES	$ 979,355	$ 2,191,203	$ 408,685	$ -	$ 1,137,302	$ -	$ -

(CONTINUED)

TOWN OF NORTH KINGSTOWN
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2008

	PERMANENT FUNDS				
	Tri-Centennial Park	400th Anniversary	Henry Reynolds Indigent Care	School Updike Fund	School Gardiner Fund
ASSETS:					
Cash and cash equivalents	$ 6,097	$ 3,533	$ 18,491	$ 4,112	$ 5,556
Due from other governments					
Due from other funds					
Other receivables					
TOTAL ASSETS	$ 6,097	$ 3,533	$ 18,491	$ 4,112	$ 5,556
LIABILITIES:					
Accounts payable					
Due to other funds					
Deferred revenue					
TOTAL LIABILITIES	$ -	$ -	$ -	$ -	$ -
FUND BALANCES:					
Capital Projects					
Special Revenue					
Permanent Fund	6,097	3,533	18,491	4,112	5,556
Debt Service					
TOTAL FUND BALANCES	6,097	3,533	18,491	4,112	5,556
TOTAL LIABILITIES AND FUND BALANCES	$ 6,097	$ 3,533	$ 18,491	$ 4,112	$ 5,556

(CONTINUED)

TOWN OF NORTH KINGSTOWN
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2008

	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
ASSETS:						
Cash and cash equivalents	$ 8,390	$ 268	$ 4,774	$ 2,180	$ 6,957	$ 5,001
Due from other governments						
Due from other funds						
Other receivables						
TOTAL ASSETS	$ 8,390	$ 268	$ 4,774	$ 2,180	$ 6,957	$ 5,001
LIABILITIES:						
Accounts payable					$ 200	
Due to other funds						
Deferred revenue						
TOTAL LIABILITIES	$ -	$ -	$ -	$ -	200	$ -
FUND BALANCES:						
Capital Projects						
Special Revenue						
Permanent Fund	8,390	268	4,774	2,180	6,757	5,001
Debt Service						
TOTAL FUND BALANCES	8,390	268	4,774	2,180	6,757	5,001
TOTAL LIABILITIES AND FUND BALANCES	$ 8,390	$ 268	$ 4,774	$ 2,180	$ 6,957	$ 5,001

(CONTINUED)

TOWN OF NORTH KINGSTOWN
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2008

	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
ASSETS:					
Cash and cash equivalents	$ 21,014	$ 5,254	$ 2,180	$ 2,000	$ 7,895,349
Due from other governments					689,323
Due from other funds					371,060
Other receivables					152,303
TOTAL ASSETS	$ 21,014	$ 5,254	$ 2,180	$ 2,000	$ 9,108,035
LIABILITIES:					
Accounts payable					$ 460,690
Due to other funds					1,219,175
Deferred revenue					186,374
TOTAL LIABILITIES	$ -	$ -	$ -	$ -	1,866,239
FUND BALANCES:					
Capital Projects					3,945,419
Special Revenue					3,185,786
Permanent Fund	21,014	5,254	2,180	2,000	95,607
Debt Service					14,984
TOTAL FUND BALANCES	21,014	5,254	2,180	2,000	7,241,796
TOTAL LIABILITIES AND FUND BALANCES	$ 21,014	$ 5,254	$ 2,180	$ 2,000	$ 9,108,035

(CONCLUDED)

TOWN OF NORTH KINGSTOWN
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Non-Major Governmental Funds
Year Ended June 30, 2008

	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
REVENUES:						
Interest and investment income						
Intergovernmental						
Departmental			$ 749,599		$ 17,287	$ 9,728
Other						
TOTAL REVENUES	$ -	$ -	749,599	$ -	17,287	9,728
EXPENDITURES:						
General government		550	515,879			
Public safety					12,977	14,147
Public works						
Per trust agreements						
Education						
Public libraries						
Human resources				91		
Capital and special appropriations						
Debt service:						
Debt principal						
Debt interest						
TOTAL EXPENDITURES	-	550	515,879	91	12,977	14,147
Excess of revenues over expenditures before transfers	-	(550)	233,720	(91)	4,310	(4,419)
OTHER FINANCING SOURCES (USES):						
Proceeds from bond issuance						
Transfers in			(259,493)			
Transfers out						
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(259,493)	-	-	-
Excess of revenues and expenditures	-	(550)	(25,773)	(91)	4,310	(4,419)
Fund balance, beginning of year	709	11,247	-	-	20,095	
Fund balance, end of year	$ 709	$ 10,697	$ (25,773)	$ (91)	$ 24,405	$ (4,419)

(CONTINUED)

TOWN OF NORTH KINGSTOWN
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Non-Major Governmental Funds
Year Ended June 30, 2008

	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
REVENUES:						
Interest and investment income			$ 2,985			
Intergovernmental		$ 315,350		$ 18,468	$ 12,264	
Departmental						$ 12,354
Other						
TOTAL REVENUES	$ -	315,350	2,985	18,468	12,264	12,354
EXPENDITURES:						
General government		315,350				3,450
Public safety						
Public works						
Per trust agreements						
Education						
Public libraries						
Human resources				21,824	4,109	
Capital and special appropriations	1,242					
Debt service:						
Debt principal						
Debt interest						
TOTAL EXPENDITURES	1,242	315,350	-	21,824	4,109	3,450
Excess of revenues over expenditures before transfers	(1,242)	-	2,985	(3,356)	8,155	8,904
OTHER FINANCING SOURCES (USES):						
Proceeds from bond issuance						
Transfers in						
Transfers out						
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-
Excess of revenues and expenditures	(1,242)	-	2,985	(3,356)	8,155	8,904
Fund balance, beginning of year	1,242	-	85,270	-	3,811	3,488
Fund balance, end of year	$ -	$ -	$ 88,255	$ (3,356)	$ 11,966	$ 12,392

(CONTINUED)

TOWN OF NORTH KINGSTOWN
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Non-Major Governmental Funds
Year Ended June 30, 2008

	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
REVENUES:						
Interest and investment income					$ 3,429	
Intergovernmental				$ 227,696		$ 4,336
Departmental						
Other						
TOTAL REVENUES	$ -	$ -	$ -	227,696	3,429	4,336
EXPENDITURES:						
General government		225				4,336
Public safety				337		
Public works						
Per trust agreements			500			
Education						
Public libraries						
Human resources					15,000	
Capital and special appropriations						
Debt service:						
Debt principal						
Debt interest						
TOTAL EXPENDITURES	-	225	500	337	15,000	4,336
Excess of revenues over expenditures before transfers	-	(225)	(500)	227,359	(11,571)	-
OTHER FINANCING SOURCES (USES):						
Proceeds from bond issuance						
Transfers in						
Transfers out				(216,900)		
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	(216,900)	-	-
Excess of revenues and expenditures	-	(225)	(500)	10,459	(11,571)	-
Fund balance, beginning of year	358	610	4,976	68,999	129,393	-
Fund balance, end of year	$ 358	$ 385	$ 4,476	$ 79,458	$ 117,822	$ -

(CONTINUED)

TOWN OF NORTH KINGSTOWN
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Non-Major Governmental Funds
Year Ended June 30, 2008

	SPECIAL REVENUE FUNDS					
	Heritage Committee	Senior Center Legislative Grant	Impact Fees	Emergency Medical Services	RIDEM Potowomut Pond Clean-up	Fire Department Legislative Grant
REVENUES:						
Interest and investment income			$ 887	$ 6,041		
Intergovernmental						
Departmental						
Other		$ 3,000	50,499	602,097		
TOTAL REVENUES	$ -	3,000	51,386	608,138	$ -	$ -
EXPENDITURES:						
General government		2,958		90,625		
Public safety						
Public works						
Per trust agreements						
Education						
Public libraries						
Human resources						
Capital and special appropriations						
Debt service:						
Debt principal						
Debt interest						
TOTAL EXPENDITURES	-	2,958	-	90,625	-	-
Excess of revenues over expenditures before transfers	-	42	51,386	517,513	-	-
OTHER FINANCING SOURCES (USES):						
Proceeds from bond issuance						
Transfers in						
Transfers out			(49,014)	(517,514)		
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(49,014)	(517,514)	-	-
Excess of revenues and expenditures	-	42	2,372	(1)	-	-
Fund balance, beginning of year	-	(349)	49,014	(90)	4,500	2,627
Fund balance, end of year	$ -	$ (307)	$ 51,386	$ (91)	$ 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, 2008

	SPECIAL REVENUE FUNDS					
	Operation Drug Dog	Tax Revaluation Reserve Fund	Miscellaneous State Grants	Davisville Library Fund	Champlin Foundation Fund	Uniform Chart of Accounts
REVENUES:						
Interest and investment income					$ 949	
Intergovernmental			$ 331,335	$ 17,545	14,950	$ 21,463
Departmental						
Other		$ 22				
TOTAL REVENUES	$ -	22	331,335	17,545	15,899	21,463
EXPENDITURES:						
General government	480		211,985			
Public safety						
Public works						
Per trust agreements						12,713
Education				17,545	28,311	
Public libraries						
Human resources					32,500	
Capital and special appropriations						
Debt service:						
Debt principal						
Debt interest						
TOTAL EXPENDITURES	480	-	211,985	17,545	60,811	12,713
Excess of revenues over expenditures before transfers	(480)	22	119,350	-	(44,912)	8,750
OTHER FINANCING SOURCES (USES):						
Proceeds from bond issuance						
Transfers in						
Transfers out						
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-
Excess of revenues and expenditures	(480)	22	119,350	-	(44,912)	8,750
Fund balance, beginning of year	2,917	1,094	-	-	45,237	-
Fund balance, end of year	$ 2,437	$ 1,116	$ 119,350	$ -	$ 325	$ 8,750

(CONTINUED)

TOWN OF NORTH KINGSTOWN
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Non-Major Governmental Funds
Year Ended June 30, 2008

	SPECIAL REVENUE FUNDS				
	Library Fund	Willet Library Fund	RI Emergency Management	Miscellaneous Library Donations	School Public Law 94-142
REVENUES:					
Interest and investment income				$ 331	
Intergovernmental	$ 42,701	$ 22,872	$ 225,311		$ 1,071,279
Departmental	199,517				
Other	12			1,115	
TOTAL REVENUES	242,230	22,872	225,311	1,446	1,071,279
EXPENDITURES:					
General government				2,224	
Public safety			105,616		
Public works					
Per trust agreements					
Education					1,071,279
Public libraries	1,243,141	22,872			
Human resources					
Capital and special appropriations	26,890		40,573	4,145	
Debt service:					
Debt principal					
Debt interest					
TOTAL EXPENDITURES	1,270,031	22,872	146,189	6,369	1,071,279
Excess of revenues over expenditures before transfers	(1,027,801)	-	79,122	(4,923)	-
OTHER FINANCING SOURCES (USES):					
Proceeds from bond issuance					
Transfers in	1,050,036				
Transfers out	(9,000)				
TOTAL OTHER FINANCING SOURCES (USES)	1,041,036	-	-	-	-
Excess of revenues and expenditures	13,235	-	79,122	(4,923)	-
Fund balance, beginning of year	59,217	-	(152,695)	11,753	-
Fund balance, end of year	$ 72,452	$ -	$ (73,573)	$ 6,830	$ -

TOWN OF NORTH KINGSTOWN
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Non-Major Governmental Funds
Year Ended June 30, 2008

	SPECIAL REVENUE FUNDS				
	School Title I	School Title V	School Title II	School Drug Free Schools	School Title III LEP
REVENUES:					
Interest and investment income					
Intergovernmental	$ 568,893	$ 5,602	$ 171,634	$ 22,011	$ 9,081
Departmental					
Other					
TOTAL REVENUES	568,893	5,602	171,634	22,011	9,081
EXPENDITURES:					
General government					
Public safety					
Public works					
Per trust agreements					
Education	568,893	5,602	171,634	22,011	9,081
Public libraries					
Human resources					
Capital and special appropriations					
Debt service:					
Debt principal					
Debt interest					
TOTAL EXPENDITURES	568,893	5,602	171,634	22,011	9,081
Excess of revenues over expenditures before transfers	-	-	-	-	-
OTHER FINANCING SOURCES (USES):					
Proceeds from bond issuance					
Transfers in					
Transfers out					
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-
Excess of revenues and expenditures	-	-	-	-	-
Fund balance, beginning of year	-	-	-	-	-
Fund balance, end of year	$ -	$ -	$ -	$ -	$ -

(CONTINUED)

TOWN OF NORTH KINGSTOWN
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Non-Major Governmental Funds
Year Ended June 30, 2008

	SPECIAL REVENUE FUNDS					
	School Preschool Services	21st Century Learning Center	School Perkins Vocational Ed	COZ Family Literacy	School Child Opportunity Zone Family Center	School NKHS Living Democracy
REVENUES:						
Interest and investment income						
Intergovernmental	$ 29,980	$ 147,985	$ 34,103	$ 57,361	$ 41,000	$ 775
Departmental						
Other						
TOTAL REVENUES	29,980	147,985	34,103	57,361	41,000	775
EXPENDITURES:						
General government						
Public safety						
Public works						
Per trust agreements						
Education	29,980	147,985	34,103	57,361	41,000	775
Public libraries						
Human resources						
Capital and special appropriations						
Debt service:						
Debt principal						
Debt interest						
TOTAL EXPENDITURES	29,980	147,985	34,103	57,361	41,000	775
Excess of revenues over expenditures before transfers	-	-	-	-	-	-
OTHER FINANCING SOURCES (USES):						
Proceeds from bond issuance						
Transfers in						
Transfers out						
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-
Excess of revenues and expenditures	-	-	-	-	-	-
Fund balance, beginning of year	-	-	-	-	-	-
Fund balance, end of year	$ -	$ -	$ -	$ -	$ -	$ -

(CONTINUED)

TOWN OF NORTH KINGSTOWN
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Non-Major Governmental Funds
Year Ended June 30, 2008

	SPECIAL REVENUE FUNDS				
	School Substance Abuse	School Child Opportunity Zone Tutorial Homeless	School Literacy Set-Aside	Circle of Parents	Kellogg's Nucrew Program
REVENUES:					
Interest and investment income					
Intergovernmental	$ 35,398	$ 56,508	$ 289,123	$ 50,000	$ 2,000
Departmental					
Other					
TOTAL REVENUES	35,398	56,508	289,123	50,000	2,000
EXPENDITURES:					
General government					
Public safety					
Public works					
Per trust agreements					
Education	35,398	56,508	291,627	37,580	
Public libraries					
Human resources					
Capital and special appropriations					
Debt service:					
Debt principal					
Debt interest					
TOTAL EXPENDITURES	35,398	56,508	291,627	37,580	-
Excess of revenues over expenditures before transfers	-	-	(2,504)	12,420	2,000
OTHER FINANCING SOURCES (USES):					
Proceeds from bond issuance					
Transfers in					
Transfers out					
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-
Excess of revenues and expenditures	-	-	(2,504)	12,420	2,000
Fund balance, beginning of year	-	-	2,504	-	-
Fund balance, end of year	$ -	$ -	$ -	$ 12,420	$ 2,000

TOWN OF NORTH KINGSTOWN
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Non-Major Governmental Funds
Year Ended June 30, 2008

	SPECIAL REVENUE FUNDS					
	Nickelodeon	School COZ Miscellaneous Donations	School Adult Education Fund	School Summer School Fund	School Sports Camp	COZ ADA Project
REVENUES:						
Interest and investment income						
Intergovernmental	$ 5,000	$ 614				
Departmental						
Other				$ 21,458	$ 57,195	
TOTAL REVENUES	5,000	614	$ -	21,458	57,195	$ -
EXPENDITURES:						
General government						
Public safety						
Public works						
Per trust agreements						
Education		614		21,918	49,000	926
Public libraries						
Human resources						
Capital and special appropriations						
Debt service:						
Debt principal						
Debt interest						
TOTAL EXPENDITURES	-	614	-	21,918	49,000	926
Excess of revenues over expenditures before transfers		-	-	(460)	8,195	(926)
OTHER FINANCING SOURCES (USES):						
Proceeds from bond issuance						
Transfers in						
Transfers out						
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-
Excess of revenues and expenditures	5,000	-	-	(460)	8,195	(926)
Fund balance, beginning of year	-	-	610	24,199	41,330	926
Fund balance, end of year	$ 5,000	$ -	$ 610	$ 23,739	$ 49,525	$ -

(CONTINUED)

TOWN OF NORTH KINGSTOWN
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Non-Major Governmental Funds
Year Ended June 30, 2008

	SPECIAL REVENUE FUNDS				
	Spirit Day	School Medicaid	School RI Parent Info Network	School Sport Camps	NKHS Summer School
REVENUES:					
Interest and investment income					$ 26,580
Intergovernmental	$ 2,532	$ 599,995			
Departmental					
Other			$ 3,013	$ 24,358	
TOTAL REVENUES	2,532	599,995	3,013	24,358	26,580
EXPENDITURES:					
General government					
Public safety					
Public works					
Per trust agreements					
Education	661	599,995	3,013	25,981	21,961
Public libraries					
Human resources					
Capital and special appropriations					
Debt service:					
Debt principal					
Debt interest					
TOTAL EXPENDITURES	661	599,995	3,013	25,981	21,961
Excess of revenues over expenditures before transfers	1,871	-	-	(1,623)	4,619
OTHER FINANCING SOURCES (USES):					
Proceeds from bond issuance					
Transfers in					
Transfers out					
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-
Excess of revenues and expenditures	1,871	-	-	(1,623)	4,619
Fund balance, beginning of year	-	-	-	14,676	-
Fund balance, end of year	$ 1,871	$ -	$ -	$ 13,053	$ 4,619

(CONTINUED)

TOWN OF NORTH KINGSTOWN
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Non-Major Governmental Funds
Year Ended June 30, 2008

	SPECIAL REVENUE FUNDS				
	Recreation Escrow	Parade Committee	Retirement Allowance Reserve Fund	Health Insurance Reserve	Ann Ward Wallou Memorial Garden
REVENUES:					
Interest and investment income			$ 38,470	$ 32,052	$ 23
Intergovernmental					
Departmental					
Other	$ 204,301	$ 600			
TOTAL REVENUES	204,301	600	38,470	32,052	23
EXPENDITURES:					
General government	234,463	103		9,501	
Public safety					
Public works					600
Per trust agreements			177,601		
Education					
Public libraries					
Human resources					
Capital and special appropriations					
Debt service:					
Debt principal					
Debt interest					
TOTAL EXPENDITURES	234,463	103	177,601	9,501	600
Excess of revenues over expenditures before transfers	(30,162)	497	(139,131)	22,551	(577)
OTHER FINANCING SOURCES (USES):					
Proceeds from bond issuance					
Transfers in			159,000	225,305	
Transfers out					
TOTAL OTHER FINANCING SOURCES (USES)	-	-	159,000	225,305	-
Excess of revenues and expenditures	(30,162)	497	19,869	247,856	(577)
Fund balance, beginning of year	68,317	712	1,220,098	987,461	978
Fund balance, end of year	$ 38,155	$ 1,209	$ 1,239,967	$ 1,235,317	$ 401

(CONTINUED)

TOWN OF NORTH KINGSTOWN
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Non-Major Governmental Funds
Year Ended June 30, 2008

	SPECIAL REVENUE FUNDS					
	Old Library Park	Senior Citizens Center	Senior Citizens Bus Gasoline Escrow	Arts Council	Senior Outreach Escrow	Project Dare
REVENUES:						
Interest and investment income	$ 75					
Intergovernmental						
Departmental						
Other		$ 70,583		$ 26,556	$ 100	$ 752
TOTAL REVENUES	75	70,583	$ -	26,556	100	752
EXPENDITURES:						
General government	181	67,812		25,549	541	998
Public safety						
Public works						
Per trust agreements						
Education						
Public libraries						
Human resources						
Capital and special appropriations						
Debt service:						
Debt principal						
Debt interest						
TOTAL EXPENDITURES	181	67,812	-	25,549	541	998
Excess of revenues over expenditures before transfers	(106)	2,771	-	1,007	(441)	(246)
OTHER FINANCING SOURCES (USES):						
Proceeds from bond issuance						
Transfers in						
Transfers out						
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-
Excess of revenues and expenditures	(106)	2,771	-	1,007	(441)	(246)
Fund balance, beginning of year	2,632	21,634	61	7,838	2,148	4,867
Fund balance, end of year	$ 2,526	$ 24,405	$ 61	$ 8,845	$ 1,707	$ 4,621

(CONTINUED)

TOWN OF NORTH KINGSTOWN
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Non-Major Governmental Funds
Year Ended June 30, 2008

	SPECIAL REVENUE FUNDS				DEBT SERVICE
	Fireworks Donation	Leisure Services Brochure	RI Foundation Grant	RI Learn & Serve America	FY 2005 Refunding
REVENUES:					
Interest and investment income					
Intergovernmental				$ 24,900	
Departmental					
Other					
TOTAL REVENUES	$ -	$ -	$ -	24,900	$ -
EXPENDITURES:					
General government				24,900	
Public safety					
Public works					
Per trust agreements					
Education					
Public libraries					
Human resources					
Capital and special appropriations			1,202		
Debt service:					
Debt principal					
Debt interest					
TOTAL EXPENDITURES	-	-	1,202	24,900	-
Excess of revenues over expenditures before transfers	-	-	(1,202)	-	-
OTHER FINANCING SOURCES (USES):					
Proceeds from bond issuance					
Transfers in					
Transfers out					
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-
Excess of revenues and expenditures	-	-	(1,202)	-	-
Fund balance, beginning of year	934	900	2,017	-	14,984
Fund balance, end of year	$ 934	$ 900	$ 815	$ -	$ 14,984

(CONTINUED)

TOWN OF NORTH KINGSTOWN
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Non-Major Governmental Funds
Year Ended June 30, 2008

	CAPITAL PROJECT FUNDS						
	School Capital Reserve Fund	Capital Reserve	9M School Renovations Bond	6M Public Facilities Plan Bond	Farmland & Open Space Reserve	Farmland Preservation Bond	4M Senior Center Complex Fund
REVENUES:							
Interest and investment income	$ 31,334	$ 65,517	21,578	$ -	$ 34,036		
Intergovernmental	170,924						
Departmental							
Other					132,186		
TOTAL REVENUES	202,258	65,517	21,578	-	166,222	$ -	$ -
EXPENDITURES:							
General government							
Public safety							
Public works		297,623					
Per trust agreements							
Education							
Public libraries							
Human resources							
Capital and special appropriations		525,157	4,667,228		20,165		285,664
Debt service:							
Debt principal							
Debt interest							
TOTAL EXPENDITURES	-	822,780	4,667,228	-	20,165	-	285,664
Excess of revenues over expenditures before transfers	202,258	(757,263)	(4,645,650)	-	146,057	-	(285,664)
OTHER FINANCING SOURCES (USES):							
Proceeds from bond issuance			7,000,000				
Transfers in	120,189	395,577					
Transfers out	(686,521)						
TOTAL OTHER FINANCING SOURCES (USES)	(566,332)	395,577	7,000,000	-	-	-	-
Excess of revenues and expenditures	(364,074)	(361,686)	2,354,350	-	146,057	-	(285,664)
Fund balance, beginning of year	1,343,429	2,372,651	(1,973,582)	(276,931)	990,869	-	-
Fund balance, end of year	$ 979,355	$ 2,010,965	$ 380,768 #	$ (276,931)	$ 1,136,926	$ -	$ (285,664)

(CONTINUED)

TOWN OF NORTH KINGSTOWN
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Non-Major Governmental Funds
Year Ended June 30, 2008

	PERMANENT FUNDS				
	Tri-Centennial Park	400th Anniversary	Henry Reynolds Indigent Care	School Updike Fund	School Gardiner Fund
REVENUES:					
Interest and investment income		$ 100	$ 524	$ 72	$ 161
Intergovernmental	$ 8				
Departmental					
Other					
TOTAL REVENUES	8	100	524	72	161
EXPENDITURES:					
General government					
Public safety					
Public works					
Per trust agreements					
Education					
Public libraries					
Human resources					
Capital and special appropriations					
Debt service:					
Debt principal					
Debt interest					
TOTAL EXPENDITURES	-	-	-	-	-
Excess of revenues over expenditures before transfers	8	100	524	72	161
OTHER FINANCING SOURCES (USES):					
Proceeds from bond issuance					
Transfers in					
Transfers out					
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-
Excess of revenues and expenditures	8	100	524	72	161
Fund balance, beginning of year	6,089	3,433	17,967	4,040	5,395
Fund balance, end of year	$ 6,097	$ 3,533	$ 18,491	$ 4,112	$ 5,556

(CONTINUED)

TOWN OF NORTH KINGSTOWN
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Non-Major Governmental Funds
Year Ended June 30, 2008

	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
REVENUES:						
Interest and investment income	$ 258			$ 3	$ 197	$ 6
Intergovernmental						
Departmental						
Other						
TOTAL REVENUES	258	$ -	$ -	3	197	6
EXPENDITURES:						
General government						8
Public safety						
Public works						
Per trust agreements					200	
Education						
Public libraries						
Human resources						
Capital and special appropriations						
Debt service:						
Debt principal						
Debt interest						
TOTAL EXPENDITURES	-	-	-	-	200	8
Excess of revenues over expenditures before transfers	258	-	-	3	(3)	(2)
OTHER FINANCING SOURCES (USES):						
Proceeds from bond issuance						
Transfers in						
Transfers out						
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-
Excess of revenues and expenditures	258	-	-	3	(3)	(2)
Fund balance, beginning of year	8,132	268	4,774	2,177	6,760	5,003
Fund balance, end of year	$ 8,390	$ 268	$ 4,774	$ 2,180	$ 6,757	$ 5,001

(CONTINUED)

TOWN OF NORTH KINGSTOWN
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Non-Major Governmental Funds
Year Ended June 30, 2008

	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
REVENUES:					
Interest and investment income	$ 26	$ 7	$ 3	$ 2	$ 239,066
Intergovernmental					4,712,577
Departmental					199,517
Other					1,986,815
TOTAL REVENUES	26	7	3	2	7,137,975
EXPENDITURES:					
General government				3	1,512,121
Public safety					132,740
Public works					298,560
Per trust agreements					177,801
Education					3,353,099
Public libraries					1,311,869
Human resources					25,933
Capital and special appropriations					5,619,857
Debt service:					-
Debt principal					-
Debt interest					-
TOTAL EXPENDITURES	-	-	-	3	12,431,980
Excess of revenues over expenditures before transfers	26	7	3	(1)	(5,294,005)
OTHER FINANCING SOURCES (USES):					
Proceeds from bond issuance					7,000,000
Transfers in					1,950,107
Transfers out					(1,738,442)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	7,211,665
Excess of revenues and expenditures	26	7	3	(1)	1,917,660
Fund balance, beginning of year	20,988	5,247	2,177	2,001	5,324,136
Fund balance, end of year	$ 21,014	$ 5,254	$ 2,180	$ 2,000	$ 7,241,796

(CONCLUDED

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NON-MAJOR ENTERPRISE FUNDS

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

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, 2008

	Quonset/ Davisville Reserve	School Cafeteria	Water Capital Reserve	Total
ASSETS				
Current assets:				
Cash and cash equivalents	$ 508,310	$ 1,190	$ 1,335,584	$ 1,845,084
Other receivables		96,038		96,038
Inventory		37,524		37,524
Total current assets	508,310	134,752	1,335,584	1,978,646
Net Capital Assets		1,837		1,837
TOTAL ASSETS	$ 508,310	$ 136,589	$ 1,335,584	$ 1,980,483
LIABILITIES AND FUND EQUITY				
Current liabilities:				
Due to other funds		$ 336,061		$ 336,061
Accounts payable	$ 2,500	44,732	$ 45,220	92,452
Total current liabilities	2,500	380,793	45,220	428,513
NET ASSETS				
Invested in Capital Assets, net		1,837		1,837
Unrestricted	505,810	(246,041)	1,290,364	1,550,133
Total net assets	505,810	(244,204)	1,290,364	1,551,970
TOTAL LIABILITIES AND NET ASSETS	$ 508,310	$ 136,589	1,335,584	$ 1,980,483

TOWN OF NORTH KINGSTOWN

NON-MAJOR ENTERPRISE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2008

	Quonset/ Davisville Reserve	School Cafeteria	Water Capital Reserve	Total
Operating revenues:				
Charges for services		$ 911,433		$ 911,433
Total operating revenues	$ -	911,433	$ -	911,433
Operating expenses:				
Operations	32,109		264,554	296,663
School cafeteria		1,384,688		1,384,688
Depreciation		590		590
Total operating expenses	32,109	1,385,278	264,554	1,681,941
Operating income (loss)	(32,109)	(473,845)	(264,554)	(770,508)
Non-operating revenues (expenses):				
Investment income	27,871		29,680	57,551
Federal grants		332,801		332,801
State matching funds		19,045		19,045
Total non-operating revenues (expenses):	27,871	351,846	29,680	409,397
Income (loss) before transfers:	(4,238)	(121,999)	(234,874)	(361,111)
Transfers:				
Transfers In	232,354		823,549	1,055,903
Transfers (Out)	(682,000)		(447,354)	(1,129,354)
Total Transfers	(449,646)	-	376,195	(73,451)
Change in Net Assets	(453,884)	(121,999)	141,321	(434,562)
Net assets - July 1, 2007	959,694	(122,205)	1,149,043	1,986,532
Net assets - June 30, 2008	$ 505,810	$ (244,204)	$ 1,290,364	$ 1,551,970

TOWN OF NORTH KINGSTOWN

NON-MAJOR ENTERPRISE FUNDS

COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2008

	Quonset/ Davisville Reserve	School Cafeteria	Water Capital Reserve	Total
Cash flows from operating activities:				
Cash received from customers		$ 879,205		$ 879,205
Cash payments to suppliers for goods and services	$ (29,609)	(491,588)	$ (281,959)	(803,156)
Cash payments to employees for services		(739,463)		(739,463)
Net cash provided (used) by operating activities	(29,609)	(351,846)	(281,959)	(663,414)
Cash flows from noncapital financing activities:				
Federal grant receipts		332,801		332,801
State matching funds receipts		19,045		19,045
Transfer from other funds	232,354		823,549	1,055,903
Net cash used by noncapital financing activities	232,354	351,846	823,549	1,407,749
Cash flows from investing activities:				
Interest on investments	27,871	-	29,680	57,551
Net cash provided by investing activities	27,871	-	29,680	57,551
Net increase (decrease) in cash and cash equivalents	230,616	-	571,270	801,886
Cash and cash equivalents, July 1, 2007	959,694	1,190	1,211,668	2,172,552
Cash and cash equivalents, June 30, 2008	$ 1,190,310	$ 1,190	$ 1,782,938	$ 2,974,438
Reconciliation of operating income to net cash provided by (used for) operating activities:				
Operating income (loss)	$ (32,109)	$ (473,845)	$ (264,554)	$ (770,508)
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:				
Depreciation		590		590
(Increase) in other receivable		(32,228)		(32,228)
Decrease in inventory	-	7,933	-	7,933
Increase in due to other funds		130,208		130,208
Increase (decrease) in accounts payable	2,500	15,496	(17,405)	591
Net cash provided by (used for) operating activities	$ (29,609)	$ (351,846)	$ (281,959)	$ (663,414)

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TOWN OF NORTH KINGSTOWN, RHODE ISLAND

PRIVATE PURPOSE TRUST FUNDS

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

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

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

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TOWN OF NORTH KINGSTOWN

Combining Statement of Net Assets
Private Purpose Trust Funds
For the year ended June 30, 2008

	Burial Funds					
	Hall	Vaughn	Young	Rebecca Hammond	W.H. Welling	George C. Hall
ASSETS						
Cash	$ 501	$ 100	$ 300	$ 300	$ 8,663	$ 200
LIABILITIES	-	-	-	-	-	-
NET ASSETS						
Held in Trust for private purposes per trust agreements	$ 501	$ 100	$ 300	$ 300	$ 8,663	$ 200

(CONTINUED)

TOWN OF NORTH KINGSTOWN

Combining Statement of Net Assets
Private Purpose Trust Funds
For the year ended June 30, 2008

	Burial Funds						
	B.H. Davis	Updike	Mary Carpenter	Smith-Lawton	Old Baptist Cemetery	Smith	Burial Totals
ASSETS							
Cash	$ 500	$ 1,580	$ 1,000	$ 4,601	$ 700	$ 1,000	$ 19,445
LIABILITIES	-	-	-	-	-	-	-
NET ASSETS							
Held in Trust for private purposes per trust agreements	$ 500	$ 1,580	$ 1,000	$ 4,601	$ 700	$ 1,000	$ 19,445

(CONTINUED)

TOWN OF NORTH KINGSTOWN

Combining Statement of Net Assets
Private Purpose Trust Funds
For the year ended June 30, 2008

	Probate Funds					
	Lawton	Weeks	Cogan	Jones	Probate Totals	GRAND TOTALS
ASSETS						
Cash	$ 8,298	$ 2,559	$ 594	$ 225	$ 11,676	$ 31,121
LIABILITIES	-	-	-	-	-	-
NET ASSETS						
Held in Trust for private purposes per trust agreements	$ 8,298	$ 2,559	$ 594	$ 225	$ 11,676	$ 31,121

(CONCLUDED)

TOWN OF NORTH KINGSTOWN
Combining Statement of Changes in Net Assets
Private Purpose Trust Funds
For the year ended June 30, 2008

	Burial Funds					
	Hall	Vaughn	Young	Rebecca Hammond	W.H. Welling	George C. Hall
ADDITIONS:						
Investment income	$ 1	$ -	$ -	$ -	$ 11	$ -
	1	-	-	-	11	-
DEDUCTIONS:						
Operating expense per trust agreement	1					
	1	-	-	-	-	-
CHANGE IN NET ASSETS	-	-	-	-	11	-
Net Assets, beginning	501	100	300	300	8,652	200
Net Assets, ending	$ 501	$ 100	$ 300	$ 300	$ 8,663	$ 200

(CONTINUED)

TOWN OF NORTH KINGSTOWN
Combining Statement of Changes in Net Assets
Private Purpose Trust Funds
For the year ended June 30, 2008

	Burial Funds						
	B.H. Davis	Updike	Mary Carpenter	Smith-Lawton	Old Baptist Cemetery	Smith	Burial Totals
ADDITIONS:							
Investment income	$ -	$ 2	$ 1	$ 6	$ 1	$ 1	$ 23
	-	2	1	6	1	1	23
DEDUCTIONS:							
Operating expense per trust agreement	1		2	8	1	2	15
	1	-	2	8	1	2	15
CHANGE IN NET ASSETS	(1)	2	(1)	(2)	-	(1)	8
Net Assets, ending	501	1,578	1,001	4,603	700	1,001	19,437
Net Assets, ending	$ 500	$ 1,580	$ 1,000	$ 4,601	$ 700	$ 1,000	$ 19,445

(CONTINUED)

TOWN OF NORTH KINGSTOWN
Combining Statement of Changes in Net Assets
Private Purpose Trust Funds
For the year ended June 30, 2008

	Probate Funds					
	Lawton	Weeks	Cogan	Jones	Probate Totals	GRAND TOTALS
ADDITIONS:						
Investment income	$ 11	$ 73	$ 17	$ 7	$ 108	$ 131
	11	73	17	7	108	131
DEDUCTIONS:						
Operating expense per trust agreement						15
	-	-	-	-	-	15
CHANGE IN NET ASSETS	11	73	17	7	108	116
Net Assets, ending	8,287	2,486	577	218	11,568	31,005
Net Assets, ending	$ 8,298	$ 2,559	$ 594	$ 225	$ 11,676	$ 31,121

(CONCLUDED)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

AGENCY FUNDS

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.

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TOWN OF NORTH KINGSTOWN

Statement of Changes in Assets and Liabilities
Agency Funds
June 30, 2008

	Beginning Balance	Additions	Deductions	Ending Balance
SCHOOL ACTIVITY FUNDS				
ASSETS				
Cash	$ 306,333	$ 782,670	$ 772,926	$ 316,077
LIABILITIES				
Due to student groups	$ 306,333	$ 782,670	$ 772,926	$ 316,077
PAYROLL FUND				
ASSETS				
Cash	$ 73,363	$ 38,698,168	$ 38,705,834	$ 65,697
Due from other funds	1,998	16,358,894	16,349,830	11,062
TOTAL ASSETS	$ 75,361	$ 55,057,062	$ 55,055,664	$ 76,759
LIABILITIES				
Payroll withholdings	$ 75,361	$ 22,830,760	$ 22,829,362	$ 76,759
SCHOOL PAYROLL FUND				
ASSETS				
Cash	$ 99,597	$ 82,192,635	$ 82,201,981	$ 90,251
Due from other funds	593,456	38,224,251	38,811,701	6,006
TOTAL ASSETS	$ 693,053	$ 120,416,886	$ 121,013,682	$ 96,257
LIABILITIES				
Payroll withholdings	$ 693,053	$ 57,592,011	$ 58,188,807	$ 96,257

(CONTINUED)

TOWN OF NORTH KINGSTOWN

Statement of Changes in Assets and Liabilities
Agency Funds
Year ended June 30, 2008

	Beginning Balance	Additions	Deductions	Ending Balance
DEVELOPER SURETY ESCROW				
ASSETS				
Cash	$ 421,914	$ 220,805	$ 278,485	$ 364,234
LIABILITIES				
Deposits held in custody for others	$ 421,914	$ 9,817	$ 67,497	$ 364,234
TOTAL - ALL AGENCY FUNDS				
ASSETS				
Cash	$ 901,207	$ 121,894,278	$ 121,959,226	$ 836,259
Due from other funds	595,454	54,583,145	55,161,531	17,068
TOTAL ASSETS	$ 1,496,661	$ 176,477,423	$ 177,120,757	$ 853,327
LIABILITIES				
Due to student groups	$ 306,333	$ 782,670	$ 772,926	$ 316,077
Deposits Held in Custody for Others	421,914	9,817	67,497	364,234
Due to sub receipients	-	-	-	-
Payroll withholdings	768,414	80,422,771	81,018,169	173,016
TOTAL LIABILITIES	$ 1,496,661	$ 81,215,258	$ 81,858,592	$ 853,327

(CONCLUDED)

TOWN OF NORTH KINGSTOWN

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

Library Fund
Year Ended June 30, 2008

	Originally Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Revenues:				
State Aid	$ 199,517	$ 199,517	$ 199,517	$ -
Departmental Revenue	40,000	40,000	42,701	2,701
Miscellaneous	500	500	12	(488)
Total Revenues	240,017	240,017	242,230	2,213
Expenditures:				
Library	1,293,053	1,293,053	1,276,003	17,050
Total Expenditures	1,293,053	1,293,053	1,276,003	17,050
Excess of expenditures over revenues	(1,053,036)	(1,053,036)	(1,033,773)	19,263
Other financing sources:				
Operating transfer from Town	1,050,036	1,050,036	1,050,036	-
Transfers out	(9,000)	(9,000)	(9,000)	-
Transfer from fund balance	12,000	12,000	12,000	-
Net other financing sources	1,053,036	1,053,036	1,053,036	-
Excess (deficiency) of revenues and other sources over expenditures	$ -	$ -	$ 19,263	$ 19,263

TOWN OF NORTH KINGSTOWN

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

Debt Service Fund
Year Ended June 30, 2008

	Originally Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Revenues:				
State Aid	$ 1,055,059	$ 1,055,059	$ 1,210,323	$ 155,264
Miscellaneous	15,000	15,000	41,300	26,300
Total Revenues	1,070,059	1,070,059	1,251,623	181,564
Expenditures:				
Debt Service Municipal	1,438,427	1,438,427	1,599,005	(160,578)
Debt Service School	3,588,989	3,588,989	3,588,989	-
Reserve	174,708	174,708	174,708	-
Total Expenditures	5,202,124	5,202,124	5,362,702	(160,578)
Excess of expenditures over revenues	(4,132,065)	(4,132,065)	(4,111,079)	20,986
Other financing sources:				
Operating transfer from Town	4,062,065	4,062,065	4,062,065	-
Transfer from Impact Fees	70,000	70,000	49,014	(20,986)
Net other financing sources	4,132,065	4,132,065	4,111,079	(20,986)
Excess (deficiency) of revenues and other sources over expenditures	$ -	$ -	$ -	$ -

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 TEN FISCAL YEARS

FISCAL YEAR	2008	2007	2006	2005	2004	2003
Governmental Activities						
Invested in Capital assets, net of related debt	$ 41,954,816	$ 45,665,960	$ 12,563,318	$ (1,469,025)	$ (1,861,551)	$ (4,333,063)
Restricted For:						
Permanent Funds	95,607	94,451	88,580	86,537	87,654	
Debt Service						1,445,923
Capital Projects						4,412,453
Specific Programs						2,980,858
Unrestricted	25,645,661	21,492,526	25,719,107	23,083,191	20,305,262	14,300,299
Total governmental Activities net assets	67,696,084	67,252,937	38,371,005	21,700,703	18,531,365	18,806,470
Business-type activities						
Invested in Capital assets, net of related debt	5,263,868	5,054,302	4,835,395	4,720,878	3,856,102	4,221,731
Unrestricted	7,359,621	7,507,799	5,663,520	5,209,767	5,599,958	5,008,473
Total business-type activities net assets	12,623,489	12,562,101	10,498,915	9,930,645	9,456,060	9,230,204
Primary Government						
Invested in Capital assets, net of related debt	47,218,684	50,720,262	17,398,713	3,251,853	1,994,551	(111,332)
Restricted for:						
Permanent Funds	95,607	94,451	88,580	86,537	87,654	
Debt Service						1,445,923
Capital Projects						4,412,453
Specific Programs						2,980,858
Unrestricted	33,005,282	29,000,325	31,382,627	28,292,958	25,905,220	19,308,772
Total primary government net assets	$ 80,319,573	$ 79,815,038	$ 48,869,920	$ 31,631,348	$ 27,987,425	$ 28,036,674

Note: six years of data presented due to issuance of GASB 34 - *Basic Financial Statements-and Managements Discussion and Analysis for State and Local Governments* during fiscal year 2002.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

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

Fiscal Year	2008	2007	2006	2005	2004	2003
Expenses						
Governmental Activities:						
General government	$ 6,982,639	$ 6,722,225	$ 6,558,106	$ 7,310,123	$ 6,437,736	$ 6,303,068
Public Safety	14,102,227	13,763,174	13,000,576	11,551,917	11,297,060	10,151,088
Public Works	4,293,248	3,427,940	4,116,279	4,530,289	4,330,139	3,316,262
Parks and recreation	331,434	284,710	500,417	585,699	593,594	376,334
Senior Services	329,396	298,143	300,022	297,474	286,475	271,638
Education	60,406,926	58,426,032	55,583,451	53,565,325	53,810,038	47,534,281
Public libraries	1,311,869	1,426,343	1,055,453	-	-	-
Per trust agreements	-	40,748	101,657	173,407	204,109	184,879
Human resources	25,933	30,248	55,939	35,730	228,162	138,295
Debt Services	2,245,068	1,836,140	1,901,273	5,718,453	5,873,276	6,044,921
Unallocated depreciation	4,105,464	1,554,813	1,604,459	673,545	1,555,726	458,479
Total governmental activities	94,134,204	87,810,516	84,777,632	84,441,962	84,616,315	74,779,245
Business-type activities:						
Water	2,973,401	2,121,390	2,552,342	2,241,119	2,142,179	1,805,529
Q/D Recreation	1,461,895	1,338,711	1,329,769	1,263,139	1,288,509	1,153,835
Non-major	1,385,278	1,585,318	1,420,496	1,416,646	1,291,890	1,231,243
Total business-type activities	5,820,574	5,045,419	5,302,607	4,920,904	4,722,578	4,190,607
Total primary government expense	99,954,778	92,855,935	90,080,239	89,362,866	89,338,893	78,969,852
General Revenues and Other Changes in Net Assets						
Governmental activities:						
General property taxes	61,222,691	59,439,540	56,331,520	53,653,354	53,805,401	51,272,225
Charges for services	5,754,327	5,622,690	-	-	-	-
Operating grants and services	18,916,120	18,466,460	-	-	-	-
Intergovernmental	5,914,775	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	482,329	581,969	539,812	442,178	524,995	355,158
Investment income	1,440,248	1,599,737	1,338,665	817,032	403,138	365,601
Other	131,761	43,729	5,308,497	6,452,149	6,411,041	5,369,664
Transfer from/(to) business-type activity	715,100	(657,909)	170,064	375,000	278,383	405,241
Total governmental activities revenues	94,577,351	90,562,533	88,035,985	85,356,692	82,857,843	78,061,299
Business-type activities:						
Water	3,375,993	3,210,805	3,051,565	2,602,127	2,353,692	2,431,537
Q/D Recreation	1,957,790	1,841,284	1,659,252	1,583,353	1,553,365	1,470,694
Non-major	1,263,279	1,398,607	1,330,124	1,010,897	1,296,653	1,234,882
Transfer (to)/from governmental activity	(715,100)	657,909	(170,064)	(375,000)	(278,383)	(405,241)
Total business-type activities	5,881,962	7,108,605	5,870,877	4,821,377	4,925,327	4,731,872
Total primary government revenues	100,459,313	97,671,138	93,906,862	90,178,069	87,783,170	82,793,171
Net (Expense)/Revenue						
Governmental activities	443,147	2,752,017	3,258,353	914,730	(1,758,472)	3,282,054
Business-type activities	61,388	2,063,186	568,270	(99,527)	202,749	541,265
Total primary government net expense	$ 504,535	$ 4,815,203	$ 3,826,623	$ 815,203	$ (1,555,723)	$ 3,823,319

Note: six years of data presented due to issuance of GASB 34 - *Basic Financial Statements-and Managements Discussion and Analysis for State and Local Governments* during fiscal year 2002.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

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

FISCAL YEAR	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
General Fund										
Reserved	$ 2,184,716	$ 910,280	$ 773,094	$ 1,419,288	$ 1,148,088	$ 1,566,317	$ 1,089,535	$ 1,766,553	$ 673,354	$ 744,131
Unreserved	8,633,263	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
Total General Fund	10,817,979	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
School Fund										
Reserved	1,382,667	846,487	1,206,105	928,823	229,962	2,034,919	2,025,027	970,395	636,715	606,268
Unreserved	570,659	520,235	891,558	257,930	682,931	378,429	171,893	127,829	222,667	471,559
Total School Fund	$ 1,953,326	$ 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
All Other Governmental Funds										
Reserved	679,785	679,785	884,321	1,138,700	1,667,297	1,445,923	820,301	1,998,134	1,104,243	1,030,534
Unreserved, reported in:										
Special revenue funds	3,185,786	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
Capital project funds	5,635,662	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
Permanent funds	95,607	94,451	88,580	86,537	87,654	1,658,821				
Total all other governmental funds	$ 9,596,840	$ 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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

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

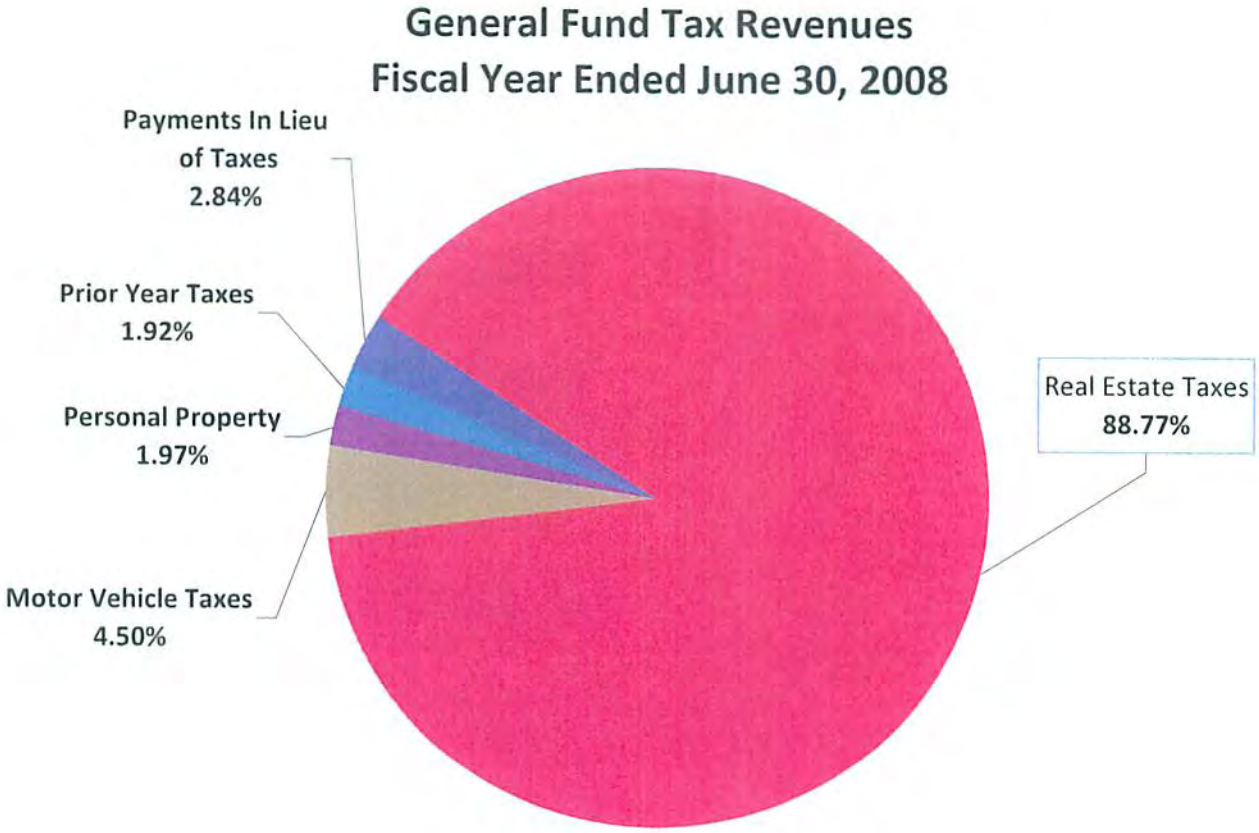
FISCAL YEAR	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Revenues:										
General property taxes	$ 61,187,866	$ 58,892,935	$ 56,100,311	$ 53,653,354	$ 53,805,401	$ 51,272,225	$ 48,570,277	$ 44,883,156	$ 42,758,479	$ 40,769,858
Intergovernmental	24,345,666	23,199,098	22,292,512	21,486,434	19,567,049	18,606,909	17,772,102	16,835,239	14,836,130	14,174,653
Departmental	1,993,198	1,923,295	2,054,915	2,130,545	1,867,836	1,686,501				
Licenses and permits	482,329	581,969	539,812	442,178	524,995	355,158	374,236	392,050	402,843	357,301
Investment income	1,394,171	1,540,098	1,277,430	817,032	403,138	365,601	643,042	2,375,650	2,084,237	780,129
Other	4,328,119	4,476,803	5,308,497	6,452,149	6,411,041	5,369,664	3,587,938	3,728,396	3,655,272	4,527,401
Total revenues	93,731,349	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
Expenditures:										
General Government	6,619,016	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
Public Safety	13,965,387	13,586,608	12,557,047	11,551,917	11,297,060	10,151,088	10,065,679	8,946,977	8,647,435	8,397,280
Public works	4,320,822	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
Parks and recreation	330,658	283,747	499,780	585,699	593,594	376,334				
Senior services	332,711	340,782	285,376	297,474	286,475	271,638				
Education	60,453,700	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
Public libraries	1,311,869	1,304,033	1,223,869							
Per trust agreements	177,801	40,748	101,657	173,407	204,109	184,879				
Human resources	25,933	30,248	55,939	35,730	228,162	138,295	1,940,276	1,909,148	1,842,729	1,955,234
Debt service										
Principal	3,294,192	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
Interest and other costs	2,068,511	1,851,579	1,801,980	2,409,259	2,564,086	2,725,731	2,871,863	2,668,113	1,617,650	607,845
Capital expenditures	8,164,270	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
Total expenditures	101,064,870	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
Excess of revenues over (under) expenditures	(7,333,521)	(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)
Other financing sources (uses):										
Proceeds of bond issuance	11,000,000			30,360,000						3,300,000
Refunding Debt Escrow Agent				(30,660,215)						(3,290,541)
Bond premium				606,993						
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
Transfers in	49,516,906	46,054,711	44,197,516	43,615,244	41,708,213	38,965,689	39,444,613	32,769,514	30,345,832	27,111,938
Transfers out	(48,561,829)	(46,504,361)	(43,826,199)	(43,269,859)	(41,429,830)	(38,560,448)	(39,007,816)	(32,358,351)	(29,976,127)	(26,769,714)
Total other financing sources (uses)	11,955,077	(449,650)	3,211,317	463,528	278,383	405,241	2,336,797	8,721,872	33,492,250	10,232,224
Net change in fund balances	$ 4,621,556	$ (4,030,635)	$ 2,778,506	$ 1,003,258	$ (1,758,472)	$ 3,282,054	$ (11,851,955)	$ (11,869,285)	$ 29,084,341	$ 8,418,044
Debt service as a percentage of noncapital expenditures	5.77%	5.84%	6.33%	6.83%	7.07%	8.13%	8.49%	6.15%	4.87%	2.59%

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

Fiscal Year Ended June 30	Payments in Lieu of Taxes	Real Estate Taxes	Motor Vehicle Taxes	Personal Property Taxes	Prior Year Taxes	Totals
2008	1,731,508	54,056,434	2,740,719	1,199,130	1,169,716	60,897,507
2007	1,797,214	51,560,229	2,885,543	1,315,986	1,075,577	58,634,549
2006	1,932,964	48,706,823	2,998,680	1,253,190	1,000,309	55,891,966
2005	1,911,952	46,621,254	2,623,349	1,185,974	1,003,704	53,346,233
2004	2,389,421	45,232,284	2,762,556	1,911,634	1,203,814	53,499,709
2003	2,097,705	43,130,374	2,742,140	1,805,045	1,185,060	50,960,324
2002	1,540,240	40,886,216	2,873,157	1,866,828	1,155,500	48,321,941
2001	2,206,529	36,211,628	2,852,599	2,033,005	1,278,165	44,581,926
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



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

Fiscal Year Ended June 30	Assessed Value: Real Estate	Personal Property	Inventory	Motor Vehicles	Less Exemptions	Total Taxable Assessed Value	Total Direct Tax Rate Real Property	Total Direct Tax Rate Motor Vehicle	Total Direct Tax Rate Inventory	Estimated Actual Taxable Value	Real Estate Only Assessed Value as a Percentage of Actual Value
2008	4,238,884,090	91,778,320		259,144,446	199,827,415	4,389,979,441	13.83	22.04		6,296,187,141	0.713
2007	3,440,758,510	88,604,990		264,447,537	186,437,005	3,607,374,032	13.30	22.04		4,880,366,356	0.760
2006	3,401,172,700	86,288,720		250,051,917	169,029,676	3,568,483,661	14.85	22.04		4,434,139,071	0.830
2005	3,373,797,470	84,417,360		221,425,702	154,036,444	3,525,604,088	14.38	22.04		3,679,640,532	1.000
2004	2,011,507,975	85,317,810		228,647,217	136,310,757	2,189,162,245	23.31	22.04		3,107,726,103	0.720
2003	1,986,996,310	82,121,190		226,694,293	134,732,509	2,161,079,284	22.60	22.04		2,702,786,941	0.830
2002	1,954,112,590	83,110,590		211,150,852	111,877,715	2,136,496,317	21.94	22.04		2,308,810,504	0.970
2001	1,536,301,370	80,991,371	5,192,610	191,199,906	85,165,453	1,728,519,804	24.65	22.04	18.24	2,017,988,288	0.880
2000	1,500,902,170	79,192,539	10,134,680	174,978,378	55,615,294	1,709,592,473	23.68	22.04	20.52	1,885,586,319	0.920
1999	1,470,037,800	84,597,805		146,321,148	22,176,983	1,678,779,770	22.79	22.04		1,825,320,038	0.922

Source: Town of North Kingstown Tax Assessor

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
2008	13.83	22.04	
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	

Source: Town of North Kingstown Tax Assessor

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

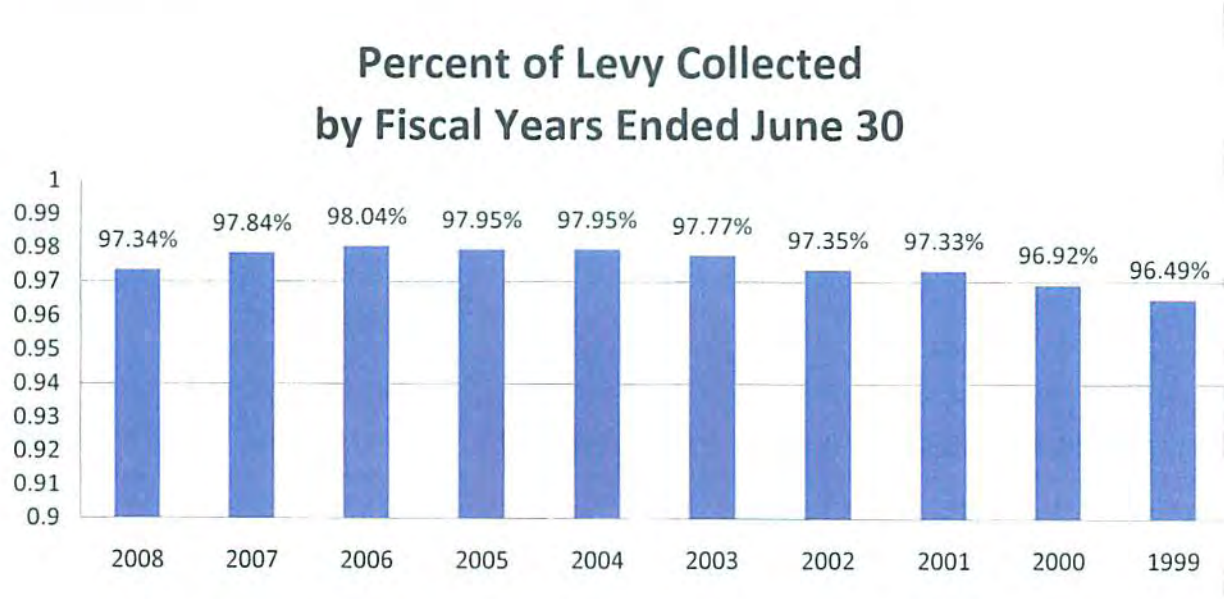
2008				1999			
	Taxable Assessed Value	Rank	Percent of Total Town Taxable Assessed Value		Taxable Assessed Value	Rank	Percent of Total Town Taxable Assessed Value
NARRAGANSETT ELECTRIC CO	36,674,620	1	0.80%	NARRAGANSETT ELECTRIC CO	34,487,070	1	1.95%
WREC PRECISION PARK LLC	20,304,900	2	0.44%	BROWN & SHARPE MFG CO	16,167,200	2	0.92%
ZAKOPANE REAL ESTATE ASSOC INC	16,033,000	3	0.35%	HUNT RIVER SHOPPING CENTER	8,609,600	3	0.49%
HOME DEPOT USA INC	15,617,490	4	0.34%	WAL-MART STORES INC	8,501,410	4	0.48%
LISCHIO DEVELOPMENT CO. LLC	15,405,200	5	0.34%	HERITAGE VILLAGE ASSOCIATES	6,110,100	5	0.35%
NEW PLAN HUNT RIVER COMMONS LLC	13,749,100	6	0.30%	PROVIDENCE GAS CO	5,719,270	6	0.32%
MILLCREEK LIMITED LIABILITY CO	13,077,200	7	0.28%	TORAY PLASTICS AMERICA	5,356,010	7	0.30%
WAL-MART REAL ESTATE BUSINESS TRUST	12,071,500	8	0.26%	BAY SHORE VENTURES	5,085,900	8	0.29%
HERITAGE PRESERVATION ASSOC.	11,357,900	9	0.25%	OAKWOOD LIVING CENTER	3,804,500	9	0.22%
FUJIFILM ELECTRONIC MATERIALS USA	8,940,930	10	0.19%	ESSEX VILLAGE COMPANY	3,750,300	10	0.21%
MEADOWS PROFESSIONAL	7,891,300	11	0.17%	MILLCREEK LIMITED	3,731,100	11	0.21%
ESSEX VILLAGE COMPANY	7,766,300	12	0.17%	KINGSTOWN PLAZA LIMITED PART	3,730,400	12	0.21%
KINGSTOWN PLAZA LIMITED PART	7,191,600	13	0.16%	KINGS GRANT CO	3,541,400	13	0.20%
QUIDNESSETT CNTRY CLUB INC	7,160,980	14	0.16%	QUIDNESSETT COUNTRY CLUB	3,358,100	14	0.19%
WICKFORD SHIPYARD INC	6,991,800	15	0.15%	WICKFORD VILLAGE ASSOCIATES	3,308,100	15	0.19%
WICKFORD VILLAGE	6,724,100	16	0.15%	ZAKAPONE REAL ESTATE ASSOC INC	2,936,000	16	0.17%
WICKBAY PROPERTIES INC	6,626,000	17	0.14%	COXCOM INC	2,924,700	17	0.17%
WEST DAVISVILLE REALTY CO LLC	6,551,800	18	0.14%	ALBEMARLE FRENCHTOWN LLC	2,813,400	18	0.16%
SLOCUM WOODS INC	6,179,500	19	0.13%	MEADOWS PROFESSIONAL	2,574,800	19	0.15%
KINGS GRANT CO	6,123,800	20	0.13%	ASQAH CO-OPERATIVE INC	2,287,100	20	0.13%
COX COMMUNICATIONS	6,090,560	21	0.13%	STONE, DON W	2,168,000	21	0.12%
HIGH LEA PROPERTIES LLC	5,994,800	22	0.13%	S L S ASSOCIATES LTD PRTSHP	2,130,800	22	0.12%
STONE, DON W	5,315,400	23	0.12%	OCG MICROELECTRONIC MATERIALS	2,054,800	23	0.12%
CIOE WJA1 LLC	5,247,400	24	0.11%	CASTELUCCI STONE IND INC	1,976,100	24	0.11%
GOLDLINE PROPERTIES	5,068,600	25	0.11%	WICKFORD SHIPYARD INC	1,921,600	25	0.11%

Source: Town of North Kingstown Tax Assessor

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
2008	$ 59,586,154	$ 57,996,283	97.33%	$ 1,169,716	$ 59,165,999	99.29%
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%

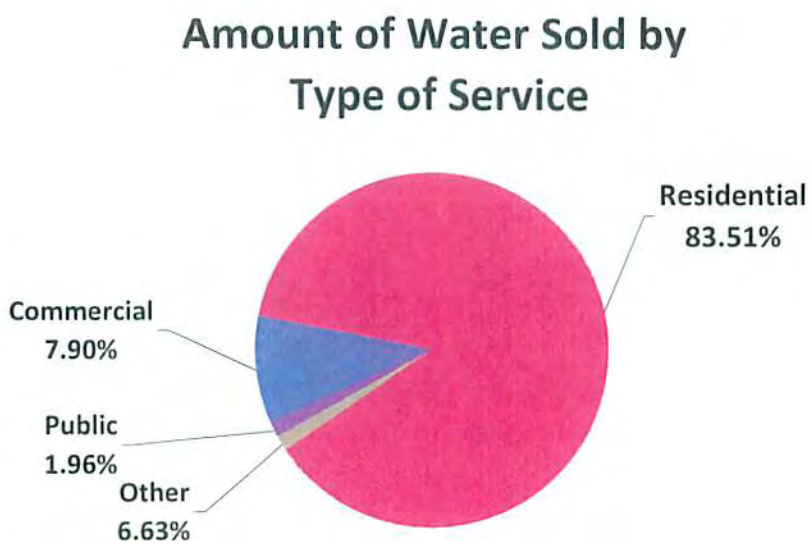
Source: Town of North Kingstown Tax Assessor and Finance Departments



TOWN OF NORTH KINGSTOWN

SCHEDULE 10
WATER SOLD BY TYPE OF SERVICE
LAST NINE CALENDAR YEARS

Fiscal Year	Type of Service				
	Commercial	Residential	Other	Public	Total
2008	69,827,939	737,898,130	58,583,363	17,347,062	883,656,494
2007	75,213,320	666,404,419	10,694,594	11,236,260	763,548,593
2006	59,812,660	566,963,705	6,010,500	10,111,350	642,898,215
2005	71,331,330	727,902,558	8,847,020	22,658,056	830,738,964
2004	64,643,680	568,184,747	8,499,400	7,993,173	649,321,000
2003	49,583,850	872,035,060	13,862,625	121,555,750	1,057,037,285
2002	52,474,569	594,940,338	8,056,080	6,618,810	662,089,797
2001	55,560,300	621,967,273	8,056,080	6,618,810	692,202,463
2000	59,142,555	539,772,768	5,083,570	12,192,396	616,191,289



TOWN OF NORTH KINGSTOWN

SCHEDULE 11
WATER RATES
LAST TEN FISCAL YEARS

Fiscal Year	Base Rate	Rate per 1,000 Gallons
2008	13.72	2.920
2007	18.30	2.500
2006	13.49	2.400
2005	13.26	2.200
2004	13.03	2.050
2003	12.41	1.935
2002	12.41	1.935
2001	12.15	1.898
2000	11.90	1.863
1999	11.64	1.714

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 General Obligation Bonds	Business-Type Activities Water Bonds	Business-Type Activities Quonset Davisville Recreation Bonds	Total Primary Government	Percentage of Personal Income	Net Bonded Debt per Capita	Taxable Assessed Value	Net Bonded Debt as % of Taxable Assessed Value
2008	49,702,276	-	337,724	50,040,000	1070.69%	1,900.78	4,389,979,441	1.14%
2007	41,996,465	-	368,533	42,364,998	906.47%	1,609.25	3,607,374,032	1.17%
2006	45,405,657	114,198	399,342	45,919,197	982.52%	1,744.25	3,568,483,661	1.29%
2005	46,184,851	222,261	430,148	46,837,260	1002.17%	1,779.13	3,525,604,088	1.33%
2004	47,904,043	324,448	460,980	48,689,471	1041.80%	1,849.48	2,189,162,245	2.22%
2003	51,213,233	421,079	491,790	52,126,102	1115.33%	1,980.02	2,161,079,284	2.41%
2002	54,532,424	512,456	522,600	55,567,480	1188.97%	2,110.75	2,136,496,317	2.60%
2001	55,761,616	598,864	553,410	56,913,890	1217.77%	2,161.89	1,728,519,804	3.29%
2000	50,010,000	680,574	584,190	51,274,764	1097.11%	2,155.67	1,709,592,473	3.00%
1999	18,360,000	757,841	615,000	19,732,841	1083.15%	829.60	1,678,779,770	1.18%

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

Fiscal Year June 30,	Governmental Activities General Obligation Bonds	Percentage of Actual Taxable Value^ of Property	Per Capita*
2008	49,702,276	1.13%	1,887.95
2007	41,996,465	1.16%	1,595.25
2006	45,400,659	1.27%	1,724.56
2005	46,184,851	1.31%	1,754.34
2004	47,904,043	2.19%	1,819.65
2003	51,213,233	2.37%	1,945.35
2002	54,532,424	2.55%	2,071.43
2001	55,761,616	3.23%	2,118.12
2000	50,010,000	2.93%	2,102.50
1999	18,360,000	1.09%	771.88

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

^ See Schedule 6 for property value data.

* Population data can be found in Schedule 16.

TOWN OF NORTH KINGSTOWN

SCHEDULE 14
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Total asessed value	4,389,979,441	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
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	131,699,383	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
Debt applicable to limit:										
Q/D Recreation Issue	337,724	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
Bonded Debt Subject to Limit	337,724	368,533	513,540	652,409	785,428	912,869	1,035,056	1,152,274	1,264,764	1,372,841
Legal debt limit	131,699,383	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
Total net debt applicable to the limit	337,724	368,533	513,540	114,198	222,261	326,448	512,456	598,864	680,574	757,841
Legal debt margin	131,361,659	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
Total net debt applicable to the limit as a percentage of debt limit	0.26%	0.34%	0.48%	0.62%	1.20%	1.41%	1.61%	2.22%	2.47%	2.73%

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

Fiscal Year June 30,	Gross Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage Dollars	Coverage Percentage
2008	3,281,482	2,702,281	579,201	-	6,566	572,635	8721.22%
2007	2,953,358	2,114,824	838,534	114,197	6,566	717,771	594.36%
2006	2,876,360	2,539,562	336,798	108,063	12,780	215,955	178.71%
2005	2,534,054	2,241,119	292,935	102,187	18,656	172,092	142.41%
2004	2,266,601	1,920,257	346,344	96,631	24,212	225,501	186.61%
2003	2,320,485	1,805,529	514,956	91,377	29,466	394,113	326.14%
2002	2,475,044	1,575,459	899,585	86,408	34,435	778,742	644.42%
2001	2,057,847	1,922,461	135,386	81,710	39,133	14,543	12.03%
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%

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

Fiscal Year June 30,	Population	Per Capita Personal Income	School Enrollment	Unemployment Rate
2008	26,326	46,736	4,334	6.4
2007	26,326	46,736	4,535	3.7
2006	26,326	46,736	4,607	4.2
2005	26,326	46,736	4,711	4.1
2004	26,326	46,736	4,729	4.7
2003	26,326	46,736	4,659	3.8
2002	26,326	46,736	4,599	3.3
2001	26,326	46,736	4,560	3.4
2000	23,786	18,218	4,560	2.8
1999	23,786	18,218	4,539	2.8

(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

2008

Employer	Employees	Rank	Percentage of Total Town Employment
General Dynamics Electric Boat	2100	1	13.40%
Perspectives Corp.	850	2	5.42%
Toray Plastics, Inc.	600	3	3.83%
Ocean State Jobbers Inc.	505	4	3.22%
Hexagon Metrology, Inc	350	5	2.23%
SENESCO Marine LLC	325	6	2.07%
143d Air Wing, RIANG	303	7	1.93%
Town of North Kingstown	300	8	1.91%
The Home Depot North Kingstown	250	9	1.59%
North Atlantic Distribution Inc. (NO RAD)	248	10	1.58%
The Stop & Shop Co., Inc. (North Kingstown)	225	11	1.44%
Star Gas Service	212	12	1.35%
Wal-Mart (North Kingstown)	200	13	1.28%
Custom Design, Inc.	150	14	0.96%
South County Nursing & RehabilitationCenter	150	15	0.96%
Gregg's	150	16	0.96%
Anvil International LP	122	17	0.78%
Scalabrini Villa	120	18	0.77%
Arch Chemicals, Inc.	120	19	0.77%
Adecco Staffing	100	20	0.64%
Quidnessett Country Club	100	21	0.64%
Roberts Health Centre, Inc.	82	22	0.52%
All American Foods, Inc	80	23	0.51%
C & J Forms	80	24	0.51%
B B & S Treated Lumber Of New England	71	25	0.45%
Army Aviation Support Facility	65	26	0.41%

1999

Employer	Employees	Rank	Percentage of Total Town Employment
ELECTRIC BOAT CORPORATION	1380	1	9.03%
TORAY PLASTICS AMERICA INC	573	2	3.75%
PERSPECTIVES CORP	500	3	3.27%
BROWN & SHARPE MFG. CO.	400	4	2.62%
OCEAN STATE JOBBERS INC	200	5	1.31%
WAL-MART	200	6	1.31%
CUSTOM DESIGN INC	150	7	0.98%
GRINNELL CORP	150	8	0.98%
GREGG'S	150	9	0.98%
SO COUNTY NURSING CTR	150	10	0.98%
SCALABRINI VILLA	120	11	0.78%
AMES DEPARTMENT STORE	100	12	0.65%
NO ATLANTIC DISTRIBUTION INC	100	13	0.65%
JOHN J ORR & SONS INC	100	14	0.65%
ILLUMINATION CONCEPTS & ENG.	94	15	0.61%
COMMUNITY CARE NURSES INC	85	16	0.56%
MARO DISPLAY INC	75	17	0.49%
AUTOMATION SOFTWARE INC	70	18	0.46%
CASTELLUCCI STONE IND., INC.	60	19	0.39%
LAFAYETTE NURSING HOME	60	20	0.39%
PAUL BAILEY'S DODGE	60	21	0.39%
J T'S LUMBER CO., INC	60	22	0.39%
NARAGANSETT LITHO LTD	59	23	0.39%
ROBERTS HEALTH CENTRE, INC	55	24	0.36%

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

	Fiscal Year									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Town Council	5	5	5	5	5	5	5	5	5	5
Town Manager	2	2	2	2	2	2	2	2	3	3
Town Clerk/Bd. Of Canvassers	6	6	6	6	6	6	6	6	7	7
Finance/Data Processing	9	7	8	8	9	10	9	10	11	10
Assessor	4	4	4	4	4	4	4	4	3	4
Fire	81	81	71	71	74	72	78	80	69	72
Police/Animal Control	63	59	58	58	61	66	63	61	61	62
Planning	4	5	6	6	6	5	5	5	5	5
Public Works	33	33	34	34	34	33	34	31	34	32
Welfare	0	0	1	1	1	1	1	1	1	1
Senior Citizens	3	3	3	3	3	3	3	3	2	2
Code Enforcement	3	3	3	3	3	3	3	3	3	3
Recreation	1	2	2	2	2	2	2	2	1	2
Library	14	12	12	12	12	12	11	12	12	
Quonset/Davisville Recreation Fund/Golf Course/Allens Harbor	7	6	7	7	8	8	8	8	7	5
Water Fund	16	13	13	13	13	13	13	12	12	12
Total	251	241	235	235	243	245	247	245	236	225
Public Education:										
Teachers	374	374	371	380	384	371	367	363	351	340
Pupil Support	246	253	236	246	255	228	224	221	214	211
Executive and Administrative	36	33	34	34	37	34	34	31	30	31

Source: Town of North Kingstown Municipal and School Personnel Departments

TOWN OF NORTH KINGSTOWN

SCHEDULE 19
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST NINE YEARS

	Fiscal Year								
Function/Program	2008	2007	2006	2005	2004	2003	2002	2001	2000
Police									
Calls for Service	35,745	32,192	16,342	32,095	30,867	28,783	24,390	20,442	17,577
Arrests	904	901	579	1,182	1,229	1,306	1,177	1,055	1,145
Prosecutions	6,155	6,133	4,013	9,227	4,597	1,905	1,814	1,481	1,439
Fire									
Medical Calls/Rescue Runs	2,633	2,461	1,108	2,144	2,014	2,358	2,727	2,512	2,259
Residential Inspections	408	430	605	301	445	722	681	681	724
Public Works									
Miles Resurfaced	2.7	6	2.4	2.5	2.8	3.4	11	0	16
Plowed Miles	159	159	158.4	158.2	157.9	155.6	157	156	155
Refuse collection									
Refuse collected (tons/day, avg)	8,471	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)	3,953	3,677	3,651.5	3,670.6	3,594.2	3,475.1	3,353.7	3,344.1	3,285.1
Recreation									
Bussing ages 6-13	8,600	6,825	4,900	9,500	9,500	8,250	9,000	9,000	8,200
Summer Playground Part.	500	500	450	900	900	900	900	900	900
Human Services									
Meals on Wheels	6,980	10,579	5,206	10,927	11,596	8,587	10,408	11,269	10,433
# of Sr. Serv. Calls	10,859	2,538	3,404	7,314	9,178	10,644	9,735	11,568	12,508
# of Other Service Calls	1,629	793	5	28	28	26	32	32	13
# of Heat Cases	22	37	5	22	20	24	29	29	53
# of Electric Shutoffs	9	9							
# of Transportation Calls	7,675	7,064							
Library									
Person visits	179,216	170,164	88,002	180,481	192,959	186,090	190,729	175,600	183,694
# of users at IT workstations	22,216	20,280	10,363	19,283	18,918	17,817			
Public Service transactions	34,429	37,403	23,841	51,760	61,373	40,941	32,441	29,578	
Number of items borrowed	319,711	332,191							
Water Dept									
Metered services	9,301	9,268	9,197	9,157	9,068	9,047	9,014	8,860	8,843
Annual Production		1,106							
(million gallons)	1,100		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 STATISTSICS BY FUNCTION/PROGRAM
LAST NINE FISCAL YEARS

		Fiscal Year							
Function/Program	2008	2007	2006	2005	2004	2003	2002	2001	2000
Police									
Stations	1	1	1	1	1	1	1	1	1
Patrol Units	23	23	23	23	23	23	21	21	21
Fire Stations	3	3	3	3	3	3	3	3	3
Public Works									
Road Miles	157	157	156	156	155 7	153 4	155	154	153
Acres Maintained	479	479	479	479	479	479	469	469	469
Recreation									
Baseball/softball fields	16	16	16	16	16	16	16	16	16
Soccer fields	9	9	9	9	9	9	9	9	9
Multi use parks	4	4	4	4	4	4	4	4	4
Football fields	1	1	-	-	-	-	-	-	-
Senior Center	1	1	1	1	1	1	1	1	1
Library	1	1	1	1	1	1	1	1	1
Size of collection	129,576	125,967	-	-	-	-	-	-	-
Water Dept									
Water mains (miles)	176	175	170	168	168	156	156	155	155
Water towers	5	5	5	5	5	5	5	5	5
Hydrants	1,041	1,024	995	994	994	980	980	980	950

Sources: various town departments

TOWN OF NORTH KINSTOWN

SCHEDULE 21
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
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	244	245	267	268	211	179	143	164	183	168
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	196	175	184	166	15	280	264	307	321	285
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	258	265	235	241	260	266	224	217	223	209
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	425	448	402	372	426	433	414	410	374	376
Quidnessett Elementary (1971)										
Square Feet	34,000	34,000	34,000	43,544	43,544	43,544	43,544	43,544	43,544	43,544
Capacity	337	337	337	383	383	383	383	383	383	383
Enrollment	252	251	260	261	355	258	240	289	272	270
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	368	378	412	448	423	386	419	456	392
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	236	235	237	241	282	235	208	0	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	567	571	615	614	629	630	627	644	602	571
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	478	473	418	445	452	446	490	472	511	485
North Kingstown High (2001)										
Square Feet	197,553	197,553	253,600	253,600	253,600	253,600	253,600	253,600	253,600	253,600
Capacity	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600
Enrollment	1,329	1,306	1,327	1,320	1,398	1,475	1,519	1,532	1,536	1,578
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 Busines

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
2008	$	60,288,314	4,334	$	13,911	5.61%	373.50	11.60	95.00%
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%

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, 2008

Federal Grantor/Program Title	Federal CFDA Number	Expenditures Incurred
U.S. Department of Housing and Urban Development		
Community Development Block Grant (CDBG) *	14.218	$ 315,350
Total Department of Housing and Urban and Development		315,350
U.S. Department of Education:		
Public Law 94-142 *	84.027A	1,071,279
Title I	84.010A	568,893
Title II Technology	84.367A	171,634
Education of Homeless Children	84.196A	56,508
Preschool services *	84.173A	29,980
Child Opportunity Zone	84.027A	41,000
Drug-free schools	84.186A	22,011
21st Century Learning	84.287C	147,985
Title III English Language Learners	84.365A	9,081
Title V	84.298A	5,602
Total U.S. Department of Education		2,123,973
U.S. Department of Homeland Security:		
Homeland Security Domestic Preparedness	97.004	102,227
Total U.S. Department of Homeland Security		102,227
Environmental Protection Agency:		
Environmental Protection Agency Water Take Refurbishment	66.202	14,147
Total U.S. Department of Homeland Security		14,147
U.S. Department of Agriculture:		
National school lunch	10.555	274,216
National school milk	10.556	1,899
National school breakfast	10.557	56,687
Food commodities	10.550	78,034
Total U.S. Department of Agriculture		410,836
Total Expenditures of Federal Awards		$ 2,966,533

*Denotes major program

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2008

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, 2008, the Community Development Block Grant (CDBG), Public Law 94-142 (IDEA Part B), and Preschool Services (IDEA Section 619) were the major programs of the Town of North Kingstown.

Braver PC
Accountants & Advisors

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, 2008, which collectively comprise The Town of North Kingstown's basic financial statements and have issued our report thereon dated December 16, 2008. 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 or 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.

Boston
Newton
Providence
MGI WORLDWIDE
Two Charles Street, Providence, RI 02904 T 401.421.2710 F 401.274.5230 www.thebravergroup.com

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.

Braun, PC

Providence, Rhode Island
December 16, 2008

Braver PC
Accountants & Advisors

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, 2008. 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, 2008.

MGI WORLDWIDE
Two Charles Street, Providence, RI 02904 T 401.421.2710 F 401.274.5230 www.thebravergroup.com
Boston
Newton
Providence

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.

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

Schedule of Expenditures of Federal Awards

We have audited the financial statements 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 as of and for the year ended June 30, 2008, and have issued our report thereon dated December 16, 2008. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Town of North Kingstown's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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.

Braun, PC

Providence, Rhode Island
December 16, 2008

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2008

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:

CDBG	14.218
IDEA Part B	84.027A
Section 619 Preschool	84.173A

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, 2008.

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

None.

C. FINDINGS AND QUESTIONED COSTS RELATING TO FEDERAL AWARDS

Current Year Findings:

None.

APPENDIX C

TAFT & McSALLY LLP
ATTORNEYS AT LAW
21 GARDEN CITY DRIVE
CRANSTON, RI 02920-5703

Tel. No. (401) 946-3800
Fax No. (401) 943-8859

SARAH TAFT-CARTER
JOHN V. MCGREEN*
ROBERT D. MURRAY
DAVID H. FERRARA*

*also admitted in Massachusetts

JAMES L. TAFT, JR.
(1930-)

JAMES L. TAFT
(1925-1959)

BERNARD F. MCSALLY
(1962-1978)

January __, 2009

Town of North Kingstown
80 Boston Neck Road
North Kingstown, RI 02852

Re: Town of North Kingstown, Rhode Island $9,790,000 General Obligation Bonds

We have examined a record of proceedings relating to the issue of $9,790,000 General Obligation Bonds dated January15, 2009 (the "Bonds") by the Town of North Kingstown, Rhode Island.

The Bonds are dated January 15, 2009. The Bonds mature on January 15 of the years and in the principal amounts, and bear interest at the respective rates, as follows:

Maturity January 15	Principal Amount	Interest Rate	Maturity January 15	Principal Amount	Interest Rate
2011	$ 50,000	2.000%	2021	$540,000	3.250%
2012	50,000	2.000	2022	540,000	3.450
2013	510,000	2.000	2023	540,000	3.600
2014	540,000	2.500	2024	540,000	3.700
2015	540,000	2.750	2025	540,000	3.750
2016	540,000	2.750	2026	540,000	3.800
2017	540,000	2.750	2027	540,000	3.850
2018	540,000	3.000	2028	540,000	4.000
2019	540,000	3.000	2029	540,000	4.000
2020	540,000	3.000	2030	540,000	4.000

The Bonds maturing on or prior to January 15, 2019 are not subject to redemption prior to their stated dates of maturity. The Bonds maturing on or after January 15, 2020 are subject to redemption prior to their stated dates of maturity at the option of the Town, on or after January 15, 2019, either in whole or in part at any time, upon the terms and conditions stated in such Bonds.

The Bonds are issued as fully registered bonds without coupon, and are registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York. The Depository Trust Company will act as securities depository of the Bonds. Individual purchases of

Bonds will be made in book-entry form only, in the principal amount of $5,000 and integral multiples thereof. Purchasers will not receive certificates representing their interest in the Bonds purchased.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds and we express no opinion relating thereto.

As to questions of fact material to our opinion we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

On the basis of this examination we are of opinion, as of the date hereof and under existing law:

(1) The Bonds are valid general obligations of the Town of North Kingstown and all taxable property in the Town is subject to ad valorem taxation without limitation as to rate or amount to pay the Bonds and the interest thereon.

(2) The interest on the Bonds is exempt from Rhode Island income taxes, but the Bonds and the income therefrom may be included in the measure of Rhode Island estate taxes and certain Rhode Island corporate and business taxes.

(3) The interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of computing the alternative minimum tax imposed on individuals and corporations under the Internal Revenue Code of 1986, as amended (the "Code"); it should be noted, however, that interest on the Bonds is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes). The opinions set forth in the preceding sentence are subject to the condition that the Town must comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The Town has covenanted to comply with these requirements. Failure to comply with certain of these requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds. We express no opinion regarding any other federal tax consequences arising with respect to the Bonds.

It is to be understood that the rights of the holders of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

Very truly yours,