

**TOWN OF NORTH KINGSTOWN,
RHODE ISLAND**

**BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2016

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

FOR THE YEAR ENDED JUNE 30, 2016

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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 (the "Town") as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 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, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis presented on pages 4 through 13, and budgetary comparison schedules and historical pension and other postemployment benefit information on pages 75 through 87 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The other supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Town. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The other supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.



Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 5, 2017, on our consideration of the Town'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* in considering the Town's internal control over financial reporting and compliance.


CERTIFIED PUBLIC ACCOUNTANTS

Providence, Rhode Island
May 5, 2017

TOWN OF NORTH KINGSTOWN, RHODE ISLAND MANAGEMENT’S DISCUSSION AND ANALYSIS

Introduction:

Management’s Discussion and Analysis provides a narrative overview and analysis of the financial activities of the Town of North Kingstown (“Town”) for the year ended June 30, 2016, with comparison to the prior year where appropriate. The information complements the data presented in the basic financial statements and is intended to enhance the reader’s understanding of the Town’s financial performance.

Financial Highlights:

- The Statement of Net Position is presented on a full accrual basis similar to a private business consolidated financial report of a \$100 million dollar company.
- The assets and the deferred outflows of resources of the Town exceeded its liabilities and its deferred inflows of resources at the close of the most recent fiscal year by \$8,774,840 (net position). The total net position is broken down into three captions: 1) Net investment in capital assets (Capital Assets section), which is essentially the net worth of the infrastructure the Town owns; 2) Restricted for endowments under the terms of Trust agreements, which is not spendable by the Town; and 3) Unrestricted, which is unassigned.
- The Town’s total net position increased by \$8,662,643.
- As of the close of the current fiscal year, the Town of North Kingstown’s total governmental funds reported combined ending fund balances of \$20.5 million. Approximately 25% of this total, \$5 million, is available for spending at the Town’s discretion (unassigned).
- At the end of the current fiscal year, the total fund balance of the General Fund was \$12.5 million. Of this amount, the unassigned fund balance for the General Fund was \$6.7 million, which is available for spending at the Town’s discretion. The remaining balance consisted of \$914,751 non-spendable to help finance the golf course’s irrigation project and for certain prepaid expenses, \$350,000 assigned as an appropriation to the FY2017 budget, \$1.1 million assigned for encumbrances and \$3.5 million assigned to fund retiree obligations.
- The Town’s remaining fund balance of \$8 million is classified as follows: \$2.8 million – School Department, principally assigned for education and encumbrances, but also grant-restricted and non-spendable for certain prepaid expenses; \$219,000- Debt Service Fund assigned; \$5 million – Other Governmental Funds, including \$0.6 million assigned for Town Capital Reserve funds and Infrastructure Replacement, \$2.3 million, principally restricted for Capital Projects such as GO Bonds, Revenue Bonds, and Open Space/Farmland, \$847,778 for grants and \$92,662 for Permanent Funds.
- The Town’s governmental activities total liabilities, both long-term and short-term (including general obligation bonds, capital leases, notes payable, compensated absences, pollution remediation obligations, net pension liabilities and OPEB liabilities), increased by \$4,536,833 (3%) during the current fiscal year.

Overview of the Financial Statements:

This discussion and analysis is intended to serve as an introduction to the Town of North Kingstown’s basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains required supplementary information and other supplementary information.

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

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

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

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

The government-wide financial statements (statement of net position and statement of activities) can be found on pages 14-15 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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The Town of North Kingstown maintains 74 individual non-major governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, School Department (unrestricted and special revenue funds), and Debt Service Fund, all of which are considered to be major funds, and Other Governmental Funds. Forty-eight special revenue funds, a Debt Service Fund, ten Capital Projects Funds 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.

The basic governmental fund financial statements can be found on pages 16-19 of this report.

Proprietary Funds: The Town of North Kingstown maintains two types of proprietary funds: enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements, only in more detail. The Town of North Kingstown uses enterprise funds to account for its water fund, recreation fund, sewer fund and nonmajor enterprise funds (i.e. nutrition fund, school sports camps, gate receipts, summer school, etc.). Internal service funds are an accounting device used to accumulate costs internally among the Town's various functions. The Town uses internal service funds to account for its workers' compensation and self-insurance property damage funds. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. The basic proprietary fund financial statements can be found on pages 20-22 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 statements because the resources of those funds are not available to support the Town of North Kingstown's own programs. The Town maintains two types of fiduciary funds: Police Pension Trust and Private Purpose Trust Funds, of which the Town holds 21 separate accounts. The basic fiduciary fund financial statements can be found on pages 23-24 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 25-74 of this report.

Other Information: In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town of North Kingstown's progress in funding its obligations to provide pension and other postemployment benefits to its employees. Required supplementary information can be found on pages 75-87 of this report. The Combining Statements referred to earlier in connection with nonmajor Governmental Funds are presented following the Notes to the Financial Statements. Combining and Individual Fund Statements can be found starting on page 98 of this report.

Government-Wide Financial Analysis

As noted earlier, net position 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.

Table 1 – Net Position

	Governmental Activities		Business-Type Activities		Total		Total % Change
	2016	2015	2016	2015	2016	2015	
Current and other assets	\$ 28,093,464	\$ 29,921,426	\$ 18,332,842	\$ 9,030,282	\$ 46,426,306	\$ 38,951,708	
Capital assets	96,991,537	98,682,391	18,341,427	17,459,574	115,332,964	116,141,965	
Total assets	<u>\$ 125,085,001</u>	<u>\$ 128,603,817</u>	<u>\$ 36,674,269</u>	<u>\$ 26,489,856</u>	<u>\$ 161,759,270</u>	<u>\$ 155,093,673</u>	4.30%
Deferred outflows of resources	<u>\$ 15,507,244</u>	<u>\$ 8,160,484</u>	<u>\$ 731,799</u>	<u>\$ 368,035</u>	<u>\$ 16,239,043</u>	<u>\$ 8,528,519</u>	90.41%
Current liabilities	\$ 8,757,238	\$ 11,184,559	\$ 1,902,514	\$ 2,163,705	\$ 10,659,752	\$ 13,348,264	
Long-term liabilities	130,462,097	123,497,943	17,745,073	16,180,449	148,207,170	139,678,392	
Total liabilities	<u>\$ 139,219,335</u>	<u>\$ 134,682,502</u>	<u>\$ 19,647,587</u>	<u>\$ 18,344,154</u>	<u>\$ 158,866,922</u>	<u>\$ 153,026,656</u>	3.82%
Deferred inflows of resources	<u>\$ 9,845,099</u>	<u>\$ 9,965,547</u>	<u>\$ 511,452</u>	<u>\$ 517,792</u>	<u>\$ 10,356,551</u>	<u>\$ 10,483,339</u>	-1.21%
Net position:							
Net investment in							
capital assets	\$ 57,633,524	\$ 55,901,918	\$ 6,729,243	\$ 7,449,075	\$ 64,362,767	\$ 63,350,993	
Restricted	2,410,940	2,520,253	280,565	280,565	2,691,505	2,800,818	
Unrestricted	(68,516,653)	(66,305,919)	10,237,221	266,305	(58,279,432)	(66,039,614)	
Total net position	<u>\$ (8,472,189)</u>	<u>\$ (7,883,748)</u>	<u>\$ 17,247,029</u>	<u>\$ 7,995,945</u>	<u>\$ 8,774,840</u>	<u>\$ 112,197</u>	7720.92%

The largest portion of the Town's net position reflects its investment in capital assets (e.g., land, building, infrastructure, machinery and equipment), less any related debt still outstanding used to acquire those assets. 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 position may be used to meet the government's ongoing obligations to citizens and creditors; the Town currently has a deficit balance of \$58 million. The restricted net position of \$2.7 million is subject to external restrictions on how it may be used.

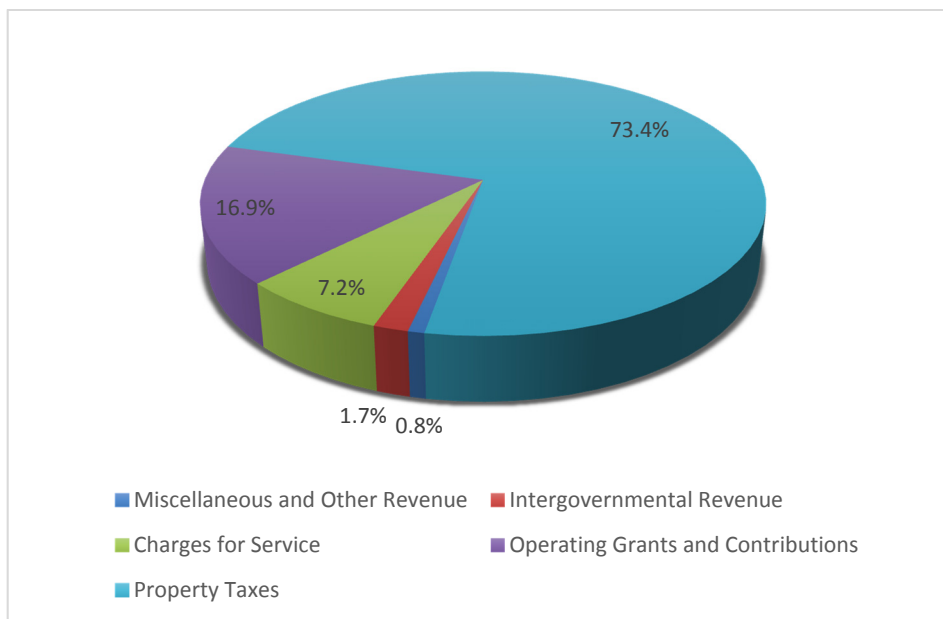
At June 30, 2016, the Town of North Kingstown is able to report positive balances in all three categories of net assets in the business-type activities. The Quonset/Davisville Recreation Fund, a business-type activity, reported a year-end deficit of \$1,072,565 due to the implementation of GASB 68. The Sewer Fund, a business-type activity, reported an increase in net position of \$8,344,473 due to the completion of Phase 1 of the Post Road Project. Phase I was fully operational at the end of FY 2016, assessments for Phase I were levied and many property owners are now tied in. Phase II of the Post Road Project should be completed in early FY2017. Metering Chambers are also under construction at three locations outside the Quonset Business Park, as required by the Town's Intergovernmental Agreement with the Quonset Development Corporation.

Table 2 – Changes in Net Position

	Governmental Activities		Business-Type Activities		Total		Change
	2016	2015	2016	2015	2016	2015	% Change
Revenues							
Charges for Services	\$ 7,468,224	\$ 6,453,683	\$ 7,075,099	\$ 6,067,610	\$ 14,543,323	\$ 12,521,293	
Operating Grants and Contributions	17,485,648	17,170,214	8,950,687	452,788	26,436,335	17,623,002	
General Revenues	78,476,558	76,084,327	265,006	3,361	78,741,564	76,087,688	
Transfers		-	1,712		1,712	-	
Total Revenues and Transfers	<u>\$ 103,430,430</u>	<u>\$ 99,708,224</u>	<u>\$ 16,292,504</u>	<u>\$ 6,523,759</u>	<u>\$ 119,722,934</u>	<u>\$ 106,231,983</u>	12.70%
Program Expenses and Transfers							
Program Expenses	\$ 104,017,159	\$ 100,673,061	\$ 7,041,420	\$ 6,701,442	\$ 111,058,579	\$ 107,374,503	
Transfers	1,712	-	-	-	1,712	-	
Total Expenses and Transfers	<u>\$ 104,018,871</u>	<u>\$ 100,673,061</u>	<u>\$ 7,041,420</u>	<u>\$ 6,701,442</u>	<u>\$ 111,060,291</u>	<u>\$ 107,374,503</u>	3.43%
Increase (Decrease) in							
Net Position	\$ (588,441)	\$ (964,837)	\$ 9,251,084	\$ (177,683)	\$ 8,662,643	\$ (1,142,520)	858.20%
Net Position - beginning	(7,883,748)	(6,918,911)	7,995,945	8,173,628	112,197	1,254,717	
Net Position - ending	<u>\$ (8,472,189)</u>	<u>\$ (7,883,748)</u>	<u>\$ 17,247,029</u>	<u>\$ 7,995,945</u>	<u>\$ 8,774,840</u>	<u>\$ 112,197</u>	

Governmental Activities. Property taxes are the largest revenue source for governmental activities, accounting for 73.4% of total revenues. Operating grants and contributions contributed to 16.9% of the revenues followed by 7.2% from program revenues such as charges for services, fees, and licenses; the remaining 2.5% is unrestricted revenues (i.e., intergovernmental and investment earnings).

FY 2016 Governmental Activities - Revenues



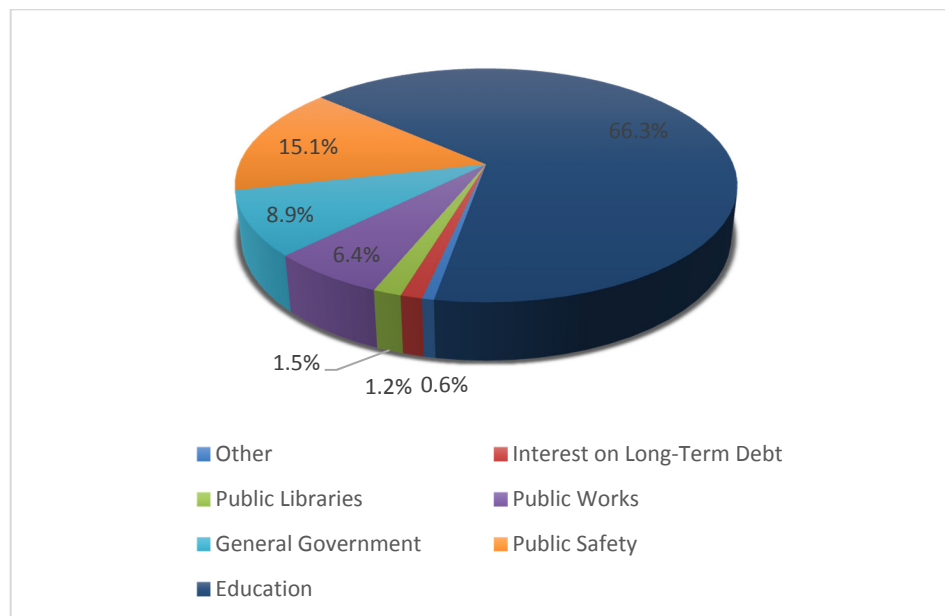
Major revenue factors over the prior year included:

- Property taxes being levied resulted in an increase of \$2,177,994, or 3%, for fiscal year 2016. The Town's taxable property increased by \$39,420,407 from \$3,755,338,760 to \$3,794,759,167. This represents a 1% increase in taxable property. Due to a stable housing market, the property tax rate increased slightly from \$18.91 to \$19.30 per thousand dollars of assessed value to provide the same level of services the taxpayers have come to appreciate.
- Charges for service increased by \$1,014,541, or 15.6%, primarily as are result of increased police details and ambulance services.
- Intergovernmental revenue increased by \$371,402, or 26.8%

**Table 3
Cost of Services**

	Total Cost of Services			Net Cost of Services		
	2016	2015	% Change	2016	2015	% Change
Education	\$ 68,924,806	\$ 63,437,782	8.6%	\$ 50,294,588	\$ 45,358,349	10.9%
General Government	9,276,025	8,845,848	4.9%	5,476,048	5,605,425	-2.3%
Public Works	6,632,235	7,349,670	-9.8%	6,100,783	6,810,717	-10.4%
Public Safety	15,656,636	16,976,794	-7.8%	14,053,842	15,605,913	-9.9%
Public Libraries	1,611,604	1,621,713	-0.6%	1,251,308	1,287,943	-2.8%
Interest on Long-Term Debt	1,244,451	1,770,593	-29.7%	1,244,451	1,770,593	-29.7%
Other	671,402	670,661	0.1%	642,267	610,224	5.3%
Total Expenses	\$ 104,017,159	\$ 100,673,061	3.3%	\$ 79,063,287	\$ 77,049,164	2.6%

FY 2016 Governmental Activities – Expenditures



Education expenses account for approximately 66% of the total expenses within the governmental activities of the Town. Public safety and public works expenses account for 15.1% and 6.4%, respectively, general government makes up 8.9% and the remainder relates to public libraries, interest on long-term debt, pension contribution commitments and other areas. The net cost of services increased by 3.0% primarily as a result of a general increase in operating costs.

Cost of Services in Table 3, above, 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 departmental revenues. Spending for Education, General Government and other expenses increased while spending for Public Safety, Public Works, interest on long-term debt, and public libraries decreased.

Major expenditure factors over the prior year included:

- GASB No. 45 – Recognizes the accrual of net OPEB obligations in the government-wide statement of net position. This accrual is recognized within general government expenditures (Note 10, page 68). This liability has increased from \$11,238,611 to \$12,419,527, or \$1,180,916. At June 30, 2016, \$11,721,103 of the OPEB liability is recorded in the governmental activities with the remaining \$698,424 recorded in the business-type activities.
- In 2016, the town was required to relocate from its existing town hall and annex building to a temporary building, formerly used by the school department, due to health, safety and code issues. The relatively mild winter in FY 2016 resulted in savings in Public Works.

Business-type activities. Net position of business-type activities increased by \$9,251,084, which is a 116% increase in business-type activities net position, resulting from the sewer assessments associated with Phase 1 of the Post Road sewer project.

Charges for services and capital grants and contributions for business-type activities accounted for 43% and 52% of the total revenue sources, respectively. The balance of revenues for business-type activities was from operating grants and contributions and interest income. Of total revenue coming into the business-type activities, 25% is being generated by the water fund, 57% from the sewer fund, 11% from the recreation fund, and the remaining from the school cafeteria fund and other nonmajor enterprise funds.

Charges for services for business-type activities increased from \$6,067,610 to \$7,075,099, or 17%. The Water Department Fund reported a decrease of approximately \$323,000 due primarily to a decrease in usage and service. Quonset/Davisville Recreation and Allen Harbor Annual Charges reported an increase of approximately \$127,000, a result of increase in activity at the golf course and marina. Total general revenues increased from \$3,361 to \$265,006 for all business-type activities.

The water fund expenses accounted for 43% of the expenditures within the business-type activities of the Town. Quonset/Davisville Recreation and sewer fund accounted for 28% and 14%, respectively, of the business-type activities expenditures for the 2016 fiscal year. Further, included in the Nonmajor Enterprise funds, the Nutrition Fund accounted for 12% of the business-type activities expenditures for the 2016 fiscal year.

Expenses associated with the Water Fund decreased by approximately \$159,000. The Quonset/Davisville Recreation Fund expenses increased by approximately \$10,337. Expenses associated with the Sewer Fund increased by approximately \$424,000 due to the wastewater service agreement (Quonset Development Corporation Annual Capacity Price Purchase) and increased costs associated with expanding service area.

Financial Analysis of the Government's Funds:

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

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

As of the end of the current fiscal year, the Town of North Kingstown's governmental funds reported combined ending fund balances of \$20.5 million. Approximately 25% of this amount, \$5,053,588, constitutes unassigned fund balance which is available for spending at the government's discretion within the Town's General Fund. The remaining fund balances remain classified for specific purposes such as: General Fund nonspendable of \$914,751 for the Golf Course Irrigation Project and prepaid expenses, assigned of \$1.1 million for encumbrances, \$3.5 million assigned to fund retiree obligations, and \$350,000 assigned as an appropriation of fund balance to the FY 2017 budget; School Department Fund nonspendable of \$910,686 for prepaid expenses, assigned for education of \$1.9 million, grant-restricted for \$155,691; Debt Service Fund assigned of \$219,226, and Other Governmental Funds assigned of \$0.7 million for Town Capital Reserve funds and Infrastructure Replacement and \$2.4 million for special revenue funds, restricted of \$2.3 million for bonded capital project funds, \$0.8 million restricted by grants, and \$92,662 for Permanent Funds.

General Fund. The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$6,667,680, which is included in the total fund balance of \$12,509,403. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 22% of the 2017 Adopted General fund Expenditure Budget.

The total fund balance of the Town of North Kingstown's General Fund increased by \$334,677 during the current fiscal year.

School Department. The school fund has a total fund balance of \$2,793,763, of which \$1,944,507 has been assigned to the School Department (to help finance future years' school budgets).

The total fund balance of the School Department Fund increased by \$431,186 during the current fiscal year.

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

Net position in the Water Fund at the end of the fiscal year was \$12,152,589, an increase of \$1,013,061 from the prior year. Long-term debt of \$3.0 million is a liability within the Water Fund and was issued to pay for projects that were approved by the RI Infrastructure Bank (formerly known as the RI Clean Water Finance Agency). The Water Fund took advantage of The American Recovery and Reinvestment Act of 2009 which provided an additional Drinking Water State Revolving Fund capitalization grant to the State of Rhode Island. A portion of the Borrower Loan will be forgiven annually as debt service is paid. The amount of principal forgiveness that the Water Fund will recognize at the end of the term will be approximately \$876,000.

Net deficit position in the Quonset/Davisville Recreation fund increased by \$161,343, from \$(911,222) to \$(1,072,565).

Other factors concerning the finances of these funds have already been addressed in the discussion of the Town of North Kingstown's business-type activities.

	Selected Proprietary Funds - Net Position			
	June 30, 2016	June 30, 2015	\$ Change	% Change
Water Fund	\$ 12,152,589	\$ 11,139,528	\$ 1,013,061	9.1%
Quonset/Davisville Recreation Fund	(1,072,565)	(911,222)	(161,343)	-17.7%
Water Capital Reserve Fund	1,095,001	1,139,231	(44,230)	-3.9%
Sewer Fund	4,739,748	(3,604,725)	8,344,473	231.5%
Nutrition Fund (non-major)	230,093	144,258	85,835	59.5%
Total	\$ 17,144,866	\$ 7,907,070	\$ 9,237,796	116.8%

General Fund Budgetary Highlights

The Town finished the 2015-2016 fiscal year with budgetary surpluses as follows:

- General Fund – \$0
- School Department Fund - \$711,677
- Library Fund - \$17,909
- Debt Service - \$123,782

Differences between the original budget and the final amended budget were relatively minor.

The actual collection rate was estimated to be 97.4% while the actual collections achieved were 97.3% of the total levy. The Town collects supplemental taxes during the course of the year for real estate construction that receives a certificate of occupancy after the assessment date. The amount generated from this is recorded as tax revenue but has not historically been used in the calculation of the tax rate because it is uncertain as to what may occur.

Capital Asset and Debt Administration:

Capital Assets – The Town of North Kingstown’s investment in capital assets for its governmental and business-type activities as of June 30, 2016, amounts to \$115,332,964 (net of accumulated depreciation). This investment in capital assets includes investments in development rights, land and building improvements, machinery and equipment, park facilities, infrastructure and construction in progress. The total gross increase in the Town’s investment in governmental activities capital assets for the current fiscal year was \$3,656,035.

	Governmental Activities Gross Capital Assets	
	June 30, 2016	June 30, 2015
Library Collections	\$ 3,633,986	\$ 3,633,986
Land	6,957,567	6,957,567
Development Rights	18,217,055	17,558,412
Land Improvements	197,255	197,255
Buildings and Improvements	77,239,652	74,295,585
Equipment	17,952,134	16,526,700
Infrastructure	71,660,889	71,018,314
Construction in Progress	252,214	2,266,898
Total	<u>\$ 196,110,752</u>	<u>\$ 192,454,717</u>

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

- Regarding building and improvements: The Town has completed the renovation of the Davisville Elementary School, made upgrades to the HVAC system at the high school and upgraded the fire alarm panels at a number of schools in the district.
- Regarding equipment: The Department of Public Works has purchased several replacement trucks with plow capabilities, the Police Department purchased several vehicles, and the Fire Department purchased two pumper trucks and a rescue truck.
- Regarding infrastructure: Public Works paved approximately 4 miles of road.
- Regarding construction in progress: The Town has begun code and utility upgrades to 100 Fairway Drive, which was previously occupied by the School Department and will be used as the new Town Administration building.

At June 30, 2016, the Town is committed under various construction contracts for approximately \$1,374,000, primarily for paving projects, flow metering changes, replacement of well #10 and the Post Road South Waste Water Project Phase II.

Additional information on the Town of North Kingstown’s capital assets can be found in Note 6 on pages 43-44 of this report.

Long-term Debt – At the end of the current fiscal year, the Town of North Kingstown’s governmental activities had \$39,358,013 in bonds outstanding, compared to \$42,780,473 last year, a decrease of \$3,422,460. Total bonded debt for the Town is entirely backed by the full faith and credit of the Town. Bonds authorized but unissued totaled an additional \$20,700,000 for business-type activities and \$810,000 for governmental activities.

State statutes limit the amount of general obligation bonded debt a town can issue to 3% of net assessed property values. However, all bonds approved through State enabling legislation and voter referendums are exempt from the limit. As of June 30, 2016, the Town had a legal debt limit of \$123,146,680, based on net assessed valuations as of December 31, 2015. As of June 30, 2016, the Town had outstanding debt subject to the 3% debt limit of \$2,156,751. The Town’s debt limit calculation is shown on page 45 of this report.

On March 21, 2014, the Town’s bond rating was upgraded one notch to ‘AA+’ from ‘AA’ based on several factors, including:

- The Town’s very strong economy;
- Very strong budgetary flexibility with available reserves at or above 15%; and
- Strong management conditions with formal policies and practices.

Standard & Poor’s affirmed the Town’s AA+ rating on July 17, 2015. Additionally, Moody’s Investors Service affirmed the Town’s Aa2 rating on July 24, 2015.

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

Additionally, Moody’s Investors Service affirmed the Town’s Aa2 rating on November 24, 2015, in connection with a refunding bond issued through Rhode Island Health & Educational Building Corporation.

Additional information on the Town of North Kingstown’s long-term debt can be found in Note 7 on pages 45-49 of this report.

Litigation:

In January 2015, the Rhode Island Supreme Court ruled that the Town had the right to restructure the fire department and create 24-hour work shifts. In September 2015, the Town and the collective bargaining unit covering the fire department employees of the Town entered into a new union contract that covers the period July 1, 2013 through June 30, 2019.

Economic Factors and Next Year’s Budgets and Rates:

- Rhode Island General Laws limit the amount by which a city or town may increase its tax levy in each year unless the city or town qualifies for certain exemptions relating to loss of non-property tax revenue, emergencies, payment of debt service and substantial increase in the tax base necessitate significant expenditures. The maximum amount by which a city or town can increase its levy for 2017 is 4.0%. This levy will allow the Town to raise an additional \$3.0M in new tax dollars.
- As of June 2016, the Town had an unemployment rate of 4.2% as compared to the State of Rhode Island’s rate of 5.4% and the national average of 4.9%. The Town’s largest employer, Electric Boat, continues to seek qualified new employees at its facility in North Kingstown.

All of these factors will be considered as we plan for our 2017 budget.

The fiscal year 2016 rate of collection of current taxes was 97.3%. It is anticipated that the fiscal year 2017 rate of collection will fall within the budget which was approved as we were finalizing the budget to take into consideration the local and state economy conditions. With an overwhelming reliance on property taxes (approximately 71% of the current year revenues are derived from property taxes) any reduction in other revenues would necessitate either a use of a portion of the fund balance, a property tax increase or a reduction in services in the upcoming year or some combination thereof. Based upon preliminary discussion regarding the state budget, we are anticipating being level funded by the state and a minor increase in tax appropriations to maintain the Town's existing services and oblige contractual obligations.

Requests for Information: This financial report is designed to provide a general overview of the Town of North Kingstown's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director's Office, Town of North Kingstown, Municipal Offices, 100 Fairway Drive, North Kingstown, RI 02852.

STATEMENT OF NET POSITION

JUNE 30, 2016

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	North Kingstown Free Library
ASSETS:				
<i>Current Assets</i>				
Cash and cash equivalents	\$ 17,642,593	\$ 10,745,677	\$ 28,388,270	\$ 82,835
Taxes receivable, net	2,558,951		2,558,951	
User charges receivable		1,705,384	1,705,384	
Other receivables	2,149,021	84,703	2,233,724	
Prepaid expenses	1,254,112		1,254,112	
Internal balances	2,890,913	(2,890,913)	-	
Inventory		338,054	338,054	
Due from federal and state governments	1,597,874	-	1,597,874	
Beneficial interest in assets held by others				292,882
<i>Total Current Assets</i>	<u>28,093,464</u>	<u>9,982,905</u>	<u>38,076,369</u>	<u>375,717</u>
<i>Noncurrent Assets</i>				
Cash on deposit with Rhode Island Clean Water Finance Agency		280,565	280,565	-
Sewer assessments		8,069,372	8,069,372	
Capital assets:				
Not being depreciated	29,060,822	5,208,132	34,268,954	
Being depreciated, net	67,930,715	13,133,295	81,064,010	
<i>Total Noncurrent Assets</i>	<u>96,991,537</u>	<u>26,691,364</u>	<u>123,682,901</u>	<u>-</u>
Total assets	<u>125,085,001</u>	<u>36,674,269</u>	<u>161,759,270</u>	<u>375,717</u>
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred loss on bond refunding, net	1,475,611		1,475,611	
Pensions	14,031,633	731,799	14,763,432	
Total deferred outflows of resources	<u>15,507,244</u>	<u>731,799</u>	<u>16,239,043</u>	
LIABILITIES:				
<i>Current Liabilities</i>				
Accounts payable and accrued liabilities	3,351,616	717,174	4,068,790	-
Compensated absences payable	584,820	46,232	631,052	
Serial bonds payable	3,624,970	692,279	4,317,249	
Unearned revenue	185,691	333,191	518,882	
Other liabilities	1,298	25,007	26,305	
Escrow deposits	1,008,843		1,008,843	
<i>Total Current Liabilities</i>	<u>8,757,238</u>	<u>1,813,883</u>	<u>10,571,121</u>	<u>-</u>
<i>Noncurrent Liabilities</i>				
Pollution remediation obligation	1,660,000	5,487	1,665,487	-
OPEB liability	11,721,103	698,424	12,419,527	
Net pension liability	79,593,491	4,388,322	83,981,813	
Serial bonds payable, less current portion	35,733,043	12,602,775	48,335,818	
Compensated absences payable, less current portion	1,754,460	138,696	1,893,156	
<i>Total Noncurrent Liabilities</i>	<u>130,462,097</u>	<u>17,833,704</u>	<u>148,295,801</u>	<u>-</u>
Total liabilities	<u>139,219,335</u>	<u>19,647,587</u>	<u>158,866,922</u>	<u>-</u>
Contingencies and commitments (Notes 11 and 13)				
DEFERRED INFLOWS OF RESOURCES,				
Pensions	9,845,099	511,452	10,356,551	
NET POSITION:				
Net investment in capital assets	57,633,524	6,729,243	64,362,767	-
Restricted for:				
Capital projects funded with bond proceeds	2,318,278		2,318,278	
Debt service		280,565	280,565	
Library				375,717
Other purposes, expendable	92,662		92,662	
Unrestricted	(68,516,653)	10,237,221	(58,279,432)	
Total net position	<u>\$ (8,472,189)</u>	<u>\$ 17,247,029</u>	<u>\$ 8,774,840</u>	<u>\$ 375,717</u>

See accompanying notes to basic financial statements.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

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STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit North Kingstown Free Library
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Governmental activities:								
General government	\$ 9,276,025	\$ 2,516,202	\$ 1,283,775	\$ -	\$ (5,476,048)		\$ (5,476,048)	
Public safety	15,656,636	1,575,726	27,068		(14,053,842)		(14,053,842)	
Public works	6,632,235	531,452			(6,100,783)		(6,100,783)	
Education	68,924,806	2,541,989	16,088,229		(50,294,588)		(50,294,588)	
Public libraries	1,611,604	283,331	76,965		(1,251,308)		(1,251,308)	
Senior services	561,017	19,524	9,611		(531,882)		(531,882)	
Amortization	(79,037)				79,037		79,037	
Bond issuance costs	189,422				(189,422)		(189,422)	
Interest on long-term debt	1,244,451				(1,244,451)		(1,244,451)	
Total governmental activities	104,017,159	7,468,224	17,485,648	-	(79,063,287)		(79,063,287)	
Business-type activities:								
Water	3,061,272	4,074,333				\$ 1,013,061	1,013,061	
Quonset/Davisville Recreation	2,001,742	1,839,863				(161,879)	(161,879)	
Water Capital Reserve Fund	48,500					(48,500)	(48,500)	
Sewer	955,909	564,438		8,475,812		8,084,341	8,084,341	
Other business-type activities	973,997	596,465	474,875			97,343	97,343	
Total business-type activities	7,041,420	7,075,099	474,875	8,475,812		8,984,366	8,984,366	
Total	\$ 111,058,579	\$ 14,543,323	\$ 17,960,523	\$ 8,475,812	(79,063,287)	8,984,366	(70,078,921)	
Component Unit:								
North Kingstown Free Library	\$ 34,360	\$ -	\$ 26,926					\$ (7,434)
<i>General revenues:</i>								
Property taxes					75,890,062		75,890,062	
Unrestricted investment earnings					54,595	4,874	59,469	
Unrestricted intergovernmental revenue					1,759,871		1,759,871	
Interest						260,132	260,132	
Other					772,030		772,030	(4,670)
Total general revenues					78,476,558	265,006	78,741,564	(4,670)
Transfers					(1,712)	1,712	-	
Change in net position					(588,441)	9,251,084	8,662,643	(12,104)
Net position - beginning of year					(7,883,748)	7,995,945	112,197	387,821
Net position - end of year					\$ (8,472,189)	\$ 17,247,029	\$ 8,774,840	\$ 375,717

See accompanying notes to basic financial statements.

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2016

	General Fund	School Department	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 8,942,872	\$ 1,068,192	\$ 95,821	\$ 6,414,613	\$ 16,521,498
Taxes receivable	2,558,951				2,558,951
Other receivables	740,276	1,226,324		182,421	2,149,021
Due from federal and state governments	18,615	1,034,011		545,248	1,597,874
Due from other funds	4,422,698	1,257,640	123,405	304,912	6,108,655
Prepaid expenses	343,426	910,686			1,254,112
Advance to other fund	571,325				571,325
Total assets	<u>\$ 17,598,163</u>	<u>\$ 5,496,853</u>	<u>\$ 219,226</u>	<u>\$ 7,447,194</u>	<u>\$ 30,761,436</u>
Liabilities, Deferred Inflows and Fund Balances					
<i>Liabilities:</i>					
Accounts payable and accrued liabilities	\$ 1,300,825	\$ 1,139,667	\$ -	\$ 412,638	\$ 2,853,130
Due to other funds	368,255	1,346,302		2,060,841	3,775,398
Due to other governments	-			1,298	1,298
Unearned revenue	185,691	-		-	185,691
Escrow deposits	1,008,843				1,008,843
Total liabilities	<u>2,863,614</u>	<u>2,485,969</u>	<u>-</u>	<u>2,474,777</u>	<u>7,824,360</u>
Deferred inflows (Note 1)	<u>2,225,146</u>	<u>217,121</u>		<u>14,710</u>	<u>2,456,977</u>
<i>Fund Balances:</i>					
Nonspendable	914,751	910,686			1,825,437
Restricted		155,691		3,258,718	3,414,409
Assigned	4,926,972	1,944,507	219,226	3,095,960	10,186,665
Unassigned	6,667,680	(217,121)		(1,396,971)	5,053,588
Total fund balances	<u>12,509,403</u>	<u>2,793,763</u>	<u>219,226</u>	<u>4,957,707</u>	<u>20,480,099</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 17,598,163</u>	<u>\$ 5,496,853</u>	<u>\$ 219,226</u>	<u>\$ 7,447,194</u>	<u>\$ 30,761,436</u>

See accompanying notes to basic financial statements.

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

JUNE 30, 2016

<i>Total fund balance for governmental funds</i>		\$ 20,480,099
Assets used in governmental activities which are not financial resources and therefore are not reported in the funds:		
Capital assets, net		96,974,564
Some taxes and grants will be collected after year-end, but are not available soon enough to pay for the current period's expenditures; therefore, they are reported as unearned revenues in the funds.		2,456,977
Deferred outflows of resources:		
Pensions	\$ 14,031,633	
Deferred loss on bond refunding, net of accumulated amortization	<u>1,475,611</u>	15,507,244
Liabilities not due and payable in the current period which therefore are not reported in the funds:		
Bonds payable	(36,321,860)	
Bond premiums, net of accumulated amortization	(3,036,153)	
Compensated absences payable	(2,339,280)	
Pollution remediation obligation	(1,660,000)	
OPEB liability	(11,721,103)	
Net pension liability	(79,593,491)	
Accrued interest	<u>(498,486)</u>	(135,170,373)
Deferred inflows of resources, pensions		(9,845,099)
Internal service funds are excluded from the governmental fund financial statements but are recorded as governmental activities on the government-wide financial statements		<u>1,124,399</u>
<i>Total net position of governmental activities</i>		<u><u>\$ (8,472,189)</u></u>

See accompanying notes to basic financial statements.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2016

	General Fund	School Department	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
<i>Revenues:</i>					
General property taxes	\$ 75,696,508				\$ 75,696,508
Intergovernmental	1,759,871	\$ 15,668,262	\$ 1,187,528	\$ 3,153,204	21,768,865
Departmental	1,833,839	-		134,373	1,968,212
Investment income	3,550		32,191	14,756	50,497
On behalf pension contribution		2,744,835			2,744,835
Other	96,228	235,945		439,857	772,030
Total revenues	79,389,996	18,649,042	1,219,719	3,742,190	103,000,947
<i>Expenditures:</i>					
Current:					
General government	6,043,284			1,348,201	7,391,485
Public safety	14,837,436			234,099	15,071,535
Public works	4,609,274				4,609,274
Parks and recreation	19,955				19,955
Senior services	479,221			139,302	618,523
Education		62,515,355			62,515,355
Public libraries				1,475,064	1,475,064
On behalf pension contribution		2,744,835			2,744,835
Debt service:					
Principal			3,968,800		3,968,800
Interest and other costs			1,206,557		1,206,557
Bond issuance costs			189,422		189,422
Capital:					
Capital expenditures	1,557,915	40,912	-	2,355,494	3,954,321
Total expenditures	27,547,085	65,301,102	5,364,779	5,552,160	103,765,126
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	51,842,911	(46,652,060)	(4,145,060)	(1,809,970)	(764,179)
Other financing sources (uses):					
Proceeds of refunding bonds			19,060,000	-	19,060,000
Transfer to refunded debt escrow agent			(21,585,655)		(21,585,655)
Bond premium			2,715,761	-	2,715,761
Transfers in	1,144,600	47,580,411	4,077,774	1,778,975	54,581,760
Transfers out	(52,652,834)	(497,165)		(1,444,961)	(54,594,960)
Net other financing sources (uses)	(51,508,234)	47,083,246	4,267,880	334,014	176,906
Net change in fund balances	334,677	431,186	122,820	(1,475,956)	(587,273)
Fund balances, beginning of year	12,174,726	2,362,577	96,406	6,433,663	21,067,372
Fund balances, end of year	\$ 12,509,403	\$ 2,793,763	\$ 219,226	\$ 4,957,707	\$ 20,480,099

See accompanying notes to basic financial statements.

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2016

<i>Net Change in Fund Balances - Total Governmental Funds</i>	\$ (587,273)
<p>Governmental funds report capital outlays as expenditures; however, in the statement of activities these costs are allocated over their estimated useful lives and reported as depreciation expense.</p>	
Capital outlays	\$ 3,656,035
Depreciation expense	<u>(5,329,915)</u> (1,673,880)
<p>The issuance of long-term debt (including premiums and discounts) provides current resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment and refunding of bonds and notes use current financial resources, but decrease long-term liabilities in the statement of net position. Bond premiums and refunding charges are deferred and amortized as part of future interest expense.</p>	
Principal payments made on long-term debt	24,723,800
Issuance of long-term debt including bond premiums	(21,775,761)
Deferred loss on refundings	592,915
Amortization of:	
Deferred loss on advance refunding	(157,644)
Bond premiums	<u>474,421</u> 316,777
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds.	425,385
Changes in deferred outflows - pensions are recorded in the statement of activities, but not in the governmental funds.	6,911,489
Some expenses reported in the statement of activities do not require the use of current financial resources in governmental funds in the current year:	
Change in net pension liability	(10,270,774)
Accrual for other postemployment health benefits	(1,114,506)
Accrued compensated absences	1,789,995
Accrued interest	(37,894)
Changes in deferred inflows - pensions are recorded in the statement of activities, but not in the governmental funds.	120,448
Excess of internal service funds' expenses over revenues, reported as governmental fund activity.	<u>(9,162)</u>
<i>Change in Net Position of Governmental Activities</i>	<u>\$ (588,441)</u>

See accompanying notes to basic financial statements.

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

JUNE 30, 2016

	Enterprise Funds						
	Water		Quonset/ Davisville Recreation	Sewer	Nonmajor Enterprise Funds	Total	Internal Service Funds
	Operations	Capital Reserve					
Assets							
<i>Current Assets</i>							
Cash and cash equivalents	\$ 8,952,688	\$ 1,095,001	\$ 165,367	\$ 192,725	\$ 339,896	\$ 10,745,677	\$ 1,121,095
Water and sewer assessments and user fees, net	1,126,482			578,902		1,705,384	
Due from other funds	12,650	-	-		39,903	52,553	
Other receivables			43,241		41,462	84,703	
Inventory	295,052		25,085		17,917	338,054	
<i>Total Current Assets</i>	<u>10,386,872</u>	<u>1,095,001</u>	<u>233,693</u>	<u>771,627</u>	<u>439,178</u>	<u>12,926,371</u>	<u>1,121,095</u>
<i>Noncurrent Assets</i>							
Cash on deposit with Rhode Island Clean Water Finance Agency	280,565	-				280,565	
Sewer assessments				8,069,372		8,069,372	
Capital assets not being depreciated	418,984		629,875	4,159,273	-	5,208,132	
Capital assets being depreciated, net	7,233,837	-	2,063,336	3,835,277	845	13,133,295	16,973
<i>Total Noncurrent Assets</i>	<u>7,933,386</u>	<u>-</u>	<u>2,693,211</u>	<u>16,063,922</u>	<u>845</u>	<u>26,691,364</u>	<u>16,973</u>
Total assets	<u>18,320,258</u>	<u>1,095,001</u>	<u>2,926,904</u>	<u>16,835,549</u>	<u>440,023</u>	<u>39,617,735</u>	<u>1,138,068</u>
<i>Deferred outflows of resources</i>	<u>439,080</u>		<u>292,719</u>			<u>731,799</u>	
Liabilities							
<i>Current Liabilities</i>							
Accounts payable and accrued liabilities	189,543	-	230,107	228,629	68,895	717,174	-
Due to other funds	-		722,371	1,618,427	31,343	2,372,141	13,669
Unearned revenue			325,662		7,529	333,191	
Other liabilities			25,007			25,007	
Current portion of compensated absences payable	24,133		22,099			46,232	
Current portion of long-term debt	162,583		30,030	499,666	-	692,279	
<i>Total Current Liabilities</i>	<u>376,259</u>	<u>-</u>	<u>1,355,276</u>	<u>2,346,722</u>	<u>107,767</u>	<u>4,186,024</u>	<u>13,669</u>
<i>Noncurrent Liabilities</i>							
Advances from other funds	-		571,325			571,325	-
Pollution remediation obligation	5,487					5,487	
OPEB liability	417,152		281,272			698,424	
Net pension liability	2,632,993		1,755,329			4,388,322	
Compensated absences payable	72,401		66,295			138,696	
Long-term debt, less current portion	2,795,586		58,110	9,749,079	-	12,602,775	
<i>Total Noncurrent Liabilities</i>	<u>5,923,619</u>	<u>-</u>	<u>2,732,331</u>	<u>9,749,079</u>	<u>-</u>	<u>18,405,029</u>	<u>-</u>
Total liabilities	<u>6,299,878</u>	<u>-</u>	<u>4,087,607</u>	<u>12,095,801</u>	<u>107,767</u>	<u>22,591,053</u>	<u>13,669</u>
<i>Deferred inflows of resources</i>	<u>306,871</u>		<u>204,581</u>			<u>511,452</u>	
Net Position							
Net investment in capital assets	4,694,652		2,033,746	-	845	6,729,243	
Restricted, debt service	280,565					280,565	
Unrestricted	7,177,372	1,095,001	(3,106,311)	4,739,748	331,411	10,237,221	1,124,399
Total net position (deficit)	<u>\$ 12,152,589</u>	<u>\$ 1,095,001</u>	<u>\$ (1,072,565)</u>	<u>\$ 4,739,748</u>	<u>\$ 332,256</u>	<u>\$ 17,247,029</u>	<u>\$ 1,124,399</u>

See accompanying notes to basic financial statements.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2016

	Enterprise Funds						
	Water		Quonset/ Davisville Recreation	Sewer	Nonmajor Enterprise Funds	Totals	Internal Service Funds
	Operations	Capital Reserve					
Operating revenues:							
Charges for usage and service	\$ 3,840,875	\$ -	\$ 1,838,222	\$ 564,438	\$ 596,465	\$ 6,840,000	\$ -
Federal grants					474,875	474,875	
Sundry sales and rentals	192,488					192,488	
Miscellaneous	40,970		1,641	-		42,611	
<i>Total operating revenues</i>	<u>4,074,333</u>	<u>-</u>	<u>1,839,863</u>	<u>564,438</u>	<u>1,071,340</u>	<u>7,549,974</u>	<u>-</u>
Operating expenses:							
Operations	2,536,166	48,500	535,645	542,834	-	3,663,145	7,774
Pro shop			455,688			455,688	
Allen's Harbor			331,163			331,163	
Recreation			383,105			383,105	
Education					973,715	973,715	
Bad debts			46,500			46,500	
Depreciation and amortization	383,033		246,632	79,902	282	709,849	16,974
<i>Total operating expenses</i>	<u>2,919,199</u>	<u>48,500</u>	<u>1,998,733</u>	<u>622,736</u>	<u>973,997</u>	<u>6,563,165</u>	<u>24,748</u>
Operating income (loss)	<u>1,155,134</u>	<u>(48,500)</u>	<u>(158,870)</u>	<u>(58,298)</u>	<u>97,343</u>	<u>986,809</u>	<u>(24,748)</u>
Nonoperating revenues (expenses):							
Investment income	-	4,180	536		158	4,874	4,098
Interest income				260,132		260,132	
Interest expense	(142,073)		(3,009)	(333,173)		(478,255)	
<i>Net nonoperating revenues (expenses)</i>	<u>(142,073)</u>	<u>4,180</u>	<u>(2,473)</u>	<u>(73,041)</u>	<u>158</u>	<u>(213,249)</u>	<u>4,098</u>
Income (loss) before capital contributions and transfers	<u>1,013,061</u>	<u>(44,320)</u>	<u>(161,343)</u>	<u>(131,339)</u>	<u>97,501</u>	<u>773,560</u>	<u>(20,650)</u>
Capital contributions, sewer assessments				8,475,812		8,475,812	
Transfers in	-	-	-	-	5,860	5,860	11,488
Transfers out					(4,148)	(4,148)	
<i>Total capital contributions and transfers</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,475,812</u>	<u>1,712</u>	<u>8,477,524</u>	<u>11,488</u>
Change in net position	<u>1,013,061</u>	<u>(44,320)</u>	<u>(161,343)</u>	<u>8,344,473</u>	<u>99,213</u>	<u>9,251,084</u>	<u>(9,162)</u>
Total net position (deficit), beginning of year	<u>11,139,528</u>	<u>1,139,321</u>	<u>(911,222)</u>	<u>(3,604,725)</u>	<u>233,043</u>	<u>7,995,945</u>	<u>1,133,561</u>
Total net position (deficit), end of year	<u>\$ 12,152,589</u>	<u>\$ 1,095,001</u>	<u>\$ (1,072,565)</u>	<u>\$ 4,739,748</u>	<u>\$ 332,256</u>	<u>\$ 17,247,029</u>	<u>\$ 1,124,399</u>

See accompanying notes to basic financial statements.

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2016

	Enterprise Funds						
	Water		Quonset/ Davisville Recreation	Sewer	Nonmajor Enterprise Funds	Totals	Internal Service Funds
	Operations	Capital Reserve					
Cash flows from operating activities:							
Cash received from customers	\$ 3,990,477	\$ -	\$ 1,806,736	\$ 457,057	\$ 600,330	\$ 6,854,600	
Cash received from other sources					474,875	474,875	
Cash paid to suppliers	(1,231,942)	(53,000)	(579,928)	(104,924)	(146,957)	(2,116,751)	\$ (7,850)
Cash paid to employees	(1,290,035)		(1,000,208)	(167,127)	(829,691)	(3,287,061)	
Net cash provided by (used in) operating activities	1,468,500	(53,000)	226,600	185,006	98,557	1,925,663	(7,850)
Cash flows from capital and related financing activities:							
Capital contributions				148,841	-	148,841	
Acquisition of capital assets	(14,250)		(278,247)	(1,941,701)	-	(2,234,198)	-
Principal paid on bonds	(157,743)		(31,200)	(491,865)	-	(680,808)	
Proceeds from long-term debt				1,690,228	-	1,690,228	
Interest paid on bonds	(122,747)		(3,009)	(304,508)	-	(430,264)	
Net cash provided by (used in) capital and related financing activities	(294,740)	-	(312,456)	(899,005)	-	(1,506,201)	-
Cash flows from noncapital financing activities:							
Interfund borrowings	(12,650)	-	112,228	860,514	(12,454)	947,638	25,157
Net cash provided by (used in) noncapital financing activities	(12,650)	-	112,228	860,514	(12,454)	947,638	25,157
Cash provided by investing activities, interest received	-	4,180	536	46,210	158	51,084	4,098
Net cash provided by investing activities	-	4,180	536	46,210	158	51,084	4,098
Net increase (decrease) in cash and cash equivalents	1,161,110	(48,820)	26,908	192,725	86,261	1,418,184	21,405
Cash and cash equivalents, beginning of year	7,791,578	1,143,821	138,459	-	253,635	9,327,493	1,099,690
Cash and cash equivalents, end of year	<u>\$ 8,952,688</u>	<u>\$ 1,095,001</u>	<u>\$ 165,367</u>	<u>\$ 192,725</u>	<u>\$ 339,896</u>	<u>\$ 10,745,677</u>	<u>\$ 1,121,095</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:							
Operating income (loss)	\$ 1,155,134	\$ (48,500)	\$ (158,870)	\$ (58,298)	\$ 97,343	\$ 986,809	\$ (24,748)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation and amortization	383,033		246,632	79,902	282	709,849	16,974
Bad debts			46,500			46,500	
Changes in assets and liabilities:							
Accounts receivable	(83,856)		(31,770)	54,170	4,294	(57,162)	
Inventory					1,357	1,357	
Other liabilities			(5,739)			(5,739)	
Compensated absences payable	(190,141)		(129,180)			(319,321)	
Deferred outflows of resources	(218,259)		(145,505)			(363,764)	
Deferred inflows of resources	(3,804)		(2,536)			(6,340)	
Net pension liability	443,855		295,903			739,758	
OPEB liability	39,665		26,745			66,410	
Unearned revenue			4,382		(429)	3,953	
Accounts payable and accrued payroll	(57,127)	(4,500)	80,038	109,232	(4,290)	123,353	(76)
Net cash provided by (used in) operating activities	<u>\$ 1,468,500</u>	<u>\$ (53,000)</u>	<u>\$ 226,600</u>	<u>\$ 185,006</u>	<u>\$ 98,557</u>	<u>\$ 1,925,663</u>	<u>\$ (7,850)</u>
Supplemental disclosures, noncash capital and related financing activities:							
Capital contributions from new sewer construction assessments receivable over twenty years				<u>\$ 8,326,971</u>		<u>\$ 8,326,971</u>	

See accompanying notes to basic financial statements.

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

JUNE 30, 2016

	Police Pension Trust	Private Purpose Trust Funds	Agency Funds
	<u> </u>	<u> </u>	<u> </u>
<i>Assets:</i>			
Cash and cash equivalents	\$ 302,045	\$ 40,003	\$ 1,714,422
<i>Total assets</i>	<u>302,045</u>	<u>40,003</u>	<u>\$ 1,714,422</u>
<i>Liabilities:</i>			
Accounts payable	-	-	\$ 1,105,057
Due to student groups			329,123
Deposits held in custody for others			39,827
Payroll withholdings			240,415
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>\$ 1,714,422</u>
<i>Net Position:</i>			
Held in trust for pension benefits and other purposes	<u>\$ 302,045</u>	<u>\$ 40,003</u>	

See accompanying notes to basic financial statements.

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FIDUCIARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2016

	Police Pension Trust	Private Purpose Trust Funds
	<u> </u>	<u> </u>
Additions to net position:		
<i>Investment income:</i>		
Interest, dividends and gains	\$ 1,175	\$ 15
	<u> </u>	<u> </u>
<i>Net investment earnings</i>	1,175	15
	<u> </u>	<u> </u>
Change in net position	1,175	15
Net position, beginning of year	300,870	39,988
	<u> </u>	<u> </u>
Net position, end of year	<u>\$ 302,045</u>	<u>\$ 40,003</u>

See accompanying notes to basic financial statements.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of the Town of North Kingstown, Rhode Island (“Town”) have been prepared in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”) as applicable to governmental entities. In certain instances, summaries of the Town’s significant accounting policies have been presented throughout the notes to the basic financial statements in conjunction with other disclosures to which they relate.

Financial reporting entity:

The Town was incorporated in 1674 and 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 “State”). 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, Library, Education, Senior Services and General Administration Services.

In evaluating the inclusion of other separate and distinct legal entities as component units within its financial reporting structure, the Town applied the criteria prescribed by Governmental Accounting Standards Board (“GASB”) Statement No. 14, as amended by GASB Statement Nos. 39 and 61. A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable or for which the nature and significance of its relationship with the primary government is such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. Through the application of GASB criteria, the North Kingstown Free Library (“Library”) has been presented as a component unit of the Town in the accompanying government-wide financial statements.

The North Kingstown Free Library Corporation, a not-for-profit agency formed in July 1993, supports the charitable, scientific and educational purposes of the Library, a component unit of the Town. The Town is able to impose its will on the component unit as the Town appoints the Library Trustees who serve as the Library's Board of Directors. Accordingly, the Library is included as a discretely presented component unit in the financial statements of the Town. The North Kingstown Free Library Corporation filed its Form 990 tax return for the year ended December 31, 2015, during August 2016, a copy of which can be obtained by contacting the North Kingstown Free Library Corporation, 80 Boston Neck Road, North Kingstown, RI 02852.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Basis of presentation:

Government-wide financial statements:

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

The statement of activities presents a comparison between expenses and program revenue for each function of the Town's governmental activities. Program revenues include a) fees, fines and charges paid by the recipients of goods or services offered by the programs and b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund financial statements:

Fund financial statements of the Town 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. Funds are organized into three major categories: governmental, proprietary and fiduciary. An emphasis is placed on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Town or meets the following criteria:

- (a) Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, 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, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Basis of presentation (continued):

Fund financial statements (continued):

Governmental funds:

Governmental funds are used to account for operations that supply basic government services.

The Town uses the following types of governmental funds:

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 and report all financial resources not accounted for and reported in another fund.

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Town's major special revenue fund is the School Department, which provides primary education to the Town's children.

Capital project funds are used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays.

Permanent funds are used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the Town's programs.

Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest, other than those payable from enterprise funds.

Proprietary funds:

Proprietary funds are used to account for business-like activities provided to the general public (enterprise funds) or within the government (internal service funds). These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Basis of presentation (continued):

Fund financial statements (continued):

Fiduciary funds:

Fiduciary funds are used to report assets held by the Town in a trustee or agency capacity and, therefore, cannot be used to support the Town's own programs. The following fiduciary funds are used by the Town:

Pension trust funds account for contributions made by the Town and its participating employees to provide retirement and other postemployment benefits to participating employees.

Private purpose trust funds account for resources legally held in trust for use by an outside committee to provide awards and scholarships in accordance with a donor's instructions. All resources of the fund, including any earnings on investments, may be used. There is no requirement that any portion of these resources be preserved as capital.

Agency funds account for assets held by the Town in a purely custodial capacity. The Town has 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.

Measurement focus and basis of accounting:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are susceptible to accrual. Susceptibility occurs when revenues are both measurable and available for liquidating liabilities of the current period. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period (60 days). Revenues not considered to be available are recorded as unearned revenues. Expenditures, including capital outlays, are recognized when a liability has been incurred, except for those involving debt service and other long-term obligations that are recognized when paid.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Basis of presentation (continued):

Measurement focus and basis of accounting (continued):

Those revenues susceptible to accrual are property taxes, special assessments, federal impact aid, state aid, meals and hotel taxes collected by the State on behalf of the Town, interest and charges for services. Fines, licenses and permit revenues are not susceptible to accrual because generally they are not measurable until received in cash; therefore, they are recognized when received.

Recognition of grant revenues is based on the susceptibility of accrual as determined by the legal and contractual requirements established by each grantor. For grants not restrictive as to specific purposes and revocable only for failure to comply with general prescribed requirements, revenues are recognized when actually received. Where expenditure is the prime factor in determining eligibility, grant revenue is recognized as allowable expenditures are made provided they are collected during the year or within 60 days subsequent to year-end. Prior to expenditure, proceeds are recorded as unearned revenues.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The two internal service funds are used to account for insurance claims incurred by Town departments (see Note 12). Operating expenses for the proprietary funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, and then unrestricted resources as they are needed.

Deferred inflows and outflows of resources:

Deferred outflows of resources represent the consumption of net assets that is applicable to a future reporting period. Deferred inflows of resources represent the acquisition of net assets that is applicable to a future reporting period.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Basis of presentation (continued):

Measurement focus and basis of accounting (continued):

Deferred inflows and outflows of resources (continued):

At June 30, 2016, the Town's deferred inflows, as reported on the accompanying Balance Sheet – Governmental Funds, consist of the following receivables for which payment was not received within 60 days after year-end:

Property tax receivables	\$ 2,066,981
Other receivables	389,996
	<hr/>
	\$ 2,456,977
	<hr/> <hr/>

Use of estimates:

The preparation of basic financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements. Estimates also affect the reported amounts of revenues, expenditures and expenses during the reporting period. Significant items subject to such estimates include the pollution remediation obligation and the other postemployment benefit liability. Actual results could differ from those estimates.

Fair value measurements:

The Town categorizes its fair value measurements within the fair value hierarchy established by U.S. GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Recently adopted accounting pronouncement:

Effective for the fiscal year ended June 30, 2016, the Town adopted the provisions of Statement No. 72 of the GASB, *Fair Value Measurement and Application* ("GASB 72"). GASB 72 describes how fair value should be defined and measured, the use of various valuation techniques, and the disclosures required to be made in the financial statements. The adoption of GASB 72 had no effect on the Town's net position at June 30, 2016, or its changes in net position for the year then ended.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2016

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):**

Recently issued but not yet effective accounting pronouncements:

Effective for the fiscal year ending June 30, 2018, the Town will be required to adopt the provisions of Statement No. 75 of the GASB, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* (“GASB 75”). GASB 75 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses and expenditures related to other postemployment benefits (“OPEB”) administered through trusts or equivalent arrangements. For defined benefit OPEBs, GASB 75 identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. In addition, GASB 75 will require more extensive footnote disclosures in employer financial statements. The Town is currently evaluating the effects of GASB 75 on its financial statements.

Effective for the fiscal year ending June 30, 2017, the Town will be required to adopt the provisions of Statement No. 77 of the GASB, *Tax Abatement Disclosures* (“GASB 77”). GASB 77 will require more extensive footnote disclosures regarding tax abatement agreements entered into by the Town or another governmental entity that reduce the Town’s tax revenues. The Town is currently evaluating the effects of GASB 77 on its financial statements.

Cash and cash equivalents:

Cash and cash equivalents consist of cash on hand, time and demand deposits and short-term investments maturing within three months from the date of acquisition. The Town maintains deposits in various financial institutions, which are separately displayed in the financial statements as “cash and cash equivalents.”

Under Rhode Island General Law, depository institutions must insure deposits of municipalities or pledge eligible collateral equal to 100% of deposits maturing in greater than 60 days. Any institution not meeting certain federally prescribed minimum capital standards must insure deposits or provide collateral regardless of date of maturity. The Town complied with these requirements.

Property taxes:

Property taxes are recognized as revenue in the year they are levied and become available. 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 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.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Property taxes (Continued):

For 2016, Rhode Island General Law restricts the Town's ability to increase its total tax levy by more than 4.00% over that of the preceding fiscal year.

Pensions:

Municipal Employees' Retirement System (MERS):

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Municipal Employees' Retirement System ("MERS") of Rhode Island and additions to/deductions from MERS' fiduciary net position have been determined on the same basis as they are reported by MERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Employees' Retirement System (ERS):

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Employees' Retirement System plan ("ERS") and the additions to/deductions from ERS' fiduciary net position have been determined on the same basis as they are reported by ERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Interfund transactions:

Transactions between funds have been eliminated in the government-wide financial statements but fully presented within the governmental fund financial statements with no elimination made between or within funds. Reimbursements are accounted for as expenditures in the reimbursing fund and reductions to expenditures in the reimbursed fund. All other interfund transactions in the governmental fund financial statements are operating transfers on the operating statements of the funds involved.

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either "due from/to other funds" (current portion) or "advances from/to other funds" (noncurrent portion). All other outstanding balances between funds are reported as "due from/to other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Inventory:

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

Capital assets:

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. The cost of library collections, included with capital assets that are not being depreciated, is measured using the replacement method for any new assets.

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. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

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 position. Depreciation is provided over the assets' estimated useful lives using the straight-line method.

The ranges of estimated useful lives by type of asset are as follows:

Buildings.....	10 – 50 years
Equipment	3 – 20 years
Property and leasehold improvements	5 – 10 years
Infrastructure.....	20 – 40 years
Furniture	5 – 10 years
Vehicles and golf carts	3 – 4 years

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Compensated absences:

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

Long-term obligations:

Government-wide and proprietary fund financial statements:

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations (including compensated absences, and accrued claims and judgments) are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the term of the related debt using the effective interest method.

Bond issuance costs are expensed in the year incurred. During the year ended June 30, 2016, \$189,422 of bond issuance costs were incurred.

Deferred losses on refundings are amortized on a straight-line basis over the shorter of the remaining life of the old debt or the life of the new debt and are reflected in the statement of net position as a deferred outflow. At June 30, 2016, the deferred loss for four separate refundings totaled \$2,733,459, with accumulated amortization of \$1,257,848.

Governmental fund financial statements:

In the governmental fund financial statements, long-term debt is recognized as a liability of a governmental fund when due. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The face amount of debt issued is reported as an other financing source. Bond issuance costs are expensed as incurred. Bond premiums are reported as other financing sources while discounts are reported as other financing uses.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Fund equity:

Government-wide financial statements and proprietary fund financial statements:

Net position:

The Town's net position has been segregated into the following three components:

Net investment in capital assets – represents the net book value of all capital assets less the outstanding balances of bonds and other debt, and deferred inflows of resources, if any, used to acquire, construct or improve these assets, increased by deferred outflows of resources related to those assets, if any.

Restricted – those assets that have been limited to uses specified either externally by creditors, contributors, laws, or regulations of other governments or internally by enabling legislation or law; reduced by liabilities and deferred inflows of resources related to the restricted assets.

Unrestricted – a residual category for the balance of net position

Governmental fund financial statements:

The Town's fund balance is reported in the following categories:

Nonspendable – amounts that cannot be spent because they are either a) not in spendable form or b) legally or contractually required to be maintained intact.

Restricted – amounts that can only be spent for specific purposes due to constraints because of legal restrictions, outside party creditors, and grantor/donor requirements. The Town's restricted fund balance amounts are considered to have been spent when an expenditure has been incurred satisfying such restriction.

Committed – the Town Council, as the Town's highest level of decision-making authority, may commit fund balance for specific purposes pursuant to constraints imposed by formal actions taken, such as an ordinance or resolution. These committed amounts cannot be used for any other purpose unless the Town Council removes or changes the specific use through the same type of formal action taken to establish the commitment. This constraint must be imposed prior to the fiscal year-end, but the specific amount may be determined at a later date.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2016

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):**

Fund equity (continued):

Governmental fund financial statements (continued):

Assigned – amounts that are intended by the Town to be used for specific purposes, but are neither restricted nor committed. The authority to assign fund balance is designated to the Town Manager.

Unassigned – amounts available for any purpose. Although there is generally no set spending plan for the unassigned portion, there is a need to maintain a certain funding level which is clearly identified in the Debt Policy & Management/Fiscal Practices policy adopted by the Town Council on April 7, 2008. Unassigned fund balance is commonly used for emergency expenditures not previously considered. In addition, the resources classified as unassigned can be used to cover expenditures for revenues not yet received. The Finance Director shall have a goal of an unassigned fund balance of no less than 4-5% of total General Fund Budgeted Operating Expenditures in order to accommodate unanticipated expenditures and/or emergencies. In the event that the amounts assigned for cash flow fall above or below the desired range of unassigned fund balance, the Finance Director shall report such amounts to the Town Council as soon as practical after the end of the fiscal year. Should the actual amount assigned for cash flow fall below the desired range, the Town Council shall create a plan to restore the fund to the appropriate level.

In accordance with the Town's spending policy, the Town shall, when possible, expend funds beginning with those funds that have the highest level of restriction first, and will spend those funds with the lowest level of restriction last. It shall be the Finance Director's responsibility to ensure the Town's expenditures are appropriately classified based on the restrictions (both external and internal) of the revenue and fund balance(s) in accordance with the definitions listed above.

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.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2016

2. FUND BALANCES:

At June 30, 2016, the following funds had a deficit (negative) fund balance or deficit net position, as applicable:

Nonmajor Governmental Funds:

Willet Library	\$	8,677
Miscellaneous State Grants	\$	234,182
Senior Health Insurance Program	\$	725
RI Foundation Grant	\$	597
Special Purpose Donations	\$	10,230
Ann Ward Wallou Memorial Garden	\$	901
Parade Committee	\$	313
Community Center Maintenance	\$	5,374
Capital Reserve	\$	1,135,972

School Department:

Wireless Classroom Initiative	\$	217,121
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Major Enterprise Fund:

Quonset/Davisville	\$	1,072,565
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3. CASH AND CASH EQUIVALENTS (DEPOSITS):

At June 30, 2016, the carrying amount of the Town's deposits, including \$222,888 of cash equivalents, was \$30,444,740 and the total bank balance was \$33,802,498. The carrying amount includes \$2,056,470 in fiduciary funds.

At June 30, 2016, deposits are categorized as follows:

	Insured/ Collateralized in Town's name	Uninsured	Maturities	Total bank balance	Carrying amount
Deposits:					
Demand deposits	\$ 414,427	\$ 17,628,263		\$ 18,042,690	\$ 14,691,754
Certificates of deposit	222,888		7/2016 to 8/2016	222,888	222,963
Money market	-	15,536,920		15,536,920	15,530,023
	<u>\$ 637,315</u>	<u>\$ 33,165,183</u>		<u>\$ 33,802,498</u>	<u>\$ 30,444,740</u>

The uninsured bank balance consists of amounts collateralized with securities held by the pledging financial institution, but not in the Town's name.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2016

3. CASH AND CASH EQUIVALENTS (DEPOSITS) (CONTINUED):

Custodial credit risk:

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, 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. Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty or agent of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of the outside party.

Interest rate risk:

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in interest rates. The Town manages this risk by investing in certificates of deposit with a maturity date of three months or less.

Credit risk:

Credit risk, the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment, is measured by the assignment of a rating to debt securities by a nationally recognized statistical rating organization.

Concentration of credit risk:

Concentration of credit risk is the risk of loss attributed to the magnitude of the investment in a single issuer. The Town manages its risk by participating in a certificate of deposit pool, maximizing the Federal Deposit Insurance Corporation ("FDIC") coverage over deposits by limiting the amount on deposit in any one financial institution, and also by securing full collateralization of any remaining uninsured deposits.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2016

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 fiscal year 2016 were based on a net asset value of \$3,794,759,167 at December 31, 2014 and amounted to \$73,846,803. Collections through June 30, 2016, amounted to \$71,826,525, which represents approximately 97% of the total tax levy.

Unpaid property taxes as of June 30, 2016 (\$2,558,951), are recorded as a receivable, net of an allowance for uncollectible property taxes of \$375,000. Those net property taxes receivable which were not collected within 60 days immediately following June 30, 2016, are recorded as a deferred inflow of resources in the accompanying Balance Sheet – Governmental Funds, totaling \$2,066,981 at June 30, 2016. Property taxes collected within 60 days following June 30, 2016, are recognized as revenue in the Fund financial statements and amounted to \$491,970. As of June 30, 2016, the Town levied property taxes for its next fiscal year based on the December 31, 2015 assessment as follows (unaudited):

	Taxable Assessment	Exemptions	Net Tax Assessment	Rate per \$1,000	Net Levy
Real property	\$ 3,798,496,695	\$ 79,114,600	\$ 3,719,382,095	\$18.06	\$ 67,172,040
Motor vehicle	307,977,222	75,523,862	232,453,360	\$22.04	5,122,083
Tangible property	153,628,500	574,620	153,053,880	\$18.06	2,764,153
	<u>\$ 4,260,102,417</u>	<u>\$ 155,213,082</u>	<u>\$ 4,104,889,335</u>		<u>\$ 75,058,276</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2016

5. INTERFUND TRANSACTIONS:

Due to/from:

Due to/from 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, 2016, is as follows:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 4,422,698	\$ 368,255
School Department:		
School Unrestricted Fund	1,246,824	269,988
21st Century Learning		40,570
COZ Family Center		15,591
COZ Miscellaneous Donations		50
New England Dairy and Food		31,827
Feinstein Foundation		459
Substance Abuse Task Force		8,770
Homeless Children/Youth Even		17,215
Homeless Children/Youth Odd		11,329
Perkins Coventry		485
Wireless Classroom Initiative		201,586
School Public Law 94-142	10,487	393,480
Public Law 94-142, Pre-school	110	20,165
RI Learn and Serve		515
RTTT Instruction Improvement System		11,042
RTTT PLC Mini Grant		5,114
Title I		209,955
Title II		55,308
Title III LEP		12,131
Achieve Algebra		20
USDA - FFVP		14,166
Use of Buildings	219	26,536
	<u>1,257,640</u>	<u>1,346,302</u>
Debt Service Fund	<u>123,405</u>	<u>-</u>
Other Governmental Funds:		
Champlin Foundation		68,549
Davisville Library		18,539
Library Fund	47,204	
Miscellaneous State Grants		234,017
Town Municipal Court	1,237	86,142
Senior Health Insurance Program		725
RI Foundation		597
CDBG Grant	183,759	
Special Purpose Donations		13,859
Tax Revaluation Reserve fund		36,359
Ann Ward Wallou Memorial Garden		901
Parade Committee		25
Capital Improvement Projects	72,712	14,710
Capital Reserve		1,129,107
Farmland & Open Space Reserve		457,311
	<u>304,912</u>	<u>2,060,841</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2016

5. INTERFUND TRANSACTIONS (CONTINUED):

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
<i>Enterprise Funds:</i>		
<i>Major:</i>		
Water Fund	\$ 12,650	\$ -
Quonset/Davisville Recreation		722,371
Sewer Fund		1,618,427
	<u>12,650</u>	<u>2,340,798</u>
<i>Non-Major Enterprise:</i>		
Athletic Gate Receipts	4,735	721
School Nutrition Fund	34,968	22,308
NKHS Summer School Remedial		2,126
Summer School	200	5,923
School Sport Camps		265
	<u>39,903</u>	<u>31,343</u>
<i>Total Enterprise Funds</i>	<u>52,553</u>	<u>2,372,141</u>
<i>Internal Service Funds</i>	<u>-</u>	<u>13,669</u>
	<u>\$ 6,161,208</u>	<u>\$ 6,161,208</u>

Advances to/from:

Advances from the General Fund to the Quonset/Davisville Recreation fund are noninterest-bearing and payable at \$57,135 per fiscal year.

	<u>Advance to Fund</u>	<u>Advance from Fund</u>
General Fund	\$ 571,325	
Quonset/Davisville Recreation		\$ 571,325

Operating transfers between funds for the year ended June 30, 2016, were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
<i>General Fund</i>	<u>\$ 1,144,600</u>	<u>\$ 52,652,834</u>
<i>School Department:</i>		
School Unrestricted Fund	47,580,311	497,065
Substance Abuse Donations		100
Drug-Free Program Donations	100	
	<u>47,580,411</u>	<u>497,165</u>
<i>Debt Service Fund</i>	<u>4,077,774</u>	<u>-</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2016

5. INTERFUND TRANSACTIONS (CONTINUED):

Operating transfers (continued):

	<u>Transfers In</u>	<u>Transfers Out</u>
<i>Other Governmental Funds:</i>		
Library Fund	\$ 1,207,979	\$ 14,600
Capital Improvement Project	491,205	288,361
Technology Replacement		12,000
Emergency Medical Services		1,130,000
Tax Revaluation Reserve Fund	25,000	
Arts Council	19,553	
Capital Reserve	35,238	
	<u>1,778,975</u>	<u>1,444,961</u>
<i>Internal Service Funds</i>		
	<u>11,488</u>	<u>-</u>
<i>Non-Major Enterprise:</i>		
Summer School Fund		4,148
NKHS Summer School Remedial	5,860	
	<u>5,860</u>	<u>4,148</u>
<i>Totals</i>	<u>\$ 54,599,108</u>	<u>\$ 54,599,108</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2016

6. CAPITAL ASSETS:

Governmental activities:	<u>Beginning Balances</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balances</u>
Capital assets not being depreciated:				
Library collections	\$ 3,633,986	\$ -	\$ -	\$ 3,633,986
Land	6,957,567	-		6,957,567
Developmental rights	17,558,412	658,643		18,217,055
Construction in progress	<u>2,266,898</u>	<u>252,214</u>	<u>(2,266,898)</u>	<u>252,214</u>
Total capital assets not being depreciated	<u>30,416,863</u>	<u>910,857</u>	<u>(2,266,898)</u>	<u>29,060,822</u>
Capital assets being depreciated:				
Land improvements	197,255		-	197,255
Building	74,295,585	2,944,067		77,239,652
Equipment	16,526,700	1,425,434		17,952,134
Infrastructure	<u>71,018,314</u>	<u>642,575</u>		<u>71,660,889</u>
Total capital assets being depreciated	<u>162,037,854</u>	<u>5,012,076</u>	<u>-</u>	<u>167,049,930</u>
Less: accumulated depreciation for:				
Land improvements	(100,158)	(11,550)	-	(111,708)
Building	(28,712,237)	(2,042,576)		(30,754,813)
Equipment	(12,161,169)	(1,528,257)		(13,689,426)
Infrastructure	<u>(52,798,762)</u>	<u>(1,764,506)</u>		<u>(54,563,268)</u>
Total accumulated depreciation	<u>(93,772,326)</u>	<u>(5,346,889)</u>	<u>-</u>	<u>(99,119,215)</u>
Total capital assets being depreciated, net	<u>68,265,528</u>	<u>(334,813)</u>	<u>-</u>	<u>67,930,715</u>
Governmental activities capital assets, net	<u>\$ 98,682,391</u>	<u>\$ 576,044</u>	<u>\$ (2,266,898)</u>	<u>\$ 96,991,537</u>

Depreciation was charged to functions as follows:

Governmental activities:	
General government	\$ 584,763
Public safety	705,302
Public works	1,992,881
Education	1,966,968
Public libraries	<u>96,975</u>
	<u>\$ 5,346,889</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2016

6. CAPITAL ASSETS (CONTINUED):

Business-type activities:	<u>Beginning balances</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balances</u>
Capital assets not being depreciated:				
Land	\$ 942,289	\$ -	\$ -	\$ 942,289
Construction in progress	2,551,148	1,714,695	-	4,265,843
Total capital assets not being depreciated	<u>3,493,437</u>	<u>1,714,695</u>	<u>-</u>	<u>5,208,132</u>
Capital assets being depreciated:				
Buildings	14,224,190		-	14,224,190
Property and leasehold improvements	9,199,604	13,910		9,213,514
Furniture and equipment	521,548	83,512		605,060
Vehicles and golf carts	260,587	60,150		320,737
Total capital assets being depreciated	<u>24,205,929</u>	<u>157,572</u>	<u>-</u>	<u>24,363,501</u>
Less: accumulated depreciation for:				
Buildings	(7,653,884)	(209,471)	-	(7,863,355)
Property and leasehold improvements	(2,275,156)	(413,735)		(2,688,891)
Furniture and equipment	(367,171)	(47,918)		(415,089)
Vehicles and golf carts	(224,146)	(38,725)		(262,871)
Total accumulated depreciation	<u>(10,520,357)</u>	<u>(709,849)</u>	<u>-</u>	<u>(11,230,206)</u>
Total capital assets being depreciated, net	<u>13,685,572</u>	<u>(552,277)</u>	<u>-</u>	<u>13,133,295</u>
Business-type activities capital assets, net	<u>\$ 17,179,009</u>	<u>\$ 1,162,418</u>	<u>\$ -</u>	<u>\$ 18,341,427</u>

Depreciation was charged to functions as follows:

Business-type activities:	
Water	\$ 383,033
Sewer	79,902
Quonset/Davisville Recreation	246,632
Nutrition Fund	282
	<u>\$ 709,849</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2016

7. LONG-TERM OBLIGATIONS:

General obligation bonds payable:

The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both general government and proprietary activities, as well as to refund previously outstanding general obligation bonds. General obligation bonds pledge the full faith and credit of the Town.

The Town's maximum aggregate indebtedness under Rhode Island General Laws 45-12-2 is limited to 3% of total assessed value, with certain exemptions. The assessed value of the Town's properties at December 31, 2015, was \$4,104,889,335, limiting the amount of nonexcepted debt outstanding to \$123,146,680. At June 30, 2016, the Town had \$2,156,751 outstanding subject to the limit. All Town debt has been incurred through special statutory authority which consists of approval by the legislature and voter referendum.

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.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2016

7. LONG-TERM OBLIGATIONS (CONTINUED):

A summary of long-term obligations as of June 30, 2016, is as follows:

	<u>Governmental activities</u>	<u>Business-type activities</u>	<u>Total</u>
General obligation debt	\$ 36,321,860	\$ 14,794,582	\$ 51,116,442
Bond premium	<u>3,036,153</u>	<u>88,630</u>	<u>3,124,783</u>
	39,358,013	14,883,212	54,241,225
Less: undrawn loan proceeds held by the State	<u>-</u>	<u>(1,588,158)</u>	<u>(1,588,158)</u>
	39,358,013	13,295,054	52,653,067
Accrued compensated absences	2,339,280	184,928	2,524,208
Pollution remediation obligation	<u>1,660,000</u>	<u>5,487</u>	<u>1,665,487</u>
	43,357,293	13,485,469	56,842,762
Less: portion due within one year	<u>(4,209,790)</u>	<u>(738,511)</u>	<u>(4,948,301)</u>
	<u>\$ 39,147,503</u>	<u>\$ 12,746,958</u>	<u>\$ 51,894,461</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2016

7. LONG-TERM OBLIGATIONS (CONTINUED):

Governmental activities:

	Date of Issuance	Purpose	Authorized	Interest Rate	Maturity Date	Outstanding June 30, 2015	Additions	Retirements	Outstanding June 30, 2016	Amounts due within one year
General obligation bonds payable:										
\$2.840 M Refunding Bond	5/1/2006	Development Rights	2,840,000	4.00 – 5.25%	5/1/2021	\$ 1,140,000	\$ -	\$ 1,140,000	\$ -	\$ -
\$9.79M GOB 2009 Series	1/15/2009	Renovations, Additions and Improvements	9,790,000	2.00 – 4.00%	1/15/2030	8,100,000	-	540,000	7,560,000	540,000
\$30.36 M Refunding Bond	4/21/2005	Refunding of High School Bond \$33M	30,360,000	3.00 – 5.00%	10/1/2026	14,330,000	-	14,330,000	-	-
\$7M GOB 2007B Series B Bond	8/15/2007	Renovations and Additions - School Bond	7,000,000	4.25 – 5.0%	8/15/2027	5,060,000	-	4,720,000	340,000	340,000
\$3.845 M GOB	6/15/2001	Farmland, Public Facilities, & Asset Protection	3,845,000	3.75 – 5.50%	6/15/2016	245,000	-	245,000	-	-
\$4M GOB- Open Space	7/1/2007	Open Space	4,000,000	3.60 – 4.10%	7/15/2027	3,000,000	-	2,630,000	370,000	180,000
\$3.622M GOB	12/15/2009	Facilities, Open Space, and Library	3,622,000	1.25 – 3.50%	12/15/2019	1,530,000	-	400,000	1,130,000	385,000
Less: Q/D recreation portion		Q/D Recreation Asset Protection	(282,516)			(119,340)		(31,200)	(88,140)	(30,030)
\$9.60M GOB	12/15/2009	School Athletics	960,000	1.25 – 3.50%	12/15/2019	455,000	-	110,000	345,000	110,000
\$2.003M GOB	12/15/2009	Farmland/Open Space	2,003,000	1.25 – 3.50%	12/15/2019	1,050,000	-	220,000	830,000	215,000
\$7.65M GOB	4/18/2013	School Renovations and Improvements	7,655,000	2.00 – 4.00%	5/15/2033	6,880,000	-	385,000	6,495,000	385,000
\$350M GOB 2013 Series A	9/1/2013	Public Building Library	350,000	2.00 – 3.75%	9/1/2023	315,000	-	35,000	280,000	35,000
\$15.03M GOB Refunding Bonds	9/1/2015	Refunding of \$2.84M Open Space, \$27.885M Refunding, and \$4.0M Open Space	15,030,000	2.00 - 5.00 %	7/15/2027	-	15,030,000	-	15,030,000	1,465,000
\$4.03M RIHEBC Refunding Bonds	12/2/2015	Refunding of School Renovation Bond \$7M	4,030,000	3.00 – 5.00 %	5/15/2027	-	4,030,000	-	4,030,000	-
			91,202,484			41,985,660	19,060,000	24,723,800	36,321,860	3,624,970
Deferred bond premiums			3,333,281			794,813	2,715,761	474,421	3,036,153	
Total general obligation bonds payable			\$ 94,535,765			42,780,473	21,775,761	25,198,221	39,358,013	3,624,970
Compensated absences						4,129,275	1,956,080	3,746,075	2,339,280	584,820
Pollution remediation obligation						1,660,000			1,660,000	
Total long-term obligations						\$ 48,569,748	\$ 23,731,841	\$ 28,944,296	\$ 43,357,293	\$ 4,209,790

Business-type activities:

	Date of Issuance	Purpose	Authorized	Interest Rate	Maturity Date	Outstanding June 30, 2015	Additions	Retirements	Outstanding June 30, 2016	Amounts due within one year
General obligation bonds payable:										
\$3.622M GOB	12/15/2009	Q/D Recreation Asset Protection	\$ 282,516	1.25 – 3.50%	12/15/2019	\$ 119,340	\$ -	\$ 31,200	\$ 88,140	\$ 30,030
\$4.8 RICWFA Bond	11/19/2009	Renovations, Additions and Improvements	4,800,000	3.013%	9/1/2030	3,325,574	-	157,743	3,167,831	162,583
\$2.46M Wastewater Services	1/2/2013	QDC Wastewater Services	2,460,000	2.75 %	1/2/2033	2,170,475	-	101,864	2,068,611	104,666
\$4.0M GO Sewer Bonds Series 2014	4/1/2014	Sewers	4,000,000	2.00% – 4.00%	4/15/2034	3,860,000	-	140,000	3,720,000	145,000
\$6.0M RICWFA Sewer Bonds 2014 Series B	4/10/2014	Renovations, Additions, and Improvements	6,000,000	2.01%	9/1/2034	6,000,000	-	250,000	5,750,000	250,000
			17,542,516			15,475,389	-	680,807	14,794,582	692,279
Less: undrawn loan proceeds held by the State						(3,278,386)		(1,690,228)	(1,588,158)	
						12,197,003	-	(1,009,421)	13,206,424	692,279
Deferred bond premiums			99,398			93,600		4,970	88,630	
Total general obligation bonds payable			\$ 17,641,914			12,290,603	-	(1,004,451)	13,295,054	692,279
Compensated absences						504,249	158,524	477,845	184,928	46,232
Pollution remediation obligation						5,487			5,487	
Total long-term obligations						\$ 12,800,339	\$ 158,524	\$ (526,606)	\$ 13,485,469	\$ 738,511

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2016

7. LONG-TERM OBLIGATIONS (CONTINUED):

At June 30, 2016, scheduled annual debt service requirements to maturity for general obligation bonds are as follows:

Year ending June 30,	Principal	Interest	Total
<i>Governmental activities:</i>			
2017	\$ 3,624,970	\$ 1,445,443	\$ 5,070,413
2018	3,575,750	1,331,150	4,906,900
2019	3,551,140	1,206,789	4,757,929
2020	3,085,000	1,079,841	4,164,841
2021	2,900,000	947,591	3,847,591
2022-2026	13,690,000	2,862,628	16,552,628
2027-2031	5,135,000	634,284	5,769,284
2032-2033	760,000	45,600	805,600
	<u>\$ 36,321,860</u>	<u>\$ 9,553,326</u>	<u>\$ 45,875,186</u>
<i>Business-type activities:</i>			
2017	\$ 692,279	\$ 444,938	\$ 1,137,217
2018	706,449	429,124	1,135,573
2019	722,624	413,445	1,136,069
2020	716,412	395,311	1,111,723
2021	734,375	376,084	1,110,459
2022-2026	4,026,587	1,545,598	5,572,185
2027-2031	4,635,470	868,190	5,503,660
2032-2034	972,228	167,648	1,139,876
	<u>\$ 13,206,424</u>	<u>\$ 4,640,338</u>	<u>\$ 17,846,762</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2016

7. LONG-TERM OBLIGATIONS (CONTINUED):

Refundings:

On September 1, 2015, the Town issued General Obligation Bonds, 2015 Series A (“GOB 2015 Series A”) in the principal amount of \$15,030,000 at a premium of \$2,022,607. The proceeds were used for the advance refunding of a portion of the Town’s \$4,000,000 General Obligation Bonds dated July 15, 2007 (“GOB 2007”), the advance refunding of the Town’s \$2,840,000 General Obligation Bonds dated May 1, 2006 (“GOB 2006”), and the current refunding of the Town’s \$30,360,000 General Obligation Bonds dated April 1, 2005. GOB 2015 Series A bear interest at rates ranging from 2% to 5% and mature on July 15, 2027. The carrying amount of the retiring debt totaled \$16,597,740 and the reacquisition price relating to the refunding totaled \$16,913,956, a difference of \$316,216. Cash flows to service the retiring debt totaled \$16,609,556 and cash flows to service the new debt and complete the refunding totaled \$14,707,933; reducing the Town’s total debt service payments over the next 11 years by \$1,901,623. In refunding the debt, the Town obtained an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$1,688,058.

On December 22, 2015, the Town issued Series 2015C in the principal amount of \$4,030,000, at a premium of \$693,154, through the Rhode Island Health and Educational Building Corporation (“RIHEBC”) Public Schools Revenue Bond. The proceeds were used to advance refund the Town’s General Obligation Bonds issued through RIHEBC dated August 15, 2007 (“GOB RIHEBC 2007”). Series 2015C bear interest at rates ranging from 3% to 5%. The carrying amount of the retiring debt totaled \$4,395,000 and the reacquisition price relating to the refunding totaled \$4,671,699, a difference \$276,699. Cash flows to service the retiring debt totaled \$5,993,344 and cash flows to service the new debt and complete the refunding totaled \$5,469,418; reducing the Town’s total debt service payments over the next 11 years by \$523,926. In refunding the debt, the Town obtained an economic gain of \$452,377.

The proceeds of GOB 2015 Series A and Series 2015C were deposited with an escrow agent to provide funds for future debt service payments on the advance refundings. As a result, the GOB 2007, GOB 2006, and GOB RIHEBC 2007 are considered defeased and the liability for those bonds has been removed from the statement of net position. At June 30, 2016, \$6,855,000 of defeased bonds remain outstanding and \$7,197,958 remains on deposit with the escrow agent.

Authorized but Unissued:

Bonds authorized but unissued at June 30, 2016, are as follows:

School Improvements	\$	481,339
School Renovations		328,661
Construction of Town Sewer System		20,700,000

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2016

8. FUND BALANCE:

The Town has classified governmental fund balances at June 30, 2016, as follows:

Assigned:

General Fund Encumbrances	\$ 1,126,705
General Fund Appropriation of Fund balance	350,000
School Encumbrances	71,645
Education	1,872,862
Health Insurance Reserve	2,997,109
Retirement Allowance Reserve	453,158
Debt Service	230,701
Capital Project Funds – nonbonded	682,346
Town Special Revenue – nongrant funds	<u>2,402,139</u>
	<u>10,186,665</u>

Restricted:

Town Special Revenue – grant funds	847,778
School Special Revenue – grant funds	155,691
Capital Projects – bonded	2,318,278
Permanent Funds	<u>92,662</u>
	<u>3,414,409</u>

Nonspendable:

Advance to Quonset/Davisville Recreation for Golf Course Irrigation	571,325
General Fund- prepaid expenses	343,426
School Department- prepaid expenses	<u>910,686</u>
	<u>1,825,437</u>

Unassigned:

Special Revenue – deficit fund balances	(260,999)
School Department – deficit fund balance	(217,121)
Capital Projects – deficit fund balances	(1,135,972)
General Fund – not designated for future expenditures	<u>6,667,680</u>
	<u>5,053,588</u>
	<u><u>\$ 20,480,099</u></u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2016

9. PENSION PLANS:

All eligible employees of the Town are covered by one of two pension plans: the Municipal Employees' Retirement System of the State of Rhode Island ("Municipal Plan"), or the Employees' Retirement System of the State of Rhode Island ("Teachers' Plan"). The Teachers' Plan covers all School Department personnel certified by the Rhode Island Department of Education who are or have been engaged in teaching as a principal occupation. The Municipal Plan covers all Town Hall employees, all Public Works employees hired on or after July 1, 1999, all Police Department employees sworn in on or after January 1, 2000, all Fire Department employees hired on or after January 1, 2001, and all School Department clerks, custodians and teacher assistants.

Municipal Plan

Plan description:

The Municipal Employees' Retirement System ("MERS") – an agent multiple-employer defined benefit pension plan – provides certain retirement, disability and death benefits to plan members and beneficiaries. MERS was established under Rhode Island General Laws and placed under the management of the Employees' Retirement System of the State of Rhode Island ("ERSRI") Board to provide retirement allowances to employees of municipalities, housing authorities, water and sewer districts, and municipal police and fire personnel that have elected to participate. Benefit provisions are subject to amendment by the General Assembly.

MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the ERSRI website at www.ersri.org.

Benefits provided:

General employees, police officers, and firefighters employed by the Town participate in MERS. Eligible employees become members at their date of employment. Members designated as police officers and/or firefighters are treated as belonging to a unit separate from the general employees, with separate contribution rates applicable.

Salary includes the member's base earnings plus any payments under a regular longevity or incentive plan. Salary excludes overtime, unused sick and vacation leave, severance pay, and other extraordinary compensation. Certain amounts that are excluded from taxable wages, such as amounts sheltered under a Section 125 plan or amounts picked up by the employer under IRC Section 414(h), are not excluded from salary.

Employees receive credit for service while a member. In addition, a member may purchase credit for certain periods by making an additional contribution to purchase the additional service. Special rules and limits govern the purchase of additional service and the contribution required.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2016

9. PENSION PLANS (CONTINUED):

Municipal Plan (continued):

Benefits provided (continued):

Prior to July 1, 2012 and for general employee members eligible to retire as of June 30, 2012, the Final Average Compensation ("FAC") was based on the member's highest three consecutive annual salaries. Effective July 1, 2012, the FAC was based on the member's highest five consecutive annual salaries. Once a member retires or is terminated, the applicable FAC will be the greater of the member's highest three-year FAC as of July 1, 2012 or the five-year FAC as of the retirement/termination date. Monthly benefits are based on one-twelfth of this amount.

Subsequent to June 30, 2015, litigation challenging the various pension reform measures enacted in previous years by the General Assembly (2009, 2010 and 2011) was settled. The final settlement approved by the Court on July 8, 2015, also included enactment of the pension settlement provisions by the General Assembly. These amended benefit provisions have been included in the determination of the total pension liability at June 30, 2015, measurement date and are reflected in the summary of benefit provisions described below.

General Employees:

Members with less than five years of contributory service as of June 30, 2012, and members hired on or after that date are eligible for retirement on or after their Social Security normal retirement age ("SSNRA").

Members who had at least five years of contributory service as of June 30, 2012, will be eligible for retirement at an individually determined age. This age is the result of interpolating between the member's prior Retirement Date, described below, and the retirement age applicable to members hired after June 30, 2012. The interpolation is based on service as of June 30, 2012, divided by projected service at the member's prior Retirement Date. The minimum retirement age is 59.

Members with 10 or more years of contributory service on June 30, 2012, may choose to retire at their prior Retirement Date if they continue to work and contribute until that date. If this option is elected, the retirement benefit will be calculated using the benefits accrued as of June 30, 2012, i.e., the member will accumulate no additional defined benefits after this date, but the benefit will be paid without any actuarial reduction.

Effective July 1, 2015, members will be eligible to retire with full benefits at the earlier of their current Rhode Island Retirement Security Act ("RIRSA") date described above or upon the attainment of age 65 with 30 years of service, age 64 with 31 years of service, age 63 with 32 years of service, or age 62 with 33 years of service.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2016

9. PENSION PLANS (CONTINUED):

Municipal Plan (continued):

Benefits provided (continued):

General employees (continued):

A member who is within five years of reaching their retirement eligibility date and has 20 or more years of service, may elect to retire at any time with an actuarially reduced benefit.

Prior to July 1, 2012, members were eligible for retirement on or after age 58 if they had credit for 10 or more years of service, or at any age if they had credit for at least 30 years of service. Members eligible to retire before July 1, 2012, were not impacted by the changes to the above retirement eligibility.

The annual benefit is equal to 2.00% of the member's monthly FAC for each year of service prior to July 1, 2012, and 1.00% of the member's monthly FAC for each year of service from July 1, 2012, through June 30, 2015. For all service after June 30, 2015, the annual benefit is equal to 1.00% per year unless the member had 20 or more years of service as of June 30, 2012, in which case the benefit accrual is 2.00% per year for service after June 30, 2015. The benefit cannot exceed 75% of the member's FAC. Benefits are paid monthly.

Police and Fire employees:

Members are eligible to retire when they are at least 50 years old and have a minimum of 25 years of contributing service or if they have 27 years of contributing service at any age. Members with less than 25 years of contributing service are eligible for retirement on or after their Social Security normal retirement age.

Members who, as of June 30, 2012, had at least 10 years of contributing service, had attained age 45, and had a prior Retirement Date before age 52 may retire at age 52.

Active members on June 30, 2012, may choose to retire at their prior Retirement Date if they continue to work and contribute until that date. If this option is elected, the retirement benefit will be calculated using the benefits accrued as of June 30, 2012, i.e., the member will accumulate no additional defined benefits after this date, but the benefit will be paid without any actuarial reduction.

A member who is within five years of reaching their retirement eligibility date, as described in this section, and has 20 or more years of service, may elect to retire at any time with an actuarially reduced benefit.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2016

9. PENSION PLANS (CONTINUED):

Municipal Plan (continued):

Benefits provided (continued):

Police and Fire employees (continued):

Prior to July 1, 2012, members designated as police officers or firefighters were eligible for retirement at or after age 55 with credit for at least 10 years of service or at any age with credit for 25 or more years of service. Members were also eligible to retire and receive a reduced benefit if they were at least age 50 and had at least 20 years of service. Members eligible to retire before July 1, 2012 were not impacted by the changes to retirement eligibility above.

A monthly benefit is paid equal to 2.00% of the member's monthly FAC for each year of service, up to 37.5 years (75% of FAC maximum).

Active members (including future hires), members who retire after July 1, 2015 and after attaining age 57 with 30 years of service will have a benefit equal to the greater of their current benefit described above and one calculated based on a 2.25% multiplier for all years of service.

Other benefit provisions:

Death and disability benefits are also provided to members. A member is eligible for a disability retirement provided he/she has credit for at least five years of service or if the disability is work-related. Members are not eligible for an ordinary disability benefit if they are eligible for unreduced retirement.

Joint and survivor benefit options are available to retirees. For some employees, a Social Security Option is also available where an annuity is paid at one amount prior to age 62, and at a reduced amount after age 62, designed to provide a level total income when combined with the member's age 62 Social Security benefit. Benefits cease upon the member's death.

Post-retirement benefit increases are paid to members who retire after June 30, 2012. Members will be eligible to receive cost of living increases at the later of the member's third anniversary of retirement and the month following their SSNRA (age 55 for members designated as police officers and/or firefighters). The Town elected to have cost of living adjustments ("COLA") to cover only current and future active members and excluding members already retired.

The COLA will be suspended for any unit whose funding level is less than 80%; however, an interim COLA may be granted in four-year intervals while the COLA is suspended. The first interim COLA may begin January 1, 2018.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2016

9. PENSION PLANS (CONTINUED):

Municipal Plan (continued):

Benefits provided (continued):

Police and Fire employees (continued):

Effective July 1, 2015, the COLA is determined based on 50.00% of the plan's five-year average investment rate of return less 5.5%, limited to a range of 0.00% to 4.00%, plus 50.00% of the lessor of 3.00% or last year's CPI-U increase for a total maximum increase of 3.50%. Previously, it was the plan's five-year average investment rate of return less 5.50% limited to a range of 0.00% to 4.00%.

Employees covered by benefit terms:

At the June 30, 2014, valuation date (the latest available), the following employees were covered by the benefit terms:

	<u>General</u>	<u>Police</u>	<u>Fire</u>
Retirees and beneficiaries	232	37	67
Inactive, nonretired members	128	7	11
Active members	<u>307</u>	<u>43</u>	<u>62</u>
	<u>667</u>	<u>87</u>	<u>140</u>

Contributions:

The amounts of employee and employer contributions have been established under Rhode Island General Laws Chapter 45-21. General employees with less than 20 years of service as of June 30, 2012, are required to contribute 2% of their salaries. General employees with more than 20 years of service as of June 30, 2012, are required to contribute 9.25%. Public safety employees are required to contribute 10% of their salaries. The Town contributes at a rate of covered employee payroll as determined by an independent actuary on an annual basis. The General Assembly can amend the amount of these contribution requirements. The Town contributed \$1,947,885, \$825,646 and \$1,403,199 for general, police, and fire, respectively, in the year ended June 30, 2016, which was 17.4%, 25.4% and 29.8% of covered payroll, respectively.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2016

9. PENSION PLANS (CONTINUED):

Municipal Plan (continued):

Net pension liability:

The total pension liability was determined by actuarial valuations performed as of June 30, 2014, and rolled forward to June 30, 2015, using the following actuarial assumptions applied to all periods included in the measurement.

Actuarial cost method	Entry Age Normal – the Individual Entry Age Actuarial Cost methodology is used.
Amortization method	Level percentage of payroll, closed
Investment rate of return	7.50%
Projected salary increases	General employees – 3.50% to 7.50%; Police & Fire Employees – 4.00% to 14.00%
Inflation	2.75%
Mortality, male employees	115% of RP-2000 Combined Healthy for Males with White Collar adjustments, projected with Scale AA from 2000.
Mortality, female employees	95% of RP-2000 Combined Healthy for Females with White Collar adjustments, projected with Scale AA from 2000.
Cost of living adjustments	A 2% COLA is assumed after January 1, 2014.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2016

9. PENSION PLANS (CONTINUED):

Municipal Plan (continued):

Net pension liability (continued):

The actuarial assumptions used in the June 30, 2014, valuation rolled forward to June 30, 2015, and the calculation of the total pension liability at June 30, 2014, were consistent with the results of an actuarial experience study performed as of June 30, 2013.

The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from 23 sources. The June 30, 2015, expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

Type of investment	Target allocation	Long-term expected real rate of return
Global Equity	38.0%	-
U.S Equity	-	6.93%
International Developed	-	7.32%
International Emerging Markets	-	9.52%
Equity Hedge Funds	8.0%	3.98%
Private Equity	7.0%	9.99%
Core Fixed Income	15.0%	2.18%
Absolute Return Hedge	7.0%	3.98%
Infrastructure	3.0%	5.70%
Real Estate	8.0%	4.85%
Other Real Return Assets	11.0%	-
Master Limited Partnerships	-	4.51%
Credit	-	4.51%
Inflation Linked Bonds	-	1.24%
Cash, Overlay, Money Market	3.0%	7.80%
	100%	

These return assumptions are then weighted by the target asset allocation percentage, factoring in correlation effects, to develop the overall long-term expected rate of return best-estimate on an arithmetic basis.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2016

9. PENSION PLANS (CONTINUED):

Municipal Plan (continued):

Discount rate:

The discount rate used to measure the total pension liability of the plan was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from the employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the net pension liability as of the measurement date are as follows:

	<u>General</u>	<u>Police</u>	<u>Fire</u>
Pension liability:			
Balance as of June 30, 2014	\$ 59,734,515	\$ 25,834,480	\$ 40,162,418
Changes for the year:			
Service cost	997,418	529,996	682,212
Interest on total pension liability	4,380,228	1,905,286	2,960,263
Benefit changes	1,115,610	1,023,411	1,017,404
Difference between expected and actual experience	(128,199)	(17,170)	(1,597,605)
Benefit payments	<u>(3,660,362)</u>	<u>(1,391,341)</u>	<u>(2,066,701)</u>
Balance as of June 30, 2015	<u>62,439,210</u>	<u>27,884,662</u>	<u>41,157,991</u>
Fiduciary net position:			
Balance as of June 30, 2014	46,189,618	19,194,740	29,279,549
Employer contributions	1,669,112	860,582	1,069,831
Employee contributions	221,011	249,263	309,288
Net investment income	1,064,954	453,434	685,646
Benefit payments	(3,660,362)	(1,391,341)	(2,066,701)
Administrative expense	(42,261)	(18,198)	(27,520)
Other changes	<u>570</u>	<u>2</u>	<u>7,145</u>
Balance as of June 30, 2015	<u>45,442,642</u>	<u>19,348,482</u>	<u>29,257,238</u>
Net pension liability	<u>\$ 16,996,568</u>	<u>\$ 8,536,180</u>	<u>\$ 11,900,753</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2016

9. PENSION PLANS (CONTINUED):

Municipal Plan (continued):

Sensitivity of the net pension liability to changes in the discount rate:

The following presents the net pension liability of the employers calculated using the discount rate of 7.5 percent, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate.

	1.00% Decrease (6.5%)	Current Discount Rate (7.5%)	1.00% Increase (8.5%)
	<hr/>	<hr/>	<hr/>
General	\$ 23,622,285	\$ 16,996,568	\$ 11,573,310
Police	\$ 11,469,142	\$ 8,536,180	\$ 6,135,710
Fire	\$ 16,230,917	\$ 11,900,753	\$ 8,356,740

Pension plan fiduciary net position:

Detailed information about the pension plan's fiduciary net position is available in the separately issued ERSRI financial report.

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions:

For the year ended June 30, 2016, the Town recognized pension expense of \$2,772,942, \$1,707,285, and \$1,713,858 for general, police, and fire, respectively.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2016

9. PENSION PLANS (CONTINUED):

Municipal Plan (continued):

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions (continued):

The Town reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>General</u>	<u>Police</u>	<u>Fire</u>	<u>Total</u>
Deferred outflows:				
Contributions after the measurement period	\$ 1,947,885	\$ 825,646	\$ 1,403,199	\$ 4,176,730
Differences in assumptions	92,666			92,666
Net differences between projected and actual earnings on pension plan investments	<u>1,865,056</u>	<u>779,946</u>	<u>1,187,018</u>	<u>3,832,020</u>
	<u><u>\$ 3,905,607</u></u>	<u><u>\$ 1,605,592</u></u>	<u><u>\$ 2,590,217</u></u>	<u><u>\$ 8,101,416</u></u>
Deferred inflows:				
Differences between expected and actual experience	\$ 98,914	\$ 14,305	\$ 1,239,181	\$ 1,352,400
Differences in assumptions		117,847	149,254	267,101
Net differences between projected and actual earnings on pension plan investments	<u>1,849,585</u>	<u>773,702</u>	<u>1,173,632</u>	<u>3,796,919</u>
	<u><u>\$ 1,948,499</u></u>	<u><u>\$ 905,854</u></u>	<u><u>\$ 2,562,067</u></u>	<u><u>\$ 5,416,420</u></u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2016

9. PENSION PLANS (CONTINUED):

Municipal Plan (continued):

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions (continued):

Amounts reported as deferred outflows and inflows of resources related to the MERS will be recognized in pension expense as follows:

Year ending June 30,	Net Deferred Outflows (Inflows) of Resources		
	General	Police	Fire
2017	\$ 1,803,165	\$ 733,672	\$ 915,509
2018	(144,720)	(91,974)	(487,690)
2019	(156,542)	(91,976)	(487,689)
2020	455,205	165,924	98,038
2021	-	(15,908)	(10,018)
	<u>\$ 1,957,108</u>	<u>\$ 699,738</u>	<u>\$ 28,150</u>

Teachers' Plan

Plan description:

Certain employees of the Town participate in a cost-sharing multiple-employer defined benefit pension plan – the Employees' Retirement System plan ("ERS") – administered by the Employees' Retirement System of the State of Rhode Island ("System"). Under a cost-sharing plan, pension obligations for employees of all employers are pooled and plan assets are available to pay the benefits of the employees of any participating employer providing pension benefits through the plan, regardless of the status of the employers' payment of its pension obligation to the plan. The plan provides retirement, disability and death benefits to plan members and beneficiaries.

The System issues a publicly available financial report that includes financial statements and required supplementary information for the plans. The report may be obtained at <http://www.ersri.org>.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2016

9. PENSION PLANS (CONTINUED):

Teachers' Plan (continued)

Benefit provisions:

The level of benefits provided to participants is established by Chapter 36-10 of the General Laws, which is subject to amendment by the General Assembly. Member benefit provisions vary based on service credits accumulated at dates specified in various amendments to the General Laws outlining minimum retirement age, benefit accrual rates and maximum benefit provisions. In general, members accumulate service credits for each year of service subject to maximum benefit accruals of 80% or 75%. For those hired after June 30, 2012, the benefit accrual rate is 1% per year with a maximum benefit accrual of 40%. Members eligible to retire at September 30, 2009, may retire with 10 years of service at age 60 or after 28 years of service at any age. The retirement eligibility age increases proportionately for other members reflecting years of service and other factors until it aligns with the Social Security Normal Retirement Age, which applies to any member with less than five years of service as of July 1, 2012. Members are vested after five years of service.

The plan provides for survivor's benefits for service-connected death and certain lump-sum death benefits. Joint and survivor benefit provision options are available to members.

Cost of living adjustments are provided but are currently suspended until the collective plans covering state employees and teachers reach a funded status of 80%. Until the plans reach an 80% funded status, interim cost of living adjustments are provided at five-year intervals commencing with the plan year ending June 30, 2016.

The plan also provides nonservice-connected disability benefits after five years of service and service-connected disability benefits with no minimum service requirement.

Contributions:

The funding policy, as set forth in the General Laws, Section 16-16-22, provides for actuarially determined periodic contributions to the plan. For fiscal 2016, the Town's teachers were required to contribute 3.75% of their annual covered salary. The State of Rhode Island ("State") and the Town are required to contribute at an actuarially determined rate, 40% of which is to be paid by the State and the remaining 60% is to be paid by the Town; the rates were 9.41% and 13.73% of annual covered payroll for the fiscal year ended June 30, 2016, for the State and the Town, respectively. The Town contributed \$4,039,245, \$3,684,342, and \$3,390,024 for the fiscal years ended June 30, 2016, 2015, and 2014, respectively, equal to 100% of the required contributions for each year.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2016

9. PENSION PLANS (CONTINUED):

Teachers' Plan (continued)

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources:

At June 30, 2016, the Town reported a liability of \$46,548,312 for its proportionate share of the net pension liability that reflected a reduction for contributions made by the State. The amount recognized by the Town as its proportionate share of the net pension liability, the related State support and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportionate share of the net pension liability	\$ 46,548,312
State's proportionate share of the net pension liability	<u>31,800,346</u>
Total net pension liability	<u>\$ 78,348,658</u>

The net pension liability was measured as of June 30, 2015, the measurement date, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014, rolled forward to June 30, 2015. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State, actuarially determined. At June 30, 2015, the Town's proportion was 1.69%.

For the year ended June 30, 2016, the Town recognized gross pension expense of \$9,414,995 and revenue of \$3,861,427 for support provided by the State.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2016

9. PENSION PLANS (CONTINUED):

Teachers' Plan (continued)

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources (continued):

At June 30, 2016, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred outflows of resources	
Contributions subsequent to the measurement date	\$ 4,039,245
Net difference between projected and actual earnings on pension plan investments	2,622,770
	<u>\$ 6,662,015</u>
Deferred inflows of resources:	
Differences between expected and actual experience	\$ 303,093
Change of assumptions	1,251,377
Net difference between projected and actual earnings on pension plan investments	2,657,886
Changes in proportion and differences between employer contributions and proportionate share of contributions	727,775
	<u>\$ 4,940,131</u>

Amounts reported as deferred outflows and inflows of resources related to the ERS will be recognized in pension expense as follows:

Year ending June 30,	Net Deferred Outflows (Inflows) of Resources
2017	\$ 3,443,235
2018	(596,010)
2019	(596,010)
2020	289,951
2021	(365,741)
Thereafter	(453,541)
	<u>\$ 1,721,884</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2016

9. PENSION PLANS (CONTINUED):

Teachers' Plan (continued)

Actuarial assumptions:

The total pension liability was determined using the following actuarial assumptions applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	3.50% to 13.5%
Investment rate of return	7.5%

Mortality- male and female teachers: 97% and 92%, respectively of rates in a GRS table based on male and female teacher experience, projected with Scale AA from 2000.

The actuarial assumptions used in the June 30, 2014, valuation rolled forward to June 30, 2015, and the calculation of the total pension liability at June 30, 2015, were consistent with the results of an actuarial experience study performed as of June 30, 2013.

The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from 23 sources. The June 30, 2015, expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

Type of investment	Target allocation	Long-term expected real rate of return
Global Equity	38.0%	-
U.S Equity	-	6.93%
International Developed	-	7.32%
International Emerging Markets	-	9.52%
Equity Hedge Funds	8.0%	3.98%
Private Equity	7.0%	9.99%
Core Fixed Income	15.0%	2.18%
Absolute Return Hedge	7.0%	3.98%
Infrastructure	3.0%	5.70%
Real Estate	8.0%	4.85%
Other Real Return Assets	11.0%	-
Master Limited Partnerships	-	4.51%
Credit	-	4.51%
Inflation Linked Bonds	-	1.24%
Cash, Overlay, Money Market	3.0%	7.80%
	100%	

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2016

9. PENSION PLANS (CONTINUED):

Teachers' Plan (continued)

Actuarial assumptions (continued):

These return assumptions are then weighted by the target asset allocation percentage, factoring in correlation effects, to develop the overall long-term expected rate of return best-estimate on an arithmetic basis.

Discount rate:

The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from the employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate:

The following presents the net pension liability calculated using the discount rate of 7.5 percent as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

1.00% Decrease (6.5%)	Current Discount Rate (7.5%)	1.00% Increase (8.5%)
\$ 58,371,209	\$ 46,548,312	\$ 36,869,598

Pension plan fiduciary net position:

Detailed information about the pension plan's fiduciary net position is available in the separately issued ERSRI financial report.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2016

9. PENSION PLANS (CONTINUED):

Defined Contribution Plan

Plan description:

Certain employees participating in the Municipal Plan or Teachers' Plan with less than 20 years of service as of June 30, 2012, as described above, also participate in a defined contribution plan authorized by General Law Chapter 36-10.3. The defined contribution plan is established under IRS section 401(a) and is administered by TIAA-CREF. Employees may choose among various investment options available to plan participants. Employees contribute 5% of their annual covered salary and employers contribute between 1% and 1.5% of annual covered salary depending on the employee's total years of service as of June 30, 2012. Employee contributions are immediately vested while employer contributions and any investment earnings thereon are vested after three years of contributory service. Benefit terms and contributions required under the plan by both the employee and employer are established by the General Laws, which are subject to amendment by the General Assembly.

Amounts in the defined contribution plan are available to participants in accordance with IRS guidelines for such plans.

The Town recognized pension expense of \$402,310 for the fiscal year ended June 30, 2016.

The System issues a publicly available financial report that includes financial statements and required supplementary information for plans administered by the System. The report may be obtained at <https://www.ersri.org>.

10. OTHER POSTEMPLOYMENT BENEFITS:

Plan description:

Through its single-employer defined benefit plan ("OPEB Plan"), the Town provides postretirement health care benefits to all Town employees who meet years of service and age requirements, and in some cases to their surviving spouses, who are eligible under the terms of collective bargaining agreements or personnel contracts. The Plan does not issue a stand-alone financial report.

The most recent actuarial valuation for the OPEB Plan was performed as of July 1, 2014.

The Town paid 100% of the amount for medical and dental costs incurred by eligible retirees.

Employer contributions are recognized in the period to which the contribution relates. Benefit payments are charged to expense in the period paid.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2016

10. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED):

Covered participants:

As of July 1, 2014, the date of the latest available actuarial valuation, membership census is as follows:

Active employees	707
Retirees and beneficiaries	181
	<u>888</u>

Annual OPEB cost and net OPEB obligation:

The Town's annual OPEB cost is calculated based on the annual required contribution (“ARC”) of the Town. The Town has engaged an actuary to calculate the ARC and related information per the provisions of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities. The following table shows the components of the Town's annual OPEB cost, the amount actually contributed to the plan for the year ended June 30, 2016, and the Town's net OPEB obligation as of June 30, 2016, based on the latest available actuarial valuation.

<u>Annual OPEB cost</u>	
Annual required contribution	\$ 2,871,055
Interest on net OPEB obligation	449,544
Adjustment to annual required contribution	<u>(580,519)</u>
Annual OPEB cost	2,740,080
Contributions made during the year	<u>(1,559,164)</u>
Increase in net OPEB obligation	1,180,916
Net OPEB obligation at beginning of year	<u>11,238,611</u>
Net OPEB obligation at end of year	<u>\$ 12,419,527</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2016

10. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED):

Annual OPEB cost and net OPEB obligation (continued):

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan for the past three years, and the net OPEB obligation as of June 30, 2014, 2015 and 2016 are as follows:

<u>Year ended June 30,</u>	<u>OPEB cost</u>	<u>Percentage of annual OPEB cost contributed</u>	<u>Net OPEB obligation</u>
2014	\$ 3,007,454	43%	\$ 9,917,407
2015	2,644,253	50%	11,238,611
2016	2,740,080	57%	12,419,527

Funded status and funding progress:

As of July 1, 2014, the funded status and funding progress were as follows:

Funded ratio	0%
Actuarial accrued liability for benefits	\$ 32,970,946
Actuarial value of assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 32,970,946
Covered payroll	\$ 45,390,014
UAAL to covered payroll	72.64%

The schedule of funding progress, presented as required supplementary information following the notes to the basic financial statements, presents multiyear trend information about whether the actuarial values of OPEB Plan assets are increasing or decreasing over time relative to accrued actuarial liabilities for benefits.

Actuarial methods and assumptions:

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and annual required contributions are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2016

10. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED):

Actuarial methods and assumptions (continued):

Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the employer and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate potential effects of legal or contractual funding limitations on the pattern of cost-sharing between the employer and plan members in the future. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Some key assumptions are as follows:

- Measurement date – July 1, 2014
- Actuarial cost method – Entry Age Normal
- Interest rate – 4.0%
- Amortization method and period – Level percentage of projected payroll; over 30 years on a closed basis
- Participation – 100% of eligible school retirees and eligible Town employees are assumed to elect medical and dental coverage
- Health Care Cost Trend Rates – Medical 7.5% per year in 2014, decreasing to an ultimate rate of 5.0% in 2019 and later
- Payroll growth rate – 2.5% annually

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2016

11. CONTINGENCIES AND COMMITMENTS:

Litigation:

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

Line of credit:

The Town has a \$2,000,000 available line of credit from the Rhode Island Clean Water Finance Agency for the Community Septic System Loan Program ("Loan Program"). The Loan Program makes low-interest loans available to North Kingstown property owners for cesspool/septic system repairs or replacements and is administered by Rhode Island Housing. The Town is only liable to the Rhode Island Clean Water Finance Agency in the event of default by the property owner. A balance of \$676,712 was drawn down on the line of credit at June 30, 2016.

Communication tower rentals:

The Town leases several communication towers to unrelated parties under separate operating leases. The rental revenue and lease terms range from a month-to-month basis on some and up to ten-year commitments on others. Total rental revenue was \$210,459 for the year ended June 30, 2016.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2016

11. CONTINGENCIES AND COMMITMENTS (CONTINUED):

The Town had several outstanding construction and technology projects as of June 30, 2016. These projects are evidenced by contractual commitments with contractors and consist of the following:

Fund/Project	Spent to Date	Commitment Remaining	Funding source (s)
Post Road South Waste Water Project Phase II	\$ 3,506,912	\$ 172,009	\$6M RICWFA Revolving Loan Fund
Replacement of Well #10	74,000	294,000	Water Fund, Capital Reserve
Flow Metering Chambers	123,376	331,114	Capital Projects Fund
Paving Project	202,289	540,145	General Fund
Municipal Office Cabling System	26,487	28,694	General Fund
Municipal Office Ductless System and Dehumidifiers	<u>23,438</u>	<u>7,813</u>	General Fund
	<u>\$ 3,956,502</u>	<u>\$ 1,373,775</u>	

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.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2016

12. SELF-INSURANCE ACTIVITIES:

The Town classifies 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.

The Town maintains premium-basis insurance coverage plans for both workers' compensation and property damage.

For self-insured workers' 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, 2016, were \$0. Consequently, in fiscal 2016, there were net changes in the fund balances of the Workers' Compensation and Property Damage funds of \$280 and (\$3,956), respectively. Assets of the funds consist solely of cash and cash equivalents totaling \$353,650 and \$652,422 for the Workers' Compensation and Property Damage funds, respectively, at June 30, 2016.

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

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

There were no significant reductions in insurance coverage during the year ended June 30, 2016, as compared to the previous year. The claims incurred did not exceed insurance coverage this year.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2016

13. POLLUTION REMEDIATION OBLIGATIONS:

The Town is currently involved in the State of Rhode Island's Landfill Closure Program for both the Hamilton Allenton and Oak Hill Landfills. ACT Lincoln Environmental, the Town's consultant, has completed a Site Investigation Report for the Hamilton Allenton Landfill and submitted closure recommendations to the Rhode Island Department of Environmental Management ("DEM"). The highest priority recommendations include soil gas extraction and monitoring, wetland and drainage remediation, landfill cap improvements and additional groundwater monitoring. The Town still awaits comments from DEM from their site investigation recommendations submitted in prior years. The State's comments on the recommendations will dictate that either additional site investigation is required or a final landfill closure scope can proceed. Closure requirements established by DEM will be designed and bid for construction. The preliminary total closure estimate for both landfills is estimated at \$1,660,000, which has been reported as a liability in governmental activities. The estimate may be adjusted each year due to changes in plan, inflation, technology, or applicable laws or regulations. A future bond referendum will be required to pay for this project and could be combined with other infrastructure improvements. Immediate and more minor remediation efforts during fiscal year 2017 are to be funded from the Town's Capital Reserve.

The Town has also been involved in the replacement of the water tank and related renovations, additions, improvements, and remediation of the Saunderstown Tank site. At June 30, 2016, the Saunderstown Tank remediation was substantially complete and has an estimated remaining cost of \$5,487, which has been reported as a liability in business-type activities.

TOWN OF NORTH KINGSTOWN,
RHODE ISLAND

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2016

This section presents the Schedule of Funding Progress for the Town's Pension and OPEB Plans, and 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.

REQUIRED SUPPLEMENTARY INFORMATION – SCHEDULE OF FUNDING PROGRESS

YEAR ENDED JUNE 30, 2016

	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	AAL (UAAL) Funding Deficit	Funded Ratio	Covered Payroll	AAL (UAAL) Funding Deficit Percentage of Covered Payroll
Other Postemployment Benefits	7/1/2010	\$ -	\$ 34,510,724	\$ (34,510,724)	0.0%	\$ 45,087,750	-76.54%
	7/1/2012	\$ -	\$ 33,361,496	\$ (33,361,496)	0.0%	\$ 43,912,696	-75.97%
	7/1/2014	\$ -	\$ 32,970,946	\$ (32,970,946)	0.0%	\$ 45,390,014	-72.64%

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES TO MUNICIPAL EMPLOYEES' NET PENSION LIABILITY AND RELATED RATIOS

LAST TEN YEARS *

	Year Ended June 30, 2015		
	General	Police	Fire
Total pension liability:			
Service cost	\$ 997,418	\$ 529,996	\$ 682,212
Interest	4,380,228	1,905,286	2,960,263
Changes of benefit terms	1,115,610	1,023,411	1,017,404.00
Effect of economic/demographic gains or (losses)			
Differences between expected and actual experience	(128,199)	(17,170)	(1,597,605)
Changes of assumptions			
Benefit payments, including refunds of member contributions	<u>(3,660,362)</u>	<u>(1,391,341)</u>	<u>(2,066,701)</u>
Net change in total pension liability	2,704,695	2,050,182	995,573
Total pension liability, beginning of year	<u>59,734,515</u>	<u>25,834,480</u>	<u>40,162,418</u>
Total pension liability, end of year (a)	<u>62,439,210</u>	<u>27,884,662</u>	<u>41,157,991</u>
Plan fiduciary net position:			
Contributions—employer	1,669,112	860,582	1,069,831
Contributions—employee	221,011	249,263	309,288
Net investment income	1,064,954	453,434	685,646
Benefit payments, including refunds of member contributions	(3,660,362)	(1,391,341)	(2,066,701)
Administrative expense	(42,261)	(18,198)	(27,520)
Other	<u>570</u>	<u>2</u>	<u>7,145</u>
Net change in plan fiduciary net position	(746,976)	153,742	(22,311)
Plan fiduciary net position, beginning of year	<u>46,189,618</u>	<u>19,194,740</u>	<u>29,279,549</u>
Plan fiduciary net position, end of year (b)	<u>45,442,642</u>	<u>19,348,482</u>	<u>29,257,238</u>
Net pension liability, end of year (a) - (b)	<u>\$ 16,996,568</u>	<u>\$ 8,536,180</u>	<u>\$ 11,900,753</u>
Plan fiduciary net position as a percentage of the total pension liability	72.78%	69.39%	71.09%
Covered employee payroll	\$ 11,013,648	\$ 3,115,788	\$ 3,803,164
Net pension liability as a percentage of covered employee payroll	154.32%	273.97%	312.92%

* Fiscal year 2015 was the first year of implementation; therefore, only two years are shown.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CHANGES TO MUNICIPAL EMPLOYEES' NET PENSION LIABILITY AND RELATED RATIOS
 (CONTINUED)
 LAST TEN YEARS *

	Year Ended June 30, 2014		
	General	Police	Fire
Total pension liability:			
Service cost	\$ 1,039,648	\$ 506,306	\$ 664,922
Interest	4,248,626	1,844,294	2,867,574
Changes of benefit terms	-	-	-
Effect of economic/demographic gains or (losses)			
Differences between expected and actual experience	-	-	-
Changes of assumptions	162,324	(170,239)	(218,872)
Benefit payments, including refunds of member contributions	<u>(3,689,223)</u>	<u>(1,366,622)</u>	<u>(2,106,121)</u>
Net change in total pension liability	1,761,375	813,739	1,207,503
Total pension liability, beginning of year	<u>57,973,140</u>	<u>25,020,741</u>	<u>38,954,915</u>
Total pension liability, end of year (a)	<u>59,734,515</u>	<u>25,834,480</u>	<u>40,162,418</u>
Plan fiduciary net position:			
Contributions—employer	1,737,697	644,767	758,704
Contributions—employee	224,417	226,530	294,378
Net investment income	6,151,942	2,556,525	3,899,709
Benefit payments, including refunds of member contributions	(3,689,223)	(1,366,622)	(2,106,121)
Administrative expense	(38,523)	(16,009)	(24,420)
Other	<u>(7,037)</u>	<u>471</u>	<u>6,333</u>
Net change in plan fiduciary net position	4,379,273	2,045,662	2,828,583
Plan fiduciary net position, beginning of year	<u>41,810,345</u>	<u>17,149,078</u>	<u>26,450,966</u>
Plan fiduciary net position, end of year (b)	<u>46,189,618</u>	<u>19,194,740</u>	<u>29,279,549</u>
Net pension liability, end of year (a) - (b)	<u>\$ 13,544,897</u>	<u>\$ 6,639,740</u>	<u>\$ 10,882,869</u>
Plan fiduciary net position as a percentage of the total pension liability	77.32%	74.30%	72.90%
Covered employee payroll	\$ 10,751,271	\$ 3,008,355	\$ 3,773,677
Net pension liability as a percentage of covered employee payroll	125.98%	220.71%	288.39%

* Fiscal year 2015 was the first year of implementation; therefore, only two years are shown.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

REQUIRED SUPPLEMENTARY INFORMATION
 EMPLOYEES' RETIRMENT SYSTEM- MERS MUNICIPAL PLAN
 SCHEDULE OF TOWN'S CONTRIBUTIONS

	2016		
	General	Police	Fire
Actuarially determined contribution	\$ 1,669,112	\$ 860,582	\$ 1,069,831
Contributions in relation to the actuarially determined contribution	1,669,112	860,582	1,069,831
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Contributions as a percentage of covered employee payroll	15.15%	27.62%	28.13%

	2015		
	General	Police	Fire
Actuarially determined contribution	\$ 1,737,697	\$ 644,767	\$ 758,704
Contributions in relation to the actuarially determined contribution	1,737,697	644,767	758,704
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Contributions as a percentage of covered employee payroll	16.16%	21.43%	20.11%

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

REQUIRED SUPPLEMENTARY INFORMATION

EMPLOYEE'S RETIREMENT SYSTEM
LAST TEN YEARS *

Schedule of the Town 's proportionate share of the net pension liability

	<u>2016</u>	<u>2015</u>
Employer's proportion of the net pension liability	1.69%	1.72%
Employer's proportionate share of the net pension liability	\$ 46,548,312	\$ 41,903,775
State's proportionate share of the net pension liability associated with the Town of North Kingstown	<u>31,800,346</u>	<u>28,735,349</u>
Total	\$ 78,348,658	\$ 70,639,124
Employer's covered employee payroll	\$ 24,366,583	\$ 27,457,413
Employer's proportionate share of the net pension liability as a percentage of its covered employee payroll	191.03%	152.61%
Plan fiduciary net position as a percentage of the total pension liability	57.55%	61.40%

Note: The amounts presented for each fiscal year were determined as of 6/30 measurement date prior to the fiscal year-end

Schedule of the Town's Contributions

	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 4,039,245	\$ 3,761,697
Contributions in relation to the actuarially determined contribution	\$ 4,039,245	\$ 3,761,697
Contribution deficiency (excess)	-	-
Covered employee payroll	\$ 24,366,583	\$ 27,457,413
Contributions as a percentage of covered employee payroll	16.58%	13.70%

Note: Employers participating in the State Employee's Retirement System are required by RI General Laws, Section 36-10-2, to contribute an actuarially determined contribution rate each year.

* Fiscal year 2015 was the first year of implementation; therefore, only two years are shown.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND
NOTES TO THE REQUIRED SUPPLEMENTARY SCHEDULES
MUNICIPAL PLAN AND TEACHERS' PLAN
JUNE 30, 2016

Municipal Plan and Teachers' Plans:

The amounts presented for each fiscal year were determined as of the June 30 measurement date prior to the fiscal year-end.

The schedules are intended to show information for 10 years; additional years will be displayed as they become available.

The Town is required by RI General Laws, Section 36-10-2, to contribute an actuarially determined contribution rate each year to the Teacher's Plan.

The Town is required by RI General Laws, Section 45-21-42, to contribute an actuarially determined contribution rate each year to the Municipal Plan.

Changes in benefit provisions:

The June 30, 2015, measurement date determination of the net pension liability for the ERS and MERS plans reflects changes in benefit changes resulting from the settlement of litigation challenging the various pension reform measures enacted in previous years by the General Assembly. These amended benefit provisions are summarized below:

- Employees with more than 20 years of service at July 1, 2012, will increase their employee contribution rates to 9.25% for municipal general employees and participate solely in the defined benefit plan going forward, service credit accruals will increase from 1% to 2% per year.
- Members are eligible to retire upon the attainment of: age 65 with 30 years of service, 64 with 31 years of service, 63 with 32 years of service, or 62 with 33 years of service. Members may retire earlier if their RIRSA date is earlier or are eligible under a transition rule.
- MERS public safety employees may retire at age 50 with 25 years of service, or any age with 27 years of service. MERS public safety employees will contribute 10%.
- Employees with more than 10 but less than 20 years of service at July 1, 2012, will receive an increased employer contribution to the defined contribution plan based on the members years of service (an additional .25% for members with 10-15 years of service and .50% for members with 15-20 years of service). Also, members who earn less than \$35,000 per year will not be required to pay the administrative fees to the defined contribution plan.
- Member who retired from a COLA eligible plan before July 1, 2012, will receive a one-time cost of living adjustment of 2% of the first \$25,000 paid as soon as administratively possible.
- Retirees as of June 30, 2015, will receive two \$500 stipends; the interim cost of living increases will occur at 4 years rather than 5 year intervals.
- The COLA formula was adjusted to : 50% of the COLA is calculated by taking the previous 5- year average investment return, less 5.5% (5yr return- 5.5%, with a max of 4%) and 50% calculated using previous year's CPI-U(max of 3%) for a total max COLA of 3.5%. This COLA is calculated on the first \$25,855, effective January 1, 2016, and indexed as of the date as well. (The indexing formula is run annually regardless of funding level each year.)
- Minor adjustments were made to the actuarial reduction for employees choosing to retire early.

SCHEDULE OF REVENUES AND EXPENDITURES (NON-GAAP BUDGETARY BASIS)
BUDGET AND ACTUAL
(UNAUDITED)

GENERAL FUND

YEAR ENDED JUNE 30, 2016

	Originally Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Revenues:				
Property tax	\$ 77,318,121	\$ 77,318,121	\$ 75,696,508	\$ (1,621,613)
Intergovernmental	1,278,552	1,278,552	1,749,570	471,018
Licenses and permits	421,998	421,998	511,747	89,749
Investment income	35,000	35,000	2,631	(32,369)
Departmental	1,848,783	1,648,108	1,322,092	(326,016)
Other	72,000	72,000	96,228	24,228
	<u>80,974,454</u>	<u>80,773,779</u>	<u>79,378,776</u>	<u>(1,395,003)</u>
Total revenues				
Expenditures:				
Town council	142,531	142,531	201,581	(59,050)
Town manager	232,347	232,347	283,097	(50,750)
Town clerk and elections	414,381	466,361	415,091	51,270
Town solicitor	252,500	252,500	234,403	18,097
Finance	532,293	532,292	442,600	89,692
Information systems	290,085	290,085	400,624	(110,539)
Assessor	224,487	224,487	203,115	21,372
Planning	539,027	539,027	526,298	12,729
General operating	3,222,818	3,536,752	3,575,684	(38,932)
Code enforcement	484,428	484,428	445,860	38,568
Fire	8,545,792	9,175,792	8,857,926	317,866
Police, harbor and animal control	7,327,160	7,327,159	6,533,439	793,720
Public works	4,957,509	5,031,750	4,772,740	259,010
Recreation	30,000	-	26	(26)
Senior citizens	538,192	538,192	470,865	67,327
Contributions	175,335	175,335	136,358	38,977
Quonset development	681,093	681,093	591,967	89,126
	<u>28,589,978</u>	<u>29,630,131</u>	<u>28,091,674</u>	<u>1,538,457</u>
Total expenditures				
Excess of revenues over expenditures	<u>52,384,476</u>	<u>51,143,648</u>	<u>51,287,102</u>	<u>143,454</u>
Other financing sources (uses):				
Transfers from fund balance	(51,981)	(88,393)	666,477	754,870
Transfers in	696,805	1,098,156	1,130,000	31,844
Transfers out	<u>(53,029,300)</u>	<u>(52,729,516)</u>	<u>(53,083,579)</u>	<u>(354,063)</u>
	<u>(52,384,476)</u>	<u>(51,719,753)</u>	<u>(51,287,102)</u>	<u>432,651</u>
Net other financing sources (uses)				
Excess of expenditures and other financing uses over revenue and other financing sources	<u>\$ -</u>	<u>\$ (576,105)</u>	<u>\$ -</u>	<u>\$ 576,105</u>

SCHEDULE OF REVENUES AND EXPENDITURES (NON-GAAP BUDGETARY BASIS)
BUDGET AND ACTUAL
(UNAUDITED)

SCHOOL UNRESTRICTED FUND

YEAR ENDED JUNE 30, 2016

	Originally Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Revenues:				
State aid	\$ 10,675,468	\$ 10,693,934	\$ 10,693,934	\$ -
Federal aid	495,000	495,000	556,825	61,825
Tuition	1,981,235	1,981,235	1,962,648	(18,587)
Miscellaneous	10,500	10,500	122,808	112,308
Total revenues	<u>13,162,203</u>	<u>13,180,669</u>	<u>13,336,215</u>	<u>155,546</u>
Expenditures:				
Salaries	35,100,220	35,154,041	35,170,108	(16,067)
Fringe benefits	13,478,448	13,387,829	13,174,813	213,016
Professional services	8,708,051	8,804,758	8,540,200	264,558
Supplies and materials	2,353,080	2,259,291	1,887,950	371,341
Capital outlay	587,575	619,253	723,771	(104,518)
Debt services	222,631	243,299	210,942	32,357
Total expenditures	<u>60,450,005</u>	<u>60,468,471</u>	<u>59,707,784</u>	<u>760,687</u>
Excess of expenditures over revenues	<u>(47,287,802)</u>	<u>(47,287,802)</u>	<u>(46,371,569)</u>	<u>916,233</u>
Other financing sources (uses):				
Operating transfer from Town	47,287,802	47,287,802	47,287,802	-
Transfer from Capital Projects			292,509	292,509
Transfers out			(497,065)	(497,065)
Net other financing sources (uses)	<u>47,287,802</u>	<u>47,287,802</u>	<u>47,083,246</u>	<u>(204,556)</u>
Excess of revenues and other financing sources over expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 711,677</u>	<u>\$ 711,677</u>

SCHEDULE OF REVENUES AND EXPENDITURES (NON-GAAP BUDGETARY BASIS)
BUDGET AND ACTUAL
(UNAUDITED)

LIBRARY FUND

YEAR ENDED JUNE 30, 2016

	Originally Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Revenues:				
State aid	\$ 273,440	\$ 273,440	\$ 225,799	\$ (47,641)
Departmental revenue	45,000	45,000	37,919	(7,081)
Total revenues	<u>318,440</u>	<u>318,440</u>	<u>263,718</u>	<u>(54,722)</u>
Expenditures:				
Library	1,493,185	1,475,485	1,439,188	36,297
Total expenditures	<u>1,493,185</u>	<u>1,475,485</u>	<u>1,439,188</u>	<u>36,297</u>
Excess of expenditures over revenues	<u>(1,174,745)</u>	<u>(1,157,045)</u>	<u>(1,175,470)</u>	<u>(18,425)</u>
Other financing sources (uses):				
Operating transfer from Town	1,207,979	1,207,979	1,207,979	-
Transfers out	<u> </u>	<u>(17,700)</u>	<u>(14,600)</u>	<u>3,100</u>
Net other financing sources (uses)	<u>1,207,979</u>	<u>1,190,279</u>	<u>1,193,379</u>	<u>3,100</u>
Excess of revenues and other financing sources over expenditures and other financing uses	<u>\$ 33,234</u>	<u>\$ 33,234</u>	<u>\$ 17,909</u>	<u>\$ (15,325)</u>

SCHEDULE OF REVENUES AND EXPENDITURES (NON-GAAP BUDGETARY BASIS)
BUDGET AND ACTUAL
(UNAUDITED)

DEBT SERVICE FUND

YEAR ENDED JUNE 30, 2016

	Originally Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Revenues:				
State aid	\$ 1,279,935	\$ 1,279,935	\$ 1,187,528	\$ (92,407)
Miscellaneous	1,000	1,000	32,191	31,191
Total revenues	<u>1,280,935</u>	<u>1,280,935</u>	<u>1,219,719</u>	<u>(61,216)</u>
Expenditures:				
Debt service – Municipal	4,443,846	4,443,846	2,444,117	1,999,729
Debt service – School	<u>1,207,362</u>	<u>1,207,362</u>	<u>2,731,240</u>	<u>(1,523,878)</u>
Total expenditures	<u>5,651,208</u>	<u>5,651,208</u>	<u>5,175,357</u>	<u>475,851</u>
Excess of expenditures over revenues	<u>(4,370,273)</u>	<u>(4,370,273)</u>	<u>(3,955,638)</u>	<u>414,635</u>
Other financing sources (uses):				
Operating transfers in – General Fund	4,077,773	4,077,773	4,077,774	1
Proceeds of bond issuance			19,060,000	19,060,000
Transfer to refunding debt escrow agent			(21,585,655)	(21,585,655)
Bond premium			2,715,761	2,715,761
Bond issuance costs			(188,460)	(188,460)
Transfer from fund balance	<u>292,500</u>	<u>292,500</u>	<u>-</u>	<u>(292,500)</u>
Net other financing sources	<u>4,370,273</u>	<u>4,370,273</u>	<u>4,079,420</u>	<u>(290,853)</u>
Excess of revenues and other financing sources over expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 123,782</u>	<u>\$ 123,782</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND
NOTES TO BUDGETARY COMPARISON SCHEDULES
JUNE 30, 2016

BUDGETARY DATA AND BUDGETARY COMPLIANCE:

Adoption:

The Town 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 proposed expenditures after a review of estimated requirements from department heads. Town Council conducts all-day Public Work Sessions to discuss the Town Manager's Proposed Budget, which is not a Charter requirement.

The Council has two weeks to give preliminary approval to the Town Manager's budget, which the Council may revise. Approximately three weeks after preliminary approval by the Council, two public hearings are held (one for school portion and one for all other budgets). After preliminary approval of the budget, any qualified elector may circulate a petition requesting that the Council increase or decrease the budget. At least 50 signatures, validated by the Board of Canvassers, are required. The Council is required to consider and vote on each valid petition.

On or before the first Wednesday in May, the Council is required to make any final changes to the budget by a majority vote and consider any petitions. Following final approval, the budget is published and copies are available for the public. After 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 voters for a referendum vote on the second Saturday in June.

The following governmental funds have annual appropriated budgets:

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

Budgetary to GAAP basis reconciliation:

Annual operating budgets are in conformity with the legally enacted budgetary basis, which differs from accounting principles generally accepted in the United States of America (U.S. GAAP) in several regards. Budgets are adopted on the modified accrual basis with certain exceptions. Budgetary revenues may include reappropriations from fund equity previously recognized under U.S. GAAP. Budgetary expenditures and expenses are recognized when legally binding orders (encumbrances) are placed. Enterprise fund budgetary expenses include expenses for fixed asset additions, debt service issuance costs and debt service principal payments not recognized under U.S. GAAP but exclude depreciation and amortization, U.S. GAAP basis expenses.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND
NOTES TO BUDGETARY COMPARISON SCHEDULES

JUNE 30, 2016

BUDGETARY DATA AND BUDGETARY COMPLIANCE (CONTINUED):

Budgetary to GAAP basis reconciliation (continued):

The following reconciliations summarize the differences between budgetary and U.S. GAAP basis accounting principles for the year ended June 30, 2016:

GENERAL FUND

Excess of revenues and other sources over expenditures and other uses (Non-GAAP Budgetary Basis)	\$ -
Prior year encumbrances	(380,183)
Current year encumbrances	1,126,705
Prior year cancelled or voided purchase orders	(188,079)
Use of accumulated fund balance	(666,477)
Combined with General Fund – GASB 54 GAAP basis:	
Retirement allowance reserve	156,415
Health insurance reserve	286,296
	<hr/>
Net change in fund balance, GAAP basis	<u>\$ 334,677</u>

SCHOOL UNRESTRICTED FUND

Excess of revenues and other sources over expenditures and other uses (Non-GAAP Budgetary Basis)	\$ 711,677
Prior year encumbrances	(166,557)
Current year encumbrances	69,303
	<hr/>
Net change in fund balance, GAAP basis	<u>\$ 614,423</u>

TOWN OF NORTH KINGSTOWN,
RHODE ISLAND

OTHER SUPPLEMENTARY INFORMATION

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

TAX COLLECTOR'S ANNUAL REPORT

YEAR ENDED JUNE 30, 2016

Real estate and personal property taxes receivable:

Year	Balance, July 1, 2015	Current year assessment	Adjustments/ abatements	Amount to be collected	Collections	Balance, June 30, 2016
2016		\$ 73,846,803	\$ (119,671)	\$ 73,727,132	\$ 71,826,525	\$ 1,900,607
2015	\$ 1,838,694		(37,944)	1,800,750	1,484,061	316,689
2014	309,767		6,706	316,473	110,273	206,200
2013	117,252		20,618	137,870	24,435	113,435
2012	124,309		(5,587)	118,722	13,912	104,810
2011	106,327		(4,301)	102,026	4,043	97,983
2010	44,869		32	44,901	2,219	42,682
2009	54,360		944	55,304	2,037	53,267
2008	36,338		(463)	35,875		35,875
2007 and prior	122,307		(59,904)	62,403		62,403
	<u>\$ 2,754,223</u>	<u>\$ 73,846,803</u>	<u>\$ (199,570)</u>	<u>\$ 76,401,456</u>	<u>\$ 73,467,505</u>	2,933,951
					Less allowance for doubtful accounts	<u>375,000</u>
						<u>\$ 2,558,951</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND
TAX COLLECTOR'S ANNUAL REPORT (CONTINUED)
YEAR ENDED JUNE 30, 2016

Schedule of most recent net assessed property value by category:

Description of property	Valuations	Levy
Real property	\$ 3,499,075,945	\$ 67,532,166
Motor vehicles	297,434,850	6,555,464
Tangible personal	147,104,420	2,839,115
Total	3,943,615,215	76,926,745
Exemptions	148,856,048	3,079,942
Current year assessment	<u>\$ 3,794,759,167</u>	<u>\$ 73,846,803</u>

Reconciliation of current year property tax revenue:

Current year collections	\$ 73,467,505
Revenue collected within 60 days subsequent to year ended June 30, 2016	<u>491,970</u>
	73,959,475
Prior year revenue received in current year	<u>(490,219)</u>
Current year real estate and personal property tax revenue	<u>\$ 73,469,256</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

OTHER SUPPLEMENTARY INFORMATION

JUNE 30, 2016

SPECIAL REVENUE FUNDS:

Special Revenue Funds are used to account for revenues from specific taxes or other earmarked revenue sources which by law are designated to finance particular functions or activities of government, and which therefore cannot be diverted to other uses. The following is a list of the Town's special revenue funds:

Library Funds – Funds established to account for state grants and operational activities of the North Kingstown Free Library. The following Library Funds are included in this section:

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

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

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

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

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

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

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

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

Town Municipal Court – To account for monies received as a result of Public Safety fines and town issued citations.

State Elderly Affairs Grant – To account for State Department of Elderly Affairs Grant used for the purpose of providing senior citizens with special elderly programs.

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

OTHER SUPPLEMENTARY INFORMATION

JUNE 30, 2016

SPECIAL REVENUE FUNDS (CONTINUED):

Miscellaneous Historic District Preservation – To account for monies received for the installation of educational markers in and around the village of Wickford.

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.

Senior Health Insurance Program- To account for funds received and used to assist senior citizens with health insurance.

Rhode Island Foundation Grant- To account for grants received from Rhode Island Foundation.

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

Technology Replacement – To account for funds received from other communities for the purpose of providing Information Technology shared services and maintaining software/hardware upgrades.

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

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

Senior Center Legislative Grant – To account for monies received from the State for the Senior Citizens Center.

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

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

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

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

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

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

OTHER SUPPLEMENTARY INFORMATION (CONTINUED)

JUNE 30, 2016

SPECIAL REVENUE FUNDS (CONTINUED):

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

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

Tax Revaluation Reserve Fund – To account for monies set aside for the Town-wide revaluation project.

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

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

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

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

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

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

Senior Outreach Escrow – To account for donations received by the Town to be used to assist elderly in need.

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

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

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND
OTHER SUPPLEMENTARY INFORMATION (CONTINUED)

JUNE 30, 2016

SPECIAL REVENUE FUNDS (CONTINUED):

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

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

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

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

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

OTHER SUPPLEMENTARY INFORMATION (CONTINUED)

JUNE 30, 2016

SPECIAL REVENUE FUNDS (CONTINUED):

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

Unrestricted	United Way – Hasbro Summer
Public Law 94-142	Wireless Classroom Initiative
Title III – LEP	RI Council for the Humanities
Title I	RI Interscholastic League
Homeless Children & Youth	COZ Miscellaneous Donations
Rhode Island Foundation	COZ Family Center
Categorical Aid-Robotics	USDA Kitchen Equipment
Educational Development Center	Use of Buildings
Title II	Substance Abuse Task Force
PTO Donations	Centers for Disease Control
Career & Tech	Donation Coaches
91-142 Preschool Services	Exxon Mobil
21st Century Learning Center	RI Legislative Blessings in a Backpack
Drug Free Program Donations	Scholarship America
RI Legislative Grant- Drug Free	Fuji Film
Substance Abuse Donations	RI Full Day Kindergarten
USDA FFVP	RI Association for Young Children
Perkins Coventry	Drug Free Communities
RI Council On The Arts- African Folk Tales	RTTT Instructional Improvement
Feinstein Foundation	Integrated Practice Science Facilitator
RI State Council on the Arts- Silk Road	School/Town Substance Abuse
RI State Council on the Arts- Big Yellow Bus	Wendy's Advertising
RTTT PLC Mini Grant	

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

OTHER SUPPLEMENTARY INFORMATION (CONTINUED)

JUNE 30, 2016

DEBT SERVICE FUNDS:

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

CAPITAL PROJECT FUNDS:

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

Capital Improvements Project – To account for School's capital improvements projects.

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

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

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

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

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

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

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

4M Farmland Open Space Fund – To account for bond monies used to finance improvements to farmland, undeveloped land, or open space.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

OTHER SUPPLEMENTARY INFORMATION (CONTINUED)

JUNE 30, 2016

PERMANENT FUNDS:

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

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

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

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

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

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

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

- Elizabeth Miller
- William D. Davis

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND
OTHER SUPPLEMENTARY INFORMATION (CONTINUED)

JUNE 30, 2016

PERMANENT FUNDS (CONTINUED):

School Funds – To account for monies bequeathed 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:

- Hendrick Library
- Gardiner
- Updike
- Tennis

Lynette Olson Memorial Fund – Fund established to permit the expenditure of interest earned on scholarships.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2016

	SPECIAL REVENUE FUNDS							Seized and Forfeited Property Escrow
	Willet Library Fund	Champlin Foundation Fund	Davisville Library Fund	Library Fund	Juniper Hill Tank Grant	Miscellaneous State Grants	State Grants - Police Department	
Assets								
Cash and cash equivalents	\$ 1,130	\$ 69,082	\$ 39,344	\$ 229,172	\$ 23,559	\$ 814	\$ 1,669	\$ 27,577
Due from other governments	-							
Due from other funds	-			47,204				
Other receivables				5,758				
	<u>\$ 1,130</u>	<u>\$ 69,082</u>	<u>\$ 39,344</u>	<u>\$ 282,134</u>	<u>\$ 23,559</u>	<u>\$ 814</u>	<u>\$ 1,669</u>	<u>\$ 27,577</u>
Liabilities								
Accounts payable and accrued liabilities	\$ 9,807	\$ -	\$ 5,179	\$ 45,148	\$ -	\$ 979	\$ -	\$ -
Due to other funds		68,549	18,539			234,017		
Due to other governments							1,298	
Unearned revenue		-						
<i>Total Liabilities</i>	<u>9,807</u>	<u>68,549</u>	<u>23,718</u>	<u>45,148</u>	<u>-</u>	<u>234,996</u>	<u>1,298</u>	<u>-</u>
Deferred inflows (Note 1)								
Fund Balances								
Nonspendable								
Restricted		533	15,626		23,559		371	27,577
Committed								
Assigned				236,986				
Unassigned	(8,677)					(234,182)		
<i>Total Fund Balances</i>	<u>(8,677)</u>	<u>533</u>	<u>15,626</u>	<u>236,986</u>	<u>23,559</u>	<u>(234,182)</u>	<u>371</u>	<u>27,577</u>
<i>Total Liabilities, Deferred Inflows, and Fund Balances</i>	<u>\$ 1,130</u>	<u>\$ 69,082</u>	<u>\$ 39,344</u>	<u>\$ 282,134</u>	<u>\$ 23,559</u>	<u>\$ 814</u>	<u>\$ 1,669</u>	<u>\$ 27,577</u>

(continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2016

SPECIAL REVENUE FUNDS

	Beachwood House Senior Center Equipment Escrow	RIDEM Potowomut Pond Clean-up	RI Emergency Management	Town Municipal Court	State Elderly Affairs Grant	Land Dedication Escrow	Miscellaneous Historic District Preservation	Senior Health Insurance Program	State Council on the Arts Grant	RI Foundation Grant
Assets										
Cash and cash equivalents	\$ 709	\$ 4,500	\$ 66,635	\$ 188,832	\$ 5,899	\$ 91,106	\$ 10,000	\$ -	\$ 10,697	\$ -
Due from other governments				1,237						
Due from other funds										
Other receivables										
	<u>\$ 709</u>	<u>\$ 4,500</u>	<u>\$ 66,635</u>	<u>\$ 190,069</u>	<u>\$ 5,899</u>	<u>\$ 91,106</u>	<u>\$ 10,000</u>	<u>\$ -</u>	<u>\$ 10,697</u>	<u>\$ -</u>
Liabilities										
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 11,017	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds			-	86,142				725		597
Due to other governments										
Unearned revenue										
<i>Total Liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>97,159</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>725</u>	<u>-</u>	<u>597</u>
Deferred inflows (Note 1)										
Fund Balances										
Nonspendable										
Restricted	709	4,500	66,635		5,899	91,106	10,000		10,697	
Committed										
Assigned				92,910						
Unassigned								(725)		(597)
<i>Total Fund Balances</i>	<u>709</u>	<u>4,500</u>	<u>66,635</u>	<u>92,910</u>	<u>5,899</u>	<u>91,106</u>	<u>10,000</u>	<u>(725)</u>	<u>10,697</u>	<u>(597)</u>
<i>Total Liabilities, Deferred Inflows, and Fund Balances</i>	<u>\$ 709</u>	<u>\$ 4,500</u>	<u>\$ 66,635</u>	<u>\$ 190,069</u>	<u>\$ 5,899</u>	<u>\$ 91,106</u>	<u>\$ 10,000</u>	<u>\$ -</u>	<u>\$ 10,697</u>	<u>\$ -</u>

(continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2016

	SPECIAL REVENUE FUNDS							
	Local Law Enforcement Block Grant	Technology Replacement	Governor's Justice Commission	Miscellaneous Senior Citizens Grant	Senior Center Legislative Grant	Impact Fees	Emergency Medical Services	CDBG Grants
Assets								
Cash and cash equivalents	\$ 358	\$ 44,386	\$ 2,100	\$ 44,125	\$ 1,453	\$ 89,168	\$ 854,230	\$ 134,148
Due from other governments				-				14,710
Due from other funds								183,759
Other receivables								21,497
	<u>\$ 358</u>	<u>\$ 44,386</u>	<u>\$ 2,100</u>	<u>\$ 44,125</u>	<u>\$ 1,453</u>	<u>\$ 89,168</u>	<u>\$ 854,230</u>	<u>\$ 354,114</u>
Liabilities								
Accounts payable and accrued liabilities	\$ -	\$ 131	\$ -	\$ 1,786	\$ -	\$ -	\$ 216,391	\$ -
Due to other funds								
Due to other governments								
Unearned revenue								
<i>Total Liabilities</i>	<u>-</u>	<u>131</u>	<u>-</u>	<u>1,786</u>	<u>-</u>	<u>-</u>	<u>216,391</u>	<u>-</u>
Deferred inflows (Note 1)								14,710
Fund Balances								
Nonspendable								
Restricted	358	44,255	2,100	42,339	1,453			339,404
Committed								
Assigned						89,168	637,839	
Unassigned								
<i>Total Fund Balances</i>	<u>358</u>	<u>44,255</u>	<u>2,100</u>	<u>42,339</u>	<u>1,453</u>	<u>89,168</u>	<u>637,839</u>	<u>339,404</u>
<i>Total Liabilities, Deferred Inflows, and Fund Balances</i>	<u>\$ 358</u>	<u>\$ 44,386</u>	<u>\$ 2,100</u>	<u>\$ 44,125</u>	<u>\$ 1,453</u>	<u>\$ 89,168</u>	<u>\$ 854,230</u>	<u>\$ 354,114</u>

(continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2016

	SPECIAL REVENUE FUNDS							
	Fire Department Legislative Grant	Old Library Park	Groundwater Education Donation	Miscellaneous Library Donations	Operation Drug Dog	Special Purpose Donations	Tax Revaluation Reserve Fund	Infrastructure Replacement
Assets								
Cash and cash equivalents	\$ 2,626	\$ 2,609	\$ 667	\$ 10,781	\$ -	\$ 3,629	\$ 56,762	\$ 756,197
Due from other governments						-		
Due from other funds								12,009
Other receivables								
	<u>\$ 2,626</u>	<u>\$ 2,609</u>	<u>\$ 667</u>	<u>\$ 10,781</u>	<u>\$ -</u>	<u>\$ 3,629</u>	<u>\$ 56,762</u>	<u>\$ 768,206</u>
Liabilities								
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds						13,859	36,359	
Due to other governments								
Unearned revenue								
<i>Total Liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,859</u>	<u>36,359</u>	<u>-</u>
Deferred inflows (Note 1)								
Fund Balances								
Nonspendable								
Restricted	2,626	2,609	667	10,781	-			
Committed								
Assigned							20,403	768,206
Unassigned						(10,230)		
<i>Total Fund Balances</i>	<u>2,626</u>	<u>2,609</u>	<u>667</u>	<u>10,781</u>	<u>-</u>	<u>(10,230)</u>	<u>20,403</u>	<u>768,206</u>
<i>Total Liabilities, Deferred Inflows, and Fund Balances</i>	<u>\$ 2,626</u>	<u>\$ 2,609</u>	<u>\$ 667</u>	<u>\$ 10,781</u>	<u>\$ -</u>	<u>\$ 3,629</u>	<u>\$ 56,762</u>	<u>\$ 768,206</u>

(continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2016

	SPECIAL REVENUE FUNDS							
	URI Septic Loan Program	Ann Ward Wallou Memorial Garden	Senior Citizens Center	Senior Citizens Bus Gasoline Escrow	Arts Council	Senior Outreach Escrow	Project D.A.R.E.	Fireworks Donation
Assets								
Cash and cash equivalents	\$ 421	\$ -	\$ 106,423	\$ 61	\$ 38,157	\$ 1,327	\$ 4,844	\$ -
Due from other governments								
Due from other funds								
Other receivables								
	<u>\$ 421</u>	<u>\$ -</u>	<u>\$ 106,423</u>	<u>\$ 61</u>	<u>\$ 38,157</u>	<u>\$ 1,327</u>	<u>\$ 4,844</u>	<u>\$ -</u>
Liabilities								
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 926	\$ -	\$ 7,733	\$ -	\$ -	\$ -
Due to other funds	-	901						
Due to other governments								
Unearned revenue								
<i>Total Liabilities</i>	<u>-</u>	<u>901</u>	<u>926</u>	<u>-</u>	<u>7,733</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows (Note 1)								
Fund Balances								
Nonspendable								
Restricted	421		105,497	61	30,424	1,327	4,844	-
Committed								
Assigned								
Unassigned		(901)						
<i>Total Fund Balances</i>	<u>421</u>	<u>(901)</u>	<u>105,497</u>	<u>61</u>	<u>30,424</u>	<u>1,327</u>	<u>4,844</u>	<u>-</u>
<i>Total Liabilities, Deferred Inflows, and Fund Balances</i>	<u>\$ 421</u>	<u>\$ -</u>	<u>\$ 106,423</u>	<u>\$ 61</u>	<u>\$ 38,157</u>	<u>\$ 1,327</u>	<u>\$ 4,844</u>	<u>\$ -</u>

(continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2016

	SPECIAL REVENUE FUNDS						DEBT SERVICE FUND
	Parade Committee	Leisure Services Brochure	Community Center Maintenance	Heritage Committee	Recreation Escrow	Non Civic Detail Escrow Fund	FY 2005 Refunding
Assets							
Cash and cash equivalents	\$ 531	\$ -	\$ 50,396	\$ 144	\$ 170,118	\$ 257,831	\$ 16,180
Due from other governments		1,400					
Due from other funds							
Other receivables						143,157	
	<u>\$ 531</u>	<u>\$ 1,400</u>	<u>\$ 50,396</u>	<u>\$ 144</u>	<u>\$ 170,118</u>	<u>\$ 400,988</u>	<u>\$ 16,180</u>
Liabilities							
Accounts payable and accrued liabilities	\$ 819	\$ -	\$ 55,770	\$ 144	\$ 8,799	\$ 5,680	\$ 4,705
Due to other funds	25					-	
Due to other governments							
Unearned revenue							
<i>Total Liabilities</i>	<u>844</u>	<u>-</u>	<u>55,770</u>	<u>144</u>	<u>8,799</u>	<u>5,680</u>	<u>4,705</u>
Deferred inflows (Note 1)							
Fund Balances							
Nonspendable							
Restricted		1,400		-			
Committed							
Assigned					161,319	395,308	11,475
Unassigned	(313)		(5,374)				
<i>Total Fund Balances</i>	<u>(313)</u>	<u>1,400</u>	<u>(5,374)</u>	<u>-</u>	<u>161,319</u>	<u>395,308</u>	<u>11,475</u>
<i>Total Liabilities, Deferred Inflows, and Fund Balances</i>	<u>\$ 531</u>	<u>\$ 1,400</u>	<u>\$ 50,396</u>	<u>\$ 144</u>	<u>\$ 170,118</u>	<u>\$ 400,988</u>	<u>\$ 16,180</u>

(continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2016

CAPITAL PROJECT FUNDS

	Capital Improvements Project	Capital Reserve	9M School Renovation Bond	6.4M School Renovation Bond	Farmland & Open Space Reserve	6M Public Facilities Plan Bond	School Capital Reserve Fund	4M Senior Center Complex Fund	4.5M Public Safety Facilities
Assets									
Cash and cash equivalents	\$ 654,872	\$ -	\$ 299,062	\$ 29,596	\$ 1,225,114	\$ 378,107	\$ -	\$ 8,775	\$ 21,940
Due from other governments	-		-	51,638	477,500				
Due from other funds	72,712								
Other receivables									
	<u>\$ 727,584</u>	<u>\$ -</u>	<u>\$ 299,062</u>	<u>\$ 81,234</u>	<u>\$ 1,702,614</u>	<u>\$ 378,107</u>	<u>\$ -</u>	<u>\$ 8,775</u>	<u>\$ 21,940</u>
Liabilities									
Accounts payable and accrued liabilities	\$ 30,528	\$ 6,865	\$ -	\$ -	\$ 231	\$ -	\$ -	\$ -	\$ -
Due to other funds	14,710	1,129,107	-		457,311				
Due to other governments									
Unearned revenue									
<i>Total Liabilities</i>	<u>45,238</u>	<u>1,135,972</u>	<u>-</u>	<u>-</u>	<u>457,542</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows (Note 1)									
Fund Balances									
Nonspendable									
Restricted			299,062	81,234	1,245,072	378,107	-	8,775	21,940
Committed									
Assigned	682,346								
Unassigned		(1,135,972)							
<i>Total Fund Balances</i>	<u>682,346</u>	<u>(1,135,972)</u>	<u>299,062</u>	<u>81,234</u>	<u>1,245,072</u>	<u>378,107</u>	<u>-</u>	<u>8,775</u>	<u>21,940</u>
<i>Total Liabilities, Deferred Inflows, and Fund Balances</i>	<u>\$ 727,584</u>	<u>\$ -</u>	<u>\$ 299,062</u>	<u>\$ 81,234</u>	<u>\$ 1,702,614</u>	<u>\$ 378,107</u>	<u>\$ -</u>	<u>\$ 8,775</u>	<u>\$ 21,940</u>

(continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2016

	CAPITAL PROJECT FUNDS				PERMANENT FUNDS			
	4M Farmland Open Space Fund	Henry Reynolds Indigent Care	Tri-Centennial Park	400th Anniversary	Henry Reynolds Outside Poor Fund	John J. Spink Outside Poor Fund	John B. Spink Outside Poor Fund	Thomas Casey Outside Poor Fund
Assets								
Cash and cash equivalents	\$ 284,088	\$ 19,092	\$ 6,120	\$ 3,648	\$ 2,188	\$ 21,093	\$ 5,274	\$ 2,188
Due from other governments								
Due from other funds								
Other receivables								
	<u>\$ 284,088</u>	<u>\$ 19,092</u>	<u>\$ 6,120</u>	<u>\$ 3,648</u>	<u>\$ 2,188</u>	<u>\$ 21,093</u>	<u>\$ 5,274</u>	<u>\$ 2,188</u>
Liabilities								
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds								
Due to other governments								
Unearned revenue								
<i>Total Liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows (Note 1)								
Fund Balances								
Nonspendable								
Restricted	284,088	19,092	6,120	3,648	2,188	21,093	5,274	2,188
Committed								
Assigned								
Unassigned								
<i>Total Fund Balances</i>	<u>284,088</u>	<u>19,092</u>	<u>6,120</u>	<u>3,648</u>	<u>2,188</u>	<u>21,093</u>	<u>5,274</u>	<u>2,188</u>
<i>Total Liabilities, Deferred Inflows, and Fund Balances</i>	<u>\$ 284,088</u>	<u>\$ 19,092</u>	<u>\$ 6,120</u>	<u>\$ 3,648</u>	<u>\$ 2,188</u>	<u>\$ 21,093</u>	<u>\$ 5,274</u>	<u>\$ 2,188</u>

(continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2016

	PERMANENT FUNDS								
	Elizabeth Miller Library Fund	William D. Davis Library Fund	Veterans Memorial Scholarship	Hendrick Library Fund	Gardiner Fund	Updike Fund	Tennis Fund	Lynette Olson Memorial Fund	Grand Totals
Assets									
Cash and cash equivalents	\$ 2,000	\$ 5,001	\$ 6,979	\$ 8,778	\$ 5,809	\$ 4,224	\$ 268	\$ -	\$ 6,414,613
Due from other governments									545,248
Due from other funds									304,912
Other receivables									182,421
	<u>\$ 2,000</u>	<u>\$ 5,001</u>	<u>\$ 6,979</u>	<u>\$ 8,778</u>	<u>\$ 5,809</u>	<u>\$ 4,224</u>	<u>\$ 268</u>	<u>\$ -</u>	<u>\$ 7,447,194</u>
Liabilities									
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 412,638
Due to other funds									2,060,841
Due to other governments									1,298
Unearned revenue									-
<i>Total Liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,474,777</u>
Deferred inflows (Note 1)									14,710
Fund Balances									
Nonspendable									-
Restricted	2,000	5,001	6,979	8,778	5,809	4,224	268	-	3,258,718
Committed									-
Assigned									3,095,960
Unassigned									(1,396,971)
<i>Total Fund Balances</i>	<u>2,000</u>	<u>5,001</u>	<u>6,979</u>	<u>8,778</u>	<u>5,809</u>	<u>4,224</u>	<u>268</u>	<u>-</u>	<u>4,957,707</u>
<i>Total Liabilities, Deferred Inflows, and Fund Balances</i>	<u>\$ 2,000</u>	<u>\$ 5,001</u>	<u>\$ 6,979</u>	<u>\$ 8,778</u>	<u>\$ 5,809</u>	<u>\$ 4,224</u>	<u>\$ 268</u>	<u>\$ -</u>	<u>\$ 7,447,194</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2016

	SPECIAL REVENUE FUNDS							
	Willet Library Fund	Champlin Foundation Fund	Davisville Library Fund	Library Fund	Juniper Hill Tank Grant	Miscellaneous State Grants	State Grants - Police Department	Seized and Forfeited Property Escrow
Revenues:								
Interest and investment income	\$ -	\$ 269	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	19,613	76,965		225,799		27,068		
Departmental				37,919				
Other			20,716	-			-	-
<i>Total Revenues</i>	<u>19,613</u>	<u>77,234</u>	<u>20,716</u>	<u>263,718</u>	<u>-</u>	<u>27,068</u>	<u>-</u>	<u>-</u>
Expenditures:								
General government	-	77,217	-	-	-	12,462	-	(2,449)
Public safety							312	
Public works								
Per trust agreements								
Education								
Public libraries	23,165		10,358	1,436,191				
Senior services								
Capital and special appropriations								
<i>Total Expenditures</i>	<u>23,165</u>	<u>77,217</u>	<u>10,358</u>	<u>1,436,191</u>	<u>-</u>	<u>12,462</u>	<u>312</u>	<u>(2,449)</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>(3,552)</u>	<u>17</u>	<u>10,358</u>	<u>(1,172,473)</u>	<u>-</u>	<u>14,606</u>	<u>(312)</u>	<u>2,449</u>
Other financing sources (uses):								
Proceeds from bond issuance								
Bond premiums								
Bond issuance costs								
Transfers in				1,207,979				
Transfers out				(14,600)				
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,193,379</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(3,552)	17	10,358	20,906	-	14,606	(312)	2,449
Fund balance, beginning of year	(5,125)	516	5,268	216,080	23,559	(248,788)	683	25,128
Fund balance, end of year	<u>\$ (8,677)</u>	<u>\$ 533</u>	<u>\$ 15,626</u>	<u>\$ 236,986</u>	<u>\$ 23,559</u>	<u>\$ (234,182)</u>	<u>\$ 371</u>	<u>\$ 27,577</u>

(continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2016

	SPECIAL REVENUE FUNDS									
	Beachwood House Senior Center Equipment Escrow	RIDEM Potowomut Pond Clean-up	RI Emergency Management	Town Municipal Court	State Elderly Affairs Grant	Land Dedication Escrow	Miscellaneous Historic District Preservation	Senior Health Insurance Program	State Council on the Arts Grant	RI Foundation Grant
venues:										
Interest and investment income	\$ -	\$ -	\$ -	\$ 725	\$ -	\$ 352	\$ -	\$ -	\$ -	\$ -
Intergovernmental			15,227	237,236	8,311		10,000	19,524		
Departmental										
Other										
<i>Total Revenues</i>	<u>-</u>	<u>-</u>	<u>15,227</u>	<u>237,961</u>	<u>8,311</u>	<u>352</u>	<u>10,000</u>	<u>19,524</u>	<u>-</u>	<u>-</u>
penditures:										
General government	-	-	-	268,493	-	-	-	21,679	-	-
Public safety			-							
Public works										
Per trust agreements										
Education										
Public libraries										
Senior services					8,175					
Capital and special appropriations										
<i>Total Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>268,493</u>	<u>8,175</u>	<u>-</u>	<u>-</u>	<u>21,679</u>	<u>-</u>	<u>-</u>
excess (deficiency) of revenues over expenditures										
before other financing sources (uses)	<u>-</u>	<u>-</u>	<u>15,227</u>	<u>(30,532)</u>	<u>136</u>	<u>352</u>	<u>10,000</u>	<u>(2,155)</u>	<u>-</u>	<u>-</u>
other financing sources (uses):										
Proceeds from bond issuance										
Bond premiums										
Bond issuance costs										
Transfers in										
Transfers out										
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
excess (deficiency) of revenues over expenditures										
and change in fund balance, beginning of year	<u>709</u>	<u>4,500</u>	<u>51,408</u>	<u>123,442</u>	<u>5,763</u>	<u>90,754</u>	<u>-</u>	<u>1,430</u>	<u>10,697</u>	<u>(597)</u>
and change in fund balance, end of year	<u>\$ 709</u>	<u>\$ 4,500</u>	<u>\$ 66,635</u>	<u>\$ 92,910</u>	<u>\$ 5,899</u>	<u>\$ 91,106</u>	<u>\$ 10,000</u>	<u>\$ (725)</u>	<u>\$ 10,697</u>	<u>\$ (597)</u>

(continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2016

	SPECIAL REVENUE FUNDS							
	Local Law Enforcement Block Grant	Technology Replacement	Governor's Justice Commission	Miscellaneous Senior Citizens Grant	Senior Center Legislative Grant	Impact Fees	Emergency Medical Services	CDBG Grants
venues:								
Interest and investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2	\$ 3	\$ 519
Intergovernmental				56,310	1,300	17,454	1,025,394	38,634
Departmental								
Other		7,213						
<i>Total Revenues</i>	<u>-</u>	<u>7,213</u>	<u>-</u>	<u>56,310</u>	<u>1,300</u>	<u>17,456</u>	<u>1,025,397</u>	<u>39,153</u>
penditures:								
General government	-	1,432	-	-	-	-	61,884	55,074
Public safety							233,787	
Public works								
Per trust agreements								
Education								
Public libraries				4,679				
Senior services				31,819	1,300			
Capital and special appropriations							-	
<i>Total Expenditures</i>	<u>-</u>	<u>1,432</u>	<u>-</u>	<u>36,498</u>	<u>1,300</u>	<u>-</u>	<u>295,671</u>	<u>55,074</u>
cess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>-</u>	<u>5,781</u>	<u>-</u>	<u>19,812</u>	<u>-</u>	<u>17,456</u>	<u>729,726</u>	<u>(15,921)</u>
her financing sources (uses):								
Proceeds from bond issuance								
Bond premiums								
Bond issuance costs								
Transfers in								
Transfers out		(12,000)				-	(1,130,000)	
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>(12,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,130,000)</u>	<u>-</u>
cess (deficiency) of revenues over expenditures	<u>-</u>	<u>(6,219)</u>	<u>-</u>	<u>19,812</u>	<u>-</u>	<u>17,456</u>	<u>(400,274)</u>	<u>(15,921)</u>
nd balance, beginning of year	<u>358</u>	<u>50,474</u>	<u>2,100</u>	<u>22,527</u>	<u>1,453</u>	<u>71,712</u>	<u>1,038,113</u>	<u>355,325</u>
nd balance, end of year	<u>\$ 358</u>	<u>\$ 44,255</u>	<u>\$ 2,100</u>	<u>\$ 42,339</u>	<u>\$ 1,453</u>	<u>\$ 89,168</u>	<u>\$ 637,839</u>	<u>\$ 339,404</u>

(continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2016

	SPECIAL REVENUE FUNDS							
	Fire Department Legislative Grant	Old Library Park	Groundwater Education Donation	Miscellaneous Library Donations	Operation Drug Dog	Special Purpose Donations	Tax Revaluation Reserve Fund	Infrastructure Replacement
venues:								
Interest and investment income	\$ -	\$ 10	\$ -	\$ 40	\$ -	\$ -	\$ -	\$ 752
Intergovernmental				-			62,945	194,050
Departmental						6,088		
Other								
<i>Total Revenues</i>	<u>-</u>	<u>10</u>	<u>-</u>	<u>40</u>	<u>-</u>	<u>6,088</u>	<u>62,945</u>	<u>194,802</u>
penditures:								
General government	-	-	-	-	-	2,293	124,083	-
Public safety						-		
Public works								
Per trust agreements								
Education			-					
Public libraries				671				
Senior services								
Capital and special appropriations								
<i>Total Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>671</u>	<u>-</u>	<u>2,293</u>	<u>124,083</u>	<u>-</u>
excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>-</u>	<u>10</u>	<u>-</u>	<u>(631)</u>	<u>-</u>	<u>3,795</u>	<u>(61,138)</u>	<u>194,802</u>
other financing sources (uses):								
Proceeds from bond issuance								
Bond premiums								
Bond issuance costs							25,000	
Transfers in								
Transfers out								
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,000</u>	<u>-</u>
excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>-</u>	<u>10</u>	<u>-</u>	<u>(631)</u>	<u>-</u>	<u>3,795</u>	<u>(36,138)</u>	<u>194,802</u>
fund balance, beginning of year	<u>2,626</u>	<u>2,599</u>	<u>667</u>	<u>11,412</u>	<u>-</u>	<u>(14,025)</u>	<u>56,541</u>	<u>573,404</u>
fund balance, end of year	<u>\$ 2,626</u>	<u>\$ 2,609</u>	<u>\$ 667</u>	<u>\$ 10,781</u>	<u>\$ -</u>	<u>\$ (10,230)</u>	<u>\$ 20,403</u>	<u>\$ 768,206</u>

(continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2016

	SPECIAL REVENUE FUNDS							
	URI Septic Loan Program	Ann Ward Wallou Memorial Garden	Senior Citizens Center	Senior Citizens Bus Gasoline Escrow	Arts Council	Senior Outreach Escrow	Project D.A.R.E.	Fireworks Donation
venues:								
Interest and investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental								
Departmental								
Other	2		105,440		28,118			
<i>Total Revenues</i>	<u>2</u>	<u>-</u>	<u>105,440</u>	<u>-</u>	<u>28,118</u>	<u>-</u>	<u>-</u>	<u>-</u>
penditures:								
General government	-	-	-	-	42,444	-	-	-
Public safety								
Public works								
Per trust agreements								
Education								
Public libraries								
Senior services			98,008					
Capital and special appropriations	-	-	-	-	-	-	-	-
<i>Total Expenditures</i>	<u>-</u>	<u>-</u>	<u>98,008</u>	<u>-</u>	<u>42,444</u>	<u>-</u>	<u>-</u>	<u>-</u>
excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>2</u>	<u>-</u>	<u>7,432</u>	<u>-</u>	<u>(14,326)</u>	<u>-</u>	<u>-</u>	<u>-</u>
other financing sources (uses):								
Proceeds from bond issuance								
Bond premiums								
Bond issuance costs								
Transfers in					19,553			
Transfers out								
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,553</u>	<u>-</u>	<u>-</u>	<u>-</u>
excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>2</u>	<u>-</u>	<u>7,432</u>	<u>-</u>	<u>5,227</u>	<u>-</u>	<u>-</u>	<u>-</u>
fund balance, beginning of year	<u>419</u>	<u>(901)</u>	<u>98,065</u>	<u>61</u>	<u>25,197</u>	<u>1,327</u>	<u>4,844</u>	<u>-</u>
fund balance, end of year	<u>\$ 421</u>	<u>\$ (901)</u>	<u>\$ 105,497</u>	<u>\$ 61</u>	<u>\$ 30,424</u>	<u>\$ 1,327</u>	<u>\$ 4,844</u>	<u>\$ -</u>

(continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2016

	SPECIAL REVENUE FUNDS						DEBT SERVICE FUND
	Parade Committee	Leisure Services Brochure	Community Center Maintenance	Heritage Committee	Recreation Escrow	Non Civic Detail Escrow Fund	FY 2005 Refunding
venues:							
Interest and investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental						567,195	
Departmental							
Other	-	-	-	-	272,280		
<i>Total Revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>272,280</u>	<u>567,195</u>	<u>-</u>
penditures:							
General government	(531)	-	6,251	-	210,490	360,941	-
Public safety							
Public works							
Per trust agreements							
Education							
Public libraries							
Senior services							
Capital and special appropriations							
<i>Total Expenditures</i>	<u>(531)</u>	<u>-</u>	<u>6,251</u>	<u>-</u>	<u>210,490</u>	<u>360,941</u>	<u>-</u>
excess (deficiency) of revenues over expenditures							
before other financing sources (uses)	<u>531</u>	<u>-</u>	<u>(6,251)</u>	<u>-</u>	<u>61,790</u>	<u>206,254</u>	<u>-</u>
other financing sources (uses):							
Proceeds from bond issuance							-
Bond premiums							-
Bond issuance costs							-
Transfers in							-
Transfers out							-
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
excess (deficiency) of revenues over expenditures	<u>531</u>	<u>-</u>	<u>(6,251)</u>	<u>-</u>	<u>61,790</u>	<u>206,254</u>	<u>-</u>
fund balance, beginning of year	<u>(844)</u>	<u>1,400</u>	<u>877</u>	<u>-</u>	<u>99,529</u>	<u>189,054</u>	<u>11,475</u>
fund balance, end of year	<u>\$ (313)</u>	<u>\$ 1,400</u>	<u>\$ (5,374)</u>	<u>\$ -</u>	<u>\$ 161,319</u>	<u>\$ 395,308</u>	<u>\$ 11,475</u>

(continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2016

	CAPITAL PROJECT FUNDS								
	Capital Improvement Project	Capital Reserve	9M School Renovation Bond	6.4M School Renovation Bond	Farmland & Open Space Reserve	6M Public Facilities Plan Bond	School Capital Reserve Fund	4M Senior Center Complex Fund	4.5M Public Safety Facilities
venues:									
Interest and investment income	\$ -	\$ 4,062	\$ -	\$ -	\$ 5,329	\$ 1,472	\$ -	\$ -	\$ -
Intergovernmental					550,179				
Departmental	96,454								
Other									
<i>Total Revenues</i>	<u>96,454</u>	<u>4,062</u>	<u>-</u>	<u>-</u>	<u>555,508</u>	<u>1,472</u>	<u>-</u>	<u>-</u>	<u>-</u>
penditures:									
General government	97,567	-	-	-	3,531	-	-	-	-
Public safety									
Public works									
Per trust agreements									
Education									
Public libraries									
Senior services									
Capital and special appropriations	1,458,162	238,689	-	-	658,643	-	-	-	-
<i>Total Expenditures</i>	<u>1,555,729</u>	<u>238,689</u>	<u>-</u>	<u>-</u>	<u>662,174</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>(1,459,275)</u>	<u>(234,627)</u>	<u>-</u>	<u>-</u>	<u>(106,666)</u>	<u>1,472</u>	<u>-</u>	<u>-</u>	<u>-</u>
other financing sources (uses):									
Proceeds from bond issuance	-		-						
Bond premiums			-						
Bond issuance costs			-						
Transfers in	491,205	35,238							
Transfers out	(288,361)	-							
<i>Total Other Financing Sources (Uses)</i>	<u>202,844</u>	<u>35,238</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
excess (deficiency) of revenues over expenditures	<u>(1,256,431)</u>	<u>(199,389)</u>	<u>-</u>	<u>-</u>	<u>(106,666)</u>	<u>1,472</u>	<u>-</u>	<u>-</u>	<u>-</u>
fund balance, beginning of year	<u>1,938,777</u>	<u>(936,583)</u>	<u>299,062</u>	<u>81,234</u>	<u>1,351,738</u>	<u>376,635</u>	<u>-</u>	<u>8,775</u>	<u>21,940</u>
fund balance, end of year	<u>\$ 682,346</u>	<u>\$ (1,135,972)</u>	<u>\$ 299,062</u>	<u>\$ 81,234</u>	<u>\$ 1,245,072</u>	<u>\$ 378,107</u>	<u>\$ -</u>	<u>\$ 8,775</u>	<u>\$ 21,940</u>

(continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2016

	CAPITAL PROJECT FUNDS				PERMANENT FUNDS			
	4M Farmland Open Space Fund	Henry Reynolds Indigent Care	Tri-Centennial Park	400th Anniversary	Henry Reynolds Outside Poor Fund	John J. Spink Outside Poor Fund	John B. Spink Outside Poor Fund	Thomas Casey Outside Poor Fund
venues:								
Interest and investment income	\$ 1,106	\$ 74	\$ 2	\$ 14	\$ 1	\$ 6	\$ 2	\$ 1
Intergovernmental								
Departmental								
Other								
<i>Total Revenues</i>	<u>1,106</u>	<u>74</u>	<u>2</u>	<u>14</u>	<u>1</u>	<u>6</u>	<u>2</u>	<u>1</u>
expenditures:								
General government	-	-	-	-	-	-	-	-
Public safety								
Public works								
Per trust agreements								
Education								
Public libraries								
Senior services								
Capital and special appropriations	-	-	-	-	-	-	-	-
<i>Total Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>1,106</u>	<u>74</u>	<u>2</u>	<u>14</u>	<u>1</u>	<u>6</u>	<u>2</u>	<u>1</u>
other financing sources (uses):								
Proceeds from bond issuance								
Bond premiums								
Bond issuance costs								
Transfers in		-	-	-	-	-	-	-
Transfers out		-	-	-	-	-	-	-
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
excess (deficiency) of revenues over expenditures	<u>1,106</u>	<u>74</u>	<u>2</u>	<u>14</u>	<u>1</u>	<u>6</u>	<u>2</u>	<u>1</u>
fund balance, beginning of year	<u>282,982</u>	<u>19,018</u>	<u>6,118</u>	<u>3,634</u>	<u>2,187</u>	<u>21,087</u>	<u>5,272</u>	<u>2,187</u>
fund balance, end of year	<u>\$ 284,088</u>	<u>\$ 19,092</u>	<u>\$ 6,120</u>	<u>\$ 3,648</u>	<u>\$ 2,188</u>	<u>\$ 21,093</u>	<u>\$ 5,274</u>	<u>\$ 2,188</u>

(continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2016

	PERMANENT FUNDS								
	Elizabeth Miller Library Fund	William D. Davis Library Fund	Veterans Memorial Scholarship	Hendrick Library Fund	Gardiner Fund	School Updike Fund	School Tennis Fund	Lynette Olson Memorial Fund	Grand Totals
venues:									
Interest and investment income	\$ (7)	\$ (17)	\$ 27	\$ 6	\$ 4	\$ 2	\$ -	\$ -	\$ 14,756
Intergovernmental									3,153,204
Departmental									134,373
Other									439,857
<i>Total Revenues</i>	<u>(7)</u>	<u>(17)</u>	<u>27</u>	<u>6</u>	<u>4</u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>3,742,190</u>
penditures:									
General government	-	-	-	-	-	-	-	5,340	1,348,201
Public safety									234,099
Public works									-
Per trust agreements									-
Education									-
Public libraries									1,475,064
Senior services									139,302
Capital and special appropriations									2,355,494
<i>Total Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,340</u>	<u>5,552,160</u>
excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>(7)</u>	<u>(17)</u>	<u>27</u>	<u>6</u>	<u>4</u>	<u>2</u>	<u>-</u>	<u>(5,340)</u>	<u>(1,809,970)</u>
other financing sources (uses):									
Proceeds from bond issuance									-
Bond premiums									-
Bond issuance costs									-
Transfers in	-	-	-	-	-	-	-	-	1,778,975
Transfers out	-	-	-	-	-	-	-	-	(1,444,961)
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>334,014</u>
excess (deficiency) of revenues over expenditures and other financing sources	<u>(7)</u>	<u>(17)</u>	<u>27</u>	<u>6</u>	<u>4</u>	<u>2</u>	<u>-</u>	<u>(5,340)</u>	<u>(1,475,956)</u>
fund balance, beginning of year	<u>2,007</u>	<u>5,018</u>	<u>6,952</u>	<u>8,772</u>	<u>5,805</u>	<u>4,222</u>	<u>268</u>	<u>5,340</u>	<u>6,433,663</u>
fund balance, end of year	<u>\$ 2,000</u>	<u>\$ 5,001</u>	<u>\$ 6,979</u>	<u>\$ 8,778</u>	<u>\$ 5,809</u>	<u>\$ 4,224</u>	<u>\$ 268</u>	<u>\$ -</u>	<u>\$ 4,957,707</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND
COMBINING BALANCE SHEET - SCHOOL DEPARTMENT

JUNE 30, 2016

	SPECIAL REVENUE FUNDS							
	School Unrestricted	Substance Abuse Donations	RI Council on the Arts-African Folktales	Homeless Children/Youth Even	Centers for Disease Control	Wireless Classroom Initiative	PTO Donations	School Public Law 94-142
Assets								
Cash and cash equivalents	\$ 810,678	\$ -	\$ 515	\$ -	\$ 2,807	\$ -	\$ -	\$ -
Due from other governments	45,289			17,338	-	217,121		392,692
Due from other funds	1,246,824							10,487
Other receivables	1,191,961							
Prepaid expenses	910,686							
<i>Total Assets</i>	<u>\$ 4,205,438</u>	<u>\$ -</u>	<u>\$ 515</u>	<u>\$ 17,338</u>	<u>\$ 2,807</u>	<u>\$ 217,121</u>	<u>\$ -</u>	<u>\$ 403,179</u>
Liabilities								
Accounts payable and accrued liabilities	\$ 1,080,257	\$ -	\$ -	\$ 123	\$ 227	\$ 15,535	\$ -	\$ 9,699
Due to other funds	269,988		515	17,215		201,586		393,480
Unearned revenue								
<i>Total Liabilities</i>	<u>1,350,245</u>	<u>-</u>	<u>515</u>	<u>17,338</u>	<u>227</u>	<u>217,121</u>	<u>-</u>	<u>403,179</u>
Deferred inflows (Note 1)						217,121		
Fund Balances								
Nonspendable	910,686							
Restricted		-	-	-	2,580		-	-
Committed								
Assigned	1,944,507							
Unassigned						(217,121)		
<i>Total Fund Balances</i>	<u>2,855,193</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,580</u>	<u>(217,121)</u>	<u>-</u>	<u>-</u>
<i>Total Liabilities, Deferred Inflows, and Fund Balances</i>	<u>\$ 4,205,438</u>	<u>\$ -</u>	<u>\$ 515</u>	<u>\$ 17,338</u>	<u>\$ 2,807</u>	<u>\$ 217,121</u>	<u>\$ -</u>	<u>\$ 403,179</u>

(continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND
COMBINING BALANCE SHEET - SCHOOL DEPARTMENT

JUNE 30, 2016

	SPECIAL REVENUE FUNDS							
	RI Full Day Kindergarten	School Title III LEP	Career & Tech	School Title I	Homeless Children & Youth	Scholarship America	Educationl Development Center	Perkins Coventry
Assets								
Cash and cash equivalents	\$ -	\$ -	\$ 27,213	\$ -	\$ 11,329	\$ -	\$ 6,716	\$ -
Due from other governments		12,131		209,955	-			870
Due from other funds			-	-				
Other receivables								
Prepaid expenses								
<i>Total Assets</i>	<u>\$ -</u>	<u>\$ 12,131</u>	<u>\$ 27,213</u>	<u>\$ 209,955</u>	<u>\$ 11,329</u>	<u>\$ -</u>	<u>\$ 6,716</u>	<u>\$ 870</u>
Liabilities								
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 1,663	\$ -	\$ -	\$ -	\$ -	\$ 385
Due to other funds		12,131		209,955	11,329			485
Unearned revenue			-					
<i>Total Liabilities</i>	<u>-</u>	<u>12,131</u>	<u>1,663</u>	<u>209,955</u>	<u>11,329</u>	<u>-</u>	<u>-</u>	<u>870</u>
Deferred inflows (Note 1)								
Fund Balances								
Nonspendable								
Restricted	-	-	25,550	-	-	-	6,716	-
Committed								
Assigned								
Unassigned								
<i>Total Fund Balances</i>	<u>-</u>	<u>-</u>	<u>25,550</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,716</u>	<u>-</u>
<i>Total Liabilities, Deferred Inflows, and Fund Balances</i>	<u>\$ -</u>	<u>\$ 12,131</u>	<u>\$ 27,213</u>	<u>\$ 209,955</u>	<u>\$ 11,329</u>	<u>\$ -</u>	<u>\$ 6,716</u>	<u>\$ 870</u>

(continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND
 COMBINING BALANCE SHEET - SCHOOL DEPARTMENT
 JUNE 30, 2016

SPECIAL REVENUE FUNDS

	School Title II	USDA Kitchen Equipment	Categorical Aid-Robotics	91-142 Preschool Services	21st Century Learning Center	United Way Hasbro Summer	RI Legislative Blessings in a Backpack	RI Council for the Humanities
Assets								
Cash and cash equivalents	\$ -	\$ -	\$ 5,810	\$ -	\$ 1,224	\$ 18,563	\$ 1,633	\$ 316
Due from other governments	55,308	-	-	20,825	39,346			
Due from other funds			-	110			-	-
Other receivables						-	-	-
Prepaid expenses								
<i>Total Assets</i>	<u>\$ 55,308</u>	<u>\$ -</u>	<u>\$ 5,810</u>	<u>\$ 20,935</u>	<u>\$ 40,570</u>	<u>\$ 18,563</u>	<u>\$ 1,633</u>	<u>\$ 316</u>
Liabilities								
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 770	\$ -	\$ 575	\$ -	\$ 42
Due to other funds	55,308	-	-	20,165	40,570			
Unearned revenue								
<i>Total Liabilities</i>	<u>55,308</u>	<u>-</u>	<u>-</u>	<u>20,935</u>	<u>40,570</u>	<u>575</u>	<u>-</u>	<u>42</u>
Deferred inflows (Note 1)								
Fund Balances								
Nonspendable								
Restricted	-	-	5,810	-	-	17,988	1,633	274
Committed								
Assigned								
Unassigned								
<i>Total Fund Balances</i>	<u>-</u>	<u>-</u>	<u>5,810</u>	<u>-</u>	<u>-</u>	<u>17,988</u>	<u>1,633</u>	<u>274</u>
<i>Total Liabilities, Deferred Inflows, and Fund Balances</i>	<u>\$ 55,308</u>	<u>\$ -</u>	<u>\$ 5,810</u>	<u>\$ 20,935</u>	<u>\$ 40,570</u>	<u>\$ 18,563</u>	<u>\$ 1,633</u>	<u>\$ 316</u>

(continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND
COMBINING BALANCE SHEET - SCHOOL DEPARTMENT

JUNE 30, 2016

	SPECIAL REVENUE FUNDS							
	RI Council On The Arts Big Yellow Bus	COZ Family Center	RI State Council on the Arts Silk Road	Integrated Practice Science Facilitator	Wendy's Advertising	Drug Free Program Donations	RI Legislative Grant- Drug Free	USDA-FFVP
Assets								
Cash and cash equivalents	\$ 974	\$ 2,054	\$ 362	\$ -	\$ 2,000	\$ 265	\$ 2,977	\$ 12,191
Due from other governments		13,537						1,976
Due from other funds								-
Other receivables								
Prepaid expenses								
<i>Total Assets</i>	<u>\$ 974</u>	<u>\$ 15,591</u>	<u>\$ 362</u>	<u>\$ -</u>	<u>\$ 2,000</u>	<u>\$ 265</u>	<u>\$ 2,977</u>	<u>\$ 14,167</u>
Liabilities								
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 342	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds		15,591	20	-				14,166
Unearned revenue								
<i>Total Liabilities</i>	<u>-</u>	<u>15,591</u>	<u>362</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,166</u>
Deferred inflows (Note 1)								
Fund Balances								
Nonspendable								
Restricted	974	-	-	-	2,000	265	2,977	1
Committed								
Assigned								
Unassigned								
<i>Total Fund Balances</i>	<u>974</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,000</u>	<u>265</u>	<u>2,977</u>	<u>1</u>
<i>Total Liabilities, Deferred Inflows, and Fund Balances</i>	<u>\$ 974</u>	<u>\$ 15,591</u>	<u>\$ 362</u>	<u>\$ -</u>	<u>\$ 2,000</u>	<u>\$ 265</u>	<u>\$ 2,977</u>	<u>\$ 14,167</u>

(continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND
 COMBINING BALANCE SHEET - SCHOOL DEPARTMENT
 JUNE 30, 2016

	SPECIAL REVENUE FUNDS							
	Drug Free Communities	RI Interscholastic League	COZ Miscellaneous Donations	Scholarship America	Use of Buildings	Feinstein Foundation	Rhode Island Foundation	RI Assoc For Young Children
Assets								
Cash and cash equivalents	\$ 31,827	\$ 950	\$ 19,243	\$ -	\$ 21,407	\$ 64,570	\$ 821	\$ 500
Due from other governments				-	219			
Due from other funds					4,910			
Other receivables	-							
Prepaid expenses								
<i>Total Assets</i>	<u>\$ 31,827</u>	<u>\$ 950</u>	<u>\$ 19,243</u>	<u>\$ -</u>	<u>\$ 26,536</u>	<u>\$ 64,570</u>	<u>\$ 821</u>	<u>\$ 500</u>
Liabilities								
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 596	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	31,827	-	50	-	26,536	459	-	-
Unearned revenue								
<i>Total Liabilities</i>	<u>31,827</u>	<u>-</u>	<u>646</u>	<u>-</u>	<u>26,536</u>	<u>459</u>	<u>-</u>	<u>-</u>
Deferred inflows (Note 1)								
Fund Balances								
Nonspendable								
Restricted	-	950	18,597	-	-	64,111	821	500
Committed								
Assigned								
Unassigned								
<i>Total Fund Balances</i>	<u>-</u>	<u>950</u>	<u>18,597</u>	<u>-</u>	<u>-</u>	<u>64,111</u>	<u>821</u>	<u>500</u>
<i>Total Liabilities, Deferred Inflows, and Fund Balances</i>	<u>\$ 31,827</u>	<u>\$ 950</u>	<u>\$ 19,243</u>	<u>\$ -</u>	<u>\$ 26,536</u>	<u>\$ 64,570</u>	<u>\$ 821</u>	<u>\$ 500</u>

(continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND
COMBINING BALANCE SHEET - SCHOOL DEPARTMENT

JUNE 30, 2016

SPECIAL REVENUE FUNDS								
	Donations- Coaches	Exxon Mobil	School/Town Substance Abuse	Substance Abuse Task Force	Fuji Film	RTT-Instr. Improv. System	RTTT- PLC Mini Grant	Grand Totals
Assets								
Cash and cash equivalents	\$ -	\$ 943	\$ -	\$ 1,148	\$ 3,000	\$ 11,042	\$ 5,114	\$ 1,068,192
Due from other governments				7,623		-	-	1,034,011
Due from other funds	-			-			-	1,257,640
Other receivables			29,453					1,226,324
Prepaid expenses								910,686
<i>Total Assets</i>	<u>\$ -</u>	<u>\$ 943</u>	<u>\$ 29,453</u>	<u>\$ 8,771</u>	<u>\$ 3,000</u>	<u>\$ 11,042</u>	<u>\$ 5,114</u>	<u>\$ 5,496,853</u>
Liabilities								
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 29,453	\$ -	\$ -	\$ -	\$ -	\$ 1,139,667
Due to other funds			-	8,770		11,042	5,114	1,346,302
Unearned revenue								-
<i>Total Liabilities</i>	<u>-</u>	<u>-</u>	<u>29,453</u>	<u>8,770</u>	<u>-</u>	<u>11,042</u>	<u>5,114</u>	<u>2,485,969</u>
Deferred inflows (Note 1)								217,121
Fund Balances								
Nonspendable								910,686
Restricted	-	943	-	1	3,000	-	-	155,691
Committed								-
Assigned								1,944,507
Unassigned								(217,121)
<i>Total Fund Balances</i>	<u>-</u>	<u>943</u>	<u>-</u>	<u>1</u>	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>2,793,763</u>
<i>Total Liabilities, Deferred Inflows, and Fund Balances</i>	<u>\$ -</u>	<u>\$ 943</u>	<u>\$ 29,453</u>	<u>\$ 8,771</u>	<u>\$ 3,000</u>	<u>\$ 11,042</u>	<u>\$ 5,114</u>	<u>\$ 5,496,853</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - SCHOOL DEPARTMENT

YEAR ENDED JUNE 30, 2016

	SPECIAL REVENUE FUNDS							
	School Unrestricted	Substance Abuse Donations	RI Council on the Arts-African Folktales	Homeless Children/Youth Even	Centers for Disease Control	Wireless Classroom Initiative	PTO Donations	School Public Law 94-142
Revenues:								
Interest and investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	13,235,923		-	31,786	5,172		-	1,000,984
Departmental								
On behalf pension contribution	2,744,835							
Other	100,292						4,284	
<i>Total Revenues</i>	<u>16,081,050</u>	<u>-</u>	<u>-</u>	<u>31,786</u>	<u>5,172</u>	<u>-</u>	<u>4,284</u>	<u>1,000,984</u>
Expenditures:								
General government								
Public safety								
Per trust agreements								
Education	59,805,038		125	31,786	2,592	217,121	4,284	1,000,984
Public libraries								
Senior services								
On behalf pension contribution	2,744,835							
Capital and special appropriations								
<i>Total Expenditures</i>	<u>62,549,873</u>	<u>-</u>	<u>125</u>	<u>31,786</u>	<u>2,592</u>	<u>217,121</u>	<u>4,284</u>	<u>1,000,984</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>(46,468,823)</u>	<u>-</u>	<u>(125)</u>	<u>-</u>	<u>2,580</u>	<u>(217,121)</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):								
Proceeds from bond issuance								
Transfers in	47,580,311	-	-	-	-	-	-	-
Transfers out	(497,065)	(100)	-	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>47,083,246</u>	<u>(100)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	614,423	(100)	(125)	-	2,580	(217,121)	-	-
Fund balance, beginning of year	<u>2,240,770</u>	<u>100</u>	<u>125</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ 2,855,193</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,580</u>	<u>\$ (217,121)</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - SCHOOL DEPARTMENT

YEAR ENDED JUNE 30, 2016

	SPECIAL REVENUE FUNDS							
	RI Full Day Kindergarten	School Title III LEP	Career & Tech	School Title I	Homeless Children & Youth	Scholarship America	Educational Development Center	Perkins Coventry
Revenues:								
Interest and investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	76,000	17,927	250,000	475,111	9,174			20,316
Departmental								
On behalf pension contribution								
Other						700	11,856	-
<i>Total Revenues</i>	<u>76,000</u>	<u>17,927</u>	<u>250,000</u>	<u>475,111</u>	<u>9,174</u>	<u>700</u>	<u>11,856</u>	<u>20,316</u>
Expenditures:								
General government								
Public safety								
Per trust agreements								
Education	76,000	17,927	229,439	475,111	9,174	700	5,140	20,316
Public libraries								
Senior services								
On behalf pension contribution								
Capital and special appropriations								
<i>Total Expenditures</i>	<u>76,000</u>	<u>17,927</u>	<u>229,439</u>	<u>475,111</u>	<u>9,174</u>	<u>700</u>	<u>5,140</u>	<u>20,316</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	-	-	20,561	-	-	-	6,716	-
Other financing sources (uses):								
Proceeds from bond issuance								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	-	20,561	-	-	-	6,716	-
Fund balance, beginning of year	-	-	4,989	-	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,550</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,716</u>	<u>\$ -</u>

(continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - SCHOOL DEPARTMENT

YEAR ENDED JUNE 30, 2016

	SPECIAL REVENUE FUNDS							
	School Title II	USDA Kitchen Equipment	Categorical Aid-Robotics	91-142 Preschool Services	21st Century Learning Center	United Way Hasbro Summer	RI Legislative Blessings in a Backpack	RI Council for the Humanities
Revenues:								
Interest and investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	167,354	7,000	5,810	32,749	117,125		2,000	1,000
Departmental								
On behalf pension contribution								
Other						30,000	-	
<i>Total Revenues</i>	<u>167,354</u>	<u>7,000</u>	<u>5,810</u>	<u>32,749</u>	<u>117,125</u>	<u>30,000</u>	<u>2,000</u>	<u>1,000</u>
Expenditures:								
General government								
Public safety								
Per trust agreements								
Education	167,354	7,000	-	32,749	117,125	29,919	367	822
Public libraries								
Senior services								
On behalf pension contribution								
Capital and special appropriations								
<i>Total Expenditures</i>	<u>167,354</u>	<u>7,000</u>	<u>-</u>	<u>32,749</u>	<u>117,125</u>	<u>29,919</u>	<u>367</u>	<u>822</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>-</u>	<u>-</u>	<u>5,810</u>	<u>-</u>	<u>-</u>	<u>81</u>	<u>1,633</u>	<u>178</u>
Other financing sources (uses):								
Proceeds from bond issuance								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	-	5,810	-	-	81	1,633	178
Fund balance, beginning of year	-	-	-	-	-	17,907	-	96
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,810</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,988</u>	<u>\$ 1,633</u>	<u>\$ 274</u>

(continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - SCHOOL DEPARTMENT

YEAR ENDED JUNE 30, 2016

	SPECIAL REVENUE FUNDS							
	RI Council On The Arts Big Yellow Bus	COZ Family Center	RI State Council on the Arts Silk Road	Integrated Practice Science Facilitator	Wendy's Advertising	Drug Free Program Donations	RI Legislative Grant- Drug Free	USDA-FFVP
Revenues:								
Interest and investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental		29,500	7,547	1,249			3,000	16,679
Departmental								
On behalf pension contribution								
Other			-	-		25		
<i>Total Revenues</i>	<u>-</u>	<u>29,500</u>	<u>7,547</u>	<u>1,249</u>	<u>-</u>	<u>25</u>	<u>3,000</u>	<u>16,679</u>
Expenditures:								
General government								
Public safety								
Per trust agreements								
Education	-	29,500	7,847	1,249		10	2,281	16,471
Public libraries								
Senior services								
On behalf pension contribution								
Capital and special appropriations								
<i>Total Expenditures</i>	<u>-</u>	<u>29,500</u>	<u>7,847</u>	<u>1,249</u>	<u>-</u>	<u>10</u>	<u>2,281</u>	<u>16,471</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(300)</u>	<u>-</u>	<u>-</u>	<u>15</u>	<u>719</u>	<u>208</u>
Other financing sources (uses):								
Proceeds from bond issuance								
Transfers in	-	-	-	-		100		-
Transfers out	-	-	-	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(300)</u>	<u>-</u>	<u>-</u>	<u>115</u>	<u>719</u>	<u>208</u>
Fund balance, beginning of year	<u>974</u>	<u>-</u>	<u>300</u>	<u>-</u>	<u>2,000</u>	<u>150</u>	<u>2,258</u>	<u>(207)</u>
Fund balance, end of year	<u>\$ 974</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,000</u>	<u>\$ 265</u>	<u>\$ 2,977</u>	<u>\$ 1</u>

(continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - SCHOOL DEPARTMENT

YEAR ENDED JUNE 30, 2016

	SPECIAL REVENUE FUNDS							RI Assoc For Young Children
	Drug Free Communities	RI Interscholastic League	COZ Miscellaneous Donations	Scholarship America	Use of Buildings	Feinstein Foundation	Rhode Island Foundation	
Revenues:								
Interest and investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	34,656							
Departmental								
On behalf pension contribution								
Other		1,250	3,372	-	37,449	35,535	1,000	-
<i>Total Revenues</i>	<u>34,656</u>	<u>1,250</u>	<u>3,372</u>	<u>-</u>	<u>37,449</u>	<u>35,535</u>	<u>1,000</u>	<u>-</u>
Expenditures:								
General government								
Public safety								
Per trust agreements								
Education	34,096	470	4,684	346		39,192	179	-
Public libraries								
Senior services								
On behalf pension contribution								
Capital and special appropriations					40,912			
<i>Total Expenditures</i>	<u>34,096</u>	<u>470</u>	<u>4,684</u>	<u>346</u>	<u>40,912</u>	<u>39,192</u>	<u>179</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>560</u>	<u>780</u>	<u>(1,312)</u>	<u>(346)</u>	<u>(3,463)</u>	<u>(3,657)</u>	<u>821</u>	<u>-</u>
Other financing sources (uses):								
Proceeds from bond issuance								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	560	780	(1,312)	(346)	(3,463)	(3,657)	821	-
Fund balance, beginning of year	(560)	170	19,909	346	3,463	67,768	-	500
Fund balance, end of year	<u>\$ -</u>	<u>\$ 950</u>	<u>\$ 18,597</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 64,111</u>	<u>\$ 821</u>	<u>\$ 500</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - SCHOOL DEPARTMENT

YEAR ENDED JUNE 30, 2016

SPECIAL REVENUE FUNDS								
	Donations- Coaches	Exxon Mobil	School/Town Substance Abuse	Substance Abuse Taskforce	Fuji Film	RTT-Instr. Improv. System	RTTT- PLC Mini Grant	Grand Totals
Revenues:								
Interest and investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental			97,741	22,459		-	-	15,668,262
Departmental								-
On behalf pension contribution								2,744,835
Other	7,682	500			2,000			235,945
<i>Total Revenues</i>	<u>7,682</u>	<u>500</u>	<u>97,741</u>	<u>22,459</u>	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>18,649,042</u>
Expenditures:								
General government								-
Public safety								-
Per trust agreements								-
Education	7,682	57	97,741	22,477	-	-	-	62,515,355
Public libraries								-
Senior services								-
On behalf pension contribution								2,744,835
Capital and special appropriations								40,912
<i>Total Expenditures</i>	<u>7,682</u>	<u>57</u>	<u>97,741</u>	<u>22,477</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>65,301,102</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	-	443	-	(18)	2,000	-	-	(46,652,060)
Other financing sources (uses):								
Proceeds from bond issuance								-
Transfers in	-	-	-	-	-	-	-	47,580,411
Transfers out	-	-	-	-	-	-	-	(497,165)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,083,246</u>
Excess (deficiency) of revenues over expenditures	-	443	-	(18)	2,000	-	-	431,186
Fund balance, beginning of year	-	500	-	19	1,000	-	-	2,362,577
Fund balance, end of year	<u>\$ -</u>	<u>\$ 943</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 3,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,793,763</u>

(continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NONMAJOR ENTERPRISE FUNDS

JUNE 30, 2016

The Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises 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. The following is a list of the Town's nonmajor enterprise funds:

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

NKHS Athletic Gate Receipts – To account for funds set aside for adult education services.

NKHS Summer School Remedial – To account for funds set aside for the summer school remedial program.

School Sport Camps – To account for funds set aside for specific school sports programs.

After School Novanet – To account for funds related to online courses for high school students.

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

School Nutrition Fund – To account for the activity of the school nutrition program.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NONMAJOR ENTERPRISE FUNDS

COMBINING STATEMENT OF NET POSITION

JUNE 30, 2016

	Quonset/ Davisville Reserve	Athletic Gate Receipts	NKHS Summer School Remedial	School Sport Camps	After School Novanct	Summer School Fund	School Nutrition Fund	Total
ASSETS:								
Current assets:								
Cash and cash equivalents	\$ 40,554	\$ 25,370	\$ 2,126	\$ 29,604	\$ 17,144	\$ 5,723	\$ 219,375	\$ 339,896
Other receivables		301					41,161	41,462
Inventory							17,917	17,917
Due from other funds		4,735	-			200	34,968	39,903
Total current assets	40,554	30,406	2,126	29,604	17,144	5,923	313,421	439,178
Capital assets not being depreciated								-
Capital assets being depreciated, net							845	845
Total assets	<u>\$ 40,554</u>	<u>\$ 30,406</u>	<u>\$ 2,126</u>	<u>\$ 29,604</u>	<u>\$ 17,144</u>	<u>\$ 5,923</u>	<u>\$ 314,266</u>	<u>\$ 440,023</u>
LIABILITIES:								
Current liabilities:								
Accounts payable and accrued expense	\$ -	\$ 4,266	\$ -	\$ 2,764	\$ -	\$ -	\$ 61,865	\$ 68,895
Unearned revenue				7,529				7,529
Due to other funds	-	721	2,126	265		5,923	22,308	31,343
Note payable								-
Total current liabilities	-	4,987	2,126	10,558	-	5,923	84,173	107,767
Note payable, less current portion								-
Total Liabilities	<u>-</u>	<u>4,987</u>	<u>2,126</u>	<u>10,558</u>	<u>-</u>	<u>5,923</u>	<u>84,173</u>	<u>107,767</u>
NET POSITION:								
Net investment in capital assets								
Unrestricted	40,554	25,419	-	19,046	17,144	-	845	845
Total net position	<u>40,554</u>	<u>25,419</u>	<u>-</u>	<u>19,046</u>	<u>17,144</u>	<u>-</u>	<u>230,093</u>	<u>332,256</u>
Total liabilities and net position	<u>\$ 40,554</u>	<u>\$ 30,406</u>	<u>\$ 2,126</u>	<u>\$ 29,604</u>	<u>\$ 17,144</u>	<u>\$ 5,923</u>	<u>\$ 314,266</u>	<u>\$ 440,023</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NONMAJOR ENTERPRISE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEAR ENDED JUNE 30, 2016

	Quonset/ Davisville Reserve	Athletic Gate Receipts	NKHS Summer School Remedial	School Sport Camps	After School Novanet	Summer School Fund	School Nutrition Fund	Total
Operating revenues:								
Charges for services	\$ -	\$ 22,396	\$ 14,321	\$ 69,534	\$ 12,974	\$ 6,215	\$ 471,025	\$ 596,465
Grants							474,875	474,875
<i>Total operating revenues</i>	-	22,396	14,321	69,534	12,974	6,215	945,900	1,071,340
Operating expenses	-	28,158	17,409	58,010	7,125	3,230	860,065	973,997
<i>Operating income (loss)</i>	-	(5,762)	(3,088)	11,524	5,849	2,985	85,835	97,343
Non-operating revenues (expenses):								
Investment income	158	-	-	-	-	-	-	158
Interest expense								-
<i>Total non-operating revenues (expenses)</i>	158	-	-	-	-	-	-	158
<i>Income (loss) before transfers</i>	158	(5,762)	(3,088)	11,524	5,849	2,985	85,835	97,501
Transfers in	-	-	5,860	-	-	-	-	5,860
Transfers out						(4,148)		(4,148)
<i>Total transfers</i>	-	-	5,860	-	-	(4,148)	-	1,712
Change in net position	158	(5,762)	2,772	11,524	5,849	(1,163)	85,835	99,213
Net position, beginning of year	40,396	31,181	(2,772)	7,522	11,295	1,163	144,258	233,043
Net position, end of year	\$ 40,554	\$ 25,419	\$ -	\$ 19,046	\$ 17,144	\$ -	\$ 230,093	\$ 332,256

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NONMAJOR ENTERPRISE FUNDS

COMBINING STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2016

	Quonset/ Davisville Reserve	Athletic Gate Receipts	NKHS Summer School Remedial	School Sport Camps	After School Novanet	Summer School Fund	School Nutrition Fund	Total
Cash flows from operating activities:								
Cash received from customers	\$ -	\$ 22,395	\$ 14,321	\$ 69,105	\$ 12,974	\$ 6,215	\$ 475,320	\$ 600,330
Cash received from other sources							474,875	474,875
Cash payments to suppliers for goods and services		(27,438)	(54)	(14,808)	(2,000)		(102,657)	(146,957)
Cash payments to employees for services			(18,001)	(54,177)	(5,125)	(3,230)	(749,158)	(829,691)
<i>Net cash provided by (used in) operating activities</i>	<u>-</u>	<u>(5,043)</u>	<u>(3,734)</u>	<u>120</u>	<u>5,849</u>	<u>2,985</u>	<u>98,380</u>	<u>98,557</u>
Cash flows from capital financing activities:								
Acquisition of capital assets	-							-
Proceeds from long term debt								-
Principal paid on long term debt								-
Interest paid on long term debt								-
<i>Net cash used in capital financing activities</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from noncapital financing activities:								
Interfund borrowings			5,860				(18,314)	(12,454)
<i>Net cash provided by (used in) noncapital financing activities</i>	<u>-</u>	<u>-</u>	<u>5,860</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(18,314)</u>	<u>(12,454)</u>
Cash flows from investing activities:								
Interest on investments	158	-	-	-	-	-	-	158
<i>Net cash provided by investing activities</i>	<u>158</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>158</u>
Net increase (decrease) in cash and cash equivalents	158	(5,043)	2,126	120	5,849	2,985	80,066	86,261
Cash and cash equivalents, beginning of year	40,396	30,413	-	29,484	11,295	2,738	139,309	253,635
Cash and cash equivalents, end of year	<u>\$ 40,554</u>	<u>\$ 25,370</u>	<u>\$ 2,126</u>	<u>\$ 29,604</u>	<u>\$ 17,144</u>	<u>\$ 5,723</u>	<u>\$ 219,375</u>	<u>\$ 339,896</u>
<i>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</i>								
Operating income (loss)	\$ -	\$ (5,762)	\$ (3,088)	\$ 11,524	\$ 5,849	\$ 2,985	\$ 85,835	\$ 97,343
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:								
Depreciation							282	282
(Increase) decrease in other receivable		(1)					4,295	4,294
(Increase) decrease in inventory							1,357	1,357
(Increase) decrease in prepaids							-	-
Increase (decrease) in unearned revenue				(429)				(429)
Increase (decrease) in accounts payable		720	(646)	(10,975)			6,611	(4,290)
<i>Net cash provided by (used in) operating activities</i>	<u>\$ -</u>	<u>\$ (5,043)</u>	<u>\$ (3,734)</u>	<u>\$ 120</u>	<u>\$ 5,849</u>	<u>\$ 2,985</u>	<u>\$ 98,380</u>	<u>\$ 98,557</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

PRIVATE PURPOSE TRUST FUNDS

JUNE 30, 2016

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 the Town's 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. The following is a list of Burial Funds included in this section:

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

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

Lawton	Jones
Weeks	Cogan
Oliviera	Horowitz
Mattia	Tarchis
Andrews	

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

COMBINING STATEMENT OF NET POSITION

PRIVATE PURPOSE TRUST FUNDS

JUNE 30, 2016

	Burial Funds					
	Hall	Vaughn	Young	Rebecca Hammond	W.H. Welling	George C. Hall
Assets						
Cash	\$ 500	\$ 100	\$ 300	\$ 300	\$ 8,697	\$ 200
Liabilities						
Accounts payable	-	-	-	-	-	-
Net Position						
Held in trust for private purposes per trust agreements	<u>\$ 500</u>	<u>\$ 100</u>	<u>\$ 300</u>	<u>\$ 300</u>	<u>\$ 8,697</u>	<u>\$ 200</u>

(CONTINUED)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

COMBINING STATEMENT OF NET POSITION

PRIVATE PURPOSE TRUST FUNDS

JUNE 30, 2016

	Burial Funds						Burial
	B.H. Davis	Updike	Mary Carpenter	Smith- Lawton	Old Baptist Cemetery	Smith	Totals
<i>Assets</i>							
Cash	\$ 500	\$ 1,586	\$ 1,001	\$ 5,602	\$ 701	\$ 1,001	\$ 20,488
<i>Liabilities</i>							
Accounts payable	-	-	-	-	-	-	-
<i>Net Position</i>							
Held in trust for private purposes per trust agreements	<u>\$ 500</u>	<u>\$ 1,586</u>	<u>\$ 1,001</u>	<u>\$ 5,602</u>	<u>\$ 701</u>	<u>\$ 1,001</u>	<u>\$ 20,488</u>

(CONTINUED)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

COMBINING STATEMENT OF NET POSITION

PRIVATE PURPOSE TRUST FUNDS

JUNE 30, 2016

	Probate Funds					
	Beriah Lawton	James L. R. Weeks	Marguerite R. Cogan	Delphis R. Jones	J. Oliveira	Doris Horowitz
<i>Assets</i>						
Cash	\$ 8,330	\$ 2,642	\$ 613	\$ 232	\$ 5,773	\$ 969
<i>Liabilities</i>						
Accounts payable	-	-	-	-	-	-
<i>Net Position</i>						
Held in trust for private purposes per trust agreements	<u>\$ 8,330</u>	<u>\$ 2,642</u>	<u>\$ 613</u>	<u>\$ 232</u>	<u>\$ 5,773</u>	<u>\$ 969</u>

(CONTINUED)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

COMBINING STATEMENT OF NET POSITION

PRIVATE PURPOSE TRUST FUNDS

JUNE 30, 2016

	Probate Funds				Grand Totals
	Lillian Mattia	Arthur Tarchis	Georgia Andrews	Probate Totals	
Assets					
Cash	\$ 4	\$ 4	\$ 948	\$ 19,515	\$ 40,003
Liabilities					
Accounts payable	-	-	-	-	-
Net Position					
Held in trust for private purposes per trust agreements	<u>\$ 4</u>	<u>\$ 4</u>	<u>\$ 948</u>	<u>\$ 19,515</u>	<u>\$ 40,003</u>

(CONCLUDED)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND
 COMBINING STATEMENT OF CHANGES IN NET POSITION
 PRIVATE PURPOSE TRUST FUNDS
 YEAR ENDED JUNE 30, 2016

	Burial Funds					
	Hall	Vaughn	Young	Rebecca Hammond	W.H. Welling	George C. Hall
Additions:						
Investment income (loss)	\$ (2)	\$ -	\$ (1)	\$ (1)	\$ 3	\$ (1)
	(2)	-	(1)	(1)	3	(1)
Deductions:						
Operating expense per trust agreement	-	-	-	-	-	-
	-	-	-	-	-	-
Change in net position	(2)	-	(1)	(1)	3	(1)
Net position, beginning of year	502	100	301	301	8,694	201
Net position, end of year	\$ 500	\$ 100	\$ 300	\$ 300	\$ 8,697	\$ 200

(CONTINUED)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND
 COMBINING STATEMENT OF CHANGES IN NET POSITION
 PRIVATE PURPOSE TRUST FUNDS
 YEAR ENDED JUNE 30, 2016

	Burial Funds						
	B.H. Davis	Updike	Mary Carpenter	Smith- Lawton	Old Baptist Cemetery	Smith	Burial Totals
Additions:							
Investment income	\$ (2)	\$ -	\$ (3)	\$ (15)	\$ (2)	\$ (3)	\$ (27)
	<u>(2)</u>	<u>-</u>	<u>(3)</u>	<u>(15)</u>	<u>(2)</u>	<u>(3)</u>	<u>(27)</u>
Deductions:							
Operating expense per trust agreement	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	(2)	-	(3)	(15)	(2)	(3)	(27)
Net position, beginning of year	<u>502</u>	<u>1,586</u>	<u>1,004</u>	<u>5,617</u>	<u>703</u>	<u>1,004</u>	<u>20,515</u>
Net position, end of year	<u>\$ 500</u>	<u>\$ 1,586</u>	<u>\$ 1,001</u>	<u>\$ 5,602</u>	<u>\$ 701</u>	<u>\$ 1,001</u>	<u>\$ 20,488</u>

(CONTINUED)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND
 COMBINING STATEMENT OF CHANGES IN NET POSITION
 PRIVATE PURPOSE TRUST FUNDS
 YEAR ENDED JUNE 30, 2016

	Probate Funds					
	Beriah Lawton	James L. R. Weeks	Marguerite R. Cogan	Delphis R. Jones	J. Oliviera	Doris Horowitz
Additions:						
Investment income	\$ 3	\$ 10	\$ 2	\$ 1	\$ 22	\$ 4
	3	10	2	1	22	4
Deductions:						
Operating expense per trust agreement	-	-	-	-	-	-
	-	-	-	-	-	-
Change in net position	3	10	2	1	22	4
Net position, beginning of year	8,327	2,632	611	231	5,751	965
Net position, end of year	\$ 8,330	\$ 2,642	\$ 613	\$ 232	\$ 5,773	\$ 969

(CONTINUED)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND
 COMBINING STATEMENT OF CHANGES IN NET POSITION
 PRIVATE PURPOSE TRUST FUNDS
 YEAR ENDED JUNE 30, 2016

	Probate Funds				Grand Totals
	Lillian Mattia	Arthur Tarchis	Georgia Andrews	Probate Totals	
Additions:					
Investment income	\$ -	\$ -	\$ -	\$ 42	\$ 15
	-	-	-	42	15
Deductions:					
Operating expense per trust agreement	-	-	-	-	-
	-	-	-	-	-
Change in net position	-	-	-	42	15
Net position, beginning of year	4	4	948	19,473	39,988
Net position, end of year	\$ 4	\$ 4	\$ 948	\$ 19,515	\$ 40,003

(CONCLUDED)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

AGENCY FUNDS

JUNE 30, 2016

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

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

Payroll Fund – To account for the Town employees' payroll withholdings.

School Payroll Fund – To account for the School employees' payroll withholdings.

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS

YEAR ENDED JUNE 30, 2016

	Beginning Balance	Additions	Deductions	Ending Balance
<u>STUDENT ACTIVITY FUNDS</u>				
<i>Assets</i>				
Cash	\$ 248,623	\$ 1,798,609	\$ 1,718,109	\$ 329,123
<i>Liabilities</i>				
Due to student groups	\$ 248,623	\$ 1,798,609	\$ 1,718,109	\$ 329,123
<u>PAYROLL FUND</u>				
<i>Assets</i>				
Cash	\$ (11,810)	\$ 377,464		\$ 365,654
Accounts receivable	44,928		44,928	-
<i>Total assets</i>	<u>\$ 33,118</u>	<u>\$ 377,464</u>	<u>\$ 44,928</u>	<u>\$ 365,654</u>
<i>Liabilities</i>				
Accounts payable	\$ -	\$ 365,654	\$ -	\$ 365,654
Payroll withholdings	33,118		33,118	-
<i>Total liabilities</i>	<u>\$ 33,118</u>	<u>\$ 365,654</u>	<u>\$ 33,118</u>	<u>\$ 365,654</u>
<u>SCHOOL PAYROLL FUND</u>				
<i>Assets</i>				
Cash	\$ 563,334	\$ 416,484		\$ 979,818
<i>Liabilities</i>				
Accounts payable	\$ 505,264	\$ 234,139		\$ 739,403
Payroll withholdings	58,070	182,345		240,415
<i>Total liabilities</i>	<u>\$ 563,334</u>	<u>\$ 416,484</u>	<u>\$ -</u>	<u>\$ 979,818</u>
<u>DEVELOPER SURETY ESCROW</u>				
<i>Assets</i>				
Cash	\$ 135,207	\$ 25,698	\$ 121,078	\$ 39,827
<i>Liabilities</i>				
Deposits held in custody for others	\$ 135,207	\$ 25,698	\$ 121,078	\$ 39,827

(CONTINUED)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS

YEAR ENDED JUNE 30, 2016

	Beginning Balance	Additions	Deductions	Ending Balance
<u>TOTAL - ALL AGENCY FUNDS</u>				
<i>Assets</i>				
Cash	\$ 935,354	\$ 2,618,255	\$ 1,839,187	\$ 1,714,422
Other receivables	44,928	-	44,928	-
	<i>Total assets</i>	<i>\$ 2,618,255</i>	<i>\$ 1,884,115</i>	<i>\$ 1,714,422</i>
<i>Liabilities</i>				
Accounts payable	\$ 505,264	\$ 599,793	\$ -	\$ 1,105,057
Due to student groups	248,623	1,798,609	1,718,109	329,123
Deposits held in custody for others	135,207	25,698	121,078	39,827
Payroll withholdings	91,188	182,345	33,118	240,415
	<i>Total liabilities</i>	<i>\$ 2,606,445</i>	<i>\$ 1,872,305</i>	<i>\$ 1,714,422</i>

(CONCLUDED)