

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

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**FOR THE YEAR ENDED
JUNE 30, 2011**

Prepared By:

Finance Department

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

YEAR ENDED JUNE 30, 2011
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THE TOWN OF
NORTH KINGSTOWN, RHODE ISLAND

INTRODUCTORY SECTION



Town of North Kingstown, Rhode Island

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December 18, 2011

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

Rhode Island State Statute requires that all municipal entities publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the Town of North Kingstown for the fiscal year ended June 30, 2011.

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

The Town of North Kingstown's financial statements have been audited by Braver, PC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of North Kingstown for the fiscal year ended June 30, 2011, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Town of North Kingstown's financial statements for the fiscal year ended June 30, 2011, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

PROFILE OF THE GOVERNMENT

North Kingstown settled in 1641 and incorporated as a Town in 1674, covers an area of 54 square miles and is primarily a residential suburb approximately 22 miles south of Providence, but is also emerging as an important employment center because of the location of the Quonset Business Park. Based on the 2010 U.S. Census, the Town's population is approximately 26,486 residents.

Governing Body:

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

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

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

Reporting Entity and It's Services:

The Town of North Kingstown provides a full range of services, including education, public safety, the construction and maintenance of highways, streets, storm and sanitary sewers and infrastructure, social services, parks and recreational activities, and general administration. In addition, the town operates the Municipal Court, Water and Quonset/Davisville Recreation enterprise funds. Approximately 249 full-time municipal employees provide services to a community of 22 square miles and 26,486 residents.

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

Budgetary Process:

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

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

Expenditure Control:

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

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

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

ECONOMIC DEVELOPMENT AND OUTLOOK

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

Industrial Development

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

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

Quonset Business Park

The centerpiece of industrial development in North Kingstown is the Quonset Business Park, which is operated by the Quonset Development Corporation (QDC). The industrial and commerce park complex contains approximately 3,200 acres of land; approximately 300 acres remain available for project development. Currently one of out every 50 jobs in Rhode Island is located at Quonset. Overall the park area is served by an airport, rail, and deep-water piers and is thus suitable for a wide diversity of manufacturing and port activities. One hundred sixty eight companies provide more than (8,800 jobs) in the business park. The complex also includes an 18-hole golf course and marina owned and operated by the Town of North Kingstown.

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

Several major facilities have been proposed, have recently expanded or are under construction at Quonset Point/Davisville. Keifer Park, the technology center of Quonset Point Davisville, exemplifies the mixed industrial development that has characterized the growth of the Quonset Business Park. Another area of the Park boasting significant current and anticipated growth is Commerce Park located at the heart of Quonset Point. Here, existing park tenants and new arrivals continue to prosper. The Executive Park area, under development by a private investment firm, the New Boston Group, is developing the "Quonset Gateway" into a mixed-use office and service area to serve existing and future residents of the business park. The Gateway complex currently houses a Kohls department store and a new Dave's Marketplace as well as several smaller tenants including a Subway restaurant. A 110-room Marriot Extended Stay was completed in May 2011. North Davisville and West Davisville are the final areas of the park slated for industrial development. In 2010, the Town and the QDC entered into a Memorandum of Agreement to create a unified development process for all future developments at the Business Park. Nearly a year into the agreement, the review process for projects inside the park has become more streamlined, allowing for a quicker turnaround time for potential tenants.

Commercial Development

Post Road (U.S. 1) and the intersection of Routes 4/102 are the primary areas where the larger-scale commercial and shopping plaza uses have located in North Kingstown. Post Road has a mix of retail stores, offices, restaurants and services one would expect in a typical commercial corridor. The Town has zoning and design regulations specific to Post Road that implement a number of recommendations of the Post Road corridor plan and the recommendations in the Town Comprehensive Community Plan. These innovative zoning techniques won two Rhode Island American Planning Association Awards in 2008 and 2009. The Town worked with consultants to update and amend the zoning regulations for the Post Road corridor as well as a study of the feasibility and cost of allowing sewer service to the Post Road Corridor to foster additional commercial and residential development. The Town approved a \$10 million bond referendum for the first phase of the Post Road sewer project in November 2009 and an additional \$9.2 million bond referendum will be voted on in November 2010. The Wastewater Facilities Plan is in the final stages of completion. Construction of the first phase of the sewer system is expected to begin in the Spring of 2012.

With sewers planned for the corridor, the Town envisions the Post Road area as having a more high density, village scale development pattern. With the sewers and zoning tools in place, this corridor will mature into a "growth center" with a focus towards pedestrian scale design and architectural improvements. The zoning regulations in place will encourage mixed use development, less reliance on the automobile and increased use of alternative transportation methods such as bicycle, walking and public transportation through the expansion of existing bus services to the area in conjunction with the commuter rail station at Wickford Junction. It is the continued intent of the Town to encourage redevelopment of the Post Road Corridor through the use of residential and commercial density allowances and other zoning incentives as allowed by the Post Road zoning. With a diminishing amount of commercially zoned land, it is anticipated that development will continue to focus on redevelopment of sites along Post Road. The Town has already received a subdivision application for a large parcel of land in the corridor to capitalize on the Post Road zoning and planned wastewater facilities. The proposed development is for 574 mixed residential units and 11,000 square feet of commercial space.

The Town expects that the commercial sector will continue to grow, particularly in response to development at the Quonset Business Park. Wickford Junction, a commercial project of nearly 300,000 square feet, includes a commuter rail station near the village of Lafayette that is currently under construction with an expected completion date of the spring of 2012. Construction of the final phases of the commercial development are expected to coincide with the completion of the commuter rail station which will once more connect North Kingstown to points Providence and Boston via rail. Tarbox Toyota is in the process of constructing a new larger car dealership on 8 acres of commercial land on Quaker Lane/Route 2. It is anticipated that the new facility will be a LEED certified "green" building. Wal-Mart recently received approval to construct a 20,000 square foot addition to their commercial building located on Ten Rod Road. Wal-Mart started construction on this addition in the Fall 2011.

Business Tax Exemptions and Economic Development Tax Incentive

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

Tax Roll Assessment Value Decreased by -13.867%:

The taxable totals \$3,844,989,239 is down -13.87% over the previous year. **Real Estate** decreased about (16.37%), from \$4.23 billion to \$3.54 billion. The net **personal property** assess values increased slightly from \$118.5 million to \$118.7 million, approximately .11%. The **motor vehicles** portion of the assessed values rose significantly from \$115.5 to \$188.7 million, approximately 63.29%.

	Assessment 12/31/2008	Increases (Decreases)	Assessment 12/31/2009
Variable			
Residential Real Estate	4,229,952,205	(692,279,205)	3,537,673,000
Personal Property	<u>118,534,430</u>	<u>125,520</u>	<u>118,659,950</u>
Variable Total	4,348,486,635	(692,153,685)	3,656,332,950
Fixed			
Motor Vehicles	<u>115,528,812</u>	<u>73,127,477</u>	<u>188,656,289</u>
Grand Total	<u>4,464,015,447</u>	<u>(619,026,208)</u>	<u>3,844,989,239</u>

Assessed Value Decrease

(13.867%)

Long-Term Financial Planning/Relevant Financial Policies:

The unreserved, undesignated fund balance in the general fund (9.2% of the total budgeted expenditures of all Town Funds) is below the Town Council's Debt Policy and Management/Fiscal Practices that was amended and adopted on April 7, 2008 as well as the Policy for Accumulation and Utilization of Fund Balance which was adopted on July 23, 2007. The policies state that the unreserved, undesignated fund balance shall be maintained at a minimum of 10% of the current period's total budgeted expenditures for all Town Funds. For all intensive purposes this equates to 10% of \$95,189,232, or \$9,518,923.

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

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

Debt Administration:

The Town issued a \$6,585,000 General Obligation Refunding Bond in December, 2009. Pursuant to Section 45-12-5.2 of the General Laws, and based on the reports of consultants, it was determined that the issuance of the Bonds to refund resulted in a financial benefit to the Town. The December 15, 1998, June 15, 1999 and the September 15, 2000 Bonds have been refunded.

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

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

MUNICIPAL SERVICES

Planning Department

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

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

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

Information Service Department

The Department Information Services (IS) consists of three (3) full time employees (Director of Information Technology, Network Administrator, and Technology Support Technician). This department provides technology and telecommunications services to all municipal departments at twenty (20) facilities including Assessors, Code Enforcement, Finance, Fire, North Kingstown Free Library, North Kingstown Golf Course, Police, Planning, Public Works, Recreation Town Clerk, Senior Center, Town Manager, and Water Departments as well as the School Administration Offices. These services include but are not limited to PC and peripheral installation, repair, maintenance, network infrastructure administration/development, database administration/development, administration and maintenance of Internet Protocol (IP) Telephony systems, and technical support/upgrades of all software applications. The IS Department is responsible for maintaining the Town's network infrastructure which consists of twenty one (21) servers, thirty one (31) networking devices, two hundred and seventy five (295) workstations, five (5) fiber optic connected sites (Annex Building, Police, Fire, North Kingstown Free Library, and the North Kingstown School Administration offices), nine (9) Virtual Area Network (VAN) connections (North Kingstown Municipal Golf Course, two (2) remote Fire stations, Fire Department of Training, Wilson Park Facility, Water Pump Station, North Kingstown Transfer Station, DPW facility, and the North Kingstown Senior Center. This department is also responsible for maintaining and developing the Town's web site, video archive (Town and School) and Geographic Information System (GIS).

The Department Information Services has also become the Information Technology support entity for the neighboring town of Exeter as well, creating Rhode Island's first inter-municipal regional technology support agreement. The Department Information Services supports Exeter's nine (9) departments in three (3) facilities including Town Clerk, Finance, Tax Assessor, Tax Collector, Public Works, Animal Control, Town Sheriff, Planning and Building. Exeter's Technology infrastructure consists of two (2) servers, fourteen (14) workstations, three (3) networking devices, ten (10) printers and three (3) CBI internet connections.

Library

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

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

Public Works

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

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

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

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

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

Recreation and Leisure Services Activities

The Department oversees the administration, personnel, budgeting, policy implementation and supervision of the Quonset/Davisville Enterprise Fund. The Fund is supported by the operation of the Municipal Golf Course and the Allen Harbor Marina. Both facilities were acquired from the Navy through the Department of the Interior Federal Land Disposal Program for the purpose of providing recreational opportunities for the Town. The Golf Course originally built as a 9-hole course in the 1940's and expanded to 18 holes in the 1960's is a classic layout and is one of the most popular in the state with over 42,000 rounds played there each year. The Marina consists of a public boat ramp and 180 slips and moorings. The department also serves as the liaison for the North Kingstown Arts Council. Calf Pasture Point, 215 acres of property surrounding Allen Harbor acquired from the Department of Interior, is being developed as a passive recreation area.

Senior and Human Services

North Kingstown Department of Senior and Human Services celebrated its second anniversary at our new building Beechwood, A Center for Life Enrichment. The Capital Campaign launched by the North Kingstown Senior Association to raise additional funds needed to complete the beach campus and senior center project will end in 2014.

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

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

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

Tax Assessment

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

Code Enforcement

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

Fire Department

The Fire Department has 4 manned Fire Stations which provide Fire Suppression, Fire Prevention and Emergency Medical Service to 58.3 sq. miles of the Town including the Quonset Point/Davisville Industrial Park. The Department was budgeted for 81 full time employees including the 5 Staff positions of Chief of Department, Fire Marshal, The Department Mechanic, Assistant Mechanic and the Department Secretary, the remaining 76 Line Officers and Firefighters were distributed over 4 Platoons. The current budget for this year has funding for 76 positions on the Line, 5 positions less than previous years. The 71 Officers and Firefighters provide staffing for 5 Engine Companies, 2 ALS Transport Rescue Companies, 1 Command Vehicle. In addition these Companies cross-staff 2 Brush Trucks, a Ladder Truck, a Special Hazards Vehicle, a Regional Decontamination Trailer and 2 Fire Boats. Their responsibilities include Fire Suppression, Hazardous Material Response, Confined Space Rescue, Rope Rescue, State Wide Decontamination Response, Marine Fire Suppression/Rescue and Emergency Medical Services including Advanced and Basic Life Support service and transport. In addition the Fire Department operates its own Dispatch Office staffed by sworn uniformed firefighters. The Fire Marshal's office is responsible for fire cause and origin investigations, residential and commercial plan review, smoke detector and carbon monoxide detector inspections and fire alarm radio box assignment and repair. The Department is responsible for maintaining a municipal fire alarm system for both the Town and the Quonset Point/Davisville Industrial Park. The Department Mechanics are responsible for the preventative maintenance and repair of the Department's 32 pieces of Fire Apparatus, two marine units and all associated equipment.

North Kingstown School Department

The North Kingstown School Department is a state-mandated agency of the town, governed by a school committee that is elected to four-year terms every two years. The school department serves nearly 4,500 students in eight schools – one high school, two middle schools, and five elementary schools (Davisville Elementary, a sixth elementary school was closed as a school in June 2010). 370 professionally certified personnel supported by over 200 non-certified staff provide these services. The mission of the North Kingstown School Department is, "Since education plays a vital role in the present and future success of all students, every school must provide for the maximum intellectual, social, aesthetic, moral, vocational, and physical development of each student towards challenging the student to achieve excellence". This mission is supported by twenty belief statements about student capabilities, conditions that enhance learning and student learning results. The district and each school develop yearly improvement plans to maximize student achievement in conjunction with these beliefs.

Water Department

The Department of Water Supply provides domestic water service and fire protection to the majority of residents and businesses in North Kingstown. North Kingstown Water owns and operates 11 gravel packed wells located throughout three aquifers, the Hunt, Annaquatucket and Pettaquamscutt, which underlie the Town. North Kingstown wells produce just over one billion gallons of water per year. The average demand is just over three million gallons per day, with a peak summer demand of up to eight million gallons per day. The distribution system consists of 176 miles of water pipe, 1,042 fire hydrants, two (2) standpipes, two (2) elevated storage tanks and one (1) storage reservoir.

Police Department

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

The North Kingstown Police Department is staffed by forty-four (44) sworn personnel, including the Chief of Police and police officers of various ranks. The patrol ranks (32) are divided into four squads of six patrol officer and two supervisors, consisting of a Lieutenant and a Sergeant. The Uniform Patrol Officers work one of two 12-hour shifts, which start at 7AM or 7PM, providing for 24 hour coverage 7 days a week. In addition, one patrol officer is assigned as a School Resource Officer to the North Kingstown High School; another is assigned as a DARE Officer to the Town's elementary schools, and a third to radio communications and IT support. The remaining police personnel are assigned to Administrative positions; Detective Division, consisting of five detectives including the Detective Lieutenant Commander; or the Prosecution office – staffed by a Detective Sergeant and an administrative secretary. All police personnel not assigned to the Uniform Division work an administrative schedule of five (5) days on with two (2) days off.

The civilian support staff includes three full time dispatchers, three part time dispatchers (16 hours each week for weekend coverage), three administrative secretaries, one full time records clerk, one custodian and one mechanic.

Included within the operations of the police department are the services of the Harbormaster and Animal Control. Personnel include: one Animal Control Warden, one Assistant Animal Control Warden, a part-time Harbormaster, a part-time Assistant Harbor Master (seasonal) and a Harbor Clerk (maximum of 75 days a year).

- Office of the Harbormaster and Harbor Clerk is located within the Public Safety Building. A patrol boat berthed at the Town Wharf, located at the end of Main Street. The Harbor Clerk works in cooperation with the Harbormaster and the Assistant in handling routine phone calls, correspondence, and keeping of records and as a liaison to Harbor Commission, duties do not include the day to day operations on the water.

- The Animal Control Division is under the supervision of the Operations Commander of the Police Department. Business is primarily conducted from the animal shelter located at 395 Hamilton Allenton Road. The North Kingstown Animal Shelter provides service to the residents of North Kingstown and is a temporary shelter for cats and dogs found in the community. The shelter does not provide boarding to owned animals, or is it equipped to shelter animals such as birds, reptiles or other exotic animals; therefore such animals are not normally accepted.

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

MUNICIPAL INITIATIVES FOR THE YEAR

Planning Department

The Planning Department will continue to work with the Planning Commission on implementing the corridor improvement plan for Post Road, the primary commercial area in North Kingstown. In 2008 the town adopted new zoning and design regulations that will facilitate a substantial increase in the town's tax base through incentive zoning and the creation of a sewer district enabling redevelopment to be at much higher densities than previously allowed. The department also worked with consultants on the feasibility and cost of allowing sewer service to the Post Road Corridor to foster additional commercial and residential development. As noted above, the Wastewater Facilities Plan is in the final stages of completion and construction of the first phase of the sewer system is expected to begin in the Spring of 2012.

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

This year, the Planning Department will continue to be involved in the adoption of state legislation enabling the town to take the next steps in expanding the TDR program to allow "across the street" TDR's, which were previously prohibited in North Kingstown due to the restrictive nature of overlay zones under state law. This legislation is specific to the Town of North Kingstown and establishes new definitions that will allow the town to establish transfer zones anywhere, without the restrictive nature of overlay zones. This legislation could potentially expand in the future to enable statewide transferring of development rights, however for the time being, North Kingstown will be able to move forward with this innovative planning tool. The town also has more options within future residential developments for preservation, development, layout, and intensity options. Essentially, North Kingstown can facilitate much more quickly and efficiently the development of growth centers and village centers as outlined in the Comprehensive Plan. Last year, the town received a \$70,000 planning challenge grant from the Rhode Island Statewide Planning Program to further expand the

Transfer of Development Rights program to redirect growth not only to the Post Road corridor, but towards the historic and emerging village centers in North Kingstown that are capable of future growth opportunities. This village study is nearing completion and will assess the capacity of certain areas of North Kingstown to participate in the TDR program as a receiving area.

North Kingstown received \$288,000 in Community Development Block Grant funds for use in FY 2011-2012. This funding is \$10,250 less than last year's award of \$298,250. The funds will provide assistance to several local social service agencies such as Church Community Housing Corporation for Bellville House, CDBG Consortium, revitalization in the Davisville neighborhood, Welcome House of South County, Washington County Community Development Corporation, Community Housing Land Trust, Yorktown Playground Summer Camp (as part of the North Kingstown Recreation program) and the Hendrick Avenue Foundation Rehab (South County Habitat for Humanity).

In the spring of 2011, the Town received a \$225,000 grant from the RI Department of Health to incorporate changes to the town's comprehensive plan and regulatory policies to improve walkability, safety, recreation options, transportation choices, access to healthy foods, and/or limit access to tobacco products.. The Planning Department is working closely with the West Bay YMCA and the Department of Health to accomplish these goals. The project will wrap up by February 2012 with a final report to the Department of Health.

The Planning Department continuously works to strengthen the town's relationship with the Quonset Development Corporation (QDC), responsible for managing the Quonset Business Park (QBP). The Planning Department meets with current and prospective businesses in the QBP, and coordinates the review of development projects with other town departments through the North Kingstown Technical Review Committee. A separate joint town and QDC staff Technical Review Committee meets monthly to discuss pending development projects. As noted above, the Municipal Services Agreement signed in 2010 includes a set of coordinated policies and a unified process to handle all future development applications at the QBP. Items under review for this project include changes to the North Kingstown Zoning Ordinance and Comprehensive Plan, as well as, changes to the QDC development package and standards. As part of this unified process the North Kingstown Planning Commission and Town Council, and QDC Board of Directors will review and approve all recommended changes to each body's respective regulations.

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

The Planning Department is in the process of updating the town's Hazard Mitigation Plan. The Planning Department secured a pre-disaster planning grant of \$8,829 from the Rhode Island Emergency Management Agency (RIEMA) to update the Hazard Mitigation Plan, as required by RIEMA. The existing Plan was approved in June 2005 and expired in June 2010. Also hazard mitigation related the Planning Department serves as the town's Coordinator for the Federal Emergency Management Agency's Community Rating Service (CRS). North Kingstown's CRS rating allows businesses and residents to take advantage of a five percent saving in the cost of flood insurance. The Planning Department has also been working with the University of Rhode Island Coastal Resources Center (URI CRC) and Rhode Island Sea Grant on a sea level rise pilot project. This project was intended to demonstrate the use of community assessment tools for local planning and action to address sea level rise and increased inundation expected in the future. The

town was provided with a series of maps depicting sea level rise and the potential impacts to real property and infrastructure within North Kingstown. The Town is planning to partner with the URI CRC and Rhode Island Sea Grant again on a planning challenge grant available through the statewide planning program. This grant will be utilized to begin phase two of this program which will implement some of the actions identified in the pilot project.

Protecting open space and farmland are among the principal goals and objectives outlined in the North Kingstown Comprehensive Plan. To implement this vision, the Planning Department has been working with the Planning Commission, Town Council, and Town Manager to achieve conservation of significant rural land in North Kingstown. A key approach to this task has been leveraging grants, tax incentives and other techniques to minimize the cost of acquisition to the town. The town through active strategies to protect farms, open space and the character of North Kingstown, has protected over 5,000 acres of land. Many of these properties have been preserved through joint ventures with property owners, as well as state and federal environmental agencies. Since 2009 the town has protected 15-acres at the Hazard Farm along Boston Neck Road, 11-acres of coastal property along Wickford Cove, 110-acres of the Bald Hill Nursery property in both North Kingstown and Exeter, and is currently in negotiations to protect a 42-acre Farm on Lafayette Road, and is currently working with the RI Department of Environmental Management and the Narrow River Land Trust to protect a large parcel of land along the Narrow River in the southern portion of town. In addition, the Town is in negotiations to protect over 100 additional acres throughout town. These open space purchases were accomplished using town bond funds and grants from the Rhode Island Agriculture Preservation Commission, the Rhode Island Department of Environmental Management, the Water Resources Board, and the U.S. Department of Agriculture to assist in the acquisition.

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

The Planning and Public Works Departments have been working with the Narragansett Bay Estuary Program, as well as state and federal agencies to improve water quality in both Sawmill Pond and Sand Hill Brook. In October of 2006 the town received notification that the state will award \$410,000 in natural resource damages funds to support water quality improvements in the area of Saw Mill Pond. These improvements were based in part on the November 2005 Southern Rhode Island Conservation District (SRICD) report, which identified potential strategies and resources for water quality improvements to the pond. The town has hired the Horsley Whitten Group (HW) to determine the most effective way to address surface and groundwater problems in the Sawmill Pond area. The Town was awarded a grant from the RIDEM and the US Environmental Protection Agency under their 319 nonpoint source pollution grant program for over \$200,000 to implement this watershed plan. As part of this effort, HW developed the Sawmill Pond Watershed Assessment plan to provide the Town with a management approach to improve surface and ground water quality in the watershed. Significant input on recommendations and implementation were provided by both the Town and the watershed residents through public information

and outreach efforts. The next phase of the project is already underway for the design, permitting and construction of retrofits to treat stormwater runoff. There will also be a public education and outreach component to this effort. In the Spring 2012, the Town plans to install ten rain gardens on private properties in the Sawmill Pond area in an effort to improve the quality of the water entering the groundwater on a smaller scale across the watershed.

Affordable housing has been an important focus of the work of the Planning Department over the past few years. During the last several years the Planning Department and the Planning Commission have worked closely with developers who allocate 20 to 25 percent of their residential development projects as affordable units. Currently 8 percent (848 units) of North Kingstown's 10,477 total housing units are designated affordable to low- and moderate-income households. This figure is just 2 percent shy of the state's 10 percent affordable housing requirement. There are 46 additional affordable housing units under construction as part of the Crossroads Rhode Island's Kingstown Crossing project. Belleville House, the site of the former St. Bernard's Church has is currently constructing 40 units of affordable senior housing. Lastly, North Cove housing, a 38-unit affordable housing development, is expected to begin construction in the spring of 2012.

Information Services Department

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

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

The Town Clerks office benefited from new systems in fiscal year 2011. A "Boards and Commissions" tracking system and "Probate Court" system was implemented to assist in creating more efficient and accurate data collection and tracking in this department. IS and the Town Clerks office also worked to create a paperless Town Council in fiscal year 2011. Mobile devices (I Pads) and electronic packets were used to promote a "Green Town Council", for a savings of approximately \$18,000 per year for the taxpayer.

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

The Municipal ERP (Enterprise Resource Management) system MUNIS was upgraded in fiscal year 2011. The software vendor MUNIS (Tyler Technologies) placed the Informix database that the town utilizes in an "End of Support" status, requiring North Kingstown to upgrade to the MS SQL platform. This puts North Kingstown (Town and School) at the latest revision of the software and database. The upgraded ERP system will run in BETA for quality assurance and testing. The platform will go live in the first weeks of FY 2012.

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

Because of the popularity and incredible growth of the Town Website (www.northkingstown.org) an open source Content Management System was implemented to better manage the website data and content. In collaboration with the North Kingstown Free Library, the Town, Library and Golf Course website were redeveloped. This now offers a secure portal to more efficiently and effectively manage the websites content in a more dynamic fashion.

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

An even more collaborative and shared service environment was promoted in the IS Department in fiscal 2011. IS worked with other municipalities to enhance or create new technological initiative while creating economies of scale in turn saving taxpayer dollars. The IS department is in discussions with the Towns of Exeter, Richmond, and Block Island to grow the Inter-municipal technology service offerings. We are also working with Washington County Regional Planning Council to adopt county wide applications and services for Washington County. Fiber optic projects and Interoperability/Collaboration systems are being discussed with the RI Higher Ed Consortium OSHEAN.

The Town's Geographical Information Systems (GIS) continued to build its data warehouse in fiscal year 2011 by working with departments to create new layers such as water and public works infrastructure. GPS technology was used in conjunction with the Engineering department to locate and map this infrastructure.

Library

The library provides that access and the record of library usage in illustrates how vital the library was to the citizens of North Kingstown in FY 10-11.

- 187,828 people came to the library in FY 2010-11.
- They borrowed 363,989 books, movies, audio books, and other library materials to learn, to grow, and to be entertained.
- They used the library's 25 public Internet computers 32,061 times to get information, do research, send and receive e-mail, and otherwise conduct the business of their daily lives in our technology-based society.
- They connected their own laptop computers to the library's wi-fi network to take advantage of the library's high-speed connection.
- They got answers to 20,889 reference questions, which they asked the library staff in person, over the phone, or via e-mail. Librarians are still a vital link in the information chain, helping people find the best path for the answers to their questions and teaching them how to use the library's many resources.

- They visited the library's web page 79,673 times (up 9.6% from the previous year) to access many of the library's services 24/7 and to search, either from home or in the library, the 38 online databases to which the library provides access.
- 11,135 children, adults, and teens attended 417 programs, activities, and events at the library, which brought the community together to enjoy the arts, culture, be entertained, and learn about their world and the unique historical heritage of the town.

In FY 2010-11, the library did the following to serve our users:

- Maintained our place as the sixth busiest public library in the state, behind only the four major urban libraries and the Barrington Public Library.
- Maintained the library's consistent and convenient 62-hour-a-week, year-round business schedule including four nights and every Saturday.
- Expanded our downloadable audiobook and e-book collection by 145 new titles. North Kingstown library card holders downloaded 3,977 —a 59% increase over the previous year.
- Purchased 5 laptop computers with funds received from OLIS from the federal Library Services & Technology Act (LSTA) funding.
- Shared our resources with the other 49 public library systems in Rhode Island, borrowing more than 43,000 books and other materials from other RI public libraries for pick up here by North Kingstown library users and loaning more than 47,000 items in our collections to cardholders of other RI libraries.
- Purchased 2 computers and one monitor with funding from The Champlin Foundations.

Public Works

The Public Works department continues its commitment to maintaining the town's road infrastructure. Using the VHB report that rated the pavement condition of all town-maintained roads, the department has completed the resurfacing of those roads that were rated as failed or very poor and the continues to pave the roads rated as poor. A new pavement condition report will be produced this year with the help of an outside professional firm. This independent pavement report will then be used to re-prioritize future road paving programs.

The Public Works department continues to work with ATC Lincoln Associates implementing the approved RIDEM Site Investigation Work Plans for the former Hamilton Allenton and Oak Hill Landfills and developing Final Closure Reports for each landfill. RIDEM required the installation of additional soil gas monitoring wells this year and will be monitored for approximately another 12 to 15 months. These site investigation and landfill closure requirements fall under Section 5.0 of the RIDEM Closure Policy for Inactive or Abandoned Solid Waste Landfills. The Public Works and Informational Technology (IT) Departments recently completed the relocation of IT equipment to the Public Safety Facility. This work was necessary to protect vital telephone/data infrastructure from potential electrical grid and flooding issues, and to insure proper operations at the new Emergency Operations Center during storm events. The department continues to implement the Town's Storm Water Management Plan and has completed several significant drainage projects and inspections to over 100 storm water control ponds and structures throughout town. Public Works will also begin the first phase of the Town's Sewer Project this spring. The goal of this program is to complete sewers on Post Road, from Route 403 to Richard Smith Road, by 2013. Future phases are being discussed and will need voter approval.

The Highway Division continues its mosquito abatement efforts treating town maintained catch basins and detention/retention ponds monthly with an environmentally safe larvicide provided by RIDEM Mosquito Abatement office. This division is still managing debris from Tropical Storm Irene, which hit this area this past August.

The Facilities Division continues to successfully manage and maintain an increasing number of town parks, playground and newly constructed facilities like Beechwood and the Public Safety Facility. Many organizations including the Wickford Little League, North Kingstown Youth Football and various School athletic teams utilize the fields at Wilson Park and McGinn Park.

The Engineering Division continues to work with the IT Department in its implementation of GIS/Mapping systems. Engineering is in the process of completing a \$1.1 million Federal/State funded road improvement program (LEAP). This program included paving, chip sealing and crack sealing of various town roads. The town recently hired a professional survey firm to provide Class 1 surveys on various town properties scheduled to be sold, as well as the re-establishing of vertical control datum throughout town. Town Engineering recently completed inspections of private and municipally owned dams, as well as drainage systems, both required by State mandates. Engineering is also working with a consultant tasked with the evaluation of two dams that were damaged during the 2010 flood. A determination of whether to reconstruct or breach the Featherbed and Forge Road dams must be made soon. The division also manages requests for the removal/maintenance of street trees and works with the Tree Warden in following the Street Tree Ordinance. This office acts as a liaison between residents and the Tree Warden during this process.

The pay-as-you-throw program at the Transfer Station on Devils Foot Road continues to be successful in reducing the amount of solid waste generated in town. Over 30% of waste generated in town is recycled, either through the town's curbside recycling program or at the Transfer Station where containers are available for the disposal of acceptable recyclables, at no cost. This recycling rate represents the ratio of blue and green stream recyclables tonnage to solid waste tonnage disposed of at RI Resource Recovery's landfill and recycling facilities in Johnston. Recent changes to State law require cities/towns reach a minimum recycling rate of 35% and overall municipal solid waste diversion rate of 50%. The Transfer Station's composting operation continues to produce a high quality product, offered to residents at no cost, which is in demand throughout the year. Leaf and yard waste processed at this facility helps keep the town's disposal costs down and is included in the town's overall municipal solid waste diversion rate, which is currently at 46%.

Leisure Activities Department

This year the Department continues to plan and implement improvements to the Golf Course. We are working toward upgrading the McGinn Park Football/Field Hockey/Soccer Field with Sports Turf this year. In its current situation the field is available only August through November and then the grass is destroyed and the surface uneven from the intense use it receives in that short time. The new turf will allow year around use, no fertilizer, very little irrigation, low maintenance and all types of activities. In a way it is like adding more fields to our system with no added pressure to Public Works.

The implementation of the Calf Pasture Point Master Plan to convert the park into a passive recreation complex continued with the completion of parking facilities and some trails. The new bike path that leads down to the park is completed.

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

Recreation

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

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

Perhaps our most popular new adventure in many years, Flag Football, has tripled in size over the past three seasons. This fall over 250 boys and girls, ages 8 to 14, will enjoy their Friday Night Games under the lights at Ryan Park.

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

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

The Summer Playground Program, an eight week program designed for 6 through 13 year olds was enjoyed by over 340 children with activities such as field day, T-Shirt Tie-dye day, as well as field trips to Six Flags, Seekonk Grand Prix, Yawgoo Water Slides and this year a new offering of Battleship Massachusetts. The Children's Tennis Program was restructured, including a time change, and drew 140 participants. The "Busy Bodies" Program is continuing to gain momentum. 250 of our 18 month to 5 year olds are learning coordination and social skills in the Cold Spring Community Center.

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

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

Senior and Human Services

The Department of Senior and Human Services provides programs and services to older adults 55 and over, both at Beechwood, and in the community. The senior center coordinates the following senior programs and services: nutrition (Seabreeze Dining, Beechwood Café and Meals on Wheels), transportation programs, social and recreational activities, health promotion and screenings, social services and case management, human services (basic human needs), advisory groups, volunteer services, educational programming and information and referral services. The new senior center accommodates the needs of current older adults in North Kingstown as well as the anticipated growth expected in the coming decades. The Senior and Human Services Department received a third year of the Title IIIB Supportive Grant for \$40,000 from the Rhode Island Department of Elderly Affairs. This funding is used for additional activity/programming staff,

senior center programs and services, and provides an opportunity for Beechwood to introduce new programs and services.

The unduplicated number of individuals who utilized services in all divisions in 2010-2011 is 2,426. In 1997-1998 1,367 individuals received services, illustrating a significant growth in participation. A total of 1,041 new participants were enrolled during this past fiscal year representing an increase of 32% from the previous year. Participation in programs which includes recreational, health wellness, social services, dining, transportation, and fitness is up 15% (6,117), servicing a total of 42,317 units.

General Programs

Community Connections

We continued our collaboration with the Feinstein Center for Hunger Free America assisting seniors and families to access Food Stamps. VNS Home Health Care for Flu clinics, Health Fairs, and Health clinics. URI and the YMCA provide speakers for educational and fitness programs throughout the year. A center knitting project provided lap robes and afghans to Hospice, and Farmers' market vouchers are distributed to low-income elderly. New community partnerships were created with URI's Master Gardener Program and the Wild Plant Society to provide an ongoing gardening series at Beechwood. This community group has also designed a garden that will enhance the senior centers appearance and provide a walkway close to the parking lot which will connect with the campus walkway. The North Kingstown Arts Council offers 'Take an Arts Break' Programs at Beechwood. NKSA funds many programs and hosts special events on site and in the community. Many community groups utilize Beechwood's conference room and other space for meetings and programs when space is available.

Programs

Programming at the senior center is divided into health wellness and general programming. These programs include recreational, trips, fitness, health education, health clinics and fairs, and special holiday events. Evening programs such as Nite Owls continue to be popular, as are special events, dinners, ice cream socials, etc. Please refer to the monthly newsletter for a complete listing of all programs offered at the senior center. Over the past year 1,873 individuals participated in programs at the Senior Center.

Exercise Programs

Exercise programs offered through our department this year were: Tai Chi, Mix It Up, Fun Fitness, Fun Flex, Jazz Bar & Tone, Yoga, Strength and Stretch, Lo-Impact Aerobics, Zumba and Line Dancing.

Fitness Room

The Fitness Room creates opportunities for older adults to use fitness equipment in a safe and supportive environment. Monitors trained by the YMCA oversee the program. They all have received their CPR certification. The Fitness Room is open daily by appointment. Utilization of the Fitness Room was comprised of 189 individuals servicing 3,086 units.

Health Programs and Services

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

Participants may use the 'Telemedicine' machine to monitor their vital signs and manage their weight which can lead to improved health and wellness. This equipment makes it possible for participants to self-monitor blood pressure, weight, pulse, and respirations. Our Flu Clinic held in October immunized 382 people. Volunteers pre-registered every individual to minimize wait times.

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

Trips

Trips organized through the senior center during this time period were: multiple performances at Theatre by the Sea, Newport Playhouse, Isles of Shoals, Rail and Sail, Spirit of Boston, South County Tours, Block Island, Lighthouse Tour, a Whale Watch, Covered Bridges and Foliage Tour, Salem Witch Tour, The Boston Symphony, and the Flower Show.

Volunteerism

The senior center also offers extensive volunteer opportunities, both at the senior center and in the community, through collaboration with Southern Rhode Island Volunteers (SHO). At our Volunteer Recognition Program held last April we recognized 252 volunteers who contributed over 10,217 hours of volunteer service. Marge Edwards, Mary Hartman, and Virginia Holcombe were named Volunteers of the Year. Each individual recognized has dedicated over 23 years of volunteer service to the senior center.

Intergenerational Programs

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

Transportation

Transportation services made 15,343 calls, assisting 162 seniors. We provide transportation to three older adults in wheelchairs. RIDE, RIPTA's state transportation for seniors and people with disabilities, provided 55 older adults transportation to the senior center. In addition, RIDE currently provides North Kingstown residents transportation to adult day care and out of town medical appointments. Volunteer organizations such as FISH and Southern Rhode Island Volunteers (SHO) supplement the state services for out of town medical needs whenever necessary. Shopping trips to local supermarkets and plazas increased and continues to be an essential service that makes it possible for elders to maintain their independence in a community setting. In addition, we provide transportation to banks, the library, post office, hairdressers and pharmacies.

Nutrition Program

A total of 15,451 meals were served through our federal meals program. Meals on site at our Sea Breeze Dining room served 9,421 meals to a total of 470 individuals. Meals on Wheels are delivered Monday through Friday by over 40 volunteers and served 50 homebound seniors with 5,793 meals. The Beechwood Café in collaboration with the North Kingstown School Dining Program, and offers a flexible alternative of sandwiches, soups, salads etc. between 11:00 am and 1:30 pm. Blackstone Health, Inc. has been our new caterer for the hot noon meal for the past year. This change has resulted in high praise from previous participants for the improvements in the quality of the meals as well as an increase in new participation of over 130 individuals.

Social and Human Services

We maintain separate statistics for our senior clients and the population we serve under the age of 55. The Social Service office served 688 seniors including 148 SHIP (Senior Health Insurance Program) appointments. Our Social workers also make home visits to homebound elders as needed. Health issues, financial difficulties, and the increasing cost of living generated the most contacts.

There were 94 families under the age of fifty-five provided financial assistance from the Town for issues such as utility shut offs, funding to prevent eviction, or emergency heating needs. Other agencies, particularly the Salvation Army Chapter in North Kingstown, also support families in crisis in North Kingstown. Although not funded by the town, nor operated by this office, the NK Food Pantry served 1,138 families this past year. Thanksgiving dinner was provided to 187 families.

St. Paul's Episcopal Church began the Community Faith Fund this year in which they provided funding from their discretionary account to assist individuals in need within the Town. The criteria for the funding these monies from the church fund was processed through our Social Services Department. An additional 27 families were served in the community for financial assistance.

Christmas again was a combination of agencies and donors working together to provide food and gifts for those in need residing in North Kingstown. The Holiday Giving Program was organized and managed by the social service staff and volunteers. Families in need applied and gifts were provided for children of 156 families. An additional 84 families received food gift certificates for the holidays. St. Paul's Church provided food baskets with a week's worth of food to 100 persons. Gift certificates were made available by private donations, and the NK Food Pantry assisted where needed.

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

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

Code Enforcement

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

North Kingstown School Department

The North Kingstown School department is a high performing School District. The District has a process of building a comprehensive assessment system that will enable the schools in the District to advance school improvement. Work in this area is characterized by teacher professional

development and technology applications that allow practioners to review instructional practices and student progress.

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

Over the past eleven years, the technological capability of the school system has been expanded and modernized. All classrooms have computers and high speed Internet access in support of instruction. All teachers have e-mail accounts. Technology has become a common and integral part of our instructional program. North Kingstown students are becoming increasingly comfortable and sophisticated in their use of technology in support of their learning. A student information system; X2 Aspen is being fully implemented. This system is a part of a statewide technology initiative to establish a common integrated data system for all school functions.

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

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

Water Department

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

Police Department

The Police Department continues with several projects designed to maintain the professionalism of our personnel and to provide them with improved equipment in their service to the community. The Rhode Island Justice Commission under their annual Byrne / JAG continues to be a reliable source of funding to aid in our mission. The following projects have been completed or continue to be developed as part of the Police Department's growth –

- 2009 Byrne / JAG Grant (Yearly allocation / Project continues).
Update and codify Police Department Rules and Regulations, Policy and Procedure Manual, Job Descriptions, implement Early Intervention Program.
- 2010 Byrne / JAG Grant (Yearly Allocation / Completed). Further enhance security access within the building to include camera electronic locks. Installation of (pas-through) evidence room lockers.

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

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

FOR THE FUTURE

Planning Department

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

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

Regional efforts will continue to be a component of the work of the North Kingstown Planning Department. With the Washington County Regional Planning Council, the Town will be working on an assessment of potential for a transfer of development rights program in all of Washington County.

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

Information Services Department

In fiscal year 2012 the IS department will continue its mission to bring to the table technological advances and innovations to automate citizen facing processes, empower North Kingstown employees and constituency to create a collaborative and open government.

In fiscal year 2012 our lifecycle replacement program will replace workstations, networking equipment and systems that have reached end of life/support status. The "end of life" networking equipment at DPW, Senior Center, Fire, Town Hall and Town Hall Annex will be replaced. The aging municipal Internet Mapping Server, depending on funding, will be scheduled for an upgrade in fiscal year 2012 as part of the IS lifecycle program.

The newly upgraded MUNIS ERP system will move from a BETA platform to production in the first weeks of FY2012. Additional modules will be added to the MUNIS ERP system to create efficiencies for the town. An online portal will be added which will allow residents to check their Tax and Water bills online. A second module will be added to make paperless interactions between the departments, employees, vendors and residents a reality. These enhancements will realize savings for the town by creating efficiencies, streamlining the processes and by cutting consumables costs.

In Fiscal Year 2012 the Fire Department will be reviewing new dispatch and reporting systems. Fire realizes how antiquated the existing system is, and it's limitations. The Fire Department has asked IT to sit on a selection committee for this project.

As the need to a mobile workforce continues, more use of smart phones and tablet computers will become more prevalent in North Kingstown in fiscal year 2012. I Pads and slated to be implemented in the Fire and Code Enforcement Departments for more robust and efficient filed work.

The Water Dept will begin to connect its well and pump locations into the town VAN (Virtual Area Network). This provides a more up to date infrastructure for its SCADA system to run. This will also allow for mobile and remote access to the system for more efficient management and monitoring of the critical Water Department resources.

The Transfer Station will be scheduled to have it scale and point of sales system upgraded. The Transfer Station in fiscal year 2012 will have an up to date, compliant and more efficient system for billing, tracking and reporting Transfer station transactions.

An even more collaborative and shared service environment will be promoted in the IS Department in fiscal year 2012. IS will work with other municipalities, Universities, non profits, and the private sector to enhance or create new technological initiatives while creating economies of scale, in turn saving taxpayer dollars. Fiber optic projects and Interoperability/Collaboration systems have already been discussed with OSHEAN the RI Higher Ed technology consortium. The results of the Town/School IT Consolidation study will be released in Fiscal Year 2012. The IS Department will work with the School District on instituting the recommendations of this report. The IS Department will also work with the Town of Exeter to redevelop their antiquated website. During fiscal year 2012 new internet facing portal will be made available via our website for Senior Center Social Services online requests and applications. Some examples on online request are Holiday Giving recipients and donor applications.

The Town's Geographical Information Systems (GIS) will continue to build its data warehouse in fiscal year 2012 by working with departments to create new layers such as water and public works infrastructure. GPS technology will be used in conjunction with the Engineering and Water departments to locate and map this infrastructure. The aging municipal Internet Mapping Server will also be upgraded in fiscal year 2011 as part of the IS lifecycle program. The IS Department will also assist the Town of Exeter with implementing GIS in their organization.

Public Works

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

The department has several on-going projects, including improvements to the Beach Campus (green space and bandstand), construction start of the town's Post Road Sewer project, HVAC upgrades to the town library, energy audits and ESCO facilities improvements. Public Works will also continue to make improvements within the Calf Pasture recreational area, including improved bike paths, perimeter fencing and access.

Public Works recently installed new software for its transfer station scale in an effort to improve facility efficiency and commodity tracking. Public Works continues to strive to promote maximum recycling and reduce the amount of solid waste generated in North Kingstown to achieve the target 50% overall solid waste diversion rate set by the General Assembly. To that end, the Town of North Kingstown continues to excel with its Maximum Recycling Program, as it is among the top three municipalities with its recycling rate (32%). The General Assembly recently passed legislation that banned all electronic waste from the Central Landfill in Johnston. In January 2008, the Electronic Waste Prevention, Reuse, and Recycling Act was amended to place greater responsibility for disposal on the manufacturers of this type of equipment and requiring RIRRC to provide a statewide program for collecting, transporting and recycling covered electronic products that would be funded by the manufacturers of these products. The statewide program managed by RIRRC was put in place February 1, 2009. The town participates in this electronic waste collection program with containers at its Transfer Station for residential and school electronic waste. E-waste tonnage collected at the Transfer Station is credited to the town's overall diversion rate.

Recreation and Leisure Services Activities

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

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

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

Senior and Human Services Department

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

NKSA continues to subsidize the majority of our ongoing programs as well as providing generous support for the new facility. New recreational and health wellness programs will continue to be introduced. Funding from the town and the Department of Elderly Affairs make it possible for social workers to reach out to isolated elders, assist in the resolution of issues that affect the well-being of the most vulnerable of North Kingstown residents including older adults and their families.

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

Programs, services and attendance continue to increase. Baby Boomers have begun participating in programs and trips offered at Beechwood, creating the necessity of many waiting lists. A review of programs and services will be a priority for the next fiscal year.

Tax Assessment

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

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

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

Code Enforcement

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

Fire Department

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

The Department will continue to upgrade the Computer Aided Dispatch system and Records Management program to provide information more quickly and accurately. The Department is currently in the application phase of approximately \$870,000 worth of federal grants.

Water Department

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

ACCOMPLISHMENTS

Planning and Development

The Planning Department prepared multiple successful grant applications over the past few years. Statewide Planning Challenge Grants in the amount of \$59,000, \$15,000, and \$70,000 for the updating of the zoning for the Post Road Corridor, the creation of a Transfer of Development Rights Ordinance, and a project to study and revitalize our existing villages in Town. Over the past year, the Planning Department assisted the Planning Commission and the Town Council in the review and approval of a Transfer of Development Rights ordinance, as well as the new Post Road Corridor zoning regulations changes, and the changes to the Subdivision and Land Development Regulations to improve the development process. The Department was also recently awarded a \$200,000 grant from the United States Environmental Protection agency and the Rhode Island Department of Environmental Management for the implementation of storm water improvements in the Saw Mill Pond watershed. The Town was also awarded a \$225,000 grant from the Department of Health to incorporate healthy design aspects into the community comprehensive plan. Lastly, the Town was awarded a \$327,500 grant from the United States Department of Agriculture towards the purchase of the development rights on a 45-acre working farm in North Kingstown.

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

Information Services Department

In fiscal year 2011 the IS department continued its mission to bring to the table technological advances and innovations, to automate citizen facing processes and to empower North Kingstown employees and constituency.

The IS Department was the proud recipient of national and statewide industry awards and recognitions this fiscal year. North Kingstown municipal technology was nationally recognized with a Public Technology Institute awards and in the State of RI by RI Tech Collective. Tech Collective is the technology industry association of Rhode Island. The Director of Information Technology also received the;

Public Technology Institute's National Technology Solutions Award Telecommunications and IT – The New Government Data Center

The Rhode Island Tech 10 Award 2011- *Rhode Island's most accomplished IT Practitioners and Entrepreneurs* The Town of North Kingstown Director of Information Technology

Rutgers University Certified Government Chief Information Officer- The Town of North Kingstown Director of Information Technology

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

The Town Clerks office benefited from new systems in fiscal year 2011. A "Boards and Commissions" tracking system and "Probate Court" system was implemented to assist in creating more efficient and accurate data collection and tracking in this department. IS and the Town Clerks office also worked to create a paperless Town Council in fiscal year 2011. Mobile devices (I Pads) and electronic packets were used to promote a "Green Town Council", for a savings of approximately \$18,000 per year for the taxpayer.

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

The Municipal ERP (Enterprise Resource Management) system MUNIS was upgraded in fiscal year 2011. The software vendor MUNIS (Tyler Technologies) placed the Informix database that the town utilizes in an "End of Support" status, requiring North Kingstown to upgrade to the MS SQL platform. This puts North Kingstown (Town and School) at the latest revision of the software and database. Additional modules will also be added to the MUNIS ERP system to create efficiencies for the town.

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

Because of the popularity and incredible growth of the Town Website (www.northkingstown.org) an open source Content Management System was implemented to better manage the website data and content. In collaboration with the North Kingstown Free Library, the Town, Library and Golf Course website were redeveloped. This now offers a secure portal to more efficiently and effectively manage the websites content in a more dynamic fashion.

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

An even more collaborative and shared service environment was promoted in the IS Department in fiscal 2011. IS worked with other municipalities to enhance or create new technological initiative while creating economies of scale in turn saving taxpayer dollars. The IS department is in discussions with the Towns of Exeter, Richmond, and Block Island to grow the Inter-municipal technology service offerings. We are also working with Washington County Regional Planning Council to adopt county wide applications and services for Washington County. Fiber optic projects and Interoperability/Collaboration systems are being discussed with the RI Higher Ed Consortium OSHEAN.

The Town's Geographical Information Systems (GIS) continued to build its data warehouse in fiscal year 2011 by working with departments to create new layers such as manhole locations and catch basin locations. GPS technology was used in conjunction with the engineering department to achieve these goals.

Public Works

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

Fire Station 5 in Slocum was opened in 2009 and the addition/improvements to the Public Safety Complex were finally completed in late 2010. Construction of the new senior center (Beechwood) was also completed in 2010, as well as the installation of two innovative septic systems to accept effluent from Beechwood, the Community Center and the Beach Restrooms. The completion of the new Bandstand is expected in late 2011, with on-going landscaping and walkways improvements to continue over the next few years.

The town completed two significant recreation/leisure services projects. The first was the replacement of the town golf course irrigation system with water now being supplied by a newly constructed irrigation pond and refurbished well. This has allowed the town to almost entirely eliminate its dependence on potable water from the stressed Hunt River aquifer. The other project completed this year was the reconstruction of a large section of marina bulkhead. The failing bulkhead was installed by the Navy over 50 years ago and its condition was threatening the use of many docks and slips.

The department continues to work diligently to promote maximum recycling, reducing the amount of solid waste generated in North Kingstown. Currently, 46% of all waste generated in North Kingstown is being diverted from the landfill. The Town of North Kingstown continues to participate in Rhode Island Resource Recovery's Maximum Recycling Program and this past year hosted a successful hazardous waste pickup at its Public Works facility.

Code Enforcement

The Department has made improvements in its ability to track and respond to our customers (homeowners and contractors). We have implemented new software, designed standardized forms, adjusted inter-office policies, and become more efficient in our overall operation. These changes have helped to increase productivity and accountability; however to maintain this level we have had to adjust our hours of operation. While we are still here between 8:30 am and 4:30 pm the doors are only opened between 8:30 -12:30 and 1:30 pm to 3:00pm. The period of time are doors are locked are used for data entry, returning phone calls and the usual administrative procedures that are associated with code enforcement.

Fire Department

The Fire Department's Slocum Fire Station (Station # 5) and Engine Company # 5 completed its second year in service on January 23rd, 2011. Engine Company # 5 responded to 1157 Alarms from 1/01/10 to 12/31/10 a 14.2% increase year over year. The addition and renovations to the Public Safety Building on Post Road (Station # 1) have been completed and the Fire Department Administrative Offices and Fire and Rescue Companies are back in Station # 1. The Fire Department was notified on October 14th, 2009 by the Insurance Services Office (ISO) that they had completed their analysis of the structural fire suppression delivery system provided in North Kingstown. The resulting Public Protection Classification is: 4, the prior Public Protection Classification was: 4/9. The Fire Department will endeavor to make improvements in the ISO rating in the future. There has been no change to the rating to date.

The Fire Department responded to 4,982 calls for service last year an increase of 7.4 % year over year. This was achieved through a total of 10,905 Fire Apparatus Responses.

Water Department

Remediation of lead contaminated soil on properties surrounding both the Forge Road and Juniper Hill Standpipes has been completed as well as the construction of an elevated storage tank to replace the old standpipe. Plans and specifications for the pressure reducing valve and booster pump facility have been completed and installation of an emergency generator to serve the Oak Hill Well field is currently underway.

North Kingstown Water continues our effort to provide information to customers on maintaining landscapes for clean water and encouraging water conservation practices. As part of this water use efficiency/conservation effort, the Town Council adopted a revised lawn and ornamental landscape irrigation ordinance that will reduce seasonal demand and promote industry recommended irrigation practices. The Department in coordination with the Groundwater Committee will be developing and enhanced education program to keep customers informed about water issues. The Department has been working with the Planning Department and other state agencies on programs for water use efficiency and initiatives for land acquisition to protect water quality.

Police Department

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

In addition, the Police Department continues programs to maintain a relationship with young adults

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

Police services to the community amounted to approximately 30,111 total calls for services in FY 11; to include reports of motor vehicle accident, larcenies, assaults, breaking and entering, alarms and miscellaneous response for service, (excludes motor vehicle violations/citations). The total calls for service in FY 2011 amounted to approximately a 1% increase from FY 2010 (29,791).

AWARDS AND ACKNOWLEDGEMENTS:

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

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

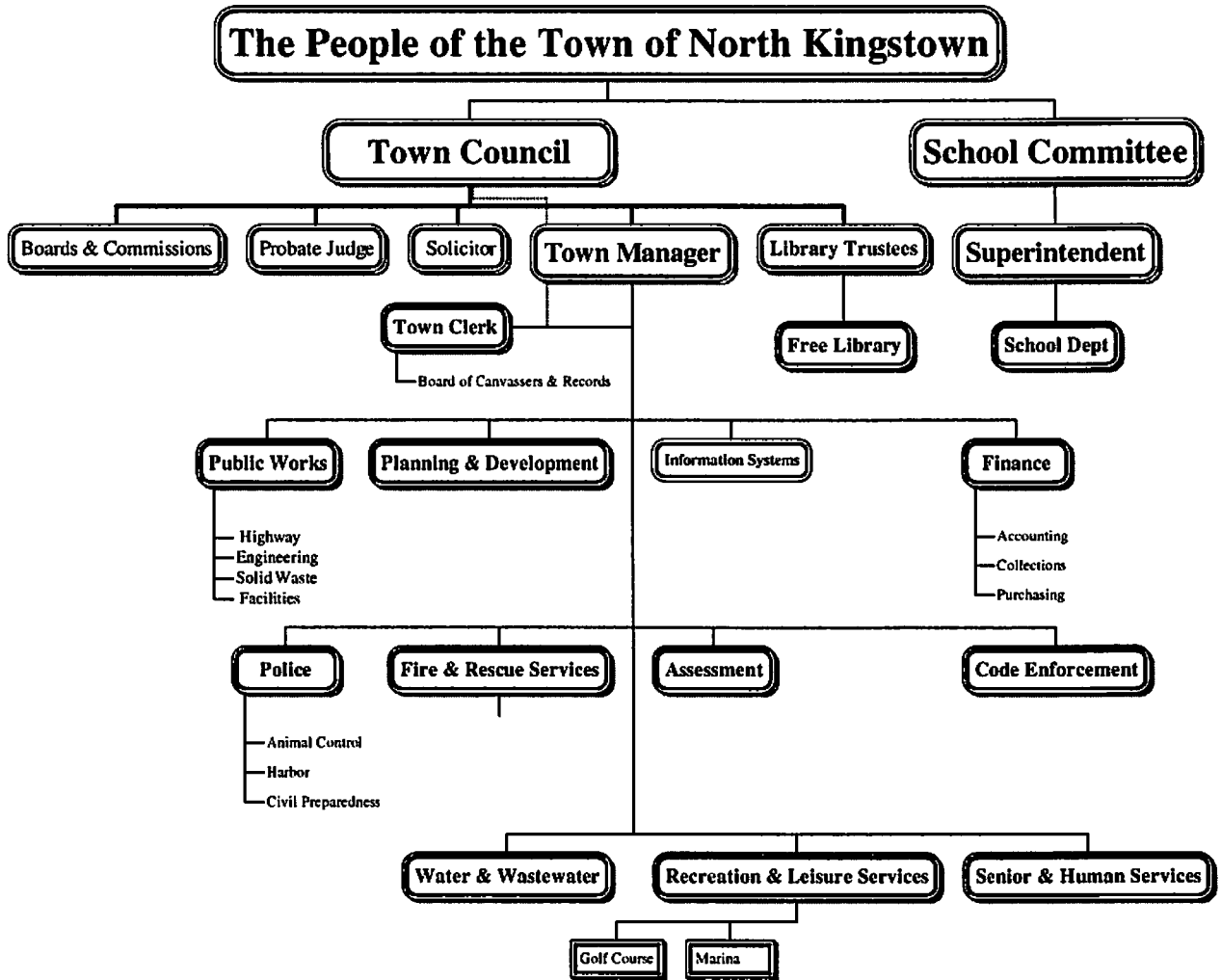
A special thanks to the Town Manager, Department Directors and Division Supervisors for their assistance and contributions to this report. I especially commend the members of the Finance Department, particularly, for their responsible competence and diligence in the continuation of the progressive financial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

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

Sincerely,

Patricia A. Sunderland
Finance Director

North Kingstown Governmental Organization



TOWN OF NORTH KINGSTOWN

TOWN COUNCIL

ELIZABETH S. DOLAN – PRESIDENT
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CHARLES E. BRENNAN JR.
CAROL H. HUESTON
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MELVOID J. BENSON
LARRY CERESI
WILLIAM MUDGE
JOSEPH THOMPSON
RICHARD WELCH

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

MICHAEL E. EMBURY
JAMES H. REILLY
JEANNETTE ALYWARD
SUSAN MURRAY
LINDA CWIEK
PATRICIA A. SUNDERLAND
JEANNA KRUKOWSKI
PHILIPPE BERGERON
KIM WIEGAND
ALLEN SOUTHWICK
JONATHAN J. REINER
THOMAS MULLIGAN
FENWICK GARDINER, JR
GARY TEDESCHI
SUSAN LICARDI
ROBERT VARGAS
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Certificate of Achievement for Excellence in Financial Reporting

Presented to

**Town of North Kingstown
Rhode Island**

**For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2010**

**A Certificate of Achievement for Excellence in Financial
Reporting is presented by the Government Finance Officers
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reports (CAFRs) achieve the highest
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and financial reporting.**



Linda C. Danison

President

Jeffrey R. Emery

Executive Director

THE TOWN OF
NORTH KINGSTOWN, RHODE ISLAND

FINANCIAL SECTION

REPORT OF INDEPENDENT AUDITORS

To the Honorable Town Council
North Kingstown, Rhode Island

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of North Kingstown, Rhode Island, as of and for the year ended June 30, 2011, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of North Kingstown, Rhode Island's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of North Kingstown, Rhode Island, as of June 30, 2011, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2011 on our consideration of the Town of North Kingstown, Rhode Island's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Needham
Boston
Concord
Taunton

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison and historical pension information on pages 3 through 11 and 65 through 69 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 an 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of North Kingstown, Rhode Island's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules for nonmajor funds and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The combining and individual nonmajor fund financial statements, schedule of expenditures of federal awards and budgetary comparison schedules are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 information is fairly stated in all material respects in relation to the basic financial statements and budgetary comparison schedules taken as a whole. The introductory section and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



Braver, PC
Providence, Rhode Island
December 18, 2011

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

Introduction:

Management's Discussion and Analysis provides a narrative overview and analysis of the financial activities of the Town for the year ended June 30, 2011 with comparison to the prior year, where appropriate. The information complements the data presented in the basic financial statements. Its purpose, along with the material in the Letter of Transmittal, is to enhance the reader's understanding of the Town's financial performance.

Financial Highlights:

- Statement of Net Assets (Government-wide exhibits) is presented on a full accrual basis similar to a private business, in comparison to a consolidated financial report of a \$100 million dollar company.
- The assets (net worth) of the Town of North Kingstown exceeded its liabilities at the close of the most recent fiscal year by \$65.1 million (net assets). Of this amount, \$15.8 million (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors. The total net assets is broken down into three captions: 1) Invested in Capital Assets, net of related debt (Capital Assets section) which is essentially the net worth of the infrastructure the Town owns; 2) Permanently Restricted for endowments in terms of Trust agreements which is not spendable by the Town; and 3) Unrestricted is not earmarked.
- The governments total net assets decreased by (\$2,349,204).
- As of the close of the current fiscal year, the Town of North Kingstown's governmental funds reported combined ending fund balances of \$20.1 million. Approximately 45.2% of this total, \$9.1 million, is available for spending at the government's discretion (unassigned).
- At the end of the current fiscal year, the total fund balances within the General Fund was \$10.67 million. Of this amount the unassigned fund balance for the general fund was \$9.16 million which is available for spending at the government's discretion within the General Fund. The remaining balance consisted of \$1,200,000 restricted to help finance the golf course's irrigation project and \$304,749 committed for encumbrances.
- The remaining fund balance of \$9.4 million is considered Committed (\$2.5 – School Funds for retirements, encumbrances, operating budget, capital reserve, etc. and \$1.7 – Other Governmental Funds, Town Capital Reserve funds), Restricted (\$586,805 – Debt Service obligation and \$4.6 – Other Governmental Funds, Capital Projects such as GO Bonds, Open Space/Farmland), and Non-Spendable (\$240,910 – Permanent Endowments)
- The Town's total bonded debt declined by \$3,766,233 (6.6%) during the current fiscal year. The key factor in this decline was the retirement of \$3,766,233 in bonds combined with no new debt being issued during this fiscal year.

Overview of the Financial Statements:

This discussion and analysis are intended to serve as an introduction to the Town of North Kingstown's basic financial statements. The Town's basic financial statements comprise of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplementary information and a statistical section. The statistical section provides comparisons of selected information beginning with FYE 2002 and running through the current fiscal year.

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

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

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

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

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

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

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

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

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

The basic governmental fund financial statements can be found on pages 14-17.

Proprietary Funds: The Town of North Kingstown maintains two proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements, only in more detail. The Town of North Kingstown uses enterprise funds to account for its water fund, recreation fund, nutrition fund, capital reserve funds, and non-major enterprise funds (i.e. 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 worker's compensation and self insurance property damage funds. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. The basic proprietary fund financial statements can be found on pages 18–21 of this report.

Fiduciary Funds: Fiduciary Funds are used to account for resources held for the parties outside the government. Fiduciary Funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Town of North Kingstown's own programs. The Town maintains two private purpose funds: Police Pension Trust and Probate Trust Funds of which the Town hold 20 separate accounts. The basic fiduciary fund financial statements can be found on pages 22-23 of this report.

Notes to the Financial Statements: The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the Government-wide and Fund Financial Statements. The Notes to the Financial Statements can be found on Pages 24-64 of this report.

Other Information: In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town of North Kingstown's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 65-69 of this report. The Combining Statements referred to earlier in connection with non-major Governmental Funds are presented following the Notes to the Financial Statements. Combining and Individual Fund Statements can be found starting on page 70 of this report.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future. Town of North Kingstown's governmental activity assets exceeded liabilities by \$78,209,016 on June 30, 2011.

Table 1 – Net Assets

	Governmental Activities		Business-Type Activities		Total		Total Percent Change
	2011	2010	2011	2010	2011	2010	2011-2010
Current and Other Assets	\$ 27,950,716	\$ 31,263,219	\$ 9,428,245	\$ 11,588,067	\$ 37,378,961	\$ 42,851,286	
Capital Assets	98,599,515	100,261,208	10,901,804	8,310,590	109,501,319	108,571,798	
Total Assets	126,550,231	131,524,427	20,330,049	19,898,657	146,880,280	151,423,084	-3.00%
Other Current Liabilities	13,634,298	13,061,632	3,263,870	2,750,508	16,898,168	15,812,140	
Long-Term Liabilities	47,785,051	51,217,319	3,988,045	5,154,424	51,773,096	56,371,743	
Total Liabilities	61,419,349	64,278,951	7,251,915	7,904,932	68,671,264	72,183,883	-4.87%
Net Assets invested in capital assets, net of related debt	49,135,116	47,064,382	7,106,317	3,331,877	56,241,433	50,396,259	
Net Assets - restricted	240,910	97,316	-	-	240,910	97,316	
Net Assets - unrestricted	15,754,856	20,083,778	5,971,817	8,661,848	21,726,673	28,745,626	
Total Net Assets	\$ 65,130,882	\$ 67,245,476	\$ 13,078,134	\$ 11,993,725	\$ 78,209,016	\$ 79,239,201	-1.30%

The largest portion of the Town's net assets (56.2%) reflects its investment in capital assets (e.g. land, building, infrastructure, machinery and equipment), less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Since the capital assets themselves cannot be used to liquidate these liabilities, the resources needed to repay this debt must be provided from other sources and, therefore, the Town of North Kingstown's investment in its capital assets is reported net of related debt.

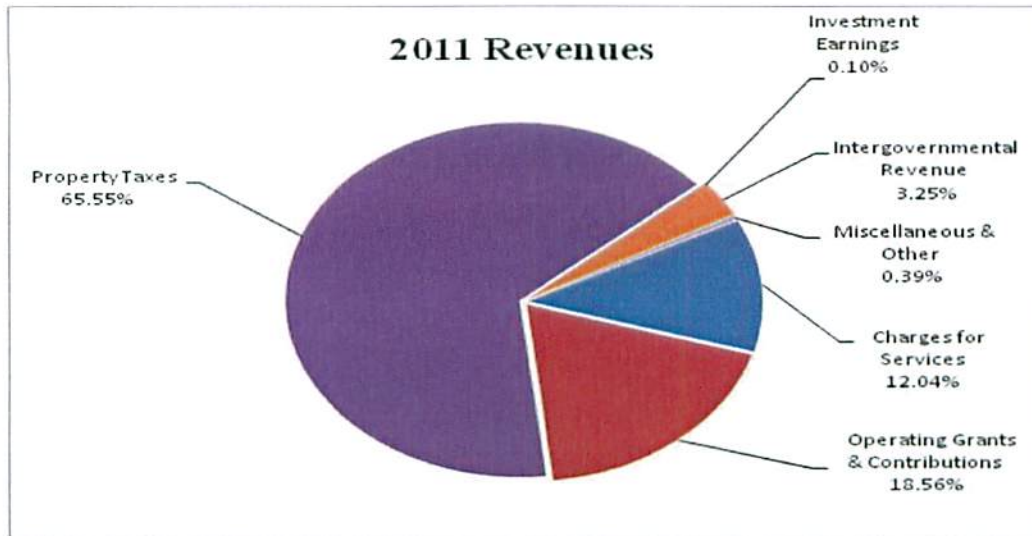
The unrestricted net assets \$21.7 may be used to meet the government's ongoing obligations to citizens and creditors. However, the restricted net assets of \$240,910 are subject to external restrictions on how they may be used.

The Town of North Kingstown, at the end of the fiscal year, is able to report positive balances in all three categories of net assets: Assets/Liabilities/Net Assets, in both the governmental and business-type activities. However, the Nutrition Fund, a business-type activity, continues to require a transfer from the School Unrestricted Fund to avoid a year end deficit. For this fiscal year, the transfer in was \$160,043. The Town's net assets decreased by \$2,349,204 during the current fiscal year. Of this amount, governmental activities accounted for \$3,553,402 of the decrease while business-type activities accounted for an increase of \$1,204,198.

Governmental Activities. Property taxes are the largest revenue source for governmental activities accounting for approximately 66% of total revenues. Operating grants and Contributions contributed to 18.2% of the revenues followed by 12.4% from program revenues such as charges for services, fees, and licenses and finally about 1.0% of the Town's revenues was derived from miscellaneous revenue and investment earnings.

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

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2011	2010	2011	2010	2011	2010	2011-2010
Program Revenues							
Charges for Services	\$ 6.1	\$ 6.0	\$ 6.1	\$ 5.9	\$ 12.2	\$ 11.9	2.9%
Operating Grants & Contributions	\$ 18.4	\$ 18.5	\$ 0.4	\$ 0.4	\$ 18.8	\$ 18.9	-0.6%
General Revenues:							
Property Taxes	\$ 66.4	\$ 65.2	\$ -	\$ -	\$ 66.4	\$ 65.2	1.84%
Investment Earnings	\$ 0.1	\$ -	\$ -	\$ -	\$ 0.1	\$ -	n/a
Intergovernmental Revenue	\$ 3.3	\$ 3.7	\$ -	\$ -	\$ 3.3	\$ 3.7	-11.0%
Miscellaneous & Other	\$ 0.4	\$ 0.8	\$ -	\$ 0.4	\$ 0.4	\$ 1.2	-66.7%
Total Program/General Revenues	\$ 94.7	\$ 94.3	\$ 6.6	\$ 6.8	\$ 101.3	\$ 100.9	0.33%
Expenses:							
Governmental Activities	97.9	95.4			97.9	95.4	0.026
Business-Type Activities:							
Water			2.2	4.9	2.2	4.9	(0.56)
Quonset/Davisville Recreation			2.0	2.0	2.0	2.0	(0.00)
School Cafeteria Fund			1.2	1.3	1.2	1.3	(0.06)
Water Capital Reserve			0.1	-	0.1	-	n/a
Other business-type activities			0.2	0.4	0.2	0.4	n/a
Total Gov't/Business Expenses	97.9	95.4	5.7	8.6	103.5	104.0	0%
Excess/Deficit Before Transfers	(3.2)	(1.1)	0.9	(1.8)	(2.2)	(3.1)	-27%
Transfers	(0.3)	(0.3)	0.3	0.3			
Increase (Decrease) in Net Assets	(3.5)	(1.4)	1.2	(1.5)	(2.2)	(3.0)	-25%

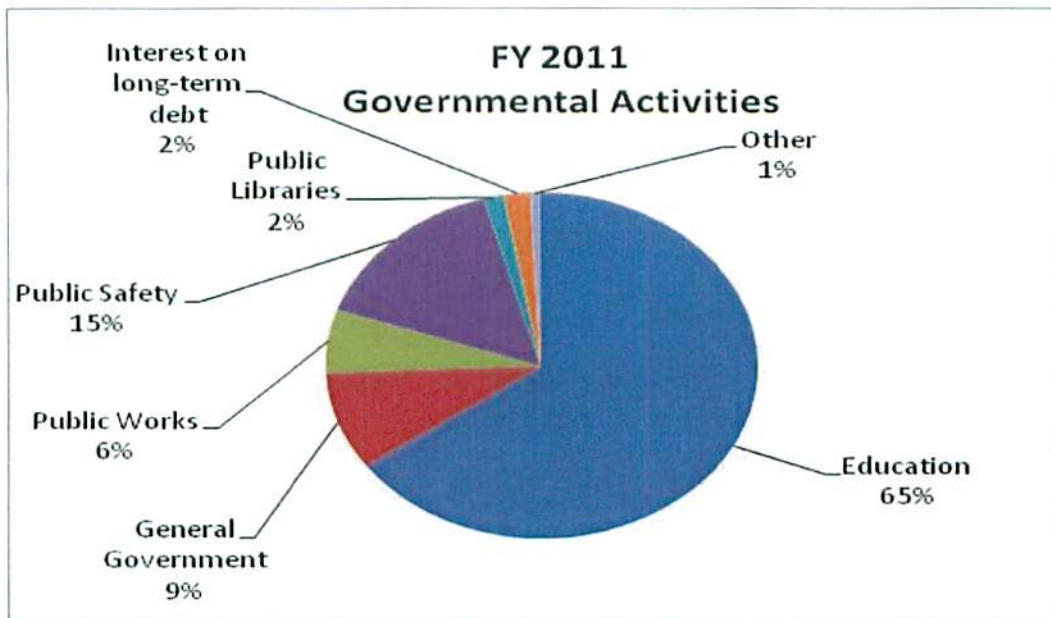


Major revenue factors over the prior year included:

- Property taxes are the largest revenue source for governmental activities accounting for approximately 70.1 percent of total revenues. Operating Grants & Contributions, Charges for Services/Fees/License provide for 19.4% and 6% of the total revenues respectively.
- Property taxes being levied resulted in an increase of \$1,178,386, or 1.68% for fiscal year 2011. The Town's taxable property decreased by \$619,026,208 from \$4,464,023,663 to \$3,844,989,239. This represents a 13.87% decrease in taxable property. Due to a significant decrease in values, the property tax rate increased from \$13.97 to \$16.85 per thousand dollars of assessed value to provide the same level of services the taxpayers have come to appreciate.
- Charges for services increased slightly by approximately \$60,214 over the prior year. Several revenue sources directly related to this increase was Non-Civic Detail Admin fees, Municipal Court (internal service fund) fees, Public Works recycling program, and subdivision review and zoning fees. However, offsetting the above increases in charges for services were slight reductions in building/electrical/plumbing/inspection fees, EMS billing charges, and Mooring rentals. In addition to a reduction in Jamestown tuition of approximately (\$238,333), due to a decrease in enrollment.
- Operating grants and contributions declined by \$166,067 from the previous year. The decrease in this revenue source was mainly attributable to a reduction in funding of unrestricted state aid (\$434,078) for the School Department, grant funding from RI Emergency Management (\$201,959) and Miscellaneous State Grants (\$208,500). Offsetting to some degree these reductions were increases in Community Development Block Grant of \$212,242 and the recognition of revenues for the \$4M Senior Bond Fund of \$258,849 which is no longer meets the 10%/5% threshold to be considered a Major Fund, now reported as a non-major section of the financials within the government wide statements.
- Investment earnings continue to decline from \$170,123 in the prior fiscal year to \$91,702 in the current fiscal year, 2011. The significant decline in the market is a direct impact on investment earnings. The average interest rate earned in 2011 was approximately 0.25% whereas the average interest rate earned in 2010 was approximately 0.5%

Table 3
Cost of Governmental Activities (in millions of dollars)

	Total Cost of Services			Net Cost of Services		
	2011	2010	% Change	2011	2010	% Change
Education	63.8	62.3	2%	\$ 45.6	\$ 43.8	4%
General Government	9.0	8.4	7%	5.6	5.3	6%
Public Works	5.8	6.3	-8%	5.1	5.3	-4%
Public Safety	15.1	14.1	7%	13.5	12.6	7%
Public Libraries	1.5	1.5	0%	1.2	1.1	9%
Interest on long-term debt	2.0	2.2	-9%	2.0	2.2	-9%
Other	0.7	0.7	0%	0.4	0.6	-33%
Total Expenses	\$ 97.9	\$ 95.5	3%	\$ 73.4	\$ 70.9	4%



Education expenses account for approximately 65% of the total expenses within the governmental funds of the Town of North Kingstown. Public safety and public works expenses account for 15% and 6% respectively, general government makes up 9% and the remainder relates to public libraries, interest on long-term debt, pension contribution commitments and other areas. The net cost of services increased by \$2.5 million.

The Statement of Activities 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 for departmental revenues. Spending for Public Works and Interest on long-term debt decreased while spending other governmental activities such as Education, General Government, and Public Safety increased.

Major expenditure factors over the prior year included:

- GASB No. 45 – OPEB has recognized the accrual of net OPEB obligations in the governmental wide financial statements of net assets for June 30, 2011. This accrual is recognized within general government expenditures (Note: 14, page 57). This liability has increased by \$1,855,242 from \$2,681,170 to \$4,536,412.
- GASB No. 49 – Pollution Remediation Obligations – The Town is currently involved in the State of Rhode Island's Landfill Closure Program for both the Hamilton Allenton and Oak Hill Landfills. The accrual for this obligation was recognized within the public works expenditures (note: 19, page 64) in the 2011 budget, however, the expense is now recognized on the balance sheet. The liability decreased by \$140,000 from FY 2010 to 2011. This Pollution Remediation Obligation pronouncement also captures lead soil remediation currently being mitigated in/around the Juniper Hill Facility.
- An increase of \$1,274,092 for education related expenditures is reflected in the governmental wide financial statements. The most significant increase in the education budget is in salaries and benefits at a cost of \$908,785 and \$436,599 respectively. Offsetting this increase were decreases in professional services and capital outlay.
- General Government and Public Safety costs included increases for the acquisition and relocation of the Beechwood House, IT Consultant agreement for the Town and School, legal costs incurred with fire arbitration and other personnel related matters, increase in contributions to special revenue funds for termination benefits associated with sick/vacation payout and the establishment of a trust fund for the Town's other post-employment benefits expenses, fire department overtime increases in order to maintain minimum manning, and a new municipal services agreement with Quonset Development Corporation.
- Interest on long term debt declined by \$99,191 due to the Town's aggressive debt service schedule combined with the fact that no new debt was issued during the fiscal year.

Business-type activities. Net Assets in business-type activities increased by \$1,204,198 which results in a 10% increase in business-type net assets.

Charges for services for business-type activities accounted for 96.4% of the total revenue sources. The balance of revenues for business-type activities was from operating grants and contributions as well as investment income (3.6%). Of the 96.4% of the total revenue coming into the business-type activities, 57.0% is being generated by the water fund, 30.4% from the recreation fund, and the remaining from the school cafeteria fund and non-major enterprise funds.

Charges for services for business-type activities increased from \$5,946,335 to \$6,145,478 or 3.3%. The Water Department Fund had an increase of \$348,691 specifically related to usage and service. A slight increase in Quonset/Davisville Recreation, charges for usage and service, of \$27,915 was also recognized. Offsetting these increases was a reduction of \$170,073 being reported in the Nutrition Fund. Unrestricted investment earnings declined from \$36,541 to \$21,231 for all business-type activities. Lower interest rates earned on investments were responsible for generating the decline in this revenue sources.

A transfer from the school operating fund of \$160,043 into the Nutrition Fund to rid the fund of an accumulated deficit was recognized again in 2011.

The water fund expenses accounted for 38.5% of the expenditures within the business-type activities of the Town. Quonset/Davisville Recreation, Nutrition Fund, Water Capital Reserve and Non-major Enterprise funds accounted for 35.2%, 21.6%, 2.0%, and 2.7% respectively of the business-type activities expenditures for the 2011 fiscal year.

Expenses in the Water Fund decreased significantly by (\$2,709,346) due to costs associated with the replacement of the water tank and related renovations, additions, improvements, and remediation of the Juniper Hill Facility having been completed in 2011.

Expenses associated with Quonset/Davisville Recreation fund increased slightly by \$22,114 which was mainly associated with the minimal contractual increases within the municipal union as well as utility/water/insurances expenses.

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 \$20,077,631. Approximately 45.2% of this amount, \$9,082,214 constitutes Unassigned fund balance which is available for spending at the government's discretion within the Town's General Operating Fund. The remaining fund balances remain Committed to specific purposes such as: School Unrestricted Fund of \$2,506,812 and Other Governmental Funds of \$1,562,007, these represent 21.8% of the combined ending fund balance. The Restricted fund balance of \$6,380,939 is reserved to indicate that it is not available for new spending because it is earmarked for the Golf Course Irrigation Project (\$1.2M), Debt Service Fund (\$586,805) and Special Revenue Funds (\$4,594,134) where the revenues are designated for specific purposes. The remaining, Non-Spendable fund balance, is solely for the use of Permanent Purpose Trust Funds which are assets held by the Town pursuant to trust agreements and whereby the principal balance must remain in the fund but any earnings accrued may be used to achieve the intended purpose of the agreement.

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 \$9,157,720 which is included in the total fund balance of \$10,662,469. 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 36.7% of total the 2012 Adopted General fund Expenditure Budget.

The total fund balance of the Town of North Kingstown's general fund increased by \$346,718 during the current fiscal year. It must be noted that in this economy, a modest surplus or maintaining your fund balance is considered a good year. Key factors in the total fund balance increase are as follows:

- A budgetary basis operating surplus in the general fund of \$427,862.
- While expenditures were over budget by (\$117,855), revenues were reporting a positive variance of \$995,150. Of this increase, Property Taxes were aggressively sought through quarterly delinquent notices which resulted in an increase of \$1,178,386. Offsetting this surplus was a shortfall of (\$223,726) of investment income in addition to a slight shortfall in licenses & permits of (\$35,428).

- Mid-year cutbacks in expenditures, which included a hiring freeze and direction from the Town Manager that all non-essential spending required prior approval of the Town Manager and the Finance Director kept the budgets within an acceptable range despite the deficit position. Favorable expenditure variances of significance included savings in the general government \$45,933, police/harbor/animal control \$165,800, and public work department \$392,164. Other minor favorable variances were recognized.

School Fund. The school fund has a total fund balance of \$2,650,269 of which \$2,506,812 has been committed to school unrestricted fund (to help finance future year's school budgets) as well as \$143,457 is reserved for future health/dental capital expenditures, considered a non-spendable fund balance.

The total fund balance of the School Unrestricted Fund decreased by (\$701,062) during the current fiscal year. Key factors in the total fund balance decrease area as follows:

- A budgetary basis operating surplus in the school fund of \$250,754. Expenditures under budget contributed \$545,751 to the surplus, while revenues reflected a shortfall of (\$113,720). The most significant shortfall in revenues was from Jamestown tuition charges for services due to underestimating enrollment. A slight shortfall from Medicaid and Indirect Federal aid was recognized as well. State Aid came in slightly higher than budgeted by \$100,671.
- The government wide financial statements recognize the expenditure for stabilization of \$497,787 which is the difference between the GAAP basis of accounting and the budgetary basis. In addition, accounting for encumbrances resulted in \$941,284 in budgetary basis expenditures being less than the GAAP basis.

Major Funds Governmental	Beg Fund	Ending Fund	Change	
	Balance 2011	Balance 2011	Change\$	%
General Fund	10,315,751	10,662,469	346,718	3.4%
School Unrestricted Fund	<u>3,351,331</u>	<u>2,650,269</u>	<u>(701,062)</u>	<u>-20.9%</u>
	13,667,082	13,312,738	(354,344)	-2.6%

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

Unrestricted net assets in the water fund at the end of the fiscal year amounted to \$8,128,555, an increase of \$667,261. Unrestricted net assets in the Q/D recreation fund decreased by (\$200,142), from \$2,242,506 to \$2,042,364. The long-term debt is a liability within the Water Fund to pay for projects that were approved by the RI Clean Water Finance Agency in the amount of \$4.8M. The Water Department took advantage of The American Recovery and Reinvestment Act of 2009 which provided an additional Drinking Water State Revolving Fund capitalization grant to the State of Rhode Island. A portion of the Borrower Loan will be forgiven, annually, as debt service is paid. The amount of principal forgiveness that the Water Department will recognize at the end of the term will be approximately \$1.18M.

The completion of the .75MG elevated water storage tank and replacements of the water meter readers has been recognized as a capital asset, net of accumulated depreciation within the statement of net assets.

The Quonset/Davisville Fund recognized an increase of \$197,635 in depreciation expense which is reflected in the changes in net assets of the proprietary fund thus resulting in a decrease in the net assets of the fund. The Recreation and Allen Harbor division recognized slight increases in their operating budgets thus increasing the operating expenses and attributing to the loss in net assets as well.

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

Major Funds Proprietary	Beg Net Assets	Ending Net	Change	
	2011	Assets 2011	Change\$	%
Water Fund	7,461,294	8,128,555	667,261	8.9%
Q/D Recreation Fund	2,242,506	2,042,364	(200,142)	-8.9%
Nutrition Fund	-	-	-	n/a
Water Capital Reserve Fund	<u>1,991,586</u>	<u>2,755,601</u>	<u>764,015</u>	<u>38.4%</u>
	11,695,386	12,926,520	1,231,134	10.5%

General Fund Budgetary Highlights

Overall the Town finished the 2010-2011 fiscal year with budgetary surpluses as follows:

- > General Fund - \$427,862
- > School Unrestricted Fund - \$250,754
- > Library Fund - \$5,983
- > Debt Service - \$139,721

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

The actual collection rate was estimated to be 97.0% while the actual collections achieved were 97.2% of the total levy. The Town collects supplemental taxes during the course of the year for real estate construction that receives a certificate of occupancy after the assessment date. The amount generated from this is recorded as tax revenue but has not historically been used in the calculation of the tax rate because it is uncertain as to what may occur. Supplemental taxes received for the Fiscal Year were \$38,759, a decrease of approximately \$17,420 from the previous year.

Capital Asset and Debt Administration:

Capital Assets – The Town of North Kingstown's investment in capital assets for its governmental activities as of June 30, 2011, amounts to \$109,501,319 (net of accumulated depreciation). This investment in capital assets includes investments in development rights, land and building improvements, machinery and equipment, park facilities, infrastructure and construction in progress. The total increase in the Town of North Kingstown's investment in capital assets for the current fiscal year was approximately 0.8%.

	<u>June 30, 2011</u>	<u>June 30, 2010</u>
		Restated
Library collections	3,440,003	2,985,048
Land	5,398,200	5,398,200
Development rights	17,558,412	17,558,412
Land improvements	1,637,470	1,611,383
Buildings and Improvements	66,372,777	66,167,235
Equipment	12,822,616	12,334,408
Infrastructure	67,508,842	67,429,670
Construction in Progress	54,122	-
	<u>174,792,442</u>	<u>173,484,356</u>

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

- > Library increase in the value of their book collection of \$466,544 offset by a slight decrease in the valuation of the audio supplies and microforms.
- > Land Improvements were increased by the procurement of the Kayla Ricci property of \$26,087
- > Regarding building and improvements: Public Safety (electrical for tower/storage) - \$62,942, Wickford Elementary Roof - \$58,746, Town Hall carpeting - \$15,124, School Building Additions - \$68,730
- > Regarding equipment: Public Safety (cruisers & rescue, tower radio communications) - \$298,263, School Department - \$256,524
- > Regarding infrastructure: a variety of road construction projects were completed and capitalized. Projects capitalized as infrastructure totaled \$79,172 for pavement/sidewalks/curbing and design work for Belleville Dam.

Additional information on the Town of North Kingstown's capital assets can be found in Note 3 on pages 37 & 38 of this report.

Long-term Debt – At the end of the current fiscal year, the Town of North Kingstown had \$48,975,790 in bonds outstanding at fiscal year-end, compared to \$52,662,484 last year, a decrease of \$4,686,694. 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 \$14,350,000.

State statutes limit the amount of general obligation bonded debt a town can issue to 3 percent of net assessed property values. However, all bonds approved through State enabling legislation and voter referendums are exempt from the limit. As of June 30, 2011, the Town had a legal debt limit of approximately \$115,349,677 of which the Town had only \$249,210 of debt outstanding subject to the Maximum Aggregate Indebtedness. A balance of \$115,100,467 exists within the legal limit for additional bonds to be issued without special statutory authority. The Town's debt limit calculation is shown on Page 37 in the Notes and Page 140 of this report.

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

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

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

Additional information on the Town of North Kingstown's long-term debt can be found in Note 6 on pages 41-44 of this report.

Economic Factors and Next Year's Budgets and Rates:

- Rhode Island General Laws limits the amount by which a city or town may increase its tax levy in each year unless the city or town qualifies for certain exemptions relating to loss of non-property tax revenue, emergencies, payment of debt service and substantial increase in the tax base necessitate significant expenditures. The maximum amount by which a city or town can increase its levy for 2013 is 4.0%. This levy will allow the Town to raise an additional \$2.7M in new tax dollars.
- The additional tax dollars that can be raised will offset the increases in the State's retirement fund. We are estimated the increase in contributions to be approximately \$2.4M over the prior year's contributions due to the revisions to the funding formula of the pool. Therefore, approximately \$300,000 will be available for other increases associated with salaries, benefits, and operational expenditures between the Town and School.
- As of June 2011, the Town had an unemployment rate of 9.6% as compared to the State of Rhode Island's rate of 9.3%, and the national average of 6.3%.
- The State of Rhode Island continues to have significant budget deficit problems, which could result in a mid-year loss of state aid received by the Town and the School Department.
- The School Committee voted to eliminate the School Nutrition Fund's cumulative fund balance deficit for the 2011 fiscal year. The deficit will be funded through the School Unrestricted fund for an amount of \$160,034. It is anticipated that this fund is projecting another deficit of approximately \$150,000 for 2012.

All of these factors will be considered as we plan for our 2013 Budget.

The fiscal year 2012 rate of collection of current taxes was 97.20%. It is anticipated that the fiscal year 2012 rate of collection will be 97.4% which was approved as we were finalizing the budget to take into consideration the local and state economy conditions. With an overwhelming reliance on property taxes, approximately 68.4% of the current year revenues are derived from property taxes; any reduction in other revenues would necessitate either a use of a portion of the fund balance, a property tax increase or a reduction in services in the upcoming year or some combination thereof. Based upon preliminary discussion regarding the state budget, we are anticipating a shortfall in state revenues and as such the Town Manager has instituted, again this year, a freeze on non-essential spending and a hiring freeze where applicable. All departments are reminded that prior approval is required to purchase equipment and supplies which are not of an emergency nature. We are hopeful that holding the line on the expenditure side of the budget will help offset all revenue reductions we are anticipating for fiscal year 2012.

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

**STATEMENT OF NET ASSETS
JUNE 30, 2011**

	Governmental Activities	Business-type Activities	Total	Component Unit North Kingstown Free Library
Assets				
<i>Current Assets</i>				
Cash and cash equivalents	\$ 19,603,697	\$ 9,601,312	\$ 29,205,009	\$ 240,481
Taxes receivable	1,910,326		1,910,326	
User charges receivables		553,048	553,048	
Other receivables	1,299,069	89,984	1,389,053	
Internal balances	1,531,598	(1,586,297)	(54,699)	
Inventory		181,884	181,884	
Due from federal and state governments	1,815,869	37,509	1,853,378	
<i>Total Current Assets</i>	<u>26,160,559</u>	<u>8,877,440</u>	<u>35,037,999</u>	<u>240,481</u>
<i>Noncurrent Assets</i>				
Cash on deposit with Rhode Island Clean Water Finance Agency		494,506	494,506	
Deferred Charges on bond refunding, net of amortization	1,518,516		1,518,516	
Bond issuance costs, net of amortization	271,641	56,299	327,940	
Capital assets:				
Non-depreciable	26,450,737	4,079,788	30,530,525	
Depreciable, net	72,148,778	6,822,016	78,970,794	
<i>Total Noncurrent Assets</i>	<u>100,389,672</u>	<u>11,452,609</u>	<u>111,842,281</u>	<u>-</u>
Total assets	<u>\$ 126,550,231</u>	<u>\$ 20,330,049</u>	<u>\$ 146,880,280</u>	<u>\$ 240,481</u>
Liabilities				
<i>Current Liabilities</i>				
Accounts payable	\$ 1,258,188	\$ 392,301	\$ 1,650,489	\$ -
Accrued liabilities	1,062,638		1,062,638	
Other payables	637,629		637,629	
Compensated absences payable	629,167	45,419	674,586	
Serial bonds payable	3,566,850	173,150	3,740,000	
Pollution remediation obligation	1,510,000	2,051,064	3,561,064	
Unearned revenue	138,662	274,238	412,900	
Other liabilities		34,795	34,795	
Escrow deposits	587,655		587,655	
<i>Total Current Liabilities</i>	<u>9,390,789</u>	<u>2,970,967</u>	<u>12,361,756</u>	<u>-</u>
<i>Noncurrent Liabilities</i>				
OPEB liabilities (net)	4,243,509	292,903	4,536,412	
Serial bonds payable	45,897,549	3,851,786	49,749,335	
Compensated absences payable	1,887,502	136,259	2,023,761	
<i>Total Noncurrent Liabilities</i>	<u>52,028,560</u>	<u>4,280,948</u>	<u>56,309,508</u>	<u>-</u>
Total liabilities	<u>\$ 61,419,349</u>	<u>\$ 7,251,915</u>	<u>\$ 68,671,264</u>	<u>\$ -</u>
Net Assets				
Invested in Capital Assets, net of related debt	\$ 49,135,116	\$ 7,106,317	\$ 56,241,433	\$ -
Permanently restricted for:				
Permanent funds	240,910		240,910	
Temporarily restricted			-	82,479
Unrestricted	15,754,856	5,971,817	21,726,673	158,002
Total net assets	<u>\$ 65,130,882</u>	<u>\$ 13,078,134</u>	<u>\$ 78,209,016</u>	<u>\$ 240,481</u>

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2011

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		Component Unit North Kingstown Free Library	
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities		Total
Governmental activities:							
General government	\$ 9,023,524	\$ 1,473,838	\$ 1,914,159	\$ (5,635,527)	\$ -	\$ (5,635,527)	\$ -
Public safety	15,079,560	1,483,923	120,856	(13,474,781)		(13,474,781)	
Public works	5,752,332	629,129	-	(5,123,203)		(5,123,203)	
Education	63,759,458	2,215,041	15,942,084	(45,602,333)		(45,602,333)	
Public libraries	1,540,763	252,329	45,374	(1,243,060)		(1,243,060)	
Department of senior services	602,691		332,798	(269,893)		(269,893)	
Amortization	99,859	-		(99,859)		(99,859)	
Interest on long-term debt	2,002,951	-		(2,002,951)		(2,002,951)	
Total governmental activities	97,861,138	6,054,260	18,355,271	(73,451,607)	-	(73,451,607)	
Business-type activities:							
Water	2,178,836	3,596,310			1,417,474	1,417,474	
Quonset/Davisville Recreation	1,992,442	1,797,973			(194,469)	(194,469)	
School Cafeteria	1,222,544	624,765	437,736		(160,043)	(160,043)	
Water Capital Reserve Fund	112,129	-			(112,129)	(112,129)	
Other business-type activities	153,564	126,430			(27,134)	(27,134)	
Total business-type activities	5,659,515	6,145,478	437,736	-	923,699	923,699	
Total	\$ 103,520,653	\$ 12,199,738	\$ 18,793,007	(73,451,607)	923,699	(72,527,908)	
Component Unit:							
North Kingstown Free Library	\$ 16,073		\$ 17,622				1,549
	\$ 16,073		\$ 17,622				1,549
General revenues:							
Property taxes				66,424,556		66,424,556	
Unrestricted investment earnings				91,702	21,231	112,933	20,368
Unrestricted intergovernmental revenue				3,345,052		3,345,052	
Other				384,996	(88,833)	296,163	575
Transfers				(348,101)	348,101	-	
Total general revenues and transfers				69,898,205	280,499	70,178,704	20,943
Change in Net Assets				(3,553,402)	1,204,198	(2,349,204)	22,492
Net Assets - beginning, as restated				68,684,284	11,873,936	80,558,220	217,989
Net Assets - ending				\$ 65,130,882	\$ 13,078,134	\$ 78,209,016	\$ 240,481

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2011

	General Fund	School Unrestricted Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 8,395,003	\$ 2,537,067	\$ 586,805	\$ 6,890,083	\$ 18,408,958
Taxes receivable	1,910,326	-	-	-	1,910,326
Other receivables	967,954	21,903	-	199,814	1,189,671
Due from federal and state governments	71,429	533,200	-	1,211,240	1,815,869
Due from other funds	2,293,553	1,928,049	-	214,132	4,435,734
Total assets	\$ 13,638,265	\$ 5,020,219	\$ 586,805	\$ 8,515,269	\$ 27,760,558
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 294,946	\$ 663,339	\$ -	\$ 299,828	\$ 1,258,113
Accrued liabilities	250,990	270,435	-	-	521,425
Due to other funds	-	808,667	-	1,888,571	2,697,238
Other payables	-	627,509	-	10,120	637,629
Deferred revenue	1,842,205	-	-	138,662	1,980,867
Escrow deposits	587,655	-	-	-	587,655
Total liabilities	2,975,796	2,369,950	-	2,337,181	7,682,927
Fund Balances (Deficits)					
Non-Spendable	-	143,457	-	97,453	240,910
Restricted	1,200,000	-	586,805	4,594,134	6,380,939
Committed	304,749	2,506,812	-	1,562,007	4,373,568
Assigned	-	-	-	-	-
Unassigned	9,157,720	-	-	(75,506)	9,082,214
Total fund balances (deficits)	10,662,469	2,650,269	586,805	6,178,088	20,077,631
Total liabilities and fund balances (deficits)	\$ 13,638,265	\$ 5,020,219	\$ 586,805	\$ 8,515,269	\$ 27,760,558

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2011**

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

Total Fund Balances (B-1)	\$ 20,077,631
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	98,599,515
Long-term liabilities and related items are not due and payable in the current period and therefore are not reported in the funds.	(50,190,911)
Deferred revenues (net of an allowance for uncollectible) are recorded in the funds, but are not deferred under the measurement focus employed in the Statement of Net Assets.	1,842,205
Internal Service funds are recorded as proprietary funds in the fund financial statements but are recorded as governmental activities on the government-wide financial statements.	1,097,164
Accrual for pollution remediation obligation.	(1,510,000)
Accrual for OPEB liabilities (net)	(4,243,509)
Accrued interest payable is recorded in government activities, but is not recorded in the funds.	<u>(541,213)</u>
Total Net Assets (A-1)	<u><u>\$ 65,130,882</u></u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2011**

	<u>General Fund</u>	<u>School Unrestricted Fund</u>	<u>Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues					
General property taxes	\$ 68,789,883	\$ -	\$ -	\$ -	\$ 68,789,883
Intergovernmental	3,292,238	12,334,290	1,191,736	6,527,583	23,345,847
Departmental	2,039,235		-	327,305	2,366,540
Investment income	76,274	111	1,098	11,572	89,055
On behalf pension contribution	-	2,042,196		-	2,042,196
Other	75,217	125,179		184,600	384,996
Total revenues	74,272,847	14,501,776	1,192,834	7,051,060	97,018,517
Expenditures					
<i>Current:</i>					
General government	5,382,619			1,393,349	6,775,968
Public safety	14,402,119			41,974	14,444,093
Public works	4,096,839				4,096,839
Parks and recreation	12,363				12,363
Senior services	450,275			146,841	597,116
Education		56,421,437		3,676,206	60,097,643
Public libraries				1,472,638	1,472,638
Per trust agreements				485,692	485,692
On behalf pension contribution		2,042,196			2,042,196
<i>Debt Service:</i>					
Principal			3,686,694		3,686,694
Interest and other costs			2,059,589		2,059,589
<i>Capital:</i>					
Capital expenditures	190,863			774,574	965,437
Total expenditures	24,535,078	58,463,633	5,746,283	7,991,274	96,736,268
Excess of revenues over (under) expenditures before other financing sources (uses)	49,737,769	(43,961,857)	(4,553,449)	(940,214)	282,249
Other financing sources (uses)					
Transfers in	863,324	43,420,838	4,507,525	2,637,292	51,428,979
Transfers out	(50,254,375)	(160,043)	-	(1,265,162)	(51,679,580)
Net other financing sources (uses)	(49,391,051)	43,260,795	4,507,525	1,372,130	(250,601)
Net change in fund balance	346,718	(701,062)	(45,924)	431,916	31,648
Fund balance at beginning of year	10,315,751	3,351,331	632,729	5,746,172	20,045,983
Fund balance at end of year	\$ 10,662,469	\$ 2,650,269	\$ 586,805	\$ 6,178,088	\$ 20,077,631

See notes to the basic financial statements

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS (B-2) TO THE STATEMENT OF ACTIVITIES (A-2)
YEAR ENDED JUNE 30, 2011**

Net Change in Fund Balances - Total Governmental Funds (B-2):	\$ 31,648
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	(2,904,075)
Deferred charges, bond premium, cost of issuance and change in accrued interest	(43,221)
Decrease in liability for compensated absences	(240,423)
Principal payments made on long - term debt	3,686,694
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds.	(2,365,327)
Accrual for pollution remediation obligation.	140,000
Accrual for OPEB liabilities (net)	(1,758,765)
Excess of internal service funds' expenses over revenues, reported as governmental fund activity.	<u>(99,933)</u>
Change in Net Assets of Governmental Activities in the Statement of Activities (A-2)	<u>\$ (3,553,402)</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

C - 1

**STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2011**

	Enterprise Funds					Totals	Internal Service Funds
	Water	Quonset/ Davisville Recreation	Nutrition Fund	Water Capital Reserve	Non-major Enterprise Funds		
Assets							
Current Assets							
Cash and cash equivalents	\$ 6,282,643	\$ 347,963	\$ 559	\$ 2,808,457	\$ 161,690	\$ 9,601,312	\$ 1,194,739
Water and sewer assessments and user fees, net	553,048					553,048	
Due from other funds			390,744	7,000	25,517	423,261	
Due from government			37,509			37,509	
Other receivables		74,628	12,856		2,500	89,984	
Inventory	122,147	28,431	31,306			181,884	
Total Current Assets	6,957,838	451,022	472,974	2,815,457	189,707	10,886,998	1,194,739
Noncurrent Assets							
Cash on deposit with Rhode Island Clean Water Finance Agency	494,506					494,506	
Bond issuance costs	56,299					56,299	
Capital assets, net of accumulated depreciation	7,604,582	3,294,713	2,509			10,901,804	
Total Noncurrent Assets	8,155,387	3,294,713	2,509	-	-	11,452,609	-
Total assets	15,113,225	3,745,735	475,483	2,815,457	189,707	22,339,607	1,194,739
Liabilities							
Current Liabilities							
Accounts payable and accrued liabilities	169,201	108,877	50,167	59,856	4,200	392,301	75
Due to other funds	690,056	860,293	425,316		33,893	2,009,558	97,500
Deferred revenue		274,238				274,238	
Pollution remediation obligation	2,051,064					2,051,064	
Other liabilities		34,795				34,795	
Current portion of compensated absences payable	22,894	22,525				45,419	
Current portion of long-term debt	140,000	33,150				173,150	
Total Current Liabilities	3,073,215	1,333,878	475,483	59,856	38,093	4,980,525	97,575
Noncurrent Liabilities							
OPEB liabilities (net)	207,046	85,857				292,903	
Compensated absences payable	68,683	67,576				136,259	
Long-term debt, net	3,635,726	216,060				3,851,786	
Total Noncurrent Liabilities	3,911,455	369,493	-	-	-	4,280,948	-
Total liabilities	6,984,670	1,703,371	475,483	59,856	38,093	9,261,473	97,575
Net Assets							
Restricted:							
Invested in Capital Assets, net	4,025,155	3,078,653	2,509	-	-	7,106,317	
Unrestricted net assets	4,103,400	(1,036,289)	(2,509)	2,755,601	151,614	5,971,817	1,097,164
Total net assets	\$ 8,128,555	\$ 2,042,364	\$ -	\$ 2,755,601	\$ 151,614	\$ 13,078,134	\$ 1,097,164

See notes to the basic financial statements

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR YEAR ENDED JUNE 30, 2011**

	Enterprise Funds					Internal Service Funds	
	Water	Quonset/ Davisville Recreation	Nutrition Fund	Water Capital Reserve	Non-major Enterprise Funds		Totals
Operating Revenues							
Charges for usage and service	\$ 3,373,147	\$ 1,797,973	\$ 624,765		\$ 126,430	\$ 5,922,315	\$ -
Sundry sales and rentals	218,902					218,902	
Miscellaneous	4,261					4,261	
Total Operating Revenues	3,596,310	1,797,973	624,765	-	126,430	6,145,478	-
Operating Expenses							
Operations	1,938,294	641,370		112,129	153,564	2,845,357	5,080
Pro shop		452,911				452,911	
Allen's Harbor		248,710				248,710	
Recreation		312,935				312,935	
School cafeteria			1,221,747			1,221,747	
Depreciation and amortization	240,542	336,516	797			577,855	
Total Operating Expenses	2,178,836	1,992,442	1,222,544	112,129	153,564	5,659,515	5,080
Operating Income (Loss)	1,417,474	(194,469)	(597,779)	(112,129)	(27,134)	485,963	(5,080)
Nonoperating Revenues (Expenses)							
Investment income	14,933	1,696		4,404	198	21,231	2,647
Federal grants			420,171			420,171	
State matching funds			17,565			17,565	
Interest expense	(81,464)	(7,369)				(88,833)	
Net Nonoperating Revenues (Expenses)	(66,531)	(5,673)	437,736	4,404	198	370,134	2,647
Income (Loss) Before Transfers	1,350,943	(200,142)	(160,043)	(107,725)	(26,936)	856,097	(2,433)
Transfers:							
Transfers In	188,058		160,043	871,740	-	1,219,841	
Transfers (Out)	(871,740)					(871,740)	(97,500)
Total Transfers	(683,682)	-	160,043	871,740	-	348,101	(97,500)
Change in Net Assets	667,261	(200,142)	-	764,015	(26,936)	1,204,198	(99,933)
Total Net Assets - Beginning, as restated	7,461,294	2,242,506	-	1,991,586	178,550	11,873,936	1,197,097
Total Net Assets - Ending	\$ 8,128,555	\$ 2,042,364	\$ -	\$ 2,755,601	\$ 151,614	\$ 13,078,134	\$ 1,097,164

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2011

	Enterprise Funds					Totals	Internal Service Funds
	Water	Davisville Recreation	Nutrition Fund	Water Capital Reserve	Non-major Enterprise Funds		
Cash flows from Operating Activities							
Cash received from customers	\$ 3,573,430	\$ 1,794,074	\$ 221,178	\$ -	\$ 110,742	\$ 5,699,424	\$ -
Cash paid to suppliers	139,708	(1,053,353)	(97,631)	(59,273)	(172,221)	(1,242,770)	
Cash paid to employees	(1,142,510)	(902,380)	(721,957)			(2,766,847)	92,376
<i>Net cash provided by (used for) operating activities</i>	<u>2,570,628</u>	<u>(161,659)</u>	<u>(598,410)</u>	<u>(59,273)</u>	<u>(61,479)</u>	<u>1,689,807</u>	<u>92,376</u>
Cash Flows from Capital and Related Financing Activities							
Acquisition of capital assets	(2,899,807)	(189,667)				(3,089,474)	
Principal paid on bonds	(500)	(33,306)				(33,806)	
Proceeds from Rhode Island Clean Water Financing Agency	2,097,558					2,097,558	
Interest paid on bonds	(81,464)	(7,369)				(88,833)	
<i>Net cash used for capital and related financing activities</i>	<u>(884,213)</u>	<u>(230,342)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,114,555)</u>	<u>-</u>
Cash Flows from Noncapital Financing Activities							
Federal grant receipts			420,171			420,171	
State matching funds receipts			17,565			17,565	
Transfer from other funds	188,058		160,043	871,740		1,219,841	
Transfer to other funds	(871,740)					(871,740)	(97,500)
<i>Net cash provided by (used for) noncapital financing activities</i>	<u>(683,682)</u>	<u>-</u>	<u>597,779</u>	<u>871,740</u>	<u>-</u>	<u>785,837</u>	<u>(97,500)</u>
Cash Flows from Investing Activities							
Interest on investments	14,933	1,696	-	4,404	198	21,231	2,647
<i>Net cash provided by investing activities</i>	<u>14,933</u>	<u>1,696</u>	<u>-</u>	<u>4,404</u>	<u>198</u>	<u>21,231</u>	<u>2,647</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,017,666	(390,305)	(631)	816,871	(61,281)	1,382,320	(2,477)
Cash and Cash Equivalents at Beginning of Year	5,264,977	738,268	1,190	1,991,586	222,971	8,218,992	1,197,216
Cash and Cash Equivalents at End of Year	<u>\$ 6,282,643</u>	<u>\$ 347,963</u>	<u>\$ 559</u>	<u>\$ 2,808,457</u>	<u>\$ 161,690</u>	<u>\$ 9,601,312</u>	<u>\$ 1,194,739</u>

(CONTINUED)

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2011**

	Enterprise Funds					Totals	Internal Service Funds
	Water	Davisville Recreation	Nutrition Fund	Water Capital Reserve	Non-major Enterprise Funds		
<i>Reconciliation of operating loss to net cash provided by (used for) operating activities:</i>							
Operating income (loss)	\$ 1,417,474	\$ (194,469)	\$ (597,779)	\$ (112,129)	\$ (27,134)	\$ 485,963	\$ (5,080)
Adjustments to reconcile:							
Depreciation and amortization	240,542	336,516	797			577,855	
(Increase) decrease in accounts receivable	(22,880)	(40,742)	(8,364)		(2,500)	(74,486)	
(Increase) decrease in inventory	(17,661)	(1,795)	6,617			(12,839)	
(Increase) decrease in due from other governments		-	(4,479)			(4,479)	
(Increase) decrease in due from other funds	34,791	38,638	(390,744)		(12,578)	(329,893)	
Increase (decrease) in accounts payable and accrued payroll	(541,781)	(120,884)	14,666	59,856	(46,467)	(634,610)	(44)
Increase (decrease) in due to other funds	690,056	(251,586)	380,876		27,200	846,546	97,500
Increase (decrease) in deferred revenue		(2,002)				(2,002)	
Increase (decrease) in compensated absences payable	29,932	33,732				63,664	
Increase (decrease) in pollution remediation obligation	686,003					686,003	
Increase (decrease) in other liabilities	54,152	40,933				95,085	
<i>Net cash provided by (used for) operating activities</i>	<i>\$ 2,570,628</i>	<i>\$ (161,659)</i>	<i>\$ (598,410)</i>	<i>\$ (52,273)</i>	<i>\$ (61,479)</i>	<i>\$ 1,696,807</i>	<i>\$ 92,376</i>

(CONCLUDED)

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2011

	<u>Police Pension Trust</u>	<u>Private Purpose Trust Funds</u>	<u>Agency Funds</u>
Assets			
Cash and cash equivalents	\$ 298,631	\$ 37,922	\$ 1,061,302
<i>Total assets</i>	<u>298,631</u>	<u>37,922</u>	<u>1,061,302</u>
Liabilities			
Due to student groups			389,770
Other payable			207,551
Deposits Held in Custody for Others			181,494
Payroll withholdings			282,487
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>1,061,302</u>
Net Assets			
Reserved for principal		37,922	
Reserved for employee retirement	298,631		
<i>Total net assets</i>	<u>\$ 298,631</u>	<u>\$ 37,922</u>	<u>\$ -</u>

**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2011**

	<u>Police Pension Trust</u>	<u>Private Purpose Trust Funds</u>
<i>Additions:</i>		
<i>Investment income:</i>		
Interest, dividends and gains	\$ 726	\$ 62
<i>Net investment earnings</i>	<u>726</u>	<u>62</u>
<i>Deductions:</i>		
Administrative expenses		10,491
<i>Total deductions</i>	<u>-</u>	<u>10,491</u>
Change in Net Assets	726	(10,429)
Net Assets - beginning	297,905	48,351
Net Assets - ending	<u>\$ 298,631</u>	<u>\$ 37,922</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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

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

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

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

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

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

The following entities were considered for classification as component units for fiscal year 2011:

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The North Kingstown Free Library Corporation, a not-for-profit agency was formed in July of 1993. The library supports the charitable, scientific and educational purposes of the North Kingstown Library, a non-major fund of the Town of North Kingstown. The Town of North Kingstown is able to impose its will on the component unit as the Town appoints the Library Trustees who serve as the Library's Board of Directors. Accordingly, the Library is included as discretely presented component unit in the financial statements of the Town. The North Kingstown Free Library Corporation issued a separate financial statement dated July 27, 2011, for their fiscal year ended December 31, 2010. A copy of this report can be obtained by contacting the North Kingstown Free Library Corporation, 80 Boston Neck Road, North Kingstown, RI, 02852.

Recently Issued Accounting Standards

- ✓ GASB Statement No. 54 – Fund Balance Reporting and Governmental Fund Type Definitions, effective for the Town's fiscal year ending June 30, 2011. The adoption of this Statement required the reclassification of fund balance reporting on the Town's governmental funds financial position.
- ✓ GASB Statement No. 59 – Financial Instruments Omnibus, effective for the Town's fiscal year ending June 30, 2011. The adoption of this Statement did not have an impact on the Town's financial position or results in operation.

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

- ✓ GASB Statement No. 60 – Accounting and Financial Reporting for Service Concession Arrangement, effective for the Town's fiscal year ending June 30, 2013.
- ✓ GASB Statement No. 61 – The Financial Reporting entity: Omnibus an amendment of GASB Statements No. 14 and No. 34, effective for the Town's fiscal year ending June 30, 2013.
- ✓ GASB Statement No. 62 – Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, effective for the Town's fiscal year ending June 30, 2013.
- ✓ GASB Statement No. 63 – Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, effective for the Town's fiscal year ending June 30, 2013.
- ✓ GASB Statement No. 64 – Derivative Instruments: Application of Hedge Accounting Termination Provisions – an amendment of GASB Statement No. 53, effective for the Town's fiscal year ending June 30, 2012.

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

Government-Wide Financial Statements

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

Fund Financial Statements

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

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

The funds of the financial reporting entity are described below:

Governmental Funds

General Fund

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

Special Revenue Funds

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

Capital Project Funds

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Funds (Continued)

Permanent Funds

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

Proprietary Funds

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

Debt Service Fund

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

Fiduciary Funds (Not included in government-wide statements)

Agency Funds

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

Major and Non-Major Funds

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

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Major and Non-Major Funds (Continued)

Proprietary:

Water Fund: Accounts for the supply of water to the Town

Quonset/Davisville

Recreation Fund: Accounts for the golf course operations

Nutrition Fund: Accounts for operations of school nutrition fund.

Water Capital Reserve: Accounts for reservations for water fund future projects.

Fund

Brief Description

Non-Major:

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

Debt Service Fund FY 2005 Refunding

Capital Projects: Capital Improvements Project, Capital Reserve, 9M School Renovations Bond, Farmland & Open Space Reserve, 6M Public Facilities Plan bond, School Capital Reserve Fund, 4M Senior Center Complex Fund, 4.5M Public Safety Facilities, and 4M Farmland Open Space Fund.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Major and Non-Major Funds (Continued)

<u>Fund</u>	<u>Brief Description</u>
Permanent Funds:	Henry Reynolds Indigent Care, Tri-Centennial Park, 400 th Anniversary, Henry Reynolds Outside Poor Fund, John J. Spink Outside Poor Fund, John B. Spink Outside Poor Fund, Thomas Casey Outside Poor Fund, Elizabeth Miller Library Fund, William D. Davis Library Fund, Veterans Memorial Scholarship, Hendrick Library Fund, Gardiner Fund, Updike Fund, Tennis Fund, and Lynette Olson Memorial Fund.
Private Purpose Trust Funds:	Hall, Vaughn, Young, Rebecca Hammond, W.H. Welling, George C. Hall, B.H. Davis, Updike, Mary Carpenter, Smith-Lawton, Old Baptist Cemetery, Smith, Lawton, Weeks, Cogan, Jones, Horowitz, Mattia, and Tarchis.
Pension Trust Fund:	Police Pension Trust Fund.
Agency Funds:	School Student Activity Funds, Payroll Fund, School Payroll Fund, Developer Surety Escrow Fund, and Perkins Vocational Education Fund.
Enterprise Funds:	Quonset/Davisville Reserve Fund, NKSD Adult Education, Athletic Gate Receipts, NKHS Summer School Remedial, School Sports Camp, School Sport Camps, and Summer School Fund.
Internal Service Funds:	Workers Compensation, Self Insurance Property Damage.

Measurement Focus

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

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

- (a) All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period. The Town considers property taxes as available if they are collected within 60 days after year end.
- (b) All proprietary funds utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of net income, financial position and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net assets.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus (Continued)

- (c) Fiduciary funds include agency funds, private purpose trust funds, and pension trust funds. Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them. Private purpose trust funds are not involved in the measurement of results of operations for the Town as the activity for each fund is restricted solely to the purpose of the original trust fund specifications and not included in the Town's financial position. Pension trust funds are not involved in the measurement of results of operations for the Town as the fund is strictly utilized for the operation and payments into the Police pension trust fund.

Basis of Accounting

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

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

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

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

Cash Equivalents

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

Accounts Receivable

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

In the fund financial statements, material receivables in governmental funds include revenue accruals such as property taxes and grants and other similar intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis. Proprietary fund material receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivables are based upon historical trends and the periodic aging of accounts receivable. The allowance for uncollectible accounts receivable amounted to \$375,000 at June 30, 2011. Major receivable balances for the governmental activities include property taxes and intergovernmental receivables (64% and 36%, respectively of total governmental receivables). Business-type activities report service fees as its major receivables.

(CONTINUED) 30

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Taxes

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

Encumbrances

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

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

Investments

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

Compensated Absences

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

Judgments and Claims

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

Inventory

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

Property, Plant and Equipment

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide Financial Statements

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

As of June 30, 2011, the Town's infrastructure assets have been capitalized and reported within the financial statements.

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

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

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

Fund Financial Statements

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

Bond Issuance Costs

Bond issuance costs are amortized on a straight-line basis over 20 years. The total bond issuance costs as of June 30, 2011 were \$306,777. The accumulated amortization through June 30, 2011 was \$142,224.

Deferred Charge on Bond Refunding

The deferred charge on refunding is amortized on a straight-line basis over 20 years. The total deferred charge on refunding as of June 30, 2011 was \$1,890,215. The accumulated amortization as of June 30, 2011 was \$622,028 in accordance with GASB Statement 23.

Unearned Revenue

In the government-wide financial statements, unearned revenue represents funds received in advance of being earned/owed or receivables which will be collected and included in revenues of future fiscal years. In the General Fund, (of the financial statements), unearned revenue include property tax receivables which are assessed on December 31, 2009 and prior and are not collected within 60 days of June 30, 2011. Net unearned taxes included in the fund financial statements were \$1,549,023.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interfund Transactions

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

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

Self-Insurance

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity Classifications

Government-Wide Statements

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

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

Fund Financial Statements

Governmental fund equity is classified as fund balance in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Fund balance is classified as non-spendable, restricted, committed, assigned or unassigned as described below:

- **Non-Spendable** – the amount of fund balance that cannot be spent because it is either not in spendable form or there is a legal or contractual requirement for the funds to remain intact. At the end of each fiscal year, the Finance Director will report the portion of the fund balance that is not in spendable form as Non-Spendable on the annual financial statements.
- **Restricted** – the amount of fund balance that can only be spent on specific expenses due to constraints on the spending 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. At the end of each fiscal year, the Finance Director will report restricted fund balance amounts that have applicable legal restrictions per GASB 54.
- **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. At the end of each fiscal year, the Finance Director will report committed fund balances that have been committed by self-imposed actions by the North Kingstown Town Council.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Statements (Continued)

- **Assigned** – the amounts that are constrained by the Town's intent to be used for specific purposes, but are neither restricted nor committed, should be reported as assigned fund balance. The authority to "assign" fund balance is designated to the Town Manager for the purpose of reporting these amounts in the annual financial statements. At the end of each fiscal year, the Finance Director will report the portion of fund balance, if any, that is assigned for a specific purpose and a description of the specified purpose.
- **Unassigned** – the amount of fund balance that remains from residual positive net resources of the General Fund in excess of what can properly be classified in one of the other four categories, not subject to any constraints or intended use, no external or self-imposed limitations, no set spending plan and are available for any purposes. 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. At the end of each fiscal year, the Finance Director will report the portion of the unassigned fund balance. In addition, 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.

The Town maintains a spending policy in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This policy states 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. See Note 9 for current year classification of fund balance.

Proprietary fund equity is classified the same as in the government-wide statements.

Reclassifications

Some of the 2010 balances have been reclassified to conform to the 2011 presentation.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Explanation of Certain Differences Between the Statement of Net Assets and Governmental Fund Balance Sheet:

The governmental balance sheet includes a reconciliation between fund balances – total governmental funds and net assets – governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities and related items are not due and payable in the current period and therefore are not reported in the funds. The details of this (\$50,190,911) difference are as follows:

Bonds payable	\$ (48,975,790)
Bond premiums, net of accumulated amortization	(488,609)
Deferred gain on refunding, net of accumulated amortization	1,518,516
Bond issuance costs, net of accumulated amortization	271,641
Compensated absences	<u>(2,516,669)</u>
 Net Adjustment	 <u>\$ (50,190,911)</u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between *net changes in fund balances – total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their useful lives and reported as depreciation expense.” The details of this (\$2,904,075) difference are as follows:

Capital Outlays (net of disposals)	\$ 1,374,665
Depreciation expense	<u>(4,278,740)</u>
 Net Adjustment	 <u>\$ (2,904,075)</u>

Another element of that reconciliation states that “the issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.” The details of this (\$43,221) difference are as follows:

Decrease in accrued interest	\$ 56,638
Amortization of bond premium	45,733
Amortization of deferred gain on refunding	(119,544)
Amortization of bond issuance costs	<u>(26,048)</u>
 Net adjustment	 <u>\$ (43,221)</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Legal Debt Margin

The Town's legal debt margin as set forth by State Statute is limited to three percent of total assessed value which approximates \$115,349,677. As of June 30, 2011, the Town had \$249,210 of debt outstanding subject to the Maximum Aggregate Indebtedness provision (3% Debt Limit) of the Rhode Island General Laws 45-12-2. All other Town debt has been incurred through special statutory authority which consists of approval by the legislature and voter referendum.

3. CAPITAL ASSETS

Capital asset activity for the government-wide activities for the year ended June 30, 2011 was as follows:

	<u>Beginning</u> <u>Balance</u> <u>6/30/10</u> <u>(as restated)</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending</u> <u>Balance</u> <u>6/30/11</u>
Governmental activities:				
Capital assets not being depreciated				
Library collections	\$ 2,985,048	\$ 454,955	\$ -	\$ 3,440,003
Land	5,398,200			5,398,200
Developmental rights	17,558,412			17,558,412
Work in progress	-	54,122		54,122
<i>Total capital assets not being depreciated</i>	<u>\$ 25,941,660</u>	<u>\$ 509,077</u>	<u>\$ -</u>	<u>\$ 26,450,737</u>
Other capital assets				
Land improvements	\$ 1,611,383	26,087		1,637,470
Building	66,167,235	205,542		66,372,777
Equipment	12,334,408	554,787	(66,579)	12,822,616
Infrastructure	67,429,670	79,172		67,508,842
<i>Total other capital assets at historical cost</i>	<u>147,542,696</u>	<u>865,588</u>	<u>(66,579)</u>	<u>148,341,705</u>
Less: accumulated depreciation for:				
Land improvements	(26,448)	(6,612)		(33,060)
Building	(20,039,270)	(1,580,618)		(21,619,888)
Equipment	(9,446,789)	(662,748)	66,579	(10,042,958)
Infrastructure	(42,468,259)	(2,028,762)		(44,497,021)
<i>Total accumulated depreciation</i>	<u>(71,980,766)</u>	<u>(4,278,740)</u>	<u>66,579</u>	<u>(76,192,927)</u>
Other capital assets, net	<u>75,561,930</u>	<u>(3,413,152)</u>	<u>-</u>	<u>72,148,778</u>
Governmental activities, capital assets, net	<u>\$ 101,503,590</u>	<u>\$ (2,904,075)</u>	<u>\$ -</u>	<u>\$ 98,599,515</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

3. CAPITAL ASSETS (CONTINUED)

Capital asset activity for business-type activities for the year ended June 30, 2011 was as follows:

	<u>Beginning Balance 6/30/10 (as restated)</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance 6/30/11</u>
Business-type activities:				
Capital assets not being depreciated				
Land	\$ 839,934	\$ -	\$ -	\$ 839,934
Work in progress	2,589,237	2,873,202	(2,222,585)	3,239,854
<i>Total capital assets not being depreciated</i>	<u>3,429,171</u>	<u>2,873,202</u>	<u>(2,222,585)</u>	<u>4,079,788</u>
Other capital assets:				
Building	10,421,703	26,600		10,448,303
Property and leasehold improvements	1,267,069	2,383,824		3,650,893
Furniture and equipment	216,173	28,428	(700)	243,901
Vehicle and golf carts	102,974			102,974
<i>Total other capital assets at historical cost</i>	<u>12,007,919</u>	<u>2,438,852</u>	<u>(700)</u>	<u>14,446,071</u>
Less: accumulated depreciation for;				
Building	(6,256,969)	(237,810)		(6,494,779)
Property and leasehold improvements	(595,484)	(239,304)		(834,788)
Furniture and equipment	(173,324)	(60,502)	700	(233,126)
Vehicle and golf carts	(24,086)	(37,276)		(61,362)
<i>Total accumulated depreciation</i>	<u>(7,049,863)</u>	<u>(574,892)</u>	<u>700</u>	<u>(7,624,055)</u>
Other capital assets, net	<u>4,958,056</u>	<u>1,863,960</u>	<u>-</u>	<u>6,822,016</u>
Business-type activities capital assets, net	<u>\$ 8,387,227</u>	<u>\$ 4,737,162</u>	<u>\$ (2,222,585)</u>	<u>\$ 10,901,804</u>

Depreciation expense was charged to functions as follows:

Governmental activities:	
General government	\$ 150,995
Public Safety	459,726
Public Works	2,176,200
Education	1,423,694
Public libraries	68,125
Total governmental activities depreciation expense	<u>\$ 4,278,740</u>
Business-type activities:	
Major Funds:	
Water	\$ 237,579
Quonset/Davisville Recreation	336,516
Nutrition Fund	797
Total business-type activities depreciation expense	<u>\$ 574,892</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

4. PROPERTY TAXES

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

Net property taxes levied for the fiscal year 2011 were based on a net assessed value of approximately \$3,844,989,239 at December 31, 2009 and amounted to \$65,766,677. Collections through June 30, 2011 amounted to \$63,839,832, which represents approximately 97.0% of the total tax levy.

The Town recognizes property tax revenues in accordance with Section P70, "Property Taxes" of the Codification of Governmental Accounting and Financial Reporting Standards on the Fund statements. Unpaid property taxes as of June 30, 2011 (\$1,910,326) 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 the 60 days immediately following June 30, 2011 are recorded as deferred revenue and amounted to \$1,549,023 at June 30, 2011. Property taxes recognized as revenue on the Fund statements for the fiscal year ended June 30, 2011 (due to their collection within the 60 days immediately following June 30, 2011) amounted to \$361,204. As of June 30, 2011, the Town levied property taxes for its next fiscal year based on the December 31, 2010 assessment as follows (unaudited):

	<u>Taxable Assessment</u>	<u>Exemptions</u>	<u>Net Taxable Assessments</u>	<u>Rate Per \$1.000</u>	<u>Net Levy</u>
Real property	\$ 3,614,189,975	\$ 70,303,120	\$ 3,543,886,855	\$ 17.26	\$ 61,167,487
Motor vehicle	269,726,063	74,426,202	195,299,861	22.04	4,304,727
Tangible property	123,644,070	461,740	123,182,330	17.26	2,126,127
Total	<u>\$ 4,007,560,108</u>	<u>\$ 145,191,062</u>	<u>\$ 3,862,369,046</u>		<u>\$ 67,598,341</u>

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

5. DEPOSITS

Cash and Investments

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

At June 30, 2011, the carrying amount of the Town's deposits was \$30,602,864, (including Fiduciary Funds and petty cash of \$7,409) while the bank balance was \$31,800,379. Of the balance, \$14,882,219 was covered by federal depository insurance and \$16,918,160 was uninsured. The Town has entered into collateralization agreements with various financial institutions and as a result all the uninsured balances at June 30, 2011 were collateralized by securities held by the financial institutions and/or third parties in the name of the Town.

Reconciliation to Government-wide Statement of Net Assets:

Unrestricted cash, including time deposits	\$30,602,864
Less: Fiduciary funds cash, including time deposits (not included in the government-wide statement)	<u>(1,397,855)</u>
<i>Total cash and cash equivalents on A-1</i>	<u>\$29,205,009</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

6. LONG-TERM LIABILITIES

(a) Long-Term Liability Activity

Long-term liability activity for the year ended June 30, 2011 was as follows:

	Beginning Balance (as restated)	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Long-term debt:					
General obligation debt	\$ 52,662,484	\$ -	\$ 3,686,694	\$ 48,975,790	\$ 3,566,850
Bond premiums	534,342		45,733	488,609	-
Total long-term debt	53,196,826	-	3,732,427	49,464,399	3,566,850
Other long-term liabilities:					
Compensated Absences	2,276,249	1,890,989	1,650,569	2,516,669	629,167
Total other long-term liabilities	2,276,249	1,890,989	1,650,569	2,516,669	629,167
Governmental activities					
Long-term liabilities	\$ 55,473,075	\$ 1,890,989	\$ 5,382,996	\$ 51,981,068	\$ 4,196,017
Business-type Activities					
Long-term debt:					
General obligation debt	\$ 4,058,742	\$ -	\$ 33,806	\$ 4,024,936	\$ 173,150
Total long-term debt	4,058,742	-	33,806	4,024,936	173,150
Other long-term liabilities:					
Compensated absences	118,014	125,345	61,682	181,677	45,419
Total other long-term liabilities	118,014	125,345	61,682	181,677	45,419
Business-type activities:					
Long-term liabilities	\$ 4,176,756	\$ 125,345	\$ 95,488	\$ 4,206,613	\$ 218,569

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

In December 2009, the Town issued \$6,585,000 of general obligation refunding bonds to provide resources that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments on \$6,375,000 of refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the statement of net assets. This advance refunding was undertaken to reduce total debt service payment over the next 10 years by \$534,119 and resulted in an economic gain of \$465,587. The in-substance defeased bonds were paid off as of June 30, 2011. Accordingly, the trust accounts and the defeased bonds are not included in the accompanying basic financial statements. The advanced refunding resulted in a gain of \$250,329 which is being amortized over ten years.

In November 2009, the Town received \$3,776,226 in bond proceeds through the Rhode Island Clean Water Finance Agency to be used for various projects relating to the Water Fund. The bond proceed money is held by the Rhode Island Clean Water Finance Agency and is drawn upon by the Town when necessary. At June 30, 2011, \$494,506 was held by the entity and \$3,775,726 of long term debt remained to be paid off in subsequent years.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

6. LONG-TERM LIABILITIES (CONTINUED)

(b) Debt Maturity

Debt service requirements at June 30, 2011 were as follows:

GOVERNMENTAL ACTIVITIES

General Obligation Debt

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 3,566,850	\$ 1,934,483	\$ 5,501,333
2013	3,527,240	1,807,102	5,334,342
2014	3,547,630	1,684,675	5,232,305
2015	3,543,410	1,550,632	5,094,042
2016	3,548,800	1,417,515	4,966,315
2017-2021	15,371,860	5,181,732	20,553,592
2022-2026	12,575,000	2,261,100	14,836,100
2027-2030	3,295,000	268,550	3,563,550
Total	<u>\$ 48,975,790</u>	<u>\$ 16,105,789</u>	<u>\$ 65,081,579</u>

BUSINESS-TYPE ACTIVITIES

General Obligation Debt

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 173,150	\$ 93,207	\$ 266,357
2013	174,760	91,051	265,811
2014	177,370	88,443	265,813
2015	179,590	85,370	264,960
2016	183,200	81,949	265,149
2017-2021	924,140	346,284	1,270,424
2022-2026	1,003,000	229,952	1,232,952
2027-2031	1,209,726	84,166	1,293,892
Total	<u>\$ 4,024,936</u>	<u>\$ 1,100,422</u>	<u>\$ 5,125,358</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

6. LONG-TERM LIABILITIES (CONTINUED)

Governmental-activities long-term liabilities consist of amounts are as follows:

GOVERNMENTAL ACTIVITIES LONG-TERM LIABILITIES:

	<u>Date of Issue</u>	<u>Purpose</u>	<u>Amount Issued</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Balance Outstanding 06/30/10</u>	<u>Additions</u>	<u>Retirement</u>	<u>Balance Outstanding 06/30/11</u>
General obligation debt:									
\$2.840 M Refunding Bond	5/1/2006	Development Rights	\$ 2,840,000	4.0 – 5.25%	5/1/2021	\$ 2,090,000	\$ -	\$ (190,000)	\$ 1,900,000
\$9.79M GOB 2009 Series	1/15/2009	Renovations, Additions and Improvements	9,790,000	2.0 – 4.0%	1/15/1930	9,790,000		(50,000)	9,740,000
\$30.36 M Refunding Bond	4/21/2005	Refunding of High School Bond \$33M	30,360,000	3.0 – 5.0%	10/1/2026	22,250,000		(1,870,000)	20,380,000
\$7M GOB 2007B Series B Bond	8/15/2007	Renovations and Additions - School Bond	7,000,000	4.25 – 5.0%	8/15/2027	6,500,000		(265,000)	6,235,000
\$3.835 M GOB	9/15/2000	Farmland & Open Space	3,835,000	4.75 – 6.5%	9/15/2021	190,000		(190,000)	-
\$3.845 M GOB	6/15/2001	Farmland, Public Facilities, & Asset	3,845,000	3.75 – 5.5%	6/15/2016	1,495,000		(250,000)	1,245,000
\$1.9 M GOB	12/15/2001	School Additions	1,900,000	3.5 – 4.35%	12/15/2011	300,000		(200,000)	100,000
\$4M GOB- Open Space	7/1/2007	Open Space	4,000,000	3.6 – 4.1%	7/15/2027	3,745,000		(135,000)	3,610,000
		School Technology, School Athletics, Public							
\$3.622M GOB	12/15/2009	Facilities, Open Space, and Library.	3,622,000	1.25-3.50%	12/15/2019	3,622,000		(427,000)	3,195,000
Less: Q/D recreation portion		Q/D Recreation Asset Protection	(282,516)			(282,516)		33,306	(249,210)
\$.960M GOB	12/15/2009	School Athletics	960,000	1.25-3.50%	12/15/2019	960,000		(100,000)	860,000
\$2.003M GOB	12/15/2009	Farmland/Open Space	2,003,000	1.25-3.50%	12/15/2019	2,003,000		(43,000)	1,960,000
Total general obligation debt			69,872,484			52,662,484	-	(3,686,694)	48,975,790
Bond premiums			760,817			534,342		(45,733)	488,609
Total general obligation debt			70,633,301			53,196,826		(3,732,427)	49,464,399
Other long-term liabilities:									
Compensated absences						2,276,249	1,890,989	(1,650,569)	2,516,669
Other post employment benefit obligation						2,484,744	1,758,765		4,243,509
Total other long-term liabilities:						4,760,993	3,649,754	(1,650,569)	6,760,178
Total long-term liabilities			\$ 70,633,301			\$ 57,957,819	\$ 3,649,754	\$ (5,382,996)	\$ 56,224,577

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

6. LONG-TERM LIABILITIES (CONTINUED)

Business-type activities long-term liabilities consist of amounts are as follows:

BUSINESS-TYPE ACTIVITIES LONG - TERM LIABILITIES

	<u>Date of Issue</u>	<u>Purpose</u>	<u>Amount Issued</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Balance Outstanding 06/30/10</u>	<u>Additions</u>	<u>Retirement</u>	<u>Balance Outstanding 06/30/11</u>
General obligation debt:									
\$3.622M GOB	12/15/2009	Q/D Recreation Asset Protection	\$ 282,516	1.25-3.50%	12/15/2019	\$ 282,516	\$ -	\$ (33,306)	\$ 249,210
\$3.776 RICWFA Bond	11/19/2009	Renovations, Additions and Improvements	3,776,226	3.013%	1/15/1930	3,776,226		(500)	3,775,726
Total general obligation debt			\$ 4,058,742			\$ 4,058,742	-	\$ (33,806)	\$ 4,024,936
Other long-term liabilities:									
Compensated absences						118,014	125,346	61,682	181,678
Other post employment benefit obligation						196,426	96,477		292,903
Total other long-term liabilities:						314,440	221,823	61,682	474,581
Total long-term liabilities			\$ 4,058,742			\$ 4,373,182	\$ 221,823	\$ 27,876	\$ 4,499,517

Total interest expense paid on long-term liabilities for the year ended June 30, 2011 was approximately \$2,143,910.

7. OPERATING LEASES

During August 2010 the North Kingstown School Department entered into a five year operating lease for various copiers ending August 31, 2015. The lease payments for these copiers during the year ended June 30, 2011 amounted to \$81,424.

Future minimum lease payments are as follows:

2012	\$ 74,794
2013	74,794
2014	74,794
2015	74,794
2016	12,465
Total	<u>\$311,641</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

8. INTERFUND RECEIVABLES AND PAYABLES

Interfund balances represent short-term advances from one fund (primarily the General Fund) to another fund. The advances may represent balances resulting from operating advances or reimbursement for expenditures paid by one fund on behalf of another fund. The composition of interfund balances at June 30, 2011 is as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 2,265,823	\$ -
School Unrestricted Fund	1,901,080	808,667
Non Governmental Funds:		
Willet Library		8,614
Miscellaneous State Grants		52,314
RI Emergency Management		17,572
Emergency Medical Services		230
CDBG		64,342
Infrastructure Replacement		194,270
Retirement Allowance Reserve		17,000
Health Insurance Reserve	17,000	
Anne Wallou Memorial Garden		901
Non Civic Detail Escrow Fund		56,884
Public Law 94-142	10,875	420,203
Title III LEP		11,382
Title I		203,283
Homeless Children & Youth		14,247
USDA Reallocation		11,520
Title II		46,583
Title IV Drug Free Schools		744
Title V		853
Preschool Services	13,482	29,694
21st Century Learning		56,621
Student Equity Fund		4,348
Language Assistance		537
Technology	2,587	2,587
Early Childhood		9,741
COZ Family Center		12,604
Literacy Set-Aside	164,044	164,044
RI Scholastic		132
Use of Buildings		16,614
Feinstein Foundation		302
RIPIN		4,443
Town Substance Abuse Task Force		4
RIPIN #2 Award	311	1,172
ARRA IDEA Part B		125,000
ARRA IDEA Preschool		23,868
ARRA Title I	5,833	59,044
RTTT Standards		4,457
Capital Improvement Project		22,572
Capital Reserve		3,637
School Capital Reserve		226,208
Total Non Governmental Funds	<u>214,132</u>	<u>1,888,571</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

8. INTERFUND RECEIVABLES AND PAYABLES (CONTINUED)

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Major Enterprise Funds:		
Water Fund	\$ -	\$ 690,056
Quonset/Davisville Recreation		860,293
Nutrition Fund	390,744	425,316
Water Capital Reserve	7,000	
Total Major Enterprise Funds	<u>397,744</u>	<u>1,975,665</u>
Non-Major Enterprise Funds:		
North Kingstown Adult Education		610
Athletic Gate Receipts		1,622
NKHS Summer School Remedial	1,622	3,270
School Sports Camp		24,902
School Sport Camps	23,895	3,489
Total Non-Major Enterprise Funds	<u>25,517</u>	<u>33,893</u>
Internal Services Funds		<u>97,500</u>
TOTALS	<u>\$ 4,804,296</u>	<u>\$ 4,804,296</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

9. FUND BALANCE

In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the Town has classified governmental fund balances at June 30, 2011 as follows:

Non-Spendable	
Permanent Funds	\$ 97,453
Deposit with Delta Dental for School.....	24,500
Deposit with Rhode Island Trust	<u>118,957</u>
Total Non-Spendable fund balance	<u>\$ 240,910</u>
Restricted:	
Restricted for golf course irrigation.....	\$ 1,200,000
Restricted for future debt service fund payments.....	586,805
Restricted for Town Special Revenue Fund (includes encumbrances of \$125,256)	3,018,532
Restricted for School Special Revenue Funds.....	14,003
Restricted for FY2005 Refunding	11,475
Restricted for Capital Project Funds.....	<u>1,550,124</u>
Total Restricted fund balance	<u>\$ 6,380,939</u>
Committed:	
Committed funds for General Fund encumbrances	\$ 304,749
Committed funds for School retirement incentive	265,439
Committed for School encumbrances	171,972
Committed for FY12 operating budget	1,154,791
Committed for education	914,610
Committed for Town Capital Reserve fund	
(includes encumbrances of \$64,712)	1,367,116
Committed for School Capital Reserve Fund.....	<u>194,891</u>
Total Committed fund balance	<u>\$ 4,373,568</u>
Unassigned:	
Fund balance not designated for future expenditures...	<u>\$ 9,082,214</u>
Total.....	<u>\$20,077,631</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

10. INTERFUND TRANSFERS

The principal purpose of interfund transfers is to provide a financing source to various funds that may not have the ability to cover all costs with revenue generated by the fund. The composition of interfund transfers for the year ended June 30, 2011 is as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major Funds:		
General Fund	\$ 863,324	\$ 50,254,375
School Unrestricted Fund	43,420,838	160,043
Debt Service fund	4,507,525	
Water fund	188,058	871,740
Nutrition Fund	160,043	
Water Capital Reserve fund	871,740	
Non-major Funds:		
Special revenue funds	1,974,720	995,770
Capital project funds	662,572	269,392
Internal service		97,500
Totals	<u>\$ 52,648,820</u>	<u>\$ 52,648,820</u>

11. FUND DEFICITS

The following funds had fund balance deficits at June 30, 2011 as follows:

Non-major Governmental funds:

Willet Library	\$ 8,614
RI Emergency Management	\$ 21,394
Ann Ward Wallou Memorial Garden	\$ 901
Non Civic Detail Escrow Fund	\$ 9,905
RTTT Standards	\$ 4,457

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

12. BONDS AUTHORIZED BUT UNISSUED

Bonds authorized but unissued at June 30, 2011 are as follows:

Library	\$ 350,000
School Improvements	2,000,000
Commercial Septic System Loan	2,000,000
Construction of Town Sewer System	10,000,000
Total	<u>\$ 14,350,000</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

13. DEFINED BENEFIT PENSION PLANS

(a) General Municipal Employees' Pension Plan

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

The payroll for employees covered by the System for the year ended June 30, 2011 was approximately \$11,725,030 and the Town wide payroll was approximately \$51,580,000.

Plan Description

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

Contributions Required and Contributions Made

General employees were required by State Statute to contribute 7% of their annual earnings until the maximum benefit (75 percent of final average salary) is accrued. The Town is required to contribute based on an actuarially computed amount and as provided by State Statute for each participating municipality. The actuarial method used is the entry age normal cost with part of each municipality's unfunded actuarial liability funded over a closed thirty year amortization period and the balance funded over the projected future payroll of active members. Due to large fluctuations in the contribution rates of certain municipalities, the plan has adopted a procedure which would allow a unit the option of paying a smoothed contribution rate. The smoothed contribution rate equals the previous fiscal year's contribution rate plus the greater of 2 percent or one-eighth of the increase in contribution rate plus the cost of any benefit improvements. The actuarially determined contribution amount for the Town was determined as described above and was based on an actuarial valuation as of June 30, 2008.

The annual required contribution for the Town which equals the annual pension cost for the year ended June 30, 2011 was approximately \$1,342,424 for general employees. This contribution represents 13.44% of covered payroll. General municipal employees were required to contribute approximately \$820,697. This contribution represents 7.0% of covered payroll.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

13. DEFINED BENEFIT PENSION PLANS (CONTINUED)

Trend Information

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

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
2009	\$1,503,673	100%	\$0
2010	\$1,395,885	100%	\$0
2011	\$1,342,424	100%	\$0

Trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is presented in the State of Rhode Island's Employee Retirement System's June 30, 2010 annual financial report, which may be obtained from the administrative offices of the State of Rhode Island Retirement Board, 40 Fountain Street, Providence, Rhode Island. This report is the most recent report available from the State who administers the Plan.

Funded Status of Plan

The required supplementary information which follows the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. Listed below are the details of the funding progress of the General Municipal Employees' Pension Plan with a valuation date of June 30, 2010, which is the most recent report available from the State who administers this plan.

- Actuarial value of assets - \$40,522,385
- Actuarial accrued liability - \$61,598,677
- Unfunded actuarial accrued liability (UAAL) - \$21,076,292
- Funded Ratio - 65.8%
- Annual covered payroll - \$11,250,973
- UAAL as percentage of payroll - 187.3%

(b) Police and Fire Pension Plans

Municipal Police and Fire Pension Fund Plans

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

The payroll for police and fire personnel covered by the System for the year ended June 30, 2011 was approximately \$2,830,982 and \$3,755,058, respectively. The Town wide payroll was approximately \$51,580,000.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

13. DEFINED BENEFIT PENSION PLANS (CONTINUED)

(b) Police and Fire Pension Plans (Continued)

Basis of Accounting

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

Plan Description

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

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

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

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

Contributions Required and Contributions Made

Police and fire personnel are required by State Statute to contribute 9% until the maximum benefit (75 percent of final average salary) is accrued. The Town is required to contribute based on an actuarially computed amount and as provided by State Statute for each participating municipality. The actuarial method used is the entry age normal cost with part of each municipality's unfunded actuarial liability funded over a closed thirty year amortization period and the balance funded over the projected future payroll of active members. Due to large fluctuations in the contribution rates of certain municipalities, the plan has adopted a procedure which would allow a unit the option of paying a smoothed contribution rate. The smoothed contribution rate equals the previous fiscal year's contribution rate plus the greater of 2 percent or one eighth of the increase in contribution rate plus the cost of any benefit improvements. The actuarially determined contribution amount for the Town was determined as described above and was based on an actuarial valuation as of June 30, 2008.

The annual required contribution for police and fire personnel for the Town which equals the annual pension cost for the year ended June 30, 2011 was approximately \$1,653,985. These contributions represent 15.09% of covered payroll for fire personnel and 18.87% for police personnel. Police and fire personnel were required to contribute approximately \$243,101 and \$331,085, respectively. This contribution represents 9% of covered payroll.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

13. DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

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

Trend Information

Municipal Police Pension Plan:

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
2009	\$584,784	100%	\$0
2010	\$571,401	100%	\$0
2011	\$713,639	100%	\$0

Municipal Fire Pension Plan:

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
2009	\$874,286	100%	\$0
2010	\$842,935	100%	\$0
2011	\$940,346	100%	\$0

Trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is presented in the State of Rhode Island's Employee Retirement System's June 30, 2010 annual financial report, which may be obtained from the administrative offices of the State of Rhode Island Retirement Board, 40 Fountain Street, Providence, Rhode Island. This report is the most recent report available from the State, who administers the Plan.

Funded Status of Plan

The required supplementary information which follows the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. Listed below are the details of the funding progress of the Municipal Police and Fire Pension Plans with a valuation date of June 30, 2010, which is the most recent report available from the State who administers this plan.

Municipal Police Pension Plan:

- Actuarial value of assets - \$16,815,338
- Actuarial accrued liability - \$25,740,200
- Unfunded actuarial accrued liability (UAAL) - \$8,924,862
- Funded Ratio - 65.3%
- Annual covered payroll - \$2,830,982
- UAAL as percentage of payroll - 315.3%

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

13. DEFINED BENEFIT PENSION PLANS (CONTINUED)

Funded Status of Plan (Continued)

Municipal Fire Pension Plan:

- Actuarial value of assets - \$26,186,405
- Actuarial accrued liability - \$37,319,953
- Unfunded actuarial accrued liability (UAAL) – \$11,133,548
- Funded Ratio – 70.2%
- Annual covered payroll - \$3,755,058
- UAAL as percentage of payroll – 296.5%

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

	<u>General Municipal Employees Pension Plan</u>		<u>Municipal Police and Fire Pension Plan</u>	
Valuation Date	6/30/10		6/30/10	
Actuarial Cost Method	Entry Age Normal Cost		Entry Age Normal Cost	
Amortization Method.....	Level Percent Closed, 30 year from 6/30/99		Level Percent Closed	
Remaining Amortization Period	21 years		21 years	
Asset Valuation Method.....	5-year Smoothed Market Value		5-Year Smoothed Market Value	
Actuarial assumptions:				
Investment rate of return.....	8.25%, compounded annually		8.25%, compounded annually	
Projected Salary Increases.....	4.50% - 8.5%, compounded annually		4.75% - 14.75%, compounded annually	
Cost-of-living Adjustments.....	3.0% not compounded		3.00% not compounded	
Inflation Adjustments.....	3.0%		3.0%	
Participant Information.....				
	Active Employees	331	Active Employees	117
	Retirees and beneficiaries	<u>189</u>	Retirees and beneficiaries	<u>86</u>
		<u>520</u>		<u>203</u>

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011**

13. DEFINED BENEFIT PENSION PLANS (CONTINUED)

(c) Teacher's Pension Plan

All North Kingstown School Department certified school personnel participate in the Employees' Retirement System of the State of Rhode Island ("System"), a cost-sharing multiple-employer defined benefit plan. The payroll for employees covered by the System for the year ended June 30, 2011 was approximately \$27,230,737, which consisted of approximately \$913,712 for employees charged to federal programs and approximately \$26,317,025 for all other employees. The School Department's total payroll was approximately \$36,606,000.

Plan Description

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

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

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011**

13. DEFINED BENEFIT PENSION PLANS (CONTINUED)

(c) Teacher's Pension Plan (Continued)

Plan Description (Continued)

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

The ERS plan also provides a survivor benefit to public school teachers via a "Teachers Survivor Benefits Fund" in lieu of Social Security. The details of the survivor death benefits and other death benefits are provided in the financial section of the Annual Financial Report of the Employees' Retirement System of Rhode Island for the fiscal year ending June 30, 2010 which can be found at www.ersri.org.

Funding Policy

Rhode Island general laws set the contribution rates for participating plan employees at 9.5% of salary. Annual contributions by both employers and the State on behalf of those employees are determined by actuaries and assessed as a percentage of participants' payroll. The School Department was required to contribute 11.25%, 11.25%, and 11.89% for all full-time employees for fiscal years 2011, 2010, and 2009, respectively. The required contributions include (a) normal costs; (b) payments to amortize the unfunded frozen actuarial accrued liability as of July 1, 1985 over 30 years; and (c) interest on the unfunded frozen actuarial liability. Normal cost is determined using the entry age normal cost method with frozen initial liability. A variety of significant actuarial assumptions are used and these assumptions based on an actuarial valuation as of June 30, 2008 are summarized below:

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011**

13. DEFINED BENEFIT PENSION PLANS (CONTINUED)

(c) Teacher's Pension Plan (Continued)

Funding Policy (Continued)

As prescribed by Rhode Island general law, the State pays the entire portion of the annual required contribution attributable to the costs of contributions deferred by the State in prior years plus 40% of contributions assessed to employers on payroll not reimbursable through Federal programs. For fiscal year 2011, actuarial required contributions were 19.01% of the participant's salary. This resulted in a contribution rate paid by the State on behalf of the School Department of 7.76% of non-federally reimbursable payrolls totaling \$2,042,196 for the fiscal year ended June 30, 2011. The contributions are recognized as revenue and expenditures during the fiscal year ended June 30, 2011. The School Department contributed the remaining 11.25% of the required 19.01%.

The School Department does not have any investments or related party investments with the State Plan. The School Department's contributions for the year ended June 30, 2011 represented approximately 1.2% percent of total contributions required of all participating entities for the fiscal year ended June 30, 2010 (latest available information).

The amounts contributed to the plan are as follows:

<u>Years Ending June 30,</u>	<u>Employee</u>	<u>School's Portion of Annual Required Contributions</u>	<u>Percentage Contributed</u>
2011	\$2,586,914	\$2,960,658	100%
2010	\$2,562,309	\$3,108,830	100%
2009	\$2,498,771	\$3,189,857	100%

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

Trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is presented in the State of Rhode Island's Employee Retirement System's June 30, 2010 annual financial report, which may be obtained from the administrative offices of the State of Rhode Island Retirement Board, 40 Fountain Street, Providence, Rhode Island. This report is the most recent report available from the State who administers the Plan.

Subsequent to June 30, 2011, the State of Rhode Island passed legislation under the Pension Reform Security Act (Act) of 2011. The legislation has made changes to the current pension plan provisions noted above and such changes will be effective July 1, 2012.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011**

14. OTHER POST EMPLOYMENT BENEFIT OBLIGATIONS (OPEB)

In addition to the pension benefits described in Note 13, the Town provides post employment benefits (health insurance) in accordance with union contracts and Town personnel policies under a single-employer plan. These benefits, by employee group, are described below.

Type of Coverage:

- a. Plan Types: Fully insured Medical
Prescription Drug contribution for Municipal Union employees
- b. Eligibility: Firefighters and Policemen: Age 55 and 10 years of service or 20 years of service.
Municipal Employees (Local 1033): Age 58 and 20 years of service or 30 years of service.
Non-Union: Age 58 and 10 years of service or 30 years of service.
School: Age 55 and 10 years of service or age 50 and 20 years of service.
- c. Benefit/Cost Sharing: Firefighters: Retiree pays 15% of premium until eligible for Medicare.
Policemen: Town pays 100% until eligible for Medicare for current retirees and employees hired before 7/1/1995. Town pays 80% for all retirees hired on or after 7/1/1995.
Municipal Employees (Local 1033):
Town currently pays 100%. The Town will contribute 80% for retirees who retire after 1/1/2012 and who were hired before 4/1/2000. The Town contributes as follows for retirees hired after 4/1/2000:
- 85% if they retire on 1/1/2012
- 80% if they retire after 1/1/2012
Town contributes \$2,184 (effective July 1, 2010) per year toward prescription drug coverage.
Town provides Medicare Supplemental Coverage for life upon becoming eligible for Medicare.
Nonunion Employee: Town currently pays 100%. The Town will pay 80% for retirees who retired after 1/1/2012. Town provides Medicare Supplemental Coverage for life upon becoming eligible for Medicare.
School Employees: Retirees pay 100% premium. Coverage until Medicare eligible.
- d. Spouse Benefit: Yes; not provided to Municipal Employees (Local 1033) hired after 9/24/2008
- e. Surviving Spouse Benefit: No
- f. Annual Premiums: Varies by plan, see plan provision section of actuarial valuation.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011**

14. OTHER POST EMPLOYMENT BENEFIT OBLIGATIONS (OPEB) (CONTINUED)

<u>Annual OPEB Cost</u>	<u>Year ended June 30, 2011</u>
Normal cost	\$ 3,388,759
Amortization of UAAL	(323,142)
Annual Required Contribution	<u>3,065,617</u>
Adjustments to ARC	(114,274)
Interest	<u>107,247</u>
Annual OPEB Cost (expense)	3,058,590
Contributions made during year	(1,203,348)
Net OPEB obligation at beginning of year	<u>2,681,170</u>
Net OPEB obligation at end of year	<u><u>\$4,536,412</u></u>

Town contributions to the plan for the year ended June 30, 2011 represented 40% of annual OPEB expense. The difference represents the Town's OPEB obligation to the plan and has been accrued as an expense in the government-wide financial statements.

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

- Actuarial value of assets - \$0
- Actuarial accrued liability - \$34,510,724
- Unfunded actuarial accrued liability - (\$34,510,724)
- Funded ratio - 0%
- Annual covered payroll - \$45,087,750
- UAAL as percentage of payroll - (76.54%)

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and annual required contributions are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information on page 65 will, over time, present multi-year trend information about whether the actuarial value of plan assets (none at present) is increasing or decreasing relative to the actuarial accrued liabilities for benefits.

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

- Funding Interest Rate - 4.00%
- Amortization period - open

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011**

14. OTHER POST EMPLOYMENT BENEFIT OBLIGATIONS (OPEB) (CONTINUED)

- Mortality –
 - Pre-retirement mortality rates: Sex distinct rates from the 1994 Group Annuity Mortality Table with male rates set forward 1 year.
 - Post-retirement mortality rates: 65% of the post-retirement mortality rates.
- Retirement Rates – Varies by type of employee, see plan actuarial assumptions and methodology section of actuarial valuation.
- Disability Rates – none assumed
- Termination Rates – Varies by service type
- Health Care Trend Rates – health care cost increases are listed in the actuarial valuation.
- Participant Rate – it was assumed that 100% of the current active employees covered under the active plan on the date before retirement would enroll in the retiree medical plan upon retirement.
- Percent Married – it was assumed that 85% of the police and firemen who elect retiree health care coverage for themselves would also elect coverage for their spouse upon retirement. It was assumed that male spouses are three years older than their wives and female spouses and three year younger than their retiree. It was assumed that 40% of other employees who elect retiree health care coverage for themselves would also elect coverage for their spouse upon retirement. It was assumed that spouse's age is the same as the retiree. For current retirees, actual census information was used.
- Actuarial Value of Assets – N/A
- Per Capita Claims Cost – Premiums were age-graded on the current participants in the Medical plan. Further details of the annual per capita claims cost is featured in Section V of the report.
- Administrative Expenses – Included in premiums used.
- Participant Salary – Annual rates vary based on service.
- Funding interest rate – 4.00%
- 2010 Medical/Rx Trend rates – 9.00%
- Ultimate Medical/Rx Trend Rates – 5.00%
- Year Ultimate Trend Rates Reached - 2014
- Projected salary increase – 2.5% annually

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011**

14. OTHER POST EMPLOYMENT BENEFIT OBLIGATIONS (OPEB) (CONTINUED)

Employee Counts

	<u>As of July 1, 2010</u>		
	<u>Actives</u>	<u>Retirees</u>	<u>Total</u>
Male	304	86	390
Female	456	78	534
Total	<u>760</u>	<u>164</u>	<u>924</u>

The Towns annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2011 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2011	\$ 3,058,590	39%	\$ 4,536,412
6/30/2010	\$ 2,407,135	45%	\$ 2,681,170
6/30/2009	\$ 2,290,415	41%	\$ 1,348,647

15. SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES AND COMMITMENTS

Litigation

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

Commitments

The Town has a \$2,000,000 available line of credit from the Rhode Island Clean Water Finance Agency for the Community Septic System Loan Program. A balance of \$1,300,000 was drawn down on the line of credit at June 30, 2011.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011**

15. SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES AND COMMITMENTS (CONTINUED)

Commitments (Continued)

The Town of North Kingstown had several outstanding construction and technology projects as of June 30, 2011. These projects are evidenced by contractual commitments with contractors and include:

FUND/PROJECT	SPENT TO DATE	COMMITMENT REMAINING	FUNDING SOURCE(S)
Server Upgrades & IT Relocation	\$ 521,140	\$ -	General Fund, Operating Budget
Fingerprint System	41,000	1,200	General Fund, Operating Budget
Development Transfer Rights Policy Update	40,000	7,500	General Fund, Operating Budget
	22,781	88,185	State Grants
	1,364	15,352	Town Capital Reserve Funds
Impact Fee Study	9,500	4,500	General Fund, Operating Budget
Wickford Sewer Extension Study	2,125	10,375	General Fund, Operating Budget
Window and External Repairs at Town Hall & Annex	213,245	-	Town Capital Reserve Funds
	35,365	-	State Grants
	-	6,959	General Fund, Operating Budget
IT Consolidation Study	-	18,000	General Fund, Operating Budget
PC Lifecycle Replacements	12,000	22,255	General Fund, Operating Budget
	-	12,000	Technology Fund
Road Line Striping	-	24,000	General Fund, Operating Budget
Main Street Improvements	148,092	-	Town Capital Reserve Funds
	994,145	-	State Grants
	120,000	114,989	\$6M Public Facilities Bond
Saw Mill Pond Improvements	-	103,110	State Grants
Landfill Monitoring	8,798	26,372	Town Capital Reserve Funds
School Facility Master Plan Update	78,426	24,582	School Capital Reserve Funds
Wickford Middle School Bathroom Remodel	-	121,880	\$9M School Renovations Bond
Renovation of Public Safety Complex	3,822,570	-	\$4.5M Public Facilities Bond
	2,126,053	-	Town Capital Reserve Funds
	566,564	-	\$6M Public Facilities Bond
Radio Alarm Reporting System	36,055	-	\$4.5M Public Facilities Bond
Video Surveillance and Phone System	136,204	-	\$4.5M Public Facilities Bond
Custom Radio Consoles	66,500	43,796	\$4.5M Public Facilities Bond
Allen Harbor Bulkhead Reconstruction	63,068	-	Quonset/Davisville Rec Fund, Operating B
	277,481	-	Q/D Recreation Fund, Capital Reserve
Dredging of Allen Harbor Channel	12,520	-	Quonset/Davisville Rec Fund, Operating B
Carpet Installation	1,123	20,577	Q/D Recreation Fund, Capital Reserve
Golf Course Irrigation Design	107,000	-	Q/D Recreation Fund, Capital Reserve
	40,000	-	Q/D Recreation Fund, Operating Budget
	4,000	-	General Fund, Operating Budget
Water System Upgrades for Highway/Bridge	294,495	64,176	Water Fund, Operating Budget
Utility Trench Patching	17,891	-	Water Fund, Operating Budget
Construction of New Well 11	449,339	-	Water Fund, Operating Budget
	405,239	-	Water Fund, Capital Reserve
Repair of Flood Damaged Well #9	68,400	16,180	Water Fund, Operating Budget
Lead Soil Remediation Juniper Hill	1,267,264	14,399	Water Fund, Operating Budget
	22,331	717,088	Water Fund, Capital Reserve
New Juniper Hill Water Tank	1,673,000	134,137	Water Fund, Operating Budget
Meter Replacements	1,160,627	68,373	Water Fund, Operating Budget
Hydraulic Model Update	38,000	-	Water Fund, Operating Budget
Infrastructure Replacement Plan Update	50,000	-	Water Fund, Operating Budget
	29,850	-	Water Fund, Capital Reserve
Standby Generator	6,035	18,690	Water Fund, Operating Budget
	-	114,975	Water Fund, Capital Reserve
Rehab Forge Rd. Standpipe	37,525	507,475	Water Fund, Capital Reserve
Grand Totals	<u>\$ 15,027,115</u>	<u>\$ 2,321,125</u>	

(CONTINUED) 61

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011**

15. SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES AND COMMITMENTS (CONTINUED)

Grants

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

16. DEFERRED COMPENSATION PLAN

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

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

17. SELF-INSURANCE ACTIVITIES

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

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

For self-insured worker's compensation activities, individual Town funds/departments were charged a "premium" based on actuarial studies considering historical claims experience, projected payroll levels, administration costs, and projected insurance industry inflation rates. Assessments for property damage were based upon estimates of liability for uninsured losses to be incurred by the Town as a whole, apportioned to individual funds based on historical experience. Billings from the Workers' Compensation and Property Damage funds for the fiscal year ended June 30, 2011 were \$0.

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

17. SELF-INSURANCE ACTIVITIES (CONTINUED)

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

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

There have been no significant reductions in insurance coverage during the year ended June 30, 2011 as compared to the previous year. The claims incurred did not exceed insurance coverage this year.

18. RESTATEMENT

Net assets at June 30, 2010 have been restated due to capital assets changes, long-term debt changes and a change in other post-employment benefit obligations utilized in last year's issued financial statements. The details of the restatements and impact on net assets are as follows:

Government-wide Financial Statements

Net assets at June 30, 2010, as originally stated	\$79,239,201
Overstatement of accumulated depreciation of capital assets for Governmental activities	1,242,382
Overstatement of accumulated depreciation of capital assets for Quonset Development Recreation fund	<u>76,637</u>
Net assets at June 30, 2010, as restated	<u>\$80,558,220</u>

Enterprise fund Financial Statements

Net assets at June 30, 2010, as originally stated	\$11,993,725
Overstatement of accumulated depreciation of capital assets for Quonset Development Recreation fund	76,637
Understatement of other post-employment benefit obligations	<u>(196,426)</u>
Net assets at June 30, 2010, as restated	<u>\$11,873,936</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011**

19. POLLUTION REMEDIATION OBLIGATION

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 RI DEM. The highest priority recommendations include soil gas extraction and monitoring, wetland and drainage remediation, landfill cap improvements and additional groundwater monitoring. The Town still awaits comments from DEM from their site investigation recommendations submitted last year. The State's comments on the recommendations will dictate that either additional site investigation is required or a final landfill closure scope can proceed. Closure requirements established by DEM will be designed and bid for construction. Preliminary closure estimates for both landfills is estimated at \$1.510 million. A future bond referendum will be required to pay for this project and could be combined with other infrastructure improvements. Immediate and more minor remediation efforts during fiscal year 2011 and 2012 are to be funded from Town Capital Reserve.

The Town is also currently involved in the replacement of the water tank and related renovations, additions, improvements, and remediation of the Juniper Hill Facility. The Juniper Hill Tank's exterior was coated with lead based paint which has impacted the soil surrounding the tank. The total expenditures charged to this project during the fiscal year ended June 30, 2011 was \$411,523. The estimated remaining cost to remediate the soil and complete the project is \$772,064.

Engineering and remedial activities are also required at the Saunderstown Tank site. The Saunderstown Tank remediation has an estimated cost of \$1,279,000.

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

20. COMMUNICATION TOWER RENTALS

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

THE TOWN OF
NORTH KINGSTOWN, RHODE ISLAND

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF NORTH KINGSTOWN RHODE ISLAND

**REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2011**

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

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND
SCHEDULE OF FUNDING PROGRESS FOR PENSION PLAN
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2011

E-1

	<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) Entry Age</u>	<u>AAL (UAAL) Funding Excess (deficit)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>AAL (UAAL) Funding Excess (deficit) Percentage of Covered Payroll</u>
General municipal employees pension plan	6/30/2008	\$ 34,880,408	\$ 45,590,461	\$ (10,710,053)	76.5%	\$ 11,892,435	-90.06%
	6/30/2009	\$ 40,052,448	\$ 52,144,406	\$ (12,091,958)	76.8%	\$ 11,833,062	-102.19%
	6/30/2010	\$ 40,522,385	\$ 61,598,677	\$ (21,076,292)	65.8%	\$ 11,250,973	-187.33%
Municipal police pension plan	6/30/2008	\$ 14,896,951	\$ 18,638,857	\$ (3,741,906)	79.9%	\$ 2,688,493	-139.18%
	6/30/2009	\$ 16,853,498	\$ 20,673,297	\$ (3,819,799)	81.5%	\$ 1,933,255	-197.58%
	6/30/2010	\$ 16,815,338	\$ 25,740,200	\$ (8,924,862)	65.3%	\$ 2,830,982	-315.26%
Municipal firemen pension plan	6/30/2008	\$ 23,310,758	\$ 27,091,707	\$ (3,780,949)	86.0%	\$ 4,087,061	-92.51%
	6/30/2009	\$ 26,351,379	\$ 29,534,211	\$ (3,182,832)	89.2%	\$ 4,005,886	-79.45%
	6/30/2010	\$ 26,186,405	\$ 37,319,953	\$ (11,133,548)	70.2%	\$ 3,755,058	-296.49%
Other Post Employment Benefit Obligations	7/1/2007	\$ -	\$ 25,294,765	\$ (25,294,765)	0.0%	\$ 45,495,325	-55.60%
	7/1/2010	\$ -	\$ 34,510,724	\$ (34,510,724)	0.0%	\$ 45,087,750	-76.54%

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

TOWN OF NORTH KINGSTOWN

**Budgetary Comparison Schedule for the General Fund
Schedule of Revenues and Expenditures (Non GAAP Budgetary Basis)
Budget and Actual
(Unaudited)**

General Fund Year Ended June 30, 2011				
Revenues:	Originally Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Property Tax	\$ 67,611,497	\$ 67,611,497	\$ 68,789,883	\$ 1,178,386
Intergovernmental	3,294,745	3,294,745	3,292,238	(2,507)
Licenses & Permits	401,780	401,780	366,352	(35,428)
Investment Income	300,000	300,000	76,274	(223,726)
Departmental	2,204,675	1,629,675	1,672,883	43,208
Other	40,000	40,000	75,217	35,217
Total Revenues	73,852,697	73,277,697	74,272,847	995,150
Expenditures:				
Town Council	91,035	156,035	152,118	3,917
Town Manager	208,067	208,067	207,834	233
Town Clerk & Elections	453,724	453,724	437,972	15,752
Town Solicitor	251,400	251,400	490,296	(238,896)
Finance	408,346	415,865	415,919	(54)
Information Systems	233,257	233,238	232,904	334
Assessor	231,808	231,808	214,154	17,654
Planning	341,316	341,316	337,444	3,872
General Operating	2,529,984	2,537,484	2,797,365	(259,881)
Code Enforcement	310,287	310,287	298,689	11,598
Fire	8,197,766	8,434,215	8,416,439	17,776
Police, Harbor & Animal Control	6,281,259	6,041,259	5,875,459	165,800
Public Works	4,282,581	4,259,658	3,867,494	392,164
Senior Citizens	422,420	457,420	453,195	4,225
Contributions	115,752	115,752	115,870	(118)
Quonset Development			252,231	(252,231)
Total Expenditures	24,359,002	24,447,528	24,565,383	(117,855)
Excess of revenues over expenditures	49,493,695	48,830,169	49,707,464	877,295
Other financing sources (uses):				
Transfers from fund balance	-	111,449	111,449	-
Transfers in	97,500	672,500	863,324	190,824
Transfers out	(49,591,195)	(49,614,118)	(50,254,375)	(640,257)
Net other financing sources (uses)	(49,493,695)	(48,830,169)	(49,279,602)	(449,433)
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ -	-	\$ 427,862	\$ 427,862

TOWN OF NORTH KINGSTOWN

**Budgetary Comparison Schedule for the School General Fund
 Schedule of Revenues and Expenditures (Non GAAP Budgetary Basis)
 Budget and Actual
 (Unaudited)**

School Unrestricted Fund Year Ended June 30, 2011				
Revenues:	Originally Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
State Aid	\$ 9,007,428	\$ 9,007,428	\$ 9,108,099	\$ 100,671
Federal Aid	645,000	645,000	577,259	(67,741)
Tuition	2,337,485	2,337,485	2,151,145	(186,340)
Miscellaneous	85,600	85,600	125,290	39,690
Total Revenues	<u>12,075,513</u>	<u>12,075,513</u>	<u>11,961,793</u>	<u>(113,720)</u>
Expenditures:				
Salaries	32,285,907	33,657,734	33,682,003	(24,269)
Fringe Benefits	13,540,737	13,046,251	13,321,433	(275,182)
Professional Services	6,268,953	5,868,115	5,329,240	538,875
Supplies and Materials	2,866,412	2,374,915	2,208,956	165,959
Capital Outlay	508,800	509,905	415,246	94,659
Debt Services	100,542	114,431	68,722	45,709
Total Expenditures	<u>55,571,351</u>	<u>55,571,351</u>	<u>55,025,600</u>	<u>545,751</u>
Excess of revenues over expenditures	<u>(43,495,838)</u>	<u>(43,495,838)</u>	<u>(43,063,807)</u>	<u>432,031</u>
Other financing sources (uses):				
Transfers from fund balance	75,000	75,000	53,766	(21,234)
Operating transfer from Town	43,420,838	43,420,838	43,420,838	-
Transfers out			(160,043)	(160,043)
Net other financing sources (uses)	<u>43,495,838</u>	<u>43,495,838</u>	<u>43,314,561</u>	<u>(181,277)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 250,754</u>	<u>\$ 250,754</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2011****Budgetary Process***(a) Adoption*

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

The following governmental funds have annual appropriated budgets:

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

(b) Budgetary to GAAP Basis Reconciliation

The following reconciliation summarizes the difference for the Town's General Fund between budgetary and GAAP basis accounting principles for the year ended June 30, 2011:

Excess revenues and other sources over expenditures and other uses (Non-GAAP Budgetary Basis)	\$ 427,862
Prior year encumbrances	(467,683)
Current year encumbrances	304,749
Prior year cancelled or voided purchase orders	193,239
Use of accumulated fund balance	<u>(111,449)</u>
Excess of expenditures and other sources over revenues (GAAP)	<u>\$ 346,718</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2011***(b) Budgetary to GAAP Basis Reconciliation (Continued)*

The following reconciliation summarizes the difference for the School's Unrestricted Fund between budgetary and GAAP basis accounting principles for the year ended June 30, 2011:

Excess revenues and other sources over expenditures and other uses (Non-GAAP Budgetary Basis)	\$ 250,754
Prior year encumbrances	(1,089,445)
Current year encumbrances	171,972
Prior year cancelled or voided purchase orders	19,423
Use of accumulated fund balance	<u>(53,766)</u>
Excess of expenditures and other sources over revenues (GAAP)	<u><u>\$ (701,062)</u></u>

THE TOWN OF
NORTH KINGSTOWN, RHODE ISLAND

OTHER SUPPLEMENTARY INFORMATION

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(CONTINUED)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS (CONTINUED):

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(CONTINUED)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS (CONTINUED):

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

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

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

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

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

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

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

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

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

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

(CONTINUED)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS (CONTINUED):

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

Public Law 94-142	Walmart Grant
Title III - LEP	New England Dairy and Food Council
Title I	RI Interscholastic League
Homeless Children & Youth	COZ Miscellaneous Donations
The Boston Foundation	Siemens Foundation
USDA Reallocation	Use of Buildings
Title II	Feinstein Foundation
Title IV Drug Free Schools	Nickelodeon
Title V	Nickelodeon
91-142 Preschool Services	Donation Coaches
21 st Century Learning Center	RIPIN
Target Grant	Amagen Foundation
Student Equity New Fund	Town Substance Abuse Task Force
Language Investment	Spirit Day
Technology	RIPIN Award #2
Early Childhood	ARRA IDEA Part B
RI Council On The Arts	ARRA IDEA Preschool
COZ Family Center	Title I ARRA
Achieve Algebra Tests	RTTT Standards
Literacy Set-Aside	

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

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

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

(CONTINUED)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NON-MAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECT FUNDS (CONTINUED):

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

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

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

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

PERMANENT FUNDS:

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

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

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

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

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

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

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

Elizabeth Miller
William D. Davis

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

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

Library
Gardiner
Updike
Tennis

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

(CONTINUED)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011**

	SPECIAL REVENUE FUNDS					
	<u>Willet Library Fund</u>	<u>Champlin Foundation Fund</u>	<u>Davisville Library Fund</u>	<u>Library Fund</u>	<u>Juniper Hill Tank Grant</u>	<u>Miscellaneous State Grants</u>
Assets						
Cash and cash equivalents	\$ -	\$ 68,329	\$ -	\$ 107,827	\$ 23,559	\$ -
Due from other governments						120,039
Due from other funds						
Other receivables						526
Total Assets	\$ -	\$ 68,329	\$ -	\$ 107,827	\$ 23,559	\$ 120,565
Liabilities						
Accounts payable and accrued liabilities				\$ 36,064		\$ 949
Due to other funds	\$ 8,614					52,314
Due to other governments						
Deferred revenue						
Total Liabilities	8,614	-	-	36,064	-	53,263
Fund Balances						
Nonspendable						
Restricted		68,329	-	71,763	23,559	67,302
Committed						
Assigned						
Unassigned	(8,614)					
Total Fund Balances	(8,614)	68,329	-	71,763	23,559	67,302
Total Liabilities and Fund Balances	\$ -	\$ 68,329	\$ -	\$ 107,827	\$ 23,559	\$ 120,565

(Continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011**

	SPECIAL REVENUE FUNDS					
	<u>State Grants - Police Department</u>	<u>Seized and Forfeited Property Escrow</u>	<u>Beachwood House Senior Center Equipment Escrow</u>	<u>RIDEM Potowomut Pond Clean-up</u>	<u>RI Emergency Management</u>	<u>Town Municipal Court</u>
Assets						
Cash and cash equivalents	\$ 2,209	\$ 16,023	\$ 709	\$ 4,500	\$ -	\$ 194,214
Due from other governments						
Due from other funds						
Other receivables						
Total Assets	\$ 2,209	\$ 16,023	\$ 709	\$ 4,500	\$ -	\$ 194,214
Liabilities						
Accounts payable and accrued liabilities	\$ 155					\$ 11,179
Due to other funds					\$ 17,572	
Due to other governments	1,298				3,822	
Deferred revenue						
Total Liabilities	1,453	-	-	-	21,394	11,179
Fund Balances						
Nonspendable						
Restricted	756	16,023	709	4,500		183,035
Committed						
Assigned						
Unassigned					(21,394)	
Total Fund Balances	756	16,023	709	4,500	(21,394)	183,035
Total Liabilities and Fund Balances	\$ 2,209	\$ 16,023	\$ 709	\$ 4,500	\$ -	\$ 194,214

(Continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011**

	SPECIAL REVENUE FUNDS					
	<u>State Elderly Affairs Grant</u>	<u>Land Dedication Escrow</u>	<u>State Council on the Arts Grant</u>	<u>RI Foundation Grant</u>	<u>Local Law Enforcement Block Grant</u>	<u>Technology Replacement</u>
Assets						
Cash and cash equivalents	\$ -	\$ 90,018	\$ 10,697	\$ 888	\$ 358	\$ 15,419
Due from other governments						
Due from other funds						
Other receivables						
Total Assets	\$ -	\$ 90,018	\$ 10,697	\$ 888	\$ 358	\$ 15,419
Liabilities						
Accounts payable and accrued liabilities						
Due to other funds						
Due to other governments						
Deferred revenue						
Total Liabilities	-	-	-	-	-	-
Fund Balances						
Nonspendable						
Restricted	-	90,018	10,697	888	358	15,419
Committed						
Assigned						
Unassigned						
Total Fund Balances	-	90,018	10,697	888	358	15,419
Total Liabilities and Fund Balances	\$ -	\$ 90,018	\$ 10,697	\$ 888	\$ 358	\$ 15,419

(Continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

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**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011**

	SPECIAL REVENUE FUNDS					
	<u>Governor's Justice Commission</u>	<u>Miscellaneous Senior Citizens Grant</u>	<u>Senior Center Legislative Grant</u>	<u>Impact Fees</u>	<u>Emergency Medical Services</u>	<u>CDBG Grants</u>
Assets						
Cash and cash equivalents	\$ 2,709	\$ 2,692	\$ 1,207	\$ 38,260	\$ 3,542	\$ 105,305
Due from other governments						74,237
Due from other funds						
Other receivables						
Total Assets	\$ 2,709	\$ 2,692	\$ 1,207	\$ 38,260	\$ 3,542	\$ 179,542
Liabilities						
Accounts payable and accrued liabilities		\$ 472	\$ 89		\$ 3,312	
Due to other funds					230	\$ 64,342
Due to other governments						5,000
Deferred revenue						110,200
Total Liabilities	-	472	89	-	3,542	179,542
Fund Balances						
Nonspendable						
Restricted	2,709	2,220	1,118	38,260	-	-
Committed						
Assigned						
Unassigned						
Total Fund Balances	2,709	2,220	1,118	38,260	-	-
Total Liabilities and Fund Balances	\$ 2,709	\$ 2,692	\$ 1,207	\$ 38,260	\$ 3,542	\$ 179,542

(Continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011**

	SPECIAL REVENUE FUNDS					
	Fire Department Legislative <u>Grant</u>	Old Library Park	Groundwater Education <u>Donation</u>	Miscellaneous Library <u>Donations</u>	Operation <u>Drug Dog</u>	Special Purpose <u>Donations</u>
Assets						
Cash and cash equivalents	\$ 4,221	\$ 2,578	\$ 1,410	\$ 6,831	\$ 2,437	\$ 13,311
Due from other governments						
Due from other funds						
Other receivables						
Total Assets	\$ 4,221	\$ 2,578	\$ 1,410	\$ 6,831	\$ 2,437	\$ 13,311
Liabilities						
Accounts payable and accrued liabilities						
Due to other funds						
Due to other governments						
Deferred revenue						
Total Liabilities	-	-	-	-	-	-
Fund Balances						
Nonspendable						
Restricted	4,221	2,578	1,410	6,831	2,437	13,311
Committed						
Assigned						
Unassigned						
Total Fund Balances	4,221	2,578	1,410	6,831	2,437	13,311
Total Liabilities and Fund Balances	\$ 4,221	\$ 2,578	\$ 1,410	\$ 6,831	\$ 2,437	\$ 13,311

(Continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011**

	SPECIAL REVENUE FUNDS											
	<u>School</u>	<u>Departmen</u>	<u>Tax</u>	<u>Infrastructure</u>	<u>URI Septic</u>	<u>Retirement</u>	<u>Health</u>					
	<u>Donations</u>	<u>Abuse</u>	<u>Revaluation</u>	<u>Replacement</u>	<u>Loan</u>	<u>Allowance</u>	<u>Insurance</u>					
			<u>Fund</u>		<u>Program</u>	<u>Fund</u>	<u>Reserve</u>					
Assets												
Cash and cash equivalents	\$	2,862	\$	41,138	\$	222,164	\$	105,101	\$	228,180	\$	1,838,702
Due from other governments												
Due from other funds												17,000
Other receivables						12,490						
Total Assets	\$	2,862	\$	41,138	\$	234,654	\$	105,101	\$	228,180	\$	1,855,702
Liabilities												
Accounts payable and accrued liabilities												
Due to other funds					\$	194,270		\$		17,000		
Due to other governments												
Deferred revenue												
Total Liabilities		-		-		194,270		-		17,000		-
Fund Balances												
Nonspendable												
Restricted		2,862		41,138		40,384		105,101		211,180		1,855,702
Committed												
Assigned												
Unassigned												
Total Fund Balances		2,862		41,138		40,384		105,101		211,180		1,855,702
Total Liabilities and Fund Balances	\$	2,862	\$	41,138	\$	234,654	\$	105,101	\$	228,180	\$	1,855,702

(Continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011**

	SPECIAL REVENUE FUNDS					
	<u>Ann Ward Wallou Memorial Garden</u>	<u>Senior Citizens Center</u>	<u>Senior Citizens Bus Gasoline Escrow</u>	<u>Arts Council</u>	<u>Senior Outreach Escrow</u>	<u>Project Dare</u>
Assets						
Cash and cash equivalents	\$ -	\$ 30,866	\$ 61	\$ 20,037	\$ 1,227	\$ 4,914
Due from other governments						
Due from other funds						
Other receivables						
Total Assets	\$ -	\$ 30,866	\$ 61	\$ 20,037	\$ 1,227	\$ 4,914
Liabilities						
Accounts payable and accrued liabilities		\$ 8,074		\$ 2,175		
Due to other funds	\$ 901					
Due to other governments						
Deferred revenue						
Total Liabilities	901	8,074	-	2,175	-	-
Fund Balances						
Nonspendable						
Restricted		22,792	61	17,862	1,227	4,914
Committed						
Assigned						
Unassigned	(901)					
Total Fund Balances	(901)	22,792	61	17,862	1,227	4,914
Total Liabilities and Fund Balances	\$ -	\$ 30,866	\$ 61	\$ 20,037	\$ 1,227	\$ 4,914

(Continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

F-1

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011**

	SPECIAL REVENUE FUNDS					
	<u>Fireworks Donation</u>	<u>Parade Committee</u>	<u>Leisure Services Brochure</u>	<u>Community Center Maintenance</u>	<u>Heritage Committee</u>	<u>Recreation Escrow</u>
Assets						
Cash and cash equivalents	\$ 934	\$ 709	\$ 900	\$ 28,449	\$ 144	\$ 103,078
Due from other governments						
Due from other funds						
Other receivables						
Total Assets	\$ 934	\$ 709	\$ 900	\$ 28,449	\$ 144	\$ 103,078
Liabilities						
Accounts payable and accrued liabilities				\$ 131		\$ 18,763
Due to other funds						
Due to other governments						
Deferred revenue				28,318	144	
Total Liabilities	-	-	-	28,449	144	18,763
Fund Balances						
Nonspendable						
Restricted	934	709	900	-	-	84,315
Committed						
Assigned						
Unassigned						
Total Fund Balances	934	709	900	-	-	84,315
Total Liabilities and Fund Balances	\$ 934	\$ 709	\$ 900	\$ 28,449	\$ 144	\$ 103,078

(Continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011**

	SPECIAL REVENUE FUNDS			
	<u>Non Civic Detail Escrow Fund</u>	<u>School Public Law 94-142</u>	<u>School Title III LEP</u>	<u>School Title I</u>
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Due from other governments		412,032	11,382	205,442
Due from other funds		10,875		
Other receivables	185,945			
Total Assets	\$ 185,945	\$ 422,907	\$ 11,382	\$ 205,442
Liabilities				
Accounts payable and accrued liabilities	\$ 138,966	\$ 2,704		\$ 2,159
Due to other funds	56,884	420,203	\$ 11,382	203,283
Due to other governments				
Deferred revenue				
Total Liabilities	195,850	422,907	11,382	205,442
Fund Balances				
Nonspendable				
Restricted		-	-	-
Committed				
Assigned				
Unassigned	(9,905)			
Total Fund Balances	(9,905)	-	-	-
Total Liabilities and Fund Balances	\$ 185,945	\$ 422,907	\$ 11,382	\$ 205,442

(Continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011**

	SPECIAL REVENUE FUNDS			
	<u>Homeless Children & Youth</u>	<u>The Boston Foundation</u>	<u>USDA Reallocation</u>	<u>School Title II</u>
Assets				
Cash and cash equivalents	\$ -	\$ 1,022		\$ -
Due from other governments	18,157		11,520	46,583
Due from other funds				
Other receivables				
Total Assets	\$ 18,157	\$ 1,022	\$ 11,520	\$ 46,583
Liabilities				
Accounts payable and accrued liabilities	\$ 3,910	\$ -		
Due to other funds	14,247		\$ 11,520	\$ 46,583
Due to other governments				
Deferred revenue				
Total Liabilities	18,157	-	11,520	46,583
Fund Balances				
Nonspendable				
Restricted	-	1,022	-	-
Committed				
Assigned				
Unassigned				
Total Fund Balances	-	1,022	-	-
Total Liabilities and Fund Balances	\$ 18,157	\$ 1,022	\$ 11,520	\$ 46,583

(Continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011**

	SPECIAL REVENUE FUNDS					
	<u>Title IV Drug Free Schools</u>	<u>School Title V</u>	<u>91-142 Preschool Services</u>	<u>21st Century Learning Center</u>	<u>Target Grant</u>	<u>Student Equity New Fund</u>
Assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,348
Due from other governments	744		16,212	61,621		
Due from other funds			13,482			
Other receivables		853				
Total Assets	\$ 744	\$ 853	\$ 29,694	\$ 61,621	\$ -	\$ 4,348
Liabilities						
Accounts payable and accrued liabilities				\$ 5,000		
Due to other funds	\$ 744	\$ 853	\$ 29,694	56,621		\$ 4,348
Due to other governments						
Deferred revenue						
Total Liabilities	744	853	29,694	61,621	-	4,348
Fund Balances						
Nonspendable						
Restricted	-	-	-	-	-	-
Committed						
Assigned						
Unassigned						
Total Fund Balances	-	-	-	-	-	-
Total Liabilities and Fund Balances	\$ 744	\$ 853	\$ 29,694	\$ 61,621	\$ -	\$ 4,348

(Continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011**

	SPECIAL REVENUE FUNDS			
	<u>Language Investment</u>	<u>Technology</u>	<u>Early Childhood</u>	<u>RI Council On The Arts</u>
Assets				
Cash and cash equivalents	\$ 537	\$ -	\$ 9,741	\$ 200
Due from other governments				
Due from other funds		2,587		
Other receivables				
Total Assets	\$ 537	\$ 2,587	\$ 9,741	\$ 200
Liabilities				
Accounts payable and accrued liabilities				
Due to other funds	\$ 537	\$ 2,587	\$ 9,741	
Due to other governments				
Deferred revenue				
Total Liabilities	537	2,587	9,741	
Fund Balances				
Nonspendable				
Restricted	-	-	-	200
Committed				
Assigned				
Unassigned				
Total Fund Balances	-	-	-	200
Total Liabilities and Fund Balances	\$ 537	\$ 2,587	\$ 9,741	\$ 200

(Continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011**

	SPECIAL REVENUE FUNDS				
	<u>COZ Family Center</u>	<u>Achieve Algebra Tests</u>	<u>School Literacy Set-Aside</u>	<u>Walmart Grant</u>	<u>New England Dairy and Food Council</u>
Assets					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 2,000
Due from other governments	12,604	1,264			
Due from other funds			164,044		
Other receivables					
Total Assets	\$ 12,604	\$ 1,264	\$ 164,044	\$ -	\$ 2,000
Liabilities					
Accounts payable and accrued liabilities		\$ 1,264			
Due to other funds	\$ 12,604		\$ 164,044		
Due to other governments					
Deferred revenue					
Total Liabilities	12,604	1,264	164,044	-	-
Fund Balances					
Nonspendable					
Restricted	-		-	-	2,000
Committed					
Assigned					
Unassigned					
Total Fund Balances	-	-	-	-	2,000
Total Liabilities and Fund Balances	\$ 12,604	\$ 1,264	\$ 164,044	\$ -	\$ 2,000

(Continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

F-1

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011**

SPECIAL REVENUE FUNDS

	<u>RI Interscholastic League</u>	<u>School COZ Miscellaneous Donations</u>	<u>Siemens Foundation</u>	<u>Use of Buildings</u>	<u>Feinstein Foundation</u>	<u>Nickelodeon</u>	<u>Donations- Coaches</u>
Assets							
Cash and cash equivalents	\$ 2,127	\$ 4,635	\$ 1,000	\$ 6,039	\$ 582	\$ 1,535	\$ -
Due from other governments				11,093			
Due from other funds							
Other receivables							
Total Assets	\$ 2,127	\$ 4,635	\$ 1,000	\$ 17,132	\$ 582	\$ 1,535	\$ -
Liabilities							
Accounts payable and accrued liabilities				\$ 518			
Due to other funds	\$ 132			16,614	\$ 302		
Due to other governments							
Deferred revenue							
Total Liabilities	132	-	-	17,132	302	-	-
Fund Balances							
Nonspendable							
Restricted	1,995	4,635	1,000	-	280	1,535	-
Committed							
Assigned							
Unassigned							
Total Fund Balances	1,995	4,635	1,000	-	280	1,535	-
Total Liabilities and Fund Balances	\$ 2,127	\$ 4,635	\$ 1,000	\$ 17,132	\$ 582	\$ 1,535	\$ -

(Continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

F-1

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011**

	SPECIAL REVENUE FUNDS				
	<u>RIPIN</u>	<u>Amagen Foundation</u>	<u>Town Substance Abuse Task Force</u>	<u>Spirit Day</u>	<u>RIPIN Award #2</u>
Assets					
Cash and cash equivalents	\$ -	\$ 166	\$ 4	\$ 1,170	\$ -
Due from other governments	4,443				861
Due from other funds					311
Other receivables					
Total Assets	\$ 4,443	\$ 166	\$ 4	\$ 1,170	\$ 1,172
Liabilities					
Accounts payable and accrued liabilities					
Due to other funds	\$ 4,443		\$ 4		\$ 1,172
Due to other governments					
Deferred revenue					
Total Liabilities	4,443	-	4	-	1,172
Fund Balances					
Nonspendable					
Restricted	-	166	-	1,170	-
Committed					
Assigned					
Unassigned					
Total Fund Balances	-	166	-	1,170	-
Total Liabilities and Fund Balances	\$ 4,443	\$ 166	\$ 4	\$ 1,170	\$ 1,172

(Continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

F-1

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011**

	SPECIAL REVENUE FUNDS			DEBT SERVICE	CAPITAL PROJECT		
	ARRA IDEA Part B	ARRA IDEA Preschool	TITLE I ARRA	RTTT Standards	FY 2005 Refunding	Capital Improvement Project	Capital Reserve
Assets							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 11,475	\$ -	\$ 1,426,076
Due from other governments	125,426	23,868	53,712				
Due from other funds			5,833				
Other receivables							
Total Assets	\$ 125,426	\$ 23,868	\$ 59,545	\$ -	\$ 11,475	\$ -	\$ 1,426,076
Liabilities							
Accounts payable and accrued liabilities	\$ 426		\$ 501			\$ 7,663	\$ 55,323
Due to other funds	125,000	\$ 23,868	59,044	\$ 4,457		22,572	3,637
Due to other governments							
Deferred revenue							
Total Liabilities	125,426	23,868	59,545	4,457	-	30,235	58,960
Fund Balances							
Nonspendable							
Restricted	-	-	-		11,475		
Committed							1,367,116
Assigned							
Unassigned				(4,457)		(30,235)	
Total Fund Balances	-	-	-	(4,457)	11,475	(30,235)	1,367,116
Total Liabilities and Fund Balances	\$ 125,426	\$ 23,868	\$ 59,545	\$ -	\$ 11,475	\$ -	\$ 1,426,076

(Continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

F-1

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011**

CAPITAL PROJECT FUNDS

	<u>9M School Renovations Bond</u>	<u>Farmland & Open Space Reserve</u>	<u>6M Public Facilities Plan Bond</u>	<u>School Capital Reserve Fund</u>	<u>4M Senior Center Complex Fund</u>	<u>4.5M Public Safety Facilities</u>	<u>4M Farmland Open Space Fund</u>
Assets							
Cash and cash equivalents	\$ 72,085	\$ 676,023	\$ 373,559	\$ 421,099	\$ 8,775	\$ 57,556	\$ 362,126
Due from other governments							
Due from other funds							
Other receivables							
Total Assets	\$ 72,085	\$ 676,023	\$ 373,559	\$ 421,099	\$ 8,775	\$ 57,556	\$ 362,126
Liabilities							
Accounts payable and accrued liabilities							
Due to other funds				\$ 226,208			
Due to other governments							
Deferred revenue							
Total Liabilities	-	-	-	226,208	-	-	-
Fund Balances							
Nonspendable							
Restricted	72,085	676,023	373,559		8,775	57,556	362,126
Committed				194,891			
Assigned							
Unassigned							
Total Fund Balances	72,085	676,023	373,559	194,891	8,775	57,556	362,126
Total Liabilities and Fund Balances	\$ 72,085	\$ 676,023	\$ 373,559	\$ 421,099	\$ 8,775	\$ 57,556	\$ 362,126

(Continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

F-1

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011**

	PERMANENT FUNDS					
	Henry Reynolds Indigent <u>Care</u>	Tri-Centennial Park	400th Anniversary	Henry Reynolds Outside <u>Poor Fund</u>	John J. Spink Outside <u>Poor Fund</u>	John B. Spink Outside <u>Poor Fund</u>
Assets						
Cash and cash equivalents	\$ 18,863	\$ 6,111	\$ 3,604	\$ 2,185	\$ 21,064	\$ 5,266
Due from other governments						
Due from other funds						
Other receivables						
Total Assets	\$ 18,863	\$ 6,111	\$ 3,604	\$ 2,185	\$ 21,064	\$ 5,266
Liabilities						
Accounts payable and accrued liabilities		\$ 4		\$ 2	\$ 15	\$ 4
Due to other funds						
Due to other governments						
Deferred revenue						
Total Liabilities	-	4	-	2	15	4
Fund Balances						
Nonspendable	18,863	6,107	3,604	2,183	21,049	5,262
Restricted						
Committed						
Assigned						
Unassigned						
Total Fund Balances	18,863	6,107	3,604	2,183	21,049	5,262
Total Liabilities and Fund Balances	\$ 18,863	\$ 6,111	\$ 3,604	\$ 2,185	\$ 21,064	\$ 5,266

(Continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011**

	PERMANENT FUNDS					
	Thomas Casey Outside <u>Poor Fund</u>	Elizabeth Miller Library <u>Fund</u>	William D. Davis Library <u>Fund</u>	Veterans Memorial <u>Scholarship</u>	Hendrick Library <u>Fund</u>	Gardiner <u>Fund</u>
Assets						
Cash and cash equivalents	\$ 2,185	\$ 2,004	\$ 5,013	\$ 6,896	\$ 8,718	\$ 5,761
Due from other governments						
Due from other funds						
Other receivables						
Total Assets	\$ 2,185	\$ 2,004	\$ 5,013	\$ 6,896	\$ 8,718	\$ 5,761
Liabilities						
Accounts payable and accrued liabilities	\$ 2		\$ 4			
Due to other funds						
Due to other governments						
Deferred revenue						
Total Liabilities	2	-	4	-	-	-
Fund Balances						
Nonspendable	2,183	2,004	5,009	6,896	8,718	5,761
Restricted						
Committed						
Assigned						
Unassigned						
Total Fund Balances	2,183	2,004	5,009	6,896	8,718	5,761
Total Liabilities and Fund Balances	\$ 2,185	\$ 2,004	\$ 5,013	\$ 6,896	\$ 8,718	\$ 5,761

(Continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011**

	<u>PERMANENT FUNDS</u>			
	<u>Updike Fund</u>	<u>Tennis Fund</u>	<u>Lynette Olson Memorial Fund</u>	<u>Grand Totals</u>
Assets				
Cash and cash equivalents	\$ 4,206	\$ 268	\$ 5,340	\$ 6,890,083
Due from other governments				1,211,240
Due from other funds				214,132
Other receivables				199,814
Total Assets	\$ 4,206	\$ 268	\$ 5,340	\$ 8,515,269
Liabilities				
Accounts payable and accrued liabilities				\$ 299,828
Due to other funds				1,888,571
Due to other governments				10,120
Deferred revenue				138,662
Total Liabilities	-	-	-	2,337,181
Fund Balances				
Nonspendable	4,206	268	5,340	97,453
Restricted				4,594,134
Committed				1,562,007
Assigned				-
Unassigned				(75,506)
Total Fund Balances	4,206	268	5,340	6,178,088
Total Liabilities and Fund Balances	\$ 4,206	\$ 268	\$ 5,340	\$ 8,515,269

(Concluded)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2011**

	SPECIAL REVENUE FUNDS					
	<u>Willet Library Fund</u>	<u>Champlin Foundation Fund</u>	<u>Davisville Library Fund</u>	<u>Library Fund</u>	<u>Juniper Hill Tank Grant</u>	<u>Miscellaneous State Grants</u>
Revenues						
Interest and investment income	\$ -	\$ 157	\$ -	\$ -	\$ -	\$ -
Intergovernmental	17,545	5,705	17,545	211,534		128,853
Departmental				45,374		
Other				5,671		
Total Revenues	17,545	5,862	17,545	262,579	-	128,853
Expenditures						
General government		11,955				179,712
Public safety						
Per trust agreements						
Education						
Public libraries	26,111		17,545	1,427,762		
Senior services						
Capital and special appropriations						
Total Expenditures	26,111	11,955	17,545	1,427,762	-	179,712
Excess of revenues over expenditures before transfers	(8,566)	(6,093)	-	(1,165,183)	-	(50,859)
Other Financing Sources (Uses)						
Transfers in				1,124,589		
Transfers out				(2,126)		
Total Other Financing Sources (Uses)	-	-	-	1,122,463	-	-
Excess of revenues and expenditures	(8,566)	(6,093)	-	(42,720)	-	(50,859)
Fund balance, beginning of year	(48)	74,422	-	114,483	23,559	118,161
Fund balance, end of year	\$ (8,614)	\$ 68,329	\$ -	\$ 71,763	\$ 23,559	\$ 67,302

(Continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2011**

	SPECIAL REVENUE FUNDS					
	<u>State Grants - Police Department</u>	<u>Seized and Forfeited Property Escrow</u>	<u>Seachwood House Senior Center Equipment Escrow</u>	<u>RIDEM Potowomut Pond Clean-up</u>	<u>RI Emergency Management</u>	<u>Town Municipal Court</u>
Revenues						
Interest and investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental					23,924	255,833
Departmental						
Other		1,363				
Total Revenues	-	1,363	-	-	23,924	255,833
Expenditures						
General government		777				201,739
Public safety	6,974				29,382	
Per trust agreements						
Education						
Public libraries						
Senior services					37,150	
Capital and special appropriations						
Total Expenditures	6,974	777	-	-	66,532	201,739
Excess of revenues over expenditures before transfers	(6,974)	586	-	-	(42,608)	54,094
Other Financing Sources (Uses)						
Transfers in						
Transfers out						
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess of revenues and expenditures	(6,974)	586	-	-	(42,608)	54,094
Fund balance, beginning of year	7,730	15,437	709	4,500	21,214	128,941
Fund balance, end of year	\$ 756	\$ 16,023	\$ 709	\$ 4,500	\$ (21,394)	\$ 183,035

(Continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2011**

	SPECIAL REVENUE FUNDS					
	<u>State Elderly Affairs Grant</u>	<u>Land Dedication Escrow</u>	<u>State Council on the Arts Grant</u>	<u>RI Foundation Grant</u>	<u>Local Law Enforcement Block Grant</u>	<u>Technology Replacement</u>
Revenues						
Interest and investment income	\$ -	\$ 200	\$ -	\$ -	\$ -	\$ -
Intergovernmental	9,234					
Departmental						
Other						12,213
Total Revenues	9,234	200	-	-	-	12,213
Expenditures						
General government						5,833
Public safety						
Per trust agreements						
Education						
Public libraries						
Senior services	8,957					
Capital and special appropriations						
Total Expenditures	8,957	-	-	-	-	5,833
Excess of revenues over expenditures before transfers	277	200	-	-	-	6,380
Other Financing Sources (Uses)						
Transfers in						
Transfers out						
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess of revenues and expenditures	277	200	-	-	-	6,380
Fund balance, beginning of year	(277)	89,818	10,697	888	358	9,039
Fund balance, end of year	\$ -	\$ 90,018	\$ 10,697	\$ 888	\$ 358	\$ 15,419

(Continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2011**

	SPECIAL REVENUE FUNDS					
	Governor's Justice <u>Commission</u>	Miscellaneous Senior Citizens <u>Grant</u>	Senior Center Legislative <u>Grant</u>	Impact <u>Fees</u>	Emergency Medical <u>Services</u>	CDBG <u>Grants</u>
Revenues						
Interest and investment income	\$ -	\$ -	\$ -	\$ 46	\$ 598	\$ -
Intergovernmental	11,535	62,215	2,500	38,214	587,224	311,639
Departmental						
Other					13	
<i>Total Revenues</i>	<u>11,535</u>	<u>62,215</u>	<u>2,500</u>	<u>38,260</u>	<u>587,835</u>	<u>311,639</u>
Expenditures						
General government					29,102	311,639
Public safety						
Per trust agreements						
Education						
Public libraries						
Senior services		42,204	836			
Capital and special appropriations	8,735					
<i>Total Expenditures</i>	<u>8,735</u>	<u>42,204</u>	<u>836</u>	<u>-</u>	<u>29,102</u>	<u>311,639</u>
<i>Excess of revenues over expenditures before transfers</i>	<u>2,800</u>	<u>20,011</u>	<u>1,664</u>	<u>38,260</u>	<u>558,733</u>	<u>-</u>
Other Financing Sources (Uses)						
Transfers in						
Transfers out				(39,762)	(558,733)	
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(39,762)</u>	<u>(558,733)</u>	<u>-</u>
Excess of revenues and expenditures	2,800	20,011	1,664	(1,502)	-	-
Fund balance, beginning of year	(91)	(17,791)	(546)	39,762	-	-
Fund balance, end of year	<u>\$ 2,709</u>	<u>\$ 2,220</u>	<u>\$ 1,118</u>	<u>\$ 38,260</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2011**

	SPECIAL REVENUE FUNDS					
	Fire Department Legislative Grant	Old Library Park	Groundwater Education Donation	Miscellaneous Library Donations	Operation Drug Dog	Special Purpose Donations
Revenues						
Interest and investment income	\$ -	\$ 8	\$ -	\$ 13	\$ -	\$ -
Intergovernmental	109,321					
Departmental						
Other				900		9,564
Total Revenues	109,321	8	-	913	-	9,564
Expenditures						
General government	107,727					
Public safety						5,186
Per trust agreements						
Education						
Public libraries				1,220		
Senior services						
Capital and special appropriations						
Total Expenditures	107,727	-	-	1,220	-	5,186
Excess of revenues over expenditures before transfers	1,594	8	-	(307)	-	4,378
Other Financing Sources (Uses)						
Transfers in						
Transfers out						
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess of revenues and expenditures	1,594	8	-	(307)	-	4,378
Fund balance, beginning of year	2,627	2,570	1,410	7,138	2,437	8,933
Fund balance, end of year	\$ 4,221	\$ 2,578	\$ 1,410	\$ 6,831	\$ 2,437	\$ 13,311

(Continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2011**

	SPECIAL REVENUE FUNDS						
	<u>School Substance Donations</u>	<u>Department Abuse</u>	<u>Tax Revaluation Reserve Fund</u>	<u>Infrastructure Replacement</u>	<u>URI Septic Loan Program</u>	<u>Retirement Allowance Reserve Fund</u>	<u>Health Insurance Reserve</u>
Revenues							
Interest and investment income	\$ -		\$ -	\$ 214	\$ 235	\$ 485	\$ 2,719
Intergovernmental			3	198,188			
Departmental							
Other							
Total Revenues	-		3	198,402	235	485	2,719
Expenditures							
General government							9,500
Public safety	393						
Per trust agreements						485,692	
Education							
Public libraries							
Senior services							
Capital and special appropriations							
Total Expenditures	393		-	-	-	485,692	9,500
Excess of revenues over expenditures before transfers	(393)		3	198,402	235	(485,207)	(6,781)
Other Financing Sources (Uses)							
Transfers in			40,000			202,126	608,005
Transfers out				(188,058)			
Total Other Financing Sources (Uses)	-		40,000	(188,058)	-	202,126	608,005
Excess of revenues and expenditures	(393)		40,003	10,344	235	(283,081)	601,224
Fund balance, beginning of year	3,255		1,135	30,040	104,866	494,261	1,254,478
Fund balance, end of year	\$ 2,862	\$ 41,138	\$ 40,384	\$ 105,101	\$ 211,180	\$ 1,855,702	

(Continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2011**

	SPECIAL REVENUE FUNDS					
	Ann Ward Wallou Memorial Garden	Senior Citizens Center	Senior Citizens Bus Gasoline Escrow	Arts Council	Senior Outreach Escrow	Project Dare
Revenues						
Interest and investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental						
Departmental						
Other		94,390		22,016	475	597
Total Revenues	-	94,390	-	22,016	475	597
Expenditures						
General government		48		26,310		
Public safety						39
Per trust agreements						
Education						
Public libraries						
Senior services		93,955			889	
Capital and special appropriations						
Total Expenditures	-	94,003	-	26,310	889	39
Excess of revenues over expenditures before transfers	-	387	-	(4,294)	(414)	558
Other Financing Sources (Uses)						
Transfers in						
Transfers out						
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess of revenues and expenditures	-	387	-	(4,294)	(414)	558
Fund balance, beginning of year	(901)	22,405	61	22,156	1,641	4,356
Fund balance, end of year	\$ (901)	\$ 22,792	\$ 61	\$ 17,862	\$ 1,227	\$ 4,914

(Continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2011**

	SPECIAL REVENUE FUNDS					
	Fireworks Donation	Parade Committee	Leisure Services Brochure	Community Center Maintenance	Heritage Committee	Recreation Escrow
Revenues						
Interest and investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental				3,806		
Departmental						281,931
Other		250				
Total Revenues	-	250	-	3,806	-	281,931
Expenditures						
General government		1,241		1,523		264,518
Public safety						
Per trust agreements						
Education						
Public libraries						
Senior services						
Capital and special appropriations						
Total Expenditures	-	1,241	-	1,523	-	264,518
Excess of revenues over expenditures before transfers	-	(991)	-	2,283	-	17,413
Other Financing Sources (Uses)						
Transfers in						
Transfers out						
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess of revenues and expenditures	-	(991)	-	2,283	-	17,413
Fund balance, beginning of year	934	1,700	900	(2,283)	-	66,902
Fund balance, end of year	\$ 934	\$ 709	\$ 900	\$ -	\$ -	\$ 84,315

(Continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2011**

	SPECIAL REVENUE FUNDS			
	Non Civic Detail Escrow Fund	School Public Law 94-142	School Title III LEP	School Title I
Revenues				
Interest and investment income	\$ -	\$ -	\$ -	\$ -
Intergovernmental	405,402	1,037,946	12,082	499,523
Departmental				
Other				
Total Revenues	405,402	1,037,946	12,082	499,523
Expenditures				
General government	191,958			
Public safety				
Per trust agreements				
Education		1,037,946	12,082	499,523
Public libraries				
Senior services				
Capital and special appropriations				
Total Expenditures	191,958	1,037,946	12,082	499,523
Excess of revenues over expenditures before transfers	213,444	-	-	-
Other Financing Sources (Uses)				
Transfers in				
Transfers out	(207,091)			
Total Other Financing Sources (Uses)	(207,091)	-	-	-
Excess of revenues and expenditures	6,353	-	-	-
Fund balance, beginning of year	(16,258)	-	-	-
Fund balance, end of year	\$ (9,905)	\$ -	\$ -	\$ -

(Continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2011**

	SPECIAL REVENUE FUNDS			
	<u>Homeless Children & Youth</u>	<u>Boston Foundation</u>	<u>USDA Reallocation</u>	<u>School Title II</u>
Revenues				
Interest and investment income	\$ -	\$ -		\$ -
Intergovernmental	45,176		11,520	214,910
Departmental				
Other				
Total Revenues	<u>45,176</u>	<u>-</u>	<u>11,520</u>	<u>214,910</u>
Expenditures				
General government				
Public safety				
Per trust agreements				
Education	45,176		11,520	214,910
Public libraries				
Senior services				
Capital and special appropriations				
Total Expenditures	<u>45,176</u>	<u>-</u>	<u>11,520</u>	<u>214,910</u>
Excess of revenues over expenditures before transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)				
Transfers in				
Transfers out				
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, beginning of year	<u>-</u>	<u>1,022</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ 1,022</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2011**

	SPECIAL REVENUE FUNDS					
	<u>Title IV Drug Free Schools</u>	<u>School Title V</u>	<u>91-142 Preschool Services</u>	<u>21st Century Learning Center</u>	<u>Target Grant</u>	<u>Student Equity New Fund</u>
Revenues						
Interest and investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	744	-	30,650	143,607	-	629,309
Departmental						
Other						
<i>Total Revenues</i>	<u>744</u>	<u>-</u>	<u>30,650</u>	<u>143,607</u>	<u>-</u>	<u>629,309</u>
Expenditures						
General government						
Public safety						
Per trust agreements						
Education	744	-	30,650	143,607	-	634,508
Public libraries						
Senior services						
Capital and special appropriations						
<i>Total Expenditures</i>	<u>744</u>	<u>-</u>	<u>30,650</u>	<u>143,607</u>	<u>-</u>	<u>634,508</u>
<i>Excess of revenues over expenditures before transfers</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,199)</u>
Other Financing Sources (Uses)						
Transfers in						
Transfers out						
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and expenditures	-	-	-	-	-	(5,199)
Fund balance, beginning of year	-	-	-	-	-	5,199
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2011**

	SPECIAL REVENUE FUNDS			
	<u>Language Investment</u>	<u>Technology</u>	<u>Early Childhood</u>	<u>RI Council On The Arts</u>
Revenues				
Interest and investment income	\$ -	\$ -	\$ -	\$ -
Intergovernmental	42,611	98,889	188,546	780
Departmental				
Other				
<i>Total Revenues</i>	<u>42,611</u>	<u>98,889</u>	<u>188,546</u>	<u>780</u>
Expenditures				
General government				580
Public safety				
Per trust agreements				
Education	39,341	102,033	201,072	
Public libraries				
Senior services				
Capital and special appropriations				
<i>Total Expenditures</i>	<u>39,341</u>	<u>102,033</u>	<u>201,072</u>	<u>580</u>
<i>Excess of revenues over expenditures before transfers</i>	<u>3,270</u>	<u>(3,144)</u>	<u>(12,526)</u>	<u>200</u>
Other Financing Sources (Uses)				
Transfers in				
Transfers out				
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and expenditures	3,270	(3,144)	(12,526)	200
Fund balance, beginning of year	<u>(3,270)</u>	<u>3,144</u>	<u>12,526</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 200</u>

(Continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2011**

	SPECIAL REVENUE FUNDS				
	COZ Family Center	Achieve Algebra Tests	School Literacy Set-Aside	Walmart Grant	New England Dairy and Food Council
Revenues					
Interest and investment income	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	22,974	1,264	289,126		
Departmental					
Other					
Total Revenues	22,974	1,264	289,126	-	-
Expenditures					
General government					
Public safety					
Per trust agreements					
Education	22,974	1,264	291,198	150	
Public libraries					
Senior services					
Capital and special appropriations					
Total Expenditures	22,974	1,264	291,198	150	-
Excess of revenues over expenditures before transfers	-	-	(2,072)	(150)	-
Other Financing Sources (Uses)					
Transfers in					
Transfers out					
Total Other Financing Sources (Uses)	-	-	-	-	-
Excess of revenues and expenditures	-	-	(2,072)	(150)	-
Fund balance, beginning of year	-	-	2,072	150	2,000
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -	\$ 2,000

(Continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2011**

	SPECIAL REVENUE FUNDS						
	RI Interscholastic League	School COZ Miscellaneous Donations	Siemens Foundation	Use of Buildings	Feinstein Foundation	Nickelodeon	Donations- Coaches
Revenues							
Interest and investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Intergovernmental		4,103		68,883			12,103
Departmental							
Other					5,000		
Total Revenues	-	4,103	-	68,883	5,000	-	12,103
Expenditures							
General government							
Public safety							
Per trust agreements							
Education	1,050	2,669			4,720		12,103
Public libraries							
Senior services							
Capital and special appropriations				68,883			
Total Expenditures	1,050	2,669	-	68,883	4,720	-	12,103
Excess of revenues over expenditures before transfers	(1,050)	1,434	-	-	280	-	-
Other Financing Sources (Uses)							
Transfers in							
Transfers out							
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-
Excess of revenues and expenditures	(1,050)	1,434	-	-	280	-	-
Fund balance, beginning of year	3,045	3,201	1,000	-	-	1,535	-
Fund balance, end of year	\$ 1,995	\$ 4,635	\$ 1,000	\$ -	\$ 280	\$ 1,535	\$ -

(Continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2011**

	SPECIAL REVENUE FUNDS				
	<u>RIPIN</u>	<u>Amagen Foundation</u>	<u>School RI Parent Info Network</u>	<u>Spirit Day</u>	<u>RIPIN Award #2</u>
Revenues					
Interest and investment income	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	5,093		29,853	1,528	2,176
Departmental					
Other					
Total Revenues	5,093	-	29,853	1,528	2,176
Expenditures					
General government					
Public safety					
Per trust agreements					
Education	5,093		29,853	2,039	2,176
Public libraries					
Senior services					
Capital and special appropriations					
Total Expenditures	5,093	-	29,853	2,039	2,176
Excess of revenues over expenditures before transfers	-	-	-	(511)	-
Other Financing Sources (Uses)					
Transfers in					
Transfers out					
Total Other Financing Sources (Uses)	-	-	-	-	-
Excess of revenues and expenditures	-	-	-	(511)	-
Fund balance, beginning of year	-	166	-	1,681	-
Fund balance, end of year	\$ -	\$ 166	\$ -	\$ 1,170	\$ -

(Continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2011**

	SPECIAL REVENUE FUNDS				DEBT SERVICE	CAPITAL PROJECT	
	ARRA IDEA Part B	ARRA IDEA Preschool	TITLE I ARRA	RTTT Standards	FY 2005 Refunding	Capital Improvement Project	Capital Reserve
Revenues							
Interest and investment income	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 2,766
Intergovernmental	206,945	23,868	92,535				
Departmental							
Other							32,148
<i>Total Revenues</i>	<u>206,945</u>	<u>23,868</u>	<u>92,535</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,914</u>
Expenditures							
General government					7,461		
Public safety							
Per trust agreements							
Education	206,945	23,868	92,535	4,457			
Public libraries							
Senior services							
Capital and special appropriations						256,527	377,192
<i>Total Expenditures</i>	<u>206,945</u>	<u>23,868</u>	<u>92,535</u>	<u>4,457</u>	<u>7,461</u>	<u>256,527</u>	<u>377,192</u>
<i>Excess of revenues over expenditures before transfers</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,457)</u>	<u>(7,461)</u>	<u>(256,527)</u>	<u>(342,278)</u>
Other Financing Sources (Uses)							
Transfers in						247,842	393,180
Transfers out						(21,550)	
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>226,292</u>	<u>393,180</u>
Excess of revenues and expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,457)</u>	<u>(7,461)</u>	<u>(30,235)</u>	<u>50,902</u>
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,936</u>	<u>-</u>	<u>1,316,214</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,457)</u>	<u>\$ 11,475</u>	<u>\$ (30,235)</u>	<u>\$ 1,367,116</u>

(Continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2011**

	CAPITAL PROJECT FUNDS						
	9M School Renovations Bond	Faerland & Open Space Reserve	6M Public Facilities Plan Bond	School Capital Reserve Fund	4M Senior Center Complex Fund	4.5M Public Safety Facilities	4M Faerland Open Space Fund
Revenues							
Interest and investment income	\$ -	\$ 1,289	\$ 832	\$ 1,042			\$ 831
Intergovernmental		87,875		63,895	258,849		
Departmental							
Other							
<i>Total Revenues</i>	<u>-</u>	<u>89,164</u>	<u>832</u>	<u>64,937</u>	<u>258,849</u>	<u>-</u>	<u>831</u>
Expenditures							
General government		8,600		-	33,126		
Public safety							
Per trust agreements							
Education							
Public libraries							
Senior services							
Capital and special appropriations							26,087
<i>Total Expenditures</i>	<u>-</u>	<u>8,600</u>	<u>-</u>	<u>-</u>	<u>33,126</u>	<u>-</u>	<u>26,087</u>
<i>Excess of revenues over expenditures before transfers</i>	<u>-</u>	<u>80,564</u>	<u>832</u>	<u>64,937</u>	<u>225,723</u>	<u>-</u>	<u>(25,256)</u>
Other Financing Sources (Uses)							
Transfers in				21,550			
Transfers out				(247,842)			
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(226,292)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess of revenues and expenditures</i>	<u>-</u>	<u>80,564</u>	<u>832</u>	<u>(161,355)</u>	<u>225,723</u>	<u>-</u>	<u>(25,256)</u>
Fund balance, beginning of year	72,085	595,459	372,727	356,246	(216,948)	57,556	387,382
Fund balance, end of year	<u>\$ 72,085</u>	<u>\$ 676,023</u>	<u>\$ 373,559</u>	<u>\$ 194,891</u>	<u>\$ 8,775</u>	<u>\$ 57,556</u>	<u>\$ 362,126</u>

(Continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2011**

	PERMANENT FUNDS					
	Henry Reynolds Indigent Care	Tri-Centennial Park	400th Anniversary	Henry Reynolds Outside Poor Fund	John J. Spink Outside Poor Fund	John B. Spink Outside Poor Fund
Revenues						
Interest and investment income	\$ 42	\$ -	\$ 8			
Intergovernmental						
Departmental						
Other						
<i>Total Revenues</i>	<u>42</u>	<u>-</u>	<u>8</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures						
General government						
Public safety						
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>
<i>Excess of revenues over expenditures before transfers</i>	<u>42</u>	<u>-</u>	<u>8</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)						
Transfers in						
Transfers out						
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and expenditures	42	-	8	-	-	-
Fund balance, beginning of year	18,821	6,107	3,596	2,183	21,049	5,262
Fund balance, end of year	<u>\$ 18,863</u>	<u>\$ 6,107</u>	<u>\$ 3,604</u>	<u>\$ 2,183</u>	<u>\$ 21,049</u>	<u>\$ 5,262</u>

(Continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2011**

	PERMANENT FUNDS					
	Thomas Casey Outside <u>Poor Fund</u>	Elizabeth Miller Library <u>Fund</u>	William D. Davis Library <u>Fund</u>	Veterans Memorial <u>Scholarship</u>	School Library <u>Fund</u>	School Gardiner <u>Fund</u>
Revenues						
Interest and investment income				\$ 16	\$ 37	\$ 23
Intergovernmental						
Departmental						
Other						
<i>Total Revenues</i>	-	-	-	16	37	23
Expenditures						
General government						
Public safety						
Per trust agreements						
Education						
Public libraries						
Senior services						
Capital and special appropriations						
<i>Total Expenditures</i>	-	-	-	-	-	-
<i>Excess of revenues over expenditures before transfers</i>	-	-	-	16	37	23
Other Financing Sources (Uses)						
Transfers in						
Transfers out						
<i>Total Other Financing Sources (Uses)</i>	-	-	-	-	-	-
Excess of revenues and expenditures	-	-	-	16	37	23
Fund balance, beginning of year	2,183	2,004	5,009	6,880	8,681	5,738
Fund balance, end of year	\$ 2,183	\$ 2,004	\$ 5,009	\$ 6,896	\$ 8,718	\$ 5,761

(Continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2011**

	PERMANENT FUNDS			
	School Updike Fund	School Tennis Fund	Lynette Olson Memorial Fund	Grand Totals
Revenues				
Interest and investment income	\$ 11	\$ -		\$ 11,572
Intergovernmental				6,527,583
Departmental				327,305
Other				184,600
Total Revenues	11	-	-	7,051,060
Expenditures				
General government				1,393,349
Public safety				41,974
Per trust agreements				485,692
Education				3,676,206
Public libraries				1,472,638
Senior services				146,841
Capital and special appropriations				774,574
Total Expenditures	-	-	-	7,991,274
Excess of revenues over expenditures before transfers	11	-	-	(940,214)
Other Financing Sources (Uses)				
Transfers in				2,637,292
Transfers out				(1,265,162)
Total Other Financing Sources (Uses)	-	-	-	1,372,130
Excess of revenues and expenditures	11	-	-	431,916
Fund balance, beginning of year	4,195	268	5,340	5,746,172
Fund balance, end of year	\$ 4,206	\$ 268	\$ 5,340	\$ 6,178,088

(Concluded)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NON MAJOR ENTERPRISE FUNDS

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

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

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

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

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

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

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

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

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**NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET ASSETS
JUNE 30, 2011**

	<u>Quonset/ Davisville Reserve</u>	<u>NKSD Adult Education</u>	<u>Athletic Gate Receipts</u>	<u>NKHS Summer School Remedial</u>	<u>School Sports Camp</u>	<u>School Sport Camps</u>	<u>Summer School Fund</u>	<u>Total</u>
Assets								
<i>Current assets</i>								
Cash and cash equivalents	\$ 83,974	\$ 610	\$ 10,398	\$ -	\$ 61,485	\$ -	\$ 5,223	\$ 161,690
Other receivables			2,500					2,500
Due from other funds				1,622		23,895		25,517
Total current assets	83,974	610	12,898	1,622	61,485	23,895	5,223	189,707
<i>Net Capital Assets</i>								
Total assets	\$ 83,974	\$ 610	\$ 12,898	\$ 1,622	\$ 61,485	\$ 23,895	\$ 5,223	\$ 189,707
Liabilities and Fund Equity								
<i>Current liabilities</i>								
Accounts payable and accrued expense			\$ 3,500	\$ 45		\$ 655		\$ 4,200
Due to other funds		\$ 610	1,622	3,270	\$ 24,902	3,489		33,893
Total current liabilities	-	610	5,122	3,315	24,902	4,144	-	38,093
Net Assets								
Unassigned	83,974	-	7,776	(1,693)	36,583	19,751	5,223	151,614
Total net assets	83,974	-	7,776	(1,693)	36,583	19,751	5,223	151,614
Total liabilities and net assets	\$ 83,974	\$ 610	\$ 12,898	\$ 1,622	\$ 61,485	\$ 23,895	\$ 5,223	\$ 189,707

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

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**NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2011**

	<u>Quonset/ Davisville Reserve</u>	<u>NKSD Adult Education</u>	<u>Athletic Gate Receipts</u>	<u>NKHS Summer School Remedial</u>	<u>School Sports Camp</u>	<u>Athletic Activities Sports</u>	<u>Summer School Fund</u>	<u>Total</u>
Operating revenues:								
Charges for services	\$ -	\$ -	\$ 13,974	\$ 29,975	\$ 54,792	\$ 23,799	\$ 3,890	\$ 126,430
<i>Total operating revenues</i>	-	-	13,974	29,975	54,792	23,799	3,890	126,430
Operating expenses:								
Operations	94	610	12,667	42,725	54,979	25,961	16,528	153,564
<i>Total operating expenses</i>	94	610	12,667	42,725	54,979	25,961	16,528	153,564
<i>Operating income (loss)</i>	(94)	(610)	1,307	(12,750)	(187)	(2,162)	(12,638)	(27,134)
Non-operating revenues (expenses):								
Investment income	198	-	-	-	-	-	-	198
<i>Total non-operating revenues (expenses):</i>	198	-	-	-	-	-	-	198
<i>Income (loss) before transfers:</i>	104	(610)	1,307	(12,750)	(187)	(2,162)	(12,638)	(26,936)
Transfers:								
Transfers In	-	-	-	-	-	-	-	-
Transfers (Out)	-	-	-	-	-	-	-	-
<i>Total Transfers</i>	-	-	-	-	-	-	-	-
Change in Net Assets	104	(610)	1,307	(12,750)	(187)	(2,162)	(12,638)	(26,936)
Net assets - July 1, 2010	83,870	610	6,469	11,057	36,770	21,913	17,861	178,550
Net assets - June 30, 2011	\$ 83,974	\$ -	\$ 7,776	\$ (1,693)	\$ 36,583	\$ 19,751	\$ 5,223	\$ 151,614

**NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2011**

	<u>Quonset/ Davisville Reserve</u>	<u>NKSD Adult Education</u>	<u>Athletic Gate Receipts</u>	<u>NKHS Summer School Remedial</u>	<u>School Sports Camp</u>	<u>School Sport Camps</u>	<u>Summer School Fund</u>	<u>Total</u>
Cash flows from operating activities								
Cash received from customers	\$ -	\$ -	\$ 17,943	\$ 33,283	\$ 54,792	\$ 834	\$ 3,890	\$ 110,742
Cash payments to suppliers for goods and services	(49,070)	-	(7,545)	(39,410)	(31,230)	(23,467)	(21,499)	(172,221)
<i>Net cash provided (used) by operating activities</i>	<u>(49,070)</u>	<u>-</u>	<u>10,398</u>	<u>(6,127)</u>	<u>23,562</u>	<u>(22,633)</u>	<u>(17,609)</u>	<u>(61,479)</u>
Cash flows from investing activities								
Interest on investments	198	-	-	-	-	-	-	198
<i>Net cash provided by investing activities</i>	<u>198</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>198</u>
Net increase (decrease) in cash and cash equivalents	(48,872)	-	10,398	(6,127)	23,562	(22,633)	(17,609)	(61,281)
Cash and cash equivalents, July 1, 2010	132,846	610	-	6,127	37,923	22,633	22,832	222,971
Cash and cash equivalents, June 30, 2011	<u>\$ 83,974</u>	<u>\$ 610</u>	<u>\$ 10,398</u>	<u>\$ -</u>	<u>\$ 61,485</u>	<u>\$ -</u>	<u>\$ 5,223</u>	<u>\$ 161,690</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities								
Operating income (loss)	\$ (94)	\$ (610)	\$ 1,307	\$ (12,750)	\$ (187)	\$ (2,162)	\$ (12,638)	\$ (27,134)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:								
(Increase) decrease in other receivable			(2,500)					(2,500)
(Increase) decrease in due from other funds		610	6,469	3,308		(22,965)		(12,578)
Increase (decrease) in due to other funds			1,622	3,270	23,749	3,489	(4,930)	27,200
Increase (decrease) in accounts payable	(48,976)		3,500	45		(995)	(41)	(46,467)
<i>Net cash provided by (used for) operating activities</i>	<u>\$ (49,070)</u>	<u>\$ -</u>	<u>\$ 10,398</u>	<u>\$ (6,127)</u>	<u>\$ 23,562</u>	<u>\$ (22,633)</u>	<u>\$ (17,609)</u>	<u>\$ (61,479)</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

PRIVATE PURPOSES TRUST FUNDS

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

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

Hall	B.H. Davis
Vaughn	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
Weks	Cogan
J. Weeks	Horowitz
Mattia	Tarchis

**COMBINING STATEMENT OF NET ASSETS
PRIVATE PURPOSE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2011**

		Burial Funds					
		<u>Hall</u>	<u>Vaughn</u>	<u>Young</u>	<u>Rebecca Hammond</u>	<u>W.H. Welling</u>	<u>George C. Hall</u>
Assets							
Cash		\$ 501	\$ 100	\$ 301	\$ 301	\$ 8,685	\$ 200
Liabilities							
Accounts payable		-	-	-	-	-	-
Net Assets							
Held in Trust for private purposes per trust agreements		\$ 501	\$ 100	\$ 301	\$ 301	\$ 8,685	\$ 200

(CONTINUED)

**COMBINING STATEMENT OF NET ASSETS
PRIVATE PURPOSE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2011**

		Burial Funds						
		<u>B.H. Davis</u>	<u>Updike</u>	<u>Mary Carpenter</u>	<u>Smith- Lawton</u>	<u>Old Baptist Cemetery</u>	<u>Smith</u>	<u>Burial Totals</u>
Assets								
Cash		\$ 501	\$ 1,583	\$ 1,002	\$ 4,612	\$ 701	\$ 1,002	\$ 19,489
Liabilities								
Accounts payable		-	-	-	-	-	-	-
Net Assets								
Held in Trust for private purposes per trust agreements		\$ 501	\$ 1,583	\$ 1,002	\$ 4,612	\$ 701	\$ 1,002	\$ 19,489

(CONTINUED)

**COMBINING STATEMENT OF NET ASSETS
PRIVATE PURPOSE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2011**

		Probate Funds					
		<u>Beriah Lawton</u>	<u>James L. R. Weeks</u>	<u>Marguerite R. Cogan</u>	<u>Delphis R. Jones</u>	<u>J. Weeks</u>	<u>Doris Horowitz</u>
	Assets						
Cash		\$ 8,318	\$ 2,611	\$ 606	\$ 229	\$ 5,704	\$ 957
	Liabilities						
Accounts payable		-	-	-	-	-	-
	Net Assets						
Held in Trust for private purposes per trust agreements		\$ 8,318	\$ 2,611	\$ 606	\$ 229	\$ 5,704	\$ 957

(CONTINUED)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

H-1

**COMBINING STATEMENT OF NET ASSETS
PRIVATE PURPOSE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2011**

		<u>Probate Funds</u>			
		<u>Lillian Mattia</u>	<u>Arthur Tarchis</u>	<u>Probate Totals</u>	<u>GRAND TOTALS</u>
	Assets				
Cash		\$ 4	\$ 4	\$ 18,433	\$ 37,922
	Liabilities	-	-	-	-
	Net Assets				
Held in Trust for private purposes per trust agreements		\$ 4	\$ 4	\$ 18,433	\$ 37,922

(CONCLUDED)

**COMBINING STATEMENT OF CHANGES IN NET ASSETS
PRIVATE PURPOSE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2011**

	Burial Funds					
	<u>Hall</u>	<u>Vaughn</u>	<u>Young</u>	<u>Rebecca Hammond</u>	<u>W.H. Welling</u>	<u>George C. Hall</u>
Additions						
Investment income	\$ -	\$ -	\$ -	\$ -	\$ 7	\$ -
	-	-	-	-	7	-
Deductions						
Operating expense per trust agreement	-	-	-	-	-	-
Change in Net Assets	-	-	-	-	7	-
Net Assets, beginning	501	100	301	301	8,678	200
Net Assets, ending	\$ 501	\$ 100	\$ 301	\$ 301	\$ 8,685	\$ 200

(CONTINUED)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

H-2

**COMBINING STATEMENT OF CHANGES IN NET ASSETS
PRIVATE PURPOSE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2011**

	Burial Funds						
	<u>B.H. Davis</u>	<u>Updike</u>	<u>Mary Carpenter</u>	<u>Smith- Lawton</u>	<u>Old Baptist Cemetery</u>	<u>Smith</u>	<u>Burial Totals</u>
Additions							
Investment income	\$ -	\$ -	\$ -	\$ 4	\$ -	\$ -	\$ 11
	-	-	-	4	-	-	11
Deductions							
Operating expense per trust agreement							-
	-	-	-	-	-	-	-
Change in Net Assets	-	-	-	4	-	-	11
Net Assets, beginning	501	1,583	1,002	4,608	701	1,002	19,478
Net Assets, ending	\$ 501	\$ 1,583	\$ 1,002	\$ 4,612	\$ 701	\$ 1,002	\$ 19,489

(CONTINUED)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**COMBINING STATEMENT OF CHANGES IN NET ASSETS
PRIVATE PURPOSE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2011**

	Probate Funds					
	<u>Beriah Lawton</u>	<u>James L. R. Weeks</u>	<u>Marguerite R. Cogan</u>	<u>Delphis R. Jones</u>	<u>J. Weeks</u>	<u>Doris Horowitz</u>
Additions						
Investment income	\$ 6	\$ 6	\$ 1	\$ -	\$ 12	\$ 8
	6	6	1	-	12	8
Deductions						
Operating expense per trust agreement						2,861
	-	-	-	-	-	2,861
Change in Net Assets	6	6	1	-	12	(2,853)
Net Assets, beginning	8,312	2,605	605	229	5,692	3,810
Net Assets, ending	\$ 8,318	\$ 2,611	\$ 606	\$ 229	\$ 5,704	\$ 957

(CONTINUED)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**COMBINING STATEMENT OF CHANGES IN NET ASSETS
PRIVATE PURPOSE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Probate Funds</u>			
	<u>Lillian Mattia</u>	<u>Arthur Tarchis</u>	<u>Probate Totals</u>	<u>GRAND TOTALS</u>
Additions				
Investment income	\$ 9	\$ 9	\$ 51	\$ 62
	<u>9</u>	<u>9</u>	<u>51</u>	<u>62</u>
Deductions				
Operating expense per trust agreement	3,815	3,815	10,491	10,491
	<u>3,815</u>	<u>3,815</u>	<u>10,491</u>	<u>10,491</u>
 Change in Net Assets	 (3,806)	 (3,806)	 (10,440)	 (10,429)
Net Assets, beginning	<u>3,810</u>	<u>3,810</u>	<u>28,873</u>	<u>48,351</u>
Net Assets, ending	<u>\$ 4</u>	<u>\$ 4</u>	<u>\$ 18,433</u>	<u>\$ 37,922</u>

(CONCLUDED)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

AGENCY FUNDS

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

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

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

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

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

Sunshine Fund – To account for monies held by the School which is used by school employees for various internal activities.

Statement of Changes in Assets and Liabilities
Agency Funds
Year ended June 30, 2011

	Beginning Balance	Additions	Deductions	Ending Balance
<u>SCHOOL ACTIVITY FUNDS</u>				
<i>Assets</i>				
Cash	\$ 351,342	\$ 739,055	\$ 700,627	\$ 389,770
<i>Liabilities</i>				
Due to student groups	\$ 351,342	\$ 739,055	\$ 700,627	\$ 389,770
<u>PAYROLL FUND</u>				
<i>Assets</i>				
Cash	\$ 945,117	\$ 54,069,560	\$ 54,948,319	\$ 66,358
Accounts Receivable	-		-	-
Other Receivables	-		-	-
<i>Total assets</i>	<u>\$ 945,117</u>	<u>\$ 54,069,560</u>	<u>\$ 54,948,319</u>	<u>\$ 66,358</u>
<i>Liabilities</i>				
Accounts Payable	\$ 829,722	\$ 19,647,082	\$ 20,449,074	\$ 27,730
Payroll withholdings	115,395	31,425,027	31,501,794	38,628
<i>Total liabilities</i>	<u>\$ 945,117</u>	<u>\$ 51,072,109</u>	<u>\$ 51,950,868</u>	<u>\$ 66,358</u>
<u>SCHOOL PAYROLL FUND</u>				
<i>Assets</i>				
Cash	\$ 290,967	\$ 123,232,408	\$ 123,099,695	\$ 423,680
Other Receivables	5,582		5,582	-
<i>Total assets</i>	<u>\$ 296,549</u>	<u>\$ 123,232,408</u>	<u>\$ 123,105,277</u>	<u>\$ 423,680</u>
<i>Liabilities</i>				
Accounts Payable	\$ 45,011	\$ 42,563,028	\$ 42,581,070	\$ 26,969
Other payables	-	152,852		152,852
Payroll withholdings	251,538	64,537,161	64,544,840	243,859
<i>Total liabilities</i>	<u>\$ 296,549</u>	<u>\$ 107,253,041</u>	<u>\$ 107,125,910</u>	<u>\$ 423,680</u>
<u>SUNSHINE FUND</u>				
<i>Assets</i>				
Cash	\$ 382	\$ 846		\$ 1,228
<i>Liabilities</i>				
Deposits Held in Custody for Others	\$ 382	\$ 846		\$ 1,228

(Continued)

Statement of Changes in Assets and Liabilities
Agency Funds
Year ended June 30, 2011

	Beginning Balance	Additions	Deductions	Ending Balance
<u>DEVELOPER SURETY ESCROW</u>				
<i>Assets</i>				
Cash	\$ 102,245	\$ 345,948	\$ 267,927	\$ 180,266
<i>Liabilities</i>				
Deposits held in custody for others	102,245	141,548	- 63,527	180,266
<i>Total liabilities</i>	<u>\$ 102,245</u>	<u>\$ 141,548</u>	<u>\$ 63,527</u>	<u>\$ 180,266</u>
 TOTAL - ALL AGENCY FUNDS				
<i>Assets</i>				
Cash	\$ 1,690,053	\$ 178,387,817	\$ 179,016,568	\$ 1,061,302
Other Receivables	5,582	-	5,582	-
<i>Total assets</i>	<u>\$ 1,695,635</u>	<u>\$ 178,387,817</u>	<u>\$ 179,022,150</u>	<u>\$ 1,061,302</u>
<i>Liabilities</i>				
Due to student groups	\$ 351,342	\$ 739,055	\$ 700,627	\$ 389,770
Other payable	874,733	62,362,962	63,030,144	207,551
Deposits Held in Custody for Others	102,627	142,394	63,527	181,494
Payroll withholdings	366,933	95,962,188	96,046,634	282,487
<i>Total liabilities</i>	<u>\$ 1,695,635</u>	<u>\$ 159,206,599</u>	<u>\$ 159,840,932</u>	<u>\$ 1,061,302</u>

(Concluded)

TOWN OF NORTH KINGSTOWN

**Budgetary Comparison Schedule for the Library Fund
 Schedule of Revenues and Expenditures (Non-GAAP Budgetary Basis)
 Budget and Actual
 (Unaudited)**

Library Fund				
Year Ended June 30, 2011				
	Originally Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Revenues:				
State Aid	\$ 211,534	\$ 211,534	\$ 211,534	\$ -
Departmental Revenue	42,000	42,000	35,374	(6,626)
Miscellaneous	5,671	5,671	5,671	-
Total Revenues	<u>259,205</u>	<u>259,205</u>	<u>252,579</u>	<u>(6,626)</u>
Expenditures:				
Library	1,393,794	1,393,794	1,379,059	14,735
Total Expenditures	<u>1,393,794</u>	<u>1,393,794</u>	<u>1,379,059</u>	<u>14,735</u>
Excess of expenditures over revenues	<u>(1,134,589)</u>	<u>(1,134,589)</u>	<u>(1,126,480)</u>	<u>8,109</u>
Other financing sources:				
Operating transfer from Town	1,124,589	1,124,589	1,124,589	-
Transfers out	-	-	(2,126)	(2,126)
Transfer from fund balance	10,000	10,000	10,000	-
Net other financing sources	<u>1,134,589</u>	<u>1,134,589</u>	<u>1,132,463</u>	<u>(2,126)</u>
Excess (deficiency) of revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,983</u>	<u>\$ 5,983</u>

TOWN OF NORTH KINGSTOWN

**Budgetary Comparison Schedule for the Debt Service Fund
 Schedule of Revenues and Expenditures (Non-GAAP Budgetary Basis)
 Budget and Actual
 (Unaudited)**

Debt Service Fund				
Year Ended June 30, 2011				
	Originally Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Revenues:				
State Aid	\$ 1,242,876	\$ 1,242,876	\$ 1,191,736	\$ (51,140)
Miscellaneous	6,000	6,000	1,098	(4,902)
Total Revenues	<u>1,248,876</u>	<u>1,248,876</u>	<u>1,192,834</u>	<u>(56,042)</u>
Expenditures:				
Debt Service Municipal	1,930,041	1,930,041	1,930,041	-
Debt Service School	4,016,242	4,016,242	3,816,242	200,000
Total Expenditures	<u>5,946,283</u>	<u>5,946,283</u>	<u>5,746,283</u>	<u>200,000</u>
Excess of expenditures over revenues	<u>(4,697,407)</u>	<u>(4,697,407)</u>	<u>(4,553,449)</u>	<u>143,958</u>
Other financing sources:				
Operating transfer from Town	4,467,762	4,467,762	4,467,762	-
Transfer from Impact Fees	44,000	44,000	39,763	(4,237)
Transfer from fund balance	185,645	185,645	185,645	-
Net other financing sources	<u>4,697,407</u>	<u>4,697,407</u>	<u>4,693,170</u>	<u>(4,237)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 139,721</u>	<u>\$ 139,721</u>

THE TOWN OF
NORTH KINGSTOWN, RHODE ISLAND

STATISTICAL SECTION

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**Schedule 1
Net Assets by Component
Last Nine Fiscal Years**

FISCAL YEAR	2011	2010	2009	2008	2007	2006	2005	2004	2003
Governmental Activities									
Invested in Capital assets, net of related debt	\$ 49,135,116	\$ 47,064,382	\$ 43,174,456	\$ 41,954,816	\$ 45,665,960	\$ 12,563,318	\$ (1,469,025)	\$ (1,861,551)	\$ (4,333,063)
Restricted For:									
Permanent Funds	240,910	97,316	96,559	95,607	94,451	88,580	86,537	87,654	
Debt Service									1,445,923
Capital Projects									4,412,453
Specific Programs									2,980,858
Unrestricted	15,754,856	20,083,778	24,937,386	25,645,661	21,492,526	25,719,107	23,083,191	20,305,262	14,300,299
Total governmental Activities net assets	65,130,882	67,245,476	68,208,401	67,696,084	67,252,937	38,371,005	21,700,703	18,531,365	18,806,470
Business-type activities									
Invested in Capital assets, net of related debt	7,106,317	3,331,877	7,067,811	5,263,868	5,054,302	4,835,395	4,720,878	3,856,102	4,221,731
Unrestricted	5,971,817	8,664,848	6,882,041	7,359,621	7,507,799	5,663,520	5,209,767	5,599,958	5,008,473
Total business-type activities net assets	13,078,134	11,996,725	13,949,852	12,623,489	12,562,101	10,498,915	9,930,645	9,456,060	9,230,204
Primary Government									
Invested in Capital assets, net of related debt	56,241,433	50,396,259	50,242,267	47,218,684	50,720,262	17,398,713	3,251,853	1,994,551	(111,332)
Restricted for:									
Permanent Funds	240,910	97,316	96,559	95,607	94,451	88,580	86,537	87,654	
Debt Service									1,445,923
Capital Projects									4,412,453
Specific Programs									2,980,858
Unrestricted	21,726,673	28,748,626	31,819,427	33,005,282	29,000,325	31,382,627	28,292,958	25,905,220	19,308,772
Total primary government net assets	\$ 78,209,016	\$ 79,242,201	\$ 82,158,253	\$ 80,319,573	\$ 79,815,038	\$ 48,869,920	\$ 31,631,348	\$ 27,987,425	\$ 28,036,674

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**Schedule 2
Changes in Net Assets, Last Nine Fiscal Years
Governmental Activities
(Accrual Basis of Accounting)**

Fiscal Year	2011	2010	2009	2008	2007	2006	2005	2004	2003
Expenses									
Governmental activities:									
General government	\$ 9,023,524	\$ 8,395,102	\$ 7,879,939	\$ 6,982,839	\$ 6,722,225	\$ 6,558,106	\$ 6,207,401	\$ 5,391,630	\$ 3,781,898
Public Safety	15,079,560	14,057,004	14,890,187	14,102,227	13,763,174	13,000,576	11,719,377	11,138,814	10,549,612
Public Works	5,752,332	6,271,283	8,424,583	4,293,248	3,427,940	4,116,279	4,696,321	4,232,614	3,454,217
Parks and recreation	-	17,039	325,669	331,434	284,710	500,417	-	-	-
Senior Services	602,891	561,099	421,340	329,396	298,143	-	-	-	-
Education	63,759,458	62,387,064	62,748,553	60,406,928	58,428,032	55,583,451	54,738,498	54,941,481	48,998,583
Public libraries	1,540,763	1,462,576	1,462,395	1,311,869	1,428,343	1,055,453	1,186,589	1,185,692	1,194,352
Per trust agreements	-	-	-	-	40,748	-	-	-	-
Human resources	-	-	-	25,933	30,248	-	-	-	-
Debt Services	2,002,951	2,243,730	2,318,247	2,245,068	1,836,140	1,832,206	2,083,708	2,625,068	2,725,731
Other	-	-	-	-	-	2,131,144	1,485,870	2,900,209	1,371,717
Amortization	99,859	91,378	79,495	-	-	-	-	-	-
Unallocated depreciation	-	-	-	4,105,484	1,554,813	-	-	-	-
Total governmental activities	97,861,138	95,466,273	98,550,388	94,134,204	87,810,516	84,777,632	82,117,762	82,415,506	72,076,090
Business-type activities:									
Water	2,178,836	4,888,182	2,936,959	2,973,401	2,121,390	2,552,342	2,259,774	2,168,391	1,819,573
O/D Recreation	1,992,442	1,970,328	746,784	1,461,895	1,338,711	1,329,769	1,282,294	1,308,819	1,175,543
School Cafeteria	1,222,544	1,343,055	1,288,909	-	-	-	-	-	-
Water Capital Reserve Fund	112,129	52,910	131,295	-	-	-	-	-	-
Other business-type activities	153,564	418,699	402,438	1,385,278	1,585,318	1,420,496	1,416,646	1,291,890	1,231,243
Total business-type activities	5,659,515	8,673,174	5,506,385	6,820,574	5,045,419	5,302,607	4,958,714	4,767,100	4,226,359
Total primary government expense	103,520,653	104,139,447	104,056,773	99,954,778	92,855,935	90,080,239	87,076,476	87,182,606	76,302,449
Program Revenues									
Governmental activities:									
Charges for services:									
General government	\$ 1,473,838	\$ 1,252,645	\$ 3,959,542	1,571,397	1,498,424	1,815,913	2,615,797	2,613,288	1,978,798
Public safety	1,483,923	1,239,404	893,450	1,000,275	937,037	877,391	1,137,570	687,065	648,521
Public works	629,129	776,499	709,149	624,204	693,034	761,671	571,815	581,484	574,475
Parks and recreation	-	-	-	9,874	204,901	211,098	-	-	-
Education	2,215,041	2,522,073	2,380,751	2,350,550	2,276,599	2,543,882	2,329,670	2,123,849	2,095,262
Public libraries	252,329	256,239	262,371	-	-	-	-	-	-
Department of senior services	-	-	25,834	3,000	6,500	-	-	-	-
Other	-	-	-	-	-	-	165,423	260,267	119,065
Operating grants and contributions	18,355,271	18,521,338	18,703,733	18,916,120	18,486,460	19,340,305	17,007,379	16,341,886	14,133,406
Total governmental activities program revenues	24,409,531	24,568,198	26,944,704	24,670,447	24,089,150	25,339,162	23,827,654	22,607,937	19,549,526
Business-type activities:									
Charges for services:									
Water	3,596,310	3,247,619	2,952,251	3,121,283	2,953,358	2,876,360	2,457,870	2,232,361	2,320,485
O/D Recreation	1,797,973	1,770,058	1,819,703	1,957,790	1,841,284	1,659,252	1,583,353	1,553,365	1,470,694
School Cafeteria	624,765	794,638	801,522	-	-	-	-	-	-
Water Capital Reserve Fund	-	18,896	-	-	-	-	-	-	-
Other business-type activities	126,430	114,924	132,053	911,433	1,084,278	1,042,533	1,287,182	1,296,653	1,234,882
Operating grants and contributions	437,736	425,263	695,689	351,846	314,329	287,591	-	-	-
Total business-type activities	6,583,214	6,371,598	6,401,218	6,342,352	6,193,249	5,665,736	5,328,405	5,082,379	5,026,061
Total primary government revenues	30,992,745	30,939,796	33,345,922	31,012,799	30,282,399	31,204,898	29,156,059	27,690,316	24,575,587
Net (Expense)/Revenue									
Governmental activities	(73,451,607)	(70,898,075)	(71,605,684)	(69,463,757)	(63,721,366)	(59,438,470)	(58,290,108)	(59,807,569)	(52,528,564)
Business-type activities	923,699	(2,301,576)	894,833	521,778	1,147,830	563,129	369,691	315,279	799,702
Total primary government net expense	\$ (72,527,908)	\$ (73,199,651)	\$ (70,710,851)	\$ (68,941,979)	\$ (62,573,536)	\$ (58,875,341)	\$ (57,920,417)	\$ (59,492,290)	\$ (51,728,862)

(Continued)

Note: n=no years of data presented due to issuance of GASB 34 - Basic Financial Statements and Managements Discussion and Analysis for State and Local Governments during fiscal year 2002.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**Schedule 2
Changes in Net Assets, Last Nine Fiscal Years
Governmental Activities
(Accrual Basis of Accounting)**

Fiscal Year	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Revenues and Other Charges in Net Assets									
Governmental activities:									
Property taxes	\$ 66,424,558	\$ 65,278,552	\$ 64,727,956	\$ 61,222,691	\$ 59,439,540	\$ 58,331,520	\$ 53,530,984	\$ 53,049,157	\$ 51,477,809
Unrestricted investment earnings	91,702	170,123	587,725	1,440,248	1,599,737	1,330,547	884,875	441,941	365,601
Unrestricted intergovernmental revenue	3,345,052	3,746,855	4,020,209	5,914,775	5,466,317	4,278,607	8,237,179	5,848,071	5,851,270
Licenses and permits	-	395,984	428,107	482,329	581,969	539,812	-	114,912	355,158
Other	384,996	402,039	538,960	131,761	43,729	48,273	446,473	-	262,278
Proceeds of refunding debt	-	-	-	-	-	-	30,360,000	-	-
Refunding debt escrow agent	-	-	-	-	-	-	(30,660,215)	-	-
Bond premium	-	-	-	-	-	-	608,993	-	-
Bond issuance costs	-	-	-	-	-	-	(188,635)	-	-
Transfers	(348,101)	(319,691)	(235,197)	715,100	(657,909)	170,064	134,862	278,383	405,241
Total governmental activities	69,898,205	69,873,862	70,067,760	69,906,904	66,473,383	62,698,823	61,332,518	59,532,464	58,717,357
Business-type activities:									
Unrestricted investment earnings	21,231	36,541	104,787	254,710	257,447	175,205	95,499	67,629	65,184
Other	(88,833)	(10,783)	-	-	-	-	144,257	121,331	111,052
Transfers	348,101	319,691	235,197	(715,100)	657,909	(170,064)	(134,862)	(278,383)	(405,241)
Total business-type activities	280,499	345,449	339,984	(460,390)	915,356	5,141	104,894	(89,423)	(229,005)
Total primary government	70,178,704	70,019,311	70,407,744	69,448,514	67,388,739	62,701,964	61,437,410	59,443,041	58,488,352
Change in Net Assets									
Governmental activities	(3,553,402)	(1,224,213)	(1,537,924)	443,147	2,752,017	3,258,353	3,042,408	(275,105)	6,190,793
Business-type activities	1,204,198	(1,956,127)	1,234,817	61,388	2,063,186	568,270	474,585	225,856	570,697
Total primary government	\$ (2,349,204)	\$ (3,180,340)	\$ (303,107)	\$ 504,535	\$ 4,815,203	\$ 3,828,623	\$ 3,516,993	\$ (49,249)	\$ 6,761,490

(Concluded)

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**Schedule 3
Fund Balance, Governmental Funds, Last Ten Years
(Modified Accrual of Accounting)**

FISCAL YEAR	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
General Fund										
Non-Spendable	\$ -									
Restricted	1,200,000									
Committed	304,749									
Assigned	-									
Unassigned	9,157,720									
Reserved	-	\$ 1,817,683	\$ 1,797,399	\$ 2,184,716	\$ 910,280	\$ 773,094	\$ 1,419,288	\$ 1,148,088	\$ 1,566,317	\$ 1,089,535
Unreserved	-	8,498,068	8,355,715	8,633,263	9,522,710	9,310,242	8,307,409	8,440,188	7,070,034	5,546,543
Total General Fund	10,662,469	10,315,751	10,153,114	10,817,979	10,432,990	10,083,336	9,726,697	9,588,276	8,636,351	6,636,078
School Fund										
Non-Spendable	143,457									
Restricted										
Committed	2,506,812									
Assigned										
Unassigned										
Reserved	-	1,232,902	813,882	1,382,667	846,487	1,206,105	928,823	229,962	2,034,919	2,025,027
Unreserved	-	2,118,429	1,598,697	570,659	520,235	891,558	257,930	682,931	378,429	171,893
Total School Fund	2,650,269	3,351,331	2,412,579	1,953,326	1,366,722	2,097,663	1,186,753	912,893	2,413,348	2,196,920
All Other Governmental Funds										
Non-Spendable	97,453									
Restricted	5,180,939									
Committed	1,562,007									
Assigned										
Unassigned	(75,506)									
Reserved		651,665	610,046	13,964,592	679,785	884,321	1,138,700	1,667,297	1,445,923	820,301
Unreserved, reported in:										
Special revenue funds		2,689,199	3,403,954	6,218,839	2,758,265	2,935,006	2,776,413	2,602,830	1,187,037	1,335,144
Capital project funds		2,940,721	8,223,602	5,635,662	2,414,376	5,688,318	4,083,618	3,136,510	4,412,453	3,923,003
Permanent funds		97,316	96,559	95,607	94,451	88,580	86,537	87,654	1,658,821	
Total all other governmental funds	6,764,893	6,378,901	12,334,161	25,914,700	5,946,877	9,596,225	8,085,268	7,494,291	8,704,234	6,078,448
Total governmental funds	\$ 20,077,631	\$ 20,045,983	\$ 24,899,854	\$ 38,686,005	\$ 17,746,589	\$ 21,777,224	\$ 18,998,718	\$ 17,995,460	\$ 19,753,933	\$ 14,911,446

Note: Fund balance classifications have been updated during FY2011 as a result of implementation of GASB 54 (*Fund Balance Reporting and Government Fund Types*)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**Schedule 4
Changes in Fund Balance, Governmental Fund, Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)**

FISCAL YEAR	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Revenues:										
General property taxes	\$ 68,789,883	\$ 65,239,235	\$ 64,310,326	\$ 61,187,866	\$ 58,892,935	\$ 56,100,311	\$ 53,653,354	\$ 53,805,401	\$ 51,272,225	\$ 48,570,277
Intergovernmental	23,345,847	23,811,321	26,137,118	24,345,666	23,199,098	22,292,512	21,486,434	19,567,049	18,606,909	17,772,102
Departmental	2,366,540	2,485,237	2,639,445	1,993,198	1,923,295	2,054,915	2,130,545	1,867,836	1,686,501	
Licenses and permits	-	395,984	428,107	482,329	581,989	539,812	442,178	524,995	355,158	374,236
Investment income	89,055	164,723	568,801	1,394,171	1,540,098	1,277,430	817,032	403,138	365,601	643,042
On behalf pension contribution	2,042,196	2,018,495	2,188,350							
Other	384,996	402,039	538,960	4,328,119	4,476,803	5,308,497	6,452,149	6,411,041	5,369,664	3,587,938
Total revenues	97,018,517	94,517,034	96,811,107	93,731,349	90,614,198	87,573,477	84,981,692	82,579,460	77,656,058	70,947,595
Expenditures:										
General Government	6,775,968	6,572,946	6,069,341	6,619,016	6,348,375	6,531,836	7,310,123	6,437,736	6,303,068	4,620,090
Public Safety	14,444,093	14,344,039	14,018,207	13,965,387	13,586,608	12,557,047	11,551,917	11,297,060	10,151,088	10,065,679
Public works	4,096,839	4,047,594	4,542,437	4,320,822	3,875,742	4,158,503	4,530,289	4,330,139	3,316,262	3,618,773
Parks and recreation	12,363	6,527	317,648	330,658	283,747	499,780	585,699	593,594	376,334	
Senior services	597,116	511,999	459,838	332,711	340,782	285,376	297,474	286,475	271,638	
Education	60,097,643	59,172,692	58,670,436	60,453,700	58,983,401	64,852,418	53,565,325	53,810,038	47,534,281	44,401,975
Public libraries	1,472,638	1,394,451	1,392,669	1,311,869	1,304,033	1,223,869				
Per trust agreements	485,692	421,985	355,862	177,801	40,748	101,657	173,407	204,109	184,879	
Human resources			-	25,933	30,248	55,939	35,730	228,162	138,295	1,940,276
On behalf pension contribution	2,042,196	2,018,495	2,188,350							
Debt service										
Principal	3,686,694	3,474,190	3,559,192	3,294,192	3,404,192	3,624,190	3,309,194	3,309,190	3,319,190	3,129,192
Interest and other costs	2,059,589	2,371,284	2,122,236	2,068,511	1,851,579	1,801,980	2,409,259	2,564,086	2,725,731	2,871,863
Capital expenditures	965,437	4,919,600	10,185,026	8,164,270	4,145,728	2,313,693	673,545	1,555,726	458,479	14,488,499
Total expenditures	96,736,268	99,255,802	103,881,242	101,064,870	94,195,183	88,006,288	84,441,962	84,616,315	74,779,245	85,136,347
Excess of revenues over (under) expenditures	282,249	(4,738,768)	(7,070,135)	(7,333,521)	(3,580,985)	(432,811)	539,730	(2,036,855)	2,876,813	(14,188,752)
Other financing sources (uses):										
Proceeds of bond issuance	-	6,738,825	9,790,000	11,000,000			30,360,000			
Refunding Debt Escrow Agent	-	(6,631,737)					(30,660,215)			
Bond premium							606,993			
Bond issuance						2,840,000				1,900,000
Bond issuance costs							(188,635)			
Lease Proceeds										
Transfers in	51,428,979	50,902,493	49,918,906	49,516,906	46,054,711	44,197,516	43,615,244	41,708,213	38,965,689	39,444,613
Transfers out	(51,679,580)	(51,124,684)	(50,018,335)	(48,561,829)	(46,504,361)	(43,826,199)	(43,269,859)	(41,429,830)	(38,560,448)	(39,007,816)
Total other financing sources (uses)	(250,601)	(115,103)	9,690,571	11,955,077	(449,650)	3,211,317	463,528	278,383	405,241	2,336,797
Net change in fund balances	\$ 31,648	\$ (4,853,871)	\$ 2,620,436	\$ 4,621,556	\$ (4,030,635)	\$ 2,778,506	\$ 1,003,258	\$ (1,758,472)	\$ 3,282,054	\$ (11,851,955)
Debt service as a percentage of noncapital expenditures	6.00%	6.20%	6.06%	5.77%	5.84%	6.33%	6.83%	7.07%	8.13%	8.49%

Notes:

Intergovernmental and Departmental revenues were combined until Fiscal Year 2003

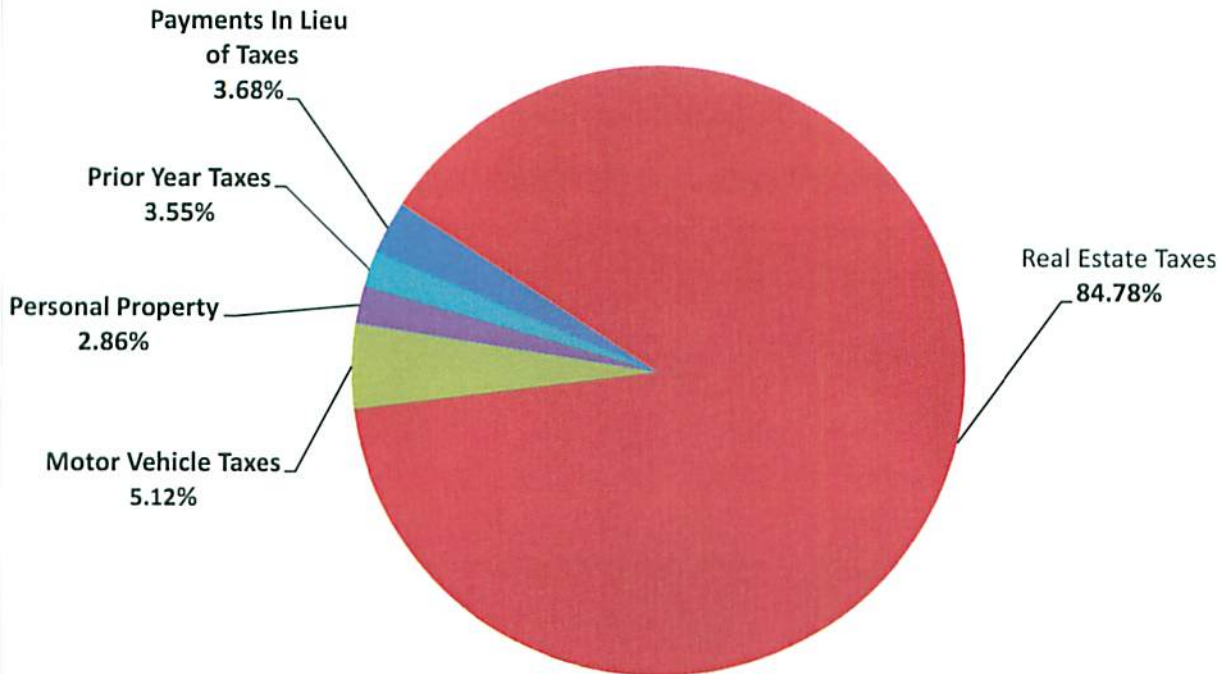
Parks and recreation, Senior services and Human resources were combined until Fiscal Year 2003

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

Schedule 5
Tax Revenue by Source, Government Funds
Last Ten Years

Fiscal Year Ended June 30	Payments in Lieu of Taxes	Real Estate Taxes	Motor Vehicle Taxes	Personal Property Taxes	Prior Year Taxes	Totals
2011	\$ 2,535,756	\$ 58,342,861	\$ 3,526,543	\$ 1,970,429	\$ 2,442,692	\$ 68,818,281
2010	\$ 2,027,720	\$ 56,957,343	\$ 2,222,798	\$ 1,609,036	\$ 1,546,831	\$ 64,363,728
2009	\$ 1,832,908	\$ 56,653,099	\$ 2,858,398	\$ 1,355,400	\$ 1,293,807	\$ 63,993,612
2008	\$ 1,731,508	\$ 54,056,434	\$ 2,740,719	\$ 1,199,130	\$ 1,169,716	\$ 60,897,507
2007	\$ 1,797,214	\$ 51,560,229	\$ 2,885,543	\$ 1,315,986	\$ 1,075,577	\$ 58,634,549
2006	\$ 1,932,964	\$ 48,706,823	\$ 2,998,680	\$ 1,253,190	\$ 1,000,309	\$ 55,891,966
2005	\$ 1,911,952	\$ 46,621,254	\$ 2,623,349	\$ 1,185,974	\$ 1,003,704	\$ 53,346,233
2004	\$ 2,389,421	\$ 45,232,284	\$ 2,762,556	\$ 1,911,634	\$ 1,203,814	\$ 53,499,709
2003	\$ 2,097,705	\$ 43,130,374	\$ 2,742,140	\$ 1,805,045	\$ 1,185,060	\$ 50,960,324
2002	\$ 1,540,240	\$ 40,886,216	\$ 2,873,157	\$ 1,866,828	\$ 1,155,500	\$ 48,321,941

**General Fund Tax Revenues
Fiscal Year Ended June 30, 2011**

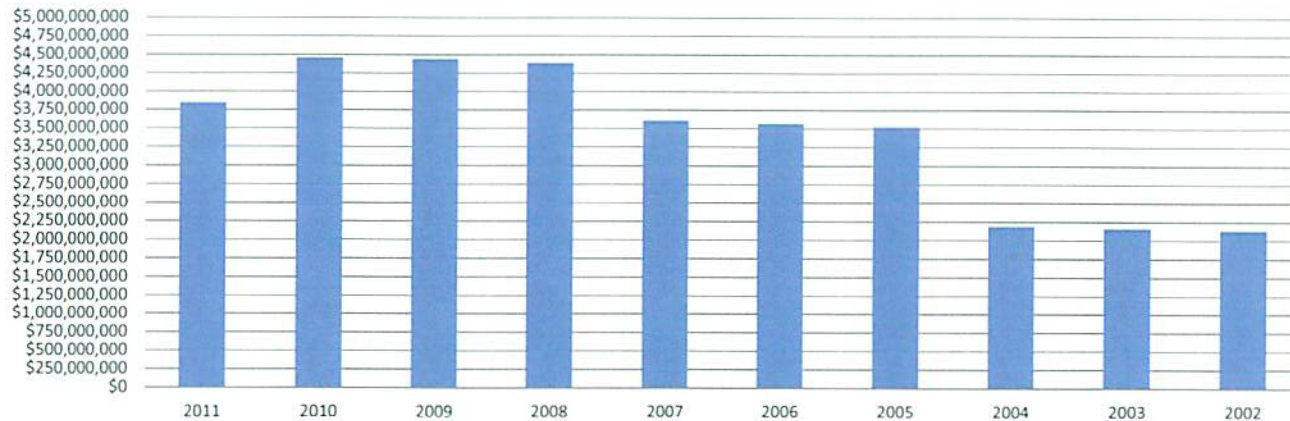


TOWN OF NORTH KINGSTOWN, RHODE ISLAND

Schedule 6
Assessed Values and Actual Values of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended June 30	Assessed Value						Total Taxable Assessed Value	Total Direct Tax Rate Real Property	Total Direct Tax Rate Motor Vehicle	Total Direct Tax Rate Inventory	Total Direct Tax Rate	Estimated Actual Taxable Value	Real Estate Only Assessed Value as a Percentage of Actual Value
	Real Estate	Personal Property	Inventory	Motor Vehicles	Less Exemptions								
2011	\$ 3,606,985,580	\$ 119,111,190		\$ 190,039,305	\$ 71,146,836	\$ 3,844,989,239	\$ 16.85	\$ 22.04		\$ 17.10	\$ 4,817,882,470	0.80	
2010	\$ 4,298,501,545	\$ 118,987,280		\$ 244,213,902	\$ 197,687,280	\$ 4,464,015,447	\$ 13.97	\$ 22.04		\$ 14.16	\$ 5,361,458,792	0.86	
2009	\$ 4,269,958,905	\$ 100,038,690		\$ 270,442,815	\$ 199,827,415	\$ 4,440,612,995	\$ 13.83	\$ 22.04			\$ 6,626,996,905	0.68	
2008	\$ 4,238,884,090	\$ 91,778,320		\$ 259,144,446	\$ 196,696,764	\$ 4,393,110,092	\$ 13.30	\$ 22.04			\$ 6,309,538,166	0.71	
2007	\$ 3,440,758,510	\$ 88,604,990		\$ 264,447,537	\$ 186,437,005	\$ 3,607,374,032	\$ 15.55	\$ 22.04			\$ 4,880,366,356	0.76	
2006	\$ 3,401,172,700	\$ 86,288,720		\$ 250,051,917	\$ 169,029,676	\$ 3,568,483,661	\$ 14.85	\$ 22.04			\$ 4,434,139,071	0.83	
2005	\$ 3,373,797,470	\$ 84,417,360		\$ 221,425,702	\$ 154,036,444	\$ 3,525,604,088	\$ 14.38	\$ 22.04			\$ 3,679,640,532	1.00	
2004	\$ 2,011,507,975	\$ 85,317,810		\$ 228,647,217	\$ 136,310,757	\$ 2,189,162,245	\$ 23.31	\$ 22.04			\$ 3,107,726,103	0.72	
2003	\$ 1,986,996,310	\$ 82,121,190		\$ 226,694,293	\$ 134,732,509	\$ 2,161,079,284	\$ 22.60	\$ 22.04			\$ 2,702,786,941	0.83	
2002	\$ 1,954,112,590	\$ 83,110,590		\$ 211,150,852	\$ 111,877,715	\$ 2,136,496,317	\$ 21.94	\$ 22.04			\$ 2,308,810,504	0.97	

**Assessed Values
by Grand Lists**



Source: Town of North Kingstown Tax Assessor

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**Schedule 7
Direct Property Tax Sales
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Real Estate & Personal Property	Direct Rates		Total Direct Rate
		Motor Vehicles	Inventory	
2011	\$ 16.85	\$ 22.04		\$ 17.10
2010	\$ 13.97	\$ 22.04		\$ 14.16
2009	\$ 13.83	\$ 22.04		
2008	\$ 13.30	\$ 22.04		
2007	\$ 15.55	\$ 22.04		
2006	\$ 14.85	\$ 22.04		
2005	\$ 14.38	\$ 22.04		
2004	\$ 23.31	\$ 22.04		
2003	\$ 22.60	\$ 22.04		
2002	\$ 21.94	\$ 22.04		

Source: Town of North Kingstown Tax Assessor

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**Schedule 7A
Assessed Values and Actual Values of Taxable Property
Calculation of Total Direct Tax Rate for Fiscal Year Ended June 30, 2011**

<u>Category</u>	<u>Assessed Value</u>	<u>Direct Rate Per \$1,000</u>	<u>Total Tax Levy</u>
Real Estate	\$ 3,606,985,580		
Less Exemptions	\$ 69,312,580		
Net Real Estate	\$ 3,537,673,000	\$ 16.85	\$ 59,609,816
Tangible/Personal Property	\$ 119,111,190		
Less Exemptions	\$ 451,240		
Net Tangible/Personal Property	\$ 118,659,950	\$ 16.85	\$ 1,999,421
Motor Vehicle	\$ 190,039,305		
Less Exemptions	\$ 1,383,016		
Net Motor Vehicle	\$ 188,656,289	\$ 22.04	\$ 4,157,440
	<u>\$ 3,844,989,239</u>		<u>\$ 65,766,677</u>
	Total Assessed Value \$ 3,844,989,239		
	Divided by Total Tax Levy \$ 65,766,677		
	(Times 1,000)		
	<u>\$ 17.10</u>	Weighted Ave./Total Direct Rate	

Source: Town of North Kingstown Tax Assessor

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**Schedule 8
Principle Property Tax Payers
Current Year and Ten Years Ago**

2011				2002			
	Taxable Assessed Value	Rank	Percent of Total Town Taxable Assessed Value		Taxable Assessed Value	Rank	Percent of Total Town Taxable Assessed Value
NARRAGANSETT ELECTRIC CO	\$ 51,092,470	1	1.14%	NARRAGANSETT ELECTRIC CO	\$ 26,865,880	1	1.17%
PRECISION PARK RHODE ISLAND LLC	\$ 14,652,000	2	0.33%	ELECTRIC BOAT CORP	\$ 21,418,860	2	0.93%
HOME DEPOT USA INC	\$ 14,512,310	3	0.33%	BNS CO	\$ 15,265,600	3	0.66%
LISCHIO DEVELOPMENT CO. LLC	\$ 14,072,900	4	0.32%	RIG HUNT RIVER COMMONS LLC	\$ 10,440,700	4	0.45%
ZAKOPANE REAL ESTATE ASSOC INC	\$ 13,812,800	5	0.31%	HOME DEPOT USA INC	\$ 10,072,100	5	0.44%
WAL-MART REAL ESTATE BUSINESS TRUST	\$ 13,050,770	6	0.29%	WAL-MART STORES INC	\$ 8,706,840	6	0.38%
NEW PLAN HUNT RIVER COMMONS LLC	\$ 12,284,200	7	0.28%	ZAKAPONE REAL ESTATE ASSOC IN	\$ 7,489,700	7	0.33%
HERITAGE PRESERVATION ASSOC	\$ 11,020,500	8	0.25%	NEW ENGLAND GAS CO	\$ 7,048,100	8	0.31%
LOWES HOME CENTERS INV	\$ 10,907,940	9	0.24%	TORAY PLASTICS AMERICA	\$ 6,881,630	9	0.30%
MILLCREEK LIMITED LIABILITY CO	\$ 10,560,000	10	0.24%	QUIDNESSETT COUNTRY CLUB	\$ 5,987,690	10	0.26%
FUJIFILM ELECTRONIC MATERIALS	\$ 9,926,300	11	0.22%	HERITAGE VILLAGE ASSOCIATES	\$ 5,779,300	11	0.25%
ESSEX VILLAGE COMPANY	\$ 7,822,600	12	0.18%	MEADOWS PROFESSIONAL	\$ 5,150,400	12	0.22%
MEADOWS PROFESSIONAL	\$ 7,343,100	13	0.16%	MILLCREEK LIMITED	\$ 4,717,400	13	0.21%
QUIDNESSETT CNTRY CLUB INC	\$ 7,121,600	14	0.16%	ESSEX VILLAGE COMPANY	\$ 4,506,800	14	0.20%
WEST DAVISVILLE REALTY CO LLC	\$ 6,930,900	15	0.16%	WFD ASSOCIATES LP	\$ 4,435,500	15	0.19%
WICKFORD VILLAGE REALTY	\$ 6,909,600	16	0.15%	OCG MICROELECTRONIC MATERIALS	\$ 4,108,900	16	0.18%
KOHL'S DEPT STORES	\$ 6,863,560	17	0.15%	KINGSTOWN PLAZA LIMITED PART	\$ 4,086,300	19	0.18%
KINGSTOWN PLAZA LIMITED PARTN	\$ 6,672,600	18	0.15%	KINGS GRANT CO	\$ 3,964,600	17	0.17%
WICKFORD SHIPYARD INC	\$ 6,419,800	19	0.14%	WICKFORD JUNCTION ASSOC LLC	\$ 3,932,100	18	0.17%
HIGH LEA PROPERTIES LLC	\$ 6,196,500	20	0.14%	HIGH LEA PROPERTIES LLC	\$ 3,797,000	20	0.17%
WICKBAY PROPERTIES INC	\$ 6,171,500	21	0.14%	WICKFORD SHIPYARD INC	\$ 3,637,900	21	0.16%
GOLDLINE PROPERTIES	\$ 6,049,300	22	0.14%	SOUTH COUNTY NURSING & REHAB	\$ 3,619,670	22	0.16%
KINGS GRANT CO	\$ 5,793,400	23	0.13%	WICKFORD VILLAGE ASSOCIATES	\$ 3,619,500	23	0.16%
COX COMMUNICATION	\$ 5,598,640	24	0.13%	ARCH SPECIALTY CHEMICALS INC	\$ 3,565,990	24	0.16%
SLOCUM WOODS INC	\$ 5,277,800	25	0.12%	COXCOM INC	\$ 3,492,600	25	0.15%

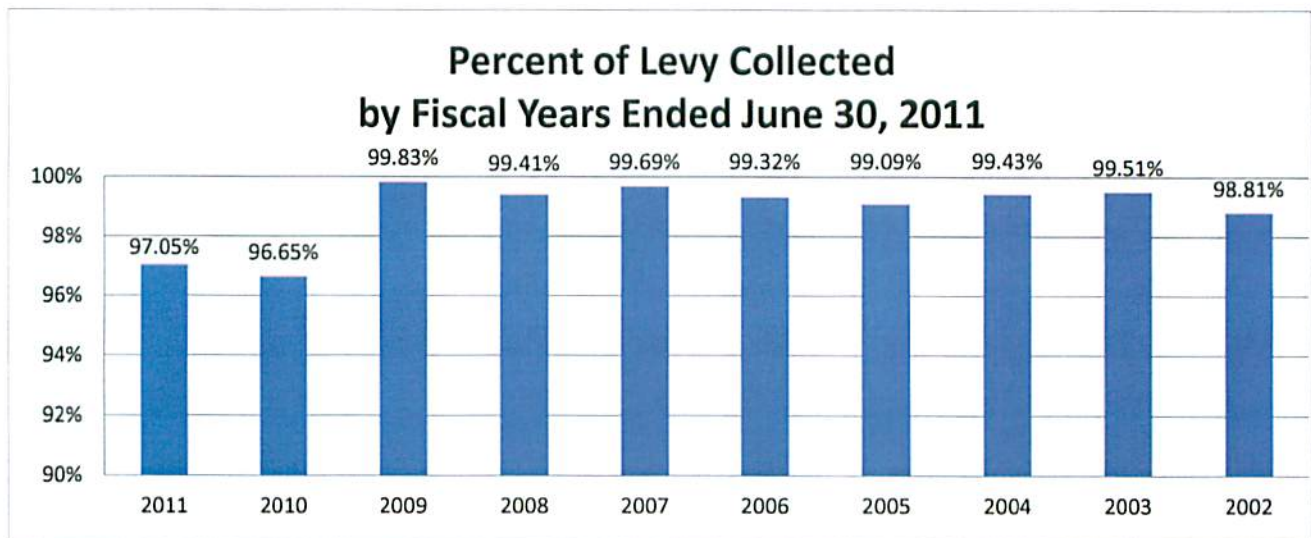
Source: Town of North Kingstown Tax Assessor

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**Schedule 9
Property Tax Levies and Collections
Last Ten Fiscal Years**

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy Amount	Percentage of Levy	Amount Uncollected as of 6/30/11	Amount Collected in Subsequent Years as of 6/30/11	Total Collections as of 6/30/11	Total Collected Amount as a Percentage of Levy
2011	\$ 65,779,328	\$ 63,839,833	97.05%	\$ 1,939,496	\$ -	\$ 63,839,833	97.05%
2010	\$ 65,343,129	\$ 60,789,176	93.03%	\$ 2,191,088	\$ 2,362,865	\$ 63,152,041	96.65%
2009	\$ 62,565,154	\$ 60,866,897	97.29%	\$ 106,819	\$ 1,591,438	\$ 62,458,335	99.83%
2008	\$ 59,651,265	\$ 57,996,283	97.23%	\$ 351,394	\$ 1,303,588	\$ 59,299,871	99.41%
2007	\$ 57,054,064	\$ 55,761,758	97.73%	\$ 175,996	\$ 1,116,310	\$ 56,878,068	99.69%
2006	\$ 54,362,286	\$ 52,958,693	97.42%	\$ 369,209	\$ 1,034,384	\$ 53,993,077	99.32%
2005	\$ 51,916,203	\$ 50,430,577	97.14%	\$ 471,779	\$ 1,013,847	\$ 51,444,424	99.09%
2004	\$ 51,182,468	\$ 49,906,474	97.51%	\$ 291,091	\$ 984,903	\$ 50,891,377	99.43%
2003	\$ 49,090,096	\$ 47,677,559	97.12%	\$ 241,410	\$ 1,171,127	\$ 48,848,686	99.51%
2002	\$ 47,350,442	\$ 45,626,201	96.36%	\$ 562,552	\$ 1,161,689	\$ 46,787,890	98.81%

Source: Town of North Kingstown Tax Assessor and Finance Departments

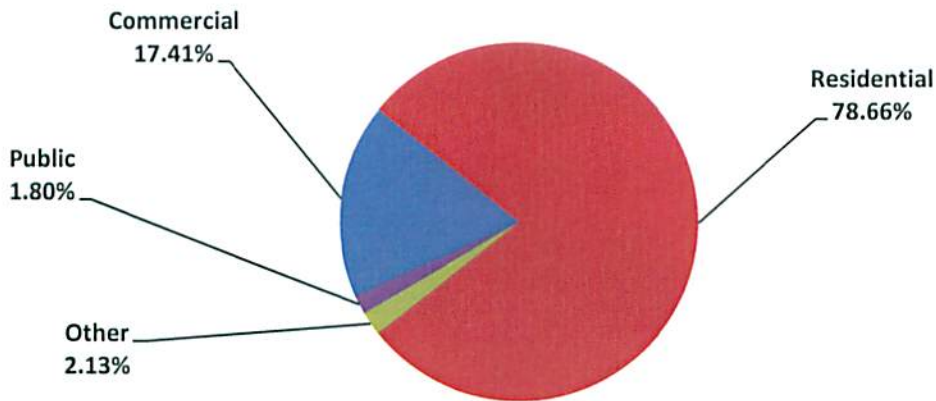


TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**Schedule 10
Water Sold by Type of Service
Last Ten Calendar Years**

Fiscal Year	Type of Service				Total
	Commercial	Residential	Other	Public	
2011	153,245,450	692,475,957	18,734,980	15,855,300	880,311,687
2010	66,144,706	597,828,414	15,831,630	12,976,533	692,781,283
2009	76,761,854	667,485,803	21,045,040	16,443,472	781,736,169
2008	69,827,939	737,898,130	58,583,363	17,347,062	883,656,494
2007	75,213,320	666,404,419	10,694,594	11,236,260	763,548,593
2006	59,812,660	566,963,705	6,010,500	10,111,350	642,898,215
2005	71,331,330	727,902,558	8,847,020	22,658,056	830,738,964
2004	64,643,680	568,184,747	8,499,400	7,993,173	649,321,000
2003	49,583,850	872,035,060	13,862,625	121,555,750	1,057,037,285
2002	52,474,569	594,940,338	8,056,080	6,618,810	662,089,797

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



Town of North Kingstown, Rhode Island

**Schedule 11
Water Rates
Last Ten Fiscal Years**

Fiscal Year	Base Rate	Rate per 1,000 Gallons
2011	\$ 14.260	\$ 3.000
2010	\$ 14.260	\$ 3.000
2009	\$ 14.260	\$ 2.800
2008	\$ 13.720	\$ 2.920
2007	\$ 18.300	\$ 2.500
2006	\$ 13.490	\$ 2.400
2005	\$ 13.260	\$ 2.200
2004	\$ 13.030	\$ 2.050
2003	\$ 12.410	\$ 1.935
2002	\$ 12.410	\$ 1.935

Source: North Kingstown Water Department

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**Schedule 12
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years**

Fiscal Year June 30,	Governmental Activities General Obligation Bonds	Business-Type Activities Water Bonds	Quonset Davisville Recreation Bonds	Total Primary Government	Percentage of Personal Income	Net Bonded Debt per Capita	Taxable Assessed Value	Net Bonded Debt as % of Taxable Assessed Value
2011	\$ 48,975,790	\$ 3,775,726	\$ 249,210	\$ 53,000,726	1134.04%	\$ 2,001	\$ 3,844,989,239	1.38%
2010	\$ 52,662,484	\$ 4,800,000	\$ 282,516	\$ 57,745,000	1235.56%	\$ 2,193	\$ 4,464,015,447	1.29%
2009	\$ 56,352,917	\$ -	\$ 306,916	\$ 56,659,833	1212.34%	\$ 2,152	\$ 4,440,612,995	1.28%
2008	\$ 49,702,276	\$ -	\$ 337,724	\$ 50,040,000	1070.69%	\$ 1,901	\$ 4,393,110,092	1.14%
2007	\$ 41,996,465	\$ -	\$ 368,533	\$ 42,364,998	906.47%	\$ 1,609	\$ 3,607,374,032	1.17%
2006	\$ 45,405,657	\$ 114,198	\$ 399,342	\$ 45,919,197	982.52%	\$ 1,744	\$ 3,568,483,661	1.29%
2005	\$ 46,184,851	\$ 222,261	\$ 430,148	\$ 46,837,260	1002.17%	\$ 1,779	\$ 3,525,604,088	1.33%
2004	\$ 47,904,043	\$ 324,448	\$ 460,980	\$ 48,689,471	1041.80%	\$ 1,849	\$ 2,189,162,245	2.22%
2003	\$ 51,213,233	\$ 421,079	\$ 491,790	\$ 52,126,102	1115.33%	\$ 1,980	\$ 2,161,079,284	2.41%
2002	\$ 54,532,424	\$ 512,456	\$ 522,600	\$ 55,567,480	1188.97%	\$ 2,111	\$ 2,136,496,317	2.60%

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**Schedule 13
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years**

Fiscal Year June 30,	Governmental Activities General Obligation Bonds	Percentage of Actual Taxable Value of Property	Per Capita*
2011	\$ 48,975,790	1.27%	\$ 1,849.12
2010	\$ 52,662,484	1.18%	\$ 2,000.40
2009	\$ 56,352,917	1.27%	\$ 2,140.58
2008	\$ 49,702,276	1.13%	\$ 1,887.95
2007	\$ 41,996,465	1.16%	\$ 1,595.25
2006	\$ 45,400,659	1.27%	\$ 1,724.56
2005	\$ 46,184,851	1.31%	\$ 1,754.34
2004	\$ 47,904,043	2.19%	\$ 1,819.65
2003	\$ 51,213,233	2.37%	\$ 1,945.35
2002	\$ 54,532,424	2.55%	\$ 2,071.43

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

^ See Schedule 6 for property value data.

* Population data can be found in Schedule 16.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

Schedule 14
Legal Debt Margin Information
Last Ten Fiscal Years

	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Total assessed value	\$ 3,844,989,239	\$ 4,464,015,447	\$ 4,440,612,995	\$ 4,393,110,092	\$ 3,607,374,032	\$ 3,568,483,661	\$ 3,525,604,088	\$ 2,189,162,245	\$ 2,161,079,284	\$ 2,136,496,317
Rhode Island General Law debt limitation as % of assessed value	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Debt limit	\$ 115,349,677	\$ 133,920,463	\$ 133,218,390	\$ 131,793,303	\$ 108,221,221	\$ 107,054,510	\$ 105,768,123	\$ 65,674,867	\$ 64,832,379	\$ 64,094,890
Debt applicable to limit:										
Q/D Recreation Issue	\$ 249,210	\$ 282,516	\$ 306,916	\$ 337,724	\$ 368,533	\$ 399,342	\$ 430,148	\$ 460,980	\$ 491,790	\$ 522,600
Water Tower Issue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 114,198	\$ 222,261	\$ 324,448	\$ 421,079	\$ 512,456
Bonded Debt Subject to Limit	\$ 249,210	\$ 282,516	\$ 306,916	\$ 337,724	\$ 368,533	\$ 513,540	\$ 652,409	\$ 785,428	\$ 912,869	\$ 1,035,056
Legal debt limit	\$ 115,349,677	\$ 133,920,463	\$ 133,218,390	\$ 131,793,303	\$ 108,221,221	\$ 107,054,510	\$ 105,768,123	\$ 65,674,867	\$ 65,975,175	\$ 65,218,657
Total net debt applicable to the limit	\$ 249,210	\$ 282,516	\$ 306,916	\$ 337,724	\$ 368,533	\$ 513,540	\$ 114,198	\$ 222,261	\$ 326,448	\$ 512,456
Legal debt margin	\$ 115,100,467	\$ 133,637,947	\$ 132,911,474	\$ 131,455,579	\$ 107,852,688	\$ 106,540,970	\$ 105,653,925	\$ 65,452,606	\$ 65,648,727	\$ 64,706,201
Total net debt applicable to the limit as a percentage of debt limit	0.22%	0.21%	0.23%	0.26%	0.34%	0.48%	0.62%	1.20%	1.41%	1.61%

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

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**Schedule 15
Pledged Revenue Coverage
Water Bonds
Last Ten Fiscal Years**

Fiscal Year June 30,	Gross Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage	
				Principal	Interest	Dollars	Percentage
2011	\$ 3,611,243	\$ 2,260,300	\$ 1,350,943	\$ 500	\$ 114,550	\$ 1,235,893	1074.22%
2010	\$ 3,268,486	\$ 4,888,182	\$ (1,619,696)	\$ -	\$ -	\$ (1,619,696)	0.00%
2009	\$ 3,332,808	\$ 2,936,959	\$ 395,849	\$ -	\$ -	\$ 395,849	0.00%
2008	\$ 3,281,482	\$ 2,702,281	\$ 579,201	\$ -	\$ 6,566	\$ 572,635	8721.22%
2007	\$ 2,953,358	\$ 2,114,824	\$ 838,534	\$ 114,197	\$ 6,566	\$ 717,771	594.36%
2006	\$ 2,876,360	\$ 2,539,562	\$ 336,798	\$ 108,063	\$ 12,780	\$ 215,955	178.71%
2005	\$ 2,534,054	\$ 2,241,119	\$ 292,935	\$ 102,187	\$ 18,656	\$ 172,092	142.41%
2004	\$ 2,266,601	\$ 1,920,257	\$ 346,344	\$ 96,631	\$ 24,212	\$ 225,501	186.61%
2003	\$ 2,320,485	\$ 1,805,529	\$ 514,956	\$ 91,377	\$ 29,466	\$ 394,113	326.14%
2002	\$ 2,475,044	\$ 1,575,459	\$ 899,585	\$ 86,408	\$ 34,435	\$ 778,742	644.42%

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**Schedule 16
Demographic and Economic Statistics
Last Ten Fiscal Years**

Fiscal Year June 30,	Population	Per Capita Personal Income	School Enrollment	Unemployment Rate
2011	26,486	\$ 42,579	4,367 (3)	8.4
2010	26,326	\$ 46,736	4,309 (3)	12.0
2009	26,326	\$ 46,736	4,401 (2)	10.2
2008	26,326	\$ 46,736	4,453 (2)	6.4
2007	26,326	\$ 46,736	4,484 (2)	3.7
2006	26,326	\$ 46,736	4,561 (2)	4.2
2005	26,326	\$ 46,736	4,570 (2)	4.1
2004	26,326	\$ 46,736	4,680 (2)	4.7
2003	26,326	\$ 46,736	4,536 (2)	3.8
2002	26,326	\$ 46,736	4,395 (2)	3.3

(1) Population and Per Capita Personal Income from the U.S. Department of Commerce, Bureau of the Census 2010.

(2) School Enrollment: Based on an Average Daily Membership (ADM) using 180 days of school as a base (ie. if a student is only enrolled in a school for 175 days of the 180 day base, the ADM for the student would be $(175 \text{ day enrollment} \div 180 \text{ day base} = .97 \text{ ADM})$. Enrollment also includes resident students tuitioned out and Jamestown students attending the High School

(3) School Enrollment: Based on an Average Daily Membership (ADM) using 180 days of school as a base (ie. if a student is only enrolled in a school for 175 days of the 180 day base, the ADM for the student would be $(175 \text{ day enrollment} \div 180 \text{ day base} = .97 \text{ ADM})$. Enrollment also includes resident students tuitioned out and Jamestown students attending the High School but does NOT include Charter School and Out of District Vocational students

(4) Unemployment Rate from Rhode Island Department of Labor and Training.

Town of North Kingstown, Rhode Island

Schedule 17
Principal Employers
Current Year and Ten Years Ago

<u>2011</u>				<u>2002</u>			
Employer	Employees	Rank	Percentage of Total Town Employment	Employer	Employees	Rank	Percentage of Total Town Employment
GENERAL DYNAMICS ELECTRIC BOAT	1821	1	11.78%	ELECTRIC BOAT CORPORATION	1500	1	9.81%
PERSPECTIVES CORP	850	2	5.50%	TORAY PLASTICS AMERICA INC	800	2	5.23%
TORAY PLASTICS OF AMERICA	600	3	3.88%	PERSPECTIVES CORP	600	3	3.92%
OCEAN STATE JOBBERS	551	4	3.56%	BROWN & SHARPE MFG. CO.	400	4	2.62%
134d AIR WING, RIANG	303	5	1.96%	STOP & SHOP CO., INC.	225	5	1.47%
TOWN OF NORTH KINGSTOWN	300	6	1.94%	OCEAN STATE JOBBERS INC	200	6	1.31%
NORTH ATLANTIC DISTRIBUTIONS INC	260	7	1.68%	WAL-MART	200	7	1.31%
WAL-MART	260	8	1.68%	CUSTOM DESIGN INC	150	8	0.98%
BROWN & SHARPE MFG. CO.	250	9	1.62%	GRINNELL CORP	150	9	0.98%
THE STOP & SHOP CO., INC.	225	10	1.46%	GREGG'S	150	10	0.98%
STAR GAS SERVICE	212	11	1.37%	SO COUNTY NURSING CTR	150	11	0.98%
SENECO Marine LLC	206	12	1.33%	SCALABRINI VILLA	120	12	0.78%
HEXAGON METROLOGY	200	13	1.29%	AMES DEPARTMENT STORE	100	13	0.65%
QUIDNESSETT COUNTRY CLUB	150	14	0.97%	MARO DISPLAY INC	100	14	0.65%
SCALABRINI VILLA	150	15	0.97%	NO ATLANTIC DISTRIBUTION INC	100	15	0.65%
SO COUNTY NURSING & REHAB.	139	16	0.90%	JOHN J ORR & SONS INC	100	16	0.65%
DAVE'S MARKETPLACE WICKFORD	131	17	0.85%	ICON INTERNATIONAL, INC.	94	17	0.61%
ANVIL INTERNATIONAL	130	18	0.84%	RI BEVERAGE PACKAGING CO	90	18	0.59%
GREATER PROVIDENCE YMCA	130	19	0.84%	COMMUNITY CARE NURSES INC	85	19	0.56%
GREGG'S	107	20	0.69%	ARCH CHEMCIALS, INC.	75	20	0.49%
DAVE'S MARKETPLACE NORTH KINGSTOV	104	21	0.67%	ROBERTS HEALTH CENTRE, INC	75	21	0.49%
HOME DEPOT	100	22	0.65%	AUTOMATION SOFTWARE, INC.	70	22	0.46%
ALL AMERICAN MEATS & SEAFOOD	78	23	0.50%	SENECO	60	23	0.39%
ICON INTERNATIONAL	75	24	0.49%	LAFAYETTE NURSING HOME	60	24	0.39%
CUSTOM DESIGN	55	25	0.36%	PAUL BAILEY'S DODGE	60	25	0.39%

Source: Rhode Island Department of Economic Development

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**Schedule 18
Full-Time Equivalent City Government Employees by Function
Last Ten Fiscal Years**

	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Town Council	5	5	5	5	5	5	5	5	5	5
Town Manager	2	2	2	2	2	2	2	2	2	2
Town Clerk/Bd. Of Canvassers	5	5	6	6	6	6	6	6	6	6
Finance/Data Processing	6	6	9	9	7	8	8	9	10	9
Assessor	3	3	4	4	4	4	4	4	4	4
Fire	77	76	81	81	81	71	71	74	72	78
Police/Animal Control	61	61	63	63	59	58	58	61	66	63
Planning	4	4	4	4	5	6	6	6	5	5
Public Works	29	29	33	33	33	34	34	34	33	34
Welfare	0	0	0	0	0	1	1	1	1	1
Senior Citizens	3	3	3	3	3	3	3	3	3	3
Code Enforcement	3	3	3	3	3	3	3	3	3	3
Recreation	0	0	1	1	2	2	2	2	2	2
Library	14	14	14	14	12	12	12	12	12	11
Municipal Court	1									
Quonset/Davisville Recreation Fund/Golf Course/Allens Harbor	8	8	7	7	6	7	7	8	8	8
Water Fund	14	14	14	16	13	13	13	13	13	13
Total	235	233	249	251	241	235	235	243	245	247
Public Education by UCOA Job Class:										
1000 - Teachers	373	367	372	377	378	383	398	384	371	367
2000 - Executive Administration	18	19	19	19	19	20	19	20	20	20
3000 - Mid Level Administration	11	12	13	12	12	13	11	13	14	14
4000 - Non Certified Support Staff	205	208	222	232	242	236	234	248	228	224
	607	606	626	641	651	651	662	665	632	625

NOTE: School Full Time Equivalent (FTE) Counts are now categorized by Uniform Chart of Accounts (UCOA) Job Classification Code

Job Classification Examples

- 1000 - Teachers, Guidance, Social Workers, Psychologist, PT, PTA, OT, COTA, Nurse, etc
- 2000 - Superintendent, Asst Superintendent, Directors, Asst Director, Principals, Asst. Principals
- 3000 - Supervisors, Controller, Coordinators, Athletic Director, Food Service Director
- 4000 - Clerical, Paraprofessionals, Bus Drivers/Para's, Admin. Assistant, Truant Officer, Custodial, Maintenance, Food Service, Computer Techs

Source: Town of North Kingstown Municipal and School InSite and UCOA Full Time Equivalent (FTE) Reports

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**Schedule 19
Operating Indicators by Function/Program
Last Ten Years**

Function/Program	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Police										
Calls for Service	30,111	29,791	32,092	35,745	32,192	16,342	32,095	30,867	28,783	24,390
Arrests	1,268	849	878	904	901	579	1,182	1,229	1,306	1,177
Prosecutions	4,637	4,554	4,910	6,155	6,133	4,013	9,227	4,597	1,905	1,814
Fire										
Medical Calls/Rescue Runs	4,790	4,789	4,716	2,633	2,461	1,108	2,144	2,014	2,358	2,727
Residential Inspections	410	412	401	408	430	605	301	445	722	681
Public Works										
Miles Resurfaced	2.2	-	-	2.7	6	2.4	2.5	2.8	3.4	11
Plowed Miles	155	161	161	159	159	158.4	158.2	157.9	155.6	157
Refuse collection										
Refuse collected (tons/day, avg)	7,466	7,730	8,405	8,471	8,399	8,325.5	8,044.7	8,077.6	7,665.4	7,528.0
Recyclables collected (tons/day, avg)	3,164	3,474	3,557	3,953	3,677	3,651.5	3,670.6	3,594.2	3,475.1	3,353.7
Recreation										
Bussing ages 6-13	13,000	13,650	9,750	8,600	6,825	4,900	9,500	9,500	8,250	9,000
Summer Playground Part.	360	670	550	500	500	450	900	900	900	900
Human Services										
Meals on Wheels	5,880	5,183	5,888	6,980	10,579	5,206	10,927	11,596	8,587	10,408
# of Sr. Serv. Calls	34,301	28,631	10,500	10,859	2,538	3,404	7,314	9,178	10,644	9,735
# of Other Service Calls	2,064	3,369	1,645	1,629	793	5	28	28	26	32
# of Heat Cases	30	32	41	22	37	5	22	20	24	29
# of Electric Shutoffs	17	23	36	9	9					
# of Transportation Calls	8,906	15,909	12,146	7,675	7,064					
Library										
Person visits	187,828	193,897	183,803	179,216	170,164	88,002	180,481	192,959	186,090	190,729
# of users at IT workstations	32,061	32,669	25,207	22,216	20,280	10,363	19,283	18,918	17,817	
Public Service transactions	20,889	28,326	29,681	34,429	37,403	23,841	51,760	61,373	40,941	32,441
Number of items borrowed	363,989	363,609	342,834	319,711	332,191					
Water Dept										
Metered services	9,375	9,366	9,308	9,301	9,268	9,197	9,157	9,068	9,047	9,014
Annual Production (million gallons)	965	926	900	1,100	1,108	1,224	1,287	1,272	1,266	1,328

Sources: various town departments

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**Schedule 20
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years**

Function/Program	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	23	23	23	23	23	23	23	23	23	21
Fire Stations	4	4	4	3	3	3	3	3	3	3
Public Works										
Road Miles	151	159	159	157	157	156	156	155.7	153.4	155
Acres Maintained	480	480	480	479	479	479	479	479	479	469
Recreation										
Baseball/softball fields	16	16	16	16	16	16	16	16	16	16
Soccer fields	9	9	9	9	9	9	9	9	9	9
Multi use parks	4	4	4	4	4	4	4	4	4	4
Football fields	1	1	1	1	1	-	-	-	-	-
Senior Center	1	1	1	1	1	1	1	1	1	1
Library	1	1	1	1	1	1	1	1	1	1
Size of collection	136,592	129,011	129,890	129,576	125,967	-	-	-	-	-
Water Dept										
Water mains (miles)	177	177	177	176	175	170	168	168	156	156
Water towers	5	5	5	5	5	5	5	5	5	5
Hydrants	1,048	1,043	1,042	1,041	1,024	995	994	994	980	980

Sources: various town departments

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**Schedule 21
School Building Information
Last Ten Fiscal Years**

	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Davisville Elementary (1954)										
Square Feet	31,737	31,737	31,737	31,737	31,737	31,737	31,737	31,737	31,737	31,737
Capacity	284	284	284	284	284	284	284	284	284	284
Enrollment	0	192	188	168	183	164	143	179	211	268
Fishing Cove Elementary (1957)										
Square Feet	46,160	46,160	46,160	46,160	46,160	46,160	46,160	46,160	46,160	46,160
Capacity	335	335	335	335	335	335	335	335	335	335
Enrollment	246	286	270	285	321	307	264	280	15	166
Forest Park Elementary (1962)										
Square Feet	31,812	31,812	31,812	31,812	31,812	31,812	31,812	31,812	31,812	31,812
Capacity	275	275	275	275	275	275	275	275	275	275
Enrollment	246	199	207	209	223	217	224	266	260	241
Hamilton Elementary (1962)										
Square Feet	49,274	49,274	49,274	49,274	49,274	49,274	49,274	49,274	49,274	49,274
Capacity	450	450	450	450	450	450	450	450	450	450
Enrollment	421	354	368	376	374	410	414	433	426	372
Quidnessett Elementary (1971)										
Square Feet	43,544	43,544	43,544	43,544	43,544	43,544	43,544	43,544	43,544	43,544
Capacity	383	383	383	383	383	383	383	383	383	383
Enrollment	333	214	246	270	272	289	240	258	355	261
Stony Lane Elementary (1971)										
Square Feet	49,319	49,319	49,319	49,319	49,319	49,319	49,319	49,319	49,319	49,319
Capacity	450	450	450	450	450	450	450	450	450	450
Enrollment	432	375	389	392	456	419	386	423	448	412
Wickford Elementary (1907)*										
Square Feet	32,952	32,952	32,952	32,952	32,952	32,952	32,952	32,952	32,952	32,952
Capacity	252	252	252	252	252	252	252	252	252	252
Enrollment	0	0	0	0	0	0	208	235	282	241
Davisville Middle (1967)										
Square Feet	96,748	96,748	96,748	96,748	96,748	96,748	96,748	96,748	96,748	96,748
Capacity	680	680	680	680	680	680	680	680	680	680
Enrollment	541	565	542	571	602	644	627	630	629	614
Wickford Middle (1932)										
Square Feet	63,129	63,129	63,129	63,129	63,129	63,129	63,129	63,129	63,129	63,129
Capacity	465	465	465	465	465	465	465	465	465	465
Enrollment	431	457	477	485	511	472	490	446	452	445
North Kingstown High (2001)										
Square Feet	253,600	253,600	253,600	253,600	253,600	253,600	253,600	253,600	253,600	253,600
Capacity	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600
Enrollment	1,603	1,640	1,628	1,578	1,536	1,532	1,519	1,475	1,398	1,320
Administration (1968)										
Square Feet	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000
Data Center (1971)										
Square Feet	10,440	10,440	10,440	10,440	10,440	10,440	10,440	10,440	10,440	10,440
Maintenance (1978)										
Square Feet	5,390	5,390	5,390	5,390	5,390	5,390	5,390	5,390	5,390	5,390

Source: North Kingstown School Department Business Office

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

School Department

**Schedule 22
Operating Statistics
Last Ten Years**

Fiscal Year	Expenses	ADM Enrollment	Cost Per Pupil	Percentage Change
2011	\$ 61,099,845	4,367 (2)	\$ 14,266	4.11%
2010	\$ 61,467,578	4,309 (2)	\$ 14,266	4.11%
2009	\$ 60,303,276	4,401 (1)	\$ 13,702	2.07%
2008	\$ 59,780,254	4,453 (1)	\$ 13,425	2.83%
2007	\$ 58,537,478	4,484 (1)	\$ 13,055	8.97%
2006	\$ 54,648,440	4,561 (1)	\$ 11,980	2.30%
2005	\$ 53,518,998	4,570 (1)	\$ 11,711	2.00%
2004	\$ 53,736,575	4,680 (1)	\$ 11,482	7.37%
2003	\$ 48,506,136	4,536 (1)	\$ 10,694	2.53%
2002	\$ 45,838,057	4,395 (1)	\$ 10,430	8.37%

Source: North Kingstown School Department In\$ite and UCOA Reports

ADM Enrollment

(1) School Enrollment: Based on an Average Daily Membership (ADM) using 180 days of school as a base (ie. if a student is only enrolled in a school for 175 days of the 180 day base, the ADM for the student would be $(175 \text{ day enrollment} \div 180 \text{ day base} = .97 \text{ ADM})$. Enrollment also includes resident students tuitioned out and Jamestown students attending the High School

(2) School Enrollment: Based on an Average Daily Membership (ADM) using 180 days of school as a base (ie. if a student is only enrolled in a school for 175 days of the 180 day base, the ADM for the student would be $(175 \text{ day enrollment} \div 180 \text{ day base} = .97 \text{ ADM})$. Enrollment also includes resident students tuitioned out and Jamestown students attending the High School but does NOT include Charter School and Out of District Vocational students

Cost per Pupil: Total Expenses \div ADM Enrollment = Cost Per Pupil

Source: North Kingstown School Department Business Office

THE TOWN OF
NORTH KINGSTOWN, RHODE ISLAND

SINGLE AUDIT SECTION

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2011**

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Expenditures Incurred</u>
<i>U.S. Department of Housing and Urban Development</i>		
Community Development Block Grant (CDBG) *	14.218	\$ 311,639
Economic Development Initiative Project - Senior & Human Services	14.251	292,200
<i>Total Department of Housing and Urban and Development</i>		<u>603,839</u>
<i>U.S. Department of Education:</i>		
Public Law 94-142 *	84.027	1,038,204
Public Law 94-142 - ARRA *	84.391	206,945
Title I *	84.010	499,523
Title I - ARRA *	84.379	92,535
Title II Teacher Quality	84.367	214,910
Education of Homeless Children	84.196	45,175
Preschool Services *	84.173	30,650
Preschool Services - ARRA *	84.392	23,868
Child Opportunity Zone *	84.027	5,000
Title IV - Drug-free Schools	84.186	744
21st Century Learning	84.287	143,607
Title III English Language Learners	84.365	12,082
Race to the Top	84.395	4,457
Federal Stabilization Grant *	84.394	497,787
<i>Total U.S. Department of Education</i>		<u>2,815,487</u>
<i>U.S. Department of Homeland Security:</i>		
State Homeland Security Reallocation Grant	97.036	22,819
Assistance to Firefighters Grant	97.044	109,322
<i>Total U.S. Department of Homeland Security</i>		<u>132,141</u>
<i>Department of Energy:</i>		
Energy Efficient Block Grant - ARRA	81.128	65,237
<i>Total Department of Energy</i>		<u>65,237</u>
<i>Department of Health and Human Services:</i>		
Healthy Places by Design - ARRA	93.542	723
<i>Total Department of Health and Human Services</i>		<u>723</u>
<i>Environmental Protection Agency:</i>		
Capitalization Grants for Clean Water State Revolving Funds *	66.458	1,789,905
Diesel Vehicle Replacement Program	66.039	37,150
<i>Total Environmental Protection Agency</i>		<u>1,827,055</u>
<i>U.S. Department of Agriculture:</i>		
National school lunch *	10.555	333,662
National school milk *	10.556	2,470
National school breakfast *	10.557	84,039
2010 Reallocation Grant for POS system	10.560	11,520
<i>Total U.S. Department of Agriculture</i>		<u>431,691</u>
<i>Total Expenditures of Federal Awards</i>		<u>\$ 5,876,173</u>

*Denotes major program

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

JUNE 30, 2011

1. GENERAL

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

2. BASIS OF ACCOUNTING

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

3. DETERMINATION OF MAJOR PROGRAMS

The determination of major federal awards programs was based upon the overall level of expenditures for all federal programs for the Town of North Kingstown. As such, the threshold for determining Type A and Type B programs are defined as those with program expenditures greater than \$300,000 or 3 percent of total expenditures when the total expenditures are over \$10,000,000. The Town had eleven programs with expenditures greater than \$300,000. For the fiscal year ended June 30, 2011, Public Law 94-142, Public Law 94-142 – ARRA, Title I, Title I – ARRA, Preschool Services, Preschool Services – ARRA, Child Opportunity Zone, Federal Stabilization Grant, Capitalization Grants for Clean Water State Revolving Funds, and School Nutrition Program were considered to be major programs of the Town of North Kingstown.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of North Kingstown, Rhode Island as of and for the year ended June 30, 2011, which collectively comprise The Town of North Kingstown's basic financial statements and have issued our report thereon dated December 18, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Needham
Boston
Concord
Taunton
Providence

Compliance and Other Matters

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

We noted certain matters that we reported to management of the Town of North Kingstown, in a separate letter dated December 18, 2011.

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

Blair PC

Providence, Rhode Island
December 18, 2011

REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Compliance

We have audited the Town of North Kingstown, Rhode Island's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Town of North Kingstown's major federal programs for the year ended June 30, 2011. The Town of North Kingstown's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Town of North Kingstown's management. Our responsibility is to express an opinion on the Town of North Kingstown's compliance based on our audit.

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

In our opinion, the Town of North Kingstown complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on are each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

Management of the Town of North Kingstown is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Town of North Kingstown's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town of North Kingstown's internal control over compliance.

Internal Control Over Compliance (Continued)

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

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

Blair PC

Providence, Rhode Island
December 18, 2011

TOWN OF NORTH KINGSTOWN, RHODE ISLAND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2011

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expressed an unqualified opinion on the financial statements of the Town of North Kingstown.
2. No significant deficiencies relating to the audit of the financial statements are reported in the Independent Auditor's report.
3. No instances of noncompliance material to the financial statements of the Town of North Kingstown were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award program were reported.
5. The auditor's report on compliance for the major federal award program for the Town of North Kingstown expresses an unqualified opinion.
6. There were no audit finding relative to the major federal award program for the Town of North Kingstown.

7. The programs tested as major programs include:

Public Law 94-142.....	84.367
Public Law 94-142 - ARRA.....	84.391
Title I.....	84.010
Title I - ARRA.....	84.379
Preschool Services.....	84.173
Preschool Services - ARRA.....	84.392
Child Opportunity Zone.....	84.027
Federal Stabilization Grant.....	84.394
Capitalization Grants for Clean Water State Revolving Funds..	66.458
School Nutrition Program.....	10.555
Community Development Block Grant.....	14.218

8. The threshold for distinguishing Type A and B programs is described in Note 3 to the Schedule of Expenditures of Federal Awards.
9. The Town of North Kingstown qualified as a low-risk auditee for the year ended June 30, 2011.

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

None.

C. FINDINGS AND QUESTIONED COSTS RELATING TO FEDERAL AWARDS

Current Year Findings:

None.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2011**

C. FINDINGS AND QUESTIONED COSTS RELATING TO FEDERAL AWARDS (CONTINUED)

Prior Year Findings:

2010-1.National School Lunch, Breakfast Programs and Summer Programs 10.555, 10.556, and 10.557

Criteria: A child's eligibility for free or reduced price meals under a Child Nutrition Cluster program is established by the submission of annual application or statement which furnishes information as family income and family size. Eligibility is determined by comparing the information reported by the child's household to published income eligibility guidelines.

Condition: During our testing, we found instances where three of the student's applications could not be located. The review of these applications is to ensure the students fall within eligibility guidelines to receive either a free or reduced lunch.

Recommendation: We recommend that procedures be established to ensure that these annual applications are independently reviewed and approved before student eligibility is entered into the computer system and kept on file for future verifiability.

Management Response and Corrective Action: Of the three applications that could not be located two students are currently enrolled this school year and have an application on file for lunch eligibility in this school year. The other student has since left NK schools. The procedure for free and reduced lunch eligibility has changed this year with the implementation of Nutri-Kids POS system and on-line applications. Most families apply online via NutriApps. NutriApps runs a process to determine eligibility, updates the food service system known as Nutri-Kids POS and files the electronic application away with system assigned application number. At this time the district still accepts paper applications that are sent to the Office of Central Registration where they are entered into the Nutri-Kids POS Manager and the process is run. The paper application is then filed centrally. The new system has dramatically reduced the amount of paper applications the district handles. Furthermore, direct certification letters are entered into the POS and filed. The previous verification process required additional handling of the paper applications that no longer needs to occur with the Nutri-Kids POS system therefore eliminating misfiling or misplacing of applications.