

**TOWN OF NORTH KINGSTOWN,  
RHODE ISLAND**

**BASIC FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

**YEAR ENDED JUNE 30, 2017**

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

FOR THE YEAR ENDED JUNE 30, 2017

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## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of North Kingstown, Rhode Island (the "Town") as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of North Kingstown, Rhode Island as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

## *Other Matters*

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis presented on pages 4 through 13, and budgetary comparison schedules and historical pension and other postemployment benefit information on pages 76 through 89 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

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



**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 9, 2018, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

  
CITRIN COOPERMAN & COMPANY, LLP  
CERTIFIED PUBLIC ACCOUNTANTS

Providence, Rhode Island  
March 9, 2018

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

Management’s Discussion and Analysis provides a narrative overview and analysis of the financial activities of the Town of North Kingstown (“Town”) for the year ended June 30, 2017, with comparison to the prior year where appropriate. The information complements the data presented in the basic financial statements and is intended to enhance the reader’s understanding of the Town’s financial performance.

### **Financial Highlights:**

- The assets and the deferred outflows of resources of the Town exceeded its liabilities and its deferred inflows of resources at the close of the most recent fiscal year by \$10,303,956 (net position). The total net position is broken down into three captions: 1) Net investment in capital assets (capital assets section), which is essentially the net worth of the infrastructure the Town owns; 2) Restricted for endowments under the terms of Trust agreements, which is not spendable by the Town; and 3) Unrestricted, which is unassigned.
- The Town’s total net position increased by \$1,529,116.
- As of the close of the current fiscal year, the Town of North Kingstown’s total governmental funds reported combined ending fund balances of \$20.9 million. Approximately 38% of this total, \$7.9 million, is available for spending at the Town’s discretion (unassigned).
- At the end of the current fiscal year, the total fund balance of the General Fund was \$10.8 million. Of this amount, the unassigned fund balance for the General Fund was \$8.1 million, which is available for spending at the Town’s discretion. The remaining balance consisted of \$873,872 nonspendable to help finance the golf course’s irrigation project and for certain prepaid expenses, \$1,000,000 committed for other post-employment benefits, \$207,000 assigned for encumbrances and \$674,000 assigned to fund retiree obligations.
- The Town’s remaining fund balance of \$10.1 million is classified as follows: \$2.6 million – School Department, principally assigned for education and encumbrances, but also grant-restricted and nonspendable for certain prepaid expenses; \$247,000- Debt Service Fund assigned; \$7.3 million – Other Governmental Funds, including \$2 million assigned for Town Capital Reserve funds and Infrastructure Replacement, \$2 million, principally restricted for Capital Projects such as GO Bonds, Revenue Bonds, and Open Space/Farmland, \$707,801 for grants and \$92,696 for Permanent Funds.
- The Town’s governmental activities total liabilities, both long-term and short-term (including general obligation bonds, capital leases, notes payable, compensated absences, pollution remediation obligations, net pension liabilities and OPEB liabilities) increased by \$6,579,817 (5%) during the current fiscal year.

### **Overview of the Financial Statements:**

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

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

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



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

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

The government-wide financial statements (statement of net position and statement of activities) can be found on pages 14-15 of this report.

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

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

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

The Town of North Kingstown maintains 70 individual non-major governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, School Department (unrestricted and special revenue funds), and Debt Service Fund, all of which are considered to be major funds, and Other Governmental Funds. Forty-six special revenue funds, a Debt Service Fund, nine 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 16-19 of this report.

**Proprietary Funds:** The Town of North Kingstown maintains two types of proprietary funds: Enterprise Funds and Internal Service Funds. Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements, only in more detail. The Town of North Kingstown uses enterprise funds to account for its water fund, recreation fund, sewer fund and non-major enterprise funds (i.e., nutrition fund, school sports camps, gate receipts, summer school, etc.). Internal service funds are an accounting device used to accumulate costs internally among the Town's various functions. The Town uses internal service funds to account for its workers' compensation and self-insurance property damage funds. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. The basic proprietary fund financial statements can be found on pages 20-22 of this report.

**Fiduciary Funds:** Fiduciary funds are used to account for resources held for parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town of North Kingstown's own programs. The Town maintains two types of fiduciary funds: Police Pension Trust and Private Purpose Trust Funds, of which the Town holds 21 separate accounts. The basic fiduciary fund financial statements can be found on pages 23-24 of this report.

**Notes to the Financial Statements:** The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found on pages 25-75 of this report.

**Other Information:** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town of North Kingstown's progress in funding its obligations to provide pension and other postemployment benefits to its employees. Required supplementary information can be found on pages 76-89 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 98 of this report.

### Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future.

**Table 1 – Net Position**

	Governmental Activities		Business-Type Activities		Total		Total % Change
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	
Current and other assets	\$ 29,262,044	\$ 28,093,464	\$ 18,184,159	\$ 18,332,842	\$ 47,446,203	\$ 46,426,306	
Capital assets	94,512,121	96,991,537	20,341,673	18,341,427	114,853,794	115,332,964	
Total assets	<u>\$ 123,774,165</u>	<u>\$ 125,085,001</u>	<u>\$ 38,525,832</u>	<u>\$ 36,674,269</u>	<u>\$ 162,299,997</u>	<u>\$ 161,759,270</u>	0.33%
Deferred outflows of resources	<u>\$ 24,133,875</u>	<u>\$ 15,507,244</u>	<u>\$ 1,195,041</u>	<u>\$ 731,799</u>	<u>\$ 25,328,916</u>	<u>\$ 16,239,043</u>	55.98%
Current liabilities	\$ 8,684,911	\$ 8,757,238	\$ 2,871,301	\$ 1,902,514	\$ 11,556,212	\$ 10,659,752	
Long-term liabilities	137,114,241	130,462,097	18,586,578	17,745,073	155,700,819	148,207,170	
Total liabilities	<u>\$ 145,799,152</u>	<u>\$ 139,219,335</u>	<u>\$ 21,457,879</u>	<u>\$ 19,647,587</u>	<u>\$ 167,257,031</u>	<u>\$ 158,866,922</u>	5.28%
Deferred inflows of resources	<u>\$ 9,570,906</u>	<u>\$ 9,845,099</u>	<u>\$ 497,020</u>	<u>\$ 511,452</u>	<u>\$ 10,067,926</u>	<u>\$ 10,356,551</u>	-2.79%
Net position:							
Net investment in							
capital assets	\$ 59,054,289	\$ 57,633,524	\$ 7,461,500	\$ 6,729,243	\$ 66,515,789	\$ 64,362,767	
Restricted	2,135,569	2,410,940	281,691	280,565	2,417,260	2,691,505	
Unrestricted	(68,651,876)	(68,516,653)	10,022,783	10,237,221	(58,629,093)	(58,279,432)	
Total net position	<u>\$ (7,462,018)</u>	<u>\$ (8,472,189)</u>	<u>\$ 17,765,974</u>	<u>\$ 17,247,029</u>	<u>\$ 10,303,956</u>	<u>\$ 8,774,840</u>	17.43%

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

The unrestricted net position may be used to meet the government’s ongoing obligations to citizens and creditors; the Town currently has a deficit balance of approximately \$59 million. The restricted net position of \$2.4 million is subject to external restrictions on how it may be used.

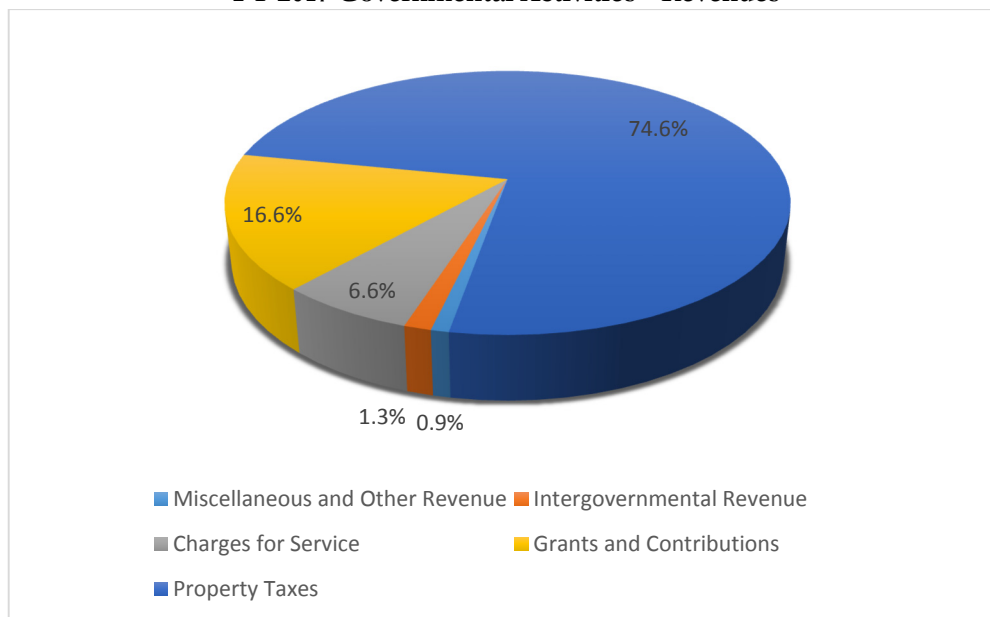
At June 30, 2017, the Town of North Kingstown is able to report positive balances in all three categories of net assets in the business-type activities. The Water Fund had an increase in net position of \$259,121, or 2.1%. The Sewer Fund reported a decrease in net position of \$240,539 or 2.1%. A net position deficit was reported for the Quonset/Davisville Recreation Fund of \$600,489, which is a reduction of \$472,076 over last year’s net position deficit of \$1,072,565, or 44%. In 2017, construction continued for metering chambers at three locations outside the Quonset Business Park, as required by the Town’s Inter-Governmental Agreement with the Quonset Development Corporation.

**Table 2 – Changes in Net Position**

	Governmental Activities		Business-Type Activities		Total		Change
	2017	2016	2017	2016	2017	2016	% Change
<b>Revenues</b>							
Charges for Services	\$ 6,971,001	\$ 7,468,224	\$ 7,554,177	\$ 7,075,099	\$ 14,525,178	\$ 14,543,323	
Operating Grants and Contributions	17,496,582	17,485,648	689,356	8,950,687	18,185,938	26,436,335	
General Revenues	81,049,051	78,476,558	255,827	265,006	81,304,878	78,741,564	
Transfers	87,548	-	36,931	1,712	124,479	1,712	
Total Revenues and Transfers	<u>\$ 105,604,182</u>	<u>\$ 103,430,430</u>	<u>\$ 8,536,291</u>	<u>\$ 16,292,504</u>	<u>\$ 114,140,473</u>	<u>\$ 119,722,934</u>	<u>-4.66%</u>
<b>Program Expenses and Transfers</b>							
Program Expenses	\$ 104,594,011	\$ 104,017,159	\$ 8,017,346	\$ 7,041,420	\$ 112,611,357	\$ 111,058,579	
Transfers	-	1,712	-	-	-	1,712	
Total Expenses and Transfers	<u>\$ 104,594,011</u>	<u>\$ 104,018,871</u>	<u>\$ 8,017,346</u>	<u>\$ 7,041,420</u>	<u>\$ 112,611,357</u>	<u>\$ 111,060,291</u>	<u>1.40%</u>
<b>Increase (Decrease) in</b>							
Net Position	\$ 1,010,171	\$ (588,441)	\$ 518,945	\$ 9,251,084	\$ 1,529,116	\$ 8,662,643	<u>82.35%</u>
Net Position - beginning	(8,472,189)	(7,883,748)	17,247,029	7,995,945	8,774,840	112,197	
Net Position - ending	<u>\$ (7,462,018)</u>	<u>\$ (8,472,189)</u>	<u>\$ 17,765,974</u>	<u>\$ 17,247,029</u>	<u>\$ 10,303,956</u>	<u>\$ 8,774,840</u>	

**Governmental Activities:** Property taxes are the largest revenue source for governmental activities, accounting for 74.6% of total revenues. Operating grants and contributions contributed to 16.6% of the revenues followed by 6.6% from program revenues such as charges for services, fees, and licenses; the remaining 2.2% is unrestricted revenues (i.e., intergovernmental and investment earnings).

**FY 2017 Governmental Activities - Revenues**



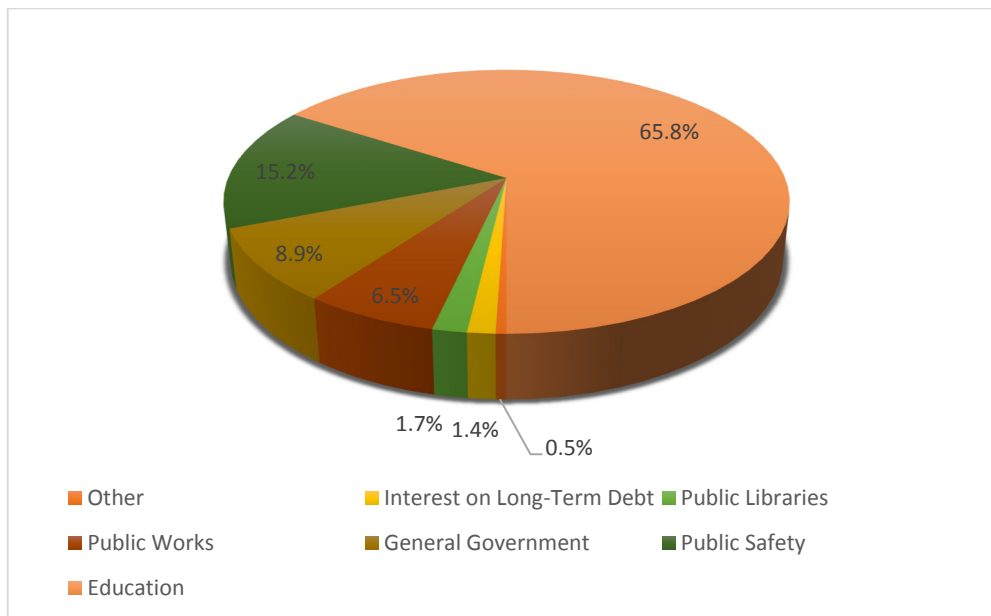
Major revenue factors over the prior year included:

- Property taxes being levied resulted in an increase of \$1,211,473, or 1.6%, for fiscal year 2017. The Town's taxable property increased by \$310,130,168 from \$3,794,759,167 to \$4,104,889,335. This represents an 8% increase in taxable property. Due to a stable housing market, the property tax rate decreased slightly from \$19.30 to \$18.06 per thousand dollars of assessed value to provide the same level of services the taxpayers have come to appreciate.
- Charges for services decreased by \$497,223, or 6.7%
- Intergovernmental revenue decreased by \$362,635, or 21%

**Table 3**  
**Cost of Services**

	Total Cost of Services			Net Cost of Services		
	2017	2016	% Change	2017	2016	% Change
Education	\$ 68,859,796	\$ 68,924,806	-0.1%	\$ 50,225,153	\$ 50,294,588	-0.1%
General Government	9,321,807	9,276,025	0.5%	6,230,887	5,476,048	13.8%
Public Works	6,808,582	6,632,235	2.7%	6,273,863	6,100,783	2.8%
Public Safety	15,905,977	15,656,636	1.6%	14,040,237	14,053,842	-0.1%
Public Libraries	1,742,078	1,611,604	8.1%	1,431,919	1,251,308	14.4%
Interest on Long-Term Debt	1,415,305	1,244,451	13.7%	1,415,305	1,244,451	13.7%
Other	540,466	671,402	-19.5%	509,064	642,267	-20.7%
<b>Total Expenses</b>	<b>\$ 104,594,011</b>	<b>\$ 104,017,159</b>	<b>0.6%</b>	<b>\$ 80,126,428</b>	<b>\$ 79,063,287</b>	<b>1.3%</b>

**FY 2017 Governmental Activities – Expenditures**



Education expenses account for approximately 65.8% of the total expenses within the governmental activities of the Town. Public safety and public works expenses account for 15.2% and 6.5%, respectively, general government makes up 8.9% and the remainder relates to public libraries, interest on long-term debt, pension contribution commitments and other areas. The net cost of services remained consistent with the prior year as a result of a general increase in operating costs.

Cost of Services in Table 3, above, shows the total cost and the net cost of services. The net cost identifies the cost of these services supported by tax revenue and unrestricted state aid after deducting departmental revenues. Spending for general government, public works, public safety, libraries and interest on long-term debt increased while spending for education and miscellaneous costs decreased.

Major expenditure factors over the prior year included:

- GASB No. 45 – Recognizes the accrual of net OPEB obligations in the government-wide statement of net position. This accrual is recognized within general government expenditures (Note 10, page 68). This liability has increased from \$12,419,527 to \$13,900,756, or an additional \$1,481,229. At June 30, 2017, \$13,119,034 of the OPEB liability is recorded in the governmental activities with the remaining \$781,722 recorded in the business-type activities.

**Business-Type Activities:** Net position of business-type activities increased by \$518,945, which is a 3% increase in business-type activities net position, primarily due to the decrease in the deficit net position for the Quonset/Davisville Recreation fund.

Charges for services for business-type activities accounted for 89% of the total revenue sources. The balance of revenues for business-type activities was from both operating and capital grants and contributions, and interest income. Of total revenue coming into the business-type activities, 44% is being generated by the water fund, 11% from the sewer fund, 32% from the recreation fund, and the remaining from the school cafeteria fund and other non-major enterprise funds.

Charges for services for business-type activities increased from \$7,075,099 to \$7,554,177, or 7%. The Water Department Fund reported a decrease of approximately \$301,000 due primarily to a decrease in usage and service. Quonset/Davisville Recreation and Allen Harbor Annual Charges reported an increase of approximately \$706,000, a result of increase in activity at the golf course and marina. Total general revenues decreased from \$265,006 to \$255,827 for all business-type activities.

The Water Fund expenses accounted for 44% of the expenditures within the business-type activities of the Town. Quonset/Davisville Recreation and Sewer Fund accounted for 29% and 16%, respectively, of the business-type activities expenditures for the 2017 fiscal year. Further, included in the Non-major Enterprise funds, the Nutrition Fund accounted for 11% of the business-type activities expenditures for the 2017 fiscal year.

Expenses associated with the Water Fund increased by approximately \$464,000. The Quonset/Davisville Recreation Fund expenses increased by approximately \$286,000. Expenses associated with the Sewer Fund increased by approximately \$293,000 due to the wastewater service agreement (Quonset Development Corporation Annual Capacity Price Purchase) and increased costs associated with expanding service area.

### **Financial Analysis of the Government's Funds:**

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

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

As of the end of the current fiscal year, the Town of North Kingstown's governmental funds reported combined ending fund balances of \$20.9 million. Approximately 39% of this amount, \$8,060,139, constitutes unassigned fund balance which is available for spending at the government's discretion within the Town's General Fund. The remaining fund balances remain classified for specific purposes such as: Debt Service Fund assigned of \$246,810, and Other Governmental Funds assigned of \$2 million for Town Capital Reserve funds and Infrastructure Replacement and \$2.5 million for special revenue funds. \$2 million for bonded capital project funds is restricted and also \$707,801 by grants, and \$92,696 for Permanent Funds. General Fund nonspendable of \$873,872 for the Golf Course Irrigation Project and prepaid expenses; General Fund committed of \$1,000,000 for other post-employment benefits; School Department Fund nonspendable of \$540,752 for prepaid expenses, assigned for education of \$1.9 million, grant-restricted for \$125,811, and \$92,696 for Permanent Funds.

**General Fund.** The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$8,060,139, which is included in the total fund balance of \$10,815,116. 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 26% of the 2018 Adopted General Fund Expenditure Budget.

The total fund balance of the Town of North Kingstown's General Fund decreased by \$1,694,287 during the current fiscal year. The Town ended with an operational deficit due to revenues below budgeted amounts.

**School Department:** The school fund has a total fund balance of \$2,565,845, of which \$1,899,282 has been assigned to the School Department (to help finance future years' school budgets). The total fund balance of the School Department Fund decreased by \$227,918 during the current fiscal year. The School Department ended with an operational deficit due to a transfer to the School Capital Reserve account.

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

Net position in the Water Fund at the end of the fiscal year was \$12,411,710, an increase of \$259,121 from the prior year. Long-term debt of \$3.0 million is a liability within the Water Fund and was issued to pay for projects that were approved by the RI Infrastructure Bank (formerly known as the RI Clean Water Finance Agency). The Water Fund took advantage of The American Recovery and Reinvestment Act of 2009 which provided an additional Drinking Water State Revolving Fund capitalization grant to the State of Rhode Island. A portion of the Borrower Loan will be forgiven annually as debt service is paid. The amount of principal forgiveness that the Water Fund will recognize at the end of the term will be approximately \$876,000.

Net deficit position in the Quonset/Davisville Recreation fund decreased by \$472,076, from \$(1,072,565) to \$(600,489).

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

	Selected Proprietary Funds - Net Position			
	June 30, 2017	June 30, 2016	\$ Change	% Change
Water Fund	\$ 12,411,710	\$ 12,152,589	\$ 259,121	2.1%
Quonset/Davisville Recreation Fund	(600,489)	(1,072,565)	472,076	44.0%
Water Capital Reserve Fund	1,029,636	1,095,001	(65,365)	-6.0%
Sewer Fund	4,499,209	4,739,748	(240,539)	5.1%
Nutrition Fund (non-major)	321,179	230,093	91,086	39.6%
Total	\$ 17,661,245	\$ 17,144,866	\$ 516,379	3.0%

## General Fund Budgetary Highlights

The Town finished the 2016-2017 Fiscal Year with budgetary surpluses (deficits) as follows:

- General Fund - \$ (274,992)
- School Department Fund - \$(765,172)
- Library Fund - \$47,360
- Debt Service - \$27,584

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

The actual collection rate was estimated to be 100% while the actual collections achieved were 97.4% of the total levy. The Town collects supplemental taxes during the course of the year for real estate construction that receives a certificate of occupancy after the assessment date. The amount generated from this is recorded as tax revenue but has not historically been used in the calculation of the tax rate because it is uncertain as to what may occur.

## Capital Asset and Debt Administration:

**Capital Assets** – The Town of North Kingstown’s investment in capital assets for its governmental and business-type activities as of June 30, 2017, amounts to \$114,853,794 (net of accumulated depreciation). This investment in capital assets includes investments in development rights, land and building improvements, machinery and equipment, park facilities, infrastructure and construction in progress. The total gross increase in the Town’s investment in governmental activities capital assets, prior to accumulated depreciation, for the current fiscal year was \$2,005,166.

	<u>Gross Capital Assets</u>	
	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Library Collections	\$ 3,633,986	\$ 3,633,986
Land	6,957,567	6,957,567
Development Rights	18,217,055	18,217,055
Land Improvements	197,255	197,255
Buildings and Improvements	78,110,425	77,239,652
Equipment	18,573,227	17,952,134
Infrastructure	72,426,403	71,660,889
Construction in Progress	-	252,214
Total	<u>\$ 198,115,918</u>	<u>\$ 196,110,752</u>

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

- Building and Improvements: Major renovations of 100 Fairway Drive have been completed. The school district continues to upgrade fire and security throughout all the school buildings.
- Equipment: Public Works, Police and Fire Departments purchased a total of ten new vehicles.
- Infrastructure and Land Improvements: Completion of Allen Harbor Boat Launch, Upgrades of lighting at Ryan Park and basketball courts at McGinn Park.
- Construction in Progress: The Town continues work on replacement of the Water well #10, and improvements to the Athletic Fields in the Quonset Point area.

At June 30, 2017, the Town is committed under various construction contracts for approximately \$4.5 million, primarily for the Wickford Village sewer project.

Additional information on the Town of North Kingstown’s capital assets can be found in Note 6 on pages 44-45 of this report.

**Long-term Debt** – At the end of the current fiscal year, the Town of North Kingstown’s governmental activities had \$35,457,832 in bonds outstanding, compared to \$39,358,013 last year, a decrease of \$3,900,181. Total bonded debt for the Town is entirely backed by the full faith and credit of the Town. Bonds authorized but unissued totaled an additional \$20,700,000 for business-type activities and \$810,000 for governmental activities.

State statutes limit the amount of general obligation bonded debt a town can issue to 3% of net assessed property values. However, all bonds approved through State enabling legislation and voter referendums are exempt from the limit. As of June 30, 2017, the Town had a legal debt limit of \$123,389,726, based on net assessed valuations as of December 31, 2016. As of June 30, 2017, the Town had outstanding debt subject to the 3% debt limit of \$2,022,055. The Town’s debt limit calculation is shown on page 46 of this report.

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

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

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

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

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

Additional information on the Town of North Kingstown’s long-term debt can be found in Note 7 on pages 46-50 of this report.

#### **Economic Factors and Next Year’s Budgets and Rates:**

- Rhode Island General Laws limit the amount by which a city or town may increase its tax levy in each year unless the city or town qualifies for certain exemptions relating to loss of non-property tax revenue, emergencies, payment of debt service and substantial increase in the tax base necessitate significant expenditures. The maximum amount by which a city or town can increase its levy for 2018 is 4.0%. This levy will allow the Town to raise an additional \$3.0 million in new tax dollars.
- As of June 2017, the Town had an unemployment rate of 3.3% as compared to the State of Rhode Island’s rate of 4.2% and the national average of 4.4%. The Town’s largest employer, Electric Boat, continues to seek qualified new employees at its facility in North Kingstown.

All of these factors will be considered as we plan for our 2019 budget.

The fiscal year 2017 rate of collection of current taxes was 97.4%. It is anticipated that the fiscal year 2018 rate of collection will fall within the budgeted collection rate which took into consideration the local and state economic conditions. With an overwhelming reliance on property taxes (approximately 74% of the current year revenues are derived from property taxes) any reduction in other revenues would necessitate either a use of a portion of the fund balance, a property tax increase’ or a reduction in services in the upcoming year or some combination thereof. Based upon preliminary discussion regarding the state budget, we are anticipating being level funded by the state and a minor increase in tax appropriations to maintain the Town’s existing services and oblige contractual obligations.



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

## STATEMENT OF NET POSITION

JUNE 30, 2017

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	North Kingstown Free Library
<b>ASSETS:</b>				
<i>Current Assets</i>				
Cash and cash equivalents	\$ 18,845,135	\$ 11,844,569	\$ 30,689,704	\$ 100,377
Taxes receivable, net	2,881,791	-	2,881,791	-
User charges receivable	-	1,513,444	1,513,444	-
Other receivables	1,283,173	955,797	2,238,970	-
Prepaid expenses	1,018,787	-	1,018,787	-
Internal balances	4,122,039	(4,122,039)	-	-
Inventory	-	47,899	47,899	-
Due from federal and state governments	1,111,119	-	1,111,119	-
Beneficial interest in assets held by others	-	-	-	300,740
<i>Total Current Assets</i>	<u>29,262,044</u>	<u>10,239,670</u>	<u>39,501,714</u>	<u>401,117</u>
<i>Noncurrent Assets</i>				
Restricted Cash on deposit with Rhode Island Clean Water Finance Agency	-	281,691	281,691	-
Sewer assessments receivable	-	7,662,798	7,662,798	-
Capital assets:				
Not being depreciated	28,808,608	3,300,268	32,108,876	-
Being depreciated, net	65,703,513	17,041,405	82,744,918	-
<i>Total Noncurrent Assets</i>	<u>94,512,121</u>	<u>28,286,162</u>	<u>122,798,283</u>	<u>-</u>
Total assets	<u>123,774,165</u>	<u>38,525,832</u>	<u>162,299,997</u>	<u>401,117</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>				
Deferred loss on bond refunding, net	1,300,651	-	1,300,651	-
Pensions	22,833,224	1,195,041	24,028,265	-
Total deferred outflows of resources	<u>24,133,875</u>	<u>1,195,041</u>	<u>25,328,916</u>	<u>-</u>
<b>LIABILITIES:</b>				
<i>Current Liabilities</i>				
Accounts payable and accrued liabilities	3,997,375	1,754,398	5,751,773	-
Compensated absences payable	420,517	54,167	474,684	-
Serial bonds payable	3,575,750	706,449	4,282,199	-
Unearned revenue	-	350,673	350,673	-
Other liabilities	1,297	5,614	6,911	-
Escrow deposits	689,972	-	689,972	-
<i>Total Current Liabilities</i>	<u>8,684,911</u>	<u>2,871,301</u>	<u>11,556,212</u>	<u>-</u>
<i>Noncurrent Liabilities</i>				
Pollution remediation obligation	1,523,000	-	1,523,000	-
OPEB liability	13,119,034	781,722	13,900,756	-
Net pension liability	89,328,576	5,052,731	94,381,307	-
Serial bonds payable, less current portion	31,882,082	12,589,624	44,471,706	-
Compensated absences payable, less current portion	1,261,549	162,501	1,424,050	-
<i>Total Noncurrent Liabilities</i>	<u>137,114,241</u>	<u>18,586,578</u>	<u>155,700,819</u>	<u>-</u>
Total liabilities	<u>145,799,152</u>	<u>21,457,879</u>	<u>167,257,031</u>	<u>-</u>
Contingencies and commitments (Notes 11 and 13)				
<b>DEFERRED INFLOWS OF RESOURCES,</b>				
Pensions	9,570,906	497,020	10,067,926	-
<b>NET POSITION:</b>				
Net investment in capital assets	59,054,289	7,461,500	66,515,789	-
Restricted for:				
Capital projects funded with bond proceeds	2,042,873	-	2,042,873	-
Debt service	-	281,691	281,691	-
Library	-	-	-	401,117
Other purposes, expendable	92,696	-	92,696	-
Unrestricted	(68,651,876)	10,022,783	(58,629,093)	-
Total net position	<u>\$ (7,462,018)</u>	<u>\$ 17,765,974</u>	<u>\$ 10,303,956</u>	<u>\$ 401,117</u>

See accompanying notes to basic financial statements.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

A-2

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit North Kingstown Free Library
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
<b>Governmental activities:</b>								
General government	\$ 9,321,807	\$ 1,765,871	\$ 1,325,049	\$ -	\$ (6,230,887)	\$ (6,230,887)	\$ -	
Public safety	15,905,977	1,782,709	83,031	-	(14,040,237)	(14,040,237)	-	
Public works	6,808,582	534,719	-	-	(6,273,863)	(6,273,863)	-	
Education	68,859,796	2,561,817	16,072,826	-	(50,225,153)	(50,225,153)	-	
Public libraries	1,742,078	304,234	5,925	-	(1,431,919)	(1,431,919)	-	
Senior services	640,717	21,651	9,751	-	(609,315)	(609,315)	-	
Amortization	(100,251)	-	-	-	100,251	100,251	-	
Interest on long-term debt	1,415,305	-	-	-	(1,415,305)	(1,415,305)	-	
Total governmental activities	104,594,011	6,971,001	17,496,582	-	(80,126,428)	(80,126,428)	-	
<b>Business-type activities:</b>								
Water	3,524,839	3,772,934	-	-	\$ 248,095	248,095	-	
Quonset/Davisville Recreation	2,287,841	2,545,491	-	214,426	472,076	472,076	-	
Water Capital Reserve Fund	-	-	-	-	-	-	-	
Sewer	1,248,726	661,261	-	-	(587,465)	(587,465)	-	
Other business-type activities	955,940	574,491	474,930	-	93,481	93,481	-	
Total business-type activities	8,017,346	7,554,177	474,930	214,426	226,187	226,187	-	
Total	\$ 112,611,357	\$ 14,525,178	\$ 17,971,512	\$ 214,426	(80,126,428)	226,187	(79,900,241)	
<b>Component unit:</b>								
North Kingstown Free Library	\$ 12,412	\$ -	\$ 13,883	-	-	-	\$ 1,471	
<i>General revenues:</i>								
Property taxes	-	-	-	-	78,733,473	78,733,473	-	
Unrestricted investment earnings	-	-	-	-	94,590	5,832	100,422	
Unrestricted intergovernmental revenue	-	-	-	-	1,397,236	-	1,397,236	
Interest	-	-	-	-	-	249,995	249,995	
Other	-	-	-	-	823,752	-	823,752	
Total general revenues	-	-	-	-	81,049,051	255,827	81,304,878	
Transfers	-	-	-	-	87,548	36,931	124,479	
Change in net position	-	-	-	-	1,010,171	518,945	1,529,116	
Net position - beginning of year	-	-	-	-	(8,472,189)	17,247,029	8,774,840	
Net position - end of year	-	-	-	-	\$ (7,462,018)	\$ 17,765,974	\$ 10,303,956	

See accompanying notes to basic financial statements.

## BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2017

	General Fund	School Department	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash and cash equivalents	\$ 7,613,154	\$ 2,679,651	\$ -	\$ 7,443,510	\$ 17,736,315
Taxes receivable	2,881,791	-	-	-	2,881,791
Other receivables	1,148,794	98,513	-	35,866	1,283,173
Due from federal and state governments	18,615	987,404	-	105,100	1,111,119
Due from other funds	3,628,957	982,469	246,810	379,450	5,237,686
Prepaid expenses	359,682	540,752	-	118,353	1,018,787
Advance to other fund	514,190	-	-	-	514,190
Total assets	<u>\$ 16,165,183</u>	<u>\$ 5,288,789</u>	<u>\$ 246,810</u>	<u>\$ 8,082,279</u>	<u>\$ 29,783,061</u>
<b>Liabilities, Deferred Inflows and Fund Balances</b>					
<i>Liabilities:</i>					
Accounts payable and accrued liabilities	\$ 1,235,607	\$ 1,570,172	\$ -	\$ 723,170	\$ 3,528,949
Due to other funds	466,260	1,152,772	-	10,805	1,629,837
Due to other governments	-	-	-	1,297	1,297
Escrow deposits	689,972	-	-	-	689,972
Total liabilities	<u>2,391,839</u>	<u>2,722,944</u>	<u>-</u>	<u>735,272</u>	<u>5,850,055</u>
Deferred inflows (Note 1)	<u>2,958,228</u>	<u>-</u>	<u>-</u>	<u>51,875</u>	<u>3,010,103</u>
<i>Fund Balances:</i>					
Nonspendable	873,872	540,752	-	118,353	1,532,977
Restricted	-	125,811	-	2,843,370	2,969,181
Committed	1,000,000	-	-	-	1,000,000
Assigned	881,105	1,899,282	246,810	4,468,591	7,495,788
Unassigned	8,060,139	-	-	(135,182)	7,924,957
Total fund balances	<u>10,815,116</u>	<u>2,565,845</u>	<u>246,810</u>	<u>7,295,132</u>	<u>20,922,903</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 16,165,183</u>	<u>\$ 5,288,789</u>	<u>\$ 246,810</u>	<u>\$ 8,082,279</u>	<u>\$ 29,783,061</u>

See accompanying notes to basic financial statements.

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

JUNE 30, 2017

<b><i>Total fund balance for governmental funds</i></b>		\$ 20,922,903
Assets used in governmental activities which are not financial resources and therefore are not reported in the funds:		
Capital assets, net		94,512,121
Some taxes and grants will be collected after year-end, but are not available soon enough to pay for the current period's expenditures; therefore, they are reported as deferred inflows in the funds.		3,010,103
Deferred outflows of resources:		
Pensions	\$ 22,833,224	
Deferred loss on bond refunding, net of accumulated amortization	<u>1,300,651</u>	24,133,875
Liabilities not due and payable in the current period which therefore are not reported in the funds:		
Bonds payable	(32,696,890)	
Bond premiums, net of accumulated amortization	(2,760,942)	
Compensated absences payable	(1,682,066)	
Pollution remediation obligation	(1,523,000)	
OPEB liability	(13,119,034)	
Net pension liability	(89,328,576)	
Accrued interest	<u>(468,352)</u>	(141,578,860)
Deferred inflows of resources, pensions		(9,570,906)
Internal service funds are excluded from the governmental fund financial statements but are recorded as governmental activities on the government-wide financial statements		<u>1,108,746</u>
<b><i>Total net position of governmental activities</i></b>		<b><u><u>\$ (7,462,018)</u></u></b>

See accompanying notes to basic financial statements.

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

FOR THE YEAR ENDED JUNE 30, 2017

	General Fund	School Department	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
<i>Revenues:</i>					
General property taxes	\$ 78,000,391	\$ -	\$ -	\$ -	\$ 78,000,391
Intergovernmental	1,629,067	15,648,383	1,194,010	2,380,858	20,852,318
Departmental	2,173,267	-	-	32,930	2,206,197
Investment income	70,182	-	-	21,232	91,414
On-behalf pension contribution	-	2,986,260	-	-	2,986,260
Other	193,444	213,873	-	416,435	823,752
Total revenues	<u>82,066,351</u>	<u>18,848,516</u>	<u>1,194,010</u>	<u>2,851,455</u>	<u>104,960,332</u>
<i>Expenditures:</i>					
Current:					
General government	6,146,274	-	-	1,590,948	7,737,222
Public safety	15,801,428	-	-	112,723	15,914,151
Public works	4,665,043	-	-	2	4,665,045
Parks and recreation	29,992	-	-	-	29,992
Senior services	493,587	-	-	145,533	639,120
Education	-	63,220,617	-	-	63,220,617
Public libraries	-	-	-	1,595,477	1,595,477
On-behalf pension contribution	-	2,986,260	-	-	2,986,260
Debt service:					
Principal	-	-	3,624,970	-	3,624,970
Interest and other costs	-	-	1,445,439	-	1,445,439
Bond issuance costs	-	-	-	-	-
Capital:					
Capital expenditures	<u>1,671,746</u>	<u>11,212</u>	<u>-</u>	<u>1,063,825</u>	<u>2,746,783</u>
Total expenditures	<u>28,808,070</u>	<u>66,218,089</u>	<u>5,070,409</u>	<u>4,508,508</u>	<u>104,605,076</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>53,258,281</u>	<u>(47,369,573)</u>	<u>(3,876,399)</u>	<u>(1,657,053)</u>	<u>355,256</u>
Other financing sources (uses):					
Transfers in	1,174,915	48,562,169	4,000,914	5,547,840	59,285,838
Transfers out	<u>(56,127,483)</u>	<u>(1,420,514)</u>	<u>(96,931)</u>	<u>(1,553,362)</u>	<u>(59,198,290)</u>
Net other financing sources (uses)	<u>(54,952,568)</u>	<u>47,141,655</u>	<u>3,903,983</u>	<u>3,994,478</u>	<u>87,548</u>
Net change in fund balances	(1,694,287)	(227,918)	27,584	2,337,425	442,804
Fund balances, beginning of year	<u>12,509,403</u>	<u>2,793,763</u>	<u>219,226</u>	<u>4,957,707</u>	<u>20,480,099</u>
Fund balances, end of year	<u>\$ 10,815,116</u>	<u>\$ 2,565,845</u>	<u>\$ 246,810</u>	<u>\$ 7,295,132</u>	<u>\$ 20,922,903</u>

See accompanying notes to basic financial statements.

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

FOR THE YEAR ENDED JUNE 30, 2017

<b><i>Net change in fund balances - total governmental funds</i></b>	<b>\$ 442,804</b>
<p>Governmental funds report capital outlays as expenditures; however, in the statement of activities these costs are allocated over their estimated useful lives and reported as depreciation expense.</p>	
Capital outlays	\$ 2,005,166
Depreciation expense	(4,467,609)
	(2,462,443)
<p>The issuance of long-term debt (including premiums and discounts) provides current resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment and refunding of bonds and notes use current financial resources, but decrease long-term liabilities in the statement of net position. Bond premiums and refunding charges are deferred and amortized as part of future interest expense.</p>	
Principal payments made on long-term debt	3,624,970
Amortization of:	
Deferred loss on advance refunding	(174,960)
Bond premiums	275,211
	100,251
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds.	553,126
Changes in deferred outflows - pensions are recorded in the statement of activities, but not in the governmental funds.	8,801,591
Some expenses reported in the statement of activities do not require the use of current financial resources in governmental funds in the current year:	
Change in net pension liability	(9,735,085)
Accrual for other postemployment health benefits	(1,397,931)
Accrued compensated absences	657,214
Accrued interest	30,134
Accrual for pollution remediation obligation	137,000
Changes in deferred inflows - pensions are recorded in the statement of activities, but not in the governmental funds.	274,193
Excess of internal service funds' expenses over revenues, reported as governmental fund activity.	(15,653)
<b><i>Change in net position of governmental activities</i></b>	<b>\$ 1,010,171</b>

See accompanying notes to basic financial statements.

## STATEMENT OF NET POSITION

## PROPRIETARY FUNDS

JUNE 30, 2017

	Enterprise Funds						
	Water		Quonset/ Davisville Recreation	Sewer	Nonmajor Enterprise Funds	Total	Internal Service Funds
	Operations	Capital Reserve					
<b>Assets</b>							
<i>Current Assets</i>							
Cash and cash equivalents	\$ 10,235,565	\$ 1,034,037	\$ 400	\$ 242,267	\$ 332,300	\$ 11,844,569	\$ 1,108,820
Water and sewer assessments and user fees, net	962,309	-	-	551,135	-	1,513,444	-
Due from other funds	-	-	-	-	10,303	10,303	-
Other receivables	-	-	845,271	-	110,526	955,797	-
Inventory	-	-	33,166	-	14,733	47,899	-
<i>Total Current Assets</i>	<u>11,197,874</u>	<u>1,034,037</u>	<u>878,837</u>	<u>793,402</u>	<u>467,862</u>	<u>14,372,012</u>	<u>1,108,820</u>
<i>Noncurrent Assets</i>							
Restricted cash on deposit with Rhode Island Infrastructure Bank	281,691	-	-	-	-	281,691	-
Sewer assessments	-	-	-	7,662,798	-	7,662,798	-
Capital assets not being depreciated	428,884	-	1,352,656	1,518,728	-	3,300,268	-
Capital assets being depreciated, net	6,843,505	-	2,400,707	7,796,629	564	17,041,405	-
<i>Total Noncurrent Assets</i>	<u>7,554,080</u>	<u>-</u>	<u>3,753,363</u>	<u>16,978,155</u>	<u>564</u>	<u>28,286,162</u>	<u>-</u>
<b>Total assets</b>	<u>18,751,954</u>	<u>1,034,037</u>	<u>4,632,200</u>	<u>17,771,557</u>	<u>468,426</u>	<u>42,658,174</u>	<u>1,108,820</u>
<i>Deferred outflows of resources</i>	<u>717,025</u>	<u>-</u>	<u>478,016</u>	<u>-</u>	<u>-</u>	<u>1,195,041</u>	<u>-</u>
<b>Liabilities</b>							
<i>Current Liabilities</i>							
Accounts payable and accrued liabilities	159,400	4,401	143,010	1,408,474	39,113	1,754,398	74
Due to other funds	-	-	1,999,725	1,618,427	-	3,618,152	-
Unearned revenue	-	-	347,268	-	3,405	350,673	-
Other liabilities	-	-	5,614	-	-	5,614	-
Current portion of compensated absences payable	27,150	-	27,017	-	-	54,167	-
Current portion of long-term debt	167,655	-	29,250	509,544	-	706,449	-
<i>Total Current Liabilities</i>	<u>354,205</u>	<u>4,401</u>	<u>2,551,884</u>	<u>3,536,445</u>	<u>42,518</u>	<u>6,489,453</u>	<u>74</u>
<i>Noncurrent Liabilities</i>							
Advances from other funds	-	-	514,190	-	-	514,190	-
OPEB liability	466,904	-	314,818	-	-	781,722	-
Net pension liability	3,031,638	-	2,021,093	-	-	5,052,731	-
Compensated absences payable	81,449	-	81,052	-	-	162,501	-
Long-term debt, less current portion	2,824,861	-	28,860	9,735,903	-	12,589,624	-
<i>Total Noncurrent Liabilities</i>	<u>6,404,852</u>	<u>-</u>	<u>2,960,013</u>	<u>9,735,903</u>	<u>-</u>	<u>19,100,768</u>	<u>-</u>
<b>Total liabilities</b>	<u>6,759,057</u>	<u>4,401</u>	<u>5,511,897</u>	<u>13,272,348</u>	<u>42,518</u>	<u>25,590,221</u>	<u>74</u>
<i>Deferred inflows of resources</i>	<u>298,212</u>	<u>-</u>	<u>198,808</u>	<u>-</u>	<u>-</u>	<u>497,020</u>	<u>-</u>
<b>Net Position</b>							
Net investment in capital assets	4,279,873	-	3,181,063	-	564	7,461,500	-
Restricted, debt service	281,691	-	-	-	-	281,691	-
Unrestricted	7,850,146	1,029,636	(3,781,552)	4,499,209	425,344	10,022,783	1,108,746
<b>Total net position (deficit)</b>	<u>\$ 12,411,710</u>	<u>\$ 1,029,636</u>	<u>\$ (600,489)</u>	<u>\$ 4,499,209</u>	<u>\$ 425,908</u>	<u>\$ 17,765,974</u>	<u>\$ 1,108,746</u>

See accompanying notes to basic financial statements.



## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

## PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2017

	Enterprise Funds						
	Water		Quonset/ Davisville Recreation	Sewer	Nonmajor Enterprise Funds	Totals	Internal Service Funds
	Operations	Capital Reserve					
Operating revenues:							
Charges for usage and service	\$ 3,581,365	\$ -	\$ 1,697,883	\$ 661,261	\$ 574,491	\$ 6,515,000	\$ -
Grants	-	-	845,271	-	474,930	1,320,201	-
Sundry sales and rentals	157,991	-	-	-	-	157,991	-
Miscellaneous	33,578	-	2,337	-	-	35,915	-
<i>Total operating revenues</i>	<u>3,772,934</u>	<u>-</u>	<u>2,545,491</u>	<u>661,261</u>	<u>1,049,421</u>	<u>8,029,107</u>	<u>-</u>
Operating expenses:							
Operations	3,018,258	-	638,388	607,238	-	4,263,884	1,856
Pro shop	-	-	481,745	-	-	481,745	-
Allen's Harbor	-	-	336,633	-	-	336,633	-
Recreation	-	-	466,404	-	-	466,404	-
Education	-	-	-	-	955,659	955,659	-
Bad debts	-	-	80,398	-	-	80,398	-
Depreciation and amortization	390,332	-	282,062	170,926	281	843,601	16,973
<i>Total operating expenses</i>	<u>3,408,590</u>	<u>-</u>	<u>2,285,630</u>	<u>778,164</u>	<u>955,940</u>	<u>7,428,324</u>	<u>18,829</u>
Operating income (loss)	<u>364,344</u>	<u>-</u>	<u>259,861</u>	<u>(116,903)</u>	<u>93,481</u>	<u>600,783</u>	<u>(18,829)</u>
Nonoperating revenues (expenses):							
Investment income	1,126	4,535	-	-	171	5,832	3,176
Interest income	-	-	-	249,995	-	249,995	-
Interest expense	(116,249)	-	(2,211)	(402,062)	-	(520,522)	-
Bond issuance costs	-	-	-	(68,500)	-	(68,500)	-
<i>Net nonoperating revenues (expenses)</i>	<u>(115,123)</u>	<u>4,535</u>	<u>(2,211)</u>	<u>(220,567)</u>	<u>171</u>	<u>(333,195)</u>	<u>3,176</u>
Income (loss) before capital contributions and transfers	<u>249,221</u>	<u>4,535</u>	<u>257,650</u>	<u>(337,470)</u>	<u>93,652</u>	<u>267,588</u>	<u>(15,653)</u>
Capital contributions			214,426	-		214,426	-
Transfers in	9,900	-	-	96,931	-	106,831	-
Transfers out	-	(69,900)	-	-	-	(69,900)	-
<i>Total capital contributions and transfers</i>	<u>9,900</u>	<u>(69,900)</u>	<u>214,426</u>	<u>96,931</u>	<u>-</u>	<u>251,357</u>	<u>-</u>
Change in net position	<u>259,121</u>	<u>(65,365)</u>	<u>472,076</u>	<u>(240,539)</u>	<u>93,652</u>	<u>518,945</u>	<u>(15,653)</u>
Total net position (deficit), beginning of year	<u>12,152,589</u>	<u>1,095,001</u>	<u>(1,072,565)</u>	<u>4,739,748</u>	<u>332,256</u>	<u>17,247,029</u>	<u>1,124,399</u>
Total net position (deficit), end of year	<u>\$ 12,411,710</u>	<u>\$ 1,029,636</u>	<u>\$ (600,489)</u>	<u>\$ 4,499,209</u>	<u>\$ 425,908</u>	<u>\$ 17,765,974</u>	<u>\$ 1,108,746</u>

See accompanying notes to basic financial statements.

## STATEMENT OF CASH FLOWS

## PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2017

	Enterprise Funds						
	Water		Quonset/ Davisville Recreation	Sewer	Nonmajor Enterprise Funds	Totals	Internal Service Funds
	Operations	Capital Reserve					
Cash flows from operating activities:							
Cash received from customers	\$ 3,937,107	\$ -	\$ 1,665,276	\$ 643,522	\$ 500,853	\$ 6,746,758	\$ -
Cash received from other sources	-	4,401	-	-	474,930	479,331	-
Cash paid to suppliers	(1,275,449)	-	(869,326)	(299,109)	(240,723)	(2,684,607)	(1,782)
Cash paid to employees	(1,323,368)	-	(1,021,107)	(152,766)	(741,534)	(3,238,775)	-
Net cash provided by (used in) operating activities	1,338,290	4,401	(225,157)	191,647	(6,474)	1,302,707	(1,782)
Cash flows from capital and related financing activities:							
Capital contributions	-	-	-	480,070	-	480,070	-
Acquisition of capital assets	(9,900)	-	(1,127,788)	(558,450)	-	(1,696,138)	-
Principal paid on bonds	(162,583)	-	(30,030)	(499,666)	-	(692,279)	-
Proceeds from long-term debt	196,930	-	-	501,338	-	698,268	-
Bond issuance costs	-	-	-	(68,500)	-	(68,500)	-
Interest paid on bonds	(96,923)	-	(2,211)	(315,834)	-	(414,968)	-
Net cash provided by (used in) capital and related financing activities	(72,476)	-	(1,160,029)	(461,042)	-	(1,693,547)	-
Cash flows from noncapital financing activities:							
Pollution remediation obligation	(5,487)	-	-	-	-	(5,487)	-
Interfund borrowings	22,550	(69,900)	1,220,219	96,931	(1,293)	1,268,507	(13,669)
Net cash provided by (used in) noncapital financing activities	17,063	(69,900)	1,220,219	96,931	(1,293)	1,263,020	(13,669)
Cash provided by investing activities, interest received	-	4,535	-	222,006	171	226,712	3,176
Net cash provided by investing activities	-	4,535	-	222,006	171	226,712	3,176
Net increase (decrease) in cash and cash equivalents	1,282,877	(60,964)	(164,967)	49,542	(7,596)	1,098,892	(12,275)
Cash and cash equivalents, beginning of year	8,952,688	1,095,001	165,367	192,725	339,896	10,745,677	1,121,095
Cash and cash equivalents, end of year	\$ 10,235,565	\$ 1,034,037	\$ 400	\$ 242,267	\$ 332,300	\$ 11,844,569	\$ 1,108,820
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:							
Operating income (loss)	\$ 364,344	\$ -	\$ 259,861	\$ (116,903)	\$ 93,481	\$ 600,783	\$ (18,829)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation and amortization	390,332	-	282,062	170,926	281	843,601	16,973
Bad debts	-	-	80,398	-	-	80,398	-
Changes in assets and liabilities:							
Accounts receivable	164,173	-	(882,428)	(17,740)	(69,064)	(805,059)	-
Inventory	295,052	-	(8,081)	-	3,184	290,155	-
Other liabilities	-	-	(19,393)	-	-	(19,393)	-
Compensated absences payable	12,065	-	19,675	-	-	31,740	-
Deferred outflows of resources	(277,945)	-	(185,297)	-	-	(463,242)	-
Deferred inflows of resources	(8,659)	-	(5,773)	-	-	(14,432)	-
Net pension liability	398,645	-	265,764	-	-	664,409	-
OPEB liability	49,752	-	33,546	-	-	83,298	-
Unearned revenue	-	-	21,606	-	(4,574)	17,032	-
Accounts payable and accrued payroll	(49,469)	4,401	(87,097)	155,364	(29,782)	(6,583)	74
Net cash provided by (used in) operating activities	\$ 1,338,290	\$ 4,401	\$ (225,157)	\$ 191,647	\$ (6,474)	\$ 1,302,707	\$ (1,782)
Supplemental disclosures, noncash capital and related financing activities:							
Capital contributions from athletic field upgrades			\$ 214,426			\$ 214,426	

See accompanying notes to basic financial statements.

## STATEMENT OF FIDUCIARY NET POSITION

## FIDUCIARY FUNDS

JUNE 30, 2017

	Police Pension Trust	Private Purpose Trust Funds	Agency Funds
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b><i>Assets:</i></b>			
Cash and cash equivalents	\$ 303,237	\$ 40,021	\$ 287,725
<i>Total assets</i>	<u>303,237</u>	<u>40,021</u>	<u>\$ 287,725</u>
<b><i>Liabilities:</i></b>			
Due to student groups	-	-	\$ 265,126
Deposits held in custody for others	<u>-</u>	<u>-</u>	<u>22,599</u>
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>\$ 287,725</u>
<b><i>Net Position:</i></b>			
Held in trust for pension benefits and other purposes	<u>\$ 303,237</u>	<u>\$ 40,021</u>	

See accompanying notes to basic financial statements.

## STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

## FIDUCIARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2017

	Police Pension Trust	Private Purpose Trust Funds
	<u>                    </u>	<u>                    </u>
Additions to net position:		
<i>Investment income:</i>		
Interest, dividends and gains	\$ 1,275	\$ 18
	<u>                    </u>	<u>                    </u>
<i>Net investment earnings</i>	1,275	18
	<u>                    </u>	<u>                    </u>
<i>Total additions</i>	1,275	18
	<u>                    </u>	<u>                    </u>
Deductions from net assets:		
Administrative expenses	83	
	<u>                    </u>	<u>                    </u>
<i>Total deductions</i>	83	-
	<u>                    </u>	<u>                    </u>
Change in net position	1,192	18
Net position, beginning of year	302,045	40,003
	<u>                    </u>	<u>                    </u>
Net position, end of year	<u>\$ 303,237</u>	<u>\$ 40,021</u>

See accompanying notes to basic financial statements.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2017

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

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

***Financial reporting entity:***

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

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

The North Kingstown Free Library Corporation, a not-for-profit agency formed in July 1993, supports the charitable, scientific and educational purposes of the Library, a component unit of the Town. The Town is able to impose its will on the component unit as the Town appoints the Library Trustees who serve as the Library’s Board of Directors. Accordingly, the Library is included as a discretely presented component unit in the financial statements of the Town. The North Kingstown Free Library Corporation filed its Form 990 tax return for the year ended December 31, 2016, during May 2017, a copy of which can be obtained by contacting the North Kingstown Free Library Corporation, 100 Fairway Drive, North Kingstown, RI 02852.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2017

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

***Basis of presentation:***

***Government-wide financial statements:***

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

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

***Fund financial statements:***

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

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

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

*Basis of presentation (continued):*

*Fund financial statements (continued):*

***Governmental funds:***

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

The Town uses the following types of governmental funds:

The *General Fund* is the primary operating fund of the Town and is always classified as a major fund. It is used to account for and report all financial resources not accounted for and reported in another fund.

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

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

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

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

***Proprietary funds:***

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

*Basis of presentation (continued):*

*Fund financial statements (continued):*

*Fiduciary funds:*

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

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

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

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

*Measurement focus and basis of accounting:*

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

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



TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2017

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

*Basis of presentation (continued):*

*Measurement focus and basis of accounting (continued):*

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

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

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

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

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

*Deferred inflows and outflows of resources:*

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

*Basis of presentation (continued):*

*Measurement focus and basis of accounting (continued):*

*Deferred inflows and outflows of resources (continued):*

At June 30, 2017, the Town's deferred inflows, as reported on the accompanying Balance Sheet – Governmental Funds, consist of the following receivables for which payment was not received within 60 days after year-end:

Property tax receivables	\$ 2,786,358
Other receivables	<u>223,745</u>
	<u>\$ 3,010,103</u>

*Use of estimates:*

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

*Recently adopted accounting pronouncement:*

Effective for the fiscal year ended June 30, 2017, the Town adopted the provisions of Statement No. 77 of the GASB, *Tax Abatement Disclosures* ("GASB 77"). GASB 77 requires more extensive footnote disclosures regarding tax abatement agreements entered into by the Town or another governmental entity that reduce the Town's tax revenues. The adoption of GASB 77 had no effect on the Town's net position at June 30, 2017, or its changes in net position for the year then ended.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2017

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

***Recently issued but not yet effective accounting pronouncements:***

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

Effective for the fiscal year ending June 30, 2021, the Town will be required to adopt the provisions of Statement No. 87 of the GASB, *Leases* (“GASB 87”). GASB 87 requires recognition of lease assets and liabilities for leases that were previously classified as operating leases and recognition of inflows of resources or outflows of resources based on the payment provisions of the contract. The Town is currently evaluating the effects of GASB 87 on its financial statements.

***Cash and cash equivalents:***

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

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

***Property taxes:***

Property taxes are recognized as revenue in the year they are levied and become available. Real and personal property taxes are based on values assessed as of each December 31 (lien date), and attach as an enforceable lien on property as of July 1 (levy date). Taxes are due in equal quarterly installments on July 1, October 1, January 1 and April 1, annually. Taxes due and unpaid after the respective due dates are subject to interest at the rate of 12% per annum calculated on the unpaid portion of the total tax. An automatic lien is placed on the taxpayer’s property if payment has not been received by the tax due date.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2017

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

***Property taxes (continued):***

For 2017, Rhode Island General Law restricts the Town's ability to increase its total tax levy by more than 4.00% over that of the preceding fiscal year.

***Pensions:***

*Municipal Employees' Retirement System (MERS):*

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

*Employees' Retirement System (ERS):*

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

***Interfund transactions:***

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

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2017

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

***Inventory:***

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

***Capital assets:***

In the government-wide financial statements, fixed assets are accounted for as capital assets. All capital assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets, which are recorded at their estimated fair value at the date of donation. The cost of library collections, included with capital assets that are not being depreciated, is measured using the replacement method for any new assets.

Capital assets are defined by the Town as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method.

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

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2017

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

***Compensated absences:***

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

***Judgments and claims:***

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

***Long-term obligations:***

*Government-wide and proprietary fund financial statements:*

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

Bond issuance costs are expensed in the year incurred. During the year ended June 30, 2017, \$68,500 of bond issuance costs were incurred.

Deferred losses on refundings are amortized on a straight-line basis over the shorter of the remaining life of the old debt or the life of the new debt and are reflected in the statement of net position as a deferred outflow. At June 30, 2017, the deferred loss for four separate refundings totaled \$2,733,459. Accumulated amortization totaled \$1,432,808, resulting in a net deferred loss of \$1,300,651.

*Governmental fund financial statements:*

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

*Fund equity:*

*Government-wide financial statements and proprietary fund financial statements:*

*Net position:*

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

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

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

Unrestricted – a residual category for the balance of net position

*Governmental fund financial statements:*

*Fund balance:*

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

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

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

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2017

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

*Fund equity (continued):*

*Governmental fund financial statements (continued):*

*Fund balance (continued):*

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

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

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

*Self-insurance:*

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



TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2017

**2. FUND BALANCES:**

At June 30, 2017, the following funds had a deficit (negative) fund balance or deficit net position, as applicable:

***Nonmajor Governmental Funds:***

Willet Library	\$	8,677
Miscellaneous State Grants	\$	2
State Grants – Police Department	\$	1,574
RI Emergency Management	\$	445
Senior Health Insurance Program	\$	780
Impact Fees	\$	110,258
Ann Ward Wallou Memorial Garden	\$	901
Parade Committee	\$	980
Community Center Maintenance	\$	11,421
Heritage Committee	\$	144

***Major Enterprise Fund:***

Quonset/Davisville	\$	600,489
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**3. CASH AND CASH EQUIVALENTS (DEPOSITS):**

At June 30, 2017, the carrying amount of the Town's deposits, including \$5,000,789 of cash equivalents, was \$31,320,687 and the total bank balance was \$33,370,006. The carrying amount includes \$630,983 in fiduciary funds.

At June 30, 2017, deposits are categorized as follows:

	Insured/ Collateralized in Town's name	Uninsured	Maturities	Total bank balance	Carrying amount
Deposits:					
Demand deposits	\$ 776,535	\$ 17,282,099		\$ 18,058,634	\$ 16,009,315
Certificates of deposit	5,000,789	-	11/2017 to 1/2018	5,000,789	5,000,789
Money market	-	10,310,583		10,310,583	10,310,583
	<u>\$ 5,777,324</u>	<u>\$ 27,592,682</u>		<u>\$ 33,370,006</u>	<u>\$ 31,320,687</u>

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2017

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

***Custodial credit risk:***

Custodial credit risk is the risk that, in the event of a bank failure, the Town's deposits may not be returned to it. It is the Town's policy to follow the requirements contained in Section 35-10.1-7 of the General Laws of the State, dealing with the collateralization of public deposits, which requires that all time deposits with maturities of greater than 60 days and all deposits in institutions that do not meet the minimum capital requirements of its federal regulator must be collateralized. Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty or agent of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of the outside party.

***Interest rate risk:***

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

***Credit risk:***

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

***Concentration of credit risk:***

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2017

**4. PROPERTY TAXES:**

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

Net property taxes levied for fiscal year 2017 were based on a net asset value of \$4,104,889,335 at December 31, 2015, and amounted to \$75,058,276. Collections through June 30, 2017, amounted to \$73,113,804, which represents approximately 97% of the total tax levy.

Unpaid property taxes as of June 30, 2017 (\$2,881,791), are recorded as a receivable, net of an allowance for uncollectible property taxes of \$76,223. Those net property taxes receivable which were not collected within 60 days immediately following June 30, 2017, are recorded as a deferred inflow of resources in the accompanying Balance Sheet – Governmental Funds, totaling \$2,786,358 at June 30, 2017. Property taxes collected within 60 days following June 30, 2017, are recognized as revenue in the governmental fund financial statements and amounted to \$95,433. As of June 30, 2017, the Town levied property taxes for its next fiscal year based on the December 31, 2016, assessment as follows (unaudited):

	Taxable Assessment	Exemptions	Net Tax Assessment	Rate per \$1,000	Net Levy
Real property	\$3,822,291,880	\$ 82,031,380	\$3,740,260,500	\$18.59	\$ 69,531,448
Motor vehicle	281,053,468	65,829,914	215,223,554	\$22.04	4,742,879
Tangible property	158,104,270	597,450	157,506,820	\$18.59	2,928,052
	<u>\$4,261,449,618</u>	<u>\$ 148,458,744</u>	<u>\$4,112,990,874</u>		<u>\$ 77,202,379</u>

*Economic Development Tax Incentive*

The Town offers an economic development tax incentive through Town Ordinance Section 19-40. The incentive is offered to only new buildings, new structures, new additions to existing buildings or structures on taxable property, and for substantial improvements to existing structures costing in excess of 50 percent of the assessed value of the existing structure. The incentive is intended to inure to the benefit of the Town because of the willingness of the business to locate in the Town, or the willingness of a business to replace, reconstruct, expand, or remodel existing buildings or facilities with modern buildings or facilities resulting in an increase in building investment.

The Town Council, in its sole discretion, is authorized but not required to phase in over a period of six years, the taxes due on certain business property located in the Town, not to include residential purposes or multi-family housing.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2017

**4. PROPERTY TAXES (CONTINUED):**

*Economic Development Tax Incentive (Continued)*

The real estate taxes shall be phased in pursuant to the following schedule:

<u>Year</u>	<u>Phase-In Percentage</u>
1	0%
2	20%
3	40%
4	60%
5	80%
6	100%

The Town Council has authorize economic development tax incentives for 29 businesses, resulting in tax abatements totaling \$389,000 for the year ended June 30, 2017.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2017

5. INTERFUND TRANSACTIONS:

Due to/from:

Due to/from balances represent short-term advances from one fund (primarily the General Fund) to another fund. The advances may represent balances resulting from operating advances or reimbursement for expenditures paid by one fund on behalf of another fund. The composition of interfund balances at June 30, 2017, is as follows:

	Due From Other Funds	Due To Other Funds
<b>General Fund</b>	<u>\$ 3,628,957</u>	<u>\$ 466,260</u>
<b>School Department:</b>		
School Unrestricted Fund	981,661	161,865
21st Century Learning	-	44,210
COZ Family Center	-	17,885
New England Dairy and Food	-	52,746
Substance Abuse Task Force	-	680
Homeless Children/Youth Odd	-	7,476
Wireless Classroom Initiative	-	252,709
School Public Law 94-142	-	351,268
Public Law 94-142, Pre-school	-	14,324
Title I	530	178,411
Title II	-	57,444
Title III LEAP	98	2,037
Scholarship America	-	7
Classes 4 Classes	-	1,180
Women's Club of South County Grow Hope	-	15
RI Assoc for Young Children	-	14
Sexual Health Mini Grant	-	2,000
RI Learning Champions	-	466
USDA - FFVP	-	4,747
Use of Buildings	180	3,288
	<u>982,469</u>	<u>1,152,772</u>
<b>Debt Service Fund</b>	<u>246,810</u>	<u>-</u>
<b>Other Governmental Funds:</b>		
Willet Library Fund	-	8,677
Library Fund	47,205	-
State Grants - Police Department	-	277
Town Municipal Court	2,474	-
Senior Health Insurance Program	-	725
CDBG Grant	169,771	-
Ann Ward Wallou Memorial Garden	-	901
Parade Committee	-	225
Capital Improvement Projects	160,000	-
	<u>379,450</u>	<u>10,805</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2017

5. INTERFUND TRANSACTIONS (CONTINUED):

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
<b><i>Enterprise Funds:</i></b>		
<b><i>Major:</i></b>		
Quonset/Davisville Recreation	\$ -	\$ 1,999,725
Sewer Fund	-	1,618,427
	<u>-</u>	<u>3,618,152</u>
<b><i>Non-Major:</i></b>		
School Nutrition Fund	9,853	-
NKHS Adult Education	450	-
	<u>10,303</u>	<u>-</u>
<b><i>Total Enterprise Funds</i></b>	<u>10,303</u>	<u>3,618,152</u>
<b><i>Total funds</i></b>	<u>\$ 5,247,989</u>	<u>\$ 5,247,989</u>

Advances to/from:

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

	<u>Advance to Fund</u>	<u>Advance from Fund</u>
<b>General Fund</b>	\$ 514,190	
<b>Quonset/Davisville Recreation</b>		\$ 514,190

Operating transfers between funds for the year ended June 30, 2017, were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
<b><i>General Fund</i></b>	\$ 1,174,915	\$ 56,127,483
<b><i>School Department:</i></b>		
School Unrestricted Fund	\$ 48,562,169	\$ 1,420,514
<b><i>Debt Service Fund</i></b>	\$ 4,000,914	\$ 96,931

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2017

5. INTERFUND TRANSACTIONS (CONTINUED):

Operating transfers (continued):

	<u>Transfers In</u>	<u>Transfers Out</u>
<b><i>Other Governmental Funds:</i></b>		
Library Fund	\$ 1,281,019	\$ -
Miscellaneous State Grants	158,569	-
Beachwood House Senior Center Equipment Escrow	-	709
RIDEM Potowomut Pond Clean-up	-	4,500
RI Emergency Management	26,876	-
Land Dedication Escrow	-	596
Senior Health Insurance Program	161	-
State Council on the Arts Grant	-	10,697
RI Foundation Grant	597	-
Local Law Enforcement Block Grant	-	358
Governor's Justice Commission	-	2,100
Emergency Medical Services	-	630,632
Fire Department Legislative Grant	-	2,626
Old Library Park	-	2,609
Special Purpose Donations	15,952	-
Tax Revaluation Reserve Fund	25,000	-
Senior Citizens Bus Gasoline Escrow	-	61
Arts Council	45,625	-
Project D.A.R.E.	-	4,844
Heritage Committee	-	144
Non Civic Detail Escrow Fund	-	399,633
FY 2005 Refunding	-	11,475
Capital Improvement Project	2,350,514	-
Capital Reserve	1,643,527	123,005
9M School Renovation Bond	-	299,062
6.4M School Renovation Bond	-	29,596
4M Senior Center Complex Fund	-	8,775
4.5M Public Safety Facilities	-	21,940
	<u>5,547,840</u>	<u>1,553,362</u>
<b><i>Enterprise Funds:</i></b>		
Water Operations	9,900	-
Water Capital Reserve	-	69,900
Sewer Fund	96,931	-
	<u>106,831</u>	<u>69,900</u>
<b><i>Fiduciary Funds:</i></b>		
Payroll Fund	-	46,631
School Payroll Fund	-	77,848
	<u>-</u>	<u>124,479</u>
<b><i>Totals</i></b>	<u>\$ 59,392,669</u>	<u>\$ 59,392,669</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2017

6. CAPITAL ASSETS:

<b>Governmental activities:</b>	<u>Beginning Balances</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balances</u>
Capital assets not being depreciated:				
Library collections	\$ 3,633,986	\$ -	\$ -	\$ 3,633,986
Land	6,957,567	-	-	6,957,567
Development rights	18,217,055	-	-	18,217,055
Construction in progress	252,214	-	(252,214)	-
Total capital assets not being depreciated	<u>29,060,822</u>	<u>-</u>	<u>(252,214)</u>	<u>28,808,608</u>
Capital assets being depreciated:				
Land improvements	197,255	-	-	197,255
Building	77,239,652	870,773	-	78,110,425
Equipment	17,952,134	621,093	-	18,573,227
Infrastructure	71,660,889	765,514	-	72,426,403
Total capital assets being depreciated	<u>167,049,930</u>	<u>2,257,380</u>	<u>-</u>	<u>169,307,310</u>
Less: accumulated depreciation for:				
Land improvements	(111,708)	(11,550)	-	(123,258)
Building	(30,754,813)	(2,078,996)	-	(32,833,809)
Equipment	(13,689,426)	(757,363)	-	(14,446,789)
Infrastructure	(54,563,268)	(1,636,673)	-	(56,199,941)
Total accumulated depreciation	<u>(99,119,215)</u>	<u>(4,484,582)</u>	<u>-</u>	<u>(103,603,797)</u>
Total capital assets being depreciated, net	<u>67,930,715</u>	<u>(2,227,202)</u>	<u>-</u>	<u>65,703,513</u>
Governmental activities capital assets, net	<u>\$ 96,991,537</u>	<u>\$ (2,227,202)</u>	<u>\$ (252,214)</u>	<u>\$ 94,512,121</u>

Depreciation was charged to functions as follows:

Governmental activities:	
General government	\$ 73,137
Public safety	657,479
Public works	1,726,281
Education	1,930,710
Public libraries	96,975
	<u>\$ 4,484,582</u>



TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2017

6. CAPITAL ASSETS (CONTINUED):

<b>Business-type activities:</b>	<u>Beginning balances</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balances</u>
Capital assets not being depreciated:				
Land	\$ 942,289	\$ -	\$ -	\$ 942,289
Construction in progress	<u>4,265,843</u>	<u>1,774,206</u>	<u>(3,682,070)</u>	<u>2,357,979</u>
Total capital assets not being depreciated	<u>5,208,132</u>	<u>1,774,206</u>	<u>(3,682,070)</u>	<u>3,300,268</u>
Capital assets being depreciated:				
Buildings	14,224,190	-	-	14,224,190
Property and leasehold improvements	9,213,514	4,698,063	-	13,911,577
Furniture and equipment	605,060	26,786	-	631,846
Vehicles and golf carts	<u>320,737</u>	<u>26,862</u>	<u>-</u>	<u>347,599</u>
Total capital assets being depreciated	<u>24,363,501</u>	<u>4,751,711</u>	<u>-</u>	<u>29,115,212</u>
Less: accumulated depreciation for:				
Buildings	(7,863,355)	(233,497)	-	(8,096,852)
Property and leasehold improvements	(2,688,891)	(532,409)	-	(3,221,300)
Furniture and equipment	(415,089)	(40,950)	-	(456,039)
Vehicles and golf carts	<u>(262,871)</u>	<u>(36,745)</u>	<u>-</u>	<u>(299,616)</u>
Total accumulated depreciation	<u>(11,230,206)</u>	<u>(843,601)</u>	<u>-</u>	<u>(12,073,807)</u>
Total capital assets being depreciated, net	<u>13,133,295</u>	<u>3,908,110</u>	<u>-</u>	<u>17,041,405</u>
Business-type activities capital assets, net	<u>\$ 18,341,427</u>	<u>\$ 5,682,316</u>	<u>\$ (3,682,070)</u>	<u>\$ 20,341,673</u>

Depreciation was charged to functions as follows:

Business-type activities:	
Water	\$ 390,332
Sewer	170,926
Quonset/Davisville Recreation	282,062
Nutrition Fund	<u>281</u>
	<u>\$ 843,601</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2017

**7. LONG-TERM OBLIGATIONS:**

***General obligation bonds payable:***

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

The Town's maximum aggregate indebtedness under Rhode Island General Laws 45-12-2 is limited to 3% of total assessed value, with certain exemptions. The assessed value of the Town's properties at December 31, 2016, was \$4,112,990,874, limiting the amount of nonexcepted debt outstanding to \$123,389,726. At June 30, 2017, the Town had \$2,022,055 outstanding subject to the limit. All Town debt has been incurred through special statutory authority which consists of approval by the legislature and voter referendum.

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2017

**7. LONG-TERM OBLIGATIONS (CONTINUED):**

A summary of long-term obligations as of June 30, 2017, is as follows:

	Governmental activities	Business-type activities	Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>
General obligation debt	\$ 32,696,890	\$ 17,702,303	\$ 50,399,193
Bond premium	<u>2,760,942</u>	<u>83,660</u>	<u>2,844,602</u>
	35,457,832	17,785,963	53,243,795
Less: undrawn loan proceeds held by the State	<u>-</u>	<u>(4,489,890)</u>	<u>(4,489,890)</u>
	35,457,832	13,296,073	48,753,905
Accrued compensated absences	1,682,066	216,668	1,898,734
Pollution remediation obligation	<u>1,523,000</u>	<u>-</u>	<u>1,523,000</u>
	38,662,898	13,512,741	52,175,639
Less: portion due within one year	<u>(3,996,267)</u>	<u>(760,616)</u>	<u>(4,756,883)</u>
	<u>\$ 34,666,631</u>	<u>\$ 12,752,125</u>	<u>\$ 47,418,756</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2017

7. LONG-TERM OBLIGATIONS (CONTINUED):

Governmental activities:

	Date of Issuance	Purpose	Authorized	Interest Rate	Maturity Date	Outstanding June 30, 2016	Additions	Retirements	Outstanding June 30, 2017	Amounts due within one year
General obligation bonds payable:										
\$9.79M GOB 2009 Series	1/15/2009	Renovations, Additions and Improvements	\$ 9,790,000	2.00 – 4.00%	1/15/2030	\$ 7,560,000	\$ -	\$ 540,000	\$ 7,020,000	\$ 540,000
\$7M GOB 2007B Series B Bond	8/15/2007	Renovations and Additions - School Bond	7,000,000	4.25 – 5.0%	8/15/2027	340,000	-	340,000	-	-
\$4M GOB- Open Space	7/1/2007	Open Space	4,000,000	3.60 – 4.10%	7/15/2027	370,000	-	180,000	190,000	190,000
\$3.622M GOB	12/15/2009	Facilities, Open Space, and Library	3,622,000	1.25 – 3.50%	12/15/2019	1,130,000	-	385,000	745,000	375,000
Less: Q/D recreation portion		Q/D Recreation Asset Protection	(282,516)			(88,140)	-	(30,030)	(58,110)	(29,250)
\$960M GOB	12/15/2009	School Athletics	960,000	1.25 – 3.50%	12/15/2019	345,000	-	110,000	235,000	115,000
\$2.003M GOB	12/15/2009	Farmland/Open Space	2,003,000	1.25 – 3.50%	12/15/2019	830,000	-	215,000	615,000	210,000
\$7.65M GOB	4/18/2013	School Renovations and Improvements	7,655,000	2.00 – 4.00%	5/15/2033	6,495,000	-	385,000	6,110,000	385,000
\$350M GOB 2013 Series A	9/1/2013	Public Building Library	350,000	2.00 – 3.75%	9/1/2023	280,000	-	35,000	245,000	35,000
\$15.03M GOB Refunding Bonds	9/1/2015	Refunding of \$2.84M Open Space, \$27.885M Refunding, and \$4.0M Open Space	15,030,000	2.00 - 5.00 %	7/15/2027	15,030,000	-	1,465,000	13,565,000	1,425,000
\$4.03M RIHEBC Refunding Bonds	12/2/2015	Refunding of School Renovation Bond \$7M	4,030,000	3.00 - 5.00 %	5/15/2027	4,030,000	-	-	4,030,000	330,000
			54,157,484			36,321,860	-	3,624,970	32,696,890	3,575,750
Deferred bond premium			3,419,443			3,036,153		275,211	2,760,942	-
Total general obligation bonds payable			\$ 57,576,927			39,358,013	-	3,900,181	35,457,832	3,575,750
Accrued compensated absences						2,339,280	1,478,874	2,136,088	1,682,066	420,517
Pollution remediation obligation						1,660,000	-	137,000	1,523,000	-
Total long-term obligations						\$ 43,357,293	\$ 1,478,874	\$ 6,173,269	\$ 38,662,898	\$ 3,996,267

Business-type activities:

	Date of Issuance	Purpose	Authorized	Interest Rate	Maturity Date	Outstanding June 30, 2016	Additions	Retirements	Outstanding June 30, 2017	Amounts due within one year
General obligation bonds payable:										
\$3.622M GOB	12/15/2009	Q/D Recreation Asset Protection	\$ 282,516	1.25 – 3.50%	12/15/2019	\$ 88,140	\$ -	\$ 30,030	\$ 58,110	\$ 29,250
\$4.8 RICWFA Bond	11/19/2009	Renovations, Additions and Improvements	4,800,000	3.013%	9/1/2030	3,167,831	-	162,583	3,005,248	167,655
\$2.46M Wastewater Services	1/2/2013	QDC Wastewater Services	2,460,000	2.75 %	1/2/2033	2,068,611	-	104,666	1,963,945	107,544
\$4.0M GO Sewer Bonds Series 2014	4/1/2014	Sewers	4,000,000	2.00% – 4.00%	4/15/2034	3,720,000	-	145,000	3,575,000	150,000
\$6.0M RICWFA Sewer Bonds 2014 Series B	4/10/2014	Renovations, Additions, and Improvements	6,000,000	2.01%	9/1/2034	5,750,000	-	250,000	5,500,000	252,000
\$3.6M RI Infrastructure Series 2017 A	4/13/2017	Water Pollution Control	3,600,000	1.83%	9/1/2036	-	3,600,000	-	3,600,000	-
			21,142,516			14,794,582	3,600,000	692,279	17,702,303	706,449
Less: undrawn loan proceeds held by the State						(1,588,158)	(3,600,000)	(698,268)	(4,489,890)	
						13,206,424	-	(5,989)	13,212,413	706,449
Deferred bond premium			99,398			88,630	-	4,970	83,660	
Total general obligation bonds payable			\$ 21,241,914			13,295,054	-	(1,019)	13,296,073	706,449
Accrued compensated absences						184,928	153,227	121,487	216,668	54,167
Pollution remediation obligation						5,487	-	5,487	-	
Total long-term obligations						\$ 13,485,469	\$ 153,227	\$ 125,955	\$ 13,512,741	\$ 760,616

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2017

**7. LONG-TERM OBLIGATIONS (CONTINUED):**

At June 30, 2017, scheduled annual debt service requirements to maturity for general obligation bonds are as follows:

Year ending June 30,	Principal	Interest	Total
<b><i>Governmental activities:</i></b>			
2018	\$ 3,575,750	\$ 1,331,150	\$ 4,906,900
2019	3,551,140	1,206,789	4,757,929
2020	3,085,000	1,079,841	4,164,841
2021	2,900,000	947,591	3,847,591
2022	2,730,000	821,123	3,551,123
2023-2027	12,660,000	2,269,114	14,929,114
2028-2032	3,815,000	437,075	4,252,075
2033	380,000	15,200	395,200
	<u>\$ 32,696,890</u>	<u>\$ 8,107,883</u>	<u>\$ 40,804,773</u>
<b><i>Business-type activities:</i></b>			
2018	\$ 706,449	\$ 472,066	\$ 1,178,515
2019	791,124	495,550	1,286,674
2020	716,412	476,384	1,192,796
2021	734,375	454,918	1,189,293
2022	754,727	431,865	1,186,592
2023-2027	4,158,187	1,757,188	5,915,375
2028-2032	4,616,797	940,745	5,557,542
2033-2037	734,342	172,214	906,556
	<u>\$ 13,212,413</u>	<u>\$ 5,200,930</u>	<u>\$ 18,413,343</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2017

7. **LONG-TERM OBLIGATIONS (CONTINUED):**

***Refundings:***

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

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

The proceeds of GOB 2015 Series A and Series 2015C were deposited with an escrow agent to provide funds for future debt service payments on the advance refundings. As a result, the GOB 2007, GOB 2006, and GOB RIHEBC 2007 are considered defeased and the liability for those bonds has been removed from the statement of net position. At June 30, 2017, \$2,460,000 of defeased bonds remain outstanding and \$2,503,632 remains on deposit with the escrow agent.

***Authorized but unissued:***

Bonds authorized but unissued at June 30, 2017, are as follows:

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2017

8. FUND BALANCE:

The Town has classified governmental fund balances at June 30, 2017, as follows:

<b><i>Assigned:</i></b>	
General Fund Encumbrances	\$ 201,105
School Encumbrances	417,633
Education	1,481,649
Codification Reserve	6,000
Termination Reserve	674,000
Debt Service	246,810
Capital Project Funds – nonbonded	2,035,787
Town Special Revenue – nongrant funds	<u>2,432,804</u>
	<u>7,495,788</u>
<b><i>Committed:</i></b>	
General Fund – other post-employment benefits	<u>1,000,000</u>
<b><i>Restricted:</i></b>	
Town Special Revenue – grant funds	707,801
School Special Revenue – grant funds	125,811
Capital Projects – bonded	2,042,873
Permanent Funds	<u>92,696</u>
	<u>2,969,181</u>
<b><i>Nonspendable, not in spendable form:</i></b>	
Advance to Quonset/Davisville Recreation for Golf Course Irrigation	514,190
General Fund- prepaid expenses	359,682
School Department- prepaid expenses	540,752
Other Governmental Funds - prepaid expenses	<u>118,353</u>
	<u>1,532,977</u>
<b><i>Unassigned:</i></b>	
Special Revenue – deficit fund balances	(135,182)
General Fund – not designated for future expenditures	<u>8,060,139</u>
	<u>7,924,957</u>
	<u><u>\$ 20,922,903</u></u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2017

**9. PENSION PLANS:**

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

**Municipal Plan**

***Plan description:***

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

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

***Benefits provided:***

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

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

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



TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2017

9. PENSION PLANS (CONTINUED):

**Municipal Plan (continued):**

***Benefits provided (continued):***

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

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

*General Employees:*

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

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

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

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2017

9. PENSION PLANS (CONTINUED):

**Municipal Plan (continued):**

***Benefits provided (continued):***

*General employees (continued):*

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

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

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

*Police and Fire employees:*

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

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

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

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2017

9. **PENSION PLANS (CONTINUED):**

**Municipal Plan (continued):**

***Benefits provided (continued):***

*Police and Fire employees (continued):*

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

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

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

*Other benefit provisions:*

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

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

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

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2017

9. PENSION PLANS (CONTINUED):

**Municipal Plan (continued):**

***Benefits provided (continued):***

*Police and Fire employees (continued):*

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

***Employees covered by benefit terms:***

At the June 30, 2015, valuation date (the latest available), the following employees were covered by the benefit terms:

	<u>General</u>	<u>Police</u>	<u>Fire</u>
Retirees and beneficiaries	234	39	69
Inactive, nonretired members	145	3	11
Active members	<u>300</u>	<u>45</u>	<u>61</u>
	<u>679</u>	<u>87</u>	<u>141</u>

***Contributions:***

The amounts of employee and employer contributions have been established under Rhode Island General Laws Chapter 45-21. General employees with less than 20 years of service as of June 30, 2012, are required to contribute 2% of their salaries. General employees with more than 20 years of service as of June 30, 2012, are required to contribute 9.25%. Public safety employees are required to contribute 10% of their salaries. The Town contributes at a rate of covered employee payroll as determined by an independent actuary on an annual basis. The General Assembly can amend the amount of these contribution requirements. The Town contributed \$1,751,115, \$877,072 and \$1,345,316 for general, police, and fire, respectively, in the year ended June 30, 2017, which was 18.18%, 26.48% and 29.99% of covered payroll, respectively.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2017

9. PENSION PLANS (CONTINUED):

**Municipal Plan (continued):**

***Net pension liability:***

The total pension liability was determined by actuarial valuations performed as of June 30, 2015, and rolled forward to June 30, 2016, using the following actuarial assumptions applied to all periods included in the measurement.

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2017

9. PENSION PLANS (CONTINUED):

**Municipal Plan (continued):**

***Net pension liability (continued):***

The actuarial assumptions used in the June 30, 2015, valuation rolled forward to June 30, 2016, and the calculation of the total pension liability at June 30, 2016, were consistent with the results of an actuarial experience study performed as of June 30, 2013.

The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from 35 sources. The June 30, 2016, expected arithmetic returns over the long term (20 years) by asset class are summarized in the following table:

Type of investment	Target allocation	Long-term expected real rate of return
Global Equity:	38.0%	-
U.S Equity	-	6.98%
International Developed	-	7.26%
International Emerging Markets	-	9.57%
Equity Hedge Funds	8.0%	4.10%
Private Equity	7.0%	10.15%
Core Fixed Income	15.0%	2.37%
Absolute Return Hedge	7.0%	4.10%
Infrastructure	3.0%	5.58%
Real Estate	8.0%	5.33%
Other Real Return Assets:	11.0%	-
Master Limited Partnerships	-	4.97%
Credit	-	4.97%
Inflation Linked Bonds	-	1.76%
Cash, Overlay, Money Market	3.0%	0.82%
	100%	

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2017

9. PENSION PLANS (CONTINUED):

**Municipal Plan (continued):**

***Discount rate:***

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

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

	<u>General</u>	<u>Police</u>	<u>Fire</u>
Pension liability:			
Balance as of June 30, 2015	\$ 62,439,210	\$ 27,884,662	\$ 41,157,991
Changes for the year:			
Service cost	1,042,638	588,881	796,191
Interest on total pension liability	4,577,185	2,060,814	3,029,512
Difference between expected and actual experience	(1,426,358)	(133,325)	(782,794)
Benefit payments	<u>(3,862,780)</u>	<u>(1,403,155)</u>	<u>(2,325,181)</u>
Balance as of June 30, 2016	<u>62,769,895</u>	<u>28,997,877</u>	<u>41,875,719</u>
Fiduciary net position:			
Balance as of June 30, 2015	45,442,642	19,348,482	29,257,238
Employer contributions	1,916,344	825,646	1,395,501
Employee contributions	358,384	322,075	462,780
Net investment income	(3,387)	(6,619)	(10,000)
Benefit payments	(3,862,780)	(1,403,155)	(2,325,181)
Administrative expense	(52,707)	(17,805)	(26,903)
Other changes	<u>(4,083)</u>	<u>(1)</u>	<u>57,957</u>
Balance as of June 30, 2016	<u>43,794,413</u>	<u>19,068,623</u>	<u>28,811,392</u>
Net pension liability	<u>\$ 18,975,482</u>	<u>\$ 9,929,254</u>	<u>\$ 13,064,327</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2017

9. PENSION PLANS (CONTINUED):

**Municipal Plan (continued):**

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

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

	1.00% Decrease (6.5%)	Current Discount Rate (7.5%)	1.00% Increase (8.5%)
General	\$ 25,656,190	\$ 18,975,482	\$ 13,507,056
Police	\$ 12,974,759	\$ 9,929,254	\$ 7,436,710
Fire	\$ 17,494,453	\$ 13,064,327	\$ 9,438,306

***Pension plan fiduciary net position:***

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

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

For the year ended June 30, 2017, the Town recognized pension expense of \$2,150,197, \$1,080,888, and \$921,969 for general, police, and fire, respectively.



TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2017

9. PENSION PLANS (CONTINUED):

**Municipal Plan (continued):**

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

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

	<u>General</u>	<u>Police</u>	<u>Fire</u>	<u>Total</u>
Deferred outflows:				
Contributions after the measurement period	\$ 1,751,115	\$ 877,072	\$ 1,345,316	\$ 3,973,503
Differences in assumptions	57,837			57,837
Net differences between projected and actual earnings on pension plan investments	<u>4,078,715</u>	<u>1,742,966</u>	<u>2,640,623</u>	<u>8,462,304</u>
	<u>\$ 5,887,667</u>	<u>\$ 2,620,038</u>	<u>\$ 3,985,939</u>	<u>\$ 12,493,644</u>
Deferred inflows:				
Differences between expected and actual experience	\$ 1,149,211	\$ 123,589	\$ 1,481,700	\$ 2,754,500
Differences in assumptions		91,651	114,445	206,096
Net differences between projected and actual earnings on pension plan investments	<u>1,233,057</u>	<u>515,802</u>	<u>782,421</u>	<u>2,531,280</u>
	<u>\$ 2,382,268</u>	<u>\$ 731,042</u>	<u>\$ 2,378,566</u>	<u>\$ 5,491,876</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2017

9. PENSION PLANS (CONTINUED):

**Municipal Plan (continued):**

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

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

Year ending June 30,	Net Deferred Outflows (Inflows) of Resources		
	General	Police	Fire
2018	\$ 1,929,600	\$ 1,053,424	\$ 1,113,365
2019	166,663	176,350	(231,950)
2020	778,410	434,250	353,777
2021	630,726	252,417	372,181
2022	-	(21,176)	-
Thereafter	-	(6,269)	-
	<u>\$ 3,505,399</u>	<u>\$ 1,888,996</u>	<u>\$ 1,607,373</u>

**Teachers' Plan**

***Plan description:***

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

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2017

9. PENSION PLANS (CONTINUED):

**Teachers' Plan (continued)**

***Benefit provisions:***

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

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

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

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

***Contributions:***

The funding policy, as set forth in the General Laws, Section 16-16-22, provides for actuarially determined periodic contributions to the plan. For fiscal 2017, the Town's teachers were required to contribute 3.75% of their annual covered salary, except that teachers with twenty or more years of service as of June 30, 2012, must contribute 11% of their annual covered salary. The State of Rhode Island ("State") and the Town are required to contribute at an actuarially determined rate, 40% of which is to be paid by the State and the remaining 60% is to be paid by the Town; the rates were 9.95% and 13.18% of annual covered payroll for the fiscal year ended June 30, 2017, for the State and the Town, respectively. The Town contributed \$3,991,302, \$3,962,561, and \$3,684,342 for the fiscal years ended June 30, 2017, 2016, and 2015, respectively, equal to 100% of the required contributions for each year.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2017

9. PENSION PLANS (CONTINUED):

Teachers' Plan (continued)

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

At June 30, 2017, the Town reported a liability of \$52,412,244 for its proportionate share of the net pension liability that reflected a reduction for contributions made by the State. The amount recognized by the Town as its proportionate share of the net pension liability, the related State support and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportionate share of the net pension liability	\$ 52,412,244
State's proportionate share of the net pension liability	<u>35,894,691</u>
Total net pension liability	<u>\$ 88,306,935</u>

The net pension liability was measured as of June 30, 2016, the measurement date, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015, rolled forward to June 30, 2016. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State, actuarially determined. At June 30, 2016, the Town's proportion was 1.76%.

For the year ended June 30, 2017, the Town recognized gross pension expense of \$7,546,483 and revenue of \$3,004,618 for support provided by the State.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2017

9. PENSION PLANS (CONTINUED):

Teachers' Plan (continued)

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

At June 30, 2017, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred outflows of resources:	
Contributions subsequent to the measurement date	\$ 3,991,302
Net difference between projected and actual earnings on pension plan investments	5,930,964
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>1,612,354</u>
	<u>\$ 11,534,620</u>
Deferred inflows of resources:	
Differences between expected and actual experience	\$ 1,034,123
Change of assumptions	1,085,692
Net difference between projected and actual earnings on pension plan investments	1,840,955
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>615,280</u>
	<u>\$ 4,576,050</u>

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

Year ending June 30,	Net Deferred Outflows (Inflows) of Resources
2018	\$ 4,486,021
2019	494,719
2020	1,415,197
2021	733,960
2022	(237,853)
Thereafter	<u>66,526</u>
	<u>\$ 6,958,570</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2017

9. PENSION PLANS (CONTINUED):

**Teachers' Plan (continued)**

*Actuarial assumptions:*

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

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

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

The actuarial assumptions used in the June 30, 2015, valuation rolled forward to June 30, 2016, and the calculation of the total pension liability at June 30, 2016, were consistent with the results of an actuarial experience study performed as of June 30, 2013.

The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from 35 sources. The June 30, 2016, expected arithmetic returns over the long term (20 years) by asset class are summarized in the following table:

Type of investment	Target allocation	Long-term expected real rate of return
Global Equity:	38.0%	-
U.S Equity	-	6.98%
International Developed	-	7.26%
International Emerging Markets	-	9.57%
Equity Hedge Funds	8.0%	4.10%
Private Equity	7.0%	10.15%
Core Fixed Income	15.0%	2.37%
Absolute Return Hedge Funds	7.0%	4.10%
Infrastructure	3.0%	5.58%
Real Estate	8.0%	5.33%
Other Real Return Assets:	11.0%	-
Master Limited Partnerships	-	4.97%
Credit	-	4.97%
Inflation Linked Bonds	-	1.76%
Cash, Overlay, and Money Market	3.0%	0.82%
	100%	

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2017

9. PENSION PLANS (CONTINUED):

Teachers' Plan (continued)

*Actuarial assumptions (continued):*

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

*Discount rate:*

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

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

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

1.00% Decrease (6.5%)	Current Discount Rate (7.5%)	1.00% Increase (8.5%)
\$ 64,724,536	\$ 52,412,244	\$ 42,332,788

*Pension plan fiduciary net position:*

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2017

**9. PENSION PLANS (CONTINUED):**

**Defined Contribution Plan**

***Plan description:***

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

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

The Town recognized pension expense of \$418,211 for the fiscal year ended June 30, 2017.

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

**10. OTHER POSTEMPLOYMENT BENEFITS:**

***Plan description:***

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

The most recent actuarial valuation for the OPEB Plan was performed as of July 1, 2016.

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

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



TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2017

**10. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED):**

***Covered participants:***

As of July 1, 2016, the date of the latest available actuarial valuation, membership census is as follows:

Active employees	736
Retirees and beneficiaries	151
	<u>887</u>

***Annual OPEB cost and net OPEB obligation:***

The Town's annual OPEB cost is calculated based on the annual required contribution (“ARC”) of the Town. The Town has engaged an actuary to calculate the ARC and related information per the provisions of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities. The following table shows the components of the Town's annual OPEB cost, the amount actually contributed to the plan for the year ended June 30, 2017, and the Town's net OPEB obligation as of June 30, 2017, based on the latest available actuarial valuation.

<u>Annual OPEB cost</u>	
Annual required contribution	\$ 2,915,354
Interest on net OPEB obligation	496,781
Adjustment to annual required contribution	<u>(667,591)</u>
Annual OPEB cost	2,744,544
Contributions made during the year	<u>(1,263,315)</u>
Increase in net OPEB obligation	1,481,229
Net OPEB obligation at beginning of year	<u>12,419,527</u>
Net OPEB obligation at end of year	<u>\$ 13,900,756</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2017

**10. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED):**

***Annual OPEB cost and net OPEB obligation (continued):***

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan for the past three years, and the net OPEB obligation as of June 30, 2015, 2016 and 2017 are as follows:

Year ended June 30,	OPEB cost	Percentage of annual OPEB cost contributed	Net OPEB obligation
2015	\$ 2,644,253	50%	\$ 11,238,611
2016	\$ 2,740,080	57%	\$ 12,419,527
2017	\$ 2,744,544	46%	\$ 13,900,756

***Funded status and funding progress:***

As of July 1, 2016, the funded status and funding progress were as follows:

Funded ratio	0.2%
Actuarial accrued liability for benefits	\$ 32,597,674
Actuarial value of assets	\$ 81,136
Unfunded actuarial accrued liability (UAAL)	\$ 32,516,538
Covered payroll	\$ 47,009,763
UAAL to covered payroll	69.17%

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

***Actuarial methods and assumptions:***

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2017

**10. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED):**

*Actuarial methods and assumptions (continued):*

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

- Measurement date – July 1, 2016
- Actuarial cost method – Entry Age Normal
- Interest rate – 4.0%
- Amortization method and period – Level percentage of projected payroll; over 30 years on a closed basis
- Participation – 100% of eligible school retirees and eligible Town employees are assumed to elect medical and dental coverage
- Health Care Cost Trend Rates – Medical 8.00% per year in 2016, decreasing to an ultimate rate of 5.00% in 2022 and later
- Payroll growth rate – 2.5% annually

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2017

**11. CONTINGENCIES AND COMMITMENTS:**

***Litigation:***

During the ordinary course of its operations, the Town is a party to various claims, legal actions and complaints. At June 30, 2017, there are numerous tax, zoning, and building code violation appeal actions; appeals related to zoning and code of ordinance amendments; sewer assessment appeals; actions related to previously collected fees; and other actions. The Town accrues liabilities for losses when they are both probable and can be reasonably estimated. At June 30, 2017, the Town has determined that existing matters will not have a material impact on the Town's financial position and, consequently, no liability for such matters has been recorded.

The School Department is subject to a wrongful termination matter and a retaliation matter in the amounts of \$500,000 and \$150,000, respectively. The Town and its legal counsel are unable to determine the likelihood of an unfavorable outcome or the amount or range of potential loss. No amounts have been included in the accompanying financial statements related to these matters.

***Line of credit:***

The Town has a \$2,000,000 available line of credit from the Rhode Island Infrastructure Bank for the Community Septic System Loan Program ("Loan Program"). The Loan Program makes low-interest loans available to North Kingstown property owners for cesspool/septic system repairs or replacements and is administered by Rhode Island Housing. The Town is only liable to the Rhode Island Infrastructure Bank in the event of default by the property owner. A balance of \$529,155 was drawn down on the line of credit at June 30, 2017.

***Communication tower rentals:***

The Town leases several communication towers to unrelated parties under separate operating leases. The rental revenue and lease terms range from a month-to-month basis on some and up to ten-year commitments on others. Total rental revenue was \$352,982 for the year ended June 30, 2017.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2017

**11. CONTINGENCIES AND COMMITMENTS (CONTINUED):**

The Town had several outstanding construction and technology projects as of June 30, 2017. These projects are evidenced by contractual commitments with contractors and consist of the following:

Fund/Project	Spent to Date	Commitment Remaining	Funding source
Panel Replacements Phase II	194,788	112,120	Capital Improvement Project Fund
North Kingstown High School HVAC	134,383	390,618	Capital Improvement Project Fund
Flow Metering Chambers	123,376	331,114	Sewer Fund
Wickford Village Sewers	<u>1,004,056</u>	<u>3,706,829</u>	Sewer Fund
	<u>\$ 1,456,603</u>	<u>\$ 4,540,681</u>	

*Grants:*

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2017

**12. SELF-INSURANCE ACTIVITIES:**

The Town classifies its self-insurance activities as Internal Service Funds. These activities (subject to the stop/loss insurance provisions explained below) have included the financing of workers' compensation and property damage losses on behalf of all Town departments. The Town's Finance Department oversees the self-insurance program, and a consultant is used to administer the claims of the workers' compensation fund.

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

For self-insured workers' compensation activities, individual Town funds/departments were charged a "premium" based on actuarial studies considering historical claims experience, projected payroll levels, administration costs, and projected insurance industry inflation rates. Assessments for property damage were based upon estimates of liability for uninsured losses to be incurred by the Town as a whole, apportioned to individual funds based on historical experience.

Billings from the Workers' Compensation and Property Damage funds for the fiscal year ended June 30, 2017, were \$0. Consequently, in fiscal 2017, net changes in the fund balances of the Workers' Compensation and Property Damage funds were \$(1,119) and \$2,439, respectively. Assets of the funds consist solely of cash and cash equivalents totaling \$348,812 and \$645,005 for the Workers' Compensation and Property Damage funds, respectively, at June 30, 2017.

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

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

There were no significant reductions in insurance coverage during the year ended June 30, 2017, as compared to the previous year. The claims incurred did not exceed insurance coverage this year.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2017

**13. POLLUTION REMEDIATION OBLIGATIONS:**

The Town is currently involved in the State of Rhode Island's Landfill Closure Program for both the Hamilton Allenton and Oak Hill Landfills. ACT Lincoln Environmental, the Town's consultant, has completed a Site Investigation Report for the Hamilton Allenton Landfill and submitted closure recommendations to the Rhode Island Department of Environmental Management ("DEM"). The highest priority recommendations include soil gas extraction and monitoring, wetland and drainage remediation, landfill cap improvements and additional groundwater monitoring. The Town still awaits comments from DEM from their site investigation recommendations submitted in prior years. The State's comments on the recommendations will dictate that either additional site investigation is required or a final landfill closure scope can proceed. Closure requirements established by DEM will be designed and bid for construction. The preliminary total closure estimate for both landfills is estimated at \$1,523,000, which has been reported as a liability in governmental activities. The estimate may be adjusted each year due to changes in plan, inflation, technology, or applicable laws or regulations. A future bond referendum will be required to pay for this project and could be combined with other infrastructure improvements. Immediate and more minor remediation efforts during fiscal year 2018 are to be funded from the Town's Capital Reserve.

The Town has also been involved in the replacement of the water tank and related renovations, additions, improvements, and remediation of the Saunderstown Tank site. At June 30, 2017, the Saunderstown Tank remediation was complete.

TOWN OF NORTH KINGSTOWN,  
RHODE ISLAND

REQUIRED SUPPLEMENTARY INFORMATION



TOWN OF NORTH KINGSTOWN, RHODE ISLAND

REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2017

This section presents the Schedule of Funding Progress for the Town's Pension and OPEB Plans, and budgetary comparison schedules for the Town's major funds. These schedules are not a required part of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

REQUIRED SUPPLEMENTARY INFORMATION – SCHEDULE OF FUNDING PROGRESS

OTHER POSTEMPLOYMENT BENEFITS PLAN

YEAR ENDED JUNE 30, 2017

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	AAL (UAAL) Funding Deficit	Funded Ratio	Covered Payroll	AAL (UAAL) Funding Deficit Percentage of Covered Payroll
7/1/2012	\$ -	\$ 33,361,496	\$ (33,361,496)	0.0%	\$ 43,912,696	-75.97%
7/1/2014	\$ -	\$ 32,970,946	\$ (32,970,946)	0.0%	\$ 45,390,014	-72.64%
7/1/2016	\$ 81,136	\$ 32,597,674	\$ (32,516,538)	0.2%	\$ 47,009,763	-69.17%

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

## TOWN OF NORTH KINGSTOWN, RHODE ISLAND

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

LAST TEN YEARS \*

	Year Ended June 30, 2016		
	General	Police	Fire
Total pension liability:			
Service cost	\$ 1,042,638	\$ 588,881	\$ 796,191
Interest	4,577,185	2,060,814	3,029,512
Changes of benefit terms	-	-	-
Effect of economic/demographic gains or (losses)	-	-	-
Differences between expected and actual experience	(1,426,358)	(133,325)	(782,794)
Changes of assumptions	-	-	-
Benefit payments, including refunds of member contributions	<u>(3,862,780)</u>	<u>(1,403,155)</u>	<u>(2,325,181)</u>
Net change in total pension liability	330,685	1,113,215	717,728
Total pension liability, beginning of year	<u>62,439,210</u>	<u>27,884,662</u>	<u>41,157,991</u>
Total pension liability, end of year (a)	<u>62,769,895</u>	<u>28,997,877</u>	<u>41,875,719</u>
Plan fiduciary net position:			
Contributions—employer	1,916,344	825,646	1,395,501
Contributions—employee	358,384	322,075	462,780
Net investment loss	(3,387)	(6,619)	(10,000)
Benefit payments, including refunds of member contributions	(3,862,780)	(1,403,155)	(2,325,181)
Administrative expense	(52,707)	(17,805)	(26,903)
Other	<u>(4,083)</u>	<u>(1)</u>	<u>57,957</u>
Net change in plan fiduciary net position	(1,648,229)	(279,859)	(445,846)
Plan fiduciary net position, beginning of year	<u>45,442,642</u>	<u>19,348,482</u>	<u>29,257,238</u>
Plan fiduciary net position, end of year (b)	<u>43,794,413</u>	<u>19,068,623</u>	<u>28,811,392</u>
Net pension liability, end of year (a) - (b)	<u>\$ 18,975,482</u>	<u>\$ 9,929,254</u>	<u>\$ 13,064,327</u>
Plan fiduciary net position as a percentage of the total pension liability	69.77%	65.76%	68.80%
Covered employee payroll	\$ 11,259,586	\$ 3,244,522	\$ 4,248,619
Net pension liability as a percentage of covered employee payroll	168.53%	306.03%	307.50%

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

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

	Year Ended June 30, 2015		
	General	Police	Fire
Total pension liability:			
Service cost	\$ 997,418	\$ 529,996	\$ 682,212
Interest	4,380,228	1,905,286	2,960,263
Changes of benefit terms	1,115,610	1,023,411	1,017,404
Effect of economic/demographic gains or (losses)	-	-	-
Differences between expected and actual experience	(128,199)	(17,170)	(1,597,605)
Changes of assumptions	-	-	-
Benefit payments, including refunds of member contributions	<u>(3,660,362)</u>	<u>(1,391,341)</u>	<u>(2,066,701)</u>
Net change in total pension liability	2,704,695	2,050,182	995,573
Total pension liability, beginning of year	<u>59,734,515</u>	<u>25,834,480</u>	<u>40,162,418</u>
Total pension liability, end of year (a)	<u>62,439,210</u>	<u>27,884,662</u>	<u>41,157,991</u>
Plan fiduciary net position:			
Contributions—employer	1,669,112	860,582	1,069,831
Contributions—employee	221,011	249,263	309,288
Net investment income	1,064,954	453,434	685,646
Benefit payments, including refunds of member contributions	(3,660,362)	(1,391,341)	(2,066,701)
Administrative expense	(42,261)	(18,198)	(27,520)
Other	<u>570</u>	<u>2</u>	<u>7,145</u>
Net change in plan fiduciary net position	(746,976)	153,742	(22,311)
Plan fiduciary net position, beginning of year	<u>46,189,618</u>	<u>19,194,740</u>	<u>29,279,549</u>
Plan fiduciary net position, end of year (b)	<u>45,442,642</u>	<u>19,348,482</u>	<u>29,257,238</u>
Net pension liability, end of year (a) - (b)	<u>\$ 16,996,568</u>	<u>\$ 8,536,180</u>	<u>\$ 11,900,753</u>
Plan fiduciary net position as a percentage of the total pension liability	72.78%	69.39%	71.09%
Covered employee payroll	\$ 11,013,648	\$ 3,115,788	\$ 3,803,164
Net pension liability as a percentage of covered employee payroll	154.32%	273.97%	312.92%

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

## TOWN OF NORTH KINGSTOWN, RHODE ISLAND

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

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

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

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

	2017		
	General	Police	Fire
Actuarially determined contribution	\$ 1,916,344	\$ 825,646	\$ 1,395,501
Contributions in relation to the actuarially determined contribution	1,916,344	825,646	1,395,501
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Contributions as a percentage of covered employee payroll	17.02%	25.45%	32.85%

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

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

REQUIRED SUPPLEMENTARY INFORMATION

EMPLOYEE'S RETIREMENT SYSTEM  
LAST TEN YEARS \*

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

	2017	2016	2015
Employer's proportion of the net pension liability	1.76%	1.69%	1.72%
Employer's proportionate share of the net pension liability	\$ 52,412,244	\$ 46,548,312	\$ 41,903,775
State's proportionate share of the net pension liability associated with the Town of North Kingstown	35,894,691	31,800,346	28,735,349
Total	\$ 88,306,935	\$ 78,348,658	\$ 70,639,124
Employer's covered employee payroll	\$ 29,671,738	\$ 24,366,583	\$ 27,457,413
Employer's proportionate share of the net pension liability as a percentage of its covered employee payroll	176.64%	191.03%	152.61%
Plan fiduciary net position as a percentage of the total pension liability	54.06%	57.55%	61.40%

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

**Schedule of the Town's Contributions**

	2017	2016	2015
Actuarially determined contribution	\$ 3,991,302	\$ 3,962,561	\$ 3,684,342
Contributions in relation to the actuarially determined contribution	\$ 3,991,302	\$ 3,962,561	\$ 3,684,342
Contribution deficiency (excess)	-	-	-
Covered employee payroll	\$ 29,671,738	\$ 24,366,583	\$ 27,457,413
Contributions as a percentage of covered employee payroll	13.45%	16.26%	13.42%

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

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND  
NOTES TO THE REQUIRED SUPPLEMENTARY SCHEDULES  
MUNICIPAL PLAN AND TEACHERS' PLAN  
JUNE 30, 2017

**Municipal Plan and Teachers' Plan:**

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

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

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

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

**Changes in benefit provisions:**

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

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



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

GENERAL FUND

YEAR ENDED JUNE 30, 2017

	Originally Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
<b>Revenues:</b>				
Property tax	\$ 80,454,700	\$ 80,454,700	\$ 78,000,391	\$ (2,454,309)
Intergovernmental	1,358,164	1,358,164	1,617,357	259,193
Licenses and permits	472,295	472,295	522,071	49,776
Investment income	35,000	35,000	69,184	34,184
Departmental	1,775,049	1,775,049	1,651,196	(123,853)
Other	155,000	155,000	193,444	38,444
	<u>84,250,208</u>	<u>84,250,208</u>	<u>82,053,643</u>	<u>(2,196,565)</u>
<b>Total revenues</b>				
<b>Expenditures:</b>				
Town council	180,690	180,690	128,654	52,036
Town manager	243,192	243,192	227,254	15,938
Town clerk and elections	521,770	521,770	487,114	34,656
Town solicitor	258,000	258,000	254,249	3,751
Finance	676,690	676,690	703,996	(27,306)
Information systems	507,014	497,778	399,117	98,661
Assessor	197,398	197,398	228,328	(30,930)
Planning	550,375	550,375	498,952	51,423
General operating	3,795,670	3,795,670	3,291,174	504,496
Code enforcement	472,324	472,324	428,390	43,934
Fire	8,675,847	8,767,243	8,579,366	187,877
Police, harbor and animal control	7,363,410	7,354,175	6,997,281	356,894
Public works	5,622,111	5,622,111	3,861,995	1,760,116
Recreation	-	-	118	(118)
Senior citizens	590,130	590,129	484,765	105,364
Contributions	176,335	176,335	124,307	52,028
Quonset development	646,648	646,648	601,007	45,641
	<u>30,477,604</u>	<u>30,550,528</u>	<u>27,296,067</u>	<u>3,254,461</u>
<b>Total expenditures</b>				
Excess of revenues over expenditures	<u>53,772,604</u>	<u>53,699,680</u>	<u>54,757,576</u>	<u>1,057,896</u>
<b>Other financing sources (uses):</b>				
Transfers from fund balance	350,000	950,000	600,000	(350,000)
Transfers in	530,000	630,632	1,174,915	544,283
Transfers out	<u>(54,652,604)</u>	<u>(55,252,604)</u>	<u>(56,807,483)</u>	<u>(1,554,879)</u>
	<u>(53,772,604)</u>	<u>(53,671,972)</u>	<u>(55,032,568)</u>	<u>(1,360,596)</u>
<b>Net other financing sources (uses)</b>				
Excess of expenditures and other financing uses over revenues and other financing sources	<u>\$ -</u>	<u>\$ 27,708</u>	<u>\$ (274,992)</u>	<u>\$ (302,700)</u>

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

SCHOOL UNRESTRICTED FUND

YEAR ENDED JUNE 30, 2017

	Originally Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Revenues:				
State aid	\$ 10,680,000	\$ 10,680,000	\$ 10,894,844	\$ 214,844
Federal aid	450,000	450,000	433,878	(16,122)
Tuition	2,116,644	2,116,644	2,125,295	8,651
Miscellaneous	10,500	10,500	108,682	98,182
	<u>13,257,144</u>	<u>13,257,144</u>	<u>13,562,699</u>	<u>305,555</u>
Total revenues				
Expenditures:				
Salaries	36,474,347	36,474,347	36,611,245	(136,898)
Fringe benefits	13,784,548	13,784,548	13,368,922	415,626
Professional services	8,457,750	8,457,750	8,448,842	8,908
Supplies and materials	2,270,665	2,270,665	1,928,630	342,035
Capital outlay	659,780	659,780	993,422	(333,642)
Debt services	98,375	98,375	118,465	(20,090)
	<u>61,745,465</u>	<u>61,745,465</u>	<u>61,469,526</u>	<u>275,939</u>
Total expenditures				
Excess of expenditures over revenues	<u>(48,488,321)</u>	<u>(48,488,321)</u>	<u>(47,906,827)</u>	<u>581,494</u>
Other financing sources (uses):				
Operating transfer from Town	48,488,321	48,488,321	48,484,321	(4,000)
Transfers in	-	-	77,848	77,848
Transfers out	-	-	(1,420,514)	(1,420,514)
	<u>48,488,321</u>	<u>48,488,321</u>	<u>47,141,655</u>	<u>(1,346,666)</u>
Net other financing sources (uses)				
Excess of expenditures and other financing uses over revenues and other financing sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (765,172)</u>	<u>\$ (765,172)</u>

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

LIBRARY FUND

YEAR ENDED JUNE 30, 2017

	Originally Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Revenues:				
State aid	\$ 221,597	\$ 249,334	\$ 249,334	\$ -
Departmental revenue	38,000	38,000	32,930	(5,070)
Miscellaneous	-	-	31	31
Total revenues	<u>259,597</u>	<u>287,334</u>	<u>282,295</u>	<u>(5,039)</u>
Expenditures:				
Library	<u>1,547,016</u>	<u>1,558,732</u>	<u>1,515,954</u>	<u>42,778</u>
Total expenditures	<u>1,547,016</u>	<u>1,558,732</u>	<u>1,515,954</u>	<u>42,778</u>
Excess of expenditures over revenues	<u>(1,287,419)</u>	<u>(1,271,398)</u>	<u>(1,233,659)</u>	<u>37,739</u>
Other financing sources (uses):				
Operating transfer from Town	1,281,019	1,281,019	1,281,019	-
Transfer out	-	(16,021)	-	16,021
Transfer from fund balance	<u>6,400</u>	<u>6,400</u>	<u>-</u>	<u>(6,400)</u>
Net other financing sources (uses)	<u>1,287,419</u>	<u>1,271,398</u>	<u>1,281,019</u>	<u>9,621</u>
Excess of revenues and other financing sources over expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,360</u>	<u>\$ 47,360</u>

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

DEBT SERVICE FUND

YEAR ENDED JUNE 30, 2017

	Originally Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Revenues:				
State aid	\$ 1,162,895	\$ 1,162,895	\$ 1,194,010	\$ 31,115
Miscellaneous	1,000	1,000	-	(1,000)
Total revenues	<u>1,163,895</u>	<u>1,163,895</u>	<u>1,194,010</u>	<u>30,115</u>
Expenditures:				
Debt service – Municipal	3,895,114	3,619,276	3,619,275	1
Debt service – School	<u>1,175,300</u>	<u>1,451,138</u>	<u>1,451,134</u>	<u>4</u>
Total expenditures	<u>5,070,414</u>	<u>5,070,414</u>	<u>5,070,409</u>	<u>5</u>
Excess of expenditures over revenues	<u>(3,906,519)</u>	<u>(3,906,519)</u>	<u>(3,876,399)</u>	<u>30,120</u>
Other financing sources (uses):				
Operating transfers in – General Fund	3,906,519	3,906,519	3,906,519	-
Transfer in	-	-	94,395	94,395
Transfer out	<u>-</u>	<u>-</u>	<u>(96,931)</u>	<u>(96,931)</u>
Net other financing sources	<u>3,906,519</u>	<u>3,906,519</u>	<u>3,903,983</u>	<u>(2,536)</u>
Excess of revenues and other financing sources over expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,584</u>	<u>\$ 27,584</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND  
NOTES TO BUDGETARY COMPARISON SCHEDULES  
JUNE 30, 2017

**BUDGETARY DATA AND BUDGETARY COMPLIANCE:**

**Adoption:**

The Town Manager shall submit to the Council not later than the fiftieth day preceding the first Wednesday in May, a proposed budget of anticipated revenues and proposed expenditures after a review of estimated requirements from department heads. Town Council conducts all-day Public Work Sessions to discuss the Town Manager's Proposed Budget, which is not a Charter requirement.

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

On or before the first Wednesday in May, the Council is required to make any final changes to the budget by a majority vote and consider any petitions. Following final approval, the budget is published and copies are available for the public. After final approval by the Council, any qualified elector may circulate a petition requesting a referendum for either an increase or decrease to the total appropriation for a specific fund. Petition forms approved by the Town Clerk must be returned before the 20th day following the first Wednesday in May. Each valid petition with no less than 300 signatures, along with the Council's final adopted budget, is presented to the voters for a referendum vote on the second Saturday in June.

The following governmental funds have annual appropriated budgets:

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

**Budgetary to GAAP basis reconciliation:**

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

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

JUNE 30, 2017

**BUDGETARY DATA AND BUDGETARY COMPLIANCE (CONTINUED):**

**Budgetary to GAAP basis reconciliation (continued):**

The following reconciliations summarize the differences between the budgetary basis and U.S. GAAP basis for the year ended June 30, 2017:

GENERAL FUND

Excess of expenditures and other uses over revenues and other sources (Non-GAAP Budgetary Basis)	\$	(274,992)
Prior year encumbrances		(1,687,522)
Current year encumbrances		201,105
Use of accumulated fund balance		(600,000)
Combined with General Fund – GASB 54 GAAP basis:		
Retirement allowance reserve		(15,663)
Health insurance reserve		2,785
Codification reserve		6,000
Termination reserve		<u>674,000</u>
Net change in fund balance, GAAP basis	\$	<u><u>(1,694,287)</u></u>

SCHOOL UNRESTRICTED FUND

Excess of expenditures and other uses over revenues and other sources (Non-GAAP Budgetary Basis)	\$	(765,172)
Prior year encumbrances		(67,620)
Current year encumbrances		<u>417,633</u>
Net change in fund balance, GAAP basis	\$	<u><u>(415,159)</u></u>

TOWN OF NORTH KINGSTOWN,  
RHODE ISLAND

OTHER SUPPLEMENTARY INFORMATION

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

TAX COLLECTOR'S ANNUAL REPORT

YEAR ENDED JUNE 30, 2017

Real estate and personal property taxes receivable:

Year	Balance, July 1, 2016	Current year assessment	Adjustments/ abatements	Amount to be collected	Collections	Balance, June 30, 2017
2017		\$ 75,058,276	\$ (97,201)	\$ 74,961,075	\$ 73,113,804	\$ 1,847,271
2016	\$ 1,900,607		(4,280)	1,896,327	1,540,234	356,093
2015	316,689		(930)	315,759	155,184	160,575
2014	206,200		(1,630)	204,570	76,677	127,893
2013	113,435		(859)	112,576	21,575	91,001
2012	104,810		(72)	104,738	12,662	92,076
2011	97,983		-	97,983	7,863	90,120
2010	42,682		-	42,682	334	42,348
2009	53,267		-	53,267	226	53,041
2008 and prior	98,278		-	98,278	682	97,596
	<u>\$ 2,933,951</u>	<u>\$ 75,058,276</u>	<u>\$ (104,972)</u>	<u>\$ 77,887,255</u>	<u>\$ 74,929,241</u>	2,958,014
					Less: allowance for doubtful accounts	<u>(76,223)</u>
						<u>\$ 2,881,791</u>



TOWN OF NORTH KINGSTOWN, RHODE ISLAND  
TAX COLLECTOR'S ANNUAL REPORT (CONTINUED)  
YEAR ENDED JUNE 30, 2017

Schedule of most recent net assessed property value by category:

Description of property	Valuations	Levy
Real property	\$ 3,798,496,695	\$ 68,600,850
Motor vehicles	307,977,222	6,787,818
Tangible personal	153,628,500	2,774,531
Total	4,260,102,417	78,163,199
Exemptions	155,213,082	3,104,923
Current year assessment	<u>\$ 4,104,889,335</u>	<u>\$ 75,058,276</u>

Reconciliation of current year property tax revenue:

Current year collections	\$ 74,929,241
Revenue collected within 60 days subsequent to year ended June 30, 2017	<u>95,433</u>
	75,024,674
Prior year revenue received in current year	<u>(491,970)</u>
Current year real estate and personal property tax revenue	<u>\$ 74,532,704</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

OTHER SUPPLEMENTARY INFORMATION

JUNE 30, 2017

**SPECIAL REVENUE FUNDS:**

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

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

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

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

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

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

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

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

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

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

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

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

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

OTHER SUPPLEMENTARY INFORMATION

JUNE 30, 2017

**SPECIAL REVENUE FUNDS (CONTINUED):**

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

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

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.

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

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

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

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

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

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

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

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

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

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

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

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

OTHER SUPPLEMENTARY INFORMATION (CONTINUED)

JUNE 30, 2017

**SPECIAL REVENUE FUNDS (CONTINUED):**

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

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

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

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

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

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

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

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

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

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

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

OTHER SUPPLEMENTARY INFORMATION (CONTINUED)

JUNE 30, 2017

**SPECIAL REVENUE FUNDS (CONTINUED):**

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.

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

Unrestricted	United Way – Hasbro Summer
Public Law 94-142	Wireless Classroom Initiative
Title III – LEP	RI Council for the Humanities
Title I	RI Interscholastic League
Homeless Children & Youth	COZ Miscellaneous Donations
Rhode Island Foundation	COZ Family Center
Categorical Aid-Robotics	Use of Buildings
Educational Development Center	Substance Abuse Task Force
Title II	Centers for Disease Control
RI Learning Champions	Donation Coaches
Career & Tech	Exxon Mobil
91-142 Preschool Services	RI Legislative Blessings in a Backpack
21st Century Learning Center	Scholarship America
Drug Free Program Donations	Fuji Film
RI Legislative Grant- Drug Free	RI Association for Young Children
English Learner Categorical Aid	Drug Free Communities
USDA FFVP	School/Town Substance Abuse
Perkins Coventry	Wendy’s Advertising
AASA Food Service Donation	Sexual Health Mini Grant
Feinstein Foundation	Leadership Mini Grant
RI State Council on the Arts-Big	Women’s Club of South County Grow
Yellow Bus	Hope
RI State Council on the Arts- Silk Road	

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

OTHER SUPPLEMENTARY INFORMATION (CONTINUED)

JUNE 30, 2017

**DEBT SERVICE FUNDS:**

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

**CAPITAL PROJECT FUNDS:**

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

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

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

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

6.4M School Renovation Bond – To account for bond monies used to finance improvements to School facilities.

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

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

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

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

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

OTHER SUPPLEMENTARY INFORMATION (CONTINUED)

JUNE 30, 2017

**PERMANENT FUNDS:**

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

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

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

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

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

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

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

- Elizabeth Miller
- William D. Davis

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

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

- Hendrick Library
- Gardiner
- Updike
- Tennis

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

JUNE 30, 2017

	SPECIAL REVENUE FUNDS							Seized and Forfeited Property Escrow
	Willet Library Fund	Champlin Foundation Fund	Davisville Library Fund	Library Fund	Juniper Hill Tank Grant	Miscellaneous State Grants	State Grants - Police Department	
<b>Assets</b>								
Cash and cash equivalents	\$ -	\$ 533	\$ 15,626	\$ 296,239	\$ 23,559	\$ 807	\$ -	\$ 26,659
Due from other governments	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	47,205	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-	-	-
Other receivables	-	-	-	5,758	-	-	-	-
	<u>\$ -</u>	<u>\$ 533</u>	<u>\$ 15,626</u>	<u>\$ 349,202</u>	<u>\$ 23,559</u>	<u>\$ 807</u>	<u>\$ -</u>	<u>\$ 26,659</u>
<b>Liabilities</b>								
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 91,976	\$ -	\$ 809	\$ -	\$ 1,999
Due to other funds	8,677	-	-	-	-	-	277	-
Due to other governments	-	-	-	-	-	-	1,297	-
Unearned revenue	-	-	-	-	-	-	-	-
<i>Total Liabilities</i>	<u>8,677</u>	<u>-</u>	<u>-</u>	<u>91,976</u>	<u>-</u>	<u>809</u>	<u>1,574</u>	<u>1,999</u>
Deferred inflows (Note 1)	-	-	-	-	-	-	-	-
<b>Fund Balances</b>								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	533	15,626	-	23,559	-	-	24,660
Committed	-	-	-	-	-	-	-	-
Assigned	-	-	-	257,226	-	-	-	-
Unassigned	(8,677)	-	-	-	-	(2)	(1,574)	-
<i>Total Fund Balances</i>	<u>(8,677)</u>	<u>533</u>	<u>15,626</u>	<u>257,226</u>	<u>23,559</u>	<u>(2)</u>	<u>(1,574)</u>	<u>24,660</u>
<i>Total Liabilities, Deferred Inflows, and Fund Balances</i>	<u>\$ -</u>	<u>\$ 533</u>	<u>\$ 15,626</u>	<u>\$ 349,202</u>	<u>\$ 23,559</u>	<u>\$ 807</u>	<u>\$ -</u>	<u>\$ 26,659</u>

(continued)



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

JUNE 30, 2017

SPECIAL REVENUE FUNDS

	Beachwood House Senior Center Equipment Escrow	RIDEM Potowomut Pond Clean-up	RI Emergency Management	Town Municipal Court	State Elderly Affairs Grant	Land Dedication Escrow	Miscellaneous Historic District Preservation	Senior Health Insurance Program	State Council on the Arts Grant	RI Foundation Grant
<b>Assets</b>										
Cash and cash equivalents	\$ -	\$ -	\$ 73,887	\$ 28,560	\$ 5,874	\$ 90,892	\$ 8,700	\$ -	\$ -	\$ -
Due from other governments	-	-	51,875	-	-	-	-	-	-	-
Due from other funds	-	-	-	2,474	-	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 125,762</u>	<u>\$ 31,034</u>	<u>\$ 5,874</u>	<u>\$ 90,892</u>	<u>\$ 8,700</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Liabilities</b>										
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 74,332	\$ 16,101	\$ -	\$ -	\$ 505	\$ 55	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-	725	-	-
Due to other governments	-	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	-	-
<i>Total Liabilities</i>	<u>-</u>	<u>-</u>	<u>74,332</u>	<u>16,101</u>	<u>-</u>	<u>-</u>	<u>505</u>	<u>780</u>	<u>-</u>	<u>-</u>
Deferred inflows (Note 1)	-	-	51,875	-	-	-	-	-	-	-
<b>Fund Balances</b>										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	5,874	90,892	8,195	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	14,933	-	-	-	-	-	-
Unassigned	-	-	(445)	-	-	-	-	(780)	-	-
<i>Total Fund Balances</i>	<u>-</u>	<u>-</u>	<u>(445)</u>	<u>14,933</u>	<u>5,874</u>	<u>90,892</u>	<u>8,195</u>	<u>(780)</u>	<u>-</u>	<u>-</u>
<i>Total Liabilities, Deferred Inflows, and Fund Balances</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 125,762</u>	<u>\$ 31,034</u>	<u>\$ 5,874</u>	<u>\$ 90,892</u>	<u>\$ 8,700</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

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

JUNE 30, 2017

	SPECIAL REVENUE FUNDS							
	Local Law Enforcement Block Grant	Technology Replacement	Governor's Justice Commission	Miscellaneous Senior Citizens Grant	Senior Center Legislative Grant	Impact Fees	Emergency Medical Services	CDBG Grants
<b>Assets</b>								
Cash and cash equivalents	\$ -	\$ 35,708	\$ -	\$ 31,332	\$ 1,749	\$ 89,175	\$ 1,003,357	\$ 150,750
Due from other governments	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	169,771
Prepaid Expenses	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	16,579
	<u>\$ -</u>	<u>\$ 35,708</u>	<u>\$ -</u>	<u>\$ 31,332</u>	<u>\$ 1,749</u>	<u>\$ 89,175</u>	<u>\$ 1,003,357</u>	<u>\$ 337,100</u>
<b>Liabilities</b>								
Accounts payable and accrued liabilities	\$ -	\$ 130	\$ -	\$ 3,795	\$ 296	\$ 199,433	\$ 6,640	\$ -
Due to other funds	-	-	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-
<i>Total Liabilities</i>	<u>-</u>	<u>130</u>	<u>-</u>	<u>3,795</u>	<u>296</u>	<u>199,433</u>	<u>6,640</u>	<u>-</u>
Deferred inflows (Note 1)	-	-	-	-	-	-	-	-
<b>Fund Balances</b>								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	35,578	-	27,537	1,453	-	-	337,100
Committed	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	996,717	-
Unassigned	-	-	-	-	-	(110,258)	-	-
<i>Total Fund Balances</i>	<u>-</u>	<u>35,578</u>	<u>-</u>	<u>27,537</u>	<u>1,453</u>	<u>(110,258)</u>	<u>996,717</u>	<u>337,100</u>
<i>Total Liabilities, Deferred Inflows, and Fund Balances</i>	<u>\$ -</u>	<u>\$ 35,708</u>	<u>\$ -</u>	<u>\$ 31,332</u>	<u>\$ 1,749</u>	<u>\$ 89,175</u>	<u>\$ 1,003,357</u>	<u>\$ 337,100</u>

(continued)

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

JUNE 30, 2017

	SPECIAL REVENUE FUNDS						
	Fire Department Legislative Grant	Old Library Park	Groundwater Education Donation	Miscellaneous Library Donations	Special Purpose Donations	Tax Revaluation Reserve Fund	Infrastructure Replacement
<b>Assets</b>							
Cash and cash equivalents	\$ -	\$ -	\$ 867	\$ 12,910	\$ -	45,643	\$ 951,601
Due from other governments	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	13,529
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 867</u>	<u>\$ 12,910</u>	<u>\$ -</u>	<u>\$ 45,643</u>	<u>\$ 965,130</u>
<b>Liabilities</b>							
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 202	\$ 1,101	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-
<i>Total Liabilities</i>	<u>-</u>	<u>-</u>	<u>202</u>	<u>1,101</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows (Note 1)	-	-	-	-	-	-	-
<b>Fund Balances</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	665	11,809	-	-	-
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	45,643	965,130
Unassigned	-	-	-	-	-	-	-
<i>Total Fund Balances</i>	<u>-</u>	<u>-</u>	<u>665</u>	<u>11,809</u>	<u>-</u>	<u>45,643</u>	<u>965,130</u>
<i>Total Liabilities, Deferred Inflows, and Fund Balances</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 867</u>	<u>\$ 12,910</u>	<u>\$ -</u>	<u>\$ 45,643</u>	<u>\$ 965,130</u>

(continued)

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

JUNE 30, 2017

	SPECIAL REVENUE FUNDS						
	URI Septic Loan Program	Ann Ward Wallou Memorial Garden	Senior Citizens Center	Senior Citizens Bus Gasoline Escrow	Arts Council	Senior Outreach Escrow	Project D.A.R.E.
<b>Assets</b>							
Cash and cash equivalents	\$ 421	-	\$ 111,201	\$ -	\$ 17,941	\$ 1,327	\$ -
Due from other governments	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-
	<u>\$ 421</u>	<u>\$ -</u>	<u>\$ 111,201</u>	<u>\$ -</u>	<u>\$ 17,941</u>	<u>\$ 1,327</u>	<u>\$ -</u>
<b>Liabilities</b>							
Accounts payable and accrued liabilities	\$ -	\$ -	462	\$ -	\$ 7,508	\$ -	\$ -
Due to other funds	-	901	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-
<i>Total Liabilities</i>	<u>-</u>	<u>901</u>	<u>462</u>	<u>-</u>	<u>7,508</u>	<u>-</u>	<u>-</u>
Deferred inflows (Note 1)	-	-	-	-	-	-	-
<b>Fund Balances</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	421	-	110,739	-	10,433	1,327	-
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	(901)	-	-	-	-	-
<i>Total Fund Balances</i>	<u>421</u>	<u>(901)</u>	<u>110,739</u>	<u>-</u>	<u>10,433</u>	<u>1,327</u>	<u>-</u>
<i>Total Liabilities, Deferred Inflows, and Fund Balances</i>	<u>\$ 421</u>	<u>\$ -</u>	<u>\$ 111,201</u>	<u>\$ -</u>	<u>\$ 17,941</u>	<u>\$ 1,327</u>	<u>\$ -</u>

(continued)

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

JUNE 30, 2017

	SPECIAL REVENUE FUNDS					DEBT SERVICE FUND	
	Parade Committee	Leisure Services Brochure	Community Center Maintenance	Heritage Committee	Recreation Escrow	Non Civic Detail Escrow Fund	FY 2005 Refunding
<b>Assets</b>							
Cash and cash equivalents	\$ -	\$ -	\$ 53,672	\$ -	\$ 197,655	\$ -	\$ -
Due from other governments	187	1,400	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-
	<u>\$ 187</u>	<u>\$ 1,400</u>	<u>\$ 53,672</u>	<u>\$ -</u>	<u>\$ 197,655</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Liabilities</b>							
Accounts payable and accrued liabilities	\$ 942	\$ -	\$ 65,093	\$ 144	\$ 44,500	\$ -	\$ -
Due to other funds	225	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-
<i>Total Liabilities</i>	<u>1,167</u>	<u>-</u>	<u>65,093</u>	<u>144</u>	<u>44,500</u>	<u>-</u>	<u>-</u>
Deferred inflows (Note 1)	-	-	-	-	-	-	-
<b>Fund Balances</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	1,400	-	-	-	-	-
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	153,155	-	-
Unassigned	(980)	-	(11,421)	(144)	-	-	-
<i>Total Fund Balances</i>	<u>(980)</u>	<u>1,400</u>	<u>(11,421)</u>	<u>(144)</u>	<u>153,155</u>	<u>-</u>	<u>-</u>
<i>Total Liabilities, Deferred Inflows, and Fund Balances</i>	<u>\$ 187</u>	<u>\$ 1,400</u>	<u>\$ 53,672</u>	<u>\$ -</u>	<u>\$ 197,655</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

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

JUNE 30, 2017

	CAPITAL PROJECT FUNDS							
	Capital Improvements Project	Capital Reserve	9M School Renovation Bond	6.4M School Renovation Bond	Farmland & Open Space Reserve	6M Public Facilities Plan Bond	4M Senior Center Complex Fund	4.5M Public Safety Facilities
<b>Assets</b>								
Cash and cash equivalents	\$ 1,687,532	\$ 395,402	\$ -	\$ -	\$ 1,327,840	\$ 378,107	\$ -	\$ -
Due from other governments	-	-	-	51,638	-	-	-	-
Due from other funds	160,000	-	-	-	-	-	-	-
Prepaid Expenses	118,353	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-
	<u>\$ 1,965,885</u>	<u>\$ 395,402</u>	<u>\$ -</u>	<u>\$ 51,638</u>	<u>\$ 1,327,840</u>	<u>\$ 378,107</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Liabilities</b>								
Accounts payable and accrued liabilities	\$ 207,147	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-
<i>Total Liabilities</i>	<u>207,147</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows (Note 1)	-	-	-	-	-	-	-	-
<b>Fund Balances</b>								
Nonspendable	118,353	-	-	-	-	-	-	-
Restricted	-	-	-	51,638	1,327,840	378,107	-	-
Committed	-	-	-	-	-	-	-	-
Assigned	1,640,385	395,402	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
<i>Total Fund Balances</i>	<u>1,758,738</u>	<u>395,402</u>	<u>-</u>	<u>51,638</u>	<u>1,327,840</u>	<u>378,107</u>	<u>-</u>	<u>-</u>
<i>Total Liabilities, Deferred Inflows, and Fund Balances</i>	<u>\$ 1,965,885</u>	<u>\$ 395,402</u>	<u>\$ -</u>	<u>\$ 51,638</u>	<u>\$ 1,327,840</u>	<u>\$ 378,107</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

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

JUNE 30, 2017

	CAPITAL PROJECT FUNDS				PERMANENT FUNDS			
	4M Farmland Open Space Fund	Henry Reynolds Indigent Care	Tri-Centennial Park	400th Anniversary	Henry Reynolds Outside Poor Fund	John J. Spink Outside Poor Fund	John B. Spink Outside Poor Fund	Thomas Casey Outside Poor Fund
<b>Assets</b>								
Cash and cash equivalents	285,288	\$ 19,173	\$ 6,124	\$ 3,648	\$ 2,189	\$ 21,109	\$ 5,277	\$ 2,190
Due from other governments	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-
	<u>\$ 285,288</u>	<u>\$ 19,173</u>	<u>\$ 6,124</u>	<u>\$ 3,648</u>	<u>\$ 2,189</u>	<u>\$ 21,109</u>	<u>\$ 5,277</u>	<u>\$ 2,190</u>
<b>Liabilities</b>								
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-
<i>Total Liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows (Note 1)	-	-	-	-	-	-	-	-
<b>Fund Balances</b>								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	285,288	19,173	6,124	3,648	2,189	21,109	5,277	2,190
Committed	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
<i>Total Fund Balances</i>	<u>285,288</u>	<u>19,173</u>	<u>6,124</u>	<u>3,648</u>	<u>2,189</u>	<u>21,109</u>	<u>5,277</u>	<u>2,190</u>
<i>Total Liabilities, Deferred Inflows, and Fund Balances</i>	<u>\$ 285,288</u>	<u>\$ 19,173</u>	<u>\$ 6,124</u>	<u>\$ 3,648</u>	<u>\$ 2,189</u>	<u>\$ 21,109</u>	<u>\$ 5,277</u>	<u>\$ 2,190</u>

(continued)

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

JUNE 30, 2017

	PERMANENT FUNDS							
	Elizabeth Miller Library Fund	William D. Davis Library Fund	Veterans Memorial Scholarship	Hendrick Library Fund	Gardiner Fund	Updike Fund	Tennis Fund	Grand Totals
<b>Assets</b>								
Cash and cash equivalents	\$ 2,002	\$ 5,005	\$ 6,979	\$ 8,738	\$ 5,769	\$ 4,225	\$ 268	\$ 7,443,510
Due from other governments	-	-	-	-	-	-	-	105,100
Due from other funds	-	-	-	-	-	-	-	379,450
Prepaid Expenses	-	-	-	-	-	-	-	118,353
Other receivables	-	-	-	-	-	-	-	35,866
	<u>\$ 2,002</u>	<u>\$ 5,005</u>	<u>\$ 6,979</u>	<u>\$ 8,738</u>	<u>\$ 5,769</u>	<u>\$ 4,225</u>	<u>\$ 268</u>	<u>\$ 8,082,279</u>
<b>Liabilities</b>								
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 723,170
Due to other funds	-	-	-	-	-	-	-	10,805
Due to other governments	-	-	-	-	-	-	-	1,297
Unearned revenue	-	-	-	-	-	-	-	-
<i>Total Liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>735,272</u>
Deferred inflows (Note 1)	-	-	-	-	-	-	-	51,875
<b>Fund Balances</b>								
Nonspendable	-	-	-	-	-	-	-	118,353
Restricted	2,002	5,005	6,979	8,738	5,769	4,225	268	2,843,370
Committed	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	4,468,591
Unassigned	-	-	-	-	-	-	-	(135,182)
<i>Total Fund Balances</i>	<u>2,002</u>	<u>5,005</u>	<u>6,979</u>	<u>8,738</u>	<u>5,769</u>	<u>4,225</u>	<u>268</u>	<u>7,295,132</u>
<i>Total Liabilities, Deferred Inflows, and Fund Balances</i>	<u>\$ 2,002</u>	<u>\$ 5,005</u>	<u>\$ 6,979</u>	<u>\$ 8,738</u>	<u>\$ 5,769</u>	<u>\$ 4,225</u>	<u>\$ 268</u>	<u>\$ 8,082,279</u>



TOWN OF NORTH KINGSTOWN, RHODE ISLAND

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

YEAR ENDED JUNE 30, 2017

	SPECIAL REVENUE FUNDS							
	Willet Library Fund	Champlin Foundation Fund	Davisville Library Fund	Library Fund	Juniper Hill Tank Grant	Miscellaneous State Grants	State Grants - Police Department	Seized and Forfeited Property Escrow
Revenues:								
Interest and investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	21,970	-	-	249,334	-	106,944	-	-
Departmental	-	-	-	32,930	-	-	-	-
Other	-	-	22,374	31	-	-	969	1,200
<i>Total Revenues</i>	<u>21,970</u>	<u>-</u>	<u>22,374</u>	<u>282,295</u>	<u>-</u>	<u>106,944</u>	<u>969</u>	<u>1,200</u>
Expenditures:								
General government	-	-	-	-	-	31,333	-	4,117
Public safety	-	-	-	-	-	-	2,914	-
Public works	-	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-
Public libraries	21,970	-	22,374	1,543,074	-	-	-	-
Senior services	-	-	-	-	-	-	-	-
Capital and special appropriations	-	-	-	-	-	-	-	-
<i>Total Expenditures</i>	<u>21,970</u>	<u>-</u>	<u>22,374</u>	<u>1,543,074</u>	<u>-</u>	<u>31,333</u>	<u>2,914</u>	<u>4,117</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,260,779)</u>	<u>-</u>	<u>75,611</u>	<u>(1,945)</u>	<u>(2,917)</u>
Other financing sources (uses):								
Transfers in	-	-	-	1,281,019	-	158,569	-	-
Transfers out	-	-	-	-	-	-	-	-
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,281,019</u>	<u>-</u>	<u>158,569</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	-	-	20,240	-	234,180	(1,945)	(2,917)
Fund balance, beginning of year	(8,677)	533	15,626	236,986	23,559	(234,182)	371	27,577
Fund balance, end of year	<u>\$ (8,677)</u>	<u>\$ 533</u>	<u>\$ 15,626</u>	<u>\$ 257,226</u>	<u>\$ 23,559</u>	<u>\$ (2)</u>	<u>\$ (1,574)</u>	<u>\$ 24,660</u>

(continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

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

YEAR ENDED JUNE 30, 2017

	SPECIAL REVENUE FUNDS									
	Beachwood House Senior Center Equipment Escrow	RIDEM Potowomut Pond Clean-up	RI Emergency Management	Town Municipal Court	State Elderly Affairs Grant	Land Dedication Escrow	Miscellaneous Historic District Preservation	Senior Health Insurance Program	State Council on the Arts Grant	RI Foundation Grant
venues:										
Interest and investment income	\$ -	\$ -	\$ -	\$ 785	\$ -	\$ 382	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	189,410	8,451	-	-	21,651	-	-
Departmental	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
<i>Total Revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>190,195</u>	<u>8,451</u>	<u>382</u>	<u>-</u>	<u>21,651</u>	<u>-</u>	<u>-</u>
penditures:										
General government	-	-	-	268,172	-	-	1,805	21,867	-	-
Public safety	-	-	93,956	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-	-	-
Public libraries	-	-	-	-	-	-	-	-	-	-
Senior services	-	-	-	-	8,476	-	-	-	-	-
Capital and special appropriations	-	-	-	-	-	-	-	-	-	-
<i>Total Expenditures</i>	<u>-</u>	<u>-</u>	<u>93,956</u>	<u>268,172</u>	<u>8,476</u>	<u>-</u>	<u>1,805</u>	<u>21,867</u>	<u>-</u>	<u>-</u>
excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(93,956)</u>	<u>(77,977)</u>	<u>(25)</u>	<u>382</u>	<u>(1,805)</u>	<u>(216)</u>	<u>-</u>	<u>-</u>
other financing sources (uses):										
Transfers in	-	-	26,876	-	-	-	-	161	-	597
Transfers out	(709)	(4,500)	-	-	-	(596)	-	-	(10,697)	-
<i>Total Other Financing Sources (Uses)</i>	<u>(709)</u>	<u>(4,500)</u>	<u>26,876</u>	<u>-</u>	<u>-</u>	<u>(596)</u>	<u>-</u>	<u>161</u>	<u>(10,697)</u>	<u>597</u>
excess (deficiency) of revenues over expenditures and changes in fund balances	<u>(709)</u>	<u>(4,500)</u>	<u>(67,080)</u>	<u>(77,977)</u>	<u>(25)</u>	<u>(214)</u>	<u>(1,805)</u>	<u>(55)</u>	<u>(10,697)</u>	<u>597</u>
fund balance, beginning of year	<u>709</u>	<u>4,500</u>	<u>66,635</u>	<u>92,910</u>	<u>5,899</u>	<u>91,106</u>	<u>10,000</u>	<u>(725)</u>	<u>10,697</u>	<u>(597)</u>
fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (445)</u>	<u>\$ 14,933</u>	<u>\$ 5,874</u>	<u>\$ 90,892</u>	<u>\$ 8,195</u>	<u>\$ (780)</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

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

YEAR ENDED JUNE 30, 2017

	SPECIAL REVENUE FUNDS							
	Local Law Enforcement Block Grant	Technology Replacement	Governor's Justice Commission	Miscellaneous Senior Citizens Grant	Senior Center Legislative Grant	Impact Fees	Emergency Medical Services	CDBG Grants
venues:								
Interest and investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 563
Intergovernmental	-	-	-	26,724	1,300	7	1,067,604	2,050
Departmental	-	-	-	-	-	-	-	-
Other	-	14,338	-	-	-	-	-	-
<i>Total Revenues</i>	<u>-</u>	<u>14,338</u>	<u>-</u>	<u>26,724</u>	<u>1,300</u>	<u>7</u>	<u>1,067,604</u>	<u>2,613</u>
penditures:								
General government	-	23,015	-	-	-	199,433	62,241	4,917
Public safety	-	-	-	-	-	-	15,853	-
Public works	-	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-
Public libraries	-	-	-	3,119	-	-	-	-
Senior services	-	-	-	38,407	1,300	-	-	-
Capital and special appropriations	-	-	-	-	-	-	-	-
<i>Total Expenditures</i>	<u>-</u>	<u>23,015</u>	<u>-</u>	<u>41,526</u>	<u>1,300</u>	<u>199,433</u>	<u>78,094</u>	<u>4,917</u>
excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>-</u>	<u>(8,677)</u>	<u>-</u>	<u>(14,802)</u>	<u>-</u>	<u>(199,426)</u>	<u>989,510</u>	<u>(2,304)</u>
other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	(358)	-	(2,100)	-	-	-	(630,632)	-
<i>Total Other Financing Sources (Uses)</i>	<u>(358)</u>	<u>-</u>	<u>(2,100)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(630,632)</u>	<u>-</u>
excess (deficiency) of revenues over expenditures and changes in fund balances	<u>(358)</u>	<u>(8,677)</u>	<u>(2,100)</u>	<u>(14,802)</u>	<u>-</u>	<u>(199,426)</u>	<u>358,878</u>	<u>(2,304)</u>
fund balance, beginning of year	<u>358</u>	<u>44,255</u>	<u>2,100</u>	<u>42,339</u>	<u>1,453</u>	<u>89,168</u>	<u>637,839</u>	<u>339,404</u>
fund balance, end of year	<u>\$ -</u>	<u>\$ 35,578</u>	<u>\$ -</u>	<u>\$ 27,537</u>	<u>\$ 1,453</u>	<u>\$ (110,258)</u>	<u>\$ 996,717</u>	<u>\$ 337,100</u>

(continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

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

YEAR ENDED JUNE 30, 2017

	SPECIAL REVENUE FUNDS						
	Fire Department Legislative Grant	Old Library Park	Groundwater Education Donation	Miscellaneous Library Donations	Special Purpose Donations	Tax Revaluation Reserve Fund	Infrastructure Replacement
venues:							
Interest and investment income	\$ -	\$ -	\$ -	\$ 43	\$ -	\$ -	\$ 816
Intergovernmental	-	-	-	5,925	-	240	196,108
Departmental	-	-	-	-	-	-	-
Other	-	-	-	-	5,523	-	-
<i>Total Revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,968</u>	<u>5,523</u>	<u>240</u>	<u>196,924</u>
penditures:							
General government	-	-	-	-	11,245	-	-
Public safety	-	-	-	-	-	-	-
Public works	-	-	2	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-
Public libraries	-	-	-	4,940	-	-	-
Senior services	-	-	-	-	-	-	-
Capital and special appropriations	-	-	-	-	-	-	-
<i>Total Expenditures</i>	<u>-</u>	<u>-</u>	<u>2</u>	<u>4,940</u>	<u>11,245</u>	<u>-</u>	<u>-</u>
excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(2)</u>	<u>1,028</u>	<u>(5,722)</u>	<u>240</u>	<u>196,924</u>
other financing sources (uses):							
Transfers in	-	-	-	-	15,952	25,000	-
Transfers out	(2,626)	(2,609)	-	-	-	-	-
<i>Total Other Financing Sources (Uses)</i>	<u>(2,626)</u>	<u>(2,609)</u>	<u>-</u>	<u>-</u>	<u>15,952</u>	<u>25,000</u>	<u>-</u>
excess (deficiency) of revenues over expenditures and balance, beginning of year	<u>(2,626)</u>	<u>(2,609)</u>	<u>(2)</u>	<u>1,028</u>	<u>10,230</u>	<u>25,240</u>	<u>196,924</u>
and balance, beginning of year	<u>2,626</u>	<u>2,609</u>	<u>667</u>	<u>10,781</u>	<u>(10,230)</u>	<u>20,403</u>	<u>768,206</u>
and balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 665</u>	<u>\$ 11,809</u>	<u>\$ -</u>	<u>\$ 45,643</u>	<u>\$ 965,130</u>

(continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

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

YEAR ENDED JUNE 30, 2017

	SPECIAL REVENUE FUNDS						
	URI Septic Loan Program	Ann Ward Wallou Memorial Garden	Senior Citizens Center	Senior Citizens Bus Gasoline Escrow	Arts Council	Senior Outreach Escrow	Project D.A.R.E.
venues:							
Interest and investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-
Departmental	-	-	-	-	-	-	-
Other	-	-	102,592	-	42,097	-	-
<i>Total Revenues</i>	<u>-</u>	<u>-</u>	<u>102,592</u>	<u>-</u>	<u>42,097</u>	<u>-</u>	<u>-</u>
penditures:							
General government	-	-	-	-	107,713	-	-
Public safety	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-
Public libraries	-	-	-	-	-	-	-
Senior services	-	-	97,350	-	-	-	-
Capital and special appropriations	-	-	-	-	-	-	-
<i>Total Expenditures</i>	<u>-</u>	<u>-</u>	<u>97,350</u>	<u>-</u>	<u>107,713</u>	<u>-</u>	<u>-</u>
excess (deficiency) of revenues over expenditures							
before other financing sources (uses)	<u>-</u>	<u>-</u>	<u>5,242</u>	<u>-</u>	<u>(65,616)</u>	<u>-</u>	<u>-</u>
other financing sources (uses):							
Transfers in	-	-	-	-	45,625	-	-
Transfers out	-	-	-	(61)	-	-	(4,844)
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(61)</u>	<u>45,625</u>	<u>-</u>	<u>(4,844)</u>
excess (deficiency) of revenues over expenditures							
and balance, beginning of year	<u>421</u>	<u>(901)</u>	<u>105,497</u>	<u>61</u>	<u>30,424</u>	<u>1,327</u>	<u>4,844</u>
and balance, end of year	<u>\$ 421</u>	<u>\$ (901)</u>	<u>\$ 110,739</u>	<u>\$ -</u>	<u>\$ 10,433</u>	<u>\$ 1,327</u>	<u>\$ -</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

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

YEAR ENDED JUNE 30, 2017

	SPECIAL REVENUE FUNDS					DEBT SERVICE FUND	
	Parade Committee	Leisure Services Brochure	Community Center Maintenance	Heritage Committee	Recreation Escrow	Non Civic Detail Escrow Fund	FY 2005 Refunding
venues:							
Interest and investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	404,670	-
Departmental	-	-	-	-	-	-	-
Other	-	-	45	-	227,266	-	-
<i>Total Revenues</i>	<u>-</u>	<u>-</u>	<u>45</u>	<u>-</u>	<u>227,266</u>	<u>404,670</u>	<u>-</u>
penditures:							
General government	667	-	6,092	-	235,430	400,345	-
Public safety	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-
Public libraries	-	-	-	-	-	-	-
Senior services	-	-	-	-	-	-	-
Capital and special appropriations	-	-	-	-	-	-	-
<i>Total Expenditures</i>	<u>667</u>	<u>-</u>	<u>6,092</u>	<u>-</u>	<u>235,430</u>	<u>400,345</u>	<u>-</u>
excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>(667)</u>	<u>-</u>	<u>(6,047)</u>	<u>-</u>	<u>(8,164)</u>	<u>4,325</u>	<u>-</u>
other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	(144)	-	(399,633)	(11,475)
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(144)</u>	<u>-</u>	<u>(399,633)</u>	<u>(11,475)</u>
excess (deficiency) of revenues over expenditures	<u>(667)</u>	<u>-</u>	<u>(6,047)</u>	<u>(144)</u>	<u>(8,164)</u>	<u>(395,308)</u>	<u>(11,475)</u>
fund balance, beginning of year	<u>(313)</u>	<u>1,400</u>	<u>(5,374)</u>	<u>-</u>	<u>161,319</u>	<u>395,308</u>	<u>11,475</u>
fund balance, end of year	<u>\$ (980)</u>	<u>\$ 1,400</u>	<u>\$ (11,421)</u>	<u>\$ (144)</u>	<u>\$ 153,155</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

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

YEAR ENDED JUNE 30, 2017

	CAPITAL PROJECT FUNDS							
	Capital Improvement Project	Capital Reserve	9M School Renovation Bond	6.4M School Renovation Bond	Farmland & Open Space Reserve	6M Public Facilities Plan Bond	4M Senior Center Complex Fund	4.5M Public Safety Facilities
venues:								
Interest and investment income	\$ -	\$ 10,852	\$ -	\$ -	\$ 6,477	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	78,470	-	-	-
Departmental	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
<i>Total Revenues</i>	<u>-</u>	<u>10,852</u>	<u>-</u>	<u>-</u>	<u>84,947</u>	<u>-</u>	<u>-</u>	<u>-</u>
penditures:								
General government	210,297	-	-	-	2,179	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-
Public libraries	-	-	-	-	-	-	-	-
Senior services	-	-	-	-	-	-	-	-
Capital and special appropriations	1,063,825	-	-	-	-	-	-	-
<i>Total Expenditures</i>	<u>1,274,122</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,179</u>	<u>-</u>	<u>-</u>	<u>-</u>
excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>(1,274,122)</u>	<u>10,852</u>	<u>-</u>	<u>-</u>	<u>82,768</u>	<u>-</u>	<u>-</u>	<u>-</u>
other financing sources (uses):								
Transfers in	2,350,514	1,643,527	-	-	-	-	-	-
Transfers out	-	(123,005)	(299,062)	(29,596)	-	-	(8,775)	(21,940)
<i>Total Other Financing Sources (Uses)</i>	<u>2,350,514</u>	<u>1,520,522</u>	<u>(299,062)</u>	<u>(29,596)</u>	<u>-</u>	<u>-</u>	<u>(8,775)</u>	<u>(21,940)</u>
excess (deficiency) of revenues over expenditures and changes in fund balances	<u>1,076,392</u>	<u>1,531,374</u>	<u>(299,062)</u>	<u>(29,596)</u>	<u>82,768</u>	<u>-</u>	<u>(8,775)</u>	<u>(21,940)</u>
fund balance, beginning of year	<u>682,346</u>	<u>(1,135,972)</u>	<u>299,062</u>	<u>81,234</u>	<u>1,245,072</u>	<u>378,107</u>	<u>8,775</u>	<u>21,940</u>
fund balance, end of year	<u>\$ 1,758,738</u>	<u>\$ 395,402</u>	<u>\$ -</u>	<u>\$ 51,638</u>	<u>\$ 1,327,840</u>	<u>\$ 378,107</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

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

YEAR ENDED JUNE 30, 2017

	CAPITAL PROJECT FUNDS			PERMANENT FUNDS				
	4M Farmland Open Space Fund	Henry Reynolds Indigent Care	Tri-Centennial Park	400th Anniversary	Henry Reynolds Outside Poor Fund	John J. Spink Outside Poor Fund	John B. Spink Outside Poor Fund	Thomas Casey Outside Poor Fund
venues:								
Interest and investment income	\$ 1,200	\$ 81	\$ 4	\$ -	\$ 1	\$ 16	\$ 3	\$ 2
Intergovernmental	-	-	-	-	-	-	-	-
Departmental	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
<i>Total Revenues</i>	<u>1,200</u>	<u>81</u>	<u>4</u>	<u>-</u>	<u>1</u>	<u>16</u>	<u>3</u>	<u>2</u>
expenditures:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-
Public libraries	-	-	-	-	-	-	-	-
Senior services	-	-	-	-	-	-	-	-
Capital and special appropriations	-	-	-	-	-	-	-	-
<i>Total Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>1,200</u>	<u>81</u>	<u>4</u>	<u>-</u>	<u>1</u>	<u>16</u>	<u>3</u>	<u>2</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>	<u>-</u>	<u>-</u>
excess (deficiency) of revenues over expenditures	<u>1,200</u>	<u>81</u>	<u>4</u>	<u>-</u>	<u>1</u>	<u>16</u>	<u>3</u>	<u>2</u>
fund balance, beginning of year	<u>284,088</u>	<u>19,092</u>	<u>6,120</u>	<u>3,648</u>	<u>2,188</u>	<u>21,093</u>	<u>5,274</u>	<u>2,188</u>
fund balance, end of year	<u>\$ 285,288</u>	<u>\$ 19,173</u>	<u>\$ 6,124</u>	<u>\$ 3,648</u>	<u>\$ 2,189</u>	<u>\$ 21,109</u>	<u>\$ 5,277</u>	<u>\$ 2,190</u>

(continued)



TOWN OF NORTH KINGSTOWN, RHODE ISLAND

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

YEAR ENDED JUNE 30, 2017

	PERMANENT FUNDS							
	Elizabeth Miller Library Fund	William D. Davis Library Fund	Veterans Memorial Scholarship	Hendrick Library Fund	Gardiner Fund	School Updike Fund	School Tennis Fund	Grand Totals
venues:								
Interest and investment income	\$ 2	\$ 4	\$ -	\$ -	\$ -	\$ 1	\$ -	\$ 21,232
Intergovernmental	-	-	-	-	-	-	-	2,380,858
Departmental	-	-	-	-	-	-	-	32,930
Other	-	-	-	-	-	-	-	416,435
<i>Total Revenues</i>	<u>2</u>	<u>4</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>2,851,455</u>
penditures:								
General government	-	-	-	40	40	-	-	1,590,948
Public safety	-	-	-	-	-	-	-	112,723
Public works	-	-	-	-	-	-	-	2
Parks and recreation	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-
Public libraries	-	-	-	-	-	-	-	1,595,477
Senior services	-	-	-	-	-	-	-	145,533
Capital and special appropriations	-	-	-	-	-	-	-	1,063,825
<i>Total Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40</u>	<u>40</u>	<u>-</u>	<u>-</u>	<u>4,508,508</u>
excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>2</u>	<u>4</u>	<u>-</u>	<u>(40)</u>	<u>(40)</u>	<u>1</u>	<u>-</u>	<u>(1,657,053)</u>
other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	5,547,840
Transfers out	-	-	-	-	-	-	-	(1,553,362)
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,994,478</u>
excess (deficiency) of revenues over expenditures and change in fund balance	<u>2</u>	<u>4</u>	<u>-</u>	<u>(40)</u>	<u>(40)</u>	<u>1</u>	<u>-</u>	<u>2,337,425</u>
fund balance, beginning of year	<u>2,000</u>	<u>5,001</u>	<u>6,979</u>	<u>8,778</u>	<u>5,809</u>	<u>4,224</u>	<u>268</u>	<u>4,957,707</u>
fund balance, end of year	<u>\$ 2,002</u>	<u>\$ 5,005</u>	<u>\$ 6,979</u>	<u>\$ 8,738</u>	<u>\$ 5,769</u>	<u>\$ 4,225</u>	<u>\$ 268</u>	<u>\$ 7,295,132</u>

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

JUNE 30, 2017

	SPECIAL REVENUE FUNDS							
	School Unrestricted	Homeless Children/Youth Even	Centers for Disease Control	Wireless Classroom Initiative	School Public Law 94-142	School Title III LEP	Career & Tech	School Title I
<b>Assets</b>								
Cash and cash equivalents	\$ 2,542,287	\$ -	\$ 4,419	\$ -	\$ -	\$ -	\$ 2,843	\$ -
Due from other governments	49,020	-	-	252,710	354,707	2,019	-	179,217
Due from other funds	981,661	-	-	-	-	98	-	530
Other receivables	38,655	-	-	-	-	-	-	-
Prepaid expenses	540,752	-	-	-	-	-	-	-
<i>Total Assets</i>	<u>\$ 4,152,375</u>	<u>\$ -</u>	<u>\$ 4,419</u>	<u>\$ 252,710</u>	<u>\$ 354,707</u>	<u>\$ 2,117</u>	<u>\$ 2,843</u>	<u>\$ 179,747</u>
<b>Liabilities</b>								
Accounts payable and accrued liabilities	\$ 1,550,476	\$ -	\$ -	\$ -	\$ 3,439	\$ 80	\$ -	\$ 1,336
Due to other funds	161,865	-	-	252,709	351,268	2,037	-	178,411
Unearned revenue	-	-	-	-	-	-	-	-
<i>Total Liabilities</i>	<u>1,712,341</u>	<u>-</u>	<u>-</u>	<u>252,709</u>	<u>354,707</u>	<u>2,117</u>	<u>-</u>	<u>179,747</u>
Deferred inflows (Note 1)	-	-	-	-	-	-	-	-
<b>Fund Balances</b>								
Nonspendable	540,752	-	-	-	-	-	-	-
Restricted	-	-	4,419	1	-	-	2,843	-
Committed	-	-	-	-	-	-	-	-
Assigned	1,899,282	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
<i>Total Fund Balances</i>	<u>2,440,034</u>	<u>-</u>	<u>4,419</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>2,843</u>	<u>-</u>
<i>Total Liabilities, Deferred Inflows, and Fund Balances</i>	<u>\$ 4,152,375</u>	<u>\$ -</u>	<u>\$ 4,419</u>	<u>\$ 252,710</u>	<u>\$ 354,707</u>	<u>\$ 2,117</u>	<u>\$ 2,843</u>	<u>\$ 179,747</u>

(continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND  
 COMBINING BALANCE SHEET - SCHOOL DEPARTMENT  
 JUNE 30, 2017

SPECIAL REVENUE FUNDS

	Homeless Children & Youth	Scholarship America	Educational Development Center	Perkins Coventry	School Title II	Categorical Aid-Robotics	91-142 Preschool Services	21st Century Learning Center
<b>Assets</b>								
Cash and cash equivalents	\$ -	\$ 7	\$ 216	\$ -	\$ -	\$ 15,233	\$ -	\$ -
Due from other governments	7,742	-	-	-	58,357	-	14,324	44,210
Due from other funds	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-	-	-
<i>Total Assets</i>	<u>\$ 7,742</u>	<u>\$ 7</u>	<u>\$ 216</u>	<u>\$ -</u>	<u>\$ 58,357</u>	<u>\$ 15,233</u>	<u>\$ 14,324</u>	<u>\$ 44,210</u>
<b>Liabilities</b>								
Accounts payable and accrued liabilities	\$ 266	\$ -	\$ -	\$ -	\$ 913	\$ -	\$ -	\$ -
Due to other funds	7,476	7	-	-	57,444	-	14,324	44,210
Unearned revenue	-	-	-	-	-	-	-	-
<i>Total Liabilities</i>	<u>7,742</u>	<u>7</u>	<u>-</u>	<u>-</u>	<u>58,357</u>	<u>-</u>	<u>14,324</u>	<u>44,210</u>
Deferred inflows (Note 1)	-	-	-	-	-	-	-	-
<b>Fund Balances</b>								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	216	-	-	15,233	-	-
Committed	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
<i>Total Fund Balances</i>	<u>-</u>	<u>-</u>	<u>216</u>	<u>-</u>	<u>-</u>	<u>15,233</u>	<u>-</u>	<u>-</u>
<i>Total Liabilities, Deferred Inflows, and Fund Balances</i>	<u>\$ 7,742</u>	<u>\$ 7</u>	<u>\$ 216</u>	<u>\$ -</u>	<u>\$ 58,357</u>	<u>\$ 15,233</u>	<u>\$ 14,324</u>	<u>\$ 44,210</u>

(continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND  
 COMBINING BALANCE SHEET - SCHOOL DEPARTMENT  
 JUNE 30, 2017

SPECIAL REVENUE FUNDS

	United Way Hasbro Summer	RI Legislative Blessings in a Backpack	RI Council for the Humanities	RI Council On The Arts Big Yellow Bus	COZ Family Center	RI State Council on the Arts Silk Road	Wendy's Advertising	Drug Free Program Donations
<b>Assets</b>								
Cash and cash equivalents	\$ 19,649	\$ -	\$ 1,312	\$ 1,274	\$ -	\$ 3,600	\$ 2,501	\$ 190
Due from other governments	-	-	-	-	17,885	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-	-	-
<i>Total Assets</i>	<u>\$ 19,649</u>	<u>\$ -</u>	<u>\$ 1,312</u>	<u>\$ 1,274</u>	<u>\$ 17,885</u>	<u>\$ 3,600</u>	<u>\$ 2,501</u>	<u>\$ 190</u>
<b>Liabilities</b>								
Accounts payable and accrued liabilities	\$ 4,788	\$ -	\$ 763	\$ -	\$ -	\$ 3,460	\$ -	\$ -
Due to other funds	-	-	-	-	17,885	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-
<i>Total Liabilities</i>	<u>4,788</u>	<u>-</u>	<u>763</u>	<u>-</u>	<u>17,885</u>	<u>3,460</u>	<u>-</u>	<u>-</u>
Deferred inflows (Note 1)	-	-	-	-	-	-	-	-
<b>Fund Balances</b>								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	14,861	-	549	1,274	-	140	2,501	190
Committed	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
<i>Total Fund Balances</i>	<u>14,861</u>	<u>-</u>	<u>549</u>	<u>1,274</u>	<u>-</u>	<u>140</u>	<u>2,501</u>	<u>190</u>
<i>Total Liabilities, Deferred Inflows, and Fund Balances</i>	<u>\$ 19,649</u>	<u>\$ -</u>	<u>\$ 1,312</u>	<u>\$ 1,274</u>	<u>\$ 17,885</u>	<u>\$ 3,600</u>	<u>\$ 2,501</u>	<u>\$ 190</u>

(continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND  
 COMBINING BALANCE SHEET - SCHOOL DEPARTMENT  
 JUNE 30, 2017

SPECIAL REVENUE FUNDS

	RI Legislative Grant- Drug Free	USDA-FFVP	Drug Free Communities	RI Interscholastic League	COZ Miscellaneous Donations	Use of Buildings	Feinstein Foundation	Rhode Island Foundation
<b>Assets</b>								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 950	\$ 23,665	\$ 436	\$ 51,865	\$ 574
Due from other governments	-	4,747	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	180	-	-
Other receivables	-	-	55,776	-	-	2,672	-	-
Prepaid expenses	-	-	-	-	-	-	-	-
<i>Total Assets</i>	<u>\$ -</u>	<u>\$ 4,747</u>	<u>\$ 55,776</u>	<u>\$ 950</u>	<u>\$ 23,665</u>	<u>\$ 3,288</u>	<u>\$ 51,865</u>	<u>\$ 574</u>
<b>Liabilities</b>								
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 3,030	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	4,747	52,746	-	-	3,288	-	-
Unearned revenue	-	-	-	-	-	-	-	-
<i>Total Liabilities</i>	<u>-</u>	<u>4,747</u>	<u>55,776</u>	<u>-</u>	<u>-</u>	<u>3,288</u>	<u>-</u>	<u>-</u>
Deferred inflows (Note 1)	-	-	-	-	-	-	-	-
<b>Fund Balances</b>								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	-	950	23,665	-	51,865	574
Committed	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
<i>Total Fund Balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>950</u>	<u>23,665</u>	<u>-</u>	<u>51,865</u>	<u>574</u>
<i>Total Liabilities, Deferred Inflows, and Fund Balances</i>	<u>\$ -</u>	<u>\$ 4,747</u>	<u>\$ 55,776</u>	<u>\$ 950</u>	<u>\$ 23,665</u>	<u>\$ 3,288</u>	<u>\$ 51,865</u>	<u>\$ 574</u>

(continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND  
 COMBINING BALANCE SHEET - SCHOOL DEPARTMENT  
 JUNE 30, 2017

	SPECIAL REVENUE FUNDS							
	RI Assoc For Young Children	Donations- Coaches	Exxon Mobil	School/Town Substance Abuse	Substance Abuse Task Force	Fuji Film	Leadership Mini Grant	Women's Club of South County Grow Hope
<b>Assets</b>								
Cash and cash equivalents	\$ 14	\$ 506	\$ 399	\$ -	\$ -	\$ 1,020	\$ -	\$ 400
Due from other governments	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
Other receivables	-	-	-	1,410	-	-	-	-
Prepaid expenses	-	-	-	-	-	-	-	-
<i>Total Assets</i>	<u>\$ 14</u>	<u>\$ 506</u>	<u>\$ 399</u>	<u>\$ 1,410</u>	<u>\$ -</u>	<u>\$ 1,020</u>	<u>\$ -</u>	<u>\$ 400</u>
<b>Liabilities</b>								
Accounts payable and accrued liabilities	\$ -	\$ 506	\$ -	\$ 730	\$ -	\$ -	\$ -	\$ 385
Due to other funds	14	-	-	680	-	-	-	15
Unearned revenue	-	-	-	-	-	-	-	-
<i>Total Liabilities</i>	<u>14</u>	<u>506</u>	<u>-</u>	<u>1,410</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>400</u>
Deferred inflows (Note 1)	-	-	-	-	-	-	-	-
<b>Fund Balances</b>								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	399	-	-	1,020	-	-
Committed	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
<i>Total Fund Balances</i>	<u>-</u>	<u>-</u>	<u>399</u>	<u>-</u>	<u>-</u>	<u>1,020</u>	<u>-</u>	<u>-</u>
<i>Total Liabilities, Deferred Inflows, and Fund Balances</i>	<u>\$ 14</u>	<u>\$ 506</u>	<u>\$ 399</u>	<u>\$ 1,410</u>	<u>\$ -</u>	<u>\$ 1,020</u>	<u>\$ -</u>	<u>\$ 400</u>

(continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND  
 COMBINING BALANCE SHEET - SCHOOL DEPARTMENT  
 JUNE 30, 2017

SPECIAL REVENUE FUNDS						
	Classes 4 Classes	RI Learning Champions	English Learner Categorical Aid	AASA Food Service Donation	Sexual Health Mini Grant	Grand Totals
<b>Assets</b>						
Cash and cash equivalents	\$ 1,358	\$ -	\$ -	\$ 4,933	\$ -	\$ 2,679,651
Due from other governments	-	466	-	-	2,000	987,404
Due from other funds	-	-	-	-	-	982,469
Other receivables	-	-	-	-	-	98,513
Prepaid expenses	-	-	-	-	-	540,752
<i>Total Assets</i>	\$ 1,358	\$ 466	\$ -	\$ 4,933	\$ 2,000	\$ 5,288,789
<b>Liabilities</b>						
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,570,172
Due to other funds	1,180	466	-	-	2,000	1,152,772
Unearned revenue	-	-	-	-	-	-
<i>Total Liabilities</i>	1,180	466	-	-	2,000	2,722,944
Deferred inflows (Note 1)	-	-	-	-	-	-
<b>Fund Balances</b>						
Nonspendable	-	-	-	-	-	540,752
Restricted	178	-	-	4,933	-	125,811
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	1,899,282
Unassigned	-	-	-	-	-	-
<i>Total Fund Balances</i>	178	-	-	4,933	-	2,565,845
<i>Total Liabilities, Deferred Inflows, and Fund Balances</i>	\$ 1,358	\$ 466	\$ -	\$ 4,933	\$ 2,000	\$ 5,288,789

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

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

YEAR ENDED JUNE 30, 2017

	SPECIAL REVENUE FUNDS							
	School Unrestricted	Homeless Children/Youth Even	Centers for Disease Control	Wireless Classroom Initiative	School Public Law 94-142	School Title III LEP	Career & Tech	School Title I
Revenues:								
Interest and investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	13,456,661	7,444	7,759	252,709	927,694	6,497	-	432,739
Departmental	-	-	-	-	-	-	-	-
On behalf pension contribution	2,986,260	-	-	-	-	-	-	-
Other	106,038	-	-	-	-	-	-	-
<i>Total Revenues</i>	<u>16,548,959</u>	<u>7,444</u>	<u>7,759</u>	<u>252,709</u>	<u>927,694</u>	<u>6,497</u>	<u>-</u>	<u>432,739</u>
Expenditures:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Per trust agreements	-	-	-	-	-	-	-	-
Education	61,119,513	7,444	5,920	35,587	927,694	6,497	22,707	432,739
Public libraries	-	-	-	-	-	-	-	-
Senior services	-	-	-	-	-	-	-	-
On behalf pension contribution	2,986,260	-	-	-	-	-	-	-
Capital and special appropriations	-	-	-	-	-	-	-	-
<i>Total Expenditures</i>	<u>64,105,773</u>	<u>7,444</u>	<u>5,920</u>	<u>35,587</u>	<u>927,694</u>	<u>6,497</u>	<u>22,707</u>	<u>432,739</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>(47,556,814)</u>	<u>-</u>	<u>1,839</u>	<u>217,122</u>	<u>-</u>	<u>-</u>	<u>(22,707)</u>	<u>-</u>
Other financing sources (uses):								
Transfers in	48,562,169	-	-	-	-	-	-	-
Transfers out	(1,420,514)	-	-	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>47,141,655</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(415,159)	-	1,839	217,122	-	-	(22,707)	-
Fund balance, beginning of year	<u>2,855,193</u>	<u>-</u>	<u>2,580</u>	<u>(217,121)</u>	<u>-</u>	<u>-</u>	<u>25,550</u>	<u>-</u>
Fund balance, end of year	<u>\$ 2,440,034</u>	<u>\$ -</u>	<u>\$ 4,419</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,843</u>	<u>\$ -</u>

(continued)



TOWN OF NORTH KINGSTOWN, RHODE ISLAND

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

YEAR ENDED JUNE 30, 2017

	SPECIAL REVENUE FUNDS							
	Homeless Children & Youth	Scholarship America	Educational Development Center	Perkins Coventry	School Title II	Categorical Aid-Robotics	91-142 Preschool Services	21st Century Learning Center
Revenues:								
Interest and investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	20,927	-	-	13,659	157,239	14,710	23,288	135,995
Departmental	-	-	-	-	-	-	-	-
On behalf pension contribution	-	-	-	-	-	-	-	-
Other	-	700	7,904	-	-	-	-	-
<i>Total Revenues</i>	<u>20,927</u>	<u>700</u>	<u>7,904</u>	<u>13,659</u>	<u>157,239</u>	<u>14,710</u>	<u>23,288</u>	<u>135,995</u>
Expenditures:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Per trust agreements	-	-	-	-	-	-	-	-
Education	20,927	700	14,404	13,659	157,239	5,287	23,288	135,995
Public libraries	-	-	-	-	-	-	-	-
Senior services	-	-	-	-	-	-	-	-
On behalf pension contribution	-	-	-	-	-	-	-	-
Capital and special appropriations	-	-	-	-	-	-	-	-
<i>Total Expenditures</i>	<u>20,927</u>	<u>700</u>	<u>14,404</u>	<u>13,659</u>	<u>157,239</u>	<u>5,287</u>	<u>23,288</u>	<u>135,995</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	-	-	(6,500)	-	-	9,423	-	-
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>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	-	(6,500)	-	-	9,423	-	-
Fund balance, beginning of year	-	-	6,716	-	-	5,810	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 216</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,233</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

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

YEAR ENDED JUNE 30, 2017

	SPECIAL REVENUE FUNDS							
	United Way Hasbro Summer	RI Legislative Blessings in a Backpack	RI Council for the Humanities	RI Council On The Arts Big Yellow Bus	COZ Family Center	RI State Council on the Arts Silk Road	Wendy's Advertising	Drug Free Program Donations
Revenues:								
Interest and investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	1,000	700	29,500	4,400	-	-
Departmental	-	-	-	-	-	-	-	-
On behalf pension contribution	-	-	-	-	-	-	-	-
Other	30,000	-	-	-	-	-	1,000	-
<i>Total Revenues</i>	<u>30,000</u>	<u>-</u>	<u>1,000</u>	<u>700</u>	<u>29,500</u>	<u>4,400</u>	<u>1,000</u>	<u>-</u>
Expenditures:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Per trust agreements	-	-	-	-	-	-	-	-
Education	33,127	1,633	725	400	29,500	4,260	499	75
Public libraries	-	-	-	-	-	-	-	-
Senior services	-	-	-	-	-	-	-	-
On behalf pension contribution	-	-	-	-	-	-	-	-
Capital and special appropriations	-	-	-	-	-	-	-	-
<i>Total Expenditures</i>	<u>33,127</u>	<u>1,633</u>	<u>725</u>	<u>400</u>	<u>29,500</u>	<u>4,260</u>	<u>499</u>	<u>75</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>(3,127)</u>	<u>(1,633)</u>	<u>275</u>	<u>300</u>	<u>-</u>	<u>140</u>	<u>501</u>	<u>(75)</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>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(3,127)	(1,633)	275	300	-	140	501	(75)
Fund balance, beginning of year	17,988	1,633	274	974	-	-	2,000	265
Fund balance, end of year	<u>\$ 14,861</u>	<u>\$ -</u>	<u>\$ 549</u>	<u>\$ 1,274</u>	<u>\$ -</u>	<u>\$ 140</u>	<u>\$ 2,501</u>	<u>\$ 190</u>

(continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

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

YEAR ENDED JUNE 30, 2017

	SPECIAL REVENUE FUNDS							
	RI Legislative Grant- Drug		Drug Free	RI	GOZ	Use of	Feinstein	Rhode Island
	Free	USDA-FFVP	Communities	Interscholastic League	Miscellaneous Donations	Buildings	Foundation	Foundation
Revenues:								
Interest and investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	11,727	90,949	-	-	-	-	-
Departmental	-	-	-	-	-	-	-	-
On behalf pension contribution	-	-	-	-	-	-	-	-
Other	-	-	-	-	11,592	11,212	22,800	-
<i>Total Revenues</i>	<u>-</u>	<u>11,727</u>	<u>90,949</u>	<u>-</u>	<u>11,592</u>	<u>11,212</u>	<u>22,800</u>	<u>-</u>
Expenditures:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Per trust agreements	-	-	-	-	-	-	-	-
Education	2,977	11,728	90,949	-	6,524	-	35,046	247
Public libraries	-	-	-	-	-	-	-	-
Senior services	-	-	-	-	-	-	-	-
On behalf pension contribution	-	-	-	-	-	-	-	-
Capital and special appropriations	-	-	-	-	-	11,212	-	-
<i>Total Expenditures</i>	<u>2,977</u>	<u>11,728</u>	<u>90,949</u>	<u>-</u>	<u>6,524</u>	<u>11,212</u>	<u>35,046</u>	<u>247</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>(2,977)</u>	<u>(1)</u>	<u>-</u>	<u>-</u>	<u>5,068</u>	<u>-</u>	<u>(12,246)</u>	<u>(247)</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>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(2,977)	(1)	-	-	5,068	-	(12,246)	(247)
Fund balance, beginning of year	2,977	1	-	950	18,597	-	64,111	821
Fund balance, end of year	\$ -	\$ -	\$ -	\$ 950	\$ 23,665	\$ -	\$ 51,865	\$ 574

(continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

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

YEAR ENDED JUNE 30, 2017

	SPECIAL REVENUE FUNDS							Women's Club of South County Grow Hope
	RI Assoc For Young Children	Donations- Coaches	Exxon Mobil	School/Town Substance Abuse	Substance Abuse Taskforce	Fuji Film	Leadership Mini Grant	
Revenues:								
Interest and investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	28,669	11,227	-	7,000	-
Departmental	-	-	-	-	-	-	-	-
On behalf pension contribution	-	-	-	-	-	-	-	-
Other	-	14,436	500	-	-	1,000	-	400
<i>Total Revenues</i>	<u>-</u>	<u>14,436</u>	<u>500</u>	<u>28,669</u>	<u>11,227</u>	<u>1,000</u>	<u>7,000</u>	<u>400</u>
Expenditures:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Per trust agreements	-	-	-	-	-	-	-	-
Education	500	14,436	1,044	28,669	11,228	2,980	7,000	400
Public libraries	-	-	-	-	-	-	-	-
Senior services	-	-	-	-	-	-	-	-
On behalf pension contribution	-	-	-	-	-	-	-	-
Capital and special appropriations	-	-	-	-	-	-	-	-
<i>Total Expenditures</i>	<u>500</u>	<u>14,436</u>	<u>1,044</u>	<u>28,669</u>	<u>11,228</u>	<u>2,980</u>	<u>7,000</u>	<u>400</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>(500)</u>	<u>-</u>	<u>(544)</u>	<u>-</u>	<u>(1)</u>	<u>(1,980)</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>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(500)</u>	<u>-</u>	<u>(544)</u>	<u>-</u>	<u>(1)</u>	<u>(1,980)</u>	<u>-</u>	<u>-</u>
Fund balance, beginning of year	<u>500</u>	<u>-</u>	<u>943</u>	<u>-</u>	<u>1</u>	<u>3,000</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 399</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,020</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

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

YEAR ENDED JUNE 30, 2017

	SPECIAL REVENUE FUNDS					
	Classes 4	RI Learning Champions	English Learner Categorical Aid	AASA Food Service Donation	Sexual Health Mini Grant	Grand Totals
	Classes	Champions	Categorical Aid	Donation	Mini Grant	Totals
Revenues:						
Interest and investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	466	1,424	-	4,000	15,648,383
Departmental	-	-	-	-	-	-
On behalf pension contribution	-	-	-	-	-	2,986,260
Other	1,358	-	-	4,933	-	213,873
<i>Total Revenues</i>	<u>1,358</u>	<u>466</u>	<u>1,424</u>	<u>4,933</u>	<u>4,000</u>	<u>18,848,516</u>
Expenditures:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Per trust agreements	-	-	-	-	-	-
Education	1,180	466	1,424	-	4,000	63,220,617
Public libraries	-	-	-	-	-	-
Senior services	-	-	-	-	-	-
On behalf pension contribution	-	-	-	-	-	2,986,260
Capital and special appropriations	-	-	-	-	-	11,212
<i>Total Expenditures</i>	<u>1,180</u>	<u>466</u>	<u>1,424</u>	<u>-</u>	<u>4,000</u>	<u>66,218,089</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>178</u>	<u>-</u>	<u>-</u>	<u>4,933</u>	<u>-</u>	<u>(47,369,573)</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	48,562,169
Transfers out	-	-	-	-	-	(1,420,514)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,141,655</u>
Excess (deficiency) of revenues over expenditures	178	-	-	4,933	-	(227,918)
Fund balance, beginning of year	-	-	-	-	-	2,793,763
Fund balance, end of year	<u>\$ 178</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,933</u>	<u>\$ -</u>	<u>\$ 2,565,845</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NONMAJOR ENTERPRISE FUNDS

JUNE 30, 2017

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

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

NKHS Adult Education – To account for funds set aside for adult education services.

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

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

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

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NONMAJOR ENTERPRISE FUNDS

COMBINING STATEMENT OF NET POSITION

JUNE 30, 2017

	Quonset/ Davisville Reserve	NKSD Adult Education	Athletic Gate Receipts	School Sport Camps	After School Novanet	School Nutrition Fund	Total
<b>ASSETS:</b>							
Current assets:							
Cash and cash equivalents	\$ 40,725	\$ -	\$ 14,033	\$ 39,603	\$ 17,832	\$ 220,107	\$ 332,300
Other receivables	-	-	300	-	-	110,226	110,526
Inventory	-	-	-	-	-	14,733	14,733
Due from other funds	-	450	-	-	-	9,853	10,303
Total current assets	40,725	450	14,333	39,603	17,832	354,919	467,862
Capital assets not being depreciated	-	-	-	-	-	-	-
Capital assets being depreciated, net	-	-	-	-	-	564	564
Total assets	<u>\$ 40,725</u>	<u>450</u>	<u>\$ 14,333</u>	<u>\$ 39,603</u>	<u>\$ 17,832</u>	<u>\$ 355,483</u>	<u>\$ 468,426</u>
<b>LIABILITIES:</b>							
Current liabilities:							
Accounts payable and accrued expense	\$ -	\$ -	\$ 2,370	\$ 2,439	\$ -	\$ 34,304	\$ 39,113
Unearned revenue	-	450	-	2,955	-	-	3,405
Due to other funds	-	-	-	-	-	-	-
Note payable	-	-	-	-	-	-	-
Total current liabilities	-	450	2,370	5,394	-	34,304	42,518
Note payable, less current portion	-	-	-	-	-	-	-
Total Liabilities	-	450	2,370	5,394	-	34,304	42,518
<b>NET POSITION:</b>							
Net investment in capital assets						564	564
Unrestricted	40,725	-	11,963	34,209	17,832	320,615	425,344
Total net position	40,725	-	11,963	34,209	17,832	321,179	425,908
<i>Total liabilities and net position</i>	<u>\$ 40,725</u>	<u>\$ 450</u>	<u>\$ 14,333</u>	<u>\$ 39,603</u>	<u>\$ 17,832</u>	<u>\$ 355,483</u>	<u>\$ 468,426</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NONMAJOR ENTERPRISE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEAR ENDED JUNE 30, 2017

	Quonset/ Davisville Reserve	NKSD Adult Education	Athletic Gate Receipts	School Sport Camps	After School Novanet	School Nutrition Fund	Total
Operating revenues:							
Charges for services	\$ -	\$ -	\$ 23,376	\$ 68,708	\$ 1,688	\$ 480,719	\$ 574,491
Grants	-	-	-	-	-	474,930	474,930
<i>Total operating revenues</i>	-	-	23,376	68,708	1,688	955,649	1,049,421
Operating expenses	-	-	36,832	53,545	1,000	864,563	955,940
<i>Operating income (loss)</i>	-	-	(13,456)	15,163	688	91,086	93,481
Non-operating revenues (expenses):							
Investment income	171	-	-	-	-	-	171
Interest expense	-	-	-	-	-	-	-
<i>Total non-operating revenues (expenses)</i>	171	-	-	-	-	-	171
<i>Income (loss) before transfers</i>	171	-	(13,456)	15,163	688	91,086	93,652
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<i>Total transfers</i>	-	-	-	-	-	-	-
Change in net position	171	-	(13,456)	15,163	688	91,086	93,652
Net position, beginning of year	40,554	-	25,419	19,046	17,144	230,093	332,256
Net position, end of year	\$ 40,725	\$ -	\$ 11,963	\$ 34,209	\$ 17,832	\$ 321,179	\$ 425,908



TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NONMAJOR ENTERPRISE FUNDS

COMBINING STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2017

	Quonset/ Davisville Reserve	NKSD Adult Education	Athletic Gate Receipts	NKHS Summer School Remedial	School Sport Camps	After School Novanet	Summer School Fund	School Nutrition Fund	Total
<b>Cash flows from operating activities:</b>									
Cash received from customers	\$ -	\$ -	\$ 23,377	\$ -	\$ 64,134	\$ 1,688	\$ -	\$ 411,654	\$ 500,853
Cash received from other sources	-	-	-	-	-	-	-	474,930	474,930
Cash payments to suppliers for goods and services	-	-	(38,728)	-	(11,630)	(1,000)	-	(189,365)	(240,723)
Cash payments to employees for services	-	-	-	-	(42,240)	-	-	(699,294)	(741,534)
<i>Net cash provided by (used in) operating activities</i>	-	-	(15,351)	-	10,264	688	-	(2,075)	(6,474)
<b>Cash flows from capital financing activities:</b>									
Acquisition of capital assets	-	-	-	-	-	-	-	-	-
Proceeds from long term debt	-	-	-	-	-	-	-	-	-
Principal paid on long term debt	-	-	-	-	-	-	-	-	-
Interest paid on long term debt	-	-	-	-	-	-	-	-	-
<i>Net cash used in capital financing activities</i>	-	-	-	-	-	-	-	-	-
<b>Cash flows from noncapital financing activities:</b>									
Interfund borrowings	-	-	4,014	(2,126)	(265)	-	(5,723)	2,807	(1,293)
<i>Net cash provided by (used in) noncapital financing activities</i>	-	-	4,014	(2,126)	(265)	-	(5,723)	2,807	(1,293)
<b>Cash flows from investing activities:</b>									
Interest on investments	171	-	-	-	-	-	-	-	171
<i>Net cash provided by investing activities</i>	171	-	-	-	-	-	-	-	171
Net increase (decrease) in cash and cash equivalents	171	-	(11,337)	(2,126)	9,999	688	(5,723)	732	(7,596)
Cash and cash equivalents, beginning of year	40,554	-	25,370	2,126	29,604	17,144	5,723	219,375	339,896
Cash and cash equivalents, end of year	\$ 40,725	\$ -	\$ 14,033	\$ -	\$ 39,603	\$ 17,832	\$ -	\$ 220,107	\$ 332,300
<i>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</i>									
Operating income (loss)	\$ -	\$ -	\$ (13,456)	\$ -	\$ 15,163	\$ 688	\$ -	\$ 91,086	\$ 93,481
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:									
Depreciation	-	-	-	-	-	-	-	281	281
(Increase) decrease in other receivable	-	-	1	-	-	-	-	(69,065)	(69,064)
(Increase) decrease in inventory	-	-	-	-	-	-	-	3,184	3,184
(Increase) decrease in prepaids	-	-	-	-	-	-	-	-	-
Increase (decrease) in unearned revenue	-	-	-	-	(4,574)	-	-	-	(4,574)
Increase (decrease) in accounts payable	-	-	(1,896)	-	(325)	-	-	(27,561)	(29,782)
<i>Net cash provided by (used in) operating activities</i>	\$ -	\$ -	\$ (15,351)	\$ -	\$ 10,264	\$ 688	\$ -	\$ (2,075)	\$ (6,474)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

PRIVATE PURPOSE TRUST FUNDS

JUNE 30, 2017

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

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

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

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

Lawton	Jones
Weeks	Cogan
Oliviera	Horowitz
Mattia	Tarchis
Andrews	

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

COMBINING STATEMENT OF NET POSITION

PRIVATE PURPOSE TRUST FUNDS

JUNE 30, 2017

	Burial Funds					
	Hall	Vaughn	Young	Rebecca Hammond	W.H. Welling	George C. Hall
<b><i>Assets</i></b>						
Cash	\$ 501	\$ 100	\$ 300	\$ 300	\$ 8,703	\$ 200
<b><i>Liabilities</i></b>						
Accounts payable	-	-	-	-	-	-
<b><i>Net Position</i></b>						
Held in trust for private purposes per trust agreements	<u>\$ 501</u>	<u>\$ 100</u>	<u>\$ 300</u>	<u>\$ 300</u>	<u>\$ 8,703</u>	<u>\$ 200</u>

(CONTINUED)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

COMBINING STATEMENT OF NET POSITION

PRIVATE PURPOSE TRUST FUNDS

JUNE 30, 2017

	Burial Funds						Burial
	B.H. Davis	Updike	Mary Carpenter	Smith- Lawton	Old Baptist Cemetery	Smith	Totals
<b>Assets</b>							
Cash	\$ 501	\$ 1,587	\$ 1,001	\$ 5,606	\$ 701	\$ 1,001	\$ 20,501
<b>Liabilities</b>							
Accounts payable	-	-	-	-	-	-	-
<b>Net Position</b>							
Held in trust for private purposes per trust agreements	<u>\$ 501</u>	<u>\$ 1,587</u>	<u>\$ 1,001</u>	<u>\$ 5,606</u>	<u>\$ 701</u>	<u>\$ 1,001</u>	<u>\$ 20,501</u>

(CONTINUED)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

COMBINING STATEMENT OF NET POSITION

PRIVATE PURPOSE TRUST FUNDS

JUNE 30, 2017

	Probate Funds					
	Beriah Lawton	James L. R. Weeks	Marguerite R. Cogan	Delphis R. Jones	J. Oliveira	Doris Horowitz
<i>Assets</i>						
Cash	\$ 8,335	\$ 2,642	\$ 613	\$ 232	\$ 5,774	\$ 968
<i>Liabilities</i>						
Accounts payable	-	-	-	-	-	-
<i>Net Position</i>						
Held in trust for private purposes per trust agreements	<u>\$ 8,335</u>	<u>\$ 2,642</u>	<u>\$ 613</u>	<u>\$ 232</u>	<u>\$ 5,774</u>	<u>\$ 968</u>

(CONTINUED)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

COMBINING STATEMENT OF NET POSITION

PRIVATE PURPOSE TRUST FUNDS

JUNE 30, 2017

	Probate Funds				Grand Totals
	Lillian Mattia	Arthur Tarchis	Georgia Andrews	Probate Totals	
<b>Assets</b>					
Cash	\$ 4	\$ 4	\$ 948	\$ 19,520	\$ 40,021
<b>Liabilities</b>					
Accounts payable	-	-	-	-	-
<b>Net Position</b>					
Held in trust for private purposes per trust agreements	<u>\$ 4</u>	<u>\$ 4</u>	<u>\$ 948</u>	<u>\$ 19,520</u>	<u>\$ 40,021</u>

(CONCLUDED)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND  
 COMBINING STATEMENT OF CHANGES IN NET POSITION  
 PRIVATE PURPOSE TRUST FUNDS  
 YEAR ENDED JUNE 30, 2017

	Burial Funds					
	Hall	Vaughn	Young	Rebecca Hammond	W.H. Welling	George C. Hall
Additions:						
Investment income (loss)	\$ 1	\$ -	\$ -	\$ -	\$ 6	\$ -
	1	-	-	-	6	-
Deductions:						
Operating expense per trust agreement	-	-	-	-	-	-
	-	-	-	-	-	-
Change in net position	1	-	-	-	6	-
Net position, beginning of year	500	100	300	300	8,697	200
Net position, end of year	\$ 501	\$ 100	\$ 300	\$ 300	\$ 8,703	\$ 200

(CONTINUED)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND  
 COMBINING STATEMENT OF CHANGES IN NET POSITION  
 PRIVATE PURPOSE TRUST FUNDS  
 YEAR ENDED JUNE 30, 2017

	Burial Funds						
	B.H. Davis	Updike	Mary Carpenter	Smith- Lawton	Old Baptist Cemetery	Smith	Burial Totals
Additions:							
Investment income	\$ 1	\$ 1	\$ -	\$ 4	\$ -	\$ -	\$ 13
	<u>1</u>	<u>1</u>	<u>-</u>	<u>4</u>	<u>-</u>	<u>-</u>	<u>13</u>
Deductions:							
Operating expense per trust agreement	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	1	1	-	4	-	-	13
Net position, beginning of year	<u>500</u>	<u>1,586</u>	<u>1,001</u>	<u>5,602</u>	<u>701</u>	<u>1,001</u>	<u>20,488</u>
Net position, end of year	<u>\$ 501</u>	<u>\$ 1,587</u>	<u>\$ 1,001</u>	<u>\$ 5,606</u>	<u>\$ 701</u>	<u>\$ 1,001</u>	<u>\$ 20,501</u>

(CONTINUED)



TOWN OF NORTH KINGSTOWN, RHODE ISLAND  
 COMBINING STATEMENT OF CHANGES IN NET POSITION  
 PRIVATE PURPOSE TRUST FUNDS  
 YEAR ENDED JUNE 30, 2017

	Probate Funds					
	Beriah Lawton	James L. R. Weeks	Marguerite R. Cogan	Delphis R. Jones	J. Oliviera	Doris Horowitz
Additions:						
Investment income	\$ 5	\$ -	\$ -	\$ -	\$ 1	\$ (1)
	5	-	-	-	1	(1)
Deductions:						
Operating expense per trust agreement	-	-	-	-	-	-
	-	-	-	-	-	-
Change in net position	5	-	-	-	1	(1)
Net position, beginning of year	8,330	2,642	613	232	5,773	969
Net position, end of year	\$ 8,335	\$ 2,642	\$ 613	\$ 232	\$ 5,774	\$ 968

(CONTINUED)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND  
 COMBINING STATEMENT OF CHANGES IN NET POSITION  
 PRIVATE PURPOSE TRUST FUNDS  
 YEAR ENDED JUNE 30, 2017

	Probate Funds				Grand Totals
	Lillian Mattia	Arthur Tarchis	Georgia Andrews	Probate Totals	
Additions:					
Investment income	\$ -	\$ -	\$ -	\$ 5	\$ 18
	<u>-</u>	<u>-</u>	<u>-</u>	<u>5</u>	<u>18</u>
Deductions:					
Operating expense per trust agreement	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	-	-	-	5	18
Net position, beginning of year	<u>4</u>	<u>4</u>	<u>948</u>	<u>19,515</u>	<u>40,003</u>
Net position, end of year	<u>\$ 4</u>	<u>\$ 4</u>	<u>\$ 948</u>	<u>\$ 19,520</u>	<u>\$ 40,021</u>

(CONCLUDED)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

AGENCY FUNDS

JUNE 30, 2017

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

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

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

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

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

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

YEAR ENDED JUNE 30, 2017

	Beginning Balance	Additions	Deductions	Ending Balance
<b><u>STUDENT ACTIVITY FUNDS</u></b>				
<i>Assets</i>				
Cash	\$ 329,123	\$ 754,911	\$ 818,908	\$ 265,126
<i>Liabilities</i>				
Due to student groups	\$ 329,123	\$ 754,911	\$ 818,908	\$ 265,126
<b><u>PAYROLL FUND</u></b>				
<i>Assets</i>				
Cash	\$ 365,654	\$ -	\$ 365,654	\$ -
<i>Liabilities</i>				
Accounts payable	\$ 365,654	\$ -	\$ 365,654	\$ -
<b><u>SCHOOL PAYROLL FUND</u></b>				
<i>Assets</i>				
Cash	\$ 979,818	\$ -	\$ 979,818	\$ -
<i>Liabilities</i>				
Accounts payable	\$ 739,403	\$ -	\$ 739,403	\$ -
Payroll withholdings	240,415	-	240,415	-
<i>Total liabilities</i>	\$ 979,818	\$ -	\$ 979,818	\$ -
<b><u>DEVELOPER SURETY ESCROW</u></b>				
<i>Assets</i>				
Cash	\$ 39,827	\$ 22,468	\$ 39,696	\$ 22,599
<i>Liabilities</i>				
Deposits held in custody for others	\$ 39,827	\$ 22,468	\$ 39,696	\$ 22,599

(CONTINUED)

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

YEAR ENDED JUNE 30, 2017

	Beginning Balance	Additions	Deductions	Ending Balance
<b><u>TOTAL - ALL AGENCY FUNDS</u></b>				
<i>Assets</i>				
Cash	\$ 1,714,422	\$ 777,379	\$ 2,204,076	\$ 287,725
<i>Liabilities</i>				
Accounts payable	\$ 1,105,057	\$ -	\$ 1,105,057	\$ -
Due to student groups	329,123	754,911	818,908	265,126
Deposits held in custody for others	39,827	22,468	39,696	22,599
Payroll withholdings	240,415	-	240,415	-
<i>Total liabilities</i>	<u>\$ 1,714,422</u>	<u>\$ 777,379</u>	<u>\$ 2,204,076</u>	<u>\$ 287,725</u>

(CONCLUDED)