

**TOWN OF NORTH KINGSTOWN,
RHODE ISLAND**

BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014



TOWN OF NORTH KINGSTOWN, RHODE ISLAND

YEAR ENDED JUNE 30, 2014

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Independent Auditors' Report

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, 2014, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

Independent Auditors' Report (Continued)

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

Auditors' Responsibility (Continued):

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

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 as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, for the year ended June 30, 2014, the Town adopted new accounting guidance affecting the accounting for bond issuance costs and the reporting of deferred inflows and outflows of resources. Due to the adoption of this guidance, the Town restated its 2013 financial statements, resulting in a decrease in net position of \$402,019 at July 1, 2013. Our opinion is not modified with respect to this matter.

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 64 through 72 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.

Independent Auditors' Report (Continued)

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

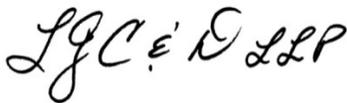
Other Matters (Continued)

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 relate 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 June 30, 2015 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.



Providence, Rhode Island
June 30, 2015

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

Introduction:

Management's Discussion and Analysis provides a narrative overview and analysis of the financial activities of the Town of North Kingstown (Town) for the year ended June 30, 2014 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:

- Statement of Net Position (Government-wide exhibits) is presented on a full accrual basis similar to a private business, similar to a consolidated financial report of a \$100 million dollar company.
- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$78.7 million (net position). Of this amount, \$9.8 million (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors. 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 decreased by \$ 2,103,418.
- As of the close of the current fiscal year, the Town of North Kingstown's total governmental funds reported combined ending fund balances of \$23.3 million. Approximately 37% of this total, \$8.7 million, is available for spending at the government's discretion (unassigned).
- At the end of the current fiscal year, the total fund balance of the General Fund was \$12.5 million. Of this amount, the unassigned fund balance for the General Fund was \$8.9 million, which is available for spending at the government's discretion. The remaining balance consisted of \$628,460 non-spendable to help finance the golf course's irrigation project, \$201,905 assigned for encumbrances and \$2.7 million assigned to fund retiree obligations.
- The remaining fund balance of \$10.8 million is classified as follows: \$3.8 million – School Department, principally assigned for education and encumbrances, but also grant-restricted and restricted for a certain health insurance deposit; \$1.1 million-Debt Service Fund assigned; \$5.7 million – Other Governmental Funds, including \$1.6 million assigned for Town Capital Reserve funds and Infrastructure Replacement, \$4 million, principally grant-restricted, but also restricted for Capital Projects such as GO Bonds, Revenue Bonds, and Open Space/Farmland, and \$97,796 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 and OPEB liabilities) decreased by \$1,909,252 (-3%) during the current fiscal year.

Overview of the Financial Statements:

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

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

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

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

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

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

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

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

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

The Town of North Kingstown maintains over 100 individual nonmajor governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, School Department, \$6.4M School Renovation Bond and Debt Service Fund, all of which are considered to be major funds, and Other Governmental Funds. Forty-six special revenue funds, forty-five School Department funds, a Debt Service Fund, Capital Projects Funds and several Permanent Funds are combined into aggregate funds in this presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

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

Fiduciary Funds: Fiduciary Funds are used to account for resources held for the parties outside the government. Fiduciary Funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Town of North Kingstown's own programs. The Town maintains two private purpose funds: Police Pension Trust and 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 25-63 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 64-72 of this report. The Combining Statements referred to earlier in connection with nonmajor Governmental Funds are presented following the Notes to the Financial Statements. Combining and Individual Fund Statements can be found starting on page 81 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
	2014	2013	2014	2013	2014	2013	
		Restated		Restated		Restated	
Current and other assets - restated	\$ 30,662,674	\$ 34,319,687	\$ 7,347,666	\$ 4,997,550	\$ 38,010,340	\$ 39,317,237	
Capital assets	99,542,428	95,938,204	15,523,215	14,318,479	115,065,643	110,256,683	
Total assets	<u>\$ 130,205,102</u>	<u>\$ 130,257,891</u>	<u>\$ 22,870,881</u>	<u>\$ 19,316,029</u>	<u>\$ 153,075,983</u>	<u>\$ 149,573,920</u>	2.34%
Current liabilities	\$ 9,323,841	\$ 9,182,281	\$ 1,106,435	\$ 1,521,590	\$ 10,430,276	\$ 10,703,871	
Long-term liabilities	54,197,960	56,248,772	9,716,783	5,875,581	63,914,743	62,124,353	
Total liabilities	<u>\$ 63,521,801</u>	<u>\$ 65,431,053</u>	<u>\$ 10,823,218</u>	<u>\$ 7,397,171</u>	<u>\$ 74,345,019</u>	<u>\$ 72,828,224</u>	2.08%
Net position:							
Net investment in capital assets	\$ 53,884,433	\$ 46,753,807	\$ 12,159,816	\$ 11,210,553	\$ 66,044,249	\$ 57,964,360	
Restricted	2,585,887	7,316,308	280,565	280,565	2,866,452	7,596,873	
Unrestricted	10,212,981	10,756,723	(392,718)	427,740	9,820,263	11,184,463	
Total net position	<u>\$ 66,683,301</u>	<u>\$ 64,826,838</u>	<u>\$ 12,047,663</u>	<u>\$ 11,918,858</u>	<u>\$ 78,730,964</u>	<u>\$ 76,745,696</u>	2.59%

The largest portion of the Town’s net position (83.8%) 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 of \$9.8 million may be used to meet the government’s ongoing obligations to citizens and creditors. However, the restricted net position of \$2.8 million is subject to external restrictions on how it may be used.

At June 30, 2014, the Town of North Kingstown is able to report positive balances in all three categories of net assets, in the governmental activities. The business-type activities reported a negative balance of \$392,718 in other purposes, expendable. Additionally, the Sewer Fund, a business-type activity, reported a year-end deficit of \$3 million, due to an agreement entered into with the Quonset Development Corporation for wastewater services.

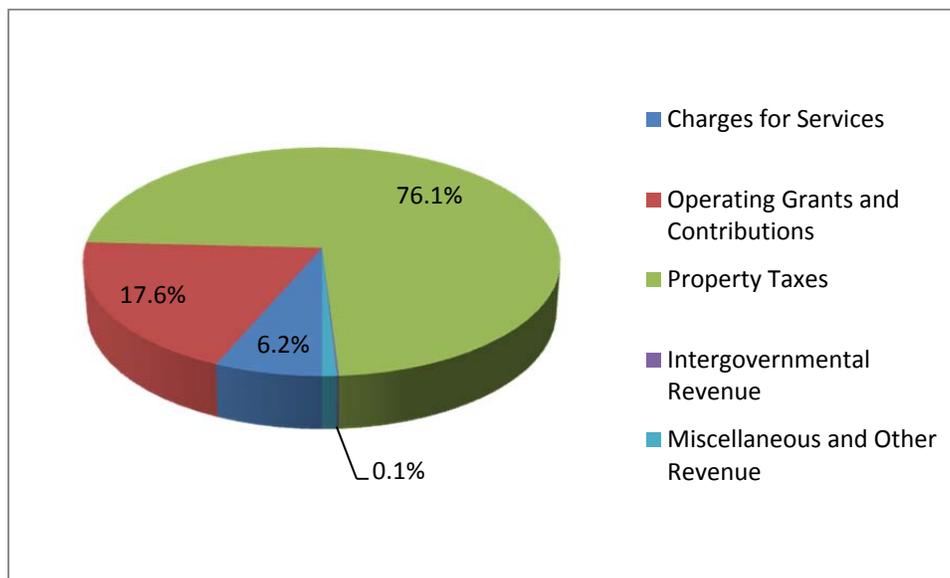
Net position trend remains stable.

Table 2 – Changes in Net Position

	Governmental Activities		Business-Type Activities		Total		Total % Change
	2014	2013 Restated	2014	2013 Restated	2014	2013 Restated	% Change
Revenues							
Charges for Services	\$ 6,348,127	\$ 6,358,043	\$ 6,279,489	\$ 5,798,995	\$ 12,627,616	\$ 12,157,038	
Operating Grants and Contributions	17,793,124	18,867,539	453,278	426,360	18,246,402	19,293,899	
General Revenues	76,936,427	72,714,941	14,361	15,734	76,950,788	72,730,675	
Transfers	(2,750)		2,750		-	-	
Total Revenues and Transfers	<u>\$ 101,074,928</u>	<u>\$ 97,940,523</u>	<u>\$ 6,749,878</u>	<u>\$ 6,241,089</u>	<u>\$ 107,824,806</u>	<u>\$ 104,181,612</u>	3.50%
Program Expenses and Transfers							
Program Expenses	\$ 99,218,465	\$ 96,742,172	\$ 6,502,923	\$ 9,113,483	\$ 105,721,388	\$ 105,855,655	
Transfers					-	-	
Total Expenses and Transfers	<u>\$ 99,218,465</u>	<u>\$ 96,742,172</u>	<u>\$ 6,502,923</u>	<u>\$ 9,113,483</u>	<u>\$ 105,721,388</u>	<u>\$ 105,855,655</u>	-0.13%
Increase (Decrease) in							
Net Position	\$ 1,856,463	\$ 1,198,351	\$ 246,955	\$ (2,872,394)	\$ 2,103,418	\$ (1,674,043)	225.65%
Net Position - beginning - restated	\$ 64,826,838	\$ 63,971,431	\$ 11,800,708	\$ 14,732,177	\$ 76,627,546	\$ 78,703,608	
Net Position - ending	<u>\$ 66,683,301</u>	<u>\$ 64,826,838</u>	<u>\$ 12,047,663</u>	<u>\$ 11,918,858</u>	<u>\$ 78,730,964</u>	<u>\$ 76,745,696</u>	

Governmental Activities. Property taxes are the largest revenue source for governmental activities, accounting for approximately 76.1% of total revenues. Operating grants and contributions contributed to 17.6% of the revenues followed by 6.2% from program revenues such as charges for services, fees, and licenses; the remaining 1% is unrestricted revenues (i.e., intergovernmental and investment earnings).

FY 2014 Governmental Activities - Revenues



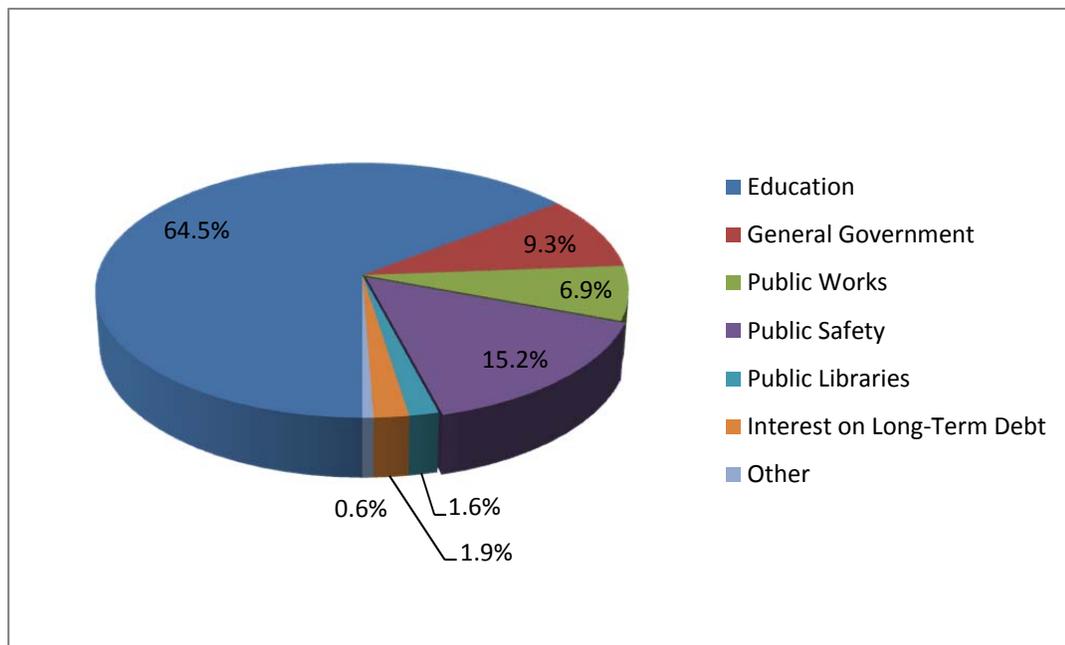
Major revenue factors over the prior year included:

- Property taxes being levied resulted in an increase of \$943,784, or 1.36%, for fiscal year 2014. The Town's taxable property decreased by \$202,065,176 from \$3,891,322,648 to \$3,689,257,472. This represents a 5% decrease in taxable property. Due to a stable housing market, the property tax rate increased slightly from \$17.51 to \$18.80 per thousand dollars of assessed value to provide the same level of services the taxpayers have come to appreciate.
- Charges for services decreased by approximately \$9,000 from the prior year. Reductions were seen in tuition received from other districts, Non-Civic Detail Admin fees, and EMS Billing charges.
- Operating grants and contributions decreased by approximately \$1 million. Prior year included one time grant of approximately \$834,000 related to acquisition of public safety equipment.

**Table 3
Cost of Services**

	Total Cost of Services			Net Cost of Services		
	2014	2013	% Change	2014	2013	% Change
Education	\$ 63,685,372	\$ 62,417,592	2.0%	\$ 45,749,726	\$ 45,064,620	1.5%
General Government	9,061,255	8,956,016	1.2%	5,652,859	3,923,206	44.1%
Public Works	6,535,343	6,667,690	-2.0%	6,022,888	6,109,703	-1.4%
Public Safety	15,787,288	14,751,690	7.0%	13,871,928	12,814,816	8.2%
Public Libraries	1,579,174	1,560,944	1.2%	1,270,146	1,265,616	0.4%
Interest on Long-Term Debt	2,024,795	1,845,049	9.7%	2,024,795	1,845,049	9.7%
Other	545,238	543,191	0.4%	484,872	493,580	-1.8%
Total Expenses	\$ 99,218,465	\$ 96,742,172	2.6%	\$ 75,077,214	\$ 71,516,590	5.0%

FY 2014 Governmental Activities – Expenditures



Education expenses account for approximately 64.5% of the total expenses within the governmental funds of the Town. Public safety and public works expenses account for 15.2% and 6.9%, respectively, general government makes up 9.3% and the remainder relates to public libraries, interest on long-term debt, pension contribution commitments and other areas. The net cost of services increased by 5% primarily as a result of increased costs and a decrease in charges for services.

Cost of Services in Table 3, above, shows the total cost and the net cost of services. The net cost identifies the cost of these services supported by tax revenue and unrestricted state aid after deducting departmental revenues. Spending for Education, General Government, Public Safety, public libraries and Interest on long-term debt increased while spending for Public Works 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 56). This liability has increased from \$8,193,947 to \$9,917,407, or \$1,723,460.
- In both 2014 and 2013, General Government and Public Safety costs included legal costs incurred with fire arbitration and other personnel related matters.

Business-type activities. Net position of business-type activities increased by \$246,955, which is a 2% increase in business-type net position.

Charges for services for business-type activities accounted for 93% of the total revenue sources. The balance of revenues for business-type activities was from operating grants and contributions (7%). Of the 93% of the total revenue coming into the business-type activities, 62% is being generated by the water fund, 23% from the recreation fund, and the remaining from the sewer fund, school cafeteria fund and other nonmajor enterprise funds.

Charges for services for business-type activities increased from \$5,798,995 to \$6,279,489, or 8.3%. The Water Department Fund reported an increase of approximately \$547,000 due primarily to an increase in charges for usage and service. Quonset/Davisville Recreation and Allen Harbor Annual Charges reported a decrease of approximately \$135,000. Further, a \$40,000 decrease in the revenue being reported in the Nutrition Fund attributed to student lunch income, food service sales, private catering and federal reimbursements was recognized. Unrestricted investment earnings decreased from \$15,734 to \$14,361 for all business-type activities.

The water fund expenses accounted for 49% of the expenditures within the business-type activities of the Town. Quonset/Davisville Recreation accounted for 33% of the business-type activities expenditures for the 2014 fiscal year. Further, included in the Nonmajor Enterprise funds, the Nutrition Fund accounted for 19% of the business-type activities expenditures for the 2014 fiscal year.

Expenses associated with the Water Fund increased by approximately \$385,000, while expenses associated with the Water Capital Reserve Fund decreased by approximately \$495,000, due to environmental remediation costs expensed in the Water Capital Reserve Fund in 2013 and expensed in the Water Fund in 2014. The Quonset/Davisville Recreation Fund expenses decreased by \$22,000. Expenses associated with the Sewer Fund decreased by approximately \$2.5 million due to the wastewater service agreement with the Quonset Development Corporation.

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 \$23.3 million. Approximately 37.6% of this amount, \$8,752,876, constitutes unassigned fund balance which is available for spending at the government's discretion within the Town's General Fund. The remaining fund balances remain classified for specific purposes such as: General Fund nonspendable of \$628,460 for the Golf Course Irrigation Project, assigned of \$201,905 for encumbrances, and \$2.7 million assigned to fund retiree obligations; School Department Fund assigned for education of \$3.6 million, grant-restricted for \$200,685; \$6.4 million school renovation bond restricted of \$84,640 for Capital Projects, Debt Service Fund assigned of \$1,135,329, and Other Governmental Funds assigned of \$1.6 million for Town Capital Reserve funds and Infrastructure Replacement, restricted of \$4.2 million, principally grant-restricted, but also restricted for Capital Projects such as GO Bonds, Revenue Bonds, and Open Space/Farmland, and \$97,796 for Permanent Funds. These represent 64.8% of the combined ending fund balance.

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 \$8,988,495 which is included in the total fund balance of \$12,572,105. 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 34% of the 2015 Adopted General fund Expenditure Budget.

The total fund balance of the Town of North Kingstown's General Fund decreased by \$942,043 during the current fiscal year. Key factors in the total fund balance decrease are as follows:

- A budgetary basis operating deficit in the General Fund of \$305,607.
- Expenditures were under budget by \$402,423, while revenues also reported a positive variance of \$934,852. Of this increase, Property Taxes were aggressively sought through quarterly delinquent notices which resulted in an increase of \$335,294, Intergovernmental revenues increased by \$78,978, Departmental revenues increased by \$358,770 and miscellaneous revenues increased by \$210,120, due primarily to the sale of property. Offsetting this surplus was a shortfall of (\$33,875) in Licenses & permits, and (\$14,435) of investment income.
- Actual expenditures reported a positive variance in comparison to budgeted expenditures by \$402,423 (2% of budget) principally due to savings in Fire Department and Police Department overtime (\$231,176), as well Public Works (\$207,737). Unfavorable expenditure variances of significance included overages in the town solicitor budget of \$319,515 due to disputed collective bargaining agreement with the Fire Department, Finance (\$106,632), and Information Systems (\$178,223).

School Department. The school fund has a total fund balance of \$3,849,038, of which \$3,652,809 has been assigned to the School Department (to help finance future year's school budgets), \$200,685 is reserved for future health/dental expenditures.

The total fund balance of the School Department Fund increased by \$1,228,661 during the current fiscal year. Key factors in the total fund balance increase are as follows:

- Education Expenses account for approximately 52% of the total expenditures within the governmental funds for the Town.
- A budgetary basis operating surplus in the school fund of \$1,090,454. Actual expenditures were less than budgeted expenditures by \$1,255,322 which was a combination of savings in all line items except for debt services. Actual revenues reported positive variances in comparison to budgeted revenues by \$987,111, principally from an increase in miscellaneous revenues of \$875,755.

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 \$12,931,570, an increase of \$987,565 from the prior year. Long-term debt is a liability within the Water Fund to pay for projects that were approved by the RI Clean Water Finance Agency in the amount of \$2.9 million. 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 \$875,915.

Net position in the Quonset/Davisville Recreation fund decreased by \$523,318, from \$1,439,533 to \$916,215.

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, 2014	June 30, 2013	\$ Change	% Change
Water Fund	\$ 12,931,570	\$ 12,003,080	\$ 928,490	7.7%
Quonset/Davisville Recreation Fund	916,215	1,439,533	(523,318)	-36.4%
Water Capital Reserve Fund	1,136,467	1,133,813	2,654	0.2%
Sewer Fund	(3,073,178)	(2,849,955)	(223,223)	7.8%
Nutrition Fund (non-major)	136,589	11,285	125,304	N/A
Total Expenses	<u>\$ 12,047,663</u>	<u>\$ 11,737,756</u>	<u>\$ 309,907</u>	<u>2.6%</u>

General Fund Budgetary Highlights

The Town finished the 2013-2014 fiscal year with budgetary surpluses as follows:

- General Fund – (\$305,677)
- School Department Fund - \$1,090,454
- Library Fund - \$12,372
- Debt Service - \$274,171

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

The actual collection rate was estimated to be 97.4% 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, 2014 amounts to \$114,785,078 (net of accumulated depreciation). This investment in capital assets includes investments in development rights, land and building improvements, machinery and equipment, park facilities, infrastructure and construction in progress. The total gross increase in the Town's investment in governmental activities capital assets for the current fiscal year was \$3,604,224.

	Governmental Activities	
	Gross Capital Assets	
	June 30, 2014	June 30, 2013
Library Collections	\$ 3,633,986	\$ 3,491,317
Land	6,875,441	6,875,441
Development Rights	17,558,412	17,558,412
Land Improvements	197,255	197,255
Buildings and Improvements	73,886,060	67,191,116
Equipment	15,136,212	13,980,514
Infrastructure	69,957,721	69,621,882
Construction in Progress	1,128,504	1,581,875
Total	<u>\$ 188,373,591</u>	<u>\$ 180,497,812</u>

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

- Regarding building and improvements: Davisville Middle School and Town Library renovations - \$6,694,944
- Regarding equipment: Public Safety (police and fire department dispatch consoles, harbor thermal image camera, and fire department radiation monitor) - \$1,049,942, General Government - \$105,756.
- Regarding infrastructure: a variety of road construction projects were completed and capitalized. Projects capitalized as infrastructure totaled \$335,839 for pavement/sidewalks/curbing.
- Regarding construction in progress: Public Works - \$50,000, School Department (school renovations) - \$1,010,593

At June 30, 2014, the Town is committed under various construction contracts for approximately \$307,000, primarily for school renovations and infrastructure projects.

Additional information on the Town of North Kingstown's capital assets can be found in Note 6 on pages 41-42 of this report.

Long-term Debt – At the end of the current fiscal year, the Town of North Kingstown's governmental activities had \$45,949,070 in bonds outstanding at fiscal year-end, compared to \$49,536,000 last year, a decrease of \$3,857,630. 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 \$21,510,000.

State statutes limit the amount of general obligation bonded debt a town can issue to 3 percent of net assessed property values. However, all bonds approved through State enabling legislation and voter referendums are exempt from the limit. As of June 30, 2014, the Town had a legal debt limit of \$112,660,163, based on net assessed valuations as of December 31, 2013, of which the Town had only \$2,420,543 of debt outstanding subject to the Maximum Aggregate Indebtedness. A balance of \$110,239,620 exists within the legal limit for additional bonds to be issued without special statutory authority. The Town's debt limit calculation is shown on page 43 of this report.

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

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

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

Additional information on the Town of North Kingstown's long-term debt can be found in Note 7 on pages 43-47 of this report.

Litigation:

The Town is currently involved in litigation with the collective bargaining unit covering the fire department employees of the Town. Management is rigorously defending the case and has calculated the range of potential liability if the Town should not prevail to be between \$0 and \$2,000,000. As it is not probable that a liability has been incurred, no liability has been recorded in the accompanying financial statements.

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 2015 is 4.0%. This levy will allow the Town to raise an additional \$2.8M in new tax dollars.
- As of June 2014, the Town had an unemployment rate of 5.8% as compared to the State of Rhode Island's rate of 6.8% and the national average of 5.6%.
- The State of Rhode Island continues to have significant budget deficit problems, which could result in a mid-year loss of state aid received by the Town and the School Department.

All of these factors will be considered as we plan for our 2015 budget.

The fiscal year 2014 rate of collection of current taxes was 97.4%. It is anticipated that the fiscal year 2015 rate of collection will fall within budget which was approved as we were finalizing the budget to take into consideration the local and state economy conditions. With an overwhelming reliance on property taxes (approximately 76.1% 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, Town Hall, 80 Boston Neck Road, North Kingstown, RI 02852.

STATEMENT OF NET POSITION

JUNE 30, 2014

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	North Kingstown Free Library
ASSETS:				
<i>Current Assets</i>				
Cash and cash equivalents	\$ 13,350,829	\$ 10,835,142	\$ 24,185,971	\$ 39,236
Taxes receivable, net	2,218,090		2,218,090	
User charges receivable		1,133,031	1,133,031	
Other receivables	643,644	42,546	686,190	
Internal balances	4,998,921	(4,999,988)	(1,067)	
Inventory		336,935	336,935	
Due from federal and state governments	9,451,190	-	9,451,190	
Beneficial interest in assets held by others				311,255
<i>Total Current Assets</i>	<u>30,662,674</u>	<u>7,347,666</u>	<u>38,010,340</u>	<u>350,491</u>
<i>Noncurrent Assets</i>				
Cash on deposit with Rhode Island Clean Water Finance Agency		280,565	280,565	-
Capital assets:				
Not being depreciated	29,196,343	4,978,891	34,175,234	
Being depreciated, net	70,346,085	10,263,759	80,609,844	
<i>Total Noncurrent Assets</i>	<u>99,542,428</u>	<u>15,523,215</u>	<u>115,065,643</u>	<u>-</u>
Total assets	<u>130,205,102</u>	<u>22,870,881</u>	<u>153,075,983</u>	<u>350,491</u>
LIABILITIES:				
<i>Current Liabilities</i>				
Accounts payable and accrued liabilities	3,688,846	276,051	3,964,897	-
Compensated absences payable	493,580	54,447	548,027	
Serial bonds payable	3,963,410	424,399	4,387,809	
Unearned revenue	433,482	318,927	752,409	
Other liabilities		32,611	32,611	
Escrow deposits	744,523		744,523	
<i>Total Current Liabilities</i>	<u>9,323,841</u>	<u>1,106,435</u>	<u>10,430,276</u>	<u>-</u>
<i>Noncurrent Liabilities</i>				
Pollution remediation obligation	1,660,000	5,487	1,665,487	-
OPEB liability	9,362,635	554,772	9,917,407	
Serial bonds payable, less current portion	41,694,585	8,988,048	50,682,633	
Compensated absences payable, less current portion	1,480,740	168,476	1,649,216	
<i>Total Noncurrent Liabilities</i>	<u>54,197,960</u>	<u>9,716,783</u>	<u>63,914,743</u>	<u>-</u>
Total liabilities	<u>63,521,801</u>	<u>10,823,218</u>	<u>74,345,019</u>	<u>-</u>
Contingencies and commitments (Notes 11 and 13)				
NET POSITION:				
Net investment in capital assets	53,884,433	12,159,816	66,044,249	-
Restricted for:				
Capital projects funded with bond proceeds	2,488,091		2,488,091	
Debt service		280,565	280,565	
Library				345,930
Other purposes, expendable	97,796		97,796	
Unrestricted	10,212,981	(392,718)	9,820,263	4,561
Total net position	<u>\$ 66,683,301</u>	<u>\$ 12,047,663</u>	<u>\$ 78,730,964</u>	<u>\$ 350,491</u>

See notes to basic financial statements.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

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STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2014

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	Governmental Activities	Primary Government Business-type Activities	Total	
Governmental activities:							
General government	\$ 9,061,255	\$ 1,749,064	\$ 1,659,332	\$ (5,652,859)		\$ (5,652,859)	
Public safety	15,787,288	1,394,520	520,840	(13,871,928)		(13,871,928)	
Public works	6,535,343	512,455		(6,022,888)		(6,022,888)	
Education	63,685,372	2,369,596	15,566,050	(45,749,726)		(45,749,726)	
Public libraries	1,579,174	262,126	46,902	(1,270,146)		(1,270,146)	
Senior services	556,831	60,366		(496,465)		(496,465)	
Amortization	(11,593)			11,593		11,593	
Interest on long-term debt	2,024,795			(2,024,795)		(2,024,795)	
Total governmental activities	99,218,465	6,348,127	17,793,124	(75,077,214)		(75,077,214)	
Business-type activities:							
Water	3,169,967	4,146,297			\$ 976,330	976,330	
Quonset/Davisville Recreation	2,054,439	1,530,798			(523,641)	(523,641)	
Water Capital Reserve Fund	-	-			-	-	
Sewer	273,941	50,718			(223,223)	(223,223)	
Other business-type activities	1,004,576	551,676	453,278		378	378	
Total business-type activities	6,502,923	6,279,489	453,278		229,844	229,844	
Total	\$ 105,721,388	\$ 12,627,616	\$ 18,246,402	(75,077,214)	229,844	(74,847,370)	
Component Unit:							
North Kingstown Free Library	\$ 43,383	\$ -	\$ 47,944				\$ 4,561
<i>General revenues:</i>							
Property taxes				73,704,405		73,704,405	
Unrestricted investment earnings				49,541	14,361	63,902	
Unrestricted intergovernmental revenue				1,326,679		1,326,679	
Other				1,855,802		1,855,802	
Total general revenues				76,936,427	14,361	76,950,788	
Transfers				(2,750)	2,750	-	
Change in Net Position				1,856,463	246,955	2,103,418	4,561
Net Position - beginning of year:							
As previously reported				65,169,782	11,859,783	77,029,565	345,930
Prior period adjustment (Note 1)				(342,944)	(59,075)	(402,019)	
As restated				64,826,838	11,800,708	76,627,546	345,930
Net Position - end of year				\$ 66,683,301	\$ 12,047,663	\$ 78,730,964	\$ 350,491

See notes to basic financial statements.

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2014

	General Fund	School Department	6.4M School Renovation Bond	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
<i>Assets</i>						
Cash and cash equivalents	\$ (285,611)	\$ 4,273,199		\$ 1,135,329	\$ 7,124,687	\$ 12,247,604
Taxes receivable	2,218,090					2,218,090
Other receivables	348,030	114,084			181,530	643,644
Due from federal and state governments	18,615	1,135,134	\$ 6,465,000		1,832,441	9,451,190
Due from other funds	13,328,223	680,642			1,510	14,010,375
Advance to other fund	628,460					628,460
Total assets	<u>\$ 16,255,807</u>	<u>\$ 6,203,059</u>	<u>\$ 6,465,000</u>	<u>\$ 1,135,329</u>	<u>\$ 9,140,168</u>	<u>\$ 39,199,363</u>
<i>Liabilities, Deferred Inflows and Fund Balances</i>						
<i>Liabilities:</i>						
Accounts payable and accrued liabilities	\$ 1,045,318	\$ 1,675,214	\$ 86,249	\$ -	\$ 368,072	\$ 3,174,853
Due to other funds	(243,134)	678,807	6,294,111		2,909,063	9,638,847
Unearned revenue	349,510				212,777	562,287
Escrow deposits	744,523					744,523
Total liabilities	<u>1,896,217</u>	<u>2,354,021</u>	<u>6,380,360</u>	<u>-</u>	<u>3,489,912</u>	<u>14,120,510</u>
Deferred inflows (Note 1)	<u>1,787,485</u>					<u>1,787,485</u>
<i>Fund Balances:</i>						
Nonspendable	628,460					628,460
Restricted		200,685	84,640		4,235,956	4,521,281
Assigned	2,955,150	3,652,809		1,135,329	1,645,463	9,388,751
Unassigned	8,988,495	(4,456)			(231,163)	8,752,876
Total fund balances	<u>12,572,105</u>	<u>3,849,038</u>	<u>84,640</u>	<u>1,135,329</u>	<u>5,650,256</u>	<u>23,291,368</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 16,255,807</u>	<u>\$ 6,203,059</u>	<u>\$ 6,465,000</u>	<u>\$ 1,135,329</u>	<u>\$ 9,140,168</u>	<u>\$ 39,199,363</u>

See notes to basic financial statements.

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

JUNE 30, 2014

<i>Total fund balance for governmental funds</i>		\$ 23,291,368
Assets used in governmental activities which are not financial resources and therefore are not reported in the funds:		
Capital assets, net		99,491,507
Some taxes and grants will be collected after year-end, but are not available soon enough to pay for the current period's expenditures; therefore, they are reported as unearned revenues in the funds.		1,916,290
Liabilities not due and payable in the current period which therefore are not reported in the funds:		
Bonds payable	\$ (45,949,070)	
Bond premiums, net of accumulated amortization	(868,809)	
Deferred charges on refunding, net of accumulated amortization	1,159,884	
Compensated absences payable	(1,974,320)	
Pollution remediation obligation	(1,660,000)	
OPEB liability	(9,362,635)	
Accrued interest	(513,918)	(59,168,868)
Internal Service funds are excluded from the governmental fund financial statements but are recorded as governmental activities on the government-wide financial statements		<u>1,153,004</u>
<i>Total net position of governmental activities</i>		<u><u>\$ 66,683,301</u></u>

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2014

	General Fund	School Department	6.4M School Renovation Bond	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
<i>Revenues:</i>						
General property taxes	\$ 73,546,768					\$ 73,546,768
Intergovernmental	1,326,679	\$ 15,603,411	\$ -	\$ 1,006,913	\$ 2,808,735	20,745,738
Departmental	2,346,801				43,156	2,389,957
Investment income	28,089			1,769	9,212	39,070
On behalf pension contribution		2,332,235				2,332,235
Other	282,120	1,058,215			515,467	1,855,802
Total revenues	77,530,457	18,993,861	-	1,008,682	3,376,570	100,909,570
<i>Expenditures:</i>						
Current:						
General government	5,847,016				1,529,311	7,376,327
Public safety	14,548,520				839,182	15,387,702
Public works	5,118,880					5,118,880
Parks and recreation	19,410					19,410
Senior services	430,649				131,066	561,715
Education		59,793,472			-	59,793,472
Public libraries					1,432,952	1,432,952
On behalf pension contribution		2,332,235				2,332,235
Debt service:						
Principal				13,937,630		13,937,630
Interest and other costs				2,054,519		2,054,519
Capital:						
Capital expenditures	657,443	44,047	4,104,684		2,452,086	7,258,260
Total expenditures	26,621,918	62,169,754	4,104,684	15,992,149	6,384,597	115,273,102
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	50,908,539	(43,175,893)	(4,104,684)	(14,983,467)	(3,008,027)	(14,363,532)
Other financing sources (uses):						
Proceeds of bond issuance				10,350,000		10,350,000
Bond premium				72,821		72,821
Bond issuance costs				(9,474)		(9,474)
Transfers in	177,042	45,562,726		4,817,291	2,799,769	53,356,828
Transfers out	(52,027,624)	(1,158,172)			(173,782)	(53,359,578)
Net other financing sources (uses)	(51,850,582)	44,404,554	-	15,230,638	2,625,987	10,410,597
Net change in fund balance	(942,043)	1,228,661	(4,104,684)	247,171	(382,040)	(3,952,935)
Fund balance, beginning of year	13,514,148	2,620,377	4,189,324	888,158	6,032,296	27,244,303
Fund balance, end of year	\$ 12,572,105	\$ 3,849,038	\$ 84,640	\$ 1,135,329	\$ 5,650,256	\$ 23,291,368

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2014

<i>Net Change in Fund Balances - Total Governmental Funds</i>	\$ (3,952,935)
<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	\$ 7,824,858
Depreciation expense	<u>(4,271,555)</u> 3,553,303
<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	13,937,630
Issuance of long-term debt including bond premiums	(10,422,821)
Amortization of:	
Deferred loss on advance refunding	(119,544)
Bond premiums	<u>131,137</u> 11,593
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds.</p>	
	157,637
<p>Some expenses reported in the statement of activities do not require the use of current financial resources in governmental funds in the current year:</p>	
Accrual for pollution remediation obligation	-
Accrual for other postemployment health benefits	(1,627,051)
Accrued compensated absences	167,575
Accrued interest	39,198
<p>Excess of internal service funds' expenses over revenues, reported as governmental fund activity.</p>	
	<u>(7,666)</u>
<i>Change in Net Position of Governmental Activities</i>	<u><u>\$ 1,856,463</u></u>

See notes to basic financial statements.

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

JUNE 30, 2014

	Enterprise Funds						
	Water		Quonset/ Davisville Recreation	Sewer	Nonmajor Enterprise Funds	Total	Internal Service Funds
	Operations	Capital Reserve					
Assets							
<i>Current Assets</i>							
Cash and cash equivalents	\$ 6,944,010	\$ 1,124,911	\$ 138,112	\$ 2,456,271	\$ 171,838	\$ 10,835,142	\$ 1,103,225
Water and sewer assessments and user fees, net	1,133,031					1,133,031	
Due from other funds	(432,760)	11,556	-	(16,746)	3,736	(434,214)	
Other receivables					42,546	42,546	
Inventory	295,052		25,085		16,798	336,935	
<i>Total Current Assets</i>	<u>7,939,333</u>	<u>1,136,467</u>	<u>163,197</u>	<u>2,439,525</u>	<u>234,918</u>	<u>11,913,440</u>	<u>1,103,225</u>
<i>Noncurrent Assets</i>							
Cash on deposit with Rhode Island Clean Water Finance Agency	280,565	-				280,565	-
Capital assets not being depreciated	313,703		494,950	4,170,238	-	4,978,891	
Capital assets being depreciated, net	8,025,179		2,237,171		1,409	10,263,759	50,921
<i>Total Noncurrent Assets</i>	<u>8,619,447</u>	<u>-</u>	<u>2,732,121</u>	<u>4,170,238</u>	<u>1,409</u>	<u>15,523,215</u>	<u>50,921</u>
Total assets	<u>16,558,780</u>	<u>1,136,467</u>	<u>2,895,318</u>	<u>6,609,763</u>	<u>236,327</u>	<u>27,436,655</u>	<u>1,154,146</u>
Liabilities							
<i>Current Liabilities</i>							
Accounts payable and accrued liabilities	70,960	-	73,360	89,504	42,227	276,051	75
Due to other funds	182,217		443,262	3,263,824	48,011	3,937,314	1,067
Unearned revenue			309,427		9,500	318,927	
Other liabilities			32,611			32,611	
Current portion of compensated absences payable	23,201		31,246			54,447	
Current portion of long-term debt	153,671		31,590	239,138	-	424,399	
<i>Total Current Liabilities</i>	<u>430,049</u>	<u>-</u>	<u>921,496</u>	<u>3,592,466</u>	<u>99,738</u>	<u>5,043,749</u>	<u>1,142</u>
<i>Noncurrent Liabilities</i>							
Due to other funds		-	628,460			628,460	-
Pollution remediation obligation	5,487					5,487	
OPEB liability	332,821		221,951			554,772	
Compensated absences payable	80,620		87,856			168,476	
Long-term debt, less current portion	2,778,233		119,340	6,090,475	-	8,988,048	
<i>Total Noncurrent Liabilities</i>	<u>3,197,161</u>	<u>-</u>	<u>1,057,607</u>	<u>6,090,475</u>	<u>-</u>	<u>10,345,243</u>	<u>-</u>
Total liabilities	<u>3,627,210</u>	<u>-</u>	<u>1,979,103</u>	<u>9,682,941</u>	<u>99,738</u>	<u>15,388,992</u>	<u>1,142</u>
Net Position							
Net investment in capital assets	5,406,978		2,581,191	4,170,238	1,409	12,159,816	
Restricted, debt service	280,565					280,565	
Unrestricted	7,244,027	1,136,467	(1,664,976)	(7,243,416)	135,180	(392,718)	1,153,004
Total net position (deficit)	<u>\$ 12,931,570</u>	<u>\$ 1,136,467</u>	<u>\$ 916,215</u>	<u>\$ (3,073,178)</u>	<u>\$ 136,589</u>	<u>\$ 12,047,663</u>	<u>\$ 1,153,004</u>

See notes to basic financial statements.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

PROPRIETARY FUNDS

YEAR ENDED JUNE 30, 2014

	Enterprise Funds						Internal Service Funds
	Water		Quonset/ Davisville Recreation	Sewer	Nonmajor Enterprise Funds	Totals	
	Operations	Capital Reserve					
Operating revenues:							
Charges for usage and service	\$ 3,858,687	\$ -	\$ 1,529,359	\$ -	\$ 551,676	\$ 5,939,722	\$ -
Federal grants					453,278	453,278	
Sundry sales and rentals	263,378					263,378	
Miscellaneous	24,232		1,439	50,718		76,389	
<i>Total operating revenues</i>	<u>4,146,297</u>	<u>-</u>	<u>1,530,798</u>	<u>50,718</u>	<u>1,004,954</u>	<u>6,732,767</u>	<u>-</u>
Operating expenses:							
Operations	2,536,196	-	690,023	154,757	-	3,380,976	1,163
Pro shop			501,280			501,280	
Allen's Harbor			267,789			267,789	
Recreation			299,121			299,121	
Education					1,004,297	1,004,297	
Bad debts			46,279			46,279	
Depreciation and amortization	503,178		245,322		279	748,779	16,974
<i>Total operating expenses</i>	<u>3,039,374</u>	<u>-</u>	<u>2,049,814</u>	<u>154,757</u>	<u>1,004,576</u>	<u>6,248,521</u>	<u>18,137</u>
Operating income (loss)	<u>1,106,923</u>	<u>-</u>	<u>(519,016)</u>	<u>(104,039)</u>	<u>378</u>	<u>484,246</u>	<u>(18,137)</u>
Nonoperating revenues (expenses):							
Investment income	11,235	2,654	323		149	14,361	10,471
Interest expense	(130,593)		(4,625)	(119,184)	-	(254,402)	
<i>Net nonoperating revenues (expenses)</i>	<u>(119,358)</u>	<u>2,654</u>	<u>(4,302)</u>	<u>(119,184)</u>	<u>149</u>	<u>(240,041)</u>	<u>10,471</u>
Income (loss) before transfers	<u>987,565</u>	<u>2,654</u>	<u>(523,318)</u>	<u>(223,223)</u>	<u>527</u>	<u>244,205</u>	<u>(7,666)</u>
Transfers in	-	-	-	-	4,527	4,527	-
Transfers out					(1,777)	(1,777)	
<i>Total transfers</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,750</u>	<u>2,750</u>	<u>-</u>
Change in net position	<u>987,565</u>	<u>2,654</u>	<u>(523,318)</u>	<u>(223,223)</u>	<u>3,277</u>	<u>246,955</u>	<u>(7,666)</u>
Total net position (deficit), beginning of year:							
As originally reported	12,003,080	1,133,813	1,439,533	(2,849,955)	133,312	11,859,783	1,160,670
Restatement	(59,075)					(59,075)	
As restated	<u>11,944,005</u>	<u>1,133,813</u>	<u>1,439,533</u>	<u>(2,849,955)</u>	<u>133,312</u>	<u>11,800,708</u>	<u>1,160,670</u>
Total net position (deficit), end of year	<u>\$ 12,931,570</u>	<u>\$ 1,136,467</u>	<u>\$ 916,215</u>	<u>\$ (3,073,178)</u>	<u>\$ 136,589</u>	<u>\$ 12,047,663</u>	<u>\$ 1,153,004</u>

See notes to basic financial statements.

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

YEAR ENDED JUNE 30, 2014

	Enterprise Funds						Internal Service Funds
	Water		Quonset/ Davisville Recreation	Sewer	Nonmajor Enterprise Funds	Totals	
	Operations	Capital Reserve					
Cash flows from operating activities:							
Cash received from customers	\$ 3,618,589	\$ -	\$ 1,484,519	\$ 50,718	\$ 531,628	\$ 5,685,454	
Cash received from other sources					461,112	461,112	
Cash paid to suppliers	(1,230,049)	(188,200)	(786,227)	(241,848)	(241,044)	(2,687,368)	\$ (1,088)
Cash paid to employees	(1,475,983)		(877,884)	(154,786)	(759,993)	(3,268,646)	
Net cash provided by (used in) operating activities	912,557	(188,200)	(179,592)	(345,916)	(8,297)	190,552	(1,088)
Cash flows from capital and related financing activities:							
Acquisition of capital assets	(454,686)	-	(108,261)	(1,110,005)	-	(1,672,952)	(67,895)
Principal paid on bonds	(150,367)		(32,370)	(96,485)	-	(279,222)	
Proceeds from long-term debt				4,060,000	-	4,060,000	
Interest paid on bonds	(130,593)		(4,625)	(119,184)	-	(254,402)	
Net cash used in capital and related financing activities	(735,646)	-	(145,256)	2,734,326	-	1,853,424	(67,895)
Cash flows from noncapital financing activities:							
Environmental remediation obligation						-	
Interfund borrowings	375,361	187,544	324,847	67,861	37,914	993,527	1,067
Due from federal and state governments	(12,930)					(12,930)	
Transfer from other funds						-	
Transfer to other funds						-	
Net cash provided by (used in) noncapital financing activities	362,431	187,544	324,847	67,861	37,914	980,597	1,067
Cash provided by investing activities, interest on investments	11,235	2,654	323	-	149	14,361	10,471
Net increase (decrease) in cash and cash equivalents	550,577	1,998	322	2,456,271	29,766	3,038,934	(57,445)
Cash and cash equivalents, beginning of year	6,393,433	1,122,913	137,790	-	142,072	7,796,208	1,160,670
Cash and cash equivalents, end of year	<u>\$ 6,944,010</u>	<u>\$ 1,124,911</u>	<u>\$ 138,112</u>	<u>\$ 2,456,271</u>	<u>\$ 171,838</u>	<u>\$ 10,835,142</u>	<u>\$ 1,103,225</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:							
Operating income (loss)	\$ 1,106,923	\$ -	\$ (519,016)	\$ (104,039)	\$ 378	\$ 484,246	\$ (18,137)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation and amortization	503,178		245,322		279	748,779	16,974
Bad debts			46,279			46,279	
Changes in assets and liabilities:							
Increase (decrease) in:							
Accounts receivable	(527,708)		(46,279)		(989)	(574,976)	
Inventory	(171,716)				4,527	(167,189)	
Prepays					-	-	
Other liabilities	57,838		36,387			94,225	
Compensated absences payable	11,017		(5,882)			5,135	
Unearned revenue			48,591		(5,748)	42,843	
Accounts payable and accrued payroll	(66,975)	(188,200)	15,006	(241,877)	(6,744)	(488,790)	75
Net cash provided by (used in) operating activities	<u>\$ 912,557</u>	<u>\$ (188,200)</u>	<u>\$ (179,592)</u>	<u>\$ (345,916)</u>	<u>\$ (8,297)</u>	<u>\$ 190,552</u>	<u>\$ (1,088)</u>

See notes to basic financial statements.

STATEMENT OF NET POSITION

FIDUCIARY FUNDS

JUNE 30, 2014

	Police Pension Trust	Private Purpose Trust Funds	Agency Funds
	<u> </u>	<u> </u>	<u> </u>
<i>Assets:</i>			
Cash and cash equivalents	\$ 300,345	\$ 38,960	\$ 3,512,273
<i>Total assets</i>	<u>300,345</u>	<u>38,960</u>	<u>3,512,273</u>
<i>Liabilities:</i>			
Accounts payable	-	-	\$ 2,996,330
Due to student groups			273,833
Deposits held in custody for others			<u>242,110</u>
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>\$ 3,512,273</u>
<i>Net Position:</i>			
Held in trust for pension benefits and other purposes	<u>\$ 300,345</u>	<u>\$ 38,960</u>	

See notes to basic financial statements.

STATEMENT OF CHANGES IN NET POSITION

FIDUCIARY FUNDS

YEAR ENDED JUNE 30, 2014

	Police Pension Trust	Private Purpose Trust Funds
	<u> </u>	<u> </u>
Additions to net position:		
<i>Investment income:</i>		
Interest, dividends and gains	\$ 810	\$ 23
	<u> </u>	<u> </u>
<i>Net investment earnings</i>	810	23
	<u> </u>	<u> </u>
Change in net position	810	23
Net position, beginning of year	299,535	38,937
	<u> </u>	<u> </u>
Net position, end of year	<u>\$ 300,345</u>	<u>\$ 38,960</u>

See notes to basic financial statements.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

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 (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, 2013 during September 2014, a copy of which can be obtained by contacting the North Kingstown Free Library Corporation, 80 Boston Neck Road, North Kingstown, RI 02852.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2014

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 (CONTINUED)

YEAR ENDED JUNE 30, 2014

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 (CONTINUED)

YEAR ENDED JUNE 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Basis of presentation (continued):

Fund financial statements (continued):

Fiduciary funds:

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

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

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

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

Measurement focus and basis of accounting:

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

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2014

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.

At June 30, 2014, the Town's deferred inflows, as reported on the accompanying Balance Sheet – Governmental Funds, consist of property tax receivables for payments not received within 60 days after year-end.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Basis of presentation (continued):

Use of estimates:

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America 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.

Recent accounting pronouncements:

Effective for the fiscal year ended June 30, 2014, the Town adopted the provisions of Statement No. 65 of the Governmental Accounting Standards Board (GASB), *Items Previously Reported as Assets and Liabilities* (GASB 65). GASB 65 requires that certain items no longer be reported in statements of net position since they do not meet the definition of assets, liabilities, deferred outflows of resources, or deferred inflows of resources. In addition, GASB 65 requires that certain items previously reported as assets or liabilities be reported as deferred inflows or outflows of resources. As required by GASB 65, effective July 1, 2013, the Town expenses financing costs as incurred; previously, financing costs were deferred and amortized using the straight-line method over the life of the related debt. Due to the adoption of GASB 65, the Town has restated its 2013 financial statements, resulting in a \$402,019 decrease in net position at July 1, 2013, as reported in the accompanying statement of activities.

Effective for the fiscal year ending June 30, 2015, the Town will be required to adopt the provisions of Statement No. 68 of the GASB, *Accounting and Financial Reporting for Pensions* (GASB 68). GASB 68 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses and expenditures related to pension plans administered through trusts or equivalent arrangements. For defined benefit plans, GASB 68 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 68 will require more extensive footnote disclosures in employer financial statements. The Town is currently evaluating the effects of GASB 68 on its financial statements.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

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.

For 2014, 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.

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 (CONTINUED)

YEAR ENDED JUNE 30, 2014

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

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.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

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. For the year ended June 30, 2014, bond issuance costs were \$118,354.

Deferred charges on refunding are amortized on a straight-line basis over the term of the related bonds. At June 30, 2014, deferred charges for two separate refundings were \$1,890,215 and \$250,329, with accumulated amortization of \$905,561 and \$75,099, respectively.

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 (CONTINUED)

YEAR ENDED JUNE 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Fund equity:

Government-wide financial statements and proprietary fund financial statements:

Net position:

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

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

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

Unrestricted – a residual category for the balance of net position

Governmental fund financial statements:

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

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

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

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Fund equity (continued):

Governmental fund financial statements (continued):

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

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

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

Self-insurance:

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2014

2. FUND BALANCES:

At June 30, 2014, the following funds had a deficit (negative) fund balance or deficit net position, as applicable:

Nonmajor Governmental Funds:

Miscellaneous State Grants	\$	294,210
State Elderly Affairs Grant	\$	613
RI Foundation Grant	\$	597
Special Purpose Donations	\$	4,182
Ann Ward Wallou Memorial Garden	\$	894

School Department:

RTTT Standards	\$	4,456
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Major Enterprise Funds:

Sewer Fund	\$	3,073,178
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Nonmajor Enterprise Funds:

Summer School	\$	5,500
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3. CASH AND CASH EQUIVALENTS (DEPOSITS):

At June 30, 2014, the carrying amount of the Town's deposits, including \$4,047,640 of cash equivalents, was \$28,037,549 and the total bank balance was \$25,529,207. The carrying amount includes \$3,851,578 in fiduciary funds.

At June 30, 2014, deposits are categorized as follows:

	Insured/ Collateralized in Town's name	Uninsured	Maturities	Total bank balance	Carrying amount
Deposits:					
Demand deposits	\$ 552,910	\$ 5,510,022		\$ 6,062,932	\$ 8,578,098
Certificates of deposit	4,091,391		7/2014 to 11/2014	4,091,391	4,084,567
Money market	-	15,374,884		15,374,884	15,374,884
	<u>\$ 4,644,301</u>	<u>\$ 20,884,906</u>		<u>\$ 25,529,207</u>	<u>\$ 28,037,549</u>

The uninsured bank balance includes \$20,873,554 that was 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 (CONTINUED)

YEAR ENDED JUNE 30, 2014

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 by a nationally recognized statistical rating organization to debt securities.

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 (CONTINUED)

YEAR ENDED JUNE 30, 2014

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 2014 were based on a net asset value of approximately \$3,689,257,000 at December 31, 2012 and amounted to \$70,035,857. Collections through June 30, 2014 amounted to \$68,160,387, which represents approximately 97% of the total tax levy.

Unpaid property taxes as of June 30, 2014 (\$2,218,090) are recorded as a receivable, net of an allowance for uncollectible property taxes of \$375,000. Those net property taxes receivable which were not collected within 60 days immediately following June 30, 2014 are recorded as a deferred inflow of resources in the accompanying Balance Sheet – Governmental Funds, totaling \$1,787,485 at June 30, 2014. Property taxes collected within 60 days immediately following June 30, 2014 are recognized as revenue in the Fund financial statements and amounted to \$445,936. As of June 30, 2014, the Town levied property taxes for its next fiscal year based on the December 31, 2013 assessment as follows (unaudited):

	Taxable Assessment	Exemptions	Net Tax Assessment	Rate per \$1,000	Net Levy
Real property	\$ 3,476,829,400	\$ 71,036,870	\$3,405,792,530	\$18.91	\$ 64,403,537
Motor vehicle	288,633,216	78,469,736	210,163,480	\$22.04	4,632,003
Tangible property	139,868,020	485,270	139,382,750	\$18.91	2,635,728
	<u>\$ 3,905,330,636</u>	<u>\$ 149,991,876</u>	<u>\$ 3,755,338,760</u>		<u>\$ 71,671,268</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2014

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, 2014 is as follows:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 13,328,223	\$ (243,134)
School Department:		
School Unrestricted Fund	682,708	8,886
PTO Donations	50	50
21st Century Learning		40,504
COZ Family Center		10,932
COZ Miscellaneous Donations		50
COZ Education Exchange	721	
Homeless Children/Youth Event		57
School Public Law 94-142	686	338,790
Public Law 94-142, Pre-school		7,610
Scholarship America	515	515
RI Learn and Serve		515
RI Foundation	50	50
RTTT Standards	(1,831)	954
RTTT Instruction Improvement System		11,128
RTTT PLC Mini Grant	631	5,745
Title I	27	130,325
Title II		14,648
Title III LEP		2,196
Title V		83,510
Amagen Foundation		7
Substance Abuse Task Force	18	7,412
USDA - FFVP	(2,933)	1
Use of Buildings		14,922
	<u>680,642</u>	<u>678,807</u>
\$6.4 Million School Renovation Bond		<u>6,294,111</u>
Other Governmental Funds:		
9M School Renovation Bond		1,273,926
Ann Ward Wallou Memorial		901
Capital Improvement Project		
Capital Reserve		803,384
CDBG Grant		65,537
Champlin Foundation		68,297
Library Fund	10,207	
Miscellaneous State Grants		269,327
Non Civic Detail Escrow		206,663
RI Emergency Management		197,428
RI Foundation		597
School Capital Reserve		
State Elderly Affairs		503
Town Municipal Court	(8,697)	
URI Septic Loan Program		22,500
	<u>1,510</u>	<u>2,909,063</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2014

5. INTERFUND TRANSACTIONS (CONTINUED):

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Enterprise Funds:		
Major:		
Quonset/Davisville Recreation	\$ -	\$ 443,262
Water Capital Reserve	11,556	-
Water Fund	(432,760)	182,217
Sewer Fund	(16,746)	3,263,824
	<u>(437,950)</u>	<u>3,889,303</u>
Non-Major Enterprise:		
Quonset / Davisville Reserve		22,868
Athletic Gate Receipts		721
School Nutrition Fund	3,529	22,511
Summer School	200	1,775
School Sports Camp	136	
School Sports Camp	(129)	136
	<u>3,736</u>	<u>48,011</u>
Total Enterprise Funds	<u>(434,214)</u>	<u>3,937,314</u>
	<u>\$ 13,576,161</u>	<u>\$ 13,576,161</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 from Fund</u>	<u>Advance to Fund</u>
General Fund	\$ 628,460	
Quonset/Davisville Recreation		\$ 628,460

Operating transfers between funds for the year ended June 30, 2014 were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 177,042	\$ 52,027,624
School Department:		
School Unrestricted Fund	45,561,988	1,154,572
COZ	738	
21st Century Donation		738
Substance Abuse		2,862
	<u>45,562,726</u>	<u>1,158,172</u>
Debt Service Fund	<u>4,817,291</u>	<u>-</u>
Other Governmental Funds:		
Library Fund	1,177,893	
Impact Fees		60,889
Tax Valuation Reserve		
Non-Civic Detail Escrow Fund		
Operation Drug Dog		1,743
Capital Improvement Project	1,262,972	
Capital Reserve		111,150
Library Bond Fund	358,904	
	<u>2,799,769</u>	<u>173,782</u>
Totals	<u>\$ 53,356,828</u>	<u>\$ 53,359,578</u>
Non-Major Enterprise:		
School Nutrition Fund	\$ 2,750	
School Sports Camp	1,777	\$ 1,777
Totals	<u>\$ 4,527</u>	<u>\$ 1,777</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2014

6. CAPITAL ASSETS:

Governmental activities:	<u>Beginning Balances</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balances</u>
Capital assets not being depreciated:				
Library collections	\$ 3,491,317	\$ 142,669	\$ -	\$ 3,633,986
Land	6,875,441			6,875,441
Developmental rights	17,558,412			17,558,412
Construction in progress	<u>1,581,875</u>	<u>1,060,593</u>	<u>(1,513,964)</u>	<u>1,128,504</u>
Total capital assets not being depreciated	<u>29,507,045</u>	<u>1,203,262</u>	<u>(1,513,964)</u>	<u>29,196,343</u>
Capital assets being depreciated:				
Land improvements	197,255			197,255
Building	67,191,116	6,694,944		73,886,060
Equipment	13,980,514	1,155,698		15,136,212
Infrastructure	<u>69,621,882</u>	<u>335,839</u>		<u>69,957,721</u>
Total capital assets being depreciated	<u>150,990,767</u>	<u>8,186,481</u>	<u>-</u>	<u>159,177,248</u>
Less accumulated depreciation for:				
Land improvements	(77,058)	(11,550)		(88,608)
Building	(25,103,075)	(1,616,713)		(26,719,788)
Equipment	(10,491,690)	(789,369)		(11,281,059)
Infrastructure	<u>(48,887,785)</u>	<u>(1,853,923)</u>		<u>(50,741,708)</u>
Total accumulated depreciation	<u>(84,559,608)</u>	<u>(4,271,555)</u>	<u>-</u>	<u>(88,831,163)</u>
Total capital assets being depreciated, net	<u>66,431,159</u>	<u>3,914,926</u>	<u>-</u>	<u>70,346,085</u>
Governmental activities capital assets, net	<u>\$ 95,938,204</u>	<u>\$ 5,118,188</u>	<u>\$ (1,513,964)</u>	<u>\$ 99,542,428</u>

Depreciation was charged to functions as follows:

Governmental activities:	
General government	\$ 291,203
Public safety	459,041
Public works	1,980,917
Education	1,472,269
Public libraries	<u>68,125</u>
	<u>\$ 4,271,555</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2014

6. CAPITAL ASSETS (CONTINUED):

Business-type activities:	Beginning balances	Additions	Deletions	Ending Balances
Capital assets not being depreciated:				
Land	\$ 839,934	\$ -	\$ -	\$ 839,934
Construction in progress	3,809,761	1,280,476	(951,280)	4,138,957
Total capital assets not being depreciated	4,649,695	1,280,476	(951,280)	4,978,891
Capital assets being depreciated:				
Buildings	13,039,709	1,184,481	-	14,224,190
Property and leasehold improvements	5,029,890	24,145		5,054,035
Furniture and equipment	383,601	84,116		467,717
Vehicles and golf carts	209,575	51,012		260,587
Total capital assets being depreciated	18,662,775	1,343,754	-	20,006,529
Less accumulated depreciation for:				
Buildings	(7,056,615)	(333,116)	-	(7,389,731)
Property and leasehold improvements	(1,502,160)	(339,606)		(1,841,766)
Furniture and equipment	(289,173)	(36,307)		(325,480)
Vehicles and golf carts	(146,043)	(39,750)		(185,793)
Total accumulated depreciation	(8,993,991)	(748,779)	-	(9,742,770)
Total capital assets being depreciated, net	9,668,784	594,975	-	10,263,759
Business-type activities capital assets, net	\$ 14,318,479	\$ 1,875,451	\$ (951,280)	\$ 15,242,650

Depreciation was charged to functions as follows:

Business-type activities:	
Water	\$ 503,178
Quonset/Davisville Recreation	245,322
Nutrition Fund	279
	\$ 748,779

TOWN OF NORTH KINGSTOWN, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2014

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, 2013 was \$3,755,338,760, limiting the amount of nonexcepted debt outstanding to \$112,660,163. At June 30, 2014, the Town had \$2,420,543 of debt outstanding subject to the limit. All other 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 (CONTINUED)

YEAR ENDED JUNE 30, 2014

7. LONG-TERM OBLIGATIONS (CONTINUED):

A summary of long-term obligations as of June 30, 2014 is as follows:

	<u>Governmental activities</u>	<u>Business-type activities</u>	<u>Total</u>
General obligation debt	\$ 45,949,070	\$ 15,899,788	\$ 61,848,858
Bond premium	868,809	98,570	967,379
Deferred charges	<u>(1,159,884)</u>	<u>(1,159,884)</u>	<u>(1,159,884)</u>
	45,657,995	15,998,358	61,656,353
Less undrawn loan proceeds held by the State	<u>-</u>	<u>(6,585,911)</u>	<u>(6,585,911)</u>
	45,657,995	9,412,447	55,070,442
Accrued compensated absences	1,974,320	222,923	2,197,243
Pollution remediation obligation	<u>1,660,000</u>	<u>5,487</u>	<u>1,665,487</u>
	49,292,315	9,640,857	58,933,172
Less portion due within one year	<u>4,456,990</u>	<u>478,846</u>	<u>4,935,836</u>
	<u>\$ 44,835,325</u>	<u>\$ 9,162,011</u>	<u>\$ 53,997,336</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2014

7. LONG-TERM OBLIGATIONS (CONTINUED):

Governmental activities:

	Date of Issuance	Purpose	Authorized	Interest Rate	Maturity Date	Outstanding June 30, 2013	Additions	Retirements	Outstanding June 30, 2014	Amounts due within one year
General obligation bonds payable:										
\$2.840 M Refunding Bond	5/1/2006	Development Rights	\$ 2,840,000	4.0 – 5.25%	5/1/2021	\$ 1,520,000		\$ 190,000	\$ 1,330,000	\$ 190,000
\$9.79M GOB 2009 Series	1/15/2009	Renovations, Additions and Improvements	9,790,000	2.0 – 4.0%	1/15/2030	9,180,000		540,000	8,640,000	540,000
\$30.36 M Refunding Bond	4/21/2005	Refunding of High School Bond \$33M	30,360,000	3.0 – 5.0%	10/1/2026	17,120,000		1,400,000	15,720,000	1,390,000
\$7M GOB 2007B Series B Bond	8/15/2007	Renovations and Additions - School Bond	7,000,000	4.25 – 5.0%	8/15/2027	5,670,000		300,000	5,370,000	310,000
\$3.845 M GOB	6/15/2001	Farmland, Public Facilities, & Asset Protection	3,845,000	3.75 – 5.5%	6/15/2016	745,000		250,000	495,000	250,000
\$4M GOB- Open Space	7/1/2007	Open Space	4,000,000	3.6 – 4.1%	7/15/2027	3,320,000		155,000	3,165,000	165,000
\$3.622M GOB	12/15/2009	Facilities, Open Space, and Library	3,622,000	1.25-3.50%	12/15/2019	2,350,000		415,390	1,934,610	405,000
Less: Q/D recreation portion		Q/D Recreation Asset Protection	(282,516)			(183,300)		(32,760)	(150,540)	(31,590)
\$.960M GOB	12/15/2009	School Athletics	960,000	1.25-3.50%	12/15/2019	665,000		105,000	560,000	105,000
\$2.003M GOB	12/15/2009	Farmland/Open Space	2,003,000	1.25-3.50%	12/15/2019	1,495,000		225,000	1,270,000	220,000
\$7.65M GOB	4/18/2013	School Renovations and Improvements	7,655,000	2.0-4.0%	5/15/2033	7,655,000		390,000	7,265,000	385,000
\$10.M BAN 2013 Series	9/26/2013	Renovations, Additions and Improvements	10,000,000	1.25%	4/23/2014	-	\$ 10,000,000	10,000,000	-	-
\$.350M GOB 2013 Series A	9/1/2013	Public Building Library	350,000	2.0-3.75%	9/1/2023	-	350,000	-	350,000	35,000
			<u>82,142,484</u>			<u>49,536,700</u>	<u>10,350,000</u>	<u>13,937,630</u>	<u>45,949,070</u>	<u>3,963,410</u>
Deferred amounts:										
Bond premiums			1,368,074			927,125	72,821	131,137	868,809	
Deferred charges			<u>(2,140,544)</u>			<u>(1,279,428)</u>		<u>(119,544)</u>	<u>(1,159,884)</u>	
			<u>(772,470)</u>			<u>(352,303)</u>	<u>72,821</u>	<u>11,593</u>	<u>(291,075)</u>	
Total general obligation bonds payable			<u>\$ 81,370,014</u>			<u>49,184,397</u>	<u>10,422,821</u>	<u>13,949,223</u>	<u>45,657,995</u>	<u>3,963,410</u>
Compensated absences						2,141,895	1,021,266	1,188,841	1,974,320	493,580
Pollution remediation obligation						1,660,000			1,660,000	
Total long-term obligations						<u>\$ 52,986,292</u>	<u>\$ 11,444,087</u>	<u>\$ 15,138,064</u>	<u>\$ 49,292,315</u>	<u>\$ 4,456,990</u>

Business-type activities:

	Date of Issuance	Purpose	Authorized	Interest Rate	Maturity Date	Outstanding June 30, 2013	Additions	Retirements	Outstanding June 30, 2014	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	\$ 183,300	\$ -	\$ 32,370	\$ 150,930	\$ 31,590
\$4.8 RICWFA Bond *	11/19/2009	Renovations, Additions and Improvements	4,800,000	3.013%	9/1/2030	3,629,612		150,367	3,479,245	153,671
\$2.46M Wastewater Services	1/2/2013	QDC Wastewater Services	2,460,000	2.75 %	1/2/2033	2,366,098		96,485	2,269,613	99,138
\$4.0M GO Sewer Bonds Series 2014	4/1/2014	Sewers	4,000,000	2.0%-4.0%	4/15/2034	-	4,000,000	-	4,000,000	140,000
\$6.0M RICWFA Sewer Bonds 2014 Series B	4/10/2014	Renovations, Additions, and Improvements	6,000,000	2.01%	9/1/2034	-	6,000,000	-	6,000,000	-
			<u>17,542,516</u>			<u>6,179,010</u>	<u>10,000,000</u>	<u>279,222</u>	<u>15,899,788</u>	<u>424,399</u>
Less undrawn loan proceeds held by the State						<u>(645,911)</u>	<u>(5,940,000)</u>	<u>-</u>	<u>(6,585,911)</u>	<u>-</u>
						<u>5,533,099</u>	<u>4,060,000</u>	<u>279,222</u>	<u>9,313,877</u>	<u>424,399</u>
Deferred bond premiums			<u>\$ 99,398</u>			<u>-</u>	<u>99,398</u>	<u>828</u>	<u>98,570</u>	
Total general obligation bonds payable			<u>\$ 17,641,914</u>			<u>5,533,099</u>	<u>4,159,398</u>	<u>280,050</u>	<u>9,412,447</u>	<u>424,399</u>
Compensated absences						217,788	106,111	100,976	222,923	54,447
Pollution remediation obligation									5,487	
Total long-term obligations						<u>\$ 5,750,887</u>	<u>\$ 4,265,509</u>	<u>\$ 381,026</u>	<u>\$ 9,640,857</u>	<u>\$ 478,846</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2014

7. LONG-TERM OBLIGATIONS (CONTINUED):

At June 30, 2014, scheduled annual debt service requirements to maturity for general obligation bonds are as follows:

Year ending June 30,	Principal	Interest	Total
<i>Governmental activities:</i>			
2015	\$ 3,963,410	\$ 1,823,925	\$ 5,787,335
2016	3,968,800	1,682,408	5,651,208
2017	3,709,970	1,540,717	5,250,687
2018	3,710,750	1,401,150	5,111,900
2019	3,716,140	1,256,517	4,972,657
2020-2024	15,080,000	4,308,540	19,388,540
2025-2029	9,740,000	1,330,591	11,070,591
2030-2033	2,060,000	173,600	2,233,600
	<u>\$ 45,949,070</u>	<u>\$ 13,517,448</u>	<u>\$ 59,466,518</u>
<i>Business-type activities:</i>			
2015	\$ 424,399	\$ 377,607	\$ 802,006
2016	490,807	456,482	947,289
2017	442,279	444,938	887,217
2018	454,449	429,124	883,573
2019	467,624	413,445	881,069
2020-2024	2,451,077	1,771,055	4,222,132
2025-2029	2,819,066	1,164,484	3,983,550
2030-2034	1,764,176	411,033	2,175,209
2035	-	6,289	6,289
	<u>\$ 9,313,877</u>	<u>\$ 5,474,457</u>	<u>\$ 14,788,334</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2014

7. LONG-TERM OBLIGATIONS (CONTINUED):

Bonds authorized but unissued at June 30, 2014 are as follows:

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

8. FUND BALANCE:

The Town has classified governmental fund balances at June 30, 2014 as follows:

Assigned:

General Fund Encumbrances	\$ 201,905
School Encumbrances	37,546
Education	3,615,263
Health Insurance Reserve	2,517,133
Retirement Allowance Reserve	236,112
Debt Service	1,146,804
Capital Project Funds – nonbonded	995,028
Town Special Revenue – nongrant funds	638,960
	<hr/>
	9,388,751
	<hr/>

Restricted:

Town Special Revenue – grant funds	1,734,709
School Special Revenue – grant funds	200,685
Capital Projects – bonded	2,403,451
6.4 Million School Renovation Bond	84,640
Permanent Funds	97,796
	<hr/>
	4,521,281
	<hr/>

(continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2014

8. FUND BALANCE (CONTINUED):

(carried forward)

Nonspendable:

Advance to Quonset/Davisville Recreation for Golf Course Irrigation	\$ 628,460
	<u>628,460</u>

Unassigned:

Special Revenue – deficit fund balances	(231,163)
School Department – deficit fund balance	(4,456)
General Fund – not designated for future Expenditures	<u>8,988,495</u>
	<u>8,752,876</u>
	<u><u>\$ 23,291,368</u></u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2014

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

Effective July 1, 2012, the State-administered retirement system was modified to include both defined benefit and defined contribution plan components. General employees participate in a hybrid plan that combines both a defined benefit plan and a defined contribution plan. Police and fire employees participate only in the defined benefit plan unless they do not participate in Social Security, in which case they also participate in the defined contribution plan.

Plan description:

The Municipal Plan is an agent multiple-employer defined benefit plan administered by the State. The Municipal Plan provides retirement, death and disability benefits and an optional cost of living adjustment (COLA) as outlined in Chapter 45-21 and Chapter 45-21.2 of the Rhode Island General Laws (RIGL). The benefits may be amended by the Rhode Island General Assembly. Financial statements for the Municipal Plan are issued separately and can be obtained at www.ersri.org. For the year ended June 30, 2014, covered payroll under the Municipal Plan totaled \$17,562,083 (including \$3,008,355 and \$3,773,677 for police and firefighters, respectively). As of June 30, 2014, 395 active employees (including 44 police and 60 firefighters) were participants in the Municipal Plan.

Retirement eligibility and plan benefits:

General employees unit – Service credits accrued at June 30, 2012 are protected under the Rhode Island Retirement Security Act (RIRSA). Beginning July 1, 2012, members receive a benefit accrual of 1.0% per year. Effective July 1, 2012, the retirement age mirrors the Social Security Normal Retirement Age, not to exceed age 67. Benefits are based on the five-year average compensation multiplied by the accumulated service credit percentage. Joint and survivor retirement benefit options are available.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2014

9. PENSION PLANS (CONTINUED):

Municipal Plan (continued)

Retirement eligibility and plan benefits (continued):

Police and fire units – Effective July 1, 2012, the benefit accrual for all plans is 2.0% per year based on the five-year average compensation, exclusive of overtime. Retirement age is 55 years old with 25 years of total service or for members with five years of service but less than 25 years of service the new retirement age will mirror the Social Security Normal Retirement Age not to exceed 67. Police officers or firefighters who were at least 45 years old, had 10 or more years of contributing service and were eligible to retire prior to age 52 under the law in effect on June 30, 2012, may retire at age 52. Police and fire employees may retire with a reduced pension benefit if they have 20 years of service and are within five years of their retirement eligibility. The actuarially reduced benefit is calculated based on how close the member is to the eligibility date that is prescribed in RIRSA. Joint and survivor retirement benefit options are available.

Cost of Living Adjustments:

Pursuant to RIRSA, the COLA has been suspended for any unit whose funding level is less than 80%. The COLA provision can be reviewed in a five-year interval. When the funding level of a plan exceeds 80%, eligible retirees may receive a COLA annually effective on their date of retirement plus one month. The COLA will be calculated as the five-year smoothed investment rate of return less 5.50%, with a 0.00% floor and a 4.00% cap. COLA will be delayed until the later of age 55 or three years after retirement. The COLA will be applied to the first \$25,000 of benefits indexed annually.

Disability retirement provisions:

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2014

9. PENSION PLANS (CONTINUED):

Municipal Plan (continued)

Funding policy:

The funding policy is outlined in RIGL sections 45-21-41, 45-21-42, and 45-21-52 (which can be amended by the Rhode Island General Assembly).

Active nonpolice and fire members contributed 2.0% of their compensation for the year ended June 30, 2014. Active police and fire members contributed 8.0% of their compensation. The Town is required to contribute at an actuarially determined rate expressed as a percentage of total compensation paid to the active membership. The Town contributed 15.22%, 22.85%, and 21.02% of compensation for nonpolice and fire, police, and fire members, respectively, for the year ended June 30, 2014.

Annual pension costs:

The following table summarizes annual pension costs and actual contributions for the Municipal Plan for the past three years. There was no net pension obligation during the three-year period.

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Municipal	\$ 1,640,652	\$ 1,514,085	\$ 1,578,869
Police	687,409	547,125	617,930
Fire	<u>793,227</u>	<u>716,685</u>	<u>624,856</u>
Annual pension costs and contributions	<u>\$ 3,121,288</u>	<u>\$ 2,777,895</u>	<u>\$ 2,821,655</u>
Percent of annual pension costs contributed	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2014

9. PENSION PLANS (CONTINUED):

Municipal Plan (continued)

Funded status and funding progress:

As of June 30, 2013, the date of the most recent actuarial valuation available, the funded status and funding progress were as follows:

Unit	Funded ratio	Actuarial Accrued Liability	Actuarial Asset Value	Unfunded Actuarial Accrued Liability (UAAL)	Covered Payroll	UAAL as % of Covered Payroll
General Employees	73.6%	\$ 57,973,140	\$ 42,689,264	\$ 15,283,876	\$ 10,271,304	148.80%
Police	70.0%	25,020,741	17,509,579	7,511,162	2,883,416	260.50%
Fire	69.3%	38,954,915	27,007,007	11,947,908	3,820,152	312.76%

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

Actuarial methods and significant assumptions:

The State uses the entry age normal method to determine both the actuarial accrued liabilities of and the annual required contributions to the Municipal Plan. Pension assets are valued at their fair value as established by quotations from applicable national securities exchanges. Valuations of accrued liabilities, pension assets, and annual required contributions for the Municipal Plan are performed annually as of June 30.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2014

9. PENSION PLANS (CONTINUED):

Municipal Plan (continued)

Actuarial methods and significant assumptions (continued):

The required contribution for fiscal 2014 was determined as part of the actuarial valuation performed as of July 1, 2012. The most recent valuation of the Municipal Plan was performed as of June 30, 2013. The actuarial methods and assumptions used in those valuations are summarized as follows:

Actuarial Cost Method	Entry Age Normal – the Individual Entry Age Actuarial Cost methodology used
Amortization Method	Level Percent of Payroll – Closed
Equivalent Single Remaining Amortization Period	25 years as of June 30, 2010 23 years as of June 30, 2012
Asset Valuation Method	5-Year Smoothed Market
Actuarial Assumptions:	
Investment Rate of Return	7.5%
Projected Salary Increases	
General Employees	4.00% to 8.00%
Police & Fire Employees	4.25% to 14.25%
Inflation	2.75%

COLA is equal to the average five-year fund asset performance (percent) greater than 5.5% up to a maximum of 4% and is to be applied to the first \$25,000 of benefits, indexed over time. COLA is delayed until the later of Social Security eligibility age or 3 years after retirement. A 2.0% COLA is assumed after July 1, 2012.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2014

9. PENSION PLANS (CONTINUED):

Teachers' Plan

Effective July 1, 2012, the State-administered retirement system which covers local teachers and certain municipal employees was modified to include both defined benefit and defined contribution plans.

Plan description:

All full-time teachers, principals, school nurses and certain other school officials (including the superintendent) in the Town's school system must participate in the Teachers' Plan (the Plan), a cost-sharing multiple employer defined benefit plan administered by the Employees' Retirement System of Rhode Island (the System). The Plan provides retirement, death and disability benefits (as well as annual cost of living allowances if certain conditions have been met) as outlined in Chapters 36-10 and 16-16 of the RIGL. The benefits may be amended by the Rhode Island General Assembly. The System issues an annual financial report that includes financial statements and required supplementary information for all of the plans it administers. The reports can be obtained at www.ersri.org.

Funding policy:

The funding policy is outlined in RIGL sections 16-16-22 and 36-10-2 (which can be amended by the Rhode Island General Assembly). Active plan members must contribute 3.75% of their compensation. The Town and the State are collectively required to contribute at an actuarially determined rate expressed as a percentage of total compensation paid to the active membership. The employer contribution is split and paid 40% by the State and 60% by the school district, with the exception of teachers who work in federally funded programs where 100% is paid by the school district and reimbursed by the federal government. For fiscal 2014, the total employer rate of 20.68% (8.42% State share and 12.26% local share). The State share of the employer contribution rate includes the total cost of prior contribution deferrals, which was .28% for fiscal 2014.

Total covered payroll under the Teachers' Plan during 2014 was \$26,442,577, including \$535,597 of federally reimbursed payroll. The Town contributed \$3,353,202, \$3,124,531 and \$3,676,198 during the fiscal years 2014, 2013 and 2012, respectively, equal to 100% of the actuarially required contributions for those respective years. For financial reporting purposes, the State's share of contributions is reflected as on behalf-payments and is included as both revenue and expenditures in the accompanying financial statements.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2014

9. PENSION PLANS (CONTINUED):

Defined Contribution Plan

Plan description:

Employees participating in the defined benefit plans, as previously described, also participate in a defined contribution plan of the System as authorized by General Law Chapter 36-10.3. The defined contribution plan is established under Internal Revenue Service (IRS) section 401(a) and is administered by TIAA-CREF and the System. Employees may choose among various investment options available to plan participants.

Employee contributions are immediately vested while employer contributions are vested after three years of contributory service. 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 System issues an annual financial report that includes financial statements and required supplementary information for all of the plans it administers. The reports can be obtained at www.ersri.org.

Plan funding policy:

The funding policy is outlined in RIGL chapter 36-10.3 (which can be amended by the Rhode Island General Assembly). Active plan members must contribute 5% of their compensation and the Town is required to contribute 1%. For plan members who are part of the Teacher's Plan, the employer contribution is split and paid 40% by the State and 60% by the school district with the exception of teachers who work in federally funded programs where 100% is paid by the school district and reimbursed by the federal government.

The plan members and Town contributed \$1,892,205 and \$272,860, respectively, during the fiscal year ended June 30, 2014. For financial reporting purposes, the State's share of contributions, in the amount of \$105,770 for the year ended June 30, 2014, are reflected as on behalf-payments and included as both revenue and expenditures in the accompanying financial statements.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2014

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, 2012.

Benefits and employee contributions:

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

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

Covered participants:

As of July 1, 2012, the date of the latest available actuarial valuation, membership census is as follows:

Active employees	727
Retirees and beneficiaries	<u>157</u>
Total	<u><u>884</u></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, 2014, and the Town's net OPEB obligation as of June 30, 2014, based on the latest available actuarial valuation.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2014

10. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED):

Annual OPEB cost and net OPEB obligation (continued):

Annual OPEB cost	
Annual Required Contribution	\$ 3,075,703
Interest on net OPEB obligation	327,758
Adjustment to annual required contribution	(396,007)
Annual OPEB cost	3,007,454
Contributions made during the year	(1,283,994)
Increase in net OPEB obligation	1,723,460
Net OPEB obligation at beginning of year	8,193,947
Net OPEB obligation at end of year	\$ 9,917,407

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, 2012, 2013 and 2014 are as follows:

Year ended June 30,	OPEB cost	Percentage of annual OPEB cost contributed	Net OPEB obligation
2012	\$ 3,201,523	43%	\$ 6,357,898
2013	2,881,518	36%	8,193,947
2014	3,007,454	43%	9,917,407

Funded status and funding progress:

As of July 1, 2012, the funded status and funding progress were as follows:

Funded ratio	0%
Actuarial accrued liability for benefits	\$ 33,361,496
Actuarial value of assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 33,361,496
Covered payroll	\$ 43,912,696
UAAL to covered payroll	75.97%

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2014

10. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED):

Funded status and funding progress (continued):

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.

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, 2012
- Actuarial cost method – Entry Age Normal
- Interest rate – 4.0%
- Amortization method and period – Level percentage of projected payroll; open period
- Participation – 100% of eligible school retirees and eligible Town employees are assumed to elect medical and dental coverage
- Health Care Cost Trend Rates – Medical 9.0% per year in 2012, decreasing to an ultimate rate of 5.0% in 2018
- Payroll growth rate – 2.5% annually

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2014

11. CONTINGENCIES AND COMMITMENTS:

Litigation:

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

The Town is currently involved in litigation with the collective bargaining unit covering the fire department employees of the Town. Management is rigorously defending the case and has calculated the range of potential liability if the Town should not prevail to be between \$0 and \$2,000,000. As it is not probable that a liability has been incurred, no liability has been recorded in the accompanying financial statements.

Commitments:

Line of credit:

The Town has a \$2,000,000 available line of credit from the Rhode Island Clean Water Finance Agency for the Community Septic System Loan Program (Loan Program). The Loan Program makes low-interest loans available to North Kingstown property owners for cesspool/septic system repairs or replacements and is administered by Rhode Island Housing. The Town is only liable to the Rhode Island Clean Water Finance Agency in the event of default by the property owner. A balance of \$768,863 was drawn down on the line of credit at June 30, 2014.

Operating leases:

During August 2010, the North Kingstown School Department entered into a five-year operating lease for various copiers, ending August 31, 2015. The lease payments for these copiers during the year ended June 30, 2014 amounted to \$74,794. The future minimum lease payments are \$74,794 annually through June 30, 2015 with \$12,465 due in 2016.

Communication tower rentals:

The Town leases several communication towers to unrelated parties under separate operating leases. The rental revenue and lease terms range from a month-to-month basis on some and up to ten-year commitments on others. Total rental revenue was \$344,149 for the year ended June 30, 2014.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2014

11. CONTINGENCIES AND COMMITMENTS (CONTINUED):

The Town had several outstanding construction and technology projects as of June 30, 2014. These projects are evidenced by contractual commitments with contractors and consist of the following:

Fund/Project	Spent to Date	Commitment Remaining	Funding source (s)
Moose Boats - WaterJet	\$ 691,943	\$ -	Homeland Security Port Security Grant
Wickford Middle School Renovations	4,184,657	86,249	\$9M School Improvement Bond
All Other School Renovations	989,250	32,082	\$6.4M School Improvement Bond
Featherbed Lane & Old Forge Dam Rehabilitation	492,607	39,939	General Fund, Operating Budget & Town Capital Reserve Fund
Saunderstown Standpipe Rehabilitation	564,478	28,553	Water Fund, Capital Reserve
Post Road South Water Main Improvements	474,841	26,315	Water Fund, Operating Budget
Post Road South Wastewater Collection System	3,669,360	94,207	\$10M RICWFA Revolving Loan Fund
North Kingstown Free Library HVAC Upgrades	497,293	-	\$1.35M Library Bond (67%); Champlin Foundation, Grant (14%); Library Fund, Undesignated Fund Balance (10%); General Fund, Undesignated Fund Balance (9%)
	<u>\$ 11,564,429</u>	<u>\$ 307,345</u>	

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2014

11. CONTINGENCIES AND COMMITMENTS (CONTINUED):

Grants:

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

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, 2014 were \$0. Consequently, in fiscal 2014, there were net changes in the fund balances of the Workers' Compensation and Property Damage funds of (\$334) and \$1,732, respectively. Assets of the funds consist solely of cash and cash equivalents totaling \$351,382 and \$648,328 for the Workers' Compensation and Property Damage funds, respectively, at June 30, 2014.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2014

12. SELF-INSURANCE ACTIVITIES (CONTINUED):

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

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

There were no significant reductions in insurance coverage during the year ended June 30, 2014 as compared to the previous year. The claims incurred did not exceed insurance coverage this year.

13. POLLUTION REMEDIATION OBLIGATION:

The Town is currently involved in the State of Rhode Island's Landfill Closure Program for both the Hamilton Allenton and Oak Hill Landfills. ACT Lincoln Environmental, the Town's consultant, has completed a Site Investigation Report for the Hamilton Allenton Landfill and submitted closure recommendations to the Rhode Island Department of Environmental Management (DEM). The highest priority recommendations include soil gas extraction and monitoring, wetland and drainage remediation, landfill cap improvements and additional groundwater monitoring. The Town still awaits comments from DEM from their site investigation recommendations submitted in prior years. The State's comments on the recommendations will dictate that either additional site investigation is required or a final landfill closure scope can proceed. Closure requirements established by DEM will be designed and bid for construction. The preliminary total closure estimate for both landfills is estimated at \$1,660,000, which has been reported as a liability in governmental activities. The estimate may be adjusted each year due to changes in plan, inflation, technology, or applicable laws or regulations. A future bond referendum will be required to pay for this project and could be combined with other infrastructure improvements. Immediate and more minor remediation efforts during fiscal year 2015 are to be funded from the Town Capital Reserve.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2014

13. POLLUTION REMEDIATION OBLIGATION (CONTINUED):

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, 2014, the Saunderstown Tank remediation was substantially complete and has an estimated remaining cost of \$5,487, which has been reported as a liability in business-type activities.

TOWN OF NORTH KINGSTOWN,
RHODE ISLAND

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2014

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

REQUIRED SUPPLEMENTARY INFORMATION - SCHEDULE OF FUNDING PROGRESS

YEAR ENDED JUNE 30, 2014

	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	AAL (UAAL) Funding Excess (Deficit)	Funded Ratio	Covered Payroll	AAL (UAAL) Funding Excess (Deficit) Percentage of Covered Payroll
Municipal Plan:							
General employees	6/30/2011	\$ 40,857,022	\$ 54,857,131	\$ (14,000,109)	74.5%	\$ 11,803,025	-118.61%
	6/30/2012	\$ 41,923,245	\$ 55,565,110	\$ (13,641,865)	75.4%	\$ 11,659,844	-117.00%
	6/30/2013	\$ 42,689,264	\$ 57,973,140	\$ (15,283,876)	73.6%	\$ 10,271,304	-148.80%
Police	6/30/2011	\$ 16,730,762	\$ 23,340,206	\$ (6,609,444)	71.7%	\$ 2,681,912	-246.45%
	6/30/2012	\$ 16,984,513	\$ 25,114,717	\$ (8,130,204)	67.6%	\$ 2,863,669	-283.91%
	6/30/2013	\$ 17,509,579	\$ 25,020,741	\$ (7,511,162)	70.0%	\$ 2,883,416	-260.50%
Fire	6/30/2011	\$ 25,908,334	\$ 32,793,693	\$ (6,885,359)	79.0%	\$ 3,602,581	-191.12%
	6/30/2012	\$ 26,307,305	\$ 36,305,785	\$ (9,998,480)	72.5%	\$ 3,472,694	-287.92%
	6/30/2013	\$ 27,007,007	\$ 38,954,915	\$ (11,947,908)	69.3%	\$ 3,820,152	-312.76%
Other Postemployment Benefits	7/1/2007	\$ -	\$ 25,294,765	\$ (25,294,765)	0.0%	\$ 45,495,325	-55.60%
	7/1/2010	\$ -	\$ 34,510,724	\$ (34,510,724)	0.0%	\$ 45,087,750	-76.54%
	7/1/2012	\$ -	\$ 33,361,496	\$ (33,361,496)	0.0%	\$ 43,912,696	-75.97%

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO SCHEDULE OF FUNDING PROGRESS

JUNE 30, 2014

Changes affecting the June 30, 2013 actuarial valuation:

The assumptions for the Municipal Employees' Retirement System are consistent with the 2012 valuation.

Changes affecting the June 30, 2012 actuarial valuation:

The assumptions for the Municipal Employees' Retirement System are consistent with the 2011 valuation, with the exception of certain assumption changes that resulted from the enactment of the Rhode Island Retirement Security Act of 2011. The marriage assumption was modified to reflect the expected percentage of members that will be eligible for survivor benefits upon their death, the incidence of disability was lowered to incorporate a continued trend of significantly fewer incidents of disability than anticipated by the current assumption, and the missing data assumption was updated to incorporate an assumption for missing beneficiary data.

The method used to determine the actuarial value of assets is the five-year smoothed market method. A small adjustment was made to the method used to smooth investment gains and losses to allow gains and losses to offset each other immediately. This modification will reduce future volatility in the actuarial value of assets while ensuring that the actuarial value always trends directly towards the market value of assets.

Changes affecting the June 30, 2011 actuarial valuation:

The retirement rates were modified to be consistent with the retirement eligibility changes instituted by the Rhode Island Retirement Security Act of 2011. Members that were assumed to retire prior to the Act, but before the earliest allowable age under the Act, are assumed to retire once eligible.

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

GENERAL FUND

YEAR ENDED JUNE 30, 2014

	Originally Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Revenues:				
Property Tax	\$ 73,211,474	\$ 73,211,474	\$ 73,546,768	\$ 335,294
Intergovernmental	1,243,240	1,243,240	1,322,218	78,978
Licenses & Permits	421,598	421,598	387,723	(33,875)
Investment Income	40,000	40,000	25,565	(14,435)
Departmental	2,350,308	1,600,308	1,959,078	358,770
Other	72,000	72,000	282,120	210,120
Total revenues	77,338,620	76,588,620	77,523,472	934,852
Expenditures:				
Town Council	101,365	101,365	24,478	76,887
Town Manager	227,045	227,045	222,656	4,389
Town Clerk & Elections	434,663	434,663	404,240	30,423
Town Solicitor	298,200	298,200	617,715	(319,515)
Finance	507,006	507,006	613,638	(106,632)
Information Systems	193,021	193,021	371,244	(178,223)
Assessor	220,077	220,077	188,137	31,940
Planning	556,506	630,842	545,543	85,299
General Operating	3,163,008	3,163,008	2,967,540	195,468
Code Enforcement	343,514	343,514	321,120	22,394
Fire	7,870,853	8,182,041	8,002,211	179,830
Police, Harbor & Animal Control	6,623,962	6,623,962	6,392,786	231,176
Public Works	4,381,580	4,440,033	4,232,296	207,737
Recreation	-	-	8,803	(8,803)
Senior Citizens	471,029	471,029	430,931	40,098
Contributions	129,347	129,347	153,613	(24,266)
Quonset Development	497,324	497,324	572,020	(74,696)
Total expenditures	26,018,500	26,462,477	26,068,971	393,506
Excess of revenues over expenditures	51,320,120	50,126,143	51,454,501	1,328,358
Other financing sources (uses):				
Transfers from fund balance	225,000	668,977	443,977	(225,000)
Transfers in	85,000	835,000	177,042	(657,958)
Transfers out	(51,630,120)	(51,630,120)	(52,035,268)	(405,148)
Net other financing sources (uses)	(51,320,120)	(50,126,143)	(51,414,249)	(1,288,106)
Excess of revenues and other financing sources over expenditures and other financing uses	\$ -	-	\$ 40,252	\$ 40,252

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

SCHOOL UNRESTRICTED FUND

YEAR ENDED JUNE 30, 2014

	Originally Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Revenues:				
State Aid	\$ 10,133,039	\$ 10,703,208	\$ 10,796,604	\$ 93,396
Federal Aid	450,000	450,000	548,576	98,576
Tuition	1,900,858	1,900,858	1,821,020	(79,838)
Miscellaneous	10,000	10,000	885,360	875,360
	<u>12,493,897</u>	<u>13,064,066</u>	<u>14,051,560</u>	<u>987,494</u>
Expenditures:				
Salaries	33,866,244	33,866,244	33,315,240	551,004
Fringe Benefits	14,374,488	14,374,488	13,730,311	644,177
Professional Services	6,659,073	7,229,242	7,427,833	(198,591)
Supplies and Materials	2,314,140	2,314,140	2,069,105	245,035
Capital Outlay	656,163	656,163	594,413	61,750
Debt Services	136,262	136,262	184,315	(48,053)
	<u>58,006,370</u>	<u>58,576,539</u>	<u>57,321,217</u>	<u>1,255,322</u>
Excess of expenditures over revenues	<u>(45,512,473)</u>	<u>(45,512,473)</u>	<u>(43,269,657)</u>	<u>2,242,816</u>
Other financing sources (uses):				
Transfers from fund balance	13,000	241,000	240,731	(269)
Operating transfer from Town	45,330,825	45,330,825	45,333,687	2,862
Transfers out			(1,154,572)	(1,154,572)
	<u>45,343,825</u>	<u>45,571,825</u>	<u>44,419,846</u>	<u>(1,151,979)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>\$ (168,648)</u>	<u>\$ 59,352</u>	<u>\$ 1,150,189</u>	<u>\$ 1,090,837</u>

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

LIBRARY FUND

YEAR ENDED JUNE 30, 2014

	Originally Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Revenues:				
State Aid	\$ 224,993	\$ 224,993	\$ 224,010	\$ (983)
Departmental Revenue	53,000	53,000	43,156	(9,844)
Other	-	-	14,246	14,246
Total revenues	<u>277,993</u>	<u>277,993</u>	<u>281,412</u>	<u>3,419</u>
Expenditures:				
Library	<u>1,465,886</u>	<u>1,465,886</u>	<u>1,446,933</u>	<u>18,953</u>
Total expenditures	<u>1,465,886</u>	<u>1,465,886</u>	<u>1,446,933</u>	<u>18,953</u>
Excess of expenditures over revenues	<u>(1,187,893)</u>	<u>(1,187,893)</u>	<u>(1,165,521)</u>	<u>22,372</u>
Other financing sources (uses):				
Operating transfer from Town	1,177,893	1,177,893	1,177,893	-
Transfers out		-		-
Transfer from fund balance	<u>10,000</u>	<u>10,000</u>		<u>(10,000)</u>
Net other financing sources (uses)	<u>1,187,893</u>	<u>1,187,893</u>	<u>1,177,893</u>	<u>(10,000)</u>
Excess of revenues and other financing sources over expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,372</u>	<u>\$ 12,372</u>

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

DEBT SERVICE FUND

YEAR ENDED JUNE 30, 2014

	Originally Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Revenues:				
State Aid	\$ 1,023,720	\$ 1,023,720	\$ 1,006,913	\$ (16,807)
Miscellaneous	1,000	1,000	1,769	769
Total revenues	<u>1,024,720</u>	<u>1,024,720</u>	<u>1,008,682</u>	<u>(16,038)</u>
Expenditures:				
Debt Service – Municipal	2,247,658	2,247,658	12,280,287	(10,032,629)
Debt Service – School	<u>3,712,974</u>	<u>3,712,974</u>	<u>3,711,862</u>	<u>1,112</u>
Total expenditures	<u>5,960,632</u>	<u>5,960,632</u>	<u>15,992,149</u>	<u>(10,031,517)</u>
Excess of expenditures over revenues	<u>(4,935,912)</u>	<u>(4,935,912)</u>	<u>(14,983,467)</u>	<u>(10,047,555)</u>
Other financing sources:				
Operating transfers in – General Fund	4,756,402	4,756,402	4,756,402	-
Transfer from Impact Fees	35,000	35,000	60,889	25,889
Transfer from fund balance	144,510	144,510	-	(144,510)
	<u>-</u>	<u>-</u>	<u>10,413,347</u>	<u>10,413,347</u>
Net other financing sources	<u>4,935,912</u>	<u>4,935,912</u>	<u>15,230,638</u>	<u>10,294,726</u>
Excess of revenues and other financing sources over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 247,171</u>	<u>\$ 247,171</u>

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

JUNE 30, 2014

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, 2014

BUDGETARY DATA AND BUDGETARY COMPLIANCE (CONTINUED):

Budgetary to GAAP basis reconciliation (continued):

The following reconciliations summarize the differences between budgetary and U.S. GAAP basis accounting principles for the year ended June 30, 2014:

GENERAL FUND

Excess of revenues and other sources over expenditures and other uses (Non-GAAP Budgetary Basis)	\$ 40,252
Prior year encumbrances	(461,796)
Current year encumbrances	201,905
Prior year cancelled or voided purchase orders	(285,412)
Use of accumulated fund balance	(443,977)
Combined with General Fund – GASB 54 GAAP basis:	
Adjustment for prior year expenses	1,306
Retirement allowance reserve	4,461
Health insurance reserve	1,218
	<hr/>
Net change in fund balance, GAAP basis	<u>\$ (942,043)</u>

SCHOOL UNRESTRICTED FUND

Excess of revenues and other sources over expenditures and other uses (Non-GAAP Budgetary Basis)	\$ 1,150,189
Prior year encumbrances	(47,629)
Current year encumbrances	37,546
Prior year cancelled or voided purchase orders	(1,917)
Use of accumulated fund balance	(13,000)
	<hr/>
Net change in fund balance, GAAP basis	<u>\$ 1,125,189</u>

TOWN OF NORTH KINGSTOWN,
RHODE ISLAND

OTHER SUPPLEMENTARY INFORMATION

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

OTHER SUPPLEMENTARY INFORMATION

JUNE 30, 2014

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.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

OTHER SUPPLEMENTARY INFORMATION

JUNE 30, 2014

SPECIAL REVENUE FUNDS (CONTINUED):

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

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

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

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

Technology Replacement – To account for funds received from 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

JUNE 30, 2014

SPECIAL REVENUE FUNDS (CONTINUED):

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

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

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

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

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

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

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

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

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

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

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

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

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

OTHER SUPPLEMENTARY INFORMATION

JUNE 30, 2014

SPECIAL REVENUE FUNDS (CONTINUED):

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

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

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

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

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

OTHER SUPPLEMENTARY INFORMATION

JUNE 30, 2014

SPECIAL REVENUE FUNDS (CONTINUED):

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

Unrestricted	United Way – Hasbro Summer
Public Law 94-142	Rhode Island Foundation
Title III – LEP	RI Council for the Humanities
Title I	RI Interscholastic League
Homeless Children & Youth	COZ Miscellaneous Donations
The Boston Foundation	Siemens Foundation
USDA Reallocation	Use of Buildings
Title II	Substance Abuse Task Force
PTO Donations	Nickelodeon
Career & Tech	Donation Coaches
91-142 Preschool Services	COZ Education Exchange
21st Century Learning Center	Amgen Foundation
Target Grant	Scholarship America
21st Century Donations	Town Substance Abuse Task Force
Substance Abuse Donations	Spirit Day
Providence Performing Arts	Champlin Foundation
Common Core Standards	RTTT Education Effectiveness
RI Council On The Arts	RTTT Instructional Improvement
COZ Family Center	RTTT Standards
Achieve Algebra Tests	RTTT Instructional Set Aside
RTTT Human Capital Set Aside	RTTT Education Effectiveness Set Aside
RTTT PLC Mini Grant	

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

OTHER SUPPLEMENTARY INFORMATION

JUNE 30, 2014

DEBT SERVICE FUNDS:

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

CAPITAL PROJECT FUNDS:

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

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

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

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

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

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

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

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.

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

1.35M Library Bond Fund – To account for bond monies used to finance improvements to the Library.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

OTHER SUPPLEMENTARY INFORMATION

JUNE 30, 2014

PERMANENT FUNDS:

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

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

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

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

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

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

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

- Elizabeth Miller
- William D. Davis

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

OTHER SUPPLEMENTARY INFORMATION

JUNE 30, 2014

PERMANENT FUNDS (CONTINUED):

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

- Hendrick Library
- Gardiner
- Updike
- Tennis

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2014

	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
<i>Assets</i>								
Cash and cash equivalents	\$ 13,001	\$ 68,639	\$ 9,992	\$ 195,920	\$ 23,559	\$ -	\$ 4,384	\$ 25,982
Due from other governments	19,716						(1,298)	
Due from other funds				10,207				
Other receivables				5,770				
	<u>\$ 32,717</u>	<u>\$ 68,639</u>	<u>\$ 9,992</u>	<u>\$ 211,897</u>	<u>\$ 23,559</u>	<u>\$ -</u>	<u>\$ 3,086</u>	<u>\$ 25,982</u>
<i>Liabilities</i>								
Accounts payable and accrued liabilities	\$ 9,858	\$ -	\$ 9,992	\$ 65,228	\$ -	\$ 24,883	\$ -	\$ -
Due to other funds		68,297				269,327		
Due to other governments								
Unearned revenue								
<i>Total Liabilities</i>	<u>9,858</u>	<u>68,297</u>	<u>9,992</u>	<u>65,228</u>	<u>-</u>	<u>294,210</u>	<u>-</u>	<u>-</u>
<i>Fund Balances</i>								
Nonspendable								
Restricted	22,859	342	-		23,559		3,086	25,982
Committed								
Assigned				146,669				
Unassigned						(294,210)		
<i>Total Fund Balances</i>	<u>22,859</u>	<u>342</u>	<u>-</u>	<u>146,669</u>	<u>23,559</u>	<u>(294,210)</u>	<u>3,086</u>	<u>25,982</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 32,717</u>	<u>\$ 68,639</u>	<u>\$ 9,992</u>	<u>\$ 211,897</u>	<u>\$ 23,559</u>	<u>\$ -</u>	<u>\$ 3,086</u>	<u>\$ 25,982</u>

(continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2014

	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	Senior Health Insurance Program	State Council on the Arts Grant	RI Foundation Grant
<i>Assets</i>									
Cash and cash equivalents	\$ 709	\$ 4,500	\$ 248,836	\$ 185,107	\$ -	\$ 90,526	\$ 7,019	\$ 10,697	\$ -
Due from other governments									
Due from other funds				(8,697)					
Other receivables									
	<u>\$ 709</u>	<u>\$ 4,500</u>	<u>\$ 248,836</u>	<u>\$ 176,410</u>	<u>\$ -</u>	<u>\$ 90,526</u>	<u>\$ 7,019</u>	<u>\$ 10,697</u>	<u>\$ -</u>
<i>Liabilities</i>									
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 3,782	\$ 110	\$ -	\$ 309	\$ -	\$ -
Due to other funds			197,428		503				597
Due to other governments									
Unearned revenue									
<i>Total Liabilities</i>	<u>-</u>	<u>-</u>	<u>197,428</u>	<u>3,782</u>	<u>613</u>	<u>-</u>	<u>309</u>	<u>-</u>	<u>597</u>
<i>Fund Balances</i>									
Nonspendable									
Restricted	709	4,500	51,408	172,628		90,526	6,710	10,697	
Committed									
Assigned									
Unassigned					(613)		-		(597)
<i>Total Fund Balances</i>	<u>709</u>	<u>4,500</u>	<u>51,408</u>	<u>172,628</u>	<u>(613)</u>	<u>90,526</u>	<u>6,710</u>	<u>10,697</u>	<u>(597)</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 709</u>	<u>\$ 4,500</u>	<u>\$ 248,836</u>	<u>\$ 176,410</u>	<u>\$ -</u>	<u>\$ 90,526</u>	<u>\$ 7,019</u>	<u>\$ 10,697</u>	<u>\$ -</u>

(continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2014

	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
<i>Assets</i>								
Cash and cash equivalents	\$ 358	\$ 37,528	\$ 2,100	\$ 18,705	\$ 5,220	\$ 36,292	\$ 1,013,720	\$ 143,039
Due from other governments				9,385				204,608
Due from other funds								
Other receivables								
	<u>\$ 358</u>	<u>\$ 37,528</u>	<u>\$ 2,100</u>	<u>\$ 28,090</u>	<u>\$ 5,220</u>	<u>\$ 36,292</u>	<u>\$ 1,013,720</u>	<u>\$ 347,647</u>
<i>Liabilities</i>								
Accounts payable and accrued liabilities	\$ -	\$ 7,474	\$ -	\$ 440	\$ 1,555	\$ -	\$ 3,997	\$ -
Due to other funds								65,537
Due to other governments								
Unearned revenue								212,777
<i>Total Liabilities</i>	<u>-</u>	<u>7,474</u>	<u>-</u>	<u>440</u>	<u>1,555</u>	<u>-</u>	<u>3,997</u>	<u>278,314</u>
<i>Fund Balances</i>								
Nonspendable								
Restricted	358	30,054	2,100	27,650	3,665		1,009,723	
Committed								
Assigned						36,292		
Unassigned								69,333
<i>Total Fund Balances</i>	<u>358</u>	<u>30,054</u>	<u>2,100</u>	<u>27,650</u>	<u>3,665</u>	<u>36,292</u>	<u>1,009,723</u>	<u>69,333</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 358</u>	<u>\$ 37,528</u>	<u>\$ 2,100</u>	<u>\$ 28,090</u>	<u>\$ 5,220</u>	<u>\$ 36,292</u>	<u>\$ 1,013,720</u>	<u>\$ 347,647</u>

(continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2014

	SPECIAL REVENUE FUNDS							
	Fire Department Legislative Grant	Old Library Park	Groundwater Education Donation	Miscellaneous Library Donations	Operation Drug Dog	Special Purpose Donations	Tax Revaluation Reserve Fund	Infrastructure Replacement
<i>Assets</i>								
Cash and cash equivalents	\$ 2,626	\$ 2,593	\$ 667	\$ 14,120	\$ -	\$ 4,807	\$ 56,398	\$ 372,243
Due from other governments						(1,370)		
Due from other funds								
Other receivables								11,997
	<u>\$ 2,626</u>	<u>\$ 2,593</u>	<u>\$ 667</u>	<u>\$ 14,120</u>	<u>\$ -</u>	<u>\$ 3,437</u>	<u>\$ 56,398</u>	<u>\$ 384,240</u>
<i>Liabilities</i>								
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 212	\$ -	\$ 7,619	\$ -	\$ -
Due to other funds								
Due to other governments								
Unearned revenue								
<i>Total Liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>212</u>	<u>-</u>	<u>7,619</u>	<u>-</u>	<u>-</u>
<i>Fund Balances</i>								
Nonspendable								
Restricted	2,626	2,593	667	13,908	-			
Committed								
Assigned							56,398	384,240
Unassigned						(4,182)		
<i>Total Fund Balances</i>	<u>2,626</u>	<u>2,593</u>	<u>667</u>	<u>13,908</u>	<u>-</u>	<u>(4,182)</u>	<u>56,398</u>	<u>384,240</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 2,626</u>	<u>\$ 2,593</u>	<u>\$ 667</u>	<u>\$ 14,120</u>	<u>\$ -</u>	<u>\$ 3,437</u>	<u>\$ 56,398</u>	<u>\$ 384,240</u>

(continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2014

	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.
<i>Assets</i>							
Cash and cash equivalents	\$ 30,342	\$ 7	\$ 62,958	\$ 61	\$ 55,309	\$ 1,327	\$ 4,844
Due from other governments							
Due from other funds							
Other receivables							
	<u>\$ 30,342</u>	<u>\$ 7</u>	<u>\$ 62,958</u>	<u>\$ 61</u>	<u>\$ 55,309</u>	<u>\$ 1,327</u>	<u>\$ 4,844</u>
<i>Liabilities</i>							
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 5,051	\$ -	\$ 8,484	\$ -	\$ -
Due to other funds	22,500	901					
Due to other governments							
Unearned revenue							
<i>Total Liabilities</i>	<u>22,500</u>	<u>901</u>	<u>5,051</u>	<u>-</u>	<u>8,484</u>	<u>-</u>	<u>-</u>
<i>Fund Balances</i>							
Nonspendable							
Restricted	7,842		57,907	61	46,825	1,327	4,844
Committed							
Assigned							
Unassigned		(894)					
<i>Total Fund Balances</i>	<u>7,842</u>	<u>(894)</u>	<u>57,907</u>	<u>61</u>	<u>46,825</u>	<u>1,327</u>	<u>4,844</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 30,342</u>	<u>\$ 7</u>	<u>\$ 62,958</u>	<u>\$ 61</u>	<u>\$ 55,309</u>	<u>\$ 1,327</u>	<u>\$ 4,844</u>

(continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2014

	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
<i>Assets</i>							
Cash and cash equivalents	\$ 329	\$ -	\$ 42,559	\$ 144	\$ 109,173	\$ 63,947	\$ 11,475
Due from other governments		1,400					
Due from other funds							
Other receivables					163,763		
	<u>\$ 329</u>	<u>\$ 1,400</u>	<u>\$ 42,559</u>	<u>\$ 144</u>	<u>\$ 109,173</u>	<u>\$ 227,710</u>	<u>\$ 11,475</u>
<i>Liabilities</i>							
Accounts payable and accrued liabilities	\$ 269	\$ -	\$ 894	\$ 144	\$ 42,745	\$ 5,686	\$ -
Due to other funds						206,663	
Due to other governments							
Unearned revenue							
<i>Total Liabilities</i>	<u>269</u>	<u>-</u>	<u>894</u>	<u>144</u>	<u>42,745</u>	<u>212,349</u>	<u>-</u>
<i>Fund Balances</i>							
Nonspendable							
Restricted	60	1,400	41,665	-	66,428		
Committed							
Assigned						15,361	11,475
Unassigned							
<i>Total Fund Balances</i>	<u>60</u>	<u>1,400</u>	<u>41,665</u>	<u>-</u>	<u>66,428</u>	<u>15,361</u>	<u>11,475</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 329</u>	<u>\$ 1,400</u>	<u>\$ 42,559</u>	<u>\$ 144</u>	<u>\$ 109,173</u>	<u>\$ 227,710</u>	<u>\$ 11,475</u>

(continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2014

	CAPITAL PROJECT FUNDS							
	Capital Improvements Project	Capital Reserve	9M School Renovation Bond	Farmland & Open Space Reserve	6M Public Facilities Plan Bond	School Capital Reserve Fund	4M Senior Center Complex Fund	4.5M Public Safety Facilities
<i>Assets</i>								
Cash and cash equivalents	\$ 953,278	\$ 987,462	\$ -	\$ 1,312,824	\$ 375,682	\$ 20,984	\$ 8,775	\$ 21,940
Due from other governments			1,600,000					
Due from other funds								
Other receivables								
	<u>\$ 953,278</u>	<u>\$ 987,462</u>	<u>\$ 1,600,000</u>	<u>\$ 1,312,824</u>	<u>\$ 375,682</u>	<u>\$ 20,984</u>	<u>\$ 8,775</u>	<u>\$ 21,940</u>
<i>Liabilities</i>								
Accounts payable and accrued liabilities	\$ 95,524	\$ 46,804	\$ 27,012	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds		803,384	1,273,926					
Due to other governments								
Unearned revenue								
<i>Total Liabilities</i>	<u>95,524</u>	<u>850,188</u>	<u>1,300,938</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund Balances</i>								
Nonspendable								
Restricted			299,062	1,312,824	375,682	20,984	8,775	21,940
Committed								
Assigned	857,754	137,274						
Unassigned								
<i>Total Fund Balances</i>	<u>857,754</u>	<u>137,274</u>	<u>299,062</u>	<u>1,312,824</u>	<u>375,682</u>	<u>20,984</u>	<u>8,775</u>	<u>21,940</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 953,278</u>	<u>\$ 987,462</u>	<u>\$ 1,600,000</u>	<u>\$ 1,312,824</u>	<u>\$ 375,682</u>	<u>\$ 20,984</u>	<u>\$ 8,775</u>	<u>\$ 21,940</u>

(continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2014

	CAPITAL PROJECT FUNDS		PERMANENT FUNDS						
	4M Farmland Open Space Fund	1.35M Library Bond Fund	Henry Reynolds Indigent Care	Tri-Centennial Park	400th Anniversary	Henry Reynolds Outside Poor Fund	John J. Spink Outside Poor Fund	John B. Spink Outside Poor Fund	Thomas Casey Outside Poor Fund
Assets									
Cash and cash equivalents	\$ 364,184	\$ -	\$ 18,970	\$ 6,118	\$ 3,621	\$ 2,187	\$ 21,087	\$ 5,272	\$ 2,187
Due from other governments									
Due from other funds									
Other receivables									
	<u>\$ 364,184</u>	<u>\$ -</u>	<u>\$ 18,970</u>	<u>\$ 6,118</u>	<u>\$ 3,621</u>	<u>\$ 2,187</u>	<u>\$ 21,087</u>	<u>\$ 5,272</u>	<u>\$ 2,187</u>
Liabilities									
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds									
Due to other governments									
Unearned revenue									
<i>Total Liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances									
Nonspendable									
Restricted	364,184		18,970	6,118	3,621	2,187	21,087	5,272	2,187
Committed									
Assigned									
Unassigned									
<i>Total Fund Balances</i>	<u>364,184</u>	<u>-</u>	<u>18,970</u>	<u>6,118</u>	<u>3,621</u>	<u>2,187</u>	<u>21,087</u>	<u>5,272</u>	<u>2,187</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 364,184</u>	<u>\$ -</u>	<u>\$ 18,970</u>	<u>\$ 6,118</u>	<u>\$ 3,621</u>	<u>\$ 2,187</u>	<u>\$ 21,087</u>	<u>\$ 5,272</u>	<u>\$ 2,187</u>

(continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2014

	PERMANENT FUNDS								
	Elizabeth Miller Library Fund	William D. Davis Library Fund	Veterans Memorial Scholarship	Hendrick Library Fund	Gardiner Fund	Updike Fund	Tennis Fund	Lynette Olson Memorial Fund	Grand Totals
<i>Assets</i>									
Cash and cash equivalents	\$ 2,007	\$ 5,018	\$ 6,928	\$ 8,769	\$ 5,803	\$ 4,221	\$ 268	\$ 5,340	\$ 7,124,687
Due from other governments									1,832,441
Due from other funds									1,510
Other receivables									181,530
	<u>\$ 2,007</u>	<u>\$ 5,018</u>	<u>\$ 6,928</u>	<u>\$ 8,769</u>	<u>\$ 5,803</u>	<u>\$ 4,221</u>	<u>\$ 268</u>	<u>\$ 5,340</u>	<u>\$ 9,140,168</u>
<i>Liabilities</i>									
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 368,072
Due to other funds									2,909,063
Due to other governments									-
Unearned revenue									212,777
<i>Total Liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,489,912</u>
<i>Fund Balances</i>									
Nonspendable									-
Restricted	2,007	5,018	6,928	8,769	5,803	4,221	268	5,340	4,235,956
Committed									-
Assigned									1,645,463
Unassigned									(231,163)
<i>Total Fund Balances</i>	<u>2,007</u>	<u>5,018</u>	<u>6,928</u>	<u>8,769</u>	<u>5,803</u>	<u>4,221</u>	<u>268</u>	<u>5,340</u>	<u>5,650,256</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 2,007</u>	<u>\$ 5,018</u>	<u>\$ 6,928</u>	<u>\$ 8,769</u>	<u>\$ 5,803</u>	<u>\$ 4,221</u>	<u>\$ 268</u>	<u>\$ 5,340</u>	<u>\$ 9,140,168</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

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

YEAR ENDED JUNE 30, 2014

	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	\$ -	\$ 161	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	19,716	18,400		224,010		241,471		
Departmental				43,156				
Other			19,984	14,246			-	-
<i>Total Revenues</i>	<u>19,716</u>	<u>18,561</u>	<u>19,984</u>	<u>281,412</u>	<u>-</u>	<u>241,471</u>	<u>-</u>	<u>-</u>
Expenditures:								
General government	-	18,433	-	-	-	145,823	-	3,031
Public safety							1,429	
Education								
Public libraries			29,305	1,396,933				
Senior services								
Capital and special appropriations		68,341		50,000		437,958		
<i>Total Expenditures</i>	<u>-</u>	<u>86,774</u>	<u>29,305</u>	<u>1,446,933</u>	<u>-</u>	<u>583,781</u>	<u>1,429</u>	<u>3,031</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>19,716</u>	<u>(68,213)</u>	<u>(9,321)</u>	<u>(1,165,521)</u>	<u>-</u>	<u>(342,310)</u>	<u>(1,429)</u>	<u>(3,031)</u>
Other financing sources (uses):								
Proceeds from bond issuance								
Bond Premiums								
Bond issuance costs								
Transfers in				1,177,893				
Transfers out				-				
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,177,893</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	19,716	(68,213)	(9,321)	12,372	-	(342,310)	(1,429)	(3,031)
Fund balance, beginning of year	3,143	68,555	9,321	134,297	23,559	48,100	4,515	29,013
Fund balance, end of year	<u>\$ 22,859</u>	<u>\$ 342</u>	<u>\$ -</u>	<u>\$ 146,669</u>	<u>\$ 23,559</u>	<u>\$ (294,210)</u>	<u>\$ 3,086</u>	<u>\$ 25,982</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, 2014

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	Senior Health Insurance Program	State Council on the Arts Grant	RI Foundation Grant
venues:									
Interest and investment income	\$ -	\$ -	\$ -	\$ 437	\$ -	\$ 212		\$ -	\$ -
Intergovernmental			520,840	258,138	8,311		9,443		
Departmental									
Other									
<i>Total Revenues</i>	<u>-</u>	<u>-</u>	<u>520,840</u>	<u>258,575</u>	<u>8,311</u>	<u>212</u>	<u>9,443</u>	<u>-</u>	<u>-</u>
penditures:									
General government	-	-	-	236,261	-	-	2,733	-	-
Public safety			504,373						
Education									
Public libraries									
Senior services					8,310				
Capital and special appropriations				25,708					
<i>Total Expenditures</i>	<u>-</u>	<u>-</u>	<u>504,373</u>	<u>261,969</u>	<u>8,310</u>	<u>-</u>	<u>2,733</u>	<u>-</u>	<u>-</u>
excess (deficiency) of revenues over expenditures									
before other financing sources (uses)	<u>-</u>	<u>-</u>	<u>16,467</u>	<u>(3,394)</u>	<u>1</u>	<u>212</u>	<u>6,710</u>	<u>-</u>	<u>-</u>
other financing sources (uses):									
Proceeds from bond issuance									
Bond Premiums									
Bond issuance costs									
Transfers in									
Transfers out									
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>16,467</u>	<u>(3,394)</u>	<u>1</u>	<u>212</u>	<u>6,710</u>	<u>-</u>	<u>-</u>
ending balance, beginning of year	<u>709</u>	<u>4,500</u>	<u>34,941</u>	<u>176,022</u>	<u>(614)</u>	<u>90,314</u>	<u>-</u>	<u>10,697</u>	<u>(597)</u>
ending balance, end of year	<u>\$ 709</u>	<u>\$ 4,500</u>	<u>\$ 51,408</u>	<u>\$ 172,628</u>	<u>\$ (613)</u>	<u>\$ 90,526</u>	<u>\$ 6,710</u>	<u>\$ 10,697</u>	<u>\$ (597)</u>

(continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

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

YEAR ENDED JUNE 30, 2014

	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
Revenues:								
Interest and investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1	\$ 3	\$ -
Intergovernmental				36,312	6,300	36,291	441,293	410,948
Departmental								
Other		4,604						
<i>Total Revenues</i>	<u>-</u>	<u>4,604</u>	<u>-</u>	<u>36,312</u>	<u>6,300</u>	<u>36,292</u>	<u>441,296</u>	<u>410,948</u>
Expenditures:								
General government	-	3,383	-	-	-	-	56,642	351,456
Public safety								
Education								
Public libraries				5,956				
Senior services				28,661	4,255			
Capital and special appropriations								
<i>Total Expenditures</i>	<u>-</u>	<u>3,383</u>	<u>-</u>	<u>34,617</u>	<u>4,255</u>	<u>-</u>	<u>56,642</u>	<u>351,456</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>-</u>	<u>1,221</u>	<u>-</u>	<u>1,695</u>	<u>2,045</u>	<u>36,292</u>	<u>384,654</u>	<u>59,492</u>
Other financing sources (uses):								
Proceeds from bond issuance								
Bond Premiums								
Bond issuance costs								
Transfers in								
Transfers out						(60,889)		
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(60,889)</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>-</u>	<u>1,221</u>	<u>-</u>	<u>1,695</u>	<u>2,045</u>	<u>(24,597)</u>	<u>384,654</u>	<u>59,492</u>
Fund balance, beginning of year	358	28,833	2,100	25,955	1,620	60,889	625,069	9,841
Fund balance, end of year	<u>\$ 358</u>	<u>\$ 30,054</u>	<u>\$ 2,100</u>	<u>\$ 27,650</u>	<u>\$ 3,665</u>	<u>\$ 36,292</u>	<u>\$ 1,009,723</u>	<u>\$ 69,333</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, 2014

	SPECIAL REVENUE FUNDS							
	Fire Department Legislative Grant	Old Library Park	Groundwater Education Donation	Miscellaneous Library Donations	Operation Drug Dog	Special Purpose Donations	Tax Revaluation Reserve Fund	Infrastructure Replacement
Revenues:								
Interest and investment income	\$ -	\$ 6	\$ -	\$ 23	\$ -	\$ -	\$ -	\$ 454
Intergovernmental				3,746			134	179,479
Departmental								
Other				30		4,070		
<i>Total Revenues</i>	<u>-</u>	<u>6</u>	<u>-</u>	<u>3,799</u>	<u>-</u>	<u>4,070</u>	<u>134</u>	<u>179,933</u>
Expenditures:								
General government	-	-	-	-	-	18,329	-	-
Public safety						107		
Education								
Public libraries				758				
Senior services								
Capital and special appropriations								
<i>Total Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>758</u>	<u>-</u>	<u>18,436</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>-</u>	<u>6</u>	<u>-</u>	<u>3,041</u>	<u>-</u>	<u>(14,366)</u>	<u>134</u>	<u>179,933</u>
Other financing sources (uses):								
Proceeds from bond issuance								
Bond Premiums								
Bond issuance costs								
Transfers in							-	
Transfers out					(1,743)			
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,743)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>-</u>	<u>6</u>	<u>-</u>	<u>3,041</u>	<u>(1,743)</u>	<u>(14,366)</u>	<u>134</u>	<u>179,933</u>
Fund balance, beginning of year	2,626	2,587	667	10,867	1,743	10,184	56,264	204,307
Fund balance, end of year	<u>\$ 2,626</u>	<u>\$ 2,593</u>	<u>\$ 667</u>	<u>\$ 13,908</u>	<u>\$ -</u>	<u>\$ (4,182)</u>	<u>\$ 56,398</u>	<u>\$ 384,240</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, 2014

	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	\$ -	\$ 7	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental							
Departmental							
Other	72		107,795		83,073	100	
<i>Total Revenues</i>	<u>72</u>	<u>7</u>	<u>107,795</u>	<u>-</u>	<u>83,073</u>	<u>100</u>	<u>-</u>
penditures:							
General government	-	-	-	-	42,391	-	-
Public safety							
Education							
Public libraries							
Senior services			89,840				
Capital and special appropriations	22,500						
<i>Total Expenditures</i>	<u>22,500</u>	<u>-</u>	<u>89,840</u>	<u>-</u>	<u>42,391</u>	<u>-</u>	<u>-</u>
cess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>(22,428)</u>	<u>7</u>	<u>17,955</u>	<u>-</u>	<u>40,682</u>	<u>100</u>	<u>-</u>
her financing sources (uses):							
Proceeds from bond issuance							
Bond Premiums							
Bond issuance costs							
Transfers in							
Transfers out							
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
cess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>(22,428)</u>	<u>7</u>	<u>17,955</u>	<u>-</u>	<u>40,682</u>	<u>100</u>	<u>-</u>
nd balance, beginning of year	<u>30,270</u>	<u>(901)</u>	<u>39,952</u>	<u>61</u>	<u>6,143</u>	<u>1,227</u>	<u>4,844</u>
nd balance, end of year	<u>\$ 7,842</u>	<u>\$ (894)</u>	<u>\$ 57,907</u>	<u>\$ 61</u>	<u>\$ 46,825</u>	<u>\$ 1,327</u>	<u>\$ 4,844</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, 2014

	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						282,407	
Departmental							
Other	1,057	-	11,254		269,182		
<i>Total Revenues</i>	<u>1,057</u>	<u>-</u>	<u>11,254</u>	<u>-</u>	<u>269,182</u>	<u>282,407</u>	<u>-</u>
penditures:							
General government	1,163	-	3,782	-	268,776	286,447	-
Public safety							
Education							
Public libraries							
Senior services							
Capital and special appropriations							
<i>Total Expenditures</i>	<u>1,163</u>	<u>-</u>	<u>3,782</u>	<u>-</u>	<u>268,776</u>	<u>286,447</u>	<u>-</u>
cess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>(106)</u>	<u>-</u>	<u>7,472</u>	<u>-</u>	<u>406</u>	<u>(4,040)</u>	<u>-</u>
her financing sources (uses):							
Proceeds from bond issuance							
Bond Premiums							
Bond issuance costs							
Transfers in							-
Transfers out							-
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
cess (deficiency) of revenues over expenditures	<u>(106)</u>	<u>-</u>	<u>7,472</u>	<u>-</u>	<u>406</u>	<u>(4,040)</u>	<u>-</u>
nd balance, beginning of year	<u>166</u>	<u>1,400</u>	<u>34,193</u>	<u>-</u>	<u>66,022</u>	<u>19,401</u>	<u>11,475</u>
nd balance, end of year	<u>\$ 60</u>	<u>\$ 1,400</u>	<u>\$ 41,665</u>	<u>\$ -</u>	<u>\$ 66,428</u>	<u>\$ 15,361</u>	<u>\$ 11,475</u>

(continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

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

YEAR ENDED JUNE 30, 2014

	CAPITAL PROJECT FUNDS							
	Capital Improvement Project	Capital Reserve	9M School Renovation Bond	Farmland & Open Space Reserve	6M Public Facilities Plan Bond	School Capital Reserve Fund	4M Senior Center Complex Fund	4.5M Public Safety Facilities
Revenues:								
Interest and investment income	\$ -	\$ 2,546	\$ -	\$ 3,499	\$ 886	\$ 47	\$ -	\$ -
Intergovernmental				111,496				
Departmental								
Other								
<i>Total Revenues</i>	<u>-</u>	<u>2,546</u>	<u>-</u>	<u>114,995</u>	<u>886</u>	<u>47</u>	<u>-</u>	<u>-</u>
Expenditures:								
General government	23,989	53,709	861.00	11,300	-	-	-	-
Public safety								
Education								
Public libraries								
Senior services								
Capital and special appropriations	425,110	684,735	730,434					
<i>Total Expenditures</i>	<u>449,099</u>	<u>738,444</u>	<u>731,295</u>	<u>11,300</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>(449,099)</u>	<u>(735,898)</u>	<u>(731,295)</u>	<u>103,695</u>	<u>886</u>	<u>47</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):								
Proceeds from bond issuance	-		-					
Bond Premiums			-					
Bond issuance costs			-					
Transfers in	1,262,972	-						
Transfers out		(111,150)						
<i>Total Other Financing Sources (Uses)</i>	<u>1,262,972</u>	<u>(111,150)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>813,873</u>	<u>(847,048)</u>	<u>(731,295)</u>	<u>103,695</u>	<u>886</u>	<u>47</u>	<u>-</u>	<u>-</u>
Fund balance, beginning of year	<u>43,881</u>	<u>984,322</u>	<u>1,030,357</u>	<u>1,209,129</u>	<u>374,796</u>	<u>20,937</u>	<u>8,775</u>	<u>21,940</u>
Fund balance, end of year	<u>\$ 857,754</u>	<u>\$ 137,274</u>	<u>\$ 299,062</u>	<u>\$ 1,312,824</u>	<u>\$ 375,682</u>	<u>\$ 20,984</u>	<u>\$ 8,775</u>	<u>\$ 21,940</u>

(continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

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

YEAR ENDED JUNE 30, 2014

	CAPITAL PROJECT FUNDS		PERMANENT FUNDS						
	4M Farmland Open Space Fund	1.35M Library Bond 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	\$ 859	\$ -	\$ 45	\$ -	\$ 4	\$ -	\$ -	\$ -	\$ -
Intergovernmental									
Departmental									
Other									
<i>Total Revenues</i>	<u>859</u>	<u>-</u>	<u>45</u>	<u>-</u>	<u>4</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
penditures:									
General government	-	802.00	-	-	-	-	-	-	-
Public safety		333,273							
Education									
Public libraries									
Senior services									
Capital and special appropriations		7,300							
<i>Total Expenditures</i>	<u>-</u>	<u>341,375</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>859</u>	<u>(341,375)</u>	<u>45</u>	<u>-</u>	<u>4</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
other financing sources (uses):									
Proceeds from bond issuance									
Bond Premiums									
Bond issuance costs									
Transfers in		358,904	-	-	-	-	-	-	-
Transfers out									
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>358,904</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>859</u>	<u>17,529</u>	<u>45</u>	<u>-</u>	<u>4</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
fund balance, beginning of year	<u>363,325</u>	<u>(17,529)</u>	<u>18,925</u>	<u>6,118</u>	<u>3,617</u>	<u>2,187</u>	<u>21,087</u>	<u>5,272</u>	<u>2,187</u>
fund balance, end of year	<u>\$ 364,184</u>	<u>\$ -</u>	<u>\$ 18,970</u>	<u>\$ 6,118</u>	<u>\$ 3,621</u>	<u>\$ 2,187</u>	<u>\$ 21,087</u>	<u>\$ 5,272</u>	<u>\$ 2,187</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, 2014

	PERMANENT FUNDS								
	Elizabeth Miller Library Fund	William D. Davis Library Fund	Veterans Memorial Scholarship	Hendrick Library Fund	Gardiner Fund	School Updike Fund	School Tennis Fund	Lynette Olson Memorial Fund	Grand Totals
venues:									
Interest and investment income	\$ -	\$ -	\$ 10	\$ 6	\$ 4	\$ 2	\$ -	\$ -	\$ 9,212
Intergovernmental									2,808,735
Departmental									43,156
Other									515,467
<i>Total Revenues</i>	<u>-</u>	<u>-</u>	<u>10</u>	<u>6</u>	<u>4</u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>3,376,570</u>
penditures:									
General government	-	-	-	-	-	-	-	-	1,529,311
Public safety									839,182
Education									-
Public libraries									1,432,952
Senior services									131,066
Capital and special appropriations									2,452,086
<i>Total Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,384,597</u>
cess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>-</u>	<u>-</u>	<u>10</u>	<u>6</u>	<u>4</u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>(3,008,027)</u>
her financing sources (uses):									
Proceeds from bond issuance									-
Bond Premiums									-
Bond issuance costs									-
Transfers in	-	-	-	-	-	-	-	-	2,799,769
Transfers out	-	-	-	-	-	-	-	-	(173,782)
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,625,987</u>
cess (deficiency) of revenues over expenditures and balance, beginning of year	<u>-</u>	<u>-</u>	<u>10</u>	<u>6</u>	<u>4</u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>(382,040)</u>
nd balance, beginning of year	2,007	5,018	6,918	8,763	5,799	4,219	268	5,340	6,032,296
nd balance, end of year	<u>\$ 2,007</u>	<u>\$ 5,018</u>	<u>\$ 6,928</u>	<u>\$ 8,769</u>	<u>\$ 5,803</u>	<u>\$ 4,221</u>	<u>\$ 268</u>	<u>\$ 5,340</u>	<u>\$ 5,650,256</u>

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

JUNE 30, 2014

SPECIAL REVENUE FUNDS

	School Unrestricted	Substance Abuse Donations	RI Learn And Serve America	Homeless Children/Youth Even	Wireless Classroom Initiative	Providence Performing Arts	PTO Donations	School Public Law 94-142	School Title III LEP
Assets									
Cash and cash equivalents	\$ 4,138,472	\$ -	\$ 640	\$ (9,926)	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	19,402			10,309	494,737			364,767	2,196
Due from other funds	682,708						50	686	
Other receivables	101,297								
Total Assets	\$ 4,941,879	\$ -	\$ 640	\$ 383	\$ 494,737	\$ -	\$ 50	\$ 365,453	\$ 2,196
Liabilities									
Accounts payable and accrued liabilities	\$ 1,280,184	\$ -	\$ -	\$ 325	\$ 334,370	\$ -	\$ -	\$ 26,663	\$ -
Due to other funds	8,886		515	57	83,510		50	338,790	2,196
Total Liabilities	1,289,070	-	515	382	417,880	-	50	365,453	2,196
Fund Balances									
Nonspendable									
Restricted		-	125	-	76,857	-	-	-	-
Committed									
Assigned	3,652,809								
Unassigned									
Total Fund Balances	3,652,809	-	125	-	76,857	-	-	-	-
Total Liabilities and Fund Balances	\$ 4,941,879	\$ -	\$ 640	\$ 382	\$ 494,737	\$ -	\$ 50	\$ 365,453	\$ 2,196

(continued)

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

JUNE 30, 2014

SPECIAL REVENUE FUNDS

	Career & Tech	School Title I	Homeless Children & Youth	The Boston Foundation	School Title II	91-142 Preschool Services	21st Century Learning Center
<i>Assets</i>							
Cash and cash equivalents	\$ 37,234	\$ -	\$ -	\$ 1,022	\$ 16,814	\$ -	\$ -
Due from other governments		138,144	-		2,230	7,878	47,879
Due from other funds	-	27					
Other receivables							
<i>Total Assets</i>	<u>\$ 37,234</u>	<u>\$ 138,171</u>	<u>\$ -</u>	<u>\$ 1,022</u>	<u>\$ 19,044</u>	<u>\$ 7,878</u>	<u>\$ 47,879</u>
<i>Liabilities</i>							
Accounts payable and accrued liabilities	\$ -	\$ 7,846	\$ -	\$ -	\$ 4,396	\$ 268	\$ 7,375
Due to other funds		130,325	-		14,648	7,610	40,504
<i>Total Liabilities</i>	<u>-</u>	<u>138,171</u>	<u>-</u>	<u>-</u>	<u>19,044</u>	<u>7,878</u>	<u>47,879</u>
<i>Fund Balances</i>							
Nonspendable							
Restricted	37,234	-	-	1,022	-	-	-
Committed							
Assigned							
Unassigned							
<i>Total Fund Balances</i>	<u>37,234</u>	<u>-</u>	<u>-</u>	<u>1,022</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 37,234</u>	<u>\$ 138,171</u>	<u>\$ -</u>	<u>\$ 1,022</u>	<u>\$ 19,044</u>	<u>\$ 7,878</u>	<u>\$ 47,879</u>

(continued)

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

JUNE 30, 2014

SPECIAL REVENUE FUNDS

	United Way Hasbro Summer	RI Council for the Humanities	RI Council On The Arts	COZ Family Center	COZ Education Exchange	USDA-FFVP	RI Interscholastic League
Assets							
Cash and cash equivalents	\$ 15,395	\$ -	\$ 789	\$ -	\$ 2,638	\$ 614	\$ 851
Due from other governments				10,932		2,320	
Due from other funds		-			721	(2,933)	
Other receivables	9,000	100					
<i>Total Assets</i>	<u>\$ 24,395</u>	<u>\$ 100</u>	<u>\$ 789</u>	<u>\$ 10,932</u>	<u>\$ 3,359</u>	<u>\$ 1</u>	<u>\$ 851</u>
Liabilities							
Accounts payable and accrued liabilities	\$ 5	\$ -	\$ -	\$ -	\$ 3,359	\$ -	\$ -
Due to other funds				10,932		1	-
<i>Total Liabilities</i>	<u>5</u>	<u>-</u>	<u>-</u>	<u>10,932</u>	<u>3,359</u>	<u>1</u>	<u>-</u>
Fund Balances							
Nonspendable							
Restricted	24,390	100	789	-	-	-	851
Committed							
Assigned							
Unassigned							
<i>Total Fund Balances</i>	<u>24,390</u>	<u>100</u>	<u>789</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>851</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 24,395</u>	<u>\$ 100</u>	<u>\$ 789</u>	<u>\$ 10,932</u>	<u>\$ 3,359</u>	<u>\$ 1</u>	<u>\$ 851</u>

(continued)

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

JUNE 30, 2014

SPECIAL REVENUE FUNDS

	COZ Miscellaneous Donations	Scholarship America	Siemens Foundation	Use of Buildings	Feinstein Foundation	Rhode Island Foundation	Nickelodeon
Assets							
Cash and cash equivalents	\$ 20,327	\$ -	\$ 1,000	\$ 11,235	\$ 36,802	\$ -	\$ 1,535
Due from other governments							
Due from other funds		515				50	
Other receivables				3,687			
Total Assets	<u>\$ 20,327</u>	<u>\$ 515</u>	<u>\$ 1,000</u>	<u>\$ 14,922</u>	<u>\$ 36,802</u>	<u>\$ 50</u>	<u>\$ 1,535</u>
Liabilities							
Accounts payable and accrued liabilities	\$ 40	\$ -	\$ -	\$ -	\$ 1,633	\$ -	\$ -
Due to other funds	50	515		14,922		50	
Total Liabilities	<u>90</u>	<u>515</u>	<u>-</u>	<u>14,922</u>	<u>1,633</u>	<u>50</u>	<u>-</u>
Fund Balances							
Nonspendable							
Restricted	20,237	-	1,000	-	35,169	-	1,535
Committed							
Assigned							
Unassigned							
Total Fund Balances	<u>20,237</u>	<u>-</u>	<u>1,000</u>	<u>-</u>	<u>35,169</u>	<u>-</u>	<u>1,535</u>
Total Liabilities and Fund Balances	<u>\$ 20,327</u>	<u>\$ 515</u>	<u>\$ 1,000</u>	<u>\$ 14,922</u>	<u>\$ 36,802</u>	<u>\$ 50</u>	<u>\$ 1,535</u>

(continued)

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

JUNE 30, 2014

	SPECIAL REVENUE FUNDS							
	Donations- Coaches	School/Town Substance Abuse	School Based HIV / STD Pervention	Amagen Foundation	Substance Abuse Task Force	Spirit Day	RTTT Standards	RTT-Instr. Improv. System
<i>Assets</i>								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 382	\$ -	\$ -	\$ (2,625)	\$ -
Due from other governments					8,770		9,328	11,128
Due from other funds	-				18		(1,831)	
Other receivables								
<i>Total Assets</i>	\$ -	\$ -	\$ -	\$ 382	\$ 8,788	\$ -	\$ 4,872	\$ 11,128
<i>Liabilities</i>								
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 376	\$ -	\$ -	\$ 8,374	\$ -
Due to other funds				7	7,412		954	11,128
<i>Total Liabilities</i>	-	-	-	383	7,412	-	9,328	11,128
<i>Fund Balances</i>								
Nonspendable								
Restricted	-	-	-	-	1,376	-		-
Committed								
Assigned								
Unassigned							(4,456)	
<i>Total Fund Balances</i>	-	-	-	-	1,376	-	(4,456)	-
<i>Total Liabilities and Fund Balances</i>	\$ -	\$ -	\$ -	\$ 383	\$ 8,788	\$ -	\$ 4,872	\$ 11,128

(continued)

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

JUNE 30, 2014

	SPECIAL REVENUE FUNDS				
	RTTT Instr Setasid	RTTT- Educ. Effectiveness	RTTT- Human Cap Setaside	RTTT- PLC Mini Grant	Grand Totals
Assets					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 4,273,199
Due from other governments				5,114	1,135,134
Due from other funds				631	680,642
Other receivables					114,084
<i>Total Assets</i>	\$ -	\$ -	\$ -	\$ 5,745	\$ 6,203,059
Liabilities					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ 1,675,214
Due to other funds				5,745	678,807
<i>Total Liabilities</i>	-	-	-	5,745	2,354,021
Fund Balances					
Nonspendable					-
Restricted	-	-	-	-	200,685
Committed					-
Assigned					3,652,809
Unassigned					(4,456)
<i>Total Fund Balances</i>	-	-	-	-	3,849,038
<i>Total Liabilities and Fund Balances</i>	\$ -	\$ -	\$ -	\$ 5,745	\$ 6,203,059

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

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

YEAR ENDED JUNE 30, 2014

SPECIAL REVENUE FUNDS

	School Unrestricted	Substance Abuse Donations	RI Learn And Serve America	Homeless Children/Youth Even	Wireless Classroom Initiative	Providence Performing Arts	PTO Donations	School Public Law 94-142	School Title III LEP
Revenues:									
Interest and investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	13,166,200		1,000	21,493	494,737			994,413	5,685
Departmental									
On behalf pension contribution	2,332,235								
Other	885,360						1,500		
<i>Total Revenues</i>	<u>16,383,795</u>	<u>-</u>	<u>1,000</u>	<u>21,493</u>	<u>494,737</u>	<u>-</u>	<u>1,500</u>	<u>994,413</u>	<u>5,685</u>
Expenditures:									
General government									
Public safety									
Per trust agreements									
Education	57,333,787	-	875	21,493	417,880	237	1,500	996,166	5,685
Public libraries									
Senior services									
On behalf pension contribution	2,332,235								
Capital and special appropriations									
<i>Total Expenditures</i>	<u>59,666,022</u>	<u>-</u>	<u>875</u>	<u>21,493</u>	<u>417,880</u>	<u>237</u>	<u>1,500</u>	<u>996,166</u>	<u>5,685</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>(43,282,227)</u>	<u>-</u>	<u>125</u>	<u>-</u>	<u>76,857</u>	<u>(237)</u>	<u>-</u>	<u>(1,753)</u>	<u>-</u>
Other Financing Sources (Uses):									
Proceeds from bond issuance									
Transfers in	45,561,988	-	-	-	-	-	-	-	-
Transfers out	(1,154,572)	(2,862)	-	-	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>44,407,416</u>	<u>(2,862)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	1,125,189	(2,862)	125	-	76,857	(237)	-	(1,753)	-
Fund balance, beginning of year	<u>2,527,620</u>	<u>2,862</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>237</u>	<u>-</u>	<u>1,753</u>	<u>-</u>
Fund balance, end of year	<u>\$ 3,652,809</u>	<u>\$ -</u>	<u>\$ 125</u>	<u>\$ -</u>	<u>\$ 76,857</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

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

YEAR ENDED JUNE 30, 2014

	SPECIAL REVENUE FUNDS						
	Career & Tech	School Title I	Homeless Children & Youth	Boston Foundation	School Title II	91-142 Preschool Services	21st Century Learning Center
Revenues:							
Interest and investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	25,000	410,477	5,336		156,663	31,695	114,168
Departmental							
On behalf pension contribution							
Other							-
<i>Total Revenues</i>	<u>25,000</u>	<u>410,477</u>	<u>5,336</u>	<u>-</u>	<u>156,663</u>	<u>31,695</u>	<u>114,168</u>
Expenditures:							
General government							
Public safety							
Per trust agreements							
Education	37,766	410,477	5,336	-	156,663	31,695	114,168
Public libraries							
Senior services							
On behalf pension contribution							
Capital and special appropriations							
<i>Total Expenditures</i>	<u>37,766</u>	<u>410,477</u>	<u>5,336</u>	<u>-</u>	<u>156,663</u>	<u>31,695</u>	<u>114,168</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>(12,766)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses):							
Proceeds from bond issuance							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(12,766)	-	-	-	-	-	-
Fund balance, beginning of year	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>1,022</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ 37,234</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,022</u>	<u>\$ -</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, 2014

	SPECIAL REVENUE FUNDS						
	United Way Hasbro Summer	RI Council for the Humanities	RI Council On The Arts	COZ Family Center	COZ Education Exchange	USDA-FFVP	RI Interscholastic League
Revenues:							
Interest and investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental		1,100	1,200	25,000		16,947	
Departmental							
On behalf pension contribution							
Other	39,000						240
<i>Total Revenues</i>	<u>39,000</u>	<u>1,100</u>	<u>1,200</u>	<u>25,000</u>	<u>-</u>	<u>16,947</u>	<u>240</u>
Expenditures:							
General government							
Public safety							
Per trust agreements							
Education	26,175	1,000	840	25,000	2,637	16,947	632
Public libraries							
Senior services							
On behalf pension contribution							
Capital and special appropriations							
<i>Total Expenditures</i>	<u>26,175</u>	<u>1,000</u>	<u>840</u>	<u>25,000</u>	<u>2,637</u>	<u>16,947</u>	<u>632</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>12,825</u>	<u>100</u>	<u>360</u>	<u>-</u>	<u>(2,637)</u>	<u>-</u>	<u>(392)</u>
Other Financing Sources (Uses):							
Proceeds from bond issuance							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	12,825	100	360	-	(2,637)	-	(392)
Fund balance, beginning of year	<u>11,565</u>	<u>-</u>	<u>429</u>	<u>-</u>	<u>2,637</u>	<u>-</u>	<u>1,243</u>
Fund balance, end of year	<u>\$ 24,390</u>	<u>\$ 100</u>	<u>\$ 789</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 851</u>

(continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

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

YEAR ENDED JUNE 30, 2014

	SPECIAL REVENUE FUNDS						
	COZ						
	Miscellaneous Donations	Scholarship America	Siemens Foundation	Use of Buildings	Feinstein Foundation	Rhode Island Foundation	Nickelodeon
Revenues:							
Interest and investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental							
Departmental							
On behalf pension contribution							
Other	7,468	2,000		43,447	49,149	-	-
<i>Total Revenues</i>	<u>7,468</u>	<u>2,000</u>	<u>-</u>	<u>43,447</u>	<u>49,149</u>	<u>-</u>	<u>-</u>
Expenditures:							
General government							
Public safety							
Per trust agreements							
Education	6,764	2,163	-		14,260	-	-
Public libraries							
Senior services							
On behalf pension contribution							
Capital and special appropriations				44,047			
<i>Total Expenditures</i>	<u>6,764</u>	<u>2,163</u>	<u>-</u>	<u>44,047</u>	<u>14,260</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>704</u>	<u>(163)</u>	<u>-</u>	<u>(600)</u>	<u>34,889</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses):							
Proceeds from bond issuance							
Transfers in	738	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>738</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	1,442	(163)	-	(600)	34,889	-	-
Fund balance, beginning of year	<u>18,795</u>	<u>163</u>	<u>1,000</u>	<u>600</u>	<u>280</u>	<u>-</u>	<u>1,535</u>
Fund balance, end of year	<u>\$ 20,237</u>	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ 35,169</u>	<u>\$ -</u>	<u>\$ 1,535</u>

(continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

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

YEAR ENDED JUNE 30, 2014

	SPECIAL REVENUE FUNDS							
	Donations- Coaches	School/Town Substance Abuse	School Based HIV / STD Pervention	Amgen Foundation	Substance Abuse Taskforce	Spirit Day	RTTT Standards	RTT-Instr. Improv. System
Revenues:								
Interest and investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental					22,459		17,975	11,477
Departmental								
On behalf pension contribution								
Other	30,051			-		-		
<i>Total Revenues</i>	<u>30,051</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,459</u>	<u>-</u>	<u>17,975</u>	<u>11,477</u>
Expenditures:								
General government								
Public safety								
Per trust agreements								
Education	30,051	66	-	383	22,461	527	17,975	11,477
Public libraries								
Senior services								
On behalf pension contribution								
Capital and special appropriations								
<i>Total Expenditures</i>	<u>30,051</u>	<u>66</u>	<u>-</u>	<u>383</u>	<u>22,461</u>	<u>527</u>	<u>17,975</u>	<u>11,477</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>-</u>	<u>(66)</u>	<u>-</u>	<u>(383)</u>	<u>(2)</u>	<u>(527)</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses):								
Proceeds from bond issuance								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	(738)	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(738)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	(66)	(738)	(383)	(2)	(527)	-	-
Fund balance, beginning of year	-	66	738	383	1,378	527	(4,456)	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,376</u>	<u>\$ -</u>	<u>\$ (4,456)</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, 2014

	SPECIAL REVENUE FUNDS				
	RTTT Instr Setaside	RTTT- Educ. Effectiveness	RTTT- Human Cap Setaside	RTTT- PLC Mini Grant	Grand Totals
Revenues:					
Interest and investment income	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	17,924	5,845	48,591	8,026	15,603,411
Departmental					-
On behalf pension contribution					2,332,235
Other					1,058,215
<i>Total Revenues</i>	<u>17,924</u>	<u>5,845</u>	<u>48,591</u>	<u>8,026</u>	<u>18,993,861</u>
Expenditures:					
General government					-
Public safety					-
Per trust agreements					-
Education	17,924	5,845	48,591	8,026	59,793,472
Public libraries					-
Senior services					-
On behalf pension contribution					2,332,235
Capital and special appropriations					44,047
<i>Total Expenditures</i>	<u>17,924</u>	<u>5,845</u>	<u>48,591</u>	<u>8,026</u>	<u>62,169,754</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(43,175,893)</u>
Other Financing Sources (Uses):					
Proceeds from bond issuance					-
Transfers in	-	-	-	-	45,562,726
Transfers out	-	-	-	-	(1,158,172)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,404,554</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-	1,228,661
Fund balance, beginning of year	-	-	-	-	2,620,377
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,849,038</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NONMAJOR ENTERPRISE FUNDS

JUNE 30, 2014

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

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

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

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

School Sports Camp – To account for funds set aside for specific school sports programs.

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

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

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

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NONMAJOR ENTERPRISE FUNDS

COMBINING STATEMENT OF NET POSITION

JUNE 30, 2014

	Quonset/ Davisville Reserve	Athletic Gate Receipts	NKHS Summer School Remedial	School Sports Camp	School Sport Camps	After School Novanet	Summer School Fund	School Nutrition Fund	Total
ASSETS:									
Current assets:									
Cash and cash equivalents	\$ 63,104	\$ 25,116	\$ 4,888	\$ -	\$ 24,451	\$ 7,506	\$ 1,775	\$ 44,998	\$ 171,838
Other receivables		300						42,246	42,546
Inventory								16,798	16,798
Due from other funds			-	136	(129)		200	3,529	3,736
Total current assets	63,104	25,416	4,888	136	24,322	7,506	1,975	107,571	234,918
Capital assets not being depreciated									-
Capital assets being depreciated, net								1,409	1,409
Total assets	<u>\$ 63,104</u>	<u>\$ 25,416</u>	<u>\$ 4,888</u>	<u>\$ 136</u>	<u>\$ 24,322</u>	<u>\$ 7,506</u>	<u>\$ 1,975</u>	<u>\$ 108,980</u>	<u>\$ 236,327</u>
LIABILITIES:									
Current liabilities:									
Accounts payable and accrued expense	\$ -	\$ 3,959	\$ -	\$ 136	\$ 433	\$ 775	\$ 200	\$ 36,724	\$ 42,227
Unearned revenue				-	9,500				9,500
Due to other funds	22,868	721			136		1,775	22,511	48,011
Note payable									-
Total current liabilities	22,868	4,680	-	136	10,069	775	1,975	59,235	99,738
Note payable, less current portion									-
Total Liabilities	<u>22,868</u>	<u>4,680</u>	<u>-</u>	<u>136</u>	<u>10,069</u>	<u>775</u>	<u>1,975</u>	<u>59,235</u>	<u>99,738</u>
NET POSITION:									
Net investment in capital assets								1,409	1,409
Unrestricted	40,236	20,736	4,888	-	14,253	6,731	-	48,336	135,180
Total net position	<u>40,236</u>	<u>20,736</u>	<u>4,888</u>	<u>-</u>	<u>14,253</u>	<u>6,731</u>	<u>-</u>	<u>49,745</u>	<u>136,589</u>
Total liabilities and net position	<u>\$ 63,104</u>	<u>\$ 25,416</u>	<u>\$ 4,888</u>	<u>\$ 136</u>	<u>\$ 24,322</u>	<u>\$ 7,506</u>	<u>\$ 1,975</u>	<u>\$ 108,980</u>	<u>\$ 236,327</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NONMAJOR ENTERPRISE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEAR ENDED JUNE 30, 2014

	Quonset/ Davisville Reserve	Athletic Gate Receipts	NKHS Summer School Remedial	School Sports Camp	School Sport Camps	After School Novanet	Summer School Fund	School Nutrition Fund	Total
Operating revenues:									
Charges for services	\$ -	\$ 21,356	\$ 18,890	\$ 38,576	\$ 28,077	\$ -	\$ 4,715	\$ 440,062	\$ 551,676
Grants								453,278	453,278
<i>Total operating revenues</i>	-	21,356	18,890	38,576	28,077	-	4,715	893,340	1,004,954
Operating expenses	23,500	23,909	19,043	37,084	38,910	1,559	5,691	854,880	1,004,576
<i>Operating income (loss)</i>	<u>(23,500)</u>	<u>(2,553)</u>	<u>(153)</u>	<u>1,492</u>	<u>(10,833)</u>	<u>(1,559)</u>	<u>(976)</u>	<u>38,460</u>	<u>378</u>
Non-operating revenues (expenses):									
Investment income	149	-	-	-	-	-	-	-	149
Interest expense									-
<i>Total non-operating revenues (expenses)</i>	<u>149</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>149</u>
<i>Income (loss) before transfers</i>	<u>(23,351)</u>	<u>(2,553)</u>	<u>(153)</u>	<u>1,492</u>	<u>(10,833)</u>	<u>(1,559)</u>	<u>(976)</u>	<u>38,460</u>	<u>527</u>
Transfers in	-	-	-	-	1,777	-	2,750	-	4,527
Transfers (Out)				(1,777)	-				(1,777)
<i>Total Transfers</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,777)</u>	<u>1,777</u>	<u>-</u>	<u>2,750</u>	<u>-</u>	<u>2,750</u>
Change in net position	(23,351)	(2,553)	(153)	(285)	(9,056)	(1,559)	1,774	38,460	3,277
Net position, beginning of year	63,587	23,289	5,041	285	23,309	8,290	(1,774)	11,285	133,312
Net position, end of year	<u>\$ 40,236</u>	<u>\$ 20,736</u>	<u>\$ 4,888</u>	<u>\$ -</u>	<u>\$ 14,253</u>	<u>\$ 6,731</u>	<u>\$ -</u>	<u>\$ 49,745</u>	<u>\$ 136,589</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NONMAJOR ENTERPRISE FUNDS

COMBINING STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2014

	Quonset/ Davisville Reserve	Athletic Gate Receipts	NKHS Summer School Remedial	School Sports Camp	School Sport Camps	After School Novanet	Summer School Fund	School Nutrition Fund	Total
Cash flows from operating activities:									
Cash received from customers	\$ -	\$ 21,356	\$ 18,890	\$ 23,328	\$ 28,077		\$ 4,715	\$ 435,262	\$ 531,628
Cash received from other sources				(1,666)	9,500			453,278	461,112
Cash payments to suppliers for goods and services	(23,500)	(20,098)	(28)	(36,274)	(24,462)	2,777	2,750	(142,209)	(241,044)
Cash payments to employees for services			(19,015)	(1,196)	(15,465)	(4,336)	(5,691)	(714,290)	(759,993)
<i>Net cash provided by (used in) operating activities</i>	<u>(23,500)</u>	<u>1,258</u>	<u>(153)</u>	<u>(15,808)</u>	<u>(2,350)</u>	<u>(1,559)</u>	<u>1,774</u>	<u>32,041</u>	<u>(8,297)</u>
Cash flows from capital financing activities:									
Acquisition of capital assets	-								-
Proceeds from long term debt									-
Principal paid on long term debt									-
Interest paid on long term debt									-
<i>Net cash used in capital financing activities</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from noncapital financing activities:									
Interfund borrowings	22,832	721	500	(136)	265	775		12,957	37,914
<i>Net cash provided by (used in) noncapital financing activities</i>	<u>22,832</u>	<u>721</u>	<u>500</u>	<u>(136)</u>	<u>265</u>	<u>775</u>	<u>-</u>	<u>12,957</u>	<u>37,914</u>
Cash flows from investing activities:									
Interest on investments	149	-	-	-	-	-	-	-	149
<i>Net cash provided by investing activities</i>	<u>149</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>149</u>
Net increase (decrease) in cash and cash equivalents	(519)	1,979	347	(15,944)	(2,085)	(784)	1,774	44,998	29,766
Cash and cash equivalents, beginning of year	63,623	23,137	4,541	15,944	26,536	8,290	1	-	142,072
Cash and cash equivalents, end of year	<u>\$ 63,104</u>	<u>\$ 25,116</u>	<u>\$ 4,888</u>	<u>\$ -</u>	<u>\$ 24,451</u>	<u>\$ 7,506</u>	<u>\$ 1,775</u>	<u>\$ 44,998</u>	<u>\$ 171,838</u>
<i>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</i>									
Operating income (loss)	\$ (23,500)	\$ (2,553)	\$ (153)	\$ 1,492	\$ (10,833)	\$ (1,559)	\$ (976)	\$ 38,460	\$ 378
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:									
Depreciation								279	279
(Increase) decrease in other receivable		3,811						(4,800)	(989)
(Increase) decrease in inventory				(1,777)	1,777		2,750	1,777	4,527
(Increase) decrease in prepaids									-
Increase (decrease) in unearned revenue				(15,248)	9,500				(5,748)
Increase (decrease) in accounts payable				(275)	(2,794)			(3,675)	(6,744)
<i>Net cash provided by (used in) operating activities</i>	<u>\$ (23,500)</u>	<u>\$ 1,258</u>	<u>\$ (153)</u>	<u>\$ (15,808)</u>	<u>\$ (2,350)</u>	<u>\$ (1,559)</u>	<u>\$ 1,774</u>	<u>\$ 32,041</u>	<u>\$ (8,297)</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

PRIVATE PURPOSE TRUST FUNDS

JUNE 30, 2014

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, 2014

	Burial Funds					
	Hall	Vaughn	Young	Rebecca Hammond	W.H. Welling	George C. Hall
<i>Assets</i>						
Cash	\$ 502	\$ 100	\$ 301	\$ 301	\$ 8,694	\$ 201
<i>Liabilities</i>						
Accounts payable	-	-	-	-	-	-
<i>Net Position</i>						
Held in trust for private purposes per trust agreements	<u>\$ 502</u>	<u>\$ 100</u>	<u>\$ 301</u>	<u>\$ 301</u>	<u>\$ 8,694</u>	<u>\$ 201</u>

(CONTINUED)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

COMBINING STATEMENT OF NET POSITION

PRIVATE PURPOSE TRUST FUNDS

JUNE 30, 2014

	Burial Funds						Burial
	B.H. Davis	Updike	Mary Carpenter	Smith- Lawton	Old Baptist Cemetery	Smith	Totals
<i>Assets</i>							
Cash	\$ 502	\$ 1,586	\$ 1,004	\$ 4,617	\$ 703	\$ 1,004	\$ 19,515
<i>Liabilities</i>							
Accounts payable	-	-	-	-	-	-	-
<i>Net Position</i>							
Held in trust for private purposes per trust agreements	<u>\$ 502</u>	<u>\$ 1,586</u>	<u>\$ 1,004</u>	<u>\$ 4,617</u>	<u>\$ 703</u>	<u>\$ 1,004</u>	<u>\$ 19,515</u>

(CONTINUED)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

COMBINING STATEMENT OF NET POSITION

PRIVATE PURPOSE TRUST FUNDS

JUNE 30, 2014

	Probate Funds					
	Beriah Lawton	James L. R. Weeks	Marguerite R. Cogan	Delphis R. Jones	J. Oliveira	Doris Horowitz
<i>Assets</i>						
Cash	\$ 8,327	\$ 2,623	\$ 609	\$ 236	\$ 5,732	\$ 962
<i>Liabilities</i>						
Accounts payable	-	-	-	-	-	-
<i>Net Position</i>						
Held in trust for private purposes per trust agreements	<u>\$ 8,327</u>	<u>\$ 2,623</u>	<u>\$ 609</u>	<u>\$ 236</u>	<u>\$ 5,732</u>	<u>\$ 962</u>

(CONTINUED)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

COMBINING STATEMENT OF NET POSITION

PRIVATE PURPOSE TRUST FUNDS

JUNE 30, 2014

	Probate Funds			Probate Totals	Grand Totals
	Lillian Mattia	Arthur Tarchis	Georgia Andrews		
<i>Assets</i>					
Cash	\$ 4	\$ 4	\$ 948	\$ 19,445	\$ 38,960
<i>Liabilities</i>					
Accounts payable	-	-	-	-	-
<i>Net Position</i>					
Held in trust for private purposes per trust agreements	<u>\$ 4</u>	<u>\$ 4</u>	<u>\$ 948</u>	<u>\$ 19,445</u>	<u>\$ 38,960</u>

(CONCLUDED)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND
 COMBINING STATEMENT OF CHANGES IN NET POSITION
 PRIVATE PURPOSE TRUST FUNDS
 YEAR ENDED JUNE 30, 2014

	Burial Funds					
	Hall	Vaughn	Young	Rebecca Hammond	W.H. Welling	George C. Hall
Additions:						
Investment income	\$ -	\$ -	\$ 1	\$ -	\$ -	\$ -
	<u>-</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deductions:						
Operating expense per trust agreement	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	-	-	1	-	-	-
Net position, beginning of year	<u>502</u>	<u>100</u>	<u>300</u>	<u>301</u>	<u>8,694</u>	<u>201</u>
Net position, end of year	<u>\$ 502</u>	<u>\$ 100</u>	<u>\$ 301</u>	<u>\$ 301</u>	<u>\$ 8,694</u>	<u>\$ 201</u>

(CONTINUED)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND
 COMBINING STATEMENT OF CHANGES IN NET POSITION
 PRIVATE PURPOSE TRUST FUNDS
 YEAR ENDED JUNE 30, 2014

	Burial Funds						
	B.H. Davis	Updike	Mary Carpenter	Smith- Lawton	Old Baptist Cemetery	Smith	Burial Totals
Additions:							
Investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>
Deductions:							
Operating expense per trust agreement	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	-	-	-	-	-	-	1
Net position, beginning of year	<u>502</u>	<u>1,586</u>	<u>1,004</u>	<u>4,617</u>	<u>703</u>	<u>1,004</u>	<u>19,514</u>
Net position, end of year	<u>\$ 502</u>	<u>\$ 1,586</u>	<u>\$ 1,004</u>	<u>\$ 4,617</u>	<u>\$ 703</u>	<u>\$ 1,004</u>	<u>\$ 19,515</u>

(CONTINUED)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND
 COMBINING STATEMENT OF CHANGES IN NET POSITION
 PRIVATE PURPOSE TRUST FUNDS
 YEAR ENDED JUNE 30, 2014

	Probate Funds					
	Beriah Lawton	James L. R. Weeks	Marguerite R. Cogan	Delphis R. Jones	J. Oliviera	Doris Horowitz
Additions:						
Investment income	\$ -	\$ 4	\$ 1	\$ 6	\$ 9	\$ 2
	<u>-</u>	<u>4</u>	<u>1</u>	<u>6</u>	<u>9</u>	<u>2</u>
Deductions:						
Operating expense per trust agreement	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	-	4	1	6	9	2
Net position, beginning of year	<u>8,327</u>	<u>2,619</u>	<u>608</u>	<u>230</u>	<u>5,723</u>	<u>960</u>
Net position, end of year	<u>\$ 8,327</u>	<u>\$ 2,623</u>	<u>\$ 609</u>	<u>\$ 236</u>	<u>\$ 5,732</u>	<u>\$ 962</u>

(CONTINUED)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND
 COMBINING STATEMENT OF CHANGES IN NET POSITION
 PRIVATE PURPOSE TRUST FUNDS
 YEAR ENDED JUNE 30, 2014

	Probate Funds				Grand Totals
	Lillian Mattia	Arthur Tarchis	Georgia Andrews	Probate Totals	
Additions:					
Investment income	\$ -	\$ -	\$ -	\$ 22	\$ 23
	<u>-</u>	<u>-</u>	<u>-</u>	<u>22</u>	<u>23</u>
Deductions:					
Operating expense per trust agreement	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	-	-	-	22	23
Net position, beginning of year	<u>4</u>	<u>4</u>	<u>948</u>	<u>19,423</u>	<u>38,937</u>
Net position, end of year	<u>\$ 4</u>	<u>\$ 4</u>	<u>\$ 948</u>	<u>\$ 19,445</u>	<u>\$ 38,960</u>

(CONCLUDED)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

AGENCY FUNDS

JUNE 30, 2014

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

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

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

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

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

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

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

AGENCY FUNDS

YEAR ENDED JUNE 30, 2014

	Beginning Balance	Additions	Deductions	Ending Balance
<u>STUDENT ACTIVITY FUNDS</u>				
<i>Assets</i>				
Cash	\$ 338,708	\$ 839,760	\$ 904,635	\$ 273,833
<i>Liabilities</i>				
Due to student groups	\$ 338,708	\$ 839,760	\$ 904,635	\$ 273,833
<u>PAYROLL FUND</u>				
<i>Assets</i>				
Cash	\$ 30,485	\$ -	\$ 30,485	\$ -
<i>Liabilities</i>				
Accounts payable	\$ 30,324	\$ (30,324)	\$ -	\$ -
Payroll withholdings	161		161	-
<i>Total liabilities</i>	\$ 30,485	\$ (30,324)	\$ 161	\$ -
<u>SCHOOL PAYROLL FUND</u>				
<i>Assets</i>				
Cash	\$ 416,858	\$ -	\$ (2,579,472)	\$ 2,996,330
<i>Liabilities</i>				
Accounts payable	\$ 146,908	\$ -	\$ (2,849,422)	\$ 2,996,330
Payroll withholdings	269,950	(269,950)		-
<i>Total liabilities</i>	\$ 416,858	\$ (269,950)	\$ (2,849,422)	\$ 2,996,330
<u>SUNSHINE FUND</u>				
<i>Assets</i>				
Cash	\$ 965	\$ -	\$ -	\$ 965
<i>Liabilities</i>				
Deposits Held in Custody for Others	\$ 965	\$ -	\$ -	\$ 965

(CONTINUED)

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

AGENCY FUNDS

YEAR ENDED JUNE 30, 2014

	Beginning Balance	Additions	Deductions	Ending Balance
<u>DEVELOPER SURETY ESCROW</u>				
<i>Assets</i>				
Cash	\$ 241,285	\$ 80,900	\$ 81,040	\$ 241,145
<i>Liabilities</i>				
Deposits Held in Custody for Others	\$ 241,285	\$ 56,800	\$ 56,940	\$ 241,145
 <u>TOTAL - ALL AGENCY FUNDS</u>				
<i>Assets</i>				
Cash	\$ 1,028,301	\$ 920,660	\$ (1,563,312)	\$ 3,512,273
<i>Liabilities</i>				
Accounts payable	\$ 177,232	\$ (30,324)	\$ (2,849,422)	\$ 2,996,330
Due to student groups	338,708	839,760	904,635	273,833
Deposits Held in Custody for Others	242,250	56,800	56,940	242,110
Payroll withholdings	270,111	(269,950)	161	-
<i>Total liabilities</i>	<u>\$ 1,028,301</u>	<u>\$ 596,286</u>	<u>\$ (1,887,686)</u>	<u>\$ 3,512,273</u>

(CONCLUDED)