

**TOWN OF NORTH KINGSTOWN,
RHODE ISLAND**

**BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2018

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

FOR THE YEAR ENDED JUNE 30, 2018

Table of Contents

	Page
Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-12
Basic financial statements:	
Government-wide financial statements:	
Statement of net position	13
Statement of activities	14
Fund financial statements:	
Balance sheet – governmental funds	15
Reconciliation of the governmental funds balance sheet to the statement of net position	16
Statement of revenues, expenditures and changes in fund balances – governmental funds	17
Reconciliation of the governmental funds statement of revenues, expenditures and changes in fund balances to the statement of activities	18
Statement of net position – proprietary funds	19
Statement of revenues, expenses and changes in net position – proprietary funds	20
Statement of cash flows – proprietary funds	21
Statement of fiduciary net position – fiduciary funds	22
Statement of changes in fiduciary net position – fiduciary funds	23
Notes to basic financial statements	24-74

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

FOR THE YEAR ENDED JUNE 30, 2018

Table of Contents (Continued)

	Page
Required supplementary information to basic financial statements:	
Introduction to required supplementary information	75
Schedule of changes in net OPEB and related ratios	76
Schedule of changes in net pension liability and related ratios- MERS	77-80
Schedule of the Town's contributions- MERS	81
Schedule of the Town's proportionate share of the net pension liability-ERS	82
Schedule of the Town's contributions- ERS	82
Notes to required supplementary schedules	83-84
Budgetary comparison schedules	85-88
Notes to budgetary comparison schedules	89-90
Other supplementary information:	
Tax collector's annual report	91-92
Annual supplemental transparency report ("MTP2")	93-97
Notes to supplementary information— annual supplemental transparency report ("MTP2")	98-99
Notes to other supplementary information	100-105
Nonmajor governmental funds:	
Combining balance sheet	106-114
Combining statement of revenues, expenditures, and changes in fund balances	115-123
School department:	
Combining balance sheet	124-129
Combining statement of revenues, expenditures, and changes in fund balance	130-135

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

FOR THE YEAR ENDED JUNE 30, 2018

Table of Contents (Continued)

	Page
Other supplementary information (continued):	
Nonmajor enterprise funds:	
Notes to nonmajor enterprise funds	136
Combining statement of net position	137
Combining statement of revenues, expenses and changes in net position	138
Combining statement of cash flows	139
Private purpose trust funds:	
Notes to private purpose trust funds	140
Combining statement of net position	141-144
Combining statement of changes in net position	145-148
Agency funds:	
Notes to agency funds	149
Combining statement of changes in assets and liabilities	150



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of North Kingstown, Rhode Island (the "Town") as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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



Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of North Kingstown, Rhode Island as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the basic financial statements, for the year ended June 30, 2018, the Town adopted new accounting guidance affecting the accounting for postemployment benefits other than pensions. Due to the adoption of this guidance, the Town restated its 2018 opening net position, resulting in a decrease in net position of \$22,960,260 at July 1, 2017. 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 12, and budgetary comparison schedules and historical pension and other postemployment benefit information on pages 75 through 90 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Other Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 16, 2019, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.



CERTIFIED PUBLIC ACCOUNTANTS

Providence, Rhode Island
May 16, 2019

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

Management’s Discussion and Analysis provides a narrative overview and analysis of the financial activities of the Town of North Kingstown (“Town”) for the year ended June 30, 2018, with comparison to the prior year where appropriate. The information complements the data presented in the basic financial statements and is intended to enhance the reader’s understanding of the Town’s financial performance.

Financial Highlights:

- The liabilities and deferred inflows of resources of the Town exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by \$10,381,562 (net position). The total net position is broken down into three captions: 1) Net investment in capital assets (capital assets section), which is essentially the net worth of the infrastructure the Town owns; 2) Restricted for endowments under the terms of Trust agreements, which is not spendable by the Town; and 3) Unrestricted, which is unassigned.
- The Town’s total net position increased by \$2,274,742.
- As of the close of the current fiscal year, the Town of North Kingstown’s total governmental funds reported combined ending fund balances of \$20.5 million. Approximately 50% of this total, \$10.3 million, is available for spending at the Town’s discretion (unassigned).
- At the end of the current fiscal year, the total fund balance of the General Fund was \$11.6 million. Of this amount, the unassigned fund balance for the General Fund was \$10.5 million, which is available for spending at the Town’s discretion. The remaining balance consisted of \$978,709 non-spendable to help finance the golf course’s irrigation project and for certain prepaid expenses and \$104,588 assigned for encumbrances.
- The Town’s remaining fund balance of \$8.8 million is classified as follows: \$2.1 million – School Department, principally assigned for education and encumbrances, but also grant-restricted and non-spendable for certain prepaid expenses; \$261,000- Debt Service Fund assigned; \$6.5 million – Other Governmental Funds, including \$1.2 million assigned for Town Capital Reserve funds and Infrastructure Replacement, \$1.8 million, principally restricted for Capital Projects such as GO Bonds, Revenue Bonds, and Open Space/Farmland, \$742,719 for grants and \$92,668 for Permanent Funds.
- The Town’s governmental activities total liabilities, both long-term and short-term (including general obligation bonds, capital leases, notes payable, compensated absences, pollution remediation obligations, net pension liabilities and OPEB liabilities) decreased by \$7,056,098 (4%) during the current fiscal year.

Overview of the Financial Statements:

This discussion and analysis are intended to serve as an introduction to the Town of North Kingstown’s basic financial statements, 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 the Town’s assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

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

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

The government-wide financial statements (statement of net position and statement of activities) can be found on pages 13-14 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 the funds of the Town can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

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

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

The Town of North Kingstown maintains 70 individual non-major governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, School Department (unrestricted and special revenue funds), and Debt Service Fund, all of which are considered to be major funds, and Other Governmental Funds. Forty-six special revenue funds, a Debt Service Fund, nine Capital Projects Funds and several Permanent Funds are combined into aggregate funds in this presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 15-18 of this report.

Proprietary Funds: The Town of North Kingstown maintains two types of proprietary funds: Enterprise Funds and Internal Service Funds. Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements, only in more detail. The Town of North Kingstown uses enterprise funds to account for its water fund, recreation fund, sewer fund and non-major enterprise funds (i.e., nutrition fund, school sports camps, gate receipts, summer school, etc.). Internal service funds are an accounting device used to accumulate costs internally among the Town's various functions. The Town uses internal service funds to account for its workers' compensation and self-insurance property damage funds. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. The basic proprietary fund financial statements can be found on pages 19-21 of this report.

Fiduciary Funds: Fiduciary funds are used to account for resources held for parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town of North Kingstown's own programs. The Town maintains three types of fiduciary funds: Police Pension Trust, OPEB 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 22-23 of this report.

Notes to the Financial Statements: The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found on pages 24-74 of this report.

Other Information: In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town of North Kingstown's progress in funding its obligations to provide pension and other postemployment benefits to its employees. Required supplementary information can be found on pages 75-90 of this report. The Combining Statements referred to earlier in connection with non-major Governmental Funds are presented following the Notes to the Financial Statements. Combining and Individual Fund Statements can be found starting on page 106 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
	2018	2017 Restated	2018	2017 Restated	2018	2017 Restated	
Current and other assets	\$ 29,105,755	\$ 29,262,044	\$ 17,695,737	\$ 18,184,159	\$ 46,801,492	\$ 47,446,203	
Capital assets	93,925,588	94,512,121	25,240,162	20,341,673	119,165,750	114,853,794	
Total assets	<u>\$ 123,031,343</u>	<u>\$ 123,774,165</u>	<u>\$ 42,935,899</u>	<u>\$ 38,525,832</u>	<u>\$ 165,967,242</u>	<u>\$ 162,299,997</u>	2.26%
Deferred outflows of resources	<u>\$ 30,931,430</u>	<u>\$ 24,133,875</u>	<u>\$ 1,610,229</u>	<u>\$ 1,195,041</u>	<u>\$ 32,541,659</u>	<u>\$ 25,328,916</u>	28.48%
Current liabilities	\$ 9,671,191	\$ 8,684,911	\$ 2,837,002	\$ 2,871,301	\$ 12,508,193	\$ 11,556,212	
Long-term liabilities	150,821,694	158,864,072	22,467,362	19,877,770	173,289,056	178,741,842	
Total liabilities	<u>\$ 160,492,885</u>	<u>\$ 167,548,983</u>	<u>\$ 25,304,364</u>	<u>\$ 22,749,071</u>	<u>\$ 185,797,249</u>	<u>\$ 190,298,054</u>	-2.37%
Deferred inflows of resources	<u>\$ 21,863,838</u>	<u>\$ 9,570,906</u>	<u>\$ 1,229,376</u>	<u>\$ 497,020</u>	<u>\$ 23,093,214</u>	<u>\$ 10,067,926</u>	129.37%
Net position:							
Net investment in							
capital assets	\$ 62,318,717	\$ 59,054,289	\$ 8,658,169	\$ 7,461,500	\$ 70,976,886	\$ 66,515,789	
Restricted	1,941,736	2,135,569	284,826	281,691	2,226,562	2,417,260	
Unrestricted	<u>(92,654,403)</u>	<u>(90,320,944)</u>	<u>9,069,393</u>	<u>8,731,591</u>	<u>(83,585,010)</u>	<u>(81,589,353)</u>	
Total net position	<u>\$ (28,393,950)</u>	<u>\$ (29,131,086)</u>	<u>\$ 18,012,388</u>	<u>\$ 16,474,782</u>	<u>\$ (10,381,562)</u>	<u>\$ (12,656,304)</u>	-17.97%

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

The unrestricted net position may be used to meet the government’s ongoing obligations to citizens and creditors; the Town currently has a net position deficit of approximately \$84 million. The restricted net position of \$2.2 million is subject to external restrictions on how it may be used.

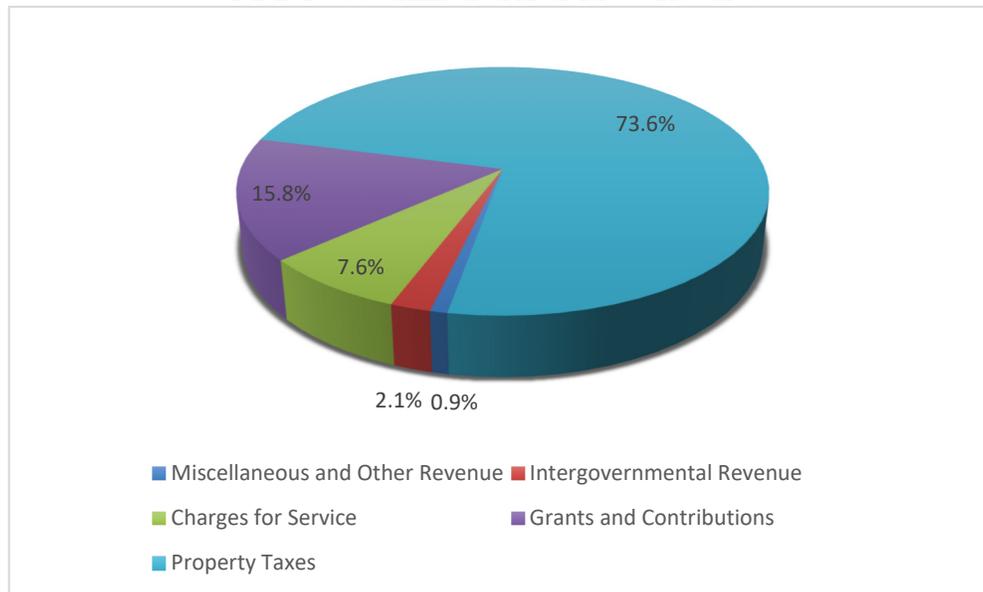
At June 30, 2018, the Town of North Kingstown is able to report positive balances in all three categories of net assets in the business-type activities. The Water Fund had an increase in net position of \$1,185,624, or 10.2%. The Sewer Fund reported an increase in net position of \$1,223,568, or 27.2%. A net position deficit was reported for the Quonset/Davisville Recreation Fund of \$1,227,711 which is an increase of \$107,228 over last year’s net position deficit (as restated) of \$1,120,636, or 9.6%. In 2018, construction continued for metering chambers at three locations outside the Quonset Business Park, as required by the Town’s Inter-Governmental Agreement with the Quonset Development Corporation.

Table 2 – Changes in Net Position

	Governmental Activities		Business-Type Activities		Total		Change
	2018	2017 Restated	2018	2017 Restated	2018	2017 Restated	% Change
Revenues							
Charges for Services	\$ 8,307,336	\$ 6,971,001	\$ 6,687,564	\$ 7,554,177	\$ 14,994,900	\$ 14,525,178	
Grants and Contributions	17,240,847	17,496,582	1,976,541	689,356	19,217,388	18,185,938	
General Revenues	83,696,641	81,049,051	395,112	255,827	84,091,753	81,304,878	
Transfers	-	87,548	147,227	36,931	147,227	124,479	
Total Revenues and Transfers	\$ 109,244,824	\$ 105,604,182	\$ 9,206,444	\$ 8,536,291	\$ 118,451,268	\$ 114,140,473	3.78%
Program Expenses and Transfers							
Program Expenses	\$ 108,360,461	\$ 104,594,011	\$ 7,668,838	\$ 8,017,346	\$ 116,029,299	\$ 112,611,357	
Transfers	147,227	-	-	-	147,227	-	
Total Expenses and Transfers	\$ 108,507,688	\$ 104,594,011	\$ 7,668,838	\$ 8,017,346	\$ 116,176,526	\$ 112,611,357	3.17%
Increase (Decrease) in Net Position	\$ 737,136	\$ 1,010,171	\$ 1,537,606	\$ 518,945	\$ 2,274,742	\$ 1,529,116	-48.76%
Net Position - beginning (restated)	(29,131,086)	(30,141,257)	16,474,782	15,955,837	(12,656,304)	(14,185,420)	
Net Position - ending	\$ (28,393,950)	\$ (29,131,086)	\$ 18,012,388	\$ 16,474,782	\$ (10,381,562)	\$ (12,656,304)	

Governmental Activities: Property taxes are the largest revenue source for governmental activities, accounting for 73.6% of total revenues. Operating grants and contributions contributed to 15.8% of the revenues followed by 7.6% from program revenues such as charges for services, fees, and licenses; the remaining 3.0% is unrestricted revenues (i.e., intergovernmental and investment earnings).

FY 2018 Governmental Activities - Revenues



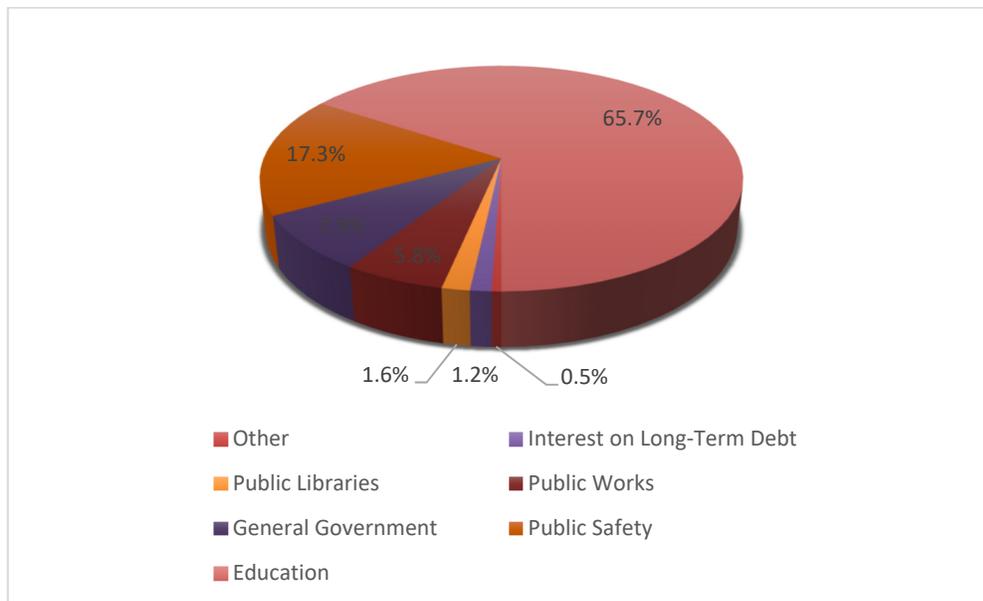
Major revenue factors over the prior year included:

- Property taxes being levied resulted in an increase of \$2,144,102, or 2.9%, for fiscal year 2018. The Town's taxable property increased by \$8,101,539 from \$4,104,889,335 to \$4,112,990,874. This represents a .2% increase in taxable property. Due to a stable housing market, the property tax rate increased slightly from \$18.06 to \$18.59 per thousand dollars of assessed value to provide the same level of services the taxpayers have come to appreciate.
- Charges for services increased by \$1,336,335, or 19.17%. This increase come primarily from out of district tuitions, pre-school tuitions, and increase in police detail revenue related to area construction.
- Intergovernmental revenue increased by \$886,031, or 63.41%. This increase is a result of motor vehicle phase-out and increased hotel/meal and beverage taxes.

**Table 3
Cost of Services**

	Total Cost of Services			Net Cost of Services		
	2018	2017	% Change	2018	2017	% Change
Education	\$ 71,165,239	\$ 68,859,796	3.3%	\$ 52,138,486	\$ 50,225,153	3.8%
General Government	8,601,132	9,321,807	-7.7%	5,453,959	6,230,887	-12.5%
Public Works	6,245,000	6,808,582	-8.3%	5,553,952	6,273,863	-11.5%
Public Safety	18,750,108	15,905,977	17.9%	16,386,414	14,040,237	16.7%
Public Libraries	1,710,688	1,742,078	-1.8%	1,421,043	1,431,919	-0.8%
Interest on Long-Term Debt	1,295,492	1,415,305	-8.5%	1,295,492	1,415,305	-8.5%
Other	592,802	540,466	9.7%	562,932	509,064	10.6%
Total Expenses	\$ 108,360,461	\$ 104,594,011	3.6%	\$ 82,812,278	\$ 80,126,428	3.4%

FY 2018 Governmental Activities – Expenditures



Education expenses account for approximately 65.7% of the total expenses within the governmental activities of the Town. Public safety and public works expenses account for 17.3% and 5.8%, respectively, general government makes up 7.9% and the remainder relates to public libraries, interest on long-term debt and other areas.

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

Major expenditure factors over the prior year included:

- GASB No. 75 – 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 67). This liability has decreased from \$36,861,015 to \$26,588,314, or \$10,272,701. At June 30, 2018, \$25,093,095 of the OPEB liability is recorded in the governmental activities with the remaining \$1,495,219 recorded in the business-type activities. For FY2018, the Town recognized OPEB expense of \$1,506,812 and deferred inflows of resources related to OPEB of \$9,331,623. The deferred inflows of resources is comprised of \$9,316,652 from changes in assumptions and \$14,981 from the net difference between projected and actual earnings on the OPEB investments.

Business-Type Activities: Net position of business-type activities increased by \$1,537,606, which is a 9.3% increase in business-type activities net position, primarily due to the increase in net position for the Water fund and Sewer fund.

Charges for services for business-type activities accounted for 74% of the total revenue sources. The balance of revenues for business-type activities was from both operating and capital grants and contributions, and interest income. Of total revenue coming into the business-type activities, 41% is being generated by the water fund, 25% from the sewer fund, 23% from the recreation fund, and the remaining from the school cafeteria fund and other non-major enterprise funds.

Charges for services for business-type activities decreased from \$7,554,177 to \$6,687,564, or 11%. Quonset/Davisville Recreation and Allen Harbor Annual Charges reported a decrease of approximately \$853,570, a result of decrease in activity at the golf course and marina.

The Water Fund expenses accounted for 42% of the expenditures within the business-type activities of the Town. Quonset/Davisville Recreation and Sewer Fund accounted for 29% and 15%, respectively, of the business-type activities expenditures for the 2018 fiscal year. Further, included in the Non-major Enterprise funds, the Nutrition Fund accounted for 12% of the business-type activities expenditures for the 2018 fiscal year.

Expenses associated with the Water Fund decreased by approximately \$340,000. The Quonset/Davisville Recreation Fund expenses decreased by approximately \$38,000. Expenses associated with the Sewer Fund decreased by approximately \$113,000 as fiscal 2017 includes \$68,500 of bond issuance costs for which there were none in the current year and a decrease in interest expense of approximately \$26,000.

Financial Analysis of the Government's Funds:

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

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

As of the end of the current fiscal year, the Town of North Kingstown's governmental funds reported combined ending fund balances of \$20.5 million. Approximately 51.5% of this amount, \$10,539,186, constitutes unassigned fund balance which is available for spending at the government's discretion within the Town's General Fund. The remaining fund balances remain classified for specific purposes such as: Debt Service Fund assigned of \$260,870, and Other Governmental Funds assigned of \$1.2 million for Capital Reserve funds and Infrastructure Replacement and \$2.9 million for special revenue funds. \$1.8 million for bonded capital project funds is restricted and also \$742,719 by grants, and \$92,696 for Permanent Funds. General Fund non-spendable of \$978,709 for the Golf Course Irrigation Project and prepaid expenses; School Department Fund non-spendable of \$546,918 for prepaid expenses, assigned for education of \$1.4 million, grant-restricted for \$113,954.

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 \$10,539,186, which is included in the total fund balance of \$11,622,483. 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 10.45% of the 2019 Adopted General Fund Expenditure Budget.

The total fund balance of the Town of North Kingstown's General Fund increased by \$807,367 during the current fiscal year.

School Department: The school fund has a total fund balance of \$2,065,362, of which \$1,404,490 has been assigned to the School Department (to help finance future years' school budgets). The total fund balance of the School Department Fund decreased by \$500,483 during the current fiscal year. The School Department ended with a deficit due to a transfer to the School's Capital Improvement Project Fund (a capital project fund). The School's Capital Improvement Project Fund had a fund balance of \$982,039.

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 \$12,826,136, an increase of \$1,185,624 from the prior year. Long-term debt of \$2.8 million is a liability within the Water Fund and was issued to pay for projects that were approved by the RI Infrastructure Bank (formerly known as the RI Clean Water Finance Agency). The Water Fund took advantage of The American Recovery and Reinvestment Act of 2009 which provided an additional Drinking Water State Revolving Fund capitalization grant to the State of Rhode Island. A portion of the Borrower Loan will be forgiven annually as debt service is paid. The amount of principal forgiveness that the Water Fund will recognize at the end of the term will be approximately \$876,000.

Net deficit position in the Quonset/Davisville Recreation fund increased by \$107,228, from \$(1,120,483) to \$(1,227,711).

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.

General Fund Budgetary Highlights

The Town finished the 2017-2018 Fiscal Year with budgetary surpluses (deficits) as follows:

- General Fund - \$ 852,593
- School Department Fund - \$(260,910)
- Library Fund - \$(7,529)
- Debt Service - \$14,060

Differences between the original budget and the final amended budget were relatively minor. The school did make a significant unbudgeted transfer out of \$1,030,563 to the Capital Improvement Project Fund, this being the cause of its deficit.

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

Capital Asset and Debt Administration:

Capital Assets – The Town of North Kingstown’s investment in capital assets for its governmental and business-type activities as of June 30, 2018, amounts to \$119,165,750 (net of accumulated depreciation). This investment in capital assets includes investments in development rights, land and building improvements, machinery and equipment, park facilities, infrastructure and construction in progress. The total gross increase in the Town’s investment in governmental activities capital assets, prior to accumulated depreciation, for the current fiscal year was \$4,720,682.

	Gross Capital Assets	
	June 30, 2018	June 30, 2017
Library Collections	\$ 3,633,986	\$ 3,633,986
Land	6,957,567	6,957,567
Development Rights	18,981,465	18,217,055
Land Improvements	197,255	197,255
Buildings and Improvements	79,340,264	78,110,425
Equipment	19,741,593	18,573,227
Infrastructure	73,602,512	72,426,403
Construction in Progress	382,058	-
Total	<u>\$ 202,836,700</u>	<u>\$ 198,115,918</u>

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

- **Building and Improvements:** The School Department has upgraded the wireless systems at North Kingstown High School and Wickford Middle School and made various upgrades at the high school.
- **Equipment:** The Fire Department purchased a new rescue vehicle and made major repairs to the ladder truck, increasing its useful life. The Police Department purchased four Ford Explorers. The Highway Department purchased a backhoe loader, dump truck and utility tractor. The golf course purchased new golf carts. The School Department purchased three buses.
- **Infrastructure and Land Improvements:** Sewer Fund has completed work on Intrepid Drive Pump Station.
- **Construction in Progress:** The Town continues work on replacement of the Flow Metering Chambers, improvements to the Athletic Fields in the Quonset Point area, and the Wickford Village Sewer Project.

At June 30, 2018, the Town is committed under various construction contracts for approximately \$1.2 million, primarily for sewer projects.

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

Long-term Debt – At the end of the current fiscal year, the Town of North Kingstown's governmental activities had \$31,606,870 in bonds outstanding, compared to \$35,457,831 last year, a decrease of \$3,850,961. Total bonded debt for the Town is entirely backed by the full faith and credit of the Town. Bonds authorized but unissued totaled an additional \$20,700,000 for business-type activities.

State statutes limit the amount of general obligation bonded debt a town can issue to 3% of net assessed property values. However, all bonds approved through State enabling legislation and voter referendums are exempt from the limit. As of June 30, 2018, the Town had a legal debt limit of \$124,287,705, based on net assessed valuations as of December 31, 2017. As of June 30, 2018, the Town had outstanding debt subject to the 3% debt limit of \$1,855,261. The Town's debt limit calculation is shown on page 45 of this report.

Standard & Poor's affirmed the Town's AA+ rating on September 13, 2018, based on the following factors:

- Primarily residential property tax base with a diverse and growing commercial presence;
- Very strong management, with good financial policies and practices;
- Very strong budgetary flexibility and very strong liquidity.

Additionally, Moody's Investors Service affirmed the Town's Aa2 rating on October 9, 2018, in connection with their annual issuer comment.

Additional information on the Town of North Kingstown's long-term debt can be found in Note 7 on pages 45-48 of this report.

Economic Factors and Next Year's Budgets and Rates:

- Rhode Island General Laws limit the amount by which a city or town may increase its tax levy in each year unless the city or town qualifies for certain exemptions relating to loss of non-property tax revenue, emergencies, payment of debt service and substantial increase in the tax base necessitate significant expenditures. The maximum amount by which a city or town can increase its levy for 2019 is 4.0%. This levy will allow the Town to raise an additional \$3.0 million in new tax dollars.
- As of June 2018, the Town had an unemployment rate of 3.3% as compared to the State of Rhode Island's rate of 4.2% and the national average of 4.4%. The Town's largest employer, Electric Boat, continues to seek qualified new employees at its facility in North Kingstown.

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

The fiscal year 2018 rate of collection of current taxes was 97.4%. It is anticipated that the fiscal year 2019 rate of collection will fall within the budgeted collection rate which took into consideration the local and state economic conditions. With an overwhelming reliance on property taxes (approximately 74% of the current year revenues are derived from property taxes) any reduction in other revenues would necessitate either a use of a portion of the fund balance, a property tax increase or a reduction in services in the upcoming year or some combination thereof. Based upon preliminary discussion regarding the state budget, we are anticipating being level funded by the state and a minor increase in tax appropriations to maintain the Town's existing services and oblige contractual obligations.

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

STATEMENT OF NET POSITION

JUNE 30, 2018

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	North Kingstown Free Library
ASSETS:				
<i>Current Assets</i>				
Cash and cash equivalents	\$ 18,728,586	\$ 11,575,423	\$ 30,304,009	\$ 131,249
Taxes receivable, net	3,059,509	-	3,059,509	-
User charges receivable	-	1,878,825	1,878,825	-
Other receivables	516,310	1,279,757	1,796,067	-
Prepaid expenses	1,068,572	625	1,069,197	-
Internal balances	4,718,591	(4,718,591)	-	-
Inventory	-	49,248	49,248	-
Due from federal and state governments	1,014,187	-	1,014,187	-
Beneficial interest in assets held by others	-	-	-	334,963
<i>Total Current Assets</i>	<u>29,105,755</u>	<u>10,065,287</u>	<u>39,171,042</u>	<u>466,212</u>
<i>Noncurrent Assets</i>				
Restricted Cash on deposit with Rhode Island				
Infrastructure Bank	-	284,826	284,826	-
Sewer assessments receivable	-	7,345,624	7,345,624	-
Capital assets:				
Not being depreciated	29,955,076	6,739,237	36,694,313	-
Being depreciated, net	63,970,512	18,500,925	82,471,437	-
<i>Total Noncurrent Assets</i>	<u>93,925,588</u>	<u>32,870,612</u>	<u>126,796,200</u>	<u>-</u>
Total assets	<u>123,031,343</u>	<u>42,935,899</u>	<u>165,967,242</u>	<u>466,212</u>
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred loss on bond refunding, net	1,125,691	-	1,125,691	-
Pensions	29,805,739	1,610,229	31,415,968	-
Total deferred outflows of resources	<u>30,931,430</u>	<u>1,610,229</u>	<u>32,541,659</u>	<u>-</u>
LIABILITIES:				
<i>Current Liabilities</i>				
Accounts payable and accrued liabilities	4,029,653	1,501,193	5,530,846	-
Compensated absences payable	544,486	53,024	597,510	-
Serial bonds payable	3,551,140	880,625	4,431,765	-
Capital leases	112,385	64,328	176,713	-
Unearned revenue	10,000	328,535	338,535	-
Other liabilities	530	9,297	9,827	-
Escrow deposits	1,422,997	-	1,422,997	-
<i>Total Current Liabilities</i>	<u>9,671,191</u>	<u>2,837,002</u>	<u>12,508,193</u>	<u>-</u>
<i>Noncurrent Liabilities</i>				
Pollution remediation obligation	1,700,000	-	1,700,000	-
Net OPEB liability	25,093,095	1,495,219	26,588,314	-
Net pension liability	93,913,634	5,633,086	99,546,720	-
Serial bonds payable, less current portion	28,055,731	14,971,188	43,026,919	-
Capital leases, less current portion	425,777	208,797	634,574	-
Compensated absences payable, less current portion	1,633,457	159,072	1,792,529	-
<i>Total Noncurrent Liabilities</i>	<u>150,821,694</u>	<u>22,467,362</u>	<u>173,289,056</u>	<u>-</u>
Total liabilities	<u>160,492,885</u>	<u>25,304,364</u>	<u>185,797,249</u>	<u>-</u>
Contingencies and commitments (Notes 11 and 13)				
DEFERRED INFLOWS OF RESOURCES:				
Pensions	13,056,987	704,604	13,761,591	-
OPEB	8,806,851	524,772	9,331,623	-
Total deferred inflows of resources	<u>21,863,838</u>	<u>1,229,376</u>	<u>23,093,214</u>	<u>-</u>
NET POSITION:				
Net investment in capital assets	62,318,717	8,658,169	70,976,886	-
Restricted for:				
Capital projects funded with bond proceeds	1,849,068	-	1,849,068	-
Debt service	-	284,826	284,826	-
Library	-	-	-	466,212
Other purposes, expendable	92,668	-	92,668	-
Unrestricted	(92,654,403)	9,069,393	(83,585,010)	-
Total net position	<u>\$ (28,393,950)</u>	<u>\$ 18,012,388</u>	<u>\$ (10,381,562)</u>	<u>\$ 466,212</u>

See accompanying notes to basic financial statements.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

STATEMENT OF ACTIVITIES

A-2

FOR THE YEAR ENDED JUNE 30, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit North Kingstown Free Library
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Governmental activities:								
General government	\$ 8,601,132	\$ 1,941,168	\$ 1,206,005	\$ -	\$ (5,453,959)	\$ (5,453,959)	\$ -	
Public safety	18,750,108	2,066,431	297,263	-	(16,386,414)	(16,386,414)	-	
Public works	6,245,000	681,048	10,000	-	(5,553,952)	(5,553,952)	-	
Education	71,165,239	3,311,280	15,715,473	-	(52,138,486)	(52,138,486)	-	
Public libraries	1,710,688	289,290	355	-	(1,421,043)	(1,421,043)	-	
Senior services	693,053	18,119	11,751	-	(663,183)	(663,183)	-	
Amortization	(100,251)	-	-	-	100,251	100,251	-	
Interest on long-term debt	1,295,492	-	-	-	(1,295,492)	(1,295,492)	-	
Total governmental activities	108,360,461	8,307,336	17,240,847	-	(82,812,278)	(82,812,278)	-	
Business-type activities:								
Water	3,184,602	3,681,338	-	-	\$ 496,736	496,736	-	
Quonset/Davisville Recreation	2,249,380	1,691,921	-	214,400	(343,059)	(343,059)	-	
Water Capital Reserve Fund	-	-	-	-	-	-	-	
Sewer	1,135,988	724,684	-	1,331,499	920,195	920,195	-	
Other business-type activities	1,098,868	589,621	430,642	-	(78,605)	(78,605)	-	
Total business-type activities	7,668,838	6,687,564	430,642	1,545,899	995,267	995,267	-	
Total	\$ 116,029,299	\$ 14,994,900	\$ 17,671,489	\$ 1,545,899	(82,812,278)	995,267	(81,817,011)	
Component unit:								
North Kingstown Free Library	\$ 7,520	\$ -	\$ 21,713				\$ 14,193	
<i>General revenues:</i>								
Property taxes					80,437,385	-	80,437,385	-
Unrestricted investment earnings					284,761	3,135	287,896	-
Unrestricted intergovernmental revenue					2,283,267	-	2,283,267	-
Interest					-	238,752	238,752	-
Other					691,228	153,225	844,453	50,902
Total general revenues					83,696,641	395,112	84,091,753	50,902
Transfers					(147,227)	147,227	-	-
Change in net position					737,136	1,537,606	2,274,742	65,095
Net position - beginning of year:								
As previously reported					(7,462,018)	17,765,974	10,303,956	401,117
Prior period adjustment (Note 1)					(21,669,068)	(1,291,192)	(22,960,260)	-
As restated					(29,131,086)	16,474,782	(12,656,304)	401,117
Net position - end of year					\$ (28,393,950)	\$ 18,012,388	\$ (10,381,562)	\$ 466,212

See accompanying notes to basic financial statements.

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2018

	General Fund	School Department	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
<i>Assets</i>					
Cash and cash equivalents	\$ 3,766,250	\$ 7,739,273	\$ 14,062	\$ 6,746,130	\$ 18,265,715
Taxes receivable	3,059,509	-	-	-	3,059,509
Other receivables	421,807	42,702	-	51,801	516,310
Due from federal and state governments	18,645	788,014	-	207,528	1,014,187
Due from other funds	9,503,199	1,092,371	246,810	827,627	11,670,007
Prepaid expenses	521,654	546,918	-	-	1,068,572
Advance to other fund	457,055	-	-	-	457,055
Total assets	<u>\$ 17,748,119</u>	<u>\$ 10,209,278</u>	<u>\$ 260,872</u>	<u>\$ 7,833,086</u>	<u>\$ 36,051,355</u>
<i>Liabilities, Deferred Inflows and Fund Balances</i>					
<i>Liabilities:</i>					
Accounts payable and accrued liabilities	\$ 1,270,309	\$ 1,365,151	2	\$ 965,433	\$ 3,600,895
Due to other funds	294,014	6,778,235	-	336,222	7,408,471
Due to other governments	-	530	-	-	530
Unearned revenue	-	-	-	10,000	10,000
Escrow deposits	1,422,997	-	-	-	1,422,997
Total liabilities	<u>2,987,320</u>	<u>8,143,916</u>	<u>2</u>	<u>1,311,655</u>	<u>12,442,893</u>
Deferred inflows (Note 1)	<u>3,138,316</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,138,316</u>
<i>Fund Balances:</i>					
Nonspendable	978,709	546,918	-	-	1,525,627
Restricted	-	113,954	-	2,684,455	2,798,409
Assigned	104,588	1,404,490	260,870	4,088,558	5,858,506
Unassigned	10,539,186	-	-	(251,582)	10,287,604
Total fund balances	<u>11,622,483</u>	<u>2,065,362</u>	<u>260,870</u>	<u>6,521,431</u>	<u>20,470,146</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 17,748,119</u>	<u>\$ 10,209,278</u>	<u>\$ 260,872</u>	<u>\$ 7,833,086</u>	<u>\$ 36,051,355</u>

See accompanying notes to basic financial statements.

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

JUNE 30, 2018

<i>Total fund balance for governmental funds</i>		\$ 20,470,146
Assets used in governmental activities which are not financial resources and therefore are not reported in the funds:		
Capital assets, net		93,925,588
Some taxes and grants will be collected after year-end, but are not available soon enough to pay for the current period's expenditures; therefore, they are reported as deferred inflows in the funds.		3,138,316
Deferred outflows of resources:		
Pensions	\$ 29,805,739	
Deferred loss on bond refunding, net of accumulated amortization	<u>1,125,691</u>	30,931,430
Liabilities not due and payable in the current period which therefore are not reported in the funds:		
Bonds payable	(29,121,140)	
Bond premiums, net of accumulated amortization	(2,485,731)	
Capital leases	(538,162)	
Compensated absences payable	(2,177,943)	
Pollution remediation obligation	(1,700,000)	
OPEB liability	(25,093,095)	
Net pension liability	(93,913,634)	
Accrued interest	<u>(428,758)</u>	(155,458,463)
Deferred inflows of resources:		
Pensions	(13,056,987)	
OPEB	<u>(8,806,851)</u>	(21,863,838)
Internal service funds are excluded from the governmental fund financial statements but are recorded as governmental activities on the government-wide financial statements		<u>462,871</u>
<i>Total net position of governmental activities</i>		<u>\$ (28,393,950)</u>

See accompanying notes to basic financial statements.

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

FOR THE YEAR ENDED JUNE 30, 2018

	General Fund	School Department	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
<i>Revenues:</i>					
General property taxes	\$ 80,267,297	\$ -	\$ -	\$ -	\$ 80,267,297
Intergovernmental	2,283,267	15,997,644	1,142,819	2,937,146	22,360,876
Departmental	2,454,060	-	-	29,280	2,483,340
Investment income	284,393	-	276	92	284,761
On-behalf pension contribution	-	3,029,109	-	-	3,029,109
Other	55,586	124,933	-	510,709	691,228
Total revenues	85,344,603	19,151,686	1,143,095	3,477,227	109,116,611
<i>Expenditures:</i>					
<i>Current:</i>					
General government	7,230,710	-	-	1,862,098	9,092,808
Public safety	16,389,635	-	-	633,596	17,023,231
Public works	4,841,652	-	-	-	4,841,652
Parks and recreation	48,341	-	-	7,521	55,862
Senior services	533,697	-	-	126,670	660,367
Education	-	65,799,079	-	-	65,799,079
Public libraries	-	-	-	1,644,619	1,644,619
On-behalf pension contribution	-	3,029,109	-	-	3,029,109
<i>Debt service:</i>					
Principal	209,704	-	3,575,750	-	3,785,454
Interest and other costs	3,935	-	1,331,151	-	1,335,086
Bond issuance costs	-	-	-	-	-
<i>Capital:</i>					
Capital expenditures	1,482,117	14,612	-	2,051,016	3,547,745
Total expenditures	30,739,791	68,842,800	4,906,901	6,325,520	110,815,012
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	54,604,812	(49,691,114)	(3,763,806)	(2,848,293)	(1,698,401)
<i>Other financing sources (uses):</i>					
Capital leases	747,866	-	-	-	747,866
Transfers in	1,190,005	50,221,194	3,842,487	2,702,198	57,955,884
Transfers out	(55,735,316)	(1,030,563)	(64,621)	(627,606)	(57,458,106)
Net other financing sources (uses)	(53,797,445)	49,190,631	3,777,866	2,074,592	1,245,644
Net change in fund balances	807,367	(500,483)	14,060	(773,701)	(452,757)
Fund balances, beginning of year	10,815,116	2,565,845	246,810	7,295,132	20,922,903
Fund balances, end of year	\$ 11,622,483	\$ 2,065,362	\$ 260,870	\$ 6,521,431	\$ 20,470,146

See accompanying notes to basic financial statements.

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

FOR THE YEAR ENDED JUNE 30, 2018

<i>Net change in fund balances - total governmental funds</i>	\$	(452,757)
<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	\$ 4,720,682	
Depreciation expense	<u>(5,307,215)</u>	(586,533)
<p>The issuance of long-term debt (including premiums and discounts) provides current resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment and refunding of bonds and notes use current financial resources, but decrease long-term liabilities in the statement of net position. Bond premiums and refunding charges are deferred and amortized as part of future interest expense.</p>		
Principal payments made on long-term debt		3,785,454
Issuance of long-term debt including bond premiums		(747,866)
Amortization of:		
Deferred loss on advance refunding	(174,960)	
Bond premiums	<u>275,211</u>	100,251
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds.</p>		
		128,213
<p>Changes in deferred outflows - pensions are recorded in the statement of activities, but not in the governmental funds.</p>		
		6,972,515
<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>		
Change in net pension liability		(4,585,058)
Accrual for other postemployment health benefits		888,156
Accrued compensated absences		(495,877)
Accrued interest		39,594
Accrual for pollution remediation obligation		(177,000)
<p>Changes in deferred inflows - pensions are recorded in the statement of activities, but not in the governmental funds.</p>		
		(3,486,081)
<p>Excess of internal service funds' expenses over revenues, reported as governmental fund activity.</p>		
		<u>(645,875)</u>
<i>Change in net position of governmental activities</i>	\$	<u><u>737,136</u></u>

See accompanying notes to basic financial statements.

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

JUNE 30, 2018

	Enterprise Funds						Internal Service Funds
	Water		Quonset/ Davisville Recreation	Sewer	Nonmajor Enterprise Funds	Total	
	Operations	Capital Reserve					
Assets							
<i>Current Assets</i>							
Cash and cash equivalents	\$ 10,822,201	\$ 343,884	\$ 89,218	\$ -	\$ 320,120	\$ 11,575,423	\$ 462,871
Receivables, water and sewer assessments and user fees, net	1,135,903	-	-	742,922	-	1,878,825	-
Due from other funds	-	-	-	-	14,750	14,750	-
Other receivables	-	-	648,383	579,927	51,447	1,279,757	-
Prepays	-	-	-	-	625	625	-
Inventory	-	-	34,515	-	14,733	49,248	-
<i>Total Current Assets</i>	<u>11,958,104</u>	<u>343,884</u>	<u>772,116</u>	<u>1,322,849</u>	<u>401,675</u>	<u>14,798,628</u>	<u>462,871</u>
<i>Noncurrent Assets</i>							
Restricted cash on deposit with Rhode Island Infrastructure Bank	284,826	-	-	-	-	284,826	-
Sewer assessments	-	-	-	7,345,624	-	7,345,624	-
Capital assets not being depreciated	442,084	-	494,950	5,802,203	-	6,739,237	-
Capital assets being depreciated, net	7,266,506	-	3,631,157	7,602,980	282	18,500,925	-
<i>Total Noncurrent Assets</i>	<u>7,993,416</u>	<u>-</u>	<u>4,126,107</u>	<u>20,750,807</u>	<u>282</u>	<u>32,870,612</u>	<u>-</u>
Total assets	<u>19,951,520</u>	<u>343,884</u>	<u>4,898,223</u>	<u>22,073,656</u>	<u>401,957</u>	<u>47,669,240</u>	<u>462,871</u>
Deferred outflows of resources	965,251	-	644,978	-	-	1,610,229	-
Liabilities							
<i>Current Liabilities</i>							
Accounts payable and accrued liabilities	132,610	1	230,349	1,088,959	49,274	1,501,193	-
Due to other funds	-	-	1,999,725	2,276,561	-	4,276,286	-
Unearned revenue	-	-	323,155	-	5,380	328,535	-
Other liabilities	-	-	9,297	-	-	9,297	-
Current portion of compensated absences payable	28,464	-	24,560	-	-	53,024	-
Current portion of long-term debt	173,264	-	93,188	678,501	-	944,953	-
<i>Total Current Liabilities</i>	<u>334,338</u>	<u>1</u>	<u>2,680,274</u>	<u>4,044,021</u>	<u>54,654</u>	<u>7,113,288</u>	<u>-</u>
<i>Noncurrent Liabilities</i>							
Advances from other funds	-	-	457,055	-	-	457,055	-
OPEB liability	893,059	-	602,160	-	-	1,495,219	-
Net pension liability	3,377,762	-	2,255,324	-	-	5,633,086	-
Compensated absences payable	85,393	-	73,679	-	-	159,072	-
Long-term debt, less current portion	2,664,330	-	208,797	12,306,858	-	15,179,985	-
<i>Total Noncurrent Liabilities</i>	<u>7,020,544</u>	<u>-</u>	<u>3,597,015</u>	<u>12,306,858</u>	<u>-</u>	<u>22,924,417</u>	<u>-</u>
Total liabilities	<u>7,354,882</u>	<u>1</u>	<u>6,277,289</u>	<u>16,350,879</u>	<u>54,654</u>	<u>30,037,705</u>	<u>-</u>
Deferred inflows of resources							
Pensions	422,319	-	282,285	-	-	704,604	-
OPEB	313,434	-	211,338	-	-	524,772	-
Total deferred inflows of resources	<u>735,753</u>	<u>-</u>	<u>493,623</u>	<u>-</u>	<u>-</u>	<u>1,229,376</u>	<u>-</u>
Net Position							
Net investment in capital assets	4,870,996	-	3,367,067	419,824	282	8,658,169	-
Restricted, debt service	284,826	-	-	-	-	284,826	-
Unrestricted	7,670,314	343,883	(4,594,778)	5,302,953	347,021	9,069,393	462,871
Total net position (deficit)	<u>\$ 12,826,136</u>	<u>\$ 343,883</u>	<u>\$ (1,227,711)</u>	<u>\$ 5,722,777</u>	<u>\$ 347,303</u>	<u>\$ 18,012,388</u>	<u>\$ 462,871</u>

See accompanying notes to basic financial statements.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2018

	Enterprise Funds						
	Water		Quonset/ Davisville Recreation	Sewer	Nonmajor Enterprise Funds	Total	Internal Service Funds
	Operations	Capital Reserve					
Operating revenues:							
Charges for usage and services	\$ 3,485,049	\$ -	\$ 1,690,561	\$ 724,684	\$ 589,621	\$ 6,489,915	\$ -
Grants	-	-	-	-	430,642	430,642	-
Sundry sales and rentals	185,106	-	-	-	-	185,106	-
Miscellaneous	11,183	-	1,360	-	-	12,543	-
<i>Total operating revenues</i>	<u>3,681,338</u>	<u>-</u>	<u>1,691,921</u>	<u>724,684</u>	<u>1,020,263</u>	<u>7,118,206</u>	<u>-</u>
Operating expenses:							
Operations	2,661,969	-	690,126	565,621	-	3,917,716	870
Pro shop	-	-	496,828	-	-	496,828	-
Allen's Harbor	-	-	309,344	-	-	309,344	-
Recreation	-	-	416,779	-	-	416,779	-
Education	-	-	-	-	1,098,586	1,098,586	-
Depreciation and amortization	411,899	-	330,838	194,149	282	937,168	-
<i>Total operating expenses</i>	<u>3,073,868</u>	<u>-</u>	<u>2,243,915</u>	<u>759,770</u>	<u>1,098,868</u>	<u>7,176,421</u>	<u>870</u>
Operating income (loss)	<u>607,470</u>	<u>-</u>	<u>(551,994)</u>	<u>(35,086)</u>	<u>(78,605)</u>	<u>(58,215)</u>	<u>(870)</u>
Nonoperating revenues (expenses):							
Investment income	3,135	-	-	-	-	3,135	-
Capital grants	-	-	214,400	1,331,499	-	1,545,899	-
Gain on sale of capital asset	-	-	153,225	-	-	153,225	-
Interest income	-	-	-	238,752	-	238,752	-
Interest expense	(110,734)	-	(5,465)	(376,218)	-	(492,417)	-
<i>Net nonoperating revenues (expenses)</i>	<u>(107,599)</u>	<u>-</u>	<u>362,160</u>	<u>1,194,033</u>	<u>-</u>	<u>1,448,594</u>	<u>-</u>
Income (loss) before transfers	<u>499,871</u>	<u>-</u>	<u>(189,834)</u>	<u>1,158,947</u>	<u>(78,605)</u>	<u>1,390,379</u>	<u>(870)</u>
Transfers in	685,753	-	82,606	64,621	-	832,980	-
Transfers out	-	(685,753)	-	-	-	(685,753)	(645,005)
<i>Total transfers</i>	<u>685,753</u>	<u>(685,753)</u>	<u>82,606</u>	<u>64,621</u>	<u>-</u>	<u>147,227</u>	<u>(645,005)</u>
Change in net position	<u>1,185,624</u>	<u>(685,753)</u>	<u>(107,228)</u>	<u>1,223,568</u>	<u>(78,605)</u>	<u>1,537,606</u>	<u>(645,875)</u>
Total net position (deficit), beginning of year							
As originally reported	12,411,710	1,029,636	(600,489)	4,499,209	425,908	17,765,974	1,108,746
Restatement	(771,198)	-	(519,994)	-	-	(1,291,192)	-
As restated	<u>11,640,512</u>	<u>1,029,636</u>	<u>(1,120,483)</u>	<u>4,499,209</u>	<u>425,908</u>	<u>16,474,782</u>	<u>1,108,746</u>
Total net position (deficit), end of year	<u>\$ 12,826,136</u>	<u>\$ 343,883</u>	<u>\$ (1,227,711)</u>	<u>\$ 5,722,777</u>	<u>\$ 347,303</u>	<u>\$ 18,012,388</u>	<u>\$ 462,871</u>

See accompanying notes to basic financial statements.

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2018

	Enterprise Funds						
	Water		Quonset/ Davisville Recreation	Sewer	Nonmajor Enterprise Funds	Total	Internal Service Funds
	Operations	Capital Reserve					
Cash flows from operating activities:							
Cash received from customers	\$ 3,507,744	\$ -	\$ 1,671,491	\$ 726,635	\$ 589,364	\$ 6,495,234	\$ -
Cash received from other sources	-	-	-	-	491,953	491,953	-
Cash paid to suppliers	(1,138,979)	(4,400)	(650,173)	(561,601)	(319,066)	(2,674,219)	(944)
Cash paid to employees	(1,352,237)	-	(1,057,312)	(161,950)	(769,984)	(3,341,483)	-
Net cash provided by (used in) operating activities	1,016,528	(4,400)	(35,994)	3,084	(7,733)	971,485	(944)
Cash flows from capital and related financing activities:							
Capital contributions	-	-	-	165,213	-	165,213	-
Acquisition of capital assets	(848,100)	-	(322,369)	(3,717,069)	-	(4,887,538)	-
Proceeds from sale of capital assets	-	-	183,300	-	-	183,300	-
Principal paid on long-term debt	(167,655)	-	(99,250)	(514,514)	-	(781,419)	-
Proceeds from long-term debt	12,733	-	343,125	3,254,426	-	3,610,284	-
Interest paid on bonds	(112,623)	-	(5,465)	(353,136)	-	(471,224)	-
Net cash provided by (used in) capital and related financing activities	(1,115,645)	-	99,341	(1,165,080)	-	(2,181,384)	-
Cash flows from noncapital financing activities:							
Interfund borrowings	-	-	(57,135)	658,134	(4,447)	596,552	-
Transfer from other funds	685,753	-	82,606	64,621	-	832,980	-
Transfer to other funds	-	(685,753)	-	-	-	(685,753)	(645,005)
Net cash provided by (used in) noncapital financing activities	685,753	(685,753)	25,471	722,755	(4,447)	743,779	(645,005)
Cash provided by investing activities, interest received	-	-	-	196,974	-	196,974	-
Net cash provided by investing activities	-	-	-	196,974	-	196,974	-
Net increase (decrease) in cash and cash equivalents	586,636	(690,153)	88,818	(242,267)	(12,180)	(269,146)	(645,949)
Cash and cash equivalents, beginning of year	10,235,565	1,034,037	400	242,267	332,300	11,844,569	1,108,820
Cash and cash equivalents, end of year	\$ 10,822,201	\$ 343,884	\$ 89,218	\$ -	\$ 320,120	\$ 11,575,423	\$ 462,871
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:							
Operating income (loss)	\$ 607,470	\$ -	\$ (551,994)	\$ (35,086)	\$ (78,605)	\$ (58,215)	\$ (870)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation and amortization	411,899	-	330,838	194,149	282	937,168	-
Changes in assets and liabilities:							
Accounts receivable	(173,594)	-	-	1,952	59,079	(112,563)	-
Inventory	-	-	(1,349)	-	-	(1,349)	-
Prepays	-	-	-	-	(625)	(625)	-
Other liabilities	-	-	3,683	-	-	3,683	-
Compensated absences payable	5,258	-	(9,830)	-	-	(4,572)	-
Deferred outflows of resources	(248,226)	-	(166,962)	-	-	(415,188)	-
Deferred inflows of resources	437,541	-	294,815	-	-	732,356	-
Net pension liability	346,124	-	234,231	-	-	580,355	-
OPEB liability	(345,043)	-	(232,652)	-	-	(577,695)	-
Unearned revenue	-	-	(24,113)	-	1,975	(22,138)	-
Accounts payable and accrued payroll	(24,901)	(4,400)	87,339	(157,931)	10,161	(89,732)	(74)
Net cash provided by (used in) operating activities	\$ 1,016,528	\$ (4,400)	\$ (35,994)	\$ 3,084	\$ (7,733)	\$ 971,485	\$ (944)

See accompanying notes to basic financial statements.

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

JUNE 30, 2018

	Police Pension Trust	OPEB Trust	Private Purpose Trust Funds	Agency Funds
<i>Assets:</i>				
Cash and cash equivalents	\$ 303,237	\$ -	\$ 40,075	\$ 332,444
Investments	<u>-</u>	<u>1,104,998</u>	<u>-</u>	<u>-</u>
<i>Total assets</i>	<u>303,237</u>	<u>1,104,998</u>	<u>40,075</u>	<u>\$ 332,444</u>
<i>Liabilities:</i>				
Due to student groups	-	-	-	\$ 309,965
Deposits held in custody for others	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,479</u>
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 332,444</u>
<i>Net Position:</i>				
Held in trust for pension benefits and other purposes	<u>\$ 303,237</u>	<u>\$ 1,104,998</u>	<u>\$ 40,075</u>	

See accompanying notes to basic financial statements.

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FIDUCIARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2018

	Police Pension Trust	OPEB Trust	Private Purpose Trust Funds
	<u> </u>	<u> </u>	<u> </u>
Additions to net position:			
<i>Investment income:</i>			
Interest, dividends and gains	\$ -	\$ 19,422	\$ 54
<i>Net investment earnings</i>	<u>-</u>	<u>19,422</u>	<u>54</u>
Contributions - employer	<u> </u>	<u>2,431,147</u>	<u>-</u>
<i>Total additions</i>	<u>-</u>	<u>2,450,569</u>	<u>54</u>
Deductions from net assets:			
Benefits paid	<u>-</u>	<u>1,431,147</u>	<u>-</u>
<i>Total deductions</i>	<u>-</u>	<u>1,431,147</u>	<u>-</u>
Change in net position	-	1,019,422	54
Net position, beginning of year	<u>303,237</u>	<u>85,576</u>	<u>40,021</u>
Net position, end of year	<u>\$ 303,237</u>	<u>\$ 1,104,998</u>	<u>\$ 40,075</u>

See accompanying notes to basic financial statements.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

Financial reporting entity:

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

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

The North Kingstown Free Library Corporation, a not-for-profit agency formed in July 1993, supports the charitable, scientific and educational purposes of the Library, a component unit of the Town. The Town is able to impose its will on the component unit as the Town appoints the Library Trustees who serve as the Library’s Board of Directors. Accordingly, the Library is included as a discretely presented component unit in the financial statements of the Town. The North Kingstown Free Library Corporation filed its Form 990 tax return for the year ended December 31, 2017, during May 2018, a copy of which can be obtained by contacting the North Kingstown Free Library Corporation, 100 Fairway Drive, North Kingstown, RI 02852.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Basis of presentation:

Government-wide financial statements:

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

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

Fund financial statements:

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

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

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Basis of presentation (continued):

Fund financial statements (continued):

Governmental funds:

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

The Town uses the following types of governmental funds:

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

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

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

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

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

Proprietary funds:

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2018

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 and OPEB 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 two agency funds. Since agency funds are custodial in nature (i.e., assets equal liabilities), they do not involve the measurement of results of operations.

Measurement focus and basis of accounting:

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

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Basis of presentation (continued):

Measurement focus and basis of accounting (continued):

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

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

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

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

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

Deferred inflows and outflows of resources:

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Basis of presentation (continued):

Measurement focus and basis of accounting (continued):

Deferred inflows and outflows of resources (continued):

At June 30, 2018, the Town's deferred inflows, as reported on the accompanying Balance Sheet – Governmental Funds, consist of the following receivables for which payment was not received within 60 days after year-end:

Property tax receivables	\$ 2,781,863
Other receivables	356,453
	<hr/>
	\$ 3,138,316
	<hr/> <hr/>

Use of estimates:

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

Recently adopted accounting pronouncement:

For the fiscal year ended June 30, 2018, the Town adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* ("GASB 75"), as amended by GASB Statement No. 85, *Omnibus*. GASB 75 requires the net other postemployment benefit ("OPEB") liability to be measured and reported as the OPEB liability less the amount of the OPEB's fiduciary net position. In addition, GASB 75 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses. Due to the adoption of GASB 75, the Town has restated its 2018 beginning net position, resulting in a decrease in net position of \$22,960,260 at July 1, 2017. The decrease in beginning net position resulted from a \$22,960,260 increase in noncurrent liabilities. The adoption of GASB 75 decreased the net position for the fiscal year ended June 30, 2018, by \$1,506,812 due to OPEB expense.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2018

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

Recently issued but not yet effective accounting pronouncement:

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

Cash and cash equivalents:

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

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

Property taxes:

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

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Pensions:

Municipal Employees' Retirement System (MERS):

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

Employees' Retirement System (ERS):

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

Postemployment Benefits Other than Pensions ("OPEB"):

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Town of North Kingstown's Post Employment Health Insurance Plan (the "Plan") and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Interfund transactions:

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Interfund transactions (continued):

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.”

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.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Capital assets (continued):

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.

Judgments and claims:

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

Long-term obligations:

Government-wide and proprietary fund financial statements:

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

Bond issuance costs are expensed in the year incurred. During the year ended June 30, 2018, no bond issuance costs were incurred.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Long-term obligations (continued):

Government-wide and proprietary fund financial statements (continued):

Deferred losses on refundings are amortized on a straight-line basis over the shorter of the remaining life of the old debt or the life of the new debt and are reflected in the statement of net position as a deferred outflow. At June 30, 2018, the deferred loss for four separate refundings totaled \$2,733,459. Accumulated amortization totaled \$1,607,768, resulting in a net deferred loss of \$1,125,691 at June 30, 2018.

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.

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Fund equity (continued):

Governmental fund financial statements:

Fund balance:

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

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

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

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

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.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Fund equity (continued):

Governmental fund financial statements:

Fund balance:

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.

2. FUND BALANCES:

At June 30, 2018, the following funds had a deficit (negative) fund balance or deficit net position, as applicable:

Nonmajor Governmental Funds:

Willet Library	\$	8,677
Miscellaneous State Grants	\$	17,636
State Grants – Police Department	\$	2,588
Town Municipal Court	\$	21,298
Senior Health Insurance Program	\$	1,168
Impact Fees	\$	110,258
Special Purpose Donations	\$	2,655
Ann Ward Wallou Memorial Garden	\$	901
SAFER Grant	\$	67,672
Community Center Maintenance	\$	18,585
Heritage Committee	\$	144

Major Enterprise Fund:

Quonset/Davisville	\$	1,227,711
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TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2018

3. CASH AND CASH EQUIVALENTS (DEPOSITS):

At June 30, 2018, the carrying amount of the Town's deposits was \$30,979,765, and the total bank balance was \$32,430,777. The carrying amount includes \$675,756 in fiduciary funds.

At June 30, 2018, deposits are categorized as follows:

	Insured/ Collateralized in Town's name	Uninsured	Total bank balance	Carrying amount
Deposits:				
Demand deposits	\$ 1,085,269	\$ 17,054,058	\$ 18,139,327	\$ 16,438,033
Money market	-	14,291,450	14,291,450	14,541,732
	<u>\$ 1,085,269</u>	<u>\$ 31,345,508</u>	<u>\$ 32,430,777</u>	<u>\$ 30,979,765</u>

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

Custodial credit risk:

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

Interest rate risk:

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

Credit risk:

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2018

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

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.

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 2018 were based on a net asset value of \$4,112,990,874 at December 31, 2016, and amounted to \$77,202,378. Collections through June 30, 2018, amounted to \$75,200,739, which represents approximately 97% of the total tax levy.

Unpaid property taxes as of June 30, 2018 (\$3,059,509), are recorded as a receivable, net of an allowance for uncollectible property taxes of \$91,723. Those net property taxes receivable which were not collected within 60 days immediately following June 30, 2018, are recorded as a deferred inflow of resources in the accompanying Balance Sheet – Governmental Funds, totaling \$2,781,863 at June 30, 2018. Property taxes collected within 60 days following June 30, 2018, are recognized as revenue in the governmental fund financial statements and amounted to \$277,646. As of June 30, 2018, the Town levied property taxes for its next fiscal year based on the December 31, 2017, assessment as follows (unaudited):

	Taxable Assessment	Exemptions	Net Tax Assessment	Rate per \$1,000	Net Levy
Real property	\$3,852,182,165	\$ 84,673,360	\$3,767,508,805	\$19.09	\$ 71,921,748
Motor vehicle	276,956,087	66,071,916	210,884,171	\$22.04	4,647,126
Tangible property	165,055,260	524,750	164,530,510	\$19.09	3,140,888
	<u>\$4,294,193,512</u>	<u>\$ 151,270,026</u>	<u>\$4,142,923,486</u>		<u>\$ 79,709,762</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2018

4. PROPERTY TAXES (CONTINUED):

Economic Development Tax Incentive

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

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

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

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

The Town Council has authorized economic development tax incentives for 48 businesses, resulting in tax abatements totaling \$335,500 for the year ended June 30, 2018.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2018

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, 2018, is as follows:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 9,503,199	\$ 294,014
School Department:		
School Unrestricted Fund	1,092,371	5,685,864
Homeless Children/Youth Even	-	22,646
Wireless Classroom Initiative	-	252,709
School Public Law 94-142	-	380,738
Title III LEAP	-	1,939
Career & Tech	-	973
Title I	-	197,684
Homeless Children/Youth Odd	-	7,476
Scholarship America	-	7
Educational Development Center	-	216
Title II	-	41,221
Public Law 94-142, Pre-school	-	14,324
21st Century Learning	-	44,210
COZ Family Center	-	17,880
Wendy's Advertising	-	26
USDA - FFVP	-	12,032
Drug Free Communities	-	52,746
COZ Miscellaneous Donations	-	3
Use of Buildings	-	10,738
RI Assoc. for Young Children	-	14
School/Town Substance Abuse	-	23,974
Women's Club of South County Grow Hope	-	15
IDEA Part B Targeted - COZ	-	889
COZ Education Exchange	-	415
Classes 4 Classes	-	1,358
RI Learning Champions	-	1,803
We Make RI	-	6
English Learner Categorical Aid	-	1,594
Sexual Health Mini Grant	-	4,735
	<u>1,092,371</u>	<u>6,778,235</u>
Debt Service Fund	<u>246,810</u>	<u>-</u>
Other Governmental Funds:		
Willet Library Fund	-	8,677
Library Fund	47,204	-
Miscellaneous State Grants	-	17,636
State Grants - Police Department	-	5,291
Town Municipal Court	-	20,137
Senior Health Insurance Program	-	1,168
CDBG Grant	302,400	126,793
SAFER Grant	-	155,394
Ann Ward Wallou Memorial Garden	-	901
Parade Committee	-	225
Capital Improvement Projects	478,023	-
	<u>827,627</u>	<u>336,222</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2018

5. INTERFUND TRANSACTIONS (CONTINUED):

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Enterprise Funds:		
Major:		
Quonset/Davisville Recreation	\$ -	\$ 1,999,725
Sewer Fund	-	2,276,561
	<u>-</u>	<u>4,276,286</u>
Nonmajor:		
School Nutrition Fund	14,300	-
NKHS Adult Education	450	-
	<u>14,750</u>	<u>-</u>
Total Enterprise Funds	<u>14,750</u>	<u>4,276,286</u>
Total funds	<u>\$ 11,684,757</u>	<u>\$ 11,684,757</u>

Advances to/from:

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

	<u>Advance to Fund</u>	<u>Advance from Fund</u>
General Fund	\$ 457,055	
Quonset/Davisville Recreation		\$ 457,055

Operating transfers between funds for the year ended June 30, 2018, were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 1,190,005	\$ 55,735,316
School Department:		
School Unrestricted Fund	\$ 50,208,694	\$ 1,030,563
Career & Tech	12,500	-
	<u>50,221,194</u>	<u>1,030,563</u>
Debt Service Fund	\$ 3,842,487	\$ 64,621

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2018

5. INTERFUND TRANSACTIONS (CONTINUED):

Operating transfers (continued):

	<u>Transfers In</u>	<u>Transfers Out</u>
<i>Other Governmental Funds:</i>		
Library Fund	\$ 1,309,135	\$ -
Emergency Medical Services	-	530,000
Tax Revaluation Reserve Fund	25,000	-
Capital Improvement Project	1,018,063	-
Capital Reserve	350,000	15,000
Farmland & Open Space Reserve	-	82,606
	<u>2,702,198</u>	<u>627,606</u>
<i>Enterprise Funds:</i>		
Water Operations	685,753	-
Water Capital Reserve	-	685,753
Quonset/Davisville Recreation	82,606	-
Sewer Fund	64,621	-
	<u>832,980</u>	<u>685,753</u>
<i>Internal Service Funds:</i>		
Self Insurance Fund	-	645,005
	<u>-</u>	<u>645,005</u>
<i>Totals</i>	<u><u>\$ 58,788,864</u></u>	<u><u>\$ 58,788,864</u></u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2018

6. CAPITAL ASSETS:

Governmental activities:	Beginning Balances	Additions	Deletions	Ending Balances
Capital assets not being depreciated:				
Library collections	\$ 3,633,986	\$ -	\$ -	\$ 3,633,986
Land	6,957,567	-	-	6,957,567
Development rights	18,217,055	764,410	-	18,981,465
Construction in progress	-	382,058	-	382,058
Total capital assets not being depreciated	<u>28,808,608</u>	<u>1,146,468</u>	<u>-</u>	<u>29,955,076</u>
Capital assets being depreciated:				
Land improvements	197,255	-	-	197,255
Building	78,110,425	1,229,839	-	79,340,264
Equipment	18,573,227	1,168,266	-	19,741,493
Infrastructure	72,426,403	1,176,109	-	73,602,512
Total capital assets being depreciated	<u>169,307,310</u>	<u>3,574,214</u>	<u>-</u>	<u>172,881,524</u>
Less: accumulated depreciation for:				
Land improvements	(123,258)	(11,550)	-	(134,808)
Building	(32,833,809)	(2,161,070)	-	(34,994,879)
Equipment	(14,446,789)	(1,112,495)	-	(15,559,284)
Infrastructure	(56,199,941)	(2,022,100)	-	(58,222,041)
Total accumulated depreciation	<u>(103,603,797)</u>	<u>(5,307,215)</u>	<u>-</u>	<u>(108,911,012)</u>
Total capital assets being depreciated, net	<u>65,703,513</u>	<u>(1,733,001)</u>	<u>-</u>	<u>63,970,512</u>
Governmental activities capital assets, net	<u>\$ 94,512,121</u>	<u>\$ (586,533)</u>	<u>\$ -</u>	<u>\$ 93,925,588</u>

Depreciation was charged to functions as follows:

Governmental activities:	
General government	\$ 210,412
Public safety	766,028
Public works	2,195,596
Education	2,037,581
Public libraries	97,598
	<u>\$ 5,307,215</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2018

6. CAPITAL ASSETS (CONTINUED):

Business-type activities:	<u>Beginning balances</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balances</u>
Capital assets not being depreciated:				
Land	\$ 942,289	\$ -	\$ -	\$ 942,289
Construction in progress	2,357,979	4,296,675	(857,706)	5,796,948
Total capital assets not being depreciated	<u>3,300,268</u>	<u>4,296,675</u>	<u>(857,706)</u>	<u>6,739,237</u>
Capital assets being depreciated:				
Buildings	14,224,190	-	-	14,224,190
Property and leasehold improvements	13,911,577	1,828,742	-	15,740,319
Furniture and equipment	631,846	246,646	-	878,492
Vehicles and golf carts	347,599	351,375	(121,927)	577,047
Total capital assets being depreciated	<u>29,115,212</u>	<u>2,426,763</u>	<u>(121,927)</u>	<u>31,420,048</u>
Less: accumulated depreciation for:				
Buildings	(8,096,852)	(271,095)	-	(8,367,947)
Property and leasehold improvements	(3,221,300)	(402,869)	-	(3,624,169)
Furniture and equipment	(456,039)	(210,328)	-	(666,367)
Vehicles and golf carts	(299,616)	(52,876)	91,852	(260,640)
Total accumulated depreciation	<u>(12,073,807)</u>	<u>(937,168)</u>	<u>91,852</u>	<u>(12,919,123)</u>
Total capital assets being depreciated, net	<u>17,041,405</u>	<u>1,489,595</u>	<u>(30,075)</u>	<u>18,500,925</u>
Business-type activities capital assets, net	<u>\$ 20,341,673</u>	<u>\$ 5,786,270</u>	<u>\$ (887,781)</u>	<u>\$ 25,240,162</u>

Depreciation was charged to functions as follows:

Business-type activities:	
Water	\$ 411,899
Sewer	194,149
Quonset/Davisville Recreation	330,838
Nutrition Fund	282
	<u>937,168</u>
	<u>\$ 937,168</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2018

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, 2017, was \$4,142,923,486, limiting the amount of nonexcepted debt outstanding to \$124,287,705. At June 30, 2018, the Town had \$1,855,261 outstanding subject to the limit. All Town debt has been incurred through special statutory authority which consists of approval by the legislature and voter referendum.

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

Authorized but unissued:

At June 30, 2018, the Town had \$20,700,000 of bonds authorized but unissued for construction of the Town's sewer system.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2018

7. LONG-TERM OBLIGATIONS (CONTINUED):

A summary of long-term obligations as of June 30, 2018, is as follows:

	Governmental activities	Business-type activities	Total
	<u> </u>	<u> </u>	<u> </u>
General obligation debt	\$ 29,121,140	\$ 16,995,854	\$ 46,116,994
Bond premium	<u>2,485,730</u>	<u>78,690</u>	<u>2,564,420</u>
	31,606,870	17,074,544	48,681,414
Less: undrawn loan proceeds held by the State	<u>-</u>	<u>(1,222,732)</u>	<u>(1,222,732)</u>
	31,606,870	15,851,812	47,458,682
Capital leases	538,162	273,125	811,287
Accrued compensated absences	2,177,943	212,096	2,390,039
Pollution remediation obligation	<u>1,700,000</u>	<u>-</u>	<u>1,700,000</u>
	36,022,975	16,337,033	52,360,008
Less: portion due within one year	<u>(4,208,011)</u>	<u>(997,977)</u>	<u>(5,205,988)</u>
	<u>\$ 31,814,964</u>	<u>\$ 15,339,056</u>	<u>\$ 47,154,020</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2018

7. LONG-TERM OBLIGATIONS (CONTINUED):

Governmental activities:										
	Date of Issuance	Purpose	Authorized	Interest Rate	Maturity Date	Outstanding June 30, 2017	Additions	Retirements	Outstanding June 30, 2018	Amounts due within one year
General obligation bonds payable:										
\$9.79M GOB 2009 Series	1/15/2009	Renovations, Additions and Improvements	\$ 9,790,000	2.00 – 4.00%	1/15/2030	\$ 7,020,000	\$ -	\$ 540,000	\$ 6,480,000	\$ 540,000
\$4M GOB - Open Space	7/1/2007	Open Space	4,000,000	4.125-6.5%	7/15/2027	190,000	-	190,000	-	-
\$3.622M GOB	12/15/2009	Facilities, Open Space, and Library	3,622,000	1.25 – 3.50%	12/15/2019	745,000	-	375,000	370,000	370,000
Less: Q/D recreation portion		Q/D Recreation Asset Protection	(282,516)	1.25-3.50%	12/15/2019	(58,110)	-	(29,250)	(28,860)	(28,860)
\$960M GOB	12/15/2009	School Athletics	960,000	1.25 – 3.50%	12/15/2019	235,000	-	115,000	120,000	120,000
\$2.003M GOB	12/15/2009	Farmland/Open Space	2,003,000	1.25 – 3.50%	12/15/2019	615,000	-	210,000	405,000	205,000
\$7.65M GOB	4/18/2013	School Renovations and Improvements	7,655,000	2.00 – 4.00%	5/15/2033	6,110,000	-	385,000	5,725,000	385,000
\$350M GOB 2013 Series A	9/1/2013	Public Building Library	350,000	2.00 – 3.75%	9/1/2023	245,000	-	35,000	210,000	35,000
\$15.03M GOB Refunding Bonds	9/1/2015	Refunding of \$2.84M Open Space, \$27.885M Refunding, and \$4.0M Open Space	15,030,000	2.00 - 5.00 %	7/15/2027	13,565,000	-	1,425,000	12,140,000	1,585,000
\$4.03M RIHEBC Refunding Bonds	12/2/2015	Refunding of School Renovation Bond \$7M	4,030,000	3.00 - 5.00 %	5/15/2027	4,030,000	-	330,000	3,700,000	340,000
			47,157,484			32,696,890	-	3,575,750	29,121,140	3,551,140
Deferred bond premium			3,419,443			2,760,941	-	275,211	2,485,730	-
Total general obligation bonds payable			\$ 50,576,927			35,457,831	-	3,850,961	31,606,870	3,551,140
Capital leases:										
	7/28/2017	\$154,462 Police - (4) Interceptors	154,462	2.87%	10/9/2021	-	154,462	92,677	61,785	30,455
	7/28/2017	\$60,000 Senior Center Bus	60,000	3.17%	10/9/2021	-	60,000	30,000	30,000	7,153
	6/15/2018	\$98,346 - DPW - 2 Dump Trucks/1 Tractor	98,346	3.47%	6/15/2022	-	98,346	20,564	77,782	18,462
	6/15/2018	\$435,058 - DPW - 2 Dump Trucks/1 Backhoe	435,058	3.47%	6/15/2024	-	435,058	66,463	368,595	56,315
Total capital leases			\$ 747,866			-	747,866	209,704	538,162	112,385
Accrued compensated absences						1,682,066	2,076,292	1,580,415	2,177,943	544,486
Pollution remediation obligation						1,523,000	177,000		1,700,000	-
Total long-term obligations						\$ 38,662,897	\$ 3,001,158	\$ 5,641,080	\$ 36,022,975	\$ 4,208,011
Business-type activities:										
	Date of Issuance	Purpose	Authorized	Interest Rate	Maturity Date	Outstanding June 30, 2017	Additions	Retirements	Outstanding June 30, 2018	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	\$ 58,110	\$ -	\$ 29,250	\$ 28,860	\$ 28,860
\$4.8 RICWFA Bond	11/19/2009	Renovations, Additions and Improvements	4,800,000	0.650 - 3.54%	9/1/2030	3,005,248	-	167,655	2,837,593	173,264
\$2.46M Wastewater Services	1/2/2013	QDC Wastewater Services	2,460,000	2.75 %	1/2/2033	1,963,945	-	107,544	1,856,401	110,501
\$4.0M GO Sewer Bonds Series 2014	4/1/2014	Sewers	4,000,000	2.00% – 4.00%	4/15/2034	3,575,000	-	150,000	3,425,000	155,000
\$6.0M RICWFA Sewer Bonds 2014 Series B	4/10/2014	Renovations, Additions, and Improvements	6,000,000	2.01%	9/1/2034	5,500,000	-	252,000	5,248,000	255,000
\$3.6M RI Infrastructure Series 2017 A	4/13/2017	Water Pollution Control	3,600,000	0.68% - 2.44%	6/30/2037	3,600,000	-		3,600,000	158,000
			21,142,516			17,702,303	-	706,449	16,995,854	880,625
Less: undrawn loan proceeds held by the State						(4,489,890)		(3,267,158)	(1,222,732)	
						13,212,413	-	(2,560,709)	15,773,122	880,625
Deferred bond premium			99,398			83,660	-	4,970	78,690	-
Total general obligation bonds payable			\$ 21,241,914			13,296,073	-	(2,555,739)	15,851,812	880,625
Capital lease	2/15/2018	Golf Course - Golf Carts	343,125	3.99%	2/15/2022	-	343,125	70,000	273,125	64,328
Accrued compensated absences						216,668	151,268	155,840	212,096	53,024
Total long-term obligations						\$ 13,512,741	\$ 494,393	\$ (2,329,899)	\$ 16,337,033	\$ 997,977

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2018

7. LONG-TERM OBLIGATIONS (CONTINUED):

At June 30, 2018, 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>			
2019	\$ 3,551,140	1,206,789	\$ 4,757,929
2020	3,085,000	1,079,841	4,164,841
2021	2,900,000	947,591	3,847,591
2022	2,730,000	821,123	3,551,123
2023	2,750,000	697,477	3,447,477
2024-2028	11,125,000	1,850,313	12,975,313
2029-2033	2,980,000	173,600	3,153,600
	\$ 29,121,140	\$ 6,776,734	\$ 35,897,874
 <i>Business-type activities:</i>			
2019	\$ 880,625	\$ 495,550	\$ 1,376,175
2020	876,412	476,384	1,352,796
2021	896,375	454,918	1,351,293
2022	919,727	431,865	1,351,592
2023	948,400	407,225	1,355,625
2024-2028	5,181,802	1,841,783	7,023,585
2029-2033	5,174,802	607,356	5,782,158
2034-2037	894,979	13,784	908,763
	\$ 15,773,122	\$ 4,728,865	\$ 20,501,987

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2018

8. FUND BALANCE:

The Town has classified governmental fund balances at June 30, 2018, as follows:

Assigned:

General Fund Encumbrances	\$ 98,138
School Encumbrances	179,138
Education	1,225,352
Codification Reserve	6,450
Debt Service	260,870
Capital Project Funds – nonbonded	1,173,975
Town Special Revenue – nongrant funds	<u>2,914,583</u>
	<u>5,858,506</u>

Restricted:

Town Special Revenue – grant funds	742,719
School Special Revenue – grant funds	113,954
Capital Projects – grant funds	1,134,035
Capital Projects – bonded	715,033
Permanent Funds	<u>92,668</u>
	<u>2,798,409</u>

Nonspendable, not in spendable form:

Advance to Quonset/Davisville Recreation for Golf Course Irrigation	457,055
General Fund- prepaid expenses	521,654
School Department- prepaid expenses	<u>546,918</u>
	<u>1,525,627</u>

Unassigned:

Special Revenue – deficit fund balances	(251,582)
General Fund – not designated for future expenditures	<u>10,539,186</u>
	<u>10,287,604</u>
	<u><u>\$ 20,470,146</u></u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2018

9. PENSION PLANS:

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

Municipal Plan

Plan description:

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

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

Benefits provided:

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

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

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2018

9. PENSION PLANS (CONTINUED):

Municipal Plan (continued):

Benefits provided (continued):

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

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

General Employees:

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

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

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

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2018

9. PENSION PLANS (CONTINUED):

Municipal Plan (continued):

Benefits provided (continued):

General employees (continued):

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

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

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

Police and Fire employees:

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

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

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

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2018

9. PENSION PLANS (CONTINUED):

Municipal Plan (continued):

Benefits provided (continued):

Police and Fire employees (continued):

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

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

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

Other benefit provisions:

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

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

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

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2018

9. PENSION PLANS (CONTINUED):

Municipal Plan (continued):

Benefits provided (continued):

Police and Fire employees (continued):

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

The COLA will be limited to the first \$25,000 of the member's annual pension benefit. For retirees and beneficiaries who retired on or before July 1, 2015, years in which a COLA is payable based on the every fourth year provision, described above, will be limited to the first \$30,000. These limits will be indexed annually to increase in the same manner as COLAs, with the known values of \$25,000 for 2013, \$25,000 for 2014, \$25,168 for 2015, \$25,855 for 2016, and \$26,098 for 2017.

Employees covered by benefit terms:

At the June 30, 2016, valuation date (the latest available), the following employees were covered by the benefit terms:

	General	Police	Fire
Retirees and beneficiaries	238	40	70
Inactive, nonretired members	158	6	11
Active members	309	43	67
	705	89	148

Contributions:

The amounts of employee and employer contributions have been established under Rhode Island General Laws Chapter 45-21. General employees with less than 20 years of service as of June 30, 2012, are required to contribute 2% of their salaries. General employees with more than 20 years of service as of June 30, 2012, are required to contribute 8.25%. Public safety employees are required to contribute 10% of their salaries. The Town contributes at a rate of covered employee payroll as determined by an independent actuary on an annual basis. The General Assembly can amend the amount of these contribution requirements. The Town contributed \$2,000,061, \$907,785 and \$1,340,527 for general, police, and fire, respectively, in the year ended June 30, 2018, which was 17.03%, 26.60% and 28.71% of covered payroll, respectively.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2018

9. PENSION PLANS (CONTINUED):

Municipal Plan (continued):

Net pension liability:

The total pension liability was determined by actuarial valuations performed as of June 30, 2016, and rolled forward to June 30, 2017, using the following actuarial assumptions applied to all periods included in the measurement:

Actuarial cost method	Entry Age Normal – the Individual Entry Age Actuarial Cost methodology is used.
Amortization method	Level percentage of payroll, closed
Investment rate of return	7.00%
Projected salary increases	General employees – 3.50% to 7.50%; Police & Fire Employees – 4.00% to 14.00%
Inflation	2.50%
Mortality	Variants of the RP-2014 mortality tables – for the improvement scale, update to the ultimate rates of the MP-2016 projection scale
Cost of living adjustments	A 2% COLA is assumed after January 1, 2014.

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2018

9. PENSION PLANS (CONTINUED):

Municipal Plan (continued):

Net pension liability (continued):

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

Type of investment	Target allocation	Long-term expected real rate of return
Global Equity		
U.S Equity	20.60%	6.85%
International Developed Equity	15.90%	6.71%
International Emerging Markets	3.50%	8.91%
Private Growth		
Private Equity	11.30%	9.62%
Non-Core RE	2.20%	5.17%
OPP Private Credit	1.50%	9.62%
Income		
High Yield Infrastructure	1.00%	4.26%
REITS	1.00%	5.17%
Liquid Credit	2.80%	4.26%
Private Credit	3.20%	4.26%
Crisis Protection Class		
Treasury Duration	4.0%	0.83%
Systematic Trend	4.0%	3.81%
Inflation Protection		
Core Real Estate	3.60%	5.17%
Private Infrastructure	2.40%	5.57%
TIPs	1.00%	1.72%
Natural Resources	1.00%	3.98%
Volatility Protection		
IG Fixed Income	11.50%	2.12%
Absolute Return	6.50%	3.81%
Cash	3.00%	0.83%

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2018

9. PENSION PLANS (CONTINUED):

Municipal Plan (continued):

Discount rate:

The discount rate used to measure the total pension liability of the plan was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from the employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	<u>General</u>	<u>Police</u>	<u>Fire</u>
Pension liability:			
Balance as of June 30, 2016	\$ 62,769,895	\$ 28,997,877	\$ 41,875,719
Changes for the year:			
Service cost	1,062,996	640,549	879,334
Interest on total pension liability	4,597,903	2,144,129	3,084,238
Difference between expected and actual experience	145,080	(133,548)	1,311,215
Changes in assumptions	3,303,228	1,557,061	2,387,812
Benefit payments	<u>(3,992,027)</u>	<u>(1,459,517)</u>	<u>(2,384,429)</u>
Balance as of June 30, 2017	<u>67,887,075</u>	<u>31,746,551</u>	<u>47,153,889</u>
Fiduciary net position:			
Balance as of June 30, 2016	43,794,413	19,068,623	28,811,392
Employer contributions	2,066,476	910,527	1,398,263
Employee contributions	338,355	343,854	467,432
Net investment income	5,006,293	2,238,732	3,357,985
Benefit payments	(3,992,027)	(1,459,517)	(2,384,429)
Administrative expense	(47,297)	(21,151)	(31,725)
Other changes	<u>(24,449)</u>	<u>(50)</u>	<u>1,549</u>
Balance as of June 30, 2017	<u>47,141,764</u>	<u>21,081,018</u>	<u>31,620,467</u>
Net pension liability	<u>\$ 20,745,311</u>	<u>\$ 10,665,533</u>	<u>\$ 15,533,422</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2018

9. PENSION PLANS (CONTINUED):

Municipal Plan (continued):

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

The following presents the net pension liability of the employers calculated using the discount rate of 7.0 percent, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate.

	1.00% Decrease (6.0%)	Current Discount Rate (7.0%)	1.00% Increase (8.0%)
	<hr/>	<hr/>	<hr/>
General	\$ 28,659,596	\$ 20,745,311	\$ 14,851,354
Police	\$ 14,319,262	\$ 10,665,533	\$ 7,944,938
Fire	\$ 20,985,620	\$ 15,533,422	\$ 11,473,440

Pension plan fiduciary net position:

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

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

For the year ended June 30, 2018, the Town recognized pension expense of \$2,765,883, \$1,291,595, and \$1,632,751 for general, police, and fire, respectively.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2018

9. PENSION PLANS (CONTINUED):

Municipal Plan (continued):

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

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

	<u>General</u>	<u>Police</u>	<u>Fire</u>	<u>Total</u>
Deferred outflows:				
Contributions after the measurement period	\$ 2,000,061	\$ 907,785	\$ 1,340,527	\$ 4,248,373
Differences between expected and actual experience	112,589	-	1,055,213	1,167,802
Differences in assumptions	2,586,464	1,296,413	1,921,615	5,804,492
Net differences between projected and actual earnings on pension plan investments	<u>2,942,470</u>	<u>1,258,477</u>	<u>1,906,279</u>	<u>6,107,226</u>
	<u>\$ 7,641,584</u>	<u>\$ 3,462,675</u>	<u>\$ 6,223,634</u>	<u>\$ 17,327,893</u>
Deferred inflows:				
Differences between expected and actual experience	\$ 773,150	\$ 210,740	\$ 941,425	\$ 1,925,315
Differences in assumptions	-	65,455	79,636	145,091
Net differences between projected and actual earnings on pension plan investments	<u>2,043,667</u>	<u>911,560</u>	<u>1,365,382</u>	<u>4,320,609</u>
	<u>\$ 2,816,817</u>	<u>\$ 1,187,755</u>	<u>\$ 2,386,443</u>	<u>\$ 6,391,015</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2018

9. PENSION PLANS (CONTINUED):

Municipal Plan (continued):

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

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

Year ending June 30,	Net Deferred Outflows of Resources		
	General	Police	Fire
2019	\$ 2,582,203	\$ 1,159,012	\$ 1,587,233
2020	1,193,889	509,127	832,433
2021	1,046,205	327,294	850,837
2022	2,470	53,703	478,656
2023	-	225,784	88,032
	<u>\$ 4,824,767</u>	<u>\$ 2,274,920</u>	<u>\$ 3,837,191</u>

Teachers' Plan

Plan description:

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

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2018

9. PENSION PLANS (CONTINUED):

Teachers' Plan (continued)

Benefit provisions:

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

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

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

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

Contributions:

The funding policy, as set forth in the General Laws, Section 16-16-22, provides for actuarially determined periodic contributions to the plan. For fiscal 2018, the Town's teachers were required to contribute 3.75% of their annual covered salary, except that teachers with twenty or more years of service as of June 30, 2012, must contribute 11% of their annual covered salary. The State of Rhode Island ("State") and the Town are required to contribute at an actuarially determined rate, 40% of which is to be paid by the State and the remaining 60% is to be paid by the Town; the rates were 9.89% and 13.24% of annual covered payroll for the fiscal year ended June 30, 2018, for the State and the Town, respectively. The Town contributed \$4,074,570, \$3,979,174, and \$3,962,561 for the fiscal years ended June 30, 2018, 2017, and 2016, respectively, equal to 100% of the required contributions for each year.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2018

9. PENSION PLANS (CONTINUED):

Teachers' Plan (continued)

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

At June 30, 2018, the Town reported a liability of \$52,602,454 for its proportionate share of the net pension liability that reflected a reduction for contributions made by the State. The amount recognized by the Town as its proportionate share of the net pension liability, the related State support and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportionate share of the net pension liability	\$ 52,602,454
State's proportionate share of the net pension liability	<u>39,754,817</u>
Total net pension liability	<u><u>\$ 92,357,271</u></u>

The net pension liability was measured as of June 30, 2017, the measurement date, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016, rolled forward to June 30, 2017. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State, actuarially determined. At June 30, 2017, the Town's proportion was 1.67%.

For the year ended June 30, 2018, the Town recognized gross pension expense of \$8,386,646 and revenue of \$3,892,924 for support provided by the State.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2018

9. PENSION PLANS (CONTINUED):

Teachers' Plan (continued)

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

At June 30, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred outflows of resources:	
Contributions subsequent to the measurement date	\$ 4,074,570
Changes in assumptions	4,594,067
Net difference between projected and actual earnings on pension plan investments	4,070,104
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>1,349,334</u>
	<u>\$ 14,088,075</u>
Deferred inflows of resources:	
Differences between expected and actual experience	\$ 1,247,080
Change of assumptions	828,932
Net difference between projected and actual earnings on pension plan investments	2,741,331
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>2,553,233</u>
	<u>\$ 7,370,576</u>

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

Year ending June 30,	Net Deferred Outflows (Inflows) of Resources
2019	\$ 4,425,343
2020	1,226,536
2021	578,392
2022	(346,213)
2023	395,608
Thereafter	<u>437,833</u>
	<u>\$ 6,717,499</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2018

9. PENSION PLANS (CONTINUED):

Teachers' Plan (continued)

Actuarial assumptions:

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

Inflation	2.5%
Salary increases	3.50% to 13.5%
Investment rate of return	7.0%
Mortality	Variants of the RP-2014 mortality tables – for the improvement scale, update to the ultimate rates of the MP-2016 projection scale

The actuarial assumptions used in the June 30, 2016, valuation rolled forward to June 30, 2017, and the calculation of the total pension liability at June 30, 2016, were consistent with the results of an actuarial experience study performed as of June 30, 2013.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2018

9. PENSION PLANS (CONTINUED):

Teachers' Plan (continued)

Actuarial assumptions (continued):

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

Type of investment	Target allocation	Long-term expected real rate of return
Global Equity		
U.S Equity	20.60%	6.85%
International Developed Equity	15.90%	6.71%
Emerging Markets Equity	3.50%	8.91%
Private Growth		
Private Equity	11.30%	9.62%
Non-Core RE	2.20%	5.17%
OPP Private Credit	1.50%	9.62%
Income		
High Yield Infrastructure	1.00%	4.26%
REITS	1.00%	5.17%
Liquid Credit	2.80%	4.26%
Private Credit	3.20%	4.26%
Crisis Protection Class		
Treasury Duration	3.00%	0.83%
Systematic Trend	4.00%	3.81%
Inflation Protection		
Core Real Estate	3.60%	5.17%
Private Infrastructure	2.40%	5.57%
TIPs	1.00%	1.72%
Natural Resources	1.00%	3.98%
Volatility Protection		
IG Fixed Income	11.50%	2.12%
Absolute Return	6.50%	3.81%
Cash	3.00%	0.83%

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2018

9. PENSION PLANS (CONTINUED):

Teachers' Plan (continued)

Actuarial assumptions (continued):

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

Discount rate:

The discount rate used to measure the total pension liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from the employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the net pension liability calculated using the discount rate of 7.0 percent as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

1.00% Decrease (6.0%)	Current Discount Rate (7.0%)	1.00% Increase (8.0%)
\$ 66,108,716	\$ 52,602,454	\$ 42,542,438

Pension plan fiduciary net position:

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2018

9. PENSION PLANS (CONTINUED):

Defined Contribution Plan

Plan description:

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

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

The Town recognized pension expense of \$427,197 for the fiscal year ended June 30, 2018.

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

10. OTHER POSTEMPLOYMENT BENEFITS:

Plan description:

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

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

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

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2018

10. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED):

Covered participants:

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

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

Actuarial assumptions:

The total OPEB liability was determined by an actuarial valuation as of July 1, 2016, rolled forward to June 30, 2018, the measurement date. The following actuarial assumptions applied to all periods in the measurement:

- Actuarial cost method – Entry Age Normal
- Interest rate – 4.0%
- Participation – 100% of eligible school retirees and eligible Town employees are assumed to elect medical and dental coverage
- Health Care Cost Trend Rates – Medical 8.00% per year in 2016, decreasing to an ultimate rate of 5.00% in 2022 and later
- Payroll growth rate – 2.5% annually
- Discount rate – The discount rate used to measure the OPEB liability was 6.45%. The projection of cash flows used to determine the discount rate assumed that contributions will be made at rates equal to and above the expected benefit payments. Based on those assumptions, the OPEB plan’s net fiduciary position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected payments to determine the total OPEB liability.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2018

10. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED):

Actuarial assumptions (continued):

The long-term expected rate of return on OPEB plan investments is based on the real rates of returns, the asset allocation percentages, and a 2.00% inflation rate. The June 30, 2018, real returns and target asset allocation by major asset class are as follows:

Type of investment	Target allocation	Long-term expected real rate of return
Domestic Equity	35.00%	6.00%
Domestic Bond	42.00%	3.00%
International Bond	15.00%	3.00%
Alternatives (RETS)	8.00%	8.00%
Private Equity	-	12.06%

Net OPEB liability

Changes in the net OPEB liability are as follows:

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances as of June 30, 2017	\$ 36,946,591	\$ 85,576	\$ 36,861,015
Service cost	1,412,181	-	1,412,181
Interest	1,178,405	-	1,178,405
Changes in assumptions	(10,412,718)	-	(10,412,718)
Differences between expected and actual experience	-	16,743	(16,743)
Employer contributions	-	2,431,147	(2,431,147)
Net investment income	-	2,679	(2,679)
Benefit payments, including refunds	(1,431,147)	(1,431,147)	-
Balances as of June 30, 2018	\$ 27,693,312	\$ 1,104,998	\$ 26,588,314

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2018

10. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED):

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

The following presents the net OPEB liability calculated using the discount rate of 6.45 percent as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

1.00% Decrease (5.45%)	Current Discount Rate (6.45%)	1.00% Increase (7.45%)
\$ 29,266,786	\$ 26,588,314	\$ 24,231,277

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates:

The following presents the net OPEB liability calculated using the healthcare cost trend of 7.5 percent decreasing to 5 percent as well as what the net OPEB liability would be if it were calculated using a healthcare cost trend that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

1.00% Decrease (6.50% decreasing to 4.00%)	Current Discount Rate (7.50% decreasing to 5.00%)	1.00% Increase (8.5% decreasing to 6.00%)
\$ 23,485,018	\$ 26,588,314	\$ 30,254,679

OPEB expense and deferred inflows of resources related to OPEB:

For the year ended June 30, 2018, the Town recognized OPEB expense of \$1,506,812. At June 30, 2018, the Town reported deferred inflows of resources related to OPEB from the following sources:

Deferred inflows of resources:	
Changes in assumptions	\$ 9,316,642
Net difference between projected and actual earnings on OPEB plan investments	14,981
	<u>\$ 9,331,623</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2018

10. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED):

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

Year ending June 30,	Net Deferred Outflows of Resources
2019	\$ 1,097,838
2020	1,097,838
2021	1,097,838
2022	1,097,838
2023	1,097,838
Thereafter	3,842,433
	\$ 9,331,623
	\$ 9,331,623

11. CONTINGENCIES AND COMMITMENTS:

Litigation:

During the ordinary course of its operations, the Town is a party to various claims, legal actions and complaints. At June 30, 2018, there are numerous tax, zoning, and building code violation appeal actions; appeals related to zoning and code of ordinance amendments; sewer assessment appeals; actions related to previously collected fees; student/parent actions; and other actions. The Town accrues liabilities for losses when they are both probable and can be reasonably estimated. The Town is unable to determine the likelihood of an unfavorable outcome or the estimated range of potential loss, consequently, no liability for such matters has been recorded.

Also at June 30, 2018, the Town is party to litigation related to teacher terminations for which the estimated loss is up to \$500,000 and human rights and discrimination matters for which the estimated loss is up to \$135,000. The Town cannot determine the likelihood of an unfavorable outcome and, consequently, no amount for such matters has been included in the accompanying financial statements.

Line of credit:

The Town has a \$2,000,000 available line of credit from the Rhode Island Infrastructure Bank for the Community Septic System Loan Program (“Loan Program”). The Loan Program makes low-interest loans available to North Kingstown property owners for cesspool/septic system repairs or replacements and is administered by Rhode Island Housing. The Town is only liable to the Rhode Island Infrastructure Bank in the event of default by the property owner. A balance of \$553,396 was drawn down on the line of credit at June 30, 2018.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2018

11. CONTINGENCIES AND COMMITMENTS (CONTINUED):

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 \$371,901 for the year ended June 30, 2018.

Projects:

The Town had several outstanding construction projects as of June 30, 2018. These projects are evidenced by contractual commitments with contractors and consist of the following:

Fund/Project	Spent to Date	Commitment Remaining	Funding source
Flow Metering Chambers	\$ 431,580	\$ 41,260	Sewer Fund
Wickford Village Sewers	4,955,679	715,547	Sewer Fund
Intrepid Drive	<u>309,685</u>	<u>463,040</u>	Sewer Fund
	<u>\$ 5,696,944</u>	<u>\$ 1,219,847</u>	

Grants:

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2018

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, 2018, were \$0. Consequently, in fiscal 2018, net changes in the fund balances of the Workers' Compensation and Property Damage funds were \$(870) and \$(645,005), respectively. Assets of the funds consist solely of cash and cash equivalents totaling \$347,868 and \$0 for the Workers' Compensation and Property Damage funds, respectively, at June 30, 2018.

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, 2018, as compared to the previous year. The claims incurred did not exceed insurance coverage this year.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2018

13. POLLUTION REMEDIATION OBLIGATIONS:

The Town is currently involved in the State of Rhode Island's Landfill Closure Program for both the Hamilton Allenton and Oak Hill Landfills. ACT Lincoln Environmental, the Town's consultant, has completed a Site Investigation Report for the Hamilton Allenton Landfill and submitted closure recommendations to the Rhode Island Department of Environmental Management ("DEM"). The highest priority recommendations include soil gas extraction and monitoring, wetland and drainage remediation, landfill cap improvements and additional groundwater monitoring. The Town continues to work with DEM to establish final closure requirements. Closure requirements established by DEM will be designed and bid for construction. At June 30, 2018, the preliminary total closure estimate for both landfills is \$1,700,000, 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 bond referendum was held in November 2018 to fund this project, which could also be combined with other infrastructure improvements. Immediate and more minor remediation efforts during fiscal year 2019 are to be funded from the Town's Capital Reserve, with ongoing ground water and soil gas testing fund by budgeted operational line items.

TOWN OF NORTH KINGSTOWN,
RHODE ISLAND

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2018

This section presents the Schedule of Changes and Related Ratios 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

OTHER POSTEMPLOYMENT BENEFITS

LAST TEN YEARS*

Schedule of Changes to the Net OPEB Liability and Related Ratios

	Year Ended June 30, 2018
Total OPEB liability:	
Service cost	\$ 1,412,181
Interest	1,178,405
Changes in assumptions	(10,412,718)
Benefit payments	<u>(1,431,147)</u>
Net change in total pension liability	(9,253,279)
Total OPEB liability, beginning of year	<u>36,946,591</u>
Total OPEB liability, end of year (a)	27,693,312
Plan fiduciary net position:	
Contributions—employer	2,431,147
Net investment income	2,679
Differences between expected and actual experience	16,743
Benefit payments	<u>(1,431,147)</u>
Net change in plan fiduciary net position	1,019,422
Plan fiduciary net position, beginning of year	<u>85,576</u>
Plan fiduciary net position, end of year (b)	<u>1,104,998</u>
Net pension liability, end of year (a) - (b)	<u>\$ 26,588,314</u>
Plan fiduciary net position as a percentage of the total pension liability	3.99%
Covered employee payroll	\$ 50,029,016
Net OPEB liability as a percentage of covered employee payroll	53.15%

Schedule of Town's Contributions

	Year Ended June 30, 2018
Actuarially determined contribution	\$ 2,012,090
Contributions in relation to the actuarially determined contribution	2,431,147
Contribution deficiency (excess)	<u>\$ (419,057)</u>
Contributions as a percentage of covered employee payroll	4.86%

* Fiscal year 2018 was the first year of implementation; therefore, only one year is shown.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

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

LAST TEN YEARS *

	Year Ended June 30, 2017		
	General	Police	Fire
Total pension liability:			
Service cost	\$ 1,062,996	\$ 640,549	\$ 879,334
Interest	4,597,903	2,144,129	3,084,238
Changes of benefit terms	-	-	-
Effect of economic/demographic gains or (losses)	-	-	-
Differences between expected and actual experience	145,080	(133,548)	1,311,215
Changes of assumptions	3,303,228	1,557,061	2,387,812
Benefit payments, including refunds of member contributions	<u>(3,992,027)</u>	<u>(1,459,517)</u>	<u>(2,384,429)</u>
Net change in total pension liability	5,117,180	2,748,674	5,278,170
Total pension liability, beginning of year	<u>62,769,895</u>	<u>28,997,877</u>	<u>41,875,719</u>
Total pension liability, end of year (a)	<u>67,887,075</u>	<u>31,746,551</u>	<u>47,153,889</u>
Plan fiduciary net position:			
Contributions—employer	2,066,476	910,527	1,398,263
Contributions—employee	338,355	343,854	467,432
Net investment income	5,006,293	2,238,732	3,357,985
Benefit payments, including refunds of member contributions	(3,992,027)	(1,459,517)	(2,384,429)
Administrative expense	(47,297)	(21,151)	(31,725)
Other	<u>(24,449)</u>	<u>(50)</u>	<u>1,549</u>
Net change in plan fiduciary net position	3,347,351	2,012,395	2,809,075
Plan fiduciary net position, beginning of year	<u>43,794,413</u>	<u>19,068,623</u>	<u>28,811,392</u>
Plan fiduciary net position, end of year (b)	<u>47,141,764</u>	<u>21,081,018</u>	<u>31,620,467</u>
Net pension liability, end of year (a) - (b)	<u>\$ 20,745,311</u>	<u>\$ 10,665,533</u>	<u>\$ 15,533,422</u>
Plan fiduciary net position as a percentage of the total pension liability	69.44%	66.40%	67.06%
Covered employee payroll	\$ 11,745,810	\$ 3,441,963	\$ 4,662,428
Net pension liability as a percentage of covered employee payroll	176.62%	309.87%	333.16%

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

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

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

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

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

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

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

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

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

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

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

	2018		
	General	Police	Fire
Actuarially determined contribution	\$ 2,066,476	\$ 910,527	\$ 1,398,263
Contributions in relation to the actuarially determined contribution	2,066,476	910,527	1,398,263
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Contributions as a percentage of covered employee payroll	17.59%	26.45%	29.99%

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

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

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

REQUIRED SUPPLEMENTARY INFORMATION

EMPLOYEE'S RETIREMENT SYSTEM
LAST TEN YEARS *

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

	2018	2017	2016	2015
Employer's proportion of the net pension liability	1.67%	1.76%	1.69%	1.72%
Employer's proportionate share of the net pension liability	\$ 52,602,454	\$ 52,412,244	\$ 46,548,312	\$ 41,903,775
State's proportionate share of the net pension liability associated with the Town of North Kingstown	<u>\$ 39,754,817</u>	<u>35,894,691</u>	<u>31,800,346</u>	<u>28,735,349</u>
Total	\$ 92,357,271	\$ 88,306,935	\$ 78,348,658	\$ 70,639,124
Employer's covered employee payroll	\$ 30,202,110	\$ 29,671,738	\$ 24,366,583	\$ 27,457,413
Employer's proportionate share of the net pension liability as a percentage of its covered employee payroll	174.17%	176.64%	191.03%	152.61%
Plan fiduciary net position as a percentage of the total pension liability	54.00%	54.06%	57.55%	61.40%

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

Schedule of the Town's Contributions

	2018	2017	2016	2015
Actuarially determined contribution	\$ 4,074,570	\$ 3,991,302	\$ 3,962,561	\$ 3,684,342
Contributions in relation to the actuarially determined contribution	\$ 4,074,570	\$ 3,991,302	\$ 3,962,561	\$ 3,684,342
Contribution deficiency (excess)	-	-	-	-
Covered employee payroll	\$ 30,202,110	\$ 29,671,738	\$ 24,366,583	\$ 27,457,413
Contributions as a percentage of covered employee payroll	13.49%	13.45%	16.26%	13.42%

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

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND
NOTES TO THE REQUIRED SUPPLEMENTARY SCHEDULES

JUNE 30, 2018

Other Postemployment Benefits Plan:

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

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

The following actuarial methods and assumptions were used to determine contribution amounts:

- Actuarial cost method – Entry Age Normal
- Interest rate – 4.0%
- Participation – 100% of eligible school retirees and eligible Town employees are assumed to elect medical and dental coverage
- Health Care Cost Trend Rates – Medical 7.00% per year in 2018, decreasing to an ultimate rate of 5.00% in 2022 and later
- Payroll growth rate – 2.5% annually
- Discount rate – 6.45%.

Municipal Plan and Teachers' Plan:

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

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

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

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

June 30, 2017 measurement date:

As part of the 2017 Actuarial Experience Investigation Study for the six-year period ended June 30, 2016, as approved by the System Board on May 15, 2017, certain assumptions were modified and reflected in the determination of the net pension liability (asset) at the June 30, 2017 measurement date. The following summarizes the more significant changes in assumptions:

- Decreased the general inflation assumption from 2.75% to 2.50%;
- Decreased the nominal investment return assumption from 7.50% to 7.00%;
- Decreased the general wage growth assumption from 3.25% to 3.00%;
- Decreased salary increase assumptions; and
- Updated the post-retirement mortality tables to variants of the RP-2014 table. For the improvement scale, update to the ultimate rates of the MP-2016 projection scales.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND
NOTES TO THE REQUIRED SUPPLEMENTARY SCHEDULES

JUNE 30, 2018

Municipal Plan and Teachers' Plan (continued):

June 30, 2016 measurement date:

There were no changes in actuarial methods or assumptions reflected in the calculation of the net pension liability (asset) of the plans as of the June 30, 2016 measurement date compared to the June 30, 2015 measurement date.

June 30, 2015 measurement date:

There were no changes in actuarial methods or assumptions reflected in the calculation of the net pension liability (asset) of the plans as of the June 30, 2015 measurement date compared to the June 30, 2014 measurement date.

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

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

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

GENERAL FUND

YEAR ENDED JUNE 30, 2018

	Originally Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Revenues:				
Property tax	\$ 82,364,343	\$ 81,943,732	\$ 80,267,297	\$ (1,676,435)
Intergovernmental	1,501,180	1,921,791	2,283,267	361,476
Licenses and permits	485,470	485,470	588,435	102,965
Investment income	35,000	35,000	284,393	249,393
Departmental	1,787,161	1,787,161	1,865,625	78,464
Other	155,000	155,000	55,586	(99,414)
Total revenues	86,328,154	86,328,154	85,344,603	(983,551)
Expenditures:				
Town council	160,902	160,902	149,971	10,931
Town manager	217,796	217,796	239,983	(22,187)
Town clerk and elections	474,855	474,855	421,389	53,466
Town solicitor	228,000	228,000	166,606	61,394
Finance	705,428	705,428	1,671,473	(966,045)
Information systems	625,872	625,872	655,145	(29,273)
Assessor	215,791	215,791	239,551	(23,760)
Planning	632,518	632,518	523,391	109,127
General operating	3,226,278	3,226,278	2,986,537	239,741
Code enforcement	458,423	458,423	421,509	36,914
Fire	9,326,507	9,326,507	8,585,932	740,575
Police, harbor and animal control	7,633,744	7,633,744	7,593,732	40,012
Public works	5,811,279	5,811,279	5,448,823	362,456
Debt service	-	-	213,639	(213,639)
Senior citizens	589,535	589,535	593,040	(3,505)
Contributions	156,667	156,667	156,668	(1)
Quonset development	603,498	603,498	620,726	(17,228)
Total expenditures	31,067,093	31,067,093	30,688,115	378,978
Excess of revenues over expenditures	55,261,061	55,261,061	54,656,488	(604,573)
Other financing sources (uses):				
Other	-	-	747,866	747,866
Transfers in	530,000	530,000	1,190,005	660,005
Transfers out	(55,791,061)	(55,791,061)	(55,741,766)	49,295
Net other financing sources (uses)	(55,261,061)	(55,261,061)	(53,803,895)	1,457,166
Excess of revenues and other financing sources over expenditures and other financing uses	\$ -	\$ -	\$ 852,593	\$ 852,593

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

SCHOOL UNRESTRICTED FUND

YEAR ENDED JUNE 30, 2018

	Originally Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Revenues:				
State aid	\$ 10,750,000	\$ 10,750,000	\$ 10,746,886	\$ (3,114)
Federal aid	450,000	450,000	558,733	108,733
Tuition	2,604,215	2,604,215	2,744,336	140,121
Miscellaneous	10,500	10,500	33,364	22,864
Total revenues	<u>13,814,715</u>	<u>13,814,715</u>	<u>14,083,319</u>	<u>268,604</u>
Expenditures:				
Salaries	37,558,193	37,558,193	37,396,241	161,952
Fringe benefits	14,222,722	14,222,722	13,900,982	321,740
Professional services	9,187,621	9,187,621	8,978,715	208,906
Supplies and materials	2,269,725	2,269,725	2,131,726	137,999
Capital outlay	677,400	677,400	974,375	(296,975)
Debt services	111,748	111,748	140,321	(28,573)
Total expenditures	<u>64,027,409</u>	<u>64,027,409</u>	<u>63,522,360</u>	<u>505,049</u>
Excess of expenditures over revenues	<u>(50,212,694)</u>	<u>(50,212,694)</u>	<u>(49,439,041)</u>	<u>773,653</u>
Other financing sources (uses):				
Operating transfer from Town	50,208,694	50,208,694	50,208,694	-
Transfers in	4,000	4,000	-	(4,000)
Transfers out	-	-	(1,030,563)	(1,030,563)
Net other financing sources (uses)	<u>50,212,694</u>	<u>50,212,694</u>	<u>49,178,131</u>	<u>(1,034,563)</u>
Excess of expenditures and other financing uses over revenues and other financing sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (260,910)</u>	<u>\$ (260,910)</u>

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

LIBRARY FUND

YEAR ENDED JUNE 30, 2018

	Originally Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Revenues:				
State aid	\$ 239,003	\$ 239,003	\$ 239,004	\$ 1
Departmental revenue	33,500	33,500	29,280	(4,220)
Total revenues	<u>272,503</u>	<u>272,503</u>	<u>268,284</u>	<u>(4,219)</u>
Expenditures:				
Library	1,591,638	1,591,638	1,584,948	6,690
Total expenditures	<u>1,591,638</u>	<u>1,591,638</u>	<u>1,584,948</u>	<u>6,690</u>
Excess of expenditures over revenues	<u>(1,319,135)</u>	<u>(1,319,135)</u>	<u>(1,316,664)</u>	<u>2,471</u>
Other financing sources (uses):				
Operating transfer from Town	1,309,135	1,309,135	1,309,135	-
Transfer out	-	-	-	-
Transfer from fund balance	10,000	10,000	-	(10,000)
Net other financing sources (uses)	<u>1,319,135</u>	<u>1,319,135</u>	<u>1,309,135</u>	<u>(10,000)</u>
Excess of expenditures and other financing uses over revenues and other financing sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (7,529)</u>	<u>\$ (7,529)</u>

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

DEBT SERVICE FUND

YEAR ENDED JUNE 30, 2018

	Originally Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Revenues:				
State aid	\$ 1,064,413	\$ 1,064,413	\$ 1,142,819	\$ 78,406
Miscellaneous	-	-	276	276
Total revenues	<u>1,064,413</u>	<u>1,064,413</u>	<u>1,143,095</u>	<u>78,682</u>
Expenditures:				
Debt service – Municipal	3,768,450	3,768,450	3,498,952	269,498
Debt service – School	<u>1,138,450</u>	<u>1,138,450</u>	<u>1,407,949</u>	<u>(269,499)</u>
Total expenditures	<u>4,906,900</u>	<u>4,906,900</u>	<u>4,906,901</u>	<u>(1)</u>
Excess of expenditures over revenues	<u>(3,842,487)</u>	<u>(3,842,487)</u>	<u>(3,763,806)</u>	<u>78,681</u>
Other financing sources (uses):				
Operating transfers in – General Fund	3,842,487	3,842,487	3,842,487	-
Transfer out	<u>-</u>	<u>-</u>	<u>(64,621)</u>	<u>(64,621)</u>
Net other financing sources	<u>3,842,487</u>	<u>3,842,487</u>	<u>3,777,866</u>	<u>(64,621)</u>
Excess of revenues and other financing sources over expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,060</u>	<u>\$ 14,060</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND
 NOTES TO BUDGETARY COMPARISON SCHEDULES
 JUNE 30, 2018

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, 2018

BUDGETARY DATA AND BUDGETARY COMPLIANCE (CONTINUED):

Budgetary to GAAP basis reconciliation (continued):

The following reconciliations summarize the differences between the budgetary basis and U.S. GAAP basis for the year ended June 30, 2018:

GENERAL FUND

Excess of revenues and other sources over expenditures and other uses (Non-GAAP Budgetary Basis)	\$	852,593
Prior year encumbrances		(149,814)
Current year encumbrances		98,138
Combined with General Fund – GASB 54 GAAP basis:		
Codification reserve		6,450
Net change in fund balance, GAAP basis	\$	807,367

SCHOOL UNRESTRICTED FUND

Excess of expenditures and other uses over revenues and other sources (Non-GAAP Budgetary Basis)	\$	(260,910)
Prior year encumbrances		(406,854)
Current year encumbrances		179,138
Net change in fund balance, GAAP basis	\$	(488,626)

TOWN OF NORTH KINGSTOWN,
RHODE ISLAND

OTHER SUPPLEMENTARY INFORMATION

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

TAX COLLECTOR'S ANNUAL REPORT

YEAR ENDED JUNE 30, 2018

Real estate and personal property taxes receivable:

Year	Balance, July 1, 2017	Current year assessment	Adjustments/ abatements	Amount to be collected	Collections	Balance, June 30, 2018
2018		\$ 77,202,378	\$ (23,378)	\$ 77,179,000	\$ 75,200,739	\$ 1,978,261
2017	\$ 1,847,271		(12,737)	1,834,534	1,490,308	344,226
2016	356,093		(7,790)	348,303	133,121	215,182
2015	160,575		(5,064)	155,511	23,414	132,097
2014	127,893		(4,677)	123,216	18,143	105,073
2013	91,001		(3,729)	87,272	9,610	77,662
2012	92,076		(3,365)	88,711	4,364	84,347
2011	90,120		(2,108)	88,012	1,913	86,099
2010	42,348		(329)	42,019	791	41,228
2009 and prior	150,637		(62,181)	88,456	1,399	87,057
	<u>\$ 2,958,014</u>	<u>\$ 77,202,378</u>	<u>\$ (125,358)</u>	<u>\$ 80,035,034</u>	<u>\$ 76,883,802</u>	3,151,232
					Less: allowance for doubtful accounts	<u>(91,723)</u>
						<u>\$ 3,059,509</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND
TAX COLLECTOR'S ANNUAL REPORT (CONTINUED)
YEAR ENDED JUNE 30, 2018

Schedule of most recent net assessed property value by category:

Description of property	Valuations	Levy
Real property	\$ 3,822,291,880	\$ 71,056,406
Motor vehicles	281,053,468	6,194,418
Tangible personal	158,104,270	2,939,158
Total	4,261,449,618	80,189,982
Exemptions	148,458,744	2,987,604
Current year assessment	<u>\$ 4,112,990,874</u>	<u>\$ 77,202,378</u>

Reconciliation of current year property tax revenue:

Current year collections	\$ 76,883,802
Revenue collected within 60 days subsequent to year ended June 30, 2018	<u>227,646</u>
	77,111,448
Prior year revenue received in current year	<u>(95,433)</u>
Current year real estate and personal property tax revenue	<u>\$ 77,016,015</u>

OTHER SUPPLEMENTARY INFORMATION

The Annual Supplemental Transparency Report Schedules
required by the State of Rhode Island General Law § 45-12-22.2 and § 44-35-10

Annual Supplemental Transparency Report (MTP2) - Revenue

Annual Supplemental Transparency Report (MTP2) – Expenditures

Combining Schedule of Reportable Government Services with Reconciliation to MTP2 – Municipal

Combining Schedule of Reportable Government Services with Reconciliation to MTP2 – Education
Department

Notes to Supplementary Information – Annual Supplemental Transparency Report (MTP2)

Town of North Kingstown
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2018

<u>REVENUE</u>	<u>Municipal</u>	<u>Education Department</u>
Current Year Levy Tax Collection	\$ 75,107,529	\$ -
Last Year's Levy Tax Collection	1,490,304	-
Prior Years Property Tax Collection	402,358	-
Interest & Penalty	411,304	-
PILOT & Tax Treaty (excluded from levy) Collection	2,855,799	-
Other Local Property Taxes	-	-
Licenses and Permits	588,435	-
Fines and Forfeitures	234,082	-
Investment Income	286,029	-
Departmental	3,153,859	-
Rescue Run Revenue	1,136,452	-
Police & Fire Detail	330,137	-
Other Local Non-Property Tax Revenues	372,091	-
Tuition	-	2,744,335
Impact Aid	-	-
Medicaid	-	499,673
Federal Stabilization Funds	-	-
Federal Food Service Reimbursement	-	421,702
CDBG	-	-
COPS Grants	-	-
SAFER Grants	254,899	-
Other Federal Aid Funds	380,000	1,847,346
MV Excise Tax Reimbursement & Phase-out	635,939	-
State PILOT Program	1,712	-
Distressed Community Relief Fund	-	-
Library Resource Aid	-	-
Library Construction Aid	27,435	-
Public Service Corporation Tax	328,695	-
Meals & Beverage Tax / Hotel Tax	717,194	-
LEA Aid	-	10,749,710
Group Home	-	-
Housing Aid Capital Projects	-	-
Housing Aid Bonded Debt	1,115,384	-
State Food Service Revenue	-	12,081
Incentive Aid	-	-
Property Revaluation Reimbursement	-	-
Other State Revenue	1,249,120	89,305
Other Revenue	-	719,624
Local Appropriation for Education	-	50,208,694
Regional Appropriation for Education	-	-
Supplemental Appropriation for Education	-	-
Regional Supplemental Appropriation for Education	-	-
Other Education Appropriation	-	-
Rounding	-	-
Total Revenue	\$ 91,078,757	\$ 67,292,471
Financing Sources: Transfer from Capital Funds	\$ -	\$ -
Financing Sources: Transfer from Other Funds	1,190,005	-
Financing Sources: Debt Proceeds	-	-
Financing Sources: Other	747,866	-
Rounding	-	-
Total Other Financing Sources	\$ 1,937,871	\$ -

Town of North Kingstown
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2018

EXPENDITURES	General Government	Finance	Social Services	Centralized IT	Planning	Libraries	Public Works	Parks and Rec	Police Department
Compensation- Group A	\$ 536,995	\$ 582,718	\$ 354,611	\$ 142,468	\$ 626,350	\$ 797,810	\$ 1,523,850	\$ 831,212	\$ 4,124,251
Compensation - Group B	-	-	-	-	-	-	-	-	105,978
Compensation - Group C	-	-	-	-	-	-	-	-	-
Compensation -Volunteer	-	-	-	-	-	-	-	-	-
Overtime- Group A	24,454	12,039	-	-	2,219	16,194	173,772	10,743	370,461
Overtime - Group B	-	-	-	-	-	-	-	-	-
Overtime - Group C	-	-	-	-	-	-	-	-	-
Police & Fire Detail	-	-	-	-	-	-	-	-	285,302
Active Medical Insurance - Group A	96,589	81,661	56,698	15,553	87,690	128,950	319,854	88,615	657,545
Active Medical Insurance- Group B	-	-	-	-	-	-	-	-	16,954
Active Medical Insurance- Group C	-	-	-	-	-	-	-	-	-
Active Dental insurance- Group A	5,517	5,635	4,215	768	4,495	7,892	19,732	5,290	42,300
Active Dental Insurance- Group B	-	-	-	-	-	-	-	-	-
Active Dental Insurance- Group C	-	-	-	-	-	-	-	-	-
Payroll Taxes	41,458	47,531	25,776	10,587	46,614	59,660	125,625	62,534	350,391
Life Insurance	1,744	1,964	1,208	570	1,739	2,992	6,077	1,750	13,883
State Defined Contribution- Group A	14,353	18,179	11,270	1,587	5,479	7,785	48,389	38,332	10,015
State Defined Contribution - Group B	-	-	-	-	-	-	-	-	-
State Defined Contribution - Group C	-	-	-	-	-	-	-	-	-
Other Benefits- Group A	243,197	7,488	310	-	10,962	5,873	2,874	37,594	105,153
Other Benefits- Group B	-	-	-	-	-	-	-	-	-
Other Benefits- Group C	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension- Group A	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
State Defined Benefit Pension- Group A	66,545	79,449	49,480	24,170	92,714	119,589	222,090	181,693	946,609
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	26,525
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	-	-	-	-	-	-	-	-	-
Purchased Services	333,917	49,119	8,247	3,872	53,876	51,478	261,824	218,365	29,594
Materials/Supplies	20,770	31,150	9,409	(84,000)	9,436	168,003	87,668	121,947	42,904
Software Licenses	-	-	-	557,778	-	12,000	-	-	-
Capital Outlays	-	-	60,000	5,850	764,410	19,447	1,191,203	330,838	184,217
Insurance	325,490	-	-	-	-	-	-	-	-
Maintenance	36,329	(2,572)	-	-	3,733	49,036	1,361,340	95,007	80,402
Vehicle Operations	-	-	6,640	-	849	-	124,626	74,380	116,622
Utilities	100,438	-	98,270	-	-	77,285	187,710	152,426	173,259
Contingency	-	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	448,769	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	126,889	-	-
Trash Removal & Recycling	-	-	-	-	-	-	677,624	-	-
Claims & Settlements	-	-	-	-	-	-	-	-	-
Community Support	156,668	-	-	-	-	-	-	-	-
Other Operation Expenditures	82,116	898	10,748	-	331	23,703	2,178	46,988	-
Local Appropriation for Education	-	-	-	-	-	-	-	-	-
Regional Appropriation for Education	-	-	-	-	-	-	-	-	-
Supplemental Appropriation for Education	-	-	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	-	-	-	-	-
Municipal Debt- Interest	-	-	-	-	-	-	-	-	-
School Debt- Principal	-	-	-	-	-	-	-	-	-
School Debt- Interest	-	-	-	-	-	-	-	-	-
Retiree Medical Insurance- Total	-	-	-	-	-	-	-	-	-
Retiree Dental Insurance- Total	-	-	-	-	-	-	-	-	-
OPEB Contribution- Total	-	-	-	-	-	-	-	-	-
Non-Qualified OPEB Trust Contribution	-	-	-	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
Total Expenditures	\$ 2,086,581	\$ 915,260	\$ 696,882	\$ 679,203	\$ 1,710,898	\$ 1,547,698	\$ 6,912,094	\$ 2,297,715	\$ 7,682,361

Town of North Kingstown
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2018

EXPENDITURES	Fire Department	Centralized Dispatch	Public Safety Other	Education Appropriation	Debt	OPEB	Total Municipal	Education Department
Compensation- Group A	\$ 5,054,079	\$ -	\$ 67,475	\$ -	\$ -	\$ -	\$ 14,641,820	\$ 28,697,062
Compensation - Group B	102,546	-	-	-	-	-	208,523	3,549,488
Compensation - Group C	-	-	-	-	-	-	-	5,783,877
Compensation -Volunteer	-	-	-	-	-	-	-	-
Overtime- Group A	561,250	-	1,987	-	-	-	1,173,121	323
Overtime - Group B	-	-	-	-	-	-	-	-
Overtime - Group C	-	-	-	-	-	-	-	91,837
Police & Fire Detail	-	-	-	-	-	-	285,302	-
Active Medical Insurance - Group A	924,143	-	8,936	-	-	-	2,466,232	3,595,110
Active Medical Insurance- Group B	18,355	-	-	-	-	-	35,309	199,666
Active Medical Insurance- Group C	-	-	-	-	-	-	-	1,886,985
Active Dental insurance- Group A	50,843	-	378	-	-	-	147,067	209,177
Active Dental Insurance- Group B	939	-	-	-	-	-	939	11,601
Active Dental Insurance- Group C	-	-	-	-	-	-	-	122,120
Payroll Taxes	410,644	-	5,267	-	-	-	1,186,086	2,828,287
Life Insurance	17,274	-	271	-	-	-	49,471	25,342
State Defined Contribution- Group A	57,167	-	-	-	-	-	212,556	185,365
State Defined Contribution - Group B	-	-	-	-	-	-	-	26,129
State Defined Contribution - Group C	-	-	-	-	-	-	-	44,876
Other Benefits- Group A	75,355	-	300	-	-	-	489,106	26,759
Other Benefits- Group B	-	-	-	-	-	-	-	26,992
Other Benefits- Group C	-	-	-	-	-	-	-	1,317
Local Defined Benefit Pension- Group A	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-
State Defined Benefit Pension- Group A	1,267,703	-	10,313	-	-	-	3,060,357	3,786,268
State Defined Benefit Pension - Group B	28,714	-	-	-	-	-	55,238	466,722
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	821,571
Other Defined Benefit / Contribution	-	-	-	-	-	-	-	-
Purchased Services	5,812	-	152,367	-	-	-	1,168,472	8,563,326
Materials/Supplies	118,639	-	2,605	-	-	-	528,531	1,171,752
Software Licenses	-	-	-	-	-	-	569,778	356,754
Capital Outlays	40,847	-	-	-	-	-	2,596,812	1,748,771
Insurance	-	-	-	-	-	-	325,490	367,899
Maintenance	55,391	-	1,108	-	-	-	1,679,774	2,165,680
Vehicle Operations	160,931	-	218,605	-	-	-	702,654	394,952
Utilities	17,439	-	-	-	-	-	806,826	1,180,912
Contingency	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	448,769	-
Revaluation	-	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	126,889	-
Trash Removal & Recycling	-	-	-	-	-	-	677,624	-
Claims & Settlements	-	-	-	-	-	-	-	136,500
Community Support	-	-	-	-	-	-	156,668	-
Other Operation Expenditures	-	-	-	-	-	-	166,962	170,138
Local Appropriation for Education	-	-	-	50,208,694	-	-	50,208,694	-
Regional Appropriation for Education	-	-	-	-	-	-	-	-
Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	2,812,954	-	2,812,954	-
Municipal Debt- Interest	-	-	-	-	899,637	-	899,637	-
School Debt- Principal	-	-	-	-	972,500	-	972,500	-
School Debt- Interest	-	-	-	-	435,449	-	435,449	-
Retiree Medical Insurance- Total	-	-	-	-	-	-	-	4,101
Retiree Dental Insurance- Total	-	-	-	-	-	-	-	440
OPEB Contribution- Total	-	-	-	-	-	2,101,012	2,101,012	-
Non-Qualified OPEB Trust Contribution	-	-	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-
Total Expenditures	\$ 8,968,069	\$ -	\$ 469,613	\$ 50,208,694	\$ 5,120,539	\$ 2,101,012	\$ 91,396,619	\$ 68,648,097

Financing Uses: Transfer to Capital Funds	\$ -	\$ -
Financing Uses: Transfer to Other Funds	944,621	-
Financing Uses: Payment to Bond Escrow Agent	-	-
Financing Uses: Other	-	-
Total Other Financing Uses	\$ 944,621	\$ -
Net Change in Fund Balance¹	675,387	(1,355,626)
Fund Balance1- beginning of year	\$12,583,802	\$4,728,202
Funds removed from Reportable Government Services (RGS)	-	-
Funds added to Reportable Government Services (RGS)	-	-
Prior period adjustments	-	-
Misc. Adjustment	-	-
Fund Balance¹ - beginning of year adjusted	12,583,802	4,728,202
Rounding	-	-
Fund Balance¹ - end of year	\$ 13,259,189	\$ 3,372,576

¹ and Net Position if Enterprise Fund activity is included in the transparency portal report.

Town of North Kingstown
Combining Schedule of
Reportable Government Services with
Reconciliation to MTP2
Municipal
Fiscal Year Ended June 30, 2018

Per Audited Fund Financial Statements Fund Description	Total Revenue	Total Other Financing Sources	Total Expenditures	Total Other Financing Uses	Net Change in Fund Balance ¹	Beginning Fund Fund Balance ¹ (Deficit)	Prior Period Adjustment	Restated Beginning Fund Balance ¹ (Deficit)	Ending Fund Balance ¹ (Deficit)
General Fund	\$ 85,344,603	\$ 1,937,871	\$ 30,739,791	\$ 55,735,316	\$ 807,367	\$ 10,815,116	\$ -	\$ 10,815,116	\$ 11,622,483
Library Fund	268,284	1,309,135	1,584,948	-	(7,529)	257,226	-	257,226	249,697
Emergency Medical Services	1,136,452	-	365,032	530,000	241,420	996,717	-	996,717	1,238,137
Tax Revauation	-	25,000	-	-	25,000	45,643	-	45,643	70,643
SAFER Grant	254,899	-	322,571	-	(67,672)	-	-	-	(67,672)
Recreation Enterprise Funds	2,059,546	82,606	2,249,380	-	(107,228)	(600,489)	(519,994)	(1,120,483)	(1,227,711)
Municipal Court	210,327	-	246,558	-	(36,231)	14,933	-	14,933	(21,298)
Farmland Open Space	661,551	-	772,750	82,606	(193,805)	1,327,840	-	1,327,840	1,134,035
Debt Service Fund	1,143,095	3,842,487	4,906,901	64,621	14,060	246,810	-	246,810	260,870
Totals per audited financial statements	\$ 91,078,757	\$ 7,197,099	\$ 41,187,931	\$ 56,412,543	\$ 675,382	\$ 13,103,796	\$ (519,994)	\$ 12,583,802	\$ 13,259,184

Reconciliation from financial statements to MTP2

Reclassify transfer of municipal appropriation to Education Department as expenditure on MTP2	\$ -	\$ -	\$ 50,208,694.00	\$ (50,208,694.00)	\$ -	\$ -	\$ -	\$ -	\$ -
Elimination of General Fund and Debt Service Fund	-	(3,842,487)	-	(3,842,487)	-	-	-	-	-
Elimination of General Fund to Library Fund	-	(1,309,135)	-	(1,309,135)	-	-	-	-	-
Elimination of General Fund to Tax Revaluation	-	(25,000)	-	(25,000)	-	-	-	-	-
Elimination of General Fund to elimination of Farm and Open Space to QDC	-	(82,606)	-	(82,606)	-	-	-	-	-
Rounding	(0)	(0)	(6)	-	5	-	-	-	5
Totals Per MTP2	\$ 91,078,757	\$ 1,937,871	\$ 91,396,619	\$ 944,621	\$ 675,387	\$ 13,103,796	\$ (519,994)	\$ 12,583,802	\$ 13,259,189

¹ and Net Position if Enterprise Fund activity is included in the transparency portal report.

Town of North Kingstown
Combining Schedule of
Reportable Government Services with
Reconciliation to MTP2
Education Department
Fiscal Year Ended June 30, 2018

Per Audited Fund Financial Statements Fund Description	Total Revenue	Total Other Financing Sources	Total Expenditures	Total Other Financing Uses	Net Change in Fund Balance ¹	Beginning Fund Fund Balance ¹ (Deficit)	Prior Period Adjustment	Restated Beginning Fund Balance ¹ (Deficit)	Ending Fund Balance ¹ (Deficit)
School Unrestricted Fund	\$ 17,112,428	\$ 50,208,694	\$ 66,779,185	\$ 1,030,563	\$ (488,626)	\$ 2,440,034	\$ -	\$ 2,440,034	\$ 1,951,408
Enterprise Fund1	1,020,262	-	1,098,867	-	(78,605)	385,183	-	385,183	306,578
SBA School Capital Project Fund	-	1,243,603	1,794,763	225,540	(776,699)	1,758,738	-	1,758,738	982,039
Permanent Funds	2	-	120	-	(118)	18,996	4	19,000	18,882
School Special Revenue Funds	2,039,258	12,500	2,063,615	-	(11,857)	125,811	-	125,811	113,954
Totals per audited financial statements	\$ 20,171,950	\$ 51,464,797	\$ 71,736,550	\$ 1,256,103	\$ (1,355,905)	\$ 4,728,762	\$ 4	\$ 4,728,766	\$ 3,372,861

Reconciliation from financial statements to MTP2

Municipal appropriation for Education reported as a transfer on financial statements but a revenue on MTP2	\$ 50,208,694	\$ (50,208,694)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State contributions on behalf of teacher pensions are reported as revenue and expenditures on financial statements only	(3,029,109)	-	(3,029,109)	-	-	-	-	-	-
Transfer from School Unrestricted to the School SBA Capital Projects Fund) is reported as an Other Financing Sources and Use for GAAP while it is not reported in UCOA or the MTP2 because the transfers net out to zero.	-	(1,243,603)	-	(1,243,603)	-	-	-	-	-
Transfer from School Unrestricted to a Special Revenue Fund	-	(12,500)	-	(12,500)	-	-	-	-	-
Depreciation	-	-	(282)	-	282	(564)	-	(564)	(282)
For financial statements, indirect cost charges and recovery are reported in federal grant funds and also actual reimbursement reported in School Unrestricted Fund.	(59,060)	-	(59,060)	-	-	-	-	-	-
Rounding	(4)	-	(1)	-	(3)	4	(4)	-	(3)
Totals Per MTP2	\$ 67,292,471	\$ -	\$ 68,648,097	\$ -	\$ (1,355,626)	\$ 4,728,202	\$ -	\$ 4,728,202	\$ 3,372,576

Reconciliation from MTP2 to UCOA

Re-Appropriation of Fund Balance	\$ 1,998,714	\$ -
For financial statements, indirect cost charges and recovery are reported in federal grant funds and also actual expenditures reported in School Unrestricted Fund.	(59,060)	-
Prior year Purchase Order Liquidations made to Fund Balance	-	6,684
Prior year adjustments from PO Amount Encumbered to Actual Amounts	-	4,095
Adjustments for prior year encumbrances	-	2,000
Contra Account Transportation Cost	-	55,467
Totals per UCOA Validated Totals Report	\$ 69,232,125	\$ 68,716,343

¹ and Net Position if Enterprise Fund activity is included in the transparency portal report.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO ANNUAL SUPPLEMENTAL TRANSPARENCY REPORT (MTP2)

JUNE 30, 2018

NOTE 1. Basis of Presentation

The *Annual Supplemental Transparency Report (MTP2)* is a supplemental schedule required by the State of Rhode Island General Laws 45-12-22.2 and 44-35-10. This supplementary schedule included within the audit report is part of a broader project to create a municipal transparency portal (MTP) website to host municipal financial information in a centralized location.

The format of the *Annual Supplemental Transparency Report (MTP2)* was prescribed by the State Department of Revenue (Division of Municipal Finance), Office of the Auditor General, and the Department of Education.

NOTE 2. Reportable Government Services

Data consistency and comparability are among the key objectives of the State's Municipal Transparency portal. Consistent with that goal, the State has defined "reportable government services", RGS, to include those operational revenues, expenditures, and transfers related to activities which are essential to the achievement of municipal operations. The determination of RGS may be different from the activities included within the legally adopted budget of the municipality. In practice, some communities report certain RGS in separate funds (e.g., special revenue funds, enterprise funds) rather than the municipality's general fund. The *Annual Supplemental Transparency Report (MTP2)* includes a reconciliation to the fund level statements.

NOTE 3. Allocations

The State reporting requires expenditures to be reported by departments, as defined by the State. Some of the departmental groupings are not consistent with the departments reflected in the City's (or Town's) budget and accounting system. To report these costs, the City (or Town) made allocations of costs to the State's departmental groupings based on a reasonable basis.

NOTE 4. Employee Groups - Compensation and Benefit Costs

Compensation includes salaries, longevity, stipends, clothing allowance/maintenance, shift differential, out-of-rank, holiday pay and bonuses.

For Public Safety departments (i.e., police, fire, and centralized dispatch) and the Education Department, compensation and most benefits costs are reported in the following employee groupings:

Group A: This group consists of employees who serve the primary function of the department.

- Police Department - police officers (e.g., uniform personnel - including, leadership positions)
- Fire Department - fire fighters (e.g., uniform personnel - including, leadership positions)
- Centralized Dispatch Department - civilian dispatchers only
- Education Department - professional staff providing direct services to students

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO ANNUAL SUPPLEMENTAL TRANSPARENCY REPORT (MTP2) (CONTINUED)

JUNE 30, 2018

NOTE 4. Employee Groups - Compensation and Benefit Costs (continued)

- For the remaining departments - all employees' compensation and benefits are reported under Group A

Group B: For Police and Fire Departments, compensation and benefits paid to its administrative employees and civilian dispatch employees are reported under Group B. The Education Department reports compensation and benefits paid to executive/mid-level educational administration employees under Group B.

Group C: This group is only used for the Education Department and it includes administrative and support staff.

Other post-employment benefits (OPEB) are not reported by employee groups on the MTP2. They are reported in total as either (1) contributions to a qualified OPEB trust or (2) the amount paid for medical and dental insurance for retirees when an OPEB trust fund has not been established. The detail employee group information for the Education Department can be found on the State's Municipal Transparency portal website.

NOTE 5. Education Revenue and Expenditures

The revenues and expenditures presented on the MTP2 under the Education Department is consistent with existing Uniform Chart of Accounts (UCOA) guidelines. Each MTP account code has been mapped to the corresponding UCOA code or group of UCOA codes to facilitate the preparation of the MTP reporting. *Additional guidance and definitions regarding the State's Municipal Transparency Portal can be found on the State Division of Municipal Finance website: <http://www.municipalfinance.ri.gov/>.*

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

OTHER SUPPLEMENTARY INFORMATION

JUNE 30, 2018

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.

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

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

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

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

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

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

OTHER SUPPLEMENTARY INFORMATION

JUNE 30, 2018

SPECIAL REVENUE FUNDS (CONTINUED):

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

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.

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

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

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

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

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

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

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

SAFER Grant - To account for grant funding for additional firefighters over a period of three years.

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

JUNE 30, 2018

SPECIAL REVENUE FUNDS (CONTINUED):

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

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

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

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

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

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

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

Beach Campus – To account for funds collected for the construction of the completed Master Plan design to include new concession stand with restrooms, a new playground, parking lots, walkways and bike path.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

OTHER SUPPLEMENTARY INFORMATION (CONTINUED)

JUNE 30, 2018

SPECIAL REVENUE FUNDS (CONTINUED):

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

Unrestricted	United Way – Hasbro Summer
Public Law 94-142	Wireless Classroom Initiative
Title III – LEP	RI Council for the Humanities
Title I	RI Interscholastic League
Homeless Children & Youth	COZ Miscellaneous Donations
Rhode Island Foundation	COZ Family Center
Categorical Aid-Robotics	Use of Buildings
Educational Development Center	We Make RI
Title II	Centers for Disease Control
RI Learning Champions	Donation Coaches
Career & Tech	Exxon Mobil
91-142 Preschool Services	German American Partnership
21st Century Learning Center	Scholarship America
Drug Free Program Donations	Fuji Film
RI Legislative Grant- Drug Free	RI Association for Young Children
English Learner Categorical Aid	Drug Free Communities
USDA FFVP	School/Town Substance Abuse
Perkins Coventry	Wendy’s Advertising
AASA Food Service Donation	Sexual Health Mini Grant
Feinstein Foundation	NK Community Chorus
RI Council on the Arts-Big Yellow Bus	Women’s Club of South County Grow Hope
RI State Council on the Arts- Silk Road	RI Council on the Arts – African Folktales
PTO Donations	USDA Kitchen Equipment
Instructor Setaside	IDEA Part B Targeted-COZ
USDA Reallocation	COZ Education Exchange
Southern Poverty Law Center	Classes 4 Classes

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

OTHER SUPPLEMENTARY INFORMATION (CONTINUED)

JUNE 30, 2018

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.

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

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

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

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

OTHER SUPPLEMENTARY INFORMATION (CONTINUED)

JUNE 30, 2018

PERMANENT FUNDS:

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

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

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

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

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

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

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

- Elizabeth Miller
- William D. Davis

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

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

- Hendrick Library
- Gardiner
- Updike
- Tennis

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

JUNE 30, 2018

	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
Assets							
Cash and cash equivalents	\$ -	\$ 343	\$ -	\$ 295,790	\$ 23,559	\$ -	\$ -
Due from other governments	-	-	-	-	-	-	5,352
Due from other funds	-	-	-	47,204	-	-	-
Prepaid Expenses	-	-	-	-	-	-	-
Other receivables	-	-	-	5,758	-	-	-
	<u>\$ -</u>	<u>\$ 343</u>	<u>\$ -</u>	<u>\$ 348,752</u>	<u>\$ 23,559</u>	<u>\$ -</u>	<u>\$ 5,352</u>
Liabilities							
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 99,055	\$ -	\$ -	\$ 2,649
Due to other funds	8,677	-	-	-	-	17,636	5,291
Due to other governments	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-
<i>Total Liabilities</i>	<u>8,677</u>	<u>-</u>	<u>-</u>	<u>99,055</u>	<u>-</u>	<u>17,636</u>	<u>7,940</u>
Deferred inflows (Note 1)	-	-	-	-	-	-	-
Fund Balances							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	343	-	-	23,559	-	-
Assigned	-	-	-	249,697	-	-	-
Unassigned	(8,677)	-	-	-	-	(17,636)	(2,588)
<i>Total Fund Balances</i>	<u>(8,677)</u>	<u>343</u>	<u>-</u>	<u>249,697</u>	<u>23,559</u>	<u>(17,636)</u>	<u>(2,588)</u>
<i>Total Liabilities, Deferred Inflows, and Fund Balances</i>	<u>\$ -</u>	<u>\$ 343</u>	<u>\$ -</u>	<u>\$ 348,752</u>	<u>\$ 23,559</u>	<u>\$ -</u>	<u>\$ 5,352</u>

(continued)

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

JUNE 30, 2018

	SPECIAL REVENUE FUNDS						
	Seized and Forfeited Property Escrow	RI Emergency Management	Town Municipal Court	State Elderly Affairs Grant	Land Dedication Escrow	Miscellaneous Historic District Preservation	Senior Health Insurance Program
Assets							
Cash and cash equivalents	\$ 22,959	\$ 61,923	\$ -	\$ 5,874	\$ 90,892	\$ 674	\$ -
Due from other governments	-	3,302	5,343	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-
	<u>\$ 22,959</u>	<u>\$ 65,225</u>	<u>\$ 5,343</u>	<u>\$ 5,874</u>	<u>\$ 90,892</u>	<u>\$ 674</u>	<u>\$ -</u>
Liabilities							
Accounts payable and accrued liabilities	\$ 95	\$ -	\$ 6,504	\$ 1	\$ -	\$ -	\$ -
Due to other funds	-	-	20,137	-	-	-	1,168
Due to other governments	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-
<i>Total Liabilities</i>	<u>95</u>	<u>-</u>	<u>26,641</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>1,168</u>
Deferred inflows (Note 1)	-	-	-	-	-	-	-
Fund Balances							
Nonspendable	-	-	-	-	-	-	-
Restricted	22,864	65,225	-	5,873	90,892	674	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	(21,298)	-	-	-	(1,168)
<i>Total Fund Balances</i>	<u>22,864</u>	<u>65,225</u>	<u>(21,298)</u>	<u>5,873</u>	<u>90,892</u>	<u>674</u>	<u>(1,168)</u>
<i>Total Liabilities, Deferred Inflows, and Fund Balances</i>	<u>\$ 22,959</u>	<u>\$ 65,225</u>	<u>\$ 5,343</u>	<u>\$ 5,874</u>	<u>\$ 90,892</u>	<u>\$ 674</u>	<u>\$ -</u>

(continued)

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

JUNE 30, 2018

	SPECIAL REVENUE FUNDS					
	Technology Replacement	Miscellaneous Senior Citizens Grant	Senior Center Legislative Grant	Impact Fees	Emergency Medical Services	CDBG Grants
Assets						
Cash and cash equivalents	\$ 23,257	\$ 38,700	\$ 1,454	\$ 89,175	\$ 1,462,918	\$ 129,114
Due from other governments	-	-	-	-	-	22,135
Due from other funds	-	-	-	-	-	302,400
Prepaid Expenses	-	-	-	-	-	-
Other receivables	-	-	-	-	-	29,980
	<u>\$ 23,257</u>	<u>\$ 38,700</u>	<u>\$ 1,454</u>	<u>\$ 89,175</u>	<u>\$ 1,462,918</u>	<u>\$ 483,629</u>
Liabilities						
Accounts payable and accrued liabilities	\$ -	\$ 1	\$ 1	\$ 199,433	\$ 224,781	\$ 30,897
Due to other funds	-	-	-	-	-	126,793
Due to other governments	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
<i>Total Liabilities</i>	<u>-</u>	<u>1</u>	<u>1</u>	<u>199,433</u>	<u>224,781</u>	<u>157,690</u>
Deferred inflows (Note 1)	-	-	-	-	-	-
Fund Balances						
Nonspendable	-	-	-	-	-	-
Restricted	23,257	38,699	1,453	-	-	325,939
Assigned	-	-	-	-	1,238,137	-
Unassigned	-	-	-	(110,258)	-	-
<i>Total Fund Balances</i>	<u>23,257</u>	<u>38,699</u>	<u>1,453</u>	<u>(110,258)</u>	<u>1,238,137</u>	<u>325,939</u>
<i>Total Liabilities, Deferred Inflows, and Fund Balances</i>	<u>\$ 23,257</u>	<u>\$ 38,700</u>	<u>\$ 1,454</u>	<u>\$ 89,175</u>	<u>\$ 1,462,918</u>	<u>\$ 483,629</u>

(continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2018

	SPECIAL REVENUE FUNDS						
	Groundwater Education Donation	Miscellaneous Library Donations	Special Purpose Donations	Tax Revaluation Reserve Fund	Infrastructure Replacement	URI Septic Loan Program	Ann Ward Wallou Memorial Garden
Assets							
Cash and cash equivalents	\$ 765	\$ 11,199	\$ 6,460	70,643	\$ 1,126,074	\$ 421	\$ -
Due from other governments	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-	-
Other receivables	-	-	1,695	-	14,368	-	-
	<u>\$ 765</u>	<u>\$ 11,199</u>	<u>\$ 8,155</u>	<u>\$ 70,643</u>	<u>\$ 1,140,442</u>	<u>\$ 421</u>	<u>\$ -</u>
Liabilities							
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 810	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	901
Due to other governments	-	-	-	-	-	-	-
Unearned revenue	-	-	10,000	-	-	-	-
<i>Total Liabilities</i>	<u>-</u>	<u>-</u>	<u>10,810</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>901</u>
Deferred inflows (Note 1)	-	-	-	-	-	-	-
Fund Balances							
Nonspendable	-	-	-	-	-	-	-
Restricted	765	11,199	-	-	-	421	-
Assigned	-	-	-	70,643	1,140,442	-	-
Unassigned	-	-	(2,655)	-	-	-	(901)
<i>Total Fund Balances</i>	<u>765</u>	<u>11,199</u>	<u>(2,655)</u>	<u>70,643</u>	<u>1,140,442</u>	<u>421</u>	<u>(901)</u>
<i>Total Liabilities, Deferred Inflows, and Fund Balances</i>	<u>\$ 765</u>	<u>\$ 11,199</u>	<u>\$ 8,155</u>	<u>\$ 70,643</u>	<u>\$ 1,140,442</u>	<u>\$ 421</u>	<u>\$ -</u>

(continued)

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

JUNE 30, 2018

	SPECIAL REVENUE FUNDS					
	Senior Citizens Center	SAFER Grant	Arts Council	Senior Outreach Escrow	Parade Committee	Leisure Services Brochure
Assets						
Cash and cash equivalents	\$ 123,497	\$ -	\$ 14,947	\$ 304	\$ 1,726	\$ -
Due from other governments	-	118,170	-	-	188	1,400
Due from other funds	-	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-
	<u>\$ 123,497</u>	<u>\$ 118,170</u>	<u>\$ 14,947</u>	<u>\$ 304</u>	<u>\$ 1,914</u>	<u>\$ 1,400</u>
Liabilities						
Accounts payable and accrued liabilities	\$ 2,430	\$ 30,448	\$ 6,162	\$ -	\$ 819	\$ -
Due to other funds	-	155,394	-	-	225	-
Due to other governments	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
<i>Total Liabilities</i>	<u>2,430</u>	<u>185,842</u>	<u>6,162</u>	<u>-</u>	<u>1,044</u>	<u>-</u>
Deferred inflows (Note 1)	-	-	-	-	-	-
Fund Balances						
Nonspendable	-	-	-	-	-	-
Restricted	121,067	-	8,785	304	-	1,400
Assigned	-	-	-	-	870	-
Unassigned	-	(67,672)	-	-	-	-
<i>Total Fund Balances</i>	<u>121,067</u>	<u>(67,672)</u>	<u>8,785</u>	<u>304</u>	<u>870</u>	<u>1,400</u>
<i>Total Liabilities, Deferred Inflows, and Fund Balances</i>	<u>\$ 123,497</u>	<u>\$ 118,170</u>	<u>\$ 14,947</u>	<u>\$ 304</u>	<u>\$ 1,914</u>	<u>\$ 1,400</u>

(continued)

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

JUNE 30, 2018

	SPECIAL REVENUE FUNDS				CAPITAL PROJECT FUNDS		
	Community Center Maintenance	Heritage Committee	Recreation Escrow	Beach Campus	Capital Improvements Project	Capital Reserve	6.4M School Renovation Bond
Assets							
Cash and cash equivalents	\$ 56,357	\$ -	\$ 232,349	\$ 2,500	\$ 670,626	\$ 201,386	\$ -
Due from other governments	-	-	-	-	-	-	51,638
Due from other funds	-	-	-	-	478,023	-	-
Prepaid Expenses	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-
	<u>\$ 56,357</u>	<u>\$ -</u>	<u>\$ 232,349</u>	<u>\$ 2,500</u>	<u>\$ 1,148,649</u>	<u>\$ 201,386</u>	<u>\$ 51,638</u>
Liabilities							
Accounts payable and accrued liabilities	\$ 74,942	\$ 144	\$ 20,055	\$ -	\$ 166,610	\$ 9,450	\$ -
Due to other funds	-	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-
<i>Total Liabilities</i>	<u>74,942</u>	<u>144</u>	<u>20,055</u>	<u>-</u>	<u>166,610</u>	<u>9,450</u>	<u>-</u>
Deferred inflows (Note 1)	-	-	-	-	-	-	-
Fund Balances							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	51,638
Assigned	-	-	212,294	2,500	982,039	191,936	-
Unassigned	(18,585)	(144)	-	-	-	-	-
<i>Total Fund Balances</i>	<u>(18,585)</u>	<u>(144)</u>	<u>212,294</u>	<u>2,500</u>	<u>982,039</u>	<u>191,936</u>	<u>51,638</u>
<i>Total Liabilities, Deferred Inflows, and Fund Balances</i>	<u>\$ 56,357</u>	<u>\$ -</u>	<u>\$ 232,349</u>	<u>\$ 2,500</u>	<u>\$ 1,148,649</u>	<u>\$ 201,386</u>	<u>\$ 51,638</u>

(continued)

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

JUNE 30, 2018

	CAPITAL PROJECT FUNDS			PERMANENT FUNDS		
	Farmland & Open Space Reserve	6M Public Facilities Plan Bond	4M Farmland Open Space Fund	Henry Reynolds Indigent Care	Tri-Centennial Park	400th Anniversary
Assets						
Cash and cash equivalents	\$ 1,224,181	\$ 378,107	285,288	\$ 19,173	\$ 6,137	\$ 3,648
Due from other governments	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-
	<u>\$ 1,224,181</u>	<u>\$ 378,107</u>	<u>\$ 285,288</u>	<u>\$ 19,173</u>	<u>\$ 6,137</u>	<u>\$ 3,648</u>
Liabilities						
Accounts payable and accrued liabilities	\$ 90,146	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
<i>Total Liabilities</i>	<u>90,146</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows (Note 1)	-	-	-	-	-	-
Fund Balances						
Nonspendable	-	-	-	-	-	-
Restricted	1,134,035	378,107	285,288	19,173	6,137	3,648
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
<i>Total Fund Balances</i>	<u>1,134,035</u>	<u>378,107</u>	<u>285,288</u>	<u>19,173</u>	<u>6,137</u>	<u>3,648</u>
<i>Total Liabilities, Deferred Inflows, and Fund Balances</i>	<u>\$ 1,224,181</u>	<u>\$ 378,107</u>	<u>\$ 285,288</u>	<u>\$ 19,173</u>	<u>\$ 6,137</u>	<u>\$ 3,648</u>

(continued)

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

JUNE 30, 2018

	PERMANENT FUNDS					
	Henry Reynolds Outside Poor Fund	John J. Spink Outside Poor Fund	John B. Spink Outside Poor Fund	Thomas Casey Outside Poor Fund	Elizabeth Miller Library Fund	William D. Davis Library Fund
Assets						
Cash and cash equivalents	\$ 2,194	\$ 21,151	\$ 5,289	\$ 2,194	\$ 2,006	\$ 5,015
Due from other governments	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-
	<u>\$ 2,194</u>	<u>\$ 21,151</u>	<u>\$ 5,289</u>	<u>\$ 2,194</u>	<u>\$ 2,006</u>	<u>\$ 5,015</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>
Deferred inflows (Note 1)	-	-	-	-	-	-
Fund Balances						
Nonspendable	-	-	-	-	-	-
Restricted	2,194	21,151	5,289	2,194	2,006	5,015
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
<i>Total Fund Balances</i>	<u>2,194</u>	<u>21,151</u>	<u>5,289</u>	<u>2,194</u>	<u>2,006</u>	<u>5,015</u>
<i>Total Liabilities, Deferred Inflows, and Fund Balances</i>	<u>\$ 2,194</u>	<u>\$ 21,151</u>	<u>\$ 5,289</u>	<u>\$ 2,194</u>	<u>\$ 2,006</u>	<u>\$ 5,015</u>

(continued)

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

JUNE 30, 2018

	PERMANENT FUNDS					
	Veterans Memorial Scholarship	Hendrick Library Fund	Gardiner Fund	Updike Fund	Tennis Fund	Grand Totals
Assets						
Cash and cash equivalents	\$ 6,979	\$ 8,678	\$ 5,709	\$ 4,227	\$ 268	\$ 6,746,130
Due from other governments	-	-	-	-	-	207,528
Due from other funds	-	-	-	-	-	827,627
Prepaid Expenses	-	-	-	-	-	-
Other receivables	-	-	-	-	-	51,801
	<u>\$ 6,979</u>	<u>\$ 8,678</u>	<u>\$ 5,709</u>	<u>\$ 4,227</u>	<u>\$ 268</u>	<u>\$ 7,833,086</u>
Liabilities						
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 965,433
Due to other funds	-	-	-	-	-	336,222
Due to other governments	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	10,000
<i>Total Liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,311,655</u>
Deferred inflows (Note 1)	-	-	-	-	-	-
Fund Balances						
Nonspendable	-	-	-	-	-	-
Restricted	6,979	8,678	5,709	4,227	268	2,684,455
Assigned	-	-	-	-	-	4,088,558
Unassigned	-	-	-	-	-	(251,582)
<i>Total Fund Balances</i>	<u>6,979</u>	<u>8,678</u>	<u>5,709</u>	<u>4,227</u>	<u>268</u>	<u>6,521,431</u>
<i>Total Liabilities, Deferred Inflows, and Fund Balances</i>	<u>\$ 6,979</u>	<u>\$ 8,678</u>	<u>\$ 5,709</u>	<u>\$ 4,227</u>	<u>\$ 268</u>	<u>\$ 7,833,086</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

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

YEAR ENDED JUNE 30, 2018

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
Revenues:							
Interest and investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	21,006	-	-	239,004	-	23,861	-
Departmental	-	-	-	29,280	-	-	-
Other	-	-	22,074	-	-	-	6,650
<i>Total Revenues</i>	<u>21,006</u>	<u>-</u>	<u>22,074</u>	<u>268,284</u>	<u>-</u>	<u>23,861</u>	<u>6,650</u>
Expenditures:							
General government	-	190	-	-	-	41,495	-
Public safety	-	-	-	-	-	-	7,664
Public works	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-
Public libraries	21,006	-	37,700	1,584,948	-	-	-
Senior services	-	-	-	-	-	-	-
Capital and special appropriations	-	-	-	-	-	-	-
<i>Total Expenditures</i>	<u>21,006</u>	<u>190</u>	<u>37,700</u>	<u>1,584,948</u>	<u>-</u>	<u>41,495</u>	<u>7,664</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>-</u>	<u>(190)</u>	<u>(15,626)</u>	<u>(1,316,664)</u>	<u>-</u>	<u>(17,634)</u>	<u>(1,014)</u>
Other financing sources (uses):							
Transfers in	-	-	-	1,309,135	-	-	-
Transfers out	-	-	-	-	-	-	-
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,309,135</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	(190)	(15,626)	(7,529)	-	(17,634)	(1,014)
Fund balance, beginning of year	<u>(8,677)</u>	<u>533</u>	<u>15,626</u>	<u>257,226</u>	<u>23,559</u>	<u>(2)</u>	<u>(1,574)</u>
Fund balance, end of year	<u>\$ (8,677)</u>	<u>\$ 343</u>	<u>\$ -</u>	<u>\$ 249,697</u>	<u>\$ 23,559</u>	<u>\$ (17,636)</u>	<u>\$ (2,588)</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, 2018

	SPECIAL REVENUE FUNDS						
	Seized and Forfeited Property Escrow	RI Emergency Management	Town Municipal Court	State Elderly Affairs Grant	Land Dedication Escrow	Miscellaneous Historic District Preservation	Senior Health Insurance Program
venues:							
Interest and investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	70,382	210,327	10,451	-	-	18,119
Departmental	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<i>Total Revenues</i>	<u>-</u>	<u>70,382</u>	<u>210,327</u>	<u>10,451</u>	<u>-</u>	<u>-</u>	<u>18,119</u>
penditures:							
General government	1,796	-	246,558	-	-	-	18,507
Public safety	-	4,712	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	7,521	-
Education	-	-	-	-	-	-	-
Public libraries	-	-	-	-	-	-	-
Senior services	-	-	-	10,452	-	-	-
Capital and special appropriations	-	-	-	-	-	-	-
<i>Total Expenditures</i>	<u>1,796</u>	<u>4,712</u>	<u>246,558</u>	<u>10,452</u>	<u>-</u>	<u>7,521</u>	<u>18,507</u>
excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>(1,796)</u>	<u>65,670</u>	<u>(36,231)</u>	<u>(1)</u>	<u>-</u>	<u>(7,521)</u>	<u>(388)</u>
other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
excess (deficiency) of revenues over expenditures and balance, beginning of year	<u>(1,796)</u>	<u>65,670</u>	<u>(36,231)</u>	<u>(1)</u>	<u>-</u>	<u>(7,521)</u>	<u>(388)</u>
and balance, beginning of year	<u>24,660</u>	<u>(445)</u>	<u>14,933</u>	<u>5,874</u>	<u>90,892</u>	<u>8,195</u>	<u>(780)</u>
and balance, end of year	<u>\$ 22,864</u>	<u>\$ 65,225</u>	<u>\$ (21,298)</u>	<u>\$ 5,873</u>	<u>\$ 90,892</u>	<u>\$ 674</u>	<u>\$ (1,168)</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, 2018

	SPECIAL REVENUE FUNDS					
	Technology Replacement	Miscellaneous Senior Citizens Grant	Senior Center Legislative Grant	Impact Fees	Emergency Medical Services	CDBG Grants
venues:						
Interest and investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	29,586	1,300	-	1,136,452	84,541
Departmental	-	-	-	-	-	-
Other	21,726	-	-	-	-	-
<i>Total Revenues</i>	<u>21,726</u>	<u>29,586</u>	<u>1,300</u>	<u>-</u>	<u>1,136,452</u>	<u>84,541</u>
penditures:						
General government	34,047	-	-	-	66,383	95,702
Public safety	-	-	-	-	298,649	-
Public works	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-
Education	-	-	-	-	-	-
Public libraries	-	-	-	-	-	-
Senior services	-	18,424	1,300	-	-	-
Capital and special appropriations	-	-	-	-	-	-
<i>Total Expenditures</i>	<u>34,047</u>	<u>18,424</u>	<u>1,300</u>	<u>-</u>	<u>365,032</u>	<u>95,702</u>
cess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>(12,321)</u>	<u>11,162</u>	<u>-</u>	<u>-</u>	<u>771,420</u>	<u>(11,161)</u>
her financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	(530,000)	-
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(530,000)</u>	<u>-</u>
cess (deficiency) of revenues over expenditures	<u>(12,321)</u>	<u>11,162</u>	<u>-</u>	<u>-</u>	<u>241,420</u>	<u>(11,161)</u>
nd balance, beginning of year	<u>35,578</u>	<u>27,537</u>	<u>1,453</u>	<u>(110,258)</u>	<u>996,717</u>	<u>337,100</u>
nd balance, end of year	<u>\$ 23,257</u>	<u>\$ 38,699</u>	<u>\$ 1,453</u>	<u>\$ (110,258)</u>	<u>\$ 1,238,137</u>	<u>\$ 325,939</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, 2018

	SPECIAL REVENUE FUNDS						
	Groundwater Education Donation	Miscellaneous Library Donations	Special Purpose Donations	Tax Revaluation Reserve Fund	Infrastructure Replacement	URI Septic Loan Program	Ann Ward Wallou Memorial Garden
venues:							
Interest and investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	355	-	-	175,312	-	-
Departmental	-	-	-	-	-	-	-
Other	100	-	10,482	-	-	-	-
<i>Total Revenues</i>	<u>100</u>	<u>355</u>	<u>10,482</u>	<u>-</u>	<u>175,312</u>	<u>-</u>	<u>-</u>
penditures:							
General government	-	-	13,137	-	-	-	-
Public safety	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-
Public libraries	-	965	-	-	-	-	-
Senior services	-	-	-	-	-	-	-
Capital and special appropriations	-	-	-	-	-	-	-
<i>Total Expenditures</i>	<u>-</u>	<u>965</u>	<u>13,137</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
excess (deficiency) of revenues over expenditures							
before other financing sources (uses)	<u>100</u>	<u>(610)</u>	<u>(2,655)</u>	<u>-</u>	<u>175,312</u>	<u>-</u>	<u>-</u>
other financing sources (uses):							
Transfers in	-	-	-	25,000	-	-	-
Transfers out	-	-	-	-	-	-	-
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
excess (deficiency) of revenues over expenditures	100	(610)	(2,655)	25,000	175,312	-	-
fund balance, beginning of year	<u>665</u>	<u>11,809</u>	<u>-</u>	<u>45,643</u>	<u>965,130</u>	<u>421</u>	<u>(901)</u>
fund balance, end of year	<u>\$ 765</u>	<u>\$ 11,199</u>	<u>\$ (2,655)</u>	<u>\$ 70,643</u>	<u>\$ 1,140,442</u>	<u>\$ 421</u>	<u>\$ (901)</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, 2018

	SPECIAL REVENUE FUNDS					
	Senior Citizens Center	SAFER Grant	Arts Council	Senior Outreach Escrow	Parade Committee	Leisure Services Brochure
venues:						
Interest and investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	254,899	-	-	-	-
Departmental	-	-	-	-	-	-
Other	105,799	-	39,379	-	4,050	-
<i>Total Revenues</i>	<u>105,799</u>	<u>254,899</u>	<u>39,379</u>	<u>-</u>	<u>4,050</u>	<u>-</u>
penditures:						
General government	-	-	41,027	-	2,200	-
Public safety	-	322,571	-	-	-	-
Public works	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-
Education	-	-	-	-	-	-
Public libraries	-	-	-	-	-	-
Senior services	95,471	-	-	1,023	-	-
Capital and special appropriations	-	-	-	-	-	-
<i>Total Expenditures</i>	<u>95,471</u>	<u>322,571</u>	<u>41,027</u>	<u>1,023</u>	<u>2,200</u>	<u>-</u>
cess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>10,328</u>	<u>(67,672)</u>	<u>(1,648)</u>	<u>(1,023)</u>	<u>1,850</u>	<u>-</u>
her financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
cess (deficiency) of revenues over expenditures	10,328	(67,672)	(1,648)	(1,023)	1,850	-
nd balance, beginning of year	<u>110,739</u>	<u>-</u>	<u>10,433</u>	<u>1,327</u>	<u>(980)</u>	<u>1,400</u>
nd balance, end of year	<u>\$ 121,067</u>	<u>\$ (67,672)</u>	<u>\$ 8,785</u>	<u>\$ 304</u>	<u>\$ 870</u>	<u>\$ 1,400</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, 2018

	SPECIAL REVENUE FUNDS				CAPITAL PROJECT FUNDS		
	Community Center Maintenance	Heritage Committee	Recreation Escrow	Beach Campus	Capital Improvement Project	Capital Reserve	6.4M School Renovation Bond
venues:							
Interest and investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-
Departmental	-	-	-	-	-	-	-
Other	-	-	297,949	2,500	-	-	-
<i>Total Revenues</i>	<u>-</u>	<u>-</u>	<u>297,949</u>	<u>2,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
penditures:							
General government	7,164	-	238,810	-	282,212	-	-
Public safety	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-
Public libraries	-	-	-	-	-	-	-
Senior services	-	-	-	-	-	-	-
Capital and special appropriations	-	-	-	-	1,512,550	538,466	-
<i>Total Expenditures</i>	<u>7,164</u>	<u>-</u>	<u>238,810</u>	<u>-</u>	<u>1,794,762</u>	<u>538,466</u>	<u>-</u>
excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>(7,164)</u>	<u>-</u>	<u>59,139</u>	<u>2,500</u>	<u>(1,794,762)</u>	<u>(538,466)</u>	<u>-</u>
other financing sources (uses):							
Transfers in	-	-	-	-	1,018,063	350,000	-
Transfers out	-	-	-	-	-	(15,000)	-
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,018,063</u>	<u>335,000</u>	<u>-</u>
excess (deficiency) of revenues over expenditures	<u>(7,164)</u>	<u>-</u>	<u>59,139</u>	<u>2,500</u>	<u>(776,699)</u>	<u>(203,466)</u>	<u>-</u>
fund balance, beginning of year	<u>(11,421)</u>	<u>(144)</u>	<u>153,155</u>	<u>-</u>	<u>1,758,738</u>	<u>395,402</u>	<u>51,638</u>
fund balance, end of year	<u>\$ (18,585)</u>	<u>\$ (144)</u>	<u>\$ 212,294</u>	<u>\$ 2,500</u>	<u>\$ 982,039</u>	<u>\$ 191,936</u>	<u>\$ 51,638</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, 2018

	CAPITAL PROJECT FUNDS			PERMANENT FUNDS		
	Farmland & Open Space Reserve	6M Public Facilities Plan Bond	4M Farmland Open Space Fund	Henry Reynolds Indigent Care	Tri-Centennial Park	400th Anniversary
venues:						
Interest and investment income	\$ -	\$ -	\$ -	\$ -	\$ 13	\$ -
Intergovernmental	661,551	-	-	-	-	-
Departmental	-	-	-	-	-	-
Other	-	-	-	-	-	-
<i>Total Revenues</i>	<u>661,551</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13</u>	<u>-</u>
penditures:						
General government	772,750	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-
Education	-	-	-	-	-	-
Public libraries	-	-	-	-	-	-
Senior services	-	-	-	-	-	-
Capital and special appropriations	-	-	-	-	-	-
<i>Total Expenditures</i>	<u>772,750</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
cess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>(111,199)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13</u>	<u>-</u>
her financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	(82,606)	-	-	-	-	-
<i>Total Other Financing Sources (Uses)</i>	<u>(82,606)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
cess (deficiency) of revenues over expenditures	<u>(193,805)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13</u>	<u>-</u>
nd balance, beginning of year	<u>1,327,840</u>	<u>378,107</u>	<u>285,288</u>	<u>19,173</u>	<u>6,124</u>	<u>3,648</u>
nd balance, end of year	<u>\$ 1,134,035</u>	<u>\$ 378,107</u>	<u>\$ 285,288</u>	<u>\$ 19,173</u>	<u>\$ 6,137</u>	<u>\$ 3,648</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, 2018

	PERMANENT FUNDS					
	Henry Reynolds Outside Poor Fund	John J. Spink Outside Poor Fund	John B. Spink Outside Poor Fund	Thomas Casey Outside Poor Fund	Elizabeth Miller Library Fund	William D. Davis Library Fund
venues:						
Interest and investment income	\$ 5	\$ 42	\$ 12	\$ 4	\$ 4	\$ 10
Intergovernmental	-	-	-	-	-	-
Departmental	-	-	-	-	-	-
Other	-	-	-	-	-	-
<i>Total Revenues</i>	<u>5</u>	<u>42</u>	<u>12</u>	<u>4</u>	<u>4</u>	<u>10</u>
penditures:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-
Education	-	-	-	-	-	-
Public libraries	-	-	-	-	-	-
Senior services	-	-	-	-	-	-
Capital and special appropriations	-	-	-	-	-	-
<i>Total Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>5</u>	<u>42</u>	<u>12</u>	<u>4</u>	<u>4</u>	<u>10</u>
other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>5</u>	<u>42</u>	<u>12</u>	<u>4</u>	<u>4</u>	<u>10</u>
fund balance, beginning of year	<u>2,189</u>	<u>21,109</u>	<u>5,277</u>	<u>2,190</u>	<u>2,002</u>	<u>5,005</u>
fund balance, end of year	<u>\$ 2,194</u>	<u>\$ 21,151</u>	<u>\$ 5,289</u>	<u>\$ 2,194</u>	<u>\$ 2,006</u>	<u>\$ 5,015</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, 2018

	PERMANENT FUNDS					
	Veterans Memorial Scholarship	Hendrick Library Fund	Gardiner Fund	School Updike Fund	School Tennis Fund	Grand Totals
venues:						
Interest and investment income	\$ -	\$ -	\$ -	\$ 2	\$ -	\$ 92
Intergovernmental	-	-	-	-	-	2,937,146
Departmental	-	-	-	-	-	29,280
Other	-	-	-	-	-	510,709
<i>Total Revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>	<u>-</u>	<u>3,477,227</u>
penditures:						
General government	-	60	60	-	-	1,862,098
Public safety	-	-	-	-	-	633,596
Public works	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	7,521
Education	-	-	-	-	-	-
Public libraries	-	-	-	-	-	1,644,619
Senior services	-	-	-	-	-	126,670
Capital and special appropriations	-	-	-	-	-	2,051,016
<i>Total Expenditures</i>	<u>-</u>	<u>60</u>	<u>60</u>	<u>-</u>	<u>-</u>	<u>6,325,520</u>
excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>-</u>	<u>(60)</u>	<u>(60)</u>	<u>2</u>	<u>-</u>	<u>(2,848,293)</u>
other financing sources (uses):						
Transfers in	-	-	-	-	-	2,702,198
Transfers out	-	-	-	-	-	(627,606)
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,074,592</u>
excess (deficiency) of revenues over expenditures and changes in fund balances	<u>-</u>	<u>(60)</u>	<u>(60)</u>	<u>2</u>	<u>-</u>	<u>(773,701)</u>
fund balance, beginning of year	6,979	8,738	5,769	4,225	268	7,295,132
fund balance, end of year	<u>\$ 6,979</u>	<u>\$ 8,678</u>	<u>\$ 5,709</u>	<u>\$ 4,227</u>	<u>\$ 268</u>	<u>\$ 6,521,431</u>

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

JUNE 30, 2018

SPECIAL REVENUE FUNDS

	School Unrestricted	RI Council on the Arts-African Folktales	Homeless Children/Youth Even	Centers for Disease Control	Wireless Classroom Initiative	PTO Donations	School Public Law 94-142	School Title III LEP	Career & Tech
Assets									
Cash and cash equivalents	\$ 7,228,797	\$ 530	\$ 11,646	\$ 3,741	\$ 252,710	\$ -	\$ -	\$ 83	\$ 20,015
Due from other governments	79,550	-	11,516	-	-	-	383,439	1,856	-
Due from other funds	1,092,371	-	-	-	-	-	-	-	-
Other receivables	36,523	-	-	-	-	-	-	-	-
Prepaid expenses	546,918	-	-	-	-	-	-	-	-
<i>Total Assets</i>	<u>\$ 8,984,159</u>	<u>\$ 530</u>	<u>\$ 23,162</u>	<u>\$ 3,741</u>	<u>\$ 252,710</u>	<u>\$ -</u>	<u>\$ 383,439</u>	<u>\$ 1,939</u>	<u>\$ 20,015</u>
Liabilities									
Accounts payable and accrued liabilities	\$ 1,346,887	\$ -	\$ 516	\$ 1,612	\$ -	\$ -	\$ 2,701	\$ -	\$ -
Due to other funds	5,685,864	-	22,646	-	252,709	-	380,738	1,939	973
Due to other governments	-	530	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	-
<i>Total Liabilities</i>	<u>7,032,751</u>	<u>530</u>	<u>23,162</u>	<u>1,612</u>	<u>252,709</u>	<u>-</u>	<u>383,439</u>	<u>1,939</u>	<u>973</u>
Deferred inflows (Note 1)	-	-	-	-	-	-	-	-	-
Fund Balances									
Nonspendable	546,918	-	-	-	-	-	-	-	-
Restricted	-	-	-	2,129	1	-	-	-	19,042
Assigned	1,404,490	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-
<i>Total Fund Balances</i>	<u>1,951,408</u>	<u>-</u>	<u>-</u>	<u>2,129</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,042</u>
<i>Total Liabilities, Deferred Inflows, and Fund Balances</i>	<u>\$ 8,984,159</u>	<u>\$ 530</u>	<u>\$ 23,162</u>	<u>\$ 3,741</u>	<u>\$ 252,710</u>	<u>\$ -</u>	<u>\$ 383,439</u>	<u>\$ 1,939</u>	<u>\$ 20,015</u>

(continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND
 COMBINING BALANCE SHEET - SCHOOL DEPARTMENT
 JUNE 30, 2018

SPECIAL REVENUE FUNDS

	School Title I	Homeless Children & Youth	Scholarship America	Educational Development Center	Perkins Coventry	School Title II	USDA Kitchen Equipment	Categorical Aid-Robotics	91-142 Preschool Services
Assets									
Cash and cash equivalents	\$ -	\$ 7,476	\$ 275	\$ 216	\$ -	\$ -	\$ -	\$ 4,762	\$ 1,892
Due from other governments	198,701	-	-	-	-	41,221	-	-	12,432
Due from other funds	-	-	-	-	-	-	-	-	-
Other receivables	-	-	1	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-	-	-	-
<i>Total Assets</i>	<u>\$ 198,701</u>	<u>\$ 7,476</u>	<u>\$ 276</u>	<u>\$ 216</u>	<u>\$ -</u>	<u>\$ 41,221</u>	<u>\$ -</u>	<u>\$ 4,762</u>	<u>\$ 14,324</u>
Liabilities									
Accounts payable and accrued liabilities	\$ 1,017	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 748	\$ -
Due to other funds	197,684	7,476	7	216	-	41,221	-	-	14,324
Due to other governments	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	-
<i>Total Liabilities</i>	<u>198,701</u>	<u>7,476</u>	<u>7</u>	<u>216</u>	<u>-</u>	<u>41,221</u>	<u>-</u>	<u>748</u>	<u>14,324</u>
Deferred inflows (Note 1)	-	-	-	-	-	-	-	-	-
Fund Balances									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	-	269	-	-	-	-	4,014	-
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-
<i>Total Fund Balances</i>	<u>-</u>	<u>-</u>	<u>269</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,014</u>	<u>-</u>
<i>Total Liabilities, Deferred Inflows, and Fund Balances</i>	<u>\$ 198,701</u>	<u>\$ 7,476</u>	<u>\$ 276</u>	<u>\$ 216</u>	<u>\$ -</u>	<u>\$ 41,221</u>	<u>\$ -</u>	<u>\$ 4,762</u>	<u>\$ 14,324</u>

(continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND
 COMBINING BALANCE SHEET - SCHOOL DEPARTMENT
 JUNE 30, 2018

SPECIAL REVENUE FUNDS

	21st Century Learning Center	United Way Hasbro Summer	RI Council for the Humanities	RI Council On The Arts Big Yellow Bus	COZ Family Center	RI State Council on the Arts Silk Road	Wendy's Advertising	Drug Free Program Donations	RI Legislative Grant- Drug Free
Assets									
Cash and cash equivalents	\$ 44,210	\$ 19,442	\$ 644	\$ 1,274	\$ 233	\$ 4,416	\$ 26	\$ 490	\$ 450
Due from other governments	-	-	-	-	17,647	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-	-	-	-
<i>Total Assets</i>	<u>\$ 44,210</u>	<u>\$ 19,442</u>	<u>\$ 644</u>	<u>\$ 1,274</u>	<u>\$ 17,880</u>	<u>\$ 4,416</u>	<u>\$ 26</u>	<u>\$ 490</u>	<u>\$ 450</u>
Liabilities									
Accounts payable and accrued liabilities	\$ -	\$ 5,304	\$ -	\$ -	\$ -	\$ 3,000	\$ -	\$ -	\$ -
Due to other funds	44,210	-	-	-	17,880	-	26	-	-
Due to other governments	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	-
<i>Total Liabilities</i>	<u>44,210</u>	<u>5,304</u>	<u>-</u>	<u>-</u>	<u>17,880</u>	<u>3,000</u>	<u>26</u>	<u>-</u>	<u>-</u>
Deferred inflows (Note 1)	-	-	-	-	-	-	-	-	-
Fund Balances									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	14,138	644	1,274	-	1,416	-	490	450
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-
<i>Total Fund Balances</i>	<u>-</u>	<u>14,138</u>	<u>644</u>	<u>1,274</u>	<u>-</u>	<u>1,416</u>	<u>-</u>	<u>490</u>	<u>450</u>
<i>Total Liabilities, Deferred Inflows, and Fund Balances</i>	<u>\$ 44,210</u>	<u>\$ 19,442</u>	<u>\$ 644</u>	<u>\$ 1,274</u>	<u>\$ 17,880</u>	<u>\$ 4,416</u>	<u>\$ 26</u>	<u>\$ 490</u>	<u>\$ 450</u>

(continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND
 COMBINING BALANCE SHEET - SCHOOL DEPARTMENT
 JUNE 30, 2018

SPECIAL REVENUE FUNDS

	USDA-FFVP	Drug Free Communities	RI Interscholastic League	COZ Miscellaneous Donations	Scholarship America	Use of Buildings	Feinstein Foundation	Rhode Island Foundation	RI Assoc For Young Children
Assets									
Cash and cash equivalents	\$ 3,790	\$ 52,746	\$ 942	\$ 25,190	\$ 2,000	\$ 7,460	\$ 27,101	\$ 574	\$ 14
Due from other governments	8,242	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	3,278	-	-	-
Prepaid expenses	-	-	-	-	-	-	-	-	-
<i>Total Assets</i>	<u>\$ 12,032</u>	<u>\$ 52,746</u>	<u>\$ 942</u>	<u>\$ 25,190</u>	<u>\$ 2,000</u>	<u>\$ 10,738</u>	<u>\$ 27,101</u>	<u>\$ 574</u>	<u>\$ 14</u>
Liabilities									
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 466	\$ -	\$ -
Due to other funds	12,032	52,746	-	3	-	10,738	-	-	14
Due to other governments	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	-
<i>Total Liabilities</i>	<u>12,032</u>	<u>52,746</u>	<u>-</u>	<u>3</u>	<u>-</u>	<u>10,738</u>	<u>466</u>	<u>-</u>	<u>14</u>
Deferred inflows (Note 1)	-	-	-	-	-	-	-	-	-
Fund Balances									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	-	942	25,187	2,000	-	26,635	574	-
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-
<i>Total Fund Balances</i>	<u>-</u>	<u>-</u>	<u>942</u>	<u>25,187</u>	<u>2,000</u>	<u>-</u>	<u>26,635</u>	<u>574</u>	<u>-</u>
<i>Total Liabilities, Deferred Inflows, and Fund Balances</i>	<u>\$ 12,032</u>	<u>\$ 52,746</u>	<u>\$ 942</u>	<u>\$ 25,190</u>	<u>\$ 2,000</u>	<u>\$ 10,738</u>	<u>\$ 27,101</u>	<u>\$ 574</u>	<u>\$ 14</u>

(continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND
 COMBINING BALANCE SHEET - SCHOOL DEPARTMENT
 JUNE 30, 2018

	SPECIAL REVENUE FUNDS								
	Donations- Coaches	Exxon Mobil	School/Town Substance Abuse	Fuji Film	Women's Club of South County Grow Hope	IDEA Part B Targeted-COZ	USDA Reallocation	Coz Education Exchange	Southern Poverty Law Center
Assets									
Cash and cash equivalents	\$ -	\$ 899	\$ -	\$ 3,020	\$ 15	\$ -	\$ 2,500	\$ -	\$ 1,952
Due from other governments	-	-	23,974	-	-	889	-	415	-
Due from other funds	-	-	-	-	-	-	-	-	-
Other receivables	2,900	-	-	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-	-	-	-
<i>Total Assets</i>	<u>\$ 2,900</u>	<u>\$ 899</u>	<u>\$ 23,974</u>	<u>\$ 3,020</u>	<u>\$ 15</u>	<u>\$ 889</u>	<u>\$ 2,500</u>	<u>\$ 415</u>	<u>\$ 1,952</u>
Liabilities									
Accounts payable and accrued liabilities	\$ 2,900	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	23,974	-	15	889	-	415	-
Due to other governments	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	-
<i>Total Liabilities</i>	<u>2,900</u>	<u>-</u>	<u>23,974</u>	<u>-</u>	<u>15</u>	<u>889</u>	<u>-</u>	<u>415</u>	<u>-</u>
Deferred inflows (Note 1)	-	-	-	-	-	-	-	-	-
Fund Balances									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	899	-	3,020	-	-	2,500	-	1,952
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-
<i>Total Fund Balances</i>	<u>-</u>	<u>899</u>	<u>-</u>	<u>3,020</u>	<u>-</u>	<u>-</u>	<u>2,500</u>	<u>-</u>	<u>1,952</u>
<i>Total Liabilities, Deferred Inflows, and Fund Balances</i>	<u>\$ 2,900</u>	<u>\$ 899</u>	<u>\$ 23,974</u>	<u>\$ 3,020</u>	<u>\$ 15</u>	<u>\$ 889</u>	<u>\$ 2,500</u>	<u>\$ 415</u>	<u>\$ 1,952</u>

(continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND
 COMBINING BALANCE SHEET - SCHOOL DEPARTMENT
 JUNE 30, 2018

SPECIAL REVENUE FUNDS										
	Classes 4 Classes	Instructor Setaside	NK Community Chorus	RI Learning Champions	German American Partnership	We Make RI	English Learner Categorical Aid	AASA Food Service Donation	Sexual Health Mini Grant	Grand Totals
Assets										
Cash and cash equivalents	\$ 1,358	\$ -	\$ 400	\$ -	\$ 1,045	\$ 6	\$ -	\$ 4,933	\$ -	\$ 7,739,273
Due from other governments	-	-	-	1,803	-	-	1,594	-	4,735	788,014
Due from other funds	-	-	-	-	-	-	-	-	-	1,092,371
Other receivables	-	-	-	-	-	-	-	-	-	42,702
Prepaid expenses	-	-	-	-	-	-	-	-	-	546,918
<i>Total Assets</i>	<u>\$ 1,358</u>	<u>\$ -</u>	<u>\$ 400</u>	<u>\$ 1,803</u>	<u>\$ 1,045</u>	<u>\$ 6</u>	<u>\$ 1,594</u>	<u>\$ 4,933</u>	<u>\$ 4,735</u>	<u>\$ 10,209,278</u>
Liabilities										
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,365,151
Due to other funds	1,358	-	-	1,803	-	6	1,594	-	4,735	6,778,235
Due to other governments	-	-	-	-	-	-	-	-	-	530
Unearned revenue	-	-	-	-	-	-	-	-	-	-
<i>Total Liabilities</i>	<u>1,358</u>	<u>-</u>	<u>-</u>	<u>1,803</u>	<u>-</u>	<u>6</u>	<u>1,594</u>	<u>-</u>	<u>4,735</u>	<u>8,143,916</u>
Deferred inflows (Note 1)	-	-	-	-	-	-	-	-	-	-
Fund Balances										
Nonspendable	-	-	-	-	-	-	-	-	-	546,918
Restricted	-	-	400	-	1,045	-	-	4,933	-	113,954
Assigned	-	-	-	-	-	-	-	-	-	1,404,490
Unassigned	-	-	-	-	-	-	-	-	-	-
<i>Total Fund Balances</i>	<u>-</u>	<u>-</u>	<u>400</u>	<u>-</u>	<u>1,045</u>	<u>-</u>	<u>-</u>	<u>4,933</u>	<u>-</u>	<u>2,065,362</u>
<i>Total Liabilities, Deferred Inflows, and Fund Balances</i>	<u>\$ 1,358</u>	<u>\$ -</u>	<u>\$ 400</u>	<u>\$ 1,803</u>	<u>\$ 1,045</u>	<u>\$ 6</u>	<u>\$ 1,594</u>	<u>\$ 4,933</u>	<u>\$ 4,735</u>	<u>\$ 10,209,278</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

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

YEAR ENDED JUNE 30, 2018

	SPECIAL REVENUE FUNDS								
	School Unrestricted	RI Council on the Arts-African Folktales	Homeless Children/Youth Even	Centers for Disease Control	Wireless Classroom Initiative	PTO Donations	School Public Law 94-142	School Title III LEP	Career & Tech
Revenues:									
Interest and investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	14,058,166	-	22,001	7,426	-	-	980,616	6,267	50,000
Departmental	-	-	-	-	-	-	-	-	-
On behalf pension contribution	3,029,109	-	-	-	-	-	-	-	-
Other	25,153	-	-	-	-	2,684	-	-	-
<i>Total Revenues</i>	<u>17,112,428</u>	<u>-</u>	<u>22,001</u>	<u>7,426</u>	<u>-</u>	<u>2,684</u>	<u>980,616</u>	<u>6,267</u>	<u>50,000</u>
Expenditures:									
General government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-	-
Per trust agreements	-	-	-	-	-	-	-	-	-
Education	63,750,076	-	22,001	9,716	-	2,684	980,616	6,267	46,301
Public libraries	-	-	-	-	-	-	-	-	-
Senior services	-	-	-	-	-	-	-	-	-
On behalf pension contribution	3,029,109	-	-	-	-	-	-	-	-
Capital and special appropriations	-	-	-	-	-	-	-	-	-
<i>Total Expenditures</i>	<u>66,779,185</u>	<u>-</u>	<u>22,001</u>	<u>9,716</u>	<u>-</u>	<u>2,684</u>	<u>980,616</u>	<u>6,267</u>	<u>46,301</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>(49,666,757)</u>	<u>-</u>	<u>-</u>	<u>(2,290)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,699</u>
Other financing sources (uses):									
Transfers in	50,208,694	-	-	-	-	-	-	-	12,500
Transfers out	(1,030,563)	-	-	-	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>49,178,131</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,500</u>
Excess (deficiency) of revenues over expenditures	(488,626)	-	-	(2,290)	-	-	-	-	16,199
Fund balance, beginning of year	<u>2,440,034</u>	<u>-</u>	<u>-</u>	<u>4,419</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,843</u>
Fund balance, end of year	<u>\$ 1,951,408</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,129</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,042</u>

(continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

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

YEAR ENDED JUNE 30, 2018

	SPECIAL REVENUE FUNDS								
	School Title I	Homeless Children & Youth	Scholarship America	Educational Development Center	Perkins Coventry	School Title II	USDA Kitchen Equipment	Categorical Aid-Robotics	91-142 Preschool Services
Revenues:									
Interest and investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	508,352	14,479	-	-	10,000	151,678	5,000	-	22,961
Departmental	-	-	-	-	-	-	-	-	-
On behalf pension contribution	-	-	-	-	-	-	-	-	-
Other	-	-	700	-	-	-	-	-	-
<i>Total Revenues</i>	<u>508,352</u>	<u>14,479</u>	<u>700</u>	<u>-</u>	<u>10,000</u>	<u>151,678</u>	<u>5,000</u>	<u>-</u>	<u>22,961</u>
Expenditures:									
General government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-	-
Per trust agreements	-	-	-	-	-	-	-	-	-
Education	508,352	14,479	431	216	10,000	151,678	5,000	11,219	22,961
Public libraries	-	-	-	-	-	-	-	-	-
Senior services	-	-	-	-	-	-	-	-	-
On behalf pension contribution	-	-	-	-	-	-	-	-	-
Capital and special appropriations	-	-	-	-	-	-	-	-	-
<i>Total Expenditures</i>	<u>508,352</u>	<u>14,479</u>	<u>431</u>	<u>216</u>	<u>10,000</u>	<u>151,678</u>	<u>5,000</u>	<u>11,219</u>	<u>22,961</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	-	-	269	(216)	-	-	-	(11,219)	-
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	-	269	(216)	-	-	-	(11,219)	-
Fund balance, beginning of year	-	-	-	216	-	-	-	15,233	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 269</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,014</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, 2018

	SPECIAL REVENUE FUNDS								
	21st Century Learning Center	United Way Hasbro Summer	RI Council for the Humanities	RI Council On The Arts Big Yellow Bus	COZ Family Center	RI State Council on the Arts Silk Road	Wendy's Advertising	Drug Free Program Donations	RI Legislative Grant- Drug Free
Revenues:									
Interest and investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	95	-	24,493	7,000	-	-	3,000
Departmental	-	-	-	-	-	-	-	-	-
On behalf pension contribution	-	-	-	-	-	-	-	-	-
Other	-	30,000	-	-	-	-	-	300	-
<i>Total Revenues</i>	-	30,000	95	-	24,493	7,000	-	300	3,000
Expenditures:									
General government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-	-
Per trust agreements	-	-	-	-	-	-	-	-	-
Education	-	30,723	-	-	24,493	5,724	2,501	-	2,550
Public libraries	-	-	-	-	-	-	-	-	-
Senior services	-	-	-	-	-	-	-	-	-
On behalf pension contribution	-	-	-	-	-	-	-	-	-
Capital and special appropriations	-	-	-	-	-	-	-	-	-
<i>Total Expenditures</i>	-	30,723	-	-	24,493	5,724	2,501	-	2,550
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	-	(723)	95	-	-	1,276	(2,501)	300	450
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-	-	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	(723)	95	-	-	1,276	(2,501)	300	450
Fund balance, beginning of year	-	14,861	549	1,274	-	140	2,501	190	-
Fund balance, end of year	\$ -	\$ 14,138	\$ 644	\$ 1,274	\$ -	\$ 1,416	\$ -	\$ 490	\$ 450

(continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

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

YEAR ENDED JUNE 30, 2018

	SPECIAL REVENUE FUNDS								
	USDA-FFVP	Drug Free Communities	RI Interscholastic League	COZ Miscellaneous Donations	Scholarship America	Use of Buildings	Feinstein Foundation	Rhode Island Foundation	RI Assoc For Young Children
Revenues:									
Interest and investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	14,232	20,525	-	-	-	-	-	-	-
Departmental	-	-	-	-	-	-	-	-	-
On behalf pension contribution	-	-	-	-	-	-	-	-	-
Other	-	-	-	6,500	2,000	14,612	13,983	-	-
<i>Total Revenues</i>	<u>14,232</u>	<u>20,525</u>	<u>-</u>	<u>6,500</u>	<u>2,000</u>	<u>14,612</u>	<u>13,983</u>	<u>-</u>	<u>-</u>
Expenditures:									
General government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-	-
Per trust agreements	-	-	-	-	-	-	-	-	-
Education	14,232	20,525	8	4,978	-	-	39,213	-	-
Public libraries	-	-	-	-	-	-	-	-	-
Senior services	-	-	-	-	-	-	-	-	-
On behalf pension contribution	-	-	-	-	-	-	-	-	-
Capital and special appropriations	-	-	-	-	-	14,612	-	-	-
<i>Total Expenditures</i>	<u>14,232</u>	<u>20,525</u>	<u>8</u>	<u>4,978</u>	<u>-</u>	<u>14,612</u>	<u>39,213</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(8)</u>	<u>1,522</u>	<u>2,000</u>	<u>-</u>	<u>(25,230)</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(8)</u>	<u>1,522</u>	<u>2,000</u>	<u>-</u>	<u>(25,230)</u>	<u>-</u>	<u>-</u>
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>950</u>	<u>23,665</u>	<u>-</u>	<u>-</u>	<u>51,865</u>	<u>574</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 942</u>	<u>\$ 25,187</u>	<u>\$ 2,000</u>	<u>\$ -</u>	<u>\$ 26,635</u>	<u>\$ 574</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, 2018

	SPECIAL REVENUE FUNDS								
	Donations- Coaches	Exxon Mobil	School/Town Substance Abuse	Fuji Film	Women's Club of South County Grow Hope	IDEA Part B Targeted-COZ	USDA Reallocation	COZ Education Exchange	Southern Poverty Law Center
Revenues:									
Interest and investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	72,905	-	-	5,000	2,500	415	-
Departmental	-	-	-	-	-	-	-	-	-
On behalf pension contribution	-	-	-	-	-	-	-	-	-
Other	15,816	500	-	2,000	-	-	-	-	3,240
<i>Total Revenues</i>	<u>15,816</u>	<u>500</u>	<u>72,905</u>	<u>2,000</u>	<u>-</u>	<u>5,000</u>	<u>2,500</u>	<u>415</u>	<u>3,240</u>
Expenditures:									
General government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-	-
Per trust agreements	-	-	-	-	-	-	-	-	-
Education	15,816	-	72,905	-	-	5,000	-	415	1,288
Public libraries	-	-	-	-	-	-	-	-	-
Senior services	-	-	-	-	-	-	-	-	-
On behalf pension contribution	-	-	-	-	-	-	-	-	-
Capital and special appropriations	-	-	-	-	-	-	-	-	-
<i>Total Expenditures</i>	<u>15,816</u>	<u>-</u>	<u>72,905</u>	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>-</u>	<u>415</u>	<u>1,288</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>-</u>	<u>500</u>	<u>-</u>	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>2,500</u>	<u>-</u>	<u>1,952</u>
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>500</u>	<u>-</u>	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>2,500</u>	<u>-</u>	<u>1,952</u>
Fund balance, beginning of year	<u>-</u>	<u>399</u>	<u>-</u>	<u>1,020</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ 899</u>	<u>\$ -</u>	<u>\$ 3,020</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,500</u>	<u>\$ -</u>	<u>\$ 1,952</u>

(continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

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

YEAR ENDED JUNE 30, 2018

	SPECIAL REVENUE FUNDS									
	Classes 4	Instructor Setaside	NK Community Chorus	RI Learning Champions	German American Partnership	We Make RI	English Learner Categorical Aid	AASA Food Service Donation	Sexual Health Mini Grant	Grand Totals
Revenues:										
Interest and investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	1,803	-	-	2,824	-	5,906	15,997,644
Departmental	-	-	-	-	-	-	-	-	-	-
On behalf pension contribution	-	-	-	-	-	-	-	-	-	3,029,109
Other	-	-	400	-	1,045	6,000	-	-	-	124,933
<i>Total Revenues</i>	-	-	400	1,803	1,045	6,000	2,824	-	5,906	19,151,686
Expenditures:										
General government	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-	-	-
Per trust agreements	-	-	-	-	-	-	-	-	-	-
Education	178	-	-	1,803	-	6,000	2,824	-	5,906	65,799,079
Public libraries	-	-	-	-	-	-	-	-	-	-
Senior services	-	-	-	-	-	-	-	-	-	-
On behalf pension contribution	-	-	-	-	-	-	-	-	-	3,029,109
Capital and special appropriations	-	-	-	-	-	-	-	-	-	14,612
<i>Total Expenditures</i>	178	-	-	1,803	-	6,000	2,824	-	5,906	68,842,800
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	(178)	-	400	-	1,045	-	-	-	-	(49,691,114)
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	-	-	-	50,221,194
Transfers out	-	-	-	-	-	-	-	-	-	(1,030,563)
<i>Total other financing sources (uses)</i>	-	-	-	-	-	-	-	-	-	49,190,631
Excess (deficiency) of revenues over expenditures	(178)	-	400	-	1,045	-	-	-	-	(500,483)
Fund balance, beginning of year	178	-	-	-	-	-	-	4,933	-	2,565,845
Fund balance, end of year	\$ -	\$ -	\$ 400	\$ -	\$ 1,045	\$ -	\$ -	\$ 4,933	\$ -	\$ 2,065,362

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NONMAJOR ENTERPRISE FUNDS

JUNE 30, 2018

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

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

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

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

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

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

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NONMAJOR ENTERPRISE FUNDS

COMBINING STATEMENT OF NET POSITION

JUNE 30, 2018

	Quonset/ Davisville Reserve	NKSD Adult Education	Athletic Gate Receipts	School Sport Camps	After School Novanet	School Nutrition Fund	Total
ASSETS:							
Current assets:							
Cash and cash equivalents	\$ 40,725	\$ 5,132	\$ 18,521	\$ 38,133	\$ 15,832	\$ 201,777	\$ 320,120
Prepays	-	-	-	-	-	625	625
Other receivables	-	-	300	-	-	51,147	51,447
Inventory	-	-	-	-	-	14,733	14,733
Due from other funds	-	450	-	-	-	14,300	14,750
Total current assets	40,725	5,582	18,821	38,133	15,832	282,582	401,675
Capital assets not being depreciated	-	-	-	-	-	-	-
Capital assets being depreciated, net	-	-	-	-	-	282	282
Total assets	<u>\$ 40,725</u>	<u>\$ 5,582</u>	<u>\$ 18,821</u>	<u>\$ 38,133</u>	<u>\$ 15,832</u>	<u>\$ 282,864</u>	<u>\$ 401,957</u>
LIABILITIES:							
Current liabilities:							
Accounts payable and accrued expense	\$ -	\$ 125	\$ 2,083	\$ 9,741	\$ -	\$ 37,325	\$ 49,274
Unearned revenue	-	-	-	5,380	-	-	5,380
Due to other funds	-	-	-	-	-	-	-
Note payable	-	-	-	-	-	-	-
Total current liabilities	-	125	2,083	15,121	-	37,325	54,654
Note payable, less current portion	-	-	-	-	-	-	-
Total Liabilities	-	125	2,083	15,121	-	37,325	54,654
NET POSITION:							
Net investment in capital assets						282	282
Unrestricted	40,725	5,457	16,738	23,012	15,832	245,257	347,021
Total net position	40,725	5,457	16,738	23,012	15,832	245,539	347,303
<i>Total liabilities and net position</i>	<u>\$ 40,725</u>	<u>\$ 5,582</u>	<u>\$ 18,821</u>	<u>\$ 38,133</u>	<u>\$ 15,832</u>	<u>\$ 282,864</u>	<u>\$ 401,957</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NONMAJOR ENTERPRISE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEAR ENDED JUNE 30, 2018

	Quonset/ Davisville Reserve	NKSD Adult Education	Athletic Gate Receipts	School Sport Camps	After School Novanet	School Nutrition Fund	Total
Operating revenues:							
Charges for services	\$ -	\$ 36,777	\$ 38,660	\$ 63,760	\$ -	\$ 450,424	\$ 589,621
Grants	-	-	-	-	-	430,642	430,642
<i>Total operating revenues</i>	-	36,777	38,660	63,760	-	881,066	1,020,263
Operating expenses	-	31,320	33,885	74,957	2,000	956,706	1,098,868
<i>Operating income (loss)</i>	-	5,457	4,775	(11,197)	(2,000)	(75,640)	(78,605)
Non-operating revenues (expenses):							
Investment income	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-
<i>Total non-operating revenues (expenses)</i>	-	-	-	-	-	-	-
<i>Income (loss) before transfers</i>	-	5,457	4,775	(11,197)	(2,000)	(75,640)	(78,605)
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<i>Total transfers</i>	-	-	-	-	-	-	-
Change in net position	-	5,457	4,775	(11,197)	(2,000)	(75,640)	(78,605)
Net position, beginning of year	40,725	-	11,963	34,209	17,832	321,179	425,908
Net position, end of year	\$ 40,725	\$ 5,457	\$ 16,738	\$ 23,012	\$ 15,832	\$ 245,539	\$ 347,303

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NONMAJOR ENTERPRISE FUNDS

COMBINING STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2018

	Quonset/ Davisville Reserve	NKSD Adult Education	Athletic Gate Receipts	School Sport Camps	After School Novanet	School Nutrition Fund	Total
Cash flows from operating activities:							
Cash received from customers	\$ -	\$ 36,327	\$ 38,660	\$ 66,185	\$ -	\$ 448,192	\$ 589,364
Cash received from other sources	-	-	-	-	-	491,953	491,953
Cash payments to suppliers for goods and services	-	(31,195)	(30,691)	(17,807)	(2,000)	(237,373)	(319,066)
Cash payments to employees for services	-	-	(3,481)	(49,848)	-	(716,655)	(769,984)
<i>Net cash provided by (used in) operating activities</i>	-	5,132	4,488	(1,470)	(2,000)	(13,883)	(7,733)
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>	-	-	-	-	-	-	-
Cash flows from noncapital financing activities:							
Interfund borrowings	-	-	-	-	-	(4,447)	(4,447)
<i>Net cash provided by (used in) noncapital financing activities</i>	-	-	-	-	-	(4,447)	(4,447)
Cash flows from investing activities:							
Interest on investments	-	-	-	-	-	-	-
<i>Net cash provided by investing activities</i>	-	-	-	-	-	-	-
Net increase (decrease) in cash and cash equivalents	-	5,132	4,488	(1,470)	(2,000)	(18,330)	(12,180)
Cash and cash equivalents, beginning of year	40,725	-	14,033	39,603	17,832	220,107	332,300
Cash and cash equivalents, end of year	<u>\$ 40,725</u>	<u>\$ 5,132</u>	<u>\$ 18,521</u>	<u>\$ 38,133</u>	<u>\$ 15,832</u>	<u>\$ 201,777</u>	<u>\$ 320,120</u>
<i>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</i>							
Operating income (loss)	\$ -	\$ 5,457	\$ 4,775	\$ (11,197)	\$ (2,000)	\$ (75,640)	\$ (78,605)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation	-	-	-	-	-	282	282
(Increase) decrease in other receivable	-	-	-	-	-	59,079	59,079
(Increase) decrease in inventory	-	-	-	-	-	-	-
(Increase) decrease in prepaids	-	-	-	-	-	(625)	(625)
Increase (decrease) in unearned revenue	-	(450)	-	2,425	-	-	1,975
Increase (decrease) in accounts payable	-	125	(287)	7,302	-	3,021	10,161
<i>Net cash provided by (used in) operating activities</i>	<u>\$ -</u>	<u>\$ 5,132</u>	<u>\$ 4,488</u>	<u>\$ (1,470)</u>	<u>\$ (2,000)</u>	<u>\$ (13,883)</u>	<u>\$ (7,733)</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

PRIVATE PURPOSE TRUST FUNDS

JUNE 30, 2018

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, 2018

	Burial Funds					
	Hall	Vaughn	Young	Rebecca Hammond	W.H. Welling	George C. Hall
<i>Assets</i>						
Cash	\$ 501	\$ 100	\$ 300	\$ 301	\$ 8,720	\$ 201
<i>Liabilities</i>						
Accounts payable	-	-	-	-	-	-
<i>Net Position</i>						
Held in trust for private purposes per trust agreements	<u>\$ 501</u>	<u>\$ 100</u>	<u>\$ 300</u>	<u>\$ 301</u>	<u>\$ 8,720</u>	<u>\$ 201</u>

(CONTINUED)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

COMBINING STATEMENT OF NET POSITION

PRIVATE PURPOSE TRUST FUNDS

JUNE 30, 2018

	Burial Funds						Burial Totals
	B.H. Davis	Updike	Mary Carpenter	Smith- Lawton	Old Baptist Cemetery	Smith	
Assets							
Cash	\$ 501	\$ 1,590	\$ 1,003	\$ 5,616	\$ 702	\$ 1,003	\$ 20,538
Liabilities							
Accounts payable	-	-	-	-	-	-	-
Net Position							
Held in trust for private purposes per trust agreements	<u>\$ 501</u>	<u>\$ 1,590</u>	<u>\$ 1,003</u>	<u>\$ 5,616</u>	<u>\$ 702</u>	<u>\$ 1,003</u>	<u>\$ 20,538</u>

(CONTINUED)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

COMBINING STATEMENT OF NET POSITION

PRIVATE PURPOSE TRUST FUNDS

JUNE 30, 2018

	Probate Funds					
	Beriah Lawton	James L. R. Weeks	Marguerite R. Cogan	Delphis R. Jones	J. Oliveira	Doris Horowitz
<i>Assets</i>						
Cash	\$ 8,352	\$ 2,642	\$ 613	\$ 232	\$ 5,774	\$ 968
<i>Liabilities</i>						
Accounts payable	-	-	-	-	-	-
<i>Net Position</i>						
Held in trust for private purposes per trust agreements	<u>\$ 8,352</u>	<u>\$ 2,642</u>	<u>\$ 613</u>	<u>\$ 232</u>	<u>\$ 5,774</u>	<u>\$ 968</u>

(CONTINUED)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

COMBINING STATEMENT OF NET POSITION

PRIVATE PURPOSE TRUST FUNDS

JUNE 30, 2018

	Probate Funds				Grand Totals
	Lillian Mattia	Arthur Tarchis	Georgia Andrews	Probate Totals	
Assets					
Cash	\$ 4	\$ 4	\$ 948	\$ 19,537	\$ 40,075
Liabilities					
Accounts payable	-	-	-	-	-
Net Position					
Held in trust for private purposes per trust agreements	<u>\$ 4</u>	<u>\$ 4</u>	<u>\$ 948</u>	<u>\$ 19,537</u>	<u>\$ 40,075</u>

(CONCLUDED)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND
 COMBINING STATEMENT OF CHANGES IN NET POSITION
 PRIVATE PURPOSE TRUST FUNDS
 YEAR ENDED JUNE 30, 2018

	Burial Funds					
	Hall	Vaughn	Young	Rebecca Hammond	W.H. Welling	George C. Hall
Additions:						
Investment income (loss)	\$ -	\$ -	\$ -	\$ 1	\$ 17	\$ 1
	-	-	-	1	17	1
Deductions:						
Operating expense per trust agreement	-	-	-	-	-	-
	-	-	-	-	-	-
Change in net position	-	-	-	1	17	1
Net position, beginning of year	501	100	300	300	8,703	200
Net position, end of year	\$ 501	\$ 100	\$ 300	\$ 301	\$ 8,720	\$ 201

(CONTINUED)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND
 COMBINING STATEMENT OF CHANGES IN NET POSITION
 PRIVATE PURPOSE TRUST FUNDS
 YEAR ENDED JUNE 30, 2018

	Burial Funds						
	B.H. Davis	Updike	Mary Carpenter	Smith- Lawton	Old Baptist Cemetery	Smith	Burial Totals
Additions:							
Investment income	\$ -	\$ 3	\$ 2	\$ 10	\$ 1	\$ 2	\$ 37
	<u>-</u>	<u>3</u>	<u>2</u>	<u>10</u>	<u>1</u>	<u>2</u>	<u>37</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	-	3	2	10	1	2	37
Net position, beginning of year	<u>501</u>	<u>1,587</u>	<u>1,001</u>	<u>5,606</u>	<u>701</u>	<u>1,001</u>	<u>20,501</u>
Net position, end of year	<u>\$ 501</u>	<u>\$ 1,590</u>	<u>\$ 1,003</u>	<u>\$ 5,616</u>	<u>\$ 702</u>	<u>\$ 1,003</u>	<u>\$ 20,538</u>

(CONTINUED)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND
 COMBINING STATEMENT OF CHANGES IN NET POSITION
 PRIVATE PURPOSE TRUST FUNDS
 YEAR ENDED JUNE 30, 2018

	Probate Funds					
	Beriah Lawton	James L. R. Weeks	Marguerite R. Cogan	Delphis R. Jones	J. Oliviera	Doris Horowitz
Additions:						
Investment income	\$ 17	\$ -	\$ -	\$ -	\$ -	\$ -
	<u>17</u>	<u>-</u>	<u>-</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>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	17	-	-	-	-	-
Net position, beginning of year	<u>8,335</u>	<u>2,642</u>	<u>613</u>	<u>232</u>	<u>5,774</u>	<u>968</u>
Net position, end of year	<u>\$ 8,352</u>	<u>\$ 2,642</u>	<u>\$ 613</u>	<u>\$ 232</u>	<u>\$ 5,774</u>	<u>\$ 968</u>

(CONTINUED)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND
 COMBINING STATEMENT OF CHANGES IN NET POSITION
 PRIVATE PURPOSE TRUST FUNDS
 YEAR ENDED JUNE 30, 2018

	Probate Funds				Grand Totals
	Lillian Mattia	Arthur Tarchis	Georgia Andrews	Probate Totals	
Additions:					
Investment income	\$ -	\$ -	\$ -	\$ 17	\$ 54
	-	-	-	17	54
Deductions:					
Operating expense per trust agreement	-	-	-	-	-
	-	-	-	-	-
Change in net position	-	-	-	17	54
Net position, beginning of year	4	4	948	19,520	40,021
Net position, end of year	\$ 4	\$ 4	\$ 948	\$ 19,537	\$ 40,075

(CONCLUDED)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

AGENCY FUNDS

JUNE 30, 2018

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.

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

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

YEAR ENDED JUNE 30, 2018

	Beginning Balance	Additions	Deductions	Ending Balance
<u>STUDENT ACTIVITY FUNDS</u>				
<i>Assets</i>				
Cash	\$ 265,126	\$ 895,296	\$ 850,457	\$ 309,965
<i>Liabilities</i>				
Due to student groups	\$ 265,126	\$ 895,296	\$ 850,457	\$ 309,965
 <u>DEVELOPER SURETY ESCROW</u>				
<i>Assets</i>				
Cash	\$ 22,599	\$ 120	\$ 240	\$ 22,479
<i>Liabilities</i>				
Deposits held in custody for others	\$ 22,599	\$ 120	\$ 240	\$ 22,479
 <u>TOTAL - ALL AGENCY FUNDS</u>				
<i>Assets</i>				
Cash	\$ 287,725	\$ 895,416	\$ 850,697	\$ 332,444
<i>Liabilities</i>				
Due to student groups	\$ 265,126	\$ 895,296	\$ 850,457	\$ 309,965
Deposits held in custody for others	22,599	120	240	22,479
<i>Total liabilities</i>	\$ 287,725	\$ 895,416	\$ 850,697	\$ 332,444