

**TOWN OF NORTH KINGSTOWN,
RHODE ISLAND**

BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2015



TOWN OF NORTH KINGSTOWN, RHODE ISLAND

YEAR ENDED JUNE 30, 2015

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YEAR ENDED JUNE 30, 2015

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Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of North Kingstown, Rhode Island (the Town) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

Independent Auditors' Report (Continued)

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

Auditors' Responsibility (Continued):

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town as of June 30, 2015, 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, 2015, the Town adopted new accounting guidance affecting the accounting for pensions. Due to the adoption of this guidance, the Town restated its 2015 opening net position, resulting in a decrease in net position of \$77,480,703 at July 1, 2014. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis presented on pages 4 through 13, and budgetary comparison schedules and historical pension and other postemployment benefit information on pages 74 through 84 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Independent Auditors' Report (Continued)

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

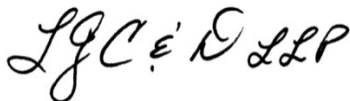
Other Matters (Continued)

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The other supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Town. Such information is the responsibility of management and was derived from and 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 January 19, 2016 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Town's internal control over financial reporting and compliance.



Providence, Rhode Island
January 19, 2016

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

Introduction:

Management's Discussion and Analysis provides a narrative overview and analysis of the financial activities of the Town of North Kingstown (Town) for the year ended June 30, 2015 with comparison to the prior year, where appropriate. The information complements the data presented in the basic financial statements and is intended to enhance the reader's understanding of the Town's financial performance.

Financial Highlights:

- The Statement of Net Position is presented on a full accrual basis similar to a private business, similar to a consolidated financial report of a \$100 million dollar company.
- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$112,197 (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 decreased by \$1,142,520.
- As of the close of the current fiscal year, the Town of North Kingstown's total governmental funds reported combined ending fund balances of \$21.1 million. Approximately 33% of this total, \$7 million, is available for spending at the Town's discretion (unassigned).
- At the end of the current fiscal year, the total fund balance of the General Fund was \$12.2 million. Of this amount, the unassigned fund balance for the General Fund was \$8.2 million, which is available for spending at the Town's discretion. The remaining balance consisted of \$571,325 non-spendable to help finance the golf course's irrigation project, \$380,183 assigned for encumbrances and \$3 million assigned to fund retiree obligations.
- The Town's remaining fund balance of \$8.9 million is classified as follows: \$2.4 million – School Department, principally assigned for education and encumbrances, but also grant-restricted and restricted for a certain health insurance deposit; \$96,000- Debt Service Fund assigned; \$6.4 million – Other Governmental Funds, including \$1.9 million assigned for Town Capital Reserve funds and Infrastructure Replacement, \$3.4 million, principally grant-restricted, but also restricted for Capital Projects such as GO Bonds, Revenue Bonds, and Open Space/Farmland, and \$97,887 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 \$9,806,027 (-7%) during the current fiscal year.
- For the fiscal year ended June 30, 2015, the Town adopted the provisions of Statement No. 68 of the Governmental Accounting Standards Board (GASB), *Accounting and Financial Reporting for Pensions* (GASB 68). GASB 68 requires the net pension liability to be measured and reported as the total pension liability less the amount of the pension plan's fiduciary net position. In addition, GASB 68 establishes standards for measuring and recognizing liabilities, deferred outflows of resources and deferred inflows of resources and expenses. Due to the adoption of GASB 68, the Town has restated its 2015 opening net position, resulting in a decrease in net position of \$77,480,703 at July 1, 2014. The decrease in beginning net position resulted from a \$6,531,192 increase in deferred outflows of resources and an \$84,011,895 net increase in noncurrent liabilities. The adoption of GASB 68 decreased the net position for the fiscal year ended June 30, 2015 by \$7,843,990 due to pension expense.

Overview of the Financial Statements:

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

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

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

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

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

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

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

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

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

The Town of North Kingstown maintains 75 individual nonmajor governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, School Department (unrestricted and special revenue funds), \$6.4M School Renovation Bond and Debt Service Fund, all of which are considered to be major funds, and Other Governmental Funds. Forty-nine special revenue funds, a Debt Service Fund, Capital Projects Funds and several Permanent Funds are combined into aggregate funds in this presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

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

Fiduciary Funds: Fiduciary funds are used to account for resources held for the parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town of North Kingstown's own programs. The Town maintains two types of fiduciary funds: Police Pension Trust and Private Purpose Trust Funds, of which the Town holds 22 separate accounts. The basic fiduciary fund financial statements can be found on pages 23-24 of this report.

Notes to the Financial Statements: The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found on pages 25-73 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 74-84 of this report. The Combining Statements referred to earlier in connection with nonmajor Governmental Funds are presented following the Notes to the Financial Statements. Combining and Individual Fund Statements can be found starting on page 93 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
	2015	2014	2015	2014	2015	2014	
		Restated		Restated		Restated	
Current and other assets	\$ 29,921,426	\$ 30,662,674	\$ 9,030,282	\$ 7,347,666	\$ 38,951,708	\$ 38,010,340	
Capital assets	98,682,391	99,542,428	17,459,574	15,523,215	116,141,965	115,065,643	
Total assets	<u>\$ 128,603,817</u>	<u>\$ 130,205,102</u>	<u>\$ 26,489,856</u>	<u>\$ 22,870,881</u>	<u>\$ 155,093,673</u>	<u>\$ 153,075,983</u>	1.32%
Deferred outflows of resources	\$ 8,160,484	\$ 7,364,516	\$ 368,035	\$ 326,560	\$ 8,528,519	\$ 7,691,076	10.89%
Current liabilities	\$ 11,184,559	\$ 9,319,385	\$ 2,163,705	\$ 1,106,435	\$ 13,348,264	\$ 10,425,820	
Long-term liabilities	123,497,943	135,169,144	16,180,449	13,917,378	139,678,392	149,086,522	
Total liabilities	<u>\$ 134,682,502</u>	<u>\$ 144,488,529</u>	<u>\$ 18,344,154</u>	<u>\$ 15,023,813</u>	<u>\$ 153,026,656</u>	<u>\$ 159,512,342</u>	-4.07%
Deferred inflows of resources	\$ 9,965,547	\$ -	\$ 517,792	\$ -	\$ 10,483,339	\$ -	100.00%
Net position:							
Net investment in capital assets	\$ 55,901,918	\$ 53,884,433	\$ 7,449,075	\$ 12,159,816	\$ 63,350,993	\$ 66,044,249	
Restricted	2,520,253	2,585,887	280,565	280,565	2,800,818	2,866,452	
Unrestricted	(66,305,919)	(63,389,231)	266,305	(4,266,753)	(66,039,614)	(67,655,984)	
Total net position	<u>\$ (7,883,748)</u>	<u>\$ (6,918,911)</u>	<u>\$ 7,995,945</u>	<u>\$ 8,173,628</u>	<u>\$ 112,197</u>	<u>\$ 1,254,717</u>	-91.06%

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

The unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors; the Town currently has a deficit balance of \$66 million which is directly a result of the implementation of GASB 68. The restricted net position of \$2.8 million is subject to external restrictions on how it may be used.

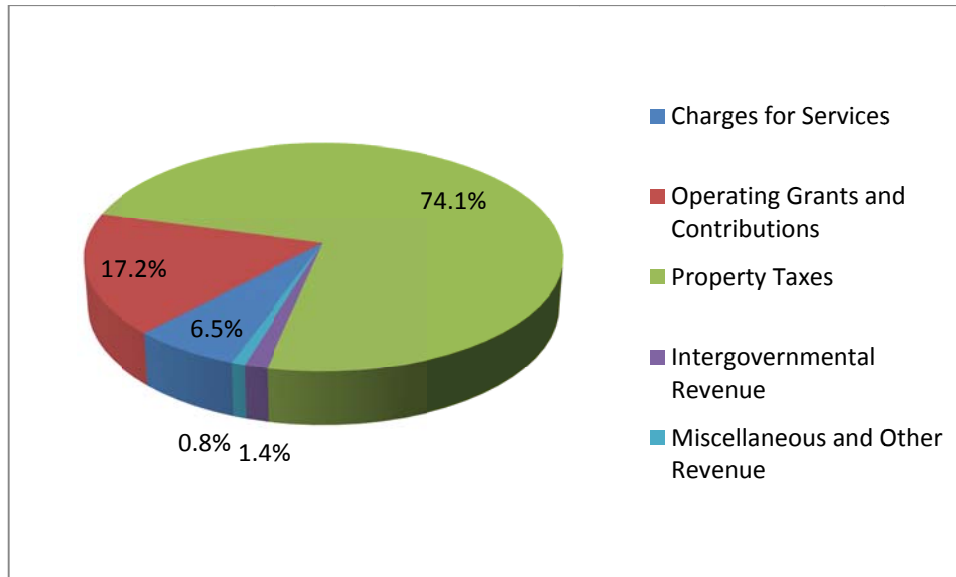
At June 30, 2015, the Town of North Kingstown is able to report positive balances in all three categories of net assets in the business-type activities. The Quonset/Davisville Recreation Fund, a business-type activity, reported a year-end deficit of \$911,222 due to the implementation of GASB 68. The Sewer Fund, a business-type activity, reported a year-end deficit of \$3.6 million, due to engineering, design and construction costs associated with Post Road Phase 2. Phase 1 will be fully operational in FY 2016, assessment and usage fees will be billed accordingly.

Table 2 – Changes in Net Position

	Governmental Activities		Business-Type Activities		Total		Change
	2015	2014 Restated	2015	2014 Restated	2015	2014 Restated	% Change
Revenues							
Charges for Services	\$ 6,453,683	\$ 6,348,127	\$ 6,067,610	\$ 6,279,489	\$ 12,521,293	\$ 12,627,616	
Operating Grants and	17,170,214	17,793,124	452,788	453,278	17,623,002	18,246,402	
General Revenues	76,084,327	76,936,427	3,361	14,361	76,087,688	76,950,788	
Transfers		(2,750)	-	2,750	-	-	
Total Revenues and Transfers	\$ 99,708,224	\$ 101,074,928	\$ 6,523,759	\$ 6,749,878	\$ 106,231,983	\$ 107,824,806	-1.48%
Program Expenses and Transfers							
Program Expenses	\$ 100,673,061	\$ 99,218,465	\$ 6,701,442	\$ 6,502,923	\$ 107,374,503	\$ 105,721,388	
Transfers	-	-	-	-	-	-	
Total Expenses and Transfers	\$ 100,673,061	\$ 99,218,465	\$ 6,701,442	\$ 6,502,923	\$ 107,374,503	\$ 105,721,388	1.56%
Increase (Decrease) in							
Net Position	\$ (964,837)	\$ 1,856,463	\$ (177,683)	\$ 246,955	\$ (1,142,520)	\$ 2,103,418	154.32%
Net Position - beginning	(6,918,911)	(8,775,374)	8,173,628	7,926,673	1,254,717	(848,701)	
Net Position - ending	\$ (7,883,748)	\$ (6,918,911)	\$ 7,995,945	\$ 8,173,628	\$ 112,197	\$ 1,254,717	

Governmental Activities. Property taxes are the largest revenue source for governmental activities, accounting for approximately 74.1% of total revenues. Operating grants and contributions contributed to 17.2% of the revenues followed by 6.5% from program revenues such as charges for services, fees, and licenses; the remaining 2% is unrestricted revenues (i.e., intergovernmental and investment earnings).

FY 2015 Governmental Activities - Revenues



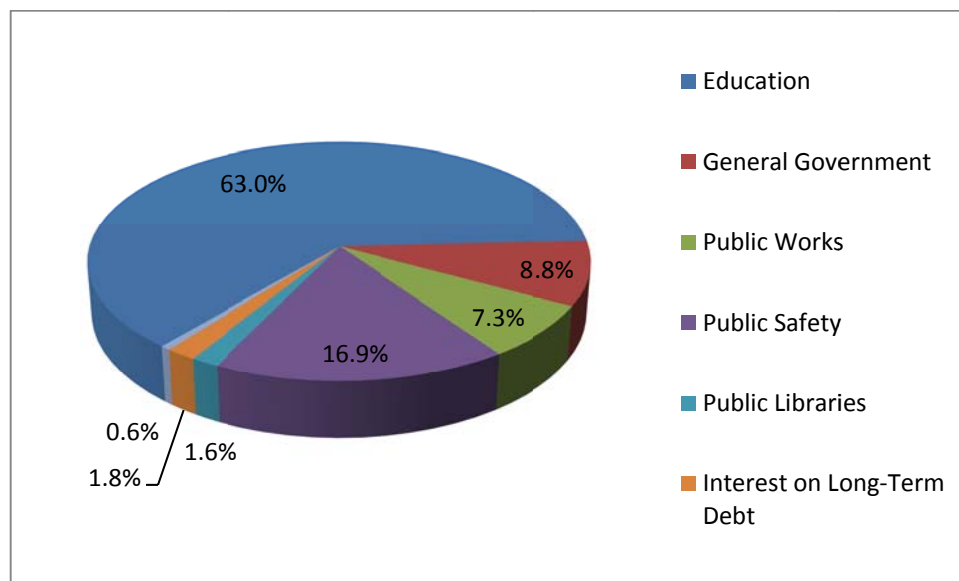
Major revenue factors over the prior year included:

- Property taxes being levied resulted in an increase of \$1,632,952, or 2.3%, for fiscal year 2015. The Town's taxable property increased by \$66,081,288 from \$3,689,257,472 to \$3,755,338,760. This represents a 2% increase in taxable property. Due to a stable housing market, the property tax rate increased slightly from \$18.80 to \$18.91 per thousand dollars of assessed value to provide the same level of services the taxpayers have come to appreciate.
- Operating grants and contributions decreased by approximately \$622,000. Housing Aid entitlements decreased by approximately \$265,000. Additionally, the prior year included a onetime grant of approximately \$521,000 for public safety equipment, which was partially offset in the current year by other various onetime grants.
- Miscellaneous and other revenue decreased by approximately \$1 million. The prior year included distributions of approximately \$800,000 from the RI Interlocal Trust; such distributions are not reoccurring in nature.

**Table 3
Cost of Services**

	Total Cost of Services			Net Cost of Services		
	2015	2014	% Change	2015	2014	% Change
Education	\$ 63,437,782	\$ 63,685,372	-0.4%	\$ 45,358,349	\$ 45,749,726	-0.9%
General Government	8,845,848	9,061,255	-2.4%	5,605,425	5,652,859	-0.8%
Public Works	7,349,670	6,535,343	12.5%	6,810,717	6,022,888	13.1%
Public Safety	16,976,794	15,787,288	7.5%	15,605,913	13,871,928	12.5%
Public Libraries	1,621,713	1,579,174	2.7%	1,287,943	1,270,146	1.4%
Interest on Long-Term Debt	1,770,593	2,024,795	-12.6%	1,770,593	2,024,795	-12.6%
Other	670,661	545,238	23.0%	610,224	484,872	25.9%
Total Expenses	\$ 100,673,061	\$ 99,218,465	1.5%	\$ 77,049,164	\$ 75,077,214	2.6%

FY 2015 Governmental Activities – Expenditures



Education expenses account for approximately 63% of the total expenses within the governmental funds of the Town. Public safety and public works expenses account for 16.9% and 7.3%, respectively, general government makes up 8.8% and the remainder relates to public libraries, interest on long-term debt, pension contribution commitments and other areas. The net cost of services increased by 2.6% primarily as a result of a general increase in operating costs.

Cost of Services in Table 3, above, shows the total cost and the net cost of services. The net cost identifies the cost of these services supported by tax revenue and unrestricted state aid after deducting departmental revenues. Spending for Education, General Government and Interest on long-term debt decreased while spending for Public Safety, Public Works, public libraries, and other increased.

Major expenditure factors over the prior year included:

- GASB No. 45 – Recognizes the accrual of net OPEB obligations in the government-wide statement of net position. This accrual is recognized within general government expenditures (Note 10, page 67). This liability has increased from \$9,917,407 to \$11,238,611, or \$1,321,404. At June 30, 2015, \$10,606,597 of the OPEB liability is recorded in the governmental activities with the remaining \$632,014 recorded in the business-type activities.
- In both 2015 and 2014, General Government and Public Safety costs included legal costs incurred with fire arbitration and other personnel related matters. The extremely harsh winter in FY 2015 resulted in increased costs in Public Works.

Business-type activities. Net position of business-type activities decreased by \$177,683, which is a 2% decrease in business-type net position.

Charges for services for business-type activities accounted for 93% of the total revenue sources. The balance of revenues for business-type activities was from operating grants and contributions. Of total revenue coming into the business-type activities, 58% is being generated by the water fund, 26% from the recreation fund, and the remaining from the sewer fund, school cafeteria fund and other nonmajor enterprise funds.

Charges for services for business-type activities decreased from \$6,279,489 to \$6,067,610, or 3%. The Water Department Fund reported a decrease of approximately \$394,000 due primarily to a decrease in usage and service. Quonset/Davisville Recreation and Allen Harbor Annual Charges reported an increase of approximately \$182,000, a result of increase in activity at the golf course. Further, a \$35,000 decrease in the revenue being reported in the Nutrition Fund is attributed to student lunch income, food service sales, private catering and federal reimbursements. Unrestricted investment earnings decreased from \$14,361 to \$3,361 for all business-type activities.

The water fund expenses accounted for 48% of the expenditures within the business-type activities of the Town. Quonset/Davisville Recreation accounted for 30% of the business-type activities expenditures for the 2015 fiscal year. Further, included in the Nonmajor Enterprise funds, the Nutrition Fund accounted for 12% of the business-type activities expenditures for the 2015 fiscal year.

Expenses associated with the Water Fund increased by approximately \$50,000. The Quonset/Davisville Recreation Fund expenses decreased by approximately \$63,000. Expenses associated with the Sewer Fund increased by approximately \$258,000 due to the wastewater service agreement (Quonset Development Corporation Annual Capacity Price Purchase) and increased costs associated with expanding service area.

Financial Analysis of the Government's Funds:

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

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

As of the end of the current fiscal year, the Town of North Kingstown's governmental funds reported combined ending fund balances of \$21.1 million. Approximately 39% of this amount, \$8,215,662, constitutes unassigned fund balance which is available for spending at the government's discretion within the Town's General Fund. The remaining fund balances remain classified for specific purposes such as: General Fund nonspendable of \$571,325 for the Golf Course Irrigation Project, assigned of \$380,183 for encumbrances, and \$3 million assigned to fund retiree obligations; School Department Fund assigned for education of \$2.2 million, grant-restricted for \$122,574; \$6.4 million school renovation bond restricted of \$81,234 for Capital Projects, Debt Service Fund assigned of \$96,406, and Other Governmental Funds assigned of \$1.9 million for Town Capital Reserve funds and Infrastructure Replacement, restricted of \$3.1 million, principally grant-restricted, but also restricted for Capital Projects such as GO Bonds, Revenue Bonds, and Open Space/Farmland, and \$97,887 for Permanent Funds.

General Fund. The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$8,215,662, which is included in the total fund balance of \$12,174,726. 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 33% of the 2016 Adopted General fund Expenditure Budget.

The total fund balance of the Town of North Kingstown's General Fund decreased by \$397,379 during the current fiscal year. Key factors in the total fund balance decrease are as follows:

- Legal costs associated with Fire Department litigation and subsequent post-judgment associated costs
- Unbudgeted administrative costs associated with responding to unanticipated events impacting Financing Reporting (Annual Audit)

School Department. The school fund has a total fund balance of \$2,362,577, of which \$2,240,770 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 \$1,490,917 during the current fiscal year. Key factors in the total fund balance decrease are as follows:

- Renovation of Davisville Elementary School into Davisville Academy
- Upgrades to North Kingstown High School heating and ventilation system

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 \$11,139,528, an increase of \$532,379 from the prior year. Long-term debt of \$3.1 million is a liability within the Water Fund and was issued to pay for projects that were approved by 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 \$277,823, from \$(633,399) to \$(911,222).

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

	Selected Proprietary Funds - Net Position			
	June 30, 2015	June 30, 2014	\$ Change	% Change
Water Fund	\$ 11,139,528	\$ 10,607,149	\$ 532,379	5.0%
Quonset/Davisville Recreation Fund	(911,222)	(633,399)	(277,823)	43.9%
Water Capital Reserve Fund	1,139,321	1,136,467	2,854	0.3%
Sewer Fund	(3,604,725)	(3,073,178)	(531,547)	17.3%
Nutrition Fund (non-major)	144,258	49,745	94,513	N/A
Total	\$ 7,907,160	\$ 8,086,784	\$ (179,624)	-2.2%

General Fund Budgetary Highlights

The Town finished the 2014-2015 fiscal year with budgetary surpluses (deficits) as follows:

- General Fund – \$0
- School Department Fund - \$(1,553,654)
- Library Fund - \$33,847
- Debt Service - \$(1,038,923)

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

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

Capital Asset and Debt Administration:

Capital Assets – The Town of North Kingstown's investment in capital assets for its governmental and business-type activities as of June 30, 2015 amounts to \$115,861,400 (net of accumulated depreciation). This investment in capital assets includes investments in development rights, land and building improvements, machinery and equipment, park facilities, infrastructure and construction in progress. The total gross increase in the Town's investment in governmental activities capital assets for the current fiscal year was \$4,081,126.

	Governmental Activities	
	Gross Capital Assets	
	June 30, 2015	June 30, 2014
Library Collections	\$ 3,633,986	\$ 3,633,986
Land	6,957,567	6,875,441
Development Rights	17,558,412	17,558,412
Land Improvements	197,255	197,255
Buildings and Improvements	74,295,585	73,886,060
Equipment	16,526,700	15,136,212
Infrastructure	71,018,314	69,957,721
Construction in Progress	2,266,898	1,128,504
Total	\$ 192,454,717	\$ 188,373,591

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

- Regarding building and improvements: Fishing Cove Elementary boiler replacement, new public announcement system, and security system
- Regarding equipment: Vehicles for public safety, public works, and school department; computers for the school department
- Regarding infrastructure: a variety of construction projects were completed and capitalized, including the improvements to Featherbed Lane and Old Forge Dams and improvements to Sawmill Pond
- Regarding construction in progress: School Department (school renovations) and HVAC upgrades

At June 30, 2015, the Town is committed under various construction contracts for approximately \$2,664,000, primarily for school renovations and the Post Road South Waste Water Project Phase II.

Additional information on the Town of North Kingstown's capital assets can be found in Note 6 on pages 42-43 of this report.

Long-term Debt – At the end of the current fiscal year, the Town of North Kingstown's governmental activities had \$42,780,473 in bonds outstanding, compared to \$46,817,879 last year, a decrease of \$4,037,406. 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 \$24,510,000.

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, 2015, the Town had a legal debt limit of \$113,842,774, based on net assessed valuations as of December 31, 2014. As of June 30, 2015, the Town had no outstanding debt subject to the 3% Debt Limit. The Town's debt limit calculation is shown on page 44 of this report.

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

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

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

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

Additional information on the Town of North Kingstown's long-term debt can be found in Note 7 on pages 44-48 of this report.

Litigation:

In January 2015, the Rhode Island Supreme Court ruled that the Town had the right to restructure the fire department and create 24-hour work shifts. In September 2015, the Town and the collective bargaining unit covering the fire department employees of the Town entered into a new union contract that covers the period July 1, 2013 through June 30, 2016. As a result of the new union contract, the fire department employees are entitled to retroactive pay totaling \$732,483 for the period July 1, 2013 through June 30, 2015. The liability for the retroactive pay has been recorded in the Town's General Fund as of June 30, 2015.

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 2016 is 4.0%. This levy will allow the Town to raise an additional \$2.9M in new tax dollars.
- As of June 2015, the Town had an unemployment rate of 4.5% as compared to the State of Rhode Island's rate of 5.9% and the national average of 5.3%. The Town's largest employer, Electric Boat, continues to seek qualified new employees at its facility in North Kingstown.
- The State of Rhode Island continues to have significant budget deficit problems, which could result in a mid-year loss of state aid received by the Town and the School Department.

All of these factors will be considered as we plan for our 2016 budget.

The fiscal year 2015 rate of collection of current taxes was 97.4%. It is anticipated that the fiscal year 2016 rate of collection will fall within the budget which was approved as we were finalizing the budget to take into consideration the local and state economy conditions. With an overwhelming reliance on property taxes (approximately 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, Town Hall, 80 Boston Neck Road, North Kingstown, RI 02852.

STATEMENT OF NET POSITION

JUNE 30, 2015

	Primary Government		Component Unit
	Governmental Activities	Business-type Activities	North Kingstown Free Library
ASSETS:			
<i>Current Assets</i>			
Cash and cash equivalents	\$ 15,166,873	\$ 9,327,493	\$ 24,494,366
Taxes receivable, net	2,379,223		2,379,223
User charges receivable		1,042,626	1,042,626
Other receivables	1,552,983	265,278	1,818,261
Internal balances	1,944,526	(1,944,526)	-
Inventory		339,411	339,411
Due from federal and state governments	8,877,821	-	8,877,821
Beneficial interest in assets held by others			312,947
<i>Total Current Assets</i>	<u>29,921,426</u>	<u>9,030,282</u>	<u>38,951,708</u>
<i>Noncurrent Assets</i>			
Cash on deposit with Rhode Island Clean Water Finance Agency		280,565	280,565
Capital assets:			
Not being depreciated	30,416,863	3,493,437	33,910,300
Being depreciated, net	68,265,528	13,685,572	81,951,100
<i>Total Noncurrent Assets</i>	<u>98,682,391</u>	<u>17,459,574</u>	<u>116,141,965</u>
Total assets	<u>128,603,817</u>	<u>26,489,856</u>	<u>155,093,673</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred loss on bond refunding, net	1,040,340		1,040,340
Pensions	7,120,144	368,035	7,488,179
Total deferred outflows of resources	<u>8,160,484</u>	<u>368,035</u>	<u>8,528,519</u>
LIABILITIES:			
<i>Current Liabilities</i>			
Accounts payable and accrued liabilities	4,846,049	996,852	5,842,901
Compensated absences payable	1,032,319	126,062	1,158,381
Serial bonds payable	3,968,800	680,807	4,649,607
Unearned revenue	555,478	329,238	884,716
Other liabilities	1,298	30,746	32,044
Escrow deposits	780,615		780,615
<i>Total Current Liabilities</i>	<u>11,184,559</u>	<u>2,163,705</u>	<u>13,348,264</u>
<i>Noncurrent Liabilities</i>			
Pollution remediation obligation	1,660,000	5,487	1,665,487
OPEB liability	10,606,597	632,014	11,238,611
Net pension liability	69,322,717	3,648,564	72,971,281
Serial bonds payable, less current portion	38,811,673	11,516,197	50,327,870
Compensated absences payable, less current portion	3,096,956	378,187	3,475,143
<i>Total Noncurrent Liabilities</i>	<u>123,497,943</u>	<u>16,180,449</u>	<u>139,678,392</u>
Total liabilities	<u>134,682,502</u>	<u>18,344,154</u>	<u>153,026,656</u>
Contingencies and commitments (Notes 11 and 13)			
DEFERRED INFLOWS OF RESOURCES,			
Pensions	9,965,547	517,792	10,483,339
NET POSITION:			
Net investment in capital assets	55,901,918	7,449,075	63,350,993
Restricted for:			
Capital projects funded with bond proceeds	2,422,366		2,422,366
Debt service		280,565	280,565
Library			387,821
Other purposes, expendable	97,887		97,887
Unrestricted	(66,305,919)	266,305	(66,039,614)
Total net position	<u>\$ (7,883,748)</u>	<u>\$ 7,995,945</u>	<u>\$ 112,197</u>
			<u>\$ 387,821</u>

See notes to basic financial statements.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

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STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2015

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	Primary Government		Total	
				Governmental Activities	Business-type Activities		
Governmental activities:							
General government	\$ 8,845,848	\$ 1,978,326	\$ 1,262,097	\$ (5,605,425)		\$ (5,605,425)	
Public safety	16,976,794	1,370,881	-	(15,605,913)		(15,605,913)	
Public works	7,349,670	538,953		(6,810,717)		(6,810,717)	
Education	63,437,782	2,476,681	15,602,752	(45,358,349)		(45,358,349)	
Public libraries	1,621,713	38,016	295,754	(1,287,943)		(1,287,943)	
Senior services	625,113	50,826	9,611	(564,676)		(564,676)	
Amortization	45,548			(45,548)		(45,548)	
Interest on long-term debt	1,770,593			(1,770,593)		(1,770,593)	
Total governmental activities	100,673,061	6,453,683	17,170,214	(77,049,164)		(77,049,164)	
Business-type activities:							
Water	3,219,850	3,752,229			\$ 532,379	532,379	
Quonset/Davisville Recreation	1,991,405	1,713,235			(278,170)	(278,170)	
Sewer	531,647	100			(531,547)	(531,547)	
Other business-type activities	958,540	602,046	452,788		96,294	96,294	
Total business-type activities	6,701,442	6,067,610	452,788		(181,044)	(181,044)	
Total	\$ 107,374,503	\$ 12,521,293	\$ 17,623,002	(77,049,164)	(181,044)	(77,230,208)	
Component Unit:							
North Kingstown Free Library	\$ 13,494	\$ -	\$ 27,897				\$ 14,403
<i>General revenues:</i>							
Property taxes				73,868,119		73,868,119	
Unrestricted investment earnings				12,524	3,361	15,885	
Unrestricted intergovernmental revenue				1,388,469		1,388,469	
Other				815,215		815,215	22,927
Total general revenues				76,084,327	3,361	76,087,688	22,927
Change in net position				(964,837)	(177,683)	(1,142,520)	37,330
Net position - beginning of year:							
As previously reported				66,687,757	12,047,663	78,735,420	350,491
Prior period adjustment (Note 1)				(73,606,668)	(3,874,035)	(77,480,703)	
As restated				(6,918,911)	8,173,628	1,254,717	350,491
Net position - end of year				\$ (7,883,748)	\$ 7,995,945	\$ 112,197	\$ 387,821

See notes to basic financial statements.

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2015

	General Fund	School Department	6.4M School Renovation Bond	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
<i>Assets</i>						
Cash and cash equivalents	\$ 2,617,966	\$ 2,893,942		\$ 96,406	\$ 8,458,869	\$ 14,067,183
Taxes receivable	2,379,223					2,379,223
Other receivables	484,708	914,584			153,691	1,552,983
Due from federal and state governments	18,615	753,603	\$ 6,465,000		1,640,603	8,877,821
Due from other funds	11,242,779	897,322			356,525	12,496,626
Advance to other fund	571,325					571,325
Total assets	\$ 17,314,616	\$ 5,459,451	\$ 6,465,000	\$ 96,406	\$ 10,609,688	\$ 39,945,161
<i>Liabilities, Deferred Inflows and Fund Balances</i>						
<i>Liabilities:</i>						
Accounts payable and accrued liabilities	\$ 1,820,731	\$ 1,867,149	\$ -	\$ -	\$ 697,501	\$ 4,385,381
Due to other funds	286,247	979,725	6,383,766		3,473,687	11,123,425
Due to other governments					1,298	1,298
Unearned revenue	220,705	250,000			84,773	555,478
Escrow deposits	780,615					780,615
Total liabilities	3,108,298	3,096,874	6,383,766	-	4,257,259	16,846,197
Deferred inflows (Note 1)	2,031,592					2,031,592
<i>Fund Balances:</i>						
Nonspendable	571,325					571,325
Restricted		122,574	81,234		3,241,165	3,444,973
Assigned	3,387,739	2,240,770		96,406	4,318,127	10,043,042
Unassigned	8,215,662	(767)			(1,206,863)	7,008,032
Total fund balances	12,174,726	2,362,577	81,234	96,406	6,352,429	21,067,372
Total liabilities, deferred inflows and fund balances	\$ 17,314,616	\$ 5,459,451	\$ 6,465,000	\$ 96,406	\$ 10,609,688	\$ 39,945,161

See notes to basic financial statements.

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

JUNE 30, 2015

<i>Total fund balance for governmental funds</i>		\$ 21,067,372
Assets used in governmental activities which are not financial resources and therefore are not reported in the funds:		
Capital assets, net		98,648,444
Some taxes and grants will be collected after year-end, but are not available soon enough to pay for the current period's expenditures; therefore, they are reported as unearned revenues in the funds.		2,031,592
Deferred outflows of resources:		
Pensions	7,120,144	
Deferred loss on advance refunding, net of accumulated amortization	<u>1,040,340</u>	8,160,484
Liabilities not due and payable in the current period which therefore are not reported in the funds:		
Bonds payable	\$ (41,985,660)	
Bond premiums, net of accumulated amortization	(794,813)	
Compensated absences payable	(4,129,275)	
Pollution remediation obligation	(1,660,000)	
OPEB liability	(10,606,597)	
Net pension liability	(69,322,717)	
Accrued interest	<u>(460,592)</u>	(128,959,654)
Deferred inflows of resources, pensions		(9,965,547)
Internal service funds are excluded from the governmental fund financial statements but are recorded as governmental activities on the government-wide financial statements		<u>1,133,561</u>
<i>Total net position of governmental activities</i>		<u><u>\$ (7,883,748)</u></u>

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2015

	General Fund	School Department	6.4M School Renovation Bond	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
<i>Revenues:</i>						
General property taxes	\$ 73,752,817					\$ 73,752,817
Intergovernmental	1,388,469	\$ 15,530,149	\$ -	\$ 774,776	\$ 2,440,082	20,133,476
Departmental	2,291,590	-			38,016	2,329,606
Investment income				1,904	8,262	10,166
On behalf pension contribution		2,549,284				2,549,284
Other	196,909	138,628			479,678	815,215
Total revenues	77,629,785	18,218,061	-	776,680	2,966,038	99,590,564
<i>Expenditures:</i>						
Current:						
General government	5,843,764				1,365,089	7,208,853
Public safety	15,362,345				6,393	15,368,738
Public works	4,512,269					4,512,269
Parks and recreation	25,152					25,152
Senior services	422,850				136,178	559,028
Education		59,879,940				59,879,940
Public libraries					1,481,601	1,481,601
On behalf pension contribution		2,549,284				2,549,284
Debt service:						
Principal				3,963,410		3,963,410
Interest and other costs				1,823,919		1,823,919
Capital:						
Capital expenditures	629,977	23,778	3,406		3,789,661	4,446,822
Total expenditures	26,796,357	62,453,002	3,406	5,787,329	6,778,922	101,819,016
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	50,833,428	(44,234,941)	(3,406)	(5,010,649)	(3,812,884)	(2,228,452)
Other financing sources (uses):						
Transfers in	10,700	45,950,666	-	3,971,726	5,551,622	55,484,714
Transfers out	(51,241,507)	(3,206,642)			(1,036,565)	(55,484,714)
Net other financing sources (uses)	(51,230,807)	42,744,024	-	3,971,726	4,515,057	-
Net change in fund balance	(397,379)	(1,490,917)	(3,406)	(1,038,923)	702,173	(2,228,452)
Fund balance, beginning of year	12,572,105	3,853,494	84,640	1,135,329	5,650,256	23,295,824
Fund balance, end of year	\$ 12,174,726	\$ 2,362,577	\$ 81,234	\$ 96,406	\$ 6,352,429	\$ 21,067,372

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2015

<i>Net Change in Fund Balances - Total Governmental Funds</i>	\$ (2,228,452)
<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	\$ 4,081,126
Depreciation expense	<u>(4,924,189)</u> (843,063)
<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	3,963,410
Amortization of:	
Deferred loss on advance refunding	(119,544)
Bond premiums	<u>73,996</u> (45,548)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds.	115,302
Changes in deferred outflows - pensions are recorded in the statement of activities, but not in the governmental funds.	915,512
Some expenses reported in the statement of activities do not require the use of current financial resources in governmental funds in the current year:	
Change in net pension liability	10,488,583
Accrual for other postemployment health benefits	(1,243,962)
Accrued compensated absences	(2,154,955)
Accrued interest	53,326
Changes in deferred inflows - pensions are recorded in the statement of activities, but not in the governmental funds.	(9,965,547)
Excess of internal service funds' expenses over revenues, reported as governmental fund activity.	<u>(19,443)</u>
<i>Change in Net Position of Governmental Activities</i>	<u><u>\$ (964,837)</u></u>

See notes to basic financial statements.

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

JUNE 30, 2015

	Enterprise Funds						
	Water		Quonset/ Davisville Recreation	Sewer	Nonmajor Enterprise Funds	Total	Internal Service Funds
	Operations	Capital Reserve					
Assets							
<i>Current Assets</i>							
Cash and cash equivalents	\$ 7,791,578	\$ 1,143,821	\$ 138,459	\$ -	\$ 253,635	\$ 9,327,493	\$ 1,099,690
Water and sewer assessments and user fees, net	1,042,626					1,042,626	
Due from other funds	-	-	-		21,768	21,768	
Other receivables			57,971	161,551	45,756	265,278	
Inventory	295,052		25,085		19,274	339,411	
<i>Total Current Assets</i>	<u>9,129,256</u>	<u>1,143,821</u>	<u>221,515</u>	<u>161,551</u>	<u>340,433</u>	<u>10,996,576</u>	<u>1,099,690</u>
<i>Noncurrent Assets</i>							
Cash on deposit with Rhode Island Clean Water Finance Agency	280,565	-				280,565	
Capital assets not being depreciated	418,984		494,950	2,579,503	-	3,493,437	
Capital assets being depreciated, net	7,602,620	-	2,166,646	3,915,179	1,127	13,685,572	33,947
<i>Total Noncurrent Assets</i>	<u>8,302,169</u>	<u>-</u>	<u>2,661,596</u>	<u>6,494,682</u>	<u>1,127</u>	<u>17,459,574</u>	<u>33,947</u>
Total assets	<u>17,431,425</u>	<u>1,143,821</u>	<u>2,883,111</u>	<u>6,656,233</u>	<u>341,560</u>	<u>28,456,150</u>	<u>1,133,637</u>
<i>Deferred outflows of resources</i>	<u>220,821</u>		<u>147,214</u>			<u>368,035</u>	
Liabilities							
<i>Current Liabilities</i>							
Accounts payable and accrued liabilities	227,344	4,500	150,069	541,293	73,646	996,852	76
Due to other funds	-		610,143	757,913	26,913	1,394,969	
Unearned revenue			321,280		7,958	329,238	
Other liabilities			30,746			30,746	
Current portion of compensated absences payable	71,669		54,393			126,062	
Current portion of long-term debt	157,743		31,200	491,864	-	680,807	
<i>Total Current Liabilities</i>	<u>456,756</u>	<u>4,500</u>	<u>1,197,831</u>	<u>1,791,070</u>	<u>108,517</u>	<u>3,558,674</u>	<u>76</u>
<i>Noncurrent Liabilities</i>							
Due to other funds		-	571,325			571,325	-
Pollution remediation obligation	5,487					5,487	
OPEB liability	377,487		254,527			632,014	
Net pension liability	2,189,138		1,459,426			3,648,564	
Compensated absences payable	215,006		163,181			378,187	
Long-term debt, less current portion	2,958,169		88,140	8,469,888	-	11,516,197	
<i>Total Noncurrent Liabilities</i>	<u>5,745,287</u>	<u>-</u>	<u>2,536,599</u>	<u>8,469,888</u>	<u>-</u>	<u>16,751,774</u>	<u>-</u>
Total liabilities	<u>6,202,043</u>	<u>4,500</u>	<u>3,734,430</u>	<u>10,260,958</u>	<u>108,517</u>	<u>20,310,448</u>	<u>76</u>
<i>Deferred inflows of resources</i>	<u>310,675</u>	<u>-</u>	<u>207,117</u>	<u>-</u>	<u>-</u>	<u>517,792</u>	<u>-</u>
Net Position							
Net investment in capital assets	4,905,692		2,542,256	-	1,127	7,449,075	
Restricted, debt service	280,565					280,565	
Unrestricted	5,953,271	1,139,321	(3,453,478)	(3,604,725)	231,916	266,305	1,133,561
Total net position (deficit)	<u>\$ 11,139,528</u>	<u>\$ 1,139,321</u>	<u>\$ (911,222)</u>	<u>\$ (3,604,725)</u>	<u>\$ 233,043</u>	<u>\$ 7,995,945</u>	<u>\$ 1,133,561</u>

See notes to basic financial statements.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

PROPRIETARY FUNDS

YEAR ENDED JUNE 30, 2015

	Enterprise Funds						
	Water		Quonset/ Davisville Recreation	Sewer	Nonmajor Enterprise Funds	Totals	Internal Service Funds
	Operations	Capital Reserve					
Operating revenues:							
Charges for usage and service	\$ 3,517,468	\$ -	\$ 1,710,946	\$ -	\$ 602,046	\$ 5,830,460	\$ -
Federal grants					452,788	452,788	
Sundry sales and rentals	213,701					213,701	
Miscellaneous	21,060		2,289	100		23,449	
<i>Total operating revenues</i>	<u>3,752,229</u>	<u>-</u>	<u>1,713,235</u>	<u>100</u>	<u>1,054,834</u>	<u>6,520,398</u>	<u>-</u>
Operating expenses:							
Operations	2,658,275	-	707,714	216,963	-	3,582,952	4,827
Pro shop			411,945			411,945	
Allen's Harbor			296,913			296,913	
Recreation			307,891			307,891	
Education					958,258	958,258	
Depreciation and amortization	434,215		263,188	79,902	282	777,587	16,974
<i>Total operating expenses</i>	<u>3,092,490</u>	<u>-</u>	<u>1,987,651</u>	<u>296,865</u>	<u>958,540</u>	<u>6,335,546</u>	<u>21,801</u>
Operating income (loss)	<u>659,739</u>	<u>-</u>	<u>(274,416)</u>	<u>(296,765)</u>	<u>96,294</u>	<u>184,852</u>	<u>(21,801)</u>
Nonoperating revenues (expenses):							
Investment income	-	2,854	347		160	3,361	2,358
Interest expense	(127,360)		(3,754)	(234,782)		(365,896)	
<i>Net nonoperating revenues (expenses)</i>	<u>(127,360)</u>	<u>2,854</u>	<u>(3,407)</u>	<u>(234,782)</u>	<u>160</u>	<u>(362,535)</u>	<u>2,358</u>
Income (loss) before transfers	<u>532,379</u>	<u>2,854</u>	<u>(277,823)</u>	<u>(531,547)</u>	<u>96,454</u>	<u>(177,683)</u>	<u>(19,443)</u>
Transfers in	-	-	-	-	-	-	-
Transfers out							
<i>Total transfers</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	<u>532,379</u>	<u>2,854</u>	<u>(277,823)</u>	<u>(531,547)</u>	<u>96,454</u>	<u>(177,683)</u>	<u>(19,443)</u>
Total net position (deficit), beginning of year:							
As originally reported	12,931,570	1,136,467	916,215	(3,073,178)	136,589	12,047,663	1,153,004
Restatement	(2,324,421)		(1,549,614)			(3,874,035)	
As restated	<u>10,607,149</u>	<u>1,136,467</u>	<u>(633,399)</u>	<u>(3,073,178)</u>	<u>136,589</u>	<u>8,173,628</u>	<u>1,153,004</u>
Total net position (deficit), end of year	<u>\$ 11,139,528</u>	<u>\$ 1,139,321</u>	<u>\$ (911,222)</u>	<u>\$ (3,604,725)</u>	<u>\$ 233,043</u>	<u>\$ 7,995,945</u>	<u>\$ 1,133,561</u>

See notes to basic financial statements.

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

YEAR ENDED JUNE 30, 2015

	Enterprise Funds						
	Water		Quonset/ Davisville Recreation	Sewer	Nonmajor Enterprise Funds	Totals	Internal Service Funds
	Operations	Capital Reserve					
Cash flows from operating activities:							
Cash received from customers	\$ 3,842,634	\$ -	\$ 1,665,252		\$ 597,294	\$ 6,105,180	
Cash received from other sources				\$ 100	452,788	452,888	
Cash paid to suppliers	(1,159,659)	4,500	(576,509)	(237,504)	(168,443)	(2,137,615)	\$ (4,826)
Cash paid to employees	(1,279,609)		(970,482)	(123,021)	(760,872)	(3,133,984)	
Net cash provided by (used in) operating activities	1,403,366	4,500	118,261	(360,425)	120,767	1,286,469	(4,826)
Cash flows from capital and related financing activities:							
Acquisition of capital assets	(116,937)	-	(192,663)	(1,953,334)	-	(2,262,934)	-
Principal paid on bonds	(153,671)		(31,590)	(239,138)	-	(424,399)	
Proceeds from long-term debt	436,249			2,871,277	-	3,307,526	
Interest paid on bonds	(106,462)		(3,754)	(251,994)	-	(362,210)	
Net cash provided by (used in) capital and related financing activities	59,179	-	(228,007)	426,811	-	257,983	-
Cash flows from noncapital financing activities:							
Environmental remediation obligation						-	
Interfund borrowings	(614,977)	11,556	109,746	(2,522,657)	(39,130)	(3,055,462)	(1,067)
Net cash provided by (used in) noncapital financing activities	(614,977)	11,556	109,746	(2,522,657)	(39,130)	(3,055,462)	(1,067)
Cash provided by investing activities, interest on investments	-	2,854	347	-	160	3,361	2,357
Net increase (decrease) in cash and cash equivalents	847,568	18,910	347	(2,456,271)	81,797	(1,507,649)	(3,536)
Cash and cash equivalents, beginning of year	6,944,010	1,124,911	138,112	2,456,271	171,838	10,835,142	1,103,226
Cash and cash equivalents, end of year	\$ 7,791,578	\$ 1,143,821	\$ 138,459	\$ -	\$ 253,635	\$ 9,327,493	\$ 1,099,690
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:							
Operating income (loss)	\$ 659,739	\$ -	\$ (274,416)	\$ (296,765)	\$ 96,294	\$ 184,852	\$ (21,801)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation and amortization	434,215		263,188	79,902	282	777,587	16,974
Changes in assets and liabilities:							
Accounts receivable	90,405		(57,971)	(161,551)	(3,210)	(132,327)	
Inventory	-				(2,476)	(2,476)	
Other liabilities	44,666		30,711			75,377	
Compensated absences payable	182,854		98,472			281,326	
Deferred outflows of resources	(24,885)		(16,590)			(41,475)	
Deferred inflows of resources	310,675		207,117			517,792	
Net pension liability	(331,219)		(220,812)			(552,031)	
Unearned revenue			11,853		(1,542)	10,311	
Accounts payable and accrued payroll	36,916	4,500	76,709	17,989	31,419	167,533	1
Net cash provided by (used in) operating activities	\$ 1,403,366	\$ 4,500	\$ 118,261	\$ (360,425)	\$ 120,767	\$ 1,286,469	\$ (4,826)

See notes to basic financial statements.

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

JUNE 30, 2015

	Police Pension Trust	Private Purpose Trust Funds	Agency Funds
	<u> </u>	<u> </u>	<u> </u>
<i>Assets:</i>			
Cash and cash equivalents	\$ 300,870	\$ 39,988	\$ 935,354
Other receivables			44,928
	<u>300,870</u>	<u>39,988</u>	<u>\$ 980,282</u>
<i>Liabilities:</i>			
Accounts payable	-	-	\$ 505,264
Due to student groups			248,623
Deposits held in custody for others			135,207
Payroll withholdings			91,188
	<u>-</u>	<u>-</u>	<u>\$ 980,282</u>
<i>Net Position:</i>			
Held in trust for pension benefits and other purposes	<u>\$ 300,870</u>	<u>\$ 39,988</u>	

See notes to basic financial statements.

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FIDUCIARY FUNDS

YEAR ENDED JUNE 30, 2015

	Police Pension Trust	Private Purpose Trust Funds
	<u> </u>	<u> </u>
Additions to net position:		
<i>Investment income:</i>		
Interest, dividends and gains	\$ 525	\$ 33
Less investment expense	<u> -</u>	<u> 5</u>
<i>Net investment earnings</i>	525	28
<i>Other income</i>	<u> </u>	<u> 1,000</u>
<i>Total additions</i>	<u> 525</u>	<u> 1,028</u>
Change in net position	525	1,028
Net position, beginning of year	<u> 300,345</u>	<u> 38,960</u>
Net position, end of year	<u><u> \$ 300,870</u></u>	<u><u> \$ 39,988</u></u>

See notes to basic financial statements.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

Financial reporting entity:

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

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

The North Kingstown Free Library Corporation, a not-for-profit agency formed in July 1993, supports the charitable, scientific and educational purposes of the Library, a component unit of the Town. The Town is able to impose its will on the component unit as the Town appoints the Library Trustees who serve as the Library's Board of Directors. Accordingly, the Library is included as a discretely presented component unit in the financial statements of the Town. The North Kingstown Free Library Corporation filed its Form 990 tax return for the year ended December 31, 2014 during September 2015, a copy of which can be obtained by contacting the North Kingstown Free Library Corporation, 80 Boston Neck Road, North Kingstown, RI 02852.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Basis of presentation:

Government-wide financial statements:

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

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

Fund financial statements:

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

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

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Basis of presentation (continued):

Fund financial statements (continued):

Governmental funds:

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

The Town uses the following types of governmental funds:

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

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

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

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

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

Proprietary funds:

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Basis of presentation (continued):

Fund financial statements (continued):

Fiduciary funds:

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

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

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

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

Measurement focus and basis of accounting:

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

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2015

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 (CONTINUED)
YEAR ENDED JUNE 30, 2015

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, 2015, 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	\$ 1,886,314
Other receivables	<u>145,278</u>
	<u><u>\$ 2,031,592</u></u>

Use of estimates:

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

Recent accounting pronouncements:

For the fiscal year ended June 30, 2015, the Town adopted the provisions of Statement No. 68 of the Governmental Accounting Standards Board (GASB), *Accounting and Financial Reporting for Pensions* (GASB 68). GASB 68 requires the net pension liability to be measured and reported as the total pension liability less the amount of the pension plan’s fiduciary net position. In addition, GASB 68 establishes standards for measuring and recognizing liabilities, deferred outflows of resources and deferred inflows of resources, and expenses. Due to the adoption of GASB 68, the Town has restated its 2015 opening net position, resulting in a decrease in net position of \$77,480,703 at July 1, 2014. The decrease in beginning net position resulted from a \$6,531,192 increase in deferred outflows of resources, and an \$84,011,895 net increase in noncurrent liabilities. The adoption of GASB 68 decreased the net position for the fiscal year ended June 30, 2015 by \$7,843,990 due to pension expense.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Recent accounting pronouncements (continued):

Effective for the fiscal year ending June 30, 2016, the Town will be required to adopt the provisions of Statement No. 72 of the Governmental Accounting Standards Board, *Fair Value Measurement and Application* (GASB 72). GASB 72 addresses accounting and financial reporting issues related to fair value measurement, and provides guidance for determining a fair value measurement for financial reporting purposes. In addition, GASB 72 provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The effect of adopting GASB 72 on the Town's financial statements has not yet been determined.

Effective for the fiscal year ending June 30, 2017, the Town will be required to adopt the provisions of Statement No. 75 of the Governmental Accounting Standards Board, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* (GASB 75). GASB 75 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses and expenditures related to other postemployment benefits (OPEB) administered through trusts or equivalent arrangements. For defined benefit OPEBs, GASB 75 identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. In addition, GASB 75 will require more extensive footnote disclosures in employer financial statements. The Town is currently evaluating the effects of GASB 75 on its financial statements.

Effective for the fiscal year ending June 30, 2017, the Town will be required to adopt the provisions of Statement No. 77 of the Governmental Accounting Standards Board, *Tax Abatement Disclosures* (GASB 77). GASB 77 establishes required financial reporting disclosures for governments that enter into tax abatement agreements. The effect of adopting GASB 77 on the Town's financial statements has not yet been determined.

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.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

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 2015, Rhode Island General Law restricts the Town's ability to increase its total tax levy by more than 4.00% over that of the preceding fiscal year.

Interfund transactions:

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

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

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.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Capital assets:

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

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

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

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

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

Compensated absences:

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Judgments and claims:

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

Long-term obligations:

Government-wide and proprietary fund financial statements:

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

Bond issuance costs are expensed in the year incurred. No bond issuance costs were incurred during the year ended June 30, 2015.

Deferred charges on refunding are amortized on a straight-line basis over the term of the related bonds and are reflected as in the statement of net position as a deferred outflow. At June 30, 2015, deferred charges for two separate refundings were \$1,890,215 and \$250,329, with accumulated amortization of \$1,000,071 and \$100,132, respectively.

Governmental fund financial statements:

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Fund equity:

Government-wide financial statements and proprietary fund financial statements:

Net position:

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

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

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

Unrestricted – a residual category for the balance of net position

Governmental fund financial statements:

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

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

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

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Fund equity (continued):

Governmental fund financial statements (continued):

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

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

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

Self-insurance:

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2015

2. FUND BALANCES:

At June 30, 2015, the following funds had a deficit (negative) fund balance or deficit net position, as applicable:

Nonmajor Governmental Funds:

Willet Library	\$	5,125
Miscellaneous State Grants	\$	248,788
RI Foundation Grant	\$	597
Special Purpose Donations	\$	14,025
Ann Ward Wallou Memorial Garden	\$	901
Parade Committee	\$	844
Capital Reserve	\$	936,583

School Department:

USDA-FFVP	\$	207
New England Dairy and Food Council	\$	560

Major Enterprise Funds:

Quonset/Davisville	\$	911,222
Sewer Fund	\$	3,604,725

Nonmajor Enterprise Funds:

NKHS Summer School Remedial	\$	2,772
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3. CASH AND CASH EQUIVALENTS (DEPOSITS):

At June 30, 2015, the carrying amount of the Town's deposits, including \$4,192,821 of cash equivalents, was \$25,770,578 and the total bank balance was \$29,257,280. The carrying amount includes \$1,276,212 in fiduciary funds.

At June 30, 2015, deposits are categorized as follows:

	Insured/ Collateralized in Town's name	Uninsured	Maturities	Total bank balance	Carrying amount
Deposits:					
Demand deposits	\$ 418,692	\$ 9,182,996		\$ 9,601,688	\$ 6,165,696
Certificates of deposit	4,243,531		7/2015 to 8/2015	4,243,531	4,192,821
Money market	-	15,412,061		15,412,061	15,412,061
	<u>\$ 4,662,223</u>	<u>\$ 24,595,057</u>		<u>\$ 29,257,280</u>	<u>\$ 25,770,578</u>

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2015

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

Custodial credit risk:

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

Interest rate risk:

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

Credit risk:

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

Concentration of credit risk:

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2015

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 2015 were based on a net asset value of approximately \$3,755,339,000 at December 31, 2013 and amounted to \$71,668,809. Collections through June 30, 2015 amounted to \$69,788,668, which represents approximately 97% of the total tax levy.

Unpaid property taxes as of June 30, 2015 (\$2,379,223) are recorded as a receivable, net of an allowance for uncollectible property taxes of \$375,000. Those net property taxes receivable which were not collected within 60 days immediately following June 30, 2015 are recorded as a deferred inflow of resources in the accompanying Balance Sheet – Governmental Funds, totaling \$1,886,314 at June 30, 2015. Property taxes collected within 60 days immediately following June 30, 2015 are recognized as revenue in the Fund financial statements and amounted to \$492,909. As of June 30, 2015, the Town levied property taxes for its next fiscal year based on the December 31, 2014 assessment as follows (unaudited):

	Taxable Assessment	Exemptions	Net Tax Assessment	Rate per \$1,000	Net Levy
Real property	\$ 3,499,075,945	\$ 72,726,500	\$3,426,349,445	\$19.30	\$ 66,128,544
Motor vehicle	297,434,850	75,555,068	221,879,782	\$22.04	4,889,163
Tangible property	147,104,420	574,480	146,529,940	\$19.30	2,828,029
	<u>\$3,943,615,215</u>	<u>\$ 148,856,048</u>	<u>\$3,794,759,167</u>		<u>\$ 73,845,736</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2015

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, 2015 is as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 11,242,779	\$ 286,247
School Department:		
School Unrestricted Fund	897,322	237,875
21st Century Learning		40,571
COZ Family Center		15,582
COZ Miscellaneous Donations		50
New England Dairy and Food		31,827
Homeless Children/Youth Odd		11,329
School Public Law 94-142		374,554
Public Law 94-142, Pre-school		3,181
RI Learn and Serve		515
RTTT Instruction Improvement System		11,042
RTTT PLC Mini Grant		5,114
Title I		157,582
Title II		49,694
Title III LEP		2,081
Substance Abuse Task Force		8,752
USDA - FFVP		11,588
Use of Buildings		18,388
	<u>897,322</u>	<u>979,725</u>
\$6.4 Million School Renovation Bond		<u>6,383,766</u>
Other Governmental Funds:		
Davisville Library		18,539
Ann Ward Wallou Memorial Garden		901
CDBG Grant	237,806	
Special Purpose Donations		13,859
Library Fund	47,204	
Miscellaneous State Grants		225,876
Parade Committee		25
RI Foundation		597
Town Municipal Court	1,237	838
9M School Renovation Bond		1,300,938
Capital Reserve		1,907,284
Capital Improvement Projects	70,278	4,830
	<u>356,525</u>	<u>3,473,687</u>

(continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2015

5. INTERFUND TRANSACTIONS (CONTINUED):

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Enterprise Funds:		
Major:		
Quonset/Davisville Recreation	\$ -	\$ 610,143
Sewer Fund		757,913
	<u>-</u>	<u>1,368,056</u>
Non-Major Enterprise:		
Athletic Gate Receipts	4,735	721
School Nutrition Fund	16,833	22,026
NKHS Summer School Remedial		2,126
Summer School	200	1,775
School Sport Camps		265
	<u>21,768</u>	<u>26,913</u>
Total Enterprise Funds	<u>21,768</u>	<u>1,394,969</u>
	<u>\$ 12,518,394</u>	<u>\$ 12,518,394</u>

Advances to/from:

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

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

Operating transfers between funds for the year ended June 30, 2015 were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	<u>\$ 10,700</u>	<u>\$ 51,241,507</u>
School Department:		
School Unrestricted Fund	45,942,632	3,206,642
Homeless Children & Youth	8,034	-
	<u>45,950,666</u>	<u>3,206,642</u>
Debt Service Fund	<u>3,971,726</u>	<u>-</u>
Other Governmental Funds:		
Library Fund	1,207,979	10,700
Capital Improvement Project	4,219,643	4,830
School Capital Reserve		21,035
Capital Reserve	124,000	1,000,000
	<u>5,551,622</u>	<u>1,036,565</u>
Totals	<u>\$ 55,484,714</u>	<u>\$ 55,484,714</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2015

6. CAPITAL ASSETS:

Governmental activities:	<u>Beginning Balances</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balances</u>
Capital assets not being depreciated:				
Library collections	\$ 3,633,986	\$ -	\$ -	\$ 3,633,986
Land	6,875,441	82,126		6,957,567
Developmental rights	17,558,412			17,558,412
Construction in progress	1,128,504	2,198,987	(1,060,593)	2,266,898
Total capital assets not being depreciated	<u>29,196,343</u>	<u>2,281,113</u>	<u>(1,060,593)</u>	<u>30,416,863</u>
Capital assets being depreciated:				
Land improvements	197,255		-	197,255
Building	73,886,060	409,525		74,295,585
Equipment	15,136,212	1,390,488		16,526,700
Infrastructure	69,957,721	1,060,593		71,018,314
Total capital assets being depreciated	<u>159,177,248</u>	<u>2,860,606</u>	<u>-</u>	<u>162,037,854</u>
Less accumulated depreciation for:				
Land improvements	(88,608)	(11,550)	-	(100,158)
Building	(26,719,788)	(1,992,449)		(28,712,237)
Equipment	(11,281,059)	(880,110)		(12,161,169)
Infrastructure	(50,741,708)	(2,057,054)		(52,798,762)
Total accumulated depreciation	<u>(88,831,163)</u>	<u>(4,941,163)</u>	<u>-</u>	<u>(93,772,326)</u>
Total capital assets being depreciated, net	<u>70,346,085</u>	<u>(2,080,557)</u>	<u>-</u>	<u>68,265,528</u>
Governmental activities capital assets, net	<u>\$ 99,542,428</u>	<u>\$ 200,556</u>	<u>\$ (1,060,593)</u>	<u>\$ 98,682,391</u>

Depreciation was charged to functions as follows:

Governmental activities:	
General government	\$ 343,277
Public safety	544,646
Public works	2,183,536
Education	1,775,565
Public libraries	94,139
	<u>\$ 4,941,163</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2015

6. CAPITAL ASSETS (CONTINUED):

Business-type activities:	Beginning balances	Additions	Deletions	Ending Balances
Capital assets not being depreciated:				
Land	\$ 839,934	\$ 102,355	\$ -	\$ 942,289
Construction in progress	4,138,957	2,407,272	(3,995,081)	2,551,148
Total capital assets not being depreciated	4,978,891	2,509,627	(3,995,081)	3,493,437
Capital assets being depreciated:				
Buildings	14,224,190		-	14,224,190
Property and leasehold improvements	5,054,035	4,145,569		9,199,604
Furniture and equipment	467,717	53,831		521,548
Vehicles and golf carts	260,587			260,587
Total capital assets being depreciated	20,006,529	4,199,400	-	24,205,929
Less accumulated depreciation for:				
Buildings	(7,389,731)	(264,153)	-	(7,653,884)
Property and leasehold improvements	(1,841,766)	(433,390)		(2,275,156)
Furniture and equipment	(325,480)	(41,691)		(367,171)
Vehicles and golf carts	(185,793)	(38,353)		(224,146)
Total accumulated depreciation	(9,742,770)	(777,587)	-	(10,520,357)
Total capital assets being depreciated, net	10,263,759	3,421,813	-	13,685,572
Business-type activities capital assets, net	\$ 15,242,650	\$ 5,931,440	\$ (3,995,081)	\$ 17,179,009

Depreciation was charged to functions as follows:

Business-type activities:	
Water	\$ 434,215
Sewer	79,902
Quonset/Davisville Recreation	263,188
Nutrition Fund	282
	\$ 777,587

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2015

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, 2014 was \$3,794,759,142, limiting the amount of nonexcepted debt outstanding to \$113,842,774. At June 30, 2015, the Town had no debt outstanding subject to the limit. All Town debt has been incurred through special statutory authority which consists of approval by the legislature and voter referendum.

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2015

7. LONG-TERM OBLIGATIONS (CONTINUED):

A summary of long-term obligations as of June 30, 2015 is as follows:

	<u>Governmental activities</u>	<u>Business-type activities</u>	<u>Total</u>
General obligation debt	\$ 41,985,660	\$ 15,475,389	\$ 57,461,049
Bond premium	794,813	93,600	888,413
	<u>42,780,473</u>	<u>15,568,989</u>	<u>58,349,462</u>
Less undrawn loan proceeds held by the State	<u>-</u>	<u>(3,278,386)</u>	<u>(3,278,386)</u>
	42,780,473	12,290,603	55,071,076
Accrued compensated absences	4,129,275	504,249	4,633,524
Pollution remediation obligation	<u>1,660,000</u>	<u>5,487</u>	<u>1,665,487</u>
	48,569,748	12,800,339	61,370,087
Less portion due within one year	<u>5,001,119</u>	<u>806,869</u>	<u>5,807,988</u>
	<u><u>\$ 43,568,629</u></u>	<u><u>\$ 11,993,470</u></u>	<u><u>\$ 55,562,099</u></u>

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

YEAR ENDED JUNE 30, 2015

7. LONG-TERM OBLIGATIONS (CONTINUED):

Governmental activities:

	Date of Issuance	Purpose	Authorized	Interest Rate	Maturity Date	Outstanding June 30, 2014	Additions	Retirements	Outstanding June 30, 2015	Amounts due within one year
General obligation bonds payable:										
\$2.840 M Refunding Bond	5/1/2006	Development Rights	\$ 2,840,000	4.0 – 5.25%	5/1/2021	\$ 1,330,000	\$ -	\$ 190,000	\$ 1,140,000	\$ 190,000
\$9.79M GOB 2009 Series	1/15/2009	Renovations, Additions and Improvements	9,790,000	2.0 – 4.0%	1/15/2030	8,640,000		540,000	8,100,000	540,000
\$30.36 M Refunding Bond	4/21/2005	Refunding of High School Bond \$33M	30,360,000	3.0 – 5.0%	10/1/2026	15,720,000		1,390,000	14,330,000	1,380,000
\$7M GOB 2007B Series B Bond	8/15/2007	Renovations and Additions - School Bond	7,000,000	4.25 – 5.0%	8/15/2027	5,370,000		310,000	5,060,000	325,000
\$3.845 M GOB	6/15/2001	Farmland, Public Facilities, & Asset Protection	3,845,000	3.75 – 5.5%	6/15/2016	495,000		250,000	245,000	245,000
\$4M GOB- Open Space	7/1/2007	Open Space	4,000,000	3.6 – 4.1%	7/15/2027	3,165,000		165,000	3,000,000	170,000
\$3.622M GOB	12/15/2009	Facilities, Open Space, and Library	3,622,000	1.25-3.50%	12/15/2019	1,934,610		404,610	1,530,000	400,000
Less: Q/D recreation portion		Q/D Recreation Asset Protection	(282,516)			(150,540)		(31,200)	(119,340)	(31,200)
\$960M GOB	12/15/2009	School Athletics	960,000	1.25-3.50%	12/15/2019	560,000		105,000	455,000	110,000
\$2.003M GOB	12/15/2009	Farmland/Open Space	2,003,000	1.25-3.50%	12/15/2019	1,270,000		220,000	1,050,000	220,000
\$7.65M GOB	4/18/2013	School Renovations and Improvements	7,655,000	2.0-4.0%	5/15/2033	7,265,000		385,000	6,880,000	385,000
\$3.50M GOB 2013 Series A	9/1/2013	Public Building Library	350,000	2.0-3.75%	9/1/2023	350,000		35,000	315,000	35,000
			<u>72,142,484</u>			<u>45,949,070</u>	<u>-</u>	<u>3,963,410</u>	<u>41,985,660</u>	<u>3,968,800</u>
Deferred bond premiums			<u>1,310,674</u>			<u>868,809</u>		<u>73,996</u>	<u>794,813</u>	
Total general obligation bonds payable			<u>\$ 73,453,158</u>			<u>46,817,879</u>	<u>-</u>	<u>4,037,406</u>	<u>42,780,473</u>	<u>3,968,800</u>
Compensated absences						1,974,320	3,762,433	1,607,478	4,129,275	1,032,319
Pollution remediation obligation						<u>1,660,000</u>			<u>1,660,000</u>	
Total long-term obligations						<u>\$ 50,452,199</u>	<u>\$ 3,762,433</u>	<u>\$ 5,644,884</u>	<u>\$ 48,569,748</u>	<u>\$ 5,001,119</u>

Business-type activities:

	Date of Issuance	Purpose	Authorized	Interest Rate	Maturity Date	Outstanding June 30, 2014	Additions	Retirements	Outstanding June 30, 2015	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	\$ 150,930	\$ -	\$ 31,590	\$ 119,340	\$ 31,200
\$4.8 RICWFA Bond *	11/19/2009	Renovations, Additions and Improvements	4,800,000	3.013%	9/1/2030	3,479,245		153,671	3,325,574	157,743
\$2.46M Wastewater Services	1/2/2013	QDC Wastewater Services	2,460,000	2.75 %	1/2/2033	2,269,613	-	99,138	2,170,475	101,864
\$4.0M GO Sewer Bonds Series 2014	4/1/2014	Sewers	4,000,000	2.0%-4.0%	4/15/2034	4,000,000		140,000	3,860,000	140,000
\$6.0M RICWFA Sewer Bonds 2014 Series B	4/10/2014	Renovations, Additions, and Improvements	6,000,000	2.01%	9/1/2034	6,000,000			6,000,000	250,000
			<u>17,542,516</u>			<u>15,899,788</u>	<u>-</u>	<u>424,399</u>	<u>15,475,389</u>	<u>680,807</u>
Less undrawn loan proceeds held by the State						<u>(6,585,911)</u>		<u>(3,307,525)</u>	<u>(3,278,386)</u>	
						<u>9,313,877</u>	<u>-</u>	<u>(2,883,126)</u>	<u>12,197,003</u>	<u>680,807</u>
Deferred bond premiums			<u>99,398</u>			<u>98,570</u>		<u>4,970</u>	<u>93,600</u>	
Total general obligation bonds payable			<u>\$ 17,641,914</u>			<u>9,412,447</u>	<u>-</u>	<u>(2,878,156)</u>	<u>12,290,603</u>	<u>680,807</u>
Compensated absences						222,923	403,996	122,670	504,249	126,062
Pollution remediation obligation						<u>5,487</u>			<u>5,487</u>	
Total long-term obligations						<u>\$ 9,640,857</u>	<u>\$ 403,996</u>	<u>\$ (2,755,486)</u>	<u>\$ 12,800,339</u>	<u>\$ 806,869</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2015

7. LONG-TERM OBLIGATIONS (CONTINUED):

At June 30, 2015, 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>			
2016	\$ 3,968,800	\$ 1,682,408	\$ 5,651,208
2017	3,709,970	1,540,717	5,250,687
2018	3,710,750	1,401,150	5,111,900
2019	3,716,140	1,256,517	4,972,657
2020	3,260,000	1,122,932	4,382,932
2021-2025	14,730,000	3,658,218	18,388,218
2026-2030	7,750,000	940,381	8,690,381
2031-2033	1,140,000	91,200	1,231,200
	<u>\$ 41,985,660</u>	<u>\$ 11,693,523</u>	<u>\$ 53,679,183</u>
<i>Business-type activities:</i>			
2016	\$ 680,807	\$ 456,482	\$ 1,137,289
2017	692,278	444,938	1,137,216
2018	706,449	429,124	1,135,573
2019	722,624	413,445	1,136,069
2020	716,412	395,311	1,111,723
2021-2025	3,905,453	1,661,682	5,567,135
2026-2030	3,277,393	1,020,071	4,297,464
2031-2034	1,495,587	275,766	1,771,353
	<u>\$ 12,197,003</u>	<u>\$ 5,096,819</u>	<u>\$ 17,293,822</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2015

7. LONG-TERM OBLIGATIONS (CONTINUED):

Bonds authorized but unissued at June 30, 2015 are as follows:

School Improvements	\$ 481,339
School Renovations	3,328,661
Construction of Town Sewer System	20,700,000

8. FUND BALANCE:

The Town has classified governmental fund balances at June 30, 2015 as follows:

Assigned:

General Fund Encumbrances	\$ 380,183
School Encumbrances	179,162
Education	2,061,608
Health Insurance Reserve	2,710,813
Retirement Allowance Reserve	296,743
Debt Service	107,881
Capital Project Funds – nonbonded	1,938,777
Town Special Revenue – nongrant funds	<u>2,367,875</u>
	<u>10,043,042</u>

Restricted:

Town Special Revenue – grant funds	802,146
School Special Revenue – grant funds	122,574
Capital Projects – bonded	2,341,132
6.4 Million School Renovation Bond	81,234
Permanent Funds	<u>97,887</u>
	<u>3,444,973</u>

(continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2015

8. FUND BALANCE (CONTINUED):

(carried forward)

Nonspendable:

Advance to Quonset/Davisville Recreation for Golf Course Irrigation	\$ 571,325
	<u>571,325</u>

Unassigned:

Special Revenue – deficit fund balances	(270,280)
School Department – deficit fund balance	(767)
Capital Projects – deficit fund balances	(936,583)
General Fund – not designated for future expenditures	<u>8,215,662</u>
	<u>7,008,032</u>
	<u>\$ 21,067,372</u>

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.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2015

9. PENSION PLANS (CONTINUED):

Municipal Plan

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

Plan description:

The Municipal 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:

For general employees prior to June 30, 2012, the plan provided retirement benefits equal to 2% of a member's final average salary multiplied by the number of years of total service up to a maximum of 75%. Such benefits are available to members at least age 58 with 10 years of service or after 30 years of service at any age. Benefits accrued at June 30, 2012 are protected under the Rhode Island Retirement Security Act (RIRSA) until it is exceeded by the member's full years of service credit, including service after June 30, 2012, multiplied by the average of five consecutive years of compensation. Effective July 1, 2012, the retirement age mirrors the Social Security Normal Retirement Age, not to exceed age 67. Members receive a benefit accrual of 1.0% per year based on the five-year average compensation.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2015

9. PENSION PLANS (CONTINUED):

Municipal Plan (continued):

Benefits provided (continued):

Joint and survivor options are available as well as the Service Retirement Allowance (SRA) Plus option that provides for the payment of a larger benefit before the attainment of age 62 and a reduced amount thereafter. The reduced amount is equal to the benefit before age 62, including cost-of-living increases, minus the member's estimated social security benefit payable at age 62.

Prior to June 30, 2012, police and fire personnel may retire at age 55 if they have 10 years of service or after 25 years of service at any age. An option may be elected to provide a 20-year service pension with a benefit equal to 2.5% for each year of service up to a maximum of 75% for police and fire personnel. Benefits are based on the average of the highest three consecutive years' earnings, exclusive of overtime.

Effective July 1, 2012, the retirement age is 55 with 25 years of total service or for members with five years of service but less than 25 years of service the new retirement age mirrors the Social Security Normal Retirement age not to exceed 67. Police officers or firefighters that are at least 45 years old, have 10 or more years of contributing service and are eligible to retire prior to age 52 under the law in effect on June 30, 2012, may retire at age 52.

As of June 30, 2012, members will continue to have a frozen benefit accrual of 2.0% per year for a standard 25 year with any age and out plan; 2.5% for a standard 20 year with any age and out plan. Effective July 1, 2012, the optional 20 and 25 year with retirement at any age plans were eliminated. The benefit accrual for all plans will be 2.0% per year based on the five-year average compensation, exclusive of overtime. Police and fire employees may retire with a reduced pension benefit if they have 20 years of service and are within five years of their retirement eligibility. The actuarially reduced benefit will be calculated based on how close the member is to the eligibility date that is prescribed in RIRSA.

The MERS also provides survivors' benefits and certain lump-sum death benefits. Plan members are vested after five years of service.

An optional cost-of-living provision may be elected for police and fire personnel, and general employees. The Cost of Living Adjustment (COLA) has been suspended for any unit whose funding level is less than 80%. The COLA provision can be reviewed in five-year intervals. When the funding level of a plan exceeds 80%, funded eligible retirees may receive an annual COLA effective on their date of retirement plus one month.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2015

9. PENSION PLANS (CONTINUED):

Municipal Plan (continued):

Benefits provided (continued):

The COLA will be calculated as the five-year smoothed investment rate of return less 5.50%, with a 0.00% floor and a 4.00% cap. For police and fire units, COLA will be delayed until the later of age 55 or three years after retirement. For general employee units, COLA will be delayed until the later of the Social Security Normal Retirement Age or three years after retirement. The COLA will be applied to the first \$25,000 of benefits indexed annually.

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

Employees covered by benefit terms:

At the June 30, 2013 valuation date (the latest available), the following employees were covered by the benefit terms:

	<u>General</u>	<u>Police</u>	<u>Fire</u>
Retirees and beneficiaries	228	35	67
Inactive, nonretired members	123	6	12
Active members	<u>291</u>	<u>44</u>	<u>60</u>
	<u>642</u>	<u>85</u>	<u>139</u>

Contributions:

The amounts of employee and employer contributions have been established under Rhode Island General Laws Chapter 45-21. General employees are required to contribute 2% of their salaries. Public safety employees are required to contribute 8% of their salaries. The Town contributes at a rate of covered employee payroll as determined by an independent actuary on an annual basis. The General Assembly can amend the amount of these contribution requirements. The Town contributed \$1,668,574, \$860,582 and \$1,069,831 for general, police, and fire, respectively, in the year ended June 30, 2015 which was 15.2%, 27.6% and 28.1% of covered payroll, respectively.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2015

9. PENSION PLANS (CONTINUED):

Municipal Plan (continued):

Net pension liability:

Subsequent to June 30, 2014 (the measurement date), 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.

The amended benefit provisions in the newly enacted legislation and settlement agreement have not been reflected in the determination of the net pension liability at June 30, 2014 (the measurement date). These amended benefit provisions are summarized below:

- Employees with more than 20 years of service at July 1, 2012 will increase their employee contribution rate from 3.75% to 11% and participate solely in the defined benefit plan going forward; service credit accruals will increase from 1% to 2% per year.
- 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.
- Retirees as of June 30, 2015 will receive two \$500 stipends; the interim cost-of-living increases will occur at four-year rather than five-year intervals.
- Minor adjustments were made to the actuarial reduction for the employees choosing to retire early.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2015

9. PENSION PLANS (CONTINUED):

Municipal Plan (continued):

Net pension liability (continued):

The total pension liability was determined by actuarial valuations performed as of June 30, 2013 and rolled forward to June 30, 2014, using the following actuarial assumptions applied to all periods included in the measurement.

Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	21 years at June 30, 2014
Investment rate of return	7.50%
Projected salary increases	General employees – 3.50% to 7.50%; Police & Fire Employees – 4.00% to 14.00%
Inflation	2.75%
Mortality, male employees	115% of RP-2000 Combined Healthy for Males with White Collar adjustments, projected with Scale AA from 2000.
Mortality, female employees	95% of RP-2000 Combined Healthy for Females with White Collar adjustments, projected with Scale AA from 2000.
Cost of living adjustments	COLA is equal to the average five year-fund asset performance (percent) greater than 5.5% up to a maximum of 4% - the COLA is to be applied to the first \$25,000 of benefits, indexed over time. COLA is delayed until the later of Social Security eligibility age or three years after retirement except for MERS Police & Fire for which the COLA is delayed until the later of age 55 or three years after retirement. A 2% COLA is assumed after January 1, 2014.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2015

9. PENSION PLANS (CONTINUED):

Municipal Plan (continued):

Net pension liability (continued):

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

The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class based on forward-looking medium-term (10 year) capital market return assumptions developed by eight investment consulting firms. The June 30, 2014 expected arithmetic returns over the medium term by asset class as developed by the State Investment Commission's investment consultant, which are generally consistent with the averages utilized by the actuary, are summarized in the following table:

<u>Asset class</u>	<u>Target allocation</u>	<u>Medium-term expected real rate of return</u>
Global Equity	38%	6.05%
Private Equity	7%	9.05%
Equity Hedge Funds	8%	4.75%
Absolute Return Hedge	7%	2.95%
Real Return	14%	3.85%
Real Estate	8%	4.45%
Core Fixed	15%	.28%
Cash	3%	(.50)%
	<u>100%</u>	

These return assumptions are then weighted by the target asset allocation percentage, factoring in correlation effects, to develop the overall medium-term expected rate of return best-estimate on an arithmetic basis. To arrive at the long-term expected return estimate, the actuary adjusts the medium-term number to reflect the longer 30-year time frame required for actuarial calculations. This process produces the actuarial expected return, which is based on a 30-year horizon, and can differ from the medium-term, 10-year-horizon return expectations.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2015

9. PENSION PLANS (CONTINUED):

Municipal Plan (continued):

Discount rate:

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

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

	<u>General</u>	<u>Police</u>	<u>Fire</u>
Pension liability:			
Balance as of June 30, 2013	\$ 57,973,140	\$ 25,020,741	\$ 38,954,915
Changes for the year:			
Service cost	1,039,648	506,306	664,922
Interest on total pension liability	4,248,626	1,844,294	2,867,574
Changes in assumptions	162,324	(170,239)	(218,872)
Benefit payments	<u>(3,689,223)</u>	<u>(1,366,622)</u>	<u>(2,106,121)</u>
Balance as of June 30, 2014	<u>59,734,515</u>	<u>25,834,480</u>	<u>40,162,418</u>
Fiduciary net position:			
Balance as of June 30, 2013	41,810,345	17,149,078	26,450,966
Employer contributions	1,737,697	644,767	758,704
Employee contributions	224,417	226,530	294,378
Net investment income	6,151,942	2,556,525	3,899,709
Benefit payments	(3,689,223)	(1,366,622)	(2,106,121)
Administrative expense	(38,523)	(16,009)	(24,420)
Other changes	<u>(7,037)</u>	<u>471</u>	<u>6,333</u>
Balance as of June 30, 2014	<u>46,189,618</u>	<u>19,194,740</u>	<u>29,279,549</u>
Net pension liability	<u>\$ 13,544,897</u>	<u>\$ 6,639,740</u>	<u>\$ 10,882,869</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2015

9. PENSION PLANS (CONTINUED):

Municipal Plan (continued):

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

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

	1.00% Decrease (6.5%)	Current Discount Rate (7.5%)	1.00% Increase (8.5%)
General	\$ 19,901,105	\$ 13,544,897	\$ 7,188,689
Police	\$ 9,364,974	\$ 6,639,740	\$ 3,914,504
Fire	\$ 15,117,621	\$ 10,882,869	\$ 6,648,116

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, 2015, the Town recognized pension expense of \$1,458,417, \$588,489, and \$886,530 for general, police, and fire, respectively.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2015

9. PENSION PLANS (CONTINUED):

Municipal Plan (continued):

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

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

	<u>General</u>	<u>Police</u>	<u>Fire</u>	<u>Total</u>
Deferred outflows:				
Contributions after the measurement period	\$ 1,668,574	\$ 860,582	\$ 1,069,831	\$ 3,598,987
Differences in assumptions	<u>127,495</u>			<u>127,495</u>
	<u>\$ 1,796,069</u>	<u>\$ 860,582</u>	<u>\$ 1,069,831</u>	<u>\$ 3,726,482</u>
Deferred inflows:				
Differences in assumptions		\$ 144,043	\$ 184,063	\$ 328,106
Net differences between projected and actual earnings on pension plan investments	<u>\$ 2,466,113</u>	<u>1,031,602</u>	<u>1,564,843</u>	<u>5,062,558</u>
	<u>\$ 2,466,113</u>	<u>\$ 1,175,645</u>	<u>\$ 1,748,906</u>	<u>\$ 5,390,664</u>

The \$3,598,987 reported as deferred outflows of resources related to the MERS resulting from the Town's contributions in fiscal year 2015 subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended June 30, 2016. Other amounts reported as deferred outflows and inflows of resources related to the MERS will be recognized in pension expense as follows:

<u>Year ending June 30,</u>	<u>General</u>	<u>Police</u>	<u>Fire</u>
2016	\$ 581,699	\$ 284,096	\$ 426,020
2017	581,699	284,096	426,020
2018	581,699	284,096	426,020
2019	593,521	284,098	426,019
2020		26,196	34,809
Thereafter		<u>13,063</u>	<u>10,018</u>
	<u>\$ 2,338,618</u>	<u>\$ 1,175,645</u>	<u>\$ 1,748,906</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2015

9. PENSION PLANS (CONTINUED):

Municipal Plan (continued):

Defined contribution plan description:

Employees participating in the defined benefit plan, as described above, also participate in a defined contribution plan authorized by General Law 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 1% of annual covered salary. 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.

As previously indicated in the disclosure of recently-enacted pension legislation, the employer contribution for certain qualifying employees will increase slightly beginning in fiscal 2016.

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

The Town recognized pension expense related to the defined contribution plan of \$110,126 for the fiscal year ended June 30, 2015.

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 <http://www.ersri.org>.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2015

9. PENSION PLANS (CONTINUED):

Teachers' Plan

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

Plan description:

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>.

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.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2015

9. PENSION PLANS (CONTINUED):

Teachers' Plan (continued)

Benefit provisions (continued):

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

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 2015, the Town's teachers were required to contribute 3.75% of their annual covered salary. The State of Rhode Island (State) and the Town are required to contribute at an actuarially determined rate, 40% of which is to be paid by the State and the remaining 60% is to be paid by the Town; the rates were 9.19% and 13.41% of annual covered payroll for the fiscal year ended June 30, 2015 for the State and the Town, respectively. The Town contributed \$3,761,697, \$3,390,024, and \$3,124,531 for the fiscal years ended June 30, 2015, 2014, and 2013, respectively, equal to 100% of the required contributions for each year.

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

At June 30, 2015, the Town reported a liability of \$41,903,775 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	\$ 41,903,775
State's proportionate share of the net pension liability	<u>28,735,349</u>
Total net pension liability	<u>\$ 70,639,124</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2015

9. PENSION PLANS (CONTINUED):

Teachers' Plan (continued)

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

The net pension liability was measured as of June 30, 2014, 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, 2013 rolled forward to June 30, 2014. 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, 2014, the Town's proportion was 1.72%.

Subsequent to June 30, 2014 (the measurement date), 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.

The amended benefit provisions in the newly enacted legislation and settlement agreement have not been reflected in the determination of the net pension liability at June 30, 2014 (the measurement date). These amended benefit provisions are summarized below:

- Employees with more than 20 years of service at July 1, 2012 will increase their employee contribution rate from 3.75% to 11% and participate solely in the defined benefit plan going forward- service credit accruals will increase from 1% to 2% per year.
- 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.
- Retirees as of June 30, 2015 will receive two \$500 stipends; the interim cost-of-living increases will occur at four-year rather than five-year intervals.
- Minor adjustments were made to the actuarial reduction for the employees choosing to retire early.

The amendments are not considered to have a material effect on the net pension liability had they been retroactively applied to the calculation of the total pension liability at June 30, 2013 rolled forward to June 30, 2014. An actuarial analysis of the pension settlement provisions enacted by the General Assembly and approved by the Court indicated that the funded ratio at June 30, 2014 for teachers (determined on a funding basis) decreased from 59.6% to 58.2%.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2015

9. PENSION PLANS (CONTINUED):

Teachers' Plan (continued)

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

For the year ended June 30, 2015, the Town recognized gross pension expense of \$4,910,554 and revenue of \$1,997,568 for support provided by the State. At June 30, 2015, 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	<u>\$ 3,761,697</u>
Deferred inflows of resources:	
Change of assumptions	\$ 1,484,312
Net difference between projected and actual earnings on pension plan investments	<u>3,608,363</u>
	<u>\$ 5,092,675</u>

The \$3,761,697 reported as deferred outflows of resources related to the ERS resulting from the Town's contributions in fiscal year 2015 subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended June 30, 2016. Deferred inflows of resources related to the ERS will be recognized in pension expense as follows:

<u>Year ending June 30:</u>	
2016	\$ 1,112,244
2017	1,112,244
2018	1,112,244
2019	1,112,244
2020	210,153
Thereafter	<u>433,546</u>
	<u>\$ 5,092,675</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2015

9. PENSION PLANS (CONTINUED):

Teachers' Plan (continued)

Actuarial assumptions:

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

Inflation	2.75%
Salary increases	3.50% to 6.50%
Investment rate of return	7.5%

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

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

The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class based on forward-looking medium-term (10 year) capital market return assumptions developed by eight investment consulting firms. The June 30, 2014 expected arithmetic returns over the medium term by asset class as developed by the State Investment Commission's investment consultant, which are generally consistent with the averages utilized by the actuary, are summarized in the following table:

<u>Asset class</u>	<u>Target allocation</u>	<u>Medium-term expected real rate of return</u>
Global Equity	38%	6.05%
Private Equity	7%	9.05%
Equity Hedge Funds	8%	4.75%
Absolute Return Hedge	7%	2.95%
Real Return	14%	3.85%
Real Estate	8%	4.45%
Core Fixed	15%	.28%
Cash	3%	(.50)%
	<u>100%</u>	

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2015

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 medium-term expected rate of return best-estimate on an arithmetic basis. To arrive at the long-term expected return estimate, the actuary adjusts the medium-term number to reflect the longer 30-year time frame required for actuarial calculations. This process produces the actuarial expected return, which is based on a 30-year horizon, and can differ from the medium-term, 10-year horizon return expectations.

Discount rate:

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

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

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

1.00% Decrease (6.5%)	Current Discount Rate (7.5%)	1.00% Increase (8.5%)
\$ 52,479,299	\$ 41,903,775	\$ 31,111,250

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 (CONTINUED)

YEAR ENDED JUNE 30, 2015

9. PENSION PLANS (CONTINUED):

Teachers' Plan (continued)

Defined contribution plan description:

Employees participating in the defined benefit plan, 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 1% of annual covered salary. 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.

As previously indicated in the disclosure of recently-enacted pension legislation, the employer contribution for certain qualifying employees will increase slightly beginning in fiscal 2016.

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

The Town recognized pension expense of \$159,500 for the fiscal year ended June 30, 2015.

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>.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2015

10. OTHER POSTEMPLOYMENT BENEFITS:

Plan description:

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

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

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

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

Covered participants:

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

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

Annual OPEB cost and net OPEB obligation:

The Town's annual OPEB cost is calculated based on the annual required contribution (ARC) of the Town. The Town has engaged an actuary to calculate the ARC and related information per the provisions of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities. The following table shows the components of the Town's annual OPEB cost, the amount actually contributed to the plan for the year ended June 30, 2015, and the Town's net OPEB obligation as of June 30, 2015, based on the latest available actuarial valuation.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2015

10. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED):

Annual OPEB cost and net OPEB obligation (continued):

Annual OPEB cost	
Annual required contribution	\$ 2,746,047
Interest on net OPEB obligation	396,696
Adjustment to annual required contribution	(498,490)
Annual OPEB cost	2,644,253
Contributions made during the year	(1,323,049)
Increase in net OPEB obligation	1,321,204
Net OPEB obligation at beginning of year	9,917,407
Net OPEB obligation at end of year	\$ 11,238,611

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan for the past three years, and the net OPEB obligation as of June 30, 2013, 2014 and 2015 are as follows:

Year ended June 30,	OPEB cost	Percentage of annual OPEB cost contributed	Net OPEB obligation
2013	\$ 2,881,518	36%	\$ 8,193,947
2014	3,007,454	43%	9,917,407
2015	2,644,253	50%	11,238,611

Funded status and funding progress:

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

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2015

10. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED):

Funded status and funding progress (continued):

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

Actuarial methods and assumptions:

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

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

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2015

11. CONTINGENCIES AND COMMITMENTS:

Litigation:

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

In January 2015, the Rhode Island Supreme Court ruled that the Town had the right to restructure the fire department and create 24-hour work shifts. In September 2015, the Town and the collective bargaining unit covering the fire department employees of the Town entered into a new union contract that covers the period July 1, 2013 through June 30, 2016. As a result of the new union contract, the fire department employees are entitled to retroactive pay totaling \$732,483 for the period July 1, 2013 through June 30, 2015. The liability for the retroactive pay has been recorded in the Town's General Fund as of June 30, 2015.

Line of credit:

The Town has a \$2,000,000 available line of credit from the Rhode Island Clean Water Finance Agency for the Community Septic System Loan Program (Loan Program). The Loan Program makes low-interest loans available to North Kingstown property owners for cesspool/septic system repairs or replacements and is administered by Rhode Island Housing. The Town is only liable to the Rhode Island Clean Water Finance Agency in the event of default by the property owner. A balance of \$716,983 was drawn down on the line of credit at June 30, 2015.

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 \$426,436 for the year ended June 30, 2015.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2015

11. CONTINGENCIES AND COMMITMENTS (CONTINUED):

The Town had several outstanding construction and technology projects as of June 30, 2015. These projects are evidenced by contractual commitments with contractors and consist of the following:

Fund/Project	Spent to Date	Commitment Remaining	Funding source (s)
Post Road South Waste Water Project Phase II	\$ 2,301,991	\$ 1,376,931	\$6M RICWFA Revolving Loan Fund
School Department Davisville Renovation	1,342,883	486,000	Capital Projects Fund
HVAC Recommission	495,807	293,193	Capital Projects Fund
Paving Project	360,297	214,367	General Fund
Replacement of Well #10	<u>74,000</u>	<u>294,000</u>	Water Fund, Capital Reserve
	<u>\$ 4,574,978</u>	<u>\$ 2,664,491</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 (CONTINUED)

YEAR ENDED JUNE 30, 2015

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, 2015 were \$0. Consequently, in fiscal 2015, there were net changes in the fund balances of the Workers' Compensation and Property Damage funds of (\$663) and (\$1,806), respectively. Assets of the funds consist solely of cash and cash equivalents totaling \$349,653 and \$646,522 for the Workers' Compensation and Property Damage funds, respectively, at June 30, 2015.

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, 2015 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 (CONTINUED)

YEAR ENDED JUNE 30, 2015

13. POLLUTION REMEDIATION OBLIGATION:

The Town is currently involved in the State of Rhode Island's Landfill Closure Program for both the Hamilton Allenton and Oak Hill Landfills. ACT Lincoln Environmental, the Town's consultant, has completed a Site Investigation Report for the Hamilton Allenton Landfill and submitted closure recommendations to the Rhode Island Department of Environmental Management (DEM). The highest priority recommendations include soil gas extraction and monitoring, wetland and drainage remediation, landfill cap improvements and additional groundwater monitoring. The Town still awaits comments from DEM from their site investigation recommendations submitted in prior years. The State's comments on the recommendations will dictate that either additional site investigation is required or a final landfill closure scope can proceed. Closure requirements established by DEM will be designed and bid for construction. The preliminary total closure estimate for both landfills is estimated at \$1,660,000, which has been reported as a liability in governmental activities. The estimate may be adjusted each year due to changes in plan, inflation, technology, or applicable laws or regulations. A future bond referendum will be required to pay for this project and could be combined with other infrastructure improvements. Immediate and more minor remediation efforts during fiscal year 2016 are to be funded from the Town Capital Reserve.

The Town has also been involved in the replacement of the water tank and related renovations, additions, improvements, and remediation of the Saunderstown Tank site. At June 30, 2015, the Saunderstown Tank remediation was substantially complete and has an estimated remaining cost of \$5,487, which has been reported as a liability in business-type activities.

14. SUBSEQUENT EVENTS:

On September 1, 2015, the Town issued General Obligation Bonds, 2015 Series A in the amount of \$15,030,000. A portion of the proceeds will provide for the advance refunding of a portion of the Town's \$4,000,000 General Obligation Bonds dated July 15, 2007, the advance refunding of a portion of the Town's \$2,840,000 General Obligation Bonds dated May 1, 2006 and the current refunding of the Town's \$30,360,000 General Obligation Bonds dated April 21, 2005.

On December 22, 2015, the Town issued Series 2015C in the amount of \$4,030,000 through the Rhode Island Health and Educational Building Corporation (RIHEBC) Public Schools Revenue Bond. The proceeds will be used to advance refund a portion of the Town's General Obligation Bonds issued through RIHEBC dated August 15, 2007.

TOWN OF NORTH KINGSTOWN,
RHODE ISLAND

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2015

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

REQUIRED SUPPLEMENTARY INFORMATION – SCHEDULE OF FUNDING PROGRESS

YEAR ENDED JUNE 30, 2015

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

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

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

LAST TEN YEARS *

	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 one year is shown.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

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

	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%

Notes:

1) Employers participating in the Municipal Employee's Retirement System are required by RI General Laws, Section 45-21-42, to contribute an actuarially determined contribution rate each year.

2) Schedule is intended to show information for 10 years- additional years will be displayed as they become available.

Notes to Schedule

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, open
Remaining amortization period	21 years
Inflation	2.75%
Salary Increases	General Employees- 3.50% to 7.50%
	Police & Fire Employees- 4.00% to 14.00%
Investment rate of return	7.50%
Retirement age	Varies depending on Years of Service and Age
	Male Employees, MERS General and MERS P&F: 115% of RP-2000 Combined Healthy for Males with White Collar adjustments, projected with Scale AA from 2000.
Mortality	Female Employees, MERS General and MERS P&F: 95% of RP-2000 Combined Healthy for Females with White Collar adjustments, projected with Scale AA from 2000.

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

REQUIRED SUPPLEMENTARY INFORMATION

EMPLOYEE'S RETIREMENT SYSTEM
LAST TEN YEARS *

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

	<u>2014</u>
Employer's proportion of the net pension liability	1.72%
Employer's proportionate share of the net pension liability	\$ 41,903,775
State's proportionate share of the net pension liability associated with the Town of North Kingstown	<u>28,735,349</u>
Total	\$ 70,639,124
Employer's covered employee payroll	\$ 27,457,413
Employer's proportionate share of the net pension liability as a percentage of its covered employee payroll	152.61%
Plan fiduciary net position as a percentage of the total pension liability	61.40%

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

Schedule of the Town's Contributions

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

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

* Fiscal year 2015 was the first year of implementation; therefore, only one year is shown.

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

GENERAL FUND

YEAR ENDED JUNE 30, 2015

	Originally Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Revenues:				
Property tax	\$ 73,880,513	\$ 74,150,004	\$ 73,753,717	\$ (396,287)
Intergovernmental	1,278,552	1,278,552	1,380,539	101,987
Licenses and permits	421,998	421,998	442,568	20,570
Investment income	40,000	40,000	(626)	(40,626)
Departmental	2,378,083	1,618,083	1,849,022	230,939
Other	72,000	47,000	198,910	151,910
	<u>78,071,146</u>	<u>77,555,637</u>	<u>77,624,130</u>	<u>68,493</u>
Total revenues				
Expenditures:				
Town council	496,365	496,365	150,596	345,769
Town manager	226,959	226,959	223,197	3,762
Town clerk and elections	493,848	493,848	451,036	42,812
Town solicitor	268,400	268,400	569,978	(301,578)
Finance	516,643	516,643	621,131	(104,488)
Information systems	267,097	329,971	439,485	(109,514)
Assessor	219,476	219,476	195,718	23,758
Planning	529,273	554,273	468,067	86,206
General operating	2,909,258	2,921,258	2,388,689	532,569
Code enforcement	409,080	409,080	389,930	19,150
Fire	7,873,457	7,873,457	7,757,376	116,081
Police, harbor and animal control	6,898,297	6,898,297	6,624,221	274,076
Public works	4,626,486	4,655,486	4,712,823	(57,337)
Recreation	28,750	28,750	6,599	22,151
Senior citizens	456,006	462,412	422,429	39,983
Contributions	135,670	123,670	94,723	28,947
Quonset development	548,574	548,574	438,785	109,789
	<u>26,903,639</u>	<u>27,026,919</u>	<u>25,954,783</u>	<u>1,072,136</u>
Total expenditures				
Excess of revenues over expenditures	<u>51,167,507</u>	<u>50,528,718</u>	<u>51,669,347</u>	<u>1,140,629</u>
Other financing sources (uses):				
Transfers from fund balance	500,000	378,789	72,160	(306,629)
Transfers in	150,000	910,000		(910,000)
Transfers out	<u>(51,817,507)</u>	<u>(51,817,507)</u>	<u>(51,741,507)</u>	<u>76,000</u>
Net other financing sources (uses)	<u>(51,167,507)</u>	<u>(50,528,718)</u>	<u>(51,669,347)</u>	<u>(1,140,629)</u>
Excess of revenues and other financing sources over expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

SCHOOL UNRESTRICTED FUND

YEAR ENDED JUNE 30, 2015

	Originally Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Revenues:				
State aid	\$ 10,714,391	\$ 10,714,391	\$ 10,725,468	\$ 11,077
Federal aid	445,000	445,000	455,760	10,760
Tuition	1,947,390	1,947,390	2,020,921	73,531
Miscellaneous	10,500	10,500	13,021	2,521
Total revenues	<u>13,117,281</u>	<u>13,117,281</u>	<u>13,215,170</u>	<u>97,889</u>
Expenditures:				
Salaries	34,451,517	33,805,434	33,576,431	229,003
Fringe benefits	13,781,036	13,015,934	12,487,404	528,530
Professional services	7,546,975	8,768,283	8,305,791	462,492
Supplies and materials	2,474,551	2,451,564	2,113,672	337,892
Capital outlay	612,800	839,723	778,421	61,302
Debt services	188,204	174,145	243,095	(68,950)
Total expenditures	<u>59,055,083</u>	<u>59,055,083</u>	<u>57,504,814</u>	<u>1,550,269</u>
Excess of expenditures over revenues	<u>(45,937,802)</u>	<u>(45,937,802)</u>	<u>(44,289,644)</u>	<u>1,648,158</u>
Other financing sources (uses):				
Operating transfer from Town	45,937,802	45,937,802	45,942,632	4,830
Transfers out			<u>(3,206,642)</u>	<u>(3,206,642)</u>
Net other financing sources (uses)	<u>45,937,802</u>	<u>45,937,802</u>	<u>42,735,990</u>	<u>(3,201,812)</u>
Excess of expenditures and other financing uses over revenues and other financing sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,553,654)</u>	<u>\$ (1,553,654)</u>

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

LIBRARY FUND

YEAR ENDED JUNE 30, 2015

	Originally Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Revenues:				
State aid	\$ 232,400	\$ 232,400	\$ 232,401	\$ 1
Departmental revenue	45,000	45,000	38,016	(6,984)
Other	-	-	6,000	6,000
Total revenues	<u>277,400</u>	<u>277,400</u>	<u>276,417</u>	<u>(983)</u>
Expenditures:				
Library	<u>1,486,219</u>	<u>1,475,519</u>	<u>1,449,849</u>	<u>25,670</u>
Total expenditures	<u>1,486,219</u>	<u>1,475,519</u>	<u>1,449,849</u>	<u>25,670</u>
Excess of expenditures over revenues	<u>(1,208,819)</u>	<u>(1,198,119)</u>	<u>(1,173,432)</u>	<u>24,687</u>
Other financing sources (uses):				
Operating transfer from Town	1,207,979	1,207,979	1,207,979	-
Transfers out		(10,700)	(10,700)	-
Transfer from fund balance	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Net other financing sources (uses)	<u>1,217,979</u>	<u>1,207,279</u>	<u>1,207,279</u>	<u>-</u>
Excess of revenues and other financing sources over expenditures and other financing uses	<u>\$ 9,160</u>	<u>\$ 9,160</u>	<u>\$ 33,847</u>	<u>\$ 24,687</u>

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

DEBT SERVICE FUND

YEAR ENDED JUNE 30, 2015

	Originally Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Revenues:				
State aid	\$ 1,347,235	\$ 1,347,235	\$ 774,776	\$ (572,459)
Miscellaneous	1,000	1,000	1,904	904
Total revenues	<u>1,348,235</u>	<u>1,348,235</u>	<u>776,680</u>	<u>(571,555)</u>
Expenditures:				
Debt service – Municipal	4,293,004	4,293,004	2,388,566	1,904,438
Debt service – School	<u>1,213,238</u>	<u>1,213,238</u>	<u>3,398,763</u>	<u>(2,185,525)</u>
Total expenditures	<u>5,506,242</u>	<u>5,506,242</u>	<u>5,787,329</u>	<u>(281,087)</u>
Excess of expenditures over revenues	<u>(4,158,007)</u>	<u>(4,158,007)</u>	<u>(5,010,649)</u>	<u>(852,642)</u>
Other financing sources:				
Operating transfers in – General Fund	3,971,727	3,971,727	3,971,726	(1)
Transfer from Impact Fees	30,000	30,000	-	(30,000)
Transfer from fund balance	<u>156,280</u>	<u>156,280</u>	<u>-</u>	<u>(156,280)</u>
Net other financing sources	<u>4,158,007</u>	<u>4,158,007</u>	<u>3,971,726</u>	<u>(186,281)</u>
Excess of expenditures over revenues and other financing sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,038,923)</u>	<u>\$ (1,038,923)</u>

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

JUNE 30, 2015

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, 2015

BUDGETARY DATA AND BUDGETARY COMPLIANCE (CONTINUED):

Budgetary to GAAP basis reconciliation (continued):

The following reconciliations summarize the differences between budgetary and U.S. GAAP basis accounting principles for the year ended June 30, 2015:

GENERAL FUND

Excess of revenues and other sources over expenditures and other uses (Non-GAAP Budgetary Basis)	\$ -
Prior year encumbrances	(201,905)
Current year encumbrances	380,183
Prior year cancelled or voided purchase orders	(24,019)
Use of accumulated fund balance	(72,160)
Retroactive pay for fire fighters	(732,483)
Combined with General Fund – GASB 54 GAAP basis:	
Retirement allowance reserve	193,680
Health insurance reserve	<u>59,325</u>
Net change in fund balance, GAAP basis	<u>\$ (397,379)</u>

SCHOOL UNRESTRICTED FUND

Deficiency of revenues and other sources over expenditures and other uses (Non-GAAP Budgetary Basis)	\$ (1,553,654)
Prior year encumbrances	(37,547)
Current year encumbrances	<u>179,162</u>
Net change in fund balance, GAAP basis	<u>\$ (1,412,039)</u>

TOWN OF NORTH KINGSTOWN,
RHODE ISLAND

OTHER SUPPLEMENTARY INFORMATION

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

OTHER SUPPLEMENTARY INFORMATION

JUNE 30, 2015

SPECIAL REVENUE FUNDS:

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

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

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

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

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

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

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

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

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

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

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

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

OTHER SUPPLEMENTARY INFORMATION

JUNE 30, 2015

SPECIAL REVENUE FUNDS (CONTINUED):

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

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

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

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

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

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

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

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

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

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

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

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

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

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

OTHER SUPPLEMENTARY INFORMATION (CONTINUED)

JUNE 30, 2015

SPECIAL REVENUE FUNDS (CONTINUED):

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

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

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

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

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

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

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

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

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

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

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

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

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

OTHER SUPPLEMENTARY INFORMATION (CONTINUED)

JUNE 30, 2015

SPECIAL REVENUE FUNDS (CONTINUED):

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

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

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

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

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

OTHER SUPPLEMENTARY INFORMATION (CONTINUED)

JUNE 30, 2015

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
The Boston Foundation	Siemens Foundation
USDA Reallocation	Use of Buildings
Title II	Substance Abuse Task Force
PTO Donations	Nickelodeon
Career & Tech	Donation Coaches
91-142 Preschool Services	Exxon Mobil
21st Century Learning Center	School Based HIV/STD Prevention
Drug Free Program Donations	Scholarship America
RI Legislative Grant- Drug Free	Fuji Film
Substance Abuse Donations	RI Full Day Kindergarten
USDA FFVP	Champlin Foundation
Walmart	Drug Free Communities
RI Council On The Arts- African	RTTT Instructional Improvement
Folk Tales	
Feinstein Foundation	RTTT Standards
RI State Council on the Arts- Silk	RTTT Instructional Set Aside
Road	
RI State Council on the Arts- Big	RTTT Education Effectiveness Set Aside
Yellow Bus	
RTTT PLC Mini Grant	Wendy’s Advertising

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

OTHER SUPPLEMENTARY INFORMATION (CONTINUED)

JUNE 30, 2015

DEBT SERVICE FUNDS:

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

CAPITAL PROJECT FUNDS:

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

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

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

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

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

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

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

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

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

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

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

OTHER SUPPLEMENTARY INFORMATION (CONTINUED)

JUNE 30, 2015

PERMANENT FUNDS:

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

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

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

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

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

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

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

- Elizabeth Miller
- William D. Davis

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

OTHER SUPPLEMENTARY INFORMATION (CONTINUED)

JUNE 30, 2015

PERMANENT FUNDS (CONTINUED):

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

- Hendrick Library
- Gardiner
- Updike
- Tennis

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

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

JUNE 30, 2015

	SPECIAL REVENUE FUNDS							
	Willet Library Fund	Champlin Foundation Fund	Davisville Library Fund	Library Fund	Juniper Hill Tank Grant	Miscellaneous State Grants	State Grants - Police Department	Seized and Forfeited Property Escrow
<i>Assets</i>								
Cash and cash equivalents	\$ 14,667	\$ 77,481	\$ 23,807	\$ 204,481	\$ 23,559	\$ -	\$ 1,981	\$ 25,128
Due from other governments	-							
Due from other funds	-			47,204				
Other receivables				5,770				
	<u>\$ 14,667</u>	<u>\$ 77,481</u>	<u>\$ 23,807</u>	<u>\$ 257,455</u>	<u>\$ 23,559</u>	<u>\$ -</u>	<u>\$ 1,981</u>	<u>\$ 25,128</u>
<i>Liabilities</i>								
Accounts payable and accrued liabilities	\$ 19,792	\$ -	\$ -	\$ 41,375	\$ -	\$ 22,912	\$ -	\$ -
Due to other funds		-	18,539			225,876		
Due to other governments							1,298	
Unearned revenue		76,965						
<i>Total Liabilities</i>	<u>19,792</u>	<u>76,965</u>	<u>18,539</u>	<u>41,375</u>	<u>-</u>	<u>248,788</u>	<u>1,298</u>	<u>-</u>
<i>Fund Balances</i>								
Nonspendable								
Restricted		516	5,268		23,559		683	25,128
Committed								
Assigned				216,080				
Unassigned	(5,125)					(248,788)		
<i>Total Fund Balances</i>	<u>(5,125)</u>	<u>516</u>	<u>5,268</u>	<u>216,080</u>	<u>23,559</u>	<u>(248,788)</u>	<u>683</u>	<u>25,128</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 14,667</u>	<u>\$ 77,481</u>	<u>\$ 23,807</u>	<u>\$ 257,455</u>	<u>\$ 23,559</u>	<u>\$ -</u>	<u>\$ 1,981</u>	<u>\$ 25,128</u>

(continued)

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

JUNE 30, 2015

	SPECIAL REVENUE FUNDS								
	Beachwood House Senior Center Equipment Escrow	RIDEM Potowomut Pond Clean-up	RI Emergency Management	Town Municipal Court	State Elderly Affairs Grant	Land Dedication Escrow	Senior Health Insurance Program	State Council on the Arts Grant	RI Foundation Grant
<i>Assets</i>									
Cash and cash equivalents	\$ 709	\$ 4,500	\$ 51,408	\$ 132,502	\$ 5,900	\$ 90,754	\$ 1,430	\$ 10,697	\$ -
Due from other governments				1,237					
Due from other funds									
Other receivables									
	<u>\$ 709</u>	<u>\$ 4,500</u>	<u>\$ 51,408</u>	<u>\$ 133,739</u>	<u>\$ 5,900</u>	<u>\$ 90,754</u>	<u>\$ 1,430</u>	<u>\$ 10,697</u>	<u>\$ -</u>
<i>Liabilities</i>									
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 9,459	\$ 137	\$ -	\$ -	\$ -	\$ -
Due to other funds			-	838					597
Due to other governments									
Unearned revenue									
<i>Total Liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,297</u>	<u>137</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>597</u>
<i>Fund Balances</i>									
Nonspendable									
Restricted	709	4,500	51,408		5,763	90,754	1,430	10,697	
Committed									
Assigned				123,442					
Unassigned							-		(597)
<i>Total Fund Balances</i>	<u>709</u>	<u>4,500</u>	<u>51,408</u>	<u>123,442</u>	<u>5,763</u>	<u>90,754</u>	<u>1,430</u>	<u>10,697</u>	<u>(597)</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 709</u>	<u>\$ 4,500</u>	<u>\$ 51,408</u>	<u>\$ 133,739</u>	<u>\$ 5,900</u>	<u>\$ 90,754</u>	<u>\$ 1,430</u>	<u>\$ 10,697</u>	<u>\$ -</u>

(continued)

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

JUNE 30, 2015

	SPECIAL REVENUE FUNDS							
	Local Law Enforcement Block Grant	Technology Replacement	Governor's Justice Commission	Miscellaneous Senior Citizens Grant	Senior Center Legislative Grant	Impact Fees	Emergency Medical Services	CDBG Grants
<i>Assets</i>								
Cash and cash equivalents	\$ 358	\$ 55,010	\$ 2,100	\$ 23,375	\$ 1,453	\$ 71,712	\$ 1,062,595	\$ 87,524
Due from other governments				-				37,803
Due from other funds								237,806
Other receivables								
	<u>\$ 358</u>	<u>\$ 55,010</u>	<u>\$ 2,100</u>	<u>\$ 23,375</u>	<u>\$ 1,453</u>	<u>\$ 71,712</u>	<u>\$ 1,062,595</u>	<u>\$ 363,133</u>
<i>Liabilities</i>								
Accounts payable and accrued liabilities	\$ -	\$ 4,536	\$ -	\$ 848	\$ -	\$ -	\$ 24,482	\$ -
Due to other funds								
Due to other governments								
Unearned revenue								7,808
<i>Total Liabilities</i>	<u>-</u>	<u>4,536</u>	<u>-</u>	<u>848</u>	<u>-</u>	<u>-</u>	<u>24,482</u>	<u>7,808</u>
<i>Fund Balances</i>								
Nonspendable								
Restricted	358	50,474	2,100	22,527	1,453			355,325
Committed								
Assigned						71,712	1,038,113	
Unassigned								
<i>Total Fund Balances</i>	<u>358</u>	<u>50,474</u>	<u>2,100</u>	<u>22,527</u>	<u>1,453</u>	<u>71,712</u>	<u>1,038,113</u>	<u>355,325</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 358</u>	<u>\$ 55,010</u>	<u>\$ 2,100</u>	<u>\$ 23,375</u>	<u>\$ 1,453</u>	<u>\$ 71,712</u>	<u>\$ 1,062,595</u>	<u>\$ 363,133</u>

(continued)

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

JUNE 30, 2015

	SPECIAL REVENUE FUNDS							
	Fire Department Legislative Grant	Old Library Park	Groundwater Education Donation	Miscellaneous Library Donations	Operation Drug Dog	Special Purpose Donations	Tax Revaluation Reserve Fund	Infrastructure Replacement
Assets								
Cash and cash equivalents	\$ 2,626	\$ 2,599	\$ 667	\$ 11,472	\$ -	\$ -	\$ 56,541	\$ 561,395
Due from other governments						-		
Due from other funds								12,009
Other receivables								
	<u>\$ 2,626</u>	<u>\$ 2,599</u>	<u>\$ 667</u>	<u>\$ 11,472</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56,541</u>	<u>\$ 573,404</u>
Liabilities								
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 60	\$ -	\$ 166	\$ -	\$ -
Due to other funds						13,859		
Due to other governments								
Unearned revenue								
<i>Total Liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>60</u>	<u>-</u>	<u>14,025</u>	<u>-</u>	<u>-</u>
Fund Balances								
Nonspendable								
Restricted	2,626	2,599	667	11,412	-			
Committed								
Assigned							56,541	573,404
Unassigned						(14,025)		
<i>Total Fund Balances</i>	<u>2,626</u>	<u>2,599</u>	<u>667</u>	<u>11,412</u>	<u>-</u>	<u>(14,025)</u>	<u>56,541</u>	<u>573,404</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 2,626</u>	<u>\$ 2,599</u>	<u>\$ 667</u>	<u>\$ 11,472</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56,541</u>	<u>\$ 573,404</u>

(continued)

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

JUNE 30, 2015

	SPECIAL REVENUE FUNDS						
	URI Septic Loan Program	Ann Ward Wallou Memorial Garden	Senior Citizens Center	Senior Citizens Bus Gasoline Escrow	Arts Council	Senior Outreach Escrow	Project D.A.R.E.
<i>Assets</i>							
Cash and cash equivalents	\$ 419	\$ -	\$ 102,667	\$ 61	\$ 39,439	\$ 1,327	\$ 4,844
Due from other governments							
Due from other funds							
Other receivables							
	<u>\$ 419</u>	<u>\$ -</u>	<u>\$ 102,667</u>	<u>\$ 61</u>	<u>\$ 39,439</u>	<u>\$ 1,327</u>	<u>\$ 4,844</u>
<i>Liabilities</i>							
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 4,602	\$ -	\$ 14,242	\$ -	\$ -
Due to other funds	-	901					
Due to other governments							
Unearned revenue							
<i>Total Liabilities</i>	<u>-</u>	<u>901</u>	<u>4,602</u>	<u>-</u>	<u>14,242</u>	<u>-</u>	<u>-</u>
<i>Fund Balances</i>							
Nonspendable							
Restricted	419		98,065	61	25,197	1,327	4,844
Committed							
Assigned							
Unassigned		(901)					
<i>Total Fund Balances</i>	<u>419</u>	<u>(901)</u>	<u>98,065</u>	<u>61</u>	<u>25,197</u>	<u>1,327</u>	<u>4,844</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 419</u>	<u>\$ -</u>	<u>\$ 102,667</u>	<u>\$ 61</u>	<u>\$ 39,439</u>	<u>\$ 1,327</u>	<u>\$ 4,844</u>

(continued)

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

JUNE 30, 2015

	SPECIAL REVENUE FUNDS						DEBT SERVICE FUND
	Parade Committee	Leisure Services Brochure	Community Center Maintenance	Heritage Committee	Recreation Escrow	Non Civic Detail Escrow Fund	FY 2005 Refunding
<i>Assets</i>							
Cash and cash equivalents	\$ -	\$ -	\$ 48,318	\$ 144	\$ 114,396	\$ 60,224	\$ 11,475
Due from other governments		1,400					
Due from other funds							
Other receivables					135,912		
	<u>\$ -</u>	<u>\$ 1,400</u>	<u>\$ 48,318</u>	<u>\$ 144</u>	<u>\$ 114,396</u>	<u>\$ 196,136</u>	<u>\$ 11,475</u>
<i>Liabilities</i>							
Accounts payable and accrued liabilities	\$ 819	\$ -	\$ 47,441	\$ 144	\$ 14,867	\$ 7,082	\$ -
Due to other funds	25					-	
Due to other governments							
Unearned revenue							
<i>Total Liabilities</i>	<u>844</u>	<u>-</u>	<u>47,441</u>	<u>144</u>	<u>14,867</u>	<u>7,082</u>	<u>-</u>
<i>Fund Balances</i>							
Nonspendable							
Restricted		1,400	877	-			
Committed							
Assigned					99,529	189,054	11,475
Unassigned	(844)						
<i>Total Fund Balances</i>	<u>(844)</u>	<u>1,400</u>	<u>877</u>	<u>-</u>	<u>99,529</u>	<u>189,054</u>	<u>11,475</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ -</u>	<u>\$ 1,400</u>	<u>\$ 48,318</u>	<u>\$ 144</u>	<u>\$ 114,396</u>	<u>\$ 196,136</u>	<u>\$ 11,475</u>

(continued)

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

JUNE 30, 2015

	CAPITAL PROJECT FUNDS							
	Capital Improvements Project	Capital Reserve	9M School Renovation Bond	Farmland & Open Space Reserve	6M Public Facilities Plan Bond	School Capital Reserve Fund	4M Senior Center Complex Fund	4.5M Public Safety Facilities
<i>Assets</i>								
Cash and cash equivalents	\$ 2,337,391	\$ 989,776	\$ -	\$ 1,351,738	\$ 376,635	\$ -	\$ 8,775	\$ 21,940
Due from other governments	1,400		1,600,000					
Due from other funds	70,278							
Other receivables								
	<u>\$ 2,409,069</u>	<u>\$ 989,776</u>	<u>\$ 1,600,000</u>	<u>\$ 1,351,738</u>	<u>\$ 376,635</u>	<u>\$ -</u>	<u>\$ 8,775</u>	<u>\$ 21,940</u>
<i>Liabilities</i>								
Accounts payable and accrued liabilities	\$ 465,462	\$ 19,075	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	4,830	1,907,284	1,300,938					
Due to other governments								
Unearned revenue								
<i>Total Liabilities</i>	<u>470,292</u>	<u>1,926,359</u>	<u>1,300,938</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund Balances</i>								
Nonspendable								
Restricted			299,062	1,351,738	376,635	-	8,775	21,940
Committed								
Assigned	1,938,777							
Unassigned		(936,583)						
<i>Total Fund Balances</i>	<u>1,938,777</u>	<u>(936,583)</u>	<u>299,062</u>	<u>1,351,738</u>	<u>376,635</u>	<u>-</u>	<u>8,775</u>	<u>21,940</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 2,409,069</u>	<u>\$ 989,776</u>	<u>\$ 1,600,000</u>	<u>\$ 1,351,738</u>	<u>\$ 376,635</u>	<u>\$ -</u>	<u>\$ 8,775</u>	<u>\$ 21,940</u>

(continued)

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

JUNE 30, 2015

	CAPITAL PROJECT FUNDS		PERMANENT FUNDS						
	4M Farmland Open Space Fund	1.35M Library Bond Fund	Henry Reynolds Indigent Care	Tri-Centennial Park	400th Anniversary	Henry Reynolds Outside Poor Fund	John J. Spink Outside Poor Fund	John B. Spink Outside Poor Fund	Thomas Casey Outside Poor Fund
Assets									
Cash and cash equivalents	\$ 282,982	\$ -	\$ 19,018	\$ 6,118	\$ 3,634	\$ 2,187	\$ 21,087	\$ 5,272	\$ 2,187
Due from other governments									
Due from other funds									
Other receivables									
	<u>\$ 282,982</u>	<u>\$ -</u>	<u>\$ 19,018</u>	<u>\$ 6,118</u>	<u>\$ 3,634</u>	<u>\$ 2,187</u>	<u>\$ 21,087</u>	<u>\$ 5,272</u>	<u>\$ 2,187</u>
Liabilities									
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds		-							
Due to other governments									
Unearned revenue									
<i>Total Liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances									
Nonspendable									
Restricted	282,982		19,018	6,118	3,634	2,187	21,087	5,272	2,187
Committed									
Assigned									
Unassigned									
<i>Total Fund Balances</i>	<u>282,982</u>	<u>-</u>	<u>19,018</u>	<u>6,118</u>	<u>3,634</u>	<u>2,187</u>	<u>21,087</u>	<u>5,272</u>	<u>2,187</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 282,982</u>	<u>\$ -</u>	<u>\$ 19,018</u>	<u>\$ 6,118</u>	<u>\$ 3,634</u>	<u>\$ 2,187</u>	<u>\$ 21,087</u>	<u>\$ 5,272</u>	<u>\$ 2,187</u>

(continued)

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

JUNE 30, 2015

	PERMANENT FUNDS								
	Elizabeth Miller Library Fund	William D. Davis Library Fund	Veterans Memorial Scholarship	Hendrick Library Fund	Gardiner Fund	Updike Fund	Tennis Fund	Lynette Olson Memorial Fund	Grand Totals
<i>Assets</i>									
Cash and cash equivalents	\$ 2,007	\$ 5,018	\$ 6,952	\$ 8,772	\$ 5,805	\$ 4,222	\$ 268	\$ 5,340	\$ 8,458,869
Due from other governments									1,640,603
Due from other funds									356,525
Other receivables									153,691
	<u>\$ 2,007</u>	<u>\$ 5,018</u>	<u>\$ 6,952</u>	<u>\$ 8,772</u>	<u>\$ 5,805</u>	<u>\$ 4,222</u>	<u>\$ 268</u>	<u>\$ 5,340</u>	<u>\$ 10,609,688</u>
<i>Liabilities</i>									
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 697,501
Due to other funds									3,473,687
Due to other governments									1,298
Unearned revenue									84,773
<i>Total Liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,257,259</u>
<i>Fund Balances</i>									
Nonspendable									-
Restricted	2,007	5,018	6,952	8,772	5,805	4,222	268	5,340	3,241,165
Committed									-
Assigned									4,318,127
Unassigned									(1,206,863)
<i>Total Fund Balances</i>	<u>2,007</u>	<u>5,018</u>	<u>6,952</u>	<u>8,772</u>	<u>5,805</u>	<u>4,222</u>	<u>268</u>	<u>5,340</u>	<u>6,352,429</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 2,007</u>	<u>\$ 5,018</u>	<u>\$ 6,952</u>	<u>\$ 8,772</u>	<u>\$ 5,805</u>	<u>\$ 4,222</u>	<u>\$ 268</u>	<u>\$ 5,340</u>	<u>\$ 10,609,688</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

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

YEAR ENDED JUNE 30, 2015

	SPECIAL REVENUE FUNDS							
	Willet Library Fund	Champlin Foundation Fund	Davisville Library Fund	Library Fund	Juniper Hill Tank Grant	Miscellaneous State Grants	State Grants - Police Department	Seized and Forfeited Property Escrow
Revenues:								
Interest and investment income	\$ -	\$ 174	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	19,968	43,385		232,401		87,636		
Departmental				38,016				
Other			26,321	6,000				1,627
<i>Total Revenues</i>	<u>19,968</u>	<u>43,559</u>	<u>26,321</u>	<u>276,417</u>	<u>-</u>	<u>87,636</u>	<u>-</u>	<u>1,627</u>
Expenditures:								
General government	-	43,385	-	-	-	42,214	-	2,481
Public safety							2,403	
Public works								
Per trust agreements								
Education								
Public libraries	47,952		21,053	1,404,285				
Senior services								
Capital and special appropriations								
<i>Total Expenditures</i>	<u>47,952</u>	<u>43,385</u>	<u>21,053</u>	<u>1,404,285</u>	<u>-</u>	<u>42,214</u>	<u>2,403</u>	<u>2,481</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>(27,984)</u>	<u>174</u>	<u>5,268</u>	<u>(1,127,868)</u>	<u>-</u>	<u>45,422</u>	<u>(2,403)</u>	<u>(854)</u>
Other financing sources (uses):								
Proceeds from bond issuance								
Bond premiums								
Bond issuance costs								
Transfers in				1,207,979				
Transfers out				(10,700)				
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,197,279</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>(27,984)</u>	<u>174</u>	<u>5,268</u>	<u>69,411</u>	<u>-</u>	<u>45,422</u>	<u>(2,403)</u>	<u>(854)</u>
Fund balance, beginning of year	<u>22,859</u>	<u>342</u>	<u>-</u>	<u>146,669</u>	<u>23,559</u>	<u>(294,210)</u>	<u>3,086</u>	<u>25,982</u>
Fund balance, end of year	<u>\$ (5,125)</u>	<u>\$ 516</u>	<u>\$ 5,268</u>	<u>\$ 216,080</u>	<u>\$ 23,559</u>	<u>\$ (248,788)</u>	<u>\$ 683</u>	<u>\$ 25,128</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, 2015

SPECIAL REVENUE FUNDS

	Beachwood House Senior Center Equipment Escrow	RIDEM Potowomut Pond Clean-up	RI Emergency Management	Town Municipal Court	State Elderly Affairs Grant	Land Dedication Escrow	Senior Health Insurance Program	State Council on the Arts Grant	RI Foundation Grant
venues:									
Interest and investment income	\$ -	\$ -	\$ -	\$ 470	\$ -	\$ 228		\$ -	\$ -
Intergovernmental				249,990	8,311		22,670		
Departmental									
Other									
<i>Total Revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>250,460</u>	<u>8,311</u>	<u>228</u>	<u>22,670</u>	<u>-</u>	<u>-</u>
penditures:									
General government	-	-	-	299,646	-	-	27,950	-	-
Public safety									
Public works									
Per trust agreements									
Education									
Public libraries									
Senior services					1,935				
Capital and special appropriations									
<i>Total Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>299,646</u>	<u>1,935</u>	<u>-</u>	<u>27,950</u>	<u>-</u>	<u>-</u>
excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(49,186)</u>	<u>6,376</u>	<u>228</u>	<u>(5,280)</u>	<u>-</u>	<u>-</u>
other financing sources (uses):									
Proceeds from bond issuance									
Bond premiums									
Bond issuance costs									
Transfers in									
Transfers out									
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(49,186)</u>	<u>6,376</u>	<u>228</u>	<u>(5,280)</u>	<u>-</u>	<u>-</u>
fund balance, beginning of year	<u>709</u>	<u>4,500</u>	<u>51,408</u>	<u>172,628</u>	<u>(613)</u>	<u>90,526</u>	<u>6,710</u>	<u>10,697</u>	<u>(597)</u>
fund balance, end of year	<u>\$ 709</u>	<u>\$ 4,500</u>	<u>\$ 51,408</u>	<u>\$ 123,442</u>	<u>\$ 5,763</u>	<u>\$ 90,754</u>	<u>\$ 1,430</u>	<u>\$ 10,697</u>	<u>\$ (597)</u>

(continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

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

YEAR ENDED JUNE 30, 2015

	SPECIAL REVENUE FUNDS							
	Local Law Enforcement Block Grant	Technology Replacement	Governor's Justice Commission	Miscellaneous Senior Citizens Grant	Senior Center Legislative Grant	Impact Fees	Emergency Medical Services	CDBG Grants
Revenues:								
Interest and investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1	\$ 2	\$ -
Intergovernmental				28,156	1,300	35,419	591,795	399,685
Departmental								
Other		26,407						
<i>Total Revenues</i>	<u>-</u>	<u>26,407</u>	<u>-</u>	<u>28,156</u>	<u>1,300</u>	<u>35,420</u>	<u>591,797</u>	<u>399,685</u>
Expenditures:								
General government	-	5,987	-	-	-	-	54,186	113,693
Public safety							3,990	
Public works								
Per trust agreements								
Education								
Public libraries				5,789				
Senior services				27,490	3,512			
Capital and special appropriations							505,231	
<i>Total Expenditures</i>	<u>-</u>	<u>5,987</u>	<u>-</u>	<u>33,279</u>	<u>3,512</u>	<u>-</u>	<u>563,407</u>	<u>113,693</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>-</u>	<u>20,420</u>	<u>-</u>	<u>(5,123)</u>	<u>(2,212)</u>	<u>35,420</u>	<u>28,390</u>	<u>285,992</u>
Other financing sources (uses):								
Proceeds from bond issuance								
Bond premiums								
Bond issuance costs								
Transfers in								
Transfers out						-		
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>-</u>	<u>20,420</u>	<u>-</u>	<u>(5,123)</u>	<u>(2,212)</u>	<u>35,420</u>	<u>28,390</u>	<u>285,992</u>
End balance, beginning of year	<u>358</u>	<u>30,054</u>	<u>2,100</u>	<u>27,650</u>	<u>3,665</u>	<u>36,292</u>	<u>1,009,723</u>	<u>69,333</u>
End balance, end of year	<u>\$ 358</u>	<u>\$ 50,474</u>	<u>\$ 2,100</u>	<u>\$ 22,527</u>	<u>\$ 1,453</u>	<u>\$ 71,712</u>	<u>\$ 1,038,113</u>	<u>\$ 355,325</u>

(continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

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

YEAR ENDED JUNE 30, 2015

	SPECIAL REVENUE FUNDS							
	Fire Department Legislative Grant	Old Library Park	Groundwater Education Donation	Miscellaneous Library Donations	Operation Drug Dog	Special Purpose Donations	Tax Revaluation Reserve Fund	Infrastructure Replacement
Revenues:								
Interest and investment income	\$ -	\$ 6	\$ -	\$ 26	\$ -	\$ -	\$ -	\$ 487
Intergovernmental				-			143	188,677
Departmental								
Other						22,172		
<i>Total Revenues</i>	<u>-</u>	<u>6</u>	<u>-</u>	<u>26</u>	<u>-</u>	<u>22,172</u>	<u>143</u>	<u>189,164</u>
Expenditures:								
General government	-	-	-	-	-	32,015	-	-
Public safety						-		
Public works								
Per trust agreements								
Education			-					
Public libraries				2,522				
Senior services								
Capital and special appropriations								
<i>Total Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,522</u>	<u>-</u>	<u>32,015</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>-</u>	<u>6</u>	<u>-</u>	<u>(2,496)</u>	<u>-</u>	<u>(9,843)</u>	<u>143</u>	<u>189,164</u>
Other financing sources (uses):								
Proceeds from bond issuance								
Bond premiums								
Bond issuance costs								
Transfers in							-	
Transfers out					-			
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>-</u>	<u>6</u>	<u>-</u>	<u>(2,496)</u>	<u>-</u>	<u>(9,843)</u>	<u>143</u>	<u>189,164</u>
End balance, beginning of year	<u>2,626</u>	<u>2,593</u>	<u>667</u>	<u>13,908</u>	<u>-</u>	<u>(4,182)</u>	<u>56,398</u>	<u>384,240</u>
End balance, end of year	<u>\$ 2,626</u>	<u>\$ 2,599</u>	<u>\$ 667</u>	<u>\$ 11,412</u>	<u>\$ -</u>	<u>\$ (14,025)</u>	<u>\$ 56,541</u>	<u>\$ 573,404</u>

(continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

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

YEAR ENDED JUNE 30, 2015

	SPECIAL REVENUE FUNDS						
	URI Septic Loan Program	Ann Ward Wallou Memorial Garden	Senior Citizens Center	Senior Citizens Bus Gasoline Escrow	Arts Council	Senior Outreach Escrow	Project D.A.R.E.
venues:							
Interest and investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental							
Departmental							
Other	77		143,399		15,472		
<i>Total Revenues</i>	<u>77</u>	<u>-</u>	<u>143,399</u>	<u>-</u>	<u>15,472</u>	<u>-</u>	<u>-</u>
penditures:							
General government	-	7	-	-	37,100	-	-
Public safety							
Public works							
Per trust agreements							
Education							
Public libraries							
Senior services			103,241				
Capital and special appropriations	7,500						
<i>Total Expenditures</i>	<u>7,500</u>	<u>7</u>	<u>103,241</u>	<u>-</u>	<u>37,100</u>	<u>-</u>	<u>-</u>
cess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>(7,423)</u>	<u>(7)</u>	<u>40,158</u>	<u>-</u>	<u>(21,628)</u>	<u>-</u>	<u>-</u>
her financing sources (uses):							
Proceeds from bond issuance							
Bond premiums							
Bond issuance costs							
Transfers in							
Transfers out							
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
cess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>(7,423)</u>	<u>(7)</u>	<u>40,158</u>	<u>-</u>	<u>(21,628)</u>	<u>-</u>	<u>-</u>
nd balance, beginning of year	<u>7,842</u>	<u>(894)</u>	<u>57,907</u>	<u>61</u>	<u>46,825</u>	<u>1,327</u>	<u>4,844</u>
nd balance, end of year	<u>\$ 419</u>	<u>\$ (901)</u>	<u>\$ 98,065</u>	<u>\$ 61</u>	<u>\$ 25,197</u>	<u>\$ 1,327</u>	<u>\$ 4,844</u>

(continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

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

YEAR ENDED JUNE 30, 2015

	SPECIAL REVENUE FUNDS						DEBT SERVICE FUND
	Parade Committee	Leisure Services Brochure	Community Center Maintenance	Heritage Committee	Recreation Escrow	Non Civic Detail Escrow Fund	FY 2005 Refunding
venues:							
Interest and investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental						457,593	
Departmental							
Other	706	-	-	-	237,497		
<i>Total Revenues</i>	<u>706</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>237,497</u>	<u>457,593</u>	<u>-</u>
penditures:							
General government	1,610	-	40,788	-	204,396	283,900	-
Public safety							
Public works							
Per trust agreements							
Education							
Public libraries							
Senior services							
Capital and special appropriations							
<i>Total Expenditures</i>	<u>1,610</u>	<u>-</u>	<u>40,788</u>	<u>-</u>	<u>204,396</u>	<u>283,900</u>	<u>-</u>
cess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>(904)</u>	<u>-</u>	<u>(40,788)</u>	<u>-</u>	<u>33,101</u>	<u>173,693</u>	<u>-</u>
other financing sources (uses):							
Proceeds from bond issuance							
Bond premiums							
Bond issuance costs							
Transfers in							-
Transfers out							-
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
cess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>(904)</u>	<u>-</u>	<u>(40,788)</u>	<u>-</u>	<u>33,101</u>	<u>173,693</u>	<u>-</u>
nd balance, beginning of year	<u>60</u>	<u>1,400</u>	<u>41,665</u>	<u>-</u>	<u>66,428</u>	<u>15,361</u>	<u>11,475</u>
nd balance, end of year	<u>\$ (844)</u>	<u>\$ 1,400</u>	<u>\$ 877</u>	<u>\$ -</u>	<u>\$ 99,529</u>	<u>\$ 189,054</u>	<u>\$ 11,475</u>

(continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

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

YEAR ENDED JUNE 30, 2015

	CAPITAL PROJECT FUNDS							
	Capital Improvement Project	Capital Reserve	9M School Renovation Bond	Farmland & Open Space Reserve	6M Public Facilities Plan Bond	School Capital Reserve Fund	4M Senior Center Complex Fund	4.5M Public Safety Facilities
Revenues:								
Interest and investment income	\$ -	\$ 2,315	\$ -	\$ 2,534	\$ 953	\$ 51	\$ -	\$ -
Intergovernmental				72,953				
Departmental								
Other								
<i>Total Revenues</i>	<u>-</u>	<u>2,315</u>	<u>-</u>	<u>75,487</u>	<u>953</u>	<u>51</u>	<u>-</u>	<u>-</u>
Expenditures:								
General government	148,044	-	-	27,687	-	-	-	-
Public safety								
Public works								
Per trust agreements								
Education								
Public libraries								
Senior services								
Capital and special appropriations	2,985,746	200,172	-	8,886	-	-	-	-
<i>Total Expenditures</i>	<u>3,133,790</u>	<u>200,172</u>	<u>-</u>	<u>36,573</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>(3,133,790)</u>	<u>(197,857)</u>	<u>-</u>	<u>38,914</u>	<u>953</u>	<u>51</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):								
Proceeds from bond issuance	-		-					
Bond premiums			-					
Bond issuance costs			-					
Transfers in	4,219,643	124,000						
Transfers out	(4,830)	(1,000,000)				(21,035)		
<i>Total Other Financing Sources (Uses)</i>	<u>4,214,813</u>	<u>(876,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(21,035)</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>1,081,023</u>	<u>(1,073,857)</u>	<u>-</u>	<u>38,914</u>	<u>953</u>	<u>(20,984)</u>	<u>-</u>	<u>-</u>
Fund balance, beginning of year	<u>857,754</u>	<u>137,274</u>	<u>299,062</u>	<u>1,312,824</u>	<u>375,682</u>	<u>20,984</u>	<u>8,775</u>	<u>21,940</u>
Fund balance, end of year	<u>\$ 1,938,777</u>	<u>\$ (936,583)</u>	<u>\$ 299,062</u>	<u>\$ 1,351,738</u>	<u>\$ 376,635</u>	<u>\$ -</u>	<u>\$ 8,775</u>	<u>\$ 21,940</u>

(continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

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

YEAR ENDED JUNE 30, 2015

	CAPITAL PROJECT FUNDS		PERMANENT FUNDS						
	4M Farmland Open Space Fund	1.35M Library Bond Fund	Henry Reynolds Indigent Care	Tri-Centennial Park	400th Anniversary	Henry Reynolds Outside Poor Fund	John J. Spink Outside Poor Fund	John B. Spink Outside Poor Fund	Thomas Casey Outside Poor Fund
venues:									
Interest and investment income	\$ 924	\$ -	\$ 48	\$ -	\$ 13	\$ -	\$ -	\$ -	\$ -
Intergovernmental									
Departmental									
Other									
<i>Total Revenues</i>	<u>924</u>	<u>-</u>	<u>48</u>	<u>-</u>	<u>13</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
penditures:									
General government	-	-	-	-	-	-	-	-	-
Public safety		-							
Public works									
Per trust agreements									
Education									
Public libraries									
Senior services									
Capital and special appropriations	82,126	-							
<i>Total Expenditures</i>	<u>82,126</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>(81,202)</u>	<u>-</u>	<u>48</u>	<u>-</u>	<u>13</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
other financing sources (uses):									
Proceeds from bond issuance									
Bond premiums									
Bond issuance costs									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out									
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>(81,202)</u>	<u>-</u>	<u>48</u>	<u>-</u>	<u>13</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
fund balance, beginning of year	364,184	-	18,970	6,118	3,621	2,187	21,087	5,272	2,187
fund balance, end of year	<u>\$ 282,982</u>	<u>\$ -</u>	<u>\$ 19,018</u>	<u>\$ 6,118</u>	<u>\$ 3,634</u>	<u>\$ 2,187</u>	<u>\$ 21,087</u>	<u>\$ 5,272</u>	<u>\$ 2,187</u>

(continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

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

YEAR ENDED JUNE 30, 2015

	PERMANENT FUNDS								
	Elizabeth Miller Library Fund	William D. Davis Library Fund	Veterans Memorial Scholarship	Hendrick Library Fund	Gardiner Fund	School Updike Fund	School Tennis Fund	Lynette Olson Memorial Fund	Grand Totals
venues:									
Interest and investment income	\$ -	\$ -	\$ 24	\$ 3	\$ 2	\$ 1	\$ -	\$ -	\$ 8,262
Intergovernmental									2,440,082
Departmental									38,016
Other									479,678
<i>Total Revenues</i>	<u>-</u>	<u>-</u>	<u>24</u>	<u>3</u>	<u>2</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>2,966,038</u>
penditures:									
General government	-	-	-	-	-	-	-	-	1,365,089
Public safety									6,393
Public works									-
Per trust agreements									-
Education									-
Public libraries									1,481,601
Senior services									136,178
Capital and special appropriations									3,789,661
<i>Total Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,778,922</u>
excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>-</u>	<u>-</u>	<u>24</u>	<u>3</u>	<u>2</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>(3,812,884)</u>
other financing sources (uses):									
Proceeds from bond issuance									-
Bond premiums									-
Bond issuance costs									-
Transfers in	-	-	-	-	-	-	-	-	5,551,622
Transfers out	-	-	-	-	-	-	-	-	(1,036,565)
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,515,057</u>
excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>-</u>	<u>-</u>	<u>24</u>	<u>3</u>	<u>2</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>702,173</u>
fund balance, beginning of year	<u>2,007</u>	<u>5,018</u>	<u>6,928</u>	<u>8,769</u>	<u>5,803</u>	<u>4,221</u>	<u>268</u>	<u>5,340</u>	<u>5,650,256</u>
fund balance, end of year	<u>\$ 2,007</u>	<u>\$ 5,018</u>	<u>\$ 6,952</u>	<u>\$ 8,772</u>	<u>\$ 5,805</u>	<u>\$ 4,222</u>	<u>\$ 268</u>	<u>\$ 5,340</u>	<u>\$ 6,352,429</u>

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

JUNE 30, 2015

SPECIAL REVENUE FUNDS

	School Unrestricted	Substance Abuse Donations	RI Council on the Arts-African Folktales	Homeless Children/Youth Even	Wireless Classroom Initiative	PTO Donations	School Public Law 94-142	RI Full Day Kindergarten	School Title III LEP
<i>Assets</i>									
Cash and cash equivalents	\$ 2,481,137	\$ 100	\$ 640	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 598
Due from other governments	30,791			-	-		423,367		1,788
Due from other funds	897,322						-		
Other receivables	855,861								
<i>Total Assets</i>	<u>\$ 4,265,111</u>	<u>\$ 100</u>	<u>\$ 640</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 423,367</u>	<u>\$ -</u>	<u>\$ 2,386</u>
<i>Liabilities</i>									
Accounts payable and accrued liabilities	\$ 1,786,466	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 48,813	\$ -	\$ 305
Due to other funds	237,875		515				374,554		2,081
Unearned revenue									
<i>Total Liabilities</i>	<u>2,024,341</u>	<u>-</u>	<u>515</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>423,367</u>	<u>-</u>	<u>2,386</u>
<i>Fund Balances</i>									
Nonspendable									
Restricted		100	125	-	-	-	-		-
Committed									
Assigned	2,240,770							-	
Unassigned									
<i>Total Fund Balances</i>	<u>2,240,770</u>	<u>100</u>	<u>125</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 4,265,111</u>	<u>\$ 100</u>	<u>\$ 640</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 423,367</u>	<u>\$ -</u>	<u>\$ 2,386</u>

(continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND
 COMBINING BALANCE SHEET - SCHOOL DEPARTMENT
 JUNE 30, 2015

	SPECIAL REVENUE FUNDS							
	Career & Tech	School Title I	Homeless Children & Youth	The Boston Foundation	Scholarship America	USDA Reallocation	School Title II	91-142 Preschool Services
<i>Assets</i>								
Cash and cash equivalents	\$ 254,989	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,136
Due from other governments		158,011	16,318				51,494	2,172
Due from other funds	-	-						
Other receivables								
<i>Total Assets</i>	<u>\$ 254,989</u>	<u>\$ 158,011</u>	<u>\$ 16,318</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51,494</u>	<u>\$ 3,308</u>
<i>Liabilities</i>								
Accounts payable and accrued liabilities	\$ -	\$ 429	\$ 4,989	\$ -	\$ -	\$ -	\$ 1,800	\$ 127
Due to other funds		157,582	11,329				49,694	3,181
Unearned revenue	250,000							
<i>Total Liabilities</i>	<u>250,000</u>	<u>158,011</u>	<u>16,318</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>51,494</u>	<u>3,308</u>
<i>Fund Balances</i>								
Nonspendable								
Restricted	4,989	-	-	-			-	-
Committed								
Assigned								
Unassigned								
<i>Total Fund Balances</i>	<u>4,989</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 254,989</u>	<u>\$ 158,011</u>	<u>\$ 16,318</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51,494</u>	<u>\$ 3,308</u>

(continued)

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

JUNE 30, 2015

	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	Walmart	Wendy's Advertising
Assets								
Cash and cash equivalents	\$ 2,485	\$ 18,103	\$ 96	\$ 974	\$ -	\$ 300	\$ -	\$ 2,000
Due from other governments	38,086				15,582			
Due from other funds			-					
Other receivables		-	-					
<i>Total Assets</i>	<u>\$ 40,571</u>	<u>\$ 18,103</u>	<u>\$ 96</u>	<u>\$ 974</u>	<u>\$ 15,582</u>	<u>\$ 300</u>	<u>\$ -</u>	<u>\$ 2,000</u>
Liabilities								
Accounts payable and accrued liabilities	\$ -	\$ 196	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	40,571				15,582			
Unearned revenue								
<i>Total Liabilities</i>	<u>40,571</u>	<u>196</u>	<u>-</u>	<u>-</u>	<u>15,582</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances								
Nonspendable								
Restricted	-	17,907	96	974	-	300	-	2,000
Committed								
Assigned								
Unassigned								
<i>Total Fund Balances</i>	<u>-</u>	<u>17,907</u>	<u>96</u>	<u>974</u>	<u>-</u>	<u>300</u>	<u>-</u>	<u>2,000</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 40,571</u>	<u>\$ 18,103</u>	<u>\$ 96</u>	<u>\$ 974</u>	<u>\$ 15,582</u>	<u>\$ 300</u>	<u>\$ -</u>	<u>\$ 2,000</u>

(continued)

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

JUNE 30, 2015

	SPECIAL REVENUE FUNDS							
	Drug Free Program Donations	RI Legislative Grant- Drug Free	USDA-FFVP	Drug Free Communities	RI Interscholastic League	COZ Miscellaneous Donations	Scholarship America	Siemens Foundation
<i>Assets</i>								
Cash and cash equivalents	\$ 150	\$ 2,610	\$ 5,329	\$ -	\$ 170	\$ 19,959	\$ 346	\$ -
Due from other governments			6,052					
Due from other funds			-				-	
Other receivables				52,344				
<i>Total Assets</i>	<u>\$ 150</u>	<u>\$ 2,610</u>	<u>\$ 11,381</u>	<u>\$ 52,344</u>	<u>\$ 170</u>	<u>\$ 19,959</u>	<u>\$ 346</u>	<u>\$ -</u>
<i>Liabilities</i>								
Accounts payable and accrued liabilities	\$ -	\$ 352	\$ -	\$ 21,077	\$ -	\$ -	\$ -	\$ -
Due to other funds			11,588	31,827	-	50	-	
Unearned revenue								
<i>Total Liabilities</i>	<u>-</u>	<u>352</u>	<u>11,588</u>	<u>52,904</u>	<u>-</u>	<u>50</u>	<u>-</u>	<u>-</u>
<i>Fund Balances</i>								
Nonspendable								
Restricted	150	2,258			170	19,909	346	-
Committed								
Assigned								
Unassigned			(207)	(560)				
<i>Total Fund Balances</i>	<u>150</u>	<u>2,258</u>	<u>(207)</u>	<u>(560)</u>	<u>170</u>	<u>19,909</u>	<u>346</u>	<u>-</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 150</u>	<u>\$ 2,610</u>	<u>\$ 11,381</u>	<u>\$ 52,344</u>	<u>\$ 170</u>	<u>\$ 19,959</u>	<u>\$ 346</u>	<u>\$ -</u>

(continued)

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

JUNE 30, 2015

	SPECIAL REVENUE FUNDS							
	Use of Buildings	Feinstein Foundation	Champlin Foundation	Nickelodeon	Donations- Coaches	Exxon Mobil	School Based HIV / STD Prevention	Substance Abuse Task Force
<i>Assets</i>								
Cash and cash equivalents	\$ 15,472	\$ 68,425	\$ 500	\$ -	\$ -	\$ 500	\$ -	\$ 767
Due from other governments								8,004
Due from other funds					-			-
Other receivables	6,379							
<i>Total Assets</i>	<u>\$ 21,851</u>	<u>\$ 68,425</u>	<u>\$ 500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 500</u>	<u>\$ -</u>	<u>\$ 8,771</u>
<i>Liabilities</i>								
Accounts payable and accrued liabilities	\$ -	\$ 657	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	18,388		-					8,752
Unearned revenue								
<i>Total Liabilities</i>	<u>18,388</u>	<u>657</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,752</u>
<i>Fund Balances</i>								
Nonspendable								
Restricted	3,463	67,768	500	-	-	500	-	19
Committed								
Assigned								
Unassigned								
<i>Total Fund Balances</i>	<u>3,463</u>	<u>67,768</u>	<u>500</u>	<u>-</u>	<u>-</u>	<u>500</u>	<u>-</u>	<u>19</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 21,851</u>	<u>\$ 68,425</u>	<u>\$ 500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 500</u>	<u>\$ -</u>	<u>\$ 8,771</u>

(continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND
 COMBINING BALANCE SHEET - SCHOOL DEPARTMENT
 JUNE 30, 2015

SPECIAL REVENUE FUNDS

	Fuji Film	RTTT Standards	RTT-Instr. Improv. System	RTTT Instr Impr	RTTT Instr Set a side	RTTT- Educ. Effectiveness	RTTT- PLC Mini Grant	Grand Totals
<i>Assets</i>								
Cash and cash equivalents	\$ 1,000	\$ -	\$ 11,042	\$ -	\$ -	\$ -	\$ 5,114	\$ 2,893,942
Due from other governments		-	-	1,938			-	753,603
Due from other funds							-	897,322
Other receivables								914,584
<i>Total Assets</i>	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ 11,042</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,114</u>	<u>\$ 5,459,451</u>
<i>Liabilities</i>								
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 1,938	\$ -	\$ -	\$ -	\$ 1,867,149
Due to other funds		-	11,042				5,114	979,725
Unearned revenue								250,000
<i>Total Liabilities</i>	<u>-</u>	<u>-</u>	<u>11,042</u>		<u>-</u>	<u>-</u>	<u>5,114</u>	<u>3,096,874</u>
<i>Fund Balances</i>								
Nonspendable								-
Restricted	1,000		-	-	-	-	-	122,574
Committed								-
Assigned								2,240,770
Unassigned								(767)
<i>Total Fund Balances</i>	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,362,577</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ 11,042</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,114</u>	<u>\$ 5,459,451</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

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

YEAR ENDED JUNE 30, 2015

SPECIAL REVENUE FUNDS

	School Unrestricted	Substance Abuse Donations	RI Council on the Arts-African Folktales	Homeless Children/Youth Even	Wireless Classroom Initiative	PTO Donations	School Public Law 94-142	RI Full Day Kindergarten	School Title III LEP
Revenues:									
Interest and investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	13,202,149	100	-	-	193,883	-	1,104,332	5,279	14,539
Departmental									
On behalf pension contribution	2,549,284								
Other	13,021					316			
<i>Total Revenues</i>	<u>15,764,454</u>	<u>100</u>	<u>-</u>	<u>-</u>	<u>193,883</u>	<u>316</u>	<u>1,104,332</u>	<u>5,279</u>	<u>14,539</u>
Expenditures:									
General government									
Public safety									
Per trust agreements									
Education	57,363,199	-	-	8,034	270,740	316	1,104,332	5,279	14,539
Public libraries									
Senior services									
On behalf pension contribution	2,549,284								
Capital and special appropriations									
<i>Total Expenditures</i>	<u>59,912,483</u>	<u>-</u>	<u>-</u>	<u>8,034</u>	<u>270,740</u>	<u>316</u>	<u>1,104,332</u>	<u>5,279</u>	<u>14,539</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>(44,148,029)</u>	<u>100</u>	<u>-</u>	<u>(8,034)</u>	<u>(76,857)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):									
Proceeds from bond issuance									
Transfers in	45,942,632	-	-	8,034	-	-	-	-	-
Transfers out	(3,206,642)	-	-	-	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>42,735,990</u>	<u>-</u>	<u>-</u>	<u>8,034</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(1,412,039)	100	-	-	(76,857)	-	-	-	-
Fund balance, beginning of year	3,652,809	-	125	-	76,857	-	-	-	-
Fund balance, end of year	<u>\$ 2,240,770</u>	<u>\$ 100</u>	<u>\$ 125</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

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

YEAR ENDED JUNE 30, 2015

	SPECIAL REVENUE FUNDS							
	Career & Tech	School Title I	Homeless Children & Youth	Boston Foundation	Scholarship America	USDA Reallocation	School Title II	91-142 Preschool Services
Revenues:								
Interest and investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	462,319	32,001	-	-	-	183,558	20,900
Departmental								
On behalf pension contribution								
Other					700	475		
<i>Total Revenues</i>	<u>-</u>	<u>462,319</u>	<u>32,001</u>	<u>-</u>	<u>700</u>	<u>475</u>	<u>183,558</u>	<u>20,900</u>
Expenditures:								
General government								
Public safety								
Per trust agreements								
Education	32,245	462,319	32,001	1,022	700	475	183,558	20,900
Public libraries								
Senior services								
On behalf pension contribution								
Capital and special appropriations								
<i>Total Expenditures</i>	<u>32,245</u>	<u>462,319</u>	<u>32,001</u>	<u>1,022</u>	<u>700</u>	<u>475</u>	<u>183,558</u>	<u>20,900</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>(32,245)</u>	<u>-</u>	<u>-</u>	<u>(1,022)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):								
Proceeds from bond issuance								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(32,245)	-	-	(1,022)	-	-	-	-
Fund balance, beginning of year	37,234	-	-	1,022	-	-	-	-
Fund balance, end of year	<u>\$ 4,989</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

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

YEAR ENDED JUNE 30, 2015

	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	Walmart	Wendy's Advertising
Revenues:								
Interest and investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	115,831		900	400	25,000	4,000		
Departmental								
On behalf pension contribution								
Other	-	21,000				-	3,500	2,000
<i>Total Revenues</i>	<u>115,831</u>	<u>21,000</u>	<u>900</u>	<u>400</u>	<u>25,000</u>	<u>4,000</u>	<u>3,500</u>	<u>2,000</u>
Expenditures:								
General government								
Public safety								
Per trust agreements								
Education	115,831	27,483	904	215	25,000	3,700	3,500	-
Public libraries								
Senior services								
On behalf pension contribution								
Capital and special appropriations								
<i>Total Expenditures</i>	<u>115,831</u>	<u>27,483</u>	<u>904</u>	<u>215</u>	<u>25,000</u>	<u>3,700</u>	<u>3,500</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>-</u>	<u>(6,483)</u>	<u>(4)</u>	<u>185</u>	<u>-</u>	<u>300</u>	<u>-</u>	<u>2,000</u>
Other financing sources (uses):								
Proceeds from bond issuance								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	(6,483)	(4)	185	-	300	-	2,000
Fund balance, beginning of year	-	24,390	100	789	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ 17,907</u>	<u>\$ 96</u>	<u>\$ 974</u>	<u>\$ -</u>	<u>\$ 300</u>	<u>\$ -</u>	<u>\$ 2,000</u>

(continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

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

YEAR ENDED JUNE 30, 2015

	SPECIAL REVENUE FUNDS							
	Drug Free Program Donations	RI Legislative Grant- Drug Free	USDA-FFVP	Drug Free Communities	RI Interscholastic League	COZ Miscellaneous Donations	Scholarship America	Siemens Foundation
Revenues:								
Interest and investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental		3,000	16,573	90,344				
Departmental								
On behalf pension contribution								
Other	150	-			230	1,000	2,000	
<i>Total Revenues</i>	<u>150</u>	<u>3,000</u>	<u>16,573</u>	<u>90,344</u>	<u>230</u>	<u>1,000</u>	<u>2,000</u>	<u>-</u>
Expenditures:								
General government								
Public safety								
Per trust agreements								
Education	-	742	16,780	90,904	911	1,328	1,654	1,000
Public libraries								
Senior services								
On behalf pension contribution								
Capital and special appropriations								
<i>Total Expenditures</i>	<u>-</u>	<u>742</u>	<u>16,780</u>	<u>90,904</u>	<u>911</u>	<u>1,328</u>	<u>1,654</u>	<u>1,000</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>150</u>	<u>2,258</u>	<u>(207)</u>	<u>(560)</u>	<u>(681)</u>	<u>(328)</u>	<u>346</u>	<u>(1,000)</u>
Other financing sources (uses):								
Proceeds from bond issuance								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	150	2,258	(207)	(560)	(681)	(328)	346	(1,000)
Fund balance, beginning of year	-	-	-	-	851	20,237	-	1,000
Fund balance, end of year	<u>\$ 150</u>	<u>\$ 2,258</u>	<u>\$ (207)</u>	<u>\$ (560)</u>	<u>\$ 170</u>	<u>\$ 19,909</u>	<u>\$ 346</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, 2015

	SPECIAL REVENUE FUNDS							
	Use of Buildings	Feinstein Foundation	Champlin Foundation	Nickelodeon	Donations- Coaches	Exxon Mobil	School Based HIV / STD Prevention	Substance Abuse Taskforce
Revenues:								
Interest and investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental							4,500	22,460
Departmental								
On behalf pension contribution								
Other	27,241	51,756	500	-	13,239	500		
<i>Total Revenues</i>	<u>27,241</u>	<u>51,756</u>	<u>500</u>	<u>-</u>	<u>13,239</u>	<u>500</u>	<u>4,500</u>	<u>22,460</u>
Expenditures:								
General government								
Public safety								
Per trust agreements								
Education		19,157	-	1,535	13,239	-	4,500	23,817
Public libraries								
Senior services								
On behalf pension contribution								
Capital and special appropriations	23,778							
<i>Total Expenditures</i>	<u>23,778</u>	<u>19,157</u>	<u>-</u>	<u>1,535</u>	<u>13,239</u>	<u>-</u>	<u>4,500</u>	<u>23,817</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>3,463</u>	<u>32,599</u>	<u>500</u>	<u>(1,535)</u>	<u>-</u>	<u>500</u>	<u>-</u>	<u>(1,357)</u>
Other financing sources (uses):								
Proceeds from bond issuance								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	3,463	32,599	500	(1,535)	-	500	-	(1,357)
Fund balance, beginning of year	-	35,169	-	1,535	-	-	-	1,376
Fund balance, end of year	<u>\$ 3,463</u>	<u>\$ 67,768</u>	<u>\$ 500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 500</u>	<u>\$ -</u>	<u>\$ 19</u>

(continued)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

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

YEAR ENDED JUNE 30, 2015

	SPECIAL REVENUE FUNDS							
	Fuji Film	RTTT Standards	RTT-Instr. Improv. System	RTTT Instr Impr	RTTT Instr Set a side	RTTT- Educ. Effectiveness	RTTT- PLC Mini Grant	Grand Totals
Revenues:								
Interest and investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental		1,022	150	1,615	940	24,354	-	15,530,149
Departmental								-
On behalf pension contribution								2,549,284
Other	1,000							138,628
<i>Total Revenues</i>	<u>1,000</u>	<u>1,022</u>	<u>150</u>	<u>1,615</u>	<u>940</u>	<u>24,354</u>	<u>-</u>	<u>18,218,061</u>
Expenditures:								
General government								-
Public safety								-
Per trust agreements								-
Education	-	1,022	150	1,615	940	24,354	-	59,879,940
Public libraries								-
Senior services								-
On behalf pension contribution								2,549,284
Capital and special appropriations								23,778
<i>Total Expenditures</i>	<u>-</u>	<u>1,022</u>	<u>150</u>	<u>1,615</u>	<u>940</u>	<u>24,354</u>	<u>-</u>	<u>62,453,002</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(44,234,941)</u>
Other financing sources (uses):								
Proceeds from bond issuance								-
Transfers in	-	-	-	-	-	-	-	45,950,666
Transfers out	-	-	-	-	-	-	-	(3,206,642)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,744,024</u>
Excess (deficiency) of revenues over expenditures	1,000	-	-	-	-	-	-	(1,490,917)
Fund balance, beginning of year	-	-	-	-	-	-	-	3,853,494
Fund balance, end of year	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,362,577</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NONMAJOR ENTERPRISE FUNDS

JUNE 30, 2015

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

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

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

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

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

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

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

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

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

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NONMAJOR ENTERPRISE FUNDS

COMBINING STATEMENT OF NET POSITION

JUNE 30, 2015

	Quonset/ Davisville Reserve	Athletic Gate Receipts	NKHS Summer School Remedial	School Sports Camp	School Sport Camps	After School Novanet	Summer School Fund	School Nutrition Fund	Total
ASSETS:									
Current assets:									
Cash and cash equivalents	\$ 40,396	\$ 30,413	\$ -	\$ -	\$ 29,484	\$ 11,295	\$ 2,738	\$ 139,309	\$ 253,635
Other receivables		300						45,456	45,756
Inventory								19,274	19,274
Due from other funds		4,735	-	-			200	16,833	21,768
Total current assets	40,396	35,448	-	-	29,484	11,295	2,938	220,872	340,433
Capital assets not being depreciated									-
Capital assets being depreciated, net								1,127	1,127
Total assets	<u>\$ 40,396</u>	<u>\$ 35,448</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,484</u>	<u>\$ 11,295</u>	<u>\$ 2,938</u>	<u>\$ 221,999</u>	<u>\$ 341,560</u>
LIABILITIES:									
Current liabilities:									
Accounts payable and accrued expense	\$ -	\$ 3,546	\$ 646	\$ -	\$ 13,739	\$ -	\$ -	\$ 55,715	\$ 73,646
Unearned revenue					7,958				7,958
Due to other funds	-	721	2,126		265		1,775	22,026	26,913
Note payable									-
Total current liabilities	-	4,267	2,772	-	21,962	-	1,775	77,741	108,517
Note payable, less current portion									-
Total Liabilities	<u>-</u>	<u>4,267</u>	<u>2,772</u>	<u>-</u>	<u>21,962</u>	<u>-</u>	<u>1,775</u>	<u>77,741</u>	<u>108,517</u>
NET POSITION:									
Net investment in capital assets								1,127	1,127
Unrestricted	40,396	31,181	(2,772)	-	7,522	11,295	1,163	143,131	231,916
Total net position	<u>40,396</u>	<u>31,181</u>	<u>(2,772)</u>	<u>-</u>	<u>7,522</u>	<u>11,295</u>	<u>1,163</u>	<u>144,258</u>	<u>233,043</u>
Total liabilities and net position	<u>\$ 40,396</u>	<u>\$ 35,448</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,484</u>	<u>\$ 11,295</u>	<u>\$ 2,938</u>	<u>\$ 221,999</u>	<u>\$ 341,560</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NONMAJOR ENTERPRISE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEAR ENDED JUNE 30, 2015

	Quonset/ Davisville Reserve	Athletic Gate Receipts	NKHS Summer School Remedial	School Sports Camp	School Sport Camps	After School Novanet	Summer School Fund	School Nutrition Fund	Total
Operating revenues:									
Charges for services	\$ -	\$ 25,988	\$ 13,054	\$ -	\$ 68,069	\$ 11,130	\$ 8,300	\$ 475,505	\$ 602,046
Grants								452,788	452,788
<i>Total operating revenues</i>	-	25,988	13,054	-	68,069	11,130	8,300	928,293	1,054,834
Operating expenses	-	15,543	20,714	-	74,800	6,566	7,137	833,780	958,540
<i>Operating income (loss)</i>	-	10,445	(7,660)	-	(6,731)	4,564	1,163	94,513	96,294
Non-operating revenues (expenses):									
Investment income	160	-	-	-	-	-	-	-	160
Interest expense									-
<i>Total non-operating revenues (expenses)</i>	160	-	-	-	-	-	-	-	160
<i>Income (loss) before transfers</i>	160	10,445	(7,660)	-	(6,731)	4,564	1,163	94,513	96,454
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out									-
<i>Total transfers</i>	-	-	-	-	-	-	-	-	-
Change in net position	160	10,445	(7,660)	-	(6,731)	4,564	1,163	94,513	96,454
Net position, beginning of year	40,236	20,736	4,888	-	14,253	6,731	-	49,745	136,589
Net position, end of year	\$ 40,396	\$ 31,181	\$ (2,772)	\$ -	\$ 7,522	\$ 11,295	\$ 1,163	\$ 144,258	\$ 233,043

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

NONMAJOR ENTERPRISE FUNDS

COMBINING STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2015

	Quonset/ Davisville Reserve	Athletic Gate Receipts	NKHS Summer School Remedial	School Sports Camp	School Sport Camps	After School Novanet	Summer School Fund	School Nutrition Fund	Total
Cash flows from operating activities:									
Cash received from customers	\$ -	\$ 25,988	\$ 13,054	\$ -	\$ 66,527	\$ 11,130	\$ 8,300	\$ 472,295	\$ 597,294
Cash received from other sources								452,788	452,788
Cash payments to suppliers for goods and services		(15,956)	(42)	(136)	(14,467)	(360)	(200)	(137,282)	(168,443)
Cash payments to employees for services			(20,026)		(47,027)	(6,981)	(7,137)	(679,701)	(760,872)
<i>Net cash provided by (used in) operating activities</i>	<u>-</u>	<u>10,032</u>	<u>(7,014)</u>	<u>(136)</u>	<u>5,033</u>	<u>3,789</u>	<u>963</u>	<u>108,100</u>	<u>120,767</u>
Cash flows from capital financing activities:									
Acquisition of capital assets	-								-
Proceeds from long term debt									-
Principal paid on long term debt									-
Interest paid on long term debt									-
<i>Net cash used in capital financing activities</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from noncapital financing activities:									
Interfund borrowings	(22,868)	(4,735)	2,126	136				(13,789)	(39,130)
<i>Net cash provided by (used in) noncapital financing activities</i>	<u>(22,868)</u>	<u>(4,735)</u>	<u>2,126</u>	<u>136</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(13,789)</u>	<u>(39,130)</u>
Cash flows from investing activities:									
Interest on investments	160	-	-	-	-	-	-	-	160
<i>Net cash provided by investing activities</i>	<u>160</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>160</u>
Net increase (decrease) in cash and cash equivalents	(22,708)	5,297	(4,888)	-	5,033	3,789	963	94,311	81,797
Cash and cash equivalents, beginning of year	63,104	25,116	4,888	-	24,451	7,506	1,775	44,998	171,838
Cash and cash equivalents, end of year	<u>\$ 40,396</u>	<u>\$ 30,413</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,484</u>	<u>\$ 11,295</u>	<u>\$ 2,738</u>	<u>\$ 139,309</u>	<u>\$ 253,635</u>
<i>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</i>									
Operating income (loss)	\$ -	\$ 10,445	\$ (7,660)	\$ -	\$ (6,731)	\$ 4,564	\$ 1,163	\$ 94,513	\$ 96,294
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:									
Depreciation								282	282
(Increase) decrease in other receivable								(3,210)	(3,210)
(Increase) decrease in inventory								(2,476)	(2,476)
(Increase) decrease in prepaids								-	-
Increase (decrease) in unearned revenue					(1,542)				(1,542)
Increase (decrease) in accounts payable		(413)	646	(136)	13,306	(775)	(200)	18,991	31,419
<i>Net cash provided by (used in) operating activities</i>	<u>\$ -</u>	<u>\$ 10,032</u>	<u>\$ (7,014)</u>	<u>\$ (136)</u>	<u>\$ 5,033</u>	<u>\$ 3,789</u>	<u>\$ 963</u>	<u>\$ 108,100</u>	<u>\$ 120,767</u>

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

PRIVATE PURPOSE TRUST FUNDS

JUNE 30, 2015

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, 2015

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

(CONTINUED)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

COMBINING STATEMENT OF NET POSITION

PRIVATE PURPOSE TRUST FUNDS

JUNE 30, 2015

	Burial Funds						Burial
	B.H. Davis	Updike	Mary Carpenter	Smith- Lawton	Old Baptist Cemetery	Smith	Totals
<i>Assets</i>							
Cash	\$ 502	\$ 1,586	\$ 1,004	\$ 5,617	\$ 703	\$ 1,004	\$ 20,515
<i>Liabilities</i>							
Accounts payable	-	-	-	-	-	-	-
<i>Net Position</i>							
Held in trust for private purposes per trust agreements	<u>\$ 502</u>	<u>\$ 1,586</u>	<u>\$ 1,004</u>	<u>\$ 5,617</u>	<u>\$ 703</u>	<u>\$ 1,004</u>	<u>\$ 20,515</u>

(CONTINUED)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

COMBINING STATEMENT OF NET POSITION

PRIVATE PURPOSE TRUST FUNDS

JUNE 30, 2015

	Probate Funds					
	<u>Beriah Lawton</u>	<u>James L. R. Weeks</u>	<u>Marguerite R. Cogan</u>	<u>Delphis R. Jones</u>	<u>J. Oliveira</u>	<u>Doris Horowitz</u>
<i>Assets</i>						
Cash	\$ 8,327	\$ 2,632	\$ 611	\$ 231	\$ 5,751	\$ 965
<i>Liabilities</i>						
Accounts payable	-	-	-	-	-	-
<i>Net Position</i>						
Held in trust for private purposes per trust agreements	<u>\$ 8,327</u>	<u>\$ 2,632</u>	<u>\$ 611</u>	<u>\$ 231</u>	<u>\$ 5,751</u>	<u>\$ 965</u>

(CONTINUED)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

COMBINING STATEMENT OF NET POSITION

PRIVATE PURPOSE TRUST FUNDS

JUNE 30, 2015

	Probate Funds			Probate Totals	Grand Totals
	Lillian Mattia	Arthur Tarchis	Georgia Andrews		
<i>Assets</i>					
Cash	\$ 4	\$ 4	\$ 948	\$ 19,473	\$ 39,988
<i>Liabilities</i>					
Accounts payable	-	-	-	-	-
<i>Net Position</i>					
Held in trust for private purposes per trust agreements	<u>\$ 4</u>	<u>\$ 4</u>	<u>\$ 948</u>	<u>\$ 19,473</u>	<u>\$ 39,988</u>

(CONCLUDED)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND
 COMBINING STATEMENT OF CHANGES IN NET POSITION
 PRIVATE PURPOSE TRUST FUNDS
 YEAR ENDED JUNE 30, 2015

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

(CONTINUED)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND
 COMBINING STATEMENT OF CHANGES IN NET POSITION
 PRIVATE PURPOSE TRUST FUNDS
 YEAR ENDED JUNE 30, 2015

	Burial Funds						
	B.H. Davis	Updike	Mary Carpenter	Smith- Lawton	Old Baptist Cemetery	Smith	Burial Totals
Additions:							
Investment income	\$ -	\$ -	\$ -	\$ 1,000	\$ -	\$ -	\$ -
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>1,000</u>
Deductions:							
Operating expense per trust agreement	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	-	-	-	1,000	-	-	1,000
Net position, beginning of year	<u>502</u>	<u>1,586</u>	<u>1,004</u>	<u>4,617</u>	<u>703</u>	<u>1,004</u>	<u>19,515</u>
Net position, end of year	<u>\$ 502</u>	<u>\$ 1,586</u>	<u>\$ 1,004</u>	<u>\$ 5,617</u>	<u>\$ 703</u>	<u>\$ 1,004</u>	<u>\$ 20,515</u>

(CONTINUED)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND
 COMBINING STATEMENT OF CHANGES IN NET POSITION
 PRIVATE PURPOSE TRUST FUNDS
 YEAR ENDED JUNE 30, 2015

	Probate Funds					
	Beriah Lawton	James L. R. Weeks	Marguerite R. Cogan	Delphis R. Jones	J. Oliviera	Doris Horowitz
Additions:						
Investment income	\$ -	\$ 9	\$ 2	\$ -	\$ 19	\$ 3
	-	9	2	-	19	3
Deductions:						
Operating expense per trust agreement	-	-	-	\$ 5	-	-
	-	-	-	5	-	-
Change in net position	-	9	2	(5)	19	3
Net position, beginning of year	8,327	2,623	609	236	5,732	962
Net position, end of year	\$ 8,327	\$ 2,632	\$ 611	\$ 231	\$ 5,751	\$ 965

(CONTINUED)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND
 COMBINING STATEMENT OF CHANGES IN NET POSITION
 PRIVATE PURPOSE TRUST FUNDS
 YEAR ENDED JUNE 30, 2015

	Probate Funds				Grand Totals
	Lillian Mattia	Arthur Tarchis	Georgia Andrews	Probate Totals	
Additions:					
Investment income	\$ -	\$ -	\$ -	\$ 33	\$ 33
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,000</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>33</u>	<u>1,033</u>
Deductions:					
Operating expense per trust agreement	-	-	-	5	5
	<u>-</u>	<u>-</u>	<u>-</u>	<u>5</u>	<u>5</u>
Change in net position	-	-	-	28	1,028
Net position, beginning of year	<u>4</u>	<u>4</u>	<u>948</u>	<u>19,445</u>	<u>38,960</u>
Net position, end of year	<u>\$ 4</u>	<u>\$ 4</u>	<u>\$ 948</u>	<u>\$ 19,473</u>	<u>\$ 39,988</u>

(CONCLUDED)

TOWN OF NORTH KINGSTOWN, RHODE ISLAND

AGENCY FUNDS

JUNE 30, 2015

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

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

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

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

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

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

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

YEAR ENDED JUNE 30, 2015

	Beginning Balance	Additions	Deductions	Ending Balance
<u>STUDENT ACTIVITY FUNDS</u>				
<i>Assets</i>				
Cash	\$ 273,833	\$ 909,354	\$ 934,564	\$ 248,623
<i>Liabilities</i>				
Due to student groups	\$ 273,833	\$ 909,354	\$ 934,564	\$ 248,623
<u>PAYROLL FUND</u>				
<i>Assets</i>				
Cash	\$ -	\$ -	\$ 11,810	\$ (11,810)
Accounts receivable	-	44,928	-	44,928
<i>Total assets</i>	\$ -	\$ 44,928	\$ 11,810	\$ 33,118
<i>Liabilities</i>				
Payroll withholdings	\$ -	\$ 33,118	-	\$ 33,118
<i>Total liabilities</i>	\$ -	\$ 33,118	\$ -	\$ 33,118
<u>SCHOOL PAYROLL FUND</u>				
<i>Assets</i>				
Cash	\$ 2,996,330	\$ -	\$ 2,432,996	\$ 563,334
<i>Liabilities</i>				
Accounts payable	\$ 2,996,330	\$ -	\$ 2,491,066	\$ 505,264
Payroll withholdings	-	58,070	-	58,070
<i>Total liabilities</i>	\$ 2,996,330	\$ 58,070	\$ 2,491,066	\$ 563,334
<u>SUNSHINE FUND</u>				
<i>Assets</i>				
Cash	\$ 965	\$ (965)	\$ -	\$ -
<i>Liabilities</i>				
Deposits held in custody for others	\$ 965	\$ (965)	\$ -	\$ -

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

YEAR ENDED JUNE 30, 2015

	Beginning Balance	Additions	Deductions	Ending Balance
<u>DEVELOPER SURETY ESCROW</u>				
<i>Assets</i>				
Cash	\$ 241,145	\$ 58,213	\$ 164,151	\$ 135,207
<i>Liabilities</i>				
Deposits held in custody for others	\$ 241,145	\$ 58,213	\$ 164,151	\$ 135,207
 <u>TOTAL - ALL AGENCY FUNDS</u>				
<i>Assets</i>				
Cash	\$ 3,512,273	\$ 966,602	\$ 3,543,521	\$ 935,354
Other receivables	-	44,928	-	44,928
<i>Total assets</i>	\$ 3,512,273	\$ 1,011,530	\$ 3,543,521	\$ 980,282
<i>Liabilities</i>				
Accounts payable	\$ 2,996,330	\$ -	\$ 2,491,066	\$ 505,264
Due to student groups	273,833	909,354	934,564	248,623
Deposits held in custody for others	242,110	57,248	164,151	135,207
Payroll withholdings	-	91,188	-	91,188
<i>Total liabilities</i>	\$ 3,512,273	\$ 1,057,790	\$ 3,589,781	\$ 980,282

(CONCLUDED)