

TOWN OF EAST GREENWICH

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2014



**Town Hall
East Greenwich, Rhode Island
Built in 1804**

**Thomas E. Coyle III
Town Manager**

**Kristen Benoit, CPA
Finance Director**

Prepared by: Finance Department

-----East Greenwich, Rhode Island-----

TOWN OF EAST GREENWICH, RHODE ISLAND COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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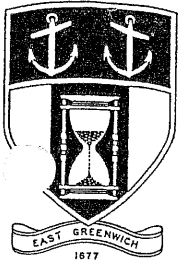
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Town of East Greenwich

125 Main Street
P.O. Box 111
East Greenwich, RI 02818-0111

December 2, 2014

Town Council
886-8665

Town Manager
886-8665
Fax: 886-8623

Town Clerk
886-8606
Fax: 886-8625

Canvassers
886-8603

Probate
886-8607

Finance
886-8610
886-8612

Human Services
886-8669

Tax Assessor
886-8614

Municipal Court
886-3212

Planning
886-8645
Fax: 886-8657

111 Peirce Street
Offices

Police
884-2244
886-8640
Fax: 886-8653

Public Works
886-8618
Fax: 886-8652

Building Official
886-8618

Recreation
1127 Frenchtown Rd.
886-8626

TDD
401-886-8606

Honorable Town Manager and Members of the Town Council
Town of East Greenwich, Rhode Island

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the Town of East Greenwich for the fiscal year ended June 30, 2014.

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

The Town of East Greenwich's financial statements have been audited by Baxter Dansereau & Associates LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of East Greenwich for the Fiscal year ended June 30, 2014, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial

statements; assessing the accounting principles used and significant estimates made by management; and evaluation of the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Town of East Greenwich's financial statements for the fiscal year ended June 30, 2014, are fairly presented in conformity with generally accepted accounting principles. The independent auditor's report is presented as the first component of the financial section of this report.

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

Profile of the Government

The Town of East Greenwich was originally owned by the Pequot Indians and was acquired by King Charles in 1644. The General Assembly incorporated the Town in 1677. Geographically the 16 square miles of East Greenwich is located in the center of the state. The town is bounded on the East by Narragansett Bay and four hills roll up from the coast to the West Greenwich town line.

The downtown area of East Greenwich was initially settled to support the surrounding farming area. As the town grew, so did the commercial center. The protected cove brought trade ships from the far corners of the world and gave safe harbor to local fisherman. As East Greenwich grew as a trade center, so did the needs for goods and services. Industry flourished with manufactures of textiles, machinery and shipbuilding. The Town of East Greenwich is proud of its heritage and it's designation as a National Historic District.

The Town of East Greenwich operates under a Home Rule Charter adopted in 1972 providing for a council-manager form of government. The council-manager form of government is the system of local government that combines political leadership of elected officials in the form of a governing body, with strong managerial experience of an appointed local government manager. The council-manager form of government establishes a representative system where power is concentrated in the elected council and where the council hires a professionally trained manager to oversee the delivery of public services.

The Town of East Greenwich provides a full range of educational and municipal services, including public safety protection; construction and maintenance of streets and other infrastructure; collection of garbage and rubbish through a contracted private vendor; sewer services; activities for the senior citizens and recreational activities and cultural events. Fire protection was provided by an independent Fire District funded by a separate Fire District Tax. On June 3, 2013, the Town of East Greenwich acquired the Fire District and it is now a town department.

The annual budget serves as the foundation of the Town of East Greenwich's financial planning and control. All departments of the Town of East Greenwich are required to submit requests for appropriation to the Town Manager. The manager uses these requests as the starting point for developing a proposed budget. The manager then presents this proposed budget to the council for review. The Town Council and the School Committee are required to hold public hearings on the proposed budgets and then are required to adopt a final budget. The appropriated budget is prepared by function and department. Budget to actual comparisons are provided in this report, for only the governmental fund for which an appropriated annual budget has been adopted.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the Town of East Greenwich operates.

Local Economy: The Town of East Greenwich is an affluent, growing, suburban community on the border of a metropolitan area in central Rhode Island. The town is located about fifteen minutes south of the City of Providence. It is primarily a single-family residential community with the highest median family income in the state. The 2010 census reported a population of 13,146, which was up 3.4% from the 2000 census and ranked 26th of the thirty nine municipalities in the state. The most recent labor statistics indicates the unemployment rate for East Greenwich is approximately 6.2% as of June 2014, compared to the state with a rate of 7.9% and the national rate at 6.1%.

Approximately 84.4% of the town's assessed valuation is comprised of residential property. About 15.6% of the assessed valuation is commercial property. According to 2014 data, the median family income of the Town of East Greenwich was \$121,658 compared to the state's average of \$56,102. The median family income in East Greenwich ranks 1st of Rhode Island cities and towns. The per capita income also ranks 1st in the state.

Commercial activity is supported by providing parking, improving traffic circulation, providing space for expansion, providing a good mix of retail uses and by retaining town government functions and cultural activities in the downtown area. Commercial development falls into various types, such as, offices, storage facilities, banking, retail, small village and commercial strip developments. The Town of East Greenwich is concerned with the quality of development at the gateways into the town. The town feels that the entrances into the town establish the character of the town through the visitor's eyes.

Industrial development provides significant tax revenues. Thus, industrial development is encouraged. The town tries not to compete with surrounding areas, but to encourage development of new activities, support existing industries and support industrial activities in neighboring industrial parks. The town feels that it is very important for the industrial activities to perform at the highest quality possible.

Long Term Financial Planning: The Town Council has continued to support Capital Improvements and Projects. The fiscal year 2014-2015 budget includes appropriations for the following projects: Information Technology, Town Hall painting, dehumidifier for the police department, flatbed truck, two police vehicles, playground resurfacing and repairs, road resurfacing, irrigation controllers, an aerator walk behind, a staff vehicle, oxygen generator, AEDs for Town buildings and office/station furniture. The town uses tax dollars to pay for these capital improvements and money in a fund restricted for capital projects.

Cash Management Policies and Practices: Cash temporarily idle during the year is invested in money market funds and government securities. The average yield on the investments is approximately .20% for fiscal year 2014. Investment income includes appreciation in the value of the investments. Increases in the value during the current year, however, do not necessarily represent trends that will continue. A report is provided to the Town Council on a monthly basis. The monthly report includes values and interest rates.

Risk Management: The Town of East Greenwich is exposed to a variety of potential losses and has established a risk management strategy that attempts to minimize the losses and the carrying cost of insurance. The primary technique used for risk financing is the purchase of insurance coverage from commercial insurers. The expected portion of uninsured losses is not expected to be significant when considered in relation to the overall financial position of the town.

Pension and Other Post-Employment Benefits: All employees of the town are provided pension benefits through the Town's participation in the State of Rhode Island Municipal Employees Retirement System (MERS). Each year, an independent actuary is engaged to calculate the annual contribution that the town must make to MERS to ensure that the plan will be able to fully meet its obligations to retired employees. As a matter of policy, the town fully funds each year's annual required contribution as determined by the actuary.

The Town of East Greenwich also provides postretirement health care benefits to certain employees who have fulfilled the retirement requirements of their respective contracts. As of the end of the current fiscal year, there were seventy-three retired employees receiving these benefits, which are financed on a pay as you go basis. The Governmental Accounting Standards Board (GASB) recently promulgated Statement 43 and 45. These statements require public sector entities to report the future costs of these non-pension benefits.

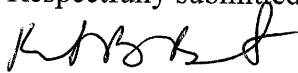
Additional information on the Town of East Greenwich's post employment benefits and pension arrangements can be found in Note 15 to the financial statements.

Comprehensive Annual Financial Report: The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of East Greenwich for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2013. This was the fifth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

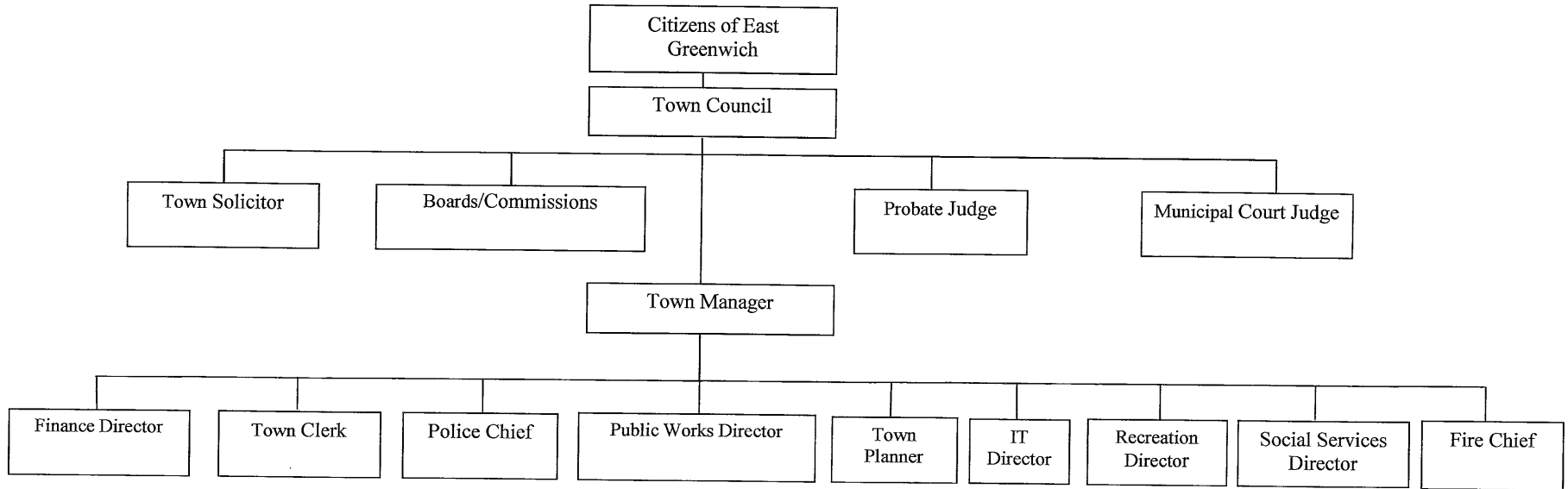
Acknowledgements: The preparation of the Comprehensive Annual Financial Report would not have been possible without the efficient and dedicated services of the entire Finance Department. I would also like to express my appreciation to all members of the various other town department's who assisted and contributed to the preparation of this report. Credit also must be given to the Town Manager and the Town Council for their unfailing support for maintaining the highest standards of professionalism in the management of the Town of East Greenwich and its finances.

Respectfully submitted,



Kristen B Benoit, CPA
Finance Director

TOWN OF EAST GREENWICH
MUNICIPAL ORGANIZATIONAL CHART



TOWN OF EAST GREENWICH, RHODE ISLAND

as of June 30, 2014

TOWN COUNCIL

Michael B. Isaacs - President
Jeffrey B. Cianciolo – Vice President
Bradford C. Bishop
Michael S. Kiernan
Mark W. Gee

TOWN MANAGER

Thomas E. Coyle III

FINANCE DIRECTOR

Kristen Benoit, CPA



Government Finance Officers Association

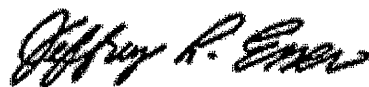
**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Town of East Greenwich
Rhode Island**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

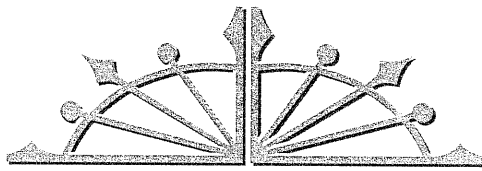


Executive Director/CEO

FINANCIAL SECTION

This Section Contains the Following Subsections:

Independent Auditor's Report
Management's Discussion and Analysis
Basic Financial Statements
Required Supplementary Information
Supplementary Information



BAXTER DANSEREAU & ASSOCIATES, LLP

Accounting, Consulting & Tax Services

Partners
William J. Baxter, Jr., CPA
Paul L. Dansereau, CPA

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Town Council
Town of East Greenwich
East Greenwich, 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 East Greenwich, Rhode Island (Town) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Town of East Greenwich, Rhode Island as of June 30, 2014, and the respective changes in financial position thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4-13 and 55-60 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of East Greenwich, Rhode Island's basic financial statements. The introductory section, combining non-major fund financial statements, the combining fiduciary fund financial statements, other supplementary information and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The combining non-major fund financial statements, the combining fiduciary fund financial statements, other supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements, the combining fiduciary fund financial statements, other supplementary information and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2014, on our consideration of the Town of East Greenwich, Rhode Island's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 of East Greenwich, Rhode Island's internal control over financial reporting and compliance.

Handwritten signature in cursive script that reads "Baxter Dansereau & Associates, LLP".

Baxter Dansereau & Associates, LLP

West Warwick, Rhode Island

December 5, 2014

Management's Discussion and Analysis

TOWN OF EAST GREENWICH, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2014
(Un-audited)

Our discussion and analysis of the Town of East Greenwich, Rhode Island's financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2014. Please read it in conjunction with the Letter of Transmittal and the Town's financial statements that follow this section.

Financial Highlights

- ❖ The Town's net position decreased by \$324,033 as a result of this year's current operations. Additionally, prior period adjustments further decreased the net position by an amount of \$863,522, (see note 23) making the total decrease \$1,187,555. The primary reason for the decrease was due to a decrease in expected state aid and a decrease in expected collection of property taxes. On a government-wide basis the assets of the Town of East Greenwich exceeded its liabilities at the close of the most recent fiscal year by \$57,553,090. Net position of business activities increased by \$17,120 or 0.06% and prior period adjustments decreased the net position by \$247,239, while net position of Governmental Activities decreased by \$341,153 and prior period adjustments decreased the Town's net position of Government Activities an additional \$616,283 for a total decrease of \$957,436 or 2.85%.
- ❖ The Town's Government-wide (governmental and business activities) operating expenses were \$68,167,855 an 6.49% increase from the prior year, while revenues collected were \$67,843,822 a 3.47% increase. The increase in operating expenses was mainly due to increases in public safety, education and interest on long-term debt. The increase in revenue was from increases in general property tax, and operating grants and contributions.
- ❖ As of the close of the fiscal year, the Town's governmental funds reported combined ending fund balances of \$19,276,583. Over 35% of this amount, \$6,931,891 is unassigned and available for use within the Town's designation and fiscal policies. See page nine for more detail pertaining to the fund balance categories.
- ❖ At the end of the current fiscal year, the general fund unassigned fund balance was \$6,931,891, or 11.4% of the total general fund expenditures for the fiscal year. The general fund's current fiscal year expenditures exceeded and transfers year revenues and transfers by \$97,767. On a budgetary basis revenues and transfers exceeded expenditures and transfers by \$2,233.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. These basic financial statements consist of three components:

- Government – wide financial statements
- Fund financial statements
- Notes to financial statements

In addition to the basic financial statements, this report also contains required supplementary information and supplementary information.

The Town's basic financial statements and supplementary financial information provide information about all of the Town's activities. They provide both a short-term and a long-term view of the Town's financial health as well as information about activities for which the Town acts solely as a trustee for the benefit of those outside of the Town's government.

TOWN OF EAST GREENWICH, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2014
(Un-audited)

Government-wide financial statements - are designed to provide readers with a broad overview of the Town's finances in a manner, which is similar to a private-sector business. They are presented on the accrual basis of accounting where revenues and expenditures are recognized on the date they occurred rather than on the date they were collected or paid.

The *Statement of Net Position* presents information on all of the Town's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference between them reported as net position. Over time, increases or decreases in the Town's 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 which shows how the Town's net position changed during the fiscal year. All changes in net position are reported when 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 the future fiscal periods. Examples are uncollected taxes and earned but unused compensated absences.

Both of the government-wide financial statements distinguish functions of the Town, which are supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The Town's governmental activities include general government and administration, public safety, development services, cultural and recreational services. The Town's business activities consist of the East Greenwich Sewer Department.

The government wide financial statements are reported on pages 14 through 15.

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 two categories-governmental funds and proprietary 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 current sources and uses 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 financing decisions. Both the governmental funds balance sheet and the governmental fund statements of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains 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, and the School Bond 52m Capital Fund, which are considered to be major funds. Data from the other funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in the supplementary information section of this report.

The basic governmental fund financial statements can be found on pages 16 through 17.

TOWN OF EAST GREENWICH, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2014
(Un-audited)

Proprietary Funds - The Town's proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town has one enterprise fund, the East Greenwich Sewer Department, which accounts for the Town's sewer system.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the East Greenwich Sewer Department since it is considered to be a major fund of the Town.

The basic proprietary fund financial statements are presented on pages 19 through 21.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because resources of those funds are *not* available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The fiduciary fund financial statements can be found on page 22.

Notes to Financial Statements - The notes 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 are presented on pages 23 through 54.

Other Information - In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information pertinent to the Town's operations.

Required Supplementary information is presented on pages 55 through 61.

The combining statements and supplementary information referred to earlier in connection with non-major governmental funds, and proprietary funds are presented on pages 62 through 87.

Government-wide Financial Analysis

Analysis of the Town of East Greenwich's Net Position

As noted earlier, over time the Town's net position may serve as a useful indicator of a government's financial position, and an important determinant of its ability to finance services in the future. For the Town of East Greenwich, governmental activities assets exceeded liabilities by \$32,631,750 as of June 30, 2014. This reflects an decrease of \$341,153 from this current year's activity and a prior period adjustment in the amount of \$616,283. The Business Type Activities assets exceeded liabilities by \$24,921,340 as of June 30, 2014. This reflects an increase of \$17,120 from this current year's activity and a prior period adjustment in the amount of \$247,239. See page 4 Financial Highlights above for a further explanation.

Analysis of the Town of East Greenwich's Net Position (Continued)

Listed below is a comparison of the current and prior fiscal years.

TOWN OF EAST GREENWICH, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2014
(Un-audited)

TOWN OF EAST GREENWICH, RHODE ISLAND
Net Position

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
ASSETS						
Current and other assets	\$ 28,210,721	\$ 28,345,491	\$ 12,893,654	\$ 13,959,901	\$ 41,104,375	\$ 42,305,392
Capital assets	84,808,169	85,761,524	37,975,355	38,789,435	122,783,524	124,550,959
Total assets	<u>113,018,890</u>	<u>114,107,015</u>	<u>50,869,009</u>	<u>52,749,336</u>	<u>163,887,899</u>	<u>166,856,351</u>
LIABILITIES						
Other liabilities	10,509,955	9,394,285	2,448,664	2,185,544	12,958,619	11,579,829
Long-term liabilities	69,877,185	71,123,544	23,499,005	25,412,333	93,376,190	96,535,877
Total liabilities	<u>80,387,140</u>	<u>80,517,829</u>	<u>25,947,669</u>	<u>27,597,877</u>	<u>106,334,809</u>	<u>108,115,706</u>
NET POSITION						
Net investment in capital assets	30,022,563	26,815,085	14,492,633	13,385,888	44,515,196	40,200,973
Restricted	3,423,277	3,601,262	-	-	3,423,277	3,601,262
Unrestricted	(814,090)	3,172,839	10,428,707	11,765,571	9,614,617	14,938,410
Total net position	<u>\$ 32,631,750</u>	<u>\$ 33,589,186</u>	<u>\$ 24,921,340</u>	<u>\$ 25,151,459</u>	<u>\$ 57,553,090</u>	<u>\$ 58,740,645</u>

A large portion of the Town's net position, \$44,515,196 consists of its investments in capital assets such as land, buildings and improvements, motor vehicles, furniture and equipment and infrastructure, less any debt used to acquire these assets, which is still outstanding. The Town uses these capital assets to provide services to its citizens. Consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves are unlikely to be used to liquidate these liabilities.

Analysis of the Town of East Greenwich's Operations

The following analysis provides a summary of the Town's operations for the year ended June 30, 2014. The Town first implemented GASB Statement 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments for the fiscal year June 30, 2003. Therefore, comparative data is now available and is presented in the following schedules. Governmental activities decreased the Town's net position by \$341,153 for the current period and prior period adjustments decreased the Town's net position of Government Activities an additional \$616,283 for a total decrease of \$957,436, which is an decrease of 2.85% in the Town's governmental net position, while business-type activities increased the Town's net position by \$17,120, and prior period adjustments decreased the net position by \$247,239. Overall the Town's net position decreased by \$324,033, prior period adjustments decreased the Town's net position by \$863,522 which is a 2.02% decrease over the prior year's net position.

TOWN OF EAST GREENWICH, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2014
(Un-audited)

Analysis of the Town of East Greenwich's Operations (continued)

The net change in fund balance for the fiscal year ended June 30, 2014 was a decrease of (\$959,021) for the Town's governmental fund types. In the statement of activities, expenses for capital items are not recorded as expenses but shown on the Statement of Net Position, which resulted in an decrease of \$953,355 net of depreciation to our net position; also revenues from the decrease in unearned revenues are not recorded as revenues in the fund financial statements, but in the statement of activities this resulted in an increase of \$309,316. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position, which increased the Town's net position by \$4,185,401. See Note 8 and 9 in the notes to the financial statements and page 18 of the financial statements for a more detailed explanation of changes in net position.

The following page presents the Changes in Net Position for the current year's activity.

TOWN OF EAST GREENWICH, RHODE ISLAND
Changes in Net Position

	Governmental		Business-Type		Total	
	Activities		Activities			
	2014	2013	2014	2013	2014	2013
Revenues						
Program revenues						
Charges for services	\$ 1,535,320	\$ 1,974,577	\$ 2,941,661	\$ 2,549,636	\$ 4,476,981	\$ 4,524,213
Operating grants and contributions	7,625,866	3,428,267	-	-	7,625,866	3,428,267
Capital grants and contributions	-	19,552	-	-	-	19,552
General revenues						
Property taxes, levied for general purposes	52,039,380	50,001,198	-	-	52,039,380	50,001,198
State revenue sharing	62,403	4,439,201	-	-	62,403	4,439,201
Unrestricted investment earnings	27,917	13,369	-	479,638	27,917	493,007
Miscellaneous	3,611,275	2,662,713	-	-	3,611,275	2,662,713
Gain (loss) on sale of assets	-	(27,318)	-	-	-	(27,318)
Total revenues	64,902,161	62,511,559	2,941,661	3,029,274	67,843,822	65,540,833
Expenses						
General government	10,182,575	6,583,467	-	-	10,182,575	6,583,467
Public safety	7,720,518	9,108,219	-	-	7,720,518	9,108,219
Public works	4,922,694	4,564,079	-	-	4,922,694	4,564,079
Parks and recreation	637,666	613,186	-	-	637,666	613,186
Public and social services	1,663,260	1,542,397	-	-	1,663,260	1,542,397
Education	37,299,099	35,797,956	-	-	37,299,099	35,797,956
Interest on long-term debt	2,817,502	2,996,339	-	-	2,817,502	2,996,339
Financing costs	-	2,650	-	-	-	2,650
Sewer	-	-	2,924,541	2,803,715	2,924,541	2,803,715
Total expenses	65,243,314	61,208,293	2,924,541	2,803,715	68,167,855	64,012,008
Increase (decrease) in net position	(341,153)	1,303,266	17,120	225,559	(324,033)	1,528,825

TOWN OF EAST GREENWICH, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2014
(Un-audited)

Financial Analysis of the Town of East Greenwich's Funds

Governmental Funds - The focus of the Town of East Greenwich'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's financing requirements. In particular, the unreserved fund balance may serve as a useful measure of the Town's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$19,276,583. Approximately 35% of the total amount, or \$6,845,238 constituted unassigned fund balance. The remainder of the fund balance is non-spendable, restricted, committed or assigned. The fund balance in the General Fund decreased due to a negative variance of expenditures in excess of revenues of \$97,767. The Town generated a loss of (\$421,633) and the School Department generated a gain of \$323,866. Thus, the combined result was the negative effect to fund balance of \$97,767. The School Department had net savings from Instructional and Substitute Teachers which had a positive effect on the bottom line. The School Bond Capital Fund had a decrease in fund balance due to ongoing expenditures to complete the school projects.

TOWN OF EAST GREENWICH, RHODE ISLAND
Fund Balance Categories

	General Fund	School Bond 52m Capital Fund	Non-Major Governmental Funds	Total Governmental Funds
<i>Nonspendable:</i>				
Inventories	\$ -	\$ -	\$ 5,083	\$ 5,083
Permanent fund principal	-	-	412,038	412,038
Prepays	399,901	-	-	399,901
<i>Restricted for:</i>				
Educational programs	806,740	-	100,497	907,237
Public works programs	-	-	1,051,205	1,051,205
Public health and welfare	1,464,835	-	-	1,464,835
<i>Committed for:</i>				
Technology	100,000	-	-	100,000
Education	70,000	2,550,338	-	2,620,338
<i>Assigned for:</i>				
Legislative, judicial	-	-	912,802	912,802
Public safety programs	-	-	1,360,889	1,360,889
Capital outlay	979,012	-	-	979,012
Technology	114,758	-	-	114,758
Community programs	210,000	-	106,298	316,298
Public works programs	-	-	206,820	206,820
Long term obligations	-	-	178,390	178,390
Culture and recreation	-	-	1,401,739	1,401,739
<i>Unassigned:</i>	6,931,891	-	(86,653)	6,845,238
Total fund balances	\$ 11,077,137	\$ 2,550,338	\$ 5,649,108	\$ 19,276,583

TOWN OF EAST GREENWICH, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2014
(Un-audited)

Proprietary Funds - The Town of East Greenwich's proprietary fund statements provide the same type of information as presented in the government-wide financial statements, but in more detail. Unrestricted net position of the business type activities equaled \$10,428,707. The current increase in total net position amounted to \$17,120.

General Fund Budgetary Highlights

Revenues:

Revenues on a budgetary basis were \$254,284 under budget due to the following:

General Property Taxes – were under budget by a total of \$177,859. Current year taxes were under budget by \$523,011 and the collection of prior years' taxes was over budget by \$345,152. This years' collection rate was 99% of budget. This was an increase over the prior year. Prior years' taxes increased due to collection notices being sent out on all types of delinquent taxes.

State Aid – was under budget by \$172,322. The Town received less School Housing Aid than budgeted because less school projects were completed than anticipated during the budget phase. This amounted to an \$154,694 reduction in income. The Town received \$53,226 more money than budgeted from the state based on the dollar amount of sales on meals in restaurants. Thus, we can conclude that people are dining out. The Town received \$2,010 less in Education State Aid than budgeted. During the Town's budget process the state budget is still not finalized. The Town is working with estimates from the State. Thus the budget to actual had a negative variance.

Licenses, permits and usage fees – were under budget by \$11,662. The Building, Electrical and Mechanical Permits were under budget by \$15,947 due to less than anticipated growth in new homes and home renovations. All of these types of revenue are estimates for budget purposes. The Building, Electrical and Mechanical Permits are an unknown. The Town is not aware during the budget process which taxpayers will be building a new home or making changes to their existing homes. The Realty Transfer line was over budget by \$7,445. There were less home sales during the fiscal year than anticipated during the budget session. Since home sales were down, the Land Recording Fee line was also under budget by \$36,070 due to reduced recordings of home sales. In all these instances the results are an unknown and the Town budgeted more than we received.

General Revenues -- was over budget by \$94,712 mainly due to Miscellaneous Income. The library reimburses the Town for payroll taxes. The Town does the payroll for the library. Also, Interest collected on delinquent taxes are deposited into this account. Due to more than anticipated delinquent tax payments, this line was over budget by \$28,647. Also, bond subsidy reimbursement was over budget by \$59,215 and was more than expected during the budget process.

Expenditures:

Expenditures on a budgetary basis were under budget by a total of \$256,517 due to the following:

Administration – was under budget primarily due to favorable Employee Benefit costs of \$169,778 and favorable Insurance costs of \$18,376. Retirement costs for Police and Fire were under budget as a result of not replacing employees who resigned or retired during fiscal year 2014. There was also a favorable variance in Social Security. The Insurance costs for the Property and Worker's Compensation were less than expected. The Town received a premium refund when then worker's compensation audit was performed.

TOWN OF EAST GREENWICH, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2014
(Un-audited)

General Fund Budgetary Highlights (Continued)

Expenditures (Continued):

Capital Improvements -- was over budget by \$335,864. The allocated capital does not need to be spent in the fiscal year that the amounts are approved for budget. The extra money is added to Assigned Fund Balance for Capital Improvements for future expenditure. Thus, money assigned for previous years was spent in fiscal year 2014, making the account look like it was over budget.

Education – was under budget by \$428,625.

Public Works Department – was over budget by \$65,323. Auto parts were over budget due to additional vehicles the highway department serviced as a result of the addition of the Fire Department. Salt and Sand were also over budget due to the unusually harsh winter we experienced.

Fire Department – was under budget by \$33,679. Salaries were under budget as a result of positions not filled. The balance of the under budget amount was due to less than anticipated rescue billing fees.

The Town of East Greenwich's Capital Assets

The Town of East Greenwich's investment in capital assets for its governmental and business-type activities amounts to \$122,783,524 net of accumulated depreciation at June 30, 2014. Included are land, building and improvements, construction in progress, motor vehicles, furniture and equipment and infrastructure. Additional information on the Town of East Greenwich's capital assets is located in Note 7 of the notes to the financial statements. The following page presents the Capital Assets after the current year's activity.

TOWN OF EAST GREENWICH, RHODE ISLAND
Capital Assets (Net of Accumulated Depreciation)

	June 30, 2014			June 30, 2013		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Land	\$ 1,819,958	\$ 15,372	\$ 1,835,330	\$ 1,819,958	\$ 15,372	\$ 1,835,330
Construction in progress	50,757,158	1,716,514	52,473,672	49,865,666	1,377,876	51,243,542
Infrastructure	4,099,125	-	4,099,125	5,187,214	-	5,187,214
Land improvements	2,841,550	-	2,841,550	3,062,907	-	3,062,907
Buildings and improvements	21,372,412	11,801,492	33,173,904	22,228,457	12,241,454	34,469,911
Motor vehicles	3,243,754	6,676	3,250,430	2,964,734	11,293	2,976,027
Office furniture and equipment	(152,675)	62,699	(89,976)	(210,863)	43,128	(167,735)
Machinery and equipment	826,887	-	826,887	843,451	-	843,451
Sewer lines	-	24,372,602	24,372,602	-	25,100,312	25,100,312
	<u>\$ 84,808,169</u>	<u>\$ 37,975,355</u>	<u>\$ 122,783,524</u>	<u>\$ 85,761,524</u>	<u>\$ 38,789,435</u>	<u>\$ 124,550,959</u>

The total decrease in the Town's investment in capital assets for the current fiscal year was about 1.42% in terms of net book value. Significant expenditures were made for technology, improvements to school buildings, and repairs and maintenance to school buildings. Depreciation charges for the year totaled \$3,964,284 (\$2,768,776 on governmental assets and \$1,195,508 on the assets of the business-type activities). Additional information on the Town's capital assets can be found in Note 7 of the notes to the financial statements.

TOWN OF EAST GREENWICH, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2014
(Un-audited)

The Town of East Greenwich's Debt Administration

At the end of the current fiscal year, the Town of East Greenwich's Governmental Activities and Business Activities had a total bonded debt of \$60,382,500. Of this amount, 100% comprises bonded debt backed by the full faith and credit of the government.

The following is a summary of the Town's long-term debt.

TOWN OF EAST GREENWICH, RHODE ISLAND
General Obligation Bonds and Notes Payable

	June 30, 2014			June 30, 2013		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
General Obligation Bonds	\$ 55,882,500	\$ 4,500,000	\$ 60,382,500	\$ 60,043,333	\$ 4,820,000	\$ 64,863,333
Notes Payable	-	18,982,722	18,982,722	-	20,583,547	20,583,547
	<u>\$ 55,882,500</u>	<u>\$ 23,482,722</u>	<u>\$ 79,365,222</u>	<u>\$ 60,043,333</u>	<u>\$ 25,403,547</u>	<u>\$ 85,446,880</u>

Additional information on the Town's long-term debt can be found in Note 12 of the notes to the financial statements.

The Town's general obligation bond rating as assigned by Moody's Investors Service in 2013 is Aa1 and AA+ by Standard and Poor's. The State of Rhode Island imposes a limit of 3 percent of the fair value of all taxable Town property on the general obligation debt that a municipality can issue. The Town of East Greenwich's limit is \$67,923,165 at year-end. The Town's outstanding general obligation bonded debt pertaining to legal debt limit is \$895,300 at year-end, which is \$67,027,865, under the State imposed limitation.

Economic Factors and Next Year's Budgets and Rates

The Town of East Greenwich's total general fund budget for fiscal year 2015 amounts to \$59,805,059 which reflects an increase of \$1,709,845 over the fiscal 2014 budget of \$58,095,214.

The Town's tax rate for fiscal 2015 is \$23.26 per thousand, with 46% allocated for general government and 54% allocated for education. For fiscal 2014 the Town's tax rate was \$22.90 per thousand, with 45% allocated for general government and 55% allocated for education.

TOWN OF EAST GREENWICH, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2014
(Un-audited)

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Town of East Greenwich's finances for all of the Town of East Greenwich's citizens, taxpayers, customers, investors and creditors. This financial report seeks to demonstrate the Town's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: Town of East Greenwich, Finance Director's Office, P.O. Box 111, East Greenwich, RI 02818; Attention: Mrs. Kristen Benoit, Finance Director.



Kristen Benoit, CPA
Finance Director

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements

TOWN OF EAST GREENWICH, RHODE ISLAND
Statement of Net Position
June 30, 2014

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	East Greenwich Land Trust
ASSETS				
Cash and cash equivalents	\$ 19,008,580	\$ -	\$ 19,008,580	-
Investments	38,488	-	38,488	-
Accounts receivable:				
Accounts receivable net	2,114,265	2,447,387	4,561,652	-
Due from other governments	355,875	-	355,875	-
Other receivables	4,821,951	1,045,563	5,867,514	127,210
Other assets	1,871,562	-	1,871,562	-
Capital assets:				
Property, plant and equipment - net	32,231,053	36,243,469	68,474,522	-
Construction in progress	50,757,158	1,716,514	52,473,672	-
Assets not being depreciated	1,819,958	15,372	1,835,330	5,018,500
Total capital assets	<u>84,808,169</u>	<u>37,975,355</u>	<u>122,783,524</u>	<u>5,145,710</u>
Other assets				
Long-term sewer assessment receivable	-	9,400,704	9,400,704	-
TOTAL ASSETS	<u>113,018,890</u>	<u>50,869,009</u>	<u>163,887,899</u>	<u>5,145,710</u>
LIABILITIES				
Accounts payable and accrued expenses	12,361,063	232,717	12,593,780	-
Internal balances	(1,851,108)	1,851,108	-	-
Unearned revenue	-	364,839	364,839	-
Long-term liabilities				
Due within one year	4,491,998	1,924,829	6,416,827	-
Due in more than one year	65,385,187	21,574,176	86,959,363	-
Total liabilities	<u>80,387,140</u>	<u>25,947,669</u>	<u>106,334,809</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	30,022,563	14,492,633	44,515,196	5,018,500
Restricted for:				
Education programs	907,237	-	907,237	-
Public works programs	1,051,205	-	1,051,205	-
Public health and welfare	1,464,835	-	1,464,835	-
Unrestricted	(814,090)	10,428,707	9,614,617	127,210
Total net position	<u>\$ 32,631,750</u>	<u>\$ 24,921,340</u>	<u>\$ 57,553,090</u>	<u>5,145,710</u>

See auditor's report and accompanying notes to these financial statements

TOWN OF EAST GREENWICH, RHODE ISLAND
Statement of Activities
For the Year Ended June 30, 2014

	Program revenues			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Primary Government Business-type Activities	Total	Component Unit East Greenwich Land Trust
Functions/Programs							
Primary government							
Governmental activities:							
Legislative, judicial and general administrative	\$ 6,393,221	\$ 637,795	\$ 549,711	\$ (5,205,715)		\$ (5,205,715)	
Financial administration	3,139,959	-	-	(3,139,959)		(3,139,959)	
Information technology	458,699	-	-	(458,699)		(458,699)	
Public safety	7,720,518	188,623	154,635	(7,377,260)		(7,377,260)	
Public works	4,922,694	-	-	(4,922,694)		(4,922,694)	
Teen center	6,999	-	-	(6,999)		(6,999)	
Public health and welfare	615,716	257,000	257,735	(100,981)		(100,981)	
Parks and recreation	637,666	-	-	(637,666)		(637,666)	
Town planner	190,696	-	-	(190,696)		(190,696)	
Senior and human services	235,186	-	-	(235,186)		(235,186)	
Education	37,299,099	451,902	6,663,785	(30,183,412)		(30,183,412)	
Grants and contributions	29,000	-	-	(29,000)			
Library	486,875	-	-	(486,875)		(486,875)	
Land trust	59,560	-	-	(59,560)			
Non capital outlay	229,924	-	-	(229,924)			
Interest on long-term debt	2,817,502	-	-	(2,817,502)		(2,817,502)	
Total governmental activities	<u>65,243,314</u>	<u>1,535,320</u>	<u>7,625,866</u>	<u>(56,082,128)</u>		<u>(55,756,645)</u>	
Business-type activities:							
Sewer fund	2,924,541	2,941,661	-	-	\$ 17,120	17,120	
Total business-type activities	<u>2,924,541</u>	<u>2,941,661</u>	<u>-</u>	<u>-</u>	<u>17,120</u>	<u>17,120</u>	
Total primary government	<u>\$ 68,167,855</u>	<u>\$ 4,476,981</u>	<u>\$ 7,625,866</u>	<u>(56,082,128)</u>	<u>17,120</u>	<u>(56,065,008)</u>	
Component unit:							
East Greenwich Land Trust	\$ 54,752	\$ -	\$ 51,470				\$ (3,282)
Total Component unit:	<u>\$ 54,752</u>	<u>\$ -</u>	<u>\$ 51,470</u>				<u>\$ (3,282)</u>
General revenues:							
General property tax				52,039,380	-	52,039,380	-
State revenue sharing				62,403	-	62,403	-
Net investment income (loss)				27,917	-	27,917	-
Miscellaneous				3,611,275	-	3,611,275	-
Total general revenues				<u>55,740,975</u>	<u>-</u>	<u>55,740,975</u>	<u>-</u>
Change in net position				<u>(341,153)</u>	<u>17,120</u>	<u>(324,033)</u>	<u>(3,282)</u>
Net position - beginning				<u>33,589,186</u>	<u>25,151,459</u>	<u>58,740,645</u>	<u>5,148,992</u>
Prior period adjustment (Note 23)				<u>(616,283)</u>	<u>(247,239)</u>	<u>(863,522)</u>	<u>-</u>
Net position - beginning (restated)				<u>32,972,903</u>	<u>24,904,220</u>	<u>57,877,123</u>	<u>5,148,992</u>
Net position - ending				<u>\$ 32,631,750</u>	<u>\$ 24,921,340</u>	<u>\$ 57,553,090</u>	<u>\$ 5,145,710</u>

See auditor's report and accompanying notes to these financial statements

Fund Financial Statements

TOWN OF EAST GREENWICH, RHODE ISLAND
Balance Sheet
Governmental Funds
June 30, 2014

	General Fund	School Bond 52m Capital Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 15,265,353	\$ -	\$ 3,743,227	\$ 19,008,580
Investments	-	-	38,488	38,488
Accounts receivable:				
Property taxes, less allowance for doubtful accounts of \$90,933	2,114,265	-	-	2,114,265
Intergovernmental	-	-	355,875	355,875
Other	4,813,505	-	8,446	4,821,951
Internal balances	123,960,998	2,600,337	26,048,173	152,609,508
Inventory	-	-	6,826	6,826
Deposit at other institution	1,464,835	-	-	1,464,835
Prepays	399,901	-	-	399,901
TOTAL ASSETS	\$ 148,018,857	\$ 2,600,337	\$ 30,201,035	\$ 180,820,229
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued expenses	\$ 7,715,052	\$ 49,999	\$ 225,307	\$ 7,990,358
Internal balances	126,592,197	-	24,325,819	150,918,016
Unearned revenue	2,634,471	-	801	2,635,272
Total liabilities	136,941,720	49,999	24,551,927	161,543,646
Fund balances:				
<i>Nonspendable:</i>				
Inventories	-	-	5,083	5,083
Permanent fund principal	-	-	412,038	412,038
Prepays	399,901	-	-	399,901
<i>Restricted for:</i>				
Educational programs	806,740	-	100,497	907,237
Public works programs	-	-	1,051,205	1,051,205
Public health and welfare	1,464,835	-	-	1,464,835
<i>Committed for:</i>				
Technology	100,000	-	-	100,000
Educational programs	70,000	2,550,338	-	2,620,338
<i>Assigned for:</i>				
Legislative, judicial	-	-	912,802	912,802
Public safety programs	-	-	1,360,889	1,360,889
Capital outlay	979,012	-	-	979,012
Technology	114,758	-	-	114,758
Community programs	210,000	-	106,298	316,298
Public works programs	-	-	206,820	206,820
Long term obligations	-	-	178,390	178,390
Culture and recreation	-	-	1,401,739	1,401,739
<i>Unassigned:</i>	6,931,891	-	(86,653)	6,845,238
Total fund balances	11,077,137	2,550,338	5,649,108	19,276,583
TOTAL LIABILITIES AND FUND BALANCES	\$ 148,018,857	\$ 2,600,337	\$ 30,201,035	\$ 180,820,229

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. (see note 8)	84,808,169
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. (see note 8)	(1,575,817)
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. (see note 8)	(69,877,185)
Net position of governmental activities	\$ 32,631,750

See auditor's report and accompanying notes to these financial statements

TOWN OF EAST GREENWICH, RHODE ISLAND
Statement of Revenues, Expenditures
and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2014

	<u>General Fund</u>	<u>School Bond 52m Capital Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues				
General property tax	\$ 51,730,064	\$ -	\$ -	\$ 51,730,064
Intergovernmental and departmental revenues	5,721,330	-	1,606,918	7,328,248
License and permits	1,529,948	-	-	1,529,948
Fines and interest on late payments	163,647	-	-	163,647
Interest on investments	2,300	-	25,617	27,917
Tuitions	160,980	-	-	160,980
Other revenues	2,756,191	-	727,201	3,483,392
Total revenues	<u>62,064,460</u>	<u>-</u>	<u>2,359,736</u>	<u>64,424,196</u>
Expenditures				
Legislative, judicial and general administrative	5,886,119	-	18,490	5,904,609
Financial administration	616,624	-	-	616,624
Information technology	458,699	-	-	458,699
Public safety	6,812,858	-	357,128	7,169,986
Public works	3,340,690	-	-	3,340,690
Teen Center	6,999	-	-	6,999
Public health and welfare	-	-	615,716	615,716
Parks and recreation	574,569	-	-	574,569
Town planner	190,696	-	-	190,696
Senior and human services	235,186	-	-	235,186
Education	35,433,816	-	1,374,939	36,808,755
Grants and contributions	29,000	-	-	29,000
Library	486,875	-	-	486,875
Land trust	59,560	-	-	59,560
Financing costs	2,850	11,824	-	14,674
Capital outlay	923,929	858,915	32,577	1,815,421
Non capital outlay expenditures	229,924	-	-	229,924
Long-term obligations:				
Principal	4,160,833	-	-	4,160,833
Interest	2,664,401	-	-	2,664,401
Total expenditures	<u>62,113,628</u>	<u>870,739</u>	<u>2,398,850</u>	<u>65,383,217</u>
Excess of revenues over (under) expenditures before other financing sources (uses)	<u>(49,168)</u>	<u>(870,739)</u>	<u>(39,114)</u>	<u>(959,021)</u>
Other financing sources (uses)				
Transfers from other funds	-	-	48,599	48,599
Transfers to other funds	(48,599)	-	-	(48,599)
Total other financing sources (uses)	<u>(48,599)</u>	<u>-</u>	<u>48,599</u>	<u>-</u>
Net changes in fund balances	(97,767)	(870,739)	9,485	(959,021)
Fund balances - beginning	<u>11,174,904</u>	<u>3,421,077</u>	<u>5,639,623</u>	<u>20,235,604</u>
Fund balances - ending	<u>\$ 11,077,137</u>	<u>\$ 2,550,338</u>	<u>\$ 5,649,108</u>	<u>\$ 19,276,583</u>

See auditor's report and accompanying notes to these financial statements

TOWN OF EAST GREENWICH, RHODE ISLAND
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2014

Net change in fund balances - total governmental funds \$ (959,021)

Amounts reported for governmental activities in the statement of activities are different from the amounts reported as fund expenditures because:

Governmental funds reported capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceed depreciation, loss on disposal of equipment and adjustments in the current period.

Capital outlay	1,815,421	
Depreciation expense	<u>(2,768,776)</u>	(953,355)

Property taxes that are not collected in the current period and do not represent current financial resources are deferred in the fund financial statements, however they are recognized as revenues in the statement of activities. 309,316

Amortization of premiums in the current period do not represent current financial resources, however they are recognized as expenditures and revenues in the statement of activities. 168,649

Some expenditures reported in the governmental funds that require the use of current financial resources are not reported as expenditures in the statement of activities. (153,101)

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the full accrual basis, expenses and liabilities are recorded regardless of when financial resources are available.

Principal payments made on long-term debt	4,185,401	
Net decrease in claims, judgments and settlements	4,025	
Net decrease in compensated absences	(419,732)	
Net increase in the other post employment benefit obligation	<u>(2,523,335)</u>	<u>1,246,359</u>

Change in net assets of governmental activities \$ (341,153)

Please see Note 9 for a more detailed explanation of the differences between the Government-Wide Financial Statements and the Fund Financial Statements

See auditor's report and accompanying notes to these financial statements

TOWN OF EAST GREENWICH, RHODE ISLAND
Statement of Net Position
Proprietary Funds
June 30, 2014

	Sewer Fund
ASSETS	
Current assets	
Cash and cash equivalents	\$ -
Accounts receivable	
User fees, net of \$50,000 allowance for doubtful accounts	1,849,750
Construction loans receivable	1,045,563
Assessments, current portion	597,637
Total current assets	3,492,950
Non-current assets	
Long-term sewer assessment receivable	9,400,704
Net capital assets	37,975,355
Total non-current assets	47,376,059
TOTAL ASSETS	50,869,009
LIABILITIES	
Current liabilities	
Accounts payable and accrued expenses	231,195
Internal balances	1,851,108
Current portion of accrued compensated absences	1,522
Current portion of long-term debt	1,924,829
Total current liabilities	4,008,654
Non-current liabilities	
Notes and bonds payable	21,557,893
Accrued compensated absences	16,283
Unearned revenues	364,839
Total non-current liabilities	21,939,015
TOTAL LIABILITIES	25,947,669
Net Position	
Net investment in capital assets	14,492,633
Unrestricted	10,428,707
Total net position	\$ 24,921,340

See auditor's report and accompanying notes to these financial statements

TOWN OF EAST GREENWICH, RHODE ISLAND
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2014

	Sewer Fund
Operating revenues	
Usage sales and fees	\$ 2,481,495
Sewer assessments and interest income	460,166
Total operating revenues	2,941,661
Operating expenses	
Salaries and benefits	434,787
Materials and supplies	111,701
Contract services	169,846
Repairs and maintenance	33,955
Utilities	124,272
Administrative expenses	231,553
Depreciation and amortization	1,195,508
Total operating expenses	2,301,622
Operating income	640,039
Non-operating revenues (expenses)	
Sewer bond interest expense	(622,919)
Total non-operating (expenses)	(622,919)
Change in net position	17,120
Total net positions - beginning	25,151,459
Prior period adjustment see note 23	(247,239)
Net position - beginning restated	24,904,220
Net position - ending	\$ 24,921,340

See auditor's report and accompanying notes to these financial statements

TOWN OF EAST GREENWICH, RHODE ISLAND
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2014

	Sewer Fund
Cash flows from operating activities	
Cash received from customers and providing services	\$ 2,619,816
Cash payments to suppliers for goods and services	(664,422)
Cash payments to employees for services	(434,787)
Net cash provided by (used for) operating activities	1,520,607
Cash flows from non-capital financing activities	
Interfund loans	273,260
Net cash provided by non-capital financing activities	273,260
Cash flows from capital and related financing activities	
Principal paid on bonds & notes	(1,920,825)
Additions to capital assets net	(381,428)
Sewer assessment decrease	803,887
Interest paid on long term debt	(622,919)
Accrued compensated balances	7,497
Unearned revenues	(17,042)
Construction receivables	384,602
Prior period adjustment to construction receivables	(47,639)
Net cash (used for) capital and related financing activities	(1,793,867)
Cash flows from investing activities	
Interest income	-
Net cash provided by investing activities	-
Net increase (decrease) in cash and cash equivalents	-
Cash and cash equivalents at beginning of year	-
Cash and cash equivalents at end of year	\$ -
 Reconciliation of operating income to net cash provided by operating activities	
Operating income (Loss)	640,039
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization	1,195,508
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	(321,845)
Increase (decrease) in accounts payable and accrued expenses	6,905
Total adjustments	880,568
Net cash provided by operating activities	\$ 1,520,607

See auditor's report and accompanying notes to these financial statements

TOWN OF EAST GREENWICH, RHODE ISLAND
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2014

	Agency Funds
ASSETS	
Cash and cash equivalents	\$ 418,145
Internal balances	159,616
Total Assets	577,761
 LIABILITIES	
Deposits held in custody for others	577,761
Total Liabilities	\$ 577,761

See auditor's report and accompanying notes to these financial statements

Notes to Financial Statements

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 - REPORTING ENTITY

In accordance with the requirements of Statement No. 14 of the Governmental Accounting Standards Board, *The Financial Reporting Entity*, the accompanying basic financial statements present the Town of East Greenwich, Rhode Island (the primary government). The activities discussed below are included in the Town's reporting entity because of the significance of their operational or financial relationships with the Town.

The Town complies with generally accepted accounting principles (GAAP). Generally accepted accounting principles (GAAP) includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of these notes.

Primary Government

The Town of East Greenwich is a municipal corporation governed by a Town Council/Town Manager form of government with an elected five member Town Council.

The Town of East Greenwich was incorporated in 1677. The Town operates under a Home Rule Charter, adopted in 1972. All legislative powers of the town, except such powers as are reserved by the state law or vested in the financial Town Meeting by the Charter and by-laws enacted by the Town Council, are vested in the Town Council by the Charter, including the ordering of any tax, making appropriations and transacting of any other business pertaining to the financial affairs of the Town.

This report includes all of the funds and account groups of the Town of East Greenwich. The reporting entity for the town consists of (a) the primary government, (b) organizations for which the primary government is financially accountable and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable.

In evaluating the inclusion of how to define the government for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB Statement No. 14. Under GASB Statement No. 14, the financial reporting entity includes both the primary government, which is the Town of East Greenwich and all of its component units. Component units are legally separate entities that meet any one of the following three tests:

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

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

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

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

The following entities were considered for classification as component units for fiscal year 2014:

- * East Greenwich Land Trust (the Trust)
- * East Greenwich School Department

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 - REPORTING ENTITY (CONTINUED)

Although the East Greenwich School Department meets certain criteria of the tests listed above, the School Department is not deemed to have separate legal status apart from the Town. As a result, the financial data of the School Department has been included as part of the Town General Fund within the Town's financial statements

The East Greenwich Land Trust (the Trust) has been presented as a component unit of the Town in the government-wide financial statements. The Town Council appoints the Board of Trustees that governs the Trust. The Land Trust was included as a component unit because the primary government has a significant influence over the component unit, a financial benefit or burden exists and the component unit has a fiscal dependency on the primary government. The purpose of the Trust is to promote preservation of the environment and character of the Town, to preserve suitable open spaces for recreation, for the conservation of forestry and wildlife, to promote responsible development of real estate and sound conservational practices, to protect environmentally sensitive or threatened existing and /or future fresh-water well fields, aquifer recharge area, wetlands and to promote public access and views of harbors, ponds, marshes, farmland and forests situated in the Town. Upon termination or dissolution of the Trust, title to all remaining funds, land and land rights will vest with the Town. The Trust is included in the Town's reporting entity because of the significance of the operational and financial relationships with the Town. The Trust does not issue separate financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds and component units that are fiduciary in nature. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, receivables and payables.

Fund Financial Statements

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

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

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements (Continued)

In addition to funds that meet the major fund criteria, any other governmental or enterprise fund that the government's officials believe is particularly important to financial statement users (for example, because of public interest or consistency) may be reported as a major fund. The funds of the financial reporting entity are described below:

GOVERNMENTAL FUND TYPES

These are the funds through which most governmental functions are typically financed. The funds included in this category are as follows:

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

Special Revenue Funds – are used to account for restricted or committed revenues that comprise a substantial portion of the *inflows* of a fund.

Capital Projects Funds - are used to account for resources restricted for the acquisition or construction of specific capital projects or items (other than those financed by Proprietary or Trust funds). The School Bond 52m Capital Fund is a capital projects fund and is a major fund. This fund is for a 52 million dollar school project. A new Middle School was built and major renovations were done on the middle school and elementary schools. The Town began the project by issuing BANS and refinanced the BANS into bonds in February 2012.

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

PROPRIETARY FUND TYPES

Proprietary funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. Operating revenues of the Proprietary Funds consist of customer/taxpayer charges for uses and services and certain other miscellaneous revenues. All other revenues of the Proprietary Funds are considered non-operating sources of revenue. The Sewer Fund is the only Proprietary Fund and is used to account for sewer use fees and the expenses associated with providing sewer services to town residents

FIDUCIARY FUND TYPES

These funds use the accrual basis of accounting to account for assets held by the Town as a trustee or agent for individuals, private organizations, and other units of governments. These funds are not included in government-wide statements.

Agency Funds – are used to account for assets held by the Town in a purely custodial capacity. Since agency funds are custodial in nature (i.e. assets equal liabilities), they do not involve the measurement of results of operations. The Agency Funds are the only Fiduciary Funds and account for funds that are to be used for educational and welfare expenditures and for funds held in escrow for other parties. Agency Funds use the accrual method rather than the modified accrual basis of accounting.

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BASIS OF ACCOUNTING

Measurement Focus

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

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

- (a) All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period. The Town considers property taxes as available if they are collected within 60 days after year end.
- (b) All proprietary funds utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of net income, financial position and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.
- (c) Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

Basis of Accounting

In the government wide financial statements the Statement of Net Position and Statement of Activities (governmental and business-type activities) are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expense, gains, losses, assets, deferred outflows of resources, liabilities and deferred inflows of resources resulting from exchange and exchange-like transactions should be recognized when the exchange takes place. Revenues, expense, gains, losses, assets, deferred outflows of resources, liabilities and deferred inflows of resources resulting from non-exchange transactions should be recognized in accordance with the requirements of Section N50.

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

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

All Governmental Fund Types are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e. both measurable and available. Available means collectible within the current period or soon enough thereafter, (generally defined as 60 days after the close of the fiscal year) to be used to pay liabilities of the current period.

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting (Continued)

Licenses and permits, charges for services, fines, forfeits, and miscellaneous revenue are recorded as revenues when received in cash. Those revenues susceptible to accrual are property taxes and investment earnings. Fines and permits are not susceptible to accrual because generally they are not measurable until received in cash. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except expenditures for debt service and other long-term obligations, which are recognized when paid.

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

Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows, the Propriety Fund Types consider all highly liquid investments with a maturity date of three months or less when purchased to be cash equivalents.

Investments

Investments are stated at fair value in accordance with GASB No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.

For purposes of the statements of cash flows, all highly liquid investments with a maturity of three months or less when purchased (e.g. short-term commercial paper) are considered to be cash equivalents.

Receivables

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

In the fund financial statements, material receivables in governmental funds include revenue accruals such as property taxes and grants and other similar intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis. Proprietary fund material receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivables are based upon historical trends and the periodic aging of accounts receivable.

Prepaid items

Prepaid items are accounted for under the consumption method whereby a prepaid asset is established at the date of payment and subsequently amortized over the accounting periods expected to benefit from the initial payment.

Inventories

Inventories of supplies (except gasoline and postage) are considered to be expenditures at the time of purchase. Inventories of gasoline and postage are recorded at cost on a first in first out basis and maintained on a periodic system and are recorded as expenditures when consumed.

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Property, Plant and Equipment

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

Government-Wide Statements

In the government-wide financial statements, capital assets are accounted for as capital assets. All fixed assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated fixed assets, which are recorded at their estimated fair value at the date of donation. The capitalization threshold is any individual item with a total cost greater than \$10,000.

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 of depreciation. The range of estimated useful lives by type of asset is as follows:

<u>Description</u>	<u>Years</u>
Buildings, Infrastructure & Improvements	10-100
Motor vehicles	5-10
Machinery and equipment	5-30
Sewer mains	75-100

Fund Financial Statements

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

Equity Classifications

Government-Wide Statements

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

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

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Fund Financial Statements

The Town has adopted the requirements of the Government Accounting Standards Board GASB Statement No. 54 - *Fund Balance Reporting and Governmental Fund Type Definitions*. Acceptance of this statement has changed the Town's presentation of the elements of fund balances, a key indicator of inter-period equity. Listed below are the new fund balance categories and their definitions.

- **Non-spendable** – are balances that are permanently precluded from conversion to cash such as permanent funds and inventories.
- **Restricted** – requires that inflows and outflows of resources and balances be constrained to a specific purpose of enabling legislation, external parties or constitutional provisions.
- **Committed** – are balances with constraints imposed by the government using the highest level of decision-making authority. These constraints can only be removed or changed by the same decision making authority taking the same type of action.
- **Assigned** – are balances intended for a specific purpose by the government's management and are also appropriations of existing fund balances.
- **Unassigned** – are balances available for any purpose. They are not precluded by a management decision, law constitutional provision in the general fund.

The Town has set classification policies and procedures for the above noted level of fund balance reporting.

- a) For committed fund balances: the Town Council, via a resolution or vote, is the highest level of decision making authority and a meeting of the Town Council is required to establish, modify or rescind a fund balance commitment.
- b) For assigned fund balance: The Town's Finance Director is authorized to assign amounts to a specific purpose and un-assign amounts to a specific purpose. This authorization was given to that position by the Town Council through resolution.
- c) The Town considers amounts that are committed, assigned or unassigned to have been spent when an expenditure is incurred for the purpose of which any amounts in any of the unassigned fund balance classifications could be used.
- d) The Town considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available and considers committed amounts to have been spent when and expenditure is incurred for purposes for which amounts in any other unrestricted fund balance could be used.

Fund Balance Transactions

The re-appropriation of prior year's unexpended balances for certain accounts in the General Fund is reported as a transfer of fund balance in the current year.

Property Taxes

The Town is permitted by state law to levy property taxes. Taxes are recognized as revenue when they are collected. Taxes are levied each July on (a) 100% of the full and fair value of real and tangible personal property owned within the Town on the previous December 31; and, (b) the value, as determined by the Rhode Island Vehicle Valuation Commission, of vehicles registered within the Town the previous calendar year, prorated for the actual number of days so registered, reduced by the amount exempt under the Motor Vehicle Phase-Out Program.

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxes levied during July are payable in quarterly installments on September 1, December 1, March 1 and June 1, or on September 1, if paid in one payment. Unpaid property taxes at June 30, 2014, include delinquent installments of the current and prior years. The Town does not record interest earned on delinquent taxes until payment is received.

The allowance for uncollectible accounts is based on that portion of current and delinquent taxes receivable, which is estimated to be doubtful of collection. This provision does not constitute an abandonment of claim or the cessation of collection effort.

The municipality holds an annual tax sale in May or June. This tax sale includes all property with a delinquent balance as of the December 1 quarterly installment for the current year. Subsequent to the tax sale, recorder's deeds are placed on sold properties.

Deferred Revenues

Deferred revenues represent funds received in advance of being owed or receivables, which will be collected and included in revenues of future fiscal years. In the General Fund, deferred revenues relate to property tax receivables, which will be collected in future years.

Vacation, Sick Leave, and Other Compensated Absences

Unused vacation leave is paid upon an employee's termination. Sick leave not taken is paid only to police department employees up to 300 days of total accumulated sick leave at 50%, upon retirement. School department employees are paid compensated absences based on various employee agreements. Compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and a fund liability of the governmental fund that will pay it. In governmental funds compensated absence expenditures are only reported when matured. Amounts not expected to be liquidated with expendable available resources are reported as long-term debt in the government-wide financial statements. Long-term debt and other obligations financed by the proprietary funds are reported as liabilities in the appropriate funds. For Proprietary Fund Types accrued compensated absences are recorded as a liability within those funds using the full accrual basis.

Short-Term Inter-fund Receivable/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "internal balances" on the balance sheet.

Advances to Other Funds

Noncurrent portions of long-term interfund loan receivables are reported as advances and are offset equally by a fund balance reserve account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriations.

Uses of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgetary Process

In accordance with the East Greenwich Home Rule Charter, the Town has formally established budgetary accounting control for its General Fund. The General Fund is subject to an annual operating budget that is prepared by the administration of the Town Manager and submitted to the Town Council for approval. The General Fund budget is then presented at the Financial Town meeting to the Citizens of the Town for their approval. The annual operating budgets' appropriated amounts are supported by revenue estimates and take into account the elimination of accumulated deficits and the re-appropriation of accumulated surpluses to the extent necessary. The General Fund annual operating budget is prepared on the budgetary basis of accounting which is not in conformity with Generally Accepted Accounting Principles. The budget to actual presentation in required supplementary information is reflected on the budgetary basis.

Appropriations in addition to those contained in the annual operating budgets, except for the purpose of meeting a public emergency, are made upon the recommendation of the Town Manager with the Director of Finance's certification as to General Fund surplus to meet such appropriations and with Town Council's approval and approval of the citizens at a Financial Town meeting. There were no additional supplemental appropriations for the year ended June 30, 2014. Amendments to the operating budgets that do not result in additional appropriations may be made within departments by means of a transfer.

NOTE 3 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Legal Debt Margin

The Town's legal debt margin as set forth by State Statute is limited to three percent of total assessed value, which approximates \$67,923,165 based on the December 31, 2012 assessment. As of June 30, 2014 the Town's debt is under the debt limit by \$67,027,865.

In addition to the bonding authority granted under §45-12-2 of the RI General Laws, the Town of East Greenwich can authorize bond issues pursuant to a special act of the RI General Assembly. Bond issues authorized by a special act of the General Assembly are normally not subject to any legal debt limit, but are subject to financial constraints such as the Town's ability and willingness to service the bonded debt. See page 116 in the statistical section for computation of the legal debt margin.

NOTE 4 - FUND EQUITY

The fund equity balances have been classified to reflect the limitations and restrictions placed on the respective funds as follows:

The following fund balance categories are recorded on the Balance Sheet of Government Funds in the financial statements at June 30, 2014:

- **Non-spendable** – are balances that are permanently precluded from conversion to cash such as permanent funds, prepaids, deposits and inventories. \$817,022.
- **Restricted** – requires that inflows and outflows of resources and balances be constrained to a specific purpose of enabling legislation, external parties or constitutional provisions. \$3,423,277.
- **Committed** – are balances with constraints imposed by the government using the highest level of decision-making authority. These constraints can only be removed or changed by the same decision making authority taking the same type of action. \$2,620,338.

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 4 - FUND EQUITY (continued)

- **Assigned** – are balances intended for a specific purpose by the government's management and are also appropriations of existing fund balances. \$5,470,708.
- **Unassigned** – are balances available for any purpose. They are not precluded by a management decision, law constitutional provision in the general fund. \$6,845,238.

Deficits of fund equity at June 30, 2014 were as follows: Community Development \$17,687; Revaluation \$4,536; Police Seizures Fund \$10,922; Byrne grant \$181; NHTSA Grant \$4,068; School Lunch \$2,134; Title II \$ 34,672; Perkins \$7,313; RI Office of Library \$57. The Town of East Greenwich anticipates funding deficits through future Town appropriations and future reimbursements from either the State or the Federal Government.

NOTE 5 - CASH AND INVESTMENTS

Deposits: The Town maintains deposits in various financial institutions that are carried at cost except for those amounts which are carried as petty cash. The carrying amount of deposits is separately displayed on the balance sheet as "Cash and cash equivalents".

Investments: Investment of all idle funds is made through national banks or trust companies, providing that the financial conditions and integrity of the institution or institutions are verifiable and can be monitored. The investment of funds must be in direct obligations of the United States Government and "money market instruments" rated "A" or better. Investments in any one institution cannot exceed five (5) percent of that institutions capital and surplus as set forth in the institutions most recent audited financial statements. All investments are made as would be done by prudent men of discretion and intelligence in such matters who are seeking a reasonable income and preservation of their capital.

Interest Rate Risk: The Town limits its exposure to fair value losses arising from changes in interest rates by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and investing operating funds primarily in shorter-term securities, money market funds, or similar investment pools.

Concentrations: The Town policy is to maintain a diversified portfolio to minimize the risk of loss resulting from over concentration of assets in a specific maturity.

Custodial Credit Risk

Deposits: This is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of June 30, 2014, \$ -0- of the Town's balance of \$19,426,725 was uninsured and uncollateralized.

Investments: This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 5 - CASH AND INVESTMENTS (CONTINUED)

Custodial Credit Risk (Continued)

Cash and investments of the Town consist of the following at June 30, 2014

Cash and cash equivalents	
Deposits with financial institutions	\$ 19,426,725
Investments	
Permanent funds	
Corporate stocks	38,488
Total permanent fund investments	38,488
Total cash and investments	\$ 19,465,213

Cash and investments are classified in the accompanying financial statements as follows:

Statement of net assets	
Cash and cash equivalents	\$ 19,008,580
Investments	38,488
	\$ 19,047,068
Fiduciary funds	
Cash and cash equivalents	418,145
	418,145
Total cash and investments	\$ 19,465,213

Interest Rate Risk: This 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 market interest rates. The town does not have any investments that are subject to interest rate risk for the fiscal year ended June 30, 2014. If applicable, information about the exposure of the Town's debt type investments to this risk is reported using the segment time distribution model.

Credit Risk: Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. The Town did not have any debt type investments that were exposed to credit risk as defined by GASB 40 as of June 30, 2014.

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 6 - PROPERTY TAXES

The Town is responsible for assessing, collecting, and distributing property taxes in accordance with enabling state legislation. The Town does not use the modified accrual basis (60 day rule) for reporting its revenue from property taxes. Rather, the Town uses the cash method which reports revenue as taxes are paid. This method is not according to Generally Accepted Accounting Principals (GAAP). However, the total effect on the Funds Statement is insignificant. Therefore, there is no modification to the auditor's opinion on these Financial Statements.

All property taxes for fund statement purposes are recognized in compliance with NCGA Interpretation-3 (Revenue Recognition - Property Taxes), which states that such revenue is recorded when it becomes measurable and available. Available means due, or past due and receivable within the current period and collected no longer than 60 days after the close of the current period. The Town uses the allowance method for bad debts. Under this method, the Town has reserved the sum of \$90,933.

Current tax collections for the Town were approximately 97.6% of the total July 2013 tax certification.

NOTE 7 - INFORMATION ABOUT CAPITAL ASSETS

The Town defines capital assets as assets with an individual cost of more than \$10,000 and an estimated useful life in excess of five years. Such assets are recorded at historical cost or estimated historical cost (for certain assets acquired prior to 1960). The following schedule list prior year balances and current year activity for all Governmental Fund fixed asset transactions.

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 7 - INFORMATION ABOUT CAPITAL ASSETS (CONTINUED)

Capital asset activity for the fiscal year ended June 30, 2014 was as follows:

	Primary Government				Ending Balance
	Beginning Balance	Increases	Decreases	Transfers	
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 1,819,958	\$ -	\$ -	\$ -	\$ 1,819,958
Construction in progress	49,865,666	891,492	-	-	50,757,158
Total capital assets not being depreciated	<u>51,685,624</u>	<u>891,492</u>	<u>-</u>	<u>-</u>	<u>52,577,116</u>
Other capital assets:					
Infrastructure	36,472,762	-	-	-	36,472,762
Buildings and improvements	33,795,353	-	-	-	33,795,353
Land improvements	4,833,474	-	-	-	4,833,474
Office furniture and equipment	356,033	92,342	-	-	448,375
Motor vehicles	5,554,097	677,098	283,549	-	5,947,646
Machinery and equipment	3,432,057	154,489	12,500	-	3,574,046
Total other capital assets at historical cost	<u>84,443,776</u>	<u>923,929</u>	<u>296,049</u>	<u>-</u>	<u>85,071,656</u>
Less accumulated depreciation for:					
Infrastructure	31,285,548	1,088,089	-	-	32,373,637
Buildings and improvements	11,566,896	856,045	-	-	12,422,941
Land improvements	1,770,567	221,357	-	-	1,991,924
Office furniture and equipment	566,896	34,154	-	-	601,050
Motor vehicles	2,589,363	398,078	283,549	-	2,703,892
Machinery and equipment	2,588,606	171,053	12,500	-	2,747,159
Total accumulated depreciation	<u>50,367,876</u>	<u>2,768,776</u>	<u>296,049</u>	<u>-</u>	<u>52,840,603</u>
Governmental activities capital assets, net	<u>\$ 85,761,524</u>	<u>\$ (953,355)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 84,808,169</u>

Depreciation expense was charged to functions as follows:

Governmental activities:	
Legislative, judicial and general administrative	\$ 82,799
Public safety	550,532
Public works	1,582,004
Parks and recreation	63,097
Education	490,344
Total governmental activities depreciation expense	<u>\$ 2,768,776</u>

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 7 - INFORMATION ABOUT CAPITAL ASSETS (CONTINUED)

Capital asset activity for the fiscal year ended June 30, 2014 was as follows:

	Primary Government				Ending Balance
	Beginning Balance	Increases	Decreases	Adjustments	
Business-type activities:					
Capital assets not being depreciated:					
Land	\$ 15,372	\$ -	\$ -	-	\$ 15,372
Construction in progress	1,377,876	338,638	-	-	1,716,514
Total capital assets not being depreciated	<u>1,393,248</u>	<u>338,638</u>	<u>-</u>	<u>-</u>	<u>1,731,886</u>
Other capital assets:					
Sewer facility	20,820,912	9,800	-	-	\$ 20,830,712
Equipment and fixtures	368,963	32,990	-	-	401,953
Motor vehicles	174,072	-	-	-	174,072
Sewer lines	30,372,135	-	-	-	30,372,135
Total other capital assets at historical cost	<u>51,736,082</u>	<u>42,790</u>	<u>-</u>	<u>-</u>	<u>51,778,872</u>
Less accumulated depreciation for:					
Sewer facility	8,579,458	449,762	-	-	9,029,220
Equipment and fixtures	325,835	13,419	-	-	339,254
Motor vehicles	162,779	4,617	-	-	167,396
Sewer lines	5,271,823	727,710	-	-	5,999,533
Total accumulated depreciation	<u>14,339,895</u>	<u>1,195,508</u>	<u>-</u>	<u>-</u>	<u>15,535,403</u>
Business-type activities capital assets, net	<u>\$ 38,789,435</u>	<u>\$ (814,080)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,975,355</u>

Depreciation expense was charged to functions as follows:

Business-type activities:	
Sewer Fund	\$ 1,195,508
Total business-type activities depreciation expense	<u>\$ 1,195,508</u>

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 8 - DIFFERENCES BETWEEN GOVERNMENTAL FUNDS BALANCE SHEET AND THE STATEMENT OF NET POSITION

"Total fund balances" of the Towns' governmental funds \$19,276,583 differs from "net position" of governmental activities \$32,631,750 reported in the statement of net position. This difference primarily results from the long-term economic focus of the statement of net position versus the current financial resources focus of the governmental fund balance sheets. The effect of the differences is illustrated below.

Balance Sheet/Statement of Net Position

	<u>Total Governmental Funds</u>	<u>Long-term Assets/ Liabilities (1)</u>	<u>Reclassifications and Eliminations</u>	<u>Statement Net Position Totals</u>
Assets				
Cash and cash equivalents	\$ 19,008,580	\$ -	\$ -	\$ 19,008,580
Investments	38,488	-	-	38,488
Receivables:				
Property taxes, net	2,114,265	-	-	2,114,265
Intergovernmental	355,875	-	-	355,875
Other	4,821,951	-	-	4,821,951
Internal balances	152,609,508	-	(152,609,508)	-
Other assets	1,871,562	-	-	1,871,562
Property, plant and equipment - net	-	84,808,169	-	84,808,169
Total assets	<u>\$ 180,820,229</u>	<u>\$ 84,808,169</u>	<u>\$ (152,609,508)</u>	<u>\$ 113,018,890</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued expenses	\$ 7,990,358	\$ 4,211,089	\$ 159,616	\$ 12,361,063
Internal balances	150,918,016	-	(152,769,124)	(1,851,108)
Unearned revenue	2,635,272	(2,635,272)	-	-
Long-term liabilities				
Due within one year	-	4,491,998	-	4,491,998
Due in more than one year	-	65,385,187	-	65,385,187
Total liabilities	<u>161,543,646</u>	<u>71,453,002</u>	<u>(152,609,508)</u>	<u>80,387,140</u>
Fund Balances/Net Position				
Total fund balances/net position	19,276,583	13,355,167	-	32,631,750
Total liabilities and fund balances/net position	<u>\$ 180,820,229</u>	<u>\$ 84,808,169</u>	<u>\$ (152,609,508)</u>	<u>\$ 113,018,890</u>

(1) When capital assets (land, buildings, equipment) that are to be used in governmental activities are purchased or constructed, the cost of these assets are reported as expenditures in governmental funds. However, the statement of net position includes those capital assets among the assets of the Town as a whole.

Cost of capital assets	\$ 137,648,772
Accumulated depreciation	(52,840,603)
	<u>\$ 84,808,169</u>

Because the focus of governmental funds is on short term financing, some assets will not be available to pay for current-period expenditures. Those assets (for example receivables) are offset by deferred revenues in the governmental funds and thus are not included in the fund balance. Also some expenditures in the governmental activities do not reflect current period charges.

Adjustment of unearned revenue	\$ 2,635,272
Accrued interest	(677,392)
Bond premiums	(3,533,697)
	<u>\$ (1,575,817)</u>

Long-term liabilities applicable to the Towns' governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term are reported in the statement of net position.

Bonds payable	\$ (55,882,500)
Accrued compensated absences	(1,315,442)
Claims, judgments, and settlements	(611,031)
Capital leases payable	(18,600)
Net other post employment benefit obligation	(12,049,612)
	<u>(69,877,185)</u>

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 9 - DIFFERENCES BETWEEN GOVERNMENTAL FUND OPERATING STATEMENTS AND THE STATEMENT OF ACTIVITIES

The "net change in the fund balances" for governmental funds (\$959,021) differs from the "change in net position" for governmental activities \$(341,153) reported in the statement of activities. The differences arise primarily from the long-term economic focus of the statement of activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

Statement of Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities

	<u>Total Governmental Funds</u>	<u>Long-term Revenues/ Expenses (1)</u>	<u>Capital- related Items (2)</u>	<u>Long-term Debt Transactions (3)</u>	<u>Statement of Activities Totals</u>
Revenues					
General property tax	\$ 51,730,064	\$ 309,316	\$ -	\$ -	\$ 52,039,380
Intergovernmental and departmental revenues	7,328,248	-	-	-	7,328,248
License and permits	1,529,948	-	-	-	1,529,948
Fines and interest on late payments	163,647	-	-	-	163,647
Interest on investments	27,917	-	-	-	27,917
Tuitions	160,980	-	-	-	160,980
Other revenues	3,483,392	168,649	-	-	3,652,041
Total revenues	<u>64,424,196</u>	<u>477,965</u>	<u>-</u>	<u>-</u>	<u>64,902,161</u>
Expenditures					
Current:					
Legislative, judicial and general administrative	5,904,609	-	82,799	391,139	6,378,547
Financial administration	616,624	-	-	2,523,335	3,139,959
Information technology	458,699	-	-	-	458,699
Public safety	7,169,986	-	550,532	-	7,720,518
Public works	3,340,690	-	1,582,004	-	4,922,694
Teen center	6,999	-	-	-	6,999
Public health and welfare	615,716	-	-	-	615,716
Parks and recreation	574,569	-	63,097	-	637,666
Town planner	190,696	-	-	-	190,696
Education	36,808,755	-	490,344	-	37,299,099
Grants and contributions	29,000	-	-	-	29,000
Senior and human services	235,186	-	-	-	235,186
Library	486,875	-	-	-	486,875
Land trust	59,560	-	-	-	59,560
Financing costs	14,674	-	-	-	14,674
Capital outlay	1,815,421	-	(1,815,421)	-	-
Non capital outlay expenditures	229,924	-	-	-	229,924
Long-term obligations:					
Principal	4,160,833	-	-	(4,160,833)	-
Interest	2,664,401	-	-	153,101	2,817,502
Total expenditures	<u>65,383,217</u>	<u>-</u>	<u>953,355</u>	<u>(1,093,258)</u>	<u>65,243,314</u>
Other financing sources (uses)					
Transfers from other funds	48,599	-	-	-	48,599
Transfers to other funds	(48,599)	-	-	-	(48,599)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change for the year	<u>\$ (959,021)</u>	<u>\$ 477,965</u>	<u>\$ (953,355)</u>	<u>\$ 1,093,258</u>	<u>\$ (341,153)</u>

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 9 - DIFFERENCES BETWEEN GOVERNMENTAL FUND OPERATING STATEMENTS AND THE STATEMENT OF ACTIVITIES (CONTINUED)

- (1) Increases in deferred revenues that provide current financial resources to governmental funds are not reported as revenues in the statement of activities. State funded public service corporation tax revenues that are not accrued for in the governmental funds are reported as revenues in the statement of activities.

Unearned revenue property tax	\$	309,316
		<u>309,316</u>

Interest expense in the statement of activities differs from the amount reported in the governmental funds for two reasons. Accrued interest was reduced on the calculation for bonds payable and bond issuance costs and premiums are reported as expenditures in governmental funds while in the government-wide financial statements they are capitalized and amortized over the life of the bond.

Accrued interest	\$	(153,101)
Amortization bond premium costs		168,649
Total expenditure adjustment	\$	<u>15,548</u>

- (2) When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. As a result, fund balance decreases by the amount of financial resources expended, whereas net assets decrease by the amount of depreciation expense charged for the year.

Capital outlay	\$	1,815,421
Depreciation expense		(2,768,776)
Difference	\$	<u>(953,355)</u>

- (3) Repayment of bond principal is reported as an expenditure in the governmental funds and, thus, has the effect of reducing fund balance because current financial resources have been used. For the town as a whole, however, the principal payments reduce the liabilities in the statement of net position and do not result in an expense in the statement of activities.

Capital lease payments	\$	24,568
Principal payments made		4,160,833
Difference	\$	<u>4,185,401</u>

Certain accrued expenditures that do not use current financial resources are not reported in the fund financial statements. However, in the statement of activities these accrued expenses are recognized and charged to current activities.

Net (increase) in the OPEB	\$	(2,523,335)
Net decrease claims, judgments, and settlements		4,025
Net (increase)/decrease in compensated absence		(419,732)
Change	\$	<u>(2,939,042)</u>

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 10 - INTERFUND BALANCES

Inter-fund balances represent loans to various funds for use in operations. These amounts are expected to be repaid at certain future dates. Below are the balances as of June 30, 2014:

	<u>Due from other funds</u>	<u>Due to other funds</u>
General Fund	\$ 119,330,106	\$ 126,592,197
School Unrestricted	4,630,892	
School Bond 52m Capital Fund	2,600,337	-
Special Revenue Funds:		
School Restricted	9,233,813	9,454,417
Town Restricted	8,491,349	6,871,532
Town Projects Fund	856,783	647,397
Other Non-major Funds		
Capital Projects Funds	7,307,477	7,331,127
Permanent Funds	158,751	21,346
Enterprise Funds		
Sewer	-	1,851,108
Fiduciary Funds		
Agency Fund	159,616	-
Totals	\$ 152,769,124	\$ 152,769,124

NOTE 11 - CAPITAL LEASES

The Town capital leases consist of office equipment. The future minimum lease payments are as follows:

Year End	Lease Payment
2015	\$ 18,600
Future Minimum Rental Payments	18,600
Interest Portion of Payments	930
Obligation Under Capital Leases	\$ 19,530

NOTE 12 - LONG-TERM LIABILITIES

The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds may be issued for both general government and proprietary activities and are direct obligations and pledge the full faith and credit of the Town.

Rhode Island general laws cap the amount of each municipality's general obligation bonds that may be outstanding to 3% of its assessed property values. Exceptions apply to bonds financed from non-tax revenues and special exemptions are granted for other purposes as well. The assessed value of the Town's properties at December 31, 2013 was \$2,264,105,485 limiting the amount of non-excepted general obligation bond authority to \$67,923,165. The outstanding bonded debt applicable to the debt limit as of June 30, 2014 was \$60,382,500 which is \$7,540,665 below the maximum level. (See Note 3 page 31 for details.)

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 12 - LONG TERM LIABILITIES (CONTINUED)

The town reports a long-term liability of the primary government in either governmental type activities or business-type activities.

Long-term liability activity for the fiscal year ended June 30, 2014 was as follows:

GOVERNMENTAL ACTIVITIES	Date of Issuance	Interest Rate	Date of Maturity	Authorized	Outstanding July 1, 2013	Additions	Maturities During Year	Outstanding June 30, 2014	Amounts due within one year	Interest Paid
General Obligation Bonds Payable										
Health and Education Building Corp	2/2/2012	2.5 to 5.0%	6/30/2037	\$ 35,640,000	\$ 35,100,000	\$ -	\$ 920,000	\$ 34,180,000	\$ 950,000	\$ 1,444,411
Roads	9/30/2011	1.75 to 2.0%	6/15/2016	1,000,000	600,000	-	200,000	400,000	200,000	13,500
Health and Education Building Corp	11/15/2010	0.897%	05/15/29	10,635,000	9,453,333	-	590,833	8,862,500	590,833	679,150
Open Space / School Improvements	3/15/2004	2.0-4.0%	3/15/2019	9,660,000	4,140,000	-	690,000	3,450,000	690,000	143,174
Police Station	9/1/2007	3.85%	6/15/2017	8,000,000	3,219,800	-	805,100	2,414,700	805,100	123,985
Landfill Reclamation	9/1/2007	3.85%	6/15/2017	1,600,000	660,200	-	164,900	495,300	164,900	25,395
Town Hall Sidewalk/Step Repair	4/29/2009	2.0-4.0%	4/15/2019	190,000	121,800	-	21,600	100,200	21,600	4,104
Senior Center/Public Works Offices	4/29/2009	2.0-4.0%	4/15/2019	3,050,000	2,038,200	-	338,400	1,699,800	338,400	64,296
School Fields - RIHBC	2/25/2009	2.5-4.125%	5/15/2024	6,000,000	4,710,000	-	430,000	4,280,000	430,000	166,386
Total general obligation bonds payable				75,775,000	60,043,333	-	4,160,833	55,882,500	4,190,833	2,664,401
Capital leases										
Capital leases	various		various		43,168	-	24,568	18,600	18,600	-
Total governmental activates bonds, BANs and leases payable					60,086,501	-	4,185,401	55,901,100	4,209,433	2,664,401
				Outstanding July 1, 2013	Beginning Balance Adjustments	Adjusted Beginning Balance				
Accrued expenses										
Compensated absences - Town				787,743	312,637	881,900	569,434	176,380	1,274,954	254,991
Compensated absences - School Department				11,629	-	13,810	53,356	26,678	40,488	8,098
Claims, judgments and settlements				-	618,898	615,056	-	4,025	611,031	19,477
Net other post employment benefit obligation				4,747,009	2,784,000	9,526,277	2,523,335	-	12,049,612	-
Total accrued expenses				5,546,381	3,715,535	11,037,043	3,146,125	207,083	13,976,085	282,565
Total long-term liabilities - governmental activities				\$ 5,546,381	\$ 3,715,535	\$ 71,123,544	\$ 3,146,125	\$ 4,392,484	\$ 69,877,185	\$ 4,491,998
BUSINESS TYPE ACTIVITIES										
General Obligation Bonds Payable										
Sewer General Obligation Bonds	11/1/2008	4.0-4.2%	6/30/2023	\$ 6,000,000	\$ 4,820,000	\$ -	\$ 320,000	\$ 4,500,000	\$ 300,000	\$ 198,250
Total general obligation bonds payable				6,000,000	4,820,000	-	320,000	4,500,000	300,000	198,250
Notes payable										
Clean Water	8/25/1999	5.09%	9/1/2019	\$ 8,500,000	\$ 3,131,579	\$ -	\$ 447,368	\$ 2,684,211	\$ 447,368	93,952
Clean Water	10/30/2002	3.90%	9/1/2022	11,100,000	6,478,375	-	579,023	5,899,352	593,329	91,915
Clean Water	12/21/2006	1.27%	9/1/2027	7,600,000	5,936,000	-	350,000	5,586,000	356,000	101,506
Clean Water	9/14/2009	0.41-2.68%	9/1/2029	2,462,252	2,156,593	-	104,434	2,052,159	106,132	56,627
Clean Water	6/10/2010	0.61-3.25%	9/1/2031	3,000,000	2,881,000	-	120,000	2,761,000	122,000	80,669
Total Sewer notes payable				32,662,252	20,583,547	-	1,600,825	18,982,722	1,624,829	424,669
Total business-type activities funds bonds and loans payable					25,403,547	-	1,920,825	23,482,722	1,924,829	622,919
Accrued expenses										
Compensated absences					8,786	-	1,174	7,612	1,522	-
Total long-term liabilities - business-type activities					\$ 25,412,333	\$ -	\$ 1,921,999	\$ 23,490,334	\$ 1,926,351	\$ 622,919

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 12 - LONG-TERM LIABILITIES (CONTINUED)

SCHEDULE OF DEBT SERVICE REQUIREMENTS

GOVERNMENTAL ACTIVITIES

<u>Fiscal Year Ended June 30,</u>	<u>Percentage of Maturity</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2015	7.50%	4,190,833	1,957,967	6,148,800
2016	15.05%	4,220,833	1,841,997	6,062,830
2017	22.31%	4,055,833	1,709,802	5,765,635
2018	27.90%	3,125,833	1,579,707	4,705,540
2019	33.58%	3,170,833	1,486,057	4,656,890
2020	37.45%	2,165,833	1,390,682	3,556,515
2021	41.40%	2,205,833	1,330,369	3,536,202
2022-2037	100.00%	32,746,669	11,917,535	44,664,204
		<u><u>\$ 55,882,500</u></u>	<u><u>\$ 23,214,113</u></u>	<u><u>\$ 79,096,613</u></u>

BUSINESS-TYPE ACTIVITIES

2015	8.20%	1,924,829	580,847	2,505,677
2016	16.50%	1,949,189	535,089	2,484,278
2017	24.91%	1,974,759	488,085	2,462,844
2018	33.43%	2,001,701	439,818	2,441,519
2019	42.08%	2,030,023	390,639	2,420,662
2020	50.84%	2,058,735	340,609	2,399,345
2021	57.83%	1,641,327	272,981	1,914,308
2022-2029	100.00%	9,902,159	1,170,260	11,072,419
		<u><u>\$ 23,482,722</u></u>	<u><u>\$ 4,218,328</u></u>	<u><u>\$ 27,701,051</u></u>

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 13 – LITIGATION, CLAIMS, JUDGMENTS AND SETTLEMENTS

During the ordinary course of its operations, the Town is a party to various claims, other legal actions and complaints. These various legal actions include disputes in property valuations and torts for which the Town has been named as a defendant. In the opinion of the Town's management and legal counsel, other than the matter stated above they do not anticipated any of them to have a material financial impact or at this time their legal counsel has been unable to assess liability, if any, on the part of the Town.

On June 26, 2000, the East Greenwich Fire District (Now part of the Town of East Greenwich, see Note 23) entered into a settlement agreement with a former firefighter who suffered a work-related injury. The agreement requires the Town to pay the individual a cost of living adjustment over the estimated life expectancy in which the individual will be eligible for pension benefits. The cost of living adjustment was required as it was not a component of the disability pension provided under the State of Rhode Island's Employee Retirement System for which the individual was eligible. The Town has recorded the liability at the estimated present value of the future payments utilizing an interest rate of 2.5% and estimated future life expectancy of 44 years retroactive to May 1996. Payments are made on an annual basis in May. The total estimated payments to be made under this agreement are \$919,300 while the present value of the obligation at June 30, 2014 is approximately \$542,339. In accordance with the terms of the agreement the District paid \$15,071 in May 2014.

Subsequent to June 30, 2012 the Town entered into a memorandum of understanding with an employee regarding pension benefits to be paid to the employee upon retirement. In accordance with the terms of the personnel policies and contractual agreements, the employee was to receive certain firefighter plan pension benefits from the Employees' Retirement System of Rhode Island. However, the Employees' Retirement System determined that this individual was ineligible for benefits under this plan and rather was subject to the benefits under the Town's Administrative Plan. The terms of the memorandum of understanding require annual payments of \$3,400 to commence two weeks following the employee's actual retirement and lasting for ten years. The present value of this obligation at June 30, 2014 was estimated to be \$23,617. The Town also has other claims existing at June 30, 2014 for which it has estimated the present value of the potential obligations to be \$45,075. Total claims and settlements recorded at June 30, 2014 for pension benefit obligations total \$68,692.

NOTE 14 - FUND TRANSFERS

Transfers are made to provide revenue for annual expenditures of various funds. Transfers are not expected to be repaid to the originating (source) fund. Listed below is the transfer activity for fiscal year ended June 30, 2014.

<u>Fund / Department</u>	Transfers from other funds	Transfers to other funds
General Fund	\$ -	\$ 48,599
Town Special Revenue Funds	48,599	-
Totals	<u>\$ 48,599</u>	<u>48,599</u>

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 15 - RETIREMENT PLANS & POST EMPLOYEMENT BENEFITS

A. MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF RHODE ISLAND

The Town of East Greenwich, Rhode Island participates in the Municipal Employees' Retirement System of the State of Rhode Island ("System"), an agent multiple employer defined benefit plan. The System includes a normal plan for general employees and both a normal and optional plan for police personnel. All full-time Town and non-certified School Department general employees participate in the System. The plan provides retirement, death and disability benefits and an optional cost of living adjustment (COLA) as outlined in Chapter 45-21 and Chapter 45-21.2 for Police and Fire of the Rhode Island General Laws (RIGL). The benefits may be amended by the Rhode Island General Assembly. The System issues a publicly available financial report that includes financial statements and required supplementary information for the Town. The financial report may be obtained by writing to Employees Retirement System of Rhode Island, 50 Service Avenue, Warwick, Rhode Island 02886, by calling (401) 462-7600 or by accessing their website at www.ersri.org.

Eligibility: General employees, police officers and firefighters employed by electing municipalities participate in MERS. Teachers and administrators are covered by the separate Employees' Retirement System of Rhode Island, but other school employees may be covered by MERS. Eligible employees become members at their date of employment. Anyone employed by a municipality at the time the municipality joins MERS may elect not to be covered. Certain elected officials may opt to be covered by MERS. Employees covered under another plan maintained by the municipality may not become members of MERS. Police officers and/or firefighters may be classified as such by the municipality, in which case the special contribution and benefit provisions described below will apply to them, or they may be classified as general employees with no special benefits. Members designated as police officers and/or firefighters are treated as belonging to a separate unit from the general employees, with separate contribution rates applicable.

Employee Contributions: General employees contribute 7.00% of their salary per year, and police officers and firefighters contribute 7.00%. In addition, if the municipality has elected one of the optional cost-of-living provisions, an additional member contribution of 1.00% of salary is required. If a municipality elects the optional 20-year retirement provision for its police officers and/or its firefighters, an additional contribution of 1.00% of salary will be required from these members. The municipality, at its election, may choose to —pick up" the members' contributions for its employees under the provisions of Internal Revenue Code (IRC) Section 414(h).

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

Employer Contributions: Each participating unit's contribution rate is determined actuarially. Contributions determined in a given actuarial valuation go into effect two years after the actuarial valuation.

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

Final Average Compensation (FAC): As of July 1, 2012, the average of the member's highest five consecutive annual salaries will be used. Once a member retires or is terminated, the applicable FAC will be the greater of the member's highest three year FAC as of July 1, 2012 or the five year FAC as of the retirement/termination date. Monthly benefits are based on one-twelfth of this amount.

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 15 - RETIREMENT PLANS & POST EMPLOYEMENT BENEFITS (CONTINUED)

A. MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF RHODE ISLAND (CONTINUED)

Retirement Benefits

General employees: Eligibility

- Members with less than five years of contributory service as of June 30, 2012 and members hired on or after that date are eligible for retirement on or after their Social Security normal retirement age.
- Members who had at least five years of contributory service as of June 30, 2012 will be eligible for retirement at an individually determined age. This age is the result of interpolating between the member's prior Retirement Date, described in Section (e) below, and the retirement age applicable to members hired after June 30, 2012 in (a) above. The interpolation is based on service as of June 30, 2012 divided by projected service at the member's prior Retirement Date. The minimum retirement age is 59.
- Members with 10 or more years of contributory service on June 30, 2012 may choose to retire at their prior Retirement Date if they continue to work and contribute until that date. If option is elected, the retirement benefit will be calculated using the benefits you have accrued as of June 30, 2012, i.e., the member will accumulate no additional defined benefits after this date, but the benefit will be paid without any actuarial reduction.
- A member who is within five years of reaching their retirement eligibility date, described in this section, and has 20 or more years of service, may elect to retire at any time with an actuarially reduced benefit.
- Prior to July 1, 2012, members were eligible for retirement on or after age 58 if they had credit for 10 or more years of service, or at any age if they had credit for at least 30 years of service.
- Members designated as police officers or firefighters may retire at or after age 55 with credit for at least 10 years of service, or at any age with credit for 25 or more years of service. Members may retire and receive a reduced benefit if they are at least age 50 and have at least 20 years of service. If the municipality elects to adopt the 20-year retirement provisions for police officers and/or firefighters, then such a member may retire at any age with 20 or more years of service.

General employees: Monthly Benefit:

- For service prior to July 1, 2012, 2.00% of the member's monthly FAC for each year of service, up to 37.5 years (75% of FAC maximum). For service after July 1, 2012, 1.00% of the member's monthly FAC for each year of service.

Police and Fire employees: Eligibility

- Members are eligible to retire when they are at least 55 years old and have a minimum of 25 years of contributing service. Members with at least 10 years of service, had achieved age 45, and had a retirement age prior to age 52 as of June 30, 2012 may retire at age 52.

Police and Fire employees: Monthly Benefit

- 2.00% of the member's monthly FAC for each year of service, up to 37.5 years (75% of FAC maximum). If the optional 20-year retirement provisions were adopted by the municipality prior to July 1, 2012 and the member has attained 20 years of service, the benefit is 2.50% of the member's monthly FAC for each year of service prior to July 1, 2012.

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 15 - RETIREMENT PLANS & POST EMPLOYEMENT BENEFITS (CONTINUED)

A. MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF RHODE ISLAND (CONTINUED)

Cost of Living Adjustments – Pursuant to the Rhode Island Retirement Security Act, 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 a five-year interval. When the funding level of a plan exceeds 80%, eligible retirees may receive a COLA annually effective on their date of retirement plus one month. The COLA will be calculated as the five (5) year smoothed investment rate of return less 5.50% with a 0.00% floor and 4.00% cap. COLA will be delayed until the later of age 55 or three years after retirement. The COLA will be applied to the first \$25,000 of benefits indexed annually.

Disability Retirement Provisions – The plan also provides non-service connected disability benefits after 5 years of service; service connected disability pensions with no minimum service requirement.

Annual Pension Cost – The Town's annual pension cost of \$1,285,205 for MERS was equal to the Town's required and actual contribution.

Actuarial Methods and Assumptions

The information presented was determined as part of the actuarial valuation. Additional information as of the last actuarial valuations follows:

Valuation date	June 30, 2013
Actuarial cost method	Entry Age Actuarial Cost Method
Amortization method	Level Percent of Payroll – Closed 30-yr period
Remaining amortization period	23 Years
Asset valuation method	5 Year Smoothed Market
Actuarial assumptions:	
Investment rate of return	7.50%, Compounded Annually
Salary increases-General Employees	4.00-8.00%
Salary increases-Police/Fire Employees	4.25-14.25%
Cost-of-living adjustments - 2012	0.00%
Inflation Rate	2.75% Annually
Post Retirement Benefit Increases	2.00% Of Original Retirement Benefit

SCHEDULE OF CONTRIBUTIONS

Year Ended June 30,	Police	General	Fire Administrative	Fire General	Total Annual Pension Cost	Total Amount Contributed	Total Percentage Contributed
2012	513,073	430,780	16,200	448,100	1,408,153	1,408,153	100%
2013	348,264	228,131	10,428	442,267	1,029,090	1,029,090	100%
2014	417,374	379,359	4,970	483,502	1,285,205	1,285,205	100%

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 15 - RETIREMENT PLANS & POST EMPLOYMENT BENEFITS (CONTINUED)

B. EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF RHODE ISLAND

All Town of East Greenwich certified school personnel participate in the Employees' Retirement System of the State of Rhode Island ("ERS"), a cost-sharing multiple-employer defined benefit plan administered by the State of Rhode Island. The payroll for employees covered by the System for the year ended June 30, 2014 was \$16,685,944, which consisted of \$158,003 for employees charged to federal programs and \$16,527,628 for all other employees.

Plan Description – All full-time teachers, principals, school nurses and certain other school officials (including the superintendent) in the Town's school system must participate in ERS, a cost-sharing multiple employer defined benefit plan administered by the Employees' Retirement System of Rhode Island (the System). 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 plan components. The plan provides retirement, death and disability benefits (as well as annual cost of living allowances if certain conditions have been met) as outlined in Chapters 36-10 and 16-16 of the Rhode Island General Laws (RIGL). The benefits may be amended by the Rhode Island General Assembly. The financial report may be obtained by writing to Employees Retirement System of Rhode Island, 50 Service Road, Warwick, Rhode Island, 02886, by calling (401) 462-7600 or by accessing their website at www.ersri.org.

Plan Year: A twelve-month period ending June 30th.

Administration: ERSRI is administered by the State of Rhode Island Retirement Board. However, the State Treasurer is responsible for the investment of the trust assets, including the establishment of the asset allocation policy.

Type of Plan: ERSRI is a qualified governmental defined benefit retirement plan. Separate contribution rates are determined for state employees and for teachers. For Governmental Accounting Standards Board purposes, it is a cost-sharing multiple employer plan.

Eligibility: Most Rhode Island state employees and certified public school teachers participate in ERSRI. Certain employees of the Airport Corporation, the Economic Development Corporation, and the Narragansett Bay Commission participate in the plan as though they were state employees. State police officers, state judges, and teachers and administrators in the public colleges and universities are covered by their own separate systems, and are therefore excluded. Certain elected state officials are excluded unless they make an election to join ERSRI. Superintendents, principals, business agents and other administrators participate as teachers. Non-certified public school employees, such as teacher's aides, janitors, secretaries, and bus drivers, cannot participate in ERSRI, although they may be covered by the Municipal Employees Retirement System (MERS) or a separate plan maintained by the town or city. Eligible employees become members as of their date of employment.

Funding Policy: The funding policy is outlined in RIGL sections 16-16-22 and 36-10-2 (which can be amended by the Rhode Island General Assembly). Active plan members must contribute 3.75% of his/her compensation. The Town and State are collectively required to contribute at an actuarially determined rate expressed as a percentage of total compensation paid to the active membership. The employer contribution is split and paid 40% by the State and 60% by the school district with the exception of teachers who work in federally funded programs where 100% is paid by the school district and reimbursed by the federal government. For fiscal 2014, the total employer rate of 19.71% was split between 8.03% State share and 11.68% local share.

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 15 - RETIREMENT PLANS & POST EMPLOYEMENT BENEFITS (CONTINUED)

Required Contributions:

<u>Fiscal Years Ending</u>	<u>Annual Required Contributions</u>	<u>Percentage Contributed</u>
June 30, 2012	\$ 2,102,885	100%
June 30, 2013	\$ 1,733,207	100%
June 30, 2014	\$ 1,952,784	100%

For financial reporting purposes, the State's share of contributions is reflected as on-behalf payments and are included as both revenue and expenditures in the accompanying financial statements.

Actuarial Methods and Assumptions

The information presented was determined as part of the actuarial valuation. Additional information as of the last actuarial valuations follows:

Valuation date	June 30, 2013
Actuarial cost method	Entry Age
Amortization method	Level Percentage 25 Years
Remaining amortization period	23 Years
Asset valuation method	5 Year Phase-in of Actual
Actuarial assumptions:	
Investment rate of return	7.50%, Compounded Annually
Projected salary increases	4.00-12.75%
Cost-of-living adjustments	2.00%
Inflation Rate	2.75% Annually

C. POST RETIREMENT BENEFITS

Plan Description

In addition to the pension benefits described above, the Town provides post employment health care benefits in accordance with Town contracts through a single-employer, defined postretirement health insurance program. These benefits are for continued full family or individual health care for the employee groups as described below. Retiree medical coverage is only to age 65, while dental continues post-65.

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 15 - RETIREMENT PLANS & POST EMPLOYEMENT BENEFITS (CONTINUED)

C. POST RETIREMENT BENEFITS

Groups Covered

The Town of East Greenwich can be separated under six groups of employees, each covered under a separate contract with the Town. The groups are:

- Police Department
- Fire Department
- National Education Association of RI (NEARI)
- Department of Public Works (DPW)
- School Department
- Other groups including Non-Union, Town Council, Department Heads, and Non-Police Union (Other)

Membership

At July 1, 2014, membership consisted of:

Eligible Active Members		N/A
Retired Members and Spouses		N/A
Total		N/A

Funding Policy

Contribution requirements are negotiated between the Town and the respective unions and employees. For the year-ended June 30, 2014, the plan operated on a pay as you go basis and no provision has been made to fund future benefits to be provided to plan members.

SCHEDULE OF FUNDING PROGRESS TOWN AND SCHOOL DEPARTMENT

Actuarial Valuation Date <u>July 1,</u>	Actuarial Value of Assets <u>(a)</u>	Accrued Liability (AAL) <u>(b)</u>	Unfunded AAL (UAAL) <u>(b-a)</u>	Funded Ratio <u>(a/b)</u>	UAAL as a Covered Payroll <u>(c)</u>	Percentage of Covered Payroll <u>((b-a)/c)</u>
7/1/2008	N/A	13,840,762	13,840,762	0%	20,291,634	68.21%
7/1/2010	N/A	15,655,801	15,655,801	0%	21,121,119	74.12%
7/1/2012	N/A	16,356,981	16,356,981	0%	22,624,462	72.30%

SCHEDULE OF FUNDING PROGRESS FORMER FIRE DISTRICT

Actuarial Valuation Date	Actuarial Value of Assets <u>(a)</u>	Accrued Liability (AAL) <u>(b)</u>	Unfunded AAL (UAAL) <u>(b-a)</u>	Funded Ratio <u>(a/b)</u>	UAAL as a Covered Payroll <u>(c)</u>	Percentage of Covered Payroll <u>((b-a)/c)</u>
6/30/2010	N/A	12,471,329	12,471,329	0%	2,341,336	532.66%
6/30/2012	N/A	19,618,165	19,618,165	0%	2,350,000	834.82%

The information included in the former Fire Districts schedule of funding progress was derived using the Alternative Method in accordance with GASB #45. The former District did not engage the services of an actuary to conduct a full actuarial valuation of the OPEB obligation.

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 15 - RETIREMENT PLANS & POST EMPLOYMENT BENEFITS (CONTINUED)

C. POST RETIREMENT BENEFITS

Actuarial Methods and Assumptions

The information presented was determined as part of the actuarial valuation. These assumptions and calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of the plan valuation and on the pattern of sharing of cost between the employer and plan members as of the valuation date. Also, actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Additional information as of the last actuarial valuations follows:

Valuation Date:	July 1, 2012
Actuarial Cost Method:	Projected Unit Credit Funding Method
Asset Valuation Method:	Plan is currently unfunded
Amortization Method:	Level dollar thirty year open amortization basis
Remaining Amortization Period	30 Years
Health Care Trend Rate:	8.50% per year graded off 0.50% per year to an ultimate rate of 4.50% per year.
Inflation rate	2.75%
Investment rate of return	4.25%

* The information noted above is the latest available for the Town and does not reflect the actuarial assumptions of the former Fire District.

The actuarial; calculations of the OPEB plan reflect a long-term perspective.

Annual OPEB Cost and Net OPEB Obligation: Below are the required OPEB obligation presentations per GASB 45 for the period ending June 30, 2014.

	2014
Annual required contribution	\$ 3,494,835
Interest on OPEB	359,010
Adjustment to annual required contribution	(292,382)
Annual OPEB cost	<u>3,561,463</u>
Allocations for implicit Rate Subsidy	(178,769)
*Contributions made	(859,359)
Increase (decrease) in net OPEB obligation	<u>2,523,335</u>
Net OPEB beginning of year	9,526,277
Net OPEB obligation end of year	<u>\$ 12,049,612</u>
Percentage of the annual postemployment benefit cost contributed	<u>29.15%</u>

*Assumes pay-as-you-go funding

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 15 - RETIREMENT PLANS & POST EMPLOYMENT BENEFITS (CONTINUED)

C. POST RETIREMENT BENEFITS (CONTINUED)

Schedule of Employer Contributions

Fiscal Year	Annual OPEB Cost	Employer Contributions	Allocation for Implicit Rate Subsidy	Total Contribution	Percentage of OPEB Cost Contributed	Net OPEB Obligation
06/30/12	3,323,787	1,044,638	145,436	1,190,074	32.82%	7,531,007
06/30/13	3,303,603	1,121,081	187,010	1,308,091	39.60%	9,526,277
06/30/14	3,561,463	859,359	178,769	1,038,128	29.15%	12,049,612

D. DEFINED CONTRIBUTION PLAN

Plan Description

The Town of East Greenwich participates in the State of Rhode Island Defined Contribution Retirement Plan (the "Plan"). The plan is a defined contribution (money purchase) plan that operates under Section 401(a) of the Internal Revenue Code (IRC). The Plan is established pursuant to Chapter 10.3 of Title 36 of the Rhode Island General Laws. ("RIGL 36-10.3"). The Plan is effective as of July 1, 2012, and contributions to the Plan will begin on the first full payroll cycle in July, 2012. The purpose of the Plan is to provide retirement benefits for participating employees. The Plan issues a publicly available financial report that includes financial statements and required supplementary information. For further information the financial report may be obtained by writing to Employees Retirement System of Rhode Island, 50 Service Road, Warwick Rhode Island, 02886, by calling (401) 462-7600 or by accessing their website at www.ersri.org.

Employee contributions are immediately vested while employer contributions are vested after three years on contributory service. Contributions required under the plan by both the employees and employer are established by General Laws, which are subject to amendment by the General assembly.

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

Benefits are provided through:

Teachers Insurance and Annuity Association (TIAA). TIAA provides traditional annuities (and a variable annuity through its real estate account). You can receive more information about TIAA by writing to: TIAA, 730 Third Avenue, New York, NY 10017. You also can receive information by calling 1 (800) 842-2733.

College Retirement Equities Fund (CREF). CREF is TIAA's companion organization, providing variable annuities. You can receive more information about CREF by writing to: CREF, 730 Third Avenue, New York, N.Y. 10017. You also can receive information by calling 1 (800) 842-2733.

The Retirement Board is the Plan Administrator and Trustee responsible for Plan operation. The State Investment Commission is responsible for selecting the investment alternatives available under the Plan (the "Funding Vehicles"). Employee contributions and Employer's contributions are invested in the Funding Vehicles selected by the employee's. The Plan Year begins on July 1 and ends on June 30. All plan assets are stated at fair value.

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 15 - RETIREMENT PLANS & POST EMPLOYMENT BENEFITS (CONTINUED)

D. DEFINED CONTRIBUTION PLAN (CONTINUED)

The Employer's current selection of Funding Vehicles isn't intended to limit future additions or deletions of Funding Vehicles. The selection of available Funding Vehicles is made by the Rhode Island State Investment Commission. Refer to the Plan's microsite www.tiaa-cref.org/ri for a current listing of Funding Vehicles and the investments thereunder.

Municipalities with teachers that do not contribute to Social Security:

a. Plan Funding Policy

The funding policy is outlined in RIGL chapter 36-10.3 (which can be amended by the Rhode Island General Assembly). Active plan members must contribute 7% of his/her compensation and the city/town is required to contribute 3%. The plan members and city/town contributed \$1,322,652 and \$531,504, respectively, during the fiscal year ended June 30, 2014.

Municipalities with general employees (not police and fire units) in MERS that contribute to Social Security:

b. Plan Funding Policy

The funding policy is outlined in RIGL chapter 36-10.3 (which can be amended by the Rhode Island General Assembly). Active non-police and fire members must contribute 5% of his/her compensation and the city/town is required to contribute 1%. The plan members and city/town contributed \$174,766 and \$34,952, respectively, during the fiscal year ended June 30, 2014.

NOTE 16 - JOINTLY GOVERNED ORGANIZATION

The Town of East Greenwich, in conjunction with seven other member communities, participates in a joint venture entitled the Community Development Consortium (Consortium) formed for the management of the Small Cities Community Development Programs (CDBG). The Consortium develops annual applications for the individual members, manages the awarded grants and reports the expenditures to the State. Each member community's grant application includes an administrative subsidy set aside to fund the Consortium. No member community has an obligation, entitlement, or residual interest in the unexpended administrative subsidy or liability for programs carried out for the other members. The Town of East Greenwich has been designated as the host community where the Consortium offices are situated.

NOTE 17 - RELATED PARTIES

The Town reviews its records on an annual basis to determine if any related party transactions exist that would represent a conflict of interest with parties related to its officers and department heads. No such transactions were noted in the fiscal year ended June 30, 2014.

NOTE 18 - RISK MANAGEMENT

Self-insurance:

The School Department participates in a multi-employer cost reimbursement healthcare self-insurance risk pool managed by West Bay Community Health (WBCH). The School Department pays WBCH monthly premiums based upon "working rates" that are periodically adjusted to reflect changes in actual costs. Funds on deposit with WBCH are made available to pay claims, claim reserves and administrative costs. As of June 30, 2014, the reported premiums exceeded expenditures on deposit by \$714,944. Incurred but not reported (IBNR) claims, of \$221,585 resulted in a \$1,021,665 balance in the net adjusted reserve.

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 IBNR claims. The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, including retroactive assessments for hospital costs and other settlements occurring after the end of the fiscal year and not determinable at the end of the fiscal year. An excess coverage insurance policy covers individual claims exceeding \$125,000.

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 18 - RISK MANAGEMENT (CONTINUED)

Changes in the deposit balances for the past two years are as follows:

	Year ended June 30, 2014	Year ended June 30, 2013
Beginning cumulative surplus (deficit)	\$ 844,244	\$ 728,580
Premium deposits	4,658,819	4,158,749
Incurred claims (excluding IBNR)	(3,943,875)	(3,792,339)
Administrative fees	(315,938)	(250,746)
Ending cash deposit balance	1,243,250	844,244
Estimated IBNR (two month estimate)	(221,585)	(232,310)
Net adjusted reserve	<u>\$ 1,021,665</u>	<u>\$ 611,934</u>

The Town is a member of a Health Pool Trust. The relationship between members and the Trust is not a joint venture, but rather is a public entity risk pool with the members being participants in the pool.

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; injuries to employees; and natural disasters for which the Town carries commercial insurance. Settled claims resulting from these risks have not exceeded the Town's coverage in any of the past three fiscal years and there have been no significant reductions in insurance coverage from the prior year.

NOTE 19 - SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

Federally Assisted Programs - Compliance Audits

The Town participates in a number of federally assisted programs. The audits of these programs through the year ended June 30, 2014 were audited in connection with the accompanying financial statements under the Single Audit Concept and the auditor's reports thereon are presented in the Single Audit Report. Management believes that the amounts, if any, of expenditures, which may be disallowed, will not be material to the financial position of the Town.

NOTE 20 - LANDFILL CLOSURE COSTS

GASBS 49 — *Accounting and Financial Reporting for Pollution Remediation Obligations*, addresses accounting and financial reporting standards for pollution (including contamination) remediation obligations, which are obligations to address the current or potential detrimental effects of *existing* pollution by participating in pollution remediation activities such as site assessments and cleanups. The prior outlays have been capitalized as outlays to prepare for use property acquired with suspected pollution that was expected to be remediated. For the fiscal year ended June 30, 2014, there were no landfill expenditures. The substantial completion of the feasibility study in 2007 is a measurement benchmark requiring the Town to accrue all components of the pollution remediation liability. As of June 30, 2014, the cleanup project was substantially complete.

NOTE 21 - PILOT AGREEMENTS

On January 13, 2000 the East Greenwich Fire District (Now part of the Town of East Greenwich see note 22) entered into an agreement with St. Elizabeth Home and/or St. Elizabeth Development Corporation to establish payments in lieu of taxes to be paid to the District by St. Elizabeth. The commencement date of the agreement was

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 21 – PILOT AGREEMENTS (CONTINUED)

January 1, 2000 with the termination date being defined as the period in which St. Elizabeth ceases to own the "Project Taxable Properties" as defined in the agreement. The PILOT payment shall be made in annual installments equal to twenty-eight percent (28%) of the amount paid to the Town of East Greenwich in lieu of taxes paid pursuant to that certain PILOT agreement of same date between the Town of East Greenwich and St. Elizabeth. On October 24, 2005 the East Greenwich Fire District entered into an agreement with the City of Warwick to provide the City with fire protection and rescue service on a first response basis in certain areas of the City of Warwick. The City agreed to furnish all hydrants and water lines in the designated area with no charges being assessed to the District. The City will be entitled to the benefit of all third party payments and reimbursements payable with respect to fire protection and/or rescue services provided by the District to persons and properties located in the City of Warwick. In consideration for the services being provided by the District, the City will compensate the District for a period of three years commencing July 1, 2005 through June 30, 2008. Annual compensation for these services is \$279,000 which is due and payable on September 1, 2005 through and including September 1, 2007 for a total compensation of \$837,000. The contract will automatically renew for successive one year terms, unless terminated in writing by either party no sooner than 15 months nor later than 12 months prior to the expiration of the three year term. The payment during the renewal term will be the payment from the preceding year adjusted by the CPI factor using the first year of the agreement as the base year for the first adjustment and the subsequent adjustments will use the prior year as the base year. During the year ended June 30, 2014 the District received \$313,140 in accordance with the terms of this contract. The estimate is included as a result of the agreement not being terminated by either party within the time period specified in the agreement and therefore being automatically extended for an additional one year term. The City of Warwick has begun the construction of a new fire station. Once this project is completed the City of Warwick will no longer need these services.

NOTE 22 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 5, 2014, the date the financial statements were available to be issued. As a result of this review no material subsequent events were noted.

NOTE 23 – PRIOR PERIOD ADJUSTMENT

Government-Wide Financial Statements

In fiscal year 2014 the Town adopted the requirements of the Government Accounting Standards Board, *GASB 65 - Items Previously Reported as Assets and Liabilities*. The Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The Town has reclassified \$616,283 of prior years' debt issuance cost to expense from prepaid assets which were being amortized over various periods of time.

Proprietary Funds

A prior period adjustment in the amount \$47,639 necessary due to the fact the prior years' construction loans receivable was overstated by this \$47,639 amount

In fiscal year 2014 the Town adopted the requirements of the Government Accounting Standards Board, *GASB 65 - Items Previously Reported as Assets and Liabilities*. The Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The Town has reclassified \$199,600 of prior years' debt issuance cost to expense from prepaid assets which were being amortized over various periods of time.

REQUIRED SUPPLEMENTARY INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
Budgetary Comparison Schedule - General Fund
Schedule of Revenues - Non-GAAP Budgetary Basis
For the Fiscal Year Ended June 30, 2014

	<u>Original Budget Revenues</u>	<u>Revised Budget Revenues</u>	<u>Actual Revenues</u>	<u>Variance</u>
General property tax				
Taxes - current	\$ 51,207,923	51,207,923	\$ 50,684,912	\$ (523,011)
Taxes - prior year	700,000	700,000	1,045,152	345,152
Total general property taxes	<u>51,907,923</u>	<u>51,907,923</u>	<u>51,730,064</u>	<u>(177,859)</u>
General revenue				
Grants and departmental revenue	24,550	24,550	32,237	7,687
Municipal court	28,500	28,500	28,969	469
School revenue	506,000	506,000	503,251	(2,749)
Other revenue	1,855,299	1,855,299	1,944,604	89,305
Total general revenue	<u>2,414,349</u>	<u>2,414,349</u>	<u>2,509,061</u>	<u>94,712</u>
State aid				
School housing aid	1,676,965	1,676,965	1,522,271	(154,694)
State aid to education	2,299,850	2,299,850	2,297,840	(2,010)
Telephone tax	158,212	158,212	164,769	6,557
Pilot	23,380	23,380	9,276	(14,104)
Motor vehicle phase out	120,869	120,869	121,975	1,106
State incentive	124,806	124,806	62,403	(62,403)
Meals tax	480,000	480,000	533,226	53,226
Total state aid	<u>4,884,082</u>	<u>4,884,082</u>	<u>4,711,760</u>	<u>(172,322)</u>
Licenses, permits and usage fees				
Town clerk department	471,310	471,310	445,179	(26,131)
Department of public works	271,300	271,300	257,000	(14,300)
Inspection fees - fire department	35,000	35,000	-	(35,000)
Rescue fees - fire department	575,000	575,000	654,217	79,217
Planning	13,000	13,000	14,559	1,559
Police department	176,000	176,000	158,993	(17,007)
Total licenses, permits and usage fees	<u>1,541,610</u>	<u>1,541,610</u>	<u>1,529,948</u>	<u>(11,662)</u>
Fines and interest on late payments	135,000	135,000	163,647	28,647
Interest on investments	18,100	18,100	2,300	(15,800)
Total revenues	<u>60,901,064</u>	<u>60,901,064</u>	<u>60,646,780</u>	<u>(254,284)</u>
Other financing sources				
Reappropriated fund balance	100,000	100,000	100,000	-
Total other financing sources	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Total revenue and other financing sources	<u>\$ 61,001,064</u>	<u>\$ 61,001,064</u>	<u>\$ 60,746,780</u>	<u>\$ (254,284)</u>

**TOWN OF EAST GREENWICH, RHODE ISLAND
REQUIRED SUPPLEMENTARY INFORMATION
Budgetary Comparison Schedule - General Fund
Schedule of Expenditures - Non-GAAP Budgetary Basis
For the Fiscal Year Ended June 30, 2014**

	<u>Original Budgeted Expenditures</u>	<u>Revised Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Variance</u>
Administration				
Town council				
Salaries	\$ 9,300	\$ 9,300	\$ 9,300	\$ -
Total town council	<u>9,300</u>	<u>9,300</u>	<u>9,300</u>	<u>-</u>
Town manager				
Salaries and wages	183,413	183,413	165,093	18,320
Outside services	7,100	7,100	6,890	210
Supplies	1,900	1,900	2,062	(162)
Total town manager	<u>192,413</u>	<u>192,413</u>	<u>174,045</u>	<u>18,368</u>
Town clerks				
Salaries and wages	210,736	210,736	211,510	(774)
Outside services	18,900	18,900	11,836	7,064
Supplies	2,400	2,400	2,088	312
Total town clerks	<u>232,036</u>	<u>232,036</u>	<u>225,434</u>	<u>6,602</u>
Town solicitor				
Outside services	172,500	172,500	175,606	(3,106)
Total town solicitor	<u>172,500</u>	<u>172,500</u>	<u>175,606</u>	<u>(3,106)</u>
Municipal court and judges				
Salaries	42,285	42,285	43,020	(735)
Outside services	1,500	1,500	888	612
Total municipal court and judges	<u>43,785</u>	<u>43,785</u>	<u>43,908</u>	<u>(123)</u>
Board of canvassers				
Salaries and wages	11,050	11,050	6,327	4,723
Outside services	3,000	2,750	1,704	1,046
Supplies	500	750	714	36
Total board of canvassers	<u>14,550</u>	<u>14,550</u>	<u>8,745</u>	<u>5,805</u>

(Continued)

TOWN OF EAST GREENWICH, RHODE ISLAND
REQUIRED SUPPLEMENTARY INFORMATION
Budgetary Comparison Schedule - General Fund
Schedule of Expenditures - Non-GAAP Budgetary Basis
For the Fiscal Year Ended June 30, 2014

	<u>Original Budgeted Expenditures</u>	<u>Revised Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Variance</u>
Employee benefits				
Outside services	5,025,925	5,025,925	4,856,147	169,778
Total employee benefits	<u>5,025,925</u>	<u>5,025,925</u>	<u>4,856,147</u>	<u>169,778</u>
Insurance				
Outside services	390,683	390,683	372,307	18,376
Total insurance	<u>390,683</u>	<u>390,683</u>	<u>372,307</u>	<u>18,376</u>
Contingency fund				
Outside services	12,500	12,500	20,627	(8,127)
Total contingency fund	<u>12,500</u>	<u>12,500</u>	<u>20,627</u>	<u>(8,127)</u>
Total Administration	<u>6,093,692</u>	<u>6,093,692</u>	<u>5,886,119</u>	<u>207,573</u>
Finance department				
Salaries	435,668	435,668	420,882	14,786
Outside services	156,600	156,600	152,563	4,037
Supplies	10,000	10,000	10,658	(658)
Equipment	500	500	500	-
Communications	32,000	32,000	32,021	(21)
Total finance department	<u>634,768</u>	<u>634,768</u>	<u>616,624</u>	<u>18,144</u>
Information technology				
Salaries	78,340	78,340	74,394	3,946
Outside services	178,864	159,675	151,538	8,137
Supplies	18,800	18,800	16,844	1,956
Equipment	50,620	101,294	122,155	(20,861)
Communications	109,505	106,505	93,768	12,737
Total information technology	<u>436,129</u>	<u>464,614</u>	<u>458,699</u>	<u>5,915</u>
Public safety				
Police department				
Salaries and wages	2,601,449	2,601,449	2,594,709	6,740
Police overtime	335,280	335,280	373,728	(38,448)
Outside services	36,970	35,420	28,214	7,206
Supplies	116,665	116,665	107,014	9,651
Equipment	33,500	33,500	33,477	23
Communications	3,700	3,700	3,475	225
Total police department	<u>3,127,564</u>	<u>3,126,014</u>	<u>3,140,617</u>	<u>(14,603)</u>

(Continued)

TOWN OF EAST GREENWICH, RHODE ISLAND
REQUIRED SUPPLEMENTARY INFORMATION
Budgetary Comparison Schedule - General Fund
Schedule of Expenditures - Non-GAAP Budgetary Basis
For the Fiscal Year Ended June 30, 2014

	<u>Original Budgeted Expenditures</u>	<u>Revised Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Variance</u>
Fire Department				
Salaries and wages	2,966,680	2,966,680	2,943,418	23,262
Outside services	680,375	618,440	599,073	19,367
Supplies	120,800	120,800	129,750	(8,950)
Total Fire District	<u>3,767,855</u>	<u>3,705,920</u>	<u>3,672,241</u>	<u>33,679</u>
Total public safety	<u>6,895,419</u>	<u>6,831,934</u>	<u>6,812,858</u>	<u>19,076</u>
Public works administration				
Salaries and wages	1,298,881	1,298,881	1,303,429	(4,548)
Outside services	1,049,832	1,049,832	1,013,125	36,707
Supplies and expense	891,654	926,654	1,024,136	(97,482)
Total public works administration	<u>3,240,367</u>	<u>3,275,367</u>	<u>3,340,690</u>	<u>(65,323)</u>
Recreation department				
Salaries and wages	161,489	161,489	159,743	1,746
Outside services	12,535	12,535	12,451	84
Supplies	11,050	11,050	10,375	675
Total recreation department	<u>185,074</u>	<u>185,074</u>	<u>182,569</u>	<u>2,505</u>
Parks & grounds				
Salaries and wages	298,572	298,572	290,949	7,623
Outside services	57,248	57,248	50,428	6,820
Supplies	55,380	55,380	47,652	7,728
Equipment	3,000	3,000	2,971	29
Total parks and grounds	<u>414,200</u>	<u>414,200</u>	<u>392,000</u>	<u>22,200</u>
Teen center				
Salaries and wages	5,000	5,000	4,999	1
Supplies and equipment	5,000	5,000	2,000	3,000
Total teen center	<u>10,000</u>	<u>10,000</u>	<u>6,999</u>	<u>3,001</u>
Town planner				
Salaries and wages	176,053	176,053	176,574	(521)
Outside services	12,375	12,375	12,599	(224)
Supplies	1,500	1,500	1,044	456
Equipment	500	500	479	21
Total town planner	<u>190,428</u>	<u>190,428</u>	<u>190,696</u>	<u>(268)</u>
Senior and human services				
Salaries and wages	209,784	209,784	203,989	5,795
Outside services	31,500	31,500	29,264	2,236
Supplies	1,000	1,000	627	373
Communications	1,200	1,200	1,149	51
Community services	200	200	157	43
Total senior and human services	<u>243,684</u>	<u>243,684</u>	<u>235,186</u>	<u>8,498</u>

(Continued)

TOWN OF EAST GREENWICH, RHODE ISLAND
REQUIRED SUPPLEMENTARY INFORMATION
Budgetary Comparison Schedule - General Fund
Schedule of Expenditures - Non-GAAP Budgetary Basis
For the Fiscal Year Ended June 30, 2014

	<u>Original Budgeted Expenditures</u>	<u>Revised Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Variance</u>
Grants and contributions				
Contributions	29,000	29,000	29,000	-
Total grants and contributions	<u>29,000</u>	<u>29,000</u>	<u>29,000</u>	<u>-</u>
East Greenwich Land Trust				
Insurance	2,000	1,000	-	1,000
Pilot	6,300	1,300	520	780
Building maintenance	5,000	5,000	1,555	3,445
Boesch farm rehabilitation	35,000	41,000	57,485	(16,485)
Total East Greenwich Land Trust	<u>48,300</u>	<u>48,300</u>	<u>59,560</u>	<u>(11,260)</u>
Library				
Town contributions	486,875	486,875	486,875	-
Total library	<u>486,875</u>	<u>486,875</u>	<u>486,875</u>	<u>-</u>
Capital improvements				
Capital outlays	580,699	580,699	816,905	(236,206)
Non capital expenditures	-	-	99,658	(99,658)
Total capital improvements	<u>580,699</u>	<u>580,699</u>	<u>916,563</u>	<u>(335,864)</u>
School department				
Education	34,682,051	34,682,051	34,253,426	428,625
Total school department	<u>34,682,051</u>	<u>34,682,051</u>	<u>34,253,426</u>	<u>428,625</u>
Total expenditures	<u>54,170,686</u>	<u>54,170,686</u>	<u>53,867,864</u>	<u>302,822</u>
Other financing uses				
Debt service				
Principal	4,160,834	4,160,834	4,160,833	1
Interest	2,664,544	2,664,544	2,664,401	143
Financing costs	5,000	5,000	2,850	2,150
Total debt service	<u>6,830,378</u>	<u>6,830,378</u>	<u>6,828,084</u>	<u>2,294</u>
Other financing uses				
Transfers to other funds	-	-	48,599	(48,599)
Total other financing uses	<u>-</u>	<u>-</u>	<u>48,599</u>	<u>(48,599)</u>
Total expenditures and other financing uses	<u>\$ 61,001,064</u>	<u>\$ 61,001,064</u>	<u>\$ 60,744,547</u>	<u>\$ 256,517</u>

(Concluded)

TOWN OF EAST GREENWICH, RHODE ISLAND
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2014

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Budgetary to GAAP basis reconciliation

The following reconciliation summarizes the differences for the Town's General Fund between budgetary and GAAP basis accounting principles for the year ended June 30, 2014:

Excess of revenues and other sources over expenditures and other uses (Non-GAAP Budgetary Basis).....	\$ 2,233
Use of prior years surplus	(100,000)
Excess of revenues and other sources over expenditures and other uses (GAAP).....	\$ (97,767)

The adjustments necessary to reconcile actual revenues reported on a budgetary basis to actual revenues reported in accordance with generally accepted accounting principles are as follows:

A reconciliation of the General Fund's revenues and expenditures and other financing sources (uses) is presented below.

	Revenues and Transfers	Expenditures and Transfers
<i>General Fund:</i>		
<i>Schedule of Revenues, Expenditures and Other Financing Sources (Non-GAAP Budgetary Basis) Budget and Actual</i>		
	\$ 60,746,780	\$ 60,744,547
Adjustment for pension contribution made by State of Rhode Island on behalf of employees.....	1,417,680	1,417,680
Use of Prior year surplus.....	(100,000)	-
<i>Statement of Revenues, Expenditures and Changes in Fund Balances</i>	\$ 62,064,460	\$ 62,162,227

**REQUIRED SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
JUNE 30, 2014**

**MUNICIPAL EMPLOYEES' TIREMENT SYSTEM
(UNAUDITED)**

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date June 30,	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
General Employees						
2009	7,611,272	6,218,210	(1,393,062)	122%	1,129,564	-123%
2010	7,235,232	7,132,310	(102,922)	101%	1,131,628	-9%
2011	7,461,158	6,504,664	(956,494)	115%	1,163,020	-82%
2012	7,436,954	6,500,407	(936,547)	114%	1,185,062	-79%
2013	7,493,334	6,472,785	(1,020,549)	116%	1,228,697	-83%
2014	N/A	N/A	N/A	N/A	N/A	N/A
Police Employees						
2009	12,515,512	13,549,427	1,033,915	92%	1,933,255	53%
2010	12,447,820	18,047,649	5,599,829	69%	1,931,364	290%
2011	12,317,410	15,806,249	3,488,839	78%	1,939,443	180%
2012	12,504,590	17,185,092	4,680,502	73%	1,856,181	252%
2013	12,726,808	18,137,668	5,410,860	70%	2,340,927	231%
2014	N/A	N/A	N/A	N/A	N/A	N/A
Fire General Employees						
2009	10,154,829	12,629,805	2,474,976	80%	2,302,492	107%
2010	10,172,916	16,663,479	6,490,563	61%	2,179,829	298%
2011	9,964,018	14,818,083	4,854,065	67%	2,262,734	215%
2012	10,169,176	16,028,667	5,859,491	63%	2,232,243	262%
2013	10,254,878	16,426,531	6,171,653	62%	2,340,927	264%
2014	N/A	N/A	N/A	N/A	N/A	N/A
Fire Administrative Employees						
2011	169,927	248,473	78,546	68%	88,879	88%
2012	166,054	261,734	95,680	63%	90,274	106%
2013	N/A	N/A	N/A	N/A	N/A	N/A
2014	N/A	N/A	N/A	N/A	N/A	N/A

N/A - Unavailable at time of report

SUPPLEMENTARY INFORMATION

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
Combining Balance Sheet - Non-Major Governmental Funds
June 30, 2014

	Town Special Revenue Funds	Town Special Revenue Projects Fund	School Special Revenue Funds	Capital Projects Funds	Town Permanent Funds	Total Non-Major Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 2,343,505	\$ -	\$ 26,687	\$ 1,096,894	\$ 276,141	\$ 3,743,227
Investments	-	-	-	-	38,488	38,488
Internal balances	8,491,349	856,783	9,233,813	7,307,477	158,751	26,048,173
Due from other governments	-	1,037	354,838	-	-	355,875
Other receivables	8,446	-	-	-	-	8,446
Inventories	-	-	6,826	-	-	6,826
TOTAL ASSETS	\$ 10,843,300	\$ 857,820	\$ 9,622,164	\$ 8,404,371	\$ 473,380	\$ 30,201,035
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable and accrued expenses	\$ 70,885	\$ 3,000	\$ 111,426	\$ -	\$ 39,996	\$ 225,307
Internal balances	6,871,532	647,397	9,454,417	7,331,127	21,346	24,325,819
Unearned revenue	801	-	-	-	-	801
Total liabilities	6,943,218	650,397	9,565,843	7,331,127	61,342	24,551,927
Fund balances						
<i>Nonspendable</i>						
Inventories	-	-	5,083	-	-	5,083
Permanent fund principal	-	-	-	-	412,038	412,038
<i>Restricted for:</i>						
Educational programs	-	-	100,497	-	-	100,497
Public works programs	1,051,205	-	-	-	-	1,051,205
<i>Assigned for:</i>						
Legislative, judicial	832,847	79,955	-	-	-	912,802
Public safety programs	1,324,548	36,341	-	-	-	1,360,889
Community programs	-	106,298	-	-	-	106,298
Public works programs	202,540	-	-	4,280	-	206,820
Long term obligations	178,390	-	-	-	-	178,390
Culture and recreation	332,775	-	-	1,068,964	-	1,401,739
<i>Unassigned</i>	(22,223)	(15,171)	(49,259)	-	-	(86,653)
Total fund balances (deficits)	3,900,082	207,423	56,321	1,073,244	412,038	5,649,108
TOTAL LIABILITIES AND FUND BALANCES	\$ 10,843,300	\$ 857,820	\$ 9,622,164	\$ 8,404,371	\$ 473,380	\$ 30,201,035

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance - Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2014

	<u>Town Special Revenue Funds</u>	<u>Town Special Revenue Projects Fund</u>	<u>School Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Town Permanent Funds</u>	<u>Total Non-Major Governmental Funds</u>
Revenues						
Intergovernmental revenue	\$ 615,571	\$ 68,604	\$ 922,743	\$ -	\$ -	\$ 1,606,918
Earnings on investments	15,339	-	-	-	10,278	25,617
Other revenue	275,299	-	451,902	-	-	727,201
Total revenues	<u>906,209</u>	<u>68,604</u>	<u>1,374,645</u>	<u>-</u>	<u>10,278</u>	<u>2,359,736</u>
Expenditures						
Public safety	271,815	41,104	-	-	44,209	357,128
Public health and welfare	588,719	26,997	-	-	-	615,716
Education	-	-	1,374,939	-	-	1,374,939
Non capital expenditures	-	-	-	18,490	-	18,490
Capital outlay	32,577	-	-	-	-	32,577
Total expenditures	<u>893,111</u>	<u>68,101</u>	<u>1,374,939</u>	<u>18,490</u>	<u>44,209</u>	<u>2,398,850</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	13,098	503	(294)	(18,490)	(33,931)	(39,114)
Other financing sources (uses)						
Transfers from other funds	48,599	-	-	-	-	48,599
Total other financing sources (uses)	<u>48,599</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>48,599</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	<u>61,697</u>	<u>503</u>	<u>(294)</u>	<u>(18,490)</u>	<u>(33,931)</u>	<u>9,485</u>
Fund balances - beginning	<u>3,838,385</u>	<u>206,920</u>	<u>56,615</u>	<u>1,091,734</u>	<u>445,969</u>	<u>5,639,623</u>
Fund balances - ending	<u>\$ 3,900,082</u>	<u>\$ 207,423</u>	<u>\$ 56,321</u>	<u>\$ 1,073,244</u>	<u>\$ 412,038</u>	<u>\$ 5,649,108</u>

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
Town Special Revenue Funds
Combining Balance Sheet - Non-Major Governmental Funds
June 30, 2014

	Recreation Development Fund 0017	Impact Fees 0044	Courthouse Fund 0019	Community Development 0028	Substance Abuse 0029	EMA Funds 0016	Comprehensive Plan Land Use 0034
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 70,434	\$ -	\$ -	\$ -
Internal balances	202,348	2,344,355	700,617	1,704,369	326,640	51,330	127,998
Other receivables	-	-	-	8,446	-	-	-
TOTAL ASSETS	<u>\$ 202,348</u>	<u>\$ 2,344,355</u>	<u>\$ 700,617</u>	<u>\$ 1,783,249</u>	<u>\$ 326,640</u>	<u>\$ 51,330</u>	<u>\$ 127,998</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ 9,765	\$ 10,559	\$ -	\$ -
Internal balances	126,243	1,293,150	534,706	1,790,370	294,116	19,368	54,130
Deferred revenue	-	-	-	801	-	-	-
Total liabilities	<u>126,243</u>	<u>1,293,150</u>	<u>534,706</u>	<u>1,800,936</u>	<u>304,675</u>	<u>19,368</u>	<u>54,130</u>
Fund balances							
<i>Restricted for:</i>							
Public works programs	-	1,051,205	-	-	-	-	-
Education	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
<i>Assigned for:</i>							
Legislative, judicial	-	-	-	-	-	-	-
Public safety programs	-	-	-	-	21,965	31,962	-
Public works programs	-	-	165,911	-	-	-	-
Long term obligations	-	-	-	-	-	-	-
Culture and recreation	76,105	-	-	-	-	-	73,868
<i>Unassigned</i>	-	-	-	(17,687)	-	-	-
Total fund balances (deficits)	<u>76,105</u>	<u>1,051,205</u>	<u>165,911</u>	<u>(17,687)</u>	<u>21,965</u>	<u>31,962</u>	<u>73,868</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 202,348</u>	<u>\$ 2,344,355</u>	<u>\$ 700,617</u>	<u>\$ 1,783,249</u>	<u>\$ 326,640</u>	<u>\$ 51,330</u>	<u>\$ 127,998</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
Town Special Revenue Funds
Combining Balance Sheet - Non-Major Governmental Funds
June 30, 2014

	Revaluation Fund 0031	Recreation Activities Fund 0018	Farmer's Market 0022	Debt Service 0003	Muni Recycling Program 0032	Banner, Flowers, Baskets 0037	GASB 45 0038
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 832,847
Internal balances	453,429	1,564,077	26,046	825,216	48,548	-	-
Other receivables	-	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 453,429</u>	<u>\$ 1,564,077</u>	<u>\$ 26,046</u>	<u>\$ 825,216</u>	<u>\$ 48,548</u>	<u>\$ -</u>	<u>\$ 832,847</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable and accrued expenses	\$ -	\$ 13,401	\$ 740	\$ -	\$ -	\$ -	\$ -
Internal balances	457,965	1,375,813	17,367	646,826	11,919	-	-
Deferred revenue	-	-	-	-	-	-	-
Total liabilities	<u>457,965</u>	<u>1,389,214</u>	<u>18,107</u>	<u>646,826</u>	<u>11,919</u>	<u>-</u>	<u>-</u>
Fund balances							
<i>Restricted for:</i>							
Public works programs	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
<i>Assigned for:</i>							
Legislative, judicial	-	-	-	-	-	-	832,847
Public safety programs	-	-	-	-	-	-	-
Public works programs	-	-	-	-	36,629	-	-
Long term obligations	-	-	-	178,390	-	-	-
Culture and recreation	-	174,863	7,939	-	-	-	-
<i>Unassigned</i>	(4,536)	-	-	-	-	-	-
Total fund balances (deficits)	<u>(4,536)</u>	<u>174,863</u>	<u>7,939</u>	<u>178,390</u>	<u>36,629</u>	<u>-</u>	<u>832,847</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 453,429</u>	<u>\$ 1,564,077</u>	<u>\$ 26,046</u>	<u>\$ 825,216</u>	<u>\$ 48,548</u>	<u>\$ -</u>	<u>\$ 832,847</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
Town Special Revenue Funds
Combining Balance Sheet - Non-Major Governmental Funds
June 30, 2014

	<u>0060</u> <u>Impact Fees</u>	<u>0059</u> <u>Machinery</u> <u>Equipment</u>	<u>0051</u> <u>Smoke Detector</u>	<u>0052</u> <u>Plan Review</u>	<u>Totals</u>
ASSETS					
Cash and cash equivalents	\$ 472,248	\$ 967,976	\$ -	\$ -	\$ 2,343,505
Internal balances	-	72,906	13,690	29,780	8,491,349
Other receivables	-	-	-	-	8,446
TOTAL ASSETS	<u>\$ 472,248</u>	<u>\$ 1,040,882</u>	<u>\$ 13,690</u>	<u>\$ 29,780</u>	<u>\$ 10,843,300</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable and accrued expenses	\$ -	\$ 36,420	\$ -	\$ -	\$ 70,885
Internal balances	1,227	247,957	375	-	6,871,532
Unearned revenue	-	-	-	-	801
Total liabilities	<u>1,227</u>	<u>284,377</u>	<u>375</u>	<u>-</u>	<u>6,943,218</u>
Fund balances					
<i>Restricted for:</i>					
Public works programs	-	-	-	-	1,051,205
<i>Assigned for:</i>					
Legislative, judicial	-	-	-	-	832,847
Public safety programs	471,021	756,505	13,315	29,780	1,324,548
Public works programs	-	-	-	-	202,540
Long term obligations	-	-	-	-	178,390
Culture and recreation	-	-	-	-	332,775
<i>Unassigned</i>	-	-	-	-	(22,223)
Total fund balances (deficits)	<u>471,021</u>	<u>756,505</u>	<u>13,315</u>	<u>29,780</u>	<u>3,900,082</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 472,248</u>	<u>\$ 1,040,882</u>	<u>\$ 13,690</u>	<u>\$ 29,780</u>	<u>\$ 10,843,300</u>

(Concluded)

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
Town Special Revenue Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance - Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2014

	Recreation Development Fund 0017	Impact Fees 0044	Courthouse Fund 0019	Community Development 0028	Substance Abuse 0029	EMA Funds 0016	Comprehensive Plan Land Use 0034
Revenues							
Intergovernmental revenue	\$ 36,723	\$ -	\$ 10,000	\$ 114,311	\$ 17,637	\$ 1,500	
Interest on investments	-	-	-	234	-	-	-
Other revenue	-	89,718	-	-	-	-	-
Total revenues	<u>36,723</u>	<u>89,718</u>	<u>10,000</u>	<u>114,545</u>	<u>17,637</u>	<u>1,500</u>	<u>-</u>
Expenditures							
Public safety	-	-	13,573	-	-	4,837	-
Public health and welfare	7,078	80,000	-	106,959	33,764	-	2,543
Capital outlay	-	-	-	-	-	-	-
Total expenditures	<u>7,078</u>	<u>80,000</u>	<u>13,573</u>	<u>106,959</u>	<u>33,764</u>	<u>4,837</u>	<u>2,543</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	29,645	9,718	(3,573)	7,586	(16,127)	(3,337)	(2,543)
Other financing sources (uses)							
Operating transfers from (to) other funds	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures	29,645	9,718	(3,573)	7,586	(16,127)	(3,337)	(2,543)
Fund balances - beginning	46,460	1,041,487	169,484	(25,273)	38,092	35,299	76,411
Fund balances - ending	<u>\$ 76,105</u>	<u>\$ 1,051,205</u>	<u>\$ 165,911</u>	<u>\$ (17,687)</u>	<u>\$ 21,965</u>	<u>\$ 31,962</u>	<u>\$ 73,868</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
Town Special Revenue Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance - Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2014

	Revaluation Fund 0031	Recreation Activities Fund 0018	Farmer's Market 0022	Debt Service 0003	Muni Recycling Program 0032	Banner, Flower, Baskets 0037	GASB 45 0038
Revenues							
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 435,400
Interest on investments	-	-	-	-	-	-	-
Other revenue	-	139,852	2,863	-	13,236	-	-
Total revenues	<u>-</u>	<u>139,852</u>	<u>2,863</u>	<u>-</u>	<u>13,236</u>	<u>-</u>	<u>435,400</u>
Expenditures							
Public safety	-	-	-	-	-	-	-
Public health and welfare	-	129,099	3,856	213,501	11,919	-	-
Capital outlay	-	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>129,099</u>	<u>3,856</u>	<u>213,501</u>	<u>11,919</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	-	10,753	(993)	(213,501)	1,317	-	435,400
Other financing sources (uses)							
Operating transfers from (to) other funds	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures	<u>-</u>	<u>10,753</u>	<u>(993)</u>	<u>(213,501)</u>	<u>1,317</u>	<u>-</u>	<u>435,400</u>
Fund balances - beginning	(4,536)	164,110	8,932	391,891	35,312	-	397,447
Fund balances - ending	<u>\$ (4,536)</u>	<u>\$ 174,863</u>	<u>\$ 7,939</u>	<u>\$ 178,390</u>	<u>\$ 36,629</u>	<u>\$ -</u>	<u>\$ 832,847</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
Town Special Revenue Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance - Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2014

	0060 Impact Fees	0059 Machinery Equipment	0051 Smoke Detector	0052 Plan Review	Totals
Revenues					
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ 615,571
Interest on investments	-	15,105	-	-	15,339
Other revenue	5,617	-	5,985	18,028	275,299
Total revenues	<u>5,617</u>	<u>15,105</u>	<u>5,985</u>	<u>18,028</u>	<u>906,209</u>
Expenditures					
Public safety	1,229	251,801	375	-	271,815
Public health and welfare	-	-	-	-	588,719
Capital outlay	-	32,577	-	-	32,577
Total expenditures	<u>1,229</u>	<u>284,378</u>	<u>375</u>	<u>-</u>	<u>893,111</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	4,388	(269,273)	5,610	18,028	13,098
Other financing sources (uses)					
Operating transfers from (to) other funds	-	48,599	-	-	48,599
Total other financing sources (uses)	<u>-</u>	<u>48,599</u>	<u>-</u>	<u>-</u>	<u>48,599</u>
Excess of revenues and other sources over (under) expenditures	4,388	(220,674)	5,610	18,028	61,697
Fund balances - beginning	466,633	977,179	7,705	11,752	3,838,385
Fund balances - ending	<u>\$ 471,021</u>	<u>\$ 756,505</u>	<u>\$ 13,315</u>	<u>\$ 29,780</u>	<u>\$ 3,900,082</u>

(Concluded)

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
Combining Balance Sheet - Non-Major Governmental Funds
Special Revenue Project Funds - Town - Fund 0036
June 30, 2014

	<u>Juvenile Hearing Board</u>	<u>Police Seizures State</u>	<u>Main Street Stroll</u>	<u>Tobacco Grant</u>	<u>Affordable Housing</u>	<u>Alcohol Compliance</u>	<u>Energy Grant ARRA/EPA</u>
ASSETS							
Due from other governments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Internal balances	4,504	46,808	59,466	1,300	63,130	3,767	176,584
TOTAL ASSETS	<u>\$ 4,504</u>	<u>\$ 46,808</u>	<u>\$ 59,466</u>	<u>\$ 1,300</u>	<u>\$ 63,130</u>	<u>\$ 3,767</u>	<u>\$ 176,584</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable and accrued expenses	\$ -	\$ 3,000	\$ -	\$ -	\$ -	\$ -	\$ -
Internal balances	828	34,990	54,361	1,159	5,198	3,767	166,728
Total liabilities	<u>828</u>	<u>37,990</u>	<u>54,361</u>	<u>1,159</u>	<u>5,198</u>	<u>3,767</u>	<u>166,728</u>
Fund balances							
<i>Assigned for:</i>							
Legislative, judicial	-	-	-	-	-	-	-
Public safety programs	3,676	8,818	-	141	-	-	-
Community programs	-	-	5,105	-	57,932	-	9,856
<i>Unassigned</i>	-	-	-	-	-	-	-
Total fund balances (deficits)	<u>3,676</u>	<u>8,818</u>	<u>5,105</u>	<u>141</u>	<u>57,932</u>	<u>-</u>	<u>9,856</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 4,504</u>	<u>\$ 46,808</u>	<u>\$ 59,466</u>	<u>\$ 1,300</u>	<u>\$ 63,130</u>	<u>\$ 3,767</u>	<u>\$ 176,584</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
Combining Balance Sheet - Non-Major Governmental Funds
Special Revenue Project Funds - Town - Fund 0036
June 30, 2014

	Byrne Grant	Car Seat	Animal Enforcement	Senior Services	Document Preservation & Technology	Historic Trust Fund	Energy Performance Grant
ASSETS							
Due from other governments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Internal balances	70,867	1,848	23,706	71,854	148,791	46,335	9,732
TOTAL ASSETS	<u>\$ 70,867</u>	<u>\$ 1,848</u>	<u>\$ 23,706</u>	<u>\$ 71,854</u>	<u>\$ 148,791</u>	<u>\$ 46,335</u>	<u>\$ 9,732</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Internal balances	71,048	1,848	-	49,598	105,467	9,704	9,732
Total liabilities	<u>71,048</u>	<u>1,848</u>	<u>-</u>	<u>49,598</u>	<u>105,467</u>	<u>9,704</u>	<u>9,732</u>
Fund balances							
<i>Assigned for:</i>							
Legislative, judicial	-	-	-	-	43,324	36,631	-
Public safety programs	-	-	23,706	-	-	-	-
Community programs	-	-	-	22,256	-	-	-
<i>Unassigned</i>	(181)	-	-	-	-	-	-
Total fund balances (deficits)	<u>(181)</u>	<u>-</u>	<u>23,706</u>	<u>22,256</u>	<u>43,324</u>	<u>36,631</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 70,867</u>	<u>\$ 1,848</u>	<u>\$ 23,706</u>	<u>\$ 71,854</u>	<u>\$ 148,791</u>	<u>\$ 46,335</u>	<u>\$ 9,732</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
Combining Balance Sheet - Non-Major Governmental Funds
Special Revenue Project Funds - Town - Fund 0036
June 30, 2014

	Holiday Basket	Police Seizures Federal	NHTSA Grant	Spay & Neuter	ISSP Grant	Totals
ASSETS						
Due from other governments	\$ -	\$ -	\$ -	\$ -	\$ 1,037	\$ 1,037
Internal balances	72,393	36,288	12,882	799	5,729	856,783
TOTAL ASSETS	<u>\$ 72,393</u>	<u>\$ 36,288</u>	<u>\$ 12,882</u>	<u>\$ 799</u>	<u>\$ 6,766</u>	<u>\$ 857,820</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -	3,000
Internal balances	62,043	47,210	16,950	-	6,766	647,397
Total liabilities	<u>62,043</u>	<u>47,210</u>	<u>16,950</u>	<u>-</u>	<u>6,766</u>	<u>650,397</u>
Fund balances						
<i>Assigned for:</i>						
Legislative, judicial	-	-	-	-	-	79,955
Public safety programs	-	-	-	-	-	36,341
Community programs	10,350	-	-	799	-	106,298
<i>Unassigned</i>	-	(10,922)	(4,068)	-	-	(15,171)
Total fund balances (deficits)	<u>10,350</u>	<u>(10,922)</u>	<u>(4,068)</u>	<u>799</u>	<u>-</u>	<u>207,423</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 72,393</u>	<u>\$ 36,288</u>	<u>\$ 12,882</u>	<u>\$ 799</u>	<u>\$ 6,766</u>	<u>\$ 857,820</u>

(Concluded)

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance - Non-Major Governmental Funds
Special Revenue Project Funds - Town - Fund 0036
For the Fiscal Year Ended June 30, 2014

	Juvenile Hearing Board	Police Seizures State	Main Street Stroll	Tobacco Grant	Affordable Housing	Alcohol Compliance	Energy Grant ARRA/EPA
Revenues							
Intergovernmental revenue	\$ -	\$ 19,079	\$ -	\$ 267	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>19,079</u>	<u>-</u>	<u>267</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures							
Public safety	-	22,475	-	524	-	-	-
Public health and welfare	-	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>22,475</u>	<u>-</u>	<u>524</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under)							
expenditures before other financing sources (uses)	-	(3,396)	-	(257)	-	-	-
Other financing sources (uses)							
Transfers from other funds	-	-	-	-	-	-	-
Transfers to other funds	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues							
over (under) expenditures	<u>-</u>	<u>(3,396)</u>	<u>-</u>	<u>(257)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - beginning	3,676	12,214	5,105	398	57,932	-	9,856
Fund balances - ending	<u>\$ 3,676</u>	<u>\$ 8,818</u>	<u>\$ 5,105</u>	<u>\$ 141</u>	<u>\$ 57,932</u>	<u>\$ -</u>	<u>\$ 9,856</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance - Non-Major Governmental Funds
Special Revenue Project Funds - Town - Fund 0036
For the Fiscal Year Ended June 30, 2014

	Byrne Grant	Car Seat	Animal Enforcement	Senior Services	Document Preservation & Technology	Historic Trust Fund	Energy Performance Grant
Revenues							
Intergovernmental revenue	\$ -	\$ 801	\$ 1,598	\$ 5,814	\$ 13,770	\$ 2,442	\$ -
Total revenues	<u>-</u>	<u>801</u>	<u>1,598</u>	<u>5,814</u>	<u>13,770</u>	<u>2,442</u>	<u>-</u>
Expenditures							
Public safety	-	801	-	-	-	-	-
Public health and welfare	-	-	-	17,079	-	-	-
Total expenditures	<u>-</u>	<u>801</u>	<u>-</u>	<u>17,079</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under)							
expenditures before other financing sources (uses)	-	-	1,598	(11,265)	13,770	2,442	-
Other financing sources (uses)							
Transfers from other funds	-	-	-	-	-	-	-
Transfers to other funds	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues							
over (under) expenditures	<u>-</u>	<u>-</u>	<u>1,598</u>	<u>(11,265)</u>	<u>13,770</u>	<u>2,442</u>	<u>-</u>
Fund balances - beginning	<u>(181)</u>	<u>-</u>	<u>22,108</u>	<u>33,521</u>	<u>29,554</u>	<u>34,189</u>	<u>-</u>
Fund balances - ending	<u>\$ (181)</u>	<u>\$ -</u>	<u>\$ 23,706</u>	<u>\$ 22,256</u>	<u>\$ 43,324</u>	<u>\$ 36,631</u>	<u>\$ -</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance - Non-Major Governmental Funds
Special Revenue Project Funds - Town - Fund 0036
For the Fiscal Year Ended June 30, 2014

	Holiday Basket	Police Seizures Federal	NHTSA Grant	Spay & Neuter	ISSP Grant	Totals
Revenues						
Intergovernmental revenue	\$ 4,386	\$ -	\$ 12,882	\$ 799	\$ 6,766	68,604
Total revenues	<u>4,386</u>	<u>-</u>	<u>12,882</u>	<u>799</u>	<u>6,766</u>	<u>68,604</u>
Expenditures						
Public safety	-	354	16,950	-	-	41,104
Public health and welfare	3,152	-	-	-	6,766	26,997
Total expenditures	<u>3,152</u>	<u>354</u>	<u>16,950</u>	<u>-</u>	<u>6,766</u>	<u>68,101</u>
Excess (deficiency) of revenues over (under)						
expenditures before other financing sources (uses)	1,234	(354)	(4,068)	799	-	503
Other financing sources (uses)						
Transfers from other funds	-	-	-	-	-	-
Transfers to other funds	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues						
over (under) expenditures	<u>1,234</u>	<u>(354)</u>	<u>(4,068)</u>	<u>799</u>	<u>-</u>	<u>503</u>
Fund balances - beginning	<u>9,116</u>	<u>(10,568)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>206,920</u>
Fund balances - ending	<u>\$ 10,350</u>	<u>\$ (10,922)</u>	<u>\$ (4,068)</u>	<u>\$ 799</u>	<u>\$ -</u>	<u>\$ 207,423</u>

(Concluded)

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
School Special Revenue Restricted Funds
Combining Balance Sheet - Non-Major Governmental Funds
June 30, 2014

	Title I 2102	Title III 2105	RTTT Instructional 2127	Computer Fund 0083	FS-RTTT Educator Effectiveness 2128	NEA Foundation 2130	IDEA Preschool 2181	IDEA State Program 2183
ASSETS								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Internal balances	812,353	-	21,776	10,147	46,964	5,000	103,054	-
Due from other governments	26,757	-	-	1	11,929	-	6,834	3,409
Other receivable	-	1,743	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 839,110</u>	<u>\$ 1,743</u>	<u>\$ 21,776</u>	<u>\$ 10,148</u>	<u>\$ 58,893</u>	<u>\$ 5,000</u>	<u>\$ 109,888</u>	<u>\$ 3,409</u>
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts payable and accrued expenses	\$ -	\$ -	\$ 265	\$ -	\$ 6,374	\$ -	\$ -	\$ -
Internal balances	839,110	1,743	21,511	1,533	52,519	4,458	109,888	3,409
Total liabilities	<u>839,110</u>	<u>1,743</u>	<u>21,776</u>	<u>1,533</u>	<u>58,893</u>	<u>4,458</u>	<u>109,888</u>	<u>3,409</u>
Fund balances								
<i>Nonspendable</i>								
Inventories	-	-	-	-	-	-	-	-
<i>Restricted for:</i>								
Educational programs	-	-	-	8,615	-	542	-	-
<i>Unassigned</i>	-	-	-	-	-	-	-	-
Total fund balances (deficit)	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,615</u>	<u>-</u>	<u>542</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 839,110</u>	<u>\$ 1,743</u>	<u>\$ 21,776</u>	<u>\$ 10,148</u>	<u>\$ 58,893</u>	<u>\$ 5,000</u>	<u>\$ 109,888</u>	<u>\$ 3,409</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
School Special Revenue Restricted Funds
Combining Balance Sheet - Non-Major Governmental Funds
June 30, 2014

	School Lunch 6001	Title II 2103	Title II part D 2113	IDEA Part B 2191	New England Dairy & Food Council 2131	RTTT Instructor Improvement 2132	Strategic Support 2405	Wendy's Corporation 2403
ASSETS								
Cash and cash equivalents	\$ 26,687	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Internal balances	3,299,024	664,817	32,000	3,955,071	4,000	27,452	44,207	10,000
Due from other governments	7,148	-	34,761	239,754	-	-	-	-
Inventory	5,083	-	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 3,337,942</u>	<u>\$ 664,817</u>	<u>\$ 66,761</u>	<u>\$ 4,194,825</u>	<u>\$ 4,000</u>	<u>\$ 27,452</u>	<u>\$ 44,207</u>	<u>\$ 10,000</u>
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts payable and accrued expenses	\$ 85,938	\$ 3,272	\$ -	\$ 13,437	\$ -	\$ -	\$ -	\$ -
Internal balances	3,254,138	696,217	32,000	4,181,388	4,000	27,452	2,230	-
Total liabilities	<u>3,340,076</u>	<u>699,489</u>	<u>32,000</u>	<u>4,194,825</u>	<u>4,000</u>	<u>27,452</u>	<u>2,230</u>	<u>-</u>
Fund balances								
<i>Nonspendable</i>								
Inventories	5,083	-	-	-	-	-	-	-
<i>Restricted for:</i>								
Educational programs	-	-	34,761	-	-	-	41,977	10,000
<i>Unassigned</i>	(7,217)	(34,672)	-	-	-	-	-	-
Total fund balances (deficit)	<u>(2,134)</u>	<u>(34,672)</u>	<u>34,761</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,977</u>	<u>10,000</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,337,942</u>	<u>\$ 664,817</u>	<u>\$ 66,761</u>	<u>\$ 4,194,825</u>	<u>\$ 4,000</u>	<u>\$ 27,452</u>	<u>\$ 44,207</u>	<u>\$ 10,000</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
School Special Revenue Restricted Funds
Combining Balance Sheet - Non-Major Governmental Funds
June 30, 2014

	RI State Council on Arts 2314	FSF-RTTT Standards & Curriculum 2126	Perkins 2109	Legislative Tech 0185/2311	RTTT Educator Effectiveness 2133	RTTT Human Development 2134	RI Office of Library and Info Services 2354	Totals
ASSETS								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,687
Internal balances	1,600	15,285	84,789	10,304	2,504	42,527	-	9,233,813
Due from other governments	-	14,077	10,168	-	-	-	-	354,838
Inventory	-	-	-	-	-	-	-	6,826
TOTAL ASSETS	<u>\$ 1,600</u>	<u>\$ 29,362</u>	<u>\$ 94,957</u>	<u>\$ 10,304</u>	<u>\$ 2,504</u>	<u>\$ 42,527</u>	<u>\$ -</u>	<u>\$ 9,622,164</u>
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts payable and accrued expenses	\$ 400	\$ -	\$ 1,683	\$ -	\$ -	\$ -	\$ 57	\$ 111,426
Internal balances	800	29,362	100,587	6,102	2,504	42,527	-	9,454,417
Total liabilities	<u>1,200</u>	<u>29,362</u>	<u>102,270</u>	<u>6,102</u>	<u>2,504</u>	<u>42,527</u>	<u>57</u>	<u>9,565,843</u>
Fund balances								
<i>Nonspendable</i>								
Inventories	-	-	-	-	-	-	-	5,083
<i>Restricted for:</i>								
Educational programs	400	-	-	4,202	-	-	-	100,497
<i>Unassigned</i>	-	-	(7,313)	-	-	-	-	(49,259)
Total fund balances (deficit)	<u>400</u>	<u>-</u>	<u>(7,313)</u>	<u>4,202</u>	<u>-</u>	<u>-</u>	<u>(57)</u>	<u>56,321</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,600</u>	<u>\$ 29,362</u>	<u>\$ 94,957</u>	<u>\$ 10,304</u>	<u>\$ 2,504</u>	<u>\$ 42,527</u>	<u>\$ -</u>	<u>\$ 9,622,164</u>

(Concluded)

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
School Special Revenue Restricted Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2014

	Title I 2102	Title III 2105	RTTT Instrucional 2127	Computer Fund 0083	FS-RTTT Educator Effectiveness 2128	NEA Foundation 2130	IDEA Preschool 2181	IDEA State Program 2183
Revenues								
Intergovernmental revenue	\$ 85,454	\$ 4,881	\$ 16,252	\$ -	\$ 21,218	\$ -	\$ 10,653	\$ 1,618
Other	-	-	-	-	-	-	-	-
Total revenues	<u>85,454</u>	<u>4,881</u>	<u>16,252</u>	<u>-</u>	<u>21,218</u>	<u>-</u>	<u>10,653</u>	<u>1,618</u>
Expenditures								
Education	85,454	4,881	16,252	-	21,218	-	10,653	1,618
Total expenditures	<u>85,454</u>	<u>4,881</u>	<u>16,252</u>	<u>-</u>	<u>21,218</u>	<u>-</u>	<u>10,653</u>	<u>1,618</u>
Excess revenues over (under) expenditures	-	-	-	-	-	-	-	-
Excess of revenues and other sources over (under) expenditures	-	-	-	-	-	-	-	-
Fund balances - beginning	-	-	-	8,615	-	542	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,615</u>	<u>\$ -</u>	<u>\$ 542</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
School Special Revenue Restricted Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2014

	<u>School Lunch 6001</u>	<u>Title II 2103</u>	<u>Title II part D 2113</u>	<u>IDEA Part B 2191</u>	<u>New England Dairy & Food Council 2131</u>	<u>RTTT Instructor Improvement 2132</u>	<u>Strategic Support 2405</u>	<u>Wendy's Corporation 2403</u>
Revenues								
Intergovernmental revenue	\$ 111,030	\$ 21,448	\$ 34,761	\$ 563,922	\$ -	\$ 2,225	\$ 3,510	\$ -
Other	441,902	-	-	-	-	-	-	10,000
Total revenues	<u>552,932</u>	<u>21,448</u>	<u>34,761</u>	<u>563,922</u>	<u>-</u>	<u>2,225</u>	<u>3,510</u>	<u>10,000</u>
Expenditures								
Education	559,455	56,120	-	563,922	-	2,225	-	-
Total expenditures	<u>559,455</u>	<u>56,120</u>	<u>-</u>	<u>563,922</u>	<u>-</u>	<u>2,225</u>	<u>-</u>	<u>-</u>
Excess revenues over (under) expenditures	(6,523)	(34,672)	34,761	-	-	-	3,510	10,000
Excess of revenues and other sources over (under) expenditures	<u>(6,523)</u>	<u>(34,672)</u>	<u>34,761</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,510</u>	<u>10,000</u>
Fund balances - beginning	4,389	-	-	-	-	-	38,467	-
Fund balances - ending	<u>\$ (2,134)</u>	<u>\$ (34,672)</u>	<u>\$ 34,761</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,977</u>	<u>\$ 10,000</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
School Special Revenue Restricted Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2014

	<u>RI State Council on Arts 2314</u>	<u>FSF-RTTT Standards & Curriculum 2126</u>	<u>Perkins 2109</u>	<u>Legislative Tech 0185/2311</u>	<u>RTTT Educator Effectiveness 2133</u>	<u>RTTT Human Development 2134</u>	<u>RI Office of Library and Info Services 2354</u>	<u>Totals</u>
Revenues								
Intergovernmental revenue	\$ 400	\$ 25,365	\$ -	\$ -	\$ 570	\$ 19,436	\$ -	\$ 922,743
Other	-	-	-	-	-	-	-	451,902
Total revenues	<u>400</u>	<u>25,365</u>	<u>-</u>	<u>-</u>	<u>570</u>	<u>19,436</u>	<u>-</u>	<u>1,374,645</u>
Expenditures								
Education	400	25,365	7,313	-	570	19,436	57	1,374,939
Total expenditures	<u>400</u>	<u>25,365</u>	<u>7,313</u>	<u>-</u>	<u>570</u>	<u>19,436</u>	<u>57</u>	<u>1,374,939</u>
Excess revenues over (under) expenditures	-	-	(7,313)	-	-	-	(57)	(294)
Excess of revenues and other sources over (under) expenditures	<u>-</u>	<u>-</u>	<u>(7,313)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(57)</u>	<u>(294)</u>
Fund balances - beginning	400	-	-	4,202	-	-	-	56,615
Fund balances - ending	<u>\$ 400</u>	<u>\$ -</u>	<u>\$ (7,313)</u>	<u>\$ 4,202</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (57)</u>	<u>\$ 56,321</u>

(Concluded)

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
Capital Projects Funds
Combining Balance Sheet - Non-Major Governmental Funds
June 30, 2014

	Hill & Harbor Infiltration 0025	Riverbank Restoration 0026	Landfill Project Fund 0047	School Fields Fund 0076	Town Hall Steps 0023	Totals
ASSETS						
Cash and cash equivalents	\$ -		\$ -	\$ 1,096,894	\$ -	\$ 1,096,894
Internal balances	139,977	25,517	2,048,878	4,903,105	190,000	7,307,477
TOTAL ASSETS	<u>\$ 139,977</u>	<u>\$ 25,517</u>	<u>\$ 2,048,878</u>	<u>\$ 5,999,999</u>	<u>\$ 190,000</u>	<u>\$ 8,404,371</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Internal balances	139,977	21,237	2,048,878	4,931,035	190,000	7,331,127
Total liabilities	<u>139,977</u>	<u>21,237</u>	<u>2,048,878</u>	<u>4,931,035</u>	<u>190,000</u>	<u>7,331,127</u>
Fund balances						
<i>Assigned for:</i>						
Culture and recreation	-	-	-	1,068,964	-	1,068,964
Public works programs	-	4,280	-	-	-	4,280
<i>Unassigned</i>	-	-	-	-	-	-
Total fund balances (deficit)	<u>-</u>	<u>4,280</u>	<u>-</u>	<u>1,068,964</u>	<u>-</u>	<u>1,073,244</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 139,977</u>	<u>\$ 25,517</u>	<u>\$ 2,048,878</u>	<u>\$ 5,999,999</u>	<u>\$ 190,000</u>	<u>\$ 8,404,371</u>

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
Capital Project Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance - Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2014

	Hill & Harbor Infiltration 0025	Riverbank Restoration 0026	Landfill Project Fund 0047	School Fields Fund 0076	Town Hall Steps 0023	Totals
Revenues						
Intergovernmental Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income	-	-	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures						
Capital	-	-	-	-	-	-
Non capital expenditures	-	-	-	18,490	-	18,490
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,490</u>	<u>-</u>	<u>18,490</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources	-	-	-	(18,490)	-	(18,490)
Excess of revenues and other sources over (under) expenditures	-	-	-	(18,490)	-	(18,490)
Fund balances - beginning	<u>-</u>	<u>4,280</u>	<u>-</u>	<u>1,087,454</u>	<u>-</u>	<u>1,091,734</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ 4,280</u>	<u>\$ -</u>	<u>\$ 1,068,964</u>	<u>\$ -</u>	<u>\$ 1,073,244</u>

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
Town Permanent Funds
Combining Balance Sheet - Non-Major Governmental Funds
June 30, 2014

	<u>Briggs Fund</u>	<u>Spencer Maxwell Fund</u>	<u>Tillinghast Fund</u>	<u>Casey Fund</u>	<u>Darius Allen Fund</u>	<u>Estate of Thomas Johnson Fund</u>	<u>F. Robert E. Bergsten Fund</u>	<u>Howland Family Trust Fund</u>	<u>Rose Trust Fund</u>	<u>Totals</u>
ASSETS										
Cash and cash equivalents	\$ 866	\$ 10,391	\$ 577	\$ 7,089	\$ 289	\$ 2,019	\$ 866	\$ 2,020	\$252,024	\$ 276,141
Internal Balances	5,699	68,396	3,799	46,658	1,898	13,301	5,699	13,301	-	158,751
Investments	-	-	-	38,488	-	-	-	-	-	38,488
TOTAL ASSETS	<u>\$ 6,565</u>	<u>\$ 78,787</u>	<u>\$ 4,376</u>	<u>\$ 92,235</u>	<u>\$ 2,187</u>	<u>\$ 15,320</u>	<u>\$ 6,565</u>	<u>\$ 15,321</u>	<u>\$252,024</u>	<u>\$ 473,380</u>
LIABILITIES AND FUND BALANCES										
Liabilities										
Other liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,996	\$ 39,996
Internal Balances	-	-	-	-	-	-	-	-	21,346	21,346
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>61,342</u>	<u>61,342</u>
Fund balances										
Nonspendable	6,565	78,787	4,376	92,235	2,187	15,320	6,565	15,321	190,682	412,038
Total fund balances (deficit)	<u>6,565</u>	<u>78,787</u>	<u>4,376</u>	<u>92,235</u>	<u>2,187</u>	<u>15,320</u>	<u>6,565</u>	<u>15,321</u>	<u>190,682</u>	<u>412,038</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 6,565</u>	<u>\$ 78,787</u>	<u>\$ 4,376</u>	<u>\$ 92,235</u>	<u>\$ 2,187</u>	<u>\$ 15,320</u>	<u>\$ 6,565</u>	<u>\$ 15,321</u>	<u>\$252,024</u>	<u>\$ 473,380</u>

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
Town Permanent Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2014

	Briggs Fund	Spencer Maxwell Fund	Tillinghast Fund	Casey Fund	Darius Allen Fund	Estate of Thomas Johnson Fund	F. Robert E. Bergsten Fund	Howland Family Trust Fund	0058 Rose Trust Fund	Totals
Revenues										
Earnings on investments	\$ -	\$ 1	\$ -	\$ 6,287	\$ -	\$ -	\$ -	\$ -	\$ 3,990	\$ 10,278
Total revenues	<u>-</u>	<u>1</u>	<u>-</u>	<u>6,287</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,990</u>	<u>10,278</u>
Expenditures										
Net decrease in FMV of investment	-	-	-	-	-	-	-	-	44,209	44,209
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,209</u>	<u>44,209</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources	<u>-</u>	<u>1</u>	<u>-</u>	<u>6,287</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(40,219)</u>	<u>(33,931)</u>
Fund balances - beginning	<u>6,565</u>	<u>78,786</u>	<u>4,376</u>	<u>85,948</u>	<u>2,187</u>	<u>15,320</u>	<u>6,565</u>	<u>15,321</u>	<u>230,901</u>	<u>445,969</u>
Fund balances - ending	<u>\$ 6,565</u>	<u>\$ 78,787</u>	<u>\$ 4,376</u>	<u>\$ 92,235</u>	<u>\$ 2,187</u>	<u>\$ 15,320</u>	<u>\$ 6,565</u>	<u>\$ 15,321</u>	<u>\$ 190,682</u>	<u>\$ 412,038</u>

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
Fiduciary Funds
Combining Statement of Changes in Net Position
For the Fiscal Year Ended June 30, 2014

	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2014</u>
PERFORMANCE BOND FUND				
ASSETS				
Cash and cash equivalents	\$ 195,855	\$ 45,000	\$ 72,738	\$ 168,117
Internal balances	135,758	23,858	-	159,616
TOTAL ASSETS	<u>\$ 331,613</u>	<u>\$ 68,858</u>	<u>\$ 72,738</u>	<u>\$ 327,733</u>
LIABILITIES				
Other liabilities	-	189,133	-	\$ 189,133
Deposits held in custody for others	\$ 331,613	\$ 68,858	\$ 72,738	\$ 138,600
TOTAL LIABILITIES	<u>\$ 331,613</u>	<u>\$ 257,991</u>	<u>\$ 72,738</u>	<u>\$ 327,733</u>
PUPIL ACTIVITY FUNDS				
ASSETS				
Cash and cash equivalents	\$ 237,834	\$ 632,621	\$ 620,427	\$ 250,028
TOTAL ASSETS	<u>\$ 237,834</u>	<u>\$ 632,621</u>	<u>\$ 620,427</u>	<u>\$ 250,028</u>
LIABILITIES				
Deposits held in custody for others	\$ 237,834	\$ 632,621	\$ 620,427	\$ 250,028
TOTAL LIABILITIES	<u>\$ 237,834</u>	<u>\$ 632,621</u>	<u>\$ 620,427</u>	<u>\$ 250,028</u>
TOTAL AGENCY FUNDS				
ASSETS				
Cash and cash equivalents	\$ 433,689	\$ 677,621	\$ 693,165	\$ 418,145
Internal balances	135,758	23,858	-	159,616
TOTAL ASSETS	<u>\$ 569,447</u>	<u>\$ 701,479</u>	<u>\$ 693,165</u>	<u>\$ 577,761</u>
LIABILITIES				
Deposits held in custody for others	\$ 569,447	\$ 701,479	\$ 693,165	\$ 577,761
TOTAL LIABILITIES	<u>\$ 569,447</u>	<u>\$ 701,479</u>	<u>\$ 693,165</u>	<u>\$ 577,761</u>

**SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
Fiduciary Funds - Pupil Activity Funds
Combining Statement of Changes in Net Position
For the Fiscal Year Ended June 30, 2014**

	<u>Cash Balance July 1, 2013</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Cash Balance June 30, 2014</u>
PUPIL ACTIVITY FUNDS				
East Greenwich High School:				
Checking	\$ 91,316	\$ 337,302	\$ 329,101	\$ 99,517
Savings	21,330	1	-	21,331
CD	44,000	109	109	44,000
Athletic Officials Fund	230	17,527	18,508	(751)
Athletic Camp Fund	2,944	50,353	42,397	10,900
Cole Middle School:				
Checking	54,883	185,179	183,353	56,709
Money Market	3,966	-	-	3,966
Eldridge	4,543	8,772	12,690	625
Eldridge Student Council	1,272	6,480	6,533	1,219
Frenchtown School	10,786	4,223	5,552	9,457
Meadowbrook	1,461	9,004	9,416	1,049
Hanaford	1,103	13,671	12,768	2,006
TOTALS	<u>\$ 237,834</u>	<u>\$ 632,621</u>	<u>\$ 620,427</u>	<u>\$ 250,028</u>

General Fund
School Department Operations

TOWN OF EAST GREENWICH, RHODE ISLAND
Supplementary Information
Balance Sheet
General Fund and School Unrestricted
June 30, 2014

	General Fund	School Unrestricted Fund	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 15,265,353	\$ -	\$ 15,265,353
Accounts receivable:			
Property taxes, less allowance for doubtful accounts of \$57,000	2,114,265	-	2,114,265
Other	4,748,541	64,964	4,813,505
Internal balances	119,330,106	4,630,892	123,960,998
Deposit at other institution	-	1,464,835	1,464,835
Prepays expense	17,307	382,594	399,901
TOTAL ASSETS	\$ 141,475,572	\$ 6,543,285	\$ 148,018,857
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued expenses	\$ 5,069,721	\$ 2,645,331	\$ 7,715,052
Internal balances	126,592,197	-	126,592,197
Unearned revenue	2,634,471	-	2,634,471
Total liabilities	134,296,389	2,645,331	136,941,720
 Fund balances:			
<i>Non-spendable</i>			
Prepaid expense	17,307	382,594	399,901
<i>Restricted for:</i>			
Educational programs	-	806,740	806,740
Public health and welfare	-	1,464,835	1,464,835
<i>Committed for:</i>			
Educational programs	-	70,000	70,000
Technology	-	100,000	100,000
<i>Assigned for:</i>			
Capital outlays	19,985	959,027	979,012
Technology	-	114,758	114,758
Community programs	210,000	-	210,000
<i>Unassigned:</i>	6,931,891	-	6,931,891
Total fund balances	7,179,183	3,897,954	11,077,137
TOTAL LIABILITIES AND FUND BALANCES	\$ 141,475,572	\$ 6,543,285	\$ 148,018,857

TOWN OF EAST GREENWICH, RHODE ISLAND
Supplementary Information
Schedule of Revenues, Expenditures
and Changes in Fund Balances
General Fund and School Unrestricted
For the Fiscal Year Ended June 30, 2014

	<u>General Fund</u>	<u>School Unrestricted Fund</u>	<u>Total Governmental Funds</u>
Revenues			
General property tax	\$ 51,730,064	\$ -	\$ 51,730,064
Intergovernmental and departmental revenues	2,005,810	3,715,520	5,721,330
License and permits	1,529,948	-	1,529,948
Fines and interest on late payments	163,647	-	163,647
Interest on investments	2,300	-	2,300
Tuitions	-	160,980	160,980
Other revenues	2,413,920	342,271	2,756,191
Total revenues	<u>57,845,689</u>	<u>4,218,771</u>	<u>62,064,460</u>
Expenditures			
Legislative, judicial and general administrative	5,886,119	-	5,886,119
Financial administration	616,624	-	616,624
Information technology	458,699	-	458,699
Public safety	6,812,858	-	6,812,858
Public works	3,340,690	-	3,340,690
Teen center	6,999	-	6,999
Parks and recreation	574,569	-	574,569
Town planner	190,696	-	190,696
Senior and human services	235,186	-	235,186
Education	-	35,433,816	35,433,816
Grants and contributions	29,000	-	29,000
Library	486,875	-	486,875
Land trust	59,560	-	59,560
Financing costs	2,850	-	2,850
Capital outlay	816,905	107,024	923,929
Non capital expenditures	99,658	130,266	229,924
Long-term obligations:			
Principal	4,160,833	-	4,160,833
Interest	2,664,401	-	2,664,401
Total expenditures	<u>26,442,522</u>	<u>35,671,106</u>	<u>62,113,628</u>
Excess of revenues over (under) expenditures before other financing sources (uses)	<u>31,403,167</u>	<u>(31,452,335)</u>	<u>(49,168)</u>
Other financing sources (uses)			
Transfers from other funds	-	31,776,201	31,776,201
Transfers to other funds	(31,824,800)	-	(31,824,800)
Total other financing sources (uses)	<u>(31,824,800)</u>	<u>31,776,201</u>	<u>(48,599)</u>
Net changes in fund balances	<u>(421,633)</u>	<u>323,866</u>	<u>(97,767)</u>
Fund balances - beginning	<u>7,600,816</u>	<u>3,574,088</u>	<u>11,174,904</u>
Fund balances - ending	<u>\$ 7,179,183</u>	<u>\$ 3,897,954</u>	<u>\$ 11,077,137</u>

TOWN OF EAST GREENWICH, RHODE ISLAND
 Supplementary Information
 Balance Sheet
 General Fund
 June 30, 2014

	General Fund
ASSETS	
Cash and cash equivalents	\$ 15,265,353
Accounts receivable:	
Property taxes, less allowance for doubtful accounts of \$90,933	2,114,265
Other	4,748,541
Internal balances	119,330,106
Prepays	17,307
TOTAL ASSETS	\$ 141,475,572
 LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable and accrued expenses	\$ 5,069,721
Internal balances	126,592,197
Unearned revenue	2,634,471
Total liabilities	134,296,389
 Fund balances:	
<i>Nonspendable:</i>	
Prepays	17,307
<i>Assigned for:</i>	
Capital outlays	19,985
Community programs	210,000
<i>Unassigned:</i>	
	6,931,891
Total fund balances	7,179,183
TOTAL LIABILITIES AND FUND BALANCES	\$ 141,475,572

TOWN OF EAST GREENWICH, RHODE ISLAND
Supplementary Information
Schedule of Revenues, Expenditures
and Changes in Fund Balances
General Fund
For the Fiscal Year Ended June 30, 2014

	General Fund
Revenues	
General property tax	\$ 51,730,064
Intergovernmental and departmental revenues	2,005,810
License and permits	1,529,948
Fines and interest on late payments	163,647
Interest on investments	2,300
Other revenues	2,413,920
Total revenues	57,845,689
Expenditures	
Legislative, judicial and general administrative	5,886,119
Financial administration	616,624
Information technology	458,699
Public safety	6,812,858
Public works	3,340,690
Teen center	6,999
Parks and recreation	574,569
Town planner	190,696
Senior and human services	235,186
Grants and contributions	29,000
Library	486,875
Land trust	59,560
Financing costs	2,850
Capital outlay	816,905
Non capital expenditures	99,658
Long-term obligations:	
Principal	4,160,833
Interest	2,664,401
Total expenditures	26,442,522
Excess of revenues over (under) expenditures before other financing sources (uses)	31,403,167
Other financing sources (uses)	
Transfers to other funds	(31,824,800)
Total other financing sources (uses)	(31,824,800)
Net changes in fund balances	(421,633)
Fund balances - beginning	7,600,816
Fund balances - ending	\$ 7,179,183

TOWN OF EAST GREENWICH, RHODE ISLAND
Supplementary Information
Budgetary Comparison Schedule - General Fund
Schedule of Revenues and Expenditures - Non-GAAP Budgetary Basis
For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues				
General property tax	\$ 51,907,923	\$ 51,907,923	\$ 51,730,064	\$ (177,859)
General revenue	1,908,349	1,908,349	2,005,810	97,461
State aid	2,584,232	2,584,232	2,413,920	(170,312)
Fines and interest on late payments	135,000	135,000	163,647	28,647
Interest on investments	18,100	18,100	2,300	(15,800)
License and permits	1,541,610	1,541,610	1,529,948	(11,662)
Total Revenues	<u>58,095,214</u>	<u>58,095,214</u>	<u>57,845,689</u>	<u>(249,525)</u>
Expenditures				
Administration	6,093,692	6,093,692	5,886,119	207,573
Finance	634,768	634,768	616,624	18,144
Information technology	436,129	464,614	458,699	5,915
Public safety	6,895,419	6,831,934	6,812,858	19,076
Public works	3,240,367	3,275,367	3,340,690	(65,323)
Recreation	185,074	185,074	182,569	2,505
Parks and grounds	414,200	414,200	392,000	22,200
Teen center	10,000	10,000	6,999	3,001
Town planner	190,428	190,428	190,696	(268)
Senior and human services	243,684	243,684	235,186	8,498
Grants and contributions	29,000	29,000	29,000	-
East Greenwich Land Trust	48,300	48,300	59,560	(11,260)
Library	486,875	486,875	486,875	-
Capital outlays	580,699	580,699	816,905	(236,206)
Non capital expenditures	-	-	99,658	(99,658)
Debt service:				
Principal	4,160,834	4,160,834	4,160,833	1
Interest	2,664,544	2,664,544	2,664,401	143
Financing costs	5,000	5,000	2,850	2,150
Total expenditures	<u>26,319,013</u>	<u>26,319,013</u>	<u>26,442,522</u>	<u>(123,509)</u>
Excess of revenues over expenditures before operating transfers	<u>31,776,201</u>	<u>31,776,201</u>	<u>31,403,167</u>	<u>(373,034)</u>
Transfers to other funds	<u>(31,776,201)</u>	<u>(31,776,201)</u>	<u>(31,824,800)</u>	<u>(48,599)</u>
Total operating transfers	<u>(31,776,201)</u>	<u>(31,776,201)</u>	<u>(31,824,800)</u>	<u>(48,599)</u>
Excess of revenues over (under) expenditures and operating transfers	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (421,633)</u>	<u>\$ (421,633)</u>

TOWN OF EAST GREENWICH, RHODE ISLAND
Supplementary Information
Budgetary Comparison Schedule - General Fund
Schedule of Revenues - Non-GAAP Budgetary Basis
For the Fiscal Year Ended June 30, 2014

	<u>Original Budget Revenues</u>	<u>Revised Budget Revenues</u>	<u>Actual Revenues</u>	<u>Variance</u>
General property tax				
Taxes - current	\$ 51,207,923	51,207,923	\$ 50,684,912	\$ (523,011)
Taxes - prior year	700,000	700,000	1,045,152	345,152
Total general property taxes	<u>51,907,923</u>	<u>51,907,923</u>	<u>51,730,064</u>	<u>(177,859)</u>
General revenue				
Grants and departmental revenue	24,550	24,550	32,237	7,687
Municipal court	28,500	28,500	28,969	469
Other revenue	1,855,299	1,855,299	1,944,604	89,305
Total general revenue	<u>1,908,349</u>	<u>1,908,349</u>	<u>2,005,810</u>	<u>97,461</u>
State aid				
School housing aid	1,676,965	1,676,965	1,522,271	(154,694)
Telephone tax	158,212	158,212	164,769	6,557
Pilot	23,380	23,380	9,276	(14,104)
Motor vehicle phase out	120,869	120,869	121,975	1,106
State incentive	124,806	124,806	62,403	(62,403)
Meals tax	480,000	480,000	533,226	53,226
Total state aid	<u>2,584,232</u>	<u>2,584,232</u>	<u>2,413,920</u>	<u>(170,312)</u>
Licenses, permits and usage fees				
Town clerk department	471,310	471,310	445,179	(26,131)
Department of public works	271,300	271,300	257,000	(14,300)
Inspection fees - fire department	35,000	35,000	-	(35,000)
Rescue fees - fire department	575,000	575,000	654,217	79,217
Planning	13,000	13,000	14,559	1,559
Police department	176,000	176,000	158,993	(17,007)
Total licenses, permits and usage fees	<u>1,541,610</u>	<u>1,541,610</u>	<u>1,529,948</u>	<u>(11,662)</u>
Fines and interest on late payments	135,000	135,000	163,647	28,647
Interest on investments	18,100	18,100	2,300	(15,800)
Total revenues	<u><u>58,095,214</u></u>	<u><u>58,095,214</u></u>	<u><u>57,845,689</u></u>	<u><u>(249,525)</u></u>

TOWN OF EAST GREENWICH, RHODE ISLAND
 Supplementary Information
 Budgetary Comparison Schedule - General Fund
 Schedule of Expenditures - Non-GAAP Budgetary Basis
 For the Fiscal Year Ended June 30, 2014

	<u>Original Budgeted Expenditures</u>	<u>Revised Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Variance</u>
Administration				
Town council				
Salaries	\$ 9,300	\$ 9,300	\$ 9,300	\$ -
Total town council	<u>9,300</u>	<u>9,300</u>	<u>9,300</u>	<u>-</u>
Town manager				
Salaries and wages	183,413	183,413	165,093	18,320
Outside services	7,100	7,100	6,890	210
Supplies	1,900	1,900	2,062	(162)
Total town manager	<u>192,413</u>	<u>192,413</u>	<u>174,045</u>	<u>18,368</u>
Town clerks				
Salaries and wages	210,736	210,736	211,510	(774)
Outside services	18,900	18,900	11,836	7,064
Supplies	2,400	2,400	2,088	312
Total town clerks	<u>232,036</u>	<u>232,036</u>	<u>225,434</u>	<u>6,602</u>
Town solicitor				
Outside services	172,500	172,500	175,606	(3,106)
Total town solicitor	<u>172,500</u>	<u>172,500</u>	<u>175,606</u>	<u>(3,106)</u>
Municipal court and judges				
Salaries	42,285	42,285	43,020	(735)
Outside services	1,500	1,500	888	612
Total municipal court and judges	<u>43,785</u>	<u>43,785</u>	<u>43,908</u>	<u>(123)</u>
Board of canvassers				
Salaries and wages	11,050	11,050	6,327	4,723
Outside services	3,000	2,750	1,704	1,046
Supplies	500	750	714	36
Total board of canvassers	<u>14,550</u>	<u>14,550</u>	<u>8,745</u>	<u>5,805</u>

(Continued)

TOWN OF EAST GREENWICH, RHODE ISLAND
 Supplementary Information
 Budgetary Comparison Schedule - General Fund
 Schedule of Expenditures - Non-GAAP Budgetary Basis
 For the Fiscal Year Ended June 30, 2014

	Original Budgeted Expenditures	Revised Budgeted Expenditures	Actual Expenditures	Variance
Employee benefits				
Outside services	5,025,925	5,025,925	4,856,147	169,778
Total employee benefits	<u>5,025,925</u>	<u>5,025,925</u>	<u>4,856,147</u>	<u>169,778</u>
Insurance				
Outside services	390,683	390,683	372,307	18,376
Total insurance	<u>390,683</u>	<u>390,683</u>	<u>372,307</u>	<u>18,376</u>
Contingency fund				
Outside services	12,500	12,500	20,627	(8,127)
Total contingency fund	<u>12,500</u>	<u>12,500</u>	<u>20,627</u>	<u>(8,127)</u>
Total Administration	<u>6,093,692</u>	<u>6,093,692</u>	<u>5,886,119</u>	<u>207,573</u>
Finance department				
Salaries	435,668	435,668	420,882	14,786
Outside services	156,600	156,600	152,563	4,037
Supplies	10,000	10,000	10,658	(658)
Equipment	500	500	500	-
Communications	32,000	32,000	32,021	(21)
Total finance department	<u>634,768</u>	<u>634,768</u>	<u>616,624</u>	<u>18,144</u>
Information technology				
Salaries	78,340	78,340	74,394	3,946
Outside services	178,864	159,675	151,538	8,137
Supplies	18,800	18,800	16,844	1,956
Equipment	50,620	101,294	122,155	(20,861)
Communications	109,505	106,505	93,768	12,737
Total information technology	<u>436,129</u>	<u>464,614</u>	<u>458,699</u>	<u>5,915</u>
Public safety				
Police department				
Salaries and wages	2,601,449	2,601,449	2,594,709	6,740
Police overtime	335,280	335,280	373,728	(38,448)
Outside services	36,970	35,420	28,214	7,206
Supplies	116,665	116,665	107,014	9,651
Equipment	33,500	33,500	33,477	23
Communications	3,700	3,700	3,475	225
Total police department	<u>3,127,564</u>	<u>3,126,014</u>	<u>3,140,617</u>	<u>(14,603)</u>

(Continued)

TOWN OF EAST GREENWICH, RHODE ISLAND
Supplementary Information
Budgetary Comparison Schedule - General Fund
Schedule of Expenditures - Non-GAAP Budgetary Basis
For the Fiscal Year Ended June 30, 2014

	<u>Original Budgeted Expenditures</u>	<u>Revised Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Variance</u>
Fire Department				
Salaries and wages	2,966,680	2,966,680	2,943,418	23,262
Outside services	680,375	618,440	599,073	19,367
Supplies	120,800	120,800	129,750	(8,950)
Total Fire District	<u>3,767,855</u>	<u>3,705,920</u>	<u>3,672,241</u>	<u>33,679</u>
Total public safety	<u>6,895,419</u>	<u>6,831,934</u>	<u>6,812,858</u>	<u>19,076</u>
Public works administration				
Salaries and wages	1,298,881	1,298,881	1,303,429	(4,548)
Outside services	1,049,832	1,049,832	1,013,125	36,707
Supplies and expense	891,654	926,654	1,024,136	(97,482)
Equipment	-	-	-	-
Total public works administration	<u>3,240,367</u>	<u>3,275,367</u>	<u>3,340,690</u>	<u>(65,323)</u>
Recreation department				
Salaries and wages	161,489	161,489	159,743	1,746
Outside services	12,535	12,535	12,451	84
Supplies	11,050	11,050	10,375	675
Total recreation department	<u>185,074</u>	<u>185,074</u>	<u>182,569</u>	<u>2,505</u>
Parks & grounds				
Salaries and wages	298,572	298,572	290,949	7,623
Outside services	57,248	57,248	50,428	6,820
Supplies	55,380	55,380	47,652	7,728
Equipment	3,000	3,000	2,971	29
Total parks and grounds	<u>414,200</u>	<u>414,200</u>	<u>392,000</u>	<u>22,200</u>
Teen center				
Salaries and wages	5,000	5,000	4,999	1
Supplies and equipment	5,000	5,000	2,000	3,000
Total teen center	<u>10,000</u>	<u>10,000</u>	<u>6,999</u>	<u>3,001</u>
Town planner				
Salaries and wages	176,053	176,053	176,574	(521)
Outside services	12,375	12,375	12,599	(224)
Supplies	1,500	1,500	1,044	456
Equipment	500	500	479	21
Total town planner	<u>190,428</u>	<u>190,428</u>	<u>190,696</u>	<u>(268)</u>
Senior and human services				
Salaries and wages	209,784	209,784	203,989	5,795
Outside services	31,500	31,500	29,264	2,236
Supplies	1,000	1,000	627	373
Communications	1,200	1,200	1,149	51
Community services	200	200	157	43
Total senior and human services	<u>243,684</u>	<u>243,684</u>	<u>235,186</u>	<u>8,498</u>

(Continued)

TOWN OF EAST GREENWICH, RHODE ISLAND
Supplementary Information
Budgetary Comparison Schedule - General Fund
Schedule of Expenditures - Non-GAAP Budgetary Basis
For the Fiscal Year Ended June 30, 2014

	Original Budgeted Expenditures	Revised Budgeted Expenditures	Actual Expenditures	Variance
Grants and contributions				
Contributions	29,000	29,000	29,000	-
Total grants and contributions	<u>29,000</u>	<u>29,000</u>	<u>29,000</u>	<u>-</u>
East Greenwich Land Trust				
Insurance	2,000	1,000	-	1,000
Pilot	6,300	1,300	520	780
Building maintenance	5,000	5,000	1,555	3,445
Boesch farm rehabilitation	35,000	41,000	57,485	(16,485)
Total East Greenwich Land Trust	<u>48,300</u>	<u>48,300</u>	<u>59,560</u>	<u>(11,260)</u>
Library				
Town contributions	486,875	486,875	486,875	-
Total library	<u>486,875</u>	<u>486,875</u>	<u>486,875</u>	<u>-</u>
Capital improvements				
Capital outlays	580,699	580,699	816,905	(236,206)
Non capital expenditures	-	-	99,658	(99,658)
Total capital improvements	<u>580,699</u>	<u>580,699</u>	<u>916,563</u>	<u>(335,864)</u>
School department				
Education	31,776,201	31,776,201	31,776,201	-
Total school department	<u>31,776,201</u>	<u>31,776,201</u>	<u>31,776,201</u>	<u>-</u>
Total expenditures	<u>51,264,836</u>	<u>51,264,836</u>	<u>51,390,639</u>	<u>(125,803)</u>
Other financing uses				
Debt service				
Principal	4,160,834	4,160,834	4,160,833	1
Interest	2,664,544	2,664,544	2,664,401	143
Financing costs	5,000	5,000	2,850	2,150
Total debt service	<u>6,830,378</u>	<u>6,830,378</u>	<u>6,828,084</u>	<u>2,294</u>
Other financing uses				
Transfers to other funds	-	-	48,599	(48,599)
Total other financing uses	<u>-</u>	<u>-</u>	<u>48,599</u>	<u>(48,599)</u>
Total expenditures and other financing uses	<u>\$ 58,095,214</u>	<u>\$ 58,095,214</u>	<u>\$ 58,267,322</u>	<u>\$ (172,108)</u>

(Concluded)

TOWN OF EAST GREENWICH, RHODE ISLAND
Supplementary Information
Balance Sheet
School Unrestricted
June 30, 2014

	<u>School Unrestricted Fund</u>
ASSETS	
Accounts receivable:	
Other	64,964
Internal balances	4,630,892
Prepaid asset	382,594
Deposit at other institution	1,464,835
TOTAL ASSETS	<u><u>\$ 6,543,285</u></u>
 LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable and accrued expenses	<u>\$ 2,645,331</u>
Total liabilities	<u>2,645,331</u>
 Fund balances:	
<i>Non-spendable</i>	
Prepaid expenses	382,594
<i>Restricted for:</i>	
Educational programs	806,740
Public health and welfare	1,464,835
<i>Committed for:</i>	
Technology	100,000
Educational programs	70,000
<i>Assigned for:</i>	
Technology	114,758
Capital outlay	959,027
Total fund balances	<u>3,897,954</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 6,543,285</u></u>

TOWN OF EAST GREENWICH, RHODE ISLAND
 Supplementary Information
 School Unrestricted Fund
 Schedule of Revenues, Expenditures
 For the Fiscal Year Ended June 30, 2014

	<u>School Unrestricted Fund</u>
Revenues	
Hanaford fund revenue	\$ 39,280
State aid to education	2,297,840
Tuition revenue	160,980
Medicaid revenue	276,541
Other revenue	26,450
Intergovernmental on behalf payments	1,417,680
Total revenues	<u>4,218,771</u>
Expenditures	
Instructional teachers	15,897,141
Substitute teachers	157,783
Instructional paraprofessionals	2,047,621
Pupil-use tech/software	67,127
Instructional materials/trips/supplies	434,068
Guidance services	645,753
Library and media	609,134
Extracurricular	571,910
Student health and services	646,634
Curriculum development	455,826
Staff development	404,211
Program management	372,539
Therapists/psychologists/evaluation	2,028,988
Academic student assessment	62,557
Transportation	1,390,509
Safety	96,676
Building upkeep/maintenance/utilities	3,012,896
Data processing	484,124
Business operations	372,280
Retiree benefits	107,544
All school pass through	1,570,093
Principals and asst principals	1,092,604
School office	871,754
Superintendent/school board	386,714
Legal	104,452
Capital outlay	107,024
Non capital expenditures	130,266
Food services	1,920
Other expenses	123,278
Intergovernmental on behalf payments	1,417,680
Total expenditures	<u>35,671,106</u>
Excess (deficiency) of Revenues Over (Under) Expenditures Before Operating Transfers	<u>(31,452,335)</u>
Operating transfers	
Town appropriation	31,776,201
Total transfers from other funds	<u>31,776,201</u>
Net changes from operations	323,866
Operational reserves - beginning	<u>3,574,088</u>
Operational reserves - ending	<u>\$ 3,897,954</u>

TOWN OF EAST GREENWICH
Supplementary Information
School Unrestricted Fund
Budgetary Comparison Schedule
Schedule of Revenues - Non-GAAP Budgetary Basis
For the Fiscal Year Ended June 30, 2014

	<u>Original Budgeted</u>	<u>Revised Budgeted</u>	<u>Actual</u>	<u>Variance</u>
Revenues				
Hanaford fund revenue	\$ 31,000	\$ 31,000	\$ 39,280	\$ 8,280
Tuition revenue	150,000	150,000	160,980	10,980
Other revenue	-	-	26,450	26,450
Medicaid revenue	325,000	325,000	276,541	(48,459)
Total revenues	<u>506,000</u>	<u>506,000</u>	<u>503,251</u>	<u>(2,749)</u>
State and federal aid and transfers				
State aid to education	2,299,850	2,299,850	2,297,840	(2,010)
Total state and federal aid and transfers	<u>2,299,850</u>	<u>2,299,850</u>	<u>2,297,840</u>	<u>(2,010)</u>
Other financing sources				
Reappropriated fund balance	100,000	100,000	100,000	-
Town appropriation	31,776,201	31,776,201	31,776,201	-
Total transfers from other funds	<u>31,876,201</u>	<u>31,876,201</u>	<u>31,876,201</u>	<u>-</u>
Total revenue and other financing sources	<u>\$ 34,682,051</u>	<u>\$ 34,682,051</u>	<u>\$ 34,677,292</u>	<u>\$ (4,759)</u>
Expenditures				
Instructional teachers	\$ 16,823,012	\$ 16,792,730	\$ 15,897,141	\$ 895,589
Substitute teachers	188,022	186,522	157,783	28,739
Instructional paraprofessionals	1,979,905	1,979,905	2,047,621	(67,716)
Pupil-use tech/software	87,301	87,101	67,127	19,974
Instructional materials/trips/supplies	533,779	535,729	434,068	101,661
Guidance services	727,123	680,327	645,753	34,574
Library and media	620,831	620,081	609,134	10,947
Extracurricular	542,311	574,516	571,910	2,606
Student health and services	622,358	606,358	646,634	(40,276)
Curriculum development	294,011	328,807	455,826	(127,019)
Staff development	84,025	158,625	404,211	(245,586)
Program management	203,357	170,220	372,539	(202,319)
Therapists/psychologists/evaluation	2,139,155	2,185,269	2,028,988	156,281
Academic student assessment	67,641	67,641	62,557	5,084
Transportation	1,416,441	1,381,441	1,390,509	(9,068)
Safety	60,727	88,227	96,676	(8,449)
Building upkeep/maintenance/utilities	2,858,644	2,823,084	3,012,896	(189,812)
Data processing	572,651	572,651	484,124	88,527
Business operations	408,011	408,011	372,280	35,731
Retiree Benefits	173,825	173,825	107,544	66,281
All school pass throughs	1,362,050	1,362,050	1,570,093	(208,043)
Principals and asst principals	1,147,183	1,147,183	1,092,604	54,579
School office	830,233	830,233	871,754	(41,521)
Superintendent/school board	418,455	398,455	386,714	11,741
Legal	120,000	120,000	104,452	15,548
Capital outlay	276,000	276,000	107,024	168,976
Non capital expenditures	-	-	130,266	(130,266)
Food services	-	2,060	1,920	140
Other expenses	125,000	125,000	123,278	1,722
Total expenditures	<u>34,682,051</u>	<u>34,682,051</u>	<u>34,253,426</u>	<u>428,625</u>
Net changes	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 423,866</u>	<u>\$ 423,866</u>

TOWN OF EAST GREENWICH
Supplementary Information
School Unrestricted Fund
Budgetary Comparison Schedule
Schedule of Revenues - Non-GAAP Budgetary Basis
For the Fiscal Year Ended June 30, 2014

	<u>Original Budgeted Revenues</u>	<u>Revised Budgeted Revenues</u>	<u>Actual Revenues</u>	<u>Variance</u>
Revenues				
Hanaford fund revenue	\$ 31,000	\$ 31,000	\$ 39,280	\$ 8,280
Tuition revenue	150,000	150,000	160,980	10,980
Other revenue	-	-	26,450	26,450
Medicaid revenue	325,000	325,000	276,541	(48,459)
Total revenues	<u>506,000</u>	<u>506,000</u>	<u>503,251</u>	<u>(2,749)</u>
State and federal aid and transfers				
State aid to education	2,299,850	2,299,850	2,297,840	(2,010)
Total state and federal aid and transfers	<u>2,299,850</u>	<u>2,299,850</u>	<u>2,297,840</u>	<u>(2,010)</u>
Other financing sources				
Reappropriated fund balance	100,000	100,000	100,000	-
Town appropriation	31,776,201	31,776,201	31,776,201	-
Total transfers from other funds	<u>31,876,201</u>	<u>31,876,201</u>	<u>31,876,201</u>	<u>-</u>
Total revenue and other financing sources	<u>\$ 34,682,051</u>	<u>\$ 34,682,051</u>	<u>\$ 34,677,292</u>	<u>\$ (4,759)</u>

TOWN OF EAST GREENWICH
Supplementary Information
School Unrestricted Fund
Budgetary Comparison Schedule
Schedule of Expenditures - Non-GAAP Budgetary Basis
Fiscal Year Ended June 30, 2014

	<u>Original Budgeted Expenditures</u>	<u>Revised Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Variance</u>
Expenditures				
Instructional teachers	\$ 16,823,012	\$ 16,792,730	\$ 15,897,141	\$ 895,589
Substitute teachers	188,022	186,522	157,783	28,739
Instructional paraprofessionals	1,979,905	1,979,905	2,047,621	(67,716)
Pupil-use tech/software	87,301	87,101	67,127	19,974
Instructional materials/trips/supplies	533,779	535,729	434,068	101,661
Guidance services	727,123	680,327	645,753	34,574
Library and media	620,831	620,081	609,134	10,947
Extracurricular	542,311	574,516	571,910	2,606
Student health and services	622,358	606,358	646,634	(40,276)
Curriculum development	294,011	328,807	455,826	(127,019)
Staff development	84,025	158,625	404,211	(245,586)
Program management	203,357	170,220	372,539	(202,319)
Therapists/psychologists/evaluation	2,139,155	2,185,269	2,028,988	156,281
Academic student assessment	67,641	67,641	62,557	5,084
Transportation	1,416,441	1,381,441	1,390,509	(9,068)
Safety	60,727	88,227	96,676	(8,449)
Building upkeep/maintenance/utilities	2,858,644	2,823,084	3,012,896	(189,812)
Data processing	572,651	572,651	484,124	88,527
Business operations	408,011	408,011	372,280	35,731
Retiree Benefits	173,825	173,825	107,544	66,281
All school pass throughs	1,362,050	1,362,050	1,570,093	(208,043)
Principals and asst principals	1,147,183	1,147,183	1,092,604	54,579
School office	830,233	830,233	871,754	(41,521)
Superintendent/school board	418,455	398,455	386,714	11,741
Legal	120,000	120,000	104,452	15,548
Capital outlay	276,000	276,000	107,024	168,976
Non capital expenditures	-	-	130,266	(130,266)
Food services	-	2,060	1,920	140
Other expenses	125,000	125,000	123,278	1,722
Total expenditures	<u>34,682,051</u>	<u>34,682,051</u>	<u>34,253,426</u>	<u>428,625</u>
Total expenditures and transfers	<u>\$ 34,682,051</u>	<u>\$ 34,682,051</u>	<u>\$ 34,253,426</u>	<u>\$ 428,625</u>

TOWN OF EAST GREENWICH, RHODE ISLAND
General Fund
JUNE 30, 2014

NOTES TO SUPPLEMENTARY INFORMATION

Budgetary to GAAP basis reconciliation

The following reconciliation summarizes the differences for the Town's General Fund between budgetary and GAAP basis accounting principles for the year ended June 30, 2014:

Excess of revenues and other sources over expenditures and other uses (Deficit) (Non-GAAP Budgetary Basis).....	\$ (421,633)
Excess of revenues and other sources over expenditures and other uses (GAAP).....	<u>\$ (421,633)</u>

The adjustments necessary to reconcile actual revenues reported on a budgetary basis to actual revenues reported in accordance with generally accepted accounting principles are as follows:

A reconciliation of the General Fund's revenues and expenditures and other financing sources (uses) is presented below.

	<u>Revenues and Transfers</u>	<u>Expenditures and Transfers</u>
<i>General Fund:</i>		
<i>Schedule of Revenues, Expenditures and Other Financing Sources (Non-GAAP Budgetary Basis) Budget and Actual</i>	\$ 57,845,689	\$ 58,267,322
<i>Statement of Revenues, Expenditures and Changes in Fund Balances</i>	<u>\$ 57,845,689</u>	<u>\$ 58,267,322</u>

TOWN OF EAST GREENWICH, RHODE ISLAND
School Unrestricted
JUNE 30, 2014

NOTES TO SUPPLEMENTARY INFORMATION

Budgetary to GAAP basis reconciliation

The following reconciliation summarizes the differences for the School's Unrestricted Fund between budgetary and GAAP basis accounting principles for the year ended June 30, 2014:

Excess of revenues and other sources over expenditures and other uses (Non-GAAP Budgetary Basis).....	\$ 423,866
Use of prior years fund balance.....	(100,000)
Excess of revenues and other sources over expenditures and other uses (GAAP).....	<u>\$ 323,866</u>

The adjustments necessary to reconcile actual revenues reported on a budgetary basis to actual revenues reported in accordance with generally accepted accounting principles are as follows:

A reconciliation of the General Fund's revenues and expenditures and other financing sources (uses) is presented below.

	<u>Revenues and Transfers</u>	<u>Expenditures and Transfers</u>
<i>School Unrestricted Fund:</i>		
<i>Schedule of Revenues, Expenditures and Other Financing Sources</i>		
<i>(Non-GAAP Budgetary Basis) Budget and Actual</i>	\$ 34,677,292	\$ 34,253,426
Adjustment for pension contribution made by State of Rhode Island on behalf of employees.....	1,417,680	1,417,680
Use of prior years fund balance.....	(100,000)	-
<i>Statement of Revenues, Expenditures and Changes in Fund</i>		
<i>Balances</i>	<u>\$ 35,994,972</u>	<u>\$ 35,671,106</u>

**TOWN OF EAST GREENWICH, RHODE ISLAND
TOWN TAX COLLECTOR'S ANNUAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

REAL ESTATE AND PERSONAL PROPERTY TAXES

Tax Roll Year	Balance July 1, 2013	Current Year Assessment	Additions and Adjustments	Abatements and Adjustments	Amount to be Collected	Collections	Balance June 30, 2014
2013	\$ -	\$ 51,851,944	\$ 121,014	\$ 48,735	\$ 51,924,223	\$ 50,684,913	\$ 1,239,310
2012	1,295,068	-	-	6,874	1,288,194	1,144,287	143,907
2011	53,324	-	-	1,079	52,245	26,872	25,373
2010	2,697	-	-	1,346	1,351	(82,695)	84,046
2009	14,374	-	-	748	13,626	(55,954)	69,580
2008	74,635	-	-	(724)	75,359	4,437	70,922
2007	84,735	-	-	80	84,655	2,180	82,475
2006	72,742	-	-	3	72,739	1,335	71,404
2005	40,069	-	-	(6,798)	46,867	549	46,318
2004	42,922	-	-	(336)	43,258	556	42,702
2003 and prior	345,195	-	-	13,383	331,812	3,584	329,161
Subtotal	2,025,761	\$ 51,851,944	\$ 121,014	\$ 64,390	\$ 53,934,329	\$ 51,730,064	\$ 2,205,198
Allowance for uncollectible taxes	90,933						90,933
	\$ 1,934,828						\$ 2,114,265

SCHEDULE OF MOST RECENT NET ASSESSED PROPERTY VALUE BY CATEGORY

Description of Property	Valuations	Levy	Current year collections
Real property	\$ 2,173,164,780	\$ 49,765,473	\$ 51,730,064
Motor vehicles	161,369,378	3,692,131	-
Tangible personal	64,421,292	1,475,248	-
Total	2,398,955,450	54,932,852	\$ 51,730,064
Exemptions:			
Real property	66,129,327	1,514,362	
Motor vehicles	67,128,236	1,535,894	
Tangible personal	1,592,402	36,466	
Miscellaneous adjustment	-	(5,814)	
Total exemptions	134,849,965	3,080,908	
Net assessed value	\$ 2,264,105,485	51,851,944	
Current year assessment		\$ 51,851,944	

STATISTICAL SECTION

This part of the Town of East Greenwich, Rhode Island's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the governments overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the governments most significant local revenue source, property taxes.

Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

**TOWN OF EAST GREENWICH
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

Exhibit 1

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Governmental Activities										
Net investment in capital assets	\$ 30,022,563	\$ 26,815,085	\$ 19,739,145	\$ 16,161,958	\$ 19,176,359	\$ 20,744,380	\$ 14,653,361	\$ 19,342,095	\$ 4,476,275	\$ 517,034
Restricted	3,423,277	3,601,262	3,533,838	-	-	-	-	3,603,644	2,463,577	2,414,680
Unrestricted	(814,090)	3,172,839	7,926,272	15,679,990	11,391,385	8,392,337	13,641,861	5,539,243	9,843,336	12,063,925
Total governmental activities net position	<u>\$ 32,631,750</u>	<u>\$ 33,589,186</u>	<u>\$ 31,199,255</u>	<u>\$ 31,841,948</u>	<u>\$ 30,567,744</u>	<u>\$ 29,136,717</u>	<u>\$ 28,295,222</u>	<u>\$ 28,484,982</u>	<u>\$ 16,783,188</u>	<u>\$ 14,995,639</u>
Business-type activities										
Net investment in capital assets	\$ 14,492,633	\$ 13,385,888	\$ 11,088,505	\$ 10,255,599	\$ 7,621,215	\$ 11,732,800	\$ 15,346,522	\$ 13,343,742	\$ 11,612,669	\$ 11,631,418
Unrestricted	10,428,707	11,765,571	13,837,395	14,660,591	16,318,603	9,919,947	2,005,368	4,389,133	5,539,988	6,203,596
Total business-type activities net position	<u>\$ 24,921,340</u>	<u>\$ 25,151,459</u>	<u>\$ 24,925,900</u>	<u>\$ 24,916,190</u>	<u>\$ 23,939,818</u>	<u>\$ 21,652,747</u>	<u>\$ 17,351,890</u>	<u>\$ 17,732,875</u>	<u>\$ 17,152,657</u>	<u>\$ 17,835,014</u>
Primary government										
Net investment in capital assets	\$ 44,515,196	\$ 40,200,973	\$ 30,827,650	\$ 26,417,557	\$ 26,797,574	\$ 32,477,180	\$ 29,999,883	\$ 32,685,837	\$ 16,088,944	\$ 12,148,452
Restricted	3,423,277	3,601,262	3,533,838	-	-	-	-	3,603,644	2,463,577	2,414,680
Unrestricted	9,614,617	14,938,410	21,763,667	30,340,581	27,709,988	18,312,284	15,647,229	9,928,376	15,383,324	18,267,521
Total primary government net position	<u>\$ 57,553,090</u>	<u>\$ 58,740,645</u>	<u>\$ 56,125,155</u>	<u>\$ 56,758,138</u>	<u>\$ 54,507,562</u>	<u>\$ 50,789,464</u>	<u>\$ 45,647,112</u>	<u>\$ 46,217,857</u>	<u>\$ 33,935,845</u>	<u>\$ 32,830,653</u>
Component Unit - Land Trust										
Net investment in capital assets	\$ 5,018,500	\$ 5,018,500	\$ 5,018,500	\$ 5,018,500	\$ 5,018,500	\$ 5,018,500	\$ 5,018,500	\$ 5,018,500	\$ 5,018,500	\$ 4,998,500
Unrestricted	127,210	130,492	190,595	152,118	147,656	137,565	133,344	143,631	116,244	105,255
Total component unit - land trust	<u>\$ 5,145,710</u>	<u>\$ 5,148,992</u>	<u>\$ 5,209,095</u>	<u>\$ 5,170,618</u>	<u>\$ 5,166,156</u>	<u>\$ 5,156,065</u>	<u>\$ 5,151,844</u>	<u>\$ 5,162,131</u>	<u>\$ 5,134,744</u>	<u>\$ 5,103,755</u>

Note: The Town implemented the requirements of GASB 34 in 2004 and will continue to present data up to the required 10 years.

TOWN OF EAST GREENWICH
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

Exhibit 2

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Expenses										
Governmental activities:										
Legislative, judicial and general administrative	\$ 6,481,781	\$ 3,508,332	\$ 5,867,286	\$ 4,383,274	\$ 4,339,118	\$ 4,185,051	\$ 3,132,955	\$ 3,306,789	\$ 2,849,524	\$ 2,915,661
Financial administration	3,139,959	2,562,044	180,311	373,446	499,059	498,266	486,637	453,747	434,951	418,003
Information technology	458,699	341,954	343,978	291,000	329,333	347,956	279,149	258,937	246,951	-
Public safety	7,720,518	9,108,219	3,335,498	3,362,659	3,937,506	3,719,021	3,775,116	3,643,029	3,344,962	2,985,733
Public works	4,922,694	4,564,079	4,640,995	4,288,190	4,305,209	4,264,987	3,884,001	3,772,241	2,599,762	2,591,029
Public Health and Welfare	615,716	797,851	495,426	405,521	457,285	474,880	715,504	809,787	725,611	806,418
Parks and recreation	644,665	613,186	632,251	571,481	607,466	598,106	176,116	188,772	174,782	178,363
Town planner	190,696	171,137	175,385	152,036	191,610	190,516	185,712	182,181	168,074	282,993
Senior and Human services	235,186	261,342	769,945	239,353	229,342	245,204	228,993	193,227	190,719	183,352
Education	37,299,099	35,797,956	34,883,882	34,490,597	34,270,489	35,045,679	33,162,664	31,663,741	29,999,180	28,800,766
Library	486,875	475,000	467,175	467,175	467,175	467,175	455,775	434,071	417,376	396,399
Net decrease in FMV of investments	-	8,204	6,961	8,538	-	-	-	-	-	-
Financing costs	-	2,650	1,338,229	650,037	-	-	-	-	-	-
Capital	229,924	-	-	-	-	-	1,698,602	504,915	-	-
Other	-	-	-	-	-	28,342	129,581	141,339	122,212	158,323
Interest	2,817,502	2,996,339	1,591,216	737,841	1,182,573	679,380	597,214	333,085	394,589	328,915
Total governmental activities expenses	65,243,314	61,208,293	54,728,538	50,421,148	50,816,165	50,744,583	48,908,019	45,885,861	41,668,693	40,045,955
Business-type activities:										
Sewer fund	2,924,541	2,803,715	2,924,500	2,876,482	2,756,904	2,077,958	2,234,066	2,136,408	2,057,618	2,101,181
Total business-type activities expenses	2,924,541	2,803,715	2,924,500	2,876,482	2,756,904	2,077,958	2,234,066	2,136,408	2,057,618	2,101,181
Total primary government expenses	\$ 68,167,855	\$ 64,012,008	\$ 57,653,038	\$ 53,297,630	\$ 53,573,069	\$ 52,822,521	\$ 51,142,085	\$ 48,022,269	\$ 43,726,311	\$ 42,147,136
Component unit - Land Trust										
Public Health and Welfare	\$ 54,752	\$ 28,025	\$ -	\$ 29,240	\$ 24,773	\$ 37,652	\$ 57,970	\$ 14,623	\$ 2,391	\$ 17,996
Total component unit expenses	\$ 54,752	\$ 28,025	\$ -	\$ 29,240	\$ 24,773	\$ 37,652	\$ 57,970	\$ 14,623	\$ 2,391	\$ 17,996

(Continued)

**TOWN OF EAST GREENWICH
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(Continued)**

Exhibit 2

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Program revenues										
Governmental activities:										
<i>Charges for services:</i>										
Legislative, judicial and general administrative	\$ 637,795	\$ 599,535	\$ 558,686	\$ 550,557	\$ 599,011	\$ 639,690	\$ 691,384	\$ 675,892	\$ 770,393	\$ 800,947
Public safety	188,623	183,267	230,525	184,844	402,727	618,109	195,899	178,486	231,606	158,890
Public works	-	364,783	408,144	265,119	579,712	254,332	374,875	374,505	473,275	327,663
Public health and welfare	257,000	295,249	87,357	176,620	50,007	55,045	-	-	-	-
Parks and recreation	-	-	225,631	127,990	128,079	126,491	31,806	14,532	21,627	14,326
Town planner	-	-	-	930,205	344,517	296,856	-	-	-	-
Education	451,902	531,743	530,824	515,377	501,357	961,299	37,197	180,452	105,648	85,762
Interest	-	-	24	-	-	-	-	-	-	-
<i>Operating and grants contributions</i>										
Legislative, judicial and general administrative	549,711	125,068	216,590	-	-	-	-	-	-	-
Public safety	154,635	413,494	128,961	7,988	524,963	27,283	-	-	-	-
Public works	-	-	-	30,408	2,657	-	-	-	-	-
Parks and recreation	-	-	11,074	4,395	5,749	3,408	-	-	-	-
Public health and welfare	257,735	350,910	179,415	145,289	208,867	295,974	-	-	-	-
Education	6,663,785	2,538,795	1,246,325	1,531,377	1,320,089	2,549,745	370,018	230,462	215,410	412,272
Other	-	-	-	-	-	-	2,033,706	2,058,336	1,952,930	1,812,264
<i>Capital grants and contributions</i>										
Legislative, judicial and general administrative	-	19,552	294,326	3,561	276,176	408,777	-	-	-	-
Public safety	-	-	-	26,236	17,412	57,541	-	-	-	-
Public health and welfare	-	-	-	-	-	50,000	-	-	-	-
Total governmental activities program revenues	9,161,186	5,422,396	4,117,882	4,499,966	4,961,323	6,344,550	3,627,885	3,712,665	3,770,889	3,612,124
Business-type activities:										
<i>Charges for services:</i>										
Sewer fund	2,941,661	2,549,636	2,408,772	3,600,454	4,401,777	6,170,324	1,485,497	2,366,389	1,407,347	2,823,752
Total business-type activities program revenues	2,941,661	2,549,636	2,408,772	3,600,454	4,401,777	6,170,324	1,485,497	2,366,389	1,407,347	2,823,752
Total primary government program revenues	\$ 12,102,847	\$ 7,972,032	\$ 6,526,654	\$ 8,100,420	\$ 9,363,100	\$ 12,514,874	\$ 5,113,382	\$ 6,079,054	\$ 5,178,236	\$ 6,435,876
Net (Expense)/Revenue										
Governmental activities	\$ (56,082,128)	\$ (55,785,897)	\$ (50,610,656)	\$ (45,921,182)	\$ (45,854,842)	\$ (44,400,013)	\$ (45,280,134)	\$ (42,173,196)	\$ (37,897,804)	\$ (36,433,831)
Business-type activities	17,120	(254,079)	(515,728)	723,972	1,644,873	4,092,366	(748,569)	229,981	(650,271)	722,571
Total primary government net expenses	\$ (56,065,008)	\$ (56,039,976)	\$ (51,126,384)	\$ (45,197,210)	\$ (44,209,969)	\$ (40,307,647)	\$ (46,028,703)	\$ (41,943,215)	\$ (38,548,075)	\$ (35,711,260)
Total component unit net expenses	\$ 54,752	\$ 28,025	\$ -	\$ 29,240	\$ 24,773	\$ 37,652	\$ 57,970	\$ 14,623	\$ 2,391	\$ 17,996
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Property taxes, levied for general purposes	\$ 52,039,380	\$ 50,001,198	\$ 43,986,640	\$ 43,109,254	\$ 41,833,892	\$ 39,648,780	\$ 37,851,734	\$ 35,134,479	\$ 34,339,914	\$ 33,215,904
Unrestricted investment earnings	27,917	13,369	744	232	89,386	94,635	204,322	353,610	269,296	194,009
Miscellaneous	3,611,275	7,101,914	6,006,024	4,106,885	5,362,591	3,847,486	6,289,962	5,610,041	5,399,351	5,446,902
State revenue sharing	62,403	-	-	-	-	-	-	25,041	-	-
Special item - Loss on disposal of equipment	-	(27,318)	(18,145)	(20,985)	-	(64,575)	-	(32,012)	(427,421)	-
Total general revenues	55,740,975	57,089,163	49,975,263	47,195,386	47,285,869	43,526,326	44,346,018	41,091,159	39,581,140	38,856,815
Business-type activities:										
Unrestricted investment earnings	-	479,638	525,438	551,005	553,883	472,065	367,584	315,278	796,754	-
Transfers	-	-	-	-	-	-	-	(25,041)	-	645,417
Total business-type activities	-	479,638	525,438	551,005	553,883	472,065	367,584	290,237	796,754	645,417
Total primary government	\$ 55,740,975	\$ 57,568,801	\$ 50,500,701	\$ 47,746,391	\$ 47,839,752	\$ 43,998,391	\$ 44,713,602	\$ 41,381,396	\$ 40,377,894	\$ 39,502,232
Change in Net Assets										
Governmental activities	\$ (341,153)	\$ 1,303,266	\$ (635,393)	\$ 1,274,204	\$ 1,431,027	\$ (873,687)	\$ (934,116)	\$ (1,082,037)	\$ 1,683,336	\$ 2,422,884
Business-type activities	17,120	225,559	9,710	1,274,977	2,198,756	4,564,431	(380,985)	520,218	146,483	1,367,988
Total primary governmental	\$ (324,033)	\$ 1,528,825	\$ (625,683)	\$ 2,549,181	\$ 3,629,783	\$ 3,690,744	\$ (1,315,101)	\$ (561,819)	\$ 1,829,819	\$ 3,790,872
Component Unit - Land Trust										
Miscellaneous	\$ 51,470	\$ 44,309	\$ 38,477	\$ 33,702	\$ 34,864	\$ 41,873	\$ 47,683	\$ 42,010	\$ 33,380	\$ -
Total general revenues	\$ 51,470	\$ 44,309	\$ 38,477	\$ 33,702	\$ 34,864	\$ 41,873	\$ 47,683	\$ 42,010	\$ 33,380	\$ -
Change in Net Assets - component unit	\$ (3,282)	\$ 16,284	\$ 38,477	\$ 4,462	\$ 10,091	\$ 4,221	\$ (10,287)	\$ 56,633	\$ 35,771	\$ 17,996

Note: The Town implemented the requirements of GASB 34 in 2004 and will continue to present data up to the required 10 years.

TOWN OF EAST GREENWICH
Balance Sheet Fund Balances Governmental Funds
(Modified Accrual Basis of Accounting)
Last Ten Years

Exhibit 3

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General Fund - Fund Balance Categories:										
Nonspendable:	399,901	595,204	-	18,847	*	*	*	*	*	*
Restricted:	2,271,575	2,507,549	2,478,727	2,278,668	*	*	*	*	*	*
Committed:	170,000	100,000	230,000	1,247,870	*	*	*	*	*	*
Assigned:	1,303,770	1,251,037	1,259,510	804,205	*	*	*	*	*	*
Unassigned:	6,931,891	6,721,114	5,842,439	5,181,016	*	*	*	*	*	*
Reserved										
Reserved for contingency	-	-	-	-	210,000	210,000	210,000	210,000	400,000	-
Reserved for prepaids	-	-	-	-	29,077	288,675	101,868	-	104,394	-
Reserved for encumbrances	-	-	-	-	-	-	-	-	-	-
Unreserved:										
Designated for capital reserve vehicles	-	-	-	-	595,145	595,145	963,410	1,324,100	1,529,949	1,695,339
Designated for other improvements	-	-	-	-	436,638	444,327	1,082,424	648,529	345,611	245,420
Unreserved	-	-	-	-	4,445,470	2,622,685	1,988,024	2,937,042	3,237,463	3,168,705
Total general fund	\$ 11,077,137	\$ 11,174,904	\$ 9,810,676	\$ 9,530,606	\$ 5,716,330	\$ 4,160,832	\$ 4,345,726	\$ 5,119,671	\$ 5,617,417	\$ 5,109,464
School Unrestricted Fund *										
Reserved for healthcare	-	-	-	-	225,372	259,900	221,172	-	-	-
Reserved for settlements	-	-	-	-	-	-	-	-	-	40,000
Reserved for capital projects	-	-	-	-	-	-	-	-	-	300,024
Reserved for prepaids	-	-	-	-	314,355	-	438,265	373,926	83,623	77,873
Reserved for inventory	-	-	-	-	-	-	-	-	-	-
Reserved for technology	-	-	-	-	-	-	-	-	-	-
Unreserved: Designated for other improvements	-	-	-	-	100,000	100,000	100,000	-	-	-
Unreserved	-	-	-	-	777,524	360,374	83,893	2,070	416,823	309,077
Total school unrestricted fund	\$ -	\$ -	\$ -	\$ -	\$ 1,417,251	\$ 720,274	\$ 843,330	\$ 375,996	\$ 500,446	\$ 726,974
School Bond 52m Capital Fund										
Committed for: Education	2,550,338	3,421,077	6,434,194	8,326,692	*	*	*	*	*	*
Unreserved	-	-	-	-	16,700,799	7,939,707	-	-	-	-
Total School Bond 52m Capital Fund	\$ 2,550,338	\$ 3,421,077	\$ 6,434,194	\$ 8,326,692	\$ 16,700,799	\$ 7,939,707	\$ -	\$ -	\$ -	\$ -
School Renovations Fund										
Reserved for capital projects	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 56,024
Unreserved	-	-	-	-	-	-	-	-	-	5,768,232
Total School Renovations Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,824,256
Non-Major Governmental Funds										
Nonspendable:										
Inventories	5,083	5,083	6,121	4,532	*	*	*	*	*	*
Permanent fund principal	412,038	445,969	203,343	210,280	*	*	*	*	*	*
Restricted for:										
Education	100,497	52,226	298,361	291,393	*	*	*	*	*	*
Culture and recreation	-	-	728,562	728,562	*	*	*	*	*	*
Public works programs	1,051,205	1,041,487	28,188	93,894	*	*	*	*	*	*
Assigned for:										
Legislative, judicial	912,802	461,190	164,714	84,799	*	*	*	*	*	*
Long term obligations	178,390	391,891	609,391	585,896	*	*	*	*	*	*
Public safety programs	1,360,889	1,575,056	110,363	108,837	*	*	*	*	*	*
Community programs	106,298	115,530	120,161	128,055	*	*	*	*	*	*
Public works programs	206,820	209,076	154,232	457,385	*	*	*	*	*	*
Culture and recreation	1,401,739	1,383,367	1,490,547	1,435,172	*	*	*	*	*	*
Unassigned:	(86,653)	(41,252)	(223,648)	(247,070)	*	*	*	*	*	*
Reserved										
Reserved by trust agreements	-	-	-	-	218,586	215,288	240,495	297,548	-	-
Reserved for inventory	-	-	-	-	5,303	11,201	9,313	15,601	17,559	-
Reserved for prepaids	-	-	-	-	-	5,847	-	-	-	-
Reserved for encumbrances	-	-	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Capital Projects Funds	-	-	-	-	1,843,824	6,844,984	5,931,848	1,274,643	3,895,076	201,399
Permanent Funds	-	-	-	-	-	-	-	-	288,272	276,626
Special Revenue Funds	-	-	-	-	1,706,748	1,617,191	1,467,074	1,429,856	1,267,518	1,380,104
Total non-major governmental funds	\$ 5,649,108	\$ 5,639,623	\$ 3,690,335	\$ 3,881,735	\$ 3,774,461	\$ 8,694,511	\$ 7,648,730	\$ 3,017,648	\$ 5,468,425	\$ 1,858,129

* : GASB 54 implemented in 2011, This data is not available for prior years

Note: The Town implemented the requirements of GASB 34 in 2004 and will continue to present data up to the required 10 years.

TOWN OF EAST GREENWICH
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

Exhibit 4

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Revenues										
General property tax	\$ 51,730,064	\$ 50,068,123	\$ 43,760,296	\$ 43,213,598	\$ 41,561,575	\$ 39,757,548	\$ 37,755,081	\$ 34,936,384	\$ 34,525,136	\$ 32,873,170
Intergovernmental and departmental revenues	7,328,248	7,047,875	5,691,886	4,928,030	7,159,798	6,957,190	6,375,848	5,572,917	6,010,198	6,259,685
License and permits	1,529,948	1,110,840	1,114,239	974,565	1,233,467	1,064,372	1,155,158	1,228,883	1,475,274	1,287,500
Fines and interest on late payments	163,647	-	-	-	164,840	234,271	186,159	143,619	138,690	171,336
Interest on investments	27,917	13,369	744	232	89,386	94,635	204,322	353,610	269,296	194,009
Other revenues	3,644,372	4,196,947	3,292,605	2,344,348	1,446,143	1,999,295	2,187,885	2,364,183	1,538,050	1,332,477
Total revenues	64,424,196	62,437,154	53,859,770	51,460,773	51,655,209	50,107,311	47,864,453	44,599,596	43,956,644	42,118,177
Expenditures										
Current:										
Legislative, judicial and general administrative	5,904,609	3,704,108	4,717,734	3,096,108	3,002,019	3,153,800	3,147,094	\$ 3,006,065	2,810,819	3,019,306
Financial administration	616,624	516,025	519,975	501,807	499,059	498,266	486,637	453,747	434,951	418,003
Information technology	458,699	341,954	343,978	291,000	329,333	347,956	279,149	258,937	248,951	-
Public safety	7,169,986	8,498,052	3,036,577	3,043,576	3,606,847	3,458,574	3,684,137	3,513,905	3,244,210	2,911,557
Public works	3,340,690	2,983,305	3,039,703	2,845,676	2,793,583	2,903,501	2,537,042	2,428,387	2,352,814	2,361,295
Public Health and Welfare	615,716	797,851	710,552	405,521	457,285	474,880	715,504	809,787	725,611	806,418
Teen Center	6,999	5,000	9,280	-	-	-	-	-	-	-
Parks and recreation	574,569	548,634	569,657	522,161	557,343	542,383	121,236	138,963	128,370	134,445
Town planner	190,696	171,137	175,385	152,036	191,610	190,516	185,712	182,181	168,074	282,993
Senior and human services	235,186	236,342	214,953	239,353	229,342	245,204	228,993	193,227	190,719	183,352
Education	36,808,755	35,262,082	34,883,882	33,884,678	33,760,544	34,417,055	32,604,632	31,097,374	29,642,890	28,535,002
Grants and contributions	29,000	25,000	24,000	-	-	-	-	-	-	-
Library	486,875	475,000	467,175	467,175	467,175	467,175	455,775	434,071	417,376	396,399
Land trust	59,560	28,025	76,388	-	4,600	-	30,828	14,532	1,627	13,826
Financing costs	14,674	2,650	1,338,229	650,037	-	-	28,342	96,603	124,707	116,804
Net decrease in FMV of investments	1,815,421	8,204	6,961	-	-	-	-	-	-	-
Capital	229,924	4,041,601	7,946,552	19,373,150	20,972,534	10,314,538	6,924,789	3,747,244	4,151,237	2,170,962
Debt service:										
Principal	4,160,833	3,780,834	36,640,833	35,550,000	10,940,000	1,940,000	1,840,000	970,000	995,000	1,275,000
Interest	2,664,401	3,129,487	1,191,483	766,885	1,054,545	604,260	587,889	322,383	362,159	399,525
Other expenditures	-	-	-	8,538	-	-	2,150	2,100	3,781	22,100
Total expenditures	65,383,217	64,555,291	95,913,297	101,797,901	78,865,819	59,586,450	53,928,170	47,697,610	45,993,393	43,052,580
Excess of revenues over (under) expenditures before other financing sources (uses)	(959,021)	(2,118,137)	(42,053,527)	(50,337,128)	(27,210,610)	(9,479,139)	(6,063,717)	(3,098,014)	(2,036,749)	(934,403)
Other financing sources (uses)										
Issuance of debt	-	-	36,640,000	44,135,000	33,000,000	18,240,000	9,600,000	-	-	9,600,000
BAN premium proceeds	-	-	3,609,699	332,320	304,127	-	-	-	-	-
Transfers from other funds	(48,599)	322,904	239,321	723,640	30,032,915	31,291,902	28,582,517	27,433,721	26,345,824	25,446,196
Transfers to other funds	48,599	(322,904)	(239,321)	(723,640)	(30,032,915)	(31,291,902)	(28,582,517)	(27,408,680)	(26,345,824)	(25,446,196)
Total other financing sources (uses)	-	-	40,249,699	44,467,320	33,304,127	18,240,000	9,600,000	25,041	-	9,600,000
Net change in fund balances	(959,021)	(2,118,137)	(1,803,828)	(5,869,808)	6,093,517	8,760,861	3,536,283	(3,072,973)	(2,036,749)	8,665,597
Fund balances - beginning	20,235,604	19,935,205	21,739,033	26,191,590	21,515,324	12,837,786	8,513,315	11,586,288	13,518,823	14,486,968
Prior period adjustments	-	2,418,536	-	1,417,251	-	(83,323)	788,188	-	104,214	(33,742)
Fund balances - ending	\$ 19,276,583	\$ 20,235,604	\$ 19,935,205	\$ 21,739,033	\$ 27,608,841	\$ 21,515,324	\$ 12,837,786	\$ 8,513,315	\$ 11,586,288	\$ 23,118,823
Debt service as a percentage of noncapital expenditures	11.66%	11.99%	65.14%	55.46%	17.94%	4.46%	4.71%	2.78%	3.04%	4.05%

Note: The Town implemented the requirements of GASB 34 in 2004 and will continue to present data up to the required 10 years.

**TOWN OF EAST GREENWICH
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS
 UNAUDITED**

Exhibit 5

Fiscal Year	REAL PROPERTY		PERSONAL PROPERTY		TOTAL		Total Direct Tax Rate	Ratio of Total Assessed Value to Total Estimated Actual Value
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
2005	1,682,891,427	1,726,858,715	126,633,488	174,791,008	1,809,524,915	1,901,649,723	17.91	95.16%
2006	1,732,551,743	1,773,579,875	138,876,212	192,611,780	1,871,427,955	1,966,191,665	18.33	95.18%
2007	2,539,740,260	2,619,166,280	147,873,277	210,263,290	2,687,613,537	2,829,429,570	12.86	94.99%
2008	2,586,013,339	2,669,036,190	151,455,900	215,802,125	2,737,469,239	2,884,838,315	13.54	94.89%
2009	2,619,904,759	2,704,309,590	150,203,612	215,813,070	2,770,108,371	2,920,122,660	14.00	94.86%
2010	2,324,711,170	2,399,724,100	142,421,444	206,287,535	2,467,132,614	2,606,011,635	16.64	94.67%
2011	2,332,584,161	2,405,615,200	141,623,065	206,429,423	2,474,207,226	2,612,044,623	17.25	94.72%
2012	2,344,119,810	2,418,682,900	145,510,713	211,448,926	2,489,630,523	2,630,131,826	17.49	94.66%
2013	2,083,973,157	2,151,158,443	156,485,532	223,865,943	2,240,458,689	2,375,024,386	20.14	94.33%
2014	2,107,035,453	2,173,164,780	157,070,032	225,790,670	2,264,105,485	2,398,955,450	22.90	94.38%

**TOWN OF EAST GREENWICH
PROPERTY TAX RATES
(PER \$1000 OF ASSESSED VALUE)
LAST TEN FISCAL YEARS
UNAUDITED**

Exhibit 6

Fiscal Year			General Fund			Fiscal Year			General Fund		
2005	Real Estate Residential	17.91	2010	Real Estate Residential	16.64	2005	Motor Vehicles	22.88	2010	Motor Vehicles	22.88
	Tangible	17.91		Tangible	16.64		Inventory	9.48		Tangible	16.64
	Inventory	9.48									
2006	Real Estate Residential	18.33	2011	Real Estate Residential	17.25	2006	Motor Vehicles	22.88	2011	Motor Vehicles	22.88
	Motor Vehicles	22.88		Motor Vehicles	22.88		Tangible	18.33		Tangible	17.25
	Tangible	18.33		Tangible	17.25		Inventory	7.11			
	Inventory	7.11									
2007	Real Estate Residential	12.86	2012	Real Estate Residential	17.49	2007	Motor Vehicles	22.88	2012	Motor Vehicles	22.88
	Motor Vehicles	22.88		Motor Vehicles	22.88		Tangible	12.86		Tangible	17.49
	Tangible	12.86		Tangible	17.49		Inventory	4.74			
	Inventory	4.74									
2008	Real Estate Residential	13.54	2013**	Real Estate Residential	22.24	2008	Motor Vehicles	22.88	2013**	Motor Vehicles	22.88
	Motor Vehicles	22.88		Motor Vehicles	22.88		Tangible	13.54		Tangible	22.24
	Tangible	13.54		Tangible	22.24		Inventory	2.37			
	Inventory	2.37									
2009	Real Estate Residential	14.00	2014	Real Estate Residential	22.90	2009	Motor Vehicles	22.88	2014	Motor Vehicles	22.88
	Motor Vehicles	22.88		Motor Vehicles	22.88		Tangible	14.00		Tangible	22.90
	Tangible	14.00		Tangible	22.90						

The average total direct rate for 2014 is \$ 22.90

Note: Taken from annual certified tax role

Description of Property	Valuations	Rate	Levy
Real property	\$ 2,107,035,453	22.90	48,251,111.87
Motor vehicles	94,241,142	22.88	2,156,237.33
Tangible personal	62,828,890	22.90	1,438,781.58
<i>Total</i>	<u>2,264,105,485</u>		<u>51,846,131</u>
Average total direct rate for 2014			<u>22.90</u>

**The Fire District was acquired by the Town of East Greenwich. The Town of East Greenwich now budgets for a fire department

**TOWN OF EAST GREENWICH
PRINCIPAL TAXPAYERS
JUNE 30, 2014
UNAUDITED**

Exhibit 7

<u>Taxpayer</u>	<u>Type of Business</u>	<u>(1) Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
East Greenwich Square LLC	Real Estate	25,917,300	1.08%
Saint Elizabeth Development	Nursing	21,907,258	0.91%
Valley Place Office Park LLC	Medical Offices	16,188,700	0.67%
National Grid	Utilities	16,223,649	0.68%
Stanley Bostitch	Manufacturer	11,035,700	0.46%
Cove Homes, Inc.	Elderly Housing	8,298,800	0.35%
Tucson Property Mgmt LLC	Real Estate	7,338,900	0.31%
Esmond Realty Corporation	Shopping Center	6,826,520	0.28%
Linear Retail EG #1 LLC	Shopping Center	6,473,200	0.27%
CNL Retirement HB2 (Assisted Living)	Real Estate	6,381,600	0.27%
		<u>\$ 126,591,627</u>	<u>5.28%</u>
Total assessed valuation (gross)		<u><u>\$ 2,398,955,450</u></u>	

(1) Source tax assessors office

Note: Information for prior nine years was not available

**TOWN OF EAST GREENWICH
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Exhibit 8

Fiscal Year	Taxes Levied for the Tax Year	Current Year Tax Collections	Percent of Levy Collected	Collections in Subsequent Years	Total Collections to Date	
					Amount	Percentage of Levy
2005	32,902,972	31,978,115	97.19%	852,319	32,830,434	99.78%
2006	34,571,313	33,649,074	97.33%	830,539	34,479,613	99.73%
2007	35,290,852	34,074,641	96.55%	1,070,681	35,145,322	99.59%
2008	37,726,180	36,636,049	97.11%	861,743	37,497,792	99.39%
2009	39,575,719	38,591,813	97.51%	951,505	39,543,318	99.92%
2010	41,524,344	40,155,545	96.70%	1,027,942	41,183,487	99.18%
2011	43,145,379	42,049,016	97.46%	1,078,070	43,127,086	99.96%
2012	44,015,852	42,802,430	97.24%	1,026,096	43,828,526	99.57%
2013	45,381,128	44,112,086	97.20%	1,177,449	45,289,535	99.80%
2014	51,851,944	50,684,913	97.75%	1,045,151	51,730,064	99.76%

Note: This information is taken from the tax collectors report.

**TOWN OF EAST GREENWICH
RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE
AND NET BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS**

Exhibit 9

Fiscal Year	Governmental Activities			Business-Type Activities		Total Primary Government	Population	Personal Income	Per Capita ¹	Total Debt per Personal Income
	General Obligation Bonds	Bond Anticipation Notes	Capital Leases	General Obligation Bonds	Notes Payable					
2005	11,396,005	-	118,113	-	17,345,707	28,859,825	*	*	*	*
2006	10,392,977	-	59,981	-	16,422,031	26,874,989	*	*	*	*
2007	9,429,873	-	293,832	-	23,086,586	32,810,291	*	*	*	*
2008	17,080,000	3,900,000	216,583	-	22,139,078	43,335,661	11,865	582,192	3,652.39	74.44
2009	24,380,000	9,000,000	33,333	6,000,000	20,857,215	60,270,548	13,293	652,261	4,534.01	92.40
2010	22,440,000	33,000,000	-	5,800,000	25,019,939	86,259,939	13,648	652,261	6,320.34	132.25
2011	30,525,000	33,500,000	-	5,470,000	23,600,396	93,095,396	13,382	665,261	6,956.76	139.94
2012	63,824,167	-	71,164	5,140,000	22,161,709	91,197,040	13,146	652,473	6,937.25	139.77
2013	60,043,333	-	43,168	4,820,000	20,583,547	85,490,048	13,146	655,429	6,503.13	130.44
2014	55,882,500	-	18,600	4,500,000	18,982,722	79,383,822	13,146	655,429	6,503.13	130.44

* Information unavailable as of date of report

Note: Details regarding the Town's outstanding debt can be found in the notes to the financial statements

¹ See the Schedule of Demographics and Economic Statistics for population data

**TOWN OF EAST GREENWICH
COMPUTATION OF LEGAL DEBT MARGIN
LAST NINE FISCAL YEARS**

Exhibit 10

Legal Debt Margin Calculation for the Fiscal Year 2014

Assessed Value (net)	\$ 2,264,105,485
Debt Limit 3% of Assessed Value	67,923,165
<i>Debt Applicable to Limit:</i>	
Total Bonded Debt	895,300
Legal Debt Margin	\$ 67,027,865

	2014	2013	2012	2011	2010	2009	2008	2007	2006
Debt Limit	67,923,165	67,213,371	74,668,500	74,226,217	\$ 74,021,451	\$ 83,103,251	\$ 82,124,077	\$ 81,206,687	\$ 56,142,839
Total net debt applicable to limit	895,300	1,260,200	1,625,100	990,000	1,155,000	1,320,100	1,485,000	-	-
Legal debt margin	\$ 67,027,865	\$ 65,953,171	\$ 73,043,400	\$ 73,236,217	\$ 72,866,451	\$ 81,783,151	\$ 80,639,077	\$ 81,206,687	\$ 56,142,839
Total net debt applicable to the limit as a percentage of the debt limit	1.32%	1.87%	2.18%	1.33%	1.56%	1.59%	1.81%	0.00%	0.00%

Note: Information for prior four years was not available

**TOWN OF EAST GREENWICH
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES
LAST TEN FISCAL YEARS**

Exhibit 11

Fiscal Year	Principal	Interest	Total Debt Service	Total General Expenditures (1)	Ratio of Annual Debt Service to Total General Expenditures Estimated
2005	1,275,000	399,525	1,674,525	43,052,580	3.89%
2006	995,000	362,159	1,357,159	45,993,393	2.95%
2007	970,000	322,383	1,292,383	47,697,610	2.71%
2008	1,840,000	587,889	2,427,889	53,928,170	4.50%
2009	1,940,000	604,260	2,544,260	59,586,450	4.27%
2010	1,940,000	875,046	2,815,046	54,626,911	5.15%
2011	2,550,000	766,885	3,316,885	49,288,794	6.73%
2012	3,140,833	690,379	3,831,212	51,049,633	7.50%
2013	3,780,834	3,129,484	6,910,318	59,083,149	11.70%
2014	4,160,833	2,664,401	6,825,234	62,113,628	10.99%

(1) Includes General, School Unrestricted, and all Non-Major Funds

TOWN OF EAST GREENWICH
PRINCIPAL EMPLOYERS
JUNE 30, 2014
UNAUDITED

Exhibit 12

Name	Type of Business	Number of Employees						Percentage of Total Town Employment			Number of Employees		Number of Employees		Number of Employees
		2014	2013	2012	2011	2010	2009	2012	2011	2010	2009	2008	2007	2006	2005
Corvias Group LLC (Previously Picerne)	Construction	801	773	815	806	*	*	13.99%	13.84%	*	*	*	*	*	*
Ocean State Assisted Living	Nursing/Assisted Living	99	**	**	*	*	*			*	*	*	*	*	*
Town of East Greenwich	Government	464	454	454	463	463	488	7.79%	7.95%	7.95%	8.38%	*	*	*	*
Dave's Market Palce	Retail	264	264	264	237	*	*	4.53%	4.07%	*	*	*	*	*	*
Paul Bailey EG Ford	Auto Sales	99	**	**	*	*	*			*	*	*	*	*	*
New England Linen Supply	Retail	78	**	**	*	*	*			*	*	*	*	*	*
Richards Pub	Restaurant	66	**	**	*	*	*			*	*	*	*	*	*
Saint Elizabeth Home	Nursing Home/Assisted Living	313	200	280	200	185	200	4.81%	3.43%	3.18%	3.43%	*	*	*	*
Semi Components of RI	Manufacturing	90	85	104	103	110	110	1.79%	1.77%	1.89%	1.89%	*	*	*	*
Paul Bailey's EG Ford Inc.	Auto Sales	99	97	107	103	103	103	1.84%	1.77%	*	*	*	*	*	*
Yardney Technical Products	Manufacturing	128	*	*	*	*	*		*	*	*	*	*	*	*
CBOCS	Restaurant	113	105	113	*	*	*	1.94%	*	*	*	*	*	*	*
NE Technology	Education	597	554	556	*	*	*	9.55%	*	*	*	*	*	*	*

*Information unavailable as of date of report

** Low employee count or closed business.

**EAST GREENWICH PUBLIC SCHOOLS
MISCELLANEOUS STATISTICS
JUNE 30, 2014
UNAUDITED**

Exhibit 13

BUILDINGS

Administration	1
Maintenance	0
Elementary Schools	4
Middle School	1
High School	1
Total	<u>7</u>

STUDENTS

	<u>K-5</u>	<u>Middle</u>	<u>High</u>	<u>Total</u>
2014	1089	598	718	2405
2013	1081	592	729	2402
2012	1025	572	766	2363
2011	1169	400	741	2310
2010	1223	419	760	2402
2009	1187	405	784	2376
2008	1180	417	789	2386
2007	1185	422	778	2385
2006	1243	433	793	2469
2005	1270	450	711	2431

Administrative

Certified Staff:

Instructional	152.8
School Management	14.0
ESL	1.0
Occupational Therapists	4.0
Speech & language	5.3
Special Education	36.6
Other (Librarians, Counselors, Nurses, etc.)	23.8
Total Certified Staff	<u>237.5</u>

Non- Certified Staff

Secretary and Clerical	26.0
Building and Maintenance	23.0
Teacher Assistants	57.5
Technicians	2.0
Attendance Officer	1.0
	<u>109.5</u>

Total FTE's 347.0

Data collected from School Department

**TOWN OF EAST GREENWICH
MISCELLANEOUS STATISTICS
JUNE 30, 2014
UNAUDITED**

Exhibit 14

Founded	1644	Police Protection	
Town Incorporation	1677	Buildings	1
		Employees:	
		Law Enforcement	33
Type of Government	Council / Town Manager	Dispatchers	6
		Community Service Officers	10
Fiscal Year begins	July 1		
Population	Official US Census	Recreation	
	1950	Natural Parks	5
	1960	Playgrounds	12
	1970	Ball Diamonds	
	1980	Hard Ball	3
	1990	Soft Ball	3
	2000	Multi-purpose fields	14
	2010		
Area of Town	16.7 square miles	Inline Rink	1
Land Area	16.6 square miles	Skating Arenas	1
		Basketball Courts	6
		Walking Paths	1
Miles of Streets		Running Tracks	1
Local Paved	80	Tennis Courts	12
State Paved	11		
		Historical Cemeteries	85
Elections - November 2008		Municipal Buildings	
Registered Voters	10,733	Town Hall	1
Number of Votes Cast	6,703	Public Works Garage	1
Percentage Voting	62%	Parks & Recreation	3
Fire Protection			
# Fire Stations	2	Other Municipal Employees:	
Employees : Uniformed	36	Directors and admin	11
		Other municipal full-time	57
Library		Part time	26
Full Time Employees	5		
Part Time Employees	13		
Town Unemployment Rate:	6.20%		

Note: Data collected from various Town departments

**TOWN OF EAST GREENWICH
FULL-TIME EQUIVALENT TOWN GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS**

Exhibit 15

Function	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Government	*	*	*	22	22	22	21	23	24
Public Safety									
Police									
Officers	*	*	*	30	29	32	32	31	33
Civilians	*	*	*	8	8	8	8	8	8
Fire Department									40
Parks	*	*	*	11	11	10	10	10	10
Public Works	*	*	*	23	23	24	24	25	25
Senior Services	*	*	*	5	5	4	4	4	4
Sewer	*	*	*	1	1	5	5	5	5
Total	*	*	*	100	99	105	104	106	149

* Information unavailable as of date of report
Source: Various Government Departments

**TOWN OF EAST GREENWICH
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**

Exhibit 16

Function	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Public Safety										
Police:										
Stations	*	*	*	1	1	1	1	1	1	1
Patrol units	*	*	*	30	29	32	32	32	32	32
Fire Stations	*	*	*	2	2	2	2	2	2	2
Highways and Streets										
Streets (miles)	*	*	*	80	80	80	80	80	80	80
Culture and recreation										
Parks	*	*	*	4	4	5	5	5	5	5
Skating Arenas	*	*	*	1	1	1	1	1	1	1
Tennis Courts	*	*	*	12	12	12	12	12	12	12
Ball Diamonds	*	*	*	5	5	6	6	6	6	6
Playgrounds	*	*	*	12	12	12	12	12	12	12
Basketball Courts	*	*	*	6	6	6	6	6	6	6
Running Tracks	*	*	*	1	1	1	1	1	1	1

* Information unavailable as of date of report
Sources: Various government departments

**TOWN OF EAST GREENWICH
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

Exhibit 17

Function	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Police										
Physical Arrests	*	*	*	380	331	439	212	254	248	327
Parking Violations	*	*	*	971	1,112	902	1,052	915	1417	821
Traffic Violations	*	*	*	1,620	1,126	2,619	1,542	2,166	2712	2700
Highway and Street										
Street Resurfacing (miles)	*	*	*	4.50	3.00	3.00	5.90	6.50	0	1
Sanitation										
Refuse Collected (tons/day)	*	*	*	13.44	11.83	12.07	12.09	11.31	10.92	10.46
Paper Recyclables Collected (tons/day)	*	*	*	1.77	1.79	2.89	2.71	0	0	0
Mixed Recyclables Collected (tons/day)	*	*	*	3.09	3.03	1.91	1.93	0	0	0
Total Recyclables **								4.51	4.67	4.57
Wastewater										
Average Daily Sewage Treatment (thousands of gallons)	*	*	*	974	1,080	1,240	1,006	1,069	978	816

* Information unavailable as of date of report

Sources: Various government departments

** New program that combines both types of recyclables.

**TOWN OF EAST GREENWICH
DEMOGRAPHIC AND ECONOMIC STATISTICS
UNAUDITED
LAST TEN FISCAL YEARS**

Exhibit 18

Fiscal Year Ended June 30	Population¹	Median Family Income⁴	Median Home Price²	Personal Income² (amounts expressed in thousands)	Per Capita Personal Income⁴	Median Age⁴	School Enrollment³	Unemployment Rate⁴
2005	*	*	*	*	*	*	2,431	*
2006	*	*	*	*	*	*	2,469	*
2007	*	*	*	*	*	*	2,385	*
2008	11,865	85,620	475,000	582,192	49,068	40.50	2,386	7.10%
2009	13,293	79,691.00	463,750	652,261	49,068	41.30	2,376	10.06%
2010	13,648	79,691	450,000	652,261	49,068	40.50	2,402	10.90%
2011	13,146	112,484	460,000	665,269	45,703	44.60	2,310	10.70%
2012	13,146	114,605	479,100	652,473	49,479	44.60	2,363	9.70%
2013	13,146	122,418	486,800	655,429	53,060	44.60	2,402	7.50%
2014	13,142	121,658	435,000	655,000	54,768	43.20	2,405	6.20%

* Information unavailable as of date of report

Data sources

¹ US Census Bureau

² US Census Community Survey (year average)

³ East Greenwich School Department

⁴ Rhode Island Department of Labor and Training

**TOWN OF EAST GREENWICH
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

Exhibit 19

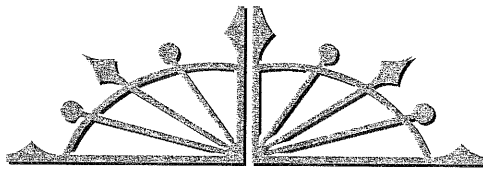
Fiscal Year	General Obligation Bonds	Estimated Actual Value of Property 1	Per Capita 2
2014	60,382,500	2,398,955,450	0.022%
2013	64,863,333	2,375,024,386	0.020%
2012	68,964,167	2,587,760,636	0.019%
2011	35,995,000	2,552,032,756	0.037%
2010	28,240,000	2,538,472,843	0.047%
2009	24,380,000	2,920,122,660	0.054%
2008	17,080,000	2,884,838,315	0.077%
2007	9,429,873	2,829,429,570	*
2006	10,392,977	1,966,191,655	*
2005	11,396,005	1,901,649,723	*

1 - See the Schedule of Assessed Value and Estimated Value of Taxable Property on page 112 for property value data

2 - See the Schedule of Demographic and Economic Statistics on page 124 for population data

* - Information unavailable as of the date of this report

***TOWN OF EAST GREENWICH, RHODE ISLAND
SINGLE AUDIT
FOR THE YEAR ENDED JUNE 30, 2014***



BAXTER DANSEREAU & ASSOCIATES, LLP
Accounting, Consulting & Tax Services

Partners
William J. Baxter, Jr., CPA
Paul L. Dansereau, CPA

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

INDEPENDENT AUDITOR'S REPORT

The Honorable President
and Members of the Town Council
Town of East Greenwich, Rhode Island

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of East Greenwich, Rhode Island as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Town of East Greenwich's basic financial statements, and have issued our report thereon dated December 05, 2014

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Town of East Greenwich's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Town of East Greenwich's internal control. Accordingly, we do not express an opinion on the effectiveness of Town of East Greenwich's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

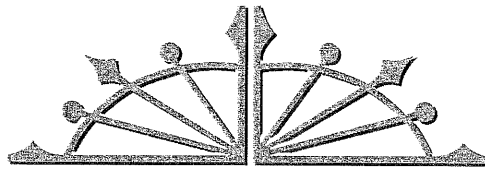
As part of obtaining reasonable assurance about whether Town of East Greenwich's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions

was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Baxter, Dansereau & Associates, LLP
West Warwick, Rhode Island
December 5, 2014



BAXTER DANSEREAU & ASSOCIATES, LLP

Accounting, Consulting & Tax Services

Partners

William J. Baxter, Jr., CPA

Paul L. Dansereau, CPA

REPORT ON COMPLIANCE FOR MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133

INDEPENDENT AUDITOR'S REPORT

The Honorable President
and Members of the Town Council
Town of East Greenwich, Rhode Island

Report on Compliance for the Major Federal Program

We have audited the Town of East Greenwich's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Town of East Greenwich, Rhode Island's major federal programs for the year ended June 30, 2014. The Town of East Greenwich's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Town of East Greenwich's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Town of East Greenwich's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal programs. However, our audit does not provide a legal determination of Town of East Greenwich's compliance.

Opinion on Each Major Federal Program

In our opinion, Town of East Greenwich, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2014.

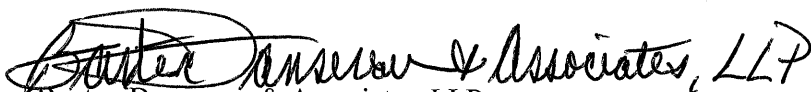
Report on Internal Control Over Compliance

Management of Town of East Greenwich is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Town of East Greenwich's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Town of East Greenwich's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Baxter, Dansereau & Associates, LLP

West Warwick, Rhode Island

December 5, 2014

TOWN OF EAST GREENWICH, RHODE ISLAND
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2014

	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures</u>
U.S. Department of Agriculture			
Passed through the State of Rhode Island Department of Education			
<i>Child Nutrition Cluster:</i>			
National School Breakfast Program	10.553	N/A	\$ 274
National School Lunch Program	10.555	N/A	111,031
Food Donation (Note 4)	10.555	N/A	32,122
Total U.S. Department of Agriculture			<u>\$ 143,427</u>
U.S. Department of Housing and Urban Development			
Passed through the State of Rhode Island Office of Housing and Community Development			
Community Development Block Grant/States Program	14.228	Various	\$ 106,960
Total U.S. Department of Housing and Urban Development			<u>\$ 106,960</u>
U.S. Department of Transportation			
State and Community Highway Safety	20.660	N/A	\$ 16,950
Total U.S. Department of Transportation			<u>\$ 16,950</u>
U.S. Department of Education			
Passed-through the State of Rhode Island Department of Education			
Title I Grants to Local Education Agencies	84.010A	2725-11702-401	\$ 85,454
<i>Special Education Cluster:</i>			
Special Education - Grants to States	84.027A	2725-13202-401	563,922
School Support Implementation Grant	84.027A	2725-13202-310	1,618
Special Education - Preschool Grants	84.173A	2725-13502-401	10,653
English Language Acquisition State Grant	84.365A	2725-16502-401	4,881
Improving Teacher Quality State Grants	84.367A	2725-16402-401	56,120
Career and Technical Education Basic Grants to States	84.048A	10-2725-15302-35-01	7,313
ARRA - Race to the Top	84.395A	4572-13502	85,066
Total U.S. Department of Education			<u>\$ 815,027</u>
U.S. Department of Health and Human Services			
Substance Abuse and Mental Health	92.243	N/A	\$ 17,637
Total U.S. Department of Health and Human Services			<u>\$ 17,637</u>
U.S. Department of Homeland Security			
Passed-through the State of Rhode Island Department of Administration			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	WHIP	\$ 4,837
Total U.S. Department of Homeland Security			<u>\$ 4,837</u>
Total Federal Expenditures			<u>\$ 1,104,838</u>

TOWN OF EAST GREENWICH, RHODE ISLAND
Schedule of Findings and Questioned Costs
For The Year Ended June 30, 2014

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness (es) identified? yes X no

Significant deficiency (ies) identified that are not considered to be material weaknesses? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

Material weakness (es) identified? yes X no

Significant deficiency (ies) identified that are not considered to be material weakness (es)? yes X none reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB circular A-133? yes X no

Identification of major programs:

<i>CFDA Number(s)</i>	<i>Name of Federal Program or Cluster</i>
	<i>Special Education Cluster</i>
84.027A	Special Education Grants to States
84.027A	School Support Implementation Grant
84.173A	Special Education Grants to States - Preschool

Dollar threshold used to distinguish between Type A and Type B programs: \$ 300,000

Auditee qualified as low risk auditee? X yes no

SECTION II – FINANCIAL STATEMENT FINDINGS yes X none

SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS yes X none

TOWN OF EAST GREENWICH, RHODE ISLAND
Schedule of Findings and Questioned Costs
For The Year Ended June 30, 2014
(continued)

**SECTION II – FINDINGS RELATING TO THE FINANCIAL STATEMENT AUDIT
AS REQUIRED TO BE REPORTED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

A. Significant Deficiency in Internal Control

None Reported.

B. Compliance

None Reported.

SECTION III – FINDINGS AND QUESTIONED COST FOR FEDERAL AWARDS

A. Finding

None Reported

B. Questioned Costs

None Reported

TOWN OF EAST GREENWICH, RHODE ISLAND
Schedule of Prior Year Findings and Questioned Costs
For the Year Ended June 30, 2014

PRIOR YEAR FINDINGS AND QUESTIONED COST FOR FEDERAL AWARDS

A. Findings

None Reported

B. Questioned Costs

None Reported

TOWN OF EAST GREENWICH, RHODE ISLAND
Notes to Schedule of Expenditures of Federal Awards
June 30, 2014

1. **General** - The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal programs of the Town of East Greenwich, Rhode Island.
2. **Basis of Accounting** - The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting.
3. **Determination of Type A, Type B and Major Programs** - The determination of Type A and Type B federal programs was based upon the expenditures for all federal programs for the Town of East Greenwich, Rhode Island. As such, the threshold for determining Type A vs. Type B programs is determined at the entity level. For the fiscal year-ended June 30, 2014, grants with expenditures exceeding \$300,000 were determined to be Type A programs and all other grants were considered Type B programs. The following programs were considered major programs:

<u>CFDA</u>	<u>Program Name</u>
84.027A	<i>Special Education Cluster</i> Special Education Grants to States
84.027A	School Support Implementation Grant
84.173A	Special Education Grants to States - Preschool

4. **Non-Cash Assistance**

U.S.D.A. Contributions: The United States Department of Agriculture makes available commodities for donations to schools. The amount of \$32,122 represents the market value of such commodities used during the period.