

**TOWN OF GLOCESTER**

**COMPREHENSIVE**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**



Photo by Jean Fecteau

**Town Hall**  
**Glocester, Rhode Island**

**Diane Brennan**  
**Director of Finance**

**Prepared by: Finance Department**

-----**Glocester, Rhode Island**-----

**TOWN OF GLOCESTER, RHODE ISLAND  
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FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**TABLE OF CONTENTS**

	<b><u>Page</u></b>
<b><i>INTRODUCTORY SECTION:</i></b>	
Letter of Transmittal	i-xv
Organization Chart	xvi
List of Town Officials	xvii
Certificate of Achievement for Excellence in Financial Reporting	xviii
 <b><i>FINANCIAL SECTION:</i></b>	
Independent Auditor's Report	1-3
 <b><i>Required Supplementary Information:</i></b>	
Management's Discussion and Analysis	4-19
 <b><i>Basic Financial Statements:</i></b>	
 <b><i>Government Wide Financial Statements:</i></b>	
Statement of Net Position	20
Statement of Activities	21
 <b><i>Fund Financial Statements:</i></b>	
<b><i>Governmental Funds:</i></b>	
Balance Sheet	22
Statement of Revenues, Expenditures, Other Financing Sources (Uses) and Changes in Fund Balances	23
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, Other Financing Sources and Changes in Fund Balances to the Government Wide Statement of Activities	24
 <b><i>Proprietary Funds:</i></b>	
Statement of Net Position	25
Statement of Revenues, Expenses and Changes in Net Position	26
Statement of Cash Flows	27
 <b><i>Notes to Basic Financial Statements</i></b>	 28-80
 <b><i>Required Supplementary Information:</i></b>	
Schedule of Revenues, Expenditures, Other Financing Sources (Uses) and Changes in Fund Balance (Non-GAAP Budgetary Basis) Budget and Actual – General Fund	81
Schedule of Revenues, Expenditures, Other Financing Sources (Uses) and Changes in Fund Balance (Non-GAAP Budgetary Basis) Budget and Actual – Gloucester School General Fund	82

(Continued)

**TOWN OF GLOCESTER, RHODE ISLAND  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
TABLE OF CONTENTS**

	<u>Page</u>
<i><b>FINANCIAL SECTION (Continued):</b></i>	
<i><b>Required Supplementary Information: (continued)</b></i>	
Notes to required Supplementary Information – Reconciliation of Budgetary Basis to GAAP	83-84
Pension Plan – Schedule of Town Employees MERS Information GASB 68	85
Pension Plan – Schedule of Police Employees MERS Information GASB 68	86
Pension Plan – Schedule of School Employees ERS Information GASB 68	87
Pension Plan – Schedule of Teacher Survivors Benefit Information GASB 68	88
<i><b>Other Supplementary Information:</b></i>	
<i><b>Non-Major Governmental Funds:</b></i>	
Non-major Governmental Funds – Combining Balance Sheet	89
Non-major Governmental Funds – Combining Statement of Revenues, Expenditures, Other Financing Sources (Uses) and Changes in Fund Balances	90
Town Special Revenue Funds – Combining Balance Sheet	91-94
Town Special Revenue Funds – Combining Statement of Revenues, Expenditures, Other Financing Sources (Uses) and Changes in Fund Balances	95-98
School Special Revenue Funds – Combining Balance Sheet	99-101
School Special Revenue Funds – Combining Statement of Revenues, Expenditures, Other Financing Sources (Uses), and Changes in Fund Balances	102-104
Non-Major Capital Project Funds – Combining Balance Sheet	105-106
Non-Major Capital Project Funds – Combining Statement of Revenues, Expenditures, Other Financing Sources (Uses) and Changes in Fund Balances	107-108
Town General Fund Balance Sheet – Funds Combined with Town General Fund for GASB 54 Purposes	109-110
Town General Fund Statement of Revenues, Expenditures, Other Financing Sources (Uses), and Changes in Fund Balance – Funds Combined with Town General Fund GASB 54 Purposes	111-112
School General Fund Balance Sheet – Funds Combined with School General Fund for GASB 54 Purposes	113
School General Fund Statement of Revenues, Expenditures, Other Financing Sources (Uses), and Changes in Fund Balance – Funds Combined with Town General Fund GASB 54 Purposes	114
<i><b>Budgetary Schedules:</b></i>	
Schedule of Revenues and Expenditures – Budget and Actual - Budgetary Basis – General Fund	115-124
Schedule of Revenues and Expenditures – Budget and Actual - Budgetary Basis – Gloucester School General Fund	125-126
Tax Collectors Annual Report	127

(Continued)

**TOWN OF GLOCESTER, RHODE ISLAND  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**TABLE OF CONTENTS**

	<b>Page</b>
<b><i>STATISTICAL SECTION:</i></b>	
Net Position by Component – Last Ten Fiscal Years - Unaudited	128
Changes in Net Position – Last Ten Fiscal Years - Unaudited	129-130
Fund Balance – Governmental Funds – Last Ten Fiscal Years - Unaudited	131
Fund Balance – Governmental Funds – Last Ten Fiscal Years - Unaudited	132
Assessed Value and Estimated Actual Value of Taxable Property – Last Ten Fiscal Years - Unaudited	133
Direct and Overlapping Property Tax Rates - Unaudited	134
Principal Property Tax Payers – Current Year and Nine Years Ago	135
Property Tax Levies and Collections – Last Ten Fiscal Years - Unaudited	136
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years - Unaudited	137
Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years - Unaudited	138
Direct and Overlapping Governmental Activities Debt - Unaudited	139
Legal Debt Margin Information – Last Ten Fiscal Years - Unaudited	140
Pledged Revenue Coverage – Last Ten Fiscal Years - Unaudited	141
Demographic and Economic Statistics – Last Ten Fiscal Years - Unaudited	142
Principal Employers – Current Year and Nine Years Ago - Unaudited	143
Full Time Equivalent Town Government Employees by Function/Program – Last Ten Fiscal Years - Unaudited	144
Operating Indicators by Function/Program – Last Ten Fiscal Years - Unaudited	145
Capital Asset Statistics by Function/Program – Last Ten Fiscal Years - Unaudited	146
 <b><i>SINGLE AUDIT SECTION</i></b>	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <b><i>Governmental Auditing Standards</i></b>	147-148
Report on Compliance for Major Federal Programs; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133	149-150
Schedule of Expenditures of Federal Awards	151
Schedule of Findings and Questioned Costs	152-153
Schedule of Prior Year Findings and Questioned Costs	154
Notes to Schedule of Expenditures of Federal Awards	155

## **INTRODUCTORY SECTION**

This Section Contains the Following Subsections:

Letter of Transmittal  
Organizational Chart  
List of Town Officials  
Certificate of Achievement for Excellence in Financial Reporting



## **TOWN OF GLOUCESTER**

*DEPARTMENT OF FINANCE*  
*DEPARTMENT OF HUMAN RESOURCES*  
*GLOUCESTER SCHOOL DISTRICT BUSINESS OFFICE*

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Diane L. Brennan  
*Director*  
*Director*  
*Business Manager*

January 25, 2016

To the Honorable President and Members of the Town Council and Citizens of the Town of Gloucester:

We hereby submit the Comprehensive Annual Financial Report for the Town of Gloucester (Town), for the fiscal year ended June 30, 2015. The report has been prepared in accordance with generally accepted accounting principles (GAAP), adhering to the format promulgated through the Governmental Accounting Board's Statement 34. Responsibility for the accuracy of the data presented, as well the fairness of the representations contained within the report, rests with the Town's management. To provide a reasonable basis for making these representations, the Town has established a comprehensive internal control framework that is designed to protect the Town's assets from theft, loss, or misuse, and to promote the compilation of reliable financial information for reporting and forecasting purposes. Since the cost of the internal control system should not outweigh its benefits, the Town's internal control system has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatements. As management, we assert that, to the best of our knowledge, and in all material respects, this report is fair, complete, and summarizes the Town's financial position in a comprehensive manner.

The Comprehensive Annual Financial Report is presented in four sections: Introductory, Financial, Statistical and Single Audit Section. The Introductory Section contains this letter of transmittal, the Town's Organizational Chart, a listing of Town Officials and the prior year's Certificate of Achievement for Excellence in Financial Reporting. The Financial Section contains the independent auditor's report, the Management Discussion and Analysis (which should be read in conjunction with this transmittal letter to provide the reader with a greater understanding of the Town's net assets and fund activity), the government-wide financial statements, the basic financial statements of major and non-major funds, notes to the financial statements, and other supplementary information. The Statistical Section provides selected financial and demographic information presented on a multi-year basis. The Single Audit Section reflects the Town's conformity with the Single Audit Act of 1996 and the United States Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," the Town is required to submit to an annual audit of all federal grant awards. The Single Audit contains the schedule of expenditures of federal grant awards.

## **Government Profile**

The Town of Glocester was founded in 1639, incorporated as a Town in 1731, and is a rural community in northwest Rhode Island located approximately 15 miles northwest from Providence. It is connected to the southeast corridor by a network of highways, including Interstate 295 and Interstate 95. The land area of the Town of Glocester is 54.6 square miles, which includes 2.3 square miles of inland water, and is mainly composed of residential, farm, orchard, and woodland areas. The Town attracts many tourists and vacationers to its lake areas and to the Village of Chepachet which is listed as a Historic District on the National Register of Historic Places. The businesses in the Town are primarily service, retail, and construction.

The Town operates under a Home Rule Charter adopted in 1991 providing for a Town Council form of government with a five-member Town Council, elected at-large for terms of two years, and headed by a Council President. All legislative powers of the Town are vested in the Town Council by the Charter including all powers to enact, amend or repeal ordinances relating to the Town's property, affairs and government (which include the power to create offices, departments or agencies of the Town, preserving the public peace, health and safety, and establishing personnel policies) except such powers as are reserved by State Law and to be considered annually at an all-day referendum. The budget board submits a budget, town and school, to the town council. The town council votes to approve the budget questions to be acted on by the voters. The annual budget question is presented to the voters as a result of a charter revision passed in November 4, 2014. The voters approve the ordering of any tax, making appropriations, authorizing the issuance of bonds, providing for an annual audit of the Town's accounts and transacting any other business pertaining to the financial affairs of the Town.

The Town Council is supported and advised by various Boards and Commissions (members of which are volunteers and are appointed by the Town Council at various intervals) some of which are: Planning Board, Zoning Board, Budget Board, Personnel Board, Board of Contracts & Purchases, Community Resource and Wastewater Advisory Commission, Board of Canvassers, Recreation Commission, July 4<sup>th</sup> Ancients & Horribles Parade Committee, Senior Center Board of Directors, and the Juvenile Hearing Board.

## **Component Unit**

The Glocester Land Trust (Land Trust) has been presented as a component unit of the Town in the accompanying government-wide financial statements. Further information regarding the purpose of the Land Trust and the definition of component unit is provided in Note 1, page 29 of the financial statements.

## **Public Education**

The public school system of the Town consists of two elementary schools, grades kindergarten through 5, and is served by the Glocester School Department. Grades 6 through 12 are served by the Foster-Glocester Regional School District of which the Town of Glocester and the Town of Foster are member communities. The Foster-Glocester Regional School District was incorporated and its fiscal authority established by Acts of the General Assembly in 1958 and 1959.

The general administration of the Gloucester School Department is directed by a six-member School Committee whose members are elected at-large with three members being elected at each regular biennial election. These six members of the Gloucester School Committee along with the three School Committee members from the Town of Foster are ex-officio members of the Foster-Glocester School Committee.

The Gloucester School Committee determines and controls all policies affecting the administration, maintenance, and operation of the public schools in the Town. The School Committee appoints a Superintendent as their chief administrative agent and such other administrative officers as deemed necessary. The school committee submits a budget of expenditures and revenues to the budget board. The Town of Gloucester prepares an annual budget for voter approval at the all-day referendum. The Gloucester elementary school budget is adopted when approved by the voters. Upon approval, the School Committee determines the allocations of the amounts appropriated. The Foster-Glocester Regional School District holds an annual Financial Town Meeting on the third Tuesday in March. The regional budget is adopted at the Financial Town Meeting and the appropriation for Gloucester is included in the Gloucester budget for consideration at the all-day referendum.

The Town Charter provides that, based on budget estimates submitted by the Gloucester School Committee, the Town Council establishes the Gloucester School Department's appropriation in total only. The School Committee determines the allocation of the amount appropriated.

The Town of Gloucester's school system consists of two elementary schools, Fogarty Memorial and West Gloucester Elementary School. The elementary schools provide learning for kindergarten through grade five.

Ponaganset Middle School provides education for students in grades six through grade eight. Students in grades nine through twelve attend Ponaganset High School. Both the middle and high schools are physically located in the Town of Gloucester near the border of Gloucester and the Town of Foster.

The cost of operation of the Town's elementary school system for fiscal year 2015 was \$9,669,169. In fiscal year ending June 30, 2015, the Town paid \$9,692,789 to the Foster-Glocester Regional School District (FGRSD). The Town will pay \$10,032,361 to the FGRSD for fiscal year 2016, a 3.5% increase. The FGRSD appropriation for 2016 budget increased by \$339,572. This included increases for operations (\$308,494) and debt (\$31,078). Cost of operations is based on actual enrollment of students attending FGRSD from the Town of Gloucester and the Town of Foster. A change or shift in actual enrollment from the estimate used to prepare the budget causes an increase or decrease in the budget.

The Fogarty Memorial and West Gloucester elementary schools were constructed in 1975 and 1991 respectively. There is presently a staff of 82 in both schools, 54 of whom are teachers and professional staff and 28 are full time support staff. The Gloucester average per pupil expenditure for 2013 is \$16,276 as listed by the Rhode Island Department of Education.

A new Ponaganset Middle School building was completed in August 2007. The Ponaganset High School South building was constructed in 1960 and the Ponaganset High School North building was constructed in 1965. Both the North and South buildings were renovated in 2010. There is presently a staff of 172.3 in both schools, 112.8 of whom are teachers, and 15 are teachers' aides. Per 2013 state statistics, the average per pupil expenditure amounts to approximately \$16,243. In



the graduating class of 2015, 64% and 34% of all high school graduates continued their education by attending four- and two-year colleges, respectively. Two percent enlisted in the military.

The following is a summary of the actual school population trends in the Town.

<u>Year</u>	<u>Grades kindergarten through 5 Glocester</u>	<u>Grades 6 through 12 Glocester</u>	<u>Total student population Glocester</u>	<u>Grades 6 through 12 Foster</u>	<u>Total population grades 6 thru 12 F-G Region</u>
<b>Actual enrollment</b>					
<b>1994-95</b>	<b>879</b>	<b>987</b>	<b>1,866</b>	[397]	1,384]
<b>1995-96</b>	<b>892</b>	<b>1,009</b>	<b>1,901</b>	[403]	1,412]
<b>1996-97</b>	<b>890</b>	<b>1,044</b>	<b>1,934</b>	[417]	1,461]
<b>1997-98</b>	<b>886</b>	<b>1,060</b>	<b>1,946</b>	[442]	1,502]
<b>1998-99</b>	<b>876</b>	<b>1,130</b>	<b>2,006</b>	[434]	1,564]
<b>1999-00</b>	<b>890</b>	<b>1,108</b>	<b>1,998</b>	[478]	1,586]
<b>2000-01</b>	<b>893</b>	<b>1,117</b>	<b>2,010</b>	[481]	1,598]
<b>2001-02</b>	<b>802</b>	<b>1,134</b>	<b>1,936</b>	[496]	1,630]
<b>2002-03</b>	<b>794</b>	<b>1,157</b>	<b>1,951</b>	[542]	1,699]
<b>2003-04</b>	<b>813</b>	<b>1,134</b>	<b>1,947</b>	[552]	1,686]
<b>2004-05</b>	<b>754</b>	<b>1,140</b>	<b>1,894</b>	[548]	1,688]
<b>2005-06</b>	<b>689</b>	<b>980</b>	<b>1,669</b>	[654]	1,634]
<b>2006-07</b>	<b>826</b>	<b>1,038</b>	<b>1,864</b>	[559]	1,597]
<b>2007-08</b>	<b>639</b>	<b>1,097</b>	<b>1,736</b>	[425]	1,522]
<b>2008-09</b>	<b>638</b>	<b>976</b>	<b>1,614</b>	[435]	1,411]
<b>2009-10</b>	<b>597</b>	<b>926</b>	<b>1,523</b>	[430]	1,356]
<b>2010-11</b>	<b>598</b>	<b>868</b>	<b>1,466</b>	[410]	1,278]
<b>2011-12</b>	<b>626</b>	<b>873</b>	<b>1,499</b>	[403]	1,276]
<b>2012-13</b>	<b>591</b>	<b>874</b>	<b>1,465</b>	[400]	1,274]
<b>2013-14</b>	<b>538</b>	<b>782</b>	<b>1,320</b>	[363]	1,145]
<b>2014-15</b>	<b>533</b>	<b>777</b>	<b>1,310</b>	[350]	1,127]

**Projected enrollment**

<b>2015-16</b>	<b>530</b>	<b>760</b>	<b>1,290</b>	[346]	1,106]
<b>2016-17</b>	<b>520</b>	<b>751</b>	<b>1,271</b>	[344]	1,095]
<b>2017-18</b>	<b>515</b>	<b>755</b>	<b>1,270</b>	[344]	1,099]

During fiscal year 2015, the Glocester School Department expended \$9,554,911. This included \$9,146,735 in the General Fund and \$408,176 in several special revenue funds. Their fiscal 2016 expense appropriation for operations is \$9,570,627. The fiscal 2016 State Aid for school operations has been budgeted at \$2,521,917.

## **Town Services**

In addition to its schools, the Town provides major public services, certain of which are described below:

### ***Executive and Administration***

The Town Council exercises general oversight of the Town. The Office of the Town Clerk, the Department of Finance which includes Human Resources and the Town Solicitor provide direct assistance to the council with daily operations. The Town Clerk's Office is responsible for all record maintenance and supervision of the probate court. During fiscal 2015, the Central Administration and Financial Administration groups expended \$1,369,108. This amount includes \$733,594 in Central Administration expense (page 117); \$605,514 in Financial Administration expense (page 118). Included in this total are transfers for Financial Administration of \$25,000 (page 124) to a revaluation reserve account and \$5,000 in Central Administration for the comprehensive plan. The fiscal 2016 budget has been set at \$1,443,032.

### ***Public Safety***

**Police:** The Town Police Department is responsible for Public Safety and has a force of 15 full-time sworn officers, including the Chief, Captain, Lieutenant, 2 Sergeants and 10 police officers. The department also has 5 full- and 1 part-time Dispatchers. The Chief of Police is the Town's Public Safety Officer. The Dispatchers address police and three independent fire districts. The police station, built in 1990, provides facilities for public safety issues. During fiscal 2015, the Police Department expended \$1,974,369. This includes department expense of \$1,939,367 (page 119), a transfer of \$3,424 for the equipment maintenance reserve, and a transfer of \$31,578 for vehicle replacement (page 124). For fiscal 2016, \$2,142,976 has been designated for operations.

**Office of Animal Control:** The Police Department is also responsible for the Office of Animal Control which has 1 full- and 3 part-time Animal Control Officers. They are responsible for the care of animals in their custody, encouraging adoptions, and the general protection of the public against stray and wild animals. During fiscal 2015, the Office of Animal Control expended \$90,923 (page 119). For fiscal 2016, \$97,149 has been designated for operations.

**Fire and Rescue:** Fire protection and rescue services in the Town of Gloucester are provided by three separate political entities created by State statute: the Harmony Fire District, the Chepachet Fire District and the West Gloucester Fire District. Each districts is responsible for the acquisition and maintenance of fire equipment, facilities and stations in the respective areas served by the districts. There is one station in each of the Harmony and Chepachet districts. There are two stations in the West Gloucester district. The districts are independent of the Town of Gloucester and the Town is not directly responsible for their expenditures nor does the Town derive any income from their operations. By statute, the fire districts have separate ad valorem taxing powers on the real property situated in the area served by each district. Staff includes approximately 85 volunteers, 23 per diem EMT's, and 2 full-time employee.

Building/Zoning Office: The Building/Zoning Officer and 4 part-time inspectors are responsible for insuring compliance with state and local building code ordinances and laws. The budget for the Building/Zoning Office is included with the Central Administration total. In Fiscal 2015, the building and zoning department expenditures were \$123,319 (page 116). For Fiscal 2016, the budget allocation for this department is \$155,118.

### ***Social Services***

Parks and Recreation: The Town employs a part-time Recreation Director who oversees activities at 2 Town beaches, 3 parks and various other recreational locations. Housed within the parks are 2 little league fields, 2 softball fields, 4 tennis courts, 4 basketball courts, 3 playgrounds, and walking trails. The Town also uses the facilities at the schools for basketball, tennis, and baseball programs. The 4<sup>th</sup> of July Ancients & Horribles parade, held in the Village of Chepachet, is a major event for the Town. This Parade is the second longest running Independence Day parade in Rhode Island celebrated for 88 consecutive years. Attendance has been upwards of 10,000 spectators annually. During fiscal 2015, the Recreation Department expended \$95,349. The Town made a contribution for the Independence Day parade of \$13,000 in Fiscal 2015 (page 124). For fiscal 2016, \$110,877 has been allocated for recreational activities and \$13,000 has been budgeted for the parade.

Libraries: There are two libraries (Glocester Manton Free Public Library and Harmony Library in the villages of Chepachet and Harmony, respectively) which operate independently from Town government. Each library is governed by a Board of Trustees. The Glocester Manton Free Public Library offers a collection of over 34,658 items and the Harmony Library offers over 43,754 items. As members of Ocean State Libraries, they both provide and promote open access to a broad range of informational, educational, cultural, and recreational materials and services including access to the nearly 35,000 E-book titles and 10,822 audio-downloadable titles. To further their mission, the libraries maintain membership in the Ponaganset Regional Libraries Network which was established to promote an awareness of library resources and services available to the residents of the Towns of Foster and Glocester through resource sharing and inter-library cooperation among the school and public libraries. Total library related expenditures for fiscal 2015 were \$206,467 for Manton Free Public Library and \$240,468 for Harmony Library. The Town contributed \$137,805 to the Manton Free Public Library and \$190,236 to the Harmony Library in 2015. These funds supported the acquisition of books and materials as well as an authorized staff of 4 librarians (2 full- and 2 part-time) holding masters degrees in Library and Information Services and support staffs of 10 part-time employees. Both libraries serve a total of 48,950 visitors per year. Budgeted Town aid for fiscal 2016 is \$146,810 for the Manton Free Public Library and \$190,236 for the Harmony Library. Together, both libraries circulate over 78,000 items per year, a per capita circulation of 7.8. Nearly half of Glocester's residents are registered borrowers of its libraries. In addition, Glocester Manton Free Library offered 189 programs that were attended by 2,811 people. Harmony Library offered 345 programs that were attended by 5,198 people. The Glocester Manton Free Public Library has 14 public-use computers, three hand held devices, wireless printing and wireless access to the internet. Harmony Library has 21 computers and four hand held devices.

Human Services: The Human Services department provides transportation for Town residents to doctor offices, medical facilities, and for shopping trips for senior citizens and citizens with disabilities. It also operates a food bank and provides information assistance and emergency energy funds for residents in need. Fiscal 2015 expenditures totaled \$46,574. This includes department expense of \$33,574 (page 122) and transfers \$13,000 (page 124) to Emergency Energy Fund. The Human Services department has \$64,018 budgeted for fiscal 2016.

Senior Center: Social services including a lunch-time meal-site and various daily activities and programs are provided to the Town's seniors at our senior center building completed in 2007. Fiscal 2015 expenditures totaled \$150,170 (page 122). \$168,323 is budgeted for fiscal 2016.

### ***Physical Resources***

Planning and Community Development: The Town Planner provides guidance on the physical development of the Town. The budget for the Town Planner is included in the Central Administration total budget. Fiscal 2015 expenditures for the Town Planner's Office totaled \$111,874 (page 116). This includes a transfer of \$5,000 (page 124) for the comprehensive plan. The Federal Community Development Block Grant (CDBG) program is administered under the guidance of the Town Planner. For fiscal 2016, \$124,518 is budgeted for the planning department.

Public Works: An authorized staff of 15 full-time and 1 part-time employee maintains 97.6 the Town's 148.8 miles of roads [38.3 miles of the 148.8 miles are state roads] and 3 bridges, monitors the disposal operations of 2,532 tons of trash and 1,512 tons of recyclables per year, maintains the Town's vehicles and equipment, and maintains 10 buildings. During fiscal 2015, the Department expended \$1,693,512. This amount includes \$1,555,512, (page 121) in department expense and budgeted transfers (page 124) of \$150,000 to the Storm/snow related reserve account, and a transfer in contribution of \$12,000 from Community Development funds for the purchase of a human services vehicle. \$1,871,226 has been allocated for fiscal 2016.

Water and Sewer: There are no Town water or sewer systems. Homes and businesses are served by, and the Town intends to continue to rely on, private wells and septic systems.

## Economic Conditions and Outlook

### Population

The table below (source: U.S. Census Bureau) shows the Town's population trends.

<u>Year</u>	<u>Population</u>	<u>Year</u>	<u>Population</u>
1930	1,693	1990	9,227
1940	2,099	2000	9,948
1950	2,682	2010	9,746
1960	3,397	2012	9,746
1970	5,160	2014	9,746
1980	7,550	2015	9,931

### Employment

The census bureau provides information based on (NAICS) industry code for the Town. Based on reported information for 2013, Gloucester had 137 private business and industrial firms subject to the payment of employment security taxes. During that period, the annualized payrolls for those entities totaled \$26,213,000 and the average number of persons employed was 824. The following is a listing of the various types of industry as listed in the governmental census data for 2011, 2012 and 2013. In prior reports, governmental units were included. ([censtats.census.gov](http://censtats.census.gov))

<u>Industry</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Agriculture, forestry, fishing & hunting	2	1	1
Construction	45	48	45
Manufacturing	4	4	3
Wholesale trade	1	1	1
Retail trade	19	19	20
Transportation & warehousing	6	5	5
Information	2	2	2
Finance & insurance	5	5	3
Real estate & rental & leasing	4	3	2
Professional & technical services	6	6	6
Management of companies & enterprises	1	0	1
Administrative support & waste management	5	4	4
Educational services	3	3	4
Health care & social assistance	10	9	11
Arts, entertainment, & recreation	1	1	1
Accommodation & food services	11	9	12
Other services (except Public Administration)	<u>12</u>	<u>12</u>	<u>13</u>
<b>Total</b>	<b><u>137</u></b>	<b><u>132</u></b>	<b><u>134</u></b>

## Income Levels

According to the U.S. Census, the median family incomes for the Town and the State of Rhode Island were as follows for the census years listed:

Census year	Glocester			State of Rhode Island		
	Median family income	Increase from prior census	% increase from prior census	Median family income	Increase from prior census	% increase from prior census
1990	\$43,067			\$28,342		
2000	\$62,679	\$19,612	45.5%	\$52,781	\$24,439	86.2%
2010	\$86,044	\$23,365	37.3%	\$62,790	\$10,009	19.0%

## Housing

According to the U.S. Census, the number of dwelling units in the Town were as follows for the census years listed:

Census year	Number of dwelling units	Increase from prior census	% increase from prior census
1990	3,460		
2000	3,786	336	9.4%
2010	4,025	239	6.3%

## Economic Development

*General:* The Glocester Business Association meets monthly and is engaged in an on-going effort to promote and assist new, existing and expanding businesses.

The Town completed a statistical revaluation as of December 2013 for the taxes to be raised for fiscal 2015. The estimated actual value for the town is \$926,453,714. The net assessed value has decreased by 1.3% due primarily to a change in residential property values. Economic conditions in the Northeast may have contributed to the value decrease as well as the review of the statistical valuation. The values for fiscal 2016 have seen a rise in prices.

*Navigant Credit Union:* The Town has been successful in attracting Navigant Credit Union of Smithfield to develop a new branch in Chepachet. This new branch opened in August 2012 and employs approximately 8 people. Navigant Credit Union helps provide residents with additional opportunities for personal and business financing. The Credit Union spent an estimated \$1,000,000 to construct this new branch. They reused an existing site so that no greenspace was disturbed in order to create the facility.

*Former Chepachet Pharmacy Building:* A local business owner purchased the building and has been renovated to house professional offices and a specialty restaurant.

*Factory Mutual Insurance Company:* The Town's largest taxpayer, Factory Mutual Insurance Company (FMIC), headquartered in Norwood, Massachusetts, is an engineering and research (testing facility) company for insurance providers and general businesses. FMIC occupies a 2,500 acre site in West Glocester.

In 2003, the company spent approximately \$89 million in refurbishing and replacement of their facilities and expanded their operations. The number of employees at the site increased from 40 to 88 with that expansion. At that time, they entered into a 20 year payment-in-lieu-of-taxes (PILOT) agreement with the Town. Total payments from that original agreement will amount to \$27,937,500. As part of the original agreement, FMIC paid \$1,630,500 in fiscal 2014, and will pay \$1,671,000 in fiscal 2015. Included in the agreement was the transfer to the Town of 98 acres of land valued (at that time) at \$466,884 to be used for public purposes.

The company expanded their facilities again in the summer of 2009, spending another \$45 million. The project included a new “natural hazard” testing facility (75,000 sq. ft.) which included a 10’ by 10’ earthquake simulation table and other natural disaster testing equipment. A new water treatment plant was constructed which allows reuse of the water used during the testing procedures. A 17,000 sq. ft. warehouse was also constructed. The number of employees increased to 96. The town has received \$2,252,095 in fiscal 2015 and is to receive \$2,307,997 in fiscal 2016.

The company spent another \$2 million to build an addition to the hydraulics laboratory and office space. The work was completed as of April 2013. The PILOT agreement was amended to include this addition on June 20, 2013 and will provide an additional \$781,884 in tax revenue from Phase 3 from 2013 through 2021. The additional taxes received due to Phase 3 for fiscal 2015 was \$55,902. This will increase by \$55,902 for fiscal 2016 and thereafter.

*CVS Corporation:* The CVS Corporation estimates that \$4,500,000 has been spent to construct a state-of-the-art retail store at the intersection of Routes 102 and 44. This store has been designed to mimic the architectural features of the historic structures in Gloucester. 26 people were employed at the store when it opened in July 2007.

There are several projects at various stages of approval underway in Gloucester. The Bella Vista project is currently underway with approval for 35 residential duplexes on 36.15 acres. Spring Grove is a 36.89 acre project with preliminary plan approval for six lots. Glacier Ridge has a proposed plan to create a twenty lot business park. First estimates are to be completed in four phases.

### **Major Initiatives**

Standard and Poor’s rating service provided an upgrade to the Town of Gloucester in August 2014. The rating on the Town’s general obligation debt improved from ‘AA’ to ‘AA+’ with a stable outlook. The report stated that the upgrade reflected the Town’s continued strong budgetary performance and flexibility as well as a strong liquidity position. Reserves have been maintained over the last three years. The administration continues to be committed to preserving the Town’s unrestricted fund balance.

At the November 2, 2004 general election, the taxpayers approved a change to the Town Charter to include a policy of maintaining an unassigned general fund balance at 12% (minimum) of proposed operating expenditures. The unassigned fund balance at June 30, 2015 was \$5,190,559 an increase of \$571,788 or 12% more than the prior year. The unassigned fund balance is 18.75% of general fund expenses budgeted for fiscal year 2016. The increase is due largely to the favorable operating results of \$362,450 for fiscal 2015. The total governmental fund balance has increased from 2014 by \$788,391 or 5.88%. The capital reserve fund was increased for future projects most notably the construction of a new transfer station. During fiscal 2015 a contribution to the

reserve fund of \$861,977 was budgeted. By charter, the town annually allocates 2% of the annual budget for capital items. The allocation in 2015 provided additional capital funds for the transfer station project to be set aside over a two year period. Management has made an effort to identify the use of the fund balance reserves for those items deemed a priority by the community. The transfer station project became operational during December 2015.

Annually, the Town develops a six year Capital Improvement Plan. This plan helps identify and serves as a blueprint for major capital projects expected to be undertaken in the next six years. This long-range planning is essential in addressing the future development and growth of the Town. The Town has continually funded its capital requirements aggressively and maintains a pay-as-you-go funding for most of its capital needs, which limits its borrowing requests.

The Town remains committed to preserving recreational and open space areas. The Gloucester Land Trust (which, as noted above is presented in the government-wide financial statements as a component unit) owns a total of 2,242 acres with an estimated value of 7,235,977 as of June 30, 2015.

Combined with this project is the cleanup of hazardous materials at the site from its former use as a textile mill. The Town has applied for and received a \$200,000+ grant from Rhode Island Department of Environmental Management (RIDEM) Office of Waste Management. This grant paid for the site assessment and cleanup plan. The Town has also received an additional \$200,000 Brownfield's Cleanup Grant from US Environmental Protection Agency. This money will be used to remove contaminants from the site. All necessary approvals to complete the cleanup have been received and work has begun and has been completed.

The Town received a \$671,000 grant from the United States Environmental Protection Agency (USEPA) in January 2007. This funding is being used to demonstrate the application of innovative storm water management techniques. This project began in 2007 and focuses on issues to improve water quality and encourage sustainable redevelopment in the Village of Chepachet. This project will result in the installation of a wet vegetated treatment system to be located adjacent to a portion of Chepachet River Park near Oil Mill Lane which will improve drainage and encourage in-fill development and business expansion. It was completed by May, 2013. The storm water project is being coordinated with the Rhode Island Department of Transportation (RIDOT) to collect and treat runoff water from state owned roads in the village. It will help alleviate storm water flooding problems as well as better treat runoff water to improve water quality.

The Town remains committed to maintaining the high quality of public education, allocating approximately 71% of the operating budget to education. Also, at the November 2, 2004 general election, the voters of the Towns of Foster and Gloucester approved a \$45,720,000 bond to finance the acquisition of land for and the construction of a new middle school and for the renovation of the Ponaganset High School and Ponaganset Middle School. The work was completed in September 2010.

At the November 2, 2004 general election the voters approved a \$2,215,000 bond to finance the acquisition of land for and the design, construction, furnishing and equipping of a Senior Center. In addition, the Town budgeted \$270,000 for the project and also received \$275,000+ in grants and donations to help cover the cost. The 8,000 square foot Senior Center opened in January 2007 and serves as an activity center for the Town's 1,865 senior citizens. Final cost on the project was \$2,711,710.



In a collaborative effort with the Town, the Rhode Island Department of Transportation began construction in 2008 of over \$3,000,000 in infrastructure improvement to Chepachet Village. These improvements include drainage reconstruction, new brick treatment sidewalks, benches, period lighting, street trees, and road reconstruction and intersection reconfiguration. These improvements will make the village safer, more pedestrian friendly and move traffic safely through the village. It is anticipated that these improvements will spur further investment into the businesses and residences in Chepachet by improving the business climate of the village. The first phase of this project was completed in November 2008 with the installation of a detention pond, landscaping, new sidewalks and curbing in one area of the village. The remaining improvements have begun and a round-about intersection to replace the stop light at the north junction of routes 44 and 102. Plans continue to be worked on in conjunction with the Town and the State of Rhode Island.

The Gloucester Town Hall, built in 1935, has, since 2008, undergone numerous improvements in order to improve energy efficiency, improve comfort for occupants and to remedy years of deferred maintenance. The improvements cost approximately \$626,356. In 2008, the exterior trim was repainted, the brick exterior was re-pointed, and the exterior doors were replaced with energy efficient doors with interior grids that resemble the original doors for the building. The original insulation in the attic was removed and new insulation installed in 2010. In 2011, new floors were installed in the main hall and Town Council Chambers. Additionally, ceiling tiles in the halls, restrooms, conference room and Town Council Chambers were replaced. The main hall, Town Council Chambers, restrooms and copy room were updated in 2011. Rooms in the southern wing were renovated as well. In 2012, new recording equipment was installed in two conference rooms and upgraded in the Town Council Chambers. A generator was purchased and installed to power the Town Hall during electric power outages. Also, the bathrooms were refurbished and modernized, the building interior common areas were repainted, and new exterior doors were installed at the south wing handicap entrance door together with energy efficient windows. The administrative finance offices were the last group to be renovated. These were completed during fiscal 2014. Funds for continued improvements to the building have been set aside in capital during 2015 and 2016.

In addition to the above, the Town installed a geothermal heating/cooling system to replace the existing steam boiler system. The geothermal system is projected to save the Town on heating and cooling costs. The innovative approach to building comfort was supported by a \$300,000 grant from the U.S. Department of Energy. The remaining cost of approximately \$40,000 was contributed by the Town. The system has been operating since February 2012. Additional improvements to the system are scheduled to be completed by the end of 2016.

The Town commissioned an actuarial study as required by the Governmental Accounting Standards Board Statement # 45 [Other Post-Employment Benefits (GASB 45)]. The study was completed by USI Consulting Group and a report was issued on July 1, 2012. An update was prepared July 2014. Further information regarding Other Post-Employment Benefits is provided in Note 14 on pages 66 and 67 of the financial statements. The town is in the process of completing a new study.

### **Financial Information**

The Town's Comprehensive Annual Financial Report provides detailed information on the Town's current financial position. Our Management Discussion and Analysis will provide additional analysis.

## **Budgetary Control**

The legal level of budgetary control is at the fund level. The Town observes the following charter procedures in establishing the General Fund budgeting data reflected in the required supplementary information:

- The Town Council appoints a Budget Board of seven members from the qualified electors of the Town.
- Each Department, Commission, Office and Agency submits a written detailed budget to the Budget Board no later than January 2nd in each year.
- The Budget Board holds budget hearings at which the various Departments, Commissions, Offices and Agencies justify their requests.
- The Budget Board submits to the Town Council, no later than the third Thursday in March, its recommendations regarding all requests for appropriations together with revenue estimates and the projected tax levy required to support the budget recommendation.
- The Town Council reviews recommendations of Budget Board and makes such changes as it deems appropriate.
- The Town Council holds a Public Hearing (at which taxpayers are given an opportunity to comment on the budget) on its preliminary recommended budget at least 21 days prior to the All-day referendum. The voters have the authority to approve or reject the budget questions.
- The Town Council, by affirmative vote of the majority, adopts the recommended budget for the ballot for the all day referendum.
- The final Budget is approved or rejected by the voters and a Tax Levy is set by resolution by the Town Council based on the vote of the people.

Progress against both the expense and revenue operating budgets is tracked using budget-vs.-actual comparison reports. The general ledger tracks expenditures and encumbrances, and revenues, and compares them to budgeted amounts. The comparison report calculates the amount of appropriation and revenues remaining. The Treasurer's Office monitors both spending and revenues and issues monthly reports to departments to assist them in budget management. The Town's Budget Board reviews the progress against the budget quarterly and sends a report regarding its findings to the Town Council.

## **Reserves and Fund Balance**

The Town adopted a Fund Balance Policy on June 16, 2011 to comply with GASB Statement No. 54 which required new categories for fund balance. The categories are non-spendable, restricted, assigned and unassigned which are more fully described in Note 1 of the financial statements. The policy authorizes and directs the Department of Finance to prepare financial reports which accurately categorize the assigned fund balance.

## **Cash Management**

Cash requirements are strictly monitored, and excess cash is invested in appropriate short term instruments. These investments are intended to maximize investment earnings, while maintaining an appropriate level of security and liquidity.

## Risk Management

The Town is a member of the Rhode Island Interlocal Risk Management Trust. This organization was established as a public entity risk pool to provide insurance coverage to local municipalities. The Town of Glocester maintains insurance coverage for property, general liability, public officials' liability, auto liability, workers compensation, and medical and dental coverage. General liability and public officials' liability coverage is \$5,000,000. Further information is provided in Note 17 on page 77 and Note 20 on page 78 of the financial statements.

## Debt Administration

The ratios of net debt service to budget, net bonded debt to total assessed (property) valuation and net bonded debt per capita provide useful information when evaluating the Town's financial position. These indicators were as follows on June 30, 2013, June 30, 2014, and June 30, 2015:

	<u>Net Direct Bonded Debt</u>	<u>Ratio of Net Debt Service to Budget</u>	<u>Ratio of Bonded Debt to Assessed Value</u>	<u>Debt per Capita</u>
June 30, 2013	\$3,365,000	2.30%	0.36%	\$345.27
June 30, 2014	\$2,940,000	2.75%	0.31%	\$300.55
June 30, 2015	\$2,495,000	2.20%	0.27%	\$251.23

(Please see statistical schedules 5, 9, 12 and 14 for additional information)

## Independent Audit

Per the Town of Glocester Charter, and the General Laws of the State of Rhode Island, an independent audit of the Town's financial statements and operations has been completed by the firm of Baxter Dansereau & Associates, LLP. Their opinion is included within this document.

## Reporting Achievement

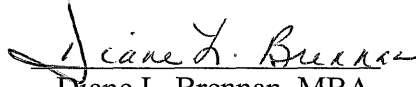
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Glocester for its comprehensive annual financial reports for the fiscal year ended June 30, 2014. This was the ninth consecutive year that the Town has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

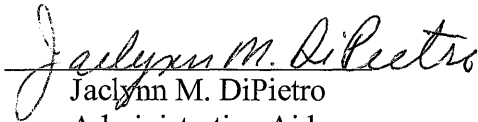
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

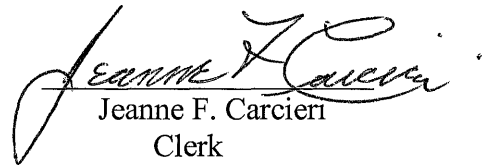
**Acknowledgment**

The preparation of this Comprehensive Annual Financial Report would not have been possible without the efficient and dedicated efforts of the staff of the Department of Finance and all of the employees of the Town of Gloucester. Their initiative, enthusiasm and proficiency are greatly appreciated. Special thanks to Council President Walter M. O. Steere III and the members of the Town Council for their support in maintaining the highest standards of professionalism in the management of the finances of the Town of Gloucester.

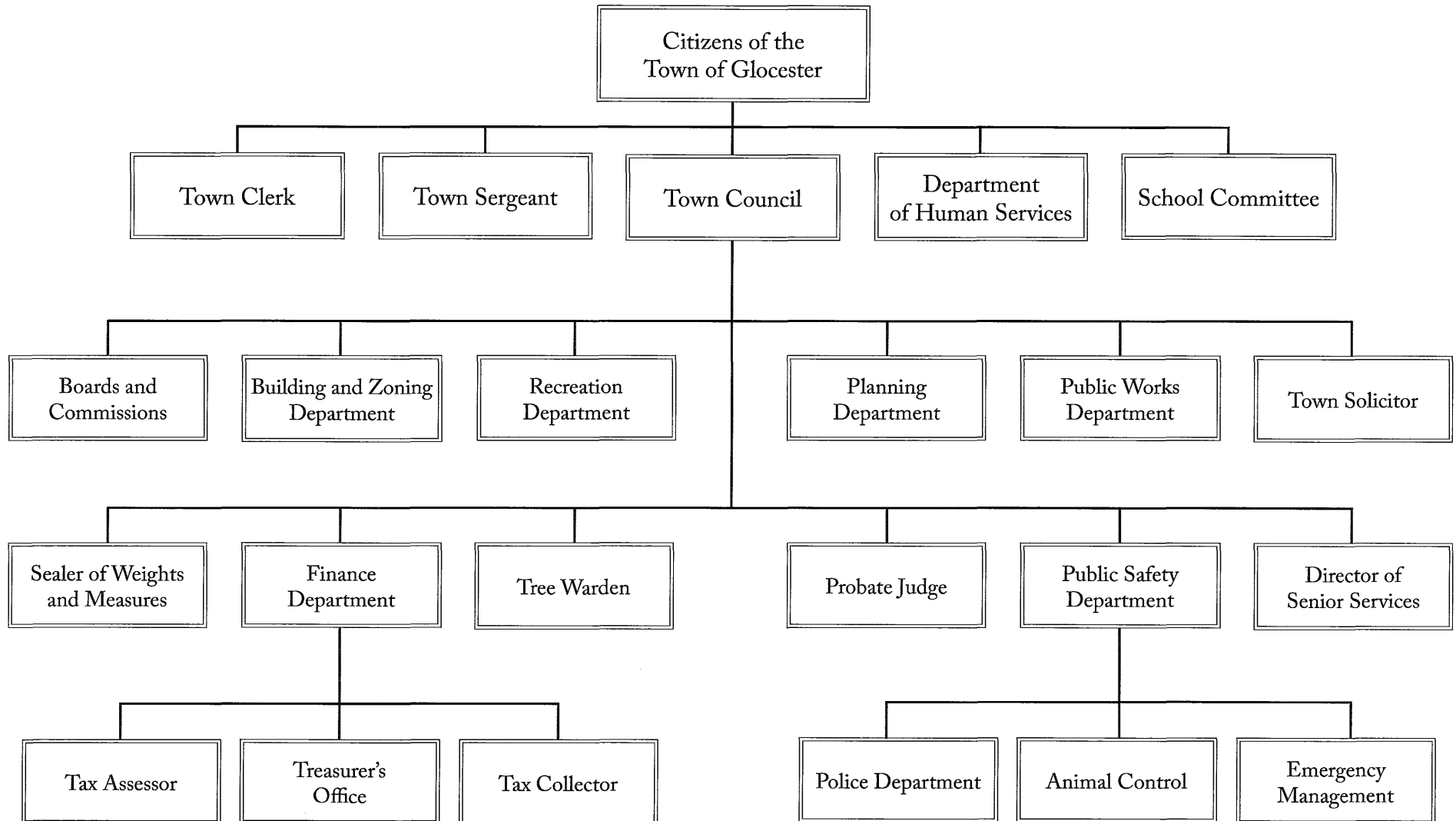
Respectfully submitted,

  
Diane L. Brennan, MBA  
Director of Finance

  
Jaclynn M. DiPietro  
Administrative Aide

  
Jeanne F. Carcieri  
Clerk

# Town of Glocester, Rhode Island Organization Chart



# **TOWN OF GLOCESTER, RHODE ISLAND**

## **TOWN COUNCIL**

Walter M. O. Steere III, President  
William E. Reichert – Vice-President  
George O. Steere, Jr.  
Edward C. Burlingame  
Steven A. Sette

## **DIRECTOR OF FINANCE**

Diane Brennan



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Town of Gloucester  
Rhode Island**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2014**

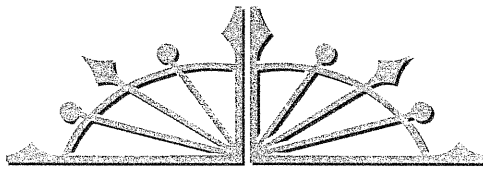
Executive Director/CEO

## **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

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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 Glocester  
Glocester, 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 Glocester, Rhode Island (Town) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

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

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

***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 Glocester, Rhode Island as of June 30, 2015, 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 4-19 and 81-84 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in 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*

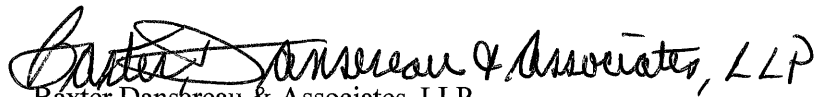
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Glocester, Rhode Island's basic financial statements. The introductory section, combining nonmajor fund financial statements, the combining fiduciary fund financial statements, 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 nonmajor 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 January 25, 2016, on our consideration of the Town of Glocester, 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 Glocester, Rhode Island's internal control over financial reporting and compliance.

 Baxter Dansereau & Associates, LLP

Baxter Dansereau & Associates, LLP

West Warwick, Rhode Island

January 25, 2016

## **Management's Discussion and Analysis**

**TOWN OF GLOCESTER, RHODE ISLAND**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2015**  
**(Un-audited)**

Our discussion and analysis of the Town of Glocester, Rhode Island's financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2015. The Town implemented the Government Accounting Standards Board (GASB) Statement No. 68 - Accounting and Financial Reporting for Pension – an amendment of GASB Statement No. 27 effective for the Town's fiscal year ending June 30, 2015. The implementation of this statement created substantial changes in the way the Town recognizes assets, deferred outflows, liabilities, deferred inflows and changes in its Net Position. Please see note 23 for an explanation of the net effect for the year ended June 30, 2014.

**Financial Highlights**

- The Town's net position changed as a result of operations during fiscal 2015. On a government-wide basis, the assets of the governmental activities of the Town of Glocester exceeded its liabilities at June 30, 2015 by \$22,796,955. There was positive change in net position of \$1,649,749. The net position of the Town's component unit increased by \$31,515, or .4%, to \$7,512,413. The net position of the Town's business type activities decreased by \$427, or .7%, to \$60,114.
- The Town's Government-wide operating expenses were \$26,347,822; this is a 3% or \$865,455 decrease from the prior year. The change is largely due to the issuance of the Government Accounting Standards Board (GASB) Statement No. 68 - Accounting and Financial Reporting for Pension (GASB 68). The changes are due to the focus of long-term economic conditions to be included in the statement. These changes are best illustrated in note 10 of the notes to financial statements found on page 52.
- As of the close of the fiscal year, the Town's governmental funds reported combined ending fund balances of \$14,186,630. The general fund unassigned fund balance of \$5,190,560 represents 37% of this total.
- In fiscal year 2015 the Town's General Fund's revenues and other financing sources of funds exceeded expenditures and other uses of funds by \$362,450. On a budgetary basis, revenues and other sources of funds exceeded expenditures and other uses of funds by \$666,702 or 2%.

**TOWN OF GLOCESTER, RHODE ISLAND**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2015**  
**(Un-audited)**

**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 other supplementary information. The Town's basic financial statements and other 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.

**Government-wide financial statements** - are designed to provide readers with a broad overview of the Town's finances in a manner similar to that of private-sector businesses. They are presented on the accrual basis of accounting where revenues and expenditures are recognized in the period they occur as opposed to the period in which they are 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 the net position of the Town 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.

The *Statement of Activities* distinguishes 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, public works, education, social services and recreational services. The Town's one component unit is the Gloucester Land Trust. The Gloucester Schools lunch program is the Town's only business type activity.

The government-wide financial statements are reported on pages 20 through 21.

**TOWN OF GLOCESTER, RHODE ISLAND**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2015**  
**(Un-audited)**

**Fund financial statements** – A *fund* is a grouping and self-balancing set 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. With the exception of the School Lunch Fund, which is a proprietary fund, all of the funds of the Town are governmental 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 the government-wide financial statements and the fund financial statements (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, the School Unrestricted Special Revenue Fund and the Capital Reserve Fund, which are considered major funds. Data from all 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 on pages 89 through 107 in this report. The individual funds within the component unit have been summarized into the data presented.

**Proprietary Funds** – The Town charges customers for services it provides, whether to outside customers or to other units within the Town. These services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. The School Lunch Fund is the Town's sole proprietary fund.

**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 found on pages 28 through 80.

**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 81 through 88.

**TOWN OF GLOCESTER, RHODE ISLAND**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2015**  
**(Un-audited)**

**Government-wide Financial Analysis**

The Town adopted the provisions of Governmental Accounting Standards Board Statement No. 34 – *Basic financial statements and management's discussion and analysis for State and Local Governments* as of July 1, 2001, one year ahead of the required deadline and four years ahead of the deadline for reporting major general infrastructure assets. The decision to choose early implementation also included financial information regarding our component unit the Gloucester Land Trust. Comparative data for the current and prior years is presented on the following pages in this report.

**Analysis of the Town of Gloucester's Net Position**

The Town's net position may be a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future. On a government-wide basis, the assets of the Town exceeded its liabilities at June 30, 2015 by \$22,857,069 an increase of \$1,649,342, or 7.8% from the prior year. Due to the issuance of the Government Accounting Standards Board (GASB) Statement No. 68 - Accounting and Financial Reporting for Pension (GASB 68) the Town restated its prior year Net Position. This restatement reduced the fiscal years beginning Net Position by (\$7,714,747) which represented a (27%) decrease in net position. See note 23 to the financial statements for additional detail.

*Current assets* increased by \$1,852,396 or 12.47%, from 2014. This is due primarily to pension related inflows for GASB 68 and an increase in cash and equivalents.

*Capital assets* decreased by \$681,454 due to annual depreciation costs that were more than additions.

Other liabilities increased by \$52,810 due to accounts payable and liabilities due within one year.

In the current year the Town's long-term liabilities decreased by \$2,108,020 from 2014. This was due mostly to reductions in the Town's net pension liability and decreases in bonds payable. The Town's overall long-term liabilities did increase due to the issuance of the Government Accounting Standards Board (GASB) Statement No. 68 - Accounting and Financial Reporting for Pension (GASB 68) the Town restated its prior year Net Position. This restatement reduced the fiscal years beginning Net Position by (\$7,714,747) which represented a (27%) decrease in net position. See note 23 to the financial statements for additional detail.



**TOWN OF GLOCESTER, RHODE ISLAND**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2015**  
**(Un-audited)**

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

	<i>Town of Gloucester</i>				<i>Net Position</i>			
	<i>June 30, 2014</i>				<i>June 30, 2015</i>			
	Govern- mental Activities	Business Type Activities	Total	Component Unit	Govern- mental Activities	Business Type Activities	Total	Component Unit
Current and Other Assets	\$ 14,856,868	\$ 68,313	\$ 14,925,181	284,492	\$ 16,709,264	\$ 76,383	\$ 16,785,647	\$ 315,121
Capital assets	18,954,750	-	18,954,750	7,213,538	18,273,296	-	18,273,296	7,213,538
Total Assets	<u>33,811,618</u>	<u>68,313</u>	<u>33,879,931</u>	<u>7,498,030</u>	<u>34,982,560</u>	<u>76,383</u>	<u>35,058,943</u>	<u>7,528,659</u>
Deferred Outflow of Resources					1,034,879	-	1,034,879	-
Other Liabilities	1,050,954	7,772	1,058,726	17,132	1,103,824	16,269	1,120,093	16,246
Long-Term Liabilities	3,898,731	-	3,898,731	-	10,507,978	-	10,507,978	-
Total Liabilities	<u>4,949,685</u>	<u>7,772</u>	<u>4,957,457</u>	<u>17,132</u>	<u>11,611,802</u>	<u>16,269</u>	<u>11,628,071</u>	<u>16,246</u>
Deferred inflow of Resources	-	-	-	-	1,608,682	-	1,608,682	-
Net Position:								
Net investment in capital assets	15,982,202	-	15,982,202	7,213,538	15,758,086	-	15,758,086	7,213,538
Restricted/Nonspendable	28,595	-	28,595	-	-	-	-	-
Restricted	4,709,047	-	4,709,047	-	3,391,797	-	3,391,797	-
Unrestricted	8,142,089	60,541	8,202,630	267,360	3,647,072	60,114	3,707,186	298,875
Total Net Position	<u>\$ 28,861,933</u>	<u>\$ 60,541</u>	<u>\$ 28,922,474</u>	<u>\$ 7,480,898</u>	<u>\$ 22,796,955</u>	<u>\$ 60,114</u>	<u>\$ 22,857,069</u>	<u>\$ 7,512,413</u>

The largest portion \$15,758,086 of the Town's net position consists of its investments in capital assets such as land, buildings and improvements, motor vehicles, furniture and equipment and infrastructure, less any outstanding debt used to acquire these assets. 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 are 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.

**TOWN OF GLOCESTER, RHODE ISLAND**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2015**  
**(Un-audited)**

An additional portion \$3,391,797 of the Town's net position represents resources that are subject to external restriction on how they may be used. The remaining balance of the Town's unrestricted net position may be used to meet the government's ongoing obligations to its citizens and creditors.

As of June 30, 2015, the Town of Glocester reports positive balances in all three categories of Net Position for the government as a whole.

**Analysis of the Town of Glocester's Operations**

The following analysis provides a summary of the Town's operations for the year ended June 30, 2015. Governmental activities increased the Town's net position by \$1,649,342 or 7.7%, for the current period. The Town's component unit activities remained relatively unchanged.

*Total revenues net change was a decrease of \$214,647, or .77%, from 2014. Operating Grants and Contributions were \$388,625 less than 2014 due to less funding from educational funds for special revenue and operations during 2015. Capital Grants and Contributions decreased by \$92,216 due to the completion of the projects in fiscal 2014 when compared to fiscal 2015. Charges for Services decreased by \$35,199 or 5% over 2014. Property tax revenues increased by \$217,568 over 2014 collections.*

*Total expenses decreased by \$880,153 or 3.25% from 2014. This decrease is largely due to GASB 68 changes. The DPW and Operational expenses were the major program area savings when compared to 2014.*

The Town's business-type activities net position decreased by \$427. The School Lunch program is the sole business-type activity in the Town.

The Town's Component unit net position increased by \$31,515, or 1.67%. Capital Grants and Contributions decreased by \$103,738, as well as a decrease for expenses by \$12,240. The grant decrease is due to the completion of the Hawkins dam during Fiscal 2014.

The schedule on the following page represents comparative activity for the changes in net position.

**TOWN OF GLOCESTER, RHODE ISLAND**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2015**  
**(Un-audited)**

*Town of Gloucester, Rhode Island*  
*Change in Net Position*

	June 30, 2014				June 30, 2015			
	Govern- mental Activities	Business Type Activities	Total	Component Unit	Govern- mental Activities	Business Type Activities	Total	Component Unit
<i>Revenues</i>								
<i>Program revenues</i>								
Charges for services	\$ 645,650	\$ 145,948	\$ 791,598	\$ -	\$ 610,451	\$ 162,616	\$ 773,067	\$ -
Operating grants	4,248,759	-	4,248,759	166,233	3,821,746	-	3,821,746	62,495
Capital grants	93,116	-	93,116	-	39,260	-	39,260	-
<i>General Revenues</i>								
Property taxes	22,925,740	-	22,925,740	-	23,143,308	-	23,143,308	-
Investment earnings	119,885	-	119,885	15	112,281	-	112,281	17
Gain (loss)	16,073	-	16,073	-	107,502	-	107,502	-
Total revenues	<u>28,049,223</u>	<u>145,948</u>	<u>28,195,171</u>	<u>166,248</u>	<u>27,834,548</u>	<u>162,616</u>	<u>27,997,164</u>	<u>62,512</u>
<i>Expenses</i>								
Administration	928,912	-	928,912	-	671,232	-	671,232	-
Finance	547,164	-	547,164	-	593,176	-	593,176	-
Public Safety	2,146,761	-	2,146,761	-	2,341,273	-	2,341,273	-
Public Works	2,427,577	-	2,427,577	-	2,394,808	-	2,394,808	-
Recreation and senior center	379,978	-	379,978	-	385,788	-	385,788	-
Social Services	273,844	-	273,844	-	228,336	-	228,336	-
Operational expenses	559,608	-	559,608	-	389,605	-	389,605	-
Aid Requests	325,970	-	325,970	-	336,441	-	336,441	-
Education	19,330,423	-	19,330,423	-	18,718,145	-	18,718,145	-
Interest	144,723	-	144,723	-	125,975	-	125,975	-
School Lunch Program	-	148,336	148,336	-	-	163,043	163,043	-
Gloucester Land Trust	-	-	-	43,237	-	-	-	30,997
Total expenses	<u>27,064,960</u>	<u>148,336</u>	<u>27,213,296</u>	<u>43,237</u>	<u>26,184,779</u>	<u>163,043</u>	<u>26,347,822</u>	<u>30,997</u>
Change in net position	984,263	(2,388)	981,875	123,011	1,649,769	(427)	1,649,342	31,515
Net position beginning	27,947,648	62,929	28,010,577	7,357,887	21,147,186	60,541	21,207,727	7,480,898
Prior period adjustment	(69,978)	-	(69,978)	-	-	-	-	-
Net position ending	<u>\$ 28,861,933</u>	<u>\$ 60,541</u>	<u>\$ 28,922,474</u>	<u>\$ 7,480,898</u>	<u>\$ 22,796,955</u>	<u>\$ 60,114</u>	<u>\$ 22,857,069</u>	<u>\$ 7,512,413</u>

**TOWN OF GLOCESTER, RHODE ISLAND**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2015**  
**(Un-audited)**

**Financial Analysis of the Town of Glocester's Funds**

**Governmental Funds**

The Town implemented the provisions of Governmental Accounting Standards Board Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54) in fiscal year 2012. GASB 54 establishes criteria for classifying fund balances into specifically defined classifications and clarifies the definitions for governmental funds. GASB 54 defines the following five categories of fund balance:

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

Restricted – items that are restricted by external parties or imposed by grants, laws or legislation.

Committed – items that have been committed by formal action by the entity's highest level of decision-making authority.

Assigned – items that have been allocated by committee action where the government's intent is to use the funds for a specific purpose.

Unassigned – items that have no restrictions placed on them.

The focus of the Town of Glocester'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 unassigned fund balance may serve as a useful measure of the Town's net resources available for spending at the end of the fiscal year. The Fund Balance section of the Balance Sheet for Governmental Funds is presented in the format required by GASB Statement 54.

**General Fund**

Nonspendable

*Prepays:* The \$17,709 prepaid expense is for payments made in 2015 for items covered in 2016. Included are annual software maintenance items for the Police Department, Tax Assessor's revaluation support, and the cost for the annual code red telephone support.

Committed

*Education:* The town has committed \$180,000 for an anticipated loss in state education revenue aid. This is to plan for a future reduction. The town committed an additional \$75,000 towards future costs at the region.

**TOWN OF GLOCESTER, RHODE ISLAND**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2015**  
**(Un-audited)**

*Recreation:* The town's commitment of \$80,000 for the purchase of /or maintaining existing recreational sites remains intact from 2014.

Assigned

*Administration:* The assignment for Revaluation Reserve increased by \$11,483 from \$297,278 in 2014 to \$308,761 in 2015 and the Comprehensive Plan decreased by \$3,500 from \$38,324 in 2014 to \$34,824 in 2015. There was a \$56,976 amount assigned for future technology. The assignment of \$1,508 for Tree Planting remains unchanged from 2014.

*Public safety:* The assignment for Radio Equipment increased by \$876 from \$74,797 to \$75,673. The assignment for Police Equipment Maintenance increased by \$3,424 from \$48,964 in 2014 to \$52,388 in 2015. There was \$31,578 assigned for vehicle replacement during 2015. Rather than pay annual maintenance fees, the Town self-insures for damage to police equipment and maintenance on radio towers.

*Public Works:* The assignment for Storm Related Services decreased by \$191,967 from \$540,740 in 2014 to \$348,773 for the fiscal year ended June 30, 2015.

*Recreation:* The assignment for Senior Center Dues decreased by \$8,829 from \$15,226 in 2014 to \$6,397 in 2015. Amounts are to supplement activities and events at the Senior Center

*Matching state grant funds:* The \$50,000 reserve for grant matches remains unchanged.

*Contractual obligations:* The assignment for Accrued Compensated Absences increased by \$74,204 from \$379,919 in 2014 to \$454,123 in 2015 due to anticipated future expenses. The \$433,240 assigned for OPEB obligations increased by \$49,049 from \$384,191 in 2014. This amount exceeds the amount needed to cover the Town's cumulative Net OPEB Obligation.

*Employee benefits:* The amount assigned for Health Insurance increased by \$53,253 from \$296,918 in 2014 to \$350,170 in 2015. This amount is to smooth fluctuations of health insurance costs. Working rates are derived through the RI Interlocal Risk Management Trust operating a self-insurance health program for the Town of Gloucester.

Unassigned

The General Fund Unassigned fund balance in 2015 is \$5,190,560. This is an increase of \$571,789 from the Unassigned fund balance of \$4,618,771 in 2014.

**TOWN OF GLOCESTER, RHODE ISLAND**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2015**  
**(Un-audited)**

**School Unrestricted**

Restricted

*Education:* This amount decreased from by \$271,336 from \$2,807,840 in 2014 to \$2,536,504 in 2015.

Assigned

*Contractual obligations:* The assigned amount of \$180,274 for OPEB did not change from 2014 to 2015. This amount exceeds the amount needed to cover the School's cumulative Net OPEB Obligation.

*Employee benefits:* The assigned amount for Sick Day Buy-Out for certified employees remained the same \$375,250 in 2015. This amount is for payments to certified staff when they retire.

*Medicaid expenditures:* This amount increased by \$31,733 from \$300,971 in 2014 to \$332,704 due to an increase in Medicaid in 2015.

*Education:* The \$658,845 amount is for operational expenses of \$540,047 for fiscal 2016. The balance is for fiscal 2015 encumbrances for a generator for West Glocester and science kits totaling \$118,798.

**Capital Reserve Fund**

Committed

*Capital projects:* This restricted fund balance increased by \$604,109 from \$988,677 in 2014 to \$1,492,766 in 2015 due to projects funded but not yet completed. The town committed \$861,977 for capital projects in 2015.

**Other Governmental Funds**

Non-Spendable

*Perpetual care:* The amount of non-spendable reserves remained the same at \$3,100 for the fiscal year ended 2015.

Restricted

*Administration:* The total administration has increased to \$47,698 in 2015. This is an increase of \$6,480 from the amount of \$54,178 in 2014. The recycling grant and the historic records amount make up the majority of the decrease.

*Public safety:* The amount restricted in *Public safety* is \$59,698 for 2015. This is a decrease of \$12,324 from 2014. The Bramley grant decrease of \$8,505 for drug and alcohol prevention is the largest change in this category. The MEDS program and the DARE program make up the balance.

*Recreation:* The restricted amount has decreased by \$19,081 from the amount in 2014. The total restricted portion of the recreation category is \$62,348 for 2015. The largest change in this category is a \$19,990 decrease in the parade account. This is offset by an increase in donations for the senior center.

*Social Services:* The social service restricted amount for 2015 is \$221,806. This is a decrease of \$20,523 from 2014. The change is due to a \$44,951 reduction in the community septic system loan program. This is offset with loan repayments in CDBG and food bank proceeds.

**TOWN OF GLOCESTER, RHODE ISLAND**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2015**  
**(Un-audited)**

*Education:* This restricted fund balance for 2015 is \$45,965. This represents a decrease of \$18,432 from \$64,397 in 2014. The change is largely due to a decrease in technology of \$17,194 and a decrease in professional development category for 2015 of \$2,238. It is offset by a modest increase in library donations.

*Capital Projects:* This restricted fund balance increased by \$20,003 from \$388,889 in 2014 to \$408,892 in 2015. Capital improvements are reported in this category. The change is due to an increase from a transfer in for roads for 2015.

*Perpetual Care:* This restricted amount decreased by \$200 from \$9,286 in 2014 to \$9,086 in 2015. This was to maintain cemetery property.

*Town of Gloucester*  
**Fund Balances**

	<i>June 30, 2014</i>	<i>June 30, 2015</i>	
	Total Governmental Funds	Total Governmental Funds	Increase (Decrease)
Nonspendable	28,595	25,003	(3,592)
Restricted	4,709,047	3,391,797	(1,317,250)
Committed	613,099	1,827,786	1,214,687
Assigned	3,428,728	3,751,484	322,756
Unassigned	4,618,771	5,190,560	571,789
<b>Total</b>	<b>13,398,240</b>	<b>14,186,630</b>	<b>788,390</b>

**General Fund Budgetary Highlights**

**Revenues**

*Total revenues* reported in 2015 were more than budgeted amounts by \$283,504 or 1.2%.

*General Property Taxes* collected exceeded budget by \$93,718 or 0.5%. Included in taxes collected was \$2,252,095 from Factory Mutual Insurance Company from a payment-in-lieu-of-taxes (PILOT) agreement, which commenced in 2003.

Glocester received \$20,036 more than budgeted in *State housing aid*. The State's current practice is to pay housing aid for debt service for school construction projects in the year after the eligible project is completed. There has been a state imposed moratorium on school housing project reimbursement that has been lifted during fiscal 2016.

**TOWN OF GLOCESTER, RHODE ISLAND**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2015**  
**(Un-audited)**

Revenues from licenses, fees and fines were \$459,001, or \$49,001 over the budget amount. This is primarily due to \$36,852 more collected in state realty tax stamps, \$8,300 more related to building permits, and several other smaller miscellaneous fees.

*Interest and investment income* was greater than budget by \$21,432 or 23% due to interest on taxes revenue of \$23,084 more than the budget amount. Receipts for interest on investments was less than budgeted by \$1,650 due to continued low interest rates.

An additional Municipal State Aid incentive of \$46,378 and additional other revenues of \$45,949 had a favorable impact on total revenues.

**Expenses**

*Total expenditures and other financing uses* in the Town's General Fund were less than the amount budgeted by \$383,198 or 1.6%. Significant positive results of \$87,449 in *central administration* were due largely to salary and benefit savings for two departments. The planning and building department had personnel changes during 2014 after the 2015 budget was prepared. *Public safety* overall savings of \$57,876 were due to salary and benefits, and purchased services; *Public works* overall savings of \$121,690 due largely to favorable utility costs and increased recycling efforts. *Insurance – property/liability/other* resulted in savings of \$25,634 due to favorable rates from the RI Interlocal Trust. *Other operational expenses* had positive variance items of \$49,012 for retired personnel and computer system support technology savings was due to an early upgrade in 2014 that was originally budgeted for 2015.



**TOWN OF GLOCESTER, RHODE ISLAND**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2015**  
**(Un-audited)**

**The Town of Gloucester's Capital Assets**

The Town of Gloucester's investment in capital assets for its governmental activities amounts to \$18,273,296 net of accumulated depreciation at June 30, 2015. Included are land, buildings and improvements, construction in progress, motor vehicles, furniture, machinery and equipment, and infrastructure.

Additional information on the Town of Gloucester's capital assets is located in notes 6 & 7 on pages 44 through 45 of the notes to the financial statements.

*Town of Gloucester*  
*Capital Assets (Net of Accumulated Depreciation)*

	June 30, 2014		June 30, 2015	
	Govern- mental Activities	Component Unit	Govern- mental Activities	Component Unit
Land	\$ 1,697,814	\$ 7,120,112	\$ 1,697,814	\$ 7,120,112
Historical Building	-	93,426	-	93,426
Construction in Progress	72,702	-	103,832	-
Land Improvements	1,456,880	-	1,376,176	-
Buildings & Improvements	10,763,562	-	10,511,108	-
Motor Vehicles	740,686	-	671,668	-
Office Furniture/Equipment	312,824	-	194,669	-
Machinery & Equipment	523,595	-	486,131	-
Infrastructure	3,386,687	-	3,231,898	-
Total	\$ 18,954,750	\$ 7,213,538	\$ 18,273,296	\$ 7,213,538

The increase in *Construction in Progress* was primarily due to the startup of the transfer station building at the Department of Public Works.

The \$80,704 decrease in *Land Improvements* was due to annual depreciation costs.

The \$252,454 decrease in *Buildings & Improvements* was due to annual depreciation costs.

The \$69,017 decrease in *Motor Vehicles* was due to the purchase of a two vehicles and a rebuilt engine at \$67,412 and offset by annual depreciation costs of \$136,430.

The \$118,155 decrease in *Office Furniture/Equipment* was due to annual depreciation costs.

**TOWN OF GLOCESTER, RHODE ISLAND**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2015**  
**(Un-audited)**

The \$37,464 decrease in *Machinery & Equipment* was the net effect of purchases totaling \$60,277 and depreciation costs of 97,741.

The \$154,789 decrease in *Infrastructure* was due to the less road paving costs as compared to depreciation.

***The Town of Glocester's Debt Administration***

The Town did not issue any new debt in 2015. The Town made payments on debt principal of \$445,000. The outstanding General Obligation debt decreased to a total of \$2,495,000 at June 30, 2015. All outstanding debt is backed by the full faith and credit of the government, including the Town's power to levy additional taxes to ensure repayment of the debt. Accordingly, all general obligation debt was approved by a vote of the citizens.

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

***Town of Glocester***  
***Outstanding Debt***  
***General Obligation Debt***

	<i>June 30, 2014</i>	<i>June 30, 2015</i>
	Govern- mental Activities	Govern- mental Activities
Road Improvements	\$ 520,000	\$ 265,000
Open Space (Land Trust)	300,000	245,000
Senior Center	1,650,000	1,555,000
Fogarty Elementary School Roof	470,000	430,000
Totals	\$ 2,940,000	\$ 2,495,000

In August 2014, Standard & Poor's Ratings Services raised its rating on the Town's general obligation debt from 'AA' to 'AA+' with a stable outlook. Standard & Poor noted strong budgetary performance and flexibility, a strong liquidity position, low overall debt, and strong management practices of maintaining a minimum 12% fund balance reserve as factors contributing to the upgrade.

Except as provided below, under Section 45-12-2 of the General Laws of Rhode Island, the Town may not, without special statutory authorization, incur any debt, which would increase its aggregate indebtedness not otherwise excepted by law to an amount greater than 3% of the taxable property of the Town. Deducted from the computation of aggregated indebtedness is the amount of any borrowing in anticipation of taxes authorized by law and the amount of any sinking funds maintained by the Town. The 3% debt limit of the Town for 2015 was \$27,793,611 [based on the net assessed valuation at December 31, 2012 of \$926,453,714. As of June 30, 2015, the Town had \$2,495,000 in outstanding bonds and notes issued within the 3% debt limit leaving a borrowing capacity of \$25,298,611.

**TOWN OF GLOCESTER, RHODE ISLAND**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2015**  
**(Un-audited)**

The State legislature may, by special act, permit the Town to incur indebtedness outside the limitations imposed by the 3% debt limit. Special legislation adopted by the Legislature authorizing the Town to incur debt is subject to referendum by the electors of the Town. As of June 30, 2015, the town has no outstanding debt outside the 3% debt limit.

In addition to debt authorized within the 3% debt limit and debt authorized by special act of the Legislature, Rhode Island General Law 45-12-11 authorizes the Rhode Island State Director of Administration, upon petition by a municipality, to authorize such municipality to incur indebtedness in excess of the 3% debt limit whenever the Director shall determine that the sums appropriated by the municipality or its funds available are insufficient to pay the necessary expenses of the municipality. The Town has never requested the State Director of Administration to authorize indebtedness of the Town under section 45-12-11.

Under Rhode Island law, the Town may borrow in each fiscal year in anticipation of the receipt of the proceeds of the property tax due in such fiscal year, an amount that shall not exceed the total tax levy of the then current fiscal year. Tax Anticipation Notes must be payable not later than one year from the date of issuance. The Town has not issued Tax Anticipation Notes since fiscal year 1999.

Additional information on the Town of Glocester's long-term debt can be found in footnote 8 of the financial statements on pages 46-49.

**Economic Factors and Next Year's Budgets and Rates**

- Unemployment rates from [www.homefacts.com](http://www.homefacts.com) for 2015 are listed below ([www.homefacts.com](http://www.homefacts.com)):

<u>6/30/2012</u>	<u>6/30/2013</u>	<u>6/30/2014</u>	<u>6/30/2015</u>	
8.1%	6.4%	5.0%	3.6%	Town of Glocester
10.9%	8.5%	7.1%	4.9%	State of Rhode Island
8.2%	7.6%	6.1%	5.0%	United States

- Below are the rates of inflation taken from the Consumer Price Index, Bureau of Labor Statistics Data:

<u>6/30/2012</u>	<u>6/30/2013</u>	<u>6/30/2014</u>	<u>6/30/2015</u>	
1.5%	1.5%	1.4%	.5%	Northeast Urban area
1.7%	1.8%	1.7%	.2%	United States

- The estimated median household income for Glocester is \$76,418 compared to the State's median income of \$55,902 for the for 2013 period. ([www.City-data.com](http://www.City-data.com))
- The median house or condo value in 2013, according to the same site, is \$264,341 for Glocester. This compares to the state median value of \$232,300 for the same period.
- Glocester ranks 30th in population among Rhode Island's 39 cities and towns. The listed population is 9,782([www.rhodeisland-demographics.com](http://www.rhodeisland-demographics.com)).

**TOWN OF GLOCESTER, RHODE ISLAND**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2015**  
**(Un-audited)**

- The Town's total general fund budget for fiscal year 2016 amounts to \$27,684,455. The portion for education is \$19,602,989 or 70.8%, and \$8,081,466 or 29.3%, for general fund activities. This reflects an decrease of \$55,623 or .2% from 2015. The decrease is comprised largely of a reduction of special appropriations of \$448,099, and an increase of \$339,572 to the Foster/Glocester Regional school.
- The unassigned fund balance in the general fund increased by \$571,789, or 12% to \$5,190,560 in 2015. The fund balance is 19% of proposed expenditures for 2016, which is above the 12% minimum required by the Town Charter.
- Since December 2000, per Rhode Island General Law 44-5-11.6, municipalities in Rhode Island are required to perform full revaluations on all "ratable" property every nine years and statistical revaluations every three years for the years in-between. A full revaluation was performed as of December 31, 2010 which affected fiscal year 2012. The Town of Glocester completed a statistical revaluation during Fiscal 2014 for the Fiscal 2015 tax year.
- Net assessed values for fiscal year 2016 are \$926,669,967 a slight increase of \$216,254 over 2015. In fiscal year 2015, the assessed values were \$926,453,713.
- The State of Rhode Island has a 4% tax cap for all municipalities. Glocester's increase for 2015 was .8% and 1.5% for 2016. This is well below the allowable increase. The Town's tax rates for 2014, 2015 and 2016 are listed below. The tax on *Motor vehicles* has been frozen by the State of Rhode Island at \$24.37. Rates are per \$1,000 of valuation.

Tax Rates

	<u>Fiscal</u> <u>2013-14</u>	<u>Fiscal</u> <u>2014-15</u>	<u>Fiscal</u> <u>2015-16</u>	<u>Change</u> <u>from prior year</u>
Residential	\$ 21.24	\$21.77	\$ 22.12	\$ .65
Commercial	24.14	24.74	24.74	.39
Motor vehicle	24.37	24.37	24.37	-
Tangible	42.29	43.34	44.03	.69

**Request for Information**

The financial report is designed to provide our citizens, taxpayers and creditors with a general overview of the Town's finances and to show the Town's accountability for the tax dollars received. If you have questions about this report or need additional financial information, please send your inquiries to the Finance Office, Town of Glocester, 1145 Putnam Pike, PO Drawer B, Chepachet, RI 02814, call (401) 568-6206, extension 5, or visit the Town of Glocester website at [www.glocesterri.org](http://www.glocesterri.org).

Diane L. Brennan  
Finance Director

**BASIC FINANCIAL STATEMENTS**

Government-Wide Financial Statements

*Fund Financial Statements*

Governmental Funds

Proprietary Funds

## **Government-Wide Financial Statements**

**TOWN OF GLOCESTER, RHODE ISLAND**  
**Statement of Net Position**  
**June 30, 2015**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Glocester Land Trust
<b>ASSETS</b>				
Cash and cash equivalents	\$ 13,971,593	\$ 5,370	\$ 13,976,963	\$ 280,091
<b>Accounts receivable:</b>				
Taxes receivable - net	771,693	-	771,693	-
Loans receivables	377,715	-	377,715	-
Due from other governments	412,523	5,327	417,850	15,090
Other receivables	161,557	-	161,557	-
Prepaid expenses	21,903	-	21,903	-
Internal balances	(65,686)	65,686	-	-
Other Assets - net	-	-	-	19,940
<b>Capital assets:</b>				
Property, plant and equipment - net	16,471,650	-	16,471,650	-
Non-depreciable	1,801,646	-	1,801,646	7,213,538
<b>Total capital assets</b>	18,273,296	-	18,273,296	7,213,538
Net pension asset	1,057,966	-	1,057,966	-
<b>TOTAL ASSETS</b>	34,982,560	76,383	35,058,943	7,528,659
<b>Deferred Outflows of Resources</b>	1,034,879	-	1,034,879	-
<b>LIABILITIES</b>				
Accounts payable	181,033	16,269	197,302	1,156
Accrued expenses	233,296	-	233,296	-
Due to other governments	-	-	-	15,090
Other liabilities	79,689	-	79,689	-
<b>Long-term liabilities</b>				
Due within one year	609,806	-	609,806	-
Due in more than one year	10,507,978	-	10,507,978	-
<b>Total liabilities</b>	11,611,802	16,269	11,628,071	16,246
<b>Deferred Inflows of Resources</b>	1,608,682	-	1,608,682	-
<b>NET POSITION</b>				
Net investment in capital assets	15,758,086	-	15,758,086	7,213,538
Restricted for:				
Administration	47,698	-	47,698	-
Public safety	59,498	-	59,498	-
Recreation	62,348	-	62,348	-
Social services	221,806	-	221,806	-
Capital projects	408,892	-	408,892	-
Educational programs	2,582,469	-	2,582,469	-
Perpetual care	9,086	-	9,086	-
Unrestricted	3,647,072	60,114	3,707,186	298,875
<b>Total net position</b>	\$ 22,796,955	\$ 60,114	\$ 22,857,069	\$ 7,512,413

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

**TOWN OF GLOCESTER, RHODE ISLAND**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2015**

Functions/ Programs	Program revenues				Net (Expense) Revenue and Changes in Net Assets			Component Unit Glocester Land Trust
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business-type Activities		
<b>Primary government</b>								
Governmental activities:								
Administration	\$ 671,232	\$ 12,353	\$ -	\$ -	\$ (658,879)		\$ (658,879)	
Finance	593,176	459,001	-	-	(134,175)		(134,175)	
Public safety	2,341,273	-	52,965	-	(2,288,308)		(2,288,308)	
Public works	2,394,808	-	109,707	39,260	(2,245,841)		(2,245,841)	
Recreation and senior center	385,788	5,752	-	-	(380,036)		(380,036)	
Social services	228,336	2,661	302,322	-	76,647		76,647	
Operational expenses	389,605	-	382,794	-	(6,811)		(6,811)	
Aid requests	336,441	-	-	-	(336,441)		(336,441)	
Education	18,718,145	130,684	2,973,958	-	(15,613,503)		(15,613,503)	
Interest	125,975	-	-	-	(125,975)		(125,975)	
<b>Total governmental activities</b>	<u>26,184,779</u>	<u>610,451</u>	<u>3,821,746</u>	<u>39,260</u>	<u>(21,713,322)</u>		<u>(21,713,322)</u>	
<b>Business type activities:</b>								
School Lunch	163,043	162,616	-	-	-	\$ (427)	(427)	
<b>Total business-type activities</b>	<u>163,043</u>	<u>162,616</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(427)</u>	<u>(427)</u>	
<b>Total primary government</b>	<u>\$ 26,347,822</u>	<u>\$ 773,067</u>	<u>\$ 3,821,746</u>	<u>\$ 39,260</u>	<u>(21,713,322)</u>	<u>(427)</u>	<u>(21,713,749)</u>	
<b>Component Unit</b>								
Glocester Land Trust	\$ 30,997	\$ -	\$ 62,495	\$ -				\$ 31,498
<b>General revenues:</b>								
Taxes:								
Property taxes, levied for general purposes					23,143,308	-	23,143,308	-
Unrestricted investment earnings					112,281	-	112,281	17
Miscellaneous					107,502	-	107,502	-
<b>Total general revenues</b>					<u>23,363,091</u>	<u>-</u>	<u>23,363,091</u>	<u>17</u>
<b>Change in net assets</b>					<u>1,649,769</u>	<u>(427)</u>	<u>1,649,342</u>	<u>31,515</u>
Net position-beginning - restated see note -23					21,147,186	60,541	21,207,727	7,480,898
Net position-ending					<u>\$ 22,796,955</u>	<u>\$ 60,114</u>	<u>\$ 22,857,069</u>	<u>\$ 7,512,413</u>

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



## **Fund Financial Statements**

Governmental Funds  
Proprietary Funds

**TOWN OF GLOCESTER, RHODE ISLAND**

**Balance Sheet  
Governmental Funds  
June 30, 2015**

	<b>General Fund</b>	<b>School Unrestricted</b>	<b>Capital Reserve Fund</b>	<b>Other Non-Major Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS:</b>					
Cash and cash equivalents	\$ 7,908,036	\$ 4,443,941	\$ 1,567,367	\$ 52,249	\$ 13,971,593
<b>Accounts receivable:</b>					
Taxes, net of allowance of \$328,945	771,693	-	-	-	771,693
Loans	-	-	-	377,715	377,715
Other	32,939	31,277	-	97,341	161,557
Prepaid items	17,709	4,194	-	-	21,903
Due from other funds	1,451,830	288,892	32,929	772,218	2,545,869
Due from other governments	-	-	-	412,523	412,523
<b>TOTAL ASSETS</b>	<b>\$ 10,182,207</b>	<b>\$ 4,768,304</b>	<b>\$ 1,600,296</b>	<b>\$ 1,712,046</b>	<b>\$ 18,262,853</b>
<b>LIABILITIES AND FUND BALANCES:</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 65,826	\$ 108,076	\$ -	\$ 7,131	\$ 181,033
Accrued payroll and benefits	164,455	48,161	-	8,267	220,883
Due to other funds	1,714,975	524,296	107,510	264,774	2,611,555
Other liabilities	79,689	-	-	-	79,689
<b>TOTAL LIABILITIES</b>	<b>2,024,945</b>	<b>680,533</b>	<b>107,510</b>	<b>280,172</b>	<b>3,093,160</b>
<b>Deferred Inflows of Resources</b>	<b>409,582</b>	<b>-</b>	<b>-</b>	<b>573,481</b>	<b>983,063</b>
<b>FUND BALANCES:</b>					
<b>Nonspendable for:</b>					
Perpetual care	-	-	-	3,100	3,100
Prepays	17,709	4,194	-	-	21,903
<b>Restricted for:</b>					
Administration	-	-	-	47,698	47,698
Public safety	-	-	-	59,498	59,498
Recreation	-	-	-	62,348	62,348
Social services	-	-	-	221,806	221,806
Capital projects	-	-	-	408,892	408,892
Educational programs	-	2,536,504	-	45,965	2,582,469
Perpetual care	-	-	-	9,086	9,086
<b>Committed for:</b>					
Education	255,000	-	-	-	255,000
Capital projects	-	-	1,492,786	-	1,492,786
Recreation	80,000	-	-	-	80,000
<b>Assigned for:</b>					
Administration	402,069	-	-	-	402,069
Public safety	159,639	-	-	-	159,639
Public works programs	348,773	-	-	-	348,773
Recreation	6,397	-	-	-	6,397
Matching state grant funds	50,000	-	-	-	50,000
Contractual obligations	887,363	180,274	-	-	1,067,637
Employee benefits	350,170	375,250	-	-	725,420
Medicaid expenditures	-	332,704	-	-	332,704
Education	-	658,845	-	-	658,845
<b>Unassigned:</b>	<b>5,190,560</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,190,560</b>
<b>TOTAL FUND BALANCES</b>	<b>7,747,680</b>	<b>4,087,771</b>	<b>1,492,786</b>	<b>858,393</b>	<b>14,186,630</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 10,182,207</b>	<b>\$ 4,768,304</b>	<b>\$ 1,600,296</b>	<b>\$ 1,712,046</b>	

**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. (Note 9)	18,273,296
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. (Note 9)	970,650
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. (Note 9)	(10,633,621)
<b>Net position of governmental activities</b>	<b>\$ 22,796,955</b>

**TOWN OF GLOCESTER, RHODE ISLAND**  
**Statement of Revenues, Expenditures, Other Financing Sources (Uses),**  
**and Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2015**

	<u>General Fund</u>	<u>School Unrestricted</u>	<u>Capital Reserve Fund</u>	<u>Other Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES:</b>					
Property tax	\$ 23,146,974	\$ -	\$ -	\$ -	\$ 23,146,974
Intergovernmental and departmental revenue	382,794	2,626,892	-	733,799	3,743,485
Federal revenue - Medicaid reimbursement	-	58,044	-	-	58,044
Tuitions	-	59,350	-	-	59,350
Licenses, fees, and fines	459,001	-	-	-	459,001
Investment Income	111,608	511	162	-	112,281
Other	97,444	13,290	-	138,287	249,021
<b>TOTAL REVENUES</b>	<u>24,197,821</u>	<u>2,758,087</u>	<u>162</u>	<u>872,086</u>	<u>27,828,156</u>
<b>EXPENDITURES:</b>					
<b>Current:</b>					
Administration	747,970	-	-	195,950	943,920
Finance	605,514	-	-	-	605,514
Public safety	2,037,819	-	25,000	148,861	2,211,680
Public works	1,797,479	-	38,020	56,806	1,892,305
Recreation & senior center	260,228	-	-	51,483	311,711
Social services	33,574	-	-	149,361	182,935
Operational expenses	389,605	-	-	-	389,605
Aid requests	336,441	-	-	-	336,441
Education	9,692,789	9,146,735	-	408,176	19,247,700
<b>Debt service:</b>					
Principal	405,000	-	-	65,455	470,455
Interest	101,967	-	-	26,232	128,199
<b>Capital:</b>					
Capital outlay	-	-	15,207	304,094	319,301
<b>TOTAL EXPENDITURES</b>	<u>16,408,386</u>	<u>9,146,735</u>	<u>78,227</u>	<u>1,406,418</u>	<u>27,039,766</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>					
<b>BEFORE OTHER FINANCING SOURCES (USES)</b>	<u>7,789,435</u>	<u>(6,388,648)</u>	<u>(78,065)</u>	<u>(534,332)</u>	<u>788,390</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	12,000	6,372,035	861,977	489,095	7,735,107
Transfers out	(7,438,985)	(4,319)	(279,803)	(12,000)	(7,735,107)
<b>NET OTHER FINANCING SOURCES (USES)</b>	<u>(7,426,985)</u>	<u>6,367,716</u>	<u>582,174</u>	<u>477,095</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>362,450</u>	<u>(20,932)</u>	<u>504,109</u>	<u>(57,237)</u>	<u>788,390</u>
<b>FUND BALANCES - BEGINNING</b>	<u>7,385,230</u>	<u>4,108,703</u>	<u>988,677</u>	<u>915,630</u>	<u>13,398,240</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 7,747,680</u>	<u>\$ 4,087,771</u>	<u>\$ 1,492,786</u>	<u>\$ 858,393</u>	<u>\$ 14,186,630</u>

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

**TOWN OF GLOCESTER, RHODE ISLAND**  
**Reconciliation of the Statement of Revenues,**  
**Expenditures, and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**For the Fiscal Year Ended June 30, 2015**

Net change in fund balances-total governmental funds \$ 788,390

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 additions exceed depreciation expense in the current period.

Capital Outlay	\$ 493,680	
Depreciation Expense	<u>(1,175,134)</u>	(681,454)

Reductions in deferred revenue that provide current financial resources to governmental funds are not reported as revenues in the statement of activities. 6,392

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. This is the net effect of those activities. 2,224

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.

Net increase in compensated absences	\$ (66,810)	
Net increase in OPEB obligation	(51,548)	
Issuance of debt	(45,401)	
Principal payments on long term debt	480,155	
Payments on leases payable	12,338	
Net (increase)/decrease in net pension liability	1,554,093	
Net increase/(decrease) in net pension asset	225,193	
Net increase/(decrease) in deferred outflows	1,034,879	
Net (increase)/decrease in deferred inflows	(1,608,682)	

1,534,217

Change in net position of governmental activities \$ 1,649,769

*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 GLOCESTER, RHODE ISLAND**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2015**

	<u>School Lunch</u>
<b>ASSETS:</b>	
<i>Current assets:</i>	
Cash and cash equivalents	\$ 5,370
Due from other funds	65,686
Due from other governments	<u>5,327</u>
<b>Total current assets</b>	<u>76,383</u>
 <b>TOTAL ASSETS</b>	 <u>76,383</u>
 <b>LIABILITIES:</b>	
<i>Current liabilities:</i>	
Accounts payable	<u>16,269</u>
<b>Total current liabilities</b>	<u>16,269</u>
 <b>TOTAL LIABILITIES</b>	 <u>16,269</u>
 <b>NET POSITION:</b>	
Unrestricted	<u>60,114</u>
 <b>TOTAL NET POSITION</b>	 <u>\$ 60,114</u>

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

**TOWN OF GLOCESTER, RHODE ISLAND**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2015**

	<b>School Lunch</b>
<b><i>OPERATING REVENUES:</i></b>	
Charges for usage and service	\$ 162,616
<b><i>Total operating revenues</i></b>	<b>162,616</b>
<b><i>OPERATING EXPENSES:</i></b>	
Operations	163,043
<b><i>Total operating expenses</i></b>	<b>163,043</b>
<b><i>OPERATING INCOME (LOSS)</i></b>	<b>(427)</b>
<b><i>CHANGE IN NET POSITION</i></b>	<b>(427)</b>
<b><i>TOTAL NET POSITION - BEGINNING</i></b>	<b>60,541</b>
<b><i>TOTAL NET POSITION - ENDING</i></b>	<b>\$ 60,114</b>

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

**TOWN OF GLOCESTER, RHODE ISLAND**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2015**

	<u>School Lunch</u>
<b><i>CASH FLOWS FROM OPERATING ACTIVITIES:</i></b>	
Cash received from customers	\$ 162,411
Cash payments to suppliers	(154,546)
<b><i>Net cash provided by (used for) operating activities</i></b>	<u>7,865</u>
<b><i>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</i></b>	
Decrease in due from other funds	(6,822)
<b><i>Net cash provided (used for) non-capital and related financing activities</i></b>	<u>(6,822)</u>
<b><i>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</i></b>	1,043
<b><i>CASH AND CASH EQUIVALENTS - BEGINNING</i></b>	4,327
<b><i>CASH AND CASH EQUIVALENTS - ENDING</i></b>	<u>\$ 5,370</u>
<b><i>Reconciliation of operating income to net cash provided by operating activities:</i></b>	
Operating income (Loss)	\$ (427)
<b><i>Changes in assets and liabilities:</i></b>	
(Increase) decrease in accounts receivable	(205)
Increase (decrease) in accounts payable	8,497
<b><i>Total adjustments</i></b>	<u>8,292</u>
<b><i>Net cash provided by (used for) operating activities</i></b>	<u>\$ 7,865</u>

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

## **Notes to Financial Statements**



**TOWN OF GLOCESTER, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

The Town complies with generally accepted accounting principles (GAAP). Generally accepted accounting principles (GAAP) include all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide Statement of Net Position and Statement of Activities, Financial Accounting Standards Board (FASB) pronouncements have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. Proprietary funds also apply the same principles. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note.

***Reporting Entity***

The Town of Glocester was incorporated in 1731. The Town is governed under a Home Rule Charter adopted in November, 1991. The Town operates under a Town Council form of government with a five-member Town Council headed by a Council President.

A six-member School committee, all elected at large, is vested with legislative authority over the public school system. The Superintendent of Schools, appointed by the School Committee, is the chief executive officer for the school system. The school system provides elementary education to Town residents.

The accompanying financial statements present the government and its component unit. In evaluating the inclusion of other separate and distinct legal entities as component units within its financial reporting structure, the Town applied the criteria prescribed by GASB Statement No. 14, as amended by GASB Statement No. 39, "Determining Whether Certain Organizations are Component Units." A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable or for which the nature and significance of its relationship with the primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The Town's discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the Town. Through the application of GASB Statement No. 39 and No. 14 criteria, the Glocester Land Trust (the Land Trust) has been presented as a component unit of the Town, hereinafter referred to as a "component unit", in the accompanying government-wide financial statements. The Land Trust is included in the Town's reporting entity because of the significance of its operational and financial relationships with the Town.

**Discretely Presented Component Unit Disclosure** – The Glocester Land Trust is a component unit and is reported in a separate column to emphasize that it is legally separate from the Town but is included because the Town is financially accountable for and is able to impose its will on the organization. There is a financial benefit or burden relationship to the primary government. The Town of Glocester is able to impose its will in the component unit as the Town appoints all seven trustees of the Glocester Land Trust and can also remove them. Unless otherwise indicated, the notes to the basic financial statements pertain only to the primary government because certain disclosures of the component unit are not significant relative to the primary government. A description of the component unit and its relationship with the Town is as follows:

**TOWN OF GLOCESTER, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Reporting Entity (Continued)***

Glocester Land Trust (the Land Trust) – Established on July 1, 1987 the purpose of the Land Trust is to acquire, hold and manage real property and interests in real property situated in the Town of Glocester, consisting of open space and agricultural property. Upon termination or dissolution of the Land Trust, title to all remaining funds, land and land rights will vest with the Town. The Land Trust does not issue separate financial statements and has a June 30 fiscal year.

***Recently Issued Accounting Standards***

The Town implemented the following accounting pronouncements for the year ended June 30, 2015:

- GASB Statement No. 68 - Accounting and Financial Reporting for Pension – an amendment of GASB Statement No. 27 effective for the Town’s fiscal year ending June 30, 2015.
- GASB Statement No. 69 Government Combinations and Disposals of Government Operations effective for the Town’s fiscal year ending June 30, 2015.
- GASB Statement No. 71 Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68 effective for the Town’s fiscal year ending June 30, 2015.

The Town will adopt the following new accounting pronouncements in future years:

- GASB Statement No. 72 – Fair Value Measurement and Application effective for the Town’s fiscal year ending June 30, 2016.
- GASB Statement No. 73 – Accounting and Financial reporting for Pensions and Related Assets that are not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68 - effective for the Town’s fiscal year ending June 30, 2016.
- GASB Statement No. 74 – Financial Reporting for Postemployment Benefit Plans Other than Pension Plans - effective for the Town’s fiscal year ending June 30, 2017.
- GASB Statement No. 75 - Accounting for Postemployment Benefit Plans Other than Pension Plans - effective for the Town’s fiscal year ending June 30, 2018.
- GASB Statement No. 76 – The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments - effective for the Town’s fiscal year ending June 30, 2016.
- GASB Statement No. 77 – Tax Abatement Disclosures - effective for the Town’s fiscal year ending June 30, 2017.
- GASB Statement No. 78 Pensions Provided through Certain Multiple-Employer Defined Pension Plans - effective for the Town’s fiscal year ending June 30, 2017.

The impact of these pronouncements on the Town's financial statements has not been determined.

**TOWN OF GLOCESTER, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Basis of Presentation***

*Government – Wide Financial Statements*

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for 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 inter-fund 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 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 for all funds of that category or type, 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.

The funds of the financial reporting entity are described below:

***Governmental Funds***

General Fund

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

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for certain purposes.

Capital Project Funds

Capital Project Funds are used to account for resources restricted for the acquisition or construction of specific capital projects or items.

**TOWN OF GLOCESTER, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Basis of Presentation (Continued)***

Permanent Funds

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 Funds

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.

***Major and Non-Major Funds***

The funds are further classified as major or non-major as follows:

<u>Fund</u>	<u>Brief Description</u>
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***Major:***

General Fund:	See above for description
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Special Revenue:	School Unrestricted - This fund accounts for the operation and maintenance of the West Glocester and Fogarty Memorial Elementary Schools. Revenue Sources: Town funded appropriation State of Rhode Island: Annual aid to education
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Capital Project:	Capital Reserve Fund - This fund accounts for monies utilized for capital improvements set forth in the Capital Program approved at the Financial Town Meeting.
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Proprietary:	School Lunch - This fund is used to account for the activities of the lunch programs at the West Glocester and Fogarty Memorial Elementary Schools.
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**TOWN OF GLOCESTER, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Basis of Presentation (Continued)***

***Non-Major:***

Special Revenue: *Town Funds:*

Bramley Bill, The Meds Plan, Revaluation Grant, Recycling Grant, Public Library Grant, July 4th Parade, MHRH Grant, Emergency Energy, RI Interlocal Safety, Pollard Mimosa Trees, Police Grant JAG, Central Police Legislative Grant, Blue Rip Tide Grant, Historic Records Trust, Senior Center Donations, Food Bank, Animal Shelter, Community Septic System Loan Program, BHDDH CAST, DARE, Community Development Block Grant and Meal Site Senate Grant, FEMA Grant, HAVA Grant, Community Resource and Grass Roots.

*School Funds:*

Rural Education Grant, Performing Arts, Technology, Professional Development, Title I, Title II, CAST Mini Grant, IDEA Preschool, IDEA Part B, Race to the Top and Donations-Library.

Capital Projects: Chepachet River Park, Roads, Senior Center Fund, Chepachet River Cleanup, Chepachet Wastewater / Storm-water Project, Geothermal Project, Fogarty School Roof, School Capital Improvement, Animal Control Project, Transfer Station Upgrade and Wireless Classroom.

Permanent: Perpetual Care Fund.

***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, and utilize the accrual basis of accounting.

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, franchise taxes, licenses, and interest as available if they are collected within 60 days after year-end. Substantially all other revenue of the governmental funds is recognized utilizing the modified accrual method of accounting, and as such, it is recognized as earned.

**TOWN OF GLOCESTER, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Measurement Focus (Continued)***

- b) The proprietary fund utilizes 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.

***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 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.

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the proprietary fund's principal operation. The principal operating revenues of the enterprise funds are charges for services provided in accordance with the fund's purpose. Operating expenses for the enterprise funds include the costs of providing the services, including administration and depreciation on capital assets. All other revenue and expense items not meeting these criteria are reported as non-operating revenues and expenses.

**TOWN OF GLOCESTER, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Accounts Receivable***

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based on historical trends and the periodic aging of accounts receivable. The allowance for uncollectible accounts totaled \$328,945 for property taxes. Business-type activities report usage 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 but not yet received. Allowances for uncollectible receivables are based upon historical trends and the periodic aging of accounts receivable.

***Deposits and Investments***

Cash and cash equivalents are carried at cost. The Town's cash and cash equivalents consist of cash on hand, demand deposits, money market accounts, and short-term investments with original maturities of three months or less from the date of acquisition. Substantially, all of the Town's cash and cash equivalents are held in public deposit institutions or collateralized government investment pools, which are available on a daily basis.

Investments are stated at fair value. Investment income is recorded in the fund which it was earned.

***Prepaid Items***

Prepaid items, where applicable, are accounted for under the allocation 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. Prepaids recorded in governmental funds do not reflect current appropriated resources, resulting in non-spendable fund balance.

***Property, Plant, and Equipment***

**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.

**TOWN OF GLOCESTER, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Property, Plant, and Equipment (Continued)***

**Government-Wide Statements**

In the government-wide financial statements, long-lived 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 of greater than \$5,000.

Infrastructure assets include primarily roads and bridges. All known infrastructure assets are included in this report and there are no infrastructure assets reported using the modified approach.

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>Classes</u>	<u>Useful Life</u>
Land improvements	5 - 30 years
Buildings and improvements	5-100 years
Motor vehicles	4-20 years
Machinery and equipment	5-30 years
Office furniture and equipment	3-20 years
Infrastructure (roads and bridges)	3-40 years

**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.

***Accrued Compensated Absences***

Under the terms of various contracts and policies, Town employees are granted vacation and sick leave based on length of service. The amount recorded is the unused days earned at the current rate of pay. The Town's policy is to recognize the cost of vacation and sick leave in governmental funds when paid and on the accrual basis in proprietary funds. Since the Town's policy is to pay certain accrued compensated absences when employees separate from service with the Town, the amount of earned but unpaid vacation and sick leave relating to governmental fund employees is recorded as a long-term liability in the government-wide financial statements.



**TOWN OF GLOCESTER, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Use of Estimates***

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Actual results could differ from those estimates.

***Short-Term Interfund Receivables/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 "due from other funds" or "due to other funds" on the balance sheet.

***Interfund Transfers***

The principal purpose of interfund transfers is to provide a financing source to various funds that may not have the ability to cover all operating costs with revenue generated by the fund.

***Bond Issuance Costs***

In the governmental fund financial statements, bond issuance costs are treated as period costs in the year of issue and shown as expenditure.

***Deferred Outflows of Resources***

Represent a consumption of net position or fund balance by a government that is applicable to a future reporting period.

***Deferred Inflows of Resources***

In addition to liabilities, the statement of net position and/or balance sheet can report deferred inflows of resources. Deferred inflows of resources represent the acquisition of net position or fund balance that applies to a future period and which will not be recognized as an inflow of resources (revenue) until a later date.

**TOWN OF GLOCESTER, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Equity Classifications***

**Government-Wide Statements**

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

- a) 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.
- b) 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.
- c) Unrestricted - All other net positions that do not meet the definition of "restricted" or "Net investment in capital assets".

**Fund Financial Statements**

The Town has adopted and implemented the provisions and requirements of the Governmental 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 not in a spendable form or are legally or contractually required to be maintained intact or are permanently precluded from conversion to cash. Examples are prepaid amounts, inventories, endowments and permanent funds.
- ***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 and are constrained by the government's management but are neither restricted nor committed.
- ***Unassigned*** – is the amount of fund balance in the General Fund that has not been restricted, committed, or assigned to a specific purpose within the General Fund. It includes spendable amounts not subject to any intended use or constraint. It is the residual classification for general fund and is available for any purpose. The balance is not precluded by a management decision, law or constitutional provision in the general fund.

**TOWN OF GLOCESTER, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Fund Financial Statements (Continued)**

The Town adopted a Fund Balance policy on June 16, 2011. The Gloucester School Department adopted a Fund Balance policy on May 17, 2011. Both set classification policies and procedures for the above noted level of fund balance reporting for the funds for which they are responsible.

As a result of the passage of a charter review, the Town of Gloucester general fund budget is approved at an all-day referendum. The first vote was on May 19, 2015. At this time, the voters are also asked to vote to commit funds for specified purposes from the fund balance. Prior to the all-day referendum, any commitment of the fund balance was voted on individually at a town financial meeting. Each item to be committed is now addressed as an individual question to be approved by a majority vote of the people. The summary below details the change due to this new procedure for the Fiscal 2016 budget as it relates to the fund balance categories as defined by GASB.

- a) For committed fund balances, the referendum is the highest level of authority to designate committed funds.
- b) For assigned fund balances in the General Fund: The Town Council is authorized to assign amounts to a purpose and under the same authority remove the assignment. For assigned fund balances in the School Unrestricted Fund: The Gloucester School Committee is authorized to assign amounts to a purpose and under the same authority remove the assignment..
- c) Order of expenditure of funds by classifications: Expenditures may be incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available. Composition of the ending fund balance is determined by applying the following: In those instances where both restricted and unrestricted amounts are available, restricted amounts will be considered to have been spent first [as allowed and in compliance with stated and specified terms or requirements], followed by committed amounts, followed by assigned amounts, and then unassigned amounts.
- d) Minimum unassigned fund balance: An adequate level of unassigned fund balance is essential to mitigate current and future risks and to ensure service levels. Specifically, amounts are and will be held in unassigned fund balance for:
  - Economic uncertainty (i.e., to cushion the Town against fluctuations in revenues and costs due to economic conditions),
  - Extreme events (i.e., allows the Town to respond quickly and decisively to events such as natural disasters, catastrophic accidents, etc.)
  - Working capital (i.e., to cushion the Town against revenue shortfalls or expenditure fluctuations associated with routine Town business) (e.g., property tax revenues are received quarterly, but the Town delivers police services year-round).

**TOWN OF GLOCESTER, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Fund Financial Statements (Continued)**

Per the Town's Home Rule Charter, Article VIII, Financial Procedures, Section C8-13 Minimum cash reserve: "The minimum unreserved general fund balance the Town shall maintain shall be not less than 12% of the total annual Town proposed expenditures for the next fiscal year."

It is anticipated that this is a level sufficient to provide for the required resources to ensure short-term cash availability when revenue is unavailable or unanticipated expenditures (including emergencies) occur. If the unassigned fund balance falls below the minimum parameter, the Town Council will adopt a plan and a time frame in which to bring the unassigned fund balance into compliance with the Town's Home Rule Charter.

**Pensions**

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

**2. BUDGETARY PROCESS**

**(a) Adoption**

The Town has formally established budgetary accounting control for its General Fund and the School Unrestricted Fund, which is a Special Revenue Fund. It is the responsibility of the Town Budget Board to: a) Receive and examine all requests for capital and operating expenditures submitted by the Departments, Commissions, Offices and Agencies of Town government, including the School Department; b) Hold such hearings as may be necessary to provide the opportunity for all Department Heads, Town Officials and Agencies submitting estimates to appear before the Board to explain and justify their requests. The Board shall provide opportunity for any citizen who desires to do so to address the Board on any pertinent matter consistent with the procedural rules established by the Board; and c) Submit to the Council no later than the third Thursday in March its recommendations regarding all requests for appropriations which have been submitted for its review together with revenue estimates and the projected tax levy required to support the budget recommendation. The Council shall review the recommendations of the Budget Board and make such changes in the various expenditure requests as it sees fit, provided, however, that the Council shall not have the authority to change any item in the School department expenditure request except the overall total amount. The Council shall hold a Public Hearing on its preliminary recommended budget prior to its adoption, which hearing must be at least 21 days prior to the Annual Financial Town Meeting. The Council shall adopt a recommended budget for presentation to the Financial Town meeting, not later than 15 days preceding its date. The recommended budget is approved or amended by the voters at the Annual Financial Town Meeting. As a result of the passage of a charter review, the Town of Gloucester general fund budget is approved at an all-day referendum. The first vote was on May 19, 2015.

**TOWN OF GLOCESTER, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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**2. BUDGETARY PROCESS (Continued)**

**(a) Adoption (Continued)**

The General Fund and School Unrestricted Fund annual operating budget 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 legal level of control for the General Fund is at the fund level and the School Unrestricted Fund is at the fund level. Amendments that would change the total appropriation must be approved by the voters at a Financial Town Meeting. There were no supplemental budgetary appropriations in fiscal year 2015. Appropriations which are not expended or encumbered lapse at year end. As a result of the passage of a charter review, the Town of Glocester general fund budget is approved at an all-day referendum. The first vote was on May 19, 2015 for the fiscal 2016 budget..

**(b) Reconciliation - Budgetary to GAAP**

The Town Charter requires annual budgets for the General Fund and Special Revenue - General School Activities. The practices used in the preparation of the 2015 budget differ in certain respects from the presentation of the actual results of operations prepared in accordance with GAAP. The actual results of operations, for purposes of the Statement of Revenues, Expenditures, Other Financing Sources (Uses) - Budget and Actual on a Budgetary Basis -General Fund, and Special Revenue Fund -School Unrestricted Fund, have been adjusted to a basis consistent with the Town's budget for 2015. See Pages 81 through 84.

**3. DEPOSITS 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. 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 does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Town minimizes its exposure to interest rate risk by investing in short-term, highly liquid investments.

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

**TOWN OF GLOCESTER, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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**3. DEPOSITS AND INVESTMENTS (Continued)**

**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, 2015, \$ -0- of the Town's balance of \$14,250,152 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.

Cash and investments of the Town consist of the following at June 30, 2015:

<b><i>Cash and Cash Equivalents</i></b>	
Deposits with financial institutions	\$ 14,250,152
Petty cash and cash on hand	6,902
Total cash and cash equivalents	14,257,054
<b><i>Total Cash and Investments</i></b>	<b>\$ 14,257,054</b>

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

<b><i>Statement of Net Position</i></b>	
Cash and cash equivalents	\$ 14,257,054
<b><i>Total Cash and Investments</i></b>	<b>\$ 14,257,054</b>

*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, 2015.

*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, 2015.

**TOWN OF GLOCESTER, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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**4. TAXES RECEIVABLE AND UNEARNED REVENUE**

The Town's property tax is levied each July 1, for its next fiscal year on the assessed values listed as of the prior December 31 (lien date), for all real property, tangible property, and motor vehicles located in the Town. Assessed values of real property and tangible personal property were established by the Town Assessor's office at 100% of appraised market value as of December 31, 2012. The assessed value of motor vehicles is determined annually at 100% as established by the State Vehicle Value Commission.

An automatic lien is placed on the taxpayer's property if payment has not been received by the due date. Interest is charged on past due accounts at a rate of 8% per annum calculated on the unpaid portion of the total tax. Taxes are due in full by August 1, or at the option of the taxpayer they may be paid in quarterly installments on the first working day of August, November, February, and May following the levy date.

Net property taxes levied at the May 3, 2014 Financial Town Meeting for the fiscal year 2015 were based on a net assessed value of approximately \$926,453,714 at December 31, 2013 and amounted to \$20,914,232.

The Town recognizes property tax revenues in accordance with Section P70, "Property Taxes" of the Codification of Governmental Accounting and Financial Reporting Standards. Unpaid property taxes as of June 30, 2015 (\$771,693) are recorded as a receivable, net of an allowance for uncollectible property taxes of \$328,945. Those net property taxes receivable which were not collected within the 60 days immediately following June 30, 2015 are recorded as unearned revenue and amounted to \$429,553 at June 30, 2015. Property taxes recognized as revenue for the fiscal year ended June 30, 2015 (due to their collection within the 60 days immediately following June 30, 2015) amounted to \$379,463

In the government-wide financial statements, deferred revenues represent funds received in advance of being earned, or receivables which will be collected and included in revenues of future fiscal years.

**TOWN OF GLOCESTER, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**5. INTERFUND BALANCES**

Inter-fund balances represent loans to various funds for use in operations when funds are either not available through operations or funding is being requested through other funding sources. These amounts are expected to be repaid at certain future dates. Below are the balances as of June 30, 2015:

	<b>Due From Other Funds</b>	<b>Due To Other Funds</b>
<b><i>Governmental Activities:</i></b>		
<b><i>Major Funds:</i></b>		
General Fund	\$ 1,451,830	\$ 1,714,975
School Unrestricted Fund	288,892	524,296
Capital Reserve Fund	32,929	107,510
<b><i>Non-major Funds:</i></b>		
Town Special Revenue Funds	240,920	81,336
School Special Revenue Funds	45,965	68,995
Capital Projects Funds	485,333	114,243
Permanent Funds	-	200
<b><i>Total Governmental Activities</i></b>	2,545,869	2,611,555
<b><i>Business Type Activities:</i></b>		
School Lunch	65,686	-
<b><i>Total Business Type Activities</i></b>	65,686	-
<b><i>TOTALS</i></b>	\$ 2,611,555	\$ 2,611,555



**TOWN OF GLOCESTER, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**6. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2015 was as follows:

	Primary Government			Ending Balance
	Beginning Balance	Increases	Decreases	
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 1,697,814	\$ -	\$ -	\$ 1,697,814
Construction in Progress	72,702	31,130	-	103,832
Total capital assets not being depreciated	<u>1,770,516</u>	<u>31,130</u>	<u>-</u>	<u>1,801,646</u>
Other capital assets:				
Land improvements	1,905,695	-	-	1,905,695
Buildings and improvements	15,512,078	61,897	-	15,573,975
Infrastructure	8,167,302	272,964	-	8,440,266
Machinery and equipment	1,559,555	60,277	-	1,619,832
Motor vehicles	2,366,561	67,412	(113,669)	2,320,304
Office furniture and equipment	686,848	-	-	686,848
Total other capital assets at historical cost	<u>30,198,039</u>	<u>462,550</u>	<u>(113,669)</u>	<u>30,546,920</u>
Less accumulated depreciation for:				
Land improvements	448,815	80,704	-	529,519
Buildings and improvements	4,748,516	314,351	-	5,062,867
Infrastructure	4,780,615	427,753	-	5,208,368
Machinery and equipment	1,035,960	97,741	-	1,133,701
Motor vehicles	1,625,875	136,430	(113,669)	1,648,636
Office furniture and equipment	374,024	118,155	-	492,179
Total accumulated depreciation	<u>13,013,805</u>	<u>1,175,134</u>	<u>(113,669)</u>	<u>14,075,270</u>
Governmental activities capital assets, net	<u>\$ 18,954,750</u>	<u>\$ (681,454)</u>	<u>\$ -</u>	<u>\$ 18,273,296</u>

Depreciation expense was charged to functions as follows:

Governmental activities:

Administration	\$ 133,584
Public safety	170,536
Public works	588,326
Recreation	74,077
Public education	208,611
Total governmental activities depreciation expense	<u>\$ 1,175,134</u>

**TOWN OF GLOCESTER, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**7. CAPITAL ASSETS (Continued)**

Capital asset activity for the year ended June 30, 2015 was as follows for the Land Trust:

	Discretely Presented Component Unit			Ending Balance
	Beginning Balance	Increases	Decreases	
<b>Discretely presented component unit:</b>				
Capital assets not being depreciated:				
Historical building	\$ 93,426	\$ -	\$ -	\$ 93,426
Land	7,120,112	-	-	7,120,112
Total capital assets not being depreciated	<u>7,213,538</u>	<u>-</u>	<u>-</u>	<u>7,213,538</u>
Other capital assets:				
Machinery and equipment	31,500	-	-	31,500
Total other capital assets at historical cost	<u>31,500</u>	<u>-</u>	<u>-</u>	<u>31,500</u>
Less accumulated depreciation for:				
Machinery and equipment	31,500	-	-	31,500
Total accumulated depreciation	<u>31,500</u>	<u>-</u>	<u>-</u>	<u>31,500</u>
Business-type activities capital assets, net	<u>\$ 7,213,538</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,213,538</u>

Depreciation expense was charged to functions as follows:

Discretely presented component unit

Depreciation expense	\$ -
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**TOWN OF GLOCESTER, RHODE ISLAND  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2015**

**8. LONG-TERM LIABILITIES**

**(a) Long-Term Liability Activity**

Long-term liability activity for the year ended June 30, 2015 is as follows:

	Balance			Balance	Amounts
	July 1, 2014	Additions	Retirements	June 30, 2015	Due within
					One Year
<b>Governmental Activities</b>					
General obligation debt	\$ 2,940,000	\$ -	\$ 445,000	\$ 2,495,000	\$ 465,000
Loan payable	175,815	45,401	25,455	195,761	25,000
Capital leases	32,548	-	12,338	20,210	12,338
Total debt	<u>3,148,363</u>	<u>45,401</u>	<u>482,793</u>	<u>2,710,971</u>	<u>502,338</u>
<b>Other liabilities:</b>					
Accrued compensated absences	910,597	682,466	615,656	977,407	97,768
Net OPEB Obligation	151,631	51,548	-	203,179	-
Net Pension Liability	8,547,520	-	1,554,093	6,993,427	-
Landfill post-closure costs	242,500	-	9,700	232,800	9,700
Total other liabilities	<u>9,852,248</u>	<u>734,014</u>	<u>2,179,449</u>	<u>8,406,813</u>	<u>107,468</u>
Governmental Activities long-term liabilities	<u>\$ 13,000,611</u>	<u>\$ 779,415</u>	<u>\$ 2,662,242</u>	<u>\$ 11,117,784</u>	<u>\$ 609,806</u>

The following schedule summarizes the Town's bonds and notes:

	Interest Rates	Principal	Due Dates
Governmental bonds and notes payable	2.58% - 5.50%	\$ 2,495,000	2016-2027
<b>Total All Funds</b>		<u>\$ 2,495,000</u>	

The Town is not obligated in any way for special assessment debt. Neither is there any outstanding special assessment debt.

Payments on bonds are made from the general fund. Payments on the loan are made from the Community Septic System Loan Program. Payments on the capital leases are made from the General Fund. Accrued compensated absences are paid from the General Fund and the School Unrestricted Fund. Payments on the landfill post-closure care costs are made from the General Fund.

**TOWN OF GLOCESTER, RHODE ISLAND  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2015**

**8. LONG-TERM LIABILITIES (Continued)**

**(b) Bonds Outstanding**

At June 30, 2015, The Town's Government Activities bonds payable are comprised of the following:

	DATE OF ISSUANCE	INTEREST RATE	DATE OF MATURITY	AUTHORIZED AND ISSUED	OUTSTANDING July 1, 2014	ADDITIONS	MATURITIES DURING YEAR	OUTSTANDING June 30, 2015
GENERAL OBLIGATION BONDS PAYABLE								
Road improvements	4/15/2001	4.00-5.50%	4/15/2016	\$ 3,200,000	\$ 520,000	\$ -	\$ 255,000	\$ 265,000
Senior center	10/1/2006	3.50-5.00%	10/1/2026	2,215,000	1,650,000	-	95,000	1,555,000
School roof	5/15/2007	4.00-5.50%	4/1/2027	750,000	470,000	-	40,000	430,000
Land trust	5/13/2010	4.200%	5/1/2019	500,000	300,000	-	55,000	245,000
<b>TOTAL GENERAL OBLIGATION BONDS PAYABLE</b>				<b>6,665,000</b>	<b>2,940,000</b>	<b>-</b>	<b>445,000</b>	<b>2,495,000</b>
<b>TOTAL BONDS PAYABLE - GOVERNMENTAL ACTIVITIES</b>				<b>\$ 6,665,000</b>	<b>\$ 2,940,000</b>	<b>\$ -</b>	<b>\$ 445,000</b>	<b>\$ 2,495,000</b>

In fiscal year 2007 the Town issued the \$750,000 School roof bond issue under the Maximum Aggregate Indebtedness provision (3% Debt Limit) of the Rhode Island General Laws 45-12-2. All other Town debt has been incurred through special statutory authority which consists of approval by the legislature and voter referendum. The Town is not obligated in any manner for special assessment debt, nor is there any special assessment debt outstanding.

**(c) Loan Payable**

The Town entered into a loan agreement with RI Clean Water Finance Agency in the amount of \$250,000 on February 22, 2001, which was completely drawn down by April 1, 2011. The loan is used to establish the Community Septic System Loan Program through which the Town provides subsequent loans to homeowners for the repair or replacement of failed septic systems. Loans are serviced on behalf of the Town by the RI Housing Mortgage Finance Corporation. The loans to the homeowners bear interest of 4% of which RI Clean Water Finance Agency and RI Housing Mortgage Finance Corporation both receive a 1.5% service fee.

**TOWN OF GLOCESTER, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**8. LONG-TERM LIABILITIES (Continued)**

**(c) Loan Payable (Continued)**

The Town entered into another loan agreement with RI Clean Water Finance Agency in the amount of \$300,000 on October 7, 2010 to further fund the Community Septic System Loan Program. Loans are serviced on behalf of the Town by the RI Housing Mortgage Finance Corporation. The loans to the homeowners bear interest of 2% of which RI Clean Water Finance Agency receives a 0.5% service fee and RI Housing Mortgage Finance Corporation receives a 1.5% service fee. The loan must be completely drawn down by January 1, 2021.

Payments of principal and service fees are made to RI Clean Water Finance Agency quarterly from the funds collected from the repayment of loans to homeowners less the service fee due to RI Housing Mortgage Finance Corporation. As a result, there is no debt service schedule and the debt service to maturity information has not been provided.

The loans are not a general obligation of the Town and are subject to and dependent upon appropriations being made by the Town for such purposes.

**Governmental Activities**

Annual principal and interest requirements on general obligation bonds for the year ending June 30, 2015 are as follows:

<b>Fiscal Year Ended June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2016	465,000	103,539	568,539
2017	205,000	82,111	287,111
2018	205,000	73,588	278,588
2019	215,000	64,818	279,818
2020	155,000	55,638	210,638
2021	160,000	48,988	208,988
2022	165,000	42,138	207,138
2023	170,000	35,438	205,438
Thereafter	755,000	66,077	821,077
<b>TOTALS</b>	<b>\$ 2,495,000</b>	<b>\$ 572,335</b>	<b>\$ 3,067,335</b>

**TOWN OF GLOCESTER, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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**8. LONG-TERM LIABILITIES (Continued)**

*(d) Capital Leases*

The Town has entered into capital lease agreements for four copiers. The gross cost of the capital lease additions was \$57,836 and they were categorized under the office furniture and equipment asset class.

The following schedule summarizes the future minimum lease payments under those capital leases, and the present value of the net minimum lease payments at June 30, 2015:

<i>Governmental Activities</i>	<i>FISCAL YEAR</i>
<u><i>ENDED JUNE 30,</i></u>	<u><i>PAYMENTS</i></u>
2016	15,408
2017	<u>6,438</u>
<i>Future Minimum Rental Payments</i>	21,846
Interest Portion of Payments	<u>(1,636)</u>
<i>Obligation Under Capital Leases</i>	<u><u>\$ 20,210</u></u>

**TOWN OF GLOCESTER**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015**

**NOTE 9: DIFFERENCES BETWEEN GOVERNMENTAL FUND BALANCE SHEET AND THE STATEMENT OF NET POSITION**

"Total fund balances" of the town's governmental funds \$14,186,630 differs from "net position" of governmental activities \$22,796,955 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**

	<b>Total Governmental Funds</b>	<b>Long-term Assets/ Liabilities (1)</b>	<b>Reclassifications and Eliminations</b>	<b>Statement Net Position Totals</b>
<b>Assets</b>				
Cash and cash equivalents	\$ 13,971,593	\$ -	\$ -	\$ 13,971,593
<b>Accounts receivable:</b>				
Taxes receivable net	771,693	-	-	771,693
Loans receivable	377,715	-	-	377,715
Other receivables	161,557	-	-	161,557
Prepaid expenses	21,903	-	-	21,903
Due from other governments	412,523	-	-	412,523
Internal balances	2,545,869	-	(2,545,869)	-
Capital assets - net	-	18,273,296	-	18,273,296
Net pension asset	-	1,057,966	-	1,057,966
<b>Total assets</b>	<u>18,262,853</u>	<u>19,331,262</u>	<u>(2,545,869)</u>	<u>35,048,246</u>
<b>Deferred outflows of resources</b>	-	1,034,879	-	1,034,879
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	181,033	-	-	181,033
Accrued expenses	220,883	12,413	-	233,296
Internal balances	2,611,555	-	(2,545,869)	65,686
Other liabilities	79,689	-	-	79,689
Long-term liabilities				
Due within one year	-	609,806	-	609,806
Due in more than one year	-	10,507,978	-	10,507,978
<b>Total liabilities</b>	<u>3,093,160</u>	<u>11,130,197</u>	<u>(2,545,869)</u>	<u>11,677,488</u>
<b>Deferred inflows of resources</b>	983,063	625,619	-	1,608,682
<b>Fund Balances/Net Position</b>				
Total fund balances/net position	14,186,630	8,610,325	-	22,796,955
Total liabilities and fund balances/net position	<u>\$ 18,262,853</u>	<u>\$ 20,366,141</u>	<u>\$ (2,545,869)</u>	<u>\$ 36,083,125</u>

**TOWN OF GLOCESTER**  
**NOTES TO FINANCIAL STATEMENTS**  
*June 30, 2015*

**NOTE 9: DIFFERENCES BETWEEN GOVERNMENTAL FUND BALANCE SHEET AND THE STATEMENT OF NET POSITION**

(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	\$ 32,348,566
Accumulated depreciation	(14,075,270)
	\$ 18,273,296

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.

Accrued interest	\$ (12,413)
Adjustment of deferred outflow	983,063
	\$ 970,650

Long-term liabilities applicable to the town's 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 & loans payable	\$ 2,690,761
Capital leases	20,210
Landfill post-closure costs	232,800
Accrued compensated absences	977,407
Net OPEB obligation	203,179
Net pension liability	6,993,427
	\$ 11,117,784

The Teachers Survivors Benefit plan has a net pension asset balance at the end of the year.

Net pension asset	\$ 1,057,966
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Deferred inflows and outflows of resources are amounts used under GASB 68 in developing the annual pension expense. Deferred inflows and outflows arise with difference between expected and actual experiences and changes of assumptions. The portion of these amounts not included in pension expense should be included as deferred outflows or inflows to be recognized in future periods.

Deferred inflows of resources - pensions	\$ (1,608,682)
Deferred outflows of resources - pensions	\$ 1,034,879



**TOWN OF GLOCESTER**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**10. DIFFERENCES BETWEEN GOVERNMENTAL FUND OPERATING STATEMENTS AND THE STATEMENT OF ACTIVITIES**

The "net change in the fund balances" for governmental funds \$788,390 differs from the "change in net position" for governmental activities of \$1,649,769 reported in the statement of activities. The differences arise primarily from the long-term economic focus of the statement of activities verses 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					
	Total Governmental Funds	Long-term Revenues/ Expenses (1)	Capital- related Items (2)	Long-term Debt Transactions (3)	Statement of Activities Totals
<b>Revenues</b>					
General property tax	\$ 23,146,974	\$ (3,666)	\$ -	\$ -	\$ 23,143,308
Intergovernmental and departmental revenues	3,743,485	-	-	-	3,743,485
Federal revenue - State fiscal stabilization	58,044	-	-	-	58,044
Tuitions	59,350	-	-	-	59,350
License and permits	459,001	-	-	-	459,001
Interest on investments	112,281	-	-	-	112,281
Other revenues	249,021	10,058	-	-	259,079
<b>Total revenues</b>	<b>27,828,156</b>	<b>6,392</b>	<b>-</b>	<b>-</b>	<b>27,834,548</b>
<b>Expenditures</b>					
Current:					
Administration	943,920	296,173	133,584	(702,445)	671,232
Finance	605,514	(12,338)	-	-	593,176
Public safety	2,211,680	-	139,293	(9,700)	2,341,273
Public works	1,892,305	-	502,503	-	2,394,808
Recreation and senior center	311,711	-	74,077	-	385,788
Social services	182,935	-	-	45,401	228,336
Operational expenses	389,605	-	-	-	389,605
Aid requests	336,441	-	-	-	336,441
Education	19,247,700	277,630	151,298	(958,483)	18,718,145
Capital outlay	319,301	-	(319,301)	-	-
<b>Debt service:</b>					
Principal	470,455	-	-	(470,455)	-
Interest	128,199	(2,224)	-	-	125,975
<b>Total expenditures</b>	<b>27,039,766</b>	<b>559,241</b>	<b>681,454</b>	<b>(2,095,682)</b>	<b>26,184,779</b>
<b>Net change for the year</b>	<b>\$ 788,390</b>	<b>\$ (552,849)</b>	<b>\$ (681,454)</b>	<b>\$ 2,095,682</b>	<b>\$ 1,649,769</b>

**TOWN OF GLOCESTER**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**10. DIFFERENCES BETWEEN GOVERNMENTAL FUND OPERATING STATEMENTS AND THE STATEMENT OF ACTIVITIES (Continued)**

- (1) Because some property taxes will not be collected for several months after the town's fiscal year ends, they are not considered as "available" revenues in the governmental funds. Also, non-monetary transaction such as Town acquisition of tax sale properties are not recorded on the fund statements but are recorded in the statement of activities.

Property taxes	\$	(3,666)
Other		10,058
		6,392
	\$	6,392

Interest expense in the statement of activities differs from the amount reported in the governmental funds because interest payments are recognized as an expenditure when paid in the governmental funds while in the statement of activities they are recognized when accrued.

Accrued interest		2,224
	\$	2,224

- (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 position decrease by the amount of depreciation expense charged for the year.

Capital outlay	\$	493,680
Depreciation expense		(1,175,134)
Difference		(681,454)

- (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. Cost associated with the refinancing of debt are expensed in the fund financials but are long-term assets and liabilities in the statement of activities

Capital leases		12,338
Landfill post-closure costs		9,700
Issuance of debt		(45,401)
Principal payments on bonds and loans		470,455
	\$	447,092

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

Net (increase)/decrease in compensated absences	\$	(66,810)
(Increase)/decrease in the OPEB obligation		(51,548)
Net (increase)/decrease in net pension liability		1,554,093
Net increase/(decrease) in net pension asset		225,193
Net increase/(decrease) in deferred outflows		1,034,879
Net (increase)/decrease in deferred inflows		(1,608,682)
Change	\$	1,087,125

**TOWN OF GLOCESTER, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**11. FUND EQUITY**

**(a) Fund Balance Constraints**

The constraints on fund balance as listed in the aggregate in the Governmental Funds Balance Sheet are detailed according to balance classification and fund.

	<u>General Fund</u>	<u>School Unrestricted</u>	<u>Capital Reserve Fund</u>	<u>Other Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
<b><i>Nonspendable for:</i></b>					
Perpetual care	\$ -	\$ -	\$ -	\$ 3,100	\$ 3,100
Prepaid expenditures	17,709	4,194	-	-	21,903
<b><i>Restricted for:</i></b>					
Administration	-	-	-	47,698	47,698
Public safety	-	-	-	59,498	59,498
Recreation	-	-	-	62,348	62,348
Social services	-	-	-	221,806	221,806
Capital projects	-	-	-	408,892	408,892
Educational programs	-	2,536,504	-	45,965	2,582,469
Perpetual care	-	-	-	9,086	9,086
<b><i>Committed to:</i></b>					
Education	255,000	-	-	-	255,000
Capital projects	-	-	1,492,786	-	1,492,786
Recreation	80,000	-	-	-	80,000
<b><i>Assigned for:</i></b>					
Administration	402,069	-	-	-	402,069
Public safety	159,639	-	-	-	159,639
Public works	348,773	-	-	-	348,773
Recreation	6,397	-	-	-	6,397
Matching state grant funds	50,000	-	-	-	50,000
Contractual obligations	887,363	180,274	-	-	1,067,637
Employee benefits	350,170	375,250	-	-	725,420
Medical expenses	-	332,704	-	-	332,704
Education	-	658,845	-	-	658,845
<b><i>Unassigned:</i></b>	<b>5,190,560</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,190,560</b>
<b>TOTAL FUND BALANCES</b>	<b>\$ 7,747,680</b>	<b>\$ 4,087,771</b>	<b>\$ 1,492,786</b>	<b>\$ 858,393</b>	<b>\$ 14,186,630</b>

**TOWN OF GLOCESTER, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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**12. RETIREMENT PLANS & POST EMPLOYEMENT BENEFITS**

**(a) Municipal Employees' Retirement System of Rhode Island**

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

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

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

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

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

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

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

The plan also provides survivor's benefits; and certain lump sum death benefits.

Plan members are vested after five years of service.

**TOWN OF GLOCESTER, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**12. RETIREMENT PLANS & POST EMPLOYMENT BENEFITS (Continued)**

**(a) Municipal Employees' Retirement System of Rhode Island**

An optional cost-of-living provision may be elected for police and fire personnel and general employees. The Cost of Living Adjustment (COLA) has been suspended for any unit whose funding level is less than 80%. The COLA provision can be reviewed in a five-year interval. When the funding level of a plan exceeds 80% funded 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 a 4.00% cap. For police and fire units, COLA will be delayed until the later of age 55 or three years after retirement. For general employee units, COLA will be delayed until the later of the Social Security Normal Retirement Age or three years after retirement. The COLA will be applied to the first \$25,000 of benefits indexed annually.

The plan also provides nonservice-connected disability benefits after 5 years of service; service-connected disability pensions with no minimum service requirement.

**Employees covered by benefit terms.**

At the June 30, 2014 valuation date, the following employees were covered by the benefit terms:

Town General Employees:

Retirees and Beneficiaries	32
Inactive, Nonretired Members	31
Active Members	67
Total	130

Police Employees:

Retirees and Beneficiaries	11
Inactive, Nonretired Members	1
Active Members	16
Total	28

**Contributions** - The amount of employee and employer contributions have been established under Rhode Island General Law Chapter 45-21. General employees are required to contribute 1% of their salaries. Public safety employees are required to contribute 7% of their salaries. The Town of Gloucester contributes at a rate of covered employee payroll as determined by an independent actuary on an annual basis. The General Assembly can amend the amount of these contribution requirements. The Town of Gloucester contributed \$431,828 in the year ended June 30, 2015 which was 12.36% of annual covered payroll.

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

**TOWN OF GLOCESTER, RHODE ISLAND  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2015**

**12. RETIREMENT PLANS & POST EMPLOYMENT BENEFITS (Continued)**

**(a) Municipal Employees' Retirement System of Rhode Island**

<b>Summary of Actuarial Assumptions Used in the Valuations to determine the Net Pension Liability at the June 30, 2014 measurement date (June 30, 2013 valuation rolled forward to June 30, 2014)</b>	
Actuarial Cost Method	Entry Age Normal - the Individual Entry Age Actuarial Cost methodology is used.
Amortization Method	Level Percent of Payroll – Closed
Equivalent Single Remaining Amortization Period	21 years at June 30, 2014
Actuarial Assumptions	
Investment Rate of Return	7.50%
Projected Salary Increases	General Employees - 3.50% to 7.50% ; Police & Fire Employees - 4.00% to 14.00%
Inflation	2.75%
Mortality	<ul style="list-style-type: none"> <li>· Male Employees, MERS General and MERS P&amp;F: 115% of RP-2000 Combined Healthy for Males with White Collar adjustments, projected with Scale AA from 2000.</li> <li>· Female Employees, MERS General and MERS P&amp;F: 95% of RP-2000 Combined Healthy for Females with White Collar adjustments, projected with Scale AA from 2000.</li> </ul>
Cost of Living Adjustments	<p>COLA is equal to the average five-year fund asset performance (percent) greater than 5.5% up to a maximum of 4% - the COLA is to be applied to the first \$25,000 of benefits, indexed over time. COLA is delayed until the latter of Social Security eligibility age or 3 years after retirement except for MERS Police and Fire for which the COLA is delayed until the later of age 55 or 3 years after retirement.</p> <p>A 2% COLA is assumed after January 1, 2014.</p>

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

The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on forward-looking medium-term (10 year) capital market return assumptions developed by eight investment consulting firms.

**TOWN OF GLOCESTER, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**12. RETIREMENT PLANS & POST EMPLOYMENT BENEFITS (Continued)**

**(a) Municipal Employees' Retirement System of Rhode Island**

The June 30, 2014 expected arithmetic returns over the medium term by asset class as developed by the State Investment Commission's investment consultant, which are generally consistent with the averages utilized by the actuary, are summarized in the following table:

Asset Class	Target Allocation	Medium-term expected real rate of return
Global Equity	38%	6.05%
Private Equity	7%	9.05%
Equity Hedge funds	8%	4.75%
Absolute return hedge	7%	2.95%
Real Return	14%	3.85%
Real Estate	8%	4.45%
Core Fixed	15%	0.25%
Cash	3%	-0.50%
	100%	

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

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

**TOWN OF GLOCESTER, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**12. RETIREMENT PLANS & POST EMPLOYMENT BENEFITS (Continued)**

**(a) Municipal Employees' Retirement System of Rhode Island**

**Changes in Net Pension Liability (Asset) - Town Employees**

	Increase (Decrease)		Net Pension Liability (a) - (b)
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	
<b>Balances as of June 30, 2013</b>	\$ 8,271,444	\$ 7,303,287	\$ 968,157
<b>Changes for the Year</b>			
Service Cost	231,786		231,786
Interest on the total pension liability	613,211		613,211
Changes in assumptions	89,708		89,708
Employer contributions		228,215	(228,215)
Employee contributions		46,244	(46,244)
Net investment income		1,097,653	(1,097,653)
Benefit payments, including employee refunds	(422,389)	(422,389)	-
Administrative expense		(6,873)	6,873
Other changes		(4,809)	4,809
<b>Net changes</b>	<u>512,316</u>	<u>938,041</u>	<u>(425,725)</u>
<b>Balances as of June 30, 2014</b>	<u>\$ 8,783,760</u>	<u>\$ 8,241,328</u>	<u>\$ 542,432</u>

**Changes in Net Pension Liability (Asset) - Police Employees**

	Increase (Decrease)		Net Pension Liability (a) - (b)
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	
<b>Balances as of June 30, 2013</b>	\$ 6,289,282	\$ 4,960,116	\$ 1,329,166
<b>Changes for the Year</b>			
Service Cost	171,293		171,293
Interest on the total pension liability	468,506		468,506
Changes in assumptions	(53,558)		(53,558)
Employer contributions		150,971	(150,971)
Employee contributions		77,420	(77,420)
Net investment income		757,189	(757,189)
Benefit payments, including employee refunds	(256,354)	(256,354)	-
Administrative expense		(4,741)	4,741
Other changes		480	(480)
<b>Net changes</b>	<u>329,887</u>	<u>724,965</u>	<u>(395,078)</u>
<b>Balances as of June 30, 2014</b>	<u>\$ 6,619,169</u>	<u>\$ 5,685,081</u>	<u>\$ 934,088</u>



**TOWN OF GLOCESTER, RHODE ISLAND  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2015**

**12. RETIREMENT PLANS & POST EMPLOYMENT BENEFITS (Continued)**

**(a) Municipal Employees' Retirement System of Rhode Island**

**Sensitivity of the Net Pension Liability to changes in the discount rate.** The following presents the net pension liability (asset) of the employers calculated using the discount rate of 7.5 percent, as well as what the employers' net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

Plan:	1.00% Decrease (6.5%)	Current Discount Rate (7.5%)	1.00% Increase (8.5%)
Town	1,464,631	542,432	(379,766)
Police	1,622,602	934,088	245,574

**Pension plan fiduciary net position** - detailed information about the pension plan's fiduciary net position is available in the separately issued ERSRI financial report.

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended June 30, 2015 the employer recognized pension expense of \$246,768 for Town employees and \$185,060 for Police employees. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Town Employees		Police Employees	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to measurement date	\$ 246,768	\$ -	\$ 185,060	\$ -
Differences in assumptions	71,739	-	-	45,915
Net difference between projected and actual earnings on pension plan investments	-	444,714	-	309,111
<b>Total</b>	<b>\$ 318,507</b>	<b>\$ 444,714</b>	<b>\$ 185,060</b>	<b>\$ 355,026</b>

**TOWN OF GLOCESTER, RHODE ISLAND  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2015**

**12. RETIREMENT PLANS & POST EMPLOYMENT BENEFITS (Continued)**

**(a) Municipal Employees' Retirement System of Rhode Island**

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

Town Employees		Police Employees	
Year Ending June 30	Net Deferred (outflows)/inflows of resources	Year Ending June 30	Net Deferred (outflows)/inflows of resources
2016	\$ (93,209)	2016	\$ (84,921)
2017	(93,209)	2017	(84,921)
2018	(93,209)	2018	(84,921)
2019	(93,348)	2019	(84,920)
Total	<u>\$ (372,975)</u>	2020	(7,643)
		Thereafter	(7,700)
		Total	<u>\$ (355,026)</u>

**(b) Defined Contribution Plan**

***Plan Description:***

Employees participating in the defined benefit plan, as described above, also participate in a defined contribution plan authorized by General Law Chapter 36-10.3. The defined contribution plan is established under IRS section 401(a) and is administered by TIAA-CREF. Employees may choose among various investment options available to plan participants. Employees contribute 3% of their annual covered salary and employers contribute 1% of annual covered salary. Employee contributions are immediately vested while employer contributions and any investment earnings thereon are vested after three years of contributory service. Benefit terms and contributions required under the plan by both the employee and employer are established by the General Laws, which are subject to amendment by the General Assembly.

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

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

The Town of Gloucester recognized pension expense of \$126,712 for the fiscal year ended June 30, 2015.

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

**TOWN OF GLOCESTER, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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**12. RETIREMENT PLANS & POST EMPLOYMENT BENEFITS (Continued)**

**(c) Employees' Retirement System of Rhode Island**

**General Information about the Pension Plan**

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

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

**Benefit provisions** - The level of benefits provided to participants is established by Chapter 36-10 of the General Laws, which is subject to amendment by the General Assembly. Member benefit provisions vary based on service credits accumulated at dates specified in various amendments to the General Laws outlining minimum retirement age, benefit accrual rates and maximum benefit provisions. In general, members accumulate service credits for each year of service subject to maximum benefit accruals of 80% or 75%. For those hired after June 30, 2012, the benefit accrual rate is 1% per year with a maximum benefit accrual of 40%. Members eligible to retire at September 30, 2009 may retire with 10 years of service at age 60 or after 28 years of service at any age. The retirement eligibility age increases proportionately for other members reflecting years of service and other factors until it aligns with the Social Security Normal Retirement Age, which applies to any member with less than 5 years of service as of July 1, 2012. Members are vested after 5 years of service.

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

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

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

**Contributions** - The funding policy, as set forth in the General Laws, Section 16-16-22, provides for actuarially determined periodic contributions to the plan. For fiscal 2015, Gloucester School Department teachers were required to contribute 3.75% of their annual covered salary. The state and the Gloucester School Department are required to contribute at an actuarially determined rate, 40% of which is to be paid by the state and the remaining 60% is to be paid by the Department; the rates were 9.19% and 13.41% of annual covered payroll for the fiscal year ended June 30, 2015 for the state and Gloucester School Department, respectively. The Gloucester School Department contributed \$526,120, \$446,319 and \$418,817 for the fiscal years ended June 30, 2015, 2014 and 2013, respectively, equal to 100% of the required contributions for each year.

**TOWN OF GLOCESTER, RHODE ISLAND  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2015**

**12. RETIREMENT PLANS & POST EMPLOYMENT BENEFITS (Continued)**

**(c) Employees' Retirement System of Rhode Island**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources**

At June 30, 2015, the Gloucester School Department reported a liability of \$5,516,907 for its proportionate share of the net pension liability that reflected a reduction for contributions made by the state. The amount recognized by the Gloucester School Department as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with the Gloucester School Department were as follows:

Gloucester School Department's proportionate share of the net pension liability	\$ 5,516,907
State's proportionate share of the net pension liability associated with the Gloucester School Department	<u>3,783,198</u>
Total net pension liability	<u>\$ 9,300,105</u>

The net pension liability was measured as of June 30, 2014, the measurement date, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014. The Gloucester School Department's proportion of the net pension liability was based on a projection of the Department's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the state, actuarially determined. At June 30, 2014 the Gloucester School Department's proportion was .22666009%.

Subsequent to June 30, 2014 (the measurement date), litigation challenging the various pension reform measures enacted in previous years by the General Assembly (2009, 2010, and 2011) was settled. The final settlement approved by the Court on July 8, 2015 also included enactment of the pension settlement provisions by the General Assembly.

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

- Employees with more than 20 years of service at July 1, 2012 will increase their employee contribution rate from 3.75% to 11% and participate solely in the defined benefit plan going forward – service credit accruals will increase from 1% to 2% per year.
- Employees with more than 10 but less than 20 years of service at July 1, 2012 will receive an increased employer contribution to the defined contribution plan.
- Retirees as of June 30, 2015 will receive two \$500 stipends; the interim cost of living increases will occur at 4 year rather 5 year intervals.
- Minor adjustments were made to the actuarial reduction for employees choosing to retire early.

**TOWN OF GLOCESTER, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**12. RETIREMENT PLANS & POST EMPLOYEMENT BENEFITS (Continued)**

**(c) Employees' Retirement System of Rhode Island**

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

For the year ended June 30, 2015 the Gloucester School Department recognized gross pension expense of \$646,507 and revenue of \$262,993 for support provided by the State. At June 30, 2015 the Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>Deferred outflows of resources:</b>	
Contributions made subsequent to the measurement date	<u>\$ 526,120</u>
 <b>Deferred inflows of resources:</b>	
Change of Assumptions	\$ 195,419
Net difference between projected and actual earnings on pension plan investments	<u>475,065</u>
<b>Total</b>	<u><u>\$ 670,484</u></u>

\$526,120 reported as deferred outflows of resources related to pensions resulting from the Gloucester School Department's contributions in fiscal year 2015 subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	\$ 146,434
2017	\$ 146,434
2018	\$ 146,434
2019	\$ 146,434
2020	\$ 27,668
thereafter	<u>\$ 57,080</u>
	<u><u>\$ 670,484</u></u>

**TOWN OF GLOCESTER, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**12. RETIREMENT PLANS & POST EMPLOYEMENT BENEFITS (Continued)**

**(c) Employees' Retirement System of Rhode Island**

*Actuarial Assumptions* - the total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	3.50% to 6.50%
Investment rate of return	7.50%

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

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

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

Asset Class	Target Allocation	Medium-term expected real rate of return
Global Equity	38%	6.05%
Private Equity	7%	9.05%
Equity Hedge funds	8%	4.75%
Absolute return hedge	7%	2.95%
Real Return	14%	3.85%
Real Estate	8%	4.45%
Core Fixed	15%	0.25%
Cash	3%	-0.50%
	100%	

**TOWN OF GLOCESTER, RHODE ISLAND  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2015**

**12. RETIREMENT PLANS & POST EMPLOYMENT BENEFITS (Continued)**

**(c) Employees' Retirement System of Rhode Island**

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

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

**Sensitivity of the net pension liability (asset) to changes in the discount rate** - the following presents the net pension liability (asset) calculated using the discount rate of 7.5 percent as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

1.00% Decrease (6.5%)	Current Discount Rate (7.5%)	1.00% Increase (8.5%)
\$ 6,909,245	\$ 5,516,907	\$ 4,096,001

**Pension plan fiduciary net position** - detailed information about the pension plan's fiduciary net position is available in the separately issued ERSRI financial report.

**(d) Teachers Survivor's Benefit Plan**

General Information about the Pension Plan

**Plan description** - Certain employees of the Gloucester School Department participate in a cost-sharing multiple-employer defined benefit pension plan - the Teachers' Survivors Benefit plan - administered by the Employees' Retirement System of the State of Rhode Island (System). Under a cost-sharing plan, pension obligations for employees of all employers are pooled and plan assets are available to pay the benefits of the employees of any participating employer providing pension benefits through the plan, regardless of the status of the employers' payment of its pension obligation to the plan. The plan provides a survivor benefit to public school teachers in lieu of Social Security since not all school districts participate in Social Security.

**TOWN OF GLOCESTER, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**12. RETIREMENT PLANS & POST EMPLOYMENT BENEFITS (Continued)**

**(d) Teachers Survivor's Benefit Plan**

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

**Eligibility and plan benefits** - the plan provides a survivor benefit to public school teachers in lieu of Social Security since not all school districts participate in the plan. Specific eligibility criteria and the amount of the benefit is subject to the provisions of Chapter 16-16 of the Rhode Island General Laws which are subject to amendment by the General Assembly. Spouse, parents, family and children's benefits are payable following the death of a member. A spouse shall be entitled to benefits upon attaining the age of sixty (60) years. Children's benefits are payable to the child, including a stepchild or adopted child of a deceased member if the child is unmarried and under the age of eighteen (18) years or twenty-three (23) years and a full time student, and was dependent upon the member at the time of the member's death. Family benefits are provided if at the time of the member's death the surviving spouse has in his or her care a child of the deceased member entitled to child benefits. Parents benefits are payable to the parent or parents of a deceased member if the member did not leave a widow, widower, or child who could ever qualify for monthly benefits on the member's wages and the parent has reached the age of 60 years, has not remarried, and received support from the member.

In January, a yearly cost-of-living adjustment for spouse's benefits is paid and based on the annual social security adjustment.

Survivors are eligible for benefits if the member has made contributions for at least six months prior to death or retirement.

The TSB plan provides benefits based on the highest salary at the time of retirement of the teacher. Benefits are payable in accordance with the following table:

<u>Highest Annual Salary</u>	<u>Basic Monthly Spouse's Benefit</u>
\$17,000 or less	\$ 750
\$17,001 to \$25,000	\$ 875
\$25,001 to \$33,000	\$ 1,000
\$33,001 to \$40,000	\$ 1,125
\$40,001 and over	\$ 1,250

Benefits payable to children and families are equal to the spousal benefit multiplied by the percentage below:

Parent and 1 child	Parent and 2 or more children	One child alone	Two children alone	Three or more children alone	Dependent parent
150%	175%	75%	150%	175%	100%



**TOWN OF GLOCESTER, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**12. RETIREMENT PLANS & POST EMPLOYMENT BENEFITS (Continued)**

**(d) Teachers Survivor's Benefit Plan**

**Contributions** - The contribution requirements of active employees and the participating school districts were established under Chapter 16-16 of the Rhode Island General Laws, which may be amended by the General Assembly. The cost of the benefits provided by the plan are two percent (2%) of the member's annual salary up to but not exceeding an annual salary of \$9,600; one-half (1/2) of the cost is contributed by the member by deductions from his or her salary, and the other half (1/2) is contributed and paid by the respective school district by which the member is employed. These contributions are in addition to the contributions required for regular pension benefits.

The Gloucester School Department contributed \$5,192, \$5,184 and \$5,124 for the fiscal years ended June 30, 2015, 2014 and 2013, respectively, equal to 100% of the required contributions for each year.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources**

At June 30, 2015 the Gloucester School Department reported an asset of \$1,057,966 for its proportionate share of the net pension asset related to its participation in TSB. The net pension asset was measured as of June 30, 2014, the measurement date, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014. The Gloucester School Department's proportion of the net pension asset was based on its share of contributions to the TSB for fiscal year 2014 relative to the total contributions of all participating employers for that fiscal year. At June 30, 2014 the proportion was 0.850997%.

For the year ended June 30, 2015 the Gloucester School Department recognized pension expense of \$(81,552) – an increase in the net pension asset. At June 30, 2015 the Gloucester School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflows of resources	
Contributions subsequent to the measurement date	<u>\$ 5,192</u>
Deferred inflows of resources	
Net difference between projected and actual earnings on pension plan investments	<u>\$ 138,458</u>

\$5,192 reported as deferred outflows of resources related to pensions resulting from the Gloucester School Department contributions in fiscal year 2015 subsequent to the measurement date will be recognized as an addition to the net pension asset for the year ended June 30, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**TOWN OF GLOCESTER, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**12. RETIREMENT PLANS & POST EMPLOYMENT BENEFITS (Continued)**

**(d) Teachers Survivor's Benefit Plan**

Year ended June 30:	
2016	(34,614)
2017	(34,614)
2018	(34,614)
2019	<u>(34,616)</u>
	<u><u>(138,458)</u></u>

*Actuarial Assumptions* - the total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	3.50% to 13.50%
Investment rate of return	7.50%

Mortality rates for male and female teachers were based on 97% (males) and 92% (females) of rates in a GRS table based on male and female teacher experience, projected with scale AA from 2000.

Cost of living adjustment – eligible survivors receive a yearly cost of living adjustment based on the annual social security adjustment – for valuation purposes, a 2.75% cost of living adjustment is assumed.

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

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

**TOWN OF GLOCESTER, RHODE ISLAND  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2015**

**12. RETIREMENT PLANS & POST EMPLOYMENT BENEFITS (Continued)**

**(d) Teachers Survivor's Benefit Plan**

Asset Class	Target Allocation	Medium-term expected real rate of return
Global Equity	38%	6.05%
Private Equity	7%	9.05%
Equity Hedge funds	8%	4.75%
Absolute return hedg	7%	2.95%
Real Return	14%	3.85%
Real Estate	8%	4.45%
Core Fixed	15%	0.25%
Cash	3%	-0.50%
	100%	

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

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

**Sensitivity of the net pension liability (asset) to changes in the discount rate** - the following presents the net pension liability (asset) calculated using the discount rate of 7.5 percent as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

1.00% Decrease (6.5%)	Current Discount Rate (7.5%)	1.00% Increase (8.5%)
\$ 906,661	\$ 1,057,966	\$ 1,209,248

**Pension plan fiduciary net position** - detailed information about the pension plan's fiduciary net position is available in the separately issued ERSRI financial report.

**TOWN OF GLOCESTER, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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**13. CONTINGENT LIABILITIES**

***Grants***

Under the terms of federal and state grants, periodic compliance audits by the grantors or their representatives are required and, consequently, certain costs may be questioned as not being appropriate, and result in reimbursement to the grantor agencies. The amount, if any, of expenditures which may be disallowed by the granting agencies could not be determined at this time. Town officials believe that such disallowances, if any, would not be material.

***Self-Insurance***

The Town has elected to pay unemployment compensation on a claims-made basis rather than as a percentage of payroll. No accrual has been made for claims expected to arise from service related to fiscal 2015 because Town officials are of the opinion that any claims relating to this period will be immaterial.

***Litigation***

The Town is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Town's attorneys, the resolution of these matters will not have a materially adverse effect on the financial condition of the Town.

**14. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS**

***Plan Description***

The cost of postemployment health care benefits, like the cost of pension benefits, generally should be associated with the periods in which the cost occurs, rather than in future years when it will be paid. The Town adopted the requirements of GASB No. 45 during the year ended June 30, 2009, and recognizes the cost of postemployment healthcare in the year when the employee services are rendered, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the Town's future cash flows.

The Town offers a single-employer healthcare benefit plan that is administered by Blue Cross/Blue Shield of Rhode Island (BCBS). The Town provides postemployment health care benefits to eligible retirees in accordance with various labor contracts and personnel policies. As of June 30, 2012, 131 employees [112 active and 91 retirees] were eligible to participate. Inasmuch as the plan has no assets, reporting an Other Post Employment Benefit (OPEB) trust fund in the accompanying financial statements is not required. An actuarial consultant, USI Consulting Group, was hired to determine the Town's actuarial valuation of the post-retirement benefits that are offered to current and future retirees as of July 1, 2012. The post-employment plan does not issue a stand-alone financial report.

***Benefit Provisions and Contributions***

***Funding Policy***

The contribution requirements of plan members and the Town are established and may be amended by the Town, subject to applicable labor contracts.

**TOWN OF GLOCESTER, RHODE ISLAND  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2015**

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**14. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)**

***Benefit Provisions and Contributions***

The Town offers individual or family health insurance to its retirees. Employees vest for OPEB when they vest for pension benefits. Employees can choose individual or family health coverage when they are actively employed. These benefits are described by employee group:

**School - Teachers and Administrators**

Eligibility: If vested prior to July 2, 2005 with 28 years of service or at age 60 with 10 years of contributing service. If vested after July 1, 2005, at age 59 with 29 years of service or at age 62 (receiving Social Security) with 10 years of service. Benefits cease at age 65 or when the retiree is eligible for Medicare, whichever occurs first. Employees hired after July 10, 2010 are not eligible.

Plan Type: Medical – Blue Cross/Blue Shield Classic or Healthmate individual plans only.

Benefit/Cost Sharing: For employees that retired by June 30, 2006, the Town of Gloucester School Department pays 100% of the cost of medical insurance for an individual plan. For those that retire after June 30, 2006, retirees contribute the same amount as they contributed during their final year of service.

**School - Educational Support**

Eligibility: Employees with 10 years of service who have reached age 60. Benefits cease at age 65 or when the retiree is eligible for Medicare, whichever occurs first. New hires after January 1, 2009 are not eligible.

Plan type: Medical – Blue Cross/Blue Shield Classic or Healthmate individual plans only. Dental -Rhode Island Delta Dental III individual plan only.

Benefit/Cost Sharing: For employees retired as of January 1, 2009 the Town of Gloucester School Department pays 100% of the premium cost of individual coverage until the retiree reaches age 65 or is eligible for Medicare, whichever comes first. Employees retiring after January 1, 2009 pay the same co-payment as current employees.

**Town – Clerks**

Eligibility: Employees with 10 years of service who have reached age 62. Benefits cease at age 65 or when the retiree becomes eligible for Medicare, whichever occurs first. New hires after December 15, 2011 are not eligible

Plan type: Medical - Blue Cross/Blue Shield or Healthmate individual plan only.  
Dental - Rhode Island Delta Dental III individual plan only.

Benefit/Cost Sharing: The Town pays 100% of the premium cost of individual medical care coverage until the retiree reaches age 65 or is eligible for Medicare, whichever occurs first.

**TOWN OF GLOCESTER, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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**14. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)**

**Town – Police**

Eligibility: Members hired before July 1, 2001 must have at least 20 years of service. Members hired after July 1, 2001 must have 25 years of service. Benefits cease at age 65 or when the retiree becomes eligible for Medicare, whichever occurs first. If the spouse becomes eligible for Medicare or reaches age 65 before the retiree, the retiree continues to be eligible for coverage.

Plan type: Medical - Blue Cross/Blue Shield or Healthmate individual plan only.  
Dental - Rhode Island Delta Dental III individual plan only.

Benefit/Cost Sharing: The Town pays 100% of the premium cost of individual medical care and dental coverage until the retiree reaches age 65 or is eligible for Medicare, whichever occurs first.

**Town – Non-contract**

Eligibility: Employees with 10 years of service who have reached age 62. Benefits cease at age 65 or when the retiree becomes eligible for Medicare, whichever occurs first. New hires after July 1, 2009 are not eligible.

Plan type: Blue Cross/Blue Shield or Healthmate individual plans only.  
Dental - Rhode Island Delta Dental III individual plan only.

Benefit/Cost Sharing: The Town pays 100% of the premium cost of individual medical care coverage until the retiree reaches age 65 or is eligible for Medicare, whichever occurs first.

**All Employee Groups**

Retirees can purchase health insurance for their spouses at their own expense. The Plan does not provide a "surviving spouse benefit" for any of its Plan members.

**Classes of Employees Covered**

As of July 1, 2012, membership data was as follows.

Active Employees	112
Retirees	<u>19</u>
Total Plan Members	<u>131</u>

**TOWN OF GLOCESTER, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**14. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)**

**Annual OPEB Cost and Net OPEB Obligation**

The Town may contribute the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* to a trust. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. For fiscal year ending June 30, 2015, the Town made no contributions to a trust and instead elected to continue funding on a pay-as-you-go basis, which was determined to be \$115,182. These costs are recognized as an expense when claims or premiums are paid. The following table shows the components of the Town's annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the Town's net OPEB obligation.

Annual required contribution	\$ 205,677
Interest on OPEB	6,066
Adjustment to annual required contribution	<u>(8,052)</u>
Annual OPEB cost	203,691
Anticipated Contributions per actuarial report*	<u>(152,143)</u>
Increase (decrease) in net OPEB obligation	<u>51,548</u>
Net OPEB beginning of year	<u>151,631</u>
Net OPEB obligation end of year	<u><u>\$ 203,179</u></u>
Percentage of the annual anticipated postemployment benefit cost contributed	<u><u>74.69%</u></u>

*\* Contributions made was assumed to equal Expected Benefits Payments*

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation are as follows:

<u>Fiscal Year</u>	<u>Annual OPEB Cost</u>	<u>Actual Employer Contributions</u>	<u>Percentage of OPEB Cost Contributed</u>
06/30/13	192,667	117,139	60.80%
06/30/14	197,790	115,182	58.23%
06/30/15	203,691	99,426	48.81%

(1) The most recent actuarial valuation date was July 1, 2012.

**TOWN OF GLOCESTER, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**14. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)**

Funded Status and Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio (a/b)	UAAL as a Covered Payroll (c)	Percentage of Covered Payroll ((b-a)/c)
<u>July 1,</u>	<u>(a)</u>	<u>(b)</u>	<u>(b-a)</u>	<u>(a/b)</u>	<u>(c)</u>	<u>((b-a)/c)</u>
7/1/2008	-	2,199,146	2,199,146	0.00%	N/A	N/A
7/1/2010	-	2,307,873	2,307,873	0.00%	N/A	N/A
7/1/2012	-	2,104,978	2,104,978	0.00%	N/A	N/A

- This amount is an estimate based on the 7/1/2012 Actuarial Report.

Although the Town has not established a trust to fund its OPEB obligation nor made any contributions to a trust, the Town has assigned \$613,514 of its fund balance to fund its OPEB obligation. This amount exceeds the net OPEB obligation of \$203,179 at June 30, 2015 by \$410,335. The Town has established an irrevocable trust in compliance with GASB Statement No. 45 in fiscal year 2016.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the basic financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial liabilities for benefits.

**Actuarial Methods and Assumptions**

The above schedules of employer contributions present trend information about the amounts contributed to the Plan by employers in comparison to the ARC, an amount that is actuarially determined. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost for each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

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



**TOWN OF GLOCESTER, RHODE ISLAND  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2015**

**14. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)**

Investment Return Interest Rate .....	4.00%
Inflation Rate.....	2.75%
2012 Medical Trend Rate.....	9.00%
Ultimate Medical Trend Rate .....	5.00%
Year Ultimate Medical Trend Rate Reached .....	2016
Post Retirement Benefit Increases.....	N/A
Actuarial Cost Method.....	Entry Age Normal
Amortization Method.....	Level Dollar
The remaining amortization period at June 30, 2013 .....	22.81 years Closed
Annual Payroll Increase.....	2.5%
Valuation Type.....	Closed Group

**15. MAJOR REVENUE SOURCE**

The Town has a tax treaty and agreement with Factory Mutual Insurance Company (FM), which requires FM to pay the Town annual fixed payments in lieu of taxes according to the following schedule:

<u>June 30,</u>	
2016 .....	2,307,997
2017 .....	2,363,899
2018 .....	2,419,801
2019 .....	2,475,703
2020 .....	2,541,290
2021 .....	2,598,524
2022 .....	2,655,758
Total	<u>\$ 19,615,067</u>

During fiscal year ending June 30, 2015 the Town received \$2,252,095 in payments from FM.

**16. FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT**

The Foster-Glocester Regional School District (Regional School) was created to include the high school (Grades 9-12) and middle schools (Grades 6-8) for the Towns of Foster and Glocester (the Towns). The Regional School is a separate legal entity from the Towns. The voters of the participating Towns elect their respective School Committee members who are also ex-officio School Committee members for the Regional School District. The Regional School cannot assess and levy property taxes. Revenues are derived principally from the participating Towns of the Regional School, which contribute funds according to a financial formula based upon each Town's enrollment and from the State of Rhode Island. The Town of Glocester's budgeted contribution for the fiscal year ended June 30, 2015 was \$9,571,341. Financial statements for the Regional School are issued separately and may be obtained from the Foster-Glocester Regional School District Business Office, Central Administration Office, 91 Anan Wade Road, North Scituate, Rhode Island 02857.

**TOWN OF GLOCESTER, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**17. RISK MANAGEMENT**

The Town of Glocester and Glocester School Department are exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors; omissions; injuries to employees; and natural disasters. As a result, the Town and School Department participate in a non-profit, public entity risk pool (Rhode Island Interlocal Risk Management Trust, Inc.) which provides coverage for property/liability claims and workers' compensation claims. Upon joining the Trust on October 1, 1986, the Town and School Department signed a participation agreement which outlines the rights and responsibilities of both the Trust and the Town and School Department. The agreement states that for premiums paid by the Town or School Department, the Trust will assume financial responsibility for the losses up to the maximum amount of insurance purchased, minus the deductible amounts. The Trust provides this insurance coverage through a pooled, self-insurance mechanism which includes reinsurance purchased by the Trust to protect against large, catastrophic claims for losses that are above the Trust's self-insured retention. Under the participation agreement, the Town is insured for general liability for a maximum of \$5,000,000 per occurrence and the School Department for a maximum of \$3,000,000 per occurrence. There have been no reductions in insurance coverage from coverage in the previous year. Settled claims resulting from these risks have not exceeded the Trust Coverage.

The Trust is obligated to make payments on the Town's behalf without any further obligation of the Town, unless the Town's applicable limit of liability was exhausted by the size of the loss or the nature of the loss would fall outside the parameters of the Trust policy. As of June 30, 2015, the Town believes there is minimal, if any, potential exposure for outstanding claims which would fall outside the parameter of the Trust policy.

**18. INTERFUND 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, 2015.

<u>Governmental Activities</u>	<u>Transfers in</u>	<u>Transfers out</u>
<b><u>Major Funds</u></b>		
General Fund	\$ 12,000	\$ 7,438,985
School Unrestricted Fund	6,372,035	4,319
Capital Projects Fund	446,509	-
Capital Reserve-Major Fund	861,977	279,803
Non-Major Funds	<u>42,586</u>	<u>12,000</u>
Total Governmental Activities	<u>\$ 7,735,107</u>	<u>\$ 7,735,107</u>

**TOWN OF GLOCESTER, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**19. LANDFILL POSTCLOSURE CARE COSTS**

The Rhode Island Department of Environmental Management (RIDEM) has identified the Town's former landfill located off Chestnut Hill Road as a Site Remediation Program. RIDEM performed a Site Investigation in April 2005 and issued their report in May 2005.

The Town complied with RIDEM's remediation requirements by capping the landfill with two feet of clean fill and subsequently stabilizing it by planting grass. A plastic membrane was not deemed necessary. The work on the project is complete. The total cost was \$246,000. RIDEM has reviewed the Closure Certification Report and determined that it is in substantial compliance with Rule 2.1.09(C) of the Solid Waste Regulation NO.2.

RIDEM regulations require that post-closure monitoring be performed for a period of at least 30 years after the landfill is closed. Monitoring consists of analyzing groundwater samples and measuring landfill gas levels. Other tasks required are mowing the grass twice per year and field inspections to ascertain whether erosion is occurring and that no trees are growing. Annual monitoring is expected to cost \$9,700 per year. Actual costs may be higher due to inflation, changes in technology or changes in regulation. After the first few years of monitoring following final acceptance, the Town will request that RIDEM relax these requirements if monitoring results are in substantial compliance with the regulations. The Town has landfill post closure care costs as follows:

Town Landfill	Year of Closure	Capping Cost (Estimate)	Monitoring Costs (Estimate)	Years Remaining	Projected Liability	Short-Term Liability	Long-Term Liability
Chestnut Hill Rd.	1979	\$ -	\$ 9,700	24	\$ 242,500	\$ 9,700	\$ 232,800

**20. PUBLIC ENTITY RISK POOL**

***The Health Pool***

The Town participates in a public entity risk pool through the Rhode Island Interlocal Risk Management Trust (the Trust) entitled the Health Pool (the Pool), formerly known as The Governmental Health Group of Rhode Island, Inc. (through June 22, 2010). The Pool is part of a not-for-profit organization (the Trust) formed to provide programs of liability, workers compensation, and health insurance coverage to Rhode Island cities, towns and other governmental units. The Pool is governed by the Trust Board of Directors (Board).

Upon joining the Pool, members execute a member agreement. That document, pursuant to which the Pool was established and operates, outlines the rights and responsibilities of both the members and the Pool. Members of the Pool participate in the Pool's health insurance plan administered through the Trust and Blue Cross Blue Shield of Rhode Island (BCBSRI).

**TOWN OF GLOCESTER, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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**20. PUBLIC ENTITY RISK POOL (Continued)**

***The Health Pool (Continued)***

Using the rate calculations prepared by the Trust, the Trust sets annual contribution rates for the subscribers of each member for each program offered. The Pool agreement requires that those contribution rates be set:

1. At a level sufficient, in the aggregate, to satisfy the funding requirements of the Pool, and
2. With the intent that over the long term each member is contributing its fair share.

The contributions of each member are used to pay for claims, reinsurance and all administrative expenses. The Pool agreement provides for an annual independent audit of its financial statements.

A member's share of surplus or deficit is equal to the ratio of the member's subscribers (employees and retirees) participating in the Pool's plan for each month of a policy year divided by the sum of all subscribers in the Pool for the same period.

The Pool agreement provides the Trust's Board a discretionary, fully allocable assessment feature with respect to specified circumstances.

After it has been a member of the Pool for an initial three-year period, a member may withdraw from the Pool by providing the Trust with 90 days notice; otherwise liquidated damages would be assessed at the time of departure prior to the initial three-year period. The Trust may terminate a member's coverage for failure to pay amounts due.

For the year ended June 30, 2015, unaudited results indicate that the Pool generated \$121,823,249 in revenues and excess of revenues over expenses of \$1,316,333. The Pool had \$65,920,738 in total assets and \$40,700,704 in total equity as of June 30, 2015.

The Pool retains certain levels of insurance risk. Specific losses in excess of \$1 million to a limit of \$2 million are covered by a Health Excess Claims Stoploss Account internal to the Trust that is funded by annual Stoploss Account payments from the Health Pool. As of June 30, 2015, the Pool's membership consisted of 44 cities, towns or other governmental units.

Separate financial statements are available at the RI Interlocal Risk Management Trust, 501 Wampanoag Trail, Suite 301, East Providence, RI 02915.

**21. 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, 2015 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.

**TOWN OF GLOCESTER, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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**NOTE 22 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through January 25, 2016 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***

The beginning net position of the Governmental Activities has been restated to reflect adjustments related to various changes applied in fiscal year 2015. Most notably is the application of the Government Accounting Standards Board, *GASB 68 – Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*.

The net effect of these restatements is presented below.

Beginning net position - Statement of Activities	\$	28,861,933
Restatement for:		
Beginning net pension liability- MERS	2,297,323	
Beginning net pension liability - ERS	6,250,197	
Beginning net pension asset - TSB	<u>(832,773)</u>	
Total adjustment to net position:		<u>7,714,747</u>
Beginning net position - Restated		<u><u>21,147,186</u></u>

## **REQUIRED SUPPLEMENTARY INFORMATION**

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial information

Such information includes:

Budgetary Comparison Schedules – General Fund  
And Gloucester School General Fund

Pension Fund Disclosures

**REQUIRED SUPPLEMENTARY INFORMATION**  
**TOWN OF GLOCESTER, RHODE ISLAND**  
**Budgetary Comparison Schedule - General Fund**  
**Schedule of Revenues and Expenditures (Non-GAAP Budgetary Basis)**  
**For the Fiscal Year Ended June 30, 2015**

	<b>GENERAL FUND</b>			
	<b>Original Adopted Budget</b>	<b>Final Approved Budget</b>	<b>Actual (Budgetary Basis)</b>	<b>Variance</b>
<b>REVENUES:</b>				
Property tax	\$ 23,053,256	\$ 23,053,256	\$ 23,146,974	\$ 93,718
General state aid	302,840	302,840	356,208	53,368
State housing aid	6,550	6,550	26,586	20,036
License, fees and fines	410,000	410,000	459,001	49,001
Interest and investment income	90,000	90,000	111,432	21,432
Other revenues	29,500	29,500	75,449	45,949
<b>TOTAL REVENUES</b>	<u>23,892,146</u>	<u>23,892,146</u>	<u>24,175,650</u>	<u>283,504</u>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
Central administration	821,043	821,043	733,594	87,449
Financial administration	634,513	634,513	605,514	28,999
Public safety	2,095,671	2,095,671	2,037,795	57,876
Public works	1,677,202	1,677,202	1,555,512	121,690
Recreation and senior center	278,603	278,603	245,519	33,084
Social services	50,621	50,621	33,574	17,047
Other operational expenses	559,137	559,137	389,605	169,532
Aid requests	336,441	336,441	336,441	-
Education	9,692,789	9,692,789	9,692,789	-
<b>Debt service:</b>				
Principal	405,000	405,000	405,000	-
Interest	101,967	101,967	101,967	-
<b>TOTAL EXPENDITURES</b>	<u>16,652,987</u>	<u>16,652,987</u>	<u>16,137,310</u>	<u>515,677</u>
<b>Excess of revenues over (under) expenditures before other financing sources (uses)</b>	<u>7,239,159</u>	<u>7,239,159</u>	<u>8,038,340</u>	<u>799,181</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Appropriated fund balance	550,798	550,798	550,798	-
Transfers from other funds	-	-	12,000	12,000
Transfers to other funds	(7,789,957)	(7,789,957)	(7,934,436)	(144,479)
<b>TOTAL OTHER FINANCING USES</b>	<u>(7,239,159)</u>	<u>(7,239,159)</u>	<u>(7,371,638)</u>	<u>(132,479)</u>
<b>Excess of revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 666,702</u>	<u>\$ 666,702</u>
Less: appropriated fund balance			(550,798)	
Add: excess of revenues and other sources over expenditures and other uses of funds classified with the Glocester General Fund for purposes of GASB Statement No. 54			246,546	
<b>Fund Balance, beginning of year</b>			<u>7,385,230</u>	
<b>Fund Balance, end of year</b>			<u>\$ 7,747,680</u>	

**SUPPLEMENTARY INFORMATION**  
**TOWN OF GLOCESTER, RHODE ISLAND**  
**Budgetary Comparison Schedule - School Department Operations**  
**Schedule of Revenues and Expenditures (Non-GAAP Budgetary Basis)**  
**For the Fiscal Year Ended June 30, 2015**

	<b>Original Adopted Budget</b>	<b>Final Approved Budget</b>	<b>Actual (Budgetary Basis)</b>	<b>Variance</b>
<b>REVENUES:</b>				
State aid	\$ 2,636,080	\$ 2,636,080	\$ 2,626,892	\$ (9,188)
Federal revenue - Medicaid reimbursement	94,000	94,000	58,044	(35,956)
Tuitions	17,340	17,340	59,350	42,010
Earnings on investments	1,500	1,500	511	(989)
Other	104,000	104,000	13,290	(90,710)
<b>TOTAL REVENUES</b>	2,852,920	2,852,920	2,758,087	(94,833)
 <b>EXPENDITURES:</b>				
Fogarty Memorial	102,450	102,450	169,026	(66,576)
West Gloucester	84,050	84,050	122,634	(38,584)
Central administration	226,980	226,980	202,514	24,466
System-wide	2,065,777	2,065,777	1,658,762	407,015
Salaries and fringes	7,189,912	7,189,912	6,993,645	196,267
<b>TOTAL EXPENDITURES</b>	9,669,169	9,669,169	9,146,581	522,588
<b>Excess of revenues over (under) expenditures before other financing sources (uses)</b>	(6,816,249)	(6,816,249)	(6,388,494)	427,755
 <b>OTHER FINANCING SOURCES (USES):</b>				
Transfers from Town	6,372,035	6,372,035	6,372,035	-
Appropriated fund balance	444,214	444,214	444,214	-
Transfers to other funds	-	-	(4,319)	(4,319)
<b>NET OTHER FINANCING SOURCES</b>	6,816,249	6,816,249	6,811,930	(4,319)
<b>Excess of revenues and other financing sources over (under) expenditures and other financing uses</b>	\$ -	\$ -	\$ 423,436	\$ 423,436
Less: appropriated fund balance			(444,214)	
Add: excess of revenues and other sources over expenditures and other uses of funds classified with the Gloucester School General Fund for purposes of GASB Statement No. 54			(154)	
<b>Fund Balance, beginning of year</b>			4,108,703	
<b>Fund Balance, end of year</b>			\$ 4,087,771	



**TOWN OF GLOCESTER, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**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, 2015:

Excess of revenues and other sources over expenditures and other uses (Non-GAAP Budgetary Basis).....	\$ 666,702
Fund balance reappropriated.....	(550,798)
Excess of revenues and other sources over expenditures and other uses of funds classified with the General Fund for purposes of GASB Statement No. 54.....	246,546
Excess of revenues and other sources over expenditures and other uses (GAAP).....	\$ 362,450

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
<b><i>General Fund:</i></b>		
<b><i>Schedule of Revenues, Expenditures and Other Financing Sources</i></b>		
<b><i>(Non-GAAP Budgetary Basis) Budget and Actual</i></b> .....	\$ 24,738,448	\$ 24,071,746
Fund balance reappropriated.....	(550,798)	-
Revenues and other sources and expenditures and other uses of funds classified with the General Fund for purposes of GASB Statement No. 54.....	22,171	(224,375)
<b><i>Statement of Revenues, Expenditures and Changes in Fund</i></b>		
<b><i>Balances</i></b> .....	\$ 24,209,821	\$ 23,847,371

**TOWN OF GLOCESTER, RHODE ISLAND  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

***NOTES TO REQUIRED SUPPLEMENTARY INFORMATION***

***Budgetary to GAAP basis reconciliation***

The following reconciliation summarizes the differences for the School Unrestricted Fund between budgetary and GAAP basis accounting principles for the year ended June 30, 2015:

Excess of revenues and other sources over expenditures and other uses (Non-GAAP Budgetary Basis).....	\$	423,436
Fund balance reappropriated.....		(444,214)
Excess of revenues and other sources over expenditures and other uses of funds classified with the School Unrestricted Fund for purposes of GASB Statement No. 54		(154)
Excess of revenues and other sources over expenditures and other uses (GAAP).....	\$	<u>(20,932)</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 School Unrestricted Fund's revenues and expenditures and other financing sources (uses) is presented below.

	Revenues and Transfers	Expenditures and Transfers
<b><i>School Unrestricted Fund:</i></b>		
<b><i>Schedule of Revenues, Expenditures and Other Financing Sources</i></b>		
<b><i>(Non-GAAP Budgetary Basis) Budget and Actual</i></b> .....	\$ 9,574,336	\$ 9,150,900
Fund balance reappropriated.....	(444,214)	\$ -
Revenues and other sources and expenditures and other uses of funds classified with the School Unrestricted Fund for purposes of GASB Statement No. 54.....	-	154
<b><i>Statement of Revenues, Expenditures and Changes in Fund</i></b>		
<b><i>Balances</i></b> .....	\$ 9,130,122	\$ 9,151,054

**TOWN OF GLOCESTER, RHODE ISLAND**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2015**

**Town of Gloucester, Rhode Island Municipal Employee's Retirement System**  
**Schedule of Changes in Town of Gloucester Employee Net Pension Liability and Related Ratios**  
**Last 10 Fiscal Years**

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>A. Total pension liability</b>										
1. Service Cost	\$ 231,786	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Interest on the Total Pension Liability	613,211	-	-	-	-	-	-	-	-	-
3. Changes of benefit terms	-	-	-	-	-	-	-	-	-	-
4. Difference between expected and actual experience of the Total Pension Liability	-	-	-	-	-	-	-	-	-	-
5. Changes of assumptions	89,708	-	-	-	-	-	-	-	-	-
6. Benefit payments, including refunds of employee contributions	(422,389)	-	-	-	-	-	-	-	-	-
7. Net change in total pension liability	512,316	-	-	-	-	-	-	-	-	-
8. Total pension liability – beginning	8,271,444	-	-	-	-	-	-	-	-	-
9. Total pension liability – ending (a)	\$ 8,783,760	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>B. Plan fiduciary net position</b>										
1. Contributions – employer	\$ 228,215	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Contributions – employee	46,244	-	-	-	-	-	-	-	-	-
3. Net investment income	1,097,653	-	-	-	-	-	-	-	-	-
4. Benefit payments, including refunds of employee contributions	(422,389)	-	-	-	-	-	-	-	-	-
5. Pension Plan Administrative Expense	(6,873)	-	-	-	-	-	-	-	-	-
6. Other	(4,809)	-	-	-	-	-	-	-	-	-
7. Net change in plan fiduciary net position	938,041	-	-	-	-	-	-	-	-	-
8. Plan fiduciary net position – beginning	7,303,287	-	-	-	-	-	-	-	-	-
9. Plan fiduciary net position – ending (b)	\$ 8,241,328	-	-	-	-	-	-	-	-	-
<b>C. Net pension liability - ending (a) - (b)</b>	542,432	-	-	-	-	-	-	-	-	-
<b>D. Plan fiduciary net position as a percentage of the total pension liability</b>	93.82%	-	-	-	-	-	-	-	-	-
<b>E. Covered employee payroll</b>	\$ 2,409,421	-	-	-	-	-	-	-	-	-
<b>F. Net pension liability as a percentage of covered payroll</b>	22.51%	-	-	-	-	-	-	-	-	-

**Schedule of Changes in Town of Gloucester Employee Contributions Multiyear**  
**Last 10 Fiscal Years**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Actuarially determined contribution	\$ 246,768	\$ 228,215	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	246,768	228,215	-	-	-	-	-	-	-	-
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Covered-employee payroll	2,475,104	2,409,421	-	-	-	-	-	-	-	-
Contributions as a percentage of covered-employee payroll	9.97%	9.47%	0%	0%	0%	0%	0%	0%	0%	0%

**Notes:**

- 1.) Employers participating in the Municipal Employee's Retirement System are required by RI General Laws, Section 45-21-42, to contribute an actuarially determined contribution rate each year.
- 2.) These schedules are intended to show information for 10 years - additional years will be displayed as they become available.

**TOWN OF GLOCESTER, RHODE ISLAND**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2015**

**Town of Gloucester, Rhode Island Municipal Employee's Retirement System**  
**Schedule of Changes in Gloucester Police Employees Net Pension Liability and Related Ratios**  
**Last 10 Fiscal Years**

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>A. Total pension liability</b>										
1. Service Cost	\$ 171,293	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Interest on the Total Pension Liability	468,506	-	-	-	-	-	-	-	-	-
3. Changes of benefit terms	-	-	-	-	-	-	-	-	-	-
4. Difference between expected and actual experience of the Total Pension Liability	-	-	-	-	-	-	-	-	-	-
5. Changes of assumptions	(53,558)	-	-	-	-	-	-	-	-	-
6. Benefit payments, including refunds of employee contributions	(256,354)	-	-	-	-	-	-	-	-	-
7. Net change in total pension liability	329,887	-	-	-	-	-	-	-	-	-
8. Total pension liability – beginning	6,289,282	-	-	-	-	-	-	-	-	-
9. Total pension liability – ending (a)	\$ 6,619,169	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>B. Plan fiduciary net position</b>										
1. Contributions – employer	\$ 150,971	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Contributions – employee	77,420	-	-	-	-	-	-	-	-	-
3. Net investment income	757,189	-	-	-	-	-	-	-	-	-
4. Benefit payments, including refunds of employee contributions	(256,354)	-	-	-	-	-	-	-	-	-
5. Pension Plan Administrative Expense	(4,741)	-	-	-	-	-	-	-	-	-
6. Other	480	-	-	-	-	-	-	-	-	-
7. Net change in plan fiduciary net position	724,965	-	-	-	-	-	-	-	-	-
8. Plan fiduciary net position – beginning	4,960,116	-	-	-	-	-	-	-	-	-
9. Plan fiduciary net position – ending (b)	\$ 5,685,081	-	-	-	-	-	-	-	-	-
<b>C. Net pension liability - ending (a) - (b)</b>	934,088	-	-	-	-	-	-	-	-	-
<b>D. Plan fiduciary net position as a percentage of the total pension liability</b>	85.89%	-	-	-	-	-	-	-	-	-
<b>E. Covered employee payroll</b>	\$ 967,759	-	-	-	-	-	-	-	-	-
<b>F. Net pension liability as a percentage of covered payroll</b>	96.52%	-	-	-	-	-	-	-	-	-

**Schedule of Changes in Gloucester Police Employees Contributions Multiyear**  
**Last 10 Fiscal Years**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Actuarially determined contribution	\$ 185,060	\$ 150,971	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	185,060	150,971	-	-	-	-	-	-	-	-
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Covered-employee payroll	1,019,055	967,759	-	-	-	-	-	-	-	-
Contributions as a percentage of covered-employee payroll	18.16%	15.60%	0%	0%	0%	0%	0%	0%	0%	0%

**Notes:**  
1.) Employers participating in the Municipal Employee's Retirement System are required by RI General Laws, Section 45-21-42, to contribute an actuarially determined contribution rate each year.  
2.) This schedule is intended to show information for 10 years - additional years will be displayed as they become available.

**TOWN OF GLOCESTER, RHODE ISLAND**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2015**

**Schedule of Town Contributions**

**Last 10 Fiscal Years**

**State of Rhode Island Employees Retirement System**

	Fiscal Year Ending June 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Actuarially determined contribution	\$ 526,120	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	526,120	-	-	-	-	-	-	-	-	-
Contribution deficiency/(excess)	-	-	-	-	-	-	-	-	-	-
Covered employee payroll	3,923,339	-	-	-	-	-	-	-	-	-
Contributions as a percentage of covered-employee payroll	13.41%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**Notes:**

- 1.) The amounts presented for each fiscal year were determined as of 6/30 measurement date prior to the fiscal year-end.
- 2.) This schedule is intended to show information for 10 years - additional years will be displayed as they become available.

**Schedule of Gloucester's Proportionate Share of Net Pension Liability**

**Last 10 Fiscal Years**

**State of Rhode Island Employees Retirement System**

	Fiscal Year Ending June 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Gloucester proportion of the net pension liability	0.22666009%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Gloucester proportionate share of the net pension liability	5,516,907	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
State's proportionate share of the net pension liability associated with the school district	3,783,198	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Gloucester covered payroll	3,923,339	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Gloucester proportionate share of the net pension liability as a percentage of it's covered employee payroll	140.62%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a % of the total pension liability	61.4%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**Notes:**

- 1.) Employers participating in the State Employee's Retirement System are required by RI General Laws, Section 36-10-2, to contribute an actuarially determined contribution rate each year.
- 2.) This schedule is intended to show information for 10 years - additional years will be displayed as they become available.

**TOWN OF GLOCESTER, RHODE ISLAND**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2015**

**Schedule of Gloucester Contributions**

**Last 10 Fiscal Years**

**Teachers Survivor Benefit Plan**

	Fiscal Year Ending June 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Statutorily determined contribution	\$ 5,192	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	5,192	-	-	-	-	-	-	-	-	-
Contribution deficiency/(excess)	-	-	-	-	-	-	-	-	-	-
Covered employee payroll	3,923,339	-	-	-	-	-	-	-	-	-
Contributions as a percentage of covered-employee payroll	0.13%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**Notes:**

- 1.) The amounts presented for each fiscal year were determined as of 6/30 measurement date prior to the fiscal year-end.
- 2.) This schedule is intended to show information for 10 years - additional years will be displayed as they become available.

**Schedule of Gloucester's Proportionate Share of Net Pension Liability (Asset)**  
**Last 10 Fiscal Years**  
**Teachers Survivor Benefit Plan**

	Fiscal Year Ending June 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Gloucester proportion of the net pension asset	0.85099703%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Gloucester proportionate share of the net pension asset	\$ 1,057,966	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gloucester covered payroll	\$ 3,923,339	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gloucester proportionate share of the net pension liability as a percentage of it's covered employee payroll	26.97%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a % of the total pension liability	173.3%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**Notes:**

- 1.) Employers participating in the Teachers' Survivor's Benefit Plan contribute at a rate established by the RI General Laws, Section 16-16-35.
- 2.) This schedule is intended to show information for 10 years - additional years will be displayed as they become available.

**SUPPLEMENTARY INFORMATION**

Combining Fund Financial Statements for Non-major Governmental Funds

Other Supplementary Information

**SUPPLEMENTARY INFORMATION  
TOWN OF GLOCESTER, RHODE ISLAND  
Combining Balance Sheet - Non-Major Governmental Funds  
JUNE 30, 2015**

	<b>Town Special Revenue Funds</b>	<b>School Special Revenue Funds</b>	<b>Capital Projects Funds</b>	<b>Permanent Funds</b>	<b>Totals</b>
<b>ASSETS:</b>					
Cash and cash equivalents	\$ 52,249	\$ -	\$ -	\$ -	\$ 52,249
Loans receivable	377,715	-	-	-	377,715
Other receivables	84,955	-	-	12,386	97,341
Due from other governments	296,901	77,262	38,360	-	412,523
Due from other funds	240,920	45,965	485,333	-	772,218
<b>TOTAL ASSETS</b>	<b>\$ 1,052,740</b>	<b>\$ 123,227</b>	<b>\$ 523,693</b>	<b>\$ 12,386</b>	<b>\$ 1,712,046</b>
<b>LIABILITIES AND FUND BALANCES:</b>					
<b>LIABILITIES:</b>					
Accounts payable	\$ 6,573	\$ -	\$ 558	\$ -	\$ 7,131
Accrued expenses	-	8,267	-	-	8,267
Due to other funds	81,336	68,995	114,243	200	264,774
Unearned revenues	573,481	-	-	-	573,481
<b>TOTAL LIABILITIES</b>	<b>661,390</b>	<b>77,262</b>	<b>114,801</b>	<b>200</b>	<b>853,653</b>
<b>FUND BALANCES (DEFICITS):</b>					
<b>Nonspendable for:</b>					
Perpetual care	-	-	-	3,100	3,100
<b>Restricted for:</b>					
Administration	47,698	-	-	-	47,698
Public safety	59,498	-	-	-	59,498
Recreation	62,348	-	-	-	62,348
Social services	221,806	-	-	-	221,806
Education	-	45,965	-	-	45,965
Capital projects	-	-	408,892	-	408,892
Perpetual care	-	-	-	9,086	9,086
<b>Unassigned:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES (DEFICITS)</b>	<b>391,350</b>	<b>45,965</b>	<b>408,892</b>	<b>12,186</b>	<b>858,393</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 1,052,740</b>	<b>\$ 123,227</b>	<b>\$ 523,693</b>	<b>\$ 12,386</b>	<b>\$ 1,712,046</b>



**SUPPLEMENTARY INFORMATION**  
**TOWN OF GLOCESTER, RHODE ISLAND**  
**Combining Statement of Revenues, Expenditures, Other Financing Source (Uses)**  
**and Changes in Fund Balances - Non-Major Governmental Funds**  
**For the Fiscal Year Ended June 30, 2015**

	<b>Town Special Revenue Funds</b>	<b>School Special Revenue Funds</b>	<b>Capital Projects Funds</b>	<b>Permanent Funds</b>	<b>Totals</b>
<b>REVENUES:</b>					
Intergovernmental	\$ 389,625	\$ 305,814	\$ 38,360	\$ -	\$ 733,799
Other	96,135	41,252	900	-	138,287
<b>TOTAL REVENUES</b>	<b>485,760</b>	<b>347,066</b>	<b>39,260</b>	<b>-</b>	<b>872,086</b>
<b>EXPENDITURES:</b>					
<i>Current:</i>					
Administration	195,950	-	-	-	195,950
Public Safety	148,861	-	-	-	148,861
Public Works	-	-	56,606	200	56,806
Recreation	51,483	-	-	-	51,483
Social Services	149,361	-	-	-	149,361
Education	-	365,498	42,678	-	408,176
<i>Debt service:</i>					
Principal	25,455	-	40,000	-	65,455
Interest	3,844	-	22,388	-	26,232
<i>Capital:</i>	-	-	304,094	-	304,094
<b>TOTAL EXPENDITURES</b>	<b>574,954</b>	<b>365,498</b>	<b>465,766</b>	<b>200</b>	<b>1,406,418</b>
<i>Excess of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)</i>	(89,194)	(18,432)	(426,506)	(200)	(534,332)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	42,586	-	446,509	-	489,095
Transfers out	(12,000)	-	-	-	(12,000)
<b>NET OTHER FINANCING SOURCES (USES)</b>	<b>30,586</b>	<b>-</b>	<b>446,509</b>	<b>-</b>	<b>477,095</b>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(58,608)	(18,432)	20,003	(200)	(57,237)
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<b>449,958</b>	<b>64,397</b>	<b>388,889</b>	<b>12,386</b>	<b>915,630</b>
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 391,350</b>	<b>\$ 45,965</b>	<b>\$ 408,892</b>	<b>\$ 12,186</b>	<b>\$ 858,393</b>

**SUPPLEMENTARY INFORMATION**  
**TOWN OF GLOCESTER, RHODE ISLAND**  
**Special Revenue Restricted Funds - Town**  
**Combining Balance Sheet**  
**June 30, 2015**

	<u>Bramley Bill</u>	<u>The Meds Plan</u>	<u>Revaluation Grant</u>	<u>Recycling Grant</u>	<u>Public Library Grant</u>	<u>July 4th Parade</u>	<u>MHRH Grant</u>
<b>ASSETS:</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Loans receivable	-	-	-	-	-	-	-
Other receivables	10,234	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-
Due from other funds	34,187	3,466	-	30,687	-	36,727	-
<b>TOTAL ASSETS</b>	<u>\$ 44,421</u>	<u>\$ 3,466</u>	<u>\$ -</u>	<u>\$ 30,687</u>	<u>\$ -</u>	<u>\$ 36,727</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCE:</b>							
<b>LIABILITIES:</b>							
Accounts payable and accrued expenses	\$ 542	\$ -	\$ -	\$ 362	\$ -	\$ 429	\$ -
Due to other funds	-	-	-	-	-	-	-
Unearned revenues	-	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<u>542</u>	<u>-</u>	<u>-</u>	<u>362</u>	<u>-</u>	<u>429</u>	<u>-</u>
<b>FUND BALANCE:</b>							
<b>Restricted for:</b>							
Administration	-	-	-	30,325	-	-	-
Public safety	43,879	3,466	-	-	-	-	-
Recreation	-	-	-	-	-	36,298	-
Social services	-	-	-	-	-	-	-
<b>Unassigned:</b>	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCE</b>	<u>43,879</u>	<u>3,466</u>	<u>-</u>	<u>30,325</u>	<u>-</u>	<u>36,298</u>	<u>-</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 44,421</u>	<u>\$ 3,466</u>	<u>\$ -</u>	<u>\$ 30,687</u>	<u>\$ -</u>	<u>\$ 36,727</u>	<u>\$ -</u>

(Continued)

**SUPPLEMENTARY INFORMATION**  
**TOWN OF GLOCESTER, RHODE ISLAND**  
**Special Revenue Restricted Funds - Town**  
**Combining Balance Sheet**  
**June 30, 2015**

	<u>Emergency Energy</u>	<u>RI Interlocal Safety</u>	<u>Pollard Mimosa Trees</u>	<u>Police Grant JAG</u>	<u>Central Police Legislative Grant</u>	<u>Blue Rip Tide Grant</u>	<u>Historic Records Trust</u>
<b>ASSETS:</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 138
Loans receivable	-	-	-	-	-	-	-
Other receivables	-	-	-	995	-	1,627	-
Due from other governments	-	-	-	-	-	-	-
Due from other funds	32,062	-	2,000	-	40	-	16,242
<b>TOTAL ASSETS</b>	<u>\$ 32,062</u>	<u>\$ -</u>	<u>\$ 2,000</u>	<u>\$ 995</u>	<u>\$ 40</u>	<u>\$ 1,627</u>	<u>\$ 16,380</u>
<b>LIABILITIES AND FUND BALANCE:</b>							
<b>LIABILITIES:</b>							
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,007
Due to other funds	-	-	-	995	-	1,627	-
Unearned revenues	-	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>995</u>	<u>-</u>	<u>1,627</u>	<u>1,007</u>
<b>FUND BALANCE:</b>							
<b>Restricted for:</b>							
Administration	-	-	2,000	-	-	-	15,373
Public safety	-	-	-	-	40	-	-
Recreation	-	-	-	-	-	-	-
Social services	32,062	-	-	-	-	-	-
<b>Unassigned:</b>	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCE</b>	<u>32,062</u>	<u>-</u>	<u>2,000</u>	<u>-</u>	<u>40</u>	<u>-</u>	<u>15,373</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 32,062</u>	<u>\$ -</u>	<u>\$ 2,000</u>	<u>\$ 995</u>	<u>\$ 40</u>	<u>\$ 1,627</u>	<u>\$ 16,380</u>

(Continued)

SUPPLEMENTARY INFORMATION  
TOWN OF GLOCESTER, RHODE ISLAND  
Special Revenue Restricted Funds - Town  
Combining Balance Sheet  
June 30, 2015

	Senior Center Donations	Food Bank	Animal Shelter Amy Angilly Fund	Community Septic System Loan Program	BHDDH CAST	DARE	Community Development Block Grant
<b>ASSETS:</b>							
Cash and cash equivalents	\$ 60	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 52,051
Loans receivable	-	-	-	-	-	-	377,715
Other receivables	-	-	-	-	27,436	-	38,995
Due from other governments	-	-	-	296,325	-	-	576
Due from other funds	26,387	37,312	20,266	-	-	3	-
<b>TOTAL ASSETS</b>	<u>\$ 26,447</u>	<u>\$ 37,312</u>	<u>\$ 20,266</u>	<u>\$ 296,325</u>	<u>\$ 27,436</u>	<u>\$ 3</u>	<u>\$ 469,337</u>
<b>LIABILITIES AND FUND BALANCE:</b>							
<b>LIABILITIES:</b>							
Accounts payable and accrued expenses	\$ 397	\$ 762	\$ -	\$ -	\$ 1,221	\$ -	\$ 213
Due to other funds	-	-	8,156	-	26,215	-	38,774
Unearned revenues	-	-	-	195,761	-	-	377,720
<b>TOTAL LIABILITIES</b>	<u>397</u>	<u>762</u>	<u>8,156</u>	<u>195,761</u>	<u>27,436</u>	<u>-</u>	<u>416,707</u>
<b>FUND BALANCE:</b>							
<b>Restricted for:</b>							
Administration	-	-	-	-	-	-	-
Public safety	-	-	12,110	-	-	3	-
Recreation	26,050	-	-	-	-	-	-
Social services	-	36,550	-	100,564	-	-	52,630
<b>Unassigned:</b>	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCE</b>	<u>26,050</u>	<u>36,550</u>	<u>12,110</u>	<u>100,564</u>	<u>-</u>	<u>3</u>	<u>52,630</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 26,447</u>	<u>\$ 37,312</u>	<u>\$ 20,266</u>	<u>\$ 296,325</u>	<u>\$ 27,436</u>	<u>\$ 3</u>	<u>\$ 469,337</u>

(Continued)

SUPPLEMENTARY INFORMATION  
TOWN OF GLOCESTER, RHODE ISLAND  
Special Revenue Restricted Funds - Town  
Combining Balance Sheet  
June 30, 2015

	Meal Site Senate Grant	Fema Grant	HAVA Grant	Community Resource	Grass Roots	TOTAL
<b>ASSETS:</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 52,249
Loans receivable	-	-	-	-	-	377,715
Other receivables	-	5,668	-	-	-	84,955
Due from other governments	-	-	-	-	-	296,901
Due from other funds	1,100	-	-	441	-	240,920
<b>TOTAL ASSETS</b>	<u>\$ 1,100</u>	<u>\$ 5,668</u>	<u>\$ -</u>	<u>\$ 441</u>	<u>\$ -</u>	<u>1,052,740</u>
<b>LIABILITIES AND FUND BALANCE:</b>						
<b>LIABILITIES:</b>						
Accounts payable and accrued expenses	\$ 1,100	\$ 99	-	\$ 441	\$ -	6,573
Due to other funds	-	5,569	-	-	-	81,336
Unearned revenues	-	-	-	-	-	573,481
<b>TOTAL LIABILITIES</b>	<u>1,100</u>	<u>5,668</u>	<u>-</u>	<u>441</u>	<u>-</u>	<u>661,390</u>
<b>FUND BALANCE:</b>						
<b>Restricted for:</b>						
Administration	-	-	-	-	-	47,698
Public safety	-	-	-	-	-	59,498
Recreation	-	-	-	-	-	62,348
Social services	-	-	-	-	-	221,806
<b>Unassigned:</b>	-	-	-	-	-	-
<b>TOTAL FUND BALANCE</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>391,350</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 1,100</u>	<u>\$ 5,668</u>	<u>\$ -</u>	<u>\$ 441</u>	<u>\$ -</u>	<u>\$ 1,052,740</u>

(Concluded)

**SUPPLEMENTARY INFORMATION**  
**TOWN OF GLOCESTER, RHODE ISLAND**  
**Special Revenue Restricted Funds - Town**  
**Combining Statement of Revenues, Expenditures Other Financing Sources (Uses), and**  
**Changes in Fund Balances**  
**For the Fiscal year Ended June 30, 2015**

	<u>Bramley Bill</u>	<u>The Meds Plan</u>	<u>Revaluation Grant</u>	<u>Recycling Grant</u>	<u>Public Library Grant</u>	<u>July 4th Parade</u>	<u>MHRH Grant</u>
<b>REVENUES:</b>							
Intergovernmental revenue	\$ 32,201	\$ -	\$ -	\$ 17,583	\$ 71,631	\$ 3,000	\$ -
Other revenue	3,215	-	-	-	-	15,493	-
<b>TOTAL REVENUES</b>	<u>35,416</u>	<u>-</u>	<u>-</u>	<u>17,583</u>	<u>71,631</u>	<u>18,493</u>	<u>-</u>
<b>EXPENDITURES:</b>							
<i>Current:</i>							
Administration	-	-	13,580	20,717	-	-	-
Public safety	45,528	-	-	-	-	-	-
Recreation	-	-	-	-	-	51,483	-
Social Services	-	2,751	-	-	71,631	-	178
<i>Debt service:</i>							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>45,528</u>	<u>2,751</u>	<u>13,580</u>	<u>20,717</u>	<u>71,631</u>	<u>51,483</u>	<u>178</u>
<b>Excess of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)</b>	<u>(10,112)</u>	<u>(2,751)</u>	<u>(13,580)</u>	<u>(3,134)</u>	<u>-</u>	<u>(32,990)</u>	<u>(178)</u>
<b>OTHER FINANCING SOURCES (USES):</b>							
Transfers in	1,607	-	13,580	-	-	13,000	121
Transfers out	-	-	-	-	-	-	-
<b>NET OTHER FINANCING SOURCES (USES)</b>	<u>1,607</u>	<u>-</u>	<u>13,580</u>	<u>-</u>	<u>-</u>	<u>13,000</u>	<u>121</u>
<b>Excess of revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>(8,505)</u>	<u>(2,751)</u>	<u>-</u>	<u>(3,134)</u>	<u>-</u>	<u>(19,990)</u>	<u>(57)</u>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>52,384</u>	<u>6,217</u>	<u>-</u>	<u>33,459</u>	<u>-</u>	<u>56,288</u>	<u>57</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 43,879</u>	<u>\$ 3,466</u>	<u>\$ -</u>	<u>\$ 30,325</u>	<u>\$ -</u>	<u>\$ 36,298</u>	<u>\$ -</u>

(Continued)

**SUPPLEMENTARY INFORMATION**  
**TOWN OF GLOCESTER, RHODE ISLAND**  
**Special Revenue Restricted Funds - Town**  
**Combining Statement of Revenues, Expenditures Other Financing Sources (Uses), and**  
**Changes in Fund Balances**  
**For the Fiscal year Ended June 30, 2015**

	<u>Emergency Energy</u>	<u>RI Interlocal Safety</u>	<u>Pollard Mimosa Trees</u>	<u>Police Grant JAG</u>	<u>Central Police Legislative Grant</u>	<u>Blue Rip Tide Grant</u>	<u>Historic Records Trust</u>
<b>REVENUES:</b>							
Intergovernmental revenue	\$ -	\$ 1,000	\$ -	\$ 3,929	\$ 1,000	\$ 6,952	\$ -
Other revenue	5,752	-	-	-	-	-	12,353
<b>TOTAL REVENUES</b>	<u>5,752</u>	<u>1,000</u>	<u>-</u>	<u>3,929</u>	<u>1,000</u>	<u>6,952</u>	<u>12,353</u>
<b>EXPENDITURES:</b>							
<i>Current:</i>							
Administration	-	-	-	-	-	-	15,844
Public safety	-	-	-	3,929	960	6,958	-
Recreation	-	-	-	-	-	-	-
Social Services	9,900	2,049	-	-	-	-	-
<i>Debt service:</i>							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>9,900</u>	<u>2,049</u>	<u>-</u>	<u>3,929</u>	<u>960</u>	<u>6,958</u>	<u>15,844</u>
<b>Excess of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)</b>	<u>(4,148)</u>	<u>(1,049)</u>	<u>-</u>	<u>-</u>	<u>40</u>	<u>(6)</u>	<u>(3,491)</u>
<b>OTHER FINANCING SOURCES (USES):</b>							
Transfers in	13,000	1,049	-	-	-	6	145
Transfers out	-	-	-	-	-	-	-
<b>NET OTHER FINANCING SOURCES (USES)</b>	<u>13,000</u>	<u>1,049</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6</u>	<u>145</u>
<b>Excess of revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>8,852</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40</u>	<u>-</u>	<u>(3,346)</u>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>23,210</u>	<u>-</u>	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,719</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 32,062</u>	<u>\$ -</u>	<u>\$ 2,000</u>	<u>\$ -</u>	<u>\$ 40</u>	<u>\$ -</u>	<u>\$ 15,373</u>

(Continued)

**SUPPLEMENTARY INFORMATION**  
**TOWN OF GLOCESTER, RHODE ISLAND**  
**Special Revenue Restricted Funds - Town**  
**Combining Statement of Revenues, Expenditures Other Financing Sources (Uses), and**  
**Changes in Fund Balances**  
**For the Fiscal year Ended June 30, 2015**

	<b>Senior Center Donations</b>	<b>Food Bank</b>	<b>Animal Shelter Amy Angilly Fund</b>	<b>Community Septic System Loan Program</b>	<b>BHDDH CAST</b>	<b>DARE</b>	<b>Community Development Block Grant</b>
<b>REVENUES:</b>							
Intergovernmental revenue	\$ -	\$ 1,000	\$ -	\$ -	\$ 84,510	\$ -	\$ 157,811
Other revenue	2,661	13,397	-	29,299	-	-	12,965
<b>TOTAL REVENUES</b>	<u>2,661</u>	<u>14,397</u>	<u>-</u>	<u>29,299</u>	<u>84,510</u>	<u>-</u>	<u>170,776</u>
<b>EXPENDITURES:</b>							
<i>Current:</i>							
Administration	-	-	-	-	-	-	145,809
Public safety	-	-	-	-	84,510	1,308	-
Recreation	-	-	-	-	-	-	-
Social Services	1,752	11,731	-	44,951	-	-	-
<i>Debt service:</i>							
Principal	-	-	-	25,455	-	-	-
Interest	-	-	-	3,844	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>1,752</u>	<u>11,731</u>	<u>-</u>	<u>74,250</u>	<u>84,510</u>	<u>1,308</u>	<u>145,809</u>
<b>Excess of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)</b>	<u>909</u>	<u>2,666</u>	<u>-</u>	<u>(44,951)</u>	<u>-</u>	<u>(1,308)</u>	<u>24,967</u>
<b>OTHER FINANCING SOURCES (USES):</b>							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(12,000)
<b>NET OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(12,000)</u>
<b>Excess of revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>909</u>	<u>2,666</u>	<u>-</u>	<u>(44,951)</u>	<u>-</u>	<u>(1,308)</u>	<u>12,967</u>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>25,141</u>	<u>33,884</u>	<u>12,110</u>	<u>145,515</u>	<u>-</u>	<u>1,311</u>	<u>39,663</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 26,050</u>	<u>\$ 36,550</u>	<u>\$ 12,110</u>	<u>\$ 100,564</u>	<u>\$ -</u>	<u>\$ 3</u>	<u>\$ 52,630</u>

(Continued)



**SUPPLEMENTARY INFORMATION**  
**TOWN OF GLOCESTER, RHODE ISLAND**  
**Special Revenue Restricted Funds - Town**  
**Combining Statement of Revenues, Expenditures Other Financing Sources (Uses), and**  
**Changes in Fund Balances**  
**For the Fiscal year Ended June 30, 2015**

	Meal Site Senate Grant	Fema Grant	HAVA Grant	Community Resource	Grass Roots	TOTAL
<b>REVENUES:</b>						
Intergovernmental revenue	\$ 2,000	\$ 5,668	\$ 340	\$ -	\$ 1,000	\$ 389,625
Other revenue	-	-	-	1,000	-	96,135
<b>TOTAL REVENUES</b>	<u>2,000</u>	<u>5,668</u>	<u>340</u>	<u>1,000</u>	<u>1,000</u>	<u>485,760</u>
<b>EXPENDITURES:</b>						
<i>Current:</i>						
Administration	-	-	-	-	-	195,950
Public safety	-	5,668	-	-	-	148,861
Recreation	-	-	-	-	-	51,483
Social Services	2,000	-	418	1,000	1,000	149,361
<i>Debt service:</i>						
Principal	-	-	-	-	-	25,455
Interest	-	-	-	-	-	3,844
<b>TOTAL EXPENDITURES</b>	<u>2,000</u>	<u>5,668</u>	<u>418</u>	<u>1,000</u>	<u>1,000</u>	<u>574,954</u>
<i>Excess of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)</i>	<u>-</u>	<u>-</u>	<u>(78)</u>	<u>-</u>	<u>-</u>	<u>(89,194)</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	-	-	78	-	-	42,586
Transfers out	-	-	-	-	-	(12,000)
<b>NET OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>78</u>	<u>-</u>	<u>-</u>	<u>30,586</u>
<i>Excess of revenues and other financing sources over (under) expenditures and other financing uses</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(58,608)</u>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>449,958</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 391,350</u>

(Concluded)

**SUPPLEMENTARY INFORMATION**  
**TOWN OF GLOCESTER, RHODE ISLAND**  
**Special Revenue Restricted Funds - School**  
**Combining Balance Sheet**  
**June 30, 2015**

	<b>Rural Education Grant</b>	<b>Performing Arts</b>	<b>Technology</b>	<b>Professional Development</b>	<b>Title I</b>
<i>ASSETS:</i>					
Due from federal and state governments	\$ -	\$ -	\$ -	\$ -	\$ 26,474
Due from other funds	-	32	1,694	41,836	-
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$ 32</b>	<b>\$ 1,694</b>	<b>\$ 41,836</b>	<b>\$ 26,474</b>
<i>LIABILITIES AND FUND BALANCE:</i>					
<i>LIABILITIES:</i>					
Accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ 5,604
Due to other funds	-	-	-	-	20,870
<b>TOTAL LIABILITIES</b>	-	-	-	-	26,474
<i>FUND BALANCE:</i>					
<i>Restricted for:</i>					
Education	-	32	1,694	41,836	-
<b>TOTAL FUND BALANCE</b>	-	32	1,694	41,836	-
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ -</b>	<b>\$ 32</b>	<b>\$ 1,694</b>	<b>\$ 41,836</b>	<b>\$ 26,474</b>

(Continued)

**SUPPLEMENTARY INFORMATION**  
**TOWN OF GLOCESTER, RHODE ISLAND**  
**Special Revenue Restricted Funds - School**  
**Combining Balance Sheet**  
**June 30, 2015**

	Title II	CAST Mini Grant	Donations - Library	IDEA Preschool	IDEA Part B
<b>ASSETS:</b>					
Duc from federal and state governments	\$ 15,775	\$ -	\$ -	\$ -	\$ -
Due from other funds	-	643	1,760	-	-
<b>TOTAL ASSETS</b>	<b>\$ 15,775</b>	<b>\$ 643</b>	<b>\$ 1,760</b>	<b>\$ -</b>	<b>\$ -</b>
<b>LIABILITIES AND FUND BALANCE:</b>					
<b>LIABILITIES:</b>					
Accrued expenses	\$ 1,900	\$ -	\$ -	\$ -	\$ -
Due to other funds	13,875	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>15,775</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE:</b>					
<b>Restricted for:</b>					
Education	-	643	1,760	-	-
<b>TOTAL FUND BALANCE</b>	<b>-</b>	<b>643</b>	<b>1,760</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 15,775</b>	<b>\$ 643</b>	<b>\$ 1,760</b>	<b>\$ -</b>	<b>\$ -</b>

(Continued)

**SUPPLEMENTARY INFORMATION**  
**TOWN OF GLOCESTER, RHODE ISLAND**  
**Special Revenue Restricted Funds - School**  
**Combining Balance Sheet**  
**June 30, 2015**

	<u>Race to the Top</u>	<u>TOTAL</u>
<i>ASSETS:</i>		
Due from federal and state governments	\$ 35,013	\$ 77,262
Due from other funds	<u>-</u>	<u>45,965</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 35,013</u></b>	<b><u>\$ 123,227</u></b>
<i>LIABILITIES AND FUND BALANCE:</i>		
<i>LIABILITIES:</i>		
Accrued expenses	\$ 763	\$ 8,267
Due to other funds	<u>34,250</u>	<u>68,995</u>
<b>TOTAL LIABILITIES</b>	<b><u>35,013</u></b>	<b><u>77,262</u></b>
<i>FUND BALANCE:</i>		
<i>Restricted for:</i>		
Education	<u>-</u>	<u>45,965</u>
<b>TOTAL FUND BALANCE</b>	<b><u>-</u></b>	<b><u>45,965</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b><u>\$ 35,013</u></b>	<b><u>\$ 123,227</u></b>

(Concluded)

**SUPPLEMENTARY INFORMATION  
TOWN OF GLOCESTER, RHODE ISLAND  
Special Revenue Restricted Funds - School  
Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances  
For the Fiscal Year Ended June 30, 2015**

	<u>Rural Education Grant</u>	<u>Performing Arts</u>	<u>Technology</u>	<u>Professional Development</u>	<u>Title I</u>
<b>REVENUES:</b>					
Intergovernmental	\$ 15,506	\$ -	\$ -	\$ -	\$ 78,891
Other revenue	-	-	-	-	-
<b>TOTAL REVENUES</b>	<u>15,506</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>78,891</u>
<b>EXPENDITURES:</b>					
Education	15,506	-	17,194	2,238	78,891
<b>TOTAL EXPENDITURES</b>	<u>15,506</u>	<u>-</u>	<u>17,194</u>	<u>2,238</u>	<u>78,891</u>
<i>Excess of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)</i>	<u>-</u>	<u>-</u>	<u>(17,194)</u>	<u>(2,238)</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	-	-	-	-
<b>NET OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess of revenues and other financing sources over (under) expenditures and other financing uses</i>	<u>-</u>	<u>-</u>	<u>(17,194)</u>	<u>(2,238)</u>	<u>-</u>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>-</u>	<u>32</u>	<u>18,888</u>	<u>44,074</u>	<u>-</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ -</u>	<u>\$ 32</u>	<u>\$ 1,694</u>	<u>\$ 41,836</u>	<u>\$ -</u>

(Continued)

**SUPPLEMENTARY INFORMATION**  
**TOWN OF GLOCESTER, RHODE ISLAND**  
**Special Revenue Restricted Funds - School**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balances**  
**For the Fiscal Year Ended June 30, 2015**

	<u>Title II</u>	<u>CAST Mini Grant</u>	<u>Donations - Library</u>	<u>IDEA Preschool</u>	<u>IDEA Part B</u>
<b>REVENUES:</b>					
Intergovernmental	\$ 49,889	\$ -	\$ -	\$ 11,753	\$ 149,775
Other revenue	-	-	1,000	-	-
<b>TOTAL REVENUES</b>	<u>49,889</u>	<u>-</u>	<u>1,000</u>	<u>11,753</u>	<u>149,775</u>
<b>EXPENDITURES:</b>					
Education	49,889	-	-	11,753	149,775
<b>TOTAL EXPENDITURES</b>	<u>49,889</u>	<u>-</u>	<u>-</u>	<u>11,753</u>	<u>149,775</u>
<i>Excess of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)</i>	<u>-</u>	<u>-</u>	<u>1,000</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	-	-	-	-
<b>NET OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess of revenues and other financing sources over (under) expenditures and other financing uses</i>	<u>-</u>	<u>-</u>	<u>1,000</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>-</u>	<u>643</u>	<u>760</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ -</u>	<u>\$ 643</u>	<u>\$ 1,760</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

**SUPPLEMENTARY INFORMATION  
TOWN OF GLOCESTER, RHODE ISLAND  
Special Revenue Restricted Funds - School  
Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances  
For the Fiscal Year Ended June 30, 2015**

	<u>Race to the Top</u>	<u>TOTAL</u>
<b>REVENUES:</b>		
Intergovernmental		\$ 305,814
Other revenue	40,252	41,252
<b>TOTAL REVENUES</b>	<u>40,252</u>	<u>347,066</u>
<b>EXPENDITURES:</b>		
Education	40,252	365,498
<b>TOTAL EXPENDITURES</b>	<u>40,252</u>	<u>365,498</u>
<i>Excess of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)</i>	<u>-</u>	<u>(18,432)</u>
<b>OTHER FINANCING SOURCES (USES):</b>		
Transfers in	-	-
<b>NET OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>
<i>Excess of revenues and other financing sources over (under) expenditures and other financing uses</i>	<u>-</u>	<u>(18,432)</u>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>-</u>	<u>64,397</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ -</u>	<u>\$ 45,965</u>

(Concluded)

SUPPLEMENTARY INFORMATION  
TOWN OF GLOCESTER, RHODE ISLAND  
Non-Major Capital Projects Funds  
Combining Balance Sheet  
June 30, 2015

	<u>Chepachet River Park</u>	<u>Roads</u>	<u>Senior Center Fund</u>	<u>Chepachet River Cleanup</u>	<u>Chepachet Wastewater / Stormwater Project</u>	<u>Geothermal Project</u>	<u>Fogarty School Roof</u>
<b>ASSETS:</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	16,397	20,561	3,004	30,000	133,979	37,811	-
Due from other government	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 16,397</u>	<u>\$ 20,561</u>	<u>\$ 3,004</u>	<u>\$ 30,000</u>	<u>\$ 133,979</u>	<u>\$ 37,811</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCE:</b>							
<b>LIABILITIES:</b>							
Accounts payable	\$ -	\$ 558	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	825	-	24,773	37,811	-
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>558</u>	<u>825</u>	<u>-</u>	<u>24,773</u>	<u>37,811</u>	<u>-</u>
<b>FUND BALANCE:</b>							
<b>Restricted for:</b>							
Capital projects	<u>16,397</u>	<u>20,003</u>	<u>2,179</u>	<u>30,000</u>	<u>109,206</u>	<u>-</u>	<u>-</u>
<b>TOTAL FUND BALANCE</b>	<u>16,397</u>	<u>20,003</u>	<u>2,179</u>	<u>30,000</u>	<u>109,206</u>	<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 16,397</u>	<u>\$ 20,561</u>	<u>\$ 3,004</u>	<u>\$ 30,000</u>	<u>\$ 133,979</u>	<u>\$ 37,811</u>	<u>\$ -</u>

(Continued)



**SUPPLEMENTARY INFORMATION**  
**TOWN OF GLOCESTER, RHODE ISLAND**  
**Non-Major Capital Projects Funds**  
**Combining Balance Sheet**  
**June 30, 2015**

	<b>School Capital Improvement</b>	<b>Animal Control Project</b>	<b>Transfer Station Upgrade</b>	<b>Wireless Classroom</b>	<b>TOTAL</b>
<b>ASSETS:</b>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	231,107	8,156	-	4,318	485,333
Due from other government	-	-	-	38,360	38,360
<b>TOTAL ASSETS</b>	<b>\$ 231,107</b>	<b>\$ 8,156</b>	<b>\$ -</b>	<b>\$ 42,678</b>	<b>\$ 523,693</b>
<b>LIABILITIES AND FUND BALANCE:</b>					
<b>LIABILITIES:</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 558
Due to other funds	-	8,156	-	42,678	114,243
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>8,156</b>	<b>-</b>	<b>42,678</b>	<b>114,801</b>
<b>FUND BALANCE:</b>					
<b>Restricted for:</b>					
Capital projects	231,107	-	-	-	408,892
<b>TOTAL FUND BALANCE</b>	<b>231,107</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>408,892</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 231,107</b>	<b>\$ 8,156</b>	<b>\$ -</b>	<b>\$ 42,678</b>	<b>\$ 523,693</b>

(Concluded)

**SUPPLEMENTARY INFORMATION**  
**TOWN OF GLOCESTER, RHODE ISLAND**  
**Non-Major Capital Projects Funds**  
**Combining Statement of Revenues, Expenditures, Other Financing Sources (Uses) and**  
**Changes in Fund Balances**  
**For the Fiscal Year Ended June 30, 2015**

	<u>Chepachet River Park</u>	<u>Roads</u>	<u>Senior Center Fund</u>	<u>Chepachet River Cleanup</u>	<u>Chepachet Wastewater / Stormwater Project</u>	<u>Geothermal Project</u>	<u>Fogarty School Roof</u>
<b>REVENUES:</b>							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	-	900	-	-	-	-	-
<b>TOTAL REVENUES</b>	<u>-</u>	<u>900</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES:</b>							
<b>Current:</b>							
Public works	-	26,327	-	-	-	-	-
Education	-	-	-	-	-	-	-
<b>Debt service:</b>							
Principal	-	-	-	-	-	-	40,000
Interest	-	-	-	-	-	-	22,388
<b>Capital outlay:</b>							
<b>TOTAL EXPENDITURES</b>	<u>-</u>	<u>272,964</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>299,291</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>62,388</u>
<b>Excess of Revenues Over (Under)</b>							
<b>Expenditures Before Other Financing Sources (Uses)</b>	<u>-</u>	<u>(298,391)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(62,388)</u>
<b>OTHER FINANCING SOURCES:</b>							
Transfers in	-	318,394	-	-	-	-	62,388
<b>NET OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>318,394</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>62,388</u>
<b>Excess of revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>-</u>	<u>20,003</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>16,397</u>	<u>-</u>	<u>2,179</u>	<u>30,000</u>	<u>109,206</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 16,397</u>	<u>\$ 20,003</u>	<u>\$ 2,179</u>	<u>\$ 30,000</u>	<u>\$ 109,206</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

**SUPPLEMENTARY INFORMATION**  
**TOWN OF GLOCESTER, RHODE ISLAND**  
**Non-Major Capital Projects Funds**  
**Combining Statement of Revenues, Expenditures, Other Financing Sources (Uses) and**  
**Changes in Fund Balances**  
**For the Fiscal Year Ended June 30, 2015**

	<b>School Capital Improvement</b>	<b>Animal Control Project</b>	<b>Transfer Station Upgrade</b>	<b>Wireless Classroom</b>	<b>TOTAL</b>
<b>REVENUES:</b>					
Intergovernmental	\$ -	\$ -	\$ -	\$ 38,360	\$ 38,360
Other	-	-	-	-	900
<b>TOTAL REVENUES</b>	-	-	-	38,360	39,260
<b>EXPENDITURES:</b>					
<i>Current:</i>					
Public works	-	-	30,279	-	56,606
Education	-	-	-	42,678	42,678
<i>Debt service:</i>					
Principal	-	-	-	-	40,000
Interest	-	-	-	-	22,388
<i>Capital outlay:</i>	-	-	31,130	-	304,094
<b>TOTAL EXPENDITURES</b>	-	-	61,409	42,678	465,766
<b>Excess of Revenues Over (Under)</b>					
<i>Expenditures Before Other Financing Sources (Uses)</i>	-	-	(61,409)	(4,318)	(426,506)
<b>OTHER FINANCING SOURCES:</b>					
Transfers in	-	-	61,409	4,318	446,509
<b>NET OTHER FINANCING SOURCES (USES)</b>	-	-	61,409	4,318	446,509
<b>Excess of revenues and other financing sources over (under) expenditures and other financing uses</b>	-	-	-	-	20,003
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	231,107	-	-	-	388,889
<b>FUND BALANCE AT END OF YEAR</b>	\$ 231,107	\$ -	\$ -	\$ -	\$ 408,892

(Concluded)

**Funds Combined for GASB 54 Reporting Purposes**

General Fund

School General Fund

SUPPLEMENTARY INFORMATION  
**TOWN OF GLOCESTER, RHODE ISLAND**  
Town General Fund Balance Sheet  
Funds Combined with Town General Fund for GASB 54 Purposes  
June 30, 2015

	General Fund	Revaluation Reserve	Comprehensive Plan	Accrued Compensated Absences Reserve	Police Vehicle Replacement	Tree Planting	Health Reserve	Matching State Grant Funds
<b>ASSETS:</b>								
Cash and cash equivalents	\$ 6,760,928	\$ 308,761	\$ -	\$ 454,123	\$ -	\$ -	\$ -	\$ -
<i>Receivables:</i>								
Taxes, net	771,693	-	-	-	-	-	-	-
Other	32,939	-	-	-	-	-	-	-
Prepaid expenditures	17,709	-	-	-	-	-	-	-
<i>Due from:</i>								
Other funds	130,457	-	34,824	-	31,578	1,508	350,170	50,000
<b>TOTAL ASSETS</b>	<b>\$ 7,713,726</b>	<b>\$ 308,761</b>	<b>\$ 34,824</b>	<b>\$ 454,123</b>	<b>\$ 31,578</b>	<b>\$ 1,508</b>	<b>\$ 350,170</b>	<b>\$ 50,000</b>
<b>LIABILITIES AND FUND BALANCES:</b>								
<b>LIABILITIES:</b>								
Accounts payable	\$ 61,756	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll and benefits	164,455	-	-	-	-	-	-	-
<i>Due to:</i>								
Other funds	1,714,975	-	-	-	-	-	-	-
Unearned revenues	409,582	-	-	-	-	-	-	-
Other Liabilities	79,689	-	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>2,430,457</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE:</b>								
<i>Nonspendable for:</i>								
Prepaid expenditures	17,709	-	-	-	-	-	-	-
<i>Committed to:</i>								
Education	75,000	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-
<i>Assigned for:</i>								
Administration	-	308,761	34,824	-	-	1,508	-	-
Public safety	-	-	-	-	31,578	-	-	-
Public works	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-
Matching state grant funds	-	-	-	-	-	-	-	50,000
Contractual obligations	-	-	-	454,123	-	-	-	-
Employee benefits	-	-	-	-	-	-	350,170	-
<i>Unassigned:</i>	5,190,560	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCE</b>	<b>5,283,269</b>	<b>308,761</b>	<b>34,824</b>	<b>454,123</b>	<b>31,578</b>	<b>1,508</b>	<b>350,170</b>	<b>50,000</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 7,713,726</b>	<b>\$ 308,761</b>	<b>\$ 34,824</b>	<b>\$ 454,123</b>	<b>\$ 31,578</b>	<b>\$ 1,508</b>	<b>\$ 350,170</b>	<b>\$ 50,000</b>

(Continued)

**SUPPLEMENTARY INFORMATION**  
**TOWN OF GLOCESTER, RHODE ISLAND**  
Town General Fund Balance Sheet  
Funds Combined with Town General Fund for GASB 54 Purposes  
June 30, 2015

	Storm Related Services	Other Post Employment Benefits	Police Equipment Maintenance	Senior Center Dues	Radio Equipment	Maintenance Purchase of Fields	State Aid Reduction	Technology	TOTAL
<b>ASSETS:</b>									
Cash and cash equivalents	\$ -	\$ 384,224	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,908,036
<i>Receivables:</i>									
Taxes, net	-	-	-	-	-	-	-	-	771,693
Other	-	-	-	-	-	-	-	-	32,939
Prepaid expenditures	-	-	-	-	-	-	-	-	17,709
<i>Due from:</i>									
Other funds	351,318	49,016	52,388	7,922	75,673	80,000	180,000	56,976	1,451,830
<b>TOTAL ASSETS</b>	<u>\$ 351,318</u>	<u>\$ 433,240</u>	<u>\$ 52,388</u>	<u>\$ 7,922</u>	<u>\$ 75,673</u>	<u>\$ 80,000</u>	<u>\$ 180,000</u>	<u>\$ 56,976</u>	<u>\$ 10,182,207</u>
<b>LIABILITIES AND FUND BALANCES:</b>									
<b>LIABILITIES:</b>									
Accounts payable	\$ 2,545	\$ -	\$ -	\$ 1,525	\$ -	\$ -	\$ -	\$ -	\$ 65,826
Accrued payroll and benefits	-	-	-	-	-	-	-	-	164,455
<i>Due to:</i>									
Other funds	-	-	-	-	-	-	-	-	1,714,975
Unearned revenues	-	-	-	-	-	-	-	-	409,582
Other Liabilities	-	-	-	-	-	-	-	-	79,689
<b>TOTAL LIABILITIES</b>	<u>2,545</u>	<u>-</u>	<u>-</u>	<u>1,525</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,434,527</u>
<b>FUND BALANCE:</b>									
<i>Nonspendable for:</i>									
Prepaid expenditures	-	-	-	-	-	-	-	-	17,709
<i>Committed to:</i>									
Education	-	-	-	-	-	-	180,000	-	255,000
Recreation	-	-	-	-	-	80,000	-	-	80,000
<i>Assigned for:</i>									
Administration	-	-	-	-	-	-	-	56,976	402,069
Public safety	-	-	52,388	-	75,673	-	-	-	159,639
Public works	348,773	-	-	-	-	-	-	-	348,773
Recreation	-	-	-	6,397	-	-	-	-	6,397
Matching state grant funds	-	-	-	-	-	-	-	-	50,000
Contractual obligations	-	433,240	-	-	-	-	-	-	887,363
Employee benefits	-	-	-	-	-	-	-	-	350,170
<i>Unassigned:</i>	-	-	-	-	-	-	-	-	5,190,560
<b>TOTAL FUND BALANCE</b>	<u>348,773</u>	<u>433,240</u>	<u>52,388</u>	<u>6,397</u>	<u>75,673</u>	<u>80,000</u>	<u>180,000</u>	<u>56,976</u>	<u>7,747,680</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 351,318</u>	<u>\$ 433,240</u>	<u>\$ 52,388</u>	<u>\$ 7,922</u>	<u>\$ 75,673</u>	<u>\$ 80,000</u>	<u>\$ 180,000</u>	<u>\$ 56,976</u>	<u>\$ 10,182,207</u>

(Concluded)

SUPPLEMENTARY INFORMATION  
TOWN OF GLOCESTER, RHODE ISLAND  
Schedule of Revenues, Expenditures, Other Financing Sources (Uses) and  
Changes in Fund Balance  
Funds Combined with Town General Fund for GASB 54 Purposes  
June 30, 2015

	General Fund	Revaluation Reserve	Comprehensive Plan	Accrued Compensated Absences Reserve	Police Vehicle Replacement	Tree Planting	Health Reserve	Matching State Grant Funds
<b>REVENUES:</b>								
General property taxes	\$ 23,146,974	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue	382,794	-	-	-	-	-	-	-
Licenses, fees and fines	459,001	-	-	-	-	-	-	-
Investment income	111,432	63	-	80	-	-	-	-
Other revenue	75,449	-	-	-	-	-	15,215	-
<b>TOTAL REVENUES</b>	<u>24,175,650</u>	<u>63</u>	<u>-</u>	<u>80</u>	<u>-</u>	<u>-</u>	<u>15,215</u>	<u>-</u>
<b>EXPENDITURES:</b>								
<i>Current:</i>								
Administration	733,594	-	8,500	5,876	-	-	-	-
Finance	605,514	-	-	-	-	-	-	-
Public safety	2,037,795	-	-	-	-	-	-	-
Public works	1,555,512	-	-	-	-	-	-	-
Recreation and senior center	245,519	-	-	-	-	-	-	-
Social services	33,574	-	-	-	-	-	-	-
Operational expenses	389,605	-	-	-	-	-	-	-
Aid requests	336,441	-	-	-	-	-	-	-
Education	9,692,789	-	-	-	-	-	-	-
<i>Debt service:</i>								
Principal	405,000	-	-	-	-	-	-	-
Interest and other costs	101,967	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>16,137,310</u>	<u>-</u>	<u>8,500</u>	<u>5,876</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)</i>	<u>8,038,340</u>	<u>63</u>	<u>(8,500)</u>	<u>(5,796)</u>	<u>-</u>	<u>-</u>	<u>15,215</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	12,000	-	-	-	-	-	-	-
Transfers out	(7,934,436)	11,420	5,000	80,000	31,578	-	38,037	-
<b>NET OTHER FINANCING SOURCES (USES)</b>	<u>(7,922,436)</u>	<u>11,420</u>	<u>5,000</u>	<u>80,000</u>	<u>31,578</u>	<u>-</u>	<u>38,037</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>115,904</u>	<u>11,483</u>	<u>(3,500)</u>	<u>74,204</u>	<u>31,578</u>	<u>-</u>	<u>53,252</u>	<u>-</u>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>5,167,365</u>	<u>297,278</u>	<u>38,324</u>	<u>379,919</u>	<u>-</u>	<u>1,508</u>	<u>296,918</u>	<u>50,000</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 5,283,269</u>	<u>\$ 308,761</u>	<u>\$ 34,824</u>	<u>\$ 454,123</u>	<u>\$ 31,578</u>	<u>\$ 1,508</u>	<u>\$ 350,170</u>	<u>\$ 50,000</u>

(Continued)

SUPPLEMENTARY INFORMATION  
TOWN OF GLOCESTER, RHODE ISLAND  
Schedule of Revenues, Expenditures, Other Financing Sources (Uses) and  
Changes in Fund Balance  
Funds Combined with Town General Fund for GASB 54 Purposes  
June 30, 2015

	Storm Related Services	Other Post Employment Benefits	Police Equipment Maintenance	Senior Center Dues	Radio Equipment	Maintenance Purchase of Fields	State Aid Reduction	Technology	TOTAL
<b>REVENUES:</b>									
General property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,146,974
Intergovernmental revenue	-	-	-	-	-	-	-	-	382,794
Licenses, fees and fines	-	-	-	-	-	-	-	-	459,001
Investment income	-	33	-	-	-	-	-	-	111,608
Other revenue	-	-	-	5,880	900	-	-	-	97,444
<b>TOTAL REVENUES</b>	<u>-</u>	<u>33</u>	<u>-</u>	<u>5,880</u>	<u>900</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,197,821</u>
<b>EXPENDITURES:</b>									
<i>Current:</i>									
Administration	-	-	-	-	-	-	-	-	747,970
Finance	-	-	-	-	-	-	-	-	605,514
Public safety	-	-	-	-	24	-	-	-	2,037,819
Public works	241,967	-	-	-	-	-	-	-	1,797,479
Recreation and senior center	-	-	-	14,709	-	-	-	-	260,228
Social services	-	-	-	-	-	-	-	-	33,574
Operational expenses	-	-	-	-	-	-	-	-	389,605
Aid requests	-	-	-	-	-	-	-	-	336,441
Education	-	-	-	-	-	-	-	-	9,692,789
<i>Debt service:</i>									
Principal	-	-	-	-	-	-	-	-	405,000
Interest and other costs	-	-	-	-	-	-	-	-	101,967
<b>TOTAL EXPENDITURES</b>	<u>241,967</u>	<u>-</u>	<u>-</u>	<u>14,709</u>	<u>24</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,408,386</u>
<i>Excess of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)</i>	<u>(241,967)</u>	<u>33</u>	<u>-</u>	<u>(8,829)</u>	<u>876</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,789,435</u>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers in	-	-	-	-	-	-	-	-	12,000
Transfers out	50,000	49,016	3,424	-	-	80,000	90,000	56,976	(7,438,985)
<b>NET OTHER FINANCING SOURCES (USES)</b>	<u>50,000</u>	<u>49,016</u>	<u>3,424</u>	<u>-</u>	<u>-</u>	<u>80,000</u>	<u>90,000</u>	<u>56,976</u>	<u>(7,426,985)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(191,967)</u>	<u>49,049</u>	<u>3,424</u>	<u>(8,829)</u>	<u>876</u>	<u>80,000</u>	<u>90,000</u>	<u>56,976</u>	<u>362,450</u>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>540,740</u>	<u>384,191</u>	<u>48,964</u>	<u>15,226</u>	<u>74,797</u>	<u>-</u>	<u>90,000</u>	<u>-</u>	<u>7,385,230</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 348,773</u>	<u>\$ 433,240</u>	<u>\$ 52,388</u>	<u>\$ 6,397</u>	<u>\$ 75,673</u>	<u>\$ 80,000</u>	<u>\$ 180,000</u>	<u>\$ 56,976</u>	<u>\$ 7,747,680</u>

(Concluded)



**SUPPLEMENTARY INFORMATION  
TOWN OF GLOCESTER, RHODE ISLAND  
School Balance Sheet**

**Funds Combined with School Unrestricted (School General Fund) for GASB 54 Purposes  
June 30, 2015**

	<b>School Unrestricted</b>	<b>Donations/ Gifts</b>	<b>Other Post Employment Benefits</b>	<b>Total Governmental Funds</b>
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 4,443,941	\$ -	\$ -	\$ 4,443,941
<b>Receivables:</b>				
Other	31,277	-	-	31,277
Prepaid expenditures	4,194	-	-	4,194
<b>Due from:</b>				
Other funds	108,618	-	180,274	288,892
<b>TOTAL ASSETS</b>	<b>\$ 4,588,030</b>	<b>\$ -</b>	<b>\$ 180,274</b>	<b>\$ 4,768,304</b>
 <b>LIABILITIES AND FUND BALANCES:</b>				
<b>LIABILITIES:</b>				
Accounts payable	\$ 108,076	\$ -	\$ -	\$ 108,076
Accrued payroll and benefits	48,161	-	-	48,161
<b>Due to:</b>				
Other funds	524,296	-	-	524,296
<b>TOTAL LIABILITIES</b>	<b>680,533</b>	<b>-</b>	<b>-</b>	<b>680,533</b>
 <b>FUND BALANCE:</b>				
<b>Nonspendable for:</b>				
Prepays	4,194	-	-	4,194
<b>Restricted for:</b>				
Education	2,536,504	-	-	2,536,504
<b>Assigned for:</b>				
Education	658,845	-	-	658,845
Medicaid expenditures	332,704	-	-	332,704
Employee benefits	375,250	-	-	375,250
Contractual obligations	-	-	180,274	180,274
<b>Unassigned:</b>	-	-	-	-
<b>TOTAL FUND BALANCE</b>	<b>3,907,497</b>	<b>-</b>	<b>180,274</b>	<b>4,087,771</b>
 <b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 4,588,030</b>	<b>\$ -</b>	<b>\$ 180,274</b>	<b>\$ 4,768,304</b>

**SUPPLEMENTARY INFORMATION**  
**TOWN OF GLOCESTER, RHODE ISLAND**  
**Schedule of Revenues, Expenditures, Other Financing Sources (Uses) and**  
**Changes in Fund Balance**  
**Funds Combined with School Unrestricted (School General Fund) for GASB 54 Purposes**  
**June 30, 2015**

	<b>School Unrestricted</b>	<b>Donations/ Gifts</b>	<b>Other Post Employment Benefits</b>	<b>Total Governmental Funds</b>
<b>REVENUES:</b>				
Intergovernmental revenue	\$ 2,626,892	\$ -	\$ -	\$ 2,626,892
Federal revenue-Medicaid reimbursement	58,044	-	-	58,044
Tuitions	59,350	-	-	59,350
Investment income	511	-	-	511
Other revenue	13,290	-	-	13,290
<b>TOTAL REVENUES</b>	<u>2,758,087</u>	<u>-</u>	<u>-</u>	<u>2,758,087</u>
<b>EXPENDITURES:</b>				
<i>Current:</i>				
Education	9,146,581	154	-	9,146,735
<b>TOTAL EXPENDITURES</b>	<u>9,146,581</u>	<u>154</u>	<u>-</u>	<u>9,146,735</u>
<b>Excess of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)</b>	<u>(6,388,494)</u>	<u>(154)</u>	<u>-</u>	<u>(6,388,648)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	6,372,035	-	-	6,372,035
Transfers out	(4,319)	-	-	(4,319)
<b>NET OTHER FINANCING SOURCES (USES)</b>	<u>6,367,716</u>	<u>-</u>	<u>-</u>	<u>6,367,716</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(20,778)</u>	<u>(154)</u>	<u>-</u>	<u>(20,932)</u>
<b>FUND BALANCE BEGINNING OF YEAR</b>	<u>3,928,275</u>	<u>154</u>	<u>180,274</u>	<u>4,108,703</u>
<b>FUND BALANCE END OF YEAR</b>	<u>\$ 3,907,497</u>	<u>\$ -</u>	<u>\$ 180,274</u>	<u>\$ 4,087,771</u>

**Budgetary Schedules**

**General Fund (Non-GAAP Basis)**

**School General Fund (Non-GAAP Basis)**

**TOWN OF GLOCESTER, RHODE ISLAND**  
**Budgetary Comparison Schedule - Schedule of Revenues and Expenditures**  
**Budget and Actual (Non-GAAP Budgetary Basis) - General Fund**  
**For the Fiscal Year Ended June 30, 2015**

	Original Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance
<b>REVENUES:</b>				
Property tax	\$ 23,053,256	23,053,256	\$ 23,146,974	93,718
General state aid	302,840	302,840	356,208	53,368
State housing aid	6,550	6,550	26,586	20,036
License, fees and fines	410,000	410,000	459,001	49,001
Interest and investment income	90,000	90,000	111,432	21,432
Other revenues	29,500	29,500	75,449	45,949
<b>TOTAL REVENUES</b>	<b>23,892,146</b>	<b>23,892,146</b>	<b>24,175,650</b>	<b>283,504</b>
<b>EXPENDITURES:</b>				
<b>CENTRAL ADMINISTRATION:</b>				
<b>Town Council:</b>				
Salaries	13,000	13,000	12,943	57
Payroll taxes and benefits	1,941	1,941	1,901	40
Miscellaneous expense	3,000	3,000	3,625	(625)
Contingency	10,000	10,000	9,264	736
<b>Total Town Council</b>	<b>27,941</b>	<b>27,941</b>	<b>27,733</b>	<b>208</b>
<b>Town Clerk:</b>				
Town clerk salary	64,622	64,622	64,622	-
Deputy salary	42,936	42,936	42,936	-
Clerical salaries	76,617	76,617	76,792	(175)
Overtime - clerical salaries	-	-	191	(191)
Longevity	6,104	6,104	6,104	-
Payroll taxes and benefits	82,092	82,092	79,295	2,797
Advertising - general/ordinances	1,500	1,500	1,285	215
Printing	1,500	1,500	2,273	(773)
Microfilming	500	500	163	337
Supplies	400	400	183	217
Education and training	500	500	28	472
Travel and dues	400	400	333	67
Publications and subscriptions	400	400	893	(493)
Office equipment and furniture	500	500	650	(150)
Purchased services - indexing, restoration, other	6,600	6,600	5,946	654
Miscellaneous expense	500	500	1,202	(702)
<b>Total Town Clerk</b>	<b>285,171</b>	<b>285,171</b>	<b>282,896</b>	<b>2,275</b>
<b>Board of Canvassers:</b>				
Salaries	975	975	975	-
Police services	3,000	3,000	3,485	(485)
Poll workers	12,500	12,500	11,325	1,175
Payroll taxes and benefits	376	376	375	1
Advertising	2,000	2,000	3,330	(1,330)
Miscellaneous expense	2,500	2,500	2,967	(467)
<b>Total Board of Canvassers</b>	<b>21,351</b>	<b>21,351</b>	<b>22,457</b>	<b>(1,106)</b>
<b>Probate Court:</b>				
Probate judge salary	4,205	4,205	4,205	-
Worker's compensation	23	23	11	12
Microfilming	300	300	600	(300)
Restoration and miscellaneous expense	250	250	-	250
Other services	300	300	-	300
<b>Total Probate Court</b>	<b>5,078</b>	<b>5,078</b>	<b>4,816</b>	<b>262</b>

(Continued)

**TOWN OF GLOCESTER, RHODE ISLAND**  
**Budgetary Comparison Schedule - Schedule of Revenues and Expenditures**  
**Budget and Actual (Non-GAAP Budgetary Basis) - General Fund**  
**For the Fiscal Year Ended June 30, 2015**

	Original Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance
<b><i>Building and Zoning Office:</i></b>				
Building/zoning official salary	46,046	46,046	37,606	8,440
Administrative aide salary	37,330	37,330	33,090	4,240
Longevity		-		-
Payroll taxes and benefits	55,890	55,890	35,533	20,357
Fees - electrical inspector	10,000	10,000	7,360	2,640
Fees - plumbing inspector	5,000	5,000	2,675	2,325
Fees - mechanical inspector	8,000	8,000	5,390	2,610
Education and training	600	600	736	(136)
Travel and dues	100	100	40	60
Publications and subscriptions	200	200	247	(47)
Forms and maps	400	400	148	252
Emergency board-ups	1,000	1,000	-	1,000
Miscellaneous expense	400	400	394	6
Office equipment and furniture	300	300	100	200
<b><i>Total Building and Zoning Office</i></b>	<b>165,266</b>	<b>165,266</b>	<b>123,319</b>	<b>41,947</b>
<b><i>Planning Office:</i></b>				
Town planner salary	66,143	66,143	43,017	23,126
Part-time planner salary	-	-	3,713	(3,713)
Clerk salary	37,330	37,330	27,385	9,945
GIS consultant	12,500	12,500	12,495	5
Longevity	3,249	3,249	933	2,316
Payroll taxes and benefits	42,768	42,768	23,615	19,153
Engineering and permitting	300	300	-	300
Advertising	100	100	-	100
Education and training	750	750	180	570
Dues	503	503	88	415
Forms and maps	300	300	-	300
Publications and subscriptions	100	100	-	100
Miscellaneous expense	100	100	448	(348)
<b><i>Total Planning Office</i></b>	<b>164,143</b>	<b>164,143</b>	<b>111,874</b>	<b>52,269</b>
<b><i>Planning Board:</i></b>				
Clerk salary	3,770	3,770	2,610	1,160
Payroll taxes and benefits	309	309	210	99
Advertising	500	500	85	415
Publications and subscriptions	139	139	-	139
Stenographic services	461	461	-	461
<b><i>Total Planning Board</i></b>	<b>5,179</b>	<b>5,179</b>	<b>2,905</b>	<b>2,274</b>
<b><i>Zoning Board:</i></b>				
Clerk salary	1,305	1,305	1,015	290
Payroll taxes and benefits	107	107	81	26
Advertising	1,500	1,500	224	1,276
<b><i>Total Zoning Board</i></b>	<b>2,912</b>	<b>2,912</b>	<b>1,320</b>	<b>1,592</b>

(Continued)

**TOWN OF GLOCESTER, RHODE ISLAND**  
**Budgetary Comparison Schedule - Schedule of Revenues and Expenditures**  
**Budget and Actual (Non-GAAP Budgetary Basis) - General Fund**  
**For the Fiscal Year Ended June 30, 2015**

	Original Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance
<b>Conservation Commission:</b>				
Advertising	75	75	71	4
Dues	180	180	180	-
Water watch program	1,100	1,100	1,145	(45)
Tree seedling program	700	700	386	314
<b>Total Conservation Commission</b>	<u>2,055</u>	<u>2,055</u>	<u>1,782</u>	<u>273</u>
<b>Land Trust:</b>				
Land purchase and reconditioning	45,000	45,000	62,405	(17,405)
<b>Total Land Trust</b>	<u>45,000</u>	<u>45,000</u>	<u>62,405</u>	<u>(17,405)</u>
<b>Community Resource Commission:</b>				
Travel	-	-	380	(380)
Advertising	1,800	1,800	1,199	601
Miscellaneous expenses	-	-	12	(12)
<b>Total Community Resource Commission</b>	<u>1,800</u>	<u>1,800</u>	<u>1,591</u>	<u>209</u>
<b>Town Solicitor:</b>				
Legal services	95,000	95,000	90,350	4,650
<b>Total Town Solicitor</b>	<u>95,000</u>	<u>95,000</u>	<u>90,350</u>	<u>4,650</u>
<b>Town Sergeant:</b>				
Salary	135	135	135	-
Payroll taxes and benefits	12	12	11	1
<b>Total Town Sergeant</b>	<u>147</u>	<u>147</u>	<u>146</u>	<u>1</u>
<b>TOTAL CENTRAL ADMINISTRATION</b>	<u>821,043</u>	<u>821,043</u>	<u>733,594</u>	<u>87,449</u>
<b>FINANCIAL ADMINISTRATION:</b>				
<b>Finance Director's Office:</b>				
Finance director salary	75,000	75,000	75,000	-
Payroll taxes and benefits	16,226	16,226	16,069	157
Education and training	1,990	1,990	80	1,910
Dues	260	260	55	205
Office equipment and furniture	250	250	-	250
Publications and subscriptions	150	150	-	150
<b>Total Finance Director's Office</b>	<u>93,876</u>	<u>93,876</u>	<u>91,204</u>	<u>2,672</u>
<b>Treasurer's Office:</b>				
Clerk salaries	78,574	78,574	78,585	(11)
Administrative aide salary	41,832	41,832	41,832	-
Longevity	3,011	3,011	3,011	-
Payroll taxes and benefits	55,824	55,824	53,828	1,996
Advertising	1,450	1,450	267	1,183
Printing	300	300	-	300
Education and training	900	900	25	875
Office equipment and furniture	400	400	-	400
Publications and subscriptions	200	200	-	200
Computer/payroll services	20,000	20,000	8,811	11,189
Travel	125	125	-	125
Miscellaneous expense	200	200	154	46
GASB	3,500	3,500	750	2,750
Audit	28,000	28,000	24,160	3,840
<b>Total Treasurer's Office</b>	<u>234,316</u>	<u>234,316</u>	<u>211,423</u>	<u>22,893</u>

(Continued)

**TOWN OF GLOCESTER, RHODE ISLAND**  
**Budgetary Comparison Schedule - Schedule of Revenues and Expenditures**  
**Budget and Actual (Non-GAAP Budgetary Basis) - General Fund**  
**For the Fiscal Year Ended June 30, 2015**

	Original Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance
<b>Personnel Office:</b>				
Advertising	700	700	2,114	(1,414)
Education and training	300	300	-	300
Publications and subscriptions	100	100	-	100
Miscellaneous expense	100	100	-	100
<b>Total Personnel Office</b>	<b>1,200</b>	<b>1,200</b>	<b>2,114</b>	<b>(914)</b>
<b>Tax Collection Office:</b>				
Tax collector salary	47,812	47,812	47,812	-
Clerk salary	39,288	39,288	39,288	-
Longevity	3,267	3,267	3,266	1
Payroll taxes and benefits	42,662	42,662	41,143	1,519
Advertising	400	400	142	258
Postage	4,100	4,100	3,900	200
Education and training	300	300	150	150
Dues	100	100	60	40
Other purchased services	5,200	5,200	4,922	278
Tax collection fee	24,000	24,000	28,871	(4,871)
Miscellaneous expense	100	100	-	100
<b>Total Tax Collection Office</b>	<b>167,229</b>	<b>167,229</b>	<b>169,554</b>	<b>(2,325)</b>
<b>Tax Assessor's Office:</b>				
Assessor salary	51,076	51,076	51,076	-
Clerical salary	37,330	37,330	37,330	-
Overtime - clerical salaries	-	-	530	(530)
Longevity	1,120	1,120	1,120	-
Payroll taxes and benefits	41,216	41,216	37,932	3,284
Cartography Services	1,000	1,000	-	1,000
Advertising	250	250	156	94
Education and training	2,000	2,000	455	1,545
Travel	-	-	1,010	(1,010)
Dues	300	300	200	100
Publications and subscriptions	1,500	1,500	461	1,039
Office equipment and furniture	500	500	476	24
Other purchased services	1,100	1,100	-	1,100
Miscellaneous expense	500	500	473	27
<b>Total Tax Assessor's Office</b>	<b>137,892</b>	<b>137,892</b>	<b>131,219</b>	<b>6,673</b>
<b>TOTAL FINANCIAL ADMINISTRATION</b>	<b>634,513</b>	<b>634,513</b>	<b>605,514</b>	<b>28,999</b>

(Continued)

**TOWN OF GLOCESTER, RHODE ISLAND**  
**Budgetary Comparison Schedule - Schedule of Revenues and Expenditures**  
**Budget and Actual (Non-GAAP Budgetary Basis) - General Fund**  
**For the Fiscal Year Ended June 30, 2015**

	Original Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance
<b>PUBLIC SAFETY:</b>				
<i>Police Department:</i>				
Chief salary	76,214	76,214	76,214	-
Captain, lieutenant, and sergeant's salaries	258,187	258,187	262,061	(3,874)
Police officers' salaries	581,447	581,447	571,549	9,898
Administrative aide	62,922	62,922	62,921	1
Dispatchers	181,061	181,061	182,312	(1,251)
Special and boat patrols	9,375	9,375	8,259	1,116
Court time reimbursement	7,150	7,150	3,493	3,657
Overtime, vacation and illness coverage	110,738	110,738	94,486	16,252
Longevity	48,127	48,127	48,117	10
Payroll taxes and benefits	581,965	581,965	575,061	6,904
Education and training	11,000	11,000	9,256	1,744
Telephone	4,500	4,500	2,960	1,540
Postage	500	500	313	187
Other purchased services	2,000	2,000	1,076	924
Communications	1,100	1,100	-	1,100
Miscellaneous expense	900	900	2,351	(1,451)
Ammunition and range supplies	3,070	3,070	3,033	37
Investigative supplies	1,500	1,500	1,981	(481)
Fingerprinting expense	2,450	2,450	-	2,450
Conference, travel and dues	2,800	2,800	1,975	825
Heat and electricity	18,000	18,000	18,587	(587)
Service contracts	9,450	9,450	6,026	3,424
Special equipment - non-office	4,995	4,995	5,115	(120)
Office equipment and furniture	2,000	2,000	2,221	(221)
<b>Total Police Department</b>	<b>1,981,451</b>	<b>1,981,451</b>	<b>1,939,367</b>	<b>42,084</b>
<i>Emergency Management Agency:</i>				
Coordinator salary	6,838	6,838	4,126	2,712
Payroll taxes and benefits	560	560	332	228
Heat and electricity	2,500	2,500	2,652	(152)
Service contracts	7,000	7,000	95	6,905
Education and training	150	150	-	150
Miscellaneous expense	-	-	300	(300)
<b>Total Emergency Management Agency</b>	<b>17,048</b>	<b>17,048</b>	<b>7,505</b>	<b>9,543</b>
<i>Animal Control:</i>				
Animal control officer salary	43,192	43,192	43,192	-
Assistant officer salary	10,000	10,000	9,506	494
Longevity	1,620	1,620	1,620	-
Payroll taxes and benefits	28,868	28,868	27,553	1,315
Education and training	100	100	-	100
Telephone	400	400	315	85
Heat and electricity	3,550	3,550	2,382	1,168
Supplies - animal	1,100	1,100	853	247
Other purchased services	4,100	4,100	3,038	1,062
Service contracts	192	192	-	192
Miscellaneous expense	750	750	884	(134)
Furniture and fixtures	900	900	-	900
Rabies vaccinations	1,000	1,000	144	856
Dog damage	250	250	-	250
Equipment - non-office	1,150	1,150	1,436	(286)
<b>Total Animal Control</b>	<b>97,172</b>	<b>97,172</b>	<b>90,923</b>	<b>6,249</b>
<b>TOTAL PUBLIC SAFETY</b>	<b>2,095,671</b>	<b>2,095,671</b>	<b>2,037,795</b>	<b>57,876</b>

(Continued)



**TOWN OF GLOCESTER, RHODE ISLAND**  
**Budgetary Comparison Schedule - Schedule of Revenues and Expenditures**  
**Budget and Actual (Non-GAAP Budgetary Basis) - General Fund**  
**For the Fiscal Year Ended June 30, 2015**

	Original Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance
<b>PUBLIC WORKS DEPARTMENT:</b>				
<i>Director's Office</i>				
Director's salary	72,772	72,772	72,772	-
Clerk's salary	41,832	41,832	41,832	-
Longevity	3,075	3,075	3,074	1
Payroll taxes and benefits	48,217	48,217	45,013	3,204
Telephone	900	900	618	282
Education and training	200	200	-	200
Dues	110	110	140	(30)
Office furniture and equipment	350	350	205	145
Safety equipment	250	250	-	250
Service contracts	350	350	-	350
Miscellaneous expense	300	300	55	245
Mandatory drug testing	250	250	-	250
<b>Total Director's Office</b>	<b>168,606</b>	<b>168,606</b>	<b>163,709</b>	<b>4,897</b>
<i>Highway Division</i>				
Salaries	274,034	274,034	291,275	(17,241)
Overtime	2,000	2,000	503	1,497
Longevity	9,379	9,379	10,745	(1,366)
Payroll taxes and benefits	176,337	176,337	160,835	15,502
Heat and electricity	14,000	14,000	13,035	965
Education and training	250	250	-	250
Safety equipment	1,500	1,500	585	915
Purchased services	8,000	8,000	5,720	2,280
Road signs and miscellaneous expense	7,500	7,500	3,204	4,296
Tools	1,500	1,500	48	1,452
<b>Total Highway Division</b>	<b>494,500</b>	<b>494,500</b>	<b>485,950</b>	<b>8,550</b>
<i>Maintenance Division - Buildings, Grounds &amp; Parks:</i>				
Salaries	87,731	87,731	88,087	(356)
Salaries - grass cutting	3,366	3,366	3,014	352
Salaries - GMP Winsor park support	-	-	2,080	(2,080)
Overtime	-	-	220	(220)
Longevity	2,668	2,668	2,815	(147)
Payroll taxes and benefits	45,878	45,878	42,212	3,666
Supplies	6,700	6,700	6,333	367
Safety equipment	400	400	230	170
Other purchased services	21,000	21,000	23,384	(2,384)
Service contracts	300	300	-	300
Miscellaneous expense	3,000	3,000	1,022	1,978
Repairs, maintenance and construction material	15,000	15,000	16,631	(1,631)
Tools	1,000	1,000	1,554	(554)
Electricity - GMP	1,500	1,500	1,809	(309)
<b>Total Maintenance Division - Building, Grounds &amp; Parks</b>	<b>188,543</b>	<b>188,543</b>	<b>189,391</b>	<b>(848)</b>

(Continued)

**TOWN OF GLOCESTER, RHODE ISLAND**  
**Budgetary Comparison Schedule - Schedule of Revenues and Expenditures**  
**Budget and Actual (Non-GAAP Budgetary Basis) - General Fund**  
**For the Fiscal Year Ended June 30, 2015**

	Original Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance
<b>Maintenance Division - Vehicle &amp; Equipment</b>				
Salaries	101,352	101,352	91,999	9,353
Overtime	1,300	1,300	653	647
Longevity	1,394	1,394	1,394	-
Payroll taxes and benefits	42,864	42,864	35,943	6,921
Safety equipment	600	600	38	562
Purchased services	13,500	13,500	27,109	(13,609)
Service contracts	650	650	-	650
Propane - paver	-	-	168	(168)
Miscellaneous expense	6,500	6,500	5,755	745
Gasoline	90,500	90,500	65,567	24,933
Lubricating oil	8,000	8,000	5,500	2,500
Diesel Fuel	78,223	78,223	48,618	29,605
Repair parts	92,500	92,500	96,631	(4,131)
Capital outlay - van	-	-	25,546	(25,546)
Tools	4,500	4,500	3,340	1,160
Tires and tubes	24,200	24,200	18,226	5,974
<b>Total Maintenance Division - Vehicle &amp; Equipment</b>	<b>466,083</b>	<b>466,083</b>	<b>426,487</b>	<b>39,596</b>
<b>Waste Disposal Division:</b>				
Salaries	137,846	137,846	121,237	16,609
Overtime	5,000	5,000	3,675	1,325
Longevity	4,049	4,049	2,682	1,367
Youth litter corps	3,000	3,000	2,416	584
Payroll taxes and benefits	55,098	55,098	40,983	14,115
Telephone	500	500	297	203
Heat and electricity	6,000	6,000	3,990	2,010
Purchased services	15,200	15,200	4,794	10,406
Advertising	200	200	365	(165)
Safety equipment	300	300	-	300
Diesel fuel	19,777	19,777	20,336	(559)
Miscellaneous expense	7,500	7,500	8,108	(608)
Tipping fees	105,000	105,000	81,092	23,908
<b>Total Waste Disposal Division</b>	<b>359,470</b>	<b>359,470</b>	<b>289,975</b>	<b>69,495</b>
<b>TOTAL PUBLIC WORKS</b>	<b>1,677,202</b>	<b>1,677,202</b>	<b>1,555,512</b>	<b>121,690</b>
<b>RECREATION AND SENIOR CENTER</b>				
<b>Recreation:</b>				
Director salary	15,962	15,962	15,962	-
Assistant director salary	600	600	400	200
Salaries - swim, gymnastics, tennis, arts & crafts	49,576	49,576	43,342	6,234
Police detail - July 4th	600	600	467	133
Payroll taxes and benefits	10,384	10,384	7,552	2,832
Advertising	100	100	71	29
Telephone	700	700	855	(155)
Electricity - beaches & Winsor	500	500	667	(167)
Water testing - beaches and GMP	500	500	300	200
Materials and equipment	1,800	1,800	2,359	(559)
Miscellaneous	-	-	4,297	(4,297)
Recreation programs	28,034	28,034	19,077	8,957
<b>Total Recreation</b>	<b>108,756</b>	<b>108,756</b>	<b>95,349</b>	<b>13,407</b>

(Continued)

**TOWN OF GLOCESTER, RHODE ISLAND**  
**Budgetary Comparison Schedule - Schedule of Revenues and Expenditures**  
**Budget and Actual (Non-GAAP Budgetary Basis) - General Fund**  
**For the Fiscal Year Ended June 30, 2015**

	Original Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance
<i>Senior Center:</i>				
Director's salary	34,081	34,081	34,080	1
Interim director's salary	8,500	8,500	3,246	5,254
Senior meal site - kitchen aid	15,260	15,260	12,828	2,432
Maintenance - custodian	21,911	21,911	20,449	1,462
Longevity	1,625	1,625	1,477	148
Payroll taxes and benefits	36,830	36,830	31,932	4,898
Electricity, heat, propane and diesel	24,500	24,500	22,561	1,939
Telephone	850	850	956	(106)
Janitorial supplies	2,000	2,000	2,171	(171)
Office supplies	1,300	1,300	2,448	(1,148)
Repair/maintenance/construction material	1,500	1,500	1,517	(17)
Programs and activities	8,000	8,000	8,000	-
Other purchased services	10,740	10,740	5,800	4,940
License fees	350	350	-	350
Miscellaneous	1,200	1,200	1,548	(348)
Water testing	1,000	1,000	660	340
Advertising	200	200	497	(297)
<b>Total Senior Center</b>	<b>169,847</b>	<b>169,847</b>	<b>150,170</b>	<b>19,677</b>
<b>TOTAL RECREATION AND SENIOR CENTER</b>	<b>278,603</b>	<b>278,603</b>	<b>245,519</b>	<b>33,084</b>
<i>SOCIAL SERVICES:</i>				
<i>Human Services Department:</i>				
Director's salary	15,000	15,000	15,000	-
Van driver's salary	25,000	25,000	13,503	11,497
Payroll taxes and benefits	8,521	8,521	4,305	4,216
Telephone	600	600	389	211
Advertising	1,000	1,000	142	858
Miscellaneous expense	500	500	235	265
<b>Total Human Services Department</b>	<b>50,621</b>	<b>50,621</b>	<b>33,574</b>	<b>17,047</b>
<b>TOTAL SOCIAL SERVICES</b>	<b>50,621</b>	<b>50,621</b>	<b>33,574</b>	<b>17,047</b>

(Continued)

**TOWN OF GLOCESTER, RHODE ISLAND**  
**Budgetary Comparison Schedule - Schedule of Revenues and Expenditures**  
**Budget and Actual (Non-GAAP Budgetary Basis) - General Fund**  
**For the Fiscal Year Ended June 30, 2015**

	Original Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance
<b>OTHER OPERATION EXPENSES:</b>				
<i>Town Hall:</i>				
Utilities	40,000	40,000	29,636	10,364
Water	-	-	292	(292)
Postage, meter and supplies	19,000	19,000	14,246	4,754
Purchased services	-	-	242	(242)
Office and computer supplies	18,000	18,000	14,720	3,280
Security	2,700	2,700	2,477	223
Service Contracts	1,800	1,800	1,536	264
Advertising	9,500	9,500	9,790	(290)
Telephone, modem, fax and TDD	7,000	7,000	4,418	2,582
Copier rental	7,700	7,700	655	7,045
RI League of Cities & Towns dues	3,960	3,960	3,960	-
Insurance - property/liability/other	125,000	125,000	99,366	25,634
Unemployment compensation	5,000	5,000	-	5,000
Retired personnel cost	99,800	99,800	50,788	49,012
Bond disclosure fees	2,000	2,000	2,200	(200)
<b>Total Town Hall</b>	<b>341,460</b>	<b>341,460</b>	<b>234,326</b>	<b>107,134</b>
<i>Information Technology Office:</i>				
Information Technology's salary	28,080	28,080	17,359	10,721
Payroll taxes and benefits	2,297	2,297	1,419	878
Internet	11,300	11,300	10,918	382
Computer systems support/repairs	82,000	82,000	27,543	54,457
Computer system equipment	23,500	23,500	25,441	(1,941)
Computer system licenses	5,000	5,000	50	4,950
Server replacement program	29,000	29,000	72,549	(43,549)
Workstation replacement program	36,000	36,000	-	36,000
Computer systems cable/tools	500	500	-	500
<b>Total Information Technology Office</b>	<b>217,677</b>	<b>217,677</b>	<b>155,279</b>	<b>62,398</b>
<b>TOTAL OTHER OPERATION EXPENSES</b>	<b>559,137</b>	<b>559,137</b>	<b>389,605</b>	<b>169,532</b>
<b>AID REQUESTS:</b>				
<i>Aid to Libraries:</i>				
Glocester Manton	137,805	137,805	137,805	-
Harmony	190,236	190,236	190,236	-
<b>Total Aid to Libraries</b>	<b>328,041</b>	<b>328,041</b>	<b>328,041</b>	<b>-</b>
<i>Cultural Services:</i>				
Glocester light infantry - Memorial day parade	1,000	1,000	1,000	-
<b>Total Cultural Services</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>-</b>
<i>Social Services:</i>				
Glocester Little League	3,400	3,400	3,400	-
Glocester Senior Association	1,000	1,000	1,000	-
NW Community Nursing & Health Service	3,000	3,000	3,000	-
<b>Total Social Services</b>	<b>7,400</b>	<b>7,400</b>	<b>7,400</b>	<b>-</b>
<b>TOTAL AID REQUESTS</b>	<b>336,441</b>	<b>336,441</b>	<b>336,441</b>	<b>-</b>
<b>EDUCATION:</b>				
<i>Foster-Glocester Region</i>	9,692,789	9,692,789	9,692,789	-
<b>TOTAL EDUCATION</b>	<b>9,692,789</b>	<b>9,692,789</b>	<b>9,692,789</b>	<b>-</b>
<b>DEBT SERVICE:</b>				
<i>Non-School Bonds:</i>				
Road bond 2001 - 2016	255,000	255,000	255,000	-
Land trust bond 2010 - 2019	55,000	55,000	55,000	-
Senior center 2007 - 2027	95,000	95,000	95,000	-
Interest	101,967	101,967	101,967	-
<b>Total Non-School Bonds</b>	<b>506,967</b>	<b>506,967</b>	<b>506,967</b>	<b>-</b>
<b>TOTAL DEBT SERVICE</b>	<b>506,967</b>	<b>506,967</b>	<b>506,967</b>	<b>-</b>

(Continued)

**TOWN OF GLOCESTER, RHODE ISLAND**  
**Budgetary Comparison Schedule - Schedule of Revenues and Expenditures**  
**Budget and Actual (Non-GAAP Budgetary Basis) - General Fund**  
**For the Fiscal Year Ended June 30, 2015**

	Original Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance
<b>TOTAL EXPENDITURES</b>	16,652,987	16,652,987	16,137,310	515,677
<i>Excess of revenues over (under) expenditures before other financing sources (uses)</i>	\$ 7,239,159	\$ 7,239,159	\$ 8,038,340	\$ 799,181
<b>OTHER FINANCING SOURCES (USES):</b>				
Appropriated fund balance	550,798	550,798	550,798	-
Transfer from Community Development Block Grant	-	-	12,000	12,000
Transfer to Gloucester School Department	(6,372,035)	(6,372,035)	(6,372,035)	-
Transfer to capital projects fund	(861,977)	(861,977)	(861,977)	-
Transfer to storm/snow related services	(150,000)	(150,000)	(150,000)	-
Transfer to state aid reduction	(90,000)	(90,000)	(90,000)	-
Transfer to revaluation reserve account	(25,000)	(25,000)	(25,000)	-
Transfer to Fogarty School roof	(62,388)	(62,388)	(62,387)	1
Transfer to comprehensive plan - 5 year update	(5,000)	(5,000)	(5,000)	-
Transfer to RI Interlocal Safety	-	-	(1,049)	(1,049)
Transfer to emergency energy	(13,000)	(13,000)	(13,000)	-
Transfer to historical records	-	-	(145)	(145)
Transfer to HAVA grant	-	-	(78)	(78)
Transfer to MHRH grant	-	-	(121)	(121)
Transfer to Bramley grant	(1,607)	(1,607)	(1,607)	-
Transfer to independence day parade	(13,000)	(13,000)	(13,000)	-
Transfer to technology fund	-	-	(56,976)	(56,976)
Transfer to police vehicle replacement	-	-	(31,578)	(31,578)
Transfer to police Blue Rip Tide	-	-	(6)	(6)
Transfer to police equipment maintenance	-	-	(3,424)	(3,424)
Transfer to other post employment benefits	(35,950)	(35,950)	(49,016)	(13,066)
Transfer to compensated absences reserve	(80,000)	(80,000)	(80,000)	-
Transfer to maintenance of town rec fields	(80,000)	(80,000)	(80,000)	-
Transfer to health reserve	-	-	(38,037)	(38,037)
<b>NET OTHER FINANCING SOURCES (USES)</b>	<u>(7,239,159)</u>	<u>(7,239,159)</u>	<u>(7,371,638)</u>	<u>(132,479)</u>
<i>Excess of revenues and other financing sources over (under) expenditures and other financing uses</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 666,702</u>	<u>\$ 666,702</u>

(Concluded)

**SUPPLEMENTARY INFORMATION**  
**TOWN OF GLOCESTER, RHODE ISLAND**  
**Budgetary Comparison Schedule - Schedule of Revenues and Expenditures**  
**Budget and Actual (Non-GAAP Budgetary Basis) - School General Fund**  
**For the Fiscal Year Ended June 30, 2015**

	<u>Original Adopted Budget</u>	<u>Final Approved Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance</u>
<b>REVENUES:</b>				
State Aid	\$ 2,636,080	\$ 2,636,080	\$ 2,626,892	\$ (9,188)
Federal revenue-Medicaid reimbursement	94,000	94,000	58,044	(35,956)
Tuitions	17,340	17,340	59,350	42,010
Earnings on investments	1,500	1,500	511	(989)
Other	104,000	104,000	13,290	(90,710)
<b>TOTAL REVENUES</b>	<u>2,852,920</u>	<u>2,852,920</u>	<u>2,758,087</u>	<u>(94,833)</u>
<b>EXPENDITURES</b>				
<i>Fogarty Memorial:</i>				
Kindergarten	2,200	2,200	2,454	(254)
Art	3,000	3,000	2,969	31
Computer education	14,500	14,500	62,790	(48,290)
English, language arts	6,000	6,000	20,350	(14,350)
Health/physical education	2,500	2,500	2,447	53
Special education support	700	700	-	700
Mathematics	5,750	5,750	5,389	361
Music	1,650	1,650	1,448	202
Science	4,000	4,000	3,965	35
School library	6,450	6,450	6,883	(433)
Speech	600	600	420	180
Resource program	-	-	63	(63)
Self-contained program	1,500	1,500	1,376	124
Social work services	1,000	1,000	909	91
Psychological services	1,000	1,000	611	389
Health services	2,900	2,900	3,754	(854)
Telephone	2,000	2,000	1,854	146
Police and fire details	500	500	336	164
School management/general	46,200	46,200	51,008	(4,808)
<b>Total</b>	<u>102,450</u>	<u>102,450</u>	<u>169,026</u>	<u>(66,576)</u>
<i>West Glocester:</i>				
Kindergarten	2,100	2,100	1,701	399
Art	3,000	3,000	2,962	38
Computer education	12,000	12,000	41,012	(29,012)
English, language arts	3,500	3,500	14,294	(10,794)
Health/physical education	2,850	2,850	2,239	611
Mathematics	3,500	3,500	1,537	1,963
Music	1,300	1,300	808	492
Science	3,500	3,500	3,632	(132)
School library	5,600	5,600	5,634	(34)
Speech	600	600	790	(190)
Resource program	500	500	39	461
Self-contained program	500	500	545	(45)
Pre-school program	800	800	596	204
Social work services	1,000	1,000	1,214	(214)
Psychological services	1,000	1,000	1,184	(184)
Health services	2,900	2,900	2,419	481
Telephone	2,000	2,000	1,907	93
Police and fire details	500	500	-	500
School management/general	36,900	36,900	40,121	(3,221)
<b>Total</b>	<u>\$ 84,050</u>	<u>\$ 84,050</u>	<u>\$ 122,634</u>	<u>\$ (38,584)</u>

(Continued)

**TOWN OF GLOCESTER, RHODE ISLAND**  
**Budgetary Comparison Schedule - Schedule of Revenues and Expenditures**  
**Budget and Actual (Non-GAAP Budgetary Basis) - School General Fund**  
**For the Fiscal Year Ended June 30, 2015**

	<u>Original Adopted Budget</u>	<u>Final Approved Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance</u>
<b>Central administration:</b>				
Systemwide Management	\$ 104,400	104,400	\$ 108,927	(4,527)
Fiscal services	29,500	29,500	24,011	5,489
Policy formulation	47,880	47,880	52,987	(5,107)
Legal services	44,000	44,000	16,000	28,000
Non-public textbooks	1,200	1,200	589	611
<b>Total</b>	<u>226,980</u>	<u>226,980</u>	<u>202,514</u>	<u>24,466</u>
<b>Systemwide:</b>				
Special education services	327,110	327,110	64,965	262,145
Operations - buildings and grounds	360,474	360,474	387,619	(27,145)
Transportation, regular	546,618	546,618	559,588	(12,970)
Transportation, special education	101,716	101,716	51,290	50,426
Transportation, Foster-Glocester Regional	729,859	729,859	595,300	134,559
<b>Total</b>	<u>2,065,777</u>	<u>2,065,777</u>	<u>1,658,762</u>	<u>407,015</u>
<b>Salaries and fringes:</b>				
Classroom instruction	2,530,355	2,530,355	2,463,385	66,970
Kindergarten instruction	354,279	354,279	460,786	(106,507)
Physical education instruction	132,444	132,444	133,093	(649)
Music instruction	84,854	84,854	84,423	431
Art instruction	115,386	115,386	119,038	(3,652)
Pre-kindergarten instruction	110,117	110,117	118,711	(8,594)
School library	136,411	136,411	138,124	(1,713)
Special education	496,569	496,569	417,606	78,963
Speech	151,782	151,782	152,451	(669)
Social work services	76,184	76,184	76,518	(334)
Psychological services	50,296	50,296	50,532	(236)
Health services	126,231	126,231	126,825	(594)
Principals	188,061	188,061	191,446	(3,385)
Bus transportation, regular	4,874	4,874	6,499	(1,625)
Clerical	105,744	105,744	101,801	3,943
School management	62,940	62,940	65,907	(2,967)
Custodial	255,667	255,667	237,504	18,163
Fringe benefits	2,207,718	2,207,718	2,048,996	158,722
<b>Total Salaries and Fringes</b>	<u>7,189,912</u>	<u>7,189,912</u>	<u>6,993,645</u>	<u>196,267</u>
<b>TOTAL EXPENDITURES</b>	<u>9,669,169</u>	<u>9,669,169</u>	<u>9,146,581</u>	<u>522,588</u>
<b>Excess of revenues over (under) expenditures before other financing sources (uses)</b>	<u>(6,816,249)</u>	<u>(6,816,249)</u>	<u>(6,388,494)</u>	<u>427,755</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers from Town	6,372,035	6,372,035	6,372,035	-
Transfers to other funds	-	-	(4,319)	(4,319)
Reappropriated fund balance	444,214	444,214	444,214	-
<b>NET OTHER FINANCING SOURCES (USE)</b>	<u>6,816,249</u>	<u>6,816,249</u>	<u>6,811,930</u>	<u>(4,319)</u>
<b>Excess of revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 423,436</u>	<u>\$ 423,436</u>

(Concluded)

**TOWN OF GLOCESTER, RHODE ISLAND**  
**SCHEDULE OF TAX COLLECTIONS**  
**For the Fiscal Year Ended June 30, 2015**

FISCAL YEAR END	BALANCE July 1, 2014	CURRENT YEAR ASSESSMENT	REFUNDS	ADDITIONS AND ADJUSTMENTS	ABATEMENTS	AMOUNT TO BE COLLECTED	CURRENT YEAR COLLECTIONS	BALANCE June 30, 2015
2015	\$ -	\$ 20,914,232	\$ 15,330	\$ 7,906	\$ 34,100	\$ 20,903,368	\$ 20,248,104	\$ 655,264
2014	741,268		356	(48)	897	740,679	636,358	104,321
2013	126,258		-	103	83	126,278	47,521	78,757
2012	81,334		-	-	365	80,969	6,004	74,965
2011	48,846		-	-	78	48,768	3,092	45,676
2010	31,310		-	-	87	31,223	1,520	29,703
2009	29,137		-	-	-	29,137	879	28,258
2008	28,220		-	(131)	-	28,089	472	27,617
2007	29,862		-	-	-	29,862	602	29,260
2006	27,027		-	(152)	59	26,816	-	26,816
2005	22,891		-	(22,891)	-	-	-	-
	<u>\$ 1,166,153</u>	<u>\$ 20,914,232</u>	<u>\$ 15,686</u>	<u>\$ (15,213)</u>	<u>\$ 35,669</u>	<u>\$ 22,045,189</u>	<u>\$ 20,944,552</u>	<u>\$ 1,100,637</u>

**ASSESSED PROPERTY VALUE BY CATEGORY**

DESCRIPTION OF PROPERTY	VALUATIONS	LEVY
Real property - Residential	\$ 852,399,400	\$ 18,104,963
Real property - Commercial/Industrial	57,095,000	1,378,273
Motor vehicles	102,461,135	2,496,978
Tangible personal	16,343,430	691,491
TOTAL	<u>1,028,298,965</u>	<u>22,671,705</u>
Less exemptions	<u>(101,845,251)</u>	<u>(1,757,473)</u>
NET ASSESSED VALUE	<u>\$ 926,453,714</u>	<u>\$ 20,914,232</u>

**RECONCILIATION OF CURRENT YEAR PROPERTY TAX REVENUE**

Current year collections	\$ 20,944,552
Reserve collected within 60 days subsequent to fiscal year ending June 30, 2015	379,463
Prior year revenue received in current year	(429,553)
Plus: Pilot	2,252,095
Miscellaneous adjustment	417
CURRENT YEAR RE PROPERTY TAX & EXCISE TAX REVENUE	<u>\$ 23,146,974</u>



## **STATISTICAL SECTION**

This part of the Town of Glocester, 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.

Schedule 1  
Town of Gloucester, Rhode Island  
Net position by Component,  
Last Ten Fiscal Years  
(accrual basis of accounting)  
Unaudited

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Primary Government</b>										
Governmental activities										
Net investment in capital assets	\$11,114,122	\$10,596,849	\$12,183,517	\$12,366,231	\$13,195,876	\$13,815,360	\$15,094,315	15,636,833	15,982,202	15,758,086
Restricted	794,823	1,263,293	1,255,618	571,210	3,100	3,438,859	4,738,724	5,044,716	4,737,642	3,391,797
Unrestricted	4,703,857	5,614,738	5,459,871	6,267,056	8,268,698	6,386,528	6,027,370	7,266,099	8,142,089	3,647,072
Total governmental activities net position	<u>\$16,612,802</u>	<u>\$17,474,880</u>	<u>\$18,899,006</u>	<u>\$19,204,497</u>	<u>\$21,467,674</u>	<u>\$23,640,747</u>	<u>\$25,860,409</u>	<u>\$27,947,648</u>	<u>\$28,861,933</u>	<u>\$22,796,955</u>
Business-type activities										
Net investment in capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	-	-
Unrestricted	-	-	22,364	23,468	43,413	50,642	57,785	62,929	60,541	60,114
Total business-type activities net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,364</u>	<u>\$ 23,468</u>	<u>\$ 43,413</u>	<u>\$ 50,642</u>	<u>\$ 57,785</u>	<u>\$ 62,929</u>	<u>\$ 60,541</u>	<u>\$ 60,114</u>
<b>Primary government</b>										
Net investment in capital assets	\$11,114,122	\$10,596,849	\$12,183,517	\$12,366,231	\$13,195,876	\$13,815,360	\$15,094,315	\$15,636,833	\$15,982,202	\$15,758,086
Restricted	794,823	1,263,293	1,255,618	571,210	3,100	3,438,859	4,738,724	5,044,716	4,737,642	3,391,797
Unrestricted	4,703,857	5,614,738	5,482,235	6,290,524	8,312,111	6,437,170	6,085,155	7,329,028	8,202,630	3,707,186
Total primary government net position	<u>\$16,612,802</u>	<u>\$17,474,880</u>	<u>\$18,921,370</u>	<u>\$19,227,965</u>	<u>\$21,511,087</u>	<u>\$23,691,389</u>	<u>\$25,918,194</u>	<u>\$28,010,577</u>	<u>\$28,922,474</u>	<u>\$22,857,069</u>

Schedule 2  
Town of Glocester, Rhode Island  
Changes in Net Position, Last Ten Fiscal Years  
(accrual basis of accounting)  
Unaudited

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Expenses</b>										
<b>Governmental activities:</b>										
Administration	\$ 719,930	\$ 864,730	\$ 962,851	\$ 827,540	\$ 816,185	\$ 856,404	\$ 839,967	\$ 785,087	\$ 928,912	\$ 671,232
Finance	460,801	512,820	564,677	614,551	584,712	585,586	652,595	619,435	547,164	593,176
Public safety	1,631,389	1,742,763	1,900,041	2,084,153	1,911,181	1,954,111	2,151,464	2,207,975	2,146,761	2,341,273
Public works	2,004,415	2,169,528	2,355,418	2,871,973	2,130,372	2,207,085	2,095,239	2,095,284	2,427,577	2,394,808
Recreation	138,008	243,353	285,306	328,676	368,063	388,751	344,940	358,137	379,978	385,788
Social services	372,878	377,340	386,997	534,967	383,393	399,230	506,408	142,306	273,844	228,336
Operational expenses	277,190	305,365	307,052	417,912	265,543	312,695	315,689	327,098	559,608	389,605
Aid requests	307,151	330,853	344,868	333,083	317,533	318,533	322,750	322,914	325,970	336,441
Education	16,913,683	17,728,396	18,725,978	19,212,152	19,107,353	19,165,949	19,118,861	19,024,086	19,330,423	18,718,145
Interest on debt	215,994	263,100	295,357	260,885	236,437	224,607	197,988	144,345	144,723	125,975
Glocester Land Trust	100,470	90,368	81,473	1,487	-	58,235	84,858	32,064	43,237	30,997
<b>Total governmental activities expenses</b>	<b>\$ 23,141,909</b>	<b>\$ 24,628,616</b>	<b>\$ 26,210,018</b>	<b>\$ 27,487,379</b>	<b>\$ 26,120,772</b>	<b>\$ 26,471,186</b>	<b>\$ 26,630,759</b>	<b>\$ 26,058,731</b>	<b>\$ 27,108,197</b>	<b>\$ 26,215,776</b>
<b>Business-type activities:</b>										
School Lunch	\$ -	\$ -	\$ 155,788	\$ 153,610	\$ 124,224	\$ 134,636	\$ 147,749	\$ 140,718	\$ 148,336	\$ 163,043
<b>Total primary government expenses</b>	<b>\$ 23,141,909</b>	<b>\$ 24,628,616</b>	<b>\$ 26,365,806</b>	<b>\$ 27,640,989</b>	<b>\$ 26,244,996</b>	<b>\$ 26,605,822</b>	<b>\$ 26,778,508</b>	<b>\$ 26,199,449</b>	<b>\$ 27,256,533</b>	<b>\$ 26,378,819</b>
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
<b>Charges for services:</b>										
Administration	\$ 435,853	\$ 407,245	\$ 359,774	\$ 352,433	\$ 329,306	\$ 284,709	\$ 154,714	\$ 14,473	\$ 13,457	\$ 12,353
Finance	15,816	8,197	12,108	26,214	10,949	15,571	34,987	408,769	487,411	459,001
Public safety	133,606	141,522	102,047	129,937	111,540	94,781	154,708	-	-	-
Public works	16,699	12,394	21,881	42,477	45,494	71,203	78,603	-	3,583	-
Recreation	4,184	3,504	4,066	6,662	8,826	8,415	-	-	-	5,752
Social services	-	3,230	4,313	23,107	53,629	90,273	26,929	6,000	5,125	2,661
Operational expenses	-	-	-	-	15,816	6,437	-	-	-	-
Aid requests	-	-	-	-	-	-	-	-	-	-
Education	229,229	211,683	148,131	184,493	292,772	333,722	196,202	138,238	136,074	130,684
<b>Operating grants and contributions:</b>										
Administration	8,585	471	68,500	146,712	152,325	170,684	258,723	-	48,713	-
Finance	-	-	-	-	-	-	-	-	-	-
Public safety	50,119	75,287	59,752	13,668	15,931	61,899	67,705	62,086	78,854	52,965
Public works	24,700	-	-	-	82,615	-	152,886	119,627	115,399	109,707
Recreation	25,770	10,079	13,714	20,726	22,308	26,234	21,776	-	-	-
Social services	249,169	371,759	263,902	474,412	487,188	591,912	223,833	137,784	199,813	302,322
Operational expenses	-	-	-	-	-	-	-	292,495	358,548	382,794
Education	3,957,144	4,208,544	3,995,286	3,783,450	3,622,793	3,777,064	3,601,729	3,581,361	3,447,432	2,973,958
Interest	197,070	199,208	206,509	-	-	-	-	-	-	-
Glocester Land trust	-	-	-	-	-	-	-	5,833	166,233	-
<b>Capital grants and contributions:</b>										
Administration	-	-	-	-	-	-	-	-	-	-
Public safety	119,023	6,000	3,000	61,597	101,248	1,087	-	-	-	-
Public works	-	-	34,738	108,705	292,414	85,422	620,013	530,670	93,116	39,260
Recreation and cultural services	-	46,436	-	-	-	-	106,299	-	-	-
Social services	149,517	-	-	-	-	-	-	-	-	-
Operational expenses	-	-	-	-	-	-	-	-	-	-
Aid requests	-	-	-	-	-	-	159,363	-	-	-
Education	-	-	-	255,832	216,945	262,271	70,318	-	-	-
<b>Total governmental activities program revenues</b>	<b>\$ 5,616,484</b>	<b>\$ 5,705,559</b>	<b>\$ 5,297,721</b>	<b>\$ 5,630,425</b>	<b>\$ 5,862,099</b>	<b>\$ 5,881,684</b>	<b>\$ 5,941,289</b>	<b>\$ 5,297,336</b>	<b>\$ 5,153,758</b>	<b>\$ 4,471,457</b>

(Continued)

Schedule 2  
Town of Glocester, Rhode Island  
Changes in Net Position, Last Ten Fiscal Years  
(accrual basis of accounting)  
Unaudited

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Business-type activities:</b>										
Charges for services:										
School Lunch	\$ -	\$ -	\$ 84,370	\$ 80,130	\$ 63,167	\$ 59,975	\$ 67,556	\$ 58,211	\$ 58,210	\$ 78,107
Operating grants and contributions:										
School Lunch	-	-	73,176	74,584	81,002	81,890	87,336	87,651	87,738	84,509
<b>Total business-type activities program revenues</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 157,546</u>	<u>\$ 154,714</u>	<u>\$ 144,169</u>	<u>\$ 141,865</u>	<u>\$ 154,892</u>	<u>\$ 145,862</u>	<u>\$ 145,948</u>	<u>\$ 162,616</u>
<b>Total primary government revenues</b>	<u>\$ 5,616,484</u>	<u>\$ 5,705,559</u>	<u>\$ 5,455,267</u>	<u>\$ 5,785,139</u>	<u>\$ 6,006,268</u>	<u>\$ 6,023,549</u>	<u>\$ 6,096,181</u>	<u>\$ 5,443,198</u>	<u>\$ 5,299,706</u>	<u>\$ 4,634,073</u>
<b>Net (expenses) revenues:</b>										
Governmental activities	\$ (17,525,425)	\$ (18,923,057)	\$ (20,912,297)	\$ (21,856,954)	\$ (20,258,673)	\$ (20,589,502)	\$ (20,689,470)	\$ (20,761,395)	\$ (21,954,439)	\$ (21,744,319)
Business-type activities	-	-	1,758	1,104	19,945	7,229	7,143	5,144	(2,388)	(427)
<b>Total primary government net expense</b>	<u>\$ (17,525,425)</u>	<u>\$ (18,923,057)</u>	<u>\$ (20,910,539)</u>	<u>\$ (21,855,850)</u>	<u>\$ (20,238,728)</u>	<u>\$ (20,582,273)</u>	<u>\$ (20,682,327)</u>	<u>\$ (20,756,251)</u>	<u>\$ (21,956,827)</u>	<u>\$ (21,744,746)</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes, levied for general purposes	\$ 16,669,163	\$ 17,616,681	\$ 19,114,197	\$ 20,634,864	\$ 22,953,234	\$ 22,650,126	\$ 22,783,814	\$ 22,654,085	\$ 22,925,740	\$ 23,143,308
Unrestricted investment earnings	240,483	285,429	279,633	154,478	118,156	112,449	126,810	111,739	119,900	112,281
Other revenues	1,811,766	2,025,214	2,785,647	1,436,958	-	-	(30,200)	29,142	16,073	107,502
Transfers to component unit and other revenue	-	-	-	(63,855)	(549,540)	-	-	-	-	62,512
<b>Total primary government</b>	<u>\$ 18,721,412</u>	<u>\$ 19,927,324</u>	<u>\$ 22,179,477</u>	<u>\$ 22,162,445</u>	<u>\$ 22,521,850</u>	<u>\$ 22,762,575</u>	<u>\$ 22,880,424</u>	<u>\$ 22,794,966</u>	<u>\$ 23,061,713</u>	<u>\$ 23,425,603</u>
<b>Change in Net Position</b>										
Governmental activities	\$ 1,195,987	\$ 1,004,267	\$ 1,267,180	\$ 305,491	\$ 2,263,177	\$ 2,173,073	\$ 2,190,954	\$ 2,059,753	\$ 984,263	\$ 1,649,769
Glocester land trust	-	-	-	-	-	-	-	(26,182)	123,011	31,515
Business-type activities	-	-	1,758	1,104	19,945	7,229	7,143	5,144	(2,388)	(427)
<b>Total primary government</b>	<u>\$ 1,195,987</u>	<u>\$ 1,004,267</u>	<u>\$ 1,268,938</u>	<u>\$ 306,595</u>	<u>\$ 2,283,122</u>	<u>\$ 2,180,302</u>	<u>\$ 2,198,097</u>	<u>\$ 2,038,715</u>	<u>\$ 1,104,886</u>	<u>\$ 1,680,857</u>

(Concluded)

Schedule 3  
Town of Glocester, Rhode Island  
Fund Balances, Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)  
Unaudited

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>General Fund</b>										
Reserved	\$ 9,524	\$ 21,523	\$ 13,960	\$ 33,805	\$ 15,480	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	4,554,671	4,317,178	4,225,999	3,896,715	4,246,583	-	-	-	-	-
Nonspendable	-	-	-	-	-	7,769	27,220	20,536	25,495	17,709
Restricted	-	-	-	-	-	961,063	-	-	-	-
Committed	-	-	-	-	-	573,460	149,244	104,244	613,099	335,000
Assigned	-	-	-	-	-	525,125	1,801,918	2,050,504	2,127,865	2,204,411
Unassigned	-	-	-	-	-	3,904,064	4,302,080	4,834,262	4,618,771	5,190,560
<b>Total general fund</b>	<b>\$ 4,564,195</b>	<b>\$ 4,338,701</b>	<b>\$ 4,239,959</b>	<b>\$ 3,930,520</b>	<b>\$ 4,262,063</b>	<b>\$ 5,971,481</b>	<b>\$ 6,280,462</b>	<b>\$ 7,009,546</b>	<b>\$ 7,385,230</b>	<b>\$ 7,747,680</b>
<b>Education</b>										
Reserved	\$ 149,861	\$ -	\$ 2,435	\$ 122,988	\$ 60,323	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	312,886	415,693	345,913	607,566	1,645,575	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	-	-	4,194
Restricted	-	-	-	-	-	-	2,370,412	2,900,834	2,807,840	2,536,504
Committed	-	-	-	-	-	180,000	-	-	-	-
Assigned	-	-	-	-	-	780,686	748,954	807,983	1,300,863	1,547,073
Unassigned	-	-	-	-	-	1,690,484	-	-	-	-
<b>Total education fund</b>	<b>\$ 462,747</b>	<b>\$ 415,693</b>	<b>\$ 348,348</b>	<b>\$ 730,554</b>	<b>\$ 1,705,898</b>	<b>\$ 2,651,170</b>	<b>\$ 3,119,366</b>	<b>\$ 3,708,817</b>	<b>\$ 4,108,703</b>	<b>\$ 4,087,771</b>
<b>Senior Center Fund</b>										
Unreserved	\$ (697,290)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total senior center fund</b>	<b>\$ (697,290)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Capital Reserve Project Fund</b>										
Unreserved	\$ -	\$ 749,049	\$ 715,966	\$ 545,660	\$ 748,087	\$ -	\$ -	\$ -	\$ -	\$ -
Committed	-	-	-	-	-	759,820	638,203	922,362	988,677	1,492,786
<b>Total capital reserve project fund</b>	<b>\$ -</b>	<b>\$ 749,049</b>	<b>\$ 715,966</b>	<b>\$ 545,660</b>	<b>\$ 748,087</b>	<b>\$ 759,820</b>	<b>\$ 638,203</b>	<b>\$ 922,362</b>	<b>\$ 988,677</b>	<b>\$ 1,492,786</b>
<b>Community Development Block Grant</b>										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 430,381	\$ -	\$ -	\$ -
Unassigned	-	-	-	-	-	-	(379,906)	-	-	-
<b>Total community development block grant</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 50,475</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>All Other Governmental Funds</b>										
Reserved:										
Perpetual care	\$ 3,100	\$ 3,100	\$ 3,100	\$ 3,100	\$ 3,100	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds:										
Education	202,841	283,828	407,025	540,289	283,763	-	-	-	-	-
Other	786,426	1,159,170	1,157,433	1,403,119	1,714,349	-	-	-	-	-
Capital projects funds	1,002,637	1,325,501	702,232	836,151	852,039	-	-	-	-	-
Permanent Fund	9,505	9,202	9,238	9,247	9,261	-	-	-	-	-
Nonspendable	-	-	-	-	-	336,535	3,100	3,100	3,100	3,100
Restricted	-	-	-	-	-	1,373,672	1,269,408	1,197,884	912,530	855,293
Unassigned,	-	-	-	-	-	(89,551)	-	-	-	-
<b>Total all other governmental funds</b>	<b>\$ 2,004,509</b>	<b>\$ 2,780,801</b>	<b>\$ 2,279,028</b>	<b>\$ 2,791,906</b>	<b>\$ 2,862,512</b>	<b>\$ 1,620,656</b>	<b>\$ 1,272,508</b>	<b>\$ 1,200,984</b>	<b>\$ 915,630</b>	<b>\$ 858,393</b>

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

Schedule 4  
Town of Glocester, Rhode Island  
Changes in Fund Balances, Governmental Funds,  
Last Ten Fiscal Years  
(modified basis of accounting)  
Unaudited

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues</b>										
General property taxes	\$ 16,617,506	\$ 17,605,367	\$ 19,184,312	\$ 20,575,766	\$ 21,898,410	\$ 22,495,323	\$ 22,537,037	\$ 22,701,157	\$ 22,877,211	\$ 23,146,974
Intergovernmental and departmental revenue	6,791,868	7,094,716	6,665,094	5,998,069	5,539,730	4,692,744	4,656,720	4,338,108	3,946,050	3,743,485
Licenses and fees	583,136	552,183	482,153	510,253	472,033	442,361	525,877	439,162	504,411	459,001
Interest on investments	240,483	285,429	273,633	154,478	118,156	112,449	126,759	110,810	115,159	112,281
Other revenues	56,031	140,634	166,449	308,447	435,119	523,108	319,649	256,033	277,346	366,415
Intergovernmental-pension contribution	-	-	-	246,586	285,107	264,180	332,744	288,222	316,349	-
<b>Total revenues</b>	<b>\$ 24,289,024</b>	<b>\$ 25,678,329</b>	<b>\$ 26,771,641</b>	<b>\$ 27,793,599</b>	<b>\$ 28,748,555</b>	<b>\$ 28,530,165</b>	<b>\$ 28,498,786</b>	<b>\$ 28,133,492</b>	<b>\$ 28,036,526</b>	<b>\$ 27,828,156</b>
<b>Expenditures</b>										
Central Administration	\$ 748,833	\$ 831,213	\$ 988,144	\$ 785,565	\$ 766,545	\$ 831,297	\$ 803,666	\$ 767,489	\$ 922,645	\$ 943,920
Finance Administration	457,795	509,814	561,671	596,070	587,715	590,140	620,597	632,644	579,654	605,514
Public Safety Department	1,920,978	1,829,558	1,873,749	1,804,769	1,791,933	1,787,760	2,036,564	2,072,097	2,062,419	2,211,680
Public Works Department	2,330,629	1,858,272	2,273,444	1,871,028	1,555,594	1,727,750	1,585,909	1,651,437	1,870,542	1,892,305
Recreation Department	151,231	1,903,600	202,247	230,431	273,980	291,048	255,834	270,498	299,853	311,711
Social Services (3)	1,315,902	483,269	499,160	530,627	379,053	366,945	439,399	137,966	206,745	182,935
Operational expenses	277,190	355,075	307,052	294,543	404,529	313,737	315,689	327,098	559,608	389,605
Aid Request	307,151	330,853	344,868	333,083	317,533	318,533	322,750	322,914	325,970	336,441
Education-Elementary	10,199,745	10,152,139	10,843,415	9,509,781	9,292,913	9,360,130	9,321,435	9,225,612	9,243,581	10,100,965
Education-Secondary-Regional (1)	6,614,229	7,385,896	8,476,681	9,340,823	9,328,376	9,453,321	9,349,077	9,330,162	9,571,341	9,146,735
Glocester Land Trust	100,470	90,368	81,473	65,342	549,540	58,235	-	-	-	-
Intergovernmental-pension contribution	-	-	-	246,586	285,107	264,180	332,744	288,222	316,349	-
Capital Outlay	-	-	-	818,159	1,213,379	734,378	1,793,486	1,033,233	872,330	319,301
Principal	597,235	587,677	708,616	689,658	697,741	784,224	759,960	429,347	451,873	470,455
Interest	216,217	235,524	291,458	261,795	233,669	222,645	203,789	164,078	146,610	128,199
Bond issuance costs	-	-	-	-	5,500	1,275	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 25,237,605</b>	<b>\$ 26,553,258</b>	<b>\$ 27,451,978</b>	<b>\$ 27,378,260</b>	<b>\$ 27,683,107</b>	<b>\$ 27,105,598</b>	<b>\$ 28,140,899</b>	<b>\$ 26,652,797</b>	<b>\$ 27,429,520</b>	<b>\$ 27,039,766</b>
Excess of revenues over (under) expenditures	\$ (948,581)	\$ (874,929)	\$ (680,337)	\$ 415,339	\$ 1,065,448	\$ 1,424,567	\$ 357,887	\$ 1,480,695	\$ 607,006	\$ 788,390
<b>Other Financing Sources (uses)</b>										
Proceeds of capital leases	\$ 44,622	\$ -	\$ -	\$ -	\$ 14,472	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers from other funds	7,154,328	7,479,823	7,291,361	8,166,617	8,582,238	7,703,474	8,683,045	7,777,542	8,070,209	7,735,107
Transfers to other funds	(7,154,328)	(7,479,823)	(7,291,361)	(8,166,617)	(8,582,238)	(7,703,474)	(8,683,045)	(7,777,542)	(8,070,209)	(7,735,107)
Proceeds from issuance of bonds	-	2,965,000	-	-	500,000	-	-	-	-	-
Payments to refunded bond escrow agent	-	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>44,622</b>	<b>2,965,000</b>	<b>-</b>	<b>-</b>	<b>514,472</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ (903,959)</b>	<b>\$ 2,090,071</b>	<b>\$ (680,337)</b>	<b>\$ 415,339</b>	<b>\$ 1,579,920</b>	<b>\$ 1,424,567</b>	<b>\$ 357,887</b>	<b>\$ 1,480,695</b>	<b>\$ 607,006</b>	<b>\$ 788,390</b>
Debt service as a percentage of noncapital expenditures	3.2%	3.4%	3.8%	3.6%	3.5%	3.8%	3.7%	2.3%	2.3%	2.2%

Schedule 5  
Town of Gloucester, Rhode Island  
Assessed Value and Estimated Actual Value of Taxable Property,  
Last Ten Fiscal Years  
Unaudited

Fiscal Year Ended June 30	Real Property		Personal Property		Less: Tax Exempt Property	Total Taxable Assessed Value	Total Effective Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Motor Vehicles	Other					
2006 (2)	1,046,152,900	60,266,600	74,726,668	19,725,790	109,661,463	1,091,210,495	14.34	1,109,291,953	98.37%
2007	1,058,215,120	59,778,900	84,266,684	20,458,860	117,330,916	1,105,388,648	15.00	1,324,707,457	83.44%
2008	1,067,493,900	60,015,000	86,124,833	20,463,280	125,302,544	1,108,794,469	16.36	1,231,235,068	90.06%
2009 (2)	1,059,225,120	65,090,700	88,301,288	18,618,060	130,448,838	1,100,786,330	17.75	1,199,136,425	91.80%
2010	1,065,503,820	66,145,300	79,407,366	18,620,740	136,245,602	1,093,431,624	18.64	1,109,017,190	98.59%
2011	1,071,062,920	65,889,900	94,392,665	18,600,760	128,139,328	1,121,806,917	18.68	992,719,368	113.00%
2012 (1)	855,150,110	57,855,300	96,931,960	18,641,800	96,976,087	931,603,083	22.51	946,415,571	98.43%
2013	860,245,870	57,448,800	101,158,350	18,218,040	102,906,239	934,164,821	22.12	934,164,821	100.00%
2014	864,734,870	58,265,600	101,709,774	17,881,680	103,890,779	938,701,145	22.57	938,701,145	100.00%
2015	852,399,400	57,095,000	102,461,135	16,343,430	101,845,251	926,453,714	22.91	926,453,714	100.00%

Source: Town of Gloucester Tax Assessor

- (1) Full revaluations are performed every nine years. A full revaluation was performed as of December 31, 2010 which affected fiscal year 2012.  
(2) Statistical revaluations are performed every three years, except in the years a full revaluation is performed. Statistical revaluations were performed as of December 31, 2004 and December 31, 2007 which affected fiscal years 2006 and 2009, respectively.  
A statistical revaluation was performed as of December 31, 2013 and will affect fiscal year 2015.

Schedule 6  
Town of Glocester, Rhode Island  
Direct and Overlapping Property Tax Rates,  
Last Ten Fiscal Years  
(rate per \$1,000 of assessed value)  
Unaudited

Fiscal Year	Town Direct Rates (a)					Total Effective Rate (b)	Overlapping Rates (c)			
	Real Property		Motor Vehicles	Tangible Property			Chepachet Fire District	Harmony Fire District	West Glocester Fire District	West Glocester Fire District
	Residential	Commercial		Personal	Inventory				Residential	Commercial
2006	13.56	15.55	24.37	29.65	7.55	14.34	0.750	1.55	1.30	-
2007	14.24	16.33	24.37	31.14	5.04	15.00	0.750	1.20	1.30	-
2008	15.66	17.91	24.37	31.32	2.52	16.36	0.750	1.20	1.30	-
2009	17.03	19.37	24.37	33.92	-	17.75	0.750	1.20	1.30	-
2010	17.98	20.43	24.37	35.80	-	18.64	0.750	1.20	1.30	-
2011	17.87	20.31	24.37	35.58	-	18.68	0.750	1.20	1.30	-
2012	21.66	24.62	24.37	43.13	-	22.51	0.950	1.48	1.55	-
2013	21.25	24.15	24.37	42.31	-	22.12	0.965	1.48	1.55	-
2014	21.77	24.74	24.37	43.34	-	22.57	0.975	1.54	1.55	-
2015	22.12	25.13	24.37	44.03	-	22.91	0.975	1.58	1.55	1.65

(a) The Direct rates are derived from the records of the Town's Tax Assessor.

(b) The Total Effective Rate = Total Tax levy ÷ Total Assessed Value of all property. [Town only - excludes overlapping rates]

(c) Overlapping rates are those of the local fire districts within the Town of Glocester that apply only to owners within the named districts.

For example, the Chepachet Fire District rates do not apply to property owners in the Harmony Fire District.



Schedule 7  
Town of Glocester, Rhode Island  
Principal Property Tax Payers,  
Current Year and Nine Years Ago  
Principal Payers  
Unaudited

	Fiscal Year				Fiscal Year			
	2015				2006			
	Taxable assessed value	Rank	Percentage of total taxable assessed value	Taxes assessed (3)	Taxable assessed value	Rank	Percentage of total taxable assessed value	Taxes assessed (3)
Factory Mutual Insurance Co. (1)(4)	PILOT	1	PILOT	\$ 2,247,045	PILOT	1	PILOT	1,060,000
Narragansett Electric, Co.	\$ 8,680,054	2	0.93%	314,720	9,070,300	2	0.82%	232,245
CoxCom	2,977,405	3	0.32%	129,041	3,885,710	3	0.35%	121,001
CVS	3,156,188	4	0.34%	82,656	3,610,100	4	0.33%	78,846
Criterion Atlantic Property	2,783,307	5	0.30%	86,256	3,239,420	5	0.29%	54,220
Providence, City of (PWSB) (2)	2,495,300	6	0.27%	57,532	2,772,500	7	0.25%	45,275
Kopeski Stephen M.	2,494,651	7	0.27%	63,740	-	-	-	-
Melody Hill Country Club	2,372,918	8	0.25%	60,546	3,004,070	6	0.27%	54,075
Glocester Country Club	1,864,643	9	0.20%	49,368	2,498,250	8	0.23%	44,589
Adler Brothers Construction	1,836,100	10	0.20%	46,808	-	-	-	-
Watmough Jr., Roy P.	-	-	-	-	1,821,401	9	0.16%	30,601
Tillinghast Holding Co LLC	-	-	-	-	1,726,350	10	0.16%	28,543
Totals	<u>\$ 28,660,566</u>		<u>3.08%</u>	<u>\$ 3,137,712</u>	<u>\$ 31,628,101</u>		<u>2.86%</u>	<u>\$ 1,749,395</u>

Sources: Town of Glocester Tax Assessor and Tax Collector

- (1) In 2003, Factory Mutual Insurance Co., (FMIC) the Town's largest taxpayer, entered into a 20 year payment-in-lieu-of-taxes (PILOT) agreement with the Town. Taxes due to the Town will not be based on assessed value during the time the agreement is in place.
- (2) In 2010, the Providence Water Supply Board (PWSB), an enterprise fund of the City of Providence, entered into a 10 year tax treaty with the Town. Taxes due to the Town will not be based on assessed value during the time the agreement is in place.
- (3) The Taxes assessed columns are displayed here to show that, even though the PILOT amount paid by FMIC is not based on assessments of their property, FMIC continues to be the Town's largest taxpayer.
- (4) Factory Mutual Insurance Co. changed the name on the property owned in the Town of Glocester to West Glocester LLC in 2010.

Schedule 8  
Town of Glocester, Rhode Island  
Property Tax Levies and Collections,  
Last Ten Fiscal Years  
Unaudited

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year (as originally certified)	Collected within the Fiscal Year of the Levy		Subsequent abatements and additions	Total Tax Levy for Fiscal Year (adjusted for all subsequent abatements and additions)	Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Original Levy				Amount	Percentage of adjusted Levy
2006	15,647,919	15,174,996	96.98%	10,341	15,658,260	456,673	15,631,669	99.83%
2007	16,578,703	16,062,164	96.88%	2,927	16,581,630	489,807	16,551,971	99.82%
2008	18,134,554	17,589,870	97.00%	8,780	18,143,334	525,291	18,115,161	99.84%
2009	19,541,335	19,044,425	97.46%	29,969	19,571,304	498,968	19,543,393	99.86%
2010	20,380,911	19,767,563	96.99%	8,958	20,389,869	592,588	20,360,151	99.85%
2011	20,960,378	20,285,517	96.78%	9,865	20,970,243	638,617	20,924,134	99.78%
2012	20,971,376	20,211,714	96.38%	(30,806)	20,940,570	651,387	20,863,101	99.63%
2013	20,666,155	19,934,607	96.46%	(3,812)	20,662,343	648,814	20,583,421	99.62%
2014	20,750,248	20,012,788	96.45%	25,771	20,776,019	636,358	20,649,146	99.39%
2015	20,914,232	20,248,104	96.81%	(10,864)	20,903,368	-	20,248,104	96.87%

Source: Town of Glocester Tax Collector

Schedule 9  
Town of Glocester, Rhode Island  
Ratios of Outstanding Debt by Type,  
Last Ten Fiscal Years  
Unaudited

Fiscal Year	Governmental Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Loan Payable	Capital Lease			
2006	4,335,000	247,765	37,661	4,620,426	2.03%	464
2007	6,750,000	210,088	29,429	6,989,517	3.07%	703
2008	6,085,000	166,472	20,569	6,272,041	2.75%	630
2009	5,415,000	152,845	13,401	5,581,246	2.45%	561
2010	5,240,000	136,571	20,261	5,396,832	1.74%	554
2011	4,515,000	112,226	8,526	4,635,752	1.50%	476
2012	3,775,000	154,936	55,447	3,985,383	1.29%	409
2013	3,365,000	135,589	42,238	3,542,827	1.16%	364
2014	2,940,000	175,815	32,548	3,148,363	0.98%	322
2015	2,495,000	195,761	20,210	2,710,971	0.81%	273

- Notes:
- Details regarding the Town's outstanding debt can be found in the notes to the financial statements.
  - See Schedule 14 for personal income and population data.

Schedule 10  
Town of Gloucester, Rhode Island  
Ratios of General Bonded Debt Outstanding,  
Last Ten Fiscal Years  
Unaudited

Fiscal Year	<u>General Bonded Debt Outstanding</u>		Percentage of Actual Taxable Value (a) of Property	Per Capita (b)
	General Obligation Bonds	Total		
2006	4,335,000	4,335,000	0.40%	435.77
2007	6,750,000	6,750,000	0.61%	678.53
2008	6,085,000	6,085,000	0.55%	611.68
2009	5,415,000	5,415,000	0.49%	544.33
2010	5,240,000	5,240,000	0.48%	537.66
2011	4,515,000	4,515,000	0.40%	463.27
2012	3,775,000	3,775,000	0.41%	387.34
2013	3,365,000	3,365,000	0.36%	345.27
2014	2,940,000	2,940,000	0.31%	300.55
2015	2,495,000	2,495,000	0.27%	251.23

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

- (a) Actual taxable value equals gross assessed value less exemptions.  
(b) Population data can be found in Schedule 14.

Schedule 11  
Town of Glocester, Rhode Island  
Direct and Overlapping Governmental Activities Debt  
As of June 30, 2015  
Unaudited

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt	Estimated Share of Overlapping Debt Less Housing Aid (b)
Debt repaid with property taxes				
Foster-Glocester Regional School District	\$ 42,377,556	63.69% (a)	\$ 26,988,570	\$ 10,795,428
Chepachet Fire District	-	100.00%	-	-
Harmony Fire District	139,567	100.00%	139,567	139,567
West Glocester Fire District	29,916	100.00%	29,916	29,916
Subtotal, overlapping debt			27,158,053	10,964,911
Town direct debt			2,710,971	2,710,971
Total direct and overlapping debt			<u>\$ 29,869,024</u>	<u>\$ 13,675,882</u>

Sources: Debt outstanding data provided by each governmental unit.

- (a) Estimated percentage applicable for the Foster-Glocester Regional School District portion of the debt is from the Foster-Glocester Regional School District Fiscal 2015 budget.
- (b) It is anticipated that approximately 60% [\$25,426,534] of the Foster-Glocester Regional School District debt will be paid by the State of Rhode Island in the form of housing aid. Similarly, \$430,000 of the *Town direct debt* is for the Glocester Schools of which it is estimated that 40% will be paid by housing aid. The *Estimated Share of Overlapping Debt less Housing Aid* column is displayed here to show the net anticipated obligation of the Town.

Schedule 12  
Town of Glocester, Rhode Island  
Legal Debt Margin Information,  
Last Ten Fiscal Years  
Unaudited

**Legal Debt Margin Calculation for Fiscal Year 2015**

Assessed Value	\$ 926,453,714
Debt limit (3% of assessed value)	27,793,611
Debt applicable to limit:	
General obligation bonds	2,495,000
Less: Amount set aside for repayment of general obligation debt	-
Total net debt applicable to limit	<u>2,495,000</u>
Legal debt margin	<u>\$ 25,298,611</u>

	Fiscal year									
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Debt limit	\$ 32,736,315	\$ 33,161,659	\$ 33,263,834	\$ 33,023,590	\$ 32,802,949	\$ 33,654,208	\$ 27,948,092	\$ 28,024,945	\$ 28,161,034	\$ 27,793,611
Total net debt applicable to limit	<u>4,335,000</u>	<u>6,750,000</u>	<u>6,085,000</u>	<u>5,415,000</u>	<u>5,240,000</u>	<u>4,515,000</u>	<u>3,775,000</u>	<u>3,365,000</u>	<u>2,940,000</u>	<u>2,495,000</u>
Legal debt margin	<u>\$ 37,071,315</u>	<u>\$ 26,411,659</u>	<u>\$ 27,178,834</u>	<u>\$ 27,608,590</u>	<u>\$ 27,562,949</u>	<u>\$ 29,139,208</u>	<u>\$ 24,173,092</u>	<u>\$ 24,659,945</u>	<u>\$ 25,221,034</u>	<u>\$ 25,298,611</u>
Total net debt applicable to the limit as a percentage of debt limit	13.24%	20.35%	18.29%	16.40%	15.97%	13.42%	13.51%	12.01%	10.44%	8.98%

Note: With certain exceptions, under the General Laws of the State of Rhode Island, the Town may not, without special statutory authorization, incur any debt which would increase its aggregate indebtedness not otherwise excepted by law to an amount greater than 3% of the taxable property of the Town. Deducted from the computation of aggregated indebtedness is the amount of any borrowing in anticipation of taxes authorized by law and the amount of any sinking funds maintained by the Town.

Schedule 13  
Town of Glocester, Rhode Island  
Pledged-Revenue Coverage,  
Last Ten Years  
Unaudited

The Town of Glocester, Rhode Island has no non-general obligation long-term debt backed by pledged revenues.

Schedule 14  
Town of Glocester, Rhode Island  
Demographic and Economic Statistics,  
Last Ten Fiscal Years  
Unaudited

<u>Fiscal Year Ended June 30</u>	<u>Population (1)</u>	<u>Personal Income (1)</u>	<u>Per Capita Personal Income (1)</u>	<u>Median Age(1)</u>	<u>School Enrollment (2)</u>	<u>Unemployment Rate (3)</u>
2006	9,948	227,948,472	22,914	38.2	1,669	4.0%
2007	9,948	227,948,472	22,914	38.2	1,864	4.2%
2008	9,948	227,948,472	22,914	38.2	1,736	6.1%
2009	9,948	227,948,472	22,914	38.2	1,614	8.8%
2010	9,746	310,049,498	31,813	42.7	1,523	9.6%
2011	9,746	310,049,498	31,813	42.7	1,466	7.0%
2012	9,746	310,049,498	31,813	42.7	1,499	8.1%
2013	9,746	306,482,462	31,447	42.7	1,465	8.8%
2014	9,782	320,869,164	32,802	43.9	1,320	7.1%
2015	9,931	334,883,251	33,721	45.3	1,310	5.9%

Sources:

- (1) Population, Personal Income, Per Capita Personal Income, and Median Age obtained from U.S. Census Bureau.
- (2) School enrollment provided by the Glocester School District Business Office and the Foster-Glocester Regional School District Business Office. Enrollment includes students in Glocester Public Schools [grades K - 5] and Glocester students enrolled in the Foster Glocester-Regional School District [grades 6 - 12].
- (3) Unemployment rates obtained from State of Rhode Island Dept. of Labor and Training.



Schedule 15  
Town of Glocester, Rhode Island  
Principal Employers,  
Current Year and Nine Years Ago  
Unaudited

Employer	Fiscal Year			Fiscal Year		
	2015			2006		
	Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Foster-Glocester Regional School	170	1	2.78%	189	2	3.00%
Town of Glocester	157	2	2.56%	300	1	4.76%
Harmony Hill School Inc	138	3	2.25%	146	3	2.32%
Factory Mutual Insurance Co.	129	4	2.11%	88	4	1.40%
Dino's Park-n-Shop	78	5	1.27%	80	5	1.27%
Chester's Restaurant	34	6	0.56%	40	6	0.63%
Dunkin' Donuts	26	7	0.42%	26	9	0.41%
Jacques Bus Line	19	8	0.31%	28	8	0.44%
CVS	18	9	0.29%			
Concrete Products	18	10	0.29%			
Total	<u>787</u>		<u>12.84%</u>			

Source: U.S. Census Bureau and survey of Town businesses.

Schedule 16  
Town of Gloucester, Rhode Island  
Full-time Equivalent Town Government Employees by Function/Program,  
Last Ten Fiscal Years  
Unaudited

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Central Administration</b>										
Town Council	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Town Clerk office	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Town Sergeant	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Building/Zoning office	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Planning office	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Board of Canvassers	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Probate Court	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Historic District Commission	0.1	0.1	0.1	0.1	0.1	-	-	-	-	-
Land Trust	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Planning Board	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Wastewater Commission	0.1	0.1	0.1	0.1	0.1	-	-	-	-	-
Zoning Board	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
<b>Financial Administration</b>										
Treasurer's office	3.0	3.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Tax Collection office	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Tax Assessor office	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
<b>Public Safety</b>										
Police										
Officers	14.0	14.0	15.0	15.0	14.0	15.0	15.0	15.0	15.0	15.0
Dispatchers [civilians]	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	4.4	4.4
Animal Control										
Officer	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Civilians	0.5	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
Emergency Management	1.0	1.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
<b>Public Works Department</b>										
Director	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	2.0	2.0
Transfer Station										
Refuse collection	2.6	2.6	2.6	2.6	2.6	2.3	2.3	2.3	3.0	3.0
Highway										
Driver/laborer	6.4	6.4	6.4	6.4	6.4	6.2	6.2	6.2	6.0	6.0
Maintenance										
Building/grounds	1.0	2.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Custodial	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.4	1.4
Vehicles & equipment	2.0	2.0	2.0	2.0	1.0	1.0	1.1	2.0	2.0	2.0
<b>Recreation Department</b>										
Director	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
Summer programs	2.7	2.9	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8
<b>Human Services Department</b>										
Director	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Senior Van driver	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
<b>Senior Center</b>										
Director	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Mealsite	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7

Schedule 17  
Town of Glocester, Rhode Island  
Operating Indicators by Function/Program,  
Last Ten Fiscal Years  
Unaudited

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Public Safety (1)</b>										
Police										
Calls	15,007	15,075	15,605	15,381	16,969	20,222	24,960	24,068	25,029	11758
Physical arrests	457	400	353	351	346	380	326	308	315	119
Citations	3,716	3,303	3,260	2,803	2,482	2,897	2,457	1,933	1,926	769
Accidents	249	251	249	280	236	258	227	232	243	151
Animal Control										
Dog licenses issued	526	503	473	471	470	395	333	439	317	241
<b>Public Works</b>										
Transfer Station										
Refuse collected (avg. tons per month)	289	285	275	281	221	250	232	228	216	211
Recyclables collected (avg. tons per month)	81	74	79	77	96	129	123	119	121	126
Highway										
Street resurfacing (miles)	3.6	0.0	0.4	1.5	2.8	3.9	2.5	4.47	5.10	9.2
Street repairs (miles)	6.7	0.2	0.0	0.0	0.0	0.0	0.0	-	-	0
<b>Building/Zoning (1)</b>										
Commercial construction permits	34	25	20	26	20	14	12	2	7	8
Residential construction permits - new homes	24	19	15	13	17	20	13	8	17	8
Residential construction permits - other	252	253	277	177	205	190	86	83	184	107
<b>Parks and Recreation</b>										
Athletic field permits	3	3	3	3	3	3	3	3	3	3
<b>Human Services</b>										
Mini-bus passenger transports	795	676	658	750	700	711	746	840	557	461

Sources: Various Town departments.

(1) Statistics for Public Safety and Building/Zoning are based on a calendar year. Totals for 2015 are for the period January 1, 2015 through June 30, 2015.

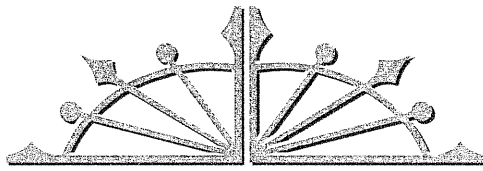
Note: Mini-bus passenger transports were down in 2015 due to, users moved to nursing homes other clients move out of Glocester or passed away.

Schedule 18  
Town of Glocester, Rhode Island  
Capital Asset Statistics by Function/Program  
Last Ten Fiscal Years  
Unaudited

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Public Safety</b>										
<b>Police</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Zone offices	-	-	-	-	-	-	-	-	-	-
Police patrol vehicles	11	11	11	11	11	11	11	16	14	15
<b>Animal Control</b>										
Animal shelters	1	1	1	1	1	1	1	1	1	1
<b>Public Works</b>										
<b>Transfer Station</b>										
Roll-off truck	2	2	2	2	2	2	2	2	2	2
<b>Streets and Highways (in miles)</b>										
Highways (State owned)	38.3	38.3	38.3	38.3	38.3	38.3	38.3	38.3	38.3	38.3
Roads (Town owned)	78.1	78.1	78.1	78.1	78.1	78.1	78.1	78.1	78.1	78.1
Roads - Private (non-Town)	30.4	30.4	30.4	30.4	30.4	30.4	30.4	30.4	30.4	30.4
Park access	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Driftway	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
<b>Total highway and road miles</b>	<b>148.8</b>	<b>148.8</b>	<b>148.8</b>	<b>148.8</b>	<b>148.8</b>	<b>148.8</b>	<b>148.8</b>	<b>148.8</b>	<b>148.8</b>	<b>148.8</b>
<b>Streetlights</b>	-	-	-	-	-	-	-	-	-	-
Traffic signals (State owned)	2.0	2.0	2.0	2.0	2.0	2.0	2.0	3.0	4.0	4
<b>Parks and Recreation</b>										
Acreage	165.3	165.3	165.3	165.3	165.3	165.3	165.3	165.3	165.3	165.3
Playgrounds	3	3	3	3	3	3	3	3	3	3
Tennis courts	4	4	4	4	4	4	4	4	4	4
Beaches	2	2	2	2	2	2	2	2	2	2
Baseball/softball diamonds	4	4	4	4	4	4	4	4	4	4
Soccer/football fields	1	1	1	1	1	1	1	1	1	1
Basketball courts	4	4	4	4	4	4	4	4	4	4
Senior Center	-	1	1	1	1	1	1	1	1	1
<b>Human Services</b>										
Transit mini-bus	1	1	1	1	1	1	1	1	1	1

Sources: Various Town Departments

***TOWN OF GLOCESTER, RHODE ISLAND  
SINGLE AUDIT  
FOR THE YEAR ENDED JUNE 30, 2015***



## BAXTER DANSEREAU & ASSOCIATES, LLP

Accounting, Consulting & Tax Services

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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 Glocester, 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 Glocester, Rhode Island as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Town of Glocester's basic financial statements, and have issued our report thereon dated January 25, 2016.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Town of Glocester'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 the Town of Glocester's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Glocester'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 the Town of Glocester'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**

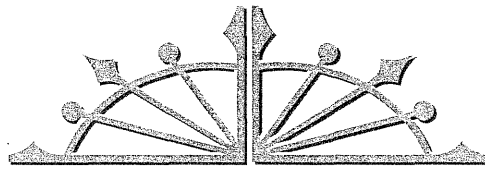
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in 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

January 25, 2016



## BAXTER DANSEREAU & ASSOCIATES, LLP

Accounting, Consulting & Tax Services

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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 Glocester, Rhode Island

#### **Report on Compliance for the Major Federal Program**

We have audited the Town of Glocester'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 Glocester, Rhode Island's major federal programs for the year ended June 30, 2015. The Town of Glocester'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 Glocester'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 Glocester'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 Glocester's compliance.



## **Opinion on Each Major Federal Program**

In our opinion, the Town of Glocester, 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, 2015.

## **Report on Internal Control Over Compliance**

Management of the Town of Glocester 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 the Town of Glocester'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 the Town of Glocester'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  
January 25, 2016

**TOWN OF GLOCESTER, RHODE ISLAND**  
**Schedule of Expenditures of Federal Awards**  
**For the Fiscal Year Ended June 30, 2015**

	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures</u>
<b>U.S. Department of Agriculture</b>			
<b>Passed through the State of Rhode Island Department of Education</b>			
<i>Child Nutrition Cluster:</i>			
National School Breakfast Program	10.553	N/A	\$ 24,388
National School Lunch Program	10.555	N/A	57,441
Special Milk Program for Children	10.556	N/A	1,707
Food Donation (Note 4)	10.555	N/A	647
<b>Total U.S. Department of Agriculture</b>			<u>\$ 84,183</u>
<b>U.S. Department of Housing and Urban Development</b>			
<b>Passed through the State of Rhode Island Office of Housing and Community Development</b>			
Community Development Block Grant/States Program	14.228	N/A	\$ 157,811
<b>Total U.S. Department of Housing and Urban Development</b>			<u>\$ 157,811</u>
<b>U.S. Department of Justice</b>			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	\$ 3,929
<b>Total U.S. Department of Justice</b>			<u>\$ 3,929</u>
<b>U.S. Department of Transportation:</b>			
<b>Pass-Through State of Rhode Island Department of Transportation, Governor's Office on Highway Safety</b>			
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	N/A	\$ 6,952
<b>Total U.S. Department of Transportation</b>			<u>\$ 6,952</u>
<b>U.S. Department of Education</b>			
<b>Passed-through the State of Rhode Island Department of Education</b>			
Title I Grants to Local Education Agencies	84.010	2725-11702-401	\$ 78,891
<i>Special Education Cluster:</i>			
Special Education - Grants to States	84.027	2725-13202-401	149,775
Special Education - Preschool Grants	84.173	2725-13502-401	11,753
Rural Education Grant	84.358	N/A	15,506
Improving Teacher Quality State Grants	84.367	2725-16402-401	49,889
ARRA - State Fiscal Stabilization Fund - Race to the Top Incentive Grants	84.395	4572-13502	40,252
<b>Total U.S. Department of Education</b>			<u>\$ 346,066</u>
<b>U.S. Department of Health and Human services</b>			
<b>Passed-through the State of Rhode Island Department of Behavioral Healthcare</b>			
Public Health and Emergency Preparedness	93.069	N/A	\$ 2,751
Block Grants for Prevention and Treatment of Substance Abuse	93.959	N/A	84,510
<b>Total U.S. Department of Health and Human Services</b>			<u>\$ 87,261</u>
<b>U.S. Department of Homeland Security</b>			
<b>Passed-through the State of Rhode Island Department of Administration</b>			
Emergency Management Performance Grants	97.042	N/A	\$ 5,668
<b>Total U.S. Department of Homeland Security</b>			<u>\$ 5,668</u>
<b>Total Federal Expenditures</b>			<u>\$ 691,870</u>

**TOWN OF GLOCESTER, RHODE ISLAND**  
**Schedule of Findings and Questioned Costs**  
**For The Year Ended June 30, 2015**

**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>
	<b>Special Education Cluster</b>
84.027	Special Education – Grants to States
84.173	Special Education – Pre-School
14.228	Community Development Block Grant

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 GLOCESTER, RHODE ISLAND***  
***Schedule of Findings and Questioned Costs***  
***For The Year Ended June 30, 2015***  
***(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 GLOCESTER, RHODE ISLAND***  
***Schedule of Prior Year Findings and Questioned Costs***  
***For the Year Ended June 30, 2015***

**PRIOR YEAR FINDINGS AND QUESTIONED COST FOR FEDERAL AWARDS**

**A. Findings**

None Reported

**B. Questioned Costs**

None Reported

**TOWN OF GLOCESTER, RHODE ISLAND**  
**Notes to Schedule of Expenditures of Federal Awards**  
**June 30, 2015**

1. **General** - The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal programs of the Town of Glocester, 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 Glocester, 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, 2015, 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>
	<b><i>Special Education Cluster</i></b>
84.027	Special Education – Grants to States
84.176	Special Education – Pre-School
14.228	Community Development Block Grant

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 \$647 represents the market value of such commodities used during the period.