

TOWN OF EAST GREENWICH

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2018



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

**Gayle Corrigan
Town Manager**

**Linda Dykeman
Finance Director**

Prepared by: Finance Department

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

**TOWN OF EAST GREENWICH, RHODE ISLAND
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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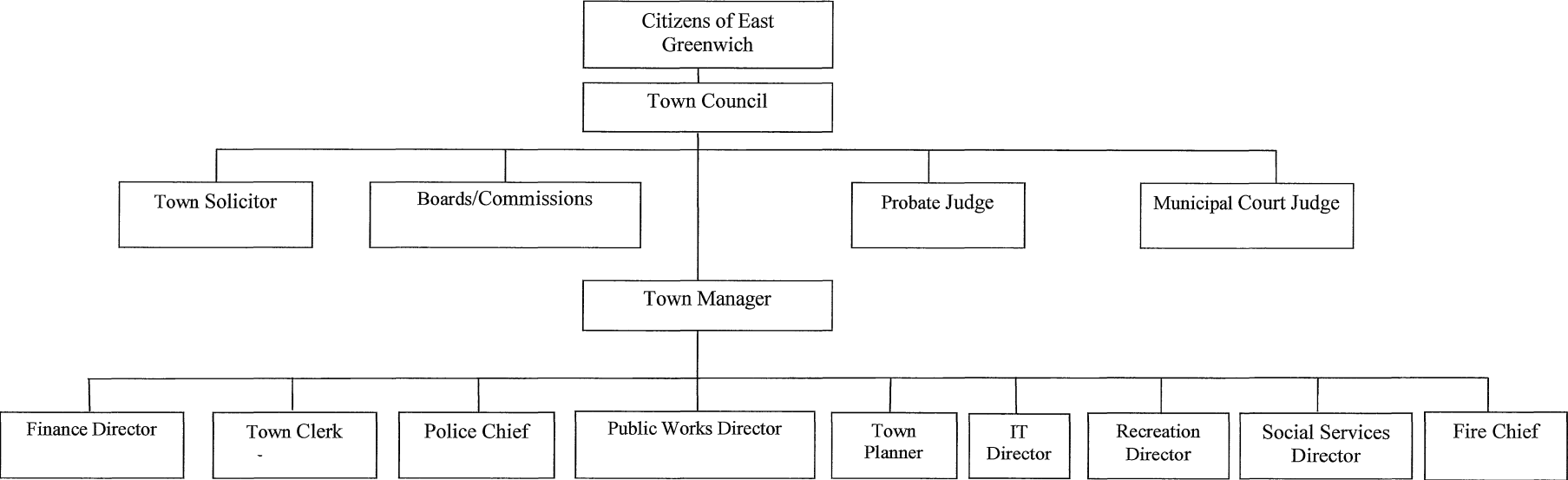
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INTRODUCTORY SECTION

This Section Contains the Following Subsections:

Organizational Chart
List of Town Officials

TOWN OF EAST GREENWICH
MUNICIPAL ORGANIZATIONAL CHART



TOWN OF EAST GREENWICH, RHODE ISLAND

as of June 30, 2018

TOWN COUNCIL

Suzanne McGee-Cienki - President
Sean Todd – Vice President
Andrew Deutsch
Nino Granatiero
Mark Schwager

TOWN MANAGER

Gayle Corrigan

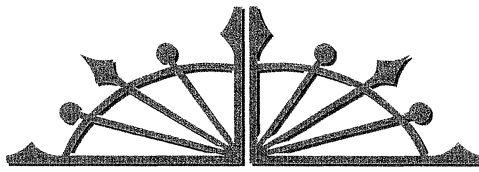
FINANCE DIRECTOR

Linda Dykeman

FINANCIAL SECTION

This Section Contains the Following Subsections:

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



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

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4-13 and 75-80 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 Coventry, Rhode Island's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, other supplementary information, schedules, the Annual Supplemental Transparency Report (MTP2) 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 Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, other supplementary information, the Annual Supplementary Transparency Report (MTP2) 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 and individual nonmajor fund financial statements, other supplementary information, the Annual Supplementary Transparency Report, MTP2 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 March 29, 2019 on our consideration of the Town of East Greenwich, Rhode Island's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of East Greenwich, Rhode Island's internal control over financial reporting and compliance.

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

Baxter Dansereau & Associates, LLP

West Warwick, Rhode Island

March 29, 2019

Management's Discussion and Analysis

TOWN OF EAST GREENWICH, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2018
(Un-audited)

Management of the Town of East Greenwich provides this Management's Discussion and Analysis of the Town of East Greenwich's Annual Financial Report for the readers of the Town's financial statements. This narrative overview and analysis of the financial statements of the Town of East Greenwich is for the fiscal year ended June 30, 2018. We encourage readers to consider this information in conjunction with the Town's financial statements that follow.

Financial Highlights

- ❖ The Town's net position for its primary government decreased by \$3,227,690 as a result of this year's current operations. The primary reason for the current year decrease was due to an increase in the Town's long-term activities. On a government-wide basis the liabilities and deferred inflow of resources of the Town of East Greenwich exceeded its assets and deferred outflows at the close of the most recent fiscal year by \$4,785,989. Net position of business activities increased by \$1,052,812 or 4.14%, while net position of Governmental Activities decreased by \$4,280,502.
- ❖ The Town's Government-wide (governmental and business activities) operating expenses were \$77,266,132 a 3% increase from the prior year, while revenues collected were \$74,038,442 a 1.5% decrease. The increase in operating expenses was mainly due to increases in education and general government expenses relating to pension costs.
- ❖ As of the close of the fiscal year, the Town's governmental funds reported combined ending fund balances of \$13,662,895. Over 47% of this amount, \$6,521,002 is unassigned and available for use within the Town's designation and fiscal policies. See page nine for more detail pertaining to the fund balance categories.
- ❖ At the end of the current fiscal year, the general fund unassigned fund balance was \$6,605,881 or 9.5% of the total general fund expenditures for the fiscal year. The general fund's current fiscal year revenues and transfers were less than the expenditures and transfers by \$1,175,719. On a budgetary, basis expenditures and transfers exceeded revenues and transfers by \$781,046.

Overview of the Financial Statements

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

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

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

TOWN OF EAST GREENWICH, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2018
(Un-audited)

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

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

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

The *Statement of Activities* presents information which shows how the Town's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods. Examples are uncollected taxes and earned but unused compensated absences.

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

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

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

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

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

TOWN OF EAST GREENWICH, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2018
(Un-audited)

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

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

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

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

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

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

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

Notes to Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements are presented on pages 24 through 74.

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 75 through 89.

The combining statements and supplementary information referred to earlier in connection with non-major governmental funds are presented on pages 90 through 140.

TOWN OF EAST GREENWICH, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2018
(Un-audited)

Government-wide Financial Analysis

Analysis of the Town of East Greenwich's Net Position

As noted earlier, over time the Town's net position may serve as a useful indicator of a government's financial position, and an important determinant of its ability to finance services in the future. For the Town of East Greenwich, governmental activities liabilities and deferred inflow of resources exceeded assets and deferred outflow of resources by \$31,243,379 as of June 30, 2018. This reflects a decrease of \$4,280,502 from this current year's activity. The Business Type Activities assets exceeded liabilities by \$26,457,390 as of June 30, 2018. This reflects an increase of \$1,052,812 from this current year's activity.

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

TOWN OF EAST GREENWICH, RHODE ISLAND
Net Position

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
ASSETS						
Current and other assets	\$ 18,347,315	\$ 23,900,939	\$ 18,308,524	\$ 15,733,613	\$ 36,655,839	\$ 39,634,552
Capital assets	78,890,901	80,406,577	33,653,554	34,915,038	112,544,455	115,321,615
Net pension asset	3,624,737	4,141,000	-	-	3,624,737	4,141,000
TOTAL ASSETS	<u>100,862,953</u>	<u>108,448,516</u>	<u>51,962,078</u>	<u>50,648,651</u>	<u>152,825,031</u>	<u>159,097,167</u>
Deferred outflows of resources	19,215,500	16,004,484	234,262	255,559	19,449,762	16,260,043
LIABILITIES						
Other liabilities	4,806,832	7,315,274	3,845,515	985,577	8,652,347	8,300,851
Long-term liabilities	131,854,792	134,440,384	21,606,326	24,206,877	153,461,118	158,647,261
TOTAL LIABILITIES	<u>136,661,624</u>	<u>141,755,658</u>	<u>25,451,841</u>	<u>25,192,454</u>	<u>162,113,465</u>	<u>166,948,112</u>
Deferred inflows of resources	14,660,208	9,660,219	287,109	307,178	14,947,317	9,967,397
NET POSITION						
Net investment in capital assets	35,340,922	35,160,076	18,577,595	17,185,132	53,918,517	52,345,208
Restricted	2,041,699	1,349,714	-	-	2,041,699	1,349,714
Unrestricted	(68,626,000)	(63,472,667)	7,879,795	8,219,446	(60,746,205)	(55,253,221)
Total net position	<u>\$ (31,243,379)</u>	<u>\$ (26,962,877)</u>	<u>\$ 26,457,390</u>	<u>\$ 25,404,578</u>	<u>\$ (4,785,989)</u>	<u>\$ (1,558,299)</u>

TOWN OF EAST GREENWICH, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2018
(Un-audited)

A large portion of the Town's net position, \$53,918,517 consists of its investments in capital assets such as land, buildings and improvements, motor vehicles, furniture and equipment and infrastructure, less any debt used to acquire these assets, which is still outstanding. The Town uses these capital assets to provide services to its citizens. Consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves are unlikely to be used to liquidate these liabilities.

Analysis of the Town of East Greenwich's Operations

The following analysis provides a summary of the Town's operations for the year ended June 30, 2018. The Town first implemented GASB Statement 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments for the fiscal year June 30, 2003. Therefore, comparative data is now available and is presented in the following schedules. Governmental activities decreased the Town's net position by \$4,280,502 for the current period, while business-type activities increased the Town's net position by \$1,052,812.

The net change in fund balance for the fiscal year ended June 30, 2018 was a decrease of \$3,334,085 for the Town's governmental fund types. In the statement of activities, expenses for capital items are not recorded as expenses but shown on the balance sheet, which resulted in a decrease of \$1,476,933 net of depreciation to the net position; also revenues from the increase in unearned revenues are not recorded as revenues in the fund financial statements, but in the statement of activities this resulted in an increase of \$99,608. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position, which increased the Town's net position by \$1,699,531. See Notes 8 and 9 in the notes to the financial statements and page 18 of the financial statements for a more detailed explanation of changes in net position.

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

TOWN OF EAST GREENWICH, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2018
(Un-audited)

TOWN OF EAST GREENWICH, RHODE ISLAND
Changes in Net Position

	Governmental		Business-Type		Total	
	Activities		Activities			
	2018	2017	2018	2017	2018	2017
Revenues						
Program revenues						
Charges for services	\$ 2,560,003	\$ 2,553,258	\$ 4,325,655	\$ 3,974,624	\$ 6,885,658	\$ 6,527,882
Operating grants and contributions	8,241,927	8,795,376	-	-	8,241,927	8,795,376
General revenues						
Property taxes, levied for general purposes	56,046,626	57,076,518	-	-	56,046,626	57,076,518
State revenue sharing	-	1,762	-	-	-	1,762
Unrestricted investment earnings	65,908	34,795	-	-	65,908	34,795
Miscellaneous	2,798,323	2,751,118	-	-	2,798,323	2,751,118
Total revenues	<u>69,712,787</u>	<u>71,212,827</u>	<u>4,325,655</u>	<u>3,974,624</u>	<u>74,038,442</u>	<u>75,187,451</u>
Expenses						
General government	11,731,874	10,673,032	-	-	11,731,874	10,673,032
Public safety	10,186,989	8,531,144	-	-	10,186,989	8,531,144
Public works	5,026,382	5,430,220	-	-	5,026,382	5,430,220
Parks and recreation	665,065	639,498	-	-	665,065	639,498
Public and social services	991,736	1,189,126	-	-	991,736	1,189,126
Education	43,186,223	43,256,485	-	-	43,186,223	43,256,485
Interest on long-term debt	2,205,020	2,085,391	-	-	2,205,020	2,085,391
Sewer	-	-	3,272,843	3,177,273	3,272,843	3,177,273
Total expenses	<u>73,993,289</u>	<u>71,804,896</u>	<u>3,272,843</u>	<u>3,177,273</u>	<u>77,266,132</u>	<u>74,982,169</u>
Increase (decrease) in net position	<u>(4,280,502)</u>	<u>(592,069)</u>	<u>1,052,812</u>	<u>797,351</u>	<u>(3,227,690)</u>	<u>205,282</u>
Net position - beginning	<u>(26,962,877)</u>	<u>(26,370,808)</u>	<u>25,404,578</u>	<u>24,607,227</u>	<u>(1,558,299)</u>	<u>(1,763,581)</u>
Net position - ending	<u>\$ (31,243,379)</u>	<u>\$ (26,962,877)</u>	<u>\$ 26,457,390</u>	<u>\$ 25,404,578</u>	<u>\$ (4,785,989)</u>	<u>\$ (1,558,299)</u>

Financial Analysis of the Town of East Greenwich's Funds

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

TOWN OF EAST GREENWICH, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2018
(Un-audited)

At the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$13,662,895. Approximately 47% of the total amount, or \$6,521,002 constituted unassigned fund balance. The remainder of the fund balance is non-spendable, restricted, committed or assigned. The fund balance in the General Fund decreased due to a negative variance of expenditures exceeding revenues by \$1,175,719. The Town generated a deficit of \$1,006,213 and the School Department generated a deficit of \$169,506 on a GAAP basis. Thus, the combined result was the negative effect to fund balance of \$1,175,719. The School Bond Capital Fund had a decrease in fund balance of 1,673,419 due to ongoing expenditures to complete the school projects.

TOWN OF EAST GREENWICH, RHODE ISLAND
Fund Balance Categories

	General Fund	School Bond 52m Capital Fund	Non-Major Governmental Funds	Total Governmental Funds
<i>Nonspendable:</i>				
Permanent fund principal	-	-	377,570	377,570
Prepays	862,907	-	-	862,907
Deposits held for Health and Dental Benefits	1,749,029	-	-	1,749,029
<i>Restricted for:</i>				
Educational programs	588,431	-	133,727	722,158
Public works programs	-	-	1,319,541	1,319,541
<i>Committed for:</i>				
Education	-	158,851	-	158,851
<i>Assigned for:</i>				
Legislative, judicial	-	-	140,970	140,970
Public safety programs	-	-	78,712	78,712
2019 budget	1,090,685	-	-	1,090,685
Community programs	-	-	94,484	94,484
Public works programs	-	-	109,078	109,078
Culture and recreation	-	-	437,908	437,908
<i>Unassigned:</i>	6,605,881	-	(84,879)	6,521,002
Total fund balances	\$ 10,896,933	\$ 158,851	\$ 2,607,111	\$ 13,662,895

Proprietary Funds - The Town of East Greenwich's proprietary fund statements provide the same type of information as presented in the government-wide financial statements, but in more detail. Unrestricted net position of the proprietary funds is \$7,879,795. The net increase in total net assets amounted to \$1,052,812.

TOWN OF EAST GREENWICH, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2018
(Un-audited)

General Fund Budgetary Highlights

Revenues:

Revenues on a budgetary basis were \$781,046 under budget expenditures with most line items finishing close to budget.

Expenditures:

Expenditures on a budgetary basis were over budget by a total of \$2,010,799 mostly due to legal claims, legal fees and arbitration matters. The town paid a \$1,700,000 in a legal judgment related to a lawsuit over impact fees in prior years. Legal fees for arbitration were also \$266,077 over budget. Public safety was \$212,810 over budget primarily from fire department overtime. This was offset by information technology which came in it \$199,244 below budget.

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

	June 30, 2018			June 30, 2017		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Land	\$ 1,825,033	\$ 15,372	\$ 1,840,405	\$ 1,825,033	\$ 15,372	\$ 1,840,405
Construction in progress	520,300	5,289,628	5,809,928	-	419,366	419,366
Infrastructure	-	-	-	834,861	-	834,861
Land improvements	4,509,026	-	4,509,026	3,545,363	-	3,545,363
Buildings and improvements	68,587,865	10,070,906	78,658,771	70,499,395	10,421,147	80,920,542
Motor vehicles	2,066,498	15,909	2,082,407	2,242,140	20,526	2,262,666
Office furniture and equipment	96,284	167,180	263,464	118,791	211,802	330,593
Machinery and equipment	1,285,895	-	1,285,895	1,340,994	-	1,340,994
Sewer lines	-	23,399,559	23,399,559	-	23,826,825	23,826,825
	<u>\$ 78,890,901</u>	<u>\$ 38,958,554</u>	<u>\$ 117,849,455</u>	<u>\$ 80,406,577</u>	<u>\$ 34,915,038</u>	<u>\$ 115,321,615</u>

The total increase in the Town's investment in capital assets for the current fiscal year was about 1.97% in terms of net book value.

Depreciation charges for the year totaled \$5,002,042 (\$3,669,063 on governmental assets and \$1,332,979 on the assets of the business-type activities). Additional information on the Town's capital assets can be found in Note 7 of the notes to the financial statements.

TOWN OF EAST GREENWICH, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2018
(Un-audited)

The Town of East Greenwich's Debt Administration

At the end of the current fiscal year, the Town of East Greenwich's Governmental Activities and Business Activities had a total bonded debt of \$43,499,168. Of this amount, 100% comprises bonded debt backed by the full faith and credit of the government.

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

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

	June 30, 2018			June 30, 2017		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
General Obligation Bonds	\$ 40,279,168	\$ 3,220,000	\$ 43,499,168	\$ 43,400,001	\$ 3,825,000	\$ 47,225,001
Notes Payable	3,270,811	18,059,245	21,330,056	1,846,500	20,033,946	21,880,446
	<u>\$ 43,549,979</u>	<u>\$ 21,279,245</u>	<u>\$ 64,829,224</u>	<u>\$ 45,246,501</u>	<u>\$ 23,858,946</u>	<u>\$ 69,105,447</u>

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

The Town's general obligation bond rating as assigned by Moody's Investors Service in 2016 is Aa1 and AA+ by Standard and Poor's. The State of Rhode Island imposes a limit of 3 percent of the fair value of all taxable Town property on the general obligation debt that a municipality can issue. The Town of East Greenwich's limit is \$71,313,503 at year-end. The Town's outstanding general obligation bonded debt pertaining to legal debt limit is \$1,040,000 at year-end, which is \$70,273,503 under the State imposed limitation.

Economic Factors and Next Year's Budgets and Rates

The Town of East Greenwich's total general fund budget for fiscal year 2019 amounts to \$63,265,902 which reflects an increase of \$1,307,534 from the fiscal 2018 budget of \$61,958,368.

The Town's tax rate for fiscal 2019 is 23.00 per thousand, with 39% allocated for general government and 61% allocated for education. For fiscal 2018, the Town's tax rate was \$23.66 per thousand, with 44% allocated for general government and 56% allocated for education.

TOWN OF EAST GREENWICH, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2018
(Un-audited)

REQUESTS FOR INFORMATION

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

Finance Director

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements

TOWN OF EAST GREENWICH, RHODE ISLAND
Statement of Net Position
June 30, 2018

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	East Greenwich Land Trust
ASSETS				
Cash and cash equivalents	\$ 12,114,507	\$ -	\$ 12,114,507	-
Accounts receivable:				
Accounts receivable net	2,652,524	4,346,540	6,999,064	-
Due from other governments	230,817	-	230,817	267,501
Other receivables	732,445	1,209,951	1,942,396	-
Other assets	2,617,022	-	2,617,022	-
Capital assets:				
Property, plant and equipment - net	76,545,568	33,653,554	110,199,122	193,979
Construction in progress	520,300	5,289,628	5,809,928	-
Assets not being depreciated	1,825,033	15,372	1,840,405	5,018,500
Total capital assets	78,890,901	38,958,554	117,849,455	5,479,980
Other assets				
Long-term sewer assessment receivable	-	7,447,033	7,447,033	-
Net pension asset	3,624,737	-	3,624,737	-
TOTAL ASSETS	100,862,953	51,962,078	152,825,031	5,479,980
Deferred Outflows of Resources	19,215,500	234,262	19,449,762	-
LIABILITIES				
Accounts payable and accrued expenses	8,412,031	240,316	8,652,347	7,722
Internal balances	(3,605,199)	3,605,199	-	-
Long-term liabilities				
Due within one year	3,617,013	2,310,024	5,927,037	35,000
Due in more than one year	43,119,531	19,296,302	62,415,833	205,000
Net OPEB liability	38,921,849	-	38,921,849	-
Net pension liability	46,196,399	-	46,196,399	-
Total liabilities	136,661,624	25,451,841	162,113,465	247,722
Deferred Inflows of Resources	14,660,208	287,109	14,947,317	-
NET POSITION				
Net investment in capital assets	35,340,922	18,577,595	53,918,517	5,212,479
Restricted for:				
Education programs	722,158	-	722,158	-
Public works programs	1,319,541	-	1,319,541	-
Unrestricted	(68,626,000)	7,879,795	(60,746,205)	19,779
Total net position	\$ (31,243,379)	\$ 26,457,390	\$ (4,785,989)	5,232,258

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

TOWN OF EAST GREENWICH, RHODE ISLAND
Statement of Activities
For the Year Ended June 30, 2018

	Program revenues			Net (Expense) Revenue and Changes in Net Assets			Component Unit East Greenwich Land Trust
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government		Total	
				Governmental Activities	Business-type Activities		
Functions/Programs							
Primary government							
Governmental activities:							
Legislative, judicial and general administrative	\$ 9,262,434	\$ 663,369	\$ 1,187	\$ (8,597,878)		\$ (8,597,878)	
Financial administration	1,745,387	-	-	(1,745,387)		(1,745,387)	
Information technology	507,576	-	-	(507,576)		(507,576)	
Public safety	10,186,989	193,811	168,019	(9,825,159)		(9,825,159)	
Public works	5,026,382	-	-	(5,026,382)		(5,026,382)	
Teen center	12,500	-	-	(12,500)		(12,500)	
Public health and welfare	179,646	1,276,615	308,929	1,405,898		1,405,898	
Parks and recreation	665,065	-	-	(665,065)		(665,065)	
Town planner	216,477	-	-	(216,477)		(216,477)	
Senior and human services	235,757	-	-	(235,757)		(235,757)	
Education	43,186,223	426,208	7,763,792	(34,996,223)		(34,996,223)	
Grants and contributions	32,000	-	-	(32,000)		(32,000)	
Library	520,235	-	-	(520,235)		(520,235)	
Land trust	11,598	-	-	(11,598)		(11,598)	
Interest on long-term debt	2,205,020	-	-	(2,205,020)		(2,205,020)	
Total governmental activities	<u>73,993,289</u>	<u>2,560,003</u>	<u>8,241,927</u>	<u>(63,191,359)</u>		<u>(63,191,359)</u>	
Business-type activities:							
Sewer fund	3,272,843	4,325,655	-	-	\$ 1,052,812	1,052,812	
Total business-type activities	<u>3,272,843</u>	<u>4,325,655</u>	<u>-</u>	<u>-</u>	<u>1,052,812</u>	<u>1,052,812</u>	
Total primary government	<u>\$ 77,266,132</u>	<u>\$ 6,885,658</u>	<u>\$ 8,241,927</u>	<u>(63,191,359)</u>	<u>1,052,812</u>	<u>(62,138,547)</u>	
Component unit:							
East Greenwich Land Trust	\$ 44,295	\$ -	\$ -				\$ 56,570
Total Component unit:	<u>\$ 44,295</u>	<u>\$ -</u>	<u>\$ -</u>				<u>\$ 56,570</u>
General revenues:							
General property tax				56,046,626	-	56,046,626	-
Net investment income (loss)				65,908	-	65,908	-
Miscellaneous				2,798,323	-	2,798,323	-
Total general revenues				<u>58,910,857</u>	<u>-</u>	<u>58,910,857</u>	<u>-</u>
Change in net position				<u>(4,280,502)</u>	<u>1,052,812</u>	<u>(3,227,690)</u>	<u>12,275</u>
Net position - beginning				<u>(26,962,877)</u>	<u>25,404,578</u>	<u>(1,558,299)</u>	<u>5,219,983</u>
Net position - ending				<u>\$ (31,243,379)</u>	<u>\$ 26,457,390</u>	<u>\$ (4,785,989)</u>	<u>\$ 5,232,258</u>

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

Fund Financial Statements

TOWN OF EAST GREENWICH, RHODE ISLAND
Balance Sheet
Governmental Funds
June 30, 2018

	General Fund	School Bond 52m Capital Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 11,233,263	\$ -	\$ 881,244	\$ 12,114,507
Accounts receivable:				
Property taxes, less allowance for doubtful accounts of \$90,933	2,652,524	-	-	2,652,524
Intergovernmental	-	-	230,817	230,817
Other	732,445	-	-	732,445
Internal balances	28,956,730	630,938	2,487,191	32,074,859
Inventory	-	-	5,086	5,086
Deposit at other institution	1,749,029	-	-	1,749,029
Prepays	862,907	-	-	862,907
TOTAL ASSETS	\$ 46,186,898	\$ 630,938	\$ 3,604,338	\$ 50,422,174
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued expenditures	\$ 4,653,201	\$ 472,087	\$ 150,677	\$ 5,275,965
Internal balances	27,623,247	-	846,413	28,469,660
Total liabilities	32,276,448	472,087	997,090	33,745,625
DEFERRED INFLOW OF RESOURCES				
Unavailable revenue	3,013,517	-	137	3,013,654
Fund balances:				
<i>Nonspendable:</i>				
Permanent fund principal	-	-	377,570	377,570
Prepays	862,907	-	-	862,907
Deposits held for Health and Dental Benefits	1,749,029	-	-	1,749,029
<i>Restricted for:</i>				
Educational programs	588,431	-	133,727	722,158
Public works programs	-	-	1,319,541	1,319,541
<i>Committed for:</i>				
Educational programs	-	158,851	-	158,851
<i>Assigned for:</i>				
Legislative, judicial	-	-	140,970	140,970
Public safety programs	-	-	78,712	78,712
2019 budget	1,090,685	-	-	1,090,685
Community programs	-	-	94,484	94,484
Public works programs	-	-	109,078	109,078
Culture and recreation	-	-	437,908	437,908
<i>Unassigned:</i>	6,605,881	-	(84,879)	6,521,002
Total fund balances	10,896,933	158,851	2,607,111	13,662,895
TOTAL LIABILITIES AND FUND BALANCES	\$ 46,186,898	\$ 630,938	\$ 3,604,338	\$ 50,422,174

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. (see note 8)	78,890,901
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. (see note 8)	(122,412)
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. (see note 8)	(123,674,763)
Net position of governmental activities	\$ (31,243,379)

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

TOWN OF EAST GREENWICH, RHODE ISLAND
Statement of Revenues, Expenditures
and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2018

	<u>General Fund</u>	<u>School Bond 52m Capital Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues				
General property tax	\$ 55,947,018	\$ -	\$ -	\$ 55,947,018
Intergovernmental and departmental revenues	5,953,982	-	951,632	6,905,614
License and permits	2,136,509	-	-	2,136,509
Interest on investments	63,326	-	2,582	65,908
Tuitions	76,285	-	-	76,285
Other revenues	3,545,928	-	756,042	4,301,970
Total revenues	<u>67,723,048</u>	<u>-</u>	<u>1,710,256</u>	<u>69,433,304</u>
Expenditures				
Legislative, judicial and general administrative	9,479,089	-	-	9,479,089
Financial administration	722,264	-	-	722,264
Information technology	507,576	-	-	507,576
Public safety	7,828,439	-	1,710,842	9,539,281
Public works	3,674,966	-	-	3,674,966
Teen Center	12,500	-	-	12,500
Public health and welfare	-	-	179,646	179,646
Parks and recreation	608,965	-	-	608,965
Town planner	216,477	-	-	216,477
Senior and human services	235,757	-	-	235,757
Education	39,595,462	-	1,254,419	40,849,881
Grants and contributions	32,000	-	-	32,000
Library	520,235	-	-	520,235
Land trust	11,598	-	-	11,598
Financing costs	1,950	-	-	1,950
Capital outlay	389,705	1,673,419	89,006	2,152,130
Non capital outlay expenditures	114,062	-	-	114,062
Long-term obligations:				
Principal	3,332,833	-	-	3,332,833
Interest	2,212,490	-	-	2,212,490
Total expenditures	<u>69,496,368</u>	<u>1,673,419</u>	<u>3,233,913</u>	<u>74,403,700</u>
Excess of revenues over (under) expenditures before other financing sources (uses)	<u>(1,773,320)</u>	<u>(1,673,419)</u>	<u>(1,523,657)</u>	<u>(4,970,396)</u>
Other financing sources (uses)				
Issuance of debt	-	-	1,636,311	1,636,311
Transfers (to) other funds	-	-	(605,804)	(605,804)
Transfers from other funds	597,601	-	8,203	605,804
Total other financing sources (uses)	<u>597,601</u>	<u>-</u>	<u>1,038,710</u>	<u>1,636,311</u>
Net changes in fund balances	(1,175,719)	(1,673,419)	(484,947)	(3,334,085)
Fund balances - beginning	<u>12,072,652</u>	<u>1,832,270</u>	<u>3,092,058</u>	<u>16,996,980</u>
Fund balances - ending	<u>\$ 10,896,933</u>	<u>\$ 158,851</u>	<u>\$ 2,607,111</u>	<u>\$ 13,662,895</u>

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

TOWN OF EAST GREENWICH, RHODE ISLAND
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2018

Net change in fund balances - total governmental funds \$ (3,334,085)

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

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

Capital outlay	2,192,130	
Depreciation expense	<u>(3,669,063)</u>	(1,476,933)

Loss on disposal of capital asset.		(38,743)
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Property taxes that are not collected in the current period and do not represent current financial resources are deferred in the fund financial statements, however they are recognized as revenues in the statement of activities.		99,608
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Amortization of premiums in the current period do not represent current financial resources, however they are recognized as expenditures and revenues in the statement of activities.		179,875
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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.		9,420
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Changes in the Town's Net Pension Assets, Deferred Outflows of Resources related to pension plans or Net Pension Liability and Deferred Inflows of Resources related to pension plans result in an increase or decrease to the pension expense reported in the Statement of Activities.

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

Principal payments made on long-term debt and other activity	1,699,531	
Net decrease in claims, judgments and settlements	1,708,861	
Net decrease in compensated absences	(1,426,026)	
Net increase in the other post employment benefit obligation	296,396	
Net (increase)/decrease in net pension liability	292,896	
Net increase/(decrease) in net pension asset	(516,263)	
Net increase/(decrease) in deferred outflows of resources	3,224,950	
Net (increase)/decrease in deferred inflows of resources	(3,694,404)	
Net (increase)/decrease in deferred inflows OPEB	(1,305,585)	
		<u>280,356</u>

Change in net assets of governmental activities		<u>\$ (4,280,502)</u>
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Please see Note 9 for a more detailed explanation of the differences between the Government-Wide Financial Statements and the Fund Financial Statements

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

TOWN OF EAST GREENWICH, RHODE ISLAND
Statement of Net Position
Proprietary Funds
June 30, 2018

	Sewer Fund
ASSETS	
Current assets	
Cash and cash equivalents	\$ -
Accounts receivable	
User fees, net of \$50,000 allowance for doubtful accounts	3,179,006
Construction loans receivable	1,209,951
Assessments, current portion	1,167,534
Total current assets	5,556,491
Non-current assets	
Long-term sewer assessment receivable	7,447,033
Construction in progress	5,289,628
Assets not being depreciated	15,372
Net capital assets	33,653,554
Total non-current assets	46,405,587
TOTAL ASSETS	51,962,078
Deferred outflows of resources	
Deferred charge on refunding of debt	234,262
Total deferred inflows of resources	234,262
LIABILITIES	
Current liabilities	
Accounts payable and accrued expenses	239,030
Internal balances	3,605,199
Current portion of accrued compensated absences	1,286
Current portion of long-term debt	2,310,024
Total current liabilities	6,155,539
Non-current liabilities	
Notes and bonds payable	19,280,886
Accrued compensated absences	15,416
Total non-current liabilities	19,296,302
TOTAL LIABILITIES	25,451,841
Deferred inflows of resources	
Other deferred revenue	287,109
Total deferred inflows of resources	287,109
Net Position	
Net investment in capital assets	18,577,595
Unrestricted	7,879,795
Total net position	\$ 26,457,390

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

TOWN OF EAST GREENWICH, RHODE ISLAND
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2018

	Sewer Fund
Operating revenues	
Usage sales and fees	\$ 4,248,869
Sewer assessments and interest income	76,786
Total operating revenues	4,325,655
Operating expenses	
Salaries and benefits	500,885
Materials and supplies	208,727
Contract services	351,882
Repairs and maintenance	10,702
Utilities	172,670
Administrative expenses	241,822
Depreciation and amortization	1,332,979
Total operating expenses	2,819,667
Operating income	1,505,988
Non-operating revenues (expenses)	
Sewer bond interest expense	(453,176)
Total non-operating (expenses)	(453,176)
Change in net position	1,052,812
Total net positions - beginning	25,404,578
Net position - beginning restated	25,404,578
Net position - ending	\$ 26,457,390

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

TOWN OF EAST GREENWICH, RHODE ISLAND
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2018

	Sewer Fund
Cash flows from operating activities	
Cash received from customers and providing services	\$ 2,142,646
Cash payments to suppliers for goods and services	(933,932)
Cash payments to employees for services	(500,885)
Net cash provided by (used for) operating activities	707,829
Cash flows from non-capital financing activities	
Interfund loans	3,140,623
Net cash provided by non-capital financing activities	3,140,623
Cash flows from capital and related financing activities	
Principal paid on bonds & notes	(2,579,701)
Additions to capital assets net	(5,364,733)
Sewer assessment increase	(339,150)
Interest paid on long term debt	(387,461)
Accrued compensated balances	698
Unearned revenues	(20,069)
Construction receivables	4,841,964
Net cash (used for) capital and related financing activities	(3,848,452)
Cash flows from investing activities	
Interest income	-
Net cash provided by investing activities	-
Net increase (decrease) in cash and cash equivalents	-
Cash and cash equivalents at beginning of year	-
Cash and cash equivalents at end of year	\$ -
Reconciliation of operating income to net cash provided by operating activities	
Operating income (Loss)	1,505,988
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization	1,332,979
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	(2,183,009)
Increase (decrease) in accounts payable and accrued expenses	51,871
Total adjustments	(798,159)
Net cash provided by operating activities	\$ 707,829

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

TOWN OF EAST GREENWICH, RHODE ISLAND
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2018

	0038	
	<u>OPEB Trust Fund</u>	<u>Agency Funds</u>
ASSETS		
Cash and cash equivalents	\$ -	\$ 534,582
Other receivables	-	325,356
	<hr/>	<hr/>
Investments, at fair value:		
Mutual Funds	2,934,682	-
Total investments	<u>2,934,682</u>	<u>-</u>
Total Assets	<u>2,934,682</u>	<u>859,938</u>
 LIABILITIES		
Deposits held in custody for others	-	859,938
Total Liabilities	<hr/>	<hr/> <u>\$ 859,938</u>
 NET POSITION		
Held in trust for employee OPEB Benefits	<hr/> <u>\$ 2,934,682</u>	

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

TOWN OF EAST GREENWICH, RHODE ISLAND
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2018

	0038 OPEB Trust Fund
Additions	
Contributions	
Employer	\$ 1,260,710
Total contributions	1,260,710
Investment earnings	
Net increase/(decrease) in fair value of investments	205,205
Total investment earnings	205,205
Total additions	1,465,915
Deductions	
Benefits paid	910,710
Plan cost	6,658
Total deductions	917,368
Change in net position	548,547
Net position beginning of year	2,386,135
Net position end of year	\$ 2,934,682

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

Notes to Financial Statements

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 - REPORTING ENTITY

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

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

Primary Government

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

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

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

In evaluating the inclusion of how to define the government for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria prescribed by GASB Statement No. 14, as amended by GASB Statement No. 39, "Determining Whether Certain Organizations are Component Units". Under GASB Statement No. 14 and Statement No. 39 the financial reporting entity includes both the primary government, which is the Town of East Greenwich and all of its component units. Component units are legally separate entities that meet any one of the following three tests:

Test 1 - the primary government appoints the voting majority of the board of the potential component unit and
* Is able to impose its will on the potential component unit and/or
* Is in a relationship of financial benefit or burden with the potential component unit;

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

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

The following entities were considered for classification as component units for fiscal year 2018:

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

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 - REPORTING ENTITY (CONTINUED)

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

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

Recently Issued Accounting Standards

The Town implemented the following accounting pronouncements for the year ended June 30, 2018:

- GASB Statement No. 80 – Blending Requirements for Certain Component Units, an Amendment of GASB Statement No. 14 – effective for the Town's fiscal year ending June 30, 2018.
- GASB Statement No. 81 – Irrevocable Split – Interest Agreements – effective for the Town's fiscal year ending June 30, 2018.
- GASB Statement No. 82 – Pension Issues, an Amendment of GASB Statements No. 67, 68, and 73 – effective for the Town's fiscal year ending June 30, 2018.
- GASB Statement No. 86 – Certain Debt Extinguishment Issues – effective for the Town's fiscal year ending June 30, 2018.

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

- GASB Statement No. 83 – Certain Asset Retirement Obligations – effective for the Town's fiscal year ending June 30, 2019.
- GASB Statement No. 84 – Fiduciary Activities – effective for the Town's fiscal year ending June 30, 2020.
- GASB Statement No. 85 – Omnibus 2017 – effective for the Town's fiscal year ending June 30, 2019.
- GASB Statement No. 87 – Leases – effective for the Town's fiscal year ending June 30, 2021.
- GASB Statement No. 88 – Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements – effective for the Town's fiscal year ending June 30, 2019.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

Government-Wide Financial Statements

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

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

BASIS OF PRESENTATION

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, receivables and payables.

Fund Financial Statements

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

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

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

GOVERNMENTAL FUND TYPES

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

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

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

Capital Projects Funds - are used to account for resources restricted for the acquisition or construction of specific capital projects or items (other than those financed by Proprietary 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.

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PROPRIETARY FUND TYPES

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

FIDUCIARY FUND TYPES

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

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

Fiduciary Funds – Fiduciary funds include a Statement of Net Position and a Statement of Changes in Net Position. The Town's fiduciary fund is an OPEB Trust Fund. Fiduciary Funds are used to account for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations or other governments. The Fiduciary Fund is accounted for on an "economic resources" measurement focus and the accrual basis of accounting.

BASIS OF ACCOUNTING
Measurement Focus

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

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

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

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

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

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

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

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

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

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

Cash and Cash Equivalents

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

Investments

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

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

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting (Continued)

Receivables

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

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

Inventories

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

Capital Assets

Property, Plant and Equipment

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

Government-Wide Statements

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

Depreciation of all exhaustible capital assets is recorded, as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

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

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements

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

Equity Classifications

Government-Wide Statements

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

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

Governmental Fund Financial Statements

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

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

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Fund Balance Transactions

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

Property Taxes

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

Taxes levied during July are payable in quarterly installments on September 1, December 1, March 1 and June 1, or on September 1, if paid in one payment. Unpaid property taxes at June 30, 2018, include delinquent installments of the current and prior years. The Town does not record interest earned on delinquent taxes until payment is received.

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

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period or periods and so will not be recognized as an outflow of resources (expense/expenditure) until then.

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time.

Vacation, Sick Leave, and Other Compensated Absences

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

Short-Term Inter-fund Receivable/Payables

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

Advances to Other Funds

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

Uses of Estimates

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

Budgetary Process

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

Appropriations in addition to those contained in the annual operating budgets, except for the purpose of meeting a public emergency, are made upon the recommendation of the Town Manager with the Director of Finance's certification as to General Fund surplus to meet such appropriations and with Town Council's approval. There were no additional supplemental appropriations for the year ended June 30, 2018. Amendments to the operating budgets that do not result in additional appropriations may be made within departments by means of a transfer.

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 Municipal Employees' Retirement System (MERS) of Rhode Island and additions to/deductions from MERS' fiduciary net position have been determined on the same basis as they are reported by MERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 3 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Legal Debt Margin

The Town's legal debt margin as set forth by State Statute is limited to three percent of total assessed value, which approximates \$71,313,503 based on the December 31, 2017 assessment. As of June 30, 2018, the Town's debt is under the debt limit by \$70,273,503.

In addition to the bonding authority granted under §45-12-2 of the RI General Laws, the Town of East Greenwich can authorize bond issues pursuant to a special act of the RI General Assembly. Bond issues authorized by a special act of the General Assembly are normally not subject to any legal debt limit, but are subject to financial constraints such as the Town's ability and willingness to service the bonded debt. See page 146 in the statistical section for computation of the legal debt margin.

NOTE 4 - FUND EQUITY

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

The following fund balance categories are recorded on the Balance Sheet of Government Funds in the financial statements at June 30, 2018:

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

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 5 - CASH AND INVESTMENTS

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

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

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

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

Custodial Credit Risk

Deposits: This is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of June 30, 2018, \$686,837 of the Town's balance of \$12,844,018 was uninsured and uncollateralized.

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

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 5 - CASH AND INVESTMENTS (continued)

Cash and investments of the Town consist of the following at June 30, 2018

Cash and cash equivalents	
Deposits with financial institutions	\$ 12,649,089
Investments	
Trust funds	
Mutual Funds	2,934,682
Total investments	<u>2,934,682</u>
Total cash and investments	<u><u>\$ 15,583,771</u></u>

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

Statement of net assets	
Cash and cash equivalents	\$ 12,114,507
	<u>\$ 12,114,507</u>
Fiduciary funds	
Cash and cash equivalents	534,582
Mutual Funds	2,934,682
	<u>3,469,264</u>
Total cash and investments	<u><u>\$ 15,583,771</u></u>

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, 2018. If applicable, information about the exposure of the Town's debt type investments to this risk is reported using the segment time distribution model.

Credit Risk: Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. The Town did not have any debt type investments that were exposed to credit risk as defined by GASB 40 as of June 30, 2018.

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 5 - CASH AND INVESTMENTS (continued)

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets or with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements). The Town has the following recurring fair value measurements as of June 30, 2018:

	<u>June 30, 2018</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by fair value level:				
Mutual funds	\$ 2,934,682	\$ 2,934,682	\$ -	\$ -
Total investments by fair value level	<u>\$ 2,934,682</u>	<u>\$ 2,934,682</u>	<u>\$ -</u>	<u>\$ -</u>

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities.

NOTE 6 - PROPERTY TAXES

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

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

Current tax collections for the Town were approximately 97.75% of the total tax certification for the fiscal year ended June 30, 2018.

NOTE 7 - INFORMATION ABOUT CAPITAL ASSETS

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

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 7 - INFORMATION ABOUT CAPITAL ASSETS (CONTINUED)

Capital asset activity for the fiscal year ended June 30, 2018 was as follows:

	Primary Government			Ending Balance
	Beginning Balance	Increases	Decreases	
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,825,033	\$ -	\$ -	\$ 1,825,033
Construction in progress	-	520,300	-	520,300
Total capital assets not being depreciated	<u>1,825,033</u>	<u>520,300</u>	<u>-</u>	<u>2,345,333</u>
Other capital assets:				
Infrastructure	36,472,762	-	-	36,472,762
Buildings and improvements	86,314,618	101,122	-	86,415,740
Land improvements	5,579,495	1,218,358	-	6,797,853
Office furniture and equipment	602,510	-	-	602,510
Motor vehicles	6,069,825	205,000	75,971	6,198,854
Machinery and equipment	4,197,026	147,350	-	4,344,376
Total other capital assets at historical cost	<u>139,236,236</u>	<u>1,671,830</u>	<u>75,971</u>	<u>140,832,095</u>
Less accumulated depreciation for:				
Infrastructure	35,637,901	834,861	-	36,472,762
Buildings and improvements	15,815,223	2,012,652	-	17,827,875
Land improvements	2,034,132	254,695	-	2,288,827
Office furniture and equipment	483,719	22,507	-	506,226
Motor vehicles	3,827,685	341,899	37,228	4,132,356
Machinery and equipment	2,856,032	202,449	-	3,058,481
Total accumulated depreciation	<u>60,654,692</u>	<u>3,669,063</u>	<u>37,228</u>	<u>64,286,527</u>
Governmental activities capital assets, net	<u>\$ 80,406,577</u>	<u>\$ (1,476,933)</u>	<u>\$ 38,743</u>	<u>\$ 78,890,901</u>

Depreciation expense was charged to functions as follows:

Governmental activities:	
Legislative, judicial and general administrative	\$ 137,386
Public safety	533,646
Public works	1,312,673
Parks and recreation	56,100
Education	1,629,258
Total governmental activities depreciation expense	<u>\$ 3,669,063</u>

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 7 - INFORMATION ABOUT CAPITAL ASSETS (CONTINUED)

Capital asset activity for the fiscal year ended June 30, 2018 was as follows:

	Primary Government			Ending Balance
	Beginning Balance	Increases	Decreases	
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 15,372	\$ -	\$ -	\$ 15,372
Construction in progress	419,366	4,879,795	9,533	5,289,628
Total capital assets not being depreciated	<u>434,738</u>	<u>4,879,795</u>	<u>9,533</u>	<u>5,305,000</u>
Other capital assets:				
Sewer facility	20,830,712	102,952	-	\$ 20,933,664
Equipment and fixtures	654,548	-	-	654,548
Motor vehicles	174,072	-	-	174,072
Sewer lines	32,137,684	381,986	142,957	32,376,713
Total other capital assets at historical cost	<u>53,797,016</u>	<u>484,938</u>	<u>142,957</u>	<u>54,138,997</u>
Less accumulated depreciation for:				
Sewer facility	10,409,565	453,193	-	10,862,758
Equipment and fixtures	442,746	44,622	-	487,368
Motor vehicles	153,546	4,617	-	158,163
Sewer lines	8,310,859	809,418	143,123	8,977,154
Total accumulated depreciation	<u>19,316,716</u>	<u>1,311,850</u>	<u>143,123</u>	<u>20,485,443</u>
Business-type activities capital assets, net	<u><u>\$ 34,915,038</u></u>	<u><u>\$ 4,052,883</u></u>	<u><u>\$ 9,367</u></u>	<u><u>\$ 38,958,554</u></u>

Depreciation expense was charged to functions as follows:

Business-type activities:	
Sewer Fund	\$ 1,311,850
Total business-type activities depreciation expense	<u><u>\$ 1,311,850</u></u>

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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

"Total fund balances" of the Towns' governmental funds \$13,662,895 differs from "net position" of governmental activities \$(31,243,379) 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

	Total Governmental Funds	Long-term Assets/ Liabilities (1)	Reclassifications and Eliminations	Statement Net Position Totals
Assets				
Cash and cash equivalents	\$ 12,114,507	\$ -	\$ -	\$ 12,114,507
Receivables:				
Property taxes, net	2,652,524	-	-	2,652,524
Intergovernmental	230,817	-	-	230,817
Other	732,445	-	-	732,445
Internal balances	32,074,859	-	(32,074,859)	-
Deposits with institutions	1,749,029	-	-	1,749,029
Other assets	867,993	-	-	867,993
Property, plant and equipment - net	-	78,890,901	-	78,890,901
Net pension asset	-	3,624,737	-	3,624,737
Total assets	\$ 50,422,174	\$ 82,515,638	\$ (32,074,859)	\$ 100,862,953
Deferred outflows of resources	-	19,215,500	-	19,215,500
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued expenses	\$ 5,275,965	\$ 3,136,066	\$ -	\$ 8,412,031
Internal balances	28,469,660	-	(32,074,859)	(3,605,199)
Long-term liabilities				
Due within one year	-	3,617,013	-	3,617,013
Due in more than one year	-	43,119,531	-	43,119,531
Net OPEB liability	-	38,921,849	-	38,921,849
Net pension liability	-	46,196,399	-	46,196,399
Total liabilities	33,745,625	134,990,858	(32,074,859)	136,661,624
Deferred inflows of resources	3,013,654	11,646,554	-	14,660,208
Fund Balances/Net Position				
Total fund balances/net position	13,662,895	(44,906,274)	-	(31,243,379)
Total liabilities and fund balances/net position	\$ 50,422,174	\$ 101,731,138	\$ (32,074,859)	\$ 120,078,453

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 8 - DIFFERENCES BETWEEN GOVERNMENTAL FUNDS 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	\$ 143,177,428
Accumulated depreciation	(64,286,527)
	<u>\$ 78,890,901</u>

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

Adjustment of unearned revenue	\$ 3,013,654
Accrued interest	(287,282)
Bond premiums	(2,848,784)
	<u>\$ (122,412)</u>

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

Bonds payable	\$ (43,549,979)
Accrued compensated absences	(2,603,446)
Claims, judgments, and settlements	(583,119)
Net OPEB liability	(38,921,849)
Net pension liability	(46,196,399)
	<u>\$ (131,854,792)</u>

Town pension plans with a net pension asset balance at the end of the year.

Net pension asset - MERS Town	\$ 544,007
Net pension asset - TSB	3,080,730
	<u>\$ 3,624,737</u>

Deferred inflows and outflows of resources are amounts used under GASB 68 and GASB 75 in developing the annual pension and OPEB expense. Deferred inflows and outflows arise with differences between expected and actual experiences; changes of assumptions. The portion of these amounts not included in pension or OPEB expense should be included as deferred in or out.

Deferred inflows of resources - pensions	(9,218,518)
Deferred outflows of resources - pensions	19,201,566
Deferred outflows on refunding debt	13,934
Deferred inflows of resources - OPEB	(5,441,690)

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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

The "net change in the fund balances" for governmental funds (\$3,334,085) differs from the "change in net position" for governmental activities (\$4,280,502) reported in the statement of activities. The differences arise primarily from the long-term economic focus of the statement of activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

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

	Total Governmental Funds	Long-term Revenues/ Expenses (1)	Capital- related Items (2)	Long-term Debt Transactions (3)	Statement of Activities Totals
Revenues					
General property tax	\$ 55,947,018	\$ 99,608	\$ -	\$ -	\$ 56,046,626
Intergovernmental and departmental revenues	6,905,614	-	-	-	6,905,614
License and permits	2,136,509	-	-	-	2,136,509
Interest on investments	65,908	-	-	-	65,908
Tuitions	76,285	-	-	-	76,285
Other revenues	4,301,970	179,875	-	-	4,481,845
Total revenues	69,433,304	279,483	-	-	69,712,787
Expenditures					
Current:					
Legislative, judicial and general administrative	9,479,089	(540,633)	137,386	186,592	9,262,434
Financial administration	722,264	-	-	1,023,123	1,745,387
Information technology	507,576	-	-	-	507,576
Public safety	9,539,281	-	533,646	-	10,072,927
Public works	3,674,966	-	1,351,416	-	5,026,382
Teen center	12,500	-	-	-	12,500
Public health and welfare	179,646	-	-	-	179,646
Parks and recreation	608,965	-	56,100	-	665,065
Town planner	216,477	-	-	-	216,477
Education	40,849,881	1,010,087	1,589,258	(263,003)	43,186,223
Grants and contributions	32,000	-	-	-	32,000
Senior and human services	235,757	-	-	-	235,757
Library	520,235	-	-	-	520,235
Land trust	11,598	-	-	-	11,598
Financing costs	1,950	-	-	-	1,950
Capital outlay	2,152,130	-	(2,152,130)	-	-
Non capital outlay expenditures	114,062	-	-	-	114,062
Long-term obligations:					
Principal	3,332,833	-	-	(3,332,833)	-
Interest	2,212,490	-	-	(9,420)	2,203,070
Total expenditures	74,403,700	469,454	1,515,676	(2,395,541)	73,993,289
Other financing sources (uses)					
Issuance of debt	1,636,311	-	-	(1,636,311)	-
Transfers from other funds	605,804	-	-	-	605,804
Transfers to other funds	(605,804)	-	-	-	(605,804)
Total other financing sources (uses)	1,636,311	-	-	(1,636,311)	-
Net change for the year	\$ (3,334,085)	\$ (189,971)	\$ (1,515,676)	\$ 759,230	\$ (4,280,502)

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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

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

Unearned revenue property tax	\$ <u>99,608</u>
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Interest expense in the statement of activities differs from the amount reported in the governmental funds for two reasons. Accrued interest was reduced on the calculation for bonds payable and bond issuance costs and premiums are reported as expenditures in governmental funds while in the government-wide financial statements they are capitalized and amortized over the life of the bond.

Accrued interest	\$ 9,420
Amortization bond premium costs	179,875
Total expenditure adjustment	\$ <u>189,295</u>

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

Capital outlay	\$ 2,192,130
Depreciation expense	(3,669,063)
Difference	\$ <u>(1,476,933)</u>

When a loss is realized for the disposal of capital assets the loss is not recognized on the governmental funds and is only recorded on the statement of activities.

Loss on disposal of equipment	\$ <u>(38,743)</u>
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(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.

Issuance of debt	\$ (1,636,311)
Amortization of deferred loss on refunding debt	(13,934)
Net capital lease payments/additions	16,943
Principal payments made	3,332,833
Difference	\$ <u>1,699,531</u>

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

Net (increase)/decrease in net OPEB liability	\$ 296,396
Net decrease claims, judgments, and settlements	1,708,861
Net (increase)/decrease in compensated absences	(1,426,026)
Net (increase)/decrease in net pension liability	292,896
Net increase/(decrease) in net pension asset	(516,263)
Net increase/(decrease) in deferred outflows	3,224,950
Net (increase)/decrease in deferred inflows	(3,694,404)
Net (increase)/decrease in deferred inflows OPEB	(1,305,585)
Change	\$ <u>(1,419,175)</u>

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 10 - 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, 2018:

	<u>Due from other funds</u>		<u>Due to other funds</u>
General Fund	\$ 28,956,730		\$ 27,623,247
School Bond 52m Capital Fund	630,938		-
Special Revenue Funds:			
School Restricted	132,974		763,712
Town Restricted	1,910,502		2,111
Town Projects Fund	284,963	2,328,439	19,248
Other Non-major Funds			
Capital Projects Funds	-		-
Permanent Funds	158,752		61,342
Enterprise Funds			
Sewer	-		3,605,199
Totals	\$ 32,074,859		\$ 32,074,859

NOTE 11 - LONG-TERM LIABILITIES

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

Rhode Island general laws cap the amount of each municipality's general obligation bonds that may be outstanding to 3% of its assessed property values. Exceptions apply to bonds financed from non-tax revenues and special exemptions are granted for other purposes as well. The net assessed value of the Town's properties at December 31, 2016 was \$2,377,116,750 limiting the amount of non-excepted general obligation bond authority to \$71,313,503. The outstanding bonded debt applicable to the debt limit as of June 30, 2018 was \$1,040,000 which is \$70,273,503 below the maximum level.

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 11 - LONG TERM LIABILITIES (CONTINUED)

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

Long-term liability activity for the fiscal year ended June 30, 2018 was as follows:

	Date of Issuance	Interest Rate	Date of Maturity	Authorized	Outstanding July 1, 2017	Additions	Maturities During Year	Issues Refunded	Outstanding June 30, 2018	Amounts due within one year	Interest Paid
GOVERNMENTAL ACTIVITIES											
General Obligation Bonds & Notes Payable											
Health and Education Building Corp	2/2/2012	2.5 to 5.0%	6/30/2037	\$ 35,640,000	\$ 31,235,000	\$ -	\$ 1,055,000	\$ -	\$ 30,180,000	\$ 1,100,000	\$ 1,308,650
Health and Education Building Corp	11/15/2010	0.897%	5/15/2029	10,635,000	7,090,001	-	590,833	-	6,499,168	590,833	679,151
Town Hall Sidewalk/Step Repair	4/29/2009	2.0-4.0%	4/15/2019	190,000	38,600	-	20,000	-	18,600	18,600	1,500
Senior Center/Public Works Offices	4/29/2009	2.0-4.0%	4/15/2019	3,050,000	681,400	-	340,000	-	341,400	341,400	25,500
RI Infrastructure Water Road & Bridge	5/25/2015	.023-1.73%	9/1/2024	2,000,000	1,789,000	-	212,000	-	1,577,000	214,000	34,842
Road & Bridge Revolving Loan Fund Loan	5/30/2017	1.76%	9/1/2036	5,000,000	57,500	1,636,311	-	-	1,693,811	222,000	18,337
Refunding Bond	9/8/2016	3.00 to 4.0%	10/1/2028	2,085,000	1,365,000	-	685,000	-	680,000	680,000	37,475
School Fields - RIHBC	2/25/2009	2.5-4.125%	5/15/2024	6,000,000	2,990,000	-	430,000	-	2,560,000	430,000	106,188
Total general obligation bonds payable				64,600,000	45,246,501	1,636,311	3,332,833	-	43,549,979	3,596,833	2,211,643
Capital leases											
Capital leases	various		various		16,943	-	16,943	-	-	-	847
Total governmental activates bonds, BANs and leases payable					45,263,444	1,636,311	3,349,776	-	43,549,979	3,596,833	2,212,490
Accrued expenses											
Compensated absences - Town					1,126,447	1,427,176	-	-	2,553,623	-	-
Compensated absences - School Department					50,973	(1,150)	-	-	49,823	9,965	-
Claims, judgments and settlements					2,291,980	-	1,708,861	-	583,119	10,215	-
Net OPEB liability					39,218,245	-	296,396	-	38,921,849	-	-
Net pension liability					46,489,295	565,952	858,848	-	46,196,399	-	-
Total accrued expenses					89,176,940	1,991,978	2,864,105	-	88,304,813	20,180	-
Total long-term liabilities - governmental activities					\$ 134,440,384	\$ 3,628,289	\$ 6,213,881	\$ -	\$ 131,854,792	\$ 3,617,013	\$ 2,212,490
BUSINESS TYPE ACTIVITIES											
General Obligation Bonds Payable											
Sewer General Obligation Bonds	11/1/2008	4.0-4.2%	6/30/2023	\$ 6,000,000	\$ 900,000	\$ -	\$ 600,000	\$ -	\$ 300,000	\$ 300,000	\$ 36,820
Refunding Bond	9/8/2016	2.75 to 4.0%	10/1/2028	2,970,000	2,925,000	-	5,000	-	2,920,000	5,000	98,937
Total general obligation bonds payable				\$ 8,970,000	\$ 3,825,000	\$ -	\$ 605,000	\$ -	\$ 3,220,000	\$ 305,000	\$ 135,757
Notes payable											
RI Infrastructure Bank	8/25/1999	5.09%	9/1/2019	\$ 8,500,000	\$ 1,342,106	\$ -	\$ 447,368	\$ -	\$ 894,738	\$ 447,369	30,547
RI Infrastructure Bank	10/30/2002	3.90%	9/1/2022	11,100,000	4,075,019	-	638,409	-	3,436,610	654,184	37,104
RI Infrastructure Bank	12/21/2006	1.27%	9/1/2027	7,600,000	4,500,000	-	374,000	-	4,126,000	381,000	46,154
RI Infrastructure Bank	9/14/2009	0.41-2.68%	9/1/2029	2,462,252	1,727,821	-	112,924	-	1,614,897	115,471	37,707
RI Infrastructure Bank	6/2/2016	0.31-2.24%	9/1/1935	6,000,000	6,000,000	-	273,000	-	5,727,000	275,000	43,939
RI Infrastructure Bank	6/10/2010	0.61-3.25%	9/1/2031	3,000,000	2,389,000	-	129,000	-	2,260,000	132,000	56,253
Total Sewer notes payable				38,662,252	20,033,946	-	1,974,701	-	18,059,245	2,005,024	251,704
Total business-type activities funds bonds and loans payable					23,858,946	-	2,579,701	-	21,279,245	2,310,024	387,461
Accrued expenses											
Compensated absences					16,004	698	-	-	16,702	1,286	-
Total long-term liabilities - business-type activities					\$ 23,874,950	\$ 698	\$ 2,579,701	\$ -	\$ 21,295,947	\$ 2,311,310	\$ 387,461

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 11 - LONG-TERM LIABILITIES (Continued)

SCHEDULE OF DEBT SERVICE REQUIREMENTS

GOVERNMENTAL ACTIVITIES

<u>Fiscal Year Ended June 30,</u>	<u>Percentage of Maturity</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2019	7.68%	3,596,833	2,172,400	5,769,233
2020	13.24%	2,607,833	2,085,340	4,693,173
2021	18.91%	2,653,833	2,020,512	4,674,345
2022	24.66%	2,696,833	1,964,895	4,661,728
2023	30.56%	2,763,833	1,881,451	4,645,284
2024	36.62%	2,837,833	1,793,802	4,631,635
2025	41.90%	2,474,833	1,715,265	4,190,098
2026	46.80%	2,296,833	1,653,598	3,950,431
2027	51.81%	2,346,833	1,605,982	3,952,815
2028-2037	100.00%	22,580,671	6,849,944	29,430,615
		<u>\$ 46,856,168</u>	<u>\$ 23,743,189</u>	<u>\$ 70,599,357</u>

BUSINESS-TYPE ACTIVITIES

2019	10.86%	2,310,024	473,334	2,783,358
2020	21.86%	2,341,736	422,599	2,764,335
2021	30.90%	1,923,327	353,582	2,276,909
2022	40.08%	1,952,697	316,258	2,268,955
2023	49.42%	1,988,486	300,261	2,288,747
2024	55.47%	1,287,603	264,980	1,552,583
2025	61.62%	1,307,999	232,304	1,540,303
2026	67.85%	1,325,244	202,189	1,527,433
2027	74.15%	1,341,490	170,448	1,511,938
2028-2029	100.00%	5,500,639	524,450	6,025,089
		<u>\$ 21,279,245</u>	<u>\$ 3,260,405</u>	<u>\$ 24,539,650</u>

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 12 – LITIGATION, CLAIMS, JUDGMENTS AND SETTLEMENTS

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

B. 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, 2018 were audited in connection with the accompanying financial statements under the Single Audit Concept and the auditor's reports thereon are presented in the Single Audit Report. Management believes that the amounts, if any, of expenditures, which may be disallowed, will not be material to the financial position of the Town.

NOTE 13 - FUND TRANSFERS

Transfers are made to provide revenue for annual expenditures of various funds. Transfers are not expected to be repaid to the originating (source) fund. Listed below is the transfer activity for fiscal year ended June 30, 2018.

<u>Fund / Department</u>	Transfers from other funds	Transfers to other funds
General Fund	\$ 597,601	\$ -
Capital Projects Fund	-	4,280
Special Revenue Fund	8,203	601,524
Totals	<u>\$ 605,804</u>	<u>\$ 605,804</u>

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 14 - RETIREMENT PLANS & POST EMPLOYEMENT BENEFITS

A. MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF THE STATE 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

Benefits provided – General employees, police officers and firefighters employed by electing municipalities participate in MERS. Eligible employees become members at their date of employment. Anyone employed by a municipality at the time the municipality joins MERS may elect not to be covered. Elected officials may opt to be covered by MERS. Employees covered under another plan maintained by the municipality may not become members of MERS. Police officers and/or firefighters may be designated as such by the municipality, in which case the special contribution and benefit provisions described below will apply to them, or they may be designated as general employees with no special benefits. Members designated as police officers and/or firefighters are treated as belonging to a unit separate from the general employees, with separate contribution rates applicable.

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

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

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

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

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 14 - RETIREMENT PLANS & POST EMPLOYEMENT BENEFITS

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

General employees

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

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

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

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

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

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

The annual benefit is equal to 2.00% of the member's monthly FAC for each year of service prior to July 1, 2012 and 1.00% of the member's monthly FAC for each year of service from July 1, 2012 through June 30, 2015. For all service after June 30, 2015, the annual benefit is equal to 1.0% per year unless the member had 20 or more years of service as of June 30, 2012 in which case the benefit accrual is 2.0% per year for service after June 30, 2015. The benefit cannot exceed 75% of the member's FAC. Benefits are paid monthly.

Police and Fire employees

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

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

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

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

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 14 - RETIREMENT PLANS & POST EMPLOYEMENT BENEFITS

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

Prior to July 1, 2012, members designated as police officers or firefighters were eligible for retirement at or after age 55 with credit for at least 10 years of service or at any age with credit for 25 or more years of service. Members were also eligible to retire and receive a reduced benefit if they are at least age 50 and have at least 20 years of service. If the municipality elected to adopt the 20-year retirement provisions for police officers and/or firefighters, then such a member was eligible to retire at any age with 20 or more years of service. Members eligible to retire before July 1, 2012 were not impacted by the changes to retirement eligibility above.

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

If the optional 20-year retirement provisions were adopted by the municipality prior to July 1, 2012: benefits are based on 2.50% of the member's FAC for each year of service prior to July 1, 2012 and 2.00% of the member's FAC for each year of service after July 1, 2012. The benefit cannot exceed 75% of the member's FAC.

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

Other benefit provisions

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

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

Post-retirement benefit increases are paid to members who retire after June 30, 2012. Members will be eligible to receive cost of living increases at the later of the member's third anniversary of retirement and the month following their SSNRA (age 55 for members designated as police officers and/or firefighters). When a municipality elects coverage, it may elect either COLA C (covering only current and future active members and excluding members already retired) or COLA B (covering current retired members as well as current and future active members).

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

b. Effective July 1, 2015, the COLA is determined based on 50% of the plan's five-year average investment rate of return less 5.5% limited to a range of 0.0% to 4.0%, plus 50% of the lesser of 3.0% or last year's CPI-U increase for a total maximum increase of 3.50%. Previously, it was the plan's five-year average investment rate of return less 5.5% limited to a range of 0.0% to 4.0%

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

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 14 - RETIREMENT PLANS

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

Employees covered by benefit terms

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

	Town General Employees MERS Plan	Town COLA Employees MERS Plan	Town Fire Non-Cert Employees MERS Plan	Police Employees MERS Plan	Fire Employees MERS Plan
Retirees and Beneficiaries	57	47	1	32	33
Inactive, Nonretired Members	55	51	1	5	3
Active Members	15	168	0	34	37
Total	127	266	2	71	73

Contributions - The amount of employee and employer contributions have been established under Rhode Island General Law Chapter 45-21. General employees with less than 20 years of service as of June 30, 2012 are required to contribute 1% (employer should report 2% if opted to provide a COLA) of their salaries. General employees with more than 20 years of service as of June 30, 2012 are required to contribute 8.25%. Public safety employees are required to contribute 9% (employer should report 10% if opted to provide a COLA) of their salaries. The Town of East Greenwich 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 East Greenwich contributed \$1,761,573 in the year ended June 30, 2018 which averaged out to 14.19% of the annual payroll.

Net Pension Liability (Asset) - The total pension liability was determined by actuarial valuations performed as of June 30, 2016 and rolled forward to June 30, 2017, using the following actuarial assumptions, applied to all periods included in the measurement.

Summary of Actuarial Assumptions Used in the Valuations to determine the Net Pension Liability at the June 30, 2017 measurement date (June 30, 2016 valuation rolled forward to June 30, 2017)	
Actuarial Cost Method	Entry Age Normal - the Individual Entry Age Actuarial Cost methodology is used.
Amortization Method	Level Percent of Payroll – Closed
Actuarial Assumptions	
Investment Rate of Return	7.00%
Projected Salary Increases	General Employees - 3.5% to 7.5% ; Police & Fire Employees - 4.0% to 14.0%
Inflation	2.50%
Mortality	Mortality - variants of the RP-2014 mortality tables - for the improvement scale, update to the ultimate rates of the MP-2016 projection scale.
Cost of Living Adjustments	A 2% COLA is assumed after January 1, 2014.

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 14 - RETIREMENT PLANS (CONTINUED)

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

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

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

Asset Class	Long-Term Target Asset Allocation	Long-Term Expected Arithmetic Real Rate of Return
Global Equity		
US Equity	20.60%	6.85%
International Developed Equity	15.90%	6.71%
Emerging Markets Equity	3.50%	8.91%
Private Growth		
Private Equity	11.30%	9.62%
Non-Core RE	2.20%	5.17%
OPP Private Credit	1.50%	9.62%
Income		
High Yield Infrastructure	1.00%	4.26%
REITS	1.00%	5.17%
Liquid Credit	2.80%	4.26%
Private Credit	3.20%	4.26%
Crisis Protection Class		
Treasury Duration	4.00%	0.83%
Systematic Trend	4.00%	3.81%
Inflation Protection		
Core Real Estate	3.60%	5.17%
Private Infrastructure	2.40%	5.57%
TIPs	1.00%	1.72%
Natural Resources	1.00%	3.98%
Volatility Protection		
IG Fixed Income	11.50%	2.12%
Absolute Return	6.50%	3.81%
Cash	3.00%	0.83%

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

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

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 14 - RETIREMENT PLANS (CONTINUED)

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

The Town of East Greenwich has five separate reporting units within its MERS plan. The units are for Town Employees, Town Employees with COLA, Town Fire Non-Cert Employees, Police Employees, and Fire Employees. The following schedules present the changes in the Net Pension Liability (Asset) for the year.

Changes in Net Pension Liability (Asset) - Town Employees			
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of June 30, 2016	\$ 6,410,129	\$ 6,874,554	\$ (464,425)
Changes for the Year			
Service Cost	103,137		103,137
Interest on the total pension liability	464,122		464,122
Changes in benefits	-		-
Difference between expected and actual experience	(133,067)		(133,067)
Changes in assumptions	350,998		350,998
Employer contributions		65,206	(65,206)
Employee contributions		42,978	(42,978)
Net investment income		763,822	(763,822)
Benefit payments, including employee refunds	(546,798)	(546,798)	-
Administrative expense		(7,216)	7,216
Other changes		(18)	18
Net changes	238,392	317,974	(79,582)
Balances as of June 30, 2017	\$ 6,648,521	\$ 7,192,528	\$ (544,007)

Changes in Net Pension Liability (Asset) - Town Employees - COLA			
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of June 30, 2016	\$ 21,283,562	\$ 20,832,963	\$ 450,599
Changes for the Year			
Service Cost	551,263		551,263
Interest on the total pension liability	1,580,018		1,580,018
Changes in benefits	-		-
Difference between expected and actual experience	(146,524)		(146,524)
Changes in assumptions	990,834		990,834
Employer contributions		305,983	(305,983)
Employee contributions		186,912	(186,912)
Net investment income		2,426,006	(2,426,006)
Benefit payments, including employee refunds	(984,562)	(984,562)	-
Administrative expense		(22,920)	22,920
Other changes		100,104	(100,104)
Net changes	1,991,029	2,011,523	(20,494)
Balances as of June 30, 2017	\$ 23,274,591	\$ 22,844,486	\$ 430,105

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 14 - RETIREMENT PLANS (CONTINUED)

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

Changes in Net Pension Liability (Asset) - Town Employees - Non Cert Fire

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of June 30, 2016	\$ 358,892	\$ 301,384	\$ 57,508
Changes for the Year			
Service Cost	-		-
Interest on the total pension liability	26,099		26,099
Changes in benefits	-		-
Difference between expected and actual experience	38,950		38,950
Changes in assumptions	15,205		15,205
Employer contributions		-	-
Employee contributions		-	-
Net investment income		33,181	(33,181)
Benefit payments, including employee refunds	(21,804)	(21,804)	-
Administrative expense		(313)	313
Other changes		(2)	2
Net changes	<u>58,450</u>	<u>11,062</u>	<u>47,388</u>
Balances as of June 30, 2017	<u>\$ 417,342</u>	<u>\$ 312,446</u>	<u>\$ 104,896</u>

Changes in Net Pension Liability (Asset) - Police Employees

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of June 30, 2016	\$ 20,620,430	\$ 13,439,556	\$ 7,180,874
Changes for the Year			
Service Cost	453,432		453,432
Interest on the total pension liability	1,520,628		1,520,628
Changes in benefits	-		-
Difference between expected and actual experience	(37,646)		(37,646)
Changes in assumptions	1,201,903		1,201,903
Employer contributions		680,149	(680,149)
Employee contributions		236,164	(236,164)
Net investment income		1,567,970	(1,567,970)
Benefit payments, including employee refunds	(1,144,199)	(1,144,199)	-
Administrative expense		(14,814)	14,814
Other changes		(33)	33
Net changes	<u>1,994,118</u>	<u>1,325,237</u>	<u>668,881</u>
Balances as of June 30, 2017	<u>\$ 22,614,548</u>	<u>\$ 14,764,793</u>	<u>\$ 7,849,755</u>

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 14 - RETIREMENT PLANS (CONTINUED)

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

Changes in Net Pension Liability (Asset) - Fire Employees

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of June 30, 2016	\$ 18,927,727	\$ 10,988,721	\$ 7,939,006
Changes for the Year			
Service Cost	494,010		494,010
Interest on the total pension liability	1,394,410		1,394,410
Changes in benefits	-		-
Difference between expected and actual experience	268,706		268,706
Changes in assumptions	1,159,532		1,159,532
Employer contributions		767,306	(767,306)
Employee contributions		268,892	(268,892)
Net investment income		1,409,229	(1,409,229)
Benefit payments, including employee refunds	(1,165,198)	(1,165,198)	-
Administrative expense		(13,314)	13,314
Other changes		1,014,368	(1,014,368)
Net changes	<u>2,151,460</u>	<u>2,281,283</u>	<u>(129,823)</u>
Balances as of June 30, 2017	<u>\$ 21,079,187</u>	<u>\$ 13,270,004</u>	<u>\$ 7,809,183</u>

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 7.0 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 (6.0%)	Current Discount Rate (7.0%)	1.00% Increase (8.0%)
Town Employees	249,521	(544,007)	(1,135,152)
Town COLA	3,099,031	430,150	(1,557,118)
Town Fire Non Cert	153,190	104,896	68,936
Police	10,464,842	7,849,755	5,902,416
Fire	10,258,809	7,809,183	5,984,909

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 EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 14 - RETIREMENT PLANS (CONTINUED)

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

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

For the year ended June 30, 2018 the employer recognized pension expense of \$57,949 for Town Employees, \$265,514 for Town COLA, \$2,868 for Town Fire Non-Cert, \$696,413 for Police Employees and \$738,829 for Fire Employees. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	General Town Employees MERS Plan	Town COLA Employees MERS Plan	Town Non- Cert Fire Employees MERS Plan	Police Employees MERS Plan	Fire Employees MERS Plan
Deferred Outflows of Resources:					
Contributions subsequent to measurement date	\$ 57,949	\$ 265,514	\$ 2,868	\$ 696,413	\$ 738,829
Difference between expected and actual experience	103,799	53,863	7,353	25,675	336,614
Difference between projected and actual earnings	465,115	1,383,186	20,715	893,938	725,111
Changes in assumptions	-	830,559	-	998,614	995,390
Total Deferred Outflows of Resources:	\$ 626,863	\$ 2,533,122	\$ 30,936	\$ 2,614,640	\$ 2,795,944
Deferred Inflows of Resources:					
Difference between actual and expected experience	39,351	274,150	9,579	58,364	-
Difference between projected and actual earnings	312,987	986,334	13,474	639,743	589,984
Changes in assumptions	-	26,924	3,347	29,401	47,533
Total Deferred Inflows of Resources:	\$ 352,338	\$ 1,287,408	\$ 26,400	\$ 727,508	\$ 637,517

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 14 - RETIREMENT PLANS (CONTINUED)

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

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

<u>Town Employees</u>		<u>Town Employees - COLA</u>		<u>Town Employees - Non Cert Fire</u>	
Year Ending June 30	Net Deferred (outflows)/inflows of resources	Year Ending June 30	Net Deferred (outflows)/inflows of resources	Year Ending June 30	Net Deferred (outflows)/inflows of resources
2019	\$ 91,266	2019	\$ 177,357	2019	\$ (127)
2020	127,846	2020	460,428	2020	4,222
2021	50,454	2021	248,520	2021	914
2022	(52,990)	2022	(67,545)	2022	(2,691)
2023	-	2023	136,574	2023	(198)
Thereafter	-	Thereafter	24,866	Thereafter	(452)
Total	\$ 216,576	Total	\$ 980,200	Total	\$ 1,668

<u>Police Employees</u>		<u>Fire Employees</u>	
Year Ending June 30	Net Deferred (outflows)/inflows of resources	Year Ending June 30	Net Deferred (outflows)/inflows of resources
2019	\$ 226,922	2019	\$ 230,902
2020	415,769	2020	378,989
2021	288,009	2021	266,599
2022	80,372	2022	115,668
2023	179,647	2023	212,006
Thereafter	-	Thereafter	215,434
Total	\$ 1,190,719	Total	\$ 1,419,598

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

Plan description - Certain employees of the East Greenwich 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>.

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 14 - RETIREMENT PLANS (CONTINUED)

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

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

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

Contributions - The funding policy, as set forth in the General Laws, Section 16-16-22, provides for actuarially determined periodic contributions to the plan. For fiscal 2017, East Greenwich teachers were required to contribute 3.75% of their annual covered salary, except for teachers with twenty or more years of service as of June 20, 2012 must contribute 11% of their annual covered salary. The state and the East Greenwich 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 East Greenwich School Department; the rates were 9.41% and 13.73% of annual covered payroll for the fiscal year ended June 30, 2017 for the State and East Greenwich School Department, respectively. The East Greenwich School Department contributed \$2,455,896, \$2,297,196 and \$2,448,280 for the fiscal years ended June 30, 2018, 2017 and 2016, 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, 2018, the East Greenwich School Department reported a liability of \$30,002,460 for its proportionate share of the net pension liability that reflected a reduction for contributions made by the state. The amount recognized by the East Greenwich 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 East Greenwich School Department are as follows:

East Greenwich School Dept's proportionate share of the net pension liability	\$ 30,002,460
State's proportionate share of the net pension liability associated with the East Greenwich School Dept.	<u>22,674,651</u>
Total net pension liability	<u>\$ 52,677,111</u>

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 14 - RETIREMENT PLANS (CONTINUED)

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

The net pension liability was measured as of June 30, 2017, the measurement date, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017. The East Greenwich 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, 2017 the East Greenwich School District's proportion was .95122501%

For the year ended June 30, 2018 the East Greenwich School Department recognized gross pension expense of \$4,773,607 and revenue of \$2,215,819 for support provided by the State. At June 30, 2018 the East Greenwich School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred outflows of resources:

Changes in assumptions	\$	2,620,283
Changes in proportion and differences between employer contributions and proportionate share of contributions		1,334,586
Difference between projected and actual investment earnings		2,321,434
Contributions made subsequent to the measurement date		2,455,896
Total	\$	<u>8,732,199</u>

Deferred inflows of resources:

Differences between expected and actual experience	\$	711,287
Net difference between projected and actual earnings on pension plan investments		1,563,552
Change of assumptions		472,792
Changes in proportion and differences between employer contributions and proportionate share of contributions		2,204,449
Total	\$	<u>4,952,080</u>

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 14 - RETIREMENT PLANS (CONTINUED)

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

\$2,455,896 reported as deferred outflows of resources related to pensions resulting from the East Greenwich School Department contributions in fiscal year 2018 subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended June 30, 2019. 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 Ending June 30	Net Deferred (outflows)/inflows of resources
2019	\$ 194,806
2020	694,308
2021	324,631
2022	(202,729)
2023	211,771
thereafter	101,436
	\$ 1,324,223

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

Inflation	2.5%
Salary increases	3.0% to 13.5%
Investment rate of return	7.0%

Mortality – variants of the RP-2014 mortality tables – for the improvement scale, update to the ultimate rates of the MP-2016 projection scale.

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

The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from 35 sources. The June 30, 2017 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 14 - RETIREMENT PLANS (CONTINUED)

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

Asset Class	Long-Term Target Asset Allocation	Long-Term Expected Arithmetic Real Rate of Return
Global Equity		
US Equity	20.60%	6.85%
International Developed Equity	15.90%	6.71%
Emerging Markets Equity	3.50%	8.91%
Private Growth		
Private Equity	11.30%	9.62%
Non-Core RE	2.20%	5.17%
OPP Private Credit	1.50%	9.62%
Income		
High Yield Infrastructure	1.00%	4.26%
REITS	1.00%	5.17%
Liquid Credit	2.80%	4.26%
Private Credit	3.20%	4.26%
Crisis Protection Class		
Treasury Duration	4.00%	0.83%
Systematic Trend	4.00%	3.81%
Inflation Protection		
Core Real Estate	3.60%	5.17%
Private Infrastructure	2.40%	5.57%
TIPs	1.00%	1.72%
Natural Resources	1.00%	3.98%
Volatility Protection		
IG Fixed Income	11.50%	2.12%
Absolute Return	6.50%	3.81%
Cash	3.00%	0.83%

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

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

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 14 - RETIREMENT PLANS (CONTINUED)

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

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 7.0 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 (6.0%)	Current Discount Rate (7.0%)	1.00% Increase (8.0%)
\$ 37,705,924	\$ 30,002,460	\$ 24,264,605

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

C. TEACHERS SURVIVOR BENEFITS

General Information about the Pension Plan

Plan description - Certain employees of the East Greenwich 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. 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.

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 14 - RETIREMENT PLANS (CONTINUED)

C. TEACHERS SURVIVOR BENEFITS

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%

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 East Greenwich School Department contributed \$28,193 \$23,136 and \$21,967 for the fiscal years ended June 30, 2018, 2017 and 2016, 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, 2018 the East Greenwich School Department reported an asset of \$3,080,730 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, 2017, 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, 2016 rolled forward to June 30, 2017. The Department's proportion of the net pension asset was based on its share of contributions to the TSB for fiscal year 2016 relative to the total contributions of all participating employers for that fiscal year. At June 30, 2017 the Department's proportion was 3.72399849%.

For the year ended June 30, 2018 the East Greenwich School Department recognized pension expense of \$623,299 – a decrease in the net pension asset. At June 30, 2018 the East Greenwich School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 14 - RETIREMENT PLANS (CONTINUED)

C. TEACHERS SURVIVOR BENEFITS

Deferred Outflows of resources	
Differences between expected and actual experience	\$ 608,005
Changes in assumptions	507,523
Net difference between projected and actual investment earnings	708,288
Changes in proportion and differences between employer contributions and proportionate share of contributions	15,853
Contributions subsequent to the measurement date	28,193
Total	<u><u>1,867,862</u></u>
Deferred inflows of resources	
Differences between expected and actual experience	\$ 647,381
Changes in proportion and differences between employer contributions and proportionate share of contributions	76,428
Net difference between projected and actual investment earnings	511,458
Total	<u><u>\$ 1,235,267</u></u>

\$28,193 reported as deferred outflows of resources related to pensions resulting from the East Greenwich School Department contributions in fiscal year 2018 subsequent to the measurement date will be recognized as an addition to the net pension asset for the year ended June 30, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 14 - RETIREMENT PLANS (CONTINUED)

C. TEACHERS SURVIVOR BENEFITS

Year Ending June 30	Net Deferred (outflows)/inflows of resources
2019	101,251
2020	252,725
2021	142,287
2022	(20,184)
2023	69,812
Thereafter	58,511
	604,402

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

Inflation	2.55%
Salary increases	3.0% to 13.50%
Investment rate of return	7.0%

Mortality – variants of the RP-2014 mortality tables – for the improvement scale, update to the ultimate rates of the MP-2016 projection scale.

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, 2016 valuation and the calculation of the total pension liability at June 30, 2017 were consistent with the results of an actuarial experience study performed as of June 30, 2016.

The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from 35 sources. The June 30, 2017 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 14 - RETIREMENT PLANS (CONTINUED)

C. TEACHERS SURVIVOR BENEFITS

Asset Class	Long-Term Target Asset Allocation	Long-Term Expected Arithmetic Real Rate of Return
Global Equity		
US Equity	20.60%	6.85%
International Developed Equity	15.90%	6.71%
Emerging Markets Equity	3.50%	8.91%
Private Growth		
Private Equity	11.30%	9.62%
Non-Core RE	2.20%	5.17%
OPP Private Credit	1.50%	9.62%
Income		
High Yield Infrastructure	1.00%	4.26%
REITS	1.00%	5.17%
Liquid Credit	2.30%	4.26%
Private Credit	3.20%	4.26%
Crisis Protection Class		
Treasury Duration	4.00%	0.83%
Systematic Trend	4.00%	3.81%
Inflation Protection		
Core Real Estate	3.60%	5.17%
Private Infrastructure	2.40%	5.57%
TIPs	1.00%	1.72%
Natural Resources	1.00%	3.98%
Volatility Protection		
IG Fixed Income	11.50%	2.12%
Absolute Return	6.50%	3.81%
Cash	3.00%	0.83%

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

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

Sensitivity of the net pension liability (asset) to changes in the discount rate - the following presents the net pension liability (asset) calculated using the discount rate of 7.0 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 (6.0%)	Current Discount Rate (7.0%)	1.00% Increase (8.0%)
\$ (2,107,133)	\$ (3,080,730)	\$ (3,805,548)

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 14 - RETIREMENT PLANS (CONTINUED)

C. TEACHERS SURVIVOR BENEFITS

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. DEFINED CONTRIBUTION PLAN

Plan Description

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

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

The East Greenwich School Department recognized pension expense of \$492,824 for the fiscal year ended June 30, 2017.

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>.

	EE contribution	ER contribution
ERS members		
ERS - Teachers - contribute to Social Security - less than 20 years of service at 7/1/2012	5%	1% to 1.5% depending on years of
ERS - Teachers - do not contribute to Social Security - less than 20 years of service at	7%	3% to 3.5% depending on years of
ERS - Teachers - more than 20 years of service at 7/1/2012	NO DC plan contributions (ee and er) after July 1, 2015	

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 15 – OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

OPEB Trust (the Trust)

Plan Description

Plan administration: The East Greenwich OPEB Trust Fund administers the Town's Other Post-Employment Benefits – a single employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for all permanent full-time general and public safety employees of the Town. Benefit provisions are established through negotiations between the Town and the various unions representing the employees. The plan is considered to be part of the Town's financial reporting entity and is included in the Town's financial report as the Other Postemployment Benefits Trust Fund. The plan does not issue a standalone financial report.

The Trust Fund investments are managed by Vanguard Institutional Advisory Services (VIAS) and services are administered by Public Agency Retirement Services. All costs for management and administration are paid by the assets in the Trust Fund.

Benefits Provided

The Trust provides medical and life insurance benefits to eligible retirees and their spouses.

Eligibility

General Employees

Members who have retired under the Municipal Employee Retirement System, shall be eligible to receive medical benefits for self and spouse. Eligibility for retirement is the earlier of completion of 30 years of service regardless of age, or age 58 with 10 years of service.

Police and Fire

Members who have retired under the Municipal Employee Retirement System for police and fire shall be eligible to receive medical benefits for self and spouse. Minimum eligibility for retirement is completion of 20 years of service regardless of age, or age 55 with 10 years of service. At the time retiree becomes eligible for Medicare they will become covered under the Group Plan 65.

Teachers and Administrators

Members of the East Greenwich School Department are eligible for postretirement health and life insurance coverage after attaining 20 years of service with the School Department. Certain administrative members require only five years of service with the School Department to become eligible. Current paraprofessionals and custodians are excluded from the program. Eligible retirees receive full medical and dental insurance coverage for two years following retirement. The eligible retiree may elect individual or family coverage. The retiree contribution rate is 18% for the rate charged to active members for individual or family coverage (20% for administrative members). Eligible retirees are covered under their life insurance policy for an additional two years following retirement.

Employees Covered by Benefit Terms

At June 30, 2017, the following employees were covered by the benefit terms:

	<u>Participants</u>
Active employees	390
Retirees and beneficiaries	87
Total	<u>477</u>

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 15 – OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Contributions

Town, DPW, NEARI and Other divisions

Employees who retire prior to age 65, the retiree is partially covered under the Blue Cross Blue Shield Plan (single coverage only) with the Town contributing 3.3% of the premium per year of service at retirement. Retirees contribute the remaining amount of the required premium which is not funded by the Town.

Police and Fire

Upon retirement, Police Officers and Fire Fighters receive fully covered medical coverage (single or family) under Blue Cross Blue Shield (or equivalent) until the retiree becomes Medicare eligible. At that time the retiree becomes covered under the Group Plan 65 (single or single +1 coverage).

School Employees

The School Department pays the balance for retiree health and dental insurance for two years above the 18% paid by the retiree.

Investments

Investment policy: The Trust's policy in regard to the allocation of invested assets is established and may be amended by the VIAS discretionary investment management agreement approved and signed by the Town's plan administrator and any other investment policy established by the Town. It is the policy of the Town to pursue an investment strategy that reduced risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The Town's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short term time span. The following was the Board's adopted asset allocation policy as of June 30, 2018:

Rate of Return: For the year ended June 30, 2018, the annual money-weighted rate of return on investments, net of investment expense was 7.75%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability of the Town

The components of the net OPEB liability of the Town at June 30, 2018, were as follows:

Total OPEB liability	\$	41,856,531
Plan fiduciary net position		(2,934,682)
Town's net OPEB liability	\$	38,921,849
Plan fiduciary net position as a percentage of the total OPEB liability		7.01%

Actuarial assumptions: The total OPEB liability was determined by an actuarial valuation as of June 30, 2017, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 15 – OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Summary of Actuarial Assumptions Used in the Valuations to determine the Net OPEB Liability at the June 30, 2017 measurement date (June 30, 2016 valuation rolled forward to June 30, 2017)	
Actuarial Cost Method	Entry Age Normal - the Individual Entry Age Actuarial Cost methodology is used.
Actuarial Assumptions	
Investment Rate of Return	7.00%
Discount rate	3.57%
Projected Salary Increases	3.00% annually
Health Care Cost Trend Rates	5.50% per year graded down by the getzen model to an ultimate rate of 3.84% per year.
Participation Rate	90% of eligible future retirees are assumed to elect medical coverage. 100% of current retirees are assumed to participate.
Mortality	RP-2014 Employee and Healthy Annuitant with Scale MP-2017 generational improvements from 2006 (Male/Female)

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic Equity	N/A	N/A
International Equity	N/A	N/A
Domestic Bond	N/A	N/A
International Bond	N/A	N/A
Alternatives	N/A	N/A
Vanguard Growth Strategy	100%	7.00%
	100%	7%

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 15 – OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Discount Rate

The discount rate used to measure the total OPEB liability was 3.62% for the Town and 3.65% for the School. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plans 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 investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in Net Opeb Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances as of June 30, 2017	\$ 41,604,380	\$ 2,386,135	\$ 39,218,245
Changes for the Year			
Service Cost	1,706,680		1,706,680
Interest on the total OPEB liability	1,461,805		1,461,805
Difference between expected and actual experience	(1,591,045)		(1,591,045)
Changes in assumptions	(414,579)		(414,579)
Employer contributions		1,260,710	(1,260,710)
Net investment income		198,547	(198,547)
Benefit payments, including employee refunds	(910,710)	(910,710)	-
Net changes	<u>252,151</u>	<u>548,547</u>	<u>(296,396)</u>
Balances as of June 30, 2018	<u>\$ 41,856,531</u>	<u>\$ 2,934,682</u>	<u>\$ 38,921,849</u>

Sensitivity of the net OPEB liability to changes in the discount rate: The following presents the net OPEB liability of the Town, calculated using the discount rate of 3.62%, as well as what the Town's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.62%/2.65%) or 1 percentage point higher (4.62%/4.65%) than the current discount rate:

1.00% Decrease (2.62/2.65%)	Current Discount Rate (3.62/3.65%)	1.00% Increase (4.62/4.65%)
\$ 45,867,270	\$ 38,921,849	\$ 33,425,595

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 15 – OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates: The following presents the net OPEB liability of the Town as of June 30, 2018 calculated using the trend rate of 5.40% per year graded down by the getzen model to an ultimate rate of 3.84% per year, as well as what the Town's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (2.84%) or 1 percentage point higher (4.84%) than the current healthcare trend rates:

1% Decrease	Current HCCTR	1% Increase
4.40% per year graded down by the getzen model to an ultimate rate of 2.84% per year	5.40% per year graded down by the getzen model to an ultimate rate of 3.84% per year	6.40% per year graded down by the getzen model to an ultimate rate of 4.84% per year
\$ 31,848,960	\$ 38,921,849	\$ 48,108,668

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the Town recognized OPEB expense of \$2,269,899. At June 30, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 1,708,332
Changes of assumptions	-	3,628,432
Net difference between projected and actual earnings on OPEB plan investments	-	104,926
Total	<u>\$ -</u>	<u>\$ 5,441,690</u>

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 15 – OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

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

Year Ending June 30	OPEB Plan Net Deferred (outflows)/inflows of resources
2019	\$ (731,558)
2020	(731,558)
2021	(731,558)
2022	(704,988)
2023	(698,684)
Thereafter	(1,843,344)
Total	<u>\$ (5,441,690)</u>

NOTE 16 - JOINTLY GOVERNED ORGANIZATION

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

NOTE 17 - RELATED PARTIES

The Town reviews its records on an annual basis to determine if any related party transactions exist that would represent a conflict of interest with parties related to its officers and department heads. No such transactions were noted in the fiscal year ended June 30, 2018.

NOTE 18 - RISK MANAGEMENT

Self-insurance:

The School Department participates in a multi-employer cost reimbursement healthcare self-insurance risk pool managed by WB Community Health (WBCH). The School Department pays WBCH monthly premiums based upon "working rates" that are periodically adjusted to reflect changes in actual costs. Funds on deposit with WBCH are made available to pay claims, claim reserves and administrative costs. As of June 30, 2018, the reported premiums exceeded expenditures on deposit by \$5,997. This was net of a \$50,000 deposit refund which resulted in a \$1,749,029 balance in the net adjusted reserves.

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 18 - RISK MANAGEMENT (continued)

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for IBNR claims. The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, including retroactive assessments for hospital costs and other settlements occurring after the end of the fiscal year and not determinable at the end of the fiscal year. An excess coverage insurance policy covers individual claims exceeding \$125,000.

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

	Year ended June 30, 2018	Year ended June 30, 2017
Beginning cumulative surplus (deficit)	\$ 1,793,032	\$ 1,980,709
Premium deposits	5,209,498	5,010,783
Incurred claims (including IBNR)	(4,824,830)	(4,654,338)
Administrative fees	(378,671)	(359,980)
Surplus reimbursement	(50,000)	(184,142)
Ending cash deposit balance	\$ 1,749,029	\$ 1,793,032

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

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

NOTE 19 – LANDFILL CLOSURE COSTS

GASBS 49 — *Accounting and Financial Reporting for Pollution Remediation Obligations*, addresses accounting and financial reporting standards for pollution (including contamination) remediation obligations, which are obligations to address the current or potential detrimental effects of *existing* pollution by participating in pollution remediation activities such as site assessments and cleanups. The prior outlays have been capitalized as outlays to prepare for use property acquired with suspected pollution that was expected to be remediated. For the fiscal year ended June 30, 2018, there were no landfill expenditures. The substantial completion of the feasibility study in 2007 is a measurement benchmark requiring the Town to accrue all components of the pollution remediation liability. As of June 30, 2018, the cleanup project was substantially complete.

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 20 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 29, 2019 the date the financial statements were available to be issued. As a result of this review no material subsequent events were noted.

REQUIRED SUPPLEMENTARY INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
Budgetary Comparison Schedule - General Fund
Schedule of Revenues - Non-GAAP Budgetary Basis
For the Fiscal Year Ended June 30, 2018

	<u>Original Budget Revenues</u>	<u>Revised Budget Revenues</u>	<u>Actual Revenues</u>	<u>Variance</u>
General property tax				
Taxes - current	\$ 55,212,447	\$ 55,212,447	\$ 54,877,741	\$ (334,706)
Taxes - prior year	700,000	700,000	1,069,277	369,277
Total general property taxes	<u>55,912,447</u>	<u>55,912,447</u>	<u>55,947,018</u>	<u>34,571</u>
General revenue				
Grants and departmental revenue	32,500	32,500	25,735	(6,765)
Municipal court	56,500	56,500	4,895	(51,605)
School other revenues	595,934	595,934	930,598	334,664
School revenue	1,349,173	1,349,173	1,446,900	97,727
Total general revenue	<u>2,034,107</u>	<u>2,034,107</u>	<u>2,408,128</u>	<u>374,021</u>
State aid				
School housing aid	1,700,445	1,700,445	1,535,566	(164,879)
State aid to education	2,739,941	2,739,941	2,671,596	(68,345)
Telephone tax	168,882	168,882	163,835	(5,047)
Pilot	41,747	41,747	16,058	(25,689)
Motor vehicle phase out	81,417	81,417	285,644	204,227
Meals tax	762,356	762,356	690,512	(71,844)
Total state aid	<u>5,494,788</u>	<u>5,494,788</u>	<u>5,363,211</u>	<u>(131,577)</u>
Licenses, permits and usage fees				
Town clerk department	520,550	520,550	650,584	130,034
Department of public works	445,231	445,231	375,295	(69,936)
Rescue billing - fire department	700,000	700,000	901,320	201,320
Planning	10,500	10,500	15,499	4,999
Police department	156,620	156,620	193,811	37,191
Total licenses, permits and usage fees	<u>1,832,901</u>	<u>1,832,901</u>	<u>2,136,509</u>	<u>303,608</u>
Interest on investments	20,000	20,000	63,326	43,326
Total revenues	<u>65,294,243</u>	<u>65,294,243</u>	<u>65,918,192</u>	<u>623,949</u>
Other financing sources				
Reappropriated fund balance	394,673	394,673	394,673	-
Transfer in - special revenue funds	-	-	605,804	605,804
Total other financing sources	<u>394,673</u>	<u>394,673</u>	<u>1,000,477</u>	<u>605,804</u>
Total revenue and other financing sources	<u>\$ 65,688,916</u>	<u>\$ 65,688,916</u>	<u>\$ 66,918,669</u>	<u>\$ 1,229,753</u>

**TOWN OF EAST GREENWICH, RHODE ISLAND
REQUIRED SUPPLEMENTARY INFORMATION
Budgetary Comparison Schedule - General Fund
Schedule of Expenditures - Non-GAAP Budgetary Basis
For the Fiscal Year Ended June 30, 2018**

	<u>Original Budgeted Expenditures</u>	<u>Revised Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Variance</u>
Administration				
Town council				
Salaries	\$ 9,300	\$ 9,300	\$ 9,300	\$ -
Total town council	<u>9,300</u>	<u>9,300</u>	<u>9,300</u>	<u>-</u>
Town manager				
Salaries and wages	212,999	212,999	250,295	(37,296)
Outside services	7,400	7,400	7,741	(341)
Supplies	12,150	12,150	8,332	3,818
Total town manager	<u>232,549</u>	<u>232,549</u>	<u>266,368</u>	<u>(33,819)</u>
Town clerks				
Salaries and wages	237,589	237,589	241,150	(3,561)
Outside services	14,800	14,800	13,393	1,407
Supplies	1,750	1,750	1,561	189
Total town clerks	<u>254,139</u>	<u>254,139</u>	<u>256,104</u>	<u>(1,965)</u>
Town solicitor				
Outside services	322,500	322,500	2,353,021	(2,030,521)
Total town solicitor	<u>322,500</u>	<u>322,500</u>	<u>2,353,021</u>	<u>(2,030,521)</u>
Municipal court and judges				
Salaries	45,080	45,080	17,757	27,323
Outside services	-	-	70	(70)
Total municipal court and judges	<u>45,080</u>	<u>45,080</u>	<u>17,827</u>	<u>27,253</u>
Board of canvassers				
Salaries and wages	2,750	2,750	514	2,236
Outside services	1,850	1,050	9	1,041
Supplies	500	1,300	1,043	257
Total board of canvassers	<u>5,100</u>	<u>5,100</u>	<u>1,566</u>	<u>3,534</u>

(Continued)

TOWN OF EAST GREENWICH, RHODE ISLAND
REQUIRED SUPPLEMENTARY INFORMATION
Budgetary Comparison Schedule - General Fund
Schedule of Expenditures - Non-GAAP Budgetary Basis
For the Fiscal Year Ended June 30, 2018

	<u>Original Budgeted Expenditures</u>	<u>Revised Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Variance</u>
Employee benefits				
Outside services	5,929,595	5,929,595	5,804,223	125,372
Total employee benefits	<u>5,929,595</u>	<u>5,929,595</u>	<u>5,804,223</u>	<u>125,372</u>
Insurance				
Outside services	432,852	432,852	358,538	74,314
Total insurance	<u>432,852</u>	<u>432,852</u>	<u>358,538</u>	<u>74,314</u>
Contingency fund				
Outside services	113,000	113,000	412,142	(299,142)
Total contingency fund	<u>113,000</u>	<u>113,000</u>	<u>412,142</u>	<u>(299,142)</u>
Total Administration	<u>7,344,115</u>	<u>7,344,115</u>	<u>9,479,089</u>	<u>(2,134,974)</u>
Finance department				
Salaries	602,707	602,707	534,633	68,074
Outside services	125,005	125,005	148,875	(23,870)
Supplies	9,000	9,000	7,597	1,403
Equipment	-	-	200	(200)
Communications	32,000	32,000	30,959	1,041
Total finance department	<u>768,712</u>	<u>768,712</u>	<u>722,264</u>	<u>46,448</u>
Information technology				
Salaries	346,238	346,238	160,252	185,986
Outside services	195,814	195,814	173,148	22,666
Supplies	19,000	19,000	19,856	(856)
Equipment	64,948	64,948	73,807	(8,859)
Communications	80,800	80,800	80,513	287
Total information technology	<u>706,800</u>	<u>706,800</u>	<u>507,576</u>	<u>199,224</u>
Public safety				
Police department				
Salaries and wages	2,950,451	2,950,451	2,906,565	43,886
Police overtime	300,000	300,000	327,996	(27,996)
Outside services	54,620	54,620	64,020	(9,400)
Supplies	114,790	114,790	93,737	21,053
Equipment	30,000	30,000	19,645	10,355
Communications	1,900	1,900	1,209	691
Total police department	<u>3,451,761</u>	<u>3,451,761</u>	<u>3,413,172</u>	<u>38,589</u>

(Continued)

TOWN OF EAST GREENWICH, RHODE ISLAND
REQUIRED SUPPLEMENTARY INFORMATION
Budgetary Comparison Schedule - General Fund
Schedule of Expenditures - Non-GAAP Budgetary Basis
For the Fiscal Year Ended June 30, 2018

	<u>Original Budgeted Expenditures</u>	<u>Revised Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Variance</u>
Fire Department				
Salaries and wages	3,405,125	3,405,125	3,653,937	(248,812)
Outside services	599,493	599,493	635,646	(36,153)
Supplies	159,250	159,250	125,684	33,566
Total Fire District	<u>4,163,868</u>	<u>4,163,868</u>	<u>4,415,267</u>	<u>(251,399)</u>
Total public safety	<u>7,615,629</u>	<u>7,615,629</u>	<u>7,828,439</u>	<u>(212,810)</u>
Public works administration				
Salaries and wages	1,504,234	1,504,234	1,476,745	27,489
Outside services	1,182,806	1,182,806	1,169,314	13,492
Supplies and expense	1,126,796	1,126,796	1,028,907	97,889
Total public works administration	<u>3,813,836</u>	<u>3,813,836</u>	<u>3,674,966</u>	<u>138,870</u>
Recreation department				
Salaries and wages	321,409	321,409	295,641	25,768
Total recreation department	<u>321,409</u>	<u>321,409</u>	<u>295,641</u>	<u>25,768</u>
Parks & grounds				
Salaries and wages	179,363	179,363	177,178	2,185
Outside services	65,590	65,590	50,653	14,937
Supplies	106,544	106,544	82,498	24,046
Equipment	3,000	3,000	2,995	5
Total parks and grounds	<u>354,497</u>	<u>354,497</u>	<u>313,324</u>	<u>41,173</u>
Teen center				
Salaries and wages	5,000	5,000	5,000	-
Supplies and equipment	7,500	7,500	7,500	-
Total teen center	<u>12,500</u>	<u>12,500</u>	<u>12,500</u>	<u>-</u>
Town planner				
Salaries and wages	187,082	187,082	200,883	(13,801)
Outside services	12,275	12,275	13,518	(1,243)
Supplies	1,400	1,400	426	974
Equipment	500	500	1,650	(1,150)
Total town planner	<u>201,257</u>	<u>201,257</u>	<u>216,477</u>	<u>(15,220)</u>
Senior and human services				
Salaries and wages	206,715	206,715	234,838	(28,123)
Outside services	200	200	(40)	240
Supplies	1,100	1,100	959	141
Total senior and human services	<u>208,015</u>	<u>208,015</u>	<u>235,757</u>	<u>(27,742)</u>

(Continued)

TOWN OF EAST GREENWICH, RHODE ISLAND
REQUIRED SUPPLEMENTARY INFORMATION
Budgetary Comparison Schedule - General Fund
Schedule of Expenditures - Non-GAAP Budgetary Basis
For the Fiscal Year Ended June 30, 2018

	<u>Original Budgeted Expenditures</u>	<u>Revised Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Variance</u>
Grants and contributions				
Contributions	29,000	29,000	32,000	(3,000)
Total grants and contributions	<u>29,000</u>	<u>29,000</u>	<u>32,000</u>	<u>(3,000)</u>
East Greenwich Land Trust				
Insurance	2,000	2,000	-	2,000
Pilot	6,300	6,300	515	5,785
Building maintenance	5,000	5,000	7,323	(2,323)
Boesch farm rehabilitation	35,000	35,000	3,760	31,240
Total East Greenwich Land Trust	<u>48,300</u>	<u>48,300</u>	<u>11,598</u>	<u>36,702</u>
Library				
Town contributions	520,235	520,235	520,235	-
Total library	<u>520,235</u>	<u>520,235</u>	<u>520,235</u>	<u>-</u>
Capital improvements				
Capital outlays	444,235	444,235	389,705	54,530
Non capital expenditures	-	-	114,062	(114,062)
Total capital improvements	<u>444,235</u>	<u>444,235</u>	<u>503,767</u>	<u>(59,532)</u>
School department				
Education	37,749,454	37,749,454	37,790,606	(41,152)
Total school department	<u>37,749,454</u>	<u>37,749,454</u>	<u>37,790,606</u>	<u>(41,152)</u>
Total expenditures	<u>60,137,994</u>	<u>60,137,994</u>	<u>62,144,239</u>	<u>(2,006,245)</u>
Other financing uses				
Debt service				
Principal	3,332,833	3,332,833	3,332,833	-
Interest	2,213,089	2,213,089	2,212,490	599
Financing costs	5,000	5,000	1,950	3,050
Total debt service	<u>5,550,922</u>	<u>5,550,922</u>	<u>5,547,273</u>	<u>3,649</u>
Total expenditures and other financing uses	<u>\$ 65,688,916</u>	<u>\$ 65,688,916</u>	<u>\$ 67,699,715</u>	<u>\$ (2,010,799)</u>

(Concluded)

TOWN OF EAST GREENWICH, RHODE ISLAND
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2018

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, 2018:

Excess of revenues and other sources over expenditures and other uses (Non-GAAP Budgetary Basis).....	\$ (781,046)
Less: Use of prior years fund balance	<u>(394,673)</u>
Excess of revenues and other sources over expenditures and other uses (GAAP).....	<u><u>\$ (1,175,719)</u></u>

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

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

	Revenues and Transfers	Expenditures and Transfers
<i>General Fund:</i>		
<i>Schedule of Revenues, Expenditures and Other Financing Sources</i>		
<i>(Non-GAAP Budgetary Basis) Budget and Actual</i>	\$ 66,918,669	\$ 67,699,715
<i>Statement of Revenues, Expenditures and Changes in Fund</i>		
<i>Balances GAAP Basis</i>	\$ 66,523,996	\$ 67,699,715

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2018

Schedule of Changes in East Greenwich Town Employees Net Pension Liability and Related Ratios

Last 10 Fiscal Years

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
A. Total pension liability										
1. Service Cost	\$ 103,137	\$ 105,287	\$ 103,703	\$ 99,292	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Interest on the Total Pension Liability	464,122	471,552	471,823	470,293	-	-	-	-	-	-
3. Changes of benefit terms	-	-	115,576	-	-	-	-	-	-	-
4. Difference between expected and actual experience of the Total Pension Liability	(133,067)	(141,746)	(187,642)	-	-	-	-	-	-	-
5. Changes of assumptions	350,998	-	-	(51,335)	-	-	-	-	-	-
6. Benefit payments, including refunds of employee contributions	(546,798)	(519,351)	(496,385)	(503,723)	-	-	-	-	-	-
7. Net change in total pension liability	238,392	(84,258)	7,075	14,527	-	-	-	-	-	-
8. Total pension liability – beginning	6,410,129	6,494,387	6,487,312	6,472,785	-	-	-	-	-	-
9. Total pension liability – ending (a)	\$ 6,648,521	\$ 6,410,129	\$ 6,494,387	\$ 6,487,312	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
B. Plan fiduciary net position										
1. Contributions – employer	\$ 65,206	\$ 59,728	\$ 78,349	\$ 59,487	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Contributions – employee	42,978	39,342	22,842	19,825	-	-	-	-	-	-
3. Net investment income	763,822	13,936	171,162	1,032,284	-	-	-	-	-	-
4. Benefit payments, including refunds of employee contributions	(546,798)	(519,351)	(496,385)	(503,723)	-	-	-	-	-	-
5. Pension Plan Administrative Expense	(7,216)	(22,741)	(6,879)	(6,464)	-	-	-	-	-	-
6. Other	(18)	-	(215,978)	(189,935)	-	-	-	-	-	-
7. Net change in plan fiduciary net position	317,974	(429,086)	(446,889)	411,474	-	-	-	-	-	-
8. Plan fiduciary net position – beginning	6,874,554	7,303,640	7,750,529	7,339,055	-	-	-	-	-	-
9. Plan fiduciary net position – ending (b)	\$ 7,192,528	\$ 6,874,554	\$ 7,303,640	\$ 7,750,529	-	-	-	-	-	-
C. Net pension liability/(asset) - ending (a) - (b)	(544,007)	(464,425)	(809,253)	(1,263,217)	-	-	-	-	-	-
D. Plan fiduciary net position as a percentage of the total pension liability	108.18%	107.25%	112.46%	119.47%	-	-	-	-	-	-
E. Covered employee payroll	\$ 1,268,599	\$ 1,158,274	\$ 1,142,107	\$ 1,093,519	-	-	-	-	-	-
F. Net pension liability as a percentage of covered payroll	-42.88%	-40.10%	-70.86%	-115.52%	-	-	-	-	-	-

Schedule of Changes in East Greenwich Town Employees Contributions Multiyear
Last 10 Fiscal Years

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Actuarially determined contribution	\$ 57,949	\$ 65,206	\$ 59,728	\$ 78,349	\$ 59,487	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	57,949	65,206	59,728	78,349	59,487	-	-	-	-	-
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Covered-employee payroll	1,308,111	1,268,599	1,158,274	1,142,107	1,093,519	-	-	-	-	-
Contributions as a percentage of covered-employee payroll	4.43%	5.14%	5.16%	6.86%	5.44%	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 EAST GREENWICH, RHODE ISLAND
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2018

Schedule of Changes in East Greenwich Town COLA Employees Net Pension Liability and Related Ratios

Last 10 Fiscal Years

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
A. Total pension liability										
1. Service Cost	\$ 551,263	\$ 530,518	\$ 519,936	\$ 532,162	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Interest on the Total Pension Liability	1,580,018	1,511,717	1,400,259	1,330,029	-	-	-	-	-	-
3. Changes of benefit terms	-	-	319,194	-	-	-	-	-	-	-
4. Difference between expected and actual experience of the Total Pension Liability	(146,524)	(228,251)	100,087	-	-	-	-	-	-	-
5. Changes of assumptions	990,834	-	-	(64,708)	-	-	-	-	-	-
6. Benefit payments, including refunds of employee contributions	(984,562)	(842,771)	(874,547)	(835,413)	-	-	-	-	-	-
7. Net change in total pension liability	1,991,029	971,213	1,464,929	962,070	-	-	-	-	-	-
8. Total pension liability – beginning	21,283,562	20,312,349	18,847,420	17,885,350	-	-	-	-	-	-
9. Total pension liability – ending (a)	\$ 23,274,591	\$ 21,283,562	\$ 20,312,349	\$ 18,847,420	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
B. Plan fiduciary net position										
1. Contributions – employer	\$ 305,983	\$ 312,577	\$ 392,668	\$ 322,223	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Contributions – employee	186,912	188,573	114,931	113,285	-	-	-	-	-	-
3. Net investment income	2,426,006	(17,348)	496,830	2,795,391	-	-	-	-	-	-
4. Benefit payments, including refunds of employee contributions	(984,562)	(842,771)	(874,547)	(835,413)	-	-	-	-	-	-
5. Pension Plan Administrative Expense	(22,920)	(9,336)	(16,732)	(17,505)	-	-	-	-	-	-
6. Other	100,104	1,050	98,895	2,356	-	-	-	-	-	-
7. Net change in plan fiduciary net position	2,011,523	(367,255)	212,045	2,380,337	-	-	-	-	-	-
8. Plan fiduciary net position – beginning	20,832,963	21,200,218	20,988,173	18,607,836	-	-	-	-	-	-
9. Plan fiduciary net position – ending (b)	\$ 22,844,486	\$ 20,832,963	\$ 21,200,218	\$ 20,988,173	-	-	-	-	-	-
C. Net pension liability/(asset) - ending (a) - (b)	430,105	450,599	(887,869)	(2,140,753)	-	-	-	-	-	-
D. Plan fiduciary net position as a percentage of the total pension liability	98.15%	97.88%	104.37%	111.36%	-	-	-	-	-	-
E. Covered employee payroll	5,998,511	5,836,278	5,726,172	\$ 5,526,086	-	-	-	-	-	-
F. Net pension liability as a percentage of covered payroll	7.17%	7.72%	-15.51%	-38.74%	-	-	-	-	-	-

Schedule of Changes in East Greenwich Town COLA Employees Contributions Multiyear

Last 10 Fiscal Years

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Actuarially determined contribution	\$ 265,514	\$ 305,983	\$ 312,577	\$ 392,668	\$ 322,223	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	265,514	305,983	312,577	392,668	322,223	-	-	-	-	-
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Covered-employee payroll	5,993,504	5,998,511	5,836,278	5,726,172	5,526,086	-	-	-	-	-
Contributions as a percentage of covered-employee payroll	4.43%	5.10%	5.36%	6.86%	5.83%	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 EAST GREENWICH, RHODE ISLAND
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2018

Schedule of Changes in East Greenwich Town Fire Non-Cert Employees Net Pension Liability and Related Ratios
Last 10 Fiscal Years

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
A. Total pension liability										
1. Service Cost	\$ -	\$ 815	\$ 3,849	\$ 3,139	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Interest on the Total Pension Liability	26,099	25,013	25,448	25,307	-	-	-	-	-	-
3. Changes of benefit terms	-	-	5,514	-	-	-	-	-	-	-
4. Difference between expected and actual experience of the Total Pension Liability	38,950	-	-	-	-	-	-	-	-	-
5. Changes of assumptions	15,205	10,839	(17,586)	(5,663)	-	-	-	-	-	-
6. Benefit payments, including refunds of employee contributions	(21,804)	(21,752)	(21,252)	(21,263)	-	-	-	-	-	-
7. Net change in total pension liability	58,450	14,915	(4,027)	1,520	-	-	-	-	-	-
8. Total pension liability – beginning	358,892	343,977	348,004	346,484	-	-	-	-	-	-
9. Total pension liability – ending (a)	\$ 417,342	\$ 358,892	\$ 343,977	\$ 348,004	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
B. Plan fiduciary net position										
1. Contributions – employer	\$ -	\$ 929	\$ 7,766	\$ 4,970	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Contributions – employee	-	207	987	747	-	-	-	-	-	-
3. Net investment income	33,181	(105)	7,556	43,637	-	-	-	-	-	-
4. Benefit payments, including refunds of employee contributions	(21,804)	(21,752)	(21,252)	(21,263)	-	-	-	-	-	-
5. Pension Plan Administrative Expense	(313)	(281)	(303)	(273)	-	-	-	-	-	-
6. Other	(2)	-	(1)	1	-	-	-	-	-	-
7. Net change in plan fiduciary net position	11,062	(21,002)	(5,247)	27,819	-	-	-	-	-	-
8. Plan fiduciary net position – beginning	301,384	322,386	327,633	299,814	-	-	-	-	-	-
9. Plan fiduciary net position – ending (b)	\$ 312,446	\$ 301,384	\$ 322,386	\$ 327,633	-	-	-	-	-	-
C. Net pension liability/(asset) - ending (a) - (b)	104,896	57,508	21,591	20,371	-	-	-	-	-	-
D. Plan fiduciary net position as a percentage of the total pension liability	74.87%	83.98%	93.72%	94.15%	-	-	-	-	-	-
E. Covered employee payroll	\$ -	\$ 10,334	\$ 49,341	\$ 37,371	-	-	-	-	-	-
F. Net pension liability as a percentage of covered payroll	N/A	556.49%	43.76%	54.51%	-	-	-	-	-	-

Schedule of Changes in East Greenwich Town Fire Non-Cert Employees Contributions Multiyear
Last 10 Fiscal Years

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Actuarially determined contribution	\$ 2,868	N/A	\$ 929	\$ 7,766	\$ 4,970	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	2,868	N/A	929	7,766	4,970	-	-	-	-	-
Contribution deficiency (excess)	-	N/A	-	-	-	-	-	-	-	-
Covered-employee payroll	28,542	-	10,334	49,341	37,371	-	-	-	-	-
Contributions as a percentage of covered-employee payroll	10.05%	0.00%	8.99%	15.74%	13.30%	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.
- 3.) For fiscal year 2017 there were no contributions or employees covered by the Fire Non-certification plan

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2018

Schedule of Changes in East Greenwich Police Employees Net Pension Liability and Related Ratios
Last 10 Fiscal Years

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
A. Total pension liability										
1. Service Cost	\$ 453,432	\$ 427,351	\$ 390,013	\$ 372,758	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Interest on the Total Pension Liability	1,520,628	1,466,942	1,374,698	1,334,421	-	-	-	-	-	-
3. Changes of benefit terms	-	-	520,782	-	-	-	-	-	-	-
4. Difference between expected and actual experience of the Total Pension Liability	(37,646)	(43,323)	51,859	-	-	-	-	-	-	-
5. Changes of assumptions	1,201,903	-	-	(96,981)	-	-	-	-	-	-
6. Benefit payments, including refunds of employee contributions	(1,144,199)	(1,152,174)	(1,100,046)	(1,063,538)	-	-	-	-	-	-
7. Net change in total pension liability	1,994,118	698,796	1,237,306	546,660	-	-	-	-	-	-
8. Total pension liability – beginning	20,620,430	19,921,634	18,684,328	18,137,668	-	-	-	-	-	-
9. Total pension liability – ending (a)	\$ 22,614,548	\$ 20,620,430	\$ 19,921,634	\$ 18,684,328	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
B. Plan fiduciary net position										
1. Contributions – employer	\$ 680,149	\$ 641,008	\$ 565,061	\$ 410,654	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Contributions – employee	236,164	228,603	173,534	164,093	-	-	-	-	-	-
3. Net investment income	1,567,970	(4,665)	321,983	1,838,387	-	-	-	-	-	-
4. Benefit payments, including refunds of employee contributions	(1,144,199)	(1,152,174)	(1,100,046)	(1,063,538)	-	-	-	-	-	-
5. Pension Plan Administrative Expense	(14,814)	(12,549)	(11,067)	(11,512)	-	-	-	-	-	-
6. Other	(33)	(2)	(12,993)	1	-	-	-	-	-	-
7. Net change in plan fiduciary net position	1,325,237	(299,779)	(63,528)	1,338,085	-	-	-	-	-	-
8. Plan fiduciary net position – beginning	13,439,556	13,739,335	13,802,863	12,464,778	-	-	-	-	-	-
9. Plan fiduciary net position – ending (b)	\$ 14,764,793	\$ 13,439,556	\$ 13,739,335	\$ 13,802,863	-	-	-	-	-	-
C. Net pension liability/(asset) - ending (a) - (b)	7,849,755	7,180,874	6,182,299	4,881,465	-	-	-	-	-	-
D. Plan fiduciary net position as a percentage of the total pension liability	65.29%	65.18%	68.97%	73.87%	-	-	-	-	-	-
E. Covered employee payroll	\$ 2,361,623	\$ 2,292,658	\$ 2,169,150	\$ 2,084,775	-	-	-	-	-	-
F. Net pension liability as a percentage of covered payroll	332.39%	313.21%	285.01%	234.15%	-	-	-	-	-	-

Schedule of Changes in East Greenwich Police Employees Contributions Multiyear
Last 10 Fiscal Years

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Actuarially determined contribution	\$ 696,413	\$ 680,149	\$ 641,008	\$ 565,061	\$ 410,654	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	696,413	680,149	641,008	565,061	410,654	-	-	-	-	-
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Covered-employee payroll	2,486,294	2,361,623	2,292,658	2,169,150	2,084,775	-	-	-	-	-
Contributions as a percentage of covered-employee payroll	28.01%	28.80%	27.96%	26.05%	19.70%	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 EAST GREENWICH, RHODE ISLAND
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2018

Schedule of Changes in East Greenwich Fire Employees Net Pension Liability and Related Ratios

Last 10 Fiscal Years

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
A. Total pension liability										
1. Service Cost	\$ 494,010	\$ 453,527	\$ 408,699	\$ 391,401	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Interest on the Total Pension Liability	1,394,410	1,339,670	1,239,901	1,206,908	-	-	-	-	-	-
3. Changes of benefit terms	-	-	557,617	-	-	-	-	-	-	-
4. Difference between expected and actual experience of the Total Pension Liability	268,706	23,103	151,465	-	-	-	-	-	-	-
5. Changes of assumptions	1,159,532	-	-	(111,133)	-	-	-	-	-	-
6. Benefit payments, including refunds of employee contributions	(1,165,198)	(1,048,145)	(1,051,556)	(1,060,261)	-	-	-	-	-	-
7. Net change in total pension liability	2,151,460	768,155	1,306,126	428,915	-	-	-	-	-	-
8. Total pension liability – beginning	18,927,727	18,159,572	16,853,446	16,426,531	-	-	-	-	-	-
9. Total pension liability – ending (a)	\$ 21,079,187	\$ 18,927,727	\$ 18,159,572	\$ 16,853,446	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
B. Plan fiduciary net position										
1. Contributions – employer	\$ 767,306	\$ 666,079	\$ 623,185	\$ 455,828	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Contributions – employee	268,892	255,969	195,953	184,574	-	-	-	-	-	-
3. Net investment income	1,409,229	(3,814)	260,782	1,477,703	-	-	-	-	-	-
4. Benefit payments, including refunds of employee contributions	(1,165,198)	(1,048,145)	(1,051,556)	(1,060,261)	-	-	-	-	-	-
5. Pension Plan Administrative Expense	(13,314)	(10,261)	(10,467)	(9,253)	-	-	-	-	-	-
6. Other	1,014,368	1,096	15,104	2,462	-	-	-	-	-	-
7. Net change in plan fiduciary net position	2,281,283	(139,076)	33,001	1,051,053	-	-	-	-	-	-
8. Plan fiduciary net position – beginning	10,988,721	11,127,797	11,094,796	10,043,743	-	-	-	-	-	-
9. Plan fiduciary net position – ending (b)	\$ 13,270,004	\$ 10,988,721	\$ 11,127,797	\$ 11,094,796	-	-	-	-	-	-
C. Net pension liability/(asset) - ending (a) - (b)	7,809,183	7,939,006	7,031,775	5,758,650	-	-	-	-	-	-
D. Plan fiduciary net position as a percentage of the total pension liability	62.95%	58.06%	61.28%	65.83%	-	-	-	-	-	-
E. Covered employee payroll	\$ 2,668,882	\$ 2,515,401	\$ 2,385,864	\$ 2,296,956	-	-	-	-	-	-
F. Net pension liability as a percentage of covered payroll	292.60%	315.62%	294.73%	250.71%	-	-	-	-	-	-

Schedule of Changes in East Greenwich Fire Employees Contributions Multiyear
Last 10 Fiscal Years

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Actuarially determined contribution	\$ 738,829	\$ 767,306	\$ 666,079	\$ 623,185	\$ 455,828	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	738,829	767,306	666,079	623,185	455,828	-	-	-	-	-
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Covered-employee payroll	2,598,755	2,668,882	2,515,401	2,385,864	2,296,956	-	-	-	-	-
Contributions as a percentage of covered-employee payroll	28.43%	28.75%	26.48%	26.12%	19.84%	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 EAST GREENWICH, RHODE ISLAND
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2018

Schedule of Town Contributions
Last 10 Fiscal Years
State of Rhode Island Employees Retirement System

	Fiscal Year Ending June 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Actuarially determined contribution	\$ 2,455,896	\$ 2,224,435	\$ 2,314,652	2,179,538	-	-	-	-	-	-
Contributions in relation to the actuarially determined contribution	2,455,896	2,224,435	2,314,652	2,179,538	-	-	-	-	-	-
Contribution deficiency/(excess)	-	-	-	-	-	-	-	-	-	-
Covered employee payroll	18,269,242	18,297,483	17,784,726	16,931,742	-	-	-	-	-	-
Contributions as a percentage of covered-employee payroll	13.44%	12.16%	13.01%	12.87%	-	-	-	-	-	-

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 East Greenwich's Proportionate Share of Net Pension Liability
Last 10 Fiscal Years
State of Rhode Island Employees Retirement System

	Fiscal Year Ending June 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
East Greenwich proportion of the net pension liability	0.95122501%	1.03437259%	0.96922104%	0.98234027%	-	-	-	-	-	-
East Greenwich proportionate share of the net pension liability	30,002,460	30,861,308	26,682,681	23,910,166	-	-	-	-	-	-
State's proportionate share of the net pension liability associated with the school district	22,674,651	21,135,464	18,228,770	16,396,302	-	-	-	-	-	-
East Greenwich covered payroll	18,269,242	18,297,483	17,784,726	16,931,742	-	-	-	-	-	-
East Greenwich proportionate share of the net pension liability as a percentage of it's covered employee payroll	164.22%	168.66%	150.03%	141.22%	-	-	-	-	-	-
Plan fiduciary net position as a % of the total pension liability	54.0%	54.1%	57.6%	61.4%	-	-	-	-	-	-

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 EAST GREENWICH, RHODE ISLAND
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2018

Schedule of East Greenwich Contributions

Last 10 Fiscal Years

Teachers Survivor Benefit Plan

	Fiscal Year Ending June 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Statutorily determined contribution	\$ 28,193	\$ 21,967	\$ 22,545	\$ 21,984	-	-	-	-	-	-
Contributions in relation to the actuarially determined contribution	28,193	21,967	22,545	21,984	-	-	-	-	-	-
Contribution deficiency/(excess)	-	-	-	-	-	-	-	-	-	-
Covered employee payroll	18,269,242	18,297,483	17,784,726	16,931,742	-	-	-	-	-	-
Contributions as a percentage of covered-employee payroll	0.15%	0.12%	0.13%	0.13%	-	-	-	-	-	-

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 East Greenwich's Proportionate Share of Net Pension Liability (Asset)

Last 10 Fiscal Years

Teachers Survivor Benefit Plan

	Fiscal Year Ending June 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
East Greenwich proportion of the net pension asset	3.72399849%	3.69238314%	3.64342859%	3.66518874%	-	-	-	-	-	-
East Greenwich proportionate share of the net pension asset	3,080,730	3,676,575	3,401,345	4,556,589	-	-	-	-	-	-
East Greenwich covered payroll	18,269,242	18,297,483	17,784,726	16,931,742	-	-	-	-	-	-
East Greenwich proportionate share of the net pension liability as a percentage of it's covered employee payroll	16.86%	20.09%	19.13%	26.91%	-	-	-	-	-	-
Plan fiduciry net position as a % of the total pension liability	136.1%	153.3%	146.6%	173.3%	-	-	-	-	-	-

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.

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2018

Town of East Greenwich, Rhode Island
Schedule of Changes in the Town of East Greenwich's Net OPEB Liability and Related Ratios
Last 10 Fiscal Years

	Fiscal Year Ending June 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
A. Total OPEB liability										
1. Service Cost	\$ 1,706,680	\$ 1,975,959	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Interest on the Total OPEB Liability	1,461,805	1,263,671	-	-	-	-	-	-	-	-
3. Changes of benefit terms	-	-	-	-	-	-	-	-	-	-
4. Difference between expected and actual experience of the Total OPEB Liability	(1,591,045)	(361,481)	-	-	-	-	-	-	-	-
5. Changes of assumptions	(414,579)	(4,140,148)	-	-	-	-	-	-	-	-
6. Benefit payments, including refunds of employee contributions	(910,710)	(844,912)	-	-	-	-	-	-	-	-
7. Net change in total OPEB liability	252,151	(2,106,911)	-	-	-	-	-	-	-	-
8. Total OPEB liability – beginning	41,604,380	43,711,291	-	-	-	-	-	-	-	-
9. Total OPEB liability – ending (a)	<u>\$ 41,856,531</u>	<u>\$ 41,604,380</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
B. Plan fiduciary net position										
1. Contributions – employer	\$ 1,260,710	\$ 1,194,912	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Contributions – employee	-	-	-	-	-	-	-	-	-	-
3. Net investment income	198,547	257,366	-	-	-	-	-	-	-	-
4. Benefit payments, including refunds of employee contributions	(910,710)	(844,912)	-	-	-	-	-	-	-	-
5. OPEB Plan Administrative Expense	-	-	-	-	-	-	-	-	-	-
6. Other	-	-	-	-	-	-	-	-	-	-
7. Net change in plan fiduciary net position	548,547	607,366	-	-	-	-	-	-	-	-
8. Plan fiduciary net position – beginning	2,386,135	1,778,769	-	-	-	-	-	-	-	-
9. Plan fiduciary net position – ending (b)	<u>\$ 2,934,682</u>	<u>\$ 2,386,135</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
C. Net OPEB liability - ending (a) - (b)	38,921,849	39,218,245	-	-	-	-	-	-	-	-
D. Plan fiduciary net position as a percentage of the total OPEB liability	7.01%	5.74%	-	-	-	-	-	-	-	-
E. Covered employee payroll	\$ 26,200,000	\$ 25,437,378	-	-	-	-	-	-	-	-
F. Net OPEB liability as a percentage of covered payroll	148.56%	154.18%	-	-	-	-	-	-	-	-

Notes:

1.) This schedule is intended to show information for 10 years - additional years will be displayed as they become available.

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2018

Schedule of Plan Contributions
Last 10 Fiscal Years
East Greenwich OPEB Plan

	Fiscal Year Ending June 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Actuarially determined contribution	\$ 3,857,406	\$ 4,095,673	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	1,260,710	1,194,912	-	-	-	-	-	-	-	-
Contribution deficiency/(excess)	2,596,696	2,900,761	-	-	-	-	-	-	-	-
Covered payroll per employee	26,200,000	25,437,378	-	-	-	-	-	-	-	-
Contributions as a percentage of covered-employee payroll	4.81%	4.70%	-	-	-	-	-	-	-	-

Notes:

1.) This schedule is intended to show information for 10 years - additional years will be displayed as they become available.

Schedule of Investment Returns
Last 10 Fiscal Years
East Greenwich OPEB Plan

	Fiscal Year Ending June 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Annual money-weighted rate of return, net of investment expense	7.75%	13.17%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

The money-weighted rate of return considers the changing amounts actually invested during a period and weights the amount of OPEB plan investments by the proportion of time they are available to earn a return during that period.

SUPPLEMENTARY INFORMATION

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
Combining Balance Sheet - Non-Major Governmental Funds
June 30, 2018

	Town Special Revenue Funds	Town Special Revenue Projects Fund	School Special Revenue Funds	Capital Projects Funds	Town Permanent Funds	Total Non-Major Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 2,111	\$ -	\$ 596,878	\$ -	\$ 282,255	\$ 881,244
Internal balances	1,910,502	284,963	132,974	-	158,752	2,487,191
Due from other governments	-	-	230,817	-	-	230,817
Inventories	-	-	5,086	-	-	5,086
TOTAL ASSETS	<u>\$ 1,912,613</u>	<u>\$ 284,963</u>	<u>\$ 965,755</u>	<u>\$ -</u>	<u>\$ 441,007</u>	<u>\$ 3,604,338</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable and accrued expenses	\$ 13,438	\$ 1,334	\$ 133,810	\$ -	\$ 2,095	\$ 150,677
Internal balances	2,111	19,248	763,712	-	61,342	846,413
Unearned revenue	-	-	137	-	-	137
Total liabilities	<u>15,549</u>	<u>20,582</u>	<u>897,659</u>	<u>-</u>	<u>63,437</u>	<u>997,227</u>
Fund balances						
<i>Nonspendable</i>						
Permanent fund principal	-	-	-	-	377,570	377,570
<i>Restricted for:</i>						
Educational programs	-	-	133,727	-	-	133,727
Public works programs	1,319,541	-	-	-	-	1,319,541
<i>Assigned for:</i>						
Legislative, judicial	-	140,970	-	-	-	140,970
Public safety programs	30,537	48,175	-	-	-	78,712
Community programs	-	94,484	-	-	-	94,484
Public works programs	109,078	-	-	-	-	109,078
Culture and recreation	437,908	-	-	-	-	437,908
<i>Unassigned</i>	-	(19,248)	(65,631)	-	-	(84,879)
Total fund balances (deficits)	<u>1,897,064</u>	<u>264,381</u>	<u>68,096</u>	<u>-</u>	<u>377,570</u>	<u>2,607,111</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,912,613</u>	<u>\$ 284,963</u>	<u>\$ 965,755</u>	<u>\$ -</u>	<u>\$ 441,007</u>	<u>\$ 3,604,338</u>

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance - Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2018

	Town Special Revenue Funds	Town Special Revenue Projects Fund	School Special Revenue Funds	Capital Projects Funds	Town Permanent Funds	Total Non-Major Governmental Funds
Revenues						
Intergovernmental revenue	\$ 9,660	\$ 120,796	\$ 821,176	\$ -	\$ -	\$ 951,632
Earnings on investments	-	-	-	-	2,582	2,582
Other revenue	329,834	-	426,208	-	-	756,042
Total revenues	<u>339,494</u>	<u>120,796</u>	<u>1,247,384</u>	<u>-</u>	<u>2,582</u>	<u>1,710,256</u>
Expenditures						
Public safety	-	72,431	-	1,636,311	2,100	1,710,842
Public health and welfare	146,227	33,419	-	-	-	179,646
Education	-	-	1,254,419	-	-	1,254,419
Capital outlay	75,572	13,434	-	-	-	89,006
Total expenditures	<u>221,799</u>	<u>119,284</u>	<u>1,254,419</u>	<u>1,636,311</u>	<u>2,100</u>	<u>3,233,913</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	117,695	1,512	(7,035)	(1,636,311)	482	(1,523,657)
Other financing sources (uses)						
Issuance of debt	-	-	-	1,636,311	-	1,636,311
Transfers from other funds	8,203	-	-	-	-	8,203
Transfers to other funds	(601,524)	-	-	(4,280)	-	(605,804)
Total other financing sources (uses)	<u>(593,321)</u>	<u>-</u>	<u>-</u>	<u>1,632,031</u>	<u>-</u>	<u>1,038,710</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(475,626)</u>	<u>1,512</u>	<u>(7,035)</u>	<u>(4,280)</u>	<u>482</u>	<u>(484,947)</u>
Fund balances - beginning	<u>2,372,690</u>	<u>262,869</u>	<u>75,131</u>	<u>4,280</u>	<u>377,088</u>	<u>3,092,058</u>
Fund balances - ending	<u>\$ 1,897,064</u>	<u>\$ 264,381</u>	<u>\$ 68,096</u>	<u>\$ -</u>	<u>\$ 377,570</u>	<u>\$ 2,607,111</u>

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
Town Special Revenue Funds
Combining Balance Sheet - Non-Major Governmental Funds
June 30, 2018

	Recreation Development Fund 0017	Impact Fees 0044	Comprehensive Plan Land Use 0034	Community Development 0028	Fire Impact Fees 0060	EMA Funds 0016
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 2,111	\$ -	\$ -
Internal balances	204,654	1,319,541	73,527	-	-	30,537
TOTAL ASSETS	<u>\$ 204,654</u>	<u>\$ 1,319,541</u>	<u>\$ 73,527</u>	<u>\$ 2,111</u>	<u>\$ -</u>	<u>\$ 30,537</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable and accrued expenses	\$ 886	\$ -	\$ -	\$ -	\$ -	\$ -
Internal balances	-	-	-	2,111	-	-
Total liabilities	<u>886</u>	<u>-</u>	<u>-</u>	<u>2,111</u>	<u>-</u>	<u>-</u>
Fund balances						
<i>Restricted for:</i>						
Public works programs	-	1,319,541	-	-	-	-
<i>Assigned for:</i>						
Public safety programs	-	-	-	-	-	30,537
Public works programs	-	-	73,527	-	-	-
Culture and recreation	203,768	-	-	-	-	-
<i>Unassigned</i>	-	-	-	-	-	-
Total fund balances (deficits)	<u>203,768</u>	<u>1,319,541</u>	<u>73,527</u>	<u>-</u>	<u>-</u>	<u>30,537</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 204,654</u>	<u>\$ 1,319,541</u>	<u>\$ 73,527</u>	<u>\$ 2,111</u>	<u>\$ -</u>	<u>\$ 30,537</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
Town Special Revenue Funds
Combining Balance Sheet - Non-Major Governmental Funds
June 30, 2018

	Plan Review 0052	Recreation Activities Fund 0018	Farmer's Market 0022	Smoke Detector 0051	Muni Recycling Program 0032	Machinery Equipment 0059	Totals
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,111
Internal balances	-	246,692	-	-	35,551	-	1,910,502
TOTAL ASSETS	\$ -	\$ 246,692	\$ -	\$ -	\$ 35,551	\$ -	\$ 1,912,613
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable and accrued expenses	\$ -	\$ 12,552	\$ -	\$ -	\$ -	\$ -	\$ 13,438
Internal balances	-	-	-	-	-	-	2,111
Total liabilities	-	12,552	-	-	-	-	15,549
Fund balances							
<i>Restricted for:</i>							
Public works programs	-	-	-	-	-	-	1,319,541
<i>Assigned for:</i>							
Public safety programs	-	-	-	-	-	-	30,537
Public works programs	-	-	-	-	35,551	-	109,078
Culture and recreation	-	234,140	-	-	-	-	437,908
<i>Unassigned</i>	-	-	-	-	-	-	-
Total fund balances (deficits)	-	234,140	-	-	35,551	-	1,897,064
TOTAL LIABILITIES AND FUND BALANCES	\$ -	\$ 246,692	\$ -	\$ -	\$ 35,551	\$ -	\$ 1,912,613

(Concluded)

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
Town Special Revenue Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance - Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2018

	Recreation Development Fund 0017	Impact Fees 0044	Comprehensive Plan Land Use 0034	Community Development 0028	Fire Impact Fees 0060	EMA Funds 0016
Revenues						
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ 9,660	\$ -	\$ -
Other revenue	-	113,106	-	-	4,698	-
Total revenues	<u>-</u>	<u>113,106</u>	<u>-</u>	<u>9,660</u>	<u>4,698</u>	<u>-</u>
Expenditures						
Public health and welfare	-	-	-	-	-	1,425
Capital outlay	75,572	-	-	-	-	-
Total expenditures	<u>75,572</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,425</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	(75,572)	113,106	-	9,660	4,698	(1,425)
Other financing sources (uses)						
Operating transfers from other funds	-	-	-	8,203	-	-
Operating transfers (to) other funds	-	-	-	-	(366,872)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,203</u>	<u>(366,872)</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures	(75,572)	113,106	-	17,863	(362,174)	(1,425)
Fund balances - beginning	<u>279,340</u>	<u>1,206,435</u>	<u>73,527</u>	<u>(17,863)</u>	<u>362,174</u>	<u>31,962</u>
Fund balances - ending	<u>\$ 203,768</u>	<u>\$ 1,319,541</u>	<u>\$ 73,527</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,537</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
Town Special Revenue Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance - Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2018

	Plan Review 0052	Recreation Activities Fund 0018	Farmer's Market 0022	Smoke Detector 0051	Muni Recycling Program 0032	Machinery Equipment 0059	Totals
Revenues							
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,660
Other revenue	42,948	159,792	-	7,890	1,400	-	329,834
Total revenues	<u>42,948</u>	<u>159,792</u>	<u>-</u>	<u>7,890</u>	<u>1,400</u>	<u>-</u>	<u>339,494</u>
Expenditures							
Public health and welfare	-	135,731	4,651	-	4,420	-	146,227
Capital outlay	-	-	-	-	-	-	75,572
Total expenditures	<u>-</u>	<u>135,731</u>	<u>4,651</u>	<u>-</u>	<u>4,420</u>	<u>-</u>	<u>221,799</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	42,948	24,061	(4,651)	7,890	(3,020)	-	117,695
Other financing sources (uses)							
Operating transfers from other funds	-	-	-	-	-	-	8,203
Operating transfers (to) other funds	(182,354)	-	(1,725)	(45,395)	-	(5,178)	(601,524)
Total other financing sources (uses)	<u>(182,354)</u>	<u>-</u>	<u>(1,725)</u>	<u>(45,395)</u>	<u>-</u>	<u>(5,178)</u>	<u>(593,321)</u>
Excess of revenues and other sources over (under) expenditures	<u>(139,406)</u>	<u>24,061</u>	<u>(6,376)</u>	<u>(37,505)</u>	<u>(3,020)</u>	<u>(5,178)</u>	<u>(475,626)</u>
Fund balances - beginning	<u>139,406</u>	<u>210,079</u>	<u>6,376</u>	<u>37,505</u>	<u>38,571</u>	<u>5,178</u>	<u>2,372,690</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ 234,140</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,551</u>	<u>\$ -</u>	<u>\$ 1,897,064</u>

(Concluded)

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
Combining Balance Sheet - Non-Major Governmental Funds
Special Revenue Project Funds - Town - Fund 0036
June 30, 2018

	<u>Juvenile Hearing Board</u>	<u>Police Seizures State</u>	<u>Main Street Stroll</u>	<u>Tobacco Grant</u>	<u>Affordable Housing</u>	<u>Alcohol Compliance</u>	<u>Energy Grant ARRA/EPA</u>
ASSETS							
Due from other governments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Internal balances	3,676	7,111	5,105	137	57,932	-	9,857
TOTAL ASSETS	<u>\$ 3,676</u>	<u>\$ 7,111</u>	<u>\$ 5,105</u>	<u>\$ 137</u>	<u>\$ 57,932</u>	<u>\$ -</u>	<u>\$ 9,857</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Internal balances	-	-	-	-	-	611	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>611</u>	<u>-</u>
Fund balances							
<i>Assigned for:</i>							
Legislative, judicial	-	-	-	-	-	-	-
Public safety programs	3,676	7,111	-	137	-	-	-
Community programs	-	-	5,105	-	57,932	-	9,857
<i>Unassigned</i>	-	-	-	-	-	(611)	-
Total fund balances (deficits)	<u>3,676</u>	<u>7,111</u>	<u>5,105</u>	<u>137</u>	<u>57,932</u>	<u>(611)</u>	<u>9,857</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,676</u>	<u>\$ 7,111</u>	<u>\$ 5,105</u>	<u>\$ 137</u>	<u>\$ 57,932</u>	<u>\$ -</u>	<u>\$ 9,857</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
Combining Balance Sheet - Non-Major Governmental Funds
Special Revenue Project Funds - Town - Fund 0036
June 30, 2018

	Byrne Grant	Tobacco Free Signs	Animal Enforcement	Senior Services	Document Preservation & Technology	Historic Trust Fund	MIPPA Grant
ASSETS							
Due from other governments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Internal balances	-	891	28,424	7,766	96,127	44,990	1,187
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 891</u>	<u>\$ 28,424</u>	<u>\$ 7,766</u>	<u>\$ 96,127</u>	<u>\$ 44,990</u>	<u>\$ 1,187</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ 1,334	\$ -	\$ -
Internal balances	16,071	-	-	-	-	-	-
Total liabilities	<u>16,071</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,334</u>	<u>-</u>	<u>-</u>
Fund balances							
<i>Assigned for:</i>							
Legislative, judicial	-	-	-	-	94,793	44,990	1,187
Public safety programs	-	891	28,424	-	-	-	-
Community programs	-	-	-	7,766	-	-	-
<i>Unassigned</i>	(16,071)	-	-	-	-	-	-
Total fund balances (deficits)	<u>(16,071)</u>	<u>891</u>	<u>28,424</u>	<u>7,766</u>	<u>94,793</u>	<u>44,990</u>	<u>1,187</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ 891</u>	<u>\$ 28,424</u>	<u>\$ 7,766</u>	<u>\$ 96,127</u>	<u>\$ 44,990</u>	<u>\$ 1,187</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
Combining Balance Sheet - Non-Major Governmental Funds
Special Revenue Project Funds - Town - Fund 0036
June 30, 2018

	<u>Holiday Basket</u>	<u>Police Seizures Federal</u>	<u>EMA Grant</u>	<u>Spay & Neuter</u>	<u>ISSP Grant</u>	<u>Cops That Care</u>	<u>AFG Grant</u>	<u>Totals</u>
ASSETS								
Due from other governments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Internal balances	10,789	6,824	3,024	1,112	-	-	11	284,963
TOTAL ASSETS	<u>\$ 10,789</u>	<u>\$ 6,824</u>	<u>\$ 3,024</u>	<u>\$ 1,112</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11</u>	<u>\$ 284,963</u>
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,334
Internal balances	-	-	-	-	2,566	-	-	19,248
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,566</u>	<u>-</u>	<u>-</u>	<u>20,582</u>
Fund balances								
<i>Assigned for:</i>								
Legislative, judicial	-	-	-	-	-	-	-	140,970
Public safety programs	-	6,824	-	1,112	-	-	-	48,175
Community programs	10,789	-	3,024	-	-	-	11	94,484
<i>Unassigned</i>	-	-	-	-	(2,566)	-	-	(19,248)
Total fund balances (deficits)	<u>10,789</u>	<u>6,824</u>	<u>3,024</u>	<u>1,112</u>	<u>(2,566)</u>	<u>-</u>	<u>11</u>	<u>264,381</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 10,789</u>	<u>\$ 6,824</u>	<u>\$ 3,024</u>	<u>\$ 1,112</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11</u>	<u>\$ 284,963</u>

(Concluded)

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance - Non-Major Governmental Funds
Special Revenue Project Funds - Town - Fund 0036
For the Fiscal Year Ended June 30, 2018

	<u>Juvenile Hearing Board</u>	<u>Police Seizures State</u>	<u>Main Street Stroll</u>	<u>Tobacco Grant</u>	<u>Affordable Housing</u>	<u>Alcohol Compliance</u>	<u>Energy Grant ARRA/EPA</u>
Revenues							
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ 245	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>245</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures							
Public safety	-	-	-	245	-	611	-
Public health and welfare	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>245</u>	<u>-</u>	<u>611</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	-	-	-	-	-	(611)	-
Other financing sources (uses)							
Transfers from other funds	-	-	-	-	-	-	-
Transfers to other funds	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(611)</u>	<u>-</u>
Fund balances - beginning	<u>3,676</u>	<u>7,111</u>	<u>5,105</u>	<u>137</u>	<u>57,932</u>	<u>-</u>	<u>9,857</u>
Fund balances - ending	<u>\$ 3,676</u>	<u>\$ 7,111</u>	<u>\$ 5,105</u>	<u>\$ 137</u>	<u>\$ 57,932</u>	<u>\$ (611)</u>	<u>\$ 9,857</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance - Non-Major Governmental Funds
Special Revenue Project Funds - Town - Fund 0036
For the Fiscal Year Ended June 30, 2018

	<u>Byrne Grant</u>	<u>Tobacco Free Signs</u>	<u>Animal Enforcement</u>	<u>Senior Services</u>	<u>Document Preservation & Technology</u>	<u>Historic Trust Fund</u>	<u>MIPPA Grant</u>
Revenues							
Intergovernmental revenue	\$ -	\$ 3,818	\$ 1,548	\$ 2,599	\$ 14,825	\$ 2,538	\$ 1,187
Total revenues	<u>-</u>	<u>3,818</u>	<u>1,548</u>	<u>2,599</u>	<u>14,825</u>	<u>2,538</u>	<u>1,187</u>
Expenditures							
Public safety	2,456	2,927	-	-	-	-	-
Public health and welfare	-	-	-	1,020	1,334	-	-
Capital outlay	13,434	-	-	-	-	-	-
Total expenditures	<u>15,890</u>	<u>2,927</u>	<u>-</u>	<u>1,020</u>	<u>1,334</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	(15,890)	891	1,548	1,579	13,491	2,538	1,187
Other financing sources (uses)							
Transfers from other funds	-	-	-	-	-	-	-
Transfers to other funds	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(15,890)</u>	<u>891</u>	<u>1,548</u>	<u>1,579</u>	<u>13,491</u>	<u>2,538</u>	<u>1,187</u>
Fund balances - beginning	(181)	-	26,876	6,187	81,302	42,452	-
Fund balances - ending	<u>\$ (16,071)</u>	<u>\$ 891</u>	<u>\$ 28,424</u>	<u>\$ 7,766</u>	<u>\$ 94,793</u>	<u>\$ 44,990</u>	<u>\$ 1,187</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance - Non-Major Governmental Funds
Special Revenue Project Funds - Town - Fund 0036
For the Fiscal Year Ended June 30, 2018

	<u>Holiday Basket</u>	<u>Police Seizures Federal</u>	<u>EMA Grant</u>	<u>Spay & Neuter</u>	<u>ISSP Grant</u>	<u>Cops That Care</u>	<u>AFG Grant</u>	<u>Totals</u>
Revenues								
Intergovernmental revenue	\$ 3,135	\$ -	\$ 8,061	\$ 774	\$ 20,900	\$ 256	\$ 60,910	\$ 120,796
Total revenues	<u>3,135</u>	<u>-</u>	<u>8,061</u>	<u>774</u>	<u>20,900</u>	<u>256</u>	<u>60,910</u>	<u>120,796</u>
Expenditures								
Public safety	-	-	5,037	-	-	256	60,899	72,431
Public health and welfare	7,004	-	-	595	23,466	-	-	33,419
Capital outlay	-	-	-	-	-	-	-	13,434
Total expenditures	<u>7,004</u>	<u>-</u>	<u>5,037</u>	<u>595</u>	<u>23,466</u>	<u>256</u>	<u>60,899</u>	<u>119,284</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	(3,869)	-	3,024	179	(2,566)	-	11	1,512
Other financing sources (uses)								
Transfers from other funds	-	-	-	-	-	-	-	-
Transfers to other funds	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,869)</u>	<u>-</u>	<u>3,024</u>	<u>179</u>	<u>(2,566)</u>	<u>-</u>	<u>11</u>	<u>1,512</u>
Fund balances - beginning	14,658	6,824	-	933	-	-	-	262,869
Fund balances - ending	<u>\$ 10,789</u>	<u>\$ 6,824</u>	<u>\$ 3,024</u>	<u>\$ 1,112</u>	<u>\$ (2,566)</u>	<u>\$ -</u>	<u>\$ 11</u>	<u>\$ 264,381</u>

(Concluded)

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
School Special Revenue Restricted Funds
Combining Balance Sheet - Non-Major Governmental Funds
June 30, 2018

	Title I 2102	Title III 2105	RTTT Instructional 2127	Computer Fund 0083	EDC 2413	NEA Foundation 2130	IDEA Preschool 2181
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Internal balances	-	-	1,226	8,615	-	542	-
Due from other governments	35,378	-	-	-	-	-	3,090
Inventory	-	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 35,378</u>	<u>\$ -</u>	<u>\$ 1,226</u>	<u>\$ 8,615</u>	<u>\$ -</u>	<u>\$ 542</u>	<u>\$ 3,090</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,438
Internal balances	35,378	-	-	-	34	-	1,652
Unearned revenue	-	-	-	-	137	-	-
Total liabilities	<u>35,378</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>171</u>	<u>-</u>	<u>3,090</u>
Fund balances							
<i>Nonspendable</i>							
Inventories	-	-	-	-	-	-	-
<i>Restricted for:</i>							
Educational programs	-	-	1,226	8,615	-	542	-
Unassigned	-	-	-	-	(171)	-	-
Total fund balances (deficit)	<u>-</u>	<u>-</u>	<u>1,226</u>	<u>8,615</u>	<u>(171)</u>	<u>542</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 35,378</u>	<u>\$ -</u>	<u>\$ 1,226</u>	<u>\$ 8,615</u>	<u>\$ -</u>	<u>\$ 542</u>	<u>\$ 3,090</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
School Special Revenue Restricted Funds
Combining Balance Sheet - Non-Major Governmental Funds
June 30, 2018

	School Lunch 6001	Title II 2103	Title II part D 2113	IDEA Part B 2191	RI Full Day Kindergarten 2361	Gen. Youth Foundation 2409	Strategic Support 2405
ASSETS							
Cash and cash equivalents	\$ 596,878	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Internal balances	-	-	65,475	-	2	6,600	41,977
Due from other governments	9,075	6,330	-	176,944	-	-	-
Inventory	5,086	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 611,039</u>	<u>\$ 6,330</u>	<u>\$ 65,475</u>	<u>\$ 176,944</u>	<u>\$ 2</u>	<u>\$ 6,600</u>	<u>\$ 41,977</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable and accrued expenses	\$ 109,028	\$ 1,398	\$ -	\$ 15,469	\$ -	\$ 6,477	\$ -
Internal balances	494,781	70,407	-	161,460	-	-	-
Unearned revenue	-	-	-	-	-	-	-
Total liabilities	<u>603,809</u>	<u>71,805</u>	<u>-</u>	<u>176,929</u>	<u>-</u>	<u>6,477</u>	<u>-</u>
Fund balances							
<i>Nonspendable</i>							
Inventories	-	-	-	-	-	-	-
<i>Restricted for:</i>							
Educational programs	7,230	-	65,475	-	2	123	41,977
Unassigned	-	(65,475)	-	15	-	-	-
Total fund balances (deficit)	<u>7,230</u>	<u>(65,475)</u>	<u>65,475</u>	<u>15</u>	<u>2</u>	<u>123</u>	<u>41,977</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 611,039</u>	<u>\$ 6,330</u>	<u>\$ 65,475</u>	<u>\$ 176,944</u>	<u>\$ 2</u>	<u>\$ 6,600</u>	<u>\$ 41,977</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
School Special Revenue Restricted Funds
Combining Balance Sheet - Non-Major Governmental Funds
June 30, 2018

	RI State Council on Arts 2314	RI Foundation 2408	English Lang. Learners 2367	Legislative Tech 0185/2311	Champlin Grant 2407	Education Foundation 2402	Wendy's Corporation 2403
ASSETS							
Cash and cash equivalents	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -
Internal balances	800	3	-	4,655	8	56	2,015
Due from other governments	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 800</u>	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ 4,655</u>	<u>\$ 8</u>	<u>\$ 56</u>	<u>\$ 2,015</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Internal balances	-	-	-	-	-	-	-
Unearned revenues	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances							
<i>Nonspendable</i>							
Inventories	-	-	-	-	-	-	-
<i>Restricted for:</i>							
Educational programs	800	3	-	4,655	8	56	2,015
Unassigned	-	-	-	-	-	-	-
Total fund balances (deficit)	<u>800</u>	<u>3</u>	<u>-</u>	<u>4,655</u>	<u>8</u>	<u>56</u>	<u>2,015</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 800</u>	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ 4,655</u>	<u>\$ 8</u>	<u>\$ 56</u>	<u>\$ 2,015</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
School Special Revenue Restricted Funds
Combining Balance Sheet - Non-Major Governmental Funds
June 30, 2018

	<u>Healthier US Schools Grant 2406</u>	<u>Totals</u>
ASSETS		
Cash and cash equivalents	\$ -	\$ 596,878
Internal balances	1,000	132,974
Due from other governments	-	230,817
Inventory	-	5,086
TOTAL ASSETS	<u>\$ 1,000</u>	<u>\$ 965,755</u>
 LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable and accrued expenses	\$ -	133,810
Internal balances	-	763,712
Unearned revenues	-	137
Total liabilities	<u>-</u>	<u>897,659</u>
 Fund balances		
<i>Nonspendable</i>		
Inventories	-	-
<i>Restricted for:</i>		
Educational programs	1,000	133,727
Unassigned	-	(65,631)
Total fund balances (deficit)	<u>1,000</u>	<u>68,096</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,000</u>	<u>\$ 965,755</u>

(Concluded)

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
School Special Revenue Restricted Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2018

	<u>Title I 2102</u>	<u>Title III 2105</u>	<u>RTTT Insturctional 2127</u>	<u>Computer Fund 0083</u>	<u>EDC 2413</u>	<u>NEA Foundation 2130</u>	<u>IDEA Preschool 2181</u>
Revenues							
Intergovernmental revenue	\$ 149,291	\$ 2,709	\$ -	\$ -	\$ -	\$ -	\$ 14,346
Other	-	-	-	-	-	-	-
Total revenues	<u>149,291</u>	<u>2,709</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,346</u>
Expenditures							
Education	149,291	2,709	-	-	1,780	-	14,346
Total expenditures	<u>149,291</u>	<u>2,709</u>	<u>-</u>	<u>-</u>	<u>1,780</u>	<u>-</u>	<u>14,346</u>
Excess revenues over (under) expenditures	-	-	-	-	(1,780)	-	-
Other financing sources (uses)							
Transfers from other funds	-	-	-	-	-	-	-
Transfers to other funds	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,780)</u>	<u>-</u>	<u>-</u>
Fund balances - beginning			1,226	8,615	1,609	542	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,226</u>	<u>\$ 8,615</u>	<u>\$ (171)</u>	<u>\$ 542</u>	<u>\$ -</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
School Special Revenue Restricted Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2018

	<u>School Lunch 6001</u>	<u>Title II 2103</u>	<u>Title II part D 2113</u>	<u>IDEA Part B 2191</u>	<u>RI Full Day Kindergarten 2361</u>	<u>Gen. Youth Foundation 2409</u>	<u>Strategic Support 2405</u>
Revenues							
Intergovernmental revenue	\$ 109,972	\$ 10,252	\$ -	\$ 534,606	\$ -	\$ -	\$ -
Other	417,698	-	-	-	-	6,600	-
Total revenues	<u>527,670</u>	<u>10,252</u>	<u>-</u>	<u>534,606</u>	<u>-</u>	<u>6,600</u>	<u>-</u>
Expenditures							
Education	533,272	10,252	179	534,606	-	6,477	-
Total expenditures	<u>533,272</u>	<u>10,252</u>	<u>179</u>	<u>534,606</u>	<u>-</u>	<u>6,477</u>	<u>-</u>
Excess revenues over (under) expenditures	(5,602)	-	(179)	-	-	123	-
Other financing sources (uses)							
Transfers from other funds	-	-	-	-	-	-	-
Transfers to other funds	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures	<u>(5,602)</u>	<u>-</u>	<u>(179)</u>	<u>-</u>	<u>-</u>	<u>123</u>	<u>-</u>
Fund balances - beginning	12,832	(65,475)	65,654	15	2	-	41,977
Fund balances - ending	<u>\$ 7,230</u>	<u>\$ (65,475)</u>	<u>\$ 65,475</u>	<u>\$ 15</u>	<u>\$ 2</u>	<u>\$ 123</u>	<u>\$ 41,977</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
School Special Revenue Restricted Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2018

	<u>RI State Council on Arts 2314</u>	<u>RI Foundation 2408</u>	<u>English Lang. Learners 2367</u>	<u>Legislative Tech 0185/2311</u>	<u>Champlin Grant 2407</u>	<u>Education Foundation 2402</u>	<u>Wendy's Corporation 2403</u>
Revenues							
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	400	1,078	432	-	-	-	-
Total revenues	<u>400</u>	<u>1,078</u>	<u>432</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures							
Education	-	1,075	432	-	-	-	-
Total expenditures	<u>-</u>	<u>1,075</u>	<u>432</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess revenues over (under) expenditures	400	3	-	-	-	-	-
Other financing sources (uses)							
Transfers from other funds	-	-	-	-	-	-	-
Transfers to other funds	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures	<u>400</u>	<u>3</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - beginning	400	-	-	4,655	8	56	2,015
Fund balances - ending	<u>\$ 800</u>	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ 4,655</u>	<u>\$ 8</u>	<u>\$ 56</u>	<u>\$ 2,015</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
School Special Revenue Restricted Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2018

	Healthier US Schools Grant 2406	Totals
Revenues		
Intergovernmental revenue	\$ -	\$ 821,176
Other	-	426,208
Total revenues	-	1,247,384
Expenditures		
Education	-	1,254,419
Total expenditures	-	1,254,419
Excess revenues over (under) expenditures	-	(7,035)
Other financing sources (uses)		
Transfers from other funds	-	-
Transfers to other funds	-	-
Total other financing sources (uses)	-	-
Excess of revenues and other sources over (under) expenditures	-	(7,035)
Fund balances - beginning	1,000	75,131
Fund balances - ending	\$ 1,000	\$ 68,096

(Concluded)

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
Capital Projects Funds
Combining Balance Sheet - Non-Major Governmental Funds
June 30, 2018

	Riverbank Restoration 0026	\$5 Million Asphalt 0048	Totals
ASSETS			
Cash and cash equivalents		\$ -	\$ -
Internal balances		-	-
TOTAL ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ -	\$ -	\$ -
Internal balances	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances			
<i>Assigned for:</i>			
Culture and recreation	-	-	-
Public works programs	-	-	-
<i>Unassigned</i>	-	-	-
Total fund balances (deficit)	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
Capital Project Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance - Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2018

	<u>Riverbank Restoration 0026</u>	<u>\$5 Million Asphalt 0048</u>	<u>Totals</u>
Revenues			
Intergovernmental Revenue	\$ -	\$ -	\$ -
Investment income	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures			
Capital	-	-	-
Non capital expenditures	-	1,636,311	1,636,311
Total expenditures	<u>-</u>	<u>1,636,311</u>	<u>1,636,311</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources	-	(1,636,311)	(1,636,311)
Other financing sources (uses)			
Issuance of debt	-	1,636,311	1,636,311
Transfers to other funds	(4,280)	-	(4,280)
Total other financing sources (uses)	<u>(4,280)</u>	<u>1,636,311</u>	<u>1,632,031</u>
Excess of revenues and other sources over (under) expenditures	<u>(4,280)</u>	<u>-</u>	<u>(4,280)</u>
Fund balances - beginning	<u>4,280</u>	<u>-</u>	<u>4,280</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
Town Permanent Funds
Combining Balance Sheet - Non-Major Governmental Funds
June 30, 2018

	Briggs Fund	Spencer Maxwell Fund	Tillinghast Fund	Casey Fund	Darius Allen Fund	Estate of Thomas Johnson Fund	F. Robert E. Bergsten Fund	Howland Family Trust Fund	Rose Trust Fund	Totals
ASSETS										
Cash and cash equivalents	\$ 1,338	\$ 16,056	\$ 892	\$ (2,191)	\$ 446	\$ 3,122	\$ 1,338	\$ 3,124	\$ 258,128	\$ 282,255
Internal Balances	4,763	57,151	3,175	65,088	1,588	11,113	4,763	11,113	-	158,752
TOTAL ASSETS	<u>\$ 6,101</u>	<u>\$ 73,207</u>	<u>\$ 4,067</u>	<u>\$ 62,897</u>	<u>\$ 2,034</u>	<u>\$ 14,235</u>	<u>\$ 6,101</u>	<u>\$ 14,237</u>	<u>\$ 258,128</u>	<u>\$ 441,007</u>
LIABILITIES AND FUND BALANCES										
Liabilities										
Other liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,095	\$ 2,095
Internal Balances	-	-	-	-	-	-	-	-	61,342	61,342
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>63,437</u>	<u>63,437</u>
Fund balances										
Nonspendable	6,101	73,207	4,067	62,897	2,034	14,235	6,101	14,237	194,691	377,570
Total fund balances (deficit)	<u>6,101</u>	<u>73,207</u>	<u>4,067</u>	<u>62,897</u>	<u>2,034</u>	<u>14,235</u>	<u>6,101</u>	<u>14,237</u>	<u>194,691</u>	<u>377,570</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 6,101</u>	<u>\$ 73,207</u>	<u>\$ 4,067</u>	<u>\$ 62,897</u>	<u>\$ 2,034</u>	<u>\$ 14,235</u>	<u>\$ 6,101</u>	<u>\$ 14,237</u>	<u>\$ 258,128</u>	<u>\$ 441,007</u>

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
Town Permanent Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2018

	Briggs Fund	Spencer Maxwell Fund	Tillinghast Fund	Casey Fund	Darius Allen Fund	Estate of Thomas Johnson Fund	F. Robert E. Bergsten Fund	Howland Family Trust Fund	0058 Rose Trust Fund	Totals
Revenues										
Earnings on investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,582	\$ 2,582
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,582</u>	<u>2,582</u>
Expenditures										
Expenditures	-	5	-	-	-	-	-	-	2,095	2,100
Total expenditures	<u>-</u>	<u>5</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,095</u>	<u>2,100</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources	<u>-</u>	<u>(5)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>487</u>	<u>482</u>
Fund balances - beginning restated	6,101	73,212	4,067	62,897	2,034	14,235	6,101	14,237	194,204	377,088
Fund balances - ending	<u>\$ 6,101</u>	<u>\$ 73,207</u>	<u>\$ 4,067</u>	<u>\$ 62,897</u>	<u>\$ 2,034</u>	<u>\$ 14,235</u>	<u>\$ 6,101</u>	<u>\$ 14,237</u>	<u>\$ 194,691</u>	<u>\$ 377,570</u>

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
Fiduciary Funds
Combining Statement of Changes in Net Position
For the Fiscal Year Ended June 30, 2018

	<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2018</u>
PERFORMANCE BOND FUND				
ASSETS				
Cash and cash equivalents	\$ 239,023	\$ 10	\$ -	\$ 239,033
Other assets	797,662	-	437,810	359,852
TOTAL ASSETS	<u>\$ 1,036,685</u>	<u>\$ 10</u>	<u>\$ 437,810</u>	<u>\$ 598,885</u>
LIABILITIES				
Other liabilities	\$ 607,813	\$ -	\$ 500,098	\$ 107,715
Deposits held in custody for others	428,872	181,008	118,710	491,170
TOTAL LIABILITIES	<u>\$ 1,036,685</u>	<u>\$ 181,008</u>	<u>\$ 618,808</u>	<u>\$ 598,885</u>
PUPIL ACTIVITY FUNDS				
ASSETS				
Cash and cash equivalents	\$ 272,341	\$ 496,032	\$ 472,824	\$ 295,549
TOTAL ASSETS	<u>\$ 272,341</u>	<u>\$ 496,032</u>	<u>\$ 472,824</u>	<u>\$ 295,549</u>
LIABILITIES				
Deposits held in custody for others	\$ 272,341	\$ 496,032	\$ 472,824	\$ 295,549
TOTAL LIABILITIES	<u>\$ 272,341</u>	<u>\$ 496,032</u>	<u>\$ 472,824</u>	<u>\$ 295,549</u>
TOTAL AGENCY FUNDS				
ASSETS				
Cash and cash equivalents	\$ 511,364	\$ 496,042	\$ 472,824	\$ 534,582
Other assets	797,662	-	437,810	359,852
TOTAL ASSETS	<u>\$ 1,309,026</u>	<u>\$ 496,042</u>	<u>\$ 910,634</u>	<u>\$ 894,434</u>
LIABILITIES				
Deposits held in custody for others	\$ 774,432	\$ 677,040	\$ 591,534	\$ 859,938
Other liabilities	534,594	-	500,098	34,496
TOTAL LIABILITIES	<u>\$ 1,309,026</u>	<u>\$ 677,040</u>	<u>\$ 1,091,632</u>	<u>\$ 894,434</u>

**SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
Fiduciary Funds - Pupil Activity Funds
Combining Statement of Changes in Net Position
For the Fiscal Year Ended June 30, 2018**

	<u>Cash Balance July 1, 2017</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Cash Balance June 30, 2018</u>
PUPIL ACTIVITY FUNDS				
East Greenwich High School:				
Checking	\$ 139,969	\$ 320,507	\$ 302,164	\$ 158,312
Savings	21,335	5	-	21,340
CD	44,000	109	109	44,000
Athletic Officials Fund	184	-	-	184
Athletic Camp Fund	6,557	-	-	6,557
Cole Middle School:				
Checking	42,296	121,219	117,389	46,126
Money Market	3,971	41	40	3,972
Eldridge	470	18,552	18,151	871
Eldridge Student Council	1,805	4,334	3,409	2,730
Frenchtown School	7,070	4,260	1,977	9,353
Meadowbrook	2,957	14,673	16,796	834
Hanaford	1,727	12,332	12,789	1,270
TOTALS	<u>\$ 272,341</u>	<u>\$ 496,032</u>	<u>\$ 472,824</u>	<u>\$ 295,549</u>

General Fund

School Department Operations

TOWN OF EAST GREENWICH, RHODE ISLAND
Supplementary Information
Balance Sheet
General Fund and School Unrestricted
June 30, 2018

	<u>General Fund</u>	<u>School Unrestricted Fund</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ 11,233,263	\$ -	\$ 11,233,263
Accounts receivable:			
Property taxes, less allowance for doubtful accounts of \$90,933	2,652,524	-	2,652,524
Other	698,371	34,074	732,445
Internal balances	25,262,782	3,693,948	28,956,730
Deposit at other institution	-	1,749,029	1,749,029
Prepays expense	106,734	756,173	862,907
TOTAL ASSETS	<u>\$ 39,953,674</u>	<u>\$ 6,233,224</u>	<u>\$ 46,186,898</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued expenses	\$ 1,513,610	\$ 3,139,591	\$ 4,653,201
Internal balances	27,623,247	-	27,623,247
Total liabilities	<u>29,136,857</u>	<u>3,139,591</u>	<u>32,276,448</u>
DEFERRED INFLOW OF RESOURCES			
Unavailable tax revenue	<u>3,013,517</u>	<u>-</u>	<u>3,013,517</u>
Fund balances:			
<i>Non-spendable</i>			
Prepaid expense	106,734	756,173	862,907
Deposits held for Health and Dental Benefits	-	1,749,029	1,749,029
<i>Restricted for:</i>			
Educational programs	-	588,431	588,431
<i>Assigned for:</i>			
2019 budget	1,090,685	-	1,090,685
<i>Unassigned:</i>	6,605,881	-	6,605,881
Total fund balances	<u>7,803,300</u>	<u>3,093,633</u>	<u>10,896,933</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 39,953,674</u>	<u>\$ 6,233,224</u>	<u>\$ 46,186,898</u>

TOWN OF EAST GREENWICH, RHODE ISLAND
Supplementary Information
Schedule of Revenues, Expenditures
and Changes in Fund Balances
General Fund and School Unrestricted
For the Fiscal Year Ended June 30, 2018

	<u>General Fund</u>	<u>School Unrestricted Fund</u>	<u>Total Governmental Funds</u>
Revenues			
General property tax	\$ 55,947,018	\$ -	\$ 55,947,018
Intergovernmental and departmental revenues	1,477,530	4,476,452	5,953,982
License and permits	2,136,509	-	2,136,509
Interest on investments	63,326	-	63,326
Tuitions	-	76,285	76,285
Other revenues	2,691,615	854,313	3,545,928
Total revenues	<u>62,315,998</u>	<u>5,407,050</u>	<u>67,723,048</u>
Expenditures			
Legislative, judicial and general administrative	9,479,089	-	9,479,089
Financial administration	722,264	-	722,264
Information technology	507,576	-	507,576
Public safety	7,828,439	-	7,828,439
Public works	3,674,966	-	3,674,966
Teen center	12,500	-	12,500
Parks and recreation	608,965	-	608,965
Town planner	216,477	-	216,477
Senior and human services	235,757	-	235,757
Education	-	39,595,462	39,595,462
Grants and contributions	32,000	-	32,000
Library	520,235	-	520,235
Land trust	11,598	-	11,598
Financing costs	1,950	-	1,950
Capital outlay	389,705	-	389,705
Non capital expenditures	114,062	-	114,062
Long-term obligations:			
Principal	3,332,833	-	3,332,833
Interest	2,212,490	-	2,212,490
Total expenditures	<u>29,900,906</u>	<u>39,595,462</u>	<u>69,496,368</u>
Excess of revenues over (under) expenditures before other financing sources (uses)	<u>32,415,092</u>	<u>(34,188,412)</u>	<u>(1,773,320)</u>
Other financing sources (uses)			
Transfers from other funds	605,804	34,018,906	34,624,710
Transfers to other funds	(34,027,109)	-	(34,027,109)
Total other financing sources (uses)	<u>(33,421,305)</u>	<u>34,018,906</u>	<u>597,601</u>
Net changes in fund balances	<u>(1,006,213)</u>	<u>(169,506)</u>	<u>(1,175,719)</u>
Fund balances - beginning	8,809,513	3,263,139	12,072,652
Fund balances - ending	<u>\$ 7,803,300</u>	<u>\$ 3,093,633</u>	<u>\$ 10,896,933</u>

TOWN OF EAST GREENWICH, RHODE ISLAND
Supplementary Information
Balance Sheet
General Fund
June 30, 2018

	General Fund
ASSETS	
Cash and cash equivalents	\$ 11,233,263
Accounts receivable:	
Property taxes, less allowance for doubtful accounts of \$90,933	2,652,524
Other	698,371
Internal balances	25,262,782
Prepays	106,734
TOTAL ASSETS	\$ 39,953,674
 LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable and accrued expenses	\$ 1,513,610
Internal balances	27,623,247
Total liabilities	29,136,857
 DEFERRED INFLOW OF RESOURCES	
Unavailable tax revenue	3,013,517
 Fund balances:	
<i>Nonspendable:</i>	
Prepays	106,734
<i>Assigned for:</i>	
2019 budget	1,090,685
<i>Unassigned:</i>	6,605,881
Total fund balances	7,803,300
TOTAL LIABILITIES AND FUND BALANCES	\$ 39,953,674

TOWN OF EAST GREENWICH, RHODE ISLAND
Supplementary Information
Schedule of Revenues, Expenditures
and Changes in Fund Balances
General Fund
For the Fiscal Year Ended June 30, 2018

	General Fund
Revenues	
General property tax	\$ 55,947,018
Intergovernmental and departmental revenues	1,477,530
License and permits	2,136,509
Interest on investments	63,326
Other revenues	2,691,615
Total revenues	62,315,998
Expenditures	
Legislative, judicial and general administrative	9,479,089
Financial administration	722,264
Information technology	507,576
Public safety	7,828,439
Public works	3,674,966
Teen center	12,500
Parks and recreation	608,965
Town planner	216,477
Senior and human services	235,757
Grants and contributions	32,000
Library	520,235
Land trust	11,598
Financing costs	1,950
Capital outlay	389,705
Non capital expenditures	114,062
Long-term obligations:	
Principal	3,332,833
Interest	2,212,490
Total expenditures	29,900,906
Excess of revenues over (under) expenditures before other financing sources (uses)	32,415,092
Other financing sources (uses)	
Transfers from other funds	605,804
Transfers to other funds	(34,027,109)
Total other financing sources (uses)	(33,421,305)
Net changes in fund balances	(1,006,213)
Fund balances - beginning	8,809,513
Fund balance - ending	\$ 7,803,300

TOWN OF EAST GREENWICH, RHODE ISLAND
Supplementary Information
Budgetary Comparison Schedule - General Fund
Schedule of Revenues and Expenditures - Non-GAAP Budgetary Basis
For the Fiscal Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues				
General property tax	\$ 55,912,447	\$ 55,912,447	\$ 55,947,018	\$ 34,571
General revenue	1,438,173	1,438,173	1,477,530	39,357
State aid	2,754,847	2,754,847	2,691,615	(63,232)
Interest on investments	20,000	20,000	63,326	43,326
License and permits	1,832,901	1,832,901	2,136,509	303,608
Total Revenues	<u>61,958,368</u>	<u>61,958,368</u>	<u>62,315,998</u>	<u>357,630</u>
Expenditures				
Administration	7,344,115	7,344,115	9,479,089	(2,134,974)
Finance	768,712	768,712	722,264	46,448
Information technology	706,800	706,800	507,576	199,224
Public safety	7,615,629	7,615,629	7,828,439	(212,810)
Public works	3,813,836	3,813,836	3,674,966	138,870
Recreation	321,409	321,409	295,641	25,768
Parks and grounds	354,497	354,497	313,324	41,173
Teen center	12,500	12,500	12,500	-
Town planner	201,257	201,257	216,477	(15,220)
Senior and human services	208,015	208,015	235,757	(27,742)
Grants and contributions	29,000	29,000	32,000	(3,000)
East Greenwich Land Trust	48,300	48,300	11,598	36,702
Library	520,235	520,235	520,235	-
Capital outlays	444,235	444,235	389,705	54,530
Non capital expenditures	-	-	114,062	(114,062)
Debt service:				
Principal	3,332,833	3,332,833	3,332,833	-
Interest	2,213,089	2,213,089	2,212,490	599
Financing costs	5,000	5,000	1,950	3,050
Total expenditures	<u>27,939,462</u>	<u>27,939,462</u>	<u>29,900,906</u>	<u>(1,961,444)</u>
Excess of revenues over expenditures before operating transfers	<u>34,018,906</u>	<u>34,018,906</u>	<u>32,415,092</u>	<u>(1,603,814)</u>
Other financing sources (uses)				
Transfers from other funds	-	-	605,804	605,804
Transfers to other funds	(34,018,906)	(34,018,906)	(34,027,109)	(8,203)
Total other financing sources and uses	<u>(34,018,906)</u>	<u>(34,018,906)</u>	<u>(33,421,305)</u>	<u>597,601</u>
Excess of revenues over (under) expenditures and operating transfers	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,006,213)</u>	<u>\$ (1,006,213)</u>

TOWN OF EAST GREENWICH, RHODE ISLAND
Supplementary Information
Budgetary Comparison Schedule - General Fund
Schedule of Revenues - Non-GAAP Budgetary Basis
For the Fiscal Year Ended June 30, 2018

	Original Budget Revenues	Revised Budget Revenues	Actual Revenues	Variance
General property tax				
Taxes - current	\$ 55,212,447	\$ 55,212,447	\$ 54,877,741	\$ (334,706)
Taxes - prior year	700,000	700,000	1,069,277	369,277
Total general property taxes	<u>55,912,447</u>	<u>55,912,447</u>	<u>55,947,018</u>	<u>34,571</u>
General revenue				
Grants and departmental revenue	32,500	32,500	25,735	(6,765)
Municipal court	56,500	56,500	4,895	(51,605)
Other revenue	1,349,173	1,349,173	1,446,900	97,727
Total general revenue	<u>1,438,173</u>	<u>1,438,173</u>	<u>1,477,530</u>	<u>39,357</u>
State aid				
School housing aid	1,700,445	1,700,445	1,535,566	(164,879)
Telephone tax	168,882	168,882	163,835	(5,047)
Pilot	41,747	41,747	16,058	(25,689)
Motor vehicle phase out	81,417	81,417	285,644	204,227
Meals tax	762,356	762,356	690,512	(71,844)
Total state aid	<u>2,754,847</u>	<u>2,754,847</u>	<u>2,691,615</u>	<u>(63,232)</u>
Licenses, permits and usage fees				
Town clerk department	520,550	520,550	650,584	130,034
Department of public works	445,231	445,231	375,295	(69,936)
Fire revenue	700,000	700,000	901,320	201,320
Planning	10,500	10,500	15,499	4,999
Police department	156,620	156,620	193,811	37,191
Total licenses, permits and usage fees	<u>1,832,901</u>	<u>1,832,901</u>	<u>2,136,509</u>	<u>303,608</u>
Other financing sources				
Transfer in from other funds	-	-	605,804	605,804
Total other financing sources	<u>-</u>	<u>-</u>	<u>605,804</u>	<u>605,804</u>
Interest on investments	20,000	20,000	63,326	43,326
Total revenue and other financing sources	<u>\$ 61,958,368</u>	<u>\$ 61,958,368</u>	<u>\$ 62,921,802</u>	<u>\$ 963,434</u>

TOWN OF EAST GREENWICH, RHODE ISLAND
Supplementary Information
Budgetary Comparison Schedule - General Fund
Schedule of Expenditures - Non-GAAP Budgetary Basis
For the Fiscal Year Ended June 30, 2018

	<u>Original Budgeted Expenditures</u>	<u>Revised Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Variance</u>
Administration				
Town council				
Salaries	\$ 9,300	\$ 9,300	\$ 9,300	\$ -
Total town council	<u>9,300</u>	<u>9,300</u>	<u>9,300</u>	<u>-</u>
Town manager				
Salaries and wages	212,999	212,999	250,295	(37,296)
Outside services	7,400	7,400	7,741	(341)
Supplies	12,150	12,150	8,332	3,818
Total town manager	<u>232,549</u>	<u>232,549</u>	<u>266,368</u>	<u>(33,819)</u>
Town clerks				
Salaries and wages	237,589	237,589	241,150	(3,561)
Outside services	14,800	14,800	13,393	1,407
Supplies	1,750	1,750	1,561	189
Total town clerks	<u>254,139</u>	<u>254,139</u>	<u>256,104</u>	<u>(1,965)</u>
Town solicitor				
Outside services	322,500	322,500	2,353,021	(2,030,521)
Total town solicitor	<u>322,500</u>	<u>322,500</u>	<u>2,353,021</u>	<u>(2,030,521)</u>
Municipal court and judges				
Salaries	45,080	45,080	17,757	27,323
Outside services	-	-	70	(70)
Total municipal court and judges	<u>45,080</u>	<u>45,080</u>	<u>17,827</u>	<u>27,253</u>
Board of canvassers				
Salaries and wages	2,750	2,750	514	2,236
Outside services	1,850	1,050	9	1,041
Supplies	500	1,300	1,043	257
Total board of canvassers	<u>5,100</u>	<u>5,100</u>	<u>1,566</u>	<u>3,534</u>

(Continued)

TOWN OF EAST GREENWICH, RHODE ISLAND
Supplementary Information
Budgetary Comparison Schedule - General Fund
Schedule of Expenditures - Non-GAAP Budgetary Basis
For the Fiscal Year Ended June 30, 2018

	<u>Original Budgeted Expenditures</u>	<u>Revised Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Variance</u>
Employee benefits				
Outside services	5,929,595	5,929,595	5,804,223	125,372
Total employee benefits	<u>5,929,595</u>	<u>5,929,595</u>	<u>5,804,223</u>	<u>125,372</u>
Insurance				
Outside services	432,852	432,852	358,538	74,314
Total insurance	<u>432,852</u>	<u>432,852</u>	<u>358,538</u>	<u>74,314</u>
Contingency fund				
Outside services	113,000	113,000	412,142	(299,142)
Total contingency fund	<u>113,000</u>	<u>113,000</u>	<u>412,142</u>	<u>(299,142)</u>
Total Administration	<u>7,344,115</u>	<u>7,344,115</u>	<u>9,479,089</u>	<u>(2,134,974)</u>
Finance department				
Salaries	602,707	602,707	534,633	68,074
Outside services	125,005	125,005	148,875	(23,870)
Supplies	9,000	9,000	7,597	1,403
Equipment	-	-	200	(200)
Communications	32,000	32,000	30,959	1,041
Total finance department	<u>768,712</u>	<u>768,712</u>	<u>722,264</u>	<u>46,448</u>
Information technology				
Salaries	346,238	346,238	160,252	185,986
Outside services	195,814	195,814	173,148	22,666
Supplies	19,000	19,000	19,856	(856)
Equipment	64,948	64,948	73,807	(8,859)
Communications	80,800	80,800	80,513	287
Total information technology	<u>706,800</u>	<u>706,800</u>	<u>507,576</u>	<u>199,224</u>
Public safety				
Police department				
Salaries and wages	2,950,451	2,950,451	2,906,565	43,886
Police overtime	300,000	300,000	327,996	(27,996)
Outside services	54,620	54,620	64,020	(9,400)
Supplies	114,790	114,790	93,737	21,053
Equipment	30,000	30,000	19,645	10,355
Communications	1,900	1,900	1,209	691
Total police department	<u>3,451,761</u>	<u>3,451,761</u>	<u>3,413,172</u>	<u>38,589</u>

(Continued)

TOWN OF EAST GREENWICH, RHODE ISLAND
Supplementary Information
Budgetary Comparison Schedule - General Fund
Schedule of Expenditures - Non-GAAP Budgetary Basis
For the Fiscal Year Ended June 30, 2018

	<u>Original Budgeted Expenditures</u>	<u>Revised Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Variance</u>
Fire Department				
Salaries and wages	3,405,125	3,405,125	3,653,937	(248,812)
Outside services	599,493	599,493	635,646	(36,153)
Supplies	159,250	159,250	125,684	33,566
Total Fire District	<u>4,163,868</u>	<u>4,163,868</u>	<u>4,415,267</u>	<u>(251,399)</u>
Total public safety	<u>7,615,629</u>	<u>7,615,629</u>	<u>7,828,439</u>	<u>(212,810)</u>
Public works administration				
Salaries and wages	1,504,234	1,504,234	1,476,745	27,489
Outside services	1,182,806	1,182,806	1,169,314	13,492
Supplies and expense	1,126,796	1,126,796	1,028,907	97,889
Total public works administration	<u>3,813,836</u>	<u>3,813,836</u>	<u>3,674,966</u>	<u>138,870</u>
Recreation department				
Salaries and wages	321,409	321,409	295,641	25,768
Total recreation department	<u>321,409</u>	<u>321,409</u>	<u>295,641</u>	<u>25,768</u>
Parks & grounds				
Salaries and wages	179,363	179,363	177,178	2,185
Outside services	65,590	65,590	50,653	14,937
Supplies	106,544	106,544	82,498	24,046
Equipment	3,000	3,000	2,995	5
Total parks and grounds	<u>354,497</u>	<u>354,497</u>	<u>313,324</u>	<u>41,173</u>
Teen center				
Salaries and wages	5,000	5,000	5,000	-
Supplies and equipment	7,500	7,500	7,500	-
Total teen center	<u>12,500</u>	<u>12,500</u>	<u>12,500</u>	<u>-</u>
Town planner				
Salaries and wages	187,082	187,082	200,883	(13,801)
Outside services	12,275	12,275	13,518	(1,243)
Supplies	1,400	1,400	426	974
Equipment	500	500	1,650	(1,150)
Total town planner	<u>201,257</u>	<u>201,257</u>	<u>216,477</u>	<u>(15,220)</u>
Senior and human services				
Salaries and wages	206,715	206,715	234,838	(28,123)
Outside services	200	200	(40)	240
Supplies	1,100	1,100	959	141
Total senior and human services	<u>208,015</u>	<u>208,015</u>	<u>235,757</u>	<u>(27,742)</u>

(Continued)

TOWN OF EAST GREENWICH, RHODE ISLAND
Supplementary Information
Budgetary Comparison Schedule - General Fund
Schedule of Expenditures - Non-GAAP Budgetary Basis
For the Fiscal Year Ended June 30, 2018

	<u>Original Budgeted Expenditures</u>	<u>Revised Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Variance</u>
Grants and contributions				
Contributions	29,000	29,000	32,000	(3,000)
Total grants and contributions	<u>29,000</u>	<u>29,000</u>	<u>32,000</u>	<u>(3,000)</u>
East Greenwich Land Trust				
Insurance	2,000	2,000	-	2,000
Pilot	6,300	6,300	515	5,785
Building maintenance	5,000	5,000	7,323	(2,323)
Boesch farm rehabilitation	35,000	35,000	3,760	31,240
Total East Greenwich Land Trust	<u>48,300</u>	<u>48,300</u>	<u>11,598</u>	<u>36,702</u>
Library				
Town contributions	520,235	520,235	520,235	-
Total library	<u>520,235</u>	<u>520,235</u>	<u>520,235</u>	<u>-</u>
Capital improvements				
Capital outlays	444,235	444,235	389,705	54,530
Non capital expenditures	-	-	114,062	(114,062)
Total capital improvements	<u>444,235</u>	<u>444,235</u>	<u>503,767</u>	<u>(59,532)</u>
School department				
Education	34,018,906	34,018,906	34,018,906	-
Total school department	<u>34,018,906</u>	<u>34,018,906</u>	<u>34,018,906</u>	<u>-</u>
Total expenditures	<u>56,407,446</u>	<u>56,407,446</u>	<u>58,372,539</u>	<u>(1,965,093)</u>
Other financing uses				
Debt service				
Principal	3,332,833	3,332,833	3,332,833	-
Payment to refunding bond escrow agent	2,213,089	2,213,089	2,212,490	599
Financing costs	5,000	5,000	1,950	3,050
Total debt service	<u>5,550,922</u>	<u>5,550,922</u>	<u>5,547,273</u>	<u>3,649</u>
Other financing uses				
Transfers to other funds	-	-	8,203	(8,203)
Total other financing uses	<u>-</u>	<u>-</u>	<u>8,203</u>	<u>(8,203)</u>
Total expenditures and other financing uses	<u>\$ 61,958,368</u>	<u>\$ 61,958,368</u>	<u>\$ 63,928,015</u>	<u>\$ (1,969,647)</u>

(Concluded)

TOWN OF EAST GREENWICH, RHODE ISLAND
 Supplementary Information
 Balance Sheet
 School Unrestricted
 June 30, 2018

	School Unrestricted Fund
ASSETS	
Accounts receivable:	34,074
Internal balances	3,693,948
Prepaid asset	756,173
Other assets - health care deposit	1,749,029
TOTAL ASSETS	\$ 6,233,224
 LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable and accrued expenses	\$ 3,139,591
Total liabilities	3,139,591
 Fund balances:	
<i>Non-spendable</i>	
Prepaid expenses	756,173
Deposits held for Health and Dental Benefits	1,749,029
<i>Restricted for:</i>	
Educational programs	588,431
Total fund balances	3,093,633
TOTAL LIABILITIES AND FUND BALANCES	\$ 6,233,224

TOWN OF EAST GREENWICH, RHODE ISLAND
Supplementary Information
School Unrestricted Fund
Schedule of Revenues, Expenditures
For the Fiscal Year Ended June 30, 2018

	School Unrestricted Fund
Revenues	
Hanaford fund revenue	\$ 37,040
State aid to education	2,671,596
Tuition revenue	76,285
Medicaid revenue	409,957
Other revenue	407,316
Intergovernmental on behalf payments	1,804,856
Total revenues	5,407,050
Expenditures	
Instructional teachers	18,039,661
Substitute teachers	363,145
Instructional paraprofessionals	2,224,562
Pupil-use tech/software	576,854
Instructional materials/trips/supplies	266,243
Guidance services	772,848
Library and media	534,694
Extracurricular	615,161
Student health and services	902,666
Curriculum development	320,939
Staff development	84,265
Program management	332,803
Therapists/psychologists/evaluation	2,463,743
Academic student assessment	63,307
Transportation	1,671,621
Safety	65,563
Building upkeep/maintenance/utilities	3,054,545
Data processing	456,288
Business operations	340,194
Retiree benefits	56,039
All school pass through	1,662,661
Principals and asst principals	1,091,621
School office	929,136
Superintendent/school board	436,829
Legal	97,499
Capital outlay	202,159
Other expenses	165,560
Intergovernmental on behalf payments	1,804,856
Total expenditures	39,595,462
Excess (deficiency) of Revenues Over (Under) Expenditures Before Operating Transfers	(34,188,412)
Operating transfers	
Town appropriation	34,018,906
Total transfers from other funds	34,018,906
Net changes from operations	(169,506)
Operational reserves - beginning	3,263,139
Operational reserves - ending	\$ 3,093,633

TOWN OF EAST GREENWICH
Supplementary Information
School Unrestricted Fund
Budgetary Comparison Schedule
Schedule of Revenues - Non-GAAP Budgetary Basis
Schedule of Expenditures - Non-GAAP Budgetary Basis
For the Fiscal Year Ended June 30, 2018

	<u>Original Budgeted</u>	<u>Revised Budgeted</u>	<u>Actual</u>	<u>Variance</u>
Revenues				
Hanaford fund revenue	\$ 30,509	\$ 30,509	\$ 37,040	\$ 6,531
Tuition revenue	40,000	40,000	76,285	36,285
Other revenue	185,000	185,000	407,316	222,316
Medicaid revenue	340,425	340,425	409,957	69,532
Total revenues	<u>595,934</u>	<u>595,934</u>	<u>930,598</u>	<u>334,664</u>
State and federal aid and transfers				
State aid to education	2,739,941	2,739,941	2,671,596	(68,345)
Total state and federal aid and transfers	<u>2,739,941</u>	<u>2,739,941</u>	<u>2,671,596</u>	<u>(68,345)</u>
Other financing sources				
Reappropriated fund balance	394,673	394,673	394,673	-
Town appropriation	34,018,906	34,018,906	34,018,906	-
Total transfers from other funds	<u>34,413,579</u>	<u>34,413,579</u>	<u>34,413,579</u>	<u>-</u>
Total revenue and other financing sources	<u>\$ 37,749,454</u>	<u>\$ 37,749,454</u>	<u>\$ 38,015,773</u>	<u>\$ 266,319</u>
Expenditures				
Instructional teachers	\$ 19,218,055	\$ 19,320,029	\$ 18,039,661	\$ 1,280,368
Substitute teachers	257,989	257,989	363,145	(105,156)
Instructional paraprofessionals	1,932,144	1,932,144	2,224,562	(292,418)
Pupil-use tech/software	194,586	341,827	576,854	(235,027)
Instructional materials/trips/supplies	349,763	345,235	266,243	78,992
Guidance services	563,895	561,862	772,848	(210,986)
Library and media	449,769	450,578	534,694	(84,116)
Extracurricular	546,256	546,661	615,161	(68,500)
Student health and services	893,414	905,963	902,666	3,297
Curriculum development	365,341	365,341	320,939	44,402
Staff development	70,407	73,401	84,265	(10,864)
Program management	235,093	233,293	332,803	(99,510)
Therapists/psychologists/evaluation	2,412,674	2,412,674	2,463,743	(51,069)
Academic student assessment	85,116	85,116	63,307	21,809
Transportation	1,509,429	1,510,289	1,671,621	(161,332)
Safety	99,705	99,705	65,563	34,142
Building upkeep/maintenance/utilities	2,753,903	2,795,914	3,054,545	(258,631)
Data processing	651,967	449,248	456,288	(7,040)
Business operations	121,569	123,949	340,194	(216,245)
Retiree Benefits	71,500	71,500	56,039	15,461
All school pass through	1,720,445	1,720,445	1,662,661	57,784
Principals and asst principals	1,350,170	1,247,716	1,091,621	156,095
School office	946,697	950,736	929,136	21,600
Superintendent/school board	368,097	366,369	436,829	(70,460)
Legal	126,000	126,000	97,499	28,501
Capital outlay	305,470	305,470	202,159	103,311
Other expenses	150,000	150,000	165,560	(15,560)
Total expenditures	<u>37,749,454</u>	<u>37,749,454</u>	<u>37,790,606</u>	<u>(41,152)</u>
Net changes	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 225,167</u>	<u>\$ 225,167</u>

TOWN OF EAST GREENWICH
Supplementary Information
School Unrestricted Fund
Budgetary Comparison Schedule
Schedule of Revenues - Non-GAAP Budgetary Basis
For the Fiscal Year Ended June 30, 2018

	<u>Original Budgeted Revenues</u>	<u>Revised Budgeted Revenues</u>	<u>Actual Revenues</u>	<u>Variance</u>
Revenues				
Hanaford fund revenue	\$ 30,509	\$ 30,509	\$ 37,040	\$ 6,531
Tuition revenue	40,000	40,000	76,285	36,285
Other revenue	185,000	185,000	407,316	222,316
Medicaid revenue	340,425	340,425	409,957	69,532
Total revenues	<u>595,934</u>	<u>595,934</u>	<u>930,598</u>	<u>334,664</u>
State and federal aid and transfers				
State aid to education	2,739,941	2,739,941	2,671,596	(68,345)
Total state and federal aid and transfers	<u>2,739,941</u>	<u>2,739,941</u>	<u>2,671,596</u>	<u>(68,345)</u>
Other financing sources				
Reappropriated fund balance	394,673	394,673	394,673	-
Town appropriation	34,018,906	34,018,906	34,018,906	-
Total transfers from other funds	<u>34,413,579</u>	<u>34,413,579</u>	<u>34,413,579</u>	<u>-</u>
Total revenue and other financing sources	<u>\$ 37,749,454</u>	<u>\$ 37,749,454</u>	<u>\$ 38,015,773</u>	<u>\$ 266,319</u>

TOWN OF EAST GREENWICH
Supplementary Information
School Unrestricted Fund
Budgetary Comparison Schedule
Schedule of Expenditures - Non-GAAP Budgetary Basis
Fiscal Year Ended June 30, 2018

	<u>Original Budgeted Expenditures</u>	<u>Revised Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Variance</u>
Expenditures				
Instructional teachers	\$ 19,218,055	\$ 19,320,029	\$ 18,039,661	\$ 1,280,368
Substitute teachers	257,989	257,989	363,145	(105,156)
Instructional paraprofessionals	1,932,144	1,932,144	2,224,562	(292,418)
Pupil-use tech/software	194,586	341,827	576,854	(235,027)
Instructional materials/trips/supplies	349,763	345,235	266,243	78,992
Guidance services	563,895	561,862	772,848	(210,986)
Library and media	449,769	450,578	534,694	(84,116)
Extracurricular	546,256	546,661	615,161	(68,500)
Student health and services	893,414	905,963	902,666	3,297
Curriculum development	365,341	365,341	320,939	44,402
Staff development	70,407	73,401	84,265	(10,864)
Program management	235,093	233,293	332,803	(99,510)
Therapists/psychologists/evaluation	2,412,674	2,412,674	2,463,743	(51,069)
Academic student assessment	85,116	85,116	63,307	21,809
Transportation	1,509,429	1,510,289	1,671,621	(161,332)
Safety	99,705	99,705	65,563	34,142
Building upkeep/maintenance/utilities	2,753,903	2,795,914	3,054,545	(258,631)
Data processing	651,967	449,248	456,288	(7,040)
Business operations	121,569	123,949	340,194	(216,245)
Retiree Benefits	71,500	71,500	56,039	15,461
All school pass throughs	1,720,445	1,720,445	1,662,661	57,784
Principals and asst principals	1,350,170	1,247,716	1,091,621	156,095
School office	946,697	950,736	929,136	21,600
Superintendent/school board	368,097	366,369	436,829	(70,460)
Legal	126,000	126,000	97,499	28,501
Capital outlay	305,470	305,470	202,159	103,311
Other expenses	150,000	150,000	165,560	(15,560)
Total expenditures	<u>37,749,454</u>	<u>37,749,454</u>	<u>37,790,606</u>	<u>(41,152)</u>
Total expenditures	<u>\$ 37,749,454</u>	<u>\$ 37,749,454</u>	<u>\$ 37,790,606</u>	<u>\$ (41,152)</u>

TOWN OF EAST GREENWICH, RHODE ISLAND
 General Fund
 JUNE 30, 2018

NOTES TO SUPPLEMENTARY INFORMATION

Budgetary to GAAP basis reconciliation

The following reconciliation summarizes the differences for the Town's General Fund between budgetary and GAAP basis accounting principles for the year ended June 30, 2018:

Excess of revenues and other sources over expenditures and other uses	
(Deficit) (Non-GAAP Budgetary Basis).....	\$ (1,006,213)
Use of Prior year surplus.....	-
Excess of revenues and other sources over expenditures and other uses	
(GAAP).....	\$ (1,006,213)

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
General Fund:		
<i>Schedule of Revenues, Expenditures and Other Financing Sources</i>		
<i>(Non-GAAP Budgetary Basis) Budget and Actual</i>	\$ 62,921,802	\$ 63,928,015
Use of Prior year surplus	-	-
<i>Statement of Revenues, Expenditures and Changes in Fund</i>		
<i>Balances</i>	\$ 62,921,802	\$ 63,928,015

TOWN OF EAST GREENWICH, RHODE ISLAND
School Unrestricted
JUNE 30, 2018

NOTES TO SUPPLEMENTARY INFORMATION

Budgetary to GAAP basis reconciliation

The following reconciliation summarizes the differences for the School's Unrestricted Fund between budgetary and GAAP basis accounting principles for the year ended June 30, 2018:

Excess of revenues and other sources over expenditures and other uses (Non-GAAP Budgetary Basis).....	\$ 225,167
Use of prior years fund balance.....	<u>(394,673)</u>
Excess of revenues and other sources over expenditures and other uses (GAAP).....	<u><u>\$ (169,506)</u></u>

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

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

	<u>Revenues and Transfers</u>	<u>Expenditures and Transfers</u>
<i>School Unrestricted Fund:</i>		
<i>Schedule of Revenues, Expenditures and Other Financing Sources</i>		
<i>(Non-GAAP Budgetary Basis) Budget and Actual</i>	\$ 38,015,773	\$ 37,790,606
Adjustment for pension contribution made by State of Rhode Island on behalf of employees.....	\$ 1,804,856	\$ 1,804,856
Use of prior years fund balance.....	<u>(394,673)</u>	<u>-</u>
<i>Statement of Revenues, Expenditures and Changes in Fund</i>		
<i>Balances</i>	<u><u>\$ 39,425,956</u></u>	<u><u>\$ 39,595,462</u></u>

OTHER SUPPLEMENTARY INFORMATION

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

Annual Supplemental Transparency Report (MTP2) - Revenue

Annual Supplemental Transparency Report (MTP2) – Expenditures

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

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

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

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

<u>REVENUE</u>	<u>Municipal</u>	<u>Education Department</u>
Current Year Levy Tax Collection	\$ 54,877,740	\$ -
Last Year's Levy Tax Collection	974,234	-
Prior Years Property Tax Collection	95,043	-
Interest & Penalty	210,262	-
PILOT & Tax Treaty (excluded from levy) Collection	-	-
Other Local Property Taxes	-	-
Licenses and Permits	578,075	-
Fines and Forfeitures	1,900	-
Investment Income	-	-
Departmental	1,340,745	-
Rescue Run Revenue	901,576	-
Police & Fire Detail	51,441	-
Other Local Non-Property Tax Revenues	-	-
Tuition	-	76,285
Impact Aid	-	-
Medicaid	-	409,957
Federal Stabilization Funds	-	6,137
Federal Food Service Reimbursement	-	109,972
CDBG	-	-
COPS Grants	-	-
SAFER Grants	-	-
Other Federal Aid Funds	-	713,577
MV Excise Tax Reimbursement & Phase-out	285,644	-
State PILOT Program	459,869	-
Distressed Community Relief Fund	-	-
Library Resource Aid	-	-
Library Construction Aid	-	-
Public Service Corporation Tax	163,835	-
Meals & Beverage Tax / Hotel Tax	691,615	-
LEA Aid	-	2,671,596
Group Home	-	-
Housing Aid Capital Projects	-	-
Housing Aid Bonded Debt	1,535,566	-
State Food Service Revenue	-	6,307
Incentive Aid	-	-
Property Revaluation Reimbursement	-	-
Other State Revenue	-	-
Other Revenue	754,255	855,747
Local Appropriation for Education	-	34,018,906
Regional Appropriation for Education	-	-
Supplemental Appropriation for Education	-	-
Regional Supplemental Appropriation for Education	-	-
Other Education Appropriation	-	-
Rounding	-	-
Total Revenue	\$ 62,921,800	\$ 38,868,484
Financing Sources: Transfer from Capital Funds	\$ -	\$ -
Financing Sources: Transfer from Other Funds	-	-
Financing Sources: Debt Proceeds	-	-
Financing Sources: Other	-	-
Rounding	-	-
Total Other Financing Sources	\$ -	\$ -

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

EXPENDITURES	General		Social	Centralized	Planning	Libraries	Public	Parks and	Police
	Government	Finance	Services	IT			Works	Rec	Department
Compensation - Group A	\$ 517,907	\$ 531,261	\$ 423,866	\$ 160,252	\$ 200,883	\$ -	\$ 1,367,337	\$ 292,045	\$ 2,623,076
Compensation - Group B	-	-	-	-	-	-	-	-	357,914
Compensation - Group C	-	-	-	-	-	-	-	-	-
Compensation -Volunteer	-	-	-	-	-	-	-	-	-
Overtime- Group A	595	3,371	656	-	-	-	132,678	3,597	276,555
Overtime - Group B	-	-	-	-	-	-	-	-	-
Overtime - Group C	-	-	-	-	-	-	-	-	-
Police & Fire Detail	-	-	-	-	-	-	-	-	51,441
Active Medical Insurance - Group A	93,847	107,111	119,375	27,528	39,792	-	322,332	92,847	479,620
Active Medical Insurance- Group B	-	-	-	-	-	-	-	-	92,847
Active Medical Insurance- Group C	-	-	-	-	-	-	-	-	-
Active Dental Insurance- Group A	7,762	8,871	9,980	2,218	3,327	-	26,613	7,762	37,702
Active Dental Insurance- Group B	-	-	-	-	-	-	-	-	7,762
Active Dental Insurance- Group C	-	-	-	-	-	-	-	-	-
Payroll Taxes	45,505	46,920	37,257	14,064	17,630	-	130,742	25,946	261,617
Life Insurance	1,549	1,770	1,991	443	664	-	5,310	1,549	9,071
State Defined Contribution- Group A	3,410	3,897	4,384	974	1,461	-	11,690	3,410	-
State Defined Contribution - Group B	-	-	-	-	-	-	-	-	3,410
State Defined Contribution - Group C	-	-	-	-	-	-	-	-	-
Other Benefits- Group A	5,948	6,798	7,647	1,699	2,549	-	57,088	5,948	-
Other Benefits- Group B	-	-	-	-	-	-	-	-	5,948
Other Benefits- Group C	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension- Group A	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
State Defined Benefit Pension - Group A	17,900	20,458	23,015	5,114	7,672	-	61,373	17,900	684,637
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	17,900
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	-	-	-	-	-	-	-	-	-
Purchased Services	646,375	73,986	2,416	148,625	12,115	-	1,439	-	4,560
Materials/Supplies	4,929	7,797	47,246	19,856	1,835	-	82,406	10,000	34,704
Software Licenses	-	-	-	27,263	-	-	-	-	-
Capital Outlays	503,767	-	-	-	-	-	-	-	-
Insurance	271,074	-	-	-	-	-	-	-	-
Maintenance	11,598	-	11,790	24,323	-	-	173,811	-	5,623
Vehicle Operations	-	-	-	-	-	-	399,441	-	2,100
Utilities	189,187	-	32,150	80,513	-	-	-	-	20,000
Contingency	-	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	243,479	-	-
Revaluation	-	73,011	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	103,960	-	-
Trash Removal & Recycling	-	-	-	-	-	-	936,595	-	-
Claims & Settlements	1,711,896	-	-	-	-	-	-	-	-
Community Support	32,000	-	-	-	-	-	-	-	-
Other Operation Expenditures	477,830	32,837	33,493	46,744	1,644	520,235	4,628	-	57,199
Local Appropriation for Education	-	-	-	-	-	-	-	-	-
Regional Appropriation for Education	-	-	-	-	-	-	-	-	-
Supplemental Appropriation for Education	-	-	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	-	-	-	-	-
Municipal Debt- Interest	-	-	-	-	-	-	-	-	-
School Debt- Principal	-	-	-	-	-	-	-	-	-
School Debt- Interest	-	-	-	-	-	-	-	-	-
Retiree Medical Insurance- Total	-	-	-	-	-	-	-	-	-
Retiree Dental Insurance- Total	-	-	-	-	-	-	-	-	-
OPEB Contribution- Total	-	-	-	-	-	-	-	-	-
Non-Qualified OPEB Trust Contribution	-	-	-	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
Total Expenditures	\$ 4,543,079	\$ 918,088	\$ 755,266	\$ 559,616	\$ 289,572	\$ 520,235	\$ 4,060,922	\$ 461,004	\$ 5,033,686

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

EXPENDITURES	Fire Department	Centralized Dispatch	Public Safety Other	Education Appropriation	Debt	OPEB	Total Municipal	Education Department
Compensation- Group A	\$ 3,078,867	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,195,494	\$ 17,632,748
Compensation - Group B	-	-	-	-	-	-	357,914	1,513,187
Compensation - Group C	-	-	-	-	-	-	-	3,545,583
Compensation -Volunteer	-	-	-	-	-	-	-	-
Overtime- Group A	802,948	-	-	-	-	-	1,220,400	66,414
Overtime - Group B	-	-	-	-	-	-	-	-
Overtime - Group C	-	-	-	-	-	-	-	-
Police & Fire Detail	-	-	-	-	-	-	51,441	-
Active Medical Insurance - Group A	640,909	-	-	-	-	-	1,923,361	2,125,680
Active Medical Insurance- Group B	-	-	-	-	-	-	92,847	166,653
Active Medical Insurance- Group C	-	-	-	-	-	-	-	1,305,261
Active Dental Insurance- Group A	41,028	-	-	-	-	-	145,263	141,031
Active Dental Insurance- Group B	-	-	-	-	-	-	7,762	11,229
Active Dental Insurance- Group C	-	-	-	-	-	-	-	81,508
Payroll Taxes	270,207	-	-	-	-	-	849,888	580,513
Life Insurance	8,186	-	-	-	-	-	30,533	26,373
State Defined Contribution- Group A	-	-	-	-	-	-	29,226	424,535
State Defined Contribution - Group B	-	-	-	-	-	-	3,410	41,562
State Defined Contribution - Group C	-	-	-	-	-	-	-	165,060
Other Benefits- Group A	-	-	-	-	-	-	87,677	6,696
Other Benefits- Group B	-	-	-	-	-	-	5,948	158,863
Other Benefits- Group C	-	-	-	-	-	-	-	-
Local Defined Benefit Pension- Group A	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-
State Defined Benefit Pension- Group A	751,541	-	-	-	-	-	1,589,610	2,320,245
State Defined Benefit Pension - Group B	-	-	-	-	-	-	17,900	142,846
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	11,700
Other Defined Benefit / Contribution	-	-	-	-	-	-	-	-
Purchased Services	24,181	-	-	-	-	-	913,697	5,290,601
Materials/Supplies	52,611	-	-	-	-	-	261,384	524,776
Software Licenses	-	-	-	-	-	-	27,263	197,857
Capital Outlays	-	-	-	-	-	-	503,767	210,416
Insurance	-	-	-	-	-	-	271,074	152,444
Maintenance	5,828	-	-	-	-	-	232,973	372,246
Vehicle Operations	-	-	-	-	-	-	401,541	6,719
Utilities	20,000	-	-	-	-	-	341,850	836,802
Contingency	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	243,479	-
Revaluation	-	-	-	-	-	-	73,011	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	103,960	-
Trash Removal & Recycling	-	-	-	-	-	-	936,595	-
Claims & Settlements	-	-	-	-	-	-	1,711,896	-
Community Support	-	-	-	-	-	-	32,000	-
Other Operation Expenditures	411,891	-	-	-	-	-	1,586,501	923,122
Local Appropriation for Education	-	-	-	34,018,906	-	-	34,018,906	-
Regional Appropriation for Education	-	-	-	-	-	-	-	-
Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	1,257,000	-	1,257,000	-
Municipal Debt- Interest	-	-	-	-	120,871	-	120,871	-
School Debt- Principal	-	-	-	-	2,075,833	-	2,075,833	-
School Debt- Interest	-	-	-	-	2,093,570	-	2,093,570	-
Retiree Medical Insurance- Total	-	-	-	-	-	-	-	56,039
Retiree Dental Insurance- Total	-	-	-	-	-	-	-	-
OPEB Contribution- Total	-	-	-	-	-	1,112,168	1,112,168	-
Non-Qualified OPEB Trust Contribution	-	-	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-
Total Expenditures	\$ 6,108,197	\$ -	\$ -	\$ 34,018,906	\$ 5,547,274	\$ 1,112,168	\$ 63,928,013	\$ 39,038,709

Financing Uses: Transfer to Capital Funds	\$ -	\$ -
Financing Uses: Transfer to Other Funds	-	-
Financing Uses: Payment to Bond Escrow Agent	-	-
Financing Uses: Other	-	-
Total Other Financing Uses	\$ -	\$ -
Net Change in Fund Balance¹	(1,006,213)	(170,226)
Fund Balance1- beginning of year	\$8,809,513	\$3,338,270
Funds removed from Reportable Government Services (RGS)	-	-
Funds added to Reportable Government Services (RGS)	-	-
Prior period adjustments	-	-
Misc. Adjustment	-	-
Fund Balance¹ - beginning of year adjusted	8,809,513	3,338,270
Rounding	-	-
Fund Balance¹ - end of year	\$ 7,803,300	\$ 3,168,044

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

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

Per Audited Fund Financial Statements Fund Description	Total Revenue	Total Other Financing Sources	Total Expenditures	Total Other Financing Uses	Net Change in Fund Balance ¹	Beginning Fund Fund Balance ² (Deficit)	Prior Period Adjustment	Restated Beginning Fund Balance ³ (Deficit)	Ending Fund Balance ⁴ (Deficit)
General Fund	\$ 62,921,800	\$ -	\$ 29,909,107	\$ 34,018,906	\$ (1,006,213)	\$ 8,809,513	\$ -	\$ 8,809,513	\$ 7,803,300
Totals per audited financial statements	\$ 62,921,800	\$ -	\$ 29,909,107	\$ 34,018,906	\$ (1,006,213)	\$ 8,809,513	\$ -	\$ 8,809,513	\$ 7,803,300
<u>Reconciliation from financial statements to MTP2</u>									
Reclassify transfer of municipal appropriation to Education Department as expenditure on MTP2 Rounding	\$ -	\$ -	\$ 34,018,906.00	\$ (34,018,906.00)	\$ -	\$ -	\$ -	\$ -	\$ -
Totals Per MTP2	\$ 62,921,800	\$ -	\$ 63,928,013	\$ -	\$ (1,006,213)	\$ 8,809,513	\$ -	\$ 8,809,513	\$ 7,803,300

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

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

Per Audited Fund Financial Statements	Total Other		Total Other		Net Change	Beginning Fund	Prior Period	Restated Beginning	Ending
Fund Description	Total Revenue	Financing Sources	Total Expenditures	Financing Uses	in Fund Balance ¹	Fund Balance ¹ (Deficit)	Adjustment	Fund Balance ¹ (Deficit)	Fund Balance ¹ (Deficit)
School Unrestricted Fund	\$ 5,407,050	\$ 34,018,906	\$ 39,595,462	\$ -	\$ (169,506)	\$ 3,263,139	\$ -	\$ 3,263,139	\$ 3,093,633
Special revenue funds	719,714	-	720,967	-	(1,253)	62,298	-	62,298	61,045
School food service	527,670	-	533,272	-	(5,603)	12,833	-	12,833	7,230
Totals per audited financial statements	\$ 6,654,434	\$ 34,018,906	\$ 40,849,702	\$ -	\$ (176,362)	\$ 3,338,270	\$ -	\$ 3,338,270	\$ 3,161,908

Reconciliation from financial statements to MTP2

Municipal appropriation for Education reported as a transfer on financial statements but a revenue on MTP2	\$ 34,018,906	\$ (34,018,906)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State contributions on behalf of teacher pensions on financial statements	(1,804,856)	-	(1,804,856)	-	-	-	-	-	-
Indirect costs	-	-	(6,136)	-	6,136	-	-	-	6,136
Rounding	-	-	-	-	-	-	-	-	-
Totals Per MTP2	\$ 38,868,484	\$ -	\$ 39,038,709	\$ -	\$ (170,226)	\$ 3,338,270	\$ -	\$ 3,338,270	\$ 3,168,044

Reconciliation from MTP2 to UCOA

No reconciling items from MTP2 to UCOA	\$ -	\$ -
Totals per UCOA Validated Totals Report	\$ 38,868,484	\$ 39,038,709

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

TOWN OF EAST GREENWICH, RHODE ISLAND
Notes to Supplementary Information
Annual Supplemental Transparency Report (MTP2)
June 30, 2018

NOTE 1. Basis of Presentation

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

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

NOTE 2. Reportable Government Services

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

NOTE 3. Allocations

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

NOTE 4. Employee Groups - Compensation and Benefit Costs

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

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

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

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

TOWN OF EAST GREENWICH, RHODE ISLAND
Notes to Supplementary Information
Annual Supplemental Transparency Report (MTP2)
June 30, 2018

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

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

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

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

NOTE 5. Education Revenue and Expenditures

The revenues and expenditures presented on the MTP2 under the Education Department is consistent with existing Uniform Chart of Accounts (UCOA) guidelines. Each MTP account code has been mapped to the corresponding UCOA code or group of UCOA codes to facilitate the preparation of the MTP reporting.

Additional guidance and definitions regarding the State's Municipal Transparency Portal can be found on the State Division of Municipal Finance website: <http://www.municipalfinance.ri.gov/>.

**TOWN OF EAST GREENWICH, RHODE ISLAND
TOWN TAX COLLECTOR'S ANNUAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

REAL ESTATE AND PERSONAL PROPERTY TAXES

Tax Roll Year	Balance July 1, 2017	Current Year Assessment	Refunds	Additions and Adjustments	Abatements	Amount to be Collected	Current Year Collections	Balance June 30, 2018
2017	\$ -	\$ 56,169,911	\$ 36,272	\$ 1,122	\$ 78,680	\$ 56,128,625	\$ 54,865,975	\$ 1,262,650
2016	1,174,059	-	-	-	14,509	1,159,550	974,454	185,096
2015	181,434	-	-	-	8,023	173,411	20,004	153,407
2014	147,858	-	-	-	-	147,858	17,888	129,970
2013	156,471	-	-	-	-	156,471	19,317	137,154
2012	109,298	-	-	-	-	109,298	6,013	103,285
2011	81,130	-	-	-	-	81,130	3,488	77,642
2010	63,155	-	-	-	-	63,155	3,117	60,038
2009	55,869	-	-	-	-	55,869	2,465	53,404
2008	57,286	-	-	-	-	57,286	3,411	53,875
2007 and prior	533,048	-	-	-	-	533,048	6,112	526,936
Subtotal	2,559,608	56,169,911	36,272	1,122	101,212	58,665,701	55,922,244	2,743,457
Allowance for uncollectible taxes	90,933							90,933
	<u>\$ 2,468,675</u>							<u>\$ 2,652,524</u>

**SCHEDULE OF MOST RECENT NET
ASSESSED PROPERTY VALUE BY CATEGORY**

Description of Property	Valuations	
	December 31, 2016	Levy July 1, 2017
Real property	\$ 2,281,492,528	\$ 53,980,113
Motor vehicles	155,174,737	3,550,398
Tangible personal	79,781,216	1,887,624
TOTAL	<u>2,516,448,481</u>	<u>59,418,135</u>
Less exemptions	(139,331,731)	(3,248,224)
NET ASSESSED VALUE	<u>\$ 2,377,116,750</u>	<u>\$ 56,169,911</u>

**RECONCILIATION OF CURRENT YEAR
PROPERTY TAX REVENUE**

Current year collections	\$ 55,922,244
Adjustment	24,774
Total property tax revenues	<u>\$ 55,947,018</u>

STATISTICAL SECTION

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

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

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

Exhibit 1

Fiscal Year

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Governmental Activities										
Net investment in capital assets	\$ 35,340,922	\$ 35,160,076	\$ 34,519,152	\$ 32,593,083	\$ 30,022,563	\$ 26,815,085	\$ 19,739,145	\$ 16,161,958	\$ 19,176,359	\$ 20,744,380
Restricted	2,041,699	1,349,714	1,989,921	2,171,870	3,423,277	3,601,262	3,533,838	-	-	-
Unrestricted	(68,626,000)	(63,472,667)	(33,241,321)	(30,331,477)	(814,090)	3,172,839	7,926,272	15,679,990	11,391,385	8,392,337
Total governmental activities net position	<u>\$ (31,243,379)</u>	<u>\$ (26,962,877)</u>	<u>\$ 3,267,752</u>	<u>\$ 4,433,476</u>	<u>\$ 32,631,750</u>	<u>\$ 33,589,186</u>	<u>\$ 31,199,255</u>	<u>\$ 31,841,948</u>	<u>\$ 30,567,744</u>	<u>\$ 29,136,717</u>
Business-type activities										
Net investment in capital assets	\$ 18,577,595	\$ 17,185,132	\$ 17,005,110	\$ 15,315,035	\$ 14,492,633	\$ 13,385,888	\$ 11,088,505	\$ 10,255,599	\$ 7,621,215	\$ 11,732,800
Unrestricted	7,879,795	8,219,446	7,602,117	9,258,013	10,428,707	11,765,571	13,837,395	14,660,591	16,318,603	9,919,947
Total business-type activities net position	<u>\$ 26,457,390</u>	<u>\$ 25,404,578</u>	<u>\$ 24,607,227</u>	<u>\$ 24,573,048</u>	<u>\$ 24,921,340</u>	<u>\$ 25,151,459</u>	<u>\$ 24,925,900</u>	<u>\$ 24,916,190</u>	<u>\$ 23,939,818</u>	<u>\$ 21,652,747</u>
Primary government										
Net investment in capital assets	\$ 53,918,517	\$ 52,345,208	\$ 51,524,262	\$ 47,908,118	\$ 44,515,196	\$ 40,200,973	\$ 30,827,650	\$ 26,417,557	\$ 26,797,574	\$ 32,477,180
Restricted	2,041,699	1,349,714	1,989,921	2,171,870	3,423,277	3,601,262	3,533,838	-	-	-
Unrestricted	(60,746,205)	(55,253,221)	(25,639,204)	(21,073,464)	9,614,617	14,938,410	21,763,667	30,340,581	27,709,988	18,312,284
Total primary government net position	<u>\$ (4,785,989)</u>	<u>\$ (1,558,299)</u>	<u>\$ 27,874,979</u>	<u>\$ 29,006,524</u>	<u>\$ 57,553,090</u>	<u>\$ 58,740,645</u>	<u>\$ 56,125,155</u>	<u>\$ 56,758,138</u>	<u>\$ 54,507,562</u>	<u>\$ 50,789,464</u>
Component Unit - Land Trust										
Net investment in capital assets	\$ 5,212,479	\$ 5,217,614	\$ 5,176,705	\$ 5,169,183	\$ 5,018,500	\$ 5,018,500	\$ 5,018,500	\$ 5,018,500	\$ 5,018,500	\$ 5,018,500
Unrestricted	19,779	2,369	(9,753)	5,862	127,210	130,492	190,595	152,118	147,656	137,565
Total component unit - land trust	<u>\$ 5,232,258</u>	<u>\$ 5,219,983</u>	<u>\$ 5,166,952</u>	<u>\$ 5,175,045</u>	<u>\$ 5,145,710</u>	<u>\$ 5,148,992</u>	<u>\$ 5,209,095</u>	<u>\$ 5,170,618</u>	<u>\$ 5,166,156</u>	<u>\$ 5,156,065</u>

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

Exhibit 2

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Expenses										
Governmental activities:										
Legislative, judicial and general administrative	\$ 9,262,434	\$ 7,937,795	\$ 9,660,610	\$ 4,159,481	\$ 6,481,781	\$ 3,508,332	\$ 5,867,286	\$ 4,383,274	\$ 4,339,118	\$ 4,185,051
Financial administration	1,745,387	2,045,771	827,362	2,591,475	3,139,959	2,562,044	180,311	373,446	499,059	498,266
Information technology	507,576	494,331	513,395	526,500	458,699	341,954	343,978	291,000	329,333	347,956
Public safety	10,186,989	8,531,144	7,993,445	7,808,939	7,720,518	9,108,219	3,335,498	3,362,659	3,937,506	3,719,021
Public works	5,026,382	5,430,220	5,159,473	5,104,794	4,922,694	4,564,079	4,640,995	4,288,190	4,305,209	4,264,987
Teen center	12,500	12,500	10,096	9,744	-	-	-	-	-	-
Public Health and Welfare	179,646	366,361	1,919,180	600,854	615,716	797,851	495,426	405,521	457,285	474,880
Parks and recreation	665,065	639,498	654,139	654,838	644,665	613,186	632,251	571,481	607,466	598,106
Town planner	216,477	195,135	183,436	168,723	190,696	171,137	175,385	152,036	191,610	190,516
Senior and Human services	235,757	241,738	231,868	239,665	235,186	261,342	769,945	239,353	229,342	245,204
Education	43,186,223	43,256,485	40,190,736	34,118,786	37,299,099	35,797,956	34,883,882	34,490,597	34,270,489	35,045,679
Grants and contributions	32,000	29,000	29,000	29,000	-	-	-	-	-	-
Library	520,235	520,235	507,546	499,141	486,875	475,000	467,175	467,175	467,175	467,175
Non capital outlay	-	-	-	-	229,924	-	-	-	-	-
Land trust	11,598	19,292	22,196	17,802	-	-	-	-	-	28,342
Interest	2,205,020	2,085,391	2,438,141	2,386,485	2,817,502	2,996,339	1,591,216	737,841	1,182,573	679,380
Total governmental activities expenses	73,993,289	71,804,896	70,340,623	58,916,227	65,243,314	61,197,439	53,383,348	49,762,573	50,816,165	50,744,563
Business-type activities:										
Sewer fund	3,272,843	3,177,273	3,121,804	3,042,941	2,924,541	2,803,715	2,924,500	2,876,482	2,756,904	2,077,958
Total business-type activities expenses	3,272,843	3,177,273	3,121,804	3,042,941	2,924,541	2,803,715	2,924,500	2,876,482	2,756,904	2,077,958
Total primary government expenses	\$ 77,266,132	\$ 74,982,169	\$ 73,462,427	\$ 61,959,168	\$ 68,167,855	\$ 64,001,154	\$ 56,307,848	\$ 52,639,055	\$ 53,573,069	\$ 52,822,521
Component unit - Land Trust										
Public Health and Welfare	\$ 44,295	\$ 20,947	\$ 61,798	\$ 21,483	\$ 54,752	\$ 28,025	\$ -	\$ 29,240	\$ 24,773	\$ 37,652
Total component unit expenses	\$ 44,295	\$ 20,947	\$ 61,798	\$ 21,483	\$ 54,752	\$ 28,025	\$ -	\$ 29,240	\$ 24,773	\$ 37,652

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

Exhibit 2

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Program revenues										
Governmental activities:										
<i>Charges for services:</i>										
Legislative, judicial and general administrative	\$ 663,369	\$ 719,852	\$ 728,482	\$ 516,808	\$ 637,795	\$ 599,535	\$ 558,686	\$ 550,557	\$ 599,011	\$ 639,690
Public safety	193,811	189,259	162,802	174,093	188,623	183,267	230,525	184,844	402,727	618,109
Public works	-	-	-	-	-	364,783	408,144	265,119	579,712	254,332
Public health and welfare	1,276,615	1,220,636	1,319,959	1,376,819	257,000	295,249	87,357	176,620	50,007	55,045
Parks and recreation	-	-	-	-	-	-	225,631	127,990	128,079	126,491
Town planner	-	-	-	-	-	-	-	930,205	344,517	296,856
Education	426,208	423,511	411,451	507,125	451,902	531,743	530,824	515,377	501,357	961,299
Interest	-	-	-	-	-	-	24	-	-	-
<i>Operating and grants contributions</i>										
Legislative, judicial and general administrative	1,187	4,950	-	393,555	549,711	125,068	216,590	-	-	-
Public safety	168,019	190,621	164,414	220,069	154,635	413,494	128,961	7,988	524,963	27,283
Public works	-	-	-	-	-	-	-	30,408	2,657	-
Parks and recreation	-	-	-	-	-	-	11,074	4,395	5,749	3,408
Public health and welfare	308,929	809,069	385,624	251,285	257,735	350,910	179,415	145,289	208,867	295,974
Education	7,763,792	7,790,736	7,835,647	5,586,856	6,663,785	2,538,795	1,246,325	1,531,377	1,320,089	2,549,745
Other	-	-	-	-	-	-	-	-	-	-
<i>Capital grants and contributions</i>										
Legislative, judicial and general administrative	-	-	-	-	-	19,552	294,326	3,561	276,176	408,777
Public safety	-	-	-	-	-	-	-	26,236	17,412	57,541
Public health and welfare	-	-	-	-	-	-	-	-	-	50,000
Total governmental activities program revenues	10,801,930	11,348,634	11,008,379	9,026,610	9,161,186	5,422,396	4,117,882	4,499,966	4,961,323	6,344,550
Business-type activities:										
<i>Charges for services:</i>										
Sewer fund	4,325,655	3,974,624	3,155,983	2,694,649	2,941,661	2,549,636	2,408,772	3,600,454	4,401,777	6,170,324
Total business-type activities program revenues	4,325,655	3,974,624	3,155,983	2,694,649	2,941,661	2,549,636	2,408,772	3,600,454	4,401,777	6,170,324
Total primary government program revenues	\$ 15,127,585	\$ 15,323,258	\$ 14,164,362	\$ 11,721,259	\$ 12,102,847	\$ 7,972,032	\$ 6,526,654	\$ 8,100,420	\$ 9,363,100	\$ 12,514,874
Net (Expense)/Revenue										
Governmental activities	\$ (63,191,359)	\$ (60,456,262)	\$ (59,332,244)	\$ (49,889,617)	\$ (56,082,128)	\$ (55,775,043)	\$ (49,265,466)	\$ (45,262,607)	\$ (45,854,842)	\$ (44,400,013)
Business-type activities	1,052,812	797,351	34,179	(348,292)	17,120	(254,079)	(515,728)	723,972	1,644,873	4,092,366
Total primary government net expenses	\$ (62,138,547)	\$ (59,658,911)	\$ (59,298,065)	\$ (50,237,909)	\$ (56,065,008)	\$ (56,029,122)	\$ (49,781,194)	\$ (44,538,635)	\$ (44,209,969)	\$ (40,307,647)
Total component unit net expenses	\$ 44,295	\$ 20,947	\$ 61,798	\$ 21,483	\$ 54,752	\$ 28,025	\$ -	\$ 29,240	\$ 24,773	\$ 37,652
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Property taxes, levied for general purposes	\$ 56,046,626	\$ 57,076,518	\$ 55,387,746	\$ 53,092,082	\$ 52,039,380	\$ 50,001,198	\$ 43,986,640	\$ 43,109,254	\$ 41,833,892	\$ 39,648,780
Net unrestricted investment earnings	65,908	34,795	9,489	9,719	27,917	13,369	744	232	89,386	94,635
Miscellaneous	2,798,323	2,751,118	2,457,607	2,786,915	3,611,275	7,101,914	6,006,024	4,106,885	5,362,591	3,847,486
State revenue sharing	-	1,762	62,395	62,403	62,403	-	-	-	-	-
<i>Special Item</i> - Loss on disposal of equipment	-	-	-	-	-	(27,318)	(18,145)	(20,985)	-	(64,575)
Total general revenues	58,910,857	59,864,193	57,917,237	55,951,119	55,740,975	57,089,163	49,975,263	47,195,386	47,285,869	43,526,326
Business-type activities:										
Unrestricted investment earnings	-	-	-	-	-	479,638	525,438	551,005	553,883	472,065
Transfers	-	-	-	-	-	-	-	-	-	-
Total business-type activities	-	-	-	-	-	479,638	525,438	551,005	553,883	472,065
Total primary government	\$ 58,910,857	\$ 59,864,193	\$ 57,917,237	\$ 55,951,119	\$ 55,740,975	\$ 57,568,801	\$ 50,500,701	\$ 47,746,391	\$ 47,839,752	\$ 43,998,391
Change in Net Assets										
Governmental activities	\$ (4,280,502)	\$ (592,069)	\$ (1,415,007)	\$ 6,061,502	\$ (341,153)	\$ 1,314,120	\$ 709,797	\$ 1,932,779	\$ 1,431,027	\$ (873,687)
Business-type activities	1,052,812	797,351	34,179	(348,292)	17,120	225,559	9,710	1,274,977	2,198,756	4,564,431
Total primary governmental	\$ (3,227,690)	\$ 205,282	\$ (1,380,828)	\$ 5,713,210	\$ (324,033)	\$ 1,539,679	\$ 719,507	\$ 3,207,756	\$ 3,629,783	\$ 3,690,744
Component Unit - Land Trust										
Miscellaneous	\$ 56,570	\$ 73,978	\$ 53,705	\$ 50,818	\$ 51,470	\$ 44,309	\$ 38,477	\$ 33,702	\$ 34,864	\$ 41,873
Total general revenues	\$ 56,570	\$ 73,978	\$ 53,705	\$ 50,818	\$ 51,470	\$ 44,309	\$ 38,477	\$ 33,702	\$ 34,864	\$ 41,873
Change in Net Assets - component unit	\$ 12,275	\$ 53,031	\$ (8,093)	\$ 29,335	\$ (3,282)	\$ 16,284	\$ 38,477	\$ 4,462	\$ 10,091	\$ 4,221

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

Exhibit 3

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Revenues										
General property tax	\$ 55,947,018	\$ 57,000,833	\$ 55,440,052	\$ 52,836,687	\$ 51,730,064	\$ 50,068,123	\$ 43,760,296	\$ 43,213,598	\$ 41,561,575	\$ 39,757,548
Intergovernmental and departmental revenues	6,905,614	7,767,445	6,888,695	5,729,112	7,328,248	7,047,875	5,691,886	4,928,030	7,159,798	6,957,190
License and permits	2,136,509	2,113,333	2,074,701	2,027,141	1,529,948	1,110,840	1,114,239	974,565	1,233,467	1,064,372
Fines and interest on late payments	65,908	37,455	28,015	18,585	163,641	-	-	-	164,840	234,271
Tuitions	76,285	98,110	131,276	142,000	27,917	13,369	744	232	89,386	94,635
Other revenues	4,301,970	3,886,519	4,246,536	3,800,160	3,644,372	4,196,947	3,292,605	2,344,348	1,446,143	1,999,295
Total revenues	69,433,304	70,903,695	68,809,275	64,553,685	64,424,190	62,437,154	53,859,770	51,460,773	51,655,209	50,107,311
Expenditures										
Current:										
Legislative, judicial and general administrative	9,479,089	7,268,997	8,297,730	6,376,501	5,904,609	3,704,108	4,717,734	3,096,108	3,002,019	3,153,800
Financial administration	722,264	610,009	626,687	650,170	616,624	516,025	519,975	501,807	499,059	498,266
Information technology	507,576	494,331	513,395	513,395	458,699	341,954	343,978	291,000	329,333	347,956
Public safety	9,539,281	7,989,933	7,450,535	7,231,582	7,169,986	8,498,052	3,036,577	3,043,576	3,606,847	3,458,574
Public works	3,789,028	3,692,554	3,548,831	3,474,684	3,340,690	2,983,305	3,039,703	2,845,876	2,793,583	2,903,501
Public health and welfare	12,500	366,361	358,715	438,321	615,716	797,851	710,552	405,521	457,285	474,880
Teen Center	179,646	12,500	10,096	9,744	6,999	5,000	9,280	-	-	-
Parks and recreation	608,965	579,924	595,386	597,048	574,569	548,634	569,657	522,161	557,343	542,383
Town planner	216,477	195,135	183,436	168,723	190,696	171,137	175,385	152,036	191,610	190,516
Senior and human services	235,757	241,738	231,868	239,665	235,186	236,342	214,953	239,353	229,342	245,204
Education	40,849,881	41,187,480	39,003,994	36,495,426	36,808,755	35,262,082	34,883,882	33,884,678	33,760,544	34,417,055
Grants and contributions	32,000	29,000	29,000	29,000	29,000	25,000	24,000	24,000	24,000	24,000
Library	520,235	520,235	507,546	499,141	486,875	475,000	467,175	467,175	467,175	467,175
Land trust	11,598	19,292	22,196	17,802	59,560	28,025	76,388	-	4,600	-
Financing costs	1,950	17,000	2,607	2,749	14,674	2,650	1,338,229	650,037	-	28,342
Net decrease in FMV of investments	-	-	-	-	1,815,421	8,204	6,961	-	-	-
Capital	2,152,130	1,674,115	2,085,678	1,445,369	229,924	4,041,601	7,946,552	19,373,150	20,972,534	10,314,538
Debt service:										
Principal	3,332,833	4,295,833	4,221,833	4,190,833	4,160,833	3,780,834	36,640,833	35,550,000	10,940,000	1,940,000
Interest	2,212,490	2,272,912	2,450,718	2,544,721	2,664,401	3,129,487	1,191,483	766,885	1,054,545	604,260
Other expenditures	-	6,768	1,560,465	-	-	-	-	8,538	-	-
Total expenditures	74,403,700	71,474,117	71,700,716	64,937,979	65,383,217	64,555,291	95,913,297	101,797,901	78,865,819	59,586,450
Excess of revenues over (under) expenditures before other financing sources (uses)	(4,970,396)	(570,422)	(2,891,441)	(384,294)	(959,027)	(2,118,137)	(42,053,527)	(50,337,128)	(27,210,610)	(9,479,139)
Other financing sources (uses)										
Issuance of debt	1,636,311	562,112	1,475,388	20,000	-	-	36,640,000	44,135,000	33,000,000	18,240,000
BAN premium proceeds	-	-	-	-	-	-	3,609,699	332,320	304,127	-
Transfers from other funds	605,804	(154,075)	33,276,182	32,485,772	(48,599)	322,904	239,321	723,640	30,032,915	31,291,902
Transfers to other funds	(605,804)	154,075	(33,276,182)	(32,485,772)	-	(322,904)	(239,321)	(723,640)	(30,032,915)	(31,291,902)
Total other financing sources (uses)	1,636,311	562,112	1,475,388	20,000	(48,599)	-	40,249,699	44,467,320	33,304,127	18,240,000
Net change in fund balances	(3,334,085)	(8,310)	(1,416,053)	(364,294)	(1,007,626)	(2,118,137)	(1,803,828)	(5,869,808)	6,093,517	8,760,861
Fund balances - beginning - restated	16,996,980	17,005,290	18,454,571	18,818,865	20,235,604	22,353,741	21,739,033	27,608,841	21,515,324	12,837,786
Prior period adjustments	-	-	-	-	-	-	-	-	-	(83,323)
Fund balances - ending	\$ 13,662,895	\$ 16,996,980	\$ 17,038,518	\$ 18,454,571	\$ 19,227,978	\$ 20,235,604	\$ 19,935,205	\$ 21,739,033	\$ 27,608,841	\$ 21,515,324
Debt service as a percentage of noncapital expenditures	7.68%	9.41%	9.58%	10.61%	10.48%	11.42%	43.01%	44.06%	20.72%	5.16%

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

Exhibit 4

Fiscal Year	Amount to be Collected	Current Year Tax Collections	Percent of Levy Collected	Collections in Subsequent Years	Total Collections to Date	
					Amount	Percentage of Levy
2009	39,575,719	38,591,813	97.51%	953,970	39,545,783	99.924%
2010	41,524,344	40,155,545	96.70%	1,031,059	41,186,604	99.187%
2011	43,145,379	42,049,016	97.46%	1,081,558	43,130,574	99.966%
2012	44,015,852	42,802,430	97.24%	1,032,109	43,834,539	99.588%
2013	45,381,128	44,112,086	97.20%	1,196,766	45,308,852	99.841%
2014	51,851,944	50,684,913	97.75%	1,062,439	51,747,352	99.798%
2015	53,345,988	51,904,778	97.30%	1,021,893	52,926,671	99.214%
2016	55,464,432	54,254,999	97.82%	2,160,592	55,442,396	99.960%
2017	57,063,288	55,903,738	97.97%	974,454	56,878,192	99.676%
2018	56,128,625	54,865,975	97.75%	-	54,865,975	97.750%

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

TOWN OF EAST GREENWICH
COMPUTATION OF LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS

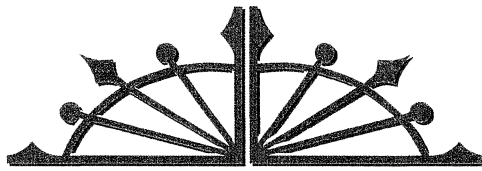
Exhibit 5

Legal Debt Margin Calculation for the Fiscal Year 2018

Assessed Value (net)	\$ 2,377,116,750
Debt Limit 3% of Assessed Value	71,313,503
<i>Debt Applicable to Limit:</i>	
Total Bonded Debt	1,040,000
Legal Debt Margin	\$ 70,273,503

		2018		2017		2016		2015		2014		2013		2012		2011		2010		2009
Debt Limit	\$	71,313,503	\$	73,515,232	\$	70,339,512	\$	68,850,237	\$	67,923,165	\$	67,213,371	\$	74,668,500	\$	74,226,217	\$	74,021,451	\$	83,103,251
Total net debt applicable to limit		1,040,000		2,085,000		2,070,000		530,400		895,300		1,260,200		1,625,100		990,000		1,155,000		1,320,100
Legal debt margin		70,273,503		71,430,232		68,269,512		68,319,837		67,027,865		65,953,171		73,043,400		73,236,217		72,866,451		81,783,151
Total net debt applicable to the limit as a percentage of the debt limit		1.46%		2.84%		2.94%		0.77%		1.32%		1.87%		2.18%		1.33%		1.56%		1.59%

***TOWN OF EAST GREENWICH, RHODE ISLAND
SINGLE AUDIT
FOR THE YEAR ENDED JUNE 30, 2018***



BAXTER DANSEREAU & ASSOCIATES, LLP

Accounting, Consulting & Tax Services

Partners

William J. Baxter, Jr., CPA

Paul L. Dansereau, CPA

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of East Greenwich, Rhode Island as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Town of East Greenwich's basic financial statements, and have issued our report thereon dated March 29, 2019.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Town of East Greenwich's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

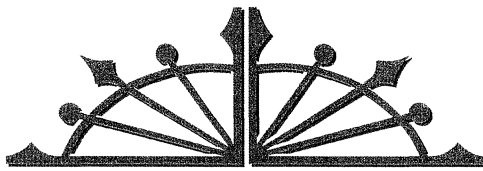
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in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



Baxter, Dansereau & Associates, LLP

West Warwick, Rhode Island

March 29, 2019



BAXTER DANSEREAU & ASSOCIATES, LLP

Accounting, Consulting & Tax Services

Partners

William J. Baxter, Jr., CPA

Paul L. Dansereau, CPA

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for the Major Federal Program

We have audited the Town of East Greenwich's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Town of East Greenwich, Rhode Island's major federal programs for the year ended June 30, 2018. The Town of East Greenwich's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Town of East Greenwich, Rhode Island'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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 the Town of East Greenwich, Rhode Island'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 each major federal program. However, our audit does not provide a legal determination of the Town of East Greenwich, Rhode Island's compliance.

Opinion on Each Major Federal Program

In our opinion, the Town of East Greenwich, Rhode Island, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

Report on Internal Control Over Compliance

Management of the Town of East Greenwich, Rhode Island, 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 East Greenwich, Rhode Island'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 the Uniform Guidance, 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 East Greenwich, Rhode Island'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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.


Baxter, Dansereau & Associates, LLP
West Warwick, Rhode Island
March 19, 2019

TOWN OF EAST GREENWICH, RHODE ISLAND
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2018

**Federal Grantor/Pass-through
Grantor/Program or Cluster Title**

	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Expenditures</u>
U.S. Department of Agriculture				
Passed through the State of Rhode Island Department of Education				
<i>Child Nutrition Cluster:</i>				
National School Breakfast Program	10.553	N/A	\$ -	\$ 11,203
National School Lunch Program	10.555	N/A	-	98,230
Food Donation (Note 4)	10.555	N/A	-	49,725
Total U.S. Department of Agriculture			<u>\$ -</u>	<u>\$ 159,158</u>
U.S. Department of Justice				
Direct Award				
Enforcing Under Age Drinking Programs	16.727	N/A	\$ -	\$ 611
Edward Byrne Memorial JAG Program	16.804	N/A	-	15,890
Total U.S. Department of Justice			<u>\$ -</u>	<u>\$ 16,501</u>
U.S. Environmental Protection Agency				
Direct Award				
ARRA - Capitalization Grant for Clean Water State Revolving Fund	66.458	N/A	\$ -	\$ 19,623
Total U.S. Environmental Protection Agency			<u>\$ -</u>	<u>\$ 19,623</u>
U.S. Department of Education				
Passed-through the State of Rhode Island Department of Education				
Title I Grants to Local Education Agencies	84.010A	2725-11702-801	\$ -	\$ 149,291
<i>Special Education Cluster:</i>				
Special Education - Grants to States	84.027A	2725-13202-801	-	534,606
Special Education - Preschool Grants	84.173A	2725-13502-801	-	14,346
Total Special Education Cluster				<u>548,952</u>
English Language Acquisition State Grant	84.365A	2725-16502-801	-	2,709
Improving Teacher Quality State Grants	84.367A	2725-16402-801	-	10,252
Total U.S. Department of Education			<u>\$ -</u>	<u>\$ 711,204</u>
U.S. Department of Homeland Security				
Direct Award				
Emergency Law Enforcement Grant	97.036	N/A	\$ -	\$ 1,424
Total U.S. Department of Homeland Security			<u>\$ -</u>	<u>\$ 1,424</u>
Total Federal Expenditures			<u>\$ -</u>	<u>\$ 907,910</u>

The accompanying notes are an integral part of this schedule

TOWN OF EAST GREENWICH, RHODE ISLAND
Schedule of Findings and Questioned Costs
For The Year Ended June 30, 2018

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? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major federal programs:

Material weakness (es) identified? yes X no

Significant deficiency (ies) identified? 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 2 CFR 200.516(a)? yes X no

Identification of major programs:

<i>CFDA Number(s)</i>	<i>Name of Federal Program or Cluster</i>
	<i>Education Cluster</i>
84.027	Special Education Grants to States
84.173	Special Education Preschool Grants

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

Auditee qualified as low risk auditee? X yes no

SECTION II – FINANCIAL STATEMENT FINDINGS yes X none

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

TOWN OF EAST GREENWICH, RHODE ISLAND
Schedule of Findings and Questioned Costs
For The Year Ended June 30, 2018
(continued)

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

A. Significant Deficiency in Internal Control

None Reported.

B. Compliance

None Reported.

SECTION III – FINDINGS AND QUESTIONED COST FOR FEDERAL AWARDS

A. Finding

None Reported

B. Questioned Costs

None Reported

TOWN OF EAST GREENWICH, RHODE ISLAND
Schedule of Prior Year Findings and Questioned Costs
For the Year Ended June 30, 2018

PRIOR YEAR FINDINGS AND QUESTIONED COST FOR FEDERAL AWARDS

A. Findings

None Reported

B. Questioned Costs

None Reported

TOWN OF EAST GREENWICH, RHODE ISLAND
Notes to Schedule of Expenditures of Federal Awards
June 30, 2018

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal grant activity of the Town of East Greenwich, Rhode Island under programs of the federal government for the year ended June 30, 2018. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of the Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Town of East Greenwich, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Town of East Greenwich, Rhode Island.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of the Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 - Indirect Cost Rates

The Town of East Greenwich has elected to use the 10 percent de-minimis indirect cost rate as allowed under the Uniform Guidance when applicable.

NOTE 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 \$49,725 represents the market value of such commodities used during the period.