

TOWN OF GLOCESTER

COMPREHENSIVE
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2018



Photo by Jean Fecteau

Town Hall
Glocester, Rhode Island

Diane Brennan
Director of Finance

Prepared by: Finance Department

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

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INTRODUCTORY SECTION

This Section Contains the Following Subsections:

Letter of Transmittal

Organizational Chart

List of Town Officials

Certificate of Achievement for Excellence in Financial Reporting



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

1145 Putnam Pike, P.O. Box B
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Town Hall: (401) 568-6206, Ext. 218 Fax (401) 567-4554

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Diane L. Brennan
Director
Director
Business Manager

January 14, 2019

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

We hereby submit the Comprehensive Annual Financial Report for the Town of Gloucester (Town), for the fiscal year ended June 30, 2018. The report has been prepared in accordance with generally accepted accounting principles (GAAP), adhering to the format promulgated through the Governmental Accounting Board's Statement 34. Responsibility for the accuracy of the data presented, as well the fairness of the representations contained within the report, rests with the Town's management. To provide a reasonable basis for making these representations, the Town has established a comprehensive internal control framework that is designed to protect the Town's assets from theft, loss, or misuse, and to promote the compilation of reliable financial information for reporting and forecasting purposes. Since the cost of the internal control system should not outweigh its benefits, the Town's internal control system has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatements. As management, we assert that, to the best of our knowledge, and in all material respects, this report is fair, complete, and summarizes the Town's financial position in a comprehensive manner.

The Comprehensive Annual Financial Report is presented in three sections: Introductory, Financial and Statistical Section. The Introductory Section contains this letter of transmittal, the Town's Organizational Chart, a listing of Town Officials and the prior year's Certificate of Achievement for Excellence in Financial Reporting. The Financial Section contains the independent auditor's report, the Management Discussion and Analysis, the government-wide financial statements, the basic financial statements of major and non-major funds, notes to the financial statements, and other supplementary information. The Statistical Section provides selected financial and demographic information presented on a multi-year basis. The Annual Supplemental Transparency Report (MTP2) is a supplemental schedule required by the State of Rhode Island. Gloucester has provided information consistent with the enacted legislation to allow for data consistency and comparability among Rhode Island cities and towns.

Government Profile

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

The Town operates under a Home Rule Charter adopted in 1991 providing for a Town Council form of government with a five-member Town Council, elected at-large for terms of two years, and headed by a Council President. All legislative powers of the Town are vested in the Town Council by the Charter including all powers to enact, amend or repeal ordinances relating to the Town's property, affairs and government. The town council has the power to create offices, departments or agencies of the Town while preserving the public peace, health and safety of the residents. The town council also establishes personnel policies. The town council has established a budget board responsible for submitting a budget for the town and school for town council consideration. The town council votes to approve the budget questions to ultimately be acted on by the voters. As a result of a charter revision passed in November 4, 2014, the annual budget question is presented to the voters. The voters approve the ordering of any tax, making appropriations, authorizing the issuance of bonds, providing for an annual audit of the Town's accounts and transacting any other business pertaining to the financial affairs of the Town.

The Town Council is supported and advised by various Boards and Commissions some of which are: Planning Board, Zoning Board, Budget Board, Board of Contracts & Purchases, Board of Canvassers, Recreation Commission, July 4th Ancients & Horribles Parade Committee, and the Juvenile Hearing Board. Board members are volunteers appointed by the Town Council at various intervals for specific terms.

Component Unit

The Glocester Land Trust (Land Trust) has been presented as a component unit of the Town in the accompanying government-wide financial statements. Further information regarding the purpose of the Land Trust and the definition of component unit is provided in Note 1, page 30 of the financial statements.

Public Education

The Town of Glocester's school system consists of two elementary schools, Fogarty Memorial and West Glocester Elementary School. The elementary schools provide learning for kindergarten through grade five. Grades 6 through 12 are served by the Foster-Glocester Regional School District of which the Town of Glocester and the Town of Foster are member communities. The Foster-Glocester Regional School District was incorporated and its fiscal authority established by Acts of the General Assembly in 1958 and 1959.

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

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

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

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

The cost of operation of the Town's elementary school system for fiscal year 2018 was \$9,558,394. In fiscal year ending June 30, 2018, the Town paid \$10,263,158 to the Foster-Glocester Regional School District (FGRSD). The Town will pay \$10,306,082 to the FGRSD for fiscal year 2019, a \$42,924 increase. This included increases for operations of \$61,270 and a decrease in debt of \$18,346. The cost of operations is based on actual enrollment of students attending FGRSD from the Town of Gloucester and the Town of Foster. A change or shift in actual enrollment from the estimate used to prepare the budget may cause an increase or decrease from the year to year budget.

The Fogarty Memorial and West Gloucester elementary schools were constructed in 1975 and 1991 respectively. There is presently a staff of 85 full and part time employees. There are 56 of whom are teachers and professional staff, 52 of which are full time. The full time support staff consists of 24 employees and 3 part time workers. The Gloucester average per pupil expenditure for 2015 is \$16,331 as listed by the Rhode Island Department of Education. Transportation costs for K-12 are included in the per pupil cost.

The Ponaganset Middle School building was completed in August 2007. The Ponaganset High School South building was constructed in 1960 and the Ponaganset High School North building was constructed in 1965. Both the North and South buildings were renovated in 2010. There is presently a staff of 175 in both schools based on the latest information provided by RIDE. Per 2015 state statistics, the average per pupil expenditure amounts to approximately \$18,296. In the graduating class of 2015, 88% of all high school graduates continued their education.

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

<u>Year</u>	<u>Grades kindergarten through 5 Gloucester</u>	<u>Grades 6 through 12 Gloucester</u>	<u>Total student population Gloucester</u>	<u>Grades 6 through 12 Foster</u>	<u>Total population grades 6 thru 12 F-G Region</u>
Actual enrollment					
<u>2010-11</u>	<u>598</u>	<u>868</u>	<u>1,466</u>	[410]	1,278]
<u>2011-12</u>	<u>626</u>	<u>873</u>	<u>1,499</u>	[403]	1,276]
<u>2012-13</u>	<u>591</u>	<u>874</u>	<u>1,465</u>	[400]	1,274]
<u>2013-14</u>	<u>538</u>	<u>782</u>	<u>1,320</u>	[363]	1,145]
<u>2014-15</u>	<u>533</u>	<u>777</u>	<u>1,310</u>	[350]	1,127]
<u>2015-16</u>	<u>546</u>	<u>776</u>	<u>1,322</u>	[363]	1,139]
<u>2016-17</u>	<u>555</u>	<u>741</u>	<u>1,296</u>	[363]	1,102]
<u>2017-18</u>	<u>539</u>	<u>741</u>	<u>1,296</u>	[363]	1,102]

Projected enrollment

<u>2018-19</u>	<u>534</u>	<u>751</u>	<u>1,291</u>	[344]	1,095]
<u>2019-20</u>	<u>532</u>	<u>755</u>	<u>1,290</u>	[344]	1,099]

The fiscal 2019 expense appropriation for operations for Gloucester Public School is \$9,603,400. The fiscal 2019 State Aid for school operations has been budgeted at \$2,310,862.

Town Services

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

Executive and Administration

The Town Council exercises general oversight of the Town. The Office of the Town Clerk; the Department of Finance which includes Human Resources, Tax Assessors, Tax Collectors; and the Town Solicitor provide direct assistance to the council with daily operations. The Town Clerk's Office is responsible for all record maintenance and supervision of the probate court. During fiscal 2018, the Central Administration and Financial Administration groups expended \$1,498,810. This amount includes \$848,076 in Central Administration expense (page 128); \$648,734 in Financial Administration expense (page 129). Included in this total are transfers of

\$1,500 (page 135) to for the comprehensive plan from Central Administration and \$83,191 to the Gloucester Land Trust. The fiscal 2019 budget has been set at \$1,803,743.

Public Safety

Police: The Town Police Department is responsible for Public Safety and has a force of 15 full-time sworn officers, including the Chief, Captain, Lieutenant, 2 Sergeants and 10 police officers. The department also has 5 full- and 1 part-time Dispatchers. The Chief of Police is the Town's Public Safety Officer. The Dispatchers address police and three independent fire districts. The police station, built in 1990, provides facilities for public safety issues. During fiscal 2018, the Police Department expended \$2,187,159. For fiscal 2019, \$2,199,965 has been designated for police operations.

Emergency Management: The operations fall under the duties of the Chief of Police. There is a part time employee devoted to the coordination of these activities for the town. The financial commitment for fiscal 2018 was \$14,791. The fiscal 2019 budget includes \$17,679 for EMA operations, including training and recruiting a volunteer team for readiness operations if needed.

Office of Animal Control: The Police Department is also responsible for the Office of Animal Control which has 1 full- and 2 part-time Animal Control Officers. They are responsible for the care of animals in their custody, encouraging adoptions, and the general protection of the public against stray and wild animals. During fiscal 2018, the Animal Control Office expended \$91,951. For fiscal 2019, \$97,587 has been allocated for operations.

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

Building/Zoning Office: The Building/Zoning Officer and 4 part-time inspectors are responsible for insuring compliance with state and local building code ordinances and laws. The budget for the Building/Zoning Office is included with the Central Administration total. In Fiscal 2018, the building and zoning department expenditures were \$168,877. For Fiscal 2019, the budget allocation for this department is \$182,165.

Social Services

Parks and Recreation: The Town employs a part-time Recreation Director who oversees activities at 2 Town beaches, 3 parks and various other recreational locations. Housed within the parks are 2 little league fields, 2 softball fields, 4 tennis courts, 4 basketball courts, 3 playgrounds, and walking trails. The Town also uses the facilities at the schools for basketball, tennis, and baseball programs. The 4th of July Ancients & Horribles parade, held in the Village of Chepachet, is a major event for the Town. This Parade is the second longest running Independence Day parade in Rhode Island celebrated for 91 consecutive years. Attendance has been upwards of 10,000 spectators. During fiscal 2018, the Recreation Department expended \$106,561. The Town made a contribution for the Independence Day parade of \$14,000 in Fiscal 2018. For fiscal 2019, \$131,191 has been allocated for recreational activities and \$14,000 has been budgeted for the parade.

Libraries: There are two libraries, Glocester Manton Free Public Library and Harmony Library, which operate independently from Town government. Each library is governed by a Board of Trustees. The Glocester Manton Free Public Library offers a collection of over 25,554 items and the Harmony Library offers 43,636 items. As members of Ocean State Libraries, they both provide and promote open access to a broad range of informational, educational, cultural, and recreational materials and services including access to the collections of all Rhode Island Public Libraries and 87,342 electronic materials (E-books, audio-downloadable, and video-downloadable). To further their mission, the libraries maintain membership in the Ponaganset Regional Libraries Network which was established to promote an awareness of library resources and services available to the residents of the Towns of Foster and Glocester through resource sharing and inter-library cooperation among the school and public libraries. Total library related expenditures for fiscal 2018 were \$210,396 for Manton Free Public Library and \$246,689 for Harmony Library. The Town contributed \$157,426 to the Manton Free Public Library and \$197,002 to the Harmony Library in 2018. These funds supported the acquisition of books and materials as well as an authorized staff of 4 librarians (2 full- and 2 part-time) holding master's degrees in Library and Information Services and support staffs of 10 part-time employees. Both libraries serve approximately 40,000 visitors per year. Budgeted Town aid for fiscal 2019 is \$161,228 for the Manton Free Public Library and \$197,002 for the Harmony Library. Together, both libraries circulate 72,000 items per year, a per capita circulation of 7.2. More than 3,000 residents are registered borrowers of its libraries. In addition, Glocester Manton Free Library offered 256 programs that were attended by 3,687 people. Harmony Library offered 241 programs that were attended by 3,849 people. Both libraries offer public use computers, hand held devices, wireless printing, and wi-fi access. The Glocester Manton Free Public Library has 14 public-use computers, three hand held devices, wireless printing, and Wi-Fi access. During the 2018 fiscal year, Harmony Library had 1,469 users of public computers and 5,289 wireless sessions. Glocester Manton had 2,483 users of public computers and 4,824 wireless sessions

Human Services: The Human Services department provides transportation for Town residents to doctor offices, medical facilities, and for shopping trips for senior citizens and citizens with disabilities. It also operates a food bank and provides information assistance and emergency energy funds for residents in need. Fiscal 2018 expenditures totaled \$31,635. This includes department expense of \$30,135 and transfers \$1,500 to Emergency Energy Fund. The Human Services department has \$37,684 budgeted for fiscal 2019.

Senior Center: Social services including a lunch-time meal-site and various daily activities and programs are provided to the Town’s seniors at our senior center building. Fiscal 2018 expenditures totaled \$166,186. The town has \$192,682 budgeted for fiscal 2019. The senior center membership consists of Gloucester residents as well seniors from nearby towns. Neighboring Burrillville residents make up a significant number of members at the Gloucester senior center. Acknowledging the service provided to their residents, the Town of Burrillville has made a contribution towards operations since 2016. They have pledged to continue to do so in the Fiscal 2019 budget.

Physical Resources

Planning and Community Development: The Town Planner provides guidance on the physical development of the Town. The budget for the Town Planner is included in the Central Administration total budget. Fiscal 2018 expenditures for the Town Planner’s Office totaled \$126,102. This includes a transfer of \$1,500 to the comprehensive plan. For fiscal 2019, \$127,195 is budgeted for the planning department.

Public Works: An authorized staff of 15 full-time and 2 part-time employee maintains 97.6 the Town’s 148.8 miles of roads [38.3 miles of the 148.8 miles are state roads] and 3 bridges, monitors the disposal operations of 2,496 tons of trash and 1,476 tons of recyclables per year, maintains the Town’s vehicles and equipment, and maintains 10 buildings. During fiscal 2018, the Department expended \$1,705,619. This amount includes \$1,655,619 in department expense and budgeted transfers of \$150,000 to the Storm/snow related reserve account. For fiscal 2019, \$2,025,344 has been allocated for public works.

Water and Sewer: There are no Town water or sewer systems. Homes and businesses are served by private wells and septic systems.

Economic Conditions and Outlook

Population

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

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

Income Levels

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

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

Housing

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

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

Employment

The census bureau provides information based on (NAICS) industry code for the Town. Based on reported information for 2013, Glocester had 137 private business and industrial firms subject to the payment of employment security taxes. During that period, the annualized payrolls for those entities totaled \$26,213,000 and the average number of persons employed was 824. The governmental census data is provided in the somewhat different format for comparison.

Industry	<u>Number of units</u>		
	2016	2013	2012
Agriculture, forestry, fishing & hunting	N/A	2	1
Construction	N/A	45	48
Manufacturing	6	4	4
Wholesale trade	N/A	1	1
Retail trade	21	19	19
Transportation & warehousing	9	6	5
Information	4	2	2

Finance & insurance	7	5	5
Real estate & rental & leasing	4	4	3
Professional & technical services	11	6	6
Management of companies & enterprises	N/A	1	0
Administrative support & waste management	7	5	4
Educational services	4	3	3
Health care & social assistance	14	10	9
Arts, entertainment, & recreation	5	1	1
Accommodation & food services	17	11	9
Other services (except Public Administration)	<u>14</u>	<u>12</u>	<u>12</u>
Total	<u>123</u>	<u>137</u>	<u>132</u>

Economic Development

General: Assessed values as of December 2017 for the town are \$1,033,545,210. The net assessed value has decreased from the prior year due to a value change for motor vehicles as was implemented by the State of Rhode Island. The state has passed legislation to phase out the motor vehicle taxed by cities and towns. The state is committed to providing cities and towns the loss in revenue. The town has received the additional state revenue during 2018 and the funds are continuing during 2019. Economic growth is assisted by The Gloucester Business Association (GBA) which meets monthly engaging in an on-going effort to promote and assist new, existing and expanding businesses. This organizational presence provides an environment conducive to attracting and maintaining business type activity in the town.

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

Factory Mutual Insurance Company: The Town's largest taxpayer, Factory Mutual Insurance Company (FMIC), headquartered in Norwood, Massachusetts, is an engineering and research testing facility for insurance providers and general businesses. FMIC occupies a 2,500 acre site in West Glocester. FM Global entered into a 20 year payment-in-lieu-of-taxes (PILOT) agreement with the Town. Total payments from that original agreement will amount to \$27,937,500. As part of the original agreement, FMIC paid \$1,630,500 in fiscal 2014, and will pay \$1,671,000 in fiscal 2015. Included in the agreement was the transfer to the Town of 98 acres of land valued (at that time) at \$466,884 to be used for public purposes. The company expanded their facilities again in the summer of 2009, spending another \$45 million. The project included a new "natural hazard" testing facility (75,000 sq. ft.) which included a 10' by 10' earthquake simulation table and other natural disaster testing equipment. A new water treatment plant was constructed which allows reuse of the water used during the testing procedures. A 17,000 sq. ft. warehouse was also constructed. The number of employees increased to 96 at that time.

The company spent another \$2 million to build an addition to the hydraulics laboratory and office space. The work was completed as of April 2013. The PILOT agreement was amended to include this addition on June 20, 2013 and will provide an additional \$781,884 in tax revenue from Phase 3 from 2013 through 2021. The additional taxes received due to Phase 3 for fiscal 2018 was \$55,902. This will increase by \$55,902 for fiscal 2019 and thereafter. During 2018, FM Global began construction on a new 23,591 square foot electrical hazard laboratory, a \$17,000,000 investment. The new structure is nearing completion, expecting to be operational in early 2019. Additional revenue for this expansion will favorably impact tax revenue in future years. The town has received a total of \$2,419,801 in fiscal 2018 and has received \$2,475,703 during fiscal 2019.

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

Future Projects: There are several projects at various stages of approval underway in Glocester. The Bella Vista project is currently underway with approval for 35 residential duplexes on 36.15 acres. Spring Grove is a 36.89 acre project with plan approval for six lots. Waterview Acres, a major residential subdivision, was recently approved for 14 single family lots in 45.8 acres. In addition, Glacier Ridge has proposed a plan to create a twenty lot business park.

Chepachet village often referred to as the center of town has undergone several recent changes. The former state police barracks has been purchased by a private developer and a liquor store was completed in the village at the end of fiscal 2018. The full value of \$745,000 will be realized during 2019. The Town of Glocester constructed a new pavilion in the center of Chepachet Village. The property was donated to the town by the Kent family with the understanding a town structure would be built there. With a \$100,000 grant provided by the State of RI DEM combined with \$50,000 of town funds, the new pavilion was built. What once had been a vision by some came to fruition during fiscal 2017. During 2018 additional funding further enhanced the structure with landscape improvements and a parking area. The Glocester Business Association promoted the use of the pavilion with seasonal events. A scarecrow decorating event and a tree lightning event coupled with Thursday Holiday shopping took place during December as a sample of activities

centered at the pavilion. Additional events continue to be planned during the year utilizing the pavilion as a gathering place.

Recently the town has seen an influx of ground mounted solar energy systems. The primary purpose is to sell electricity back to the utility company. This use has been classified as manufacturing by the State of Rhode Island therefore exempting the solar equipment from taxation. RIGL 44-5-3 does although authorize the collection of \$5 per kilowatt of nameplate capacity for any renewable energy project. These projects need an executed interconnection agreement with the electric distribution company as of January 1, 2017 or later. The town, with the assistance of the revaluation company, is working to determine the classification for taxation purposes. Gloucester follows RIGL 44-27.1 allowing for certain exemptions when considering land use classifications determining tax rates on renewable energy production in farmlands.

Major Initiatives

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

At the November 2, 2004 general election, the taxpayers approved a change to the Town Charter to include a policy of maintaining an unassigned general fund balance at 12% (minimum) of proposed operating expenditure. Fiscal 2018 provided favorable results increasing the total general fund balance by \$452,446 or 5.18% over last year. The unassigned fund balance at June 30, 2018 is \$5,486,939 an increase of \$587,131 from the prior year. The unassigned fund balance is 18.7% of general fund expenses budgeted for fiscal year 2019. This exceeds statutory requirements.

The town completed the second year of a five-year commitment to school renovation projects. The town is eligible to receive state reimbursement of a minimum of 35% for approved school improvement projects is to be used to fund the cost of the renovations. In 2015, both the town and the school department committed \$1,500,000 towards school renovations. The fund balance assignment of \$600,000 towards the estimated \$4,000,000 capital school building improvements is included in the 2018 comprehensive financial report. The town and school have each provided an appropriation of \$300,000 for the projects during 2018. The HVAC system is the first major project to be undertaken by the school capital fund. The town remains steadfast to finance the projects from existing funds rather than to incur additional debt.

Annually, the Town develops a six year Capital Improvement Plan. This plan helps identify and serves as a blueprint for major capital projects expected to be undertaken in the next six years. This long-range planning is essential in addressing the future development and growth of the Town. The Town has continually funded its capital requirements aggressively and maintains a pay-as-you-go funding for most of its capital needs, limiting additional borrowing requests. Budgets are prepared with a minimum of a 2% set aside devoted to capital. In the most recent past additional funds have been designated to increase the amount.

The Town remains committed to preserving recreational and open space areas. The Gloucester Land Trust (presented in the government-wide financial statements as a component unit) owns a total of 2,242 acres with an estimated value of \$8,001,800 as of June 30, 2018. This reflects values recorded by the tax assessor.

The Town remains committed to maintaining the high quality of public education, allocating approximately 75% of tax revenue to education.

In a collaborative effort with the Town, the Rhode Island Department of Transportation began construction in 2008 of over \$3,000,000 in infrastructure improvement to Chepachet Village. These improvements include drainage reconstruction, new brick treatment sidewalks, benches, period lighting, street trees, and road reconstruction and intersection reconfiguration. These improvements will make the village safer, more pedestrian friendly and move traffic safely through the village. These improvements have helped spur further investment into the businesses and residences in Chepachet by improving the business climate of the village. During 2018, the state completed a round-about at the intersection of routes 44 and 102.

The Gloucester Town Hall, built in 1935, continues to undergo renovations in order to benefit from energy efficiency, improve the comfort for occupants, and to remedy years of deferred maintenance. Annual improvements have been completed since 2008. Generators, exterior doors, attic insulation, and new floors are some of what has been completed to maintain the building. Started in 2012, with a \$300,000 grant from the US Department of Energy, the town installed geothermal heating to replace a steam boiler. The geothermal system has been fully completed installing additional wells to provide heat and cooling throughout town hall. The exterior window trim and cupola were painted. Funds for continued improvements to the building will be set aside in capital as needed.

The Town commissioned an actuarial study as required by the Governmental Accounting Standards Board Statement # 45 [Other Post-Employment Benefits (GASB 45)]. The study was completed by USI Consulting Group. An update was prepared as of July 2018. Further information regarding Other Post-Employment Benefits is provided in Note 14 on pages 78 and 86 of the financial statements. The town has implemented the new GASB statement 75 during 2018. The notes have been included.

Financial Information

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

Budgetary Control

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

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

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

Reserves and Fund Balance

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

Cash Management

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

Risk Management

The Town is a member of the Rhode Island Interlocal Risk Management Trust. This organization was established as a public entity risk pool to provide insurance coverage to local municipalities. The Town of Glocester maintains insurance coverage for property, general liability, public officials' liability, auto liability, workers compensation, and medical and dental coverage. General liability and public officials' liability coverage is \$5,000,000. Further information is provided in Note 17 on page 87 and Note 20 on page 89 of the financial statements.

Debt Administration

The ratios of net debt service to budget, net bonded debt to total assessed (property) valuation and net bonded debt per capita provide useful information when evaluating the Town's financial position. These indicators were as follows on June 30, 2016, June 30, 2017, and June 30, 2018:

	<u>Net Direct Bonded Debt</u>	<u>Ratio of Bonded Debt to Assessed Value</u>	<u>Debt per Capita</u>
June 30, 2016	\$2,030,000	0.22%	\$206.22
June 30, 2017	\$1,825,000	0.17%	\$181.86
June 30, 2018	\$1,620,000	0.16%	\$161.43

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

Independent Audit

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

Reporting Achievement

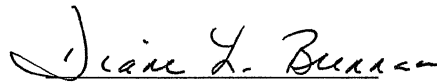
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Glocester for its comprehensive annual financial reports for the fiscal year ended June 30, 2017. This was the eleventh consecutive year that the Town has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.


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

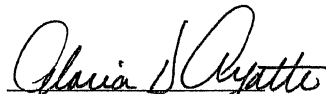
Acknowledgment


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

Respectfully submitted,

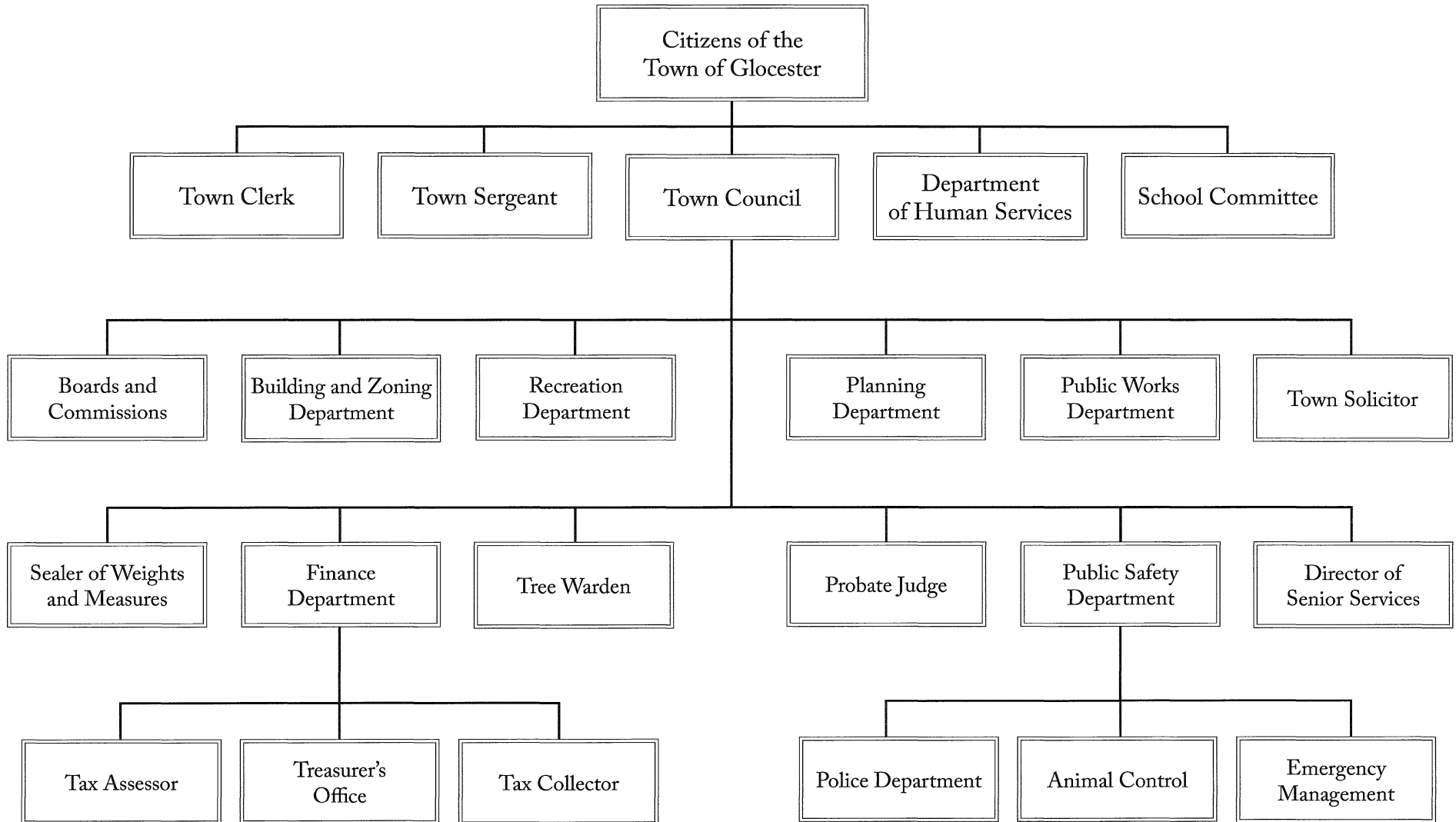

Diane L. Brennan, MBA
Director of Finance


Kathy Sorensen
Senior Clerk


Gloria Ayotte
Senior Accountant


Jeanne F. Carcieri
Senior Clerk

Town of Gloucester, Rhode Island Organization Chart



TOWN OF GLOCESTER, RHODE ISLAND
AS OF JUNE 30, 2018

TOWN COUNCIL

George O. Steere, Jr. President
Edward C. Burlingame Vice-President
Walter M. O. Steere III
William E. Reichert
Patricia Henry

DIRECTOR OF FINANCE

Diane Brennan



Government Finance Officers Association

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

Presented to

**Town of Gloucester
Rhode Island**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

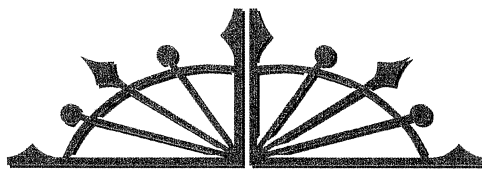
Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

This Section Contains the Following Subsections:

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



BAXTER DANSEREAU & ASSOCIATES, LLP

Accounting, Consulting & Tax Services

Partners

William J. Baxter, Jr., CPA

Paul L. Dansereau, CPA

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Glocester, Rhode Island (Town) as of and for the year ended June 30, 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 Glocester, Rhode Island as of June 30, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphases of Matter

As discussed in Note 23 for the financial statements, during the fiscal year ended June 30, 2018, the Town adopted new accounting guidance, Government Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)*. The net position of the Town has been restated to recognize the Net OPEB Liability required in implementing GASB No. 75. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4-19 and 92-95 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Glocester, Rhode Island's basic financial statements. The introductory section, combining nonmajor fund financial statements, other supplementary information, the Annual Supplemental Transparency Report, MTP2 and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

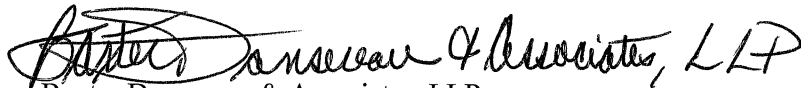
The combining nonmajor fund financial statements, other supplementary information and the Annual Supplemental Transparency Report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements, the other supplementary information and the Annual

Supplemental Transparency Report, MTP2 are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 14, 2019, on our consideration of the Town of Glocester, Rhode Island's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Glocester, Rhode Island's internal control over financial reporting and compliance.



Baxter Dansereau & Associates, LLP

West Warwick, Rhode Island

January 14, 2019

Management's Discussion and Analysis

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

Management of the Town of Glocester provides this Management's Discussion and Analysis of the Town of Glocester'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 Glocester 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

- In fiscal year 2018, the Town's General Fund's revenues and other financing sources of funds exceeded expenditures and other uses of funds by \$452,446. The School Unrestricted expenditures and other financing uses exceeded revenues and other financing sources by \$698,424 during fiscal ended June 30, 2018. In addition, during the fiscal year ended June 30, 2018, the Town adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other than Pension*. Therefore, the beginning net position of the Town has been restated to recognize the net OPEB liability required in implementing GASB No. 75. The net effect of the implementation caused the unrestricted net position to decrease by a net (\$1,242,861).
- As of the close of the fiscal year, the Town's governmental funds reported combined ending fund balances of \$16,466,091. The general fund unassigned fund balance of \$5,486,939 represents 33% of this total.
- On a government-wide basis, the assets and deferred outflows of the governmental activities exceeded its liabilities and deferred inflows at June 30, 2018 by \$22,526,237.
- There was decrease in net position of \$81,727 in the governmental activities. This was mostly due to increases in pension cost and depreciation expense. The net position of the Town's component unit increased by \$52,983, or .3%, to \$7,648,063. The net position of business type activities, decreased by \$5,971, or 10% to \$52,983.
- The Town's Government-wide operating expenses were \$29,175,395. This is a \$338,668 increase from the prior year. The changes are due to the focus of long-term economic conditions that are included in the statement. These changes are illustrated in note 10 of the notes to financial statements found on page 53.

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

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

In addition to the basic financial statements, this report also contains other supplementary information and a statistical section. The statistical provides comparisons of selected information for the last 10 fiscal years. The Town's basic financial statements and other supplementary financial information provide information about all of the Town's activities. They provide both a short-term and a long-term view of the Town's financial health as well as information about activities for which the Town acts solely as a trustee for the benefit of those outside of the Town's government.

Government-wide financial statements - are designed to provide readers with a broad overview of the Town's finances in a manner similar to that of private-sector businesses. All of the resources the Town has at its disposal are shown, including major assets such as buildings and infrastructure. The statement of net position includes all of the government's assets, deferred outflows of resources, liabilities and deferred inflow of resources. A thorough accounting of the cost of government is rendered because the statements present all costs, regardless of when cash is received or paid. They provide both long-term and short-term information about the Town's overall financial status. They are presented on the accrual basis of accounting where revenues and expenditures are recognized in the period they occur as opposed to the period in which they are collected or paid.

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

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

The *Statement of Activities* distinguishes functions of the Town which are supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all, or a significant portion, of their costs through user fees and charges (business-type activities). The Town's governmental activities include general government and administration, public safety, public works, education, social services and recreational services. The Town's one component unit is the Gloucester Land Trust. The Gloucester Schools lunch program is the Town's only business type activity.

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

Fund financial statements – A *fund* is a grouping and self-balancing set of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. With the exception of the School Lunch Fund, which is a proprietary fund, all of the funds of the Town are governmental funds.

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

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

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

Information is presented separately in the *Governmental Fund Balance Sheet* and in the *Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances* for the General Fund, the School Unrestricted Special Revenue Fund, and the Capital Reserve Fund, which are considered major funds. Data from all other funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements on pages 102 through 119 in this report. The individual funds within the component unit have been summarized into the data presented.

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

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 statements 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 basic fiduciary fund financial statements can be found on pages 28 and 29.

Notes to Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are found on pages 30 through 91.

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

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 92 through 101.

Government-wide Financial Analysis

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

Analysis of the Town of Gloucester's Net Position

The Town's net position may be a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future. On a government-wide basis, the assets and deferred outflows of the Towns governmental activities exceeded its liabilities and deferred inflows at June 30, 2018 by \$22,526,237 a decrease of \$81,727 or .36% from the prior year. The most significant changes were due to increases in pension cost and depreciation expense.

Current assets increased by \$1,866,584 or 11%, from 2017.

Net Capital assets decreased by \$123,129 due to annual depreciation costs that was more than additions.

Other liabilities increased by \$559,850 due to the implementation of GASB 75 to the report as other liabilities formerly reported as a portion of long-term debt.

Long-term liabilities in the current year increased by \$1,316,896 from 2017. This was due mostly to the implementation of GASB 75 for OPEB obligations. This was offset by decreases in bonds payable. See note 9 to the financial statements for additional detail.

Net investment in capital assets increased from the prior year by \$81,871.

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

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

Town of Gloucester
Net Position

	<i>June 30, 2017</i>				<i>June 30, 2018</i>			
	Govern- mental Activities	Business Type Activities	Total	Component Unit	Govern- mental Activities	Business Type Activities	Total	Component Unit
Current and Other Assets	\$ 17,357,951	\$ 64,721	\$ 17,422,672	372,516	\$ 19,188,054	\$ 49,960	\$ 19,238,014	\$ 439,106
Capital assets	<u>18,082,611</u>	-	<u>18,082,611</u>	<u>7,213,538</u>	<u>17,959,482</u>	-	<u>17,959,482</u>	<u>7,213,538</u>
Total Assets	<u>35,440,562</u>	<u>64,721</u>	<u>35,505,283</u>	<u>7,586,054</u>	<u>37,147,536</u>	<u>49,960</u>	<u>37,197,496</u>	<u>7,652,644</u>
Deferred Outflow of Resources	4,068,616	-	4,068,616	-	4,939,653	-	4,939,653	-
Other Liabilities	953,560	8,790	962,350	2,377	14,349,629	-	14,349,629	4,581
Long-Term Liabilities	<u>14,358,459</u>	-	<u>14,358,459</u>	-	<u>2,839,136</u>	-	<u>2,839,136</u>	-
Total Liabilities	<u>15,312,019</u>	<u>8,790</u>	<u>15,320,809</u>	<u>2,377</u>	<u>17,188,765</u>	-	<u>17,188,765</u>	<u>4,581</u>
Deferred inflow of Resources	1,557,650	-	1,557,650	-	2,372,187	-	2,372,187	-
Net Position:								
Net investment in capital assets	16,257,611	-	16,257,611	7,213,538	16,339,482	-	16,339,482	7,213,538
Restricted	2,643,015	-	2,643,015	-	2,500,024	-	2,500,024	-
Unrestricted	<u>3,738,883</u>	<u>55,931</u>	<u>3,794,814</u>	<u>370,139</u>	<u>3,686,731</u>	<u>49,960</u>	<u>3,736,691</u>	<u>434,525</u>
Total Net Position	<u>\$ 22,639,509</u>	<u>\$ 55,931</u>	<u>\$ 22,695,440</u>	<u>\$ 7,583,677</u>	<u>\$ 22,526,237</u>	<u>\$ 49,960</u>	<u>\$ 22,576,197</u>	<u>\$ 7,648,063</u>

The largest portion, \$16,339,482 or 72%, of the Town's net position consists of its investments in capital assets such as land, buildings and improvements, motor vehicles, furniture and equipment and infrastructure, less any outstanding debt used to acquire these assets. The Town uses these capital assets to provide services to its citizens. Consequently, these assets are not available for future spending. Although the Town's investment in its capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves are unlikely to be used to liquidate these liabilities.

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An additional portion \$2,500,024 of the Town's net position represents resources that are subject to external restriction on how they may be used. The remaining balance of the Town's unrestricted net position may be used to meet the government's ongoing obligations to its citizens and creditors.

As of June 30, 2018, the Town of Glocester reports positive balances in all three categories of Net Position for the government as a whole.

Analysis of the Town of Glocester's Operations

The following analysis provides a summary of the Town's operations for the year ended June 30, 2018.

Governmental activities decreased the net position by \$81,727 in the current period.

Business type activities decreased by \$5,971.

The Town's component unit activities increased by \$52,983.

Total revenues of the governmental activities saw an increase of \$86,838 from 2017.

- *Charges for Services* increased by \$60,636 from 2017.
- *Property tax revenues* decreased by \$249,436 and gains earnings increased by \$26,539.

Operating Grants and Contributions were \$47,292 more than 2017.

Total expenses of the governmental activities increased by \$333,987 from 2017.

- *Business type activities*, the School Lunch program, net position decreased by \$5,971 due to operations.
- The town's *component unit*, The Glocester Land Trust, net position increased by \$52,983.

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

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Town of Gloucester, Rhode Island
Change in Net Position

	June 30, 2017				June 30, 2018			
	Govern- mental Activities	Business Type Activities	Total	Component Unit	Govern- mental Activities	Business Type Activities	Total	Component Unit
Revenues								
Program revenues								
Charges for services	\$ 519,742	\$ 75,952	\$ 595,694	\$ -	\$ 580,378	\$ 84,242	\$ 664,620	\$ -
Operating grants	3,938,039	56,478	3,994,517	57,710	3,985,331	54,625	4,039,956	72,288
Capital grants	100,000	-	100,000	-	-	-	-	-
General Revenues								
Property taxes	23,993,396	-	23,993,396	-	23,743,960	-	23,743,960	-
Investment earnings	102,130	-	102,130	6	128,669	-	128,669	7
Gain (loss)	208,685	-	208,685	-	510,492	-	510,492	-
Total revenues	<u>28,861,992</u>	<u>132,430</u>	<u>28,994,422</u>	<u>57,716</u>	<u>28,948,830</u>	<u>138,867</u>	<u>29,087,697</u>	<u>72,295</u>
Expenses								
Administration	1,369,934	-	1,369,934	-	1,286,078	-	1,286,078	-
Finance	590,868	-	590,868	-	648,734	-	648,734	-
Public Safety	2,402,364	-	2,402,364	-	2,397,982	-	2,397,982	-
Public Works	2,370,728	-	2,370,728	-	2,539,395	-	2,539,395	-
Recreation and senior center	335,288	-	335,288	-	412,567	-	412,567	-
Social Services	213,081	-	213,081	-	212,209	-	212,209	-
Operational expenses	398,346	-	398,346	-	432,276	-	432,276	-
Aid Requests	413,298	-	413,298	-	369,428	-	369,428	-
Education	20,518,507	-	20,518,507	-	20,657,668	-	20,657,668	-
Interest	84,156	-	84,156	-	74,220	-	74,220	-
School Lunch Program	-	140,157	140,157	-	-	144,838	144,838	-
Gloucester Land Trust	-	-	-	31,209	-	-	-	19,312
Total expenses	<u>28,696,570</u>	<u>140,157</u>	<u>28,836,727</u>	<u>31,209</u>	<u>29,030,557</u>	<u>144,838</u>	<u>29,175,395</u>	<u>19,312</u>
Change in net position	165,422	(7,727)	157,695	26,507	(81,727)	(5,971)	(87,698)	52,983
Net position beginning	22,474,087	63,658	22,537,745	7,557,170	22,607,964	55,931	22,663,895	7,595,080
Net position ending	<u>\$ 22,639,509</u>	<u>\$ 55,931</u>	<u>\$ 22,695,440</u>	<u>\$ 7,583,677</u>	<u>\$ 22,526,237</u>	<u>\$ 49,960</u>	<u>\$ 22,576,197</u>	<u>\$ 7,648,063</u>

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Financial Analysis of the Town of Gloucester's Funds

Governmental Funds

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

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

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

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

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

Unassigned – items that have no restrictions placed on them.

The focus of the Town of Gloucester's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, the unassigned fund balance may serve as a useful measure of the Town's net resources available for spending at the end of the fiscal year. The Fund Balance section of the Balance Sheet for Governmental Funds is presented in the format required by GASB Statement 54.

General Fund

The total fund balance has increased by \$452,446. The category breakdown of the fund balance is listed below.

Committed

- *Education:* The town has committed \$380,000 for an anticipated loss in local state education aid. This is to plan for a future reduction. The town has committed an additional \$215,000 towards future proration cost increases due to population shifts from one district to another at the regional schools.
- *Capital Projects:* The Town has committed \$300,000 towards school building renovations and improvements in fiscal year 2019.

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Assigned

- *Administration:* The assignment for Revaluation Reserve increased by \$2,460 from \$290,886 in 2017 to \$293,346 in 2018 and the Professional services/Comprehensive Plan reserves increased by \$1,500 from \$35,195 in 2017 to \$36,695 in 2018. Future technology increased by \$48,872 to \$173,922 from \$125,080 in 2017. The assignment of \$1,508 for Tree Planting remains unchanged from 2017.
- *Public safety:* The assignment for Radio Equipment remains at \$71,557. The assignment for Police Equipment Maintenance remains at \$47,362 for 2018. An assignment of \$43,000 for mobile radios and \$36,800 for portable radios is to plan for future technology upgrades for public safety. The Town self-insures for damage to police equipment and maintenance on radio towers.
- *Public Works:* The assignment for Storm Related Services decreased by \$42,015 from \$282,055 in 2017 to \$240,040 for the fiscal year ended June 30, 2018.
- *Recreation:* The assignment for Senior Center Dues increased by \$3,934 from \$7,907 in 2017 to \$3,973 in 2018. Amounts are to supplement activities and events at the Senior Center
- *Matching state grant funds:* The \$50,000 reserve for grant matches remains unchanged.
- *2019 Budget:* The town has assigned \$53,725 of its fund balance for capital items included in their 2019 budget.
- *Contractual obligations:* The assignment for Accrued Compensated Absences decreased by \$81,390 from \$538,927 in 2017 to \$457,537 in 2018. The \$228,820 assigned for OPEB obligations increased by \$60,560 from \$168,260 in 2018. These funds are outside the OPEB Trust.
- *Employee benefits:* The amount assigned for Health Insurance decreased by \$63,515 from \$450,992 in 2017 to \$387,477 in 2018. This amount is to smooth fluctuations of health insurance costs. Working rates are derived through the RI Interlocal Risk Management Trust operating a self-insurance health program for the Town of Gloucester.
- *Education:* The Town assigned \$600,000 for school building renovations and improvements. This is for the remaining three years of a five-year project funded by the school and the town with funds set aside. These projects have preliminary approval from the Rhode Island Department of Education for reimbursement from school housing aid funds for at least 35% of the costs. Total cost estimates are \$4,200,000. The school has assigned the remaining balance from their cumulative fund balance towards the plan as well. The voters passed the fiscal 2019 budget committing an \$300,000 on the town side and the school side towards year two of the plan.

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Unassigned

The General Fund Unassigned fund balance in 2018 is \$5,486,939. This is an increase of \$587,131 from the unassigned fund balance of \$4,899,808 in 2017. The unassigned fund balance is 18.7% of the fiscal 2019 budget.

School Unrestricted

Non-spendable

- *Health benefits:* The school department is self-insured for the health care benefits it provides for its employees. This amount of \$ 1,171,666 represents the excess reserves it has as of the fiscal year ended June 30, 2018 with WB Community Health.

Restricted

- *Education:* This amount decreased by \$426,499 from \$941,148 in 2017 to \$514,649 in 2018. Restricted funds are for educational use only and the reduction is due to use of the restricted for operations in 2018.

Assigned

- *Contractual obligations:* The assigned amount of \$180,274 for OPEB did not change from 2017 to 2018. This amount exceeds the amount needed to cover the School's cumulative Net OPEB Obligation.
- *Employee benefits:* The assigned amount for Sick Day Buy-Out for certified employees remained the same \$375,250 in 2018. This amount is for payments to certified staff when they retire.
- *Medicaid expenditures:* This amount decreased by \$99,926 from \$374,600 in 2017 to \$274,674 in 2018.
- *Education:* The \$1,086,695 amount is for operational expenses of \$786,695 which includes \$300,000 for capital improvements for fiscal 2018. The balance \$600,000 is for the capital costs of school building improvements and renovations for years four and five. This commitment was made by the town and the school over a five-year period.

Capital Reserve Fund

Committed

Capital projects: This restricted fund balance increased by \$181,448 from \$905,291 in 2017 to \$1,086,739 in 2018. The town committed \$1,018,558 for capital projects in 2019.

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Other Governmental Funds

Non-Spendable

Perpetual care: The amount of non-spendable reserves remained the same at \$3,100 for the fiscal year ended 2018.

Restricted

- *Administration:* The total administration has decreased to \$26,165 in 2018. This is a decrease of \$489 from the amount of \$26,654 in 2017. The historic records and tree grant make up the majority of the administration group.
- *Public safety:* The amount restricted in *Public safety* is \$8,714 for 2018. This is a decrease of \$3,700 from 2017. The MEDS program, the animal shelter, DARE, and the Bramley funds make up the balance.
- *Recreation:* The restricted amount decreased by \$12,736 from the amount in 2017. The total restricted portion of the recreation category is \$55,341 for 2018. The parade account decreased by \$13,722 and a \$7,540 decrease for LEJA field and an increase of senior center donations of \$8,442 make up the changes.
- *Social Services:* The social service restricted amount for 2018 is \$388,902. This is an increase of \$40,859 from 2017. The change is most notably due to a \$42,833 increase in the CDBG program for retired loan repayments and a decrease in the emergency program of \$3,180.
- *Education:* This restricted fund balance for 2018 is \$49,422. This represents an increase of \$15,406 from \$34,016 in 2017. The change is largely due to a private grant from Intel for 2018 with \$15,167 funds remaining .
- *Capital Projects:* This restricted fund balance increased by \$238,411 from 2017 to \$1,444,641 in 2018. Capital improvements are reported in this category. The change is largely due to the progress of roads and school projects.
- *Perpetual Care:* This restricted amount is \$9,090 in 2018. This is to maintain cemetery property.

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Town of Gloucester
Fund Balances

	<u>June 30, 2017</u>	<u>June 30, 2018</u>	
	Total Governmental Funds	Total Governmental Funds	Increase (Decrease)
Nonspendable	3,100	1,257,816	1,254,716
Restricted	2,639,915	2,496,924	(142,991)
Committed	1,840,606	1,981,739	141,133
Assigned	5,652,451	5,242,756	(409,695)
Unassigned	4,899,808	5,486,856	587,048
Total	<u>15,035,880</u>	<u>16,466,091</u>	<u>1,430,211</u>

General Fund Budgetary Highlights

Revenues

Total revenues reported in 2018 were more than budgeted amounts by \$597,527 or .2.4 %.

General Property Taxes collected exceeded budget by \$334,326 or 1.4%. Included in taxes collected was \$2,419,801 from Factory Mutual Insurance Company from a payment-in-lieu-of-taxes (PILOT) agreement, which commenced in 2003.

Revenues from *licenses, fees and fines* were \$467,781 or \$142,181 over the budget amount. This is primarily due to favorable revenue from building permits and realty tax collections

Interest and investment income was greater than budget by \$18,848 due to additional revenue from interest on taxes.

Expenses

Total expenditures and other financing uses in the Town's General Fund were less than the amount budgeted by \$399,506. Salary and benefits made up the most significant savings in each area. These include savings in *central administration* of \$31,500; *financial administration* savings of \$84,000; *public safety* net savings of \$21,000; *public works* net savings of \$133,000 with 45% for salary and benefits with the balance purchased services, repairs, and disposal fees; *recreation* \$56,000 with 50% for salary items; *human services* of \$7,500; *other operational expenses* savings of \$67,000 for insurance and negotiations. The treasurer, tax assessor, recreation, and senior center had personnel changes due to retirements or resignations during 2018. Lower costs for tipping fees and purchased services were additional factors creating budgetary savings.

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The Town of Gloucester's Capital Assets

The Town of Gloucester's investment in capital assets for its governmental activities amounts to \$17,959,482 net of accumulated depreciation at June 30, 2018. Included are land, buildings and improvements, construction in progress, motor vehicles, furniture, machinery and equipment, and infrastructure.

Additional information on the Town of Gloucester's capital assets is located in notes 6 & 7 on pages 46 through 47 of the notes to the financial statements.

Town of Gloucester
Capital Assets (Net of Accumulated Depreciation)

	June 30, 2017		June 30, 2018	
	Govern- mental Activities	Component Unit	Govern- mental Activities	Component Unit
Land	\$ 2,022,814	\$ 7,120,112	\$ 2,022,814	\$ 7,120,112
Historical Building	-	93,426	-	93,426
Construction in Progress	136,175	-	-	-
Land Improvements	1,239,569	-	1,381,539	-
Buildings & Improvements	10,538,771	-	10,621,544	-
Motor Vehicles	560,647	-	592,128	-
Office Furniture/Equipment	114,812	-	102,392	-
Machinery & Equipment	391,371	-	338,973	-
Infrastructure	3,078,452	-	2,900,092	-
Total	\$ 18,082,611	\$ 7,213,538	\$ 17,959,482	\$ 7,213,538

The decrease of \$136,175 in *Construction in Progress* was due to the completion of the outdoor pavilion in Chepachet Village.

The \$141,970 increase in *Land Improvements* was due to the pavillion.

The \$82,773 decrease in *Buildings & Improvements* was due increased depreciation.

The \$31,481 increase in *Motor Vehicles* was due to the purchase of vehicles.

The \$12,420 decrease in *Office Furniture/Equipment* was due to annual depreciation costs.

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The \$2,398 decrease in *Machinery & Equipment* was the net effect of purchases and disposal of equipment and an increase in depreciation expense.

The \$178,360 decrease in *Infrastructure* was due to the road paving costs as compared to depreciation.

The Town of Gloucester's Debt Administration

The Town did not issue any new debt in 2018. The Town made payments on debt principal of \$205,000. The outstanding General Obligation debt decreased to a total of \$1,620,000 at June 30, 2018. All outstanding debt is backed by the full faith and credit of the government, including the Town's power to levy additional taxes to ensure repayment of the debt. Accordingly, all general obligation debt was approved by a vote of the citizens.

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

Town of Gloucester
Outstanding Debt
General Obligation Debt

	<i>June 30, 2017</i>	<i>June 30, 2018</i>
	Govern- mental Activities	Govern- mental Activities
Open Space (Land Trust)	125,000	65,000
Senior Center	1,350,000	1,240,000
Fogarty Elementary School Roof	350,000	315,000
Totals	\$ 1,825,000	\$ 1,620,000

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

Except as provided below, under Section 45-12-2 of the General Laws of Rhode Island, the Town may not, without special statutory authorization, incur any debt, which would increase its aggregate indebtedness not otherwise excepted by law to an amount greater than 3% of the taxable property of the Town. Deducted from the computation of aggregated indebtedness is the amount of any borrowing in anticipation of taxes authorized by law and the amount of any sinking funds maintained by the Town. The 3% debt limit of the Town for 2018 was \$31,036,124 [based on the net assessed valuation at December 31, 2016 of \$1,034,537,474]. As of June 30, 2018, the Town had \$1,620,000 in outstanding bonds and notes issued within the 3% debt limit leaving a borrowing capacity of \$29,416,124.

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The State legislature may, by special act, permit the Town to incur indebtedness outside the limitations imposed by the 3% debt limit. Special legislation adopted by the Legislature authorizing the Town to incur debt is subject to referendum by the electors of the Town. As of June 30, 2018, the town has no outstanding debt outside the 3% debt limit.

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

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

Additional information on the Town of Glocester's long-term debt can be found in footnote 8 of the financial statements on pages 48-49.

Economic Factors and Next Year's Budgets and Rates

- Unemployment rates for 2017 are listed below : (www.census.gov) (www.dlt.ri.gov)

<u>6/30/2015</u>	<u>6/30/2016</u>	<u>6/30/2017</u>	<u>6/30/2018</u>	
3.6%	4.0%	3.2%	3.0%	Town of Glocester
4.9%	5.0%	4.2%	4.3%	State of Rhode Island
5.0%	4.9%	4.4%	4.4%	United States

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

<u>6/30/2014</u>	<u>6/30/2015</u>	<u>6/30/2016</u>	<u>6/30/2017</u>	
1.4%	.5%	.7%	1.5%	Northeast Urban area
1.7%	.2%	1.0%	1.7%	United States

- The estimated median household income for Glocester is \$91,503 compared to the State's median income of \$61,043 for the for 2017 period. (www.dlt.ri.gov)

- The median house or condo value in 2016 is \$266,959 for Glocester. This compares to the state median value of \$247,700 for the same period. (www.city-data.com)

- Glocester ranks 30th in population among Rhode Island's 39 cities and towns. The listed population is 9,844 (www.census.gov).

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- The Town's total general fund budget for fiscal year 2019 amounts to \$29,400,470. The portion for education is \$20,209,482 or 69%, and \$9,190,988 or 31%, for general fund activities.
- The unassigned fund balance in the general fund increased in 2018 due to positive operating results. The unassigned fund balance is 18.8% of proposed expenditures for 2019, which is above the 12% minimum required by the Town Charter.
- Since December 2000, per Rhode Island General Law 44-5-11.6, municipalities in Rhode Island are required to perform full revaluations on all "ratable" property every nine years and statistical revaluations every three years for the years in-between. A full revaluation was performed as of December 31, 2010, which affected fiscal year 2012. A statistical revaluation was completed in 2014. The Town of Glocester completed a statistical revaluation during Fiscal 2017 for the Fiscal 2018 tax year.
- Net assessed values for fiscal year 2019 are \$1,033,545,210 a decrease of \$992,262 over 2018. In fiscal year 2018, the total assessed values were \$1,034,537,472. General state revenue sharing is to supplement cities and towns the lost tax revenue for motor vehicles as a mandated reduction in value has been applied to vehicles. The change in assessed value for all other tax categories is an increase of \$6,589,792 over the previous year.
- The State of Rhode Island has a 4% tax cap for all municipalities. Glocester's tax rate was below the 2018 rate. The decrease in rate is due to the revaluation for 2018. The increase for 2019 is 2.07 %. This is well below the allowable increase. The Town's tax rates for 2017, 2018 and 2019 are listed below. The tax on *Motor vehicles* has been frozen by the State of Rhode Island at \$24.37. Rates are per \$1,000 of valuation.

Tax Rates

	<u>Fiscal</u> <u>2016-17</u>	<u>Fiscal</u> <u>2017-18</u>	<u>Fiscal</u> <u>2018-19</u>	<u>Change</u> <u>from prior year</u>
Residential	\$ 22.45	\$19.73	\$ 20.00	\$.37
Commercial	25.51	23.67	24.00	\$.33
Motor vehicle	24.37	24.37	24.37	-
Tangible	44.69	39.46	40.00	\$.54

Request for Information

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

Diane L. Brennan,
Finance Director

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements

Fund Financial Statements

Governmental Funds

Proprietary Funds

Fiduciary Funds

Government-Wide Financial Statements

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

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Glocester Land Trust
ASSETS				
Cash and cash equivalents	\$ 15,405,936	\$ 1,807	\$ 15,407,743	\$ 418,416
Accounts receivable:				
Taxes receivable - net	697,966	-	697,966	-
Loans receivables	489,693	-	489,693	-
Due from other governments	336,387	57,920	394,307	750
Other receivables	166,864	-	166,864	-
Prepaid expenses	83,050	-	83,050	-
Internal balances	9,767	(9,767)	-	-
Other Assets - net	1,171,666	-	1,171,666	19,940
Capital assets:				
Property, plant and equipment - net	15,936,668	-	15,936,668	-
Non-depreciable	2,022,814	-	2,022,814	7,213,538
Total capital assets	17,959,482	-	17,959,482	7,213,538
Net pension asset	826,725	-	826,725	-
TOTAL ASSETS	37,147,536	49,960	37,197,496	7,652,644
Deferred Outflows of Resources	4,939,653	-	4,939,653	-
LIABILITIES				
Accounts payable	410,203	-	410,203	239
Accrued expenses	274,365	-	274,365	-
Due to other governments	-	-	-	4,342
Other liabilities	175,226	-	175,226	-
Current portion of long-term liabilities	309,700	-	309,700	-
Long-term liabilities				
Net OPEB liability	1,724,005	-	1,724,005	-
Net pension liability	11,456,130	-	11,456,130	-
Other long-term liabilities	2,839,136	-	2,839,136	-
Total liabilities	17,188,765	-	17,188,765	4,581
Deferred Inflows of Resources	2,372,187	-	2,372,187	-
NET POSITION				
Net investment in capital assets	16,339,482	-	16,339,482	7,213,538
Restricted for:				
Administration	26,165	-	26,165	-
Public safety	8,714	-	8,714	-
Recreation	55,341	-	55,341	-
Social services	388,902	-	388,902	-
Capital projects	1,444,641	-	1,444,641	-
Educational programs	564,071	-	564,071	-
Perpetual care	9,090	-	9,090	-
Nonexpendable	3,100	-	3,100	-
Unrestricted	3,686,731	49,960	3,736,691	434,525
Total net position	\$ 22,526,237	\$ 49,960	\$ 22,576,197	\$ 7,648,063

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

TOWN OF GLOCESTER, RHODE ISLAND
Statement of Activities
For the Fiscal Year Ended June 30, 2018

Functions/ Programs	Expenses	Program revenues		Net (Expense) Revenue and Changes in Net Assets			Component Unit Glocester Land Trust
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Primary Government Business-type Activities	Total	
Primary government							
Governmental activities:							
Administration	\$ 1,286,078	\$ 15,533	\$ 1,812	\$ (1,268,733)		\$ (1,268,733)	
Finance	648,734	467,781	-	(180,953)		(180,953)	
Public safety	2,397,982	-	19,505	(2,378,477)		(2,378,477)	
Public works	2,539,395	-	113,623	(2,425,772)		(2,425,772)	
Recreation and senior center	412,567	3,920	-	(408,647)		(408,647)	
Social services	212,209	13,006	97,430	(101,773)		(101,773)	
Operational expenses	432,276	-	626,601	194,325		194,325	
Aid requests	369,428	-	-	(369,428)		(369,428)	
Education	20,657,668	80,138	3,126,360	(17,451,170)		(17,451,170)	
Interest	74,220	-	-	(74,220)		(74,220)	
Total governmental activities	<u>29,030,557</u>	<u>580,378</u>	<u>3,985,331</u>	<u>(24,464,848)</u>		<u>(24,464,848)</u>	
Business type activities:							
School Lunch	144,838	84,242	54,625	-	\$ (5,971)	(5,971)	
Total business-type activities	<u>144,838</u>	<u>84,242</u>	<u>54,625</u>	<u>-</u>	<u>(5,971)</u>	<u>(5,971)</u>	
Total primary government	<u>\$ 29,175,395</u>	<u>\$ 664,620</u>	<u>\$ 4,039,956</u>	<u>(24,464,848)</u>	<u>(5,971)</u>	<u>(24,470,819)</u>	
Component Unit							
Glocester Land Trust	<u>\$ 19,312</u>	<u>\$ -</u>	<u>\$ 72,288</u>				<u>\$ 52,976</u>
General revenues:							
Taxes:							
Property taxes, levied for general purposes				23,743,960	-	23,743,960	-
Unrestricted investment earnings				128,669	-	128,669	7
Miscellaneous				510,492	-	510,492	-
Total general revenues				<u>24,383,121</u>	<u>-</u>	<u>24,383,121</u>	<u>7</u>
Change in net assets				<u>(81,727)</u>	<u>(5,971)</u>	<u>(87,698)</u>	<u>52,983</u>
Net position-beginning - restated				<u>22,607,964</u>	<u>55,931</u>	<u>22,663,895</u>	<u>7,595,080</u>
Net position-ending				<u>\$ 22,526,237</u>	<u>\$ 49,960</u>	<u>\$ 22,576,197</u>	<u>\$ 7,648,063</u>

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

Fund Financial Statements

Governmental Funds
Proprietary Funds
Fiduciary Funds

TOWN OF GLOCESTER, RHODE ISLAND

**Balance Sheet
Governmental Funds
June 30, 2018**

	General Fund	School Unrestricted	Capital Reserve Fund	Other Non-Major Governmental Funds	Total Governmental Funds
ASSETS:					
Cash and cash equivalents	\$ 9,534,267	\$ 3,416,929	\$ 1,337,072	\$ 1,117,668	\$ 15,405,936
Accounts receivable:					
Taxes, net of allowance of \$378,000	697,966	-	-	-	697,966
Loans	-	-	-	489,693	489,693
Other	34,020	131,838	-	1,006	166,864
Prepaid items	83,050	-	-	-	83,050
Other assets	-	1,171,666	-	-	1,171,666
Due from other funds	79,375	238,574	147,867	926,698	1,392,514
Due from other governments	3,591	-	-	332,796	336,387
TOTAL ASSETS	\$ 10,432,269	\$ 4,959,007	\$ 1,484,939	\$ 2,867,861	\$ 19,744,076
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts payable	\$ 84,790	\$ 223,987	\$ 92,740	\$ 8,686	\$ 410,203
Accrued payroll and benefits	187,576	71,009	-	7,503	266,088
Due to other funds	463,804	460,803	305,460	152,680	1,382,747
Unearned revenue	-	-	-	713,700	713,700
Other liabilities	175,226	-	-	-	175,226
TOTAL LIABILITIES	911,396	755,799	398,200	882,569	2,947,964
Deferred Inflows of Resources	330,021	-	-	-	330,021
FUND BALANCES:					
Nonspendable for:					
Perpetual care	-	-	-	3,100	3,100
Deposits held for Health and Dental Benefits	-	1,171,666	-	-	1,171,666
Prepaid	83,050	-	-	-	83,050
Restricted for:					
Administration	-	-	-	26,165	26,165
Public safety	-	-	-	8,714	8,714
Recreation	-	-	-	55,341	55,341
Social services	-	-	-	388,902	388,902
Capital projects	-	-	-	1,444,641	1,444,641
Educational programs	-	514,649	-	49,422	564,071
Perpetual care	-	-	-	9,090	9,090
Committed for:					
Education	595,000	-	-	-	595,000
Capital projects	300,000	-	1,086,739	-	1,386,739
Assigned for:					
Administration	505,471	-	-	-	505,471
Public safety	198,819	-	-	-	198,819
Public works programs	240,040	-	-	-	240,040
Recreation	3,973	-	-	-	3,973
Matching grant funds	50,000	-	-	-	50,000
2019 budget	53,725	1,086,695	-	-	1,140,420
Medicaid expenditures	-	274,674	-	-	274,674
Employee benefits	387,477	375,250	-	-	762,727
Capital expenditures	-	600,000	-	-	600,000
Contractual obligations	686,358	180,274	-	-	866,632
Education	600,000	-	-	-	600,000
Unassigned:	5,486,939	-	-	(83)	5,486,856
TOTAL FUND BALANCES	9,190,852	4,203,208	1,086,739	1,985,292	16,466,091
TOTAL LIABILITIES AND FUND BALANCES	\$ 10,432,269	\$ 4,959,007	\$ 1,484,939	\$ 2,867,861	

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. (Note 9)	17,959,482
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. (Note 9)	982,725
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. (Note 9)	(12,882,061)
Net position of governmental activities	\$ 22,526,237

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

TOWN OF GLOCESTER, RHODE ISLAND
Statement of Revenues, Expenditures, Other Financing Sources (Uses),
and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2018

	General Fund	School Unrestricted	Capital Reserve Fund	Other Non-Major Governmental Funds	Total Governmental Funds
REVENUES:					
Property tax	\$ 23,859,043	\$ -	\$ -	\$ -	\$ 23,859,043
Intergovernmental and departmental revenue	626,601	2,804,857	-	422,685	3,854,143
Federal revenue - Medicaid reimbursement	-	28,913	-	-	28,913
Tuitions	-	48,173	-	-	48,173
Licenses, fees, and fines	467,781	-	-	-	467,781
Investment Income	114,174	413	137	5,445	120,169
Other	262,795	3,052	8,500	163,647	437,994
TOTAL REVENUES	<u>25,330,394</u>	<u>2,885,408</u>	<u>8,637</u>	<u>591,777</u>	<u>28,816,216</u>
EXPENDITURES:					
Current:					
Administration	848,088	-	6,951	17,022	872,061
Finance	648,734	-	-	-	648,734
Public safety	2,294,116	-	-	26,167	2,320,283
Public works	1,847,634	-	24,254	88,045	1,959,933
Recreation & senior center	295,474	-	-	42,854	338,328
Social services	30,135	-	-	182,074	212,209
Operational expenses	432,276	-	-	-	432,276
Aid requests	369,428	-	-	-	369,428
Education	10,263,158	9,655,867	-	306,097	20,225,122
Debt service:					
Principal	205,000	-	-	115,135	320,135
Interest	73,562	-	-	1,548	75,110
Capital:					
Capital outlay	-	-	282,784	616,911	899,695
TOTAL EXPENDITURES	<u>17,307,605</u>	<u>9,655,867</u>	<u>313,989</u>	<u>1,395,853</u>	<u>28,673,314</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES					
BEFORE OTHER FINANCING SOURCES (USES)	<u>8,022,789</u>	<u>(6,770,459)</u>	<u>(305,352)</u>	<u>(804,076)</u>	<u>142,902</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	-	6,372,035	1,182,308	1,011,508	8,565,851
Transfers out	(7,570,343)	(300,000)	(695,508)	-	(8,565,851)
Issuance of debt	-	-	-	75,993	75,993
NET OTHER FINANCING SOURCES (USES)	<u>(7,570,343)</u>	<u>6,072,035</u>	<u>486,800</u>	<u>1,087,501</u>	<u>75,993</u>
NET CHANGE IN FUND BALANCES	<u>452,446</u>	<u>(698,424)</u>	<u>181,448</u>	<u>283,425</u>	<u>218,895</u>
FUND BALANCES - BEGINNING -RESTATED	<u>8,738,406</u>	<u>4,901,632</u>	<u>905,291</u>	<u>1,701,867</u>	<u>16,247,196</u>
FUND BALANCES - ENDING	<u>\$ 9,190,852</u>	<u>\$ 4,203,208</u>	<u>\$ 1,086,739</u>	<u>\$ 1,985,292</u>	<u>\$ 16,466,091</u>

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

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

Net change in fund balances-total governmental funds \$ 218,895

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

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

Capital Outlay	\$	940,019	
Depreciation Expense		<u>(1,063,148)</u>	(123,129)

Reductions in deferred revenue that provide current financial resources to governmental funds are not reported as revenues in the statement of activities. 132,614

Some expenditures reported in the governmental funds that require the use of current financial resources are not reported as expenditures in the statement of activities. This is the net effect of those activities. 890

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.

Net increase in compensated absences	\$	3,938	
Net increase in OPEB obligation		33,256	
Principal payments on long term debt		329,835	
Issuance of debt		(75,993)	
Net (increase)/decrease in net pension liability		(674,771)	
Net increase/(decrease) in net pension asset		(36,481)	
Net increase/(decrease) in deferred outflows		871,037	
Net (increase)/decrease in deferred inflows		(761,818)	

(310,997)

Change in net position of governmental activities \$ (81,727)

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

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

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

	School Lunch
<i>ASSETS:</i>	
<i>Current assets:</i>	
Cash and cash equivalents	\$ 1,807
Accounts receivable	
Due from other funds	5,764
Due from other governments	57,920
<i>Total current assets</i>	65,491
<i>TOTAL ASSETS</i>	65,491
 <i>LIABILITIES:</i>	
<i>Current liabilities:</i>	
Due to other funds	15,531
<i>Total current liabilities</i>	15,531
<i>TOTAL LIABILITIES</i>	15,531
 <i>NET POSITION:</i>	
Unrestricted	49,960
<i>TOTAL LIABILITIES and NET POSITION</i>	\$ 65,491

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

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

	School Lunch
<i>OPERATING REVENUES:</i>	
Charges for usage and service	\$ 84,242
<i>Total operating revenues</i>	84,242
<i>OPERATING EXPENSES:</i>	
Operations	144,838
<i>Total operating expenses</i>	144,838
<i>OPERATING INCOME (LOSS)</i>	(60,596)
<i>NON-OPERATING REVENUES:</i>	
Intergovernmental	54,625
<i>Total non-operating revenues</i>	54,625
<i>CHANGE IN NET POSITION</i>	(5,971)
<i>TOTAL NET POSITION - BEGINNING</i>	55,931
<i>TOTAL NET POSITION - ENDING</i>	\$ 49,960

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

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

	<u>School Lunch</u>
<i>CASH FLOWS FROM OPERATING ACTIVITIES:</i>	
Cash received from customers	\$ 36,623
Cash payments to suppliers	(153,628)
<i>Net cash provided by (used for) operating activities</i>	<u>(117,005)</u>
<i>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</i>	
Non-operating grants received	54,625
Decrease in due from other funds	63,687
<i>Net cash provided (used for) non-capital and related financing activities</i>	<u>118,312</u>
<i>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</i>	1,307
<i>CASH AND CASH EQUIVALENTS - BEGINNING</i>	500
<i>CASH AND CASH EQUIVALENTS - ENDING</i>	<u>\$ 1,807</u>
<i>Reconciliation of operating income to net cash provided by operating activities:</i>	
Operating income (Loss)	\$ (60,596)
<i>Changes in assets and liabilities:</i>	
(Increase) decrease in accounts receivable	(47,619)
Increase (decrease) in accounts payable	(8,790)
<i>Total adjustments</i>	<u>(56,409)</u>
<i>Net cash provided by (used for) operating activities</i>	<u>\$ (117,005)</u>

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

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

	<u>OPEB Trust Fund</u>
ASSETS	
Cash	\$ -
Investments, at fair value:	
Mutual funds	<u>438,235</u>
Total investments	<u>438,235</u>
Total Assets	<u><u>438,235</u></u>
 NET POSITION	
Restricted for:	
Employee OPEB benefits	<u><u>\$ 438,235</u></u>

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

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

	OPEB Trust Fund
Additions	
Contributions	
Employer	\$ 139,556
Total contributions	139,556
Investment earnings	
Net increase/(decrease) in fair value of investments	18,338
Total investment earnings	18,338
Total additions	157,894
Deductions	
Benefits paid	139,556
Plan cost	1,082
Total deductions	140,638
Change in net position	17,256
Net position beginning of year	420,979
Net position end of year	\$ 438,235

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

Notes to Financial Statements

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Reporting Entity

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

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

The accompanying financial statements present the government and its component unit. In evaluating the inclusion of other separate and distinct legal entities as component units within its financial reporting structure, the Town applied the criteria prescribed by GASB Statement No. 14, as amended by GASB Statement No. 39, "Determining Whether Certain Organizations are Component Units." and by GASB Statement No. 61 "The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34". A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable or for which the nature and significance of its relationship with the primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The Town's discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the Town. Through the application of GASB Statement No. 61, GASB Statement No. 39 and No. 14 criteria, the Glocester Land Trust (the Land Trust) has been presented as a component unit of the Town, hereinafter referred to as a "component unit", in the accompanying government-wide financial statements. The Land Trust is included in the Town's reporting entity because of the significance of its operational and financial relationships with the Town.

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

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity (Continued)

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

Recently Issued Accounting Standards

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

- GASB Statement No. 75 - Accounting for Postemployment Benefit Plans Other than Pension Plans - effective for the Town's fiscal year ending June 30, 2018.
- GASB Statement No. 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.

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation

Government – Wide Financial Statements

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

Fund Financial Statements

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

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

The funds of the financial reporting entity are described below:

Governmental Funds

General Fund

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

Special Revenue Funds

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

Capital Project Funds

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

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Permanent Funds

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

Proprietary Funds

Proprietary Funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. Operating revenues of the Proprietary Funds consist of customer/taxpayer charges for uses and services and certain other miscellaneous revenues. All other revenues of the Proprietary Funds are considered non-operating sources of revenue.

Fiduciary Funds

Fiduciary Funds include a Statement of Net Position and a Statement of Changes in Net Position. The Town's Fiduciary Funds include 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 Funds are accounted for on an "economic resources" measurement focus and the accrual basis of accounting.

Major and Non-Major Funds

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

<u>Fund</u>	<u>Brief Description</u>
-------------	--------------------------

Major:

General Fund:	See above for description
---------------	---------------------------

Special Revenue:	School Unrestricted - This fund accounts for the operation and maintenance of the West Glocester and Fogarty Memorial Elementary Schools. Revenue Sources: Town funded appropriation State of Rhode Island: Annual aid to education
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Capital Project:	Capital Reserve Fund - This fund accounts for monies utilized for capital improvements set forth in the Capital Program approved at the Financial Town Meeting.
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Proprietary:	School Lunch - This fund is used to account for the activities of the lunch programs at the West Glocester and Fogarty Memorial Elementary Schools.
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TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Major and Non-Major Funds

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

Major:

Fiduciary Funds: OPEB Trust Fund – This fund accounts for monies contributed by the town and held in a fiduciary capacity for other post-employment benefits to retired employees.

Non-Major:

Special Revenue: *Town Funds:*

Bramley Bill, The Meds Plan, Bullet Proof Vest, Recycling Grant, Public Library Grant, July 4th Parade, MHRH Grant, Emergency Energy, Grass Roots, Pollard Mimosa Trees, Police Grant JAG, Central Police Legislative Grant, Blue Rip Tide Grant, Historic Records Trust, Senior Center Donations, Food Bank, Animal Shelter, Community Septic System Loan Program, EMA, DARE, Community Development Block Grant and Meal Site Senate Grant, LEJA Field and Transfer Station.

Capital Projects: Chepachet River Park, Roads, Senior Center Fund, Chepachet River Cleanup, Chepachet Wastewater / Storm-water Project, School Project, Geothermal Project, School Capital Improvement, Recreation Land and Pavillion.

School Funds:

Rural Education Grant, Donations Library, Technology, Intel Grant, Professional Development, Title I, Title II, CAST Mini Grant, IDEA Part B, Title IV, IDEA Preschool.

Permanent: Perpetual Care Fund.

Measurement Focus

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

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus (Continued)

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

- a) All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period. The Town considers property taxes, franchise taxes, licenses, and interest as available if they are collected within 60 days after year-end. Substantially all other revenue of the governmental funds is recognized utilizing the modified accrual method of accounting, and as such, it is recognized as earned.
- b) The proprietary fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of net income, financial position and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

Basis of Accounting

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

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

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

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

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting

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

Accounts Receivable

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based on historical trends and the periodic aging of accounts receivable. The allowance for uncollectible accounts totaled \$360,000 for property taxes. Business-type activities report usage fees as its major receivables.

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

Deposits and Investments

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

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

Prepaid Items

Prepaid items, where applicable, are accounted for under the allocation method whereby a prepaid asset is established at the date of payment and subsequently amortized over the accounting periods expected to benefit from the initial payment. Prepaid expenditures recorded in governmental funds do not reflect current appropriated resources, resulting in non-spendable fund balance.

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, Plant, and Equipment

Property, Plant and Equipment

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

Government-Wide Statements

In the government-wide financial statements, long-lived assets are accounted for as capital assets. All capital assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value. The capitalization threshold is any individual item with a total cost of greater than \$5,000.

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

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

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

Fund Financial Statements

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

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accrued Compensated Absences

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

Use of Estimates

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

Short-Term Inter-fund Receivables/Payables

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

Interfund Transfers

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

Bond Issuance Costs

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

Deferred Outflows of Resources

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

Deferred Inflows of Resources

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

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equity Classifications

Government-Wide Statements

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

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

Fund Financial Statements

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

- ***Non-spendable*** – are balances that are not in a spendable form or are legally or contractually required to be maintained intact or are permanently precluded from conversion to cash. Examples are prepaid amounts, inventories, endowments and permanent funds.
- ***Restricted*** – requires that inflows and outflows of resources and balances be constrained to a specific purpose of enabling legislation, external parties or constitutional provisions.
- ***Committed*** – are balances with constraints imposed by the government using the highest level of decision-making authority. These constraints can only be removed or changed by the same decision making authority taking the same type of action.
- ***Assigned*** – are balances intended for a specific purpose and are constrained by the government's management but are neither restricted nor committed.
- ***Unassigned*** – is the amount of fund balance in the General Fund that has not been restricted, committed, or assigned to a specific purpose within the General Fund. It includes spendable amounts not subject to any intended use or constraint. It is the residual classification for general fund and is available for any purpose. The balance is not precluded by a management decision, law or constitutional provision in the general fund.

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (Continued)

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

As a result of the passage of a charter review, the Town of Glocester general fund budget is approved at an all-day referendum. At this time, the voters are also asked to vote to commit funds for specified purposes from the fund balance. Each item to be committed is addressed as an individual question to be approved by a majority vote of the people which in turn creates a resolution. The summary below details the procedure for the budget as it relates to the fund balance categories as defined by GASB.

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

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (Continued)

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

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

Pensions

For purposes of measuring the net pension liability, net pension asset, deferred outflows of resources, and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Town of Glocester, Rhode Island's various pension plans (described in more detail in Note 12) and additions to/deductions from the pension plans fiduciary net position have been determined on the same basis as they have been reported by the pension plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

2. BUDGETARY PROCESS

(a) Adoption

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

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

2. BUDGETARY PROCESS (Continued)

(a) Adoption (Continued)

The General Fund and School Unrestricted Fund annual operating budget amounts are supported by revenue estimates and take into account the elimination of accumulated deficits and the re-appropriation of accumulated surpluses to the extent necessary. The legal level of control for the General Fund is at the fund level and the School Unrestricted Fund is at the fund level. Amendments that would change the total appropriation must be approved by the voters at the all day referendum. There were no supplemental budgetary appropriations in fiscal year 2018. Appropriations which are not expended or encumbered lapse at year end. As a result of the passage of a charter review, the Town of Glocester general fund budget is approved at an all-day referendum. The first vote was on May 20, 2017 for the fiscal 2018 budget.

(b) Reconciliation - Budgetary to GAAP

The Town Charter requires annual budgets for the General Fund and Special Revenue - General School Activities. The practices used in the preparation of the 2018 budget differ in certain respects from the presentation of the actual results of operations prepared in accordance with GAAP. The actual results of operations, for purposes of the Statement of Revenues, Expenditures, Other Financing Sources (Uses) - Budget and Actual on a Budgetary Basis -General Fund, and Special Revenue Fund -School Unrestricted Fund, have been adjusted to a basis consistent with the Town's budget for 2018. See Pages 94 through 95.

3. DEPOSITS AND INVESTMENTS

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

Investments: Investment of all idle funds is made through national banks or trust companies, providing that the financial conditions and integrity of the institution or institutions are verifiable and can be monitored. The investment of funds must be in direct obligations of the United States Government and "money market instruments" rated "A" or better. All investments are made as would be done by prudent men of discretion and intelligence in such matters who are seeking a reasonable income and preservation of their capital.

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

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

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

3. DEPOSITS AND INVESTMENTS (Continued)

Custodial Credit Risk

Deposits: This is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of June 30, 2018, \$ -0- of the Town's balance of \$15,826,159 was uninsured and uncollateralized.

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

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

<i>Cash and Cash Equivalents</i>	
Deposits with financial institutions	\$ 15,826,159
Total cash and cash equivalents	15,826,159
<i>Investments</i>	
Institutional Mutual Funds	438,235
Total Investments	438,235
<i>Total Cash and Investments</i>	\$ 16,264,394

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

<i>Statement of Net Position</i>	
Cash and cash equivalents	\$ 15,826,159
<i>Fiduciary Funds</i>	
Investments	438,235
<i>Total Cash and Investments</i>	\$ 16,264,394

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.

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 GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

4. TAXES RECEIVABLE AND UNEARNED REVENUE

The Town's property tax is levied each July 1, for its next fiscal year on the assessed values listed as of the prior December 31 (lien date), for all real property, tangible property, and motor vehicles located in the Town. Assessed values of real property and tangible personal property were established by the Town Assessor's office at 100% of appraised market value as of December 31, 2016. The assessed value of motor vehicles is determined annually at 100% as established by the State Vehicle Value Commission.

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

Net property taxes levied at the May 17, 2017 all day referendum for the fiscal year 2018 were based on a net assessed value of approximately \$1,034,537,474 at December 31, 2016 and amounted to \$21,348,945.

The Town recognizes property tax revenues in accordance with Section P70, "Property Taxes" of the Codification of Governmental Accounting and Financial Reporting Standards. Unpaid property taxes as of June 30, 2018 (\$697,960) are recorded as a receivable, net of an allowance for uncollectible property taxes of \$378,000. Those net property taxes receivable which were not collected within the 60 days immediately following June 30, 2018 are recorded as deferred inflow and amounted to \$277,302 at June 30, 2018. Property taxes recognized as revenue for the fiscal year ended June 30, 2018 (due to their collection within the 60 days immediately following June 30, 2018) amounted to \$366,932.

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

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

5. INTERFUND BALANCES

Inter-fund balances represent loans to various funds for use in operations when funds are either not available through operations or funding is being requested through other funding sources. These amounts are expected to be repaid at certain future dates. Below are the balances as of June 30, 2018:

Interfund receivable and payable balances at June 30, 2018 are as follows:

	Due From Other Funds	Due To Other Funds
<i>Governmental Activities:</i>		
<i>Major Funds:</i>		
General Fund	\$ 79,375	\$ 463,804
School Unrestricted Fund	238,574	460,803
Capital Reserve Fund	147,867	305,460
<i>Non-major Funds:</i>		
Town Special Revenue Funds	182,629	12,406
School Special Revenue Funds	49,422	48,533
Capital Projects Funds	694,647	91,541
Permanent Funds	-	200
<i>Total Governmental Activities</i>	1,392,514	1,382,747
<i>Business Type Activities:</i>		
School Lunch	5,764	15,531
<i>Total Business Type Activities</i>	5,764	15,531
TOTALS	\$ 1,398,278	\$ 1,398,278

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

6. CAPITAL ASSETS

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	\$ 2,022,814	\$ -	\$ -	\$ 2,022,814
Construction in Progress	136,175	-	(136,175)	-
Total capital assets not being depreciated	<u>2,158,989</u>	<u>-</u>	<u>(136,175)</u>	<u>2,022,814</u>
Other capital assets:				
Land improvements	1,924,585	225,200	-	2,149,785
Buildings and improvements	16,243,873	403,082	-	16,646,955
Infrastructure	9,135,580	245,948	-	9,381,528
Machinery and equipment	1,610,401	10,400	-	1,620,801
Motor vehicles	2,278,888	183,924	-	2,462,812
Office furniture and equipment	686,848	7,640	-	694,488
Total other capital assets at historical cost	<u>31,880,175</u>	<u>1,076,194</u>	<u>-</u>	<u>32,956,369</u>
Less accumulated depreciation for:				
Land improvements	685,016	83,230	-	768,246
Buildings and improvements	5,705,102	320,309	-	6,025,411
Infrastructure	6,057,128	424,308	-	6,481,436
Machinery and equipment	1,219,030	62,798	-	1,281,828
Motor vehicles	1,718,241	152,443	-	1,870,684
Office furniture and equipment	572,036	20,060	-	592,096
Total accumulated depreciation	<u>15,956,553</u>	<u>1,063,148</u>	<u>-</u>	<u>17,019,701</u>
Governmental activities capital assets, net	<u>\$ 18,082,611</u>	<u>\$ 13,046</u>	<u>\$ (136,175)</u>	<u>\$ 17,959,482</u>

Depreciation expense was charged to functions as follows:

Governmental activities:

Administration	\$ 141,729
Public safety	88,610
Public works	579,462
Recreation	74,239
Public education	179,108
Total governmental activities depreciation expense	<u>\$ 1,063,148</u>

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

7. CAPITAL ASSETS (Continued)

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

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

Depreciation expense was charged to functions as follows:

Discretely presented component unit

Depreciation expense	\$ -
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TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

8. LONG-TERM LIABILITIES

(a) Long-Term Liability Activity

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

	Balance			Balance	Amounts
	July 1, 2017	Additions	Retirements	June 30, 2018	Due within
					One Year
Governmental Activities					
General obligation debt	\$ 1,825,000	\$ -	\$ 205,000	\$ 1,620,000	\$ 215,000
Loans payable	360,062	75,993	115,135	320,920	85,000
Total debt	<u>2,185,062</u>	<u>75,993</u>	<u>320,135</u>	<u>1,940,920</u>	<u>300,000</u>
Other liabilities:					
Accrued compensated absences	1,008,154	698,762	702,700	1,004,216	-
Net OPEB Liability	1,757,261	-	33,256	1,724,005	-
Net Pension Liability	10,781,359	674,771	-	11,456,130	-
Landfill post-closure costs	213,400	-	9,700	203,700	9,700
Total other liabilities	<u>13,760,174</u>	<u>1,373,533</u>	<u>745,656</u>	<u>14,388,051</u>	<u>9,700</u>
Governmental Activities long-term liabilities	<u>\$ 15,945,236</u>	<u>\$ 1,449,526</u>	<u>\$ 1,065,791</u>	<u>\$ 16,328,971</u>	<u>\$ 309,700</u>

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

	Interest Rates	Principal	Due Dates
Governmental bonds and notes payable	2.58% - 5.50%	\$ 1,620,000	2019-2027
Total All Funds		<u>\$ 1,620,000</u>	

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

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

**TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

8. LONG-TERM LIABILITIES (Continued)

(b) Bonds Outstanding

At June 30, 2018, the Town's Government Activities bonds payable are comprised of the following:

	DATE OF ISSUANCE	INTEREST RATE	DATE OF MATURITY	AUTHORIZED AND ISSUED	OUTSTANDING July 1, 2017	ADDITIONS	MATURITIES DURING YEAR	OUTSTANDING June 30, 2018
GENERAL OBLIGATION BONDS PAYABLE								
Senior center	10/1/2006	3.50-5.00%	10/1/2026	\$ 2,215,000	\$ 1,350,000	\$ -	\$ 110,000	\$ 1,240,000
School roof	5/15/2007	4.00-5.50%	4/1/2027	750,000	350,000	-	35,000	315,000
Land trust	5/13/2010	4.200%	5/1/2019	500,000	125,000	-	60,000	65,000
TOTAL GENERAL OBLIGATION BONDS PAYABLE				3,465,000	1,825,000	-	205,000	1,620,000
TOTAL BONDS PAYABLE - GOVERNMENTAL ACTIVITIES				\$ 3,465,000	\$ 1,825,000	\$ -	\$ 205,000	\$ 1,620,000

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

(c) Loan Payable

The Town entered into a loan agreement with RI Clean Water Finance Agency in the amount of \$250,000 on February 22, 2001 and \$300,000 on October 7, 2010 of which all was completely drawn down by April 1, 2018. The loans are used to establish the Community Septic System Loan Program through which the Town provides subsequent loans to homeowners for the repair or replacement of failed septic systems. Loans are serviced on behalf of the Town by the RI Housing Mortgage Finance Corporation. The loans to the homeowners bear interest of 4% and 2% respectively of which RI Clean Water Finance Agency and RI Housing Mortgage Finance Corporation both receive a 1.5% service fee.

The Town entered into another loan agreement with RI Clean Water Finance Agency in the amount of \$300,000 on February 2, 2017 to further fund the Community Septic System Loan Program. Loans are serviced on behalf of the Town by the RI Housing Mortgage Finance Corporation. The loans to the homeowners bear interest of 0% of which RI Clean Water Finance Agency receives a 1% service fee. The loan must be completely drawn down by April 1, 2027.

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

8. LONG-TERM LIABILITIES (Continued)

(c) Loan Payable (Continued)

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

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

(d) Loan Payable

The town entered into a promissory note agreement with individuals to purchase property located at 1605 Snake Hill Road, Glocester RI in the amount of \$200,000.00 on July 8, 2016. The total purchase price of the property was \$325,000. The loan will be paid in five installments of \$40,000.00 starting on July 8, 2017. The note is interest free unless borrower is in default in the event of default a rate of 7% per annum is charged on the unpaid principal.

Governmental Activities

Annual principal and interest requirements on general obligation bonds for the year ending June 30, 2018 are as follows:

Fiscal Year Ended <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	215,000	64,818	279,818
2020	155,000	55,638	210,638
2021	160,000	48,988	208,988
2022	165,000	42,138	207,138
2023	170,000	35,438	205,438
2024	180,000	28,088	208,088
2025	185,000	20,438	205,438
Thereafter	390,000	17,551	407,551
TOTALS	<u>\$ 1,620,000</u>	<u>\$ 313,097</u>	<u>\$ 1,933,097</u>

TOWN OF GLOCESTER
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

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

"Total fund balances" of the town's governmental funds \$16,466,091 differs from "net position" of governmental activities \$22,526,237 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	\$ 15,405,936	\$ -	\$ -	\$ 15,405,936
Accounts receivable:				
Taxes receivable net	697,966	-	-	697,966
Loans receivable	489,693	-	-	489,693
Other receivables	166,864	-	-	166,864
Prepaid expenses	83,050	-	-	83,050
Other assets	1,171,666	-	-	1,171,666
Due from other governments	336,387	-	-	336,387
Internal balances	1,392,514	-	(1,382,747)	9,767
Capital assets - net	-	17,959,482	-	17,959,482
Net pension asset	-	826,725	-	826,725
Total assets	<u>19,744,076</u>	<u>18,786,207</u>	<u>(1,382,747)</u>	<u>37,147,536</u>
Deferred outflows of resources	-	4,939,653	-	4,939,653
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	410,203	-	-	410,203
Accrued expenses	266,088	8,277	-	274,365
Internal balances	1,382,747	-	(1,382,747)	-
Unearned revenue	713,700	(713,700)	-	-
Other liabilities	175,226	-	-	175,226
Current portion of long-term liabilities	-	309,700	-	309,700
Long-term liabilities				
Net OPEB liability	-	1,724,005	-	1,724,005
Net pension liability	-	11,456,130	-	11,456,130
Other long-term liabilities	-	2,839,136	-	2,839,136
Total liabilities	<u>2,947,964</u>	<u>15,623,548</u>	<u>(1,382,747)</u>	<u>17,188,765</u>
Deferred inflows of resources	330,021	2,042,166	-	2,372,187
Fund Balances/Net Position				
Total fund balances/net position	16,466,091	6,060,146	-	22,526,237
Total liabilities and fund balances/net position	<u>\$ 19,744,076</u>	<u>\$ 23,725,860</u>	<u>\$ (1,382,747)</u>	<u>\$ 42,087,189</u>

TOWN OF GLOCESTER
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

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

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

Cost of capital assets	\$ 34,979,183
Accumulated depreciation	(17,019,701)
	\$ 17,959,482

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

Accrued interest	\$ (8,277)
Unearned revenue	713,700
Adjustment of deferred inflow	277,302
	\$ 982,725

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

Bonds & loans payable	\$ 1,940,920
Landfill post-closure costs	203,700
Accrued compensated absences	1,004,216
Net OPEB liability	1,724,005
Net pension liability	11,456,130
	\$ 16,328,971

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

Net pension asset	\$ 826,725
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Deferred inflows and outflows of resources are amounts used under GASB 68 in developing the annual pension expense. Deferred inflows and outflows arise with differences between expected and actual experiences and changes of assumptions. The portion of these amounts not included in pension expense should be included as deferred outflows or inflows to be recognized in future periods.

Deferred inflows of resources - pensions	\$ (2,319,468)
Deferred outflows of resources - pensions	\$ 4,939,653

TOWN OF GLOCESTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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

The "net change in the fund balances" for governmental funds \$218,895 differs from the "change in net position" for governmental activities of \$(81,727) reported in the statement of activities. The differences arise primarily from the long-term economic focus of the statement of activities verses the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

Statement of Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities					
	Total	Long-term	Capital-	Long-term	Statement
	Governmental	Revenues/	related	Debt	of Activities
	Funds	Expenses (1)	Items (2)	Transactions (3)	Totals
Revenues					
General property tax	\$ 23,859,043	\$ (115,083)	\$ -	\$ -	\$ 23,743,960
Intergovernmental and departmental revenues	3,854,143	-	-	-	3,854,143
Federal revenue - State fiscal stabilization	28,913	-	-	-	28,913
Tuitions	48,173	-	-	-	48,173
License and permits	467,781	-	-	-	467,781
Interest on investments	120,169	-	-	-	120,169
Other revenues	437,994	247,697	-	-	685,691
Total revenues	28,816,216	132,614	-	-	28,948,830
Expenditures					
Current:					
Administration	872,061	(102,822)	134,089	382,750	1,286,078
Finance	648,734	-	-	-	648,734
Public safety	2,320,283	-	87,399	(9,700)	2,397,982
Public works	1,959,933	-	579,462	-	2,539,395
Recreation and senior center	338,328	-	74,239	-	412,567
Social services	212,209	-	-	-	212,209
Operational expenses	432,276	-	-	-	432,276
Aid requests	369,428	-	-	-	369,428
Education	20,225,122	(6,397)	147,635	291,308	20,657,668
Capital outlay	899,695	-	(899,695)	-	-
Debt service:					
Principal	320,135	-	-	(320,135)	-
Interest	75,110	-	-	(890)	74,220
Total expenditures	28,673,314	(109,219)	123,129	343,333	29,030,557
Other financing uses/changes in net position					
Issuance of debt	75,993	-	-	(75,993)	-
Net change for the year	\$ 218,895	\$ 241,833	\$ (123,129)	\$ (419,326)	\$ (81,727)

**TOWN OF GLOCESTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

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

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

Property taxes	\$	(115,083)
		247,697
		<u>132,614</u>

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

Accrued interest		890
	\$	<u>890</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 position decrease by the amount of depreciation expense charged for the year.

Capital outlay	\$	940,019
Depreciation expense		<u>(1,063,148)</u>
Difference	\$	<u>(123,129)</u>

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

Landfill post-closure costs		9,700
New loan proceeds		(75,993)
Principal payments on bonds and loans		<u>320,135</u>
	\$	<u>253,842</u>

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

Net (increase)/decrease in compensated absences	\$	3,938
(Increase)/decrease in the OPEB liability		33,256
Net (increase)/decrease in net pension liability		(674,771)
Net increase/(decrease) in net pension asset		(36,481)
Net increase/(decrease) in deferred outflows		871,037
Net (increase)/decrease in deferred inflows		<u>(761,818)</u>
Change	\$	<u>(564,839)</u>

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

11. FUND EQUITY

(a) Fund Balance Constraints

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

	General Fund	School Unrestricted	Capital Reserve Fund	Other Non-Major Governmental Funds	Total Governmental Funds
<i>Nonspendable for:</i>					
Perpetual care cemetery	\$ -	\$ -	\$ -	\$ 3,100	\$ 3,100
Deposits held for health and dental benefits	-	1,171,666	-	-	1,171,666
Prepays	83,050	-	-	-	83,050
<i>Restricted for:</i>					
Administration - historic records, recycling trees	-	-	-	26,165	26,165
Public safety - meds plans, drug education	-	-	-	8,714	8,714
Recreation - parades, senior center, recreation programs	-	-	-	55,341	55,341
Social services- septic and other loan programs, food bank	-	-	-	388,902	388,902
Capital projects- school & town	-	-	-	1,444,641	1,444,641
Educational programs- federal programs	-	514,649	-	49,422	564,071
Perpetual care cemetery care funds	-	-	-	9,090	9,090
<i>Committed to:</i>					
Education- future funding for school region	595,000	-	-	-	595,000
Capital projects- capital projects, school renovations	300,000	-	1,086,739	-	1,386,739
<i>Assigned for:</i>					
Administration - comprehensive plan, revaluation	505,471	-	-	-	505,471
Public safety- radio maintenance & replacements	198,819	-	-	-	198,819
Public works- storm fund	240,040	-	-	-	240,040
Recreation- senior center dues reserve	3,973	-	-	-	3,973
Matching grant funds	50,000	-	-	-	50,000
2019 budget	53,725	1,086,695	-	-	1,140,420
Medical expenses	-	274,674	-	-	274,674
Employee benefits -healthcare reserves sick day buyout	387,477	375,250	-	-	762,727
Capital expenditure plan	-	600,000	-	-	600,000
Contractual obligations- compensated absences & OPEB	686,358	180,274	-	-	866,632
Education- school renovation & improvements	600,000	-	-	-	600,000
<i>Unassigned:</i>	5,486,939	-	-	(83)	5,486,856
TOTAL FUND BALANCES	\$ 9,190,852	\$ 4,203,208	\$ 1,086,739	\$ 1,985,292	\$ 16,466,091

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

12. RETIREMENT PLANS & POST EMPLOYMENT BENEFITS

(a) Municipal Employees' Retirement System of Rhode Island

Summary of Significant Accounting Policies

General Information about the Pension Plan

Plan Description - The Municipal Employees' Retirement System (MERS) – an agent multiple-employer defined benefit pension plan - provides certain retirement, disability and death benefits to plan members and beneficiaries. MERS was established under Rhode Island General 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.

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

12. RETIREMENT PLANS & POST EMPLOYMENT BENEFITS (Continued)

(a) Municipal Employees' Retirement System of Rhode Island

General Information about the Pension Plan

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.

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.

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

12. RETIREMENT PLANS & POST EMPLOYMENT BENEFITS (Continued)

(a) Municipal Employees' Retirement System of Rhode Island

General Employees

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.

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.

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

12. RETIREMENT PLANS & POST EMPLOYMENT BENEFITS (Continued)

(a) Municipal Employees' Retirement System of Rhode Island

Police and Fire Employees

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 GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

12. RETIREMENT PLANS & POST EMPLOYEMENT BENEFITS (Continued)

(a) Municipal Employees' Retirement System 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:

Retirees and Beneficiaries	35
Inactive, Nonretired Members	32
Active Members	68
Total	135

Police Employees:

Retirees and Beneficiaries	13
Inactive, Nonretired Members	1
Active Members	16
Total	30

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% of their salaries (2% if the employer opted to provide a COLA). 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% of their salaries (10% if the employer opted to provide a COLA). The Town of Gloucester contributes at a rate of covered employee payroll as determined by an independent actuary on an annual basis. The General Assembly can amend the amount of these contribution requirements. The Town of Gloucester contributed \$491,357 in the year ended June 30, 2018 which was 12.9% of annual covered 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.

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

12. RETIREMENT PLANS & POST EMPLOYEMENT BENEFITS (Continued)

(a) Municipal Employees' Retirement System of Rhode Island

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 - 3.50% to 7.50% ; Police & Fire Employees - 4.00% to 14.00%
Inflation	2.5 %
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.

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:

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

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

(a) **Municipal Employees' Retirement System 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 medium-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 GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

12. RETIREMENT PLANS & POST EMPLOYEMENT BENEFITS (Continued)

(a) Municipal Employees' Retirement System of Rhode Island
Changes in Net Pension Liability (Asset) - Town Employees

	Increase (Decrease)		Net Pension Liability (a) - (b)
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	
Balances as of June 30, 2016	\$ 9,854,843	\$ 8,054,596	\$ 1,800,247
Changes for the Year			
Service Cost	229,791	-	229,791
Interest on the total pension liability	726,734	-	726,734
Difference between expected and actual experience	(2,434)	-	(2,434)
Changes in assumptions	491,857	-	491,857
Employer contributions	-	271,384	(271,384)
Employee contributions	-	76,176	(76,176)
Net investment income	-	936,878	(936,878)
Benefit payments, including employee refunds	(559,908)	(559,908)	-
Administrative expense	-	(8,851)	8,851
Other changes	-	51,836	(51,836)
Net changes	<u>886,040</u>	<u>767,515</u>	<u>118,525</u>
Balances as of June 30, 2017	<u>\$ 10,740,883</u>	<u>\$ 8,822,111</u>	<u>\$ 1,918,772</u>

Changes in Net Pension Liability (Asset) - Police Employees

	Increase (Decrease)		Net Pension Liability (a) - (b)
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	
Balances as of June 30, 2016	\$ 7,629,065	\$ 5,768,281	\$ 1,860,784
Changes for the Year			
Service Cost	216,602	-	216,602
Interest on the total pension liability	568,947	-	568,947
Difference between expected and actual experience	103,626	-	103,626
Change in assumptions	390,303	-	390,303
Employer contributions	-	190,473	(190,473)
Employee contributions	-	109,784	(109,784)
Net investment income	-	684,281	(684,281)
Benefit payments, including employee refunds	(302,803)	(302,803)	-
Administrative expense	-	(6,465)	6,465
Other changes	-	(14)	14
Net changes	<u>976,675</u>	<u>675,256</u>	<u>301,419</u>
Balances as of June 30, 2017	<u>\$ 8,605,740</u>	<u>\$ 6,443,537</u>	<u>\$ 2,162,203</u>

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

12. RETIREMENT PLANS & POST EMPLOYEMENT BENEFITS (Continued)

(a) Municipal Employees' Retirement System of Rhode Island

Sensitivity of the Net Pension Liability to changes in the discount rate. The following presents the net pension liability (asset) of the employers calculated using the discount rate of 7.0 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	3,162,798	1,918,772	992,380
Police	3,141,902	2,162,203	1,432,808

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

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

For the year ended June 30, 2018 the employer recognized pension expense of \$272,162 for Town employees and \$219,195 for Police employees. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Town Employees</u>		<u>Police Employees</u>	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to measurement date	\$ 272,162	\$ -	\$ 219,195	\$ -
Difference between expected and actual experience	51,289	37,845	164,780	108,189
Changes in assumptions	399,266	-	318,613	22,986
Net difference between projected and actual earnings on pension plan investments	535,118	382,487	376,934	278,875
Total	<u>\$ 1,257,835</u>	<u>\$ 420,332</u>	<u>\$ 1,079,522</u>	<u>\$ 410,050</u>

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

12. RETIREMENT PLANS & POST EMPLOYEMENT BENEFITS (Continued)

(a) Municipal Employees' Retirement System of Rhode Island

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

Town Employees		Police Employees	
Year Ending June 30	Net Deferred (outflows)/inflows of resources	Year Ending June 30	Net Deferred (outflows)/inflows of resources
2019	\$ 167,528	2019	\$ 88,421
2020	259,405	2020	165,700
2021	156,319	2021	107,810
2022	(17,911)	2022	48,037
2023	-	2023	40,309
Thereafter	-	Thereafter	-
Total	<u>\$ 565,341</u>	Total	<u>\$ 450,277</u>

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

12. RETIREMENT PLANS & POST EMPLOYMENT BENEFITS (Continued)

(b) 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 Town of Gloucester recognized pension expense of \$96,903 for the fiscal year ended June 30, 2018.

The System issues a publicly available financial report that includes financial statements and required supplementary information for plans administered by the system. The report may be obtained at <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 service
ERS - Teachers - do not contribute to Social Security - less than 20 years of service at 7/1/2012	7%	3% to 3.5% depending on years of service
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 GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

12. RETIREMENT PLANS & POST EMPLOYMENT BENEFITS (Continued)

(c) Employees' Retirement System of Rhode Island

General Information about the Pension Plan

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

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

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

The plan provides for survivor 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.

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

12. RETIREMENT PLANS & POST EMPLOYEMENT BENEFITS (Continued)

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

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, the Gloucester School Department 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 30, 2012 must contribute 11% of their annual covered salary. The state and the Gloucester School Department are required to contribute at an actuarially determined rate, 40% of which is to be paid by the state and the remaining 60% is to be paid by Gloucester School Department; the rates were 9.89% and 13.24% of annual covered payroll for the fiscal year ended June 30, 2018 for the state and Gloucester School Department, respectively. The Gloucester School Department contributed \$532,107, \$545,789 and \$538,323 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 Gloucester School Department reported a liability of \$7,375,155 for its proportionate share of the net pension liability that reflected a reduction for contributions made by the state. The amount recognized by the Gloucester School Department as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with the Gloucester School Department were as follows:

Gloucester School Department's proportionate share of the net pension liability	\$ 7,375,155
State's proportionate share of the net pension liability associated with the Gloucester School Department	<u>5,573,845</u>
Total net pension liability	<u><u>\$ 12,949,000</u></u>

The net pension liability was measured as of June 30, 2017, the measurement date, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017. The Gloucester School Department's proportion of the net pension liability was based on a projection of the Department's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the state, actuarially determined. At June 30, 2017 the Gloucester School Department's proportion was .23382855%.

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

RETIREMENT PLANS & POST EMPLOYMENT BENEFITS (Continued)

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

For the year ended June 30, 2018 the Gloucester School Department recognized gross pension expense of \$1,269,630 and revenue of \$397,473 for support provided by the State. At June 30, 2018 the Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred outflows of resources:	
Net difference between projected and actual investment earnings	\$ 570,651
Change of Assumptions	644,114
Changes in proportion and differences between employer contributions and proportionate share of contributions	305,862
Contributions made subsequent to the measurement date	<u>532,107</u>
Total	<u><u>2,052,734</u></u>
 Deferred inflows of resources:	
Differences between actual and expected and actual experience	\$ 174,847
Change of Assumptions	116,221
Net difference between projected and actual earnings on pension plan investments	384,350
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>239,556</u>
Total	<u><u>\$ 914,974</u></u>

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

12. RETIREMENT PLANS & POST EMPLOYMENT BENEFITS (Continued)

(c) Employees' Retirement System of Rhode Island

\$532,107 reported as deferred outflows of resources related to pensions resulting from the Gloucester School Department's 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 ended June 30:	
2019	\$ 99,428
2020	\$ 222,215
2021	\$ 131,341
2022	\$ 1,707
2023	\$ 61,037
thereafter	<u>\$ 89,925</u>
	<u>\$ 605,653</u>

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, updated 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, 2016 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

12. RETIREMENT PLANS & POST EMPLOYMENT BENEFITS (Continued)

(c) Employees' Retirement System 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 GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

12. RETIREMENT PLANS & POST EMPLOYEMENT BENEFITS (Continued)

(c) Employees' Retirement System 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%)
\$ 9,268,808	\$ 7,375,155	\$ 5,964,685

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

(d) Teachers Survivor's Benefit Plan

General Information about the Pension Plan

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

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.

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

12. RETIREMENT PLANS & POST EMPLOYEMENT BENEFITS (Continued)

(d) Teachers Survivor's Benefit Plan

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

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

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

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

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

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

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

The Gloucester School Department contributed \$6,210, \$5,895 and \$5,568 for the fiscal years ended June 30, 2018, 2017 and 2016, respectively, equal to 100% of the required contributions for each year.

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

12. RETIREMENT PLANS & POST EMPLOYEMENT BENEFITS (Continued)

(d) Teachers Survivor's Benefit Plan

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

At June 30, 2018 the Gloucester School Department reported an asset of \$826,725 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. The Gloucester School 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, 2016 the proportion was 0.99934829%.

For the year ended June 30, 2018 the Gloucester School Department recognized pension expense of \$148,901 – an decrease in the net pension asset. At June 30, 2018 the Gloucester School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflows of resources	
Differences between expected and actual experience	\$ 163,160
Changes in assumptions	136,196
Net difference between projected and actual investment earnings	190,072
Changes in proportion and differences between employer contributions and proportionate share of contributions	7,304
Contributions subsequent to the measurement date	6,210
Total	<u>\$ 502,942</u>
 Deferred inflows of resources	
Differences between expected and actual experience	\$ 173,727
Difference between projected and actual earnings on pension plan investments	137,252
Changes in proportion and differences between employer contributions and proportionate share of contributions	153,701
Total	<u>\$ 464,680</u>

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

12. RETIREMENT PLANS & POST EMPLOYMENT BENEFITS (Continued)

(d) Teachers Survivor's Benefit Plan

\$6,210 reported as deferred outflows of resources related to pensions resulting from the Gloucester 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:

Year ended June 30:	
2019	8,808
2020	49,456
2021	19,820
2022	(23,780)
2023	371
Thereafter	<u>(22,623)</u>
	<u><u>32,052</u></u>

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

Inflation	2.50%
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 GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

12. RETIREMENT PLANS & POST EMPLOYMENT BENEFITS (Continued)

(d) Teachers Survivor's Benefit Plan

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 medium-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 GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

12. RETIREMENT PLANS & POST EMPLOYMENT BENEFITS (Continued)

(d) Teachers Survivor's Benefit Plan

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%)
\$ (565,457)	\$ (826,725)	\$ (1,021,232)

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

13. CONTINGENT LIABILITIES

Grants

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

Self-Insurance

The Town has elected to pay unemployment compensation on a claims-made basis rather than as a percentage of payroll. No accrual has been made for claims expected to arise from service related to fiscal 2017 because Town officials are of the opinion that any claims relating to this period will be immaterial.

Litigation

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

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

14. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS

OPEB Trust (the Trust)

Plan Description

The Town of Gloucester has established an irrevocable exclusive benefit trust solely to fund retiree health care benefits. The OPEB trust fund has been established in accordance with Section 115 of the Internal Revenue Code. Eligible town employees are town clerks, town police, and town non-contract employees. The benefit provisions and further eligibility conditions are as listed on subsequent sections of this note.

At this time school certified and non-certified employees are not part of the plan. It is expected the consideration of an irrevocable trust for this group will be passed in the near future.

The cost of postemployment health care benefits, like the cost of pension benefits, generally should be associated with the periods in which the cost occurs, rather than in future years when it will be paid. The Town adopted the requirements of GASB No. 75 Accounting for Postemployment Benefit Plans Other than Pension Plans during the year ended June 30, 2018, and recognizes the cost of postemployment healthcare in the year when the employee services are rendered, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the Town's future cash flows.

Summary of Significant Accounting

Benefit Provisions and Contributions

Funding Policy

The town currently provides OPEB benefits on a pay as you go plan. Annual appropriations are made in the budget. Past practice has been that funds not spent in the year appropriated are assigned for the intended use of post-employment future costs. The town will continue with this practice until such time as the plan is fully funded. Contractual language dictates those employees eligible for such benefits. The terms and conditions vary with each group.

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

14. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Benefit Provisions and Contributions

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

School -Teachers and Administrators

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

Plan Type: Medical – HealthMate.

Teachers: Benefit/Cost Sharing

- a) Individuals who retired before 7/1/2006 do not contribute.
- b) Individuals who retired after 6/30/2006, but on or before 6/30/2010, pay \$600 annually for single coverage.
- c) Individuals who retired after 6/30/2010, but on or before 6/30/2011, pay 20% of the cost of a single plan up to a maximum of \$1,296 for each year of coverage
- d) Individuals who retire after 6/30/2011, but on or before 6/30/2012, pay 20% of the cost of a single plan up to a maximum of \$1,400 for each year of coverage
- e) Individuals who retire on or after 7/1/2012 pay the same co-payment of medical insurance premiums as then current employees for each year of coverage up to a maximum of six years.

School - Educational Support

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

Plan type: Medical HealthMate, Dental: RI Delta Dental

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

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

14. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Benefit Provisions and Contributions

Town – Clerks

Eligibility: Employees with 10 years of service who have reached age 62. Benefits cease at age 65 or when the retiree becomes eligible for Medicare, whichever occurs first. New hires after December 15, 2011 are ineligible.

Plan type: - Medical - Healthmate

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

Town – Police

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

Plan type: Medical - Healthmate
 Dental - Rhode Island Delta Dental

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

Town – Non-contract

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

Plan type: Healthmate

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

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

14. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Benefit Provisions and Contributions

All Employee Groups

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

Classes of Employees Covered

As of July 1, 2017, membership data was as follows.

Active Employees	94
Retirees	<u>12</u>
Total Plan Members	<u>106</u>

Plan Description

Plan administration: The Town of Gloucester administers the Gloucester Retiree Benefits Plan (OPEB) – 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.

Benefits provided: For Town and public safety employees, the Town provides 100% of the medical and dental premium cost of individual health care coverage until they are Medicare eligible. For teachers who retired prior to July 1, 2006 the Town pays 100% of the medical premium costs of the individual health care coverage. For those who retired on or after July 1, 2006 but before July 1, 2010 the retiree contributes \$600 annually for the costs of individual medical coverage. For those teachers who retired on or after July 1, 2010 but before July 1, 2011 the retiree contributes 20% of the cost of individual coverage, up to a maximum of \$1,296 annually. For those teachers who retired on or after July 1, 2011 but before July 1, 2012, the retiree contributes 20% of the cost of individual coverage, up to a maximum of \$1,400 annually. For those teachers who retired on or after July 1, 2012 the retiree contributes the same amount as they were contributing during their final year of service for coverage up to a maximum of six years. For educational support staff who retired prior to July 1, 2009 the Town pays 100% of the premium cost of the individual health care coverage until they are Medicare eligible. For those staff who retired on or after July 1, 2009 the retiree contributes the same amount as they were contributing during their final year of service until they are Medicare eligible. Benefits are provided through a third-party insurer.

Contributions: The Town charter grants the authority to establish and amended the contribution requirements of the Town and plan members to the Trustees. The Board establishes rates based on an actuarially determined rate.

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

14. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Investments

Investment policy: The Board's policy in regard to the allocation of invested assets is established and may be amended by the Board by a majority vote of its members. It is the policy of the Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The Board'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 time spans. 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 N/A%. 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		\$ 2,162,240
Plan fiduciary net position		<u>(438,235)</u>
Town's net OPEB liability		<u>\$ 1,724,005</u>
Plan fiduciary net position as a percentage of the total OPEB liability		20.27%

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%	100.00%
	<u>100%</u>	<u>100%</u>

**TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

14. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Actuarial assumptions: The total OPEB liability was determined by an actuarial valuation as of June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Summary of Actuarial Assumptions Used in the Valuations to determine the Net OPEB Liability at the June 30, 2018 measurement date	
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent of Payroll
Equivalent Single Remaining Amortization Period	30 Years
Actuarial Assumptions	
Investment Rate of Return	5.56%
Healthcare Trend Rates	9.0% initially, decreasing to an ultimate rate of 5.0% in 2021
Payroll Growth	2.50%
Discount rate	3.13%
Projected Salary Increases	3.50% annually
Inflation	1.90% annually
Average assumed Retirement Age	62
Participation Rate	It is assumed 100% of current active employees would enroll
Mortality	RP-2000 Fully Generational with scale AA

Discount Rate

The discount rate used to measure the total OPEB liability was 3.13% of the Town. 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.

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

14. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Changes in Net Opeb Liability

	Increase (Decrease)		Net OPEB Liability (a) - (b)
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	
Balances as of June 30, 2017	\$ 2,178,240	\$ 420,979	\$ 1,757,261
Changes for the Year			
Service Cost	130,466	-	130,466
Interest on the total OPEB liability	70,095	-	70,095
Difference between expected and actual experience	19,917	4,080	15,837
Changes in assumptions	(96,922)	-	(96,922)
Employer contributions	-	139,556	(139,556)
Net investment income	-	13,176	(13,176)
Benefit payments, including employee refunds	(139,556)	(139,556)	-
Net changes	<u>(16,000)</u>	<u>17,256</u>	<u>(33,256)</u>
Balances as of June 30, 2018	<u>\$ 2,162,240</u>	<u>\$ 438,235</u>	<u>\$ 1,724,005</u>

Sensitivity of the net OPEB liability to changes in the discount rate: The following presents the net OPEB liability of the Town, 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 (3.08%) or 1 percentage point higher (5.08%) than the current discount rate:

1.00% Decrease (3.08%)	Current Discount Rate (4.08%)	1.00% Increase (5.08%)
\$ 1,826,070	\$ 1,724,005	\$ 1,623,971

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

14. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (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 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 (8.0% decreasing to 4.0%) or 1 percentage point higher (10.0% decreasing to 6.0%) than the current healthcare trend rates:

1% Decrease (8.0% decreasing to 4.0%)	Current Trend Rate (9.0% decreasing to 5.0%)	1% Increase (10.0% decreasing to 6.0%)
\$ 1,534,885	\$ 1,724,005	\$ 1,939,402

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 \$139,556. At June 30, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 46,619	\$ 22,546
Changes of assumptions	-	83,622
Net difference between projected and actual earnings on OPEB plan investments	-	3,264
Total	<u>\$ 46,619</u>	<u>\$ 109,432</u>

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

14. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

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

<u>OPEB Plan</u>	
Year Ending June 30	Net Deferred (outflows)/inflow s of resources
2019	\$ (14,562)
2020	(13,120)
2021	(13,120)
2022	(10,671)
2023	(6,718)
Thereafter	(4,622)
Total	<u>\$ (62,813)</u>

15. MAJOR REVENUE SOURCE

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

<u>June 30,</u>	
2019	2,475,703
2020	2,541,290
2021	2,598,524
2022	2,655,758
Total	<u>\$ 10,271,275</u>

During fiscal year ending June 30, 2018 the Town received \$2,419,801 in payments from FM.

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

16. FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT

The Foster-Glocester Regional School District (Regional School) was created to include the high school (Grades 9-12) and middle schools (Grades 6-8) for the Towns of Foster and Glocester (the Towns). The Regional School is a separate legal entity from the Towns. The voters of the participating Towns elect their respective School Committee members who are also ex-officio School Committee members for the Regional School District. The Regional School cannot assess and levy property taxes. Revenues are derived principally from the participating Towns of the Regional School, which contribute funds according to a financial formula based upon each Town's enrollment and from the State of Rhode Island. The Town of Glocester's budgeted contribution for the fiscal year ended June 30, 2018 was \$10,263,158. Financial statements for the Regional School are issued separately and may be obtained from the Foster-Glocester Regional School District Business Office, Central Administration Office, 91 Anan Wade Road, North Scituate, Rhode Island 02857.

17. RISK MANAGEMENT

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

The Trust is obligated to make payments on the Town's behalf without any further obligation of the Town, unless the Town's applicable limit of liability was exhausted by the size of the loss or the nature of the loss would fall outside the parameters of the Trust policy. As of June 30, 2018, the Town believes there is minimal, if any, potential exposure for outstanding claims which would fall outside the parameter of the Trust policy.

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 claims exceeded deposits by \$39,650. Net incurred but not reported (IBNR) claims, of \$(12,217) resulted in a \$1,171,666 balance in the net adjusted reserve which includes other required reserves WB Health and Blue Cross.

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

17. 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 \$175,000.

Changes in the deposit balances for the past fiscal year are as follows:

	School - Health Year ended <u>June 30, 2018</u>	School - Dental Year ended <u>June 30, 2018</u>
Beginning cumulative surplus (deficit)	\$ 1,038,724	\$ 79,346
Premium deposits	1,262,598	79,121
Incurred claims (excluding IBNR)	(1,301,294)	(63,400)
Administrative fees	(880)	(3,578)
Ending cash deposit balance	<u>999,148</u>	<u>91,489</u>
Change in Estimated IBNR (three month estimate)	<u>(12,217)</u>	<u>-</u>
Net adjusted reserve	<u>\$ 986,931</u>	<u>\$ 91,489</u>

18. INTERFUND TRANSFERS

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

Governmental Activities

	<u>Transfers in</u>	<u>Transfers out</u>
<u>Major Funds</u>		
General Fund	\$ -	\$ 7,570,343
School Unrestricted Fund	6,372,035	300,000
Capital Projects Fund	997,508	-
Capital Reserve-Major Fund	1,182,308	695,508
Non-Major Funds	<u>14,000</u>	<u>(75,993)</u>
Total Governmental Activities	<u>\$ 8,565,851</u>	<u>\$ 8,489,858</u>

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

19. LANDFILL POSTCLOSURE CARE COSTS

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

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

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

Town Landfill	Year of Closure	Capping Cost (Estimate)	Monitoring Costs (Estimate)	Years Remaining	Projected Liability	Short-Term Liability	Long-Term Liability
Chestnut Hill Rd.	1979	\$ -	\$ 9,700	22	\$ 213,400	\$ 9,700	\$ 203,700

20. PUBLIC ENTITY RISK POOL

The Health Pool

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

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

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

20. PUBLIC ENTITY RISK POOL (CONTINUED)

The Health Pool

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

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

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

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

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

After it has been a member of the Pool for an initial three-year period, a member may withdraw from participation in the Pool at its discretion, but a withdrawal may only be effective on June 30th of any year. Any election to terminate participation in the Pool requires a written notification to the Trust of such intent to withdraw no later than May 1st or two (2) months prior to the policy expiration date, whichever date is earlier. Liquidated damages would be assessed at the time of departure prior to the initial three-year period. The Trust may terminate a member's coverage for failure to pay amounts due. For the year ended June 30, 2018, unaudited results indicate that the Pool generated \$128,051,277 in revenues and had a change in net position, revenues less expenses, of \$428,540. The Pool had \$56,378,529 in total assets and \$30,783,379 in total equity as of June 30, 2018.

The Pool retains certain levels of insurance risk. Specific losses in excess of \$1 million to a limit of \$2 million are covered by a Health Excess Claims Stoploss Account internal to the Trust that is funded by annual Stoploss Account payments from the Health Pool. As of June 30, 2018, the Pool's membership consisted of 47 cities, towns or other governmental units.

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

**TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

21. SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

Federally Assisted Programs - Compliance Audits

The Town participates in a number of federally assisted programs. The audits of these programs through the year ended June 30, 2018 were audited in connection with the accompanying financial statements under the Single Audit Uniform Guidance Concept. The Town used the current standards of that guidance to determine that a Single Audit was not required for the fiscal year ended June 30, 2018.

22. SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 14, 2019 the date the financial statements were available to be issued. As a result of this review no material subsequent events were noted.

23. PRIOR PERIOD RESTATEMENT

The following restatements were recorded to the beginning net position of the governmental activities as a result of implementation of GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The town also restated the beginning net position of the governmental activities and the school departments fund balance for the recognition of the health care deposit held at WB Community Health that is retained for future benefits.

Beginning net position - Statement of Activities	\$	22,639,509
Restatement for:		
WB Community Health Deposit	1,211,316	
Beginning net OPEB Obligation	514,400	
Beginning net OPEB Liability	(1,757,261)	
Total adjustment to net position:		(31,545)
Beginning net position - Restated		22,607,964
Beginning Fund Balance School Department	\$	3,510,042
Restatement for:		
WB Community Health Deposit	1,211,316	
Total adjustment to Fund Balance:		1,211,316
Beginning Fund Balance - Restated		4,721,358

REQUIRED SUPPLEMENTARY INFORMATION

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

Such information includes:

Budgetary Comparison Schedules – General Fund
And Gloucester School General Fund

Pension Fund Disclosures

OPEB Fund Disclosures

REQUIRED SUPPLEMENTARY INFORMATION
TOWN OF GLOCESTER, RHODE ISLAND
Budgetary Comparison Schedule - General Fund
Schedule of Revenues and Expenditures (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2018

	GENERAL FUND			
	Original Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance
REVENUES:				
Property tax	\$ 23,524,717	\$ 23,524,717	\$ 23,859,043	\$ 334,326
General state aid	601,359	601,359	604,639	3,280
State housing aid	-	-	21,962	21,962
License, fees and fines	325,600	325,600	467,781	142,181
Interest and investment income	88,350	88,350	107,198	18,848
Other revenues	161,700	161,700	238,630	76,930
TOTAL REVENUES	<u>24,701,726</u>	<u>24,701,726</u>	<u>25,299,253</u>	<u>597,527</u>
EXPENDITURES:				
<i>Current:</i>				
Central administration	879,514	879,514	848,076	31,438
Financial administration	727,884	732,784	648,734	84,050
Public safety	2,315,229	2,315,229	2,294,116	21,113
Public works	1,788,521	1,788,521	1,655,619	132,902
Recreation and senior center	303,223	323,223	267,376	55,847
Social services	37,685	37,685	30,135	7,550
Other operational expenses	520,669	495,769	429,188	66,581
Aid requests	369,428	369,428	369,428	-
Education	10,263,158	10,263,158	10,263,158	-
<i>Debt service:</i>				
Principal	205,000	205,000	205,000	-
Interest	73,587	73,587	73,562	25
TOTAL EXPENDITURES	<u>17,483,898</u>	<u>17,483,898</u>	<u>17,084,392</u>	<u>399,506</u>
Excess of revenues over (under) expenditures before other financing sources (uses)	<u>7,217,828</u>	<u>7,217,828</u>	<u>8,214,861</u>	<u>997,033</u>
OTHER FINANCING SOURCES (USES):				
Appropriated fund balance	640,315	640,315	640,315	-
Transfers to other funds	(7,858,143)	(7,858,143)	(7,699,955)	158,188
TOTAL OTHER FINANCING USES	<u>(7,217,828)</u>	<u>(7,217,828)</u>	<u>(7,059,640)</u>	<u>158,188</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,155,221</u>	<u>\$ 1,155,221</u>
Less: appropriated fund balance			(640,315)	
Add: excess of revenues and other sources over expenditures and other uses of funds classified with the Glocester General Fund for purposes of GASB Statement No. 54			(62,460)	
Fund Balance, beginning of year			<u>8,738,406</u>	
Fund Balance, end of year			<u>\$ 9,190,852</u>	

SUPPLEMENTARY INFORMATION
TOWN OF GLOCESTER, RHODE ISLAND
Budgetary Comparison Schedule - School Department Operations
Schedule of Revenues and Expenditures (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2018

	Original Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance
REVENUES:				
State aid	\$ 2,415,228	\$ 2,415,228	\$ 2,407,384	\$ (7,844)
Federal revenue - Medicaid reimbursement	94,000	94,000	28,913	(65,087)
Tuitions	40,000	40,000	48,173	8,173
Earnings on investments	1,500	1,500	413	(1,087)
Other	4,000	4,000	3,052	(948)
TOTAL REVENUES	2,554,728	2,554,728	2,487,935	(66,793)
 EXPENDITURES:				
Fogarty Memorial	112,100	112,100	123,178	(11,078)
West Glocester	93,050	93,050	99,406	(6,356)
Central administration	303,300	303,300	175,188	128,112
System-wide	1,799,218	1,799,218	1,667,223	131,995
Salaries and fringes	7,238,139	7,238,139	7,193,399	44,740
TOTAL EXPENDITURES	9,545,807	9,545,807	9,258,394	287,413
<i>Excess of revenues over (under) expenditures before other financing sources (uses)</i>	<i>(6,991,079)</i>	<i>(6,991,079)</i>	<i>(6,770,459)</i>	<i>220,620</i>
 OTHER FINANCING SOURCES (USES):				
Transfers from Town	6,372,035	6,372,035	6,372,035	-
Appropriated fund balance	919,044	919,044	919,044	-
Transfers to other funds	(300,000)	(300,000)	(300,000)	-
NET OTHER FINANCING SOURCES	6,991,079	6,991,079	6,991,079	-
<i>Excess of revenues and other financing sources over (under) expenditures and other financing uses</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ 220,620</i>	<i>\$ 220,620</i>
Less: appropriated fund balance			(919,044)	
Fund Balance, beginning of year			4,901,632	
Fund Balance, end of year			\$ 4,203,208	

TOWN OF GLOCESTER, 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).....	\$ 1,155,221
Fund balance reappropriated.....	(640,315)
Excess of revenues and other sources over expenditures and other uses of funds classified with the General Fund for purposes of GASB Statement No. 54.....	(62,460)
Excess of revenues and other sources over expenditures and other uses (GAAP).....	\$ 452,446

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>	\$ 25,939,568	\$ 24,784,347
Fund balance reappropriated.....	(640,315)	-
Revenues and other sources and expenditures and other uses of funds classified with the General Fund for purposes of GASB Statement No. 54.....	31,141	93,601
<i>Statement of Revenues, Expenditures and Changes in Fund</i>		
<i>Balances</i>	\$ 25,330,394	\$ 24,877,948

**TOWN OF GLOCESTER, 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 School 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).....	\$ 220,620
Fund balance reappropriated.....	(919,044)
Excess of revenues and other sources over expenditures and other uses (GAAP).....	<u>\$ (698,424)</u>

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

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

	Revenues and Transfers	Expenditures and Transfers
<i>School Unrestricted Fund:</i>		
<i>Schedule of Revenues, Expenditures and Other Financing Sources</i>		
<i>(Non-GAAP Budgetary Basis) Budget and Actual</i>	\$ 9,779,014	\$ 9,558,394
Fund balance reappropriated.....	(919,044)	\$ -
<i>Statement of Revenues, Expenditures and Changes in Fund</i>		
<i>Balances</i>	<u>\$ 8,859,970</u>	<u>\$ 9,558,394</u>

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

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

	Fiscal Year Ending June 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
A. Total pension liability										
1. Service Cost	\$ 229,791	\$ 231,650	\$ 220,834	\$ 231,786	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Interest on the Total Pension Liability	726,734	702,082	650,675	613,211	-	-	-	-	-	-
3. Changes of benefit terms	-	-	157,189	-	-	-	-	-	-	-
4. Difference between expected and actual experience of the Total Pension Liability	(2,434)	(63,549)	130,426	-	-	-	-	-	-	-
5. Changes of assumptions	491,857	-	-	89,708	-	-	-	-	-	-
6. Benefit payments, including refunds of employee contributions	(559,908)	(521,212)	(437,012)	(422,389)	-	-	-	-	-	-
7. Net change in total pension liability	886,040	348,971	722,112	512,316	-	-	-	-	-	-
8. Total pension liability – beginning	9,854,843	9,505,872	8,783,760	8,271,444	-	-	-	-	-	-
9. Total pension liability – ending (a)	\$ 10,740,883	\$ 9,854,843	\$ 9,505,872	\$ 8,783,760	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
B. Plan fiduciary net position										
1. Contributions – employer	\$ 271,384	\$ 245,813	\$ 245,541	\$ 228,215	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Contributions – employee	76,176	74,933	49,257	46,244	-	-	-	-	-	-
3. Net investment income	936,878	(1,132)	193,700	1,097,653	-	-	-	-	-	-
4. Benefit payments, including refunds of employee contributions	(559,908)	(521,212)	(437,012)	(422,389)	-	-	-	-	-	-
5. Pension Plan Administrative Expense	(8,851)	(9,185)	(7,771)	(6,873)	-	-	-	-	-	-
6. Other	51,836	-	(19,664)	(4,809)	-	-	-	-	-	-
7. Net change in plan fiduciary net position	767,515	(210,783)	24,051	938,041	-	-	-	-	-	-
8. Plan fiduciary net position – beginning	8,054,596	8,265,379	8,241,328	7,303,287	-	-	-	-	-	-
9. Plan fiduciary net position – ending (b)	\$ 8,822,111	\$ 8,054,596	\$ 8,265,379	\$ 8,241,328	-	-	-	-	-	-
C. Net pension liability - ending (a) - (b)	1,918,772	1,800,247	1,240,493	542,432	-	-	-	-	-	-
D. Plan fiduciary net position as a percentage of the total pension liability	82.14%	81.73%	86.95%	93.82%	-	-	-	-	-	-
E. Covered payroll	\$ 2,547,571	\$ 2,507,034	\$ 2,467,418	2,409,421	-	-	-	-	-	-
F. Net pension liability as a percentage of covered payroll	75.32%	71.81%	50.27%	22.51%	-	-	-	-	-	-

Schedule of Town of Gloucester's Contributions
Last 10 Fiscal Years

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Actuarially determined contribution	\$ 272,162	\$ 271,384	\$ 245,813	\$ 245,541	\$ 228,215	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	272,162	271,384	245,813	245,541	228,215	-	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	-	-	-	-	-
Covered payroll	\$ 2,616,930	\$ 2,547,571	\$ 2,507,034	\$ 2,467,418	\$ 2,409,421	-	-	-	-	-
Contributions as a percentage of covered payroll	10.40%	10.65%	9.80%	9.95%	9.47%	0%	0%	0%	0%	0%

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

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

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

	Fiscal Year Ending June 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
A. Total pension liability										
1. Service Cost	\$ 216,602	\$ 198,987	\$ 183,789	\$ 171,293	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Interest on the Total Pension Liability	568,947	526,978	492,184	468,506	-	-	-	-	-	-
3. Changes of benefit terms	-	-	292,640	-	-	-	-	-	-	-
4. Difference between expected and actual experience of the Total Pension Liability	103,626	126,494	(213,417)	-	-	-	-	-	-	-
5. Changes of assumptions	390,303	-	-	(53,558)	-	-	-	-	-	-
6. Benefit payments, including refunds of employee contributions	(302,803)	(300,537)	(297,222)	(256,354)	-	-	-	-	-	-
7. Net change in total pension liability	976,675	551,922	457,974	329,887	-	-	-	-	-	-
8. Total pension liability – beginning	7,629,065	7,077,143	6,619,169	6,289,282	-	-	-	-	-	-
9. Total pension liability – ending (a)	\$ 8,605,740	\$ 7,629,065	\$ 7,077,143	\$ 6,619,169	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
B. Plan fiduciary net position										
1. Contributions – employer	\$ 190,473	\$ 188,452	\$ 184,094	\$ 150,971	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Contributions – employee	109,784	104,610	81,099	77,420	-	-	-	-	-	-
3. Net investment income	684,281	(2,002)	135,529	757,189	-	-	-	-	-	-
4. Benefit payments, including refunds of employee contributions	(302,803)	(300,537)	(297,222)	(256,354)	-	-	-	-	-	-
5. Pension Plan Administrative Expense	(6,465)	(5,386)	(5,437)	(4,741)	-	-	-	-	-	-
6. Other	(14)	-	-	480	-	-	-	-	-	-
7. Net change in plan fiduciary net position	675,256	(14,863)	98,063	724,965	-	-	-	-	-	-
8. Plan fiduciary net position – beginning	5,768,281	5,783,144	5,685,081	4,960,116	-	-	-	-	-	-
9. Plan fiduciary net position – ending (b)	\$ 6,443,537	\$ 5,768,281	\$ 5,783,144	\$ 5,685,081	-	-	-	-	-	-
C. Net pension liability - ending (a) - (b)	2,162,203	1,860,784	1,293,999	934,088	-	-	-	-	-	-
D. Plan fiduciary net position as a percentage of the total pension liability	74.87%	75.61%	81.72%	85.89%	-	-	-	-	-	-
E. Covered payroll	\$ 1,097,832	\$ 1,053,397	\$ 1,013,728	967,759	-	-	-	-	-	-
F. Net pension liability as a percentage of covered payroll	196.95%	176.65%	127.65%	96.52%	-	-	-	-	-	-

Schedule of the Town of Gloucester's Police Plan Contributions
Last 10 Fiscal Years

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Actuarially determined contribution	\$ 219,195	\$ 190,473	\$ 188,452	\$ 184,094	\$ 150,971	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	219,195	190,473	188,452	184,094	150,971	-	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	-	-	-	-	-
Covered payroll	1,199,096	1,097,832	1,053,397	1,013,728	967,759	-	-	-	-	-
Contributions as a percentage of covered payroll	18.28%	17.35%	17.89%	18.16%	15.60%	0%	0%	0%	0%	0%

Notes:

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

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

Schedule of Gloucester's 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	\$ 532,107	\$ 545,789	\$ 538,323	\$ 534,701	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	532,107	545,789	538,323	534,701	-	-	-	-	-	-
Contribution deficiency/(excess)	-	-	-	-	-	-	-	-	-	-
Covered payroll	4,018,941	4,141,038	3,930,408	3,923,339	-	-	-	-	-	-
Contributions as a percentage of covered payroll	13.24%	13.18%	13.70%	13.63%	N/A	N/A	N/A	N/A	N/A	N/A

Notes:

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

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

	Fiscal Year Ending June 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Glocester proportion of the net pension liability	0.23382855%	0.23865067%	0.24538533%	0.22666009%	N/A	N/A	N/A	N/A	N/A	N/A
Glocester proportionate share of the net pension liability	\$ 7,375,155	\$ 7,120,328	\$ 6,755,465	\$ 5,516,907	N/A	N/A	N/A	N/A	N/A	N/A
State's proportionate share of the net pension liability associated with the school district	5,573,845	4,876,379	4,615,121	3,783,198	N/A	N/A	N/A	N/A	N/A	N/A
Total	\$ 12,949,000	\$ 11,996,707	\$ 11,370,586	\$ 9,300,105	N/A	N/A	N/A	N/A	N/A	N/A
Glocester covered payroll	4,018,941	4,141,038	3,930,408	3,923,339	N/A	N/A	N/A	N/A	N/A	N/A
Glocester proportionate share of the net pension liability as a percentage of it's covered payroll	183.51%	171.95%	171.88%	140.62%	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a % of the total pension liability	54.00%	54.06%	57.55%	61.40%	N/A	N/A	N/A	N/A	N/A	N/A

Notes:

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

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

Schedule of Glocester 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	\$ 6,210	\$ 5,895	\$ 5,568	\$ 5,280	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	6,210	5,895	5,568	5,280	-	-	-	-	-	-
Contribution deficiency/(excess)	-	-	-	-	-	-	-	-	-	-
Covered payroll	4,018,941	4,141,038	3,930,408	3,923,339	-	-	-	-	-	-
Contributions as a percentage of covered payroll	0.15%	0.14%	0.14%	0.13%	N/A	N/A	N/A	N/A	N/A	N/A

Notes:

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

Schedule of Glocester's Proportionate Share of Net Pension Asset
Last 10 Fiscal Years
Teachers Survivor Benefit Plan

	Fiscal Year Ending June 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Glocester proportion of the net pension asset	0.99934829%	0.86691742%	0.87505927%	0.85099703%	N/A	N/A	N/A	N/A	N/A	N/A
Glocester proportionate share of the net pension asset	\$ 826,725	\$ 863,206	\$ 816,917	\$ 1,057,966	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Glocester covered payroll	\$ 4,018,941	\$ 4,141,038	\$ 3,930,408	\$ 3,923,339	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Glocester proportionate share of the net pension liability as a percentage of it's covered payroll	20.57%	20.85%	20.78%	26.97%	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a % of the total pension liability	136.1%	153.3%	146.6%	173.3%	N/A	N/A	N/A	N/A	N/A	N/A

Notes:

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

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

Town of Gloucester, Rhode Island
Schedule of Changes in the Town of Gloucester'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	\$ 130,466	\$ 126,054	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Interest on the Total OPEB Liability	70,095	66,595	-	-	-	-	-	-	-	-
3. Changes of benefit terms	-	-	-	-	-	-	-	-	-	-
4. Difference between expected and actual experience of the Total OPEB Liability	19,917	-	-	-	-	-	-	-	-	-
5. Changes of assumptions	(96,922)	-	-	-	-	-	-	-	-	-
6. Benefit payments, including refunds of employee contributions	(139,556)	(31,728)	-	-	-	-	-	-	-	-
7. Net change in total OPEB liability	(16,000)	160,921	-	-	-	-	-	-	-	-
8. Total OPEB liability – beginning	2,178,240	2,017,319	-	-	-	-	-	-	-	-
9. Total OPEB liability – ending (a)	\$ 2,162,240	\$ 2,178,240	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
B. Plan fiduciary net position										
1. Contributions – employer	\$ 139,556	\$ 31,728	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Contributions – employee	-	-	-	-	-	-	-	-	-	-
3. Net investment income	13,176	21,846	-	-	-	-	-	-	-	-
4. Benefit payments, including refunds of employee contributions	(139,556)	(31,728)	-	-	-	-	-	-	-	-
5. Difference between expected and actual experience	4,080	-	-	-	-	-	-	-	-	-
6. OPEB Plan Administrative Expense	-	-	-	-	-	-	-	-	-	-
7. Net change in plan fiduciary net position	17,256	21,846	-	-	-	-	-	-	-	-
8. Plan fiduciary net position – beginning	420,979	399,133	-	-	-	-	-	-	-	-
9. Plan fiduciary net position – ending (b)	\$ 438,235	\$ 420,979	-	-	-	-	-	-	-	-
C. Net OPEB liability - ending (a) - (b)	1,724,005	1,757,261	-	-	-	-	-	-	-	-
D. Plan fiduciary net position as a percentage of the total OPEB liability	20.27%	19.33%	-	-	-	-	-	-	-	-
E. Covered payroll	N/A	N/A	-	-	-	-	-	-	-	-
F. Net OPEB liability as a percentage of covered payroll	0.00%	0.00%	-	-	-	-	-	-	-	-

Notes:

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

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2017

Schedule of Plan Contributions
Last 10 Fiscal Years
Glocester OPEB Plan

	Fiscal Year Ending June 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Actuarially determined contribution	\$ 174,569	\$ 201,537	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	139,556	37,820	-	-	-	-	-	-	-	-
Contribution deficiency/(excess)	35,013	163,717	-	-	-	-	-	-	-	-
Covered payroll	N/A	N/A	-	-	-	-	-	-	-	-
Contributions as a percentage of covered payroll	0.00%	0.00%	-	-	-	-	-	-	-	-

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
Glocester 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	N/A	N/A	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

Combining Fund Financial Statements for Non-major Governmental Funds

Other Supplementary Information

SUPPLEMENTARY INFORMATION
TOWN OF GLOCESTER, RHODE ISLAND
Combining Balance Sheet - Non-Major Governmental Funds
JUNE 30, 2018

	Town Special Revenue Funds	School Special Revenue Funds	Capital Projects Funds	Permanent Funds	Totals
ASSETS:					
Cash and cash equivalents	\$ 258,193	\$ -	\$ 847,085	\$ 12,390	\$ 1,117,668
Loans receivable	489,693	-	-	-	489,693
Other receivables	1,006	-	-	-	1,006
Due from other governments	276,760	56,036	-	-	332,796
Due from other funds	182,629	49,422	694,647	-	926,698
TOTAL ASSETS	\$ 1,208,281	\$ 105,458	\$ 1,541,732	\$ 12,390	\$ 2,867,861
LIABILITIES AND FUND BALANCES:					
LIABILITIES:					
Accounts payable	\$ 3,136	\$ -	\$ 5,550	\$ -	\$ 8,686
Accrued expenses	-	7,503	-	-	7,503
Due to other funds	12,406	48,533	91,541	200	152,680
Unearned revenues	713,700	-	-	-	713,700
TOTAL LIABILITIES	729,242	56,036	97,091	200	882,569
FUND BALANCES (DEFICITS):					
Nonspendable for:					
Perpetual care	-	-	-	3,100	3,100
Restricted for:					
Administration	26,165	-	-	-	26,165
Public safety	8,714	-	-	-	8,714
Recreation	55,341	-	-	-	55,341
Social services	388,902	-	-	-	388,902
Education	-	49,422	-	-	49,422
Capital projects	-	-	1,444,641	-	1,444,641
Perpetual care	-	-	-	9,090	9,090
Unassigned:	(83)	-	-	-	(83)
FUND BALANCES (DEFICITS)	479,039	49,422	1,444,641	12,190	1,985,292
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,208,281	\$ 105,458	\$ 1,541,732	\$ 12,390	\$ 2,867,861

SUPPLEMENTARY INFORMATION
TOWN OF GLOCESTER, RHODE ISLAND
Combining Statement of Revenues, Expenditures, Other Financing Source (Uses)
and Changes in Fund Balances - Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2018

	Town Special Revenue Funds	School Special Revenue Funds	Capital Projects Funds	Permanent Funds	Totals
REVENUES:					
Intergovernmental	\$ 127,182	\$ 295,503	\$ -	\$ -	\$ 422,685
Interest on investments	-	-	5,444	1	5,445
Other	137,647	26,000	-	-	163,647
TOTAL REVENUES	<u>264,829</u>	<u>321,503</u>	<u>5,444</u>	<u>1</u>	<u>591,777</u>
EXPENDITURES:					
<i>Current:</i>					
Administration	17,022	-	-	-	17,022
Public Safety	26,167	-	-	-	26,167
Public Works	-	-	88,045	-	88,045
Recreation	42,854	-	-	-	42,854
Social Services	182,074	-	-	-	182,074
Education	-	306,097	-	-	306,097
<i>Debt service:</i>					
Principal	35,135	-	80,000	-	115,135
Interest	1,248	-	300	-	1,548
<i>Capital:</i>	20,715	-	596,196	-	616,911
TOTAL EXPENDITURES	<u>325,215</u>	<u>306,097</u>	<u>764,541</u>	<u>-</u>	<u>1,395,853</u>
Excess of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)	(60,386)	15,406	(759,097)	1	(804,076)
OTHER FINANCING SOURCES (USES)					
Transfers in	14,000	-	997,508	-	1,011,508
Loan proceeds	75,993	-	-	-	75,993
NET OTHER FINANCING SOURCES (USES)	<u>89,993</u>	<u>-</u>	<u>997,508</u>	<u>-</u>	<u>1,087,501</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	29,607	15,406	238,411	1	283,425
FUND BALANCE AT BEGINNING OF YEAR	<u>449,432</u>	<u>34,016</u>	<u>1,206,230</u>	<u>12,189</u>	<u>1,701,867</u>
FUND BALANCE AT END OF YEAR	<u>\$ 479,039</u>	<u>\$ 49,422</u>	<u>\$ 1,444,641</u>	<u>\$ 12,190</u>	<u>\$ 1,985,292</u>

SUPPLEMENTARY INFORMATION
TOWN OF GLOCESTER, RHODE ISLAND
Special Revenue Restricted Funds - Town
Combining Balance Sheet
June 30, 2018

	<u>Bramley Bill</u>	<u>The Meds Plan</u>	<u>Bullet Proof Vests</u>	<u>Recycling Grant</u>	<u>Public Library Grant</u>	<u>July 4th Parade</u>	<u>MHRH Grant</u>
ASSETS:							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Loans receivable	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-
Due from other funds	976	1,428	-	-	-	21,585	1,704
TOTAL ASSETS	<u>\$ 976</u>	<u>\$ 1,428</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,585</u>	<u>\$ 1,704</u>
LIABILITIES AND FUND BALANCE:							
LIABILITIES:							
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,459	\$ 1,677
Due to other funds	-	-	-	-	-	-	-
Unearned revenues	-	-	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,459</u>	<u>1,677</u>
FUND BALANCE:							
Restricted for:							
Administration	-	-	-	-	-	-	-
Public safety	976	1,428	-	-	-	-	-
Recreation	-	-	-	-	-	20,126	-
Social services	-	-	-	-	-	-	27
Unassigned:	-	-	-	-	-	-	-
TOTAL FUND BALANCE	<u>976</u>	<u>1,428</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,126</u>	<u>27</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 976</u>	<u>\$ 1,428</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,585</u>	<u>\$ 1,704</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF GLOCESTER, RHODE ISLAND
Special Revenue Restricted Funds - Town
Combining Balance Sheet
June 30, 2018

	<u>Emergency Energy</u>	<u>Grass Roots</u>	<u>Pollard Mimosa Trees</u>	<u>Police Grant JAG</u>	<u>Central Police Legislative Grant</u>	<u>Blue Rip Tide Grant</u>	<u>Historic Records Trust</u>
ASSETS:							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Loans receivable	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	1,006	-
Due from other governments	-	-	-	-	-	-	-
Due from other funds	37,324	179	2,000	-	-	-	24,165
TOTAL ASSETS	<u>\$ 37,324</u>	<u>\$ 179</u>	<u>\$ 2,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,006</u>	<u>\$ 24,165</u>
LIABILITIES AND FUND BALANCE:							
LIABILITIES:							
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	1,089	-
Unearned revenues	-	-	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,089</u>	<u>-</u>
FUND BALANCE:							
Restricted for:							
Administration	-	-	2,000	-	-	-	24,165
Public safety	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-
Social services	37,324	179	-	-	-	-	-
Unassigned:	-	-	-	-	-	(83)	-
TOTAL FUND BALANCE	<u>37,324</u>	<u>179</u>	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>(83)</u>	<u>24,165</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 37,324</u>	<u>\$ 179</u>	<u>\$ 2,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,006</u>	<u>\$ 24,165</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF GLOCESTER, RHODE ISLAND
Special Revenue Restricted Funds - Town
Combining Balance Sheet
June 30, 2018

	<u>Senior Center Donations</u>	<u>Food Bank</u>	<u>Animal Shelter Amy Angilly Fund</u>	<u>Community Septic System Loan Program</u>	<u>EMA</u>	<u>DARE</u>	<u>Community Development Block Grant</u>
ASSETS:							
Cash and cash equivalents	\$ 60	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 258,133
Loans receivable	-	-	-	200,920	-	-	288,773
Other receivables	-	-	-	-	-	-	-
Due from other governments	-	-	-	264,866	11,317	-	577
Due from other funds	35,155	51,803	6,144	-	-	166	-
TOTAL ASSETS	<u>\$ 35,215</u>	<u>\$ 51,803</u>	<u>\$ 6,144</u>	<u>\$ 465,786</u>	<u>11,317</u>	<u>\$ 166</u>	<u>\$ 547,483</u>
LIABILITIES AND FUND BALANCE:							
LIABILITIES:							
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	-	-	-
Due to other funds	-	-	-	-	11,317	-	-
Unearned revenues	-	-	-	424,927	-	-	288,773
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>424,927</u>	<u>11,317</u>	<u>-</u>	<u>288,773</u>
FUND BALANCE:							
Restricted for:							
Administration	-	-	-	-	-	-	-
Public safety	-	-	6,144	-	-	166	-
Recreation	35,215	-	-	-	-	-	-
Social services	-	51,803	-	40,859	-	-	258,710
Unassigned:	-	-	-	-	-	-	-
TOTAL FUND BALANCE	<u>35,215</u>	<u>51,803</u>	<u>6,144</u>	<u>40,859</u>	<u>-</u>	<u>166</u>	<u>258,710</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 35,215</u>	<u>\$ 51,803</u>	<u>\$ 6,144</u>	<u>\$ 465,786</u>	<u>11,317</u>	<u>\$ 166</u>	<u>\$ 547,483</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF GLOCESTER, RHODE ISLAND
Special Revenue Restricted Funds - Town
Combining Balance Sheet
June 30, 2018

	<u>Meal Site Senate Grant</u>	<u>LEJA Field</u>	<u>RI Interlocal Safety Grant</u>	<u>TOTAL</u>
ASSETS:				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 258,193
Loans receivable	-	-	-	489,693
Other receivables	-	-	-	1,006
Due from other governments	-	-	-	276,760
Due from other funds	-	-	-	182,629
TOTAL ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>1,208,281</u>
LIABILITIES AND FUND BALANCE:				
LIABILITIES:				
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	3,136
Due to other funds	-	-	-	12,406
Unearned revenues	-	-	-	713,700
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>729,242</u>
FUND BALANCE:				
Restricted for:				
Administration	-	-	-	26,165
Public safety	-	-	-	8,714
Recreation	-	-	-	55,341
Social services	-	-	-	388,902
Unassigned:	-	-	-	(83)
TOTAL FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>	<u>479,039</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,208,281</u>

(Concluded)

SUPPLEMENTARY INFORMATION
TOWN OF GLOCESTER, RHODE ISLAND
Special Revenue Restricted Funds - Town
Combining Statement of Revenues, Expenditures Other Financing Sources (Uses), and
Changes in Fund Balances
For the Fiscal year Ended June 30, 2018

	<u>Bramley Bill</u>	<u>The Meds Plan</u>	<u>Bullet Proof Vest</u>	<u>Recycling Grant</u>	<u>Public Library Grant</u>	<u>July 4th Parade</u>	<u>MHRH Grant</u>
REVENUES:							
Intergovernmental revenue	\$ -	\$ 3,200	\$ 1,812	\$ -	\$ 77,938	\$ 5,500	\$ -
Investment income	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	9,626	4,242
TOTAL REVENUES	<u>-</u>	<u>3,200</u>	<u>1,812</u>	<u>-</u>	<u>77,938</u>	<u>15,126</u>	<u>4,242</u>
EXPENDITURES:							
<i>Current:</i>							
Administration	-	-	-	3,892	-	-	-
Public safety	-	-	1,812	-	-	-	4,215
Recreation	-	-	-	-	-	42,854	-
Social Services	-	6,900	-	-	77,938	-	-
<i>Debt service:</i>							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
<i>Capital:</i>							
TOTAL EXPENDITURES	<u>-</u>	<u>6,900</u>	<u>1,812</u>	<u>3,892</u>	<u>77,938</u>	<u>42,854</u>	<u>4,215</u>
<i>Excess of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)</i>	<u>-</u>	<u>(3,700)</u>	<u>-</u>	<u>(3,892)</u>	<u>-</u>	<u>(27,728)</u>	<u>27</u>
OTHER FINANCING SOURCES (USES):							
Transfers in	-	-	-	-	-	14,000	-
Loan proceeds	-	-	-	-	-	-	-
NET OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,000</u>	<u>-</u>
<i>Excess of revenues and other financing sources over (under) expenditures and other financing uses</i>	<u>-</u>	<u>(3,700)</u>	<u>-</u>	<u>(3,892)</u>	<u>-</u>	<u>(13,728)</u>	<u>27</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>976</u>	<u>5,128</u>	<u>-</u>	<u>3,892</u>	<u>-</u>	<u>33,854</u>	<u>-</u>
PRIOR PERIOD ADJUSTMENT	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 976</u>	<u>\$ 1,428</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,126</u>	<u>\$ 27</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF GLOCESTER, RHODE ISLAND
Special Revenue Restricted Funds - Town
Combining Statement of Revenues, Expenditures Other Financing Sources (Uses), and
Changes in Fund Balances
For the Fiscal year Ended June 30, 2018

	<u>Emergency Energy</u>	<u>Grass Roots</u>	<u>Pollard Mimosa Trees</u>	<u>Police Grant JAG</u>	<u>Central Police Legislative Grant</u>	<u>Blue Rip Tide Grant</u>	<u>Historic Records Trust</u>
REVENUES:							
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ 13,265	\$ 1,000	\$ 5,240	-
Investment income	-	-	-	-	-	-	-
Other revenue	3,920	-	-	-	-	-	15,533
TOTAL REVENUES	<u>3,920</u>	<u>-</u>	<u>-</u>	<u>13,265</u>	<u>1,000</u>	<u>5,240</u>	<u>15,533</u>
EXPENDITURES:							
<i>Current:</i>							
Administration	-	-	-	-	-	-	12,130
Public safety	-	-	-	-	1,000	5,323	-
Recreation	-	-	-	-	-	-	-
Social Services	7,100	-	-	-	-	-	-
<i>Debt service:</i>							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
<i>Capital:</i>							
	-	-	-	13,265	-	-	-
TOTAL EXPENDITURES	<u>7,100</u>	<u>-</u>	<u>-</u>	<u>13,265</u>	<u>1,000</u>	<u>5,323</u>	<u>12,130</u>
<i>Excess of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)</i>	<u>(3,180)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(83)</u>	<u>3,403</u>
OTHER FINANCING SOURCES (USES):							
Transfers in	-	-	-	-	-	-	-
Loan proceeds	-	-	-	-	-	-	-
NET OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess of revenues and other financing sources over (under) expenditures and other financing uses</i>	<u>(3,180)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(83)</u>	<u>3,403</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>40,504</u>	<u>179</u>	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,762</u>
PRIOR PERIOD ADJUSTMENT	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 37,324</u>	<u>\$ 179</u>	<u>\$ 2,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (83)</u>	<u>\$ 24,165</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF GLOCESTER, RHODE ISLAND
Special Revenue Restricted Funds - Town
Combining Statement of Revenues, Expenditures Other Financing Sources (Uses), and
Changes in Fund Balances
For the Fiscal year Ended June 30, 2018

	<u>Senior Center Donations</u>	<u>Food Bank</u>	<u>Animal Shelter Amy Angilly Fund</u>	<u>Community Septic System Loan Program</u>	<u>EMA</u>	<u>DARE</u>	<u>Community Development Block Grant</u>
REVENUES:							
Intergovernmental revenue	\$ 1,910	\$ -	\$ -	\$ -	13,817	\$ -	\$ -
Investment income	-	-	-	-	-	-	-
Other revenue	11,096	14,014	-	36,383	-	-	42,833
TOTAL REVENUES	<u>13,006</u>	<u>14,014</u>	<u>-</u>	<u>36,383</u>	<u>13,817</u>	<u>-</u>	<u>42,833</u>
EXPENDITURES:							
<i>Current:</i>							
Administration	-	-	-	-	-	-	-
Public safety	-	-	-	-	13,817	-	-
Recreation	-	-	-	-	-	-	-
Social Services	4,564	7,079	-	75,993	-	-	-
<i>Debt service:</i>							
Principal	-	-	-	35,135	-	-	-
Interest	-	-	-	1,248	-	-	-
<i>Capital:</i>							
	-	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>4,564</u>	<u>7,079</u>	<u>-</u>	<u>112,376</u>	<u>13,817</u>	<u>-</u>	<u>-</u>
<i>Excess of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)</i>	<u>8,442</u>	<u>6,935</u>	<u>-</u>	<u>(75,993)</u>	<u>-</u>	<u>-</u>	<u>42,833</u>
OTHER FINANCING SOURCES (USES):							
Transfers in	-	-	-	-	-	-	-
Loan proceeds	-	-	-	75,993	-	-	-
NET OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,993</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>
<i>Excess of revenues and other financing sources over (under) expenditures and other financing uses</i>	<u>8,442</u>	<u>6,935</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,833</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>26,773</u>	<u>44,868</u>	<u>6,144</u>	<u>40,859</u>	<u>-</u>	<u>166</u>	<u>215,877</u>
PRIOR PERIOD ADJUSTMENT	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 35,215</u>	<u>\$ 51,803</u>	<u>\$ 6,144</u>	<u>\$ 40,859</u>	<u>-</u>	<u>\$ 166</u>	<u>\$ 258,710</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF GLOCESTER, RHODE ISLAND
Special Revenue Restricted Funds - Town
Combining Statement of Revenues, Expenditures Other Financing Sources (Uses), and
Changes in Fund Balances
For the Fiscal year Ended June 30, 2018

	Meal Site Senate Grant	LEJA Field	RI Interlocal Safety Grant	TOTAL
REVENUES:				
Intergovernmental revenue	\$ 2,500	\$ -	\$ 1,000	\$ 127,182
Investment income	-	-	-	-
Other revenue	-	-	-	137,647
TOTAL REVENUES	2,500	-	1,000	264,829
EXPENDITURES:				
<i>Current:</i>				
Administration	-	-	1,000	17,022
Public safety	-	-	-	26,167
Recreation	-	-	-	42,854
Social Services	2,500	-	-	182,074
<i>Debt service:</i>				
Principal	-	-	-	35,135
Interest	-	-	-	1,248
<i>Capital:</i>	-	7,450	-	20,715
TOTAL EXPENDITURES	2,500	7,450	1,000	325,215
<i>Excess of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)</i>	-	(7,450)	-	(60,386)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	14,000
Loan proceeds	-	-	-	75,993
NET OTHER FINANCING SOURCES (USES)	-	-	-	89,993
<i>Excess of revenues and other financing sources over (under) expenditures and other financing uses</i>	-	(7,450)	-	29,607
FUND BALANCE AT BEGINNING OF YEAR	-	7,450	-	449,432
PRIOR PERIOD ADJUSTMENT	-	-	-	-
FUND BALANCE AT END OF YEAR	\$ -	\$ -	\$ -	\$ 479,039

(Concluded)

SUPPLEMENTARY INFORMATION
TOWN OF GLOCESTER, RHODE ISLAND
Special Revenue Restricted Funds - School
Combining Balance Sheet
June 30, 2018

	<u>Rural Education Grant</u>	<u>Donations - Library</u>	<u>Technology</u>	<u>Intel Grant</u>	<u>Professional Development</u>	<u>Title I</u>
ASSETS:						
Due from federal and state governments	\$ 6,934	\$ -	\$ -	-	\$ -	\$ 29,338
Due from other funds	<u>-</u>	<u>2,672</u>	<u>1,694</u>	<u>15,167</u>	<u>29,889</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 6,934</u>	<u>\$ 2,672</u>	<u>\$ 1,694</u>	<u>15,167</u>	<u>\$ 29,889</u>	<u>\$ 29,338</u>
LIABILITIES AND FUND BALANCE:						
LIABILITIES:						
Accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,603
Due to other funds	<u>6,934</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,735</u>
TOTAL LIABILITIES	<u>6,934</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,338</u>
FUND BALANCE:						
Restricted for:						
Education	<u>-</u>	<u>2,672</u>	<u>1,694</u>	<u>15,167</u>	<u>29,889</u>	<u>-</u>
TOTAL FUND BALANCE	<u>-</u>	<u>2,672</u>	<u>1,694</u>	<u>15,167</u>	<u>29,889</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 6,934</u>	<u>\$ 2,672</u>	<u>\$ 1,694</u>	<u>15,167</u>	<u>\$ 29,889</u>	<u>\$ 29,338</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF GLOCESTER, RHODE ISLAND
Special Revenue Restricted Funds - School
Combining Balance Sheet
June 30, 2018

	<u>Title II</u>	<u>CAST Mini Grant</u>	<u>IDEA Part B</u>	<u>Title IV</u>	<u>IDEA Preschool</u>	<u>TOTAL</u>
ASSETS:						
Due from federal and state governments	\$ 9,852	\$ -	\$ -	\$ 9,912	\$ -	\$ 56,036
Due from other funds	-	-	-	-	-	49,422
TOTAL ASSETS	<u>\$ 9,852</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,912</u>	<u>\$ -</u>	<u>\$ 105,458</u>
LIABILITIES AND FUND BALANCE:						
LIABILITIES:						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued expenses	1,900	-	-	-	-	7,503
Due to other funds	7,952	-	-	9,912	-	48,533
TOTAL LIABILITIES	<u>9,852</u>	<u>-</u>	<u>-</u>	<u>9,912</u>	<u>-</u>	<u>56,036</u>
FUND BALANCE:						
Restricted for:						
Education	-	-	-	-	-	49,422
TOTAL FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,422</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 9,852</u>	<u>\$ -</u>	<u>\$ -</u>	<u>9,912</u>	<u>\$ -</u>	<u>\$ 105,458</u>

(Concluded)

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

	<u>Rural Education Grant</u>	<u>Donations - Library</u>	<u>Technology</u>	<u>Intel Grant</u>	<u>Professional Development</u>	<u>Title I</u>
REVENUES:						
Intergovernmental	\$ 15,142	\$ -	\$ -		\$ -	\$ 85,738
Other revenue	-	1,000	-	25,000	-	-
TOTAL REVENUES	<u>15,142</u>	<u>1,000</u>	<u>-</u>	<u>25,000</u>	<u>-</u>	<u>85,738</u>
EXPENDITURES:						
Education	15,142	498	-	9,833	-	85,738
TOTAL EXPENDITURES	<u>15,142</u>	<u>498</u>	<u>-</u>	<u>9,833</u>	<u>-</u>	<u>85,738</u>
<i>Excess of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)</i>	<u>-</u>	<u>502</u>	<u>-</u>	<u>15,167</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-		-	-
NET OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess of revenues and other financing sources over (under) expenditures and other financing uses</i>	<u>-</u>	<u>502</u>	<u>-</u>	<u>15,167</u>	<u>-</u>	<u>-</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>-</u>	<u>2,170</u>	<u>1,694</u>	<u>-</u>	<u>29,889</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ -</u>	<u>\$ 2,672</u>	<u>\$ 1,694</u>	<u>\$ 15,167</u>	<u>\$ 29,889</u>	<u>\$ -</u>

(Continued)

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

	<u>Title II</u>	<u>CAST Mini Grant</u>	<u>IDEA Part B</u>	<u>Title IV</u>	<u>IDEA Preschool</u>	<u>TOTAL</u>
REVENUES:						
Intergovernmental	\$ 24,750	\$ -	\$ 149,196	\$ 9,912	\$ 10,765	\$ 295,503
Other revenue	-	-	-	-	-	26,000
TOTAL REVENUES	<u>24,750</u>	<u>-</u>	<u>149,196</u>	<u>9,912</u>	<u>10,765</u>	<u>321,503</u>
EXPENDITURES:						
Education	24,750	263	149,196	9,912	10,765	306,097
TOTAL EXPENDITURES	<u>24,750</u>	<u>263</u>	<u>149,196</u>	<u>9,912</u>	<u>10,765</u>	<u>306,097</u>
<i>Excess of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)</i>	-	(263)	-	-	-	15,406
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	-	-	-
NET OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess of revenues and other financing sources over (under) expenditures and other financing uses</i>	-	(263)	-	-	-	15,406
FUND BALANCE AT BEGINNING OF YEAR	<u>-</u>	<u>263</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,016</u>
FUND BALANCE AT END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,422</u>

(Concluded)

**SUPPLEMENTARY INFORMATION
TOWN OF GLOCESTER, RHODE ISLAND
Non-Major Capital Projects Funds
Combining Balance Sheet
June 30, 2018**

	<u>Chepachet River Park</u>	<u>Roads</u>	<u>Senior Center Fund</u>	<u>Chepachet River Cleanup</u>	<u>Chepachet Wastewater / Stormwater Project</u>	<u>School Project</u>	<u>Geothermal Project</u>
ASSETS:							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 847,085	\$ -
Other receivables	-	-	-	-	-	-	-
Due from other funds	16,397	95,831	3,580	30,000	133,979	-	37,811
TOTAL ASSETS	<u>\$ 16,397</u>	<u>\$ 95,831</u>	<u>\$ 3,580</u>	<u>\$ 30,000</u>	<u>\$ 133,979</u>	<u>\$ 847,085</u>	<u>\$ 37,811</u>
LIABILITIES AND FUND BALANCE:							
LIABILITIES:							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,550	\$ -
Due to other funds	-	6,782	-	-	24,773	-	37,811
TOTAL LIABILITIES	<u>-</u>	<u>6,782</u>	<u>-</u>	<u>-</u>	<u>24,773</u>	<u>5,550</u>	<u>37,811</u>
FUND BALANCE:							
Restricted for:							
Capital projects	16,397	89,049	3,580	30,000	109,206	841,535	-
TOTAL FUND BALANCE	<u>16,397</u>	<u>89,049</u>	<u>3,580</u>	<u>30,000</u>	<u>109,206</u>	<u>841,535</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 16,397</u>	<u>\$ 95,831</u>	<u>\$ 3,580</u>	<u>\$ 30,000</u>	<u>\$ 133,979</u>	<u>\$ 847,085</u>	<u>\$ 37,811</u>

(Continued)

**SUPPLEMENTARY INFORMATION
TOWN OF GLOCESTER, RHODE ISLAND
Non-Major Capital Projects Funds
Combining Balance Sheet
June 30, 2018**

	School Capital Improvement	Recreational Land	Pavillion	TOTAL
ASSETS:				
Cash and cash equivalents		\$ -		\$ 847,085
Other receivables	-	-	-	-
Due from other funds	231,107	123,767	22,175	694,647
TOTAL ASSETS	\$ 231,107	\$ 123,767	\$ 22,175	\$ 1,541,732
LIABILITIES AND FUND BALANCE:				
LIABILITIES:				
Accounts payable	\$ -	\$ -	\$ -	\$ 5,550
Due to other funds	-	-	22,175	91,541
TOTAL LIABILITIES	-	-	22,175	97,091
FUND BALANCE:				
Restricted for:				
Capital projects	231,107	123,767	-	1,444,641
TOTAL FUND BALANCE	231,107	123,767	-	1,444,641
TOTAL LIABILITIES AND FUND BALANCE	\$ 231,107	\$ 123,767	\$ 22,175	\$ 1,541,732

(Concluded)

SUPPLEMENTARY INFORMATION
TOWN OF GLOCESTER, RHODE ISLAND
Non-Major Capital Projects Funds
Combining Statement of Revenues, Expenditures, Other Financing Sources (Uses) and
Changes in Fund Balances
For the Fiscal Year Ended June 30, 2018

	<u>Chepachet River Park</u>	<u>Roads</u>	<u>Senior Center Fund</u>	<u>Chepachet River Cleanup</u>	<u>Chepachet Wastewater / Stormwater Project</u>	<u>School Project</u>	<u>Geothermal Project</u>
REVENUES:							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income	-	-	-	-	-	5,444	-
Other	-	-	-	-	-	-	-
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,444</u>	<u>-</u>
EXPENDITURES:							
Current:							
Public works	-	88,045	-	-	-	-	-
Education	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
	-	245,948	-	-	-	331,988	-
TOTAL EXPENDITURES	<u>-</u>	<u>333,993</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>331,988</u>	<u>-</u>
Excess of Revenues Over (Under)							
Expenditures Before Other Financing Sources (Uses)	<u>-</u>	<u>(333,993)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(326,544)</u>	<u>-</u>
OTHER FINANCING SOURCES:							
Transfers in	-	395,508	2,000	-	-	600,000	-
Transfers out	-	-	-	-	-	-	-
NET OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>395,508</u>	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>600,000</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	<u>-</u>	<u>61,515</u>	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>273,456</u>	<u>-</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>16,397</u>	<u>27,534</u>	<u>1,580</u>	<u>30,000</u>	<u>109,206</u>	<u>568,079</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 16,397</u>	<u>\$ 89,049</u>	<u>\$ 3,580</u>	<u>\$ 30,000</u>	<u>\$ 109,206</u>	<u>\$ 841,535</u>	<u>\$ -</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF GLOCESTER, RHODE ISLAND
Non-Major Capital Projects Funds
Combining Statement of Revenues, Expenditures, Other Financing Sources (Uses) and
Changes in Fund Balances
For the Fiscal Year Ended June 30, 2018

	School Capital Improvement	Recreational Land	Pavillion	TOTAL
REVENUES:				
Intergovernmental	\$ -		\$ -	\$ -
Investment income		-	-	5,444
Other	-	-	-	-
TOTAL REVENUES	-	-	-	5,444
EXPENDITURES:				
<i>Current:</i>				
Public works	-	-	-	88,045
Education		-	-	-
<i>Debt service:</i>				
Principal	-	80,000	-	80,000
Interest	-	300	-	300
<i>Capital outlay:</i>	-	-	18,260	596,196
TOTAL EXPENDITURES	-	80,300	18,260	764,541
Excess of Revenues Over (Under)				
<i>Expenditures Before Other Financing Sources (Uses)</i>	-	(80,300)	(18,260)	(759,097)
OTHER FINANCING SOURCES:				
Transfers in		-	-	997,508
Transfers out	-		-	-
NET OTHER FINANCING SOURCES (USES)	-	-	-	997,508
Excess of revenues and other financing sources				
<i>over (under) expenditures and other financing uses</i>	-	(80,300)	(18,260)	238,411
FUND BALANCE AT BEGINNING OF YEAR	231,107	204,067	18,260	1,206,230
FUND BALANCE AT END OF YEAR	\$ 231,107	\$ 123,767	\$ -	\$ 1,444,641

(Concluded)

Funds Combined for GASB 54 Reporting Purposes

General Fund

School General Fund

SUPPLEMENTARY INFORMATION
TOWN OF GLOCESTER, RHODE ISLAND
Town General Fund Balance Sheet
Funds Combined with Town General Fund for GASB 54 Purposes
June 30, 2018

	<u>General Fund</u>	<u>Revaluation Reserve</u>	<u>Comprehensive Plan</u>	<u>Accrued Compensated Absences Reserve</u>	<u>Foster Gloucester Proration</u>	<u>Tree Planting</u>	<u>Health Reserve</u>	<u>Matching State Grant Funds</u>	<u>Portable Radio</u>	<u>Mobile Radio</u>
ASSETS:										
Cash and cash equivalents	\$ 8,592,032	\$ 315,946	\$ -	\$ 577,211	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables:										
Taxes, net	697,966	-	-	-	-	-	-	-	-	-
Other	34,020	-	-	-	-	-	-	-	-	-
Prepaid expenditures	83,050	-	-	-	-	-	-	-	-	-
Due from:										
Other funds	221,648	(22,600)	-	(119,673)	-	-	-	-	-	-
Other governments	3,591	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 9,632,307</u>	<u>\$ 293,346</u>	<u>\$ -</u>	<u>\$ 457,538</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES:										
LIABILITIES:										
Accounts payable	\$ 84,790	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll and benefits	187,576	-	-	-	-	-	-	-	-	-
Due to:										
Other funds	2,930,980	-	(36,695)	-	(115,000)	(1,508)	(387,477)	(50,000)	(36,800)	(43,000)
Other Liabilities	175,226	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	<u>3,378,572</u>	<u>-</u>	<u>(36,695)</u>	<u>-</u>	<u>(115,000)</u>	<u>(1,508)</u>	<u>(387,477)</u>	<u>(50,000)</u>	<u>(36,800)</u>	<u>(43,000)</u>
Deferred Inflows of Resources	330,021	-	-	-	-	-	-	-	-	-
FUND BALANCE:										
Nonspendable for:										
Prepaid expenditures	83,050	-	-	-	-	-	-	-	-	-
Committed to:										
Education	300,000	-	-	-	115,000	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-	-
Assigned for:										
Administration	-	293,346	36,695	-	-	1,508	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	36,800	43,000
Public works	-	-	-	-	-	-	-	-	-	-
Matching grant funds	-	-	-	-	-	-	-	50,000	-	-
2019 budget	53,725	-	-	-	-	-	-	-	-	-
Contractual obligations	-	-	-	457,538	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-	-	-
Employee benefits	-	-	-	-	-	-	387,477	-	-	-
Unassigned:	5,486,939	-	-	-	-	-	-	-	-	-
TOTAL FUND BALANCE	<u>5,923,714</u>	<u>293,346</u>	<u>36,695</u>	<u>457,538</u>	<u>115,000</u>	<u>1,508</u>	<u>387,477</u>	<u>50,000</u>	<u>36,800</u>	<u>43,000</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 9,632,307</u>	<u>\$ 293,346</u>	<u>\$ -</u>	<u>\$ 457,538</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF GLOCESTER, RHODE ISLAND
Town General Fund Balance Sheet
Funds Combined with Town General Fund for GASB 54 Purposes
June 30, 2018

	<u>Storm Related Services</u>	<u>Other Post Employment Benefits</u>	<u>Police Equipment Maintenance</u>	<u>Senior Center Dues</u>	<u>Radio Equipment</u>	<u>State Aid Reduction</u>	<u>Technology</u>	<u>School Renovations</u>	<u>TOTAL</u>
ASSETS:									
Cash and cash equivalents	\$ -	\$ 49,078	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,534,267
Receivables:									
Taxes, net	-	-	-	-	-	-	-	-	697,966
Other	-	-	-	-	-	-	-	-	34,020
Prepaid expenditures	-	-	-	-	-	-	-	-	83,050
Due from:									
Other funds	-	-	-	-	-	-	-	-	79,375
Other governments	-	-	-	-	-	-	-	-	3,591
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 49,078</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,432,269</u>
LIABILITIES AND FUND BALANCES:									
LIABILITIES:									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 84,790
Accrued payroll and benefits	-	-	-	-	-	-	-	-	187,576
Due to:									
Other funds	(240,040)	(179,742)	(47,362)	(3,973)	(71,657)	(180,000)	(173,922)	(900,000)	463,804
Other Liabilities	-	-	-	-	-	-	-	-	175,226
TOTAL LIABILITIES	<u>(240,040)</u>	<u>(179,742)</u>	<u>(47,362)</u>	<u>(3,973)</u>	<u>(71,657)</u>	<u>(180,000)</u>	<u>(173,922)</u>	<u>(900,000)</u>	<u>911,396</u>
Deferred Inflows of Resources	-	-	-	-	-	-	-	-	330,021
FUND BALANCE:									
Nonspendable for:									
Prepaid expenditures	-	-	-	-	-	-	-	-	83,050
Committed to:									
Education	-	-	-	-	-	180,000	-	-	595,000
Capital projects	-	-	-	-	-	-	-	300,000	300,000
Recreation	-	-	-	-	-	-	-	-	-
Assigned for:									
Administration	-	-	-	-	-	-	173,922	-	505,471
Public safety	-	-	47,362	-	71,657	-	-	-	198,819
Public works	240,040	-	-	-	-	-	-	-	240,040
Matching state grant funds	-	-	-	-	-	-	-	-	50,000
2019 budget	-	-	-	-	-	-	-	-	53,725
Contractual obligations	-	228,820	-	-	-	-	-	-	686,358
Education	-	-	-	-	-	-	-	600,000	600,000
Employee benefits	-	-	-	-	-	-	-	-	387,477
Unassigned:	-	-	-	-	-	-	-	-	5,486,939
TOTAL FUND BALANCE	<u>240,040</u>	<u>228,820</u>	<u>47,362</u>	<u>3,973</u>	<u>71,657</u>	<u>180,000</u>	<u>173,922</u>	<u>900,000</u>	<u>9,190,852</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ -</u>	<u>\$ 49,078</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,432,269</u>

(Concluded)

SUPPLEMENTARY INFORMATION
TOWN OF GLOCESTER, RHODE ISLAND
Schedule of Revenues, Expenditures, Other Financing Sources (Uses) and
Changes in Fund Balance
Funds Combined with Town General Fund for GASB 54 Purposes
June 30, 2018

	General Fund	Revaluation Reserve	Comprehensive Plan	Accrued Compensated Absences Reserve	Foster Gloucester Proration	Tree Planting	Health Reserve	Matching State Grant Funds	Portable Radio	Mobile Radio
REVENUES:										
General property taxes	\$ 23,859,043	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue	626,601	-	-	-	-	-	-	-	-	-
Licenses, fees and fines	467,781	-	-	-	-	-	-	-	-	-
Investment income	107,198	2,460	-	4,511	-	-	-	-	-	-
Other revenue	238,630	-	-	-	-	-	-	-	-	-
Intergovernmental - pension contribution	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUES	<u>25,299,253</u>	<u>2,460</u>	<u>-</u>	<u>4,511</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES:										
<i>Current:</i>										
Administration	848,076	-	-	12	-	-	-	-	-	-
Finance	648,734	-	-	-	-	-	-	-	-	-
Public safety	2,294,116	-	-	-	-	-	-	-	-	-
Public works	1,655,619	-	-	-	-	-	-	-	-	-
Recreation and senior center	267,376	-	-	-	-	-	-	-	-	-
Social services	30,135	-	-	-	-	-	-	-	-	-
Operational expenses	429,188	-	-	3,088	-	-	-	-	-	-
Aid requests	369,428	-	-	-	-	-	-	-	-	-
Education	10,263,158	-	-	-	-	-	-	-	-	-
Intergovernmental - pension contribution	-	-	-	-	-	-	-	-	-	-
<i>Debt service:</i>										
Principal	205,000	-	-	-	-	-	-	-	-	-
Interest and other costs	73,562	-	-	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-	-	-	-
<i>Capital:</i>										
Capital outlay	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>17,084,392</u>	<u>-</u>	<u>-</u>	<u>3,100</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)	<u>8,214,861</u>	<u>2,460</u>	<u>-</u>	<u>1,411</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	(7,699,955)	-	1,500	(82,800)	40,000	-	(63,515)	50,000	-	-
NET OTHER FINANCING SOURCES (USES)	<u>(7,699,955)</u>	<u>-</u>	<u>1,500</u>	<u>(82,800)</u>	<u>40,000</u>	<u>-</u>	<u>(63,515)</u>	<u>50,000</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>514,906</u>	<u>2,460</u>	<u>1,500</u>	<u>(81,389)</u>	<u>40,000</u>	<u>-</u>	<u>(63,515)</u>	<u>50,000</u>	<u>-</u>	<u>-</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>5,408,808</u>	<u>290,886</u>	<u>35,195</u>	<u>538,927</u>	<u>75,000</u>	<u>1,508</u>	<u>450,992</u>	<u>-</u>	<u>36,800</u>	<u>43,000</u>
FUND BALANCE AT END OF YEAR	<u>\$ 5,923,714</u>	<u>\$ 293,346</u>	<u>\$ 36,695</u>	<u>\$ 457,538</u>	<u>\$ 115,000</u>	<u>\$ 1,508</u>	<u>\$ 387,477</u>	<u>\$ 50,000</u>	<u>\$ 36,800</u>	<u>\$ 43,000</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF GLOCESTER, RHODE ISLAND
Schedule of Revenues, Expenditures, Other Financing Sources (Uses) and
Changes in Fund Balance
Funds Combined with Town General Fund for GASB 54 Purposes
June 30, 2018

	Storm Related Services	Other Post Employment Benefits	Police Equipment Maintenance	Senior Center Dues	Radio Equipment	State Aid Reduction	Technology	School Renovations	TOTAL
REVENUES:									
General property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,859,043
Intergovernmental revenue	-	-	-	-	-	-	-	-	626,601
Licenses, fees and fines	-	-	-	-	-	-	-	-	467,781
Investment income	-	5	-	-	-	-	-	-	114,174
Other revenue	-	-	-	24,165	-	-	-	-	262,795
Intergovernmental - pension contribution	-	-	-	-	-	-	-	-	-
TOTAL REVENUES	-	5	-	24,165	-	-	-	-	25,330,394
EXPENDITURES:									
<i>Current:</i>									
Administration	-	-	-	-	-	-	-	-	848,088
Finance	-	-	-	-	-	-	-	-	648,734
Public safety	-	-	-	-	-	-	-	-	2,294,116
Public works	192,015	-	-	-	-	-	-	-	1,847,634
Recreation and senior center	-	-	-	28,098	-	-	-	-	295,474
Social services	-	-	-	-	-	-	-	-	30,135
Operational expenses	-	-	-	-	-	-	-	-	432,276
Aid requests	-	-	-	-	-	-	-	-	369,428
Education	-	-	-	-	-	-	-	-	10,263,158
Intergovernmental - pension contribution	-	-	-	-	-	-	-	-	-
<i>Debt service:</i>									
Principal	-	-	-	-	-	-	-	-	205,000
Interest and other costs	-	-	-	-	-	-	-	-	73,562
Bond issuance costs	-	-	-	-	-	-	-	-	-
<i>Capital:</i>									
Capital outlay	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	192,015	-	-	28,098	-	-	-	-	17,307,605
Excess of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)	(192,015)	5	-	(3,933)	-	-	-	-	8,022,789
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	150,000	60,555	-	-	-	-	48,872	(75,000)	(7,570,343)
NET OTHER FINANCING SOURCES (USES)	150,000	60,555	-	-	-	-	48,872	(75,000)	(7,570,343)
NET CHANGE IN FUND BALANCE	(42,015)	60,560	-	(3,933)	-	-	48,872	(75,000)	452,446
FUND BALANCE AT BEGINNING OF YEAR	282,055	168,260	47,362	7,906	71,657	180,000	125,050	975,000	8,738,406
FUND BALANCE AT END OF YEAR	\$ 240,040	\$ 228,820	\$ 47,362	\$ 3,973	\$ 71,657	\$ 180,000	\$ 173,922	\$ 900,000	\$ 9,190,852

(Concluded)

SUPPLEMENTARY INFORMATION
TOWN OF GLOCESTER, RHODE ISLAND
School Balance Sheet
Funds Combined with School Unrestricted (School General Fund) for GASB 54 Purposes
June 30, 2018

	<u>School Unrestricted</u>	<u>Other Post Employment Benefits</u>	<u>Total Governmental Funds</u>
ASSETS:			
Cash and cash equivalents	\$ 3,416,929	\$ -	\$ 3,416,929
Receivables:			
Other	131,838	-	131,838
Other Assets	1,171,666	-	1,171,666
Due from:			
Other funds	58,300	180,274	238,574
TOTAL ASSETS	<u>\$ 4,778,733</u>	<u>\$ 180,274</u>	<u>\$ 4,959,007</u>
LIABILITIES AND FUND BALANCES:			
LIABILITIES:			
Accounts payable	\$ 223,987	\$ -	\$ 223,987
Accrued payroll and benefits	71,009	-	71,009
Due to:			
Other funds	460,803	-	460,803
TOTAL LIABILITIES	<u>755,799</u>	<u>-</u>	<u>755,799</u>
FUND BALANCE:			
Nonspendable for:			
Deposits held for Health and Dental Benefits	1,171,666	-	1,171,666
Restricted for:			
Education	514,649	-	514,649
Assigned for:			
2019 budget	1,086,695	-	1,086,695
Medicaid expenditures	274,674	-	274,674
Employee benefits	375,250	-	375,250
Capital expenditures	600,000	-	600,000
Contractual obligations	-	180,274	180,274
Unassigned:	-	-	-
TOTAL FUND BALANCE	<u>4,022,934</u>	<u>180,274</u>	<u>4,203,208</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 4,778,733</u>	<u>\$ 180,274</u>	<u>\$ 4,959,007</u>

SUPPLEMENTARY INFORMATION
TOWN OF GLOCESTER, RHODE ISLAND
Schedule of Revenues, Expenditures, Other Financing Sources (Uses) and
Changes in Fund Balance
Funds Combined with School Unrestricted (School General Fund) for GASB 54 Purposes
June 30, 2018

	School Unrestricted	Other Post Employment Benefits	Total Governmental Funds
REVENUES:			
Intergovernmental revenue	\$ 2,804,857	\$ -	\$ 2,804,857
Federal revenue-Medicaid reimbursement	28,913	-	28,913
Tuitions	48,173	-	48,173
Investment income	413	-	413
Other revenue	3,052	-	3,052
TOTAL REVENUES	2,885,408	-	2,885,408
EXPENDITURES:			
<i>Current:</i>			
Education	9,655,867	-	9,655,867
TOTAL EXPENDITURES	9,655,867	-	9,655,867
Excess of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)	(6,770,459)	-	(6,770,459)
OTHER FINANCING SOURCES (USES):			
Transfers in	6,372,035	-	6,372,035
Transfers out	(300,000)	-	(300,000)
NET OTHER FINANCING SOURCES (USES)	6,072,035	-	6,072,035
NET CHANGE IN FUND BALANCE	(698,424)	-	(698,424)
FUND BALANCE BEGINNING OF YEAR- RESTATED	4,721,358	180,274	4,901,632
FUND BALANCE END OF YEAR	\$ 4,022,934	\$ 180,274	\$ 4,203,208

Budgetary Schedules

General Fund (Non-GAAP Basis)

School General Fund (Non-GAAP Basis)

TOWN OF GLOCESTER, RHODE ISLAND
Budgetary Comparison Schedule - Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP Budgetary Basis) - General Fund
For the Fiscal Year Ended June 30, 2018

	Original Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance
REVENUES:				
Property tax	\$ 23,524,717	23,524,717	\$ 23,859,043	334,326
General state aid	601,359	601,359	604,639	3,280
State housing aid	-	-	21,962	21,962
License, fees and fines	325,600	325,600	467,781	142,181
Interest and investment income	88,350	88,350	107,198	18,848
Other revenues	161,700	161,700	238,630	76,930
TOTAL REVENUES	24,701,726	24,701,726	25,299,253	597,527
EXPENDITURES:				
CENTRAL ADMINISTRATION:				
<i>Town Council:</i>				
Salaries	13,000	13,000	12,991	9
Payroll taxes and benefits	1,974	1,974	1,958	16
Miscellaneous	3,750	3,750	2,886	864
Contingency	11,000	11,000	4,965	6,035
Total Town Council	29,724	29,724	22,800	6,924
<i>Town Clerk:</i>				
Town clerk salary	69,758	69,758	69,759	(1)
Deputy salary	46,247	46,247	46,236	11
Clerical salaries	84,084	84,084	84,084	-
Longevity	6,841	6,841	6,842	(1)
Payroll taxes and benefits	107,024	107,024	104,002	3,022
Advertising - general/ordinances	2,000	2,000	915	1,085
Printing	1,800	1,800	1,256	544
Microfilming	500	500	87	413
Supplies	400	400	287	113
Education and training	300	300	-	300
Travel and dues	400	400	320	80
Publications and subscriptions	1,200	1,200	984	216
Office equipment and furniture	750	750	427	323
Purchased services - indexing, restoration, other	6,000	6,000	6,403	(403)
Miscellaneous	1,200	1,200	1,596	(396)
Total Town Clerk	328,504	328,504	323,198	5,306
<i>Board of Canvassers:</i>				
Salaries	1,500	1,500	1,500	-
Police services	1,500	1,500	1,071	429
Poll workers	2,250	2,250	1,200	1,050
Payroll taxes and benefits	249	249	205	44
Advertising	2,500	2,500	1,247	1,253
Miscellaneous	2,500	2,500	828	1,672
Total Board of Canvassers	10,499	10,499	6,051	4,448
<i>Probate Court:</i>				
Probate judge salary	4,205	4,205	4,205	-
Worker's compensation	22	22	11	11
Microfilming	300	300	-	300
Restoration and miscellaneous	250	250	-	250
Total Probate Court	4,777	4,777	4,216	561

(Continued)

TOWN OF GLOCESTER, RHODE ISLAND
Budgetary Comparison Schedule - Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP Budgetary Basis) - General Fund
For the Fiscal Year Ended June 30, 2018

	Original Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance
<i>Building and Zoning Office:</i>				
Building/zoning official salary	61,721	61,721	62,281	(560)
Administrative aide salary	40,092	40,092	40,092	-
Longevity	1,103	1,103	1,103	-
Payroll taxes and benefits	51,780	51,780	46,345	5,435
Fees - electrical inspector	10,000	10,000	11,245	(1,245)
Fees - plumbing inspector	5,000	5,000	5,055	(55)
Fees - mechanical inspector	8,000	8,000	6,685	1,315
Education and training	1,300	1,300	588	712
Travel and dues	330	330	-	330
Publications and subscriptions	200	200	120	80
Forms and maps	300	300	255	45
Emergency board-ups	300	300	-	300
Miscellaneous	400	400	83	317
Office equipment and furniture	300	300	133	167
<i>Total Building and Zoning Office</i>	180,826	180,826	173,985	6,841
<i>Planning Office:</i>				
Town planner salary	51,294	51,294	54,487	(3,193)
Clerk salary	38,142	38,142	38,142	-
GIS consultant	13,109	13,109	14,640	(1,531)
Payroll taxes and benefits	14,576	14,576	14,569	7
Engineering and permitting	300	300	-	300
Advertising	700	700	691	9
Education and training	500	500	-	500
Dues	200	200	198	2
Forms and maps	100	100	1,687	(1,587)
Publications and subscriptions	100	100	-	100
Miscellaneous	1,600	1,600	188	1,412
<i>Total Planning Office</i>	120,621	120,621	124,602	(3,981)
<i>Planning Board:</i>				
Clerk salary	3,900	3,900	3,000	900
Payroll taxes and benefits	320	320	263	57
Advertising	-	-	-	-
Publications and subscriptions	100	100	512	(412)
Stenographic services	500	500	-	500
<i>Total Planning Board</i>	4,820	4,820	3,775	1,045
<i>Zoning Board:</i>				
Clerk salary	1,800	1,800	1,200	600
Payroll taxes and benefits	147	147	74	73
Advertising	500	500	697	(197)
<i>Total Zoning Board</i>	2,447	2,447	1,971	476

(Continued)

TOWN OF GLOCESTER, RHODE ISLAND
Budgetary Comparison Schedule - Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP Budgetary Basis) - General Fund
For the Fiscal Year Ended June 30, 2018

	Original Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance
<i>Conservation Commission:</i>				
Advertising	100	100	142	(42)
Dues	200	200	140	60
Water watch program	1,200	1,200	1,250	(50)
Tree seedling program	900	900	529	371
Total Conservation Commission	2,400	2,400	2,061	339
<i>Land Trust:</i>				
Land purchase and reconditioning	74,250	74,250	83,191	(8,941)
Total Land Trust	74,250	74,250	83,191	(8,941)
<i>Community Resource Commission:</i>				
Advertising	500	500	-	500
Total Community Resource Commission	500	500	-	500
<i>Town Solicitor:</i>				
Legal services	120,000	120,000	102,080	17,920
Total Town Solicitor	120,000	120,000	102,080	17,920
<i>Town Sergeant:</i>				
Salary	135	135	135	-
Payroll taxes and benefits	11	11	11	-
Total Town Sergeant	146	146	146	-
TOTAL CENTRAL ADMINISTRATION	879,514	879,514	848,076	31,438
<i>FINANCIAL ADMINISTRATION:</i>				
<i>Finance Director's Office:</i>				
Finance director salary	80,962	80,962	80,962	-
Payroll taxes and benefits	17,762	17,762	17,522	240
Education and training	2,000	2,000	145	1,855
Dues	450	450	225	225
Office equipment and furniture	250	250	-	250
Publications and subscriptions	100	100	-	100
Total Finance Director's Office	101,524	101,524	98,854	2,670
<i>Treasurer's Office:</i>				
Clerk salaries	84,084	84,084	84,084	-
Administrative aide salary	54,631	54,631	35,550	19,081
Longevity	2,048	2,048	-	2,048
Payroll taxes and benefits	57,222	57,222	55,322	1,900
Advertising	1,750	1,750	932	818
Printing	300	300	-	300
Education and training	700	700	-	700
Office equipment and furniture	400	400	-	400
Publications and subscriptions	100	100	-	100
Computer/payroll services	24,500	24,500	22,728	1,772
Travel	125	125	-	125
Miscellaneous	100	100	-	100
GASB	4,000	4,000	2,300	1,700
Audit	34,000	34,000	31,828	2,172
Total Treasurer's Office	263,960	263,960	232,744	31,216

(Continued)

TOWN OF GLOCESTER, RHODE ISLAND
Budgetary Comparison Schedule - Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP Budgetary Basis) - General Fund
For the Fiscal Year Ended June 30, 2018

	Original Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance
<i>Personnel Office:</i>				
Advertising	4,000	4,000	1,647	2,353
Education and training	250	250	-	250
Publications and subscriptions	100	100	-	100
Miscellaneous	100	100	-	100
Total Personnel Office	4,450	4,450	1,647	2,803
<i>Tax Collection Office:</i>				
Tax collector salary	54,764	58,764	58,764	-
Clerk salary	42,042	42,042	42,042	-
Longevity	3,630	3,780	3,780	-
Payroll taxes and benefits	47,380	48,130	46,194	1,936
Advertising	250	250	178	72
Postage	4,300	4,300	3,701	599
Education and training	250	250	136	114
Dues	100	100	60	40
Other purchased services	22,200	22,200	23,093	(893)
Tax collection fee	32,000	32,000	17,239	14,761
Miscellaneous	350	350	180	170
Total Tax Collection Office	207,266	212,166	195,367	16,799
<i>Tax Assessor's Office:</i>				
Assessor salary	61,740	61,740	61,005	735
Clerical salary	38,142	38,142	29,493	8,649
Payroll taxes and benefits	44,152	44,152	27,872	16,280
Cartography Services	1,000	1,000	-	1,000
Advertising	250	250	-	250
Education and training	2,000	2,000	488	1,512
Dues	400	400	45	355
Publications and subscriptions	1,500	1,500	699	801
Office equipment and furniture	500	500	140	360
Other purchased services	500	500	380	120
Miscellaneous	500	500	-	500
Total Tax Assessor's Office	150,684	150,684	120,122	30,562
TOTAL FINANCIAL ADMINISTRATION	727,884	732,784	648,734	84,050

(Continued)

TOWN OF GLOCESTER, RHODE ISLAND
Budgetary Comparison Schedule - Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP Budgetary Basis) - General Fund
For the Fiscal Year Ended June 30, 2018

	Original Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance
PUBLIC SAFETY:				
<i>Police Department:</i>				
Chief salary	82,272	82,272	82,272	-
Captain, lieutenant, and sergeant's salaries	282,511	279,511	256,089	23,422
Police officers' salaries	642,181	636,181	657,540	(21,359)
Administrative aide	69,906	69,906	69,915	(9)
Dispatchers	198,431	198,431	192,010	6,421
Special and boat patrols	9,375	9,375	10,633	(1,258)
Court time reimbursement	7,150	7,150	6,366	784
Police Details	-	-	11,815	(11,815)
Overtime, vacation and illness coverage	110,738	110,738	98,065	12,673
Longevity	57,168	66,168	64,821	1,347
Payroll taxes and benefits	669,017	669,017	662,292	6,725
Education and training	11,000	11,000	17,793	(6,793)
Telephone	4,000	4,000	2,882	1,118
Postage	500	500	365	135
Other purchased services	-	-	345	(345)
Communications	1,100	1,100	891	209
Miscellaneous	7,400	7,400	4,168	3,232
Ammunition and range supplies	3,070	3,070	3,046	24
Investigative supplies	1,500	1,500	687	813
Fingerprinting cost	2,450	2,450	3,300	(850)
Conference, travel and dues	800	800	831	(31)
Heat and electricity	19,500	19,500	23,041	(3,541)
Service contracts	11,400	11,400	11,551	(151)
Special equipment - non-office	6,995	6,995	6,441	554
Office equipment and furniture	1,500	1,500	-	1,500
Total Police Department	2,199,964	2,199,964	2,187,159	12,805
<i>Emergency Management Agency:</i>				
Coordinator salary	7,237	7,237	4,850	2,387
Payroll taxes and benefits	592	592	707	(115)
Heat and electricity	2,700	2,700	2,371	329
Service contracts	7,000	7,000	5,471	1,529
Miscellaneous expense	-	-	1,392	(1,392)
Education and training	150	150	-	150
Total Emergency Management Agency	17,679	17,679	14,791	2,888
<i>Animal Control:</i>				
Animal control officer salary	44,630	44,630	45,178	(548)
Assistant officer salary	10,742	10,742	7,604	3,138
Payroll taxes and benefits	31,372	31,372	29,840	1,532
Education and training	100	100	-	100
Telephone	350	350	390	(40)
Heat and electricity	3,050	3,050	3,723	(673)
Supplies - animal	1,100	1,100	1,096	4
Other purchased services	3,000	3,000	2,345	655
Service contracts	192	192	180	12
Miscellaneous	900	900	810	90
Furniture and fixtures	400	400	78	322
Rabies vaccinations	750	750	755	(5)
Dog damage	250	250	-	250
Equipment - non-office	750	750	167	583
Total Animal Control	97,586	97,586	92,166	5,420
TOTAL PUBLIC SAFETY	2,315,229	2,315,229	2,294,116	21,113

(Continued)

TOWN OF GLOCESTER, RHODE ISLAND
Budgetary Comparison Schedule - Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP Budgetary Basis) - General Fund
For the Fiscal Year Ended June 30, 2018

	Original Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance
<i>PUBLIC WORKS DEPARTMENT:</i>				
<i>Director's Office</i>				
Director's salary	78,557	78,557	78,557	-
Clerk's salary	44,577	44,577	47,144	(2,567)
Longevity	3,498	3,498	3,498	-
Payroll taxes and benefits	52,987	52,987	49,938	3,049
Telephone	900	900	618	282
Education and training	200	200	-	200
Office furniture and equipment	350	350	140	210
Safety equipment	250	250	-	250
Service contracts	350	350	-	350
Miscellaneous	660	660	196	464
Mandatory drug testing	250	250	-	250
<i>Total Director's Office</i>	182,579	182,579	180,091	2,488
<i>Highway Division</i>				
Salaries	287,124	287,124	278,707	8,417
Overtime	2,000	2,000	2,694	(694)
Longevity	5,345	5,345	5,345	-
Payroll taxes and benefits	188,539	188,539	168,771	19,768
Heat and electricity	13,500	13,500	15,162	(1,662)
Education and training	250	250	-	250
Safety equipment	1,000	1,000	274	726
Purchased services	15,000	15,000	10,000	5,000
Road signs and miscellaneous	5,500	5,500	3,440	2,060
Tools	1,500	1,500	1,656	(156)
<i>Total Highway Division</i>	519,758	519,758	486,049	33,709
<i>Maintenance Division - Buildings, Grounds & Parks:</i>				
Salaries	104,562	104,562	128,130	(23,568)
Salaries - grass cutting	-	-	-	-
Salaries - GMP Winsor park support	3,232	3,232	1,584	1,648
Longevity	3,612	3,612	3,612	-
Payroll taxes and benefits	66,078	66,078	65,515	563
Supplies	7,200	7,200	4,997	2,203
Safety equipment	400	400	-	400
Other purchased services	29,590	29,090	19,883	9,207
Service contracts	300	300	-	300
Miscellaneous	3,000	3,000	1,743	1,257
Repairs, maintenance and construction material	28,000	28,000	15,308	12,692
Tools	4,000	4,000	2,795	1,205
Electricity - GMP	3,200	3,200	1,732	1,468
<i>Total Maintenance Division - Building, Grounds & Parks</i>	253,174	252,674	245,299	7,375

(Continued)

TOWN OF GLOCESTER, RHODE ISLAND
Budgetary Comparison Schedule - Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP Budgetary Basis) - General Fund
For the Fiscal Year Ended June 30, 2018

	Original Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance
<i>Maintenance Division - Vehicle & Equipment</i>				
Salaries	108,742	108,742	107,148	1,594
Overtime	1,300	1,300	-	1,300
Longevity	1,631	1,631	1,631	-
Payroll taxes and benefits	60,348	60,348	41,553	18,795
Safety equipment	600	600	95	505
Purchased services	20,000	20,000	22,720	(2,720)
Service contracts	650	650	-	650
Propane - paver	200	200	186	14
Miscellaneous	6,500	6,500	5,467	1,033
Gasoline	60,000	60,000	60,044	(44)
Lubricating oil	9,000	9,000	7,385	1,615
Diesel Fuel	50,000	50,000	53,505	(3,505)
Repair parts	115,000	115,000	94,035	20,965
Tools	4,500	4,500	6,581	(2,081)
Tires and tubes	15,000	15,000	14,773	227
Total Maintenance Division - Vehicle & Equipment	453,471	453,471	415,123	38,348
<i>Waste Disposal Division:</i>				
Salaries	155,311	155,311	135,595	19,716
Overtime	5,000	5,000	4,581	419
Longevity	4,766	4,766	4,765	1
Youth litter corps	3,000	3,000	-	3,000
Payroll taxes and benefits	60,262	60,262	50,310	9,952
Telephone	500	500	308	192
Heat and electricity	7,300	7,300	5,512	1,788
Purchased services	10,200	10,700	11,462	(762)
Advertising	200	200	365	(165)
Safety equipment	300	300	36	264
Diesel fuel	22,700	22,700	15,291	7,409
Miscellaneous	10,000	10,000	7,676	2,324
Tipping fees	100,000	100,000	93,156	6,844
Total Waste Disposal Division	379,539	380,039	329,057	50,982
TOTAL PUBLIC WORKS	1,788,521	1,788,521	1,655,619	132,902
RECREATION AND SENIOR CENTER				
<i>Recreation:</i>				
Director salary	17,231	17,231	16,994	237
Assistant director salary	600	600	400	200
Salaries - swim, gymnastics, tennis, arts & crafts	67,009	67,009	49,858	17,151
Police detail - July 4th	700	700	701	(1)
Payroll taxes and benefits	11,552	11,552	7,849	3,703
Advertising	100	300	276	24
Telephone	850	850	954	(104)
Electricity - beaches & Winsor	750	750	371	379
Water testing - beaches and GMP	500	500	500	-
Materials and equipment	14,000	10,220	7,443	2,777
Recreation programs	17,900	21,480	15,844	5,636
Total Recreation	131,192	131,192	101,190	30,002

(Continued)

TOWN OF GLOCESTER, RHODE ISLAND
Budgetary Comparison Schedule - Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP Budgetary Basis) - General Fund
For the Fiscal Year Ended June 30, 2018

	Original Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance
<i>Senior Center:</i>				
Director's salary	36,660	56,660	51,554	5,106
Interim director's salary	10,682	10,682	1,135	9,547
Senior meal site - kitchen aid	17,858	17,858	19,370	(1,512)
Longevity	1,283	1,283	-	1,283
Payroll taxes and benefits	24,148	24,148	21,956	2,192
Electricity, heat, propane and diesel	22,500	22,500	25,584	(3,084)
Telephone	850	850	882	(32)
Office supplies	4,200	4,200	1,719	2,481
Repair/maintenance/construction material	3,600	3,600	2,374	1,226
Programs and activities	10,000	10,000	7,500	2,500
Other purchased services	37,000	37,000	32,445	4,555
License fees	350	350	117	233
Miscellaneous	1,500	1,500	830	670
Water testing	800	800	720	80
Advertising	600	600	-	600
<i>Total Senior Center</i>	<u>172,031</u>	<u>192,031</u>	<u>166,186</u>	<u>25,845</u>
TOTAL RECREATION AND SENIOR CENTER	<u>303,223</u>	<u>323,223</u>	<u>267,376</u>	<u>55,847</u>
<i>SOCIAL SERVICES:</i>				
<i>Human Services Department:</i>				
Director's salary	16,193	16,193	16,192	1
Van driver's salary	15,708	15,708	10,194	5,514
Payroll taxes and benefits	4,184	4,184	2,819	1,365
Telephone	600	600	607	(7)
Advertising	250	250	142	108
Miscellaneous	750	750	181	569
<i>Total Human Services Department</i>	<u>37,685</u>	<u>37,685</u>	<u>30,135</u>	<u>7,550</u>
TOTAL SOCIAL SERVICES	<u>37,685</u>	<u>37,685</u>	<u>30,135</u>	<u>7,550</u>

(Continued)

TOWN OF GLOCESTER, RHODE ISLAND
Budgetary Comparison Schedule - Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP Budgetary Basis) - General Fund
For the Fiscal Year Ended June 30, 2018

	Original Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance
OTHER OPERATION EXPENDITURES				
<i>Town Hall:</i>				
Utilities	35,000	35,000	34,779	221
Postage, meter and supplies	19,000	19,000	17,915	1,085
Reclassifications & salary negotiations	50,000	25,100	6,848	18,252
Office and computer supplies	18,000	18,000	18,260	(260)
Security	5,000	5,000	2,457	2,543
Service Contracts	2,600	2,600	1,536	1,064
Advertising	12,000	12,000	11,461	539
Telephone, modem, fax and TDD	6,000	6,000	4,233	1,767
Copier rental	3,000	3,000	664	2,336
RI League of Cities & Towns dues	4,000	4,000	3,960	40
Insurance - property/liability/other	125,000	125,000	119,961	5,039
Unemployment compensation	2,000	2,000	-	2,000
Retired personnel cost	10,000	10,000	36,217	(26,217)
Bond disclosure fees	2,000	2,000	1,750	250
Total Town Hall	293,600	268,700	260,041	8,659
<i>Information Technology Office:</i>				
Information Technology's salary	32,760	32,760	29,046	3,714
Payroll taxes and benefits	2,679	2,679	2,445	234
Internet	12,130	12,130	11,639	491
Computer systems support/repairs	49,000	49,000	36,048	12,952
Computer system equipment	62,500	62,500	68,679	(6,179)
Computer system licenses	5,000	5,000	2,662	2,338
Server replacement program	14,500	14,500	-	14,500
Workstation replacement program	48,000	48,000	18,628	29,372
Computer systems cable/tools	500	500	-	500
Total Information Technology Office	227,069	227,069	169,147	57,922
TOTAL OTHER OPERATION EXPENDITURES	520,669	495,769	429,188	66,581
AID REQUESTS:				
<i>Aid to Libraries:</i>				
Glocester Manton	157,426	157,426	157,426	-
Harmony	197,002	197,002	197,002	-
Total Aid to Libraries	354,428	354,428	354,428	-
<i>Cultural Services:</i>				
Glocester light infantry - Memorial day parade	1,000	1,000	1,000	-
Total Cultural Services	1,000	1,000	1,000	-
<i>Social Services:</i>				
Glocester Little League	5,000	5,000	5,000	-
Glocester Heritage Society	2,500	2,500	2,500	-
Meals on Wheels	4,000	4,000	4,000	-
NW Community Nursing & Health Service	2,500	2,500	2,500	-
Total Social Services	14,000	14,000	14,000	-
TOTAL AID REQUESTS	369,428	369,428	369,428	-
EDUCATION:				
<i>Foster-Glocester Region</i>	10,263,158	10,263,158	10,263,158	-
TOTAL EDUCATION	10,263,158	10,263,158	10,263,158	-
DEBT SERVICE:				
<i>Non-School Bonds:</i>				
Fogerty school roof	35,000	35,000	35,000	-
Land trust bond 2010 - 2019	60,000	60,000	60,000	-
Senior center 2007 - 2027	110,000	110,000	110,000	-
Interest	73,587	73,587	73,562	25
Total Non-School Bonds	278,587	278,587	278,562	25
TOTAL DEBT SERVICE	278,587	278,587	278,562	25

(Continued)

TOWN OF GLOCESTER, RHODE ISLAND
Budgetary Comparison Schedule - Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP Budgetary Basis) - General Fund
For the Fiscal Year Ended June 30, 2018

	<u>Original Adopted Budget</u>	<u>Final Approved Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance</u>
TOTAL EXPENDITURES	17,483,898	17,483,898	17,084,392	399,506
<i>Excess of revenues over (under) expenditures before other financing sources (uses)</i>	\$ 7,217,828	\$ 7,217,828	\$ 8,214,861	\$ 997,033
OTHER FINANCING SOURCES (USES):				
Appropriated fund balance	640,315	640,315	640,315	-
Transfer to Glocester School Department	(6,372,035)	(6,372,035)	(6,372,035)	-
Transfer to capital projects fund	(1,182,308)	(1,182,308)	(960,993)	221,315
Transfer to storm/snow related services	(150,000)	(150,000)	(150,000)	-
Transfer to Foster Glocester proration	(40,000)	(40,000)	(40,000)	-
Transfer to Senior Center	-	-	(2,000)	(2,000)
Transfer to comprehensive plan - 5 year update	-	-	(1,500)	(1,500)
Transfer to Computer Technology	-	-	(48,872)	(48,872)
Transfer to independence day parade	(14,000)	(14,000)	(14,000)	-
Transfer to other post employment benefits	(99,800)	(99,800)	(60,555)	39,245
Transfer to matching state funds	-	-	(50,000)	(50,000)
NET OTHER FINANCING SOURCES (USES)	<u>(7,217,828)</u>	<u>(7,217,828)</u>	<u>(7,059,640)</u>	<u>158,188</u>
<i>Excess of revenues and other financing sources over (under) expenditures and other financing uses</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,155,221</u>	<u>\$ 1,155,221</u>

(Concluded)

SUPPLEMENTARY INFORMATION
TOWN OF GLOCESTER, RHODE ISLAND
Budgetary Comparison Schedule - Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP Budgetary Basis) - School General Fund
For the Fiscal Year Ended June 30, 2018

	<u>Original Adopted Budget</u>	<u>Final Approved Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance</u>
REVENUES:				
State Aid	\$ 2,415,228	\$ 2,415,228	\$ 2,407,384	\$ (7,844)
Federal revenue-Medicaid reimbursement	94,000	94,000	28,913	(65,087)
Tuitions	40,000	40,000	48,173	8,173
Earnings on investments	1,500	1,500	413	(1,087)
Other	4,000	4,000	3,052	(948)
TOTAL REVENUES	<u>2,554,728</u>	<u>2,554,728</u>	<u>2,487,935</u>	<u>(66,793)</u>
EXPENDITURES				
Fogarty Memorial:				
Kindergarten	2,100	2,100	1,204	896
Art	3,000	3,000	2,801	199
Computer education	15,000	15,000	17,163	(2,163)
English, language arts	19,500	19,500	33,690	(14,190)
Health/physical education	1,250	1,250	899	351
Special education support	400	400	228	172
Mathematics	3,500	3,500	3,104	396
Music	1,000	1,000	981	19
Science	3,000	3,000	2,282	718
School library	4,700	4,700	4,467	233
Speech	450	450	190	260
Self-contained program	650	650	376	274
Social work services	900	900	636	264
Psychological services	800	800	743	57
Health services	4,800	4,800	2,021	2,779
Telephone	2,000	2,000	1,779	221
Police and fire details	600	600	-	600
School management/general	48,450	48,450	50,614	(2,164)
Total	<u>112,100</u>	<u>112,100</u>	<u>123,178</u>	<u>(11,078)</u>
West Glocester:				
Kindergarten	1,200	1,200	950	250
Art	2,700	2,700	1,686	1,014
Computer education	14,000	14,000	13,795	205
English, language arts	16,900	16,900	26,802	(9,902)
Health/physical education	1,000	1,000	838	162
Mathematics	1,600	1,600	2,403	(803)
Music	1,000	1,000	896	104
Science	2,500	2,500	3,566	(1,066)
School library	4,100	4,100	4,305	(205)
Speech	500	500	276	224
Resource program	350	350	333	17
Self-contained program	-	-	566	(566)
Pre-school program	700	700	238	462
Social work services	500	500	629	(129)
Psychological services	800	800	554	246
Health services	4,500	4,500	1,450	3,050
Telephone	2,000	2,000	1,612	388
Police and fire details	250	250	-	250
School management/general	38,450	38,450	38,507	(57)
Total	<u>\$ 93,050</u>	<u>\$ 93,050</u>	<u>\$ 99,406</u>	<u>\$ (6,356)</u>

(Continued)

TOWN OF GLOCESTER, RHODE ISLAND
Budgetary Comparison Schedule - Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP Budgetary Basis) - School General Fund
For the Fiscal Year Ended June 30, 2018

	<u>Original Adopted Budget</u>	<u>Final Approved Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance</u>
Central administration:				
Systemwide Management	\$ 264,500	264,500	\$ 152,745	111,755
Fiscal services	3,800	3,800	606	3,194
Policy formulation	3,800	3,800	2,494	1,306
Legal services	30,000	30,000	19,201	10,799
Non-public textbooks	1,200	1,200	142	1,058
Total	<u>303,300</u>	<u>303,300</u>	<u>175,188</u>	<u>128,112</u>
Systemwide:				
Special education services	120,250	120,250	123,707	(3,457)
Operations - buildings and grounds	364,220	364,220	356,675	7,545
Transportation, regular	583,000	583,000	430,648	152,352
Transportation, special education	93,500	93,500	111,521	(18,021)
Transportation, Foster-Glocester Regional	638,248	638,248	644,672	(6,424)
Total	<u>1,799,218</u>	<u>1,799,218</u>	<u>1,667,223</u>	<u>131,995</u>
Salaries and fringes:				
Classroom instruction	2,496,712	2,496,712	2,523,766	(27,054)
Kindergarten instruction	422,766	422,766	421,525	1,241
Physical education instruction	157,847	157,847	156,978	869
Music instruction	102,650	102,650	102,185	465
Art instruction	121,813	121,813	121,148	665
Pre-kindergarten instruction	118,829	118,829	100,913	17,916
School library	144,435	144,435	144,433	2
Special education	469,284	469,284	505,371	(36,087)
Speech	160,939	160,939	158,191	2,748
Social work services	80,456	80,456	80,454	2
Psychological services	63,606	63,606	64,407	(801)
Health services	145,778	145,778	144,976	802
Principals	201,005	201,005	201,200	(195)
Bus transportation, regular	5,274	5,274	5,290	(16)
Clerical	110,324	110,324	104,299	6,025
School management	62,867	62,867	59,856	3,011
Custodial	265,790	265,790	252,385	13,405
Fringe benefits	2,107,764	2,107,764	2,046,022	61,742
Total Salaries and Fringes	<u>7,238,139</u>	<u>7,238,139</u>	<u>7,193,399</u>	<u>44,740</u>
TOTAL EXPENDITURES	<u>9,545,807</u>	<u>9,545,807</u>	<u>9,258,394</u>	<u>287,413</u>
Excess of revenues over (under) expenditures before other financing sources (uses)	<u>(6,991,079)</u>	<u>(6,991,079)</u>	<u>(6,770,459)</u>	<u>220,620</u>
OTHER FINANCING SOURCES (USES):				
Transfers from Town	6,372,035	6,372,035	6,372,035	-
Transfers to other funds	(300,000)	(300,000)	(300,000)	-
Reappropriated fund balance	919,044	919,044	919,044	-
NET OTHER FINANCING SOURCES (USES)	<u>6,991,079</u>	<u>6,991,079</u>	<u>6,991,079</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 220,620</u>	<u>\$ 220,620</u>

(Concluded)

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 Gloucester
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	\$ 20,863,463	\$ -
Last Year's Levy Tax Collection	478,658	-
Prior Years Property Tax Collection	97,128	-
Interest & Penalty	106,282	-
PILOT & Tax Treaty (excluded from levy) Collection	2,419,801	-
Other Local Property Taxes	-	-
Licenses and Permits	466,382	-
Fines and Forfeitures	59,730	-
Investment Income	7,887	-
Departmental	144,683	-
Rescue Run Revenue	-	-
Police & Fire Detail	139,593	-
Other Local Non-Property Tax Revenues	61,139	-
Tuition	-	48,173
Impact Aid	-	-
Medicaid	-	28,913
Federal Stabilization Funds	-	-
Federal Food Service Reimbursement	-	42,504
CDBG	-	-
COPS Grants	-	-
SAFER Grants	-	-
Other Federal Aid Funds	-	295,503
MV Excise Tax Reimbursement & Phase-out	399,418	-
State PILOT Program	-	-
Distressed Community Relief Fund	-	-
Library Resource Aid	-	-
Library Construction Aid	-	-
Public Service Corporation Tax	123,645	-
Meals & Beverage Tax / Hotel Tax	80,219	-
LEA Aid	-	2,407,384
Group Home	-	-
Housing Aid Capital Projects	21,962	-
Housing Aid Bonded Debt	-	-
State Food Service Revenue	-	12,121
Incentive Aid	-	-
Property Revaluation Reimbursement	-	-
Other State Revenue	-	-
Other Revenue	-	113,707
Local Appropriation for Education	-	6,372,035
Regional Appropriation for Education	-	-
Supplemental Appropriation for Education	-	-
Regional Supplemental Appropriation for Education	-	-
Other Education Appropriation	-	-
Rounding	-	-
Total Revenue	\$ 25,469,989	\$ 9,320,340
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 Gloucester
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2018

EXPENDITURES	General Government	Finance	Social Services	Centralized IT	Planning	Libraries	Public Works	Parks and Rec	Police Department
Compensation- Group A	\$ 238,000	\$ 395,681	\$ 98,446	\$ 29,046	\$ 233,730	\$ -	\$ 802,737	\$ 67,252	\$ 1,124,906
Compensation - Group B	-	-	-	-	-	-	-	-	263,867
Compensation - Group C	-	-	-	-	-	-	-	-	-
Compensation -Volunteer	-	-	-	-	-	-	-	-	-
Overtime- Group A	-	-	-	-	-	-	7,573	-	79,433
Overtime - Group B	-	-	-	-	-	-	-	-	18,632
Overtime - Group C	-	-	-	-	-	-	-	-	-
Police & Fire Detail	-	-	-	-	-	-	-	-	143,013
Active Medical Insurance - Group A	62,308	67,067	6,786	-	22,667	-	179,676	-	211,769
Active Medical Insurance- Group B	-	-	-	-	-	-	-	-	49,674
Active Medical Insurance- Group C	-	-	-	-	-	-	-	-	-
Active Dental Insurance- Group A	2,865	4,363	280	-	1,750	-	8,309	-	10,781
Active Dental Insurance- Group B	-	-	-	-	-	-	-	-	2,529
Active Dental Insurance- Group C	-	-	-	-	-	-	-	-	-
Payroll Taxes	16,621	29,612	7,609	2,357	17,962	-	59,516	5,320	121,695
Life Insurance	1,078	1,599	217	-	678	-	4,191	-	5,615
State Defined Contribution- Group A	1,755	2,874	679	-	1,399	-	6,460	-	161,359
State Defined Contribution - Group B	-	-	-	-	-	-	-	-	37,850
State Defined Contribution - Group C	-	-	-	-	-	-	-	-	-
Other Benefits- Group A	618	2,463	2,405	88	2,449	-	32,173	2,529	16,124
Other Benefits- Group B	-	-	-	-	-	-	-	-	3,782
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	21,421	38,932	6,801	-	14,010	-	78,446	-	14,525
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	3,407
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	-	-	-	-	-	-	-	-	-
Purchased Services	110,746	80,329	68,763	-	-	-	64,064	500	15,196
Materials/Supplies	23,051	320	1,719	-	133	-	16,169	9,620	10,244
Software Licenses	2,662	36,648	-	87,307	2,500	-	-	-	-
Capital Outlays	-	-	-	-	-	-	-	-	-
Insurance	119,961	-	-	-	-	-	-	-	-
Maintenance	-	-	2,374	-	-	-	15,307	-	-
Vehicle Operations	-	-	-	-	-	-	98,349	-	21,982
Utilities	39,012	-	27,072	11,640	-	-	150,972	1,325	25,923
Contingency	-	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	1,200	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	192,015	-	-
Trash Removal & Recycling	-	-	-	-	-	-	93,157	-	-
Claims & Settlements	-	-	-	-	-	-	-	-	-
Community Support	26,370	-	-	-	-	-	-	-	-
Other Operation Expenditures	133,029	25,494	1,269	-	3,811	354,428	15,339	4,353	8,199
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	\$ 799,497	\$ 685,380	\$ 224,419	\$ 130,437	\$ 301,088	\$ 354,428	\$ 1,825,652	\$ 90,898	\$ 2,350,505

Town of Gloucester
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	\$ -	\$ -	\$ 58,416	\$ -	\$ -	\$ -	\$ 3,048,213	\$ 4,044,735
Compensation - Group B	-	-	-	-	-	-	263,867	301,490
Compensation - Group C	-	-	-	-	-	-	-	956,260
Compensation -Volunteer	-	-	-	-	-	-	-	-
Overtime- Group A	-	-	-	-	-	-	87,006	-
Overtime - Group B	-	-	-	-	-	-	18,632	-
Overtime - Group C	-	-	-	-	-	-	-	4,929
Police & Fire Detail	-	-	-	-	-	-	143,013	-
Active Medical Insurance - Group A	-	-	18,592	-	-	-	568,865	614,345
Active Medical Insurance- Group B	-	-	-	-	-	-	49,674	37,609
Active Medical Insurance- Group C	-	-	-	-	-	-	-	425,393
Active Dental Insurance- Group A	-	-	855	-	-	-	29,202	36,648
Active Dental Insurance- Group B	-	-	-	-	-	-	2,529	2,172
Active Dental Insurance- Group C	-	-	-	-	-	-	-	23,408
Payroll Taxes	-	-	4,420	-	-	-	265,112	150,661
Life Insurance	-	-	265	-	-	-	13,644	15,276
State Defined Contribution- Group A	-	-	451	-	-	-	174,976	62,222
State Defined Contribution - Group B	-	-	-	-	-	-	37,850	351
State Defined Contribution - Group C	-	-	-	-	-	-	-	9,077
Other Benefits- Group A	-	-	664	-	-	-	59,512	71,316
Other Benefits- Group B	-	-	-	-	-	-	3,782	230
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	-	-	4,516	-	-	-	178,651	521,873
State Defined Benefit Pension - Group B	-	-	-	-	-	-	3,407	33,782
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	82,810
Other Defined Benefit / Contribution	-	-	-	-	-	-	-	-
Purchased Services	-	-	7,816	-	-	-	347,413	1,651,830
Materials/Supplies	-	-	1,342	-	-	-	62,596	154,758
Software Licenses	-	-	-	-	-	-	129,116	60,790
Capital Outlays	-	-	-	-	-	-	-	54,657
Insurance	-	-	-	-	-	-	119,961	42,663
Maintenance	-	-	-	-	-	-	17,681	38,504
Vehicle Operations	-	-	-	-	-	-	120,331	17,688
Utilities	-	-	6,483	-	-	-	262,427	207,504
Contingency	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	1,200	-
Revaluation	-	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	192,015	-
Trash Removal & Recycling	-	-	-	-	-	-	93,157	-
Claims & Settlements	-	-	-	-	-	-	-	-
Community Support	-	-	-	-	-	-	26,370	-
Other Operation Expenditures	-	-	3,137	-	-	-	549,059	42,550
Local Appropriation for Education	-	-	-	6,372,035	-	-	6,372,035	-
Regional Appropriation for Education	-	-	-	10,263,158	-	-	10,263,158	-
Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	151,512	-	151,512	-
Municipal Debt- Interest	-	-	-	-	75,538	-	75,538	-
School Debt- Principal	-	-	-	-	35,000	-	35,000	-
School Debt- Interest	-	-	-	-	16,512	-	16,512	-
Retiree Medical Insurance- Total	-	-	-	-	-	-	-	41,404
Retiree Dental Insurance- Total	-	-	-	-	-	-	-	818
OPEB Contribution- Total	-	-	-	-	-	36,217	36,217	-
Non-Qualified OPEB Trust Contribution	-	-	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-
Total Expenditures	\$ -	\$ -	\$ 106,957	\$ 16,635,193	\$ 278,562	\$ 36,217	\$ 23,819,233	\$ 9,707,752

Financing Uses: Transfer to Capital Funds	\$ 1,198,308	\$ -
Financing Uses: Transfer to Other Funds	-	300,000
Financing Uses: Payment to Bond Escrow Agent	-	-
Financing Uses: Other	-	-
Total Other Financing Uses	\$ 1,198,308	\$ 300,000
Net Change in Fund Balance¹	452,448	(687,412)
Fund Balance¹- beginning of year	\$8,738,406	\$3,780,240
Funds removed from Reportable Government Services (RGS)	-	-
Funds added to Reportable Government Services (RGS)	-	-
Prior period adjustments	-	1,211,316
Misc. Adjustment	-	22
Fund Balance¹ - beginning of year adjusted	8,738,406	4,991,578
Rounding	-	-
Fund Balance¹ - end of year	\$ 9,190,854	\$ 4,304,166

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

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

Per Audited Fund Financial Statements Fund Description	Total Revenue	Total Other Financing Sources	Total Expenditures	Total Other Financing Uses	Net Change in Fund Balance ¹	Beginning Fund Fund Balance ¹ (Deficit)	Prior Period Adjustment	Restated Beginning Fund Balance ¹ (Deficit)	Ending Fund Balance ¹ (Deficit)
Fund Balance¹ - per MTP-2 at June 30, 2017						\$ 8,738,406		\$ 8,738,406	
<i>No funds removed from RGS for fiscal 2018</i>						-		-	
<i>No funds added to RGS for Fiscal 2018</i>						-		-	
<i>No misc. adjustments made for fiscal 2018</i>						-		-	
Fund Balance¹ - per MTP-2 at June 30, 2017 adjusted						<u>\$ 8,738,406</u>		<u>\$ 8,738,406</u>	
General Fund	\$ 25,330,394	\$ -	\$ 17,307,605	\$ 7,570,343	\$ 452,446	\$ 8,738,406	\$ -	\$ 8,738,406	\$ 9,190,852
Totals per audited financial statements	<u>\$ 25,330,394</u>	<u>\$ -</u>	<u>\$ 17,307,605</u>	<u>\$ 7,570,343</u>	<u>\$ 452,446</u>	<u>\$ 8,738,406</u>	<u>\$ -</u>	<u>\$ 8,738,406</u>	<u>\$ 9,190,852</u>
Reconciliation from financial statements to MTP2									
Reclassify transfer of municipal appropriation to Education Department as expenditure on MTP2	\$ -	\$ -	\$ 6,372,035	\$ (6,372,035)	\$ -	\$ -	\$ -	\$ -	\$ -
Police detail expenditure is classified as net of police detail revenue on financial statements and on MTP2 is gross revenue and expenditure.	139,593	-	139,593	-	-	-	-	-	-
Rounding	3	-	-	-	2	-	-	-	2
Totals Per MTP2	<u>\$ 25,469,989</u>	<u>\$ -</u>	<u>\$ 23,819,233</u>	<u>\$ 1,198,308</u>	<u>\$ 452,448</u>	<u>\$ 8,738,406</u>	<u>\$ -</u>	<u>\$ 8,738,406</u>	<u>\$ 9,190,854</u>

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

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

Per Audited Fund Financial Statements Fund Description	Total Revenue	Total Other Financing Sources	Total Expenditures	Total Other Financing Uses	Net Change in Fund Balance ¹	Beginning Fund Fund Balance ¹ (Deficit)	Prior Period Adjustment	Restated Beginning Fund Balance ¹ (Deficit)	Ending Fund Balance ¹ (Deficit)
Fund Balance¹ - per MTP-2 at June 30, 2017						\$ 3,780,240		\$ 3,780,240	
<i>Prior period adjustments made for fiscal 2018</i>						-	1,211,316	1,211,316	
<i>Misc. adjustments made for fiscal 2018</i>						22		22	
Fund Balance¹ - per MTP-2 at June 30, 2017 adjusted						<u>\$ 3,780,262</u>		<u>\$ 4,991,578</u>	
School Unrestricted Fund	\$ 2,885,408	\$ 6,372,035	\$ 9,655,867	\$ 300,000	\$ (698,424)	\$ 3,690,316	\$ 1,211,316	\$ 4,901,632	\$ 4,203,208
Enterprise Fund	138,867	-	144,838	-	(5,971)	55,931	-	55,931	49,960
School Special Revenue Funds	321,503	-	306,097	-	15,406	34,016	-	34,016	49,422
Totals per audited financial statements	<u>\$ 3,345,778</u>	<u>\$ 6,372,035</u>	<u>\$ 10,106,802</u>	<u>\$ 300,000</u>	<u>\$ (688,989)</u>	<u>\$ 3,780,263</u>	<u>\$ 1,211,316</u>	<u>\$ 4,991,579</u>	<u>\$ 4,302,590</u>
Reconciliation from financial statements to MTP2									
Municipal appropriation for Education reported as a transfer on financial statements but a revenue on MTP2	\$ 6,372,035	\$ (6,372,035)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Contribution Teachers Pension DB & DC reported on FS but not on state report	(397,473)	-	(397,473)	-	-	-	-	-	-
Indirect costs	-	-	(1,577)	-	1,577	-	-	-	1,577
Rounding	-	-	-	-	-	(1)	-	(1)	(1)
Totals Per MTP2	<u>\$ 9,320,340</u>	<u>\$ -</u>	<u>\$ 9,707,752</u>	<u>\$ 300,000</u>	<u>\$ (687,412)</u>	<u>\$ 3,780,262</u>	<u>\$ 1,211,316</u>	<u>\$ 4,991,578</u>	<u>\$ 4,304,166</u>
Reconciliation from MTP2 to UCOA									
Transportation cost included on MTP2 and in audit but not in UCOA	\$ -		\$ (653,187)						
Totals per UCOA Validated Totals Report	<u>\$ 9,320,340</u>		<u>\$ 9,054,565</u>						

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

TOWN OF GLOCESTER, 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 GLOCESTER, 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 GLOCESTER, RHODE ISLAND
TAX COLLECTOR'S ANNUAL REPORT
For the Fiscal Year Ended June 30, 2018**

FISCAL YEAR END	BALANCE July 1, 2017	CURRENT YEAR ASSESSMENT	REFUNDS	ADDITIONS AND ADJUSTMENTS	ABATEMENTS	AMOUNT TO BE COLLECTED	CURRENT YEAR COLLECTIONS	BALANCE June 30, 2018
2017	-	21,348,945	62,752	299,877	315,685	21,395,889	20,828,244	567,645
2016	585,345		1,000	5,043	1,071	590,317	478,658	111,659
2015	107,559		-	3,523	-	111,082	38,572	72,510
2014	70,572		-	1,953	-	72,525	16,318	56,207
2013	64,286		-	2,060	-	66,346	14,325	52,021
2012	69,509		-	2,061	-	71,570	8,261	63,309
2011	61,450		-	1,945	-	63,395	3,787	59,608
2010	43,024		-	-	164	42,860	3,119	39,741
2009	28,000		-	5	159	27,846	2,096	25,750
2008	27,553		-	-	-	27,553	37	27,516
2007	27,095		-	-	27,073	22	22	-
	\$ 1,084,393	\$ 21,348,945	\$ 63,752	\$ 316,467	\$ 344,152	\$ 22,469,405	\$ 21,393,439	\$ 1,075,966
Allowance for Uncollectable Accounts:	(360,000)							(378,000)
Net Property Tax Receivable:	\$ 724,393							\$ 697,966

SCHEDULE OF NET ASSESSED PROPERTY, VALUE BY CATEGORY

DESCRIPTION OF PROPERTY	VALUATIONS	LEVY
Real property - Residential	\$ 990,319,100	\$ 19,538,996
Real property - Commercial/Industrial	54,114,800	1,280,897
Motor vehicles	96,850,659	2,360,251
Tangible personal	16,889,436	666,457
TOTAL	1,158,173,995	23,846,601
Less exemptions	(123,636,521)	(2,497,656)
NET ASSESSED VALUE	\$ 1,034,537,474	\$ 21,348,945

RECONCILIATION OF CURRENT YEAR PROPERTY TAX REVENUE

Current year collections	\$ 21,393,439
July - August 2018 Collections Subject to 60 - day FY 2018 Accrual	366,932
July - August 2017 Collections Subject to 60 - day FY 2017 Accrual	(331,718)
Plus: Pilot	2,419,801
Miscellaneous adjustment	10,589
CURRENT YEAR RE PROPERTY TAX & EXCISE TAX REVENUE	\$ 23,859,043

STATISTICAL SECTION

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

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Primary Government										
Governmental activities										
Net investment in capital assets	\$12,366,231	\$13,195,876	\$13,815,360	\$ 15,094,315	15,636,833	15,982,202	15,758,086	16,171,427	16,257,611	16,339,482
Restricted	571,210	3,100	3,438,859	4,738,724	5,044,716	4,737,642	3,391,797	2,099,156	2,643,015	2,500,024
Unrestricted	6,267,056	8,268,698	6,386,528	6,027,370	7,266,099	8,142,089	3,647,072	4,203,504	3,738,883	3,686,731
Total governmental activities net position	<u>\$19,204,497</u>	<u>\$21,467,674</u>	<u>\$23,640,747</u>	<u>\$ 25,860,409</u>	<u>\$ 27,947,648</u>	<u>\$ 28,861,933</u>	<u>\$ 22,796,955</u>	<u>\$ 22,474,087</u>	<u>\$ 22,639,509</u>	<u>\$ 22,526,237</u>
Business-type activities										
Net investment in capital assets	\$ -	\$ -	\$ -	\$ -	-	-	-	-	-	-
Unrestricted	23,468	43,413	50,642	57,785	62,929	60,541	60,114	63,658	55,931	49,960
Total business-type activities net position	<u>\$ 23,468</u>	<u>\$ 43,413</u>	<u>\$ 50,642</u>	<u>\$ 57,785</u>	<u>\$ 62,929</u>	<u>\$ 60,541</u>	<u>\$ 60,114</u>	<u>\$ 63,658</u>	<u>\$ 55,931</u>	<u>\$ 49,960</u>
Primary government										
Net investment in capital assets	\$12,366,231	\$13,195,876	\$13,815,360	\$ 15,094,315	\$ 15,636,833	\$ 15,982,202	\$ 15,758,086	\$ 16,171,427	\$ 16,257,611	\$ 16,339,482
Restricted	571,210	3,100	3,438,859	4,738,724	5,044,716	4,737,642	3,391,797	2,099,156	2,643,015	2,500,024
Unrestricted	6,290,524	8,312,111	6,437,170	6,085,155	7,329,028	8,202,630	3,707,186	4,267,162	3,794,814	3,736,691
Total primary government net position	<u>\$19,227,965</u>	<u>\$21,511,087</u>	<u>\$23,691,389</u>	<u>\$ 25,918,194</u>	<u>\$ 28,010,577</u>	<u>\$ 28,922,474</u>	<u>\$ 22,857,069</u>	<u>\$ 22,537,745</u>	<u>\$ 22,695,440</u>	<u>\$ 22,576,197</u>

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental activities:										
Administration	\$ 827,540	\$ 816,185	\$ 856,404	\$ 839,967	\$ 785,087	\$ 928,912	\$ 671,232	\$ 1,970,608	\$ 1,369,934	\$ 1,286,078
Finance	614,551	584,712	585,586	652,595	619,435	547,164	593,176	601,595	590,868	648,734
Public safety	2,084,153	1,911,181	1,954,111	2,151,464	2,207,975	2,146,761	2,341,273	2,341,021	2,402,364	2,397,982
Public works	2,871,973	2,130,372	2,207,085	2,095,239	2,095,284	2,427,577	2,394,808	2,364,144	2,370,728	2,539,395
Recreation	328,676	368,063	388,751	344,940	358,137	379,978	385,788	346,339	335,288	412,567
Social services	534,967	383,393	399,230	506,408	142,306	273,844	228,336	308,136	213,081	212,209
Operational expenses	417,912	265,543	312,695	315,689	327,098	559,608	389,605	376,743	398,346	432,276
Aid requests	333,083	317,533	318,533	322,750	322,914	325,970	336,441	344,446	413,298	369,428
Education	19,212,152	19,107,353	19,165,949	19,118,861	19,024,086	19,330,423	18,718,145	19,682,541	20,518,507	20,657,668
Interest on debt	260,885	236,437	224,607	197,988	144,345	144,723	125,975	104,779	84,156	74,220
Total governmental activities expenses	\$ 27,485,892	\$ 26,120,772	\$ 26,412,951	\$ 26,545,901	\$ 26,026,667	\$ 27,064,960	\$ 26,184,779	\$ 28,440,352	\$ 28,696,570	\$ 29,030,557
Business-type activities:										
School Lunch	\$ 153,610	\$ 124,224	\$ 134,636	\$ 147,749	\$ 140,718	\$ 148,336	\$ 163,043	\$ 145,170	\$ 140,157	\$ 144,838
Total primary government expenses	\$ 27,639,502	\$ 26,244,996	\$ 26,547,587	\$ 26,693,650	\$ 26,167,385	\$ 27,213,296	\$ 26,347,822	\$ 28,585,522	\$ 28,836,727	\$ 29,175,395
Program Revenues										
Governmental activities:										
Charges for services:										
Administration	\$ 352,433	\$ 329,306	\$ 284,709	\$ 154,714	\$ 14,473	\$ 13,457	\$ 12,353	\$ 12,963	\$ 13,590	\$ 15,533
Finance	26,214	10,949	15,571	34,987	408,769	487,411	459,001	335,225	372,429	467,781
Public safety	129,937	111,540	94,781	154,708	-	-	-	-	-	-
Public works	42,477	45,494	71,203	78,603	-	3,583	-	-	-	-
Recreation	6,662	8,826	8,415	-	-	-	5,752	3,426	2,400	3,920
Social services	23,107	53,629	90,273	26,929	6,000	5,125	2,661	2,828	3,226	13,006
Operational expenses	-	15,816	6,437	-	-	-	-	-	-	-
Aid requests	-	-	-	12,501	-	-	-	-	-	-
Education	184,493	292,772	333,722	196,202	138,238	136,074	130,684	141,783	128,097	80,138
Operating grants and contributions:										
Administration	146,712	152,325	170,684	258,723	-	48,713	-	1,484	378	1,812
Finance	-	-	-	-	-	-	-	-	-	-
Public safety	13,668	15,931	61,899	67,705	62,086	78,854	52,965	43,733	38,804	19,505
Public works	-	82,615	-	152,886	119,627	115,399	109,707	111,244	98,969	113,623
Recreation	20,726	22,308	26,234	21,776	-	-	-	-	-	-
Social services	474,412	487,188	591,912	223,833	137,784	199,813	302,322	379,563	199,445	97,430
Operational expenses	-	-	-	-	292,495	358,548	382,794	373,009	376,391	626,601
Education	3,783,450	3,622,793	3,777,064	3,601,729	3,581,361	3,447,432	2,973,958	2,832,034	3,224,052	3,126,360
Interest	-	-	-	-	-	-	-	-	-	-
Glocester Land trust	-	-	-	-	5,833	166,233	-	-	57,710	-
Capital grants and contributions:										
Administration	-	-	-	-	-	-	-	-	-	-
Public safety	61,597	101,248	1,087	-	-	-	-	-	-	-
Public works	108,705	292,414	85,422	620,013	530,670	93,116	39,260	-	100,000	-
Recreation and cultural services	-	-	-	106,299	-	-	-	-	-	-
Social services	-	-	-	-	-	-	-	-	-	-
Operational expenses	-	-	-	-	-	-	-	-	-	-
Aid requests	-	-	-	159,363	-	-	-	-	-	-
Education	255,832	216,945	262,271	70,318	-	-	-	-	-	-
Total governmental activities program revenues	\$ 5,630,425	\$ 5,862,099	\$ 5,881,684	\$ 5,941,289	\$ 5,297,336	\$ 5,153,758	\$ 4,471,457	\$ 4,237,292	\$ 4,615,491	\$ 4,565,709

(Continued)

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Business-type activities:										
Charges for services:										
School Lunch	\$ 80,130	\$ 63,167	\$ 59,975	\$ 67,556	\$ 58,211	\$ 58,210	\$ 78,107	\$ 81,779	\$ 75,952	\$ 84,242
Operating grants and contributions:										
School Lunch	74,584	81,002	81,890	87,336	87,651	87,738	84,509	66,935	56,478	54,625
Total business-type activities program revenues	<u>\$ 154,714</u>	<u>\$ 144,169</u>	<u>\$ 141,865</u>	<u>\$ 154,892</u>	<u>\$ 145,862</u>	<u>\$ 145,948</u>	<u>\$ 162,616</u>	<u>\$ 148,714</u>	<u>\$ 132,430</u>	<u>\$ 138,867</u>
Total primary government revenues	<u>\$ 5,785,139</u>	<u>\$ 6,006,268</u>	<u>\$ 6,023,549</u>	<u>\$ 6,096,181</u>	<u>\$ 5,443,198</u>	<u>\$ 5,299,706</u>	<u>\$ 4,634,073</u>	<u>\$ 4,386,006</u>	<u>\$ 4,747,921</u>	<u>\$ 4,704,576</u>
Net (expenses) revenues:										
Governmental activities	\$ (21,855,467)	\$ (20,258,673)	\$ (20,531,267)	\$ (20,604,612)	\$ (20,729,331)	\$ (21,911,202)	\$ (21,713,322)	\$ (24,203,060)	\$ (24,081,079)	\$ (24,464,848)
Business-type activities	1,104	19,945	7,229	7,143	5,144	(2,388)	(427)	3,544	(7,727)	(5,971)
Total primary government net expense	<u>\$ (21,854,363)</u>	<u>\$ (20,238,728)</u>	<u>\$ (20,524,038)</u>	<u>\$ (20,597,469)</u>	<u>\$ (20,724,187)</u>	<u>\$ (21,913,590)</u>	<u>\$ (21,713,749)</u>	<u>\$ (24,199,516)</u>	<u>\$ (24,088,806)</u>	<u>\$ (24,470,819)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes, levied for general purposes	\$ 20,634,864	\$ 22,953,234	\$ 22,650,126	\$ 22,783,814	\$ 22,654,085	\$ 22,925,740	\$ 23,143,308	\$ 23,513,886	\$ 23,993,396	\$ 23,743,960
Unrestricted investment earnings	154,478	118,156	112,449	126,810	111,739	119,900	112,281	108,666	102,136	128,669
Other revenues	1,436,958	-	-	(30,200)	29,142	16,073	107,502	182,247	208,685	510,492
Transfers to component unit and other revenue	(63,855)	(549,540)	-	-	-	-	62,512	76,797	-	-
Total primary government	<u>\$ 22,162,445</u>	<u>\$ 22,521,850</u>	<u>\$ 22,762,575</u>	<u>\$ 22,880,424</u>	<u>\$ 22,794,966</u>	<u>\$ 23,061,713</u>	<u>\$ 23,425,603</u>	<u>\$ 23,881,596</u>	<u>\$ 24,304,217</u>	<u>\$ 24,383,121</u>
Change in Net Position										
Governmental activities	\$ 306,978	\$ 2,263,177	\$ 2,231,308	\$ 2,275,812	\$ 2,065,635	\$ 1,150,511	\$ 1,712,281	\$ (321,464)	\$ 223,138	\$ (81,727)
Business-type activities	1,104	19,945	7,229	7,143	5,144	(2,388)	(427)	3,544	(7,727)	(5,971)
Total primary government	<u>\$ 308,082</u>	<u>\$ 2,283,122</u>	<u>\$ 2,238,537</u>	<u>\$ 2,282,955</u>	<u>\$ 2,070,779</u>	<u>\$ 1,148,123</u>	<u>\$ 1,711,854</u>	<u>\$ (317,920)</u>	<u>\$ 215,411</u>	<u>\$ (87,698)</u>

(Concluded)

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Reserved	\$ 33,805	\$ 15,480	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	3,896,715	4,246,583	-	-	-	-	-	-	-	-
Nonspendable	-	-	7,769	27,220	20,536	25,495	17,709	2,000	-	83,050
Restricted	-	-	961,063	-	-	-	-	-	-	-
Committed	-	-	573,460	149,244	104,244	613,099	335,000	735,000	935,315	895,000
Assigned	-	-	525,125	1,801,918	2,050,504	2,127,865	2,204,411	2,990,400	2,903,283	2,725,863
Unassigned	-	-	3,904,064	4,302,080	4,834,262	4,618,771	5,190,560	4,443,472	4,899,808	5,486,939
Total general fund	\$ 3,930,520	\$ 4,262,063	\$ 5,971,481	\$ 6,280,462	\$ 7,009,546	\$ 7,385,230	\$ 7,747,680	\$ 8,170,872	\$ 8,738,406	\$ 9,190,852
Education										
Reserved	\$ 122,988	\$ 60,323	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	607,566	1,645,575	-	-	-	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	4,194	-	-	1,171,666
Restricted	-	-	-	2,370,412	2,900,834	2,807,840	2,536,504	1,190,775	941,148	514,649
Committed	-	-	180,000	-	-	-	-	-	-	-
Assigned	-	-	780,686	748,954	807,983	1,300,863	1,547,073	2,972,854	2,749,168	2,516,893
Unassigned	-	-	1,690,484	-	-	-	-	-	-	-
Total education fund	\$ 730,554	\$ 1,705,898	\$ 2,651,170	\$ 3,119,366	\$ 3,708,817	\$ 4,108,703	\$ 4,087,771	\$ 4,163,629	\$ 3,690,316	\$ 4,203,208
Capital Reserve Project Fund										
Unreserved	\$ 545,660	\$ 748,087	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Committed	-	-	759,820	638,203	922,362	988,677	1,492,786	1,072,475	905,291	1,086,739
Total capital reserve project fund	\$ 545,660	\$ 748,087	\$ 759,820	\$ 638,203	\$ 922,362	\$ 988,677	\$ 1,492,786	\$ 1,072,475	\$ 905,291	\$ 1,086,739
Community Development Block Grant										
Nonspendable	\$ -	\$ -	\$ -	\$ 430,381	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unassigned	-	-	-	(379,906)	-	-	-	-	-	-
Total community development block grant	\$ -	\$ -	\$ -	\$ 50,475	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
All Other Governmental Funds										
Reserved:										
Perpetual care	\$ 3,100	\$ 3,100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds:										
Education	540,289	283,763	-	-	-	-	-	-	-	-
Other	1,403,119	1,714,349	-	-	-	-	-	-	-	-
Capital projects funds	836,151	852,039	-	-	-	-	-	-	-	-
Permanent Fund	9,247	9,261	-	-	-	-	-	-	-	-
Nonspendable	-	-	336,535	3,100	3,100	3,100	3,100	3,100	3,100	3,100
Restricted	-	-	1,373,672	1,269,408	1,197,884	912,530	855,293	908,381	1,698,767	1,982,275
Unassigned,	-	-	(89,551)	-	-	-	-	-	-	(83)
Total all other governmental funds	\$ 2,791,906	\$ 2,862,512	\$ 1,620,656	\$ 1,272,508	\$ 1,200,984	\$ 915,630	\$ 858,393	\$ 911,481	\$ 1,701,867	\$ 1,985,292

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

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
General property taxes	\$ 20,575,766	\$ 21,898,410	\$ 22,495,323	\$ 22,537,037	\$ 22,701,157	\$ 22,877,211	\$ 23,146,974	\$ 23,485,584	\$ 24,038,895	\$ 23,859,043
Intergovernmental and departmental revenue	5,998,069	5,539,730	4,692,744	4,656,720	4,338,108	3,946,050	3,743,485	3,663,747	3,954,473	3,883,056
Licenses and fees	510,253	472,033	442,361	525,877	439,162	504,411	459,001	335,225	420,011	515,954
Interest on investments	154,478	118,156	112,449	126,759	110,810	115,159	112,281	108,666	102,130	120,169
Other revenues	308,447	435,119	523,108	319,649	256,033	277,346	366,415	468,489	451,538	437,994
Intergovernmental-pension contribution	246,586	285,107	264,180	332,744	288,222	316,349	-	-	-	-
Total revenues	\$ 27,793,599	\$ 28,748,555	\$ 28,530,165	\$ 28,498,786	\$ 28,133,492	\$ 28,036,526	\$ 27,828,156	\$ 28,061,711	\$ 28,967,047	\$ 28,816,216
Expenditures										
Central Administration	\$ 785,565	\$ 766,545	\$ 831,297	\$ 803,666	\$ 767,489	\$ 922,645	\$ 943,920	\$ 1,214,072	\$ 972,464	\$ 872,061
Finance Administration	596,070	587,715	590,140	620,597	632,644	579,654	605,514	615,491	597,182	648,734
Public Safety Department	1,804,769	1,791,933	1,787,760	2,036,564	2,072,097	2,062,419	2,211,680	2,298,880	2,340,112	2,320,283
Public Works Department	1,871,028	1,555,594	1,727,750	1,585,909	1,651,437	1,870,542	1,892,305	1,795,676	1,779,933	1,959,933
Recreation Department	230,431	273,980	291,048	255,834	270,498	299,853	311,711	272,327	264,313	338,328
Social Services (3)	530,627	379,053	366,945	439,399	137,966	206,745	182,935	308,136	213,081	212,209
Operational expenses	294,543	404,529	313,737	315,689	327,098	559,608	389,605	376,743	398,346	432,276
Aid Request	333,083	317,533	318,533	322,750	322,914	325,970	336,441	344,446	353,413	369,428
Education-Elementary	9,509,781	9,292,913	9,360,130	9,321,435	9,225,612	9,243,581	10,100,965	10,032,361	10,371,037	10,569,255
Education-Secondary-Regional (1)	9,340,823	9,328,376	9,453,321	9,349,077	9,330,162	9,571,341	9,146,735	9,280,098	9,900,916	9,655,867
Glocester Land Trust	65,342	549,540	58,235	-	-	-	-	-	-	-
Intergovernmental-pension contribution	246,586	285,107	264,180	332,744	288,222	316,349	-	-	-	-
Capital Outlay	818,159	1,213,379	734,378	1,793,486	1,033,233	872,330	319,301	770,360	722,357	899,695
Principal	689,658	697,741	784,224	759,960	429,347	451,873	470,455	514,151	251,433	320,135
Interest	261,795	233,669	222,645	203,789	164,078	146,610	128,199	107,143	85,039	75,110
Bond issuance costs	-	5,500	1,275	-	-	-	-	-	-	-
Total Expenditures	\$ 27,378,260	\$ 27,683,107	\$ 27,105,598	\$ 28,140,899	\$ 26,652,797	\$ 27,429,520	\$ 27,039,766	\$ 27,929,884	\$ 28,249,626	\$ 28,673,314
Excess of revenues over (under) expenditures	\$ 415,339	\$ 1,065,448	\$ 1,424,567	\$ 357,887	\$ 1,480,695	\$ 607,006	\$ 788,390	\$ 131,827	\$ 717,421	\$ 142,902
Other Financing Sources (uses)										
Proceeds of capital leases	\$ -	\$ 14,472	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers from other funds	8,166,617	8,582,238	7,703,474	8,683,045	7,777,542	8,070,209	7,735,107	7,608,185	8,754,312	8,565,851
Transfers to other funds	(8,166,617)	(8,582,238)	(7,703,474)	(8,683,045)	(7,777,542)	(8,070,209)	(7,735,107)	(7,608,185)	(8,754,312)	(8,565,851)
Proceeds from issuance of debt	-	500,000	-	-	-	-	-	-	-	75,993
Total other financing sources (uses)	-	514,472	-	-	-	-	-	-	-	75,993
Net change in fund balances	\$ 415,339	\$ 1,579,920	\$ 1,424,567	\$ 357,887	\$ 1,480,695	\$ 607,006	\$ 788,390	\$ 131,827	\$ 717,421	\$ 218,895
Debt service as a percentage of noncapital expenditures	3.6%	3.5%	3.8%	3.7%	2.3%	2.3%	2.2%	2.3%	1.2%	1.4%

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

Fiscal Year Ended June 30	Real Property		Personal Property		Less: Tax Exempt Property	Total Taxable Assessed Value	Total Effective Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Motor Vehicles	Other					
2009 (2)	1,059,225,120	65,090,700	88,301,288	18,618,060	130,448,838	1,100,786,330	17.75	1,199,136,425	91.80%
2010	1,065,503,820	66,145,300	79,407,366	18,620,740	136,245,602	1,093,431,624	18.64	1,109,017,190	98.59%
2011	1,071,062,920	65,889,900	94,392,665	18,600,760	128,139,328	1,121,806,917	18.68	992,719,368	113.00%
2012 (1)	855,150,110	57,855,300	96,931,960	18,641,800	96,976,087	931,603,083	22.51	946,415,571	98.43%
2013	860,245,870	57,448,800	101,158,350	18,218,040	102,906,239	934,164,821	22.12	934,164,821	100.00%
2014	864,734,870	58,265,600	101,709,774	17,881,680	103,890,779	938,701,145	22.57	938,701,145	100.00%
2015	852,399,400	57,095,000	102,461,135	16,343,430	101,845,251	926,453,714	22.57	926,453,714	100.00%
2016	855,851,600	56,895,900	104,565,190	16,532,794	107,175,515	926,669,969	22.91	926,669,969	100.00%
2017	863,557,400	56,052,600	107,837,121	16,287,825	108,389,579	935,345,367	23.21	935,345,367	100.00%
2018	990,319,100	54,114,800	96,850,659	16,889,436	123,636,521	1,034,537,474	20.64	1,034,537,474	100.00%

Source: Town of Glocester Tax Assessor

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

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

Fiscal Year	Town Direct Rates (a)					Total Effective Rate (b)	Overlapping Rates (c)			
	Real Property		Motor Vehicles	Tangible Property			Chepachet Fire District	Harmony Fire District	West Glocester Fire District	West Glocester Fire District
	Residential	Commercial		Personal	Inventory				Residential	Commercial
2009	17.03	19.37	24.37	33.92	-	17.75	0.750	1.20	1.30	-
2010	17.98	20.43	24.37	35.80	-	18.64	0.750	1.20	1.30	-
2011	17.87	20.31	24.37	35.58	-	18.68	0.750	1.20	1.30	-
2012	21.66	24.62	24.37	43.13	-	22.51	0.950	1.20	1.55	-
2013	21.25	24.15	24.37	42.31	-	22.12	0.965	1.48	1.55	-
2014	21.24	24.14	24.37	42.29	-	22.11	0.975	1.48	1.55	-
2015	21.77	24.74	24.37	43.34	-	22.57	0.975	1.54	1.55	1.65
2016	22.12	25.13	24.37	44.03	-	22.91	0.975	1.58	1.55	1.65
2017	22.45	25.51	24.37	44.69	-	23.21	0.965	1.77	1.55	1.65
2018	19.73	23.67	24.37	39.46	-	20.64	0.845	1.81	1.55	1.65

- (a) The Direct rates are derived from the records of the Town's Tax Assessor.
(b) The Total Effective Rate = Total Tax levy ÷ Total Assessed Value of all property. [Town only - excludes overlapping rates]
(c) Overlapping rates are those of the local fire districts within the Town of Glocester that apply only to owners within the named districts.
For example, the Chepachet Fire District rates do not apply to property owners in the Harmony Fire District.

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

	Fiscal Year				Fiscal Year			
	2018				2009			
	Taxable assessed value	Rank	Percentage of total taxable assessed value	Taxes assessed (3)	Taxable assessed value	Rank	Percentage of total taxable assessed value	Taxes assessed (3)
West Glocester LLC(FM Global). (1)(4)	PILOT	1	PILOT	\$ 2,363,899	PILOT	1	PILOT	1,060,000
Narragansett Electric, Co.	\$ 9,069,043	2	0.97%	311,952	8,930,710	2	0.82%	251,816
CVS	3,339,895	3	0.34%	84,343	2,822,330	8	0.26%	62,500
Kopeski Stephen M.	2,762,704	4	0.30%	67,829	3,027,075	6	0.28%	62,802
Providence, City of (PWSB) (2)	2,751,838	5	0.29%	65,136	2,911,100	7	0.27%	56,388
Criterion Atlantic Property	2,735,336	6	0.29%	77,574	3,409,320	5	0.31%	82,784
CoxCom	2,578,479	7	0.28%	101,747	5,328,510	3	0.49%	180,743
Glocester Country Club	1,943,424	8	0.21%	49,788	2,635,790	9	0.24%	54,844
Watmough Jr., Roy P.	1,746,937	9	0.19%	43,514	1,902,947	10	0.17%	37,571
Melody Hill Country Club	1,533,320	10	0.25%	36,733	3,426,120	4	0.31%	67,723
Totals	\$ 28,460,976		3.12%	\$ 3,202,515	34,393,902		3.15%	\$ 1,917,171

Sources: Town of Glocester Tax Assessor and Tax Collector

- (1) In 2003, Factory Mutual Insurance Co., (FMIC) the Town's largest taxpayer, entered into a 20 year payment-in-lieu-of-taxes (PILOT) agreement with the Town. Taxes due to the Town will not be based on assessed value during the time the agreement is in place.
- (2) In 2010, the Providence Water Supply Board (PWSB), an enterprise fund of the City of Providence, entered into a 10 year tax treaty with the Town. Taxes due to the Town will not be based on assessed value during the time the agreement is in place. A new treaty has been negotiated in 2018.
- (3) The Taxes assessed columns are displayed here to show that, even though the PILOT amount paid by FMIC is not based on assessments of their property, FMIC continues to be the Town's largest taxpayer.
- (4) Factory Mutual Insurance Co. changed the name on the property owned in the Town of Glocester to West Glocester LLC in 2010.

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

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year (as originally certified)	Collected within the Fiscal Year of the Levy		Subsequent abatements and additions	Total Tax Levy for Fiscal Year (adjusted for all subsequent abatements and additions)	Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Original Levy				Amount	Percentage of adjusted Levy
2009	19,541,335	19,044,425	97.46%	29,884	19,571,219	499,625	19,544,050	99.86%
2010	20,380,911	19,767,563	96.99%	8,870	20,389,781	596,299	20,363,862	99.87%
2011	20,960,378	20,285,517	96.78%	9,864	20,970,242	644,387	20,929,904	99.81%
2012	20,971,376	20,211,714	96.38%	(31,288)	20,940,088	668,207	20,879,921	99.71%
2013	20,666,155	19,934,607	96.46%	(3,624)	20,662,531	666,511	20,601,118	99.70%
2014	20,750,248	20,012,788	96.45%	24,807	20,775,055	689,754	20,702,542	99.65%
2015	20,914,232	20,248,104	96.81%	(7,314)	20,906,918	604,560	20,852,664	99.74%
2016	21,228,682	20,637,061	97.21%	15,449	21,244,131	538,083	21,175,144	99.68%
2017	21,705,394	21,120,762	97.31%	713	21,706,107	478,658	21,599,420	99.51%
2018	21,348,945	20,828,244	97.56%	46,944	21,395,889	-	20,828,244	97.35%

Source: Town of Gloucester Tax Collector

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

Fiscal Year	Governmental Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Loan Payable	Capital Lease			
2009	5,415,000	152,845	13,401	5,581,246	2.45%	561
2010	5,240,000	136,571	20,261	5,396,832	1.74%	554
2011	4,515,000	112,226	8,526	4,635,752	1.50%	476
2012	3,775,000	154,936	55,447	3,985,383	1.29%	409
2013	3,365,000	135,589	42,238	3,542,827	1.16%	364
2014	2,940,000	175,815	32,548	3,148,363	0.98%	322
2015	2,495,000	195,761	20,210	2,710,971	0.81%	273
2016	2,030,000	146,610	6,314	2,182,924	0.66%	222
2017	1,825,000	360,062	-	2,185,062	0.65%	218
2018	1,620,000	320,920	-	1,940,920	0.58%	193

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

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

Fiscal Year	<u>General Bonded Debt Outstanding</u>		Percentage of Actual Taxable Value (a) of Property	Per Capita (b)
	<u>General Obligation Bonds</u>	<u>Total</u>		
2009	5,415,000	5,415,000	0.49%	544.33
2010	5,240,000	5,240,000	0.48%	537.66
2011	4,515,000	4,515,000	0.40%	463.27
2012	3,775,000	3,775,000	0.41%	387.34
2013	3,365,000	3,365,000	0.36%	345.27
2014	2,940,000	2,940,000	0.31%	300.55
2015	2,495,000	2,495,000	0.27%	251.23
2016	2,030,000	2,030,000	0.22%	206.22
2017	1,825,000	1,825,000	0.20%	181.86
2018	1,620,000	1,620,000	0.16%	161.43

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

(a) Actual taxable value equals gross assessed value less exemptions.

(b) Population data can be found in Schedule 14.

Schedule 11
Town of Glocester, Rhode Island
Direct and Overlapping Governmental Activities Debt
As of June 30, 2018
Unaudited

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt	Estimated Share of Overlapping Debt Less Housing Aid (b)
Debt repaid with property taxes				
Foster-Glocester Regional School District	\$ 28,450,000	66.03% (a)	\$ 18,786,673	\$ 7,514,669
Chepachet Fire District	-	100.00%	-	-
Harmony Fire District	98,914	100.00%	98,914	98,914
West Glocester Fire District	61,057	100.00%	61,057	61,057
			18,946,644	7,674,640
Subtotal, overlapping debt				
Town direct debt			2,182,924	2,182,924
Total direct and overlapping debt			\$ 21,129,568	\$ 9,857,564

Sources: Debt outstanding data provided by each governmental unit.

- (a) Estimated percentage applicable for the Foster-Glocester Regional School District portion of the debt is from the Foster-Glocester Regional School District Fiscal 2018 budget.
- (b) It is anticipated that approximately 60% of the Foster-Glocester Regional School District debt will be paid by the State of Rhode Island in the form of housing aid. Similarly, \$315,000 of the *Town direct debt* is for the Glocester Schools of which it is estimated that 40% will be paid by housing aid. The *Estimated Share of Overlapping Debt less Housing Aid* column is displayed here to show the net anticipated obligation of the Town.

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

Assessed Value	\$ 1,034,537,474
Debt limit (3% of assessed value)	31,036,124
Debt applicable to limit:	
General obligation bonds	1,620,000
Less: Amount set aside for repayment of general obligation debt	-
Total net debt applicable to limit	1,620,000
Legal debt margin	\$ 29,416,124

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Debt limit	\$ 33,023,590	\$ 32,802,949	\$ 33,654,208	\$ 27,948,092	\$ 28,024,945	\$ 28,161,034	\$ 27,793,611	\$ 27,800,099	\$ 28,060,361	\$ 31,036,124
Total net debt applicable to limit	5,415,000	5,240,000	4,515,000	3,775,000	3,365,000	2,940,000	2,495,000	2,030,000	1,825,000	1,620,000
Legal debt margin	\$ 27,608,590	\$ 27,562,949	\$ 29,139,208	\$ 24,173,092	\$ 24,659,945	\$ 25,221,034	\$ 25,298,611	\$ 25,770,099	\$ 26,235,361	\$ 29,416,124
Total net debt applicable to the limit as a percentage of debt limit	16.40%	15.97%	13.42%	13.51%	12.01%	10.44%	8.98%	7.30%	6.50%	5.22%

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

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

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

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

Fiscal Year Ended June 30	Population (1)	Personal Income (1)	Per Capita Personal Income (1)	Median Age(1)	School Enrollment (2)	Unemployment Rate (3)
2009	9,948	227,948,472	22,914	38.2	1,614	8.8%
2010	9,746	310,049,498	31,813	42.7	1,523	9.6%
2011	9,746	310,049,498	31,813	42.7	1,466	7.0%
2012	9,746	310,049,498	31,813	42.7	1,499	8.1%
2013	9,746	306,482,462	31,447	42.7	1,465	8.8%
2014	9,782	320,869,164	32,802	43.9	1,320	7.1%
2015	9,931	334,883,251	33,721	45.3	1,310	5.9%
2016	9,844	330,333,667	33,556	45.3	1,291	4.0%
2017	10,035 *	337,015,440	33,584	45.3	1,296	4.2%
2018	10,035 *	337,015,440	33,584	44.8	1,282	3.6%

Sources:

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

* State of RI DLT

Schedule 15
 Town of Glocester, Rhode Island
 Principal Employers,
 Current Year and Nine Years Ago
 Unaudited

Employer	Fiscal Year			Fiscal Year		
	2018			2009		
	Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Foster-Glocester Regional School	187.7	1	3.07%	175	2	2.83%
Town of Glocester	177	2	2.89%	186	1	3.01%
Harmony Hill School Inc	148	3	2.42%	138	3	2.23%
Factory Mutual Insurance Co.	100	4	1.63%	125	4	2.02%
Dino's Park-n-Shop	87	5	1.42%	86	5	1.39%
Harmony Lodge	27	6	0.44%	0		
Dunkin' Donuts	27	7	0.44%	25	8	0.40%
Jacques Bus Line	14	8	0.23%			0.00%
CVS	29	9	0.47%	38	6	0.61%
Concrete Products	20	10	0.33%	0		
Total	<u>816.7</u>		<u>13.34%</u>	<u>773</u>		

Source: U.S. Census Bureau and survey of Town businesses.

Schedule 16
Town of Gloucester, Rhode Island
Full-time Equivalent Town Government Employees by Function/Program,
Last Ten Fiscal Years
Unaudited

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Central Administration										
Town Council	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Town Clerk office	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Town Sergeant	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Building/Zoning office	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Planning office	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.5	1.5
Board of Canvassers	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Probate Court	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Historic District Commission	0.1	0.1	-	-	-	-	-	-	-	-
Land Trust	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Planning Board	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Wastewater Commission	0.1	0.1	-	-	-	-	-	-	-	-
Zoning Board	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Financial Administration										
Treasurer's office	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Tax Collection office	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Tax Assessor office	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Public Safety										
Police										
Officers	15.0	14.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0
Dispatchers [civilians]	5.3	5.3	5.3	5.3	5.3	4.4	4.4	4.4	4.4	4.4
Animal Control										
Officer	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Civilians	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
Emergency Management	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Public Works Department										
Director	3.0	3.0	3.0	3.0	3.0	2.0	2.0	2.0	2.0	2.0
Transfer Station										
Refuse collection	2.6	2.6	2.3	2.3	2.3	3.0	3.0	3.0	3.0	3.0
Highway										
Driver/laborer	6.4	6.4	6.2	6.2	6.2	6.0	6.0	6.0	6.0	6.0
Maintenance										
Building/grounds	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Custodial	1.5	1.5	1.5	1.5	1.5	1.4	1.4	1.0	1.0	1.0
Vehicles & equipment	2.0	1.0	1.0	1.1	2.0	2.0	2.0	2.0	2.0	2.0
Recreation Department										
Director	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
Summer programs	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8
Human Services Department										
Director	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Senior Van driver	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Senior Center										
Director	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Mealsite	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7

Schedule 17
Town of Glocester, Rhode Island
Operating Indicators by Function/Program,
Last Ten Fiscal Years
Unaudited

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Public Safety (1)										
Police										
Calls	15,381	16,969	20,222	24,960	24,068	25,029	25,576	27,687	28,198	15,019
Physical arrests	351	346	380	326	308	315	227	241	226	126
Citations	2,803	2,482	2,897	2,457	1,933	1,926	1,764	1,649	1,576	826
Accidents	280	236	258	227	232	243	264	201	207	110
Animal Control										
Dog licenses issued	471	470	395	333	439	317	241	327	221	237
Public Works										
Transfer Station										
Refuse collected (avg. tons per month)	281	221	250	232	228	216	211	214	201	203
Recyclables collected (avg. tons per month)	77	96	129	123	119	121	126	115	152	123
Highway										
Street resurfacing (miles)	1.5	2.8	3.9	2.5	4.47	5.1	9.2	8.73	2.83	
Street repairs (miles)	0	0	0	0	0	0	0	0	0	0
Building/Zoning (1)										
Commercial construction permits	26	20	14	12	2	7	18	19	17	12
Residential construction permits - new homes	13	17	20	13	8	17	19	27	36	18
Residential construction permits - other	177	205	190	86	83	184	239	208	232	112
Parks and Recreation										
Athletic field permits	3	3	3	3	3	3	3	3	3	3
Human Services										
Mini-bus passenger transports	750	700	711	746	840	557	461	325	367	370

Sources: Various Town departments.

(1) Statistics for Public Safety and Building/Zoning are based on a calendar year. Totals for 2018 are for the period January 1, 2018 through June 30, 2018.

Note: Mini-bus passenger transports were down in 2016 due to, users moved to nursing homes other clients move out of Glocester or passed away and the use of state transportation.

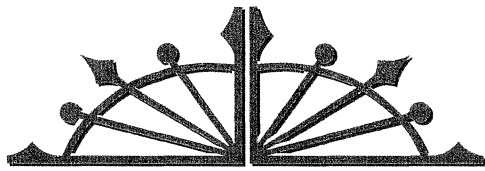
Schedule 18
Town of Glocester, Rhode Island
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years
Unaudited

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Zone offices	-	-	-	-	-	-	-	-	-	-
Police patrol vehicles	11	11	11	11	16	14	15	15	15	15
Animal Control										
Animal shelters	1	1	1	1	1	1	1	1	1	1
Public Works										
Transfer Station										
Roll-off truck	2	2	2	2	2	2	2	2	2	2
Streets and Highways (in miles)										
Highways (State owned)	38.3	38.3	38.3	38.3	38.3	38.3	38.3	38.3	38.3	38.3
Roads (Town owned)	78.1	78.1	78.1	78.1	78.1	78.1	78.1	78.1	78.1	78.1
Roads - Private (non-Town)	30.4	30.4	30.4	30.4	30.4	30.4	30.4	30.4	31.2	31.2
Park access	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Driftway	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Total highway and road miles	<u>148.8</u>	<u>148.8</u>	<u>148.8</u>	<u>148.8</u>	<u>148.8</u>	<u>148.8</u>	<u>148.8</u>	<u>148.8</u>	<u>149.6</u>	<u>149.6</u>
Streetlights	-	-	-	-	-	-	-	-	-	-
Traffic signals (State owned)	2.0	2.0	2.0	2.0	3.0	4.0	4	4	4	3
Parks and Recreation										
Acreage	165.3	165.3	165.3	165.3	165.3	165.3	165.3	165.3	165.3	165.3
Playgrounds	3	3	3	3	3	3	3	3	3	3
Tennis courts	4	4	4	4	4	4	4	4	4	4
Beaches	2	2	2	2	2	2	2	2	2	2
Baseball/softball diamonds	4	4	4	4	4	4	4	4	4	4
Soccer/football fields	1	1	1	1	1	1	1	1	1	1
Basketball courts	4	4	4	4	4	4	4	4	4	4
Senior Center	1	1	1	1	1	1	1	1	1	1
Human Services										
Transit mini-bus	1	1	1	1	1	1	1	1	1	1

Sources: Various Town Departments

***TOWN OF GLOCESTER
RHODE ISLAND***

***AUDITOR'S REPORT AS REQUIRED BY
GOVERNMENT AUDITING STANDARDS***



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 Glocester, Rhode Island

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Glocester, Rhode Island as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Town of Glocester's basic financial statements, and have issued our report thereon dated January 14, 2019.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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



Baxter, Dansereau & Associates, LLP

West Warwick, Rhode Island

January 14, 2019

TOWN OF GLOCESTER, RHODE ISLAND
Schedule of Findings
For The Year Ended June 30, 2018

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of Auditors report issued: Unmodified

Internal control over financial reporting:

Significant deficiency (ies) identified? yes no

Significant deficiency (ies) identified that are considered material weaknesses? yes none reported

Noncompliance material to financial statements noted? yes no

SECTION II – FINANCIAL STATEMENT FINDINGS yes none