

TOWN OF EAST GREENWICH

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2019



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

**Andrew E. Nota
Town Manager**

**Patricia A. Sunderland
Finance Director**

Prepared by: Finance Department

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

**TOWN OF EAST GREENWICH, RHODE ISLAND
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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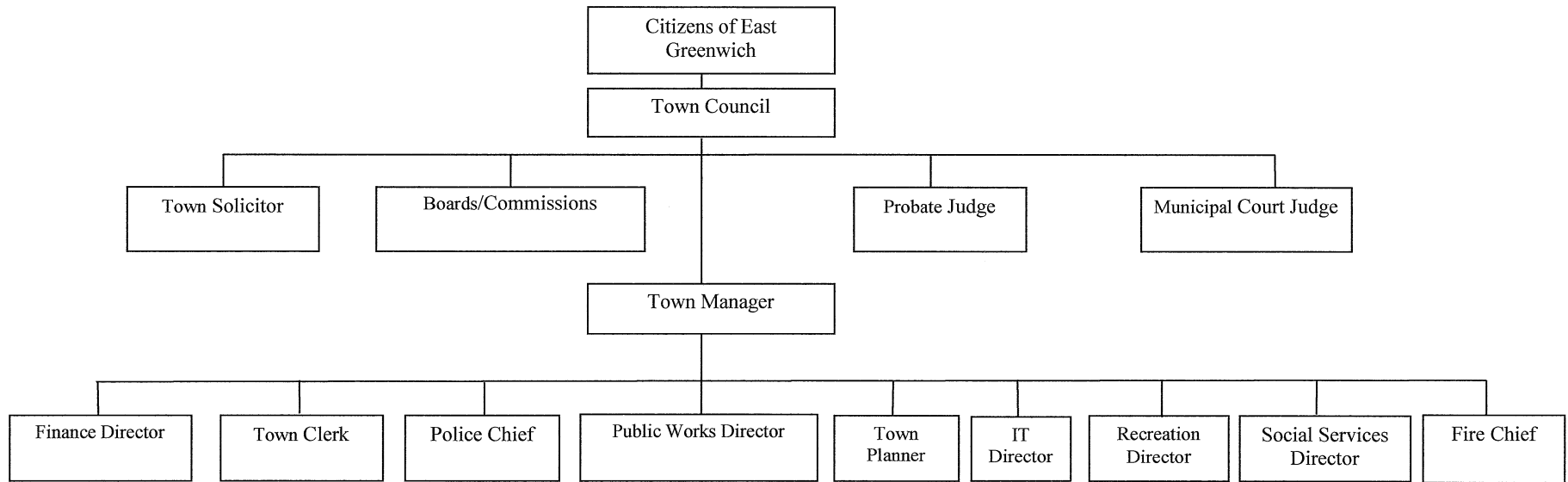
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INTRODUCTORY SECTION

This Section Contains the Following Subsections:

Organizational Chart
List of Town Officials

TOWN OF EAST GREENWICH
MUNICIPAL ORGANIZATIONAL CHART



TOWN OF EAST GREENWICH, RHODE ISLAND

as of June 30, 2019

TOWN COUNCIL

Mark Schwager - President
Michael Donegan – Vice President
Caryn Corenthal
Renu Englehart
Michael Zarrella

TOWN MANAGER

Andrew E. Nota

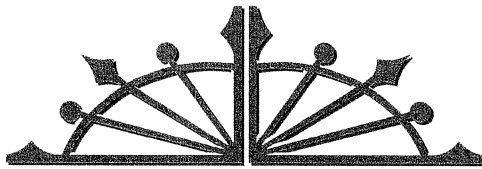
FINANCE DIRECTOR

Patricia A. Sunderland

FINANCIAL SECTION

This Section Contains the Following Subsections:

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



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

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of East Greenwich, Rhode Island (Town) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Town of East Greenwich, Rhode Island as of June 30, 2019, and the respective changes in financial position thereof, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4-13 and 75-80 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

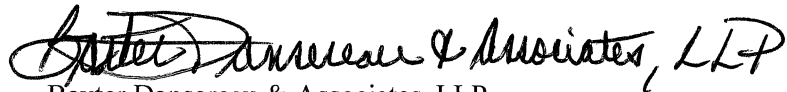
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of East Greenwich, Rhode Island's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, other supplementary information, schedules, the Annual Supplemental Transparency Report (MTP2) and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, other supplementary information, the Annual Supplementary Transparency Report (MTP2) and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, other supplementary information, the Annual Supplementary Transparency Report, MTP2 and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 27, 2020 on our consideration of the Town of East Greenwich, Rhode Island's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of East Greenwich, Rhode Island's internal control over financial reporting and compliance.



Baxter Dansereau & Associates, LLP

West Warwick, Rhode Island

February 27, 2020

Management's Discussion and Analysis

TOWN OF EAST GREENWICH, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2019
(Un-audited)

Management of the Town of East Greenwich provides this Management's Discussion and Analysis of the Town of East Greenwich's Annual Financial Report for the readers of the Town's financial statements. This narrative overview and analysis of the financial statements of the Town of East Greenwich is for the fiscal year ended June 30, 2019. We encourage readers to consider this information in conjunction with the Town's financial statements that follow.

Financial Highlights

- ❖ At the end of the fiscal year, the Town's assets and deferred outflows of resources fell short of its liabilities and deferred inflows of resources by \$2,327,296, which was an increase in the negative net position from the prior year's amount of 48.63 percent, of \$4,785,989. Net position was comprised mainly of \$56,922,076 attributable to the Town's net investment in capital assets, \$2,952,169 restricted, and \$62,201,541 unrestricted.
- ❖ The governmental activities unrestricted deficit decreased by \$5,957,737 which is mainly attributable to plan design changes for other post-employment benefits whereby caps on benefits have been imposed.
- ❖ The Town's Government-wide (governmental and business activities) operating expenses were \$65,664,049 a 15 percent decrease from the prior year, while revenues collected were \$75,558,050 a 2 percent increase. The decrease in operating expenses was mainly due to reductions in operating budget, delays in filling vacant positions, OPEB benefits plan design changes and controls on spending. Offsetting these reductions was an increase in school operations.
- ❖ As of the close of the fiscal year, the Town's governmental funds reported combined ending fund balances of \$13,031,884. Over 48 percent of this amount, \$6,360,037 is unassigned and available for use at the government's discretion (unassigned fund balance). See page nine for more detail pertaining to the fund balance categories.
- ❖ At the end of the current fiscal year, the general fund unassigned fund balance was \$6,823,500 or 9.85 percent of the total governmental fund expenditures for the fiscal year. The general fund's current fiscal year revenues and transfers were less than the expenditures and transfers by \$703,109. On a budgetary, basis revenues exceeded expenditures and transfers by \$293,002.

Overview of the Financial Statements

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

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

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

TOWN OF EAST GREENWICH, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2019
(Un-audited)

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

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

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

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

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

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

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

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

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

TOWN OF EAST GREENWICH, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2019
(Un-audited)

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

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

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

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

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

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

The fiduciary fund financial statements can be found on page 22 and 23.

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

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

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

Required Supplementary information is presented on pages 75 through 89.

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

TOWN OF EAST GREENWICH, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2019
(Un-audited)

Government-wide Financial Analysis

Analysis of the Town of East Greenwich's Net Position

As noted earlier, over time the Town's net position may serve as a useful indicator of a government's financial position, and an important determinant of its ability to finance services in the future. For the Town of East Greenwich, governmental activities liabilities and deferred inflow of resources exceeded assets and deferred outflow of resources by \$22,323,983 as of June 30, 2019. This reflects an increase of \$8,907,712 from this current year's activity. The Business Type Activities assets exceeded liabilities by \$19,996,687 as of June 30, 2019. This reflects an increase of \$986,289 from this current year's activity.

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

TOWN OF EAST GREENWICH, RHODE ISLAND
Net Position

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
ASSETS						
Current and other assets	\$ 18,267,877	\$ 18,347,315	\$ 11,884,697	\$ 18,308,524	\$ 30,152,574	\$ 36,655,839
Capital assets	79,424,643	78,890,901	36,305,387	33,653,554	115,730,030	112,544,455
Net pension asset	4,255,103	3,624,737	-	-	4,255,103	3,624,737
TOTAL ASSETS	<u>101,947,623</u>	<u>100,862,953</u>	<u>48,190,084</u>	<u>51,962,078</u>	<u>150,137,707</u>	<u>152,825,031</u>
Deferred outflows of resources	20,583,493	19,215,500	212,965	234,262	20,796,458	19,449,762
LIABILITIES						
Other liabilities	4,962,967	4,806,832	3,740,039	3,845,515	8,703,006	8,652,347
Long-term liabilities	123,859,262	131,854,792	19,274,982	21,606,326	143,134,244	153,461,118
TOTAL LIABILITIES	<u>128,822,229</u>	<u>136,661,624</u>	<u>23,015,021</u>	<u>25,451,841</u>	<u>151,837,250</u>	<u>162,113,465</u>
Deferred inflows of resources	16,032,870	14,660,208	5,391,341	287,109	21,424,211	14,947,317
NET POSITION						
Net investment in capital assets	37,392,111	35,340,922	19,529,965	18,577,595	56,922,076	53,918,517
Restricted	2,952,169	2,041,699	-	-	2,952,169	2,041,699
Unrestricted	(62,668,263)	(68,626,000)	466,722	7,879,795	(62,201,541)	(60,746,205)
Total net position	<u>\$ (22,323,983)</u>	<u>\$ (31,243,379)</u>	<u>\$ 19,996,687</u>	<u>\$ 26,457,390</u>	<u>\$ (2,327,296)</u>	<u>\$ (4,785,989)</u>

TOWN OF EAST GREENWICH, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2019
(Un-audited)

A large portion of the Town's net position, \$56,922,076 consists of its investments in capital assets such as land, buildings and improvements, motor vehicles, furniture and equipment and infrastructure, less any debt used to acquire these assets, which is still outstanding. The Town uses these capital assets to provide services to its citizens. Consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves are unlikely to be used to liquidate these liabilities.

Analysis of the Town of East Greenwich's Operations

The following analysis provides a summary of the Town's operations for the year ended June 30, 2019. Governmental activities increased the Town's net position by \$8,907,712 for the current period, while business-type activities increased the Town's net position by \$986,289.

The net change in fund balance for the fiscal year ended June 30, 2019 was a decrease of \$642,696 for the Town's governmental fund types. In the statement of activities, expenses for capital items are not recorded as expenses but shown on the balance sheet, which resulted in an increase of \$578,532 net of depreciation to the net position; also revenues from the increase in unearned revenues are not recorded as revenues in the fund financial statements, but in the statement of activities this resulted in an increase of \$216,997. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position, which increased the Town's net position by \$3,596,833. See Notes 8 and 9 in the notes to the financial statements and page 18 of the financial statements for a more detailed explanation of changes in net position.

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

TOWN OF EAST GREENWICH, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2019
(Un-audited)

TOWN OF EAST GREENWICH, RHODE ISLAND
Changes in Net Position

	Governmental		Business-Type		Total	
	Activities		Activities			
	2019	2018	2019	2018	2019	2018
Revenues						
Program revenues						
Charges for services	\$ 1,746,218	\$ 2,560,003	\$ 4,483,500	\$ 4,325,655	\$ 6,229,718	\$ 6,885,658
Operating grants and contributions	9,201,882	8,241,927	-	-	9,201,882	8,241,927
General revenues						
Property taxes, levied for general purposes	55,946,990	56,046,626	-	-	55,946,990	56,046,626
State revenue sharing	-	-	-	-	-	-
Unrestricted investment earnings	53,363	65,908	-	-	53,363	65,908
Miscellaneous	4,126,097	2,798,323	-	-	4,126,097	2,798,323
Total revenues	<u>71,074,550</u>	<u>69,712,787</u>	<u>4,483,500</u>	<u>4,325,655</u>	<u>75,558,050</u>	<u>74,038,442</u>
Expenses						
General government	7,280,072	11,731,874	-	-	7,280,072	11,731,874
Public safety	2,979,410	10,186,989	-	-	2,979,410	10,186,989
Public works	3,013,612	5,026,382	-	-	3,013,612	5,026,382
Parks and recreation	948,433	665,065	-	-	948,433	665,065
Public and social services	734,302	991,736	-	-	734,302	991,736
Education	45,036,690	43,186,223	-	-	45,036,690	43,186,223
Interest on long-term debt	2,174,319	2,205,020	-	-	2,174,319	2,205,020
Sewer	-	-	3,497,211	3,272,843	3,497,211	3,272,843
Total expenses	<u>62,166,838</u>	<u>73,993,289</u>	<u>3,497,211</u>	<u>3,272,843</u>	<u>65,664,049</u>	<u>77,266,132</u>
Increase (decrease) in net position	<u>8,907,712</u>	<u>(4,280,502)</u>	<u>986,289</u>	<u>1,052,812</u>	<u>9,894,001</u>	<u>(3,227,690)</u>
Net position - beginning	<u>(31,231,695)</u>	<u>(26,962,877)</u>	<u>19,010,398</u>	<u>25,404,578</u>	<u>(12,221,297)</u>	<u>(1,558,299)</u>
Net position - ending	<u>\$ (22,323,983)</u>	<u>\$ (31,243,379)</u>	<u>\$ 19,996,687</u>	<u>\$ 26,457,390</u>	<u>\$ (2,327,296)</u>	<u>\$ (4,785,989)</u>

Financial Analysis of the Town of East Greenwich's Funds

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

TOWN OF EAST GREENWICH, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2019
(Un-audited)

At the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$13,031,844. Approximately 49% of the total amount, or \$6,360,037 constituted unassigned fund balance. The remainder of the fund balance is non-spendable, restricted, or assigned. The fund balance in the General Fund decreased due to a negative variance of expenditures exceeding revenues by \$703,109. The Town generated a deficit of \$724,444 and the School Department generated a surplus of \$21,335 on a GAAP basis. Thus, the combined result was the negative effect to fund balance of \$703,109. The School Bond Capital Fund had a decrease in fund balance of \$555,531 creating an overall cumulative deficit of \$396,680.

TOWN OF EAST GREENWICH, RHODE ISLAND
Fund Balance Categories

	General Fund	School Bond 52m Capital Fund	Non-Major Governmental Funds	Total Governmental Funds
<i>Nonspendable:</i>				
Permanent fund principal	-	-	348,705	348,705
Prepays	65,472	-	-	65,472
Deposits held for Health and Dental Benefits:	2,016,699	-	-	2,016,699
<i>Restricted for:</i>				
Educational programs	1,098,269	-	441,599	1,539,868
Public works programs	-	-	1,412,301	1,412,301
<i>Assigned for:</i>				
Legislative, judicial	-	-	161,463	161,463
Public safety programs	-	-	132,899	132,899
Community programs	-	-	105,190	105,190
Public works programs	-	-	118,487	118,487
Culture and recreation	-	-	569,047	569,047
<i>Unassigned:</i>	6,823,500	(396,680)	(66,783)	6,360,037
Total fund balances	<u>\$ 10,205,656</u>	<u>\$ (396,680)</u>	<u>\$ 3,222,908</u>	<u>\$ 13,031,884</u>

Proprietary Funds - The Town of East Greenwich's proprietary fund statements provide the same type of information as presented in the government-wide financial statements, but in more detail. Unrestricted net position of the proprietary funds is \$466,722. The net increase in total net assets amounted to \$986,289.

TOWN OF EAST GREENWICH, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2019
(Un-audited)

General Fund Budgetary Highlights

Revenues:

Revenues on a budgetary basis exceeded the budget by \$605,343 mainly attributable increases in housing aid reimbursement for capital projects, realty transfer tax stamps, building permits, police detail administrative fees and rescue billing fees.

Expenditures:

Combined Town and School expenditures on a budgetary basis were over budget by a total of \$365,143 mainly due to legal fees, additional tax support for educational programs and outside consulting services. The town made an additional tax appropriation to the school to support educational programs of \$262,870 during the fiscal year. Legal services for arbitration were also \$115,573 over budget. Outside consulting services were retained due to shifts in management which resulted in expenditures being over budgeted by \$125,628. Minor positive operating variances in other departments were sought.

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

	June 30, 2019			June 30, 2018		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Land	\$ 1,825,033	\$ 15,372	\$ 1,840,405	\$ 1,825,033	\$ 15,372	\$ 1,840,405
Construction in progress	276,090	1,772,845	2,048,935	520,300	5,289,628	5,809,928
Infrastructure	-	-	-	-	-	-
Land improvements	6,177,768	-	6,177,768	4,509,026	-	4,509,026
Buildings and improvements	67,920,588	10,639,147	78,559,735	68,587,865	10,070,906	78,658,771
Motor vehicles	1,950,504	82,593	2,033,097	2,066,498	15,909	2,082,407
Office furniture and equipment	73,138	2,993,128	3,066,266	96,284	167,180	263,464
Machinery and equipment	1,201,522	-	1,201,522	1,285,895	-	1,285,895
Sewer lines	-	22,590,517	22,590,517	-	23,399,559	23,399,559
	<u>\$ 79,424,643</u>	<u>\$ 38,093,602</u>	<u>\$ 117,518,245</u>	<u>\$ 78,890,901</u>	<u>\$ 38,958,554</u>	<u>\$ 117,849,455</u>

The total decrease in the Town's investment in capital assets for the current fiscal year was about 0.003% in terms of net book value. The major reclassification was the relieving of sewer construction in progress and capitalization of the assets for buildings and improvements and equipment.

Depreciation charges for the year totaled \$4,324,747 (\$2,836,817 on governmental assets and \$1,487,930 on the assets of the business-type activities). Additional information on the Town's capital assets can be found in Note 7 of the notes to the financial statements.

TOWN OF EAST GREENWICH, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2019
(Un-audited)

The Town of East Greenwich's Debt Administration

At the end of the current fiscal year, the Town of East Greenwich's Governmental Activities and Business Activities had a total bonded debt of \$40,033,335. Of this amount, 100% comprises bonded debt backed by the full faith and credit of the government.

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

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

	June 30, 2019			June 30, 2018		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
General Obligation Bonds	\$ 37,118,335	\$ 2,915,000	\$ 40,033,335	\$ 40,279,168	\$ 3,220,000	\$ 43,499,168
Notes Payable	4,914,197	16,054,222	20,968,419	3,270,811	18,059,245	21,330,056
	<u>\$ 42,032,532</u>	<u>\$ 18,969,222</u>	<u>\$ 61,001,754</u>	<u>\$ 43,549,979</u>	<u>\$ 21,279,245</u>	<u>\$ 64,829,224</u>

Additional information on the Town's long-term debt can be found in Note 11 of the notes to the financial statements.

The Town's general obligation bond rating as assigned by Moody's Investors Service in 2016 is Aa1 and AA+ by Standard and Poor's. The State of Rhode Island imposes a limit of 3 percent of the fair value of all taxable Town property on the general obligation debt that a municipality can issue. The Town of East Greenwich's limit is \$73,035,072 at year-end. The Town's outstanding general obligation bonded debt pertaining to legal debt limit is \$16,401,674 at year-end, which is \$56,633,398 under the State imposed limitation.

Economic Factors and Next Year's Budgets and Rates

The Town of East Greenwich's total general fund budget for fiscal year 2020 amounts to \$62,653,518 which reflects a decrease of \$616,949 from the fiscal 2019 budget of \$63,180,889. This decrease was mainly due to a reduction in the capital outlay program which was supplanted with a capital equipment bond.

The 2020 budget was adopted with a tax classification plan as allowed under the RIGL 44-5-11.8. Under the plan the tax rate for commercial property shall not be more than two (2) time the tax rate of real estate. The Town's real estate and commercial property tax rates are \$23.21 and \$23.44 per thousand, respectively. The percent allocation contributed to the general government is 35% allocated for general government and 65% allocated for education. For fiscal 2019, the Town's tax rate was \$23.00 per thousand, with 39% allocated for general government and 61% allocated for education.

The Town plans on issuing two bonds in the current fiscal year:

- \$2,700,000 – Town Capital Equipment Bond
- \$5,000,000 – School Improvement Bond

TOWN OF EAST GREENWICH, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2019
(Un-audited)

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Town of East Greenwich's finances for all of those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: Town of East Greenwich, Finance Director's Office, P.O. Box 111, East Greenwich, RI 02818.



Patricia A. Sunderland
Finance Director

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements

TOWN OF EAST GREENWICH, RHODE ISLAND
Statement of Net Position
June 30, 2019

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	East Greenwich Land Trust
ASSETS				
Cash and cash equivalents	\$ 12,029,581	\$ -	\$ 12,029,581	-
Accounts receivable:				
Accounts receivable net	2,855,115	4,282,227	7,137,342	-
Due from other governments	320,270	-	320,270	246,856
Other receivables	975,654	689,487	1,665,141	-
Other assets	2,087,257	-	2,087,257	-
Capital assets:				
Property, plant and equipment - net	77,323,520	36,305,385	113,628,905	188,874
Construction in progress	276,090	1,772,845	2,048,935	-
Assets not being depreciated	1,825,033	15,372	1,840,405	5,018,500
Total capital assets	79,424,643	38,093,602	117,518,245	5,454,230
Other assets				
Long-term sewer assessment receivable	-	5,124,768	5,124,768	-
Net pension asset	4,255,103	-	4,255,103	-
TOTAL ASSETS	101,947,623	48,190,084	150,137,707	5,454,230
Deferred Outflows of Resources	20,583,493	212,965	20,796,458	-
LIABILITIES				
Accounts payable and accrued expenses	8,392,942	310,064	8,703,006	6,041
Internal balances	(3,429,975)	3,429,975	-	-
Long-term liabilities				
Due within one year	2,370,819	2,036,737	4,407,556	35,000
Due in more than one year	41,199,545	17,238,245	58,437,790	170,000
Net OPEB liability	30,200,399	-	30,200,399	-
Net pension liability	50,088,499	-	50,088,499	-
Total liabilities	128,822,229	23,015,021	151,837,250	211,041
Deferred Inflows of Resources	16,032,870	5,391,341	21,424,211	-
NET POSITION				
Net investment in capital assets	37,392,111	19,529,965	56,922,076	5,207,374
Restricted for:				
Education programs	1,539,868	-	1,539,868	-
Public works programs	1,412,301	-	1,412,301	-
Unrestricted	(62,668,263)	466,722	(62,201,541)	35,815
Total net position	\$ (22,323,983)	\$ 19,996,687	\$ (2,327,296)	5,243,189

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

TOWN OF EAST GREENWICH, RHODE ISLAND
Statement of Activities
For the Year Ended June 30, 2019

	Program revenues			Net (Expense) Revenue and Changes in Net Assets			Component Unit East Greenwich Land Trust
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government		Total	
				Governmental Activities	Business-type Activities		
Functions/Programs							
Primary government							
Governmental activities:							
Legislative, judicial and general administrative	\$ 3,088,673	\$ 711,553	\$ 237	\$ (2,376,883)		\$ (2,376,883)	
Financial administration	3,305,750	-	-	(3,305,750)		(3,305,750)	
Information technology	674,422	-	-	(674,422)		(674,422)	
Public safety	2,979,410	183,351	125,143	(2,670,916)		(2,670,916)	
Public works	3,013,612	-	-	(3,013,612)		(3,013,612)	
Public health and welfare	182,302	386,868	603,697	808,263		808,263	
Parks and recreation	948,433	-	-	(948,433)		(948,433)	
Town planner	211,227	-	-	(211,227)		(211,227)	
Education	45,036,690	464,446	8,472,805	(36,099,439)		(36,099,439)	
Grants and contributions	27,000	-	-	(27,000)		(27,000)	
Library	525,000	-	-	(525,000)		(525,000)	
Interest on long-term debt	2,174,319	-	-	(2,174,319)		(2,174,319)	
Total governmental activities	<u>62,166,838</u>	<u>1,746,218</u>	<u>9,201,882</u>	<u>(51,218,738)</u>		<u>(51,218,738)</u>	
Business-type activities:							
Sewer fund	3,497,211	4,483,500	-	-	\$ 986,289	986,289	
Total business-type activities	<u>3,497,211</u>	<u>4,483,500</u>	<u>-</u>	<u>-</u>	<u>986,289</u>	<u>986,289</u>	
Total primary government	<u>\$ 65,664,049</u>	<u>\$ 6,229,718</u>	<u>\$ 9,201,882</u>	<u>(51,218,738)</u>	<u>986,289</u>	<u>(50,232,449)</u>	
Component unit:							
East Greenwich Land Trust	\$ 45,615	\$ -	\$ -				\$ 56,546
Total Component unit:	<u>\$ 45,615</u>	<u>\$ -</u>	<u>\$ -</u>				<u>\$ 56,546</u>
General revenues:							
General property tax				55,946,990	-	55,946,990	-
Net investment income (loss)				53,363	-	53,363	-
Miscellaneous				4,126,097	-	4,126,097	-
Total general revenues				<u>60,126,450</u>	<u>-</u>	<u>60,126,450</u>	<u>-</u>
Change in net position				<u>8,907,712</u>	<u>986,289</u>	<u>9,894,001</u>	<u>10,931</u>
Net position - beginning - restated				(31,231,695)	19,010,398	(12,221,297)	5,232,258
Net position - ending				<u>\$ (22,323,983)</u>	<u>\$ 19,996,687</u>	<u>\$ (2,327,296)</u>	<u>\$ 5,243,189</u>

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

Fund Financial Statements

TOWN OF EAST GREENWICH, RHODE ISLAND
Balance Sheet
Governmental Funds
June 30, 2019

	General Fund	School Bond 52m Capital Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 10,993,305	\$ -	\$ 1,036,276	\$ 12,029,581
Accounts receivable:				
Property taxes, less allowance for doubtful accounts of \$90,933	2,855,115	-	-	2,855,115
Intergovernmental	-	-	320,270	320,270
Other	975,654	-	-	975,654
Internal balances	35,922,794	-	3,038,807	38,961,601
Inventory	-	-	5,086	5,086
Deposit at other institution	2,016,699	-	-	2,016,699
Prepays	65,472	-	-	65,472
TOTAL ASSETS	\$ 52,829,039	\$ -	\$ 4,400,439	\$ 57,229,478
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued expenditures	\$ 5,311,194	\$ -	\$ 124,123	\$ 5,435,317
Internal balances	34,081,675	396,680	1,053,271	35,531,626
Total liabilities	39,392,869	396,680	1,177,394	40,966,943
DEFERRED INFLOW OF RESOURCES				
Unavailable revenue	3,230,514	-	137	3,230,651
Fund balances:				
<i>Nonspendable:</i>				
Permanent fund principal	-	-	348,705	348,705
Prepays	65,472	-	-	65,472
Deposits held for Health and Dental Benefits	2,016,699	-	-	2,016,699
<i>Restricted for:</i>				
Educational programs	1,098,269	-	441,599	1,539,868
Public works programs	-	-	1,412,301	1,412,301
<i>Assigned for:</i>				
Legislative, judicial	-	-	161,463	161,463
Public safety programs	-	-	132,899	132,899
Community programs	-	-	105,190	105,190
Capital outlays	201,716	-	-	201,716
Public works programs	-	-	118,487	118,487
Culture and recreation	-	-	569,047	569,047
<i>Unassigned:</i>	6,823,500	(396,680)	(66,783)	6,360,037
Total fund balances	10,205,656	(396,680)	3,222,908	13,031,884
TOTAL LIABILITIES AND FUND BALANCES	\$ 52,829,039	\$ -	\$ 4,400,439	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. (see note 8)	79,424,643
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. (see note 8)	273,026
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. (see note 8)	(115,053,536)
Net position of governmental activities	\$ (22,323,983)

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

TOWN OF EAST GREENWICH, RHODE ISLAND
Statement of Revenues, Expenditures
and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2019

	<u>General Fund</u>	<u>School Bond 52m Capital Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues				
General property tax	\$ 55,729,993	\$ -	\$ -	\$ 55,729,993
Intergovernmental and departmental revenues	7,152,863	-	1,368,277	8,521,140
License and permits	1,306,004	-	-	1,306,004
Interest on investments	50,080	-	3,283	53,363
Tuitions	66,400	-	-	66,400
Other revenues	4,198,895	-	801,884	5,000,779
Total revenues	<u>68,504,235</u>	<u>-</u>	<u>2,173,444</u>	<u>70,677,679</u>
Expenditures				
Legislative, judicial and general administrative	6,869,052	-	-	6,869,052
Financial administration	575,612	-	-	575,612
Information technology	674,422	-	-	674,422
Public safety	8,229,999	-	117,297	8,347,296
Public works	3,597,031	-	-	3,597,031
Public health and welfare	-	-	182,302	182,302
Parks and recreation	891,814	-	-	891,814
Town planner	211,227	-	-	211,227
Education	41,038,387	-	1,306,233	42,344,620
Grants and contributions	27,000	-	-	27,000
Library	525,000	-	-	525,000
Financing costs	850	-	-	850
Capital outlay	798,080	366,509	2,030,028	3,194,617
Non capital outlay expenditures	-	189,022	1,026	190,048
Long-term obligations:				
Principal	3,596,833	-	-	3,596,833
Interest	2,172,037	-	-	2,172,037
Total expenditures	<u>69,207,344</u>	<u>555,531</u>	<u>3,636,886</u>	<u>73,399,761</u>
Excess of revenues over (under) expenditures before other financing sources (uses)	<u>(703,109)</u>	<u>(555,531)</u>	<u>(1,463,442)</u>	<u>(2,722,082)</u>
Other financing sources (uses)				
Issuance of debt	-	-	2,079,386	2,079,386
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>2,079,386</u>	<u>2,079,386</u>
Net changes in fund balances	(703,109)	(555,531)	615,944	(642,696)
Fund balances - beginning - restated	<u>10,908,765</u>	<u>158,851</u>	<u>2,606,964</u>	<u>13,674,580</u>
Fund balances - ending	<u>\$ 10,205,656</u>	<u>\$ (396,680)</u>	<u>\$ 3,222,908</u>	<u>\$ 13,031,884</u>

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

TOWN OF EAST GREENWICH, RHODE ISLAND
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2019

Net change in fund balances - total governmental funds \$ (642,696)

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

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

Capital outlay	3,415,349	
Depreciation expense	<u>(2,836,817)</u>	578,532
Loss on disposal of capital asset.		(44,790)

Property taxes that are not collected in the current period and do not represent current financial resources are deferred in the fund financial statements, however they are recognized as revenues in the statement of activities.		216,997
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Amortization of premiums in the current period do not represent current financial resources, however they are recognized as expenditures and revenues in the statement of activities.		179,874
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Some expenditures reported in the governmental funds that require the use of current financial resources are not reported as expenditures in the statement of activities.		(1,432)
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Changes in the Town's Net Pension Assets, Deferred Outflows of Resources related to pension plans or Net Pension Liability and Deferred Inflows of Resources related to pension plans result in an increase or decrease to the pension expense reported in the Statement of Activities.

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

Principal payments made on long-term debt and other activity	3,596,833	
Issuance of debt	(2,079,386)	
Amortization of debt refunding	(13,934)	
Net decrease in claims, judgments and settlements	10,215	
Net decrease in compensated absences	1,638,518	
Net increase in the other post employment benefit obligation	8,721,450	
Net (increase)/decrease in net pension liability	(3,892,100)	
Net increase/(decrease) in net pension asset	630,366	
Net increase/(decrease) in deferred outflows of resources	(364,053)	
Net (increase)/decrease in deferred inflows of resources	1,343,542	
Net increase/(decrease) in deferred outflows OPEB	1,745,980	
Net (increase)/decrease in deferred inflows OPEB	(2,716,204)	
		<u>8,621,227</u>

Change in net assets of governmental activities		<u>\$ 8,907,712</u>
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Please see Note 9 for a more detailed explanation of the differences between the Government-Wide Financial Statements and the Fund Financial Statements

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

TOWN OF EAST GREENWICH, RHODE ISLAND
Statement of Net Position
Proprietary Funds
June 30, 2019

	Sewer Fund
ASSETS	
Current assets	
Cash and cash equivalents	\$ -
Accounts receivable	
User fees, net of \$50,000 allowance for doubtful accounts	3,232,006
Construction loans receivable	689,487
Assessments, current portion	1,050,221
Total current assets	4,971,714
Non-current assets	
Long-term sewer assessment receivable	5,124,768
Construction in progress	1,772,843
Assets not being depreciated	15,372
Net capital assets	36,305,387
Total non-current assets	43,218,370
TOTAL ASSETS	48,190,084
Deferred outflows of resources	
Deferred charge on refunding of debt	212,965
Total deferred inflows of resources	212,965
LIABILITIES	
Current liabilities	
Accounts payable and accrued expenses	308,241
Internal balances	3,429,975
Current portion of accrued compensated absences	1,823
Current portion of long-term debt	2,036,737
Total current liabilities	5,776,776
Non-current liabilities	
Notes and bonds payable	17,216,387
Accrued compensated absences	21,858
Total non-current liabilities	17,238,245
TOTAL LIABILITIES	23,015,021
Deferred inflows of resources	
Other deferred revenue	5,391,341
Total deferred inflows of resources	5,391,341
Net Position	
Net investment in capital assets	19,529,965
Unrestricted	466,722
Total net position	\$ 19,996,687

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

TOWN OF EAST GREENWICH, RHODE ISLAND
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2019

	Sewer Fund
Operating revenues	
Usage sales and fees	\$ 3,261,194
Sewer assessments and interest income	1,222,306
Total operating revenues	4,483,500
Operating expenses	
Salaries and benefits	511,251
Materials and supplies	252,113
Contract services	319,200
Repairs and maintenance	1,557
Utilities	161,738
Administrative expenses	281,237
Depreciation and amortization	1,487,930
Total operating expenses	3,015,026
Operating income	1,468,474
Non-operating revenues (expenses)	
Sewer bond interest expense	(482,185)
Total non-operating (expenses)	(482,185)
Change in net position	986,289
Net position - beginning restated	19,010,398
Net position - ending	\$ 19,996,687

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

TOWN OF EAST GREENWICH, RHODE ISLAND
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2019

	Sewer Fund
Cash flows from operating activities	
Cash received from customers and providing services	\$ 4,547,854
Cash payments to suppliers for goods and services	(946,634)
Cash payments to employees for services	(511,251)
Net cash provided by (used for) operating activities	3,089,969
Cash flows from non-capital financing activities	
Interfund loans	(262,389)
Net cash provided by non-capital financing activities	(262,389)
Cash flows from capital and related financing activities	
Principal paid on bonds & notes	(2,310,023)
Additions to capital assets net	(622,978)
Interest paid on long term debt	(463,855)
Accrued compensated balances	6,979
Unearned revenue	41,833
Construction receivables	520,464
Net cash (used for) capital and related financing activities	(2,827,580)
Net increase (decrease) in cash and cash equivalents	-
Cash and cash equivalents at beginning of year	-
Cash and cash equivalents at end of year	\$ -
Reconciliation of operating income to net cash provided by operating activities	
Operating income (Loss)	1,468,474
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization	1,487,930
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	64,354
Increase (decrease) in accounts payable and accrued expenses	69,211
Total adjustments	1,621,495
Net cash provided by operating activities	\$ 3,089,969

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

TOWN OF EAST GREENWICH, RHODE ISLAND
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2019

	0038	
	<u>OPEB Trust Fund</u>	<u>Agency Funds</u>
ASSETS		
Cash and cash equivalents	\$ 51,959	\$ 523,146
Other receivables	-	240,486
	<hr/>	<hr/>
Investments, at fair value:		
Mutual Funds	3,083,592	-
Total investments	<u>3,083,592</u>	<u>-</u>
Total Assets	<u>3,135,551</u>	<u>763,632</u>
 LIABILITIES		
Deposits held in custody for others	-	763,632
Total Liabilities	<u>-</u>	<u>\$ 763,632</u>
 NET POSITION		
Held in trust for employee OPEB Benefits	<u>\$ 3,135,551</u>	

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

TOWN OF EAST GREENWICH, RHODE ISLAND
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2019

	<u>0038 OPEB Trust Fund</u>
Additions	
Contributions	
Employer	\$ 752,751
Total contributions	<u>752,751</u>
Investment earnings	
Net increase/(decrease) in fair value of investments	<u>208,282</u>
Total investment earnings	<u>208,282</u>
Total additions	<u>961,033</u>
Deductions	
Benefits paid	752,751
Plan cost	7,413
Total deductions	<u>760,164</u>
Change in net position	200,869
Net position beginning of year	2,934,682
Net position end of year	<u><u>\$ 3,135,551</u></u>

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

Notes to Financial Statements

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - REPORTING ENTITY

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

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

Primary Government

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

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

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

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

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

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

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

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

The following entities were considered for classification as component units for fiscal year 2019:

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

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - REPORTING ENTITY (CONTINUED)

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

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

Recently Issued Accounting Standards

The Town implemented the following accounting pronouncements for the year ended June 30, 2019:

- GASB Statement No. 83 – Certain Asset Retirement Obligations – effective for the Town's fiscal year ending June 30, 2019.
- GASB Statement No. 85 – Omnibus 2017 – effective for the Town's fiscal year ending June 30, 2019.
- 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 Town will adopt the following new accounting pronouncements in future years:

- GASB Statement No. 84 – Fiduciary Activities – effective for the Town's fiscal year ending June 30, 2020.
- GASB Statement No. 87 – Leases – effective for the Town's fiscal year ending June 30, 2021.
- GASB Statement No. 89 – Accounting for Interest Cost Incurred Before the End of a Construction Period – effective for the Town's fiscal year ending June 30, 2021.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

Government-Wide Financial Statements

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

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

BASIS OF PRESENTATION

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

Fund Financial Statements

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

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

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

GOVERNMENTAL FUND TYPES

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

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

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

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

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

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PROPRIETARY FUND TYPES

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

FIDUCIARY FUND TYPES

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

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

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

BASIS OF ACCOUNTING
Measurement Focus

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

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

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

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

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

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

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

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

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

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

Cash and Cash Equivalents

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

Investments

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

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

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting (Continued)

Receivables

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

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

Inventories

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

Capital Assets

Property, Plant and Equipment

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

Government-Wide Statements

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

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

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

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements

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

Equity Classifications

Government-Wide Statements

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

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

Governmental Fund Financial Statements

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

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

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Fund Balance Transactions

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

Property Taxes

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

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

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

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

Deferred Outflows/Inflows of Resources

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

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Vacation, Sick Leave, and Other Compensated Absences

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

Short-Term Inter-fund Receivable/Payables

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

Advances to Other Funds

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

Uses of Estimates

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

Budgetary Process

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

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

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pensions

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

NOTE 3 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Legal Debt Margin

The Town's legal debt margin as set forth by State Statute is limited to three percent of total assessed value, which approximates \$73,035,072 based on the December 31, 2017 assessment. As of June 30, 2019, the Town's debt is under the debt limit by \$73,035,072.

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

NOTE 4 - FUND EQUITY

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

The following fund balance categories are recorded on the Balance Sheet of Government Funds in the financial statements at June 30, 2019:

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

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 5 - CASH AND INVESTMENTS

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

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

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

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

Custodial Credit Risk

Deposits: This is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of June 30, 2019, \$683,896 of the Town's balance of \$12,604,686 was uninsured and uncollateralized.

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

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 5 - CASH AND INVESTMENTS (continued)

Cash and investments of the Town consist of the following at June 30, 2019:

Cash and cash equivalents	
Deposits with financial institutions	\$ 12,604,686
Investments	
Trust funds	
Mutual Funds	<u>3,083,592</u>
Total investments	<u>3,083,592</u>
Total cash and investments	<u><u>\$ 15,688,278</u></u>

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

Statement of net assets	
Cash and cash equivalents	<u>\$ 12,029,581</u>
	<u>\$ 12,029,581</u>
Fiduciary funds	
Cash and cash equivalents	575,105
Mutual Funds	<u>3,083,592</u>
	<u>3,658,697</u>
Total cash and investments	<u><u>\$ 15,688,278</u></u>

Interest Rate Risk: This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The town does not have any investments that are subject to interest rate risk for the fiscal year ended June 30, 2019. If applicable, information about the exposure of the Town's debt type investments to this risk is reported using the segment time distribution model.

Credit Risk: Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. The Town did not have any debt type investments that were exposed to credit risk as defined by GASB 40 as of June 30, 2019.

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 5 - CASH AND INVESTMENTS (continued)

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets or with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements). The Town has the following recurring fair value measurements as of June 30, 2019:

	June 30, 2019	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments by fair value level:				
Mutual funds	\$ 3,083,592	\$ 3,083,592	\$ -	\$ -
Total investments by fair value level	<u>\$ 3,083,592</u>	<u>\$ 3,083,592</u>	<u>\$ -</u>	<u>\$ -</u>

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

NOTE 6 - PROPERTY TAXES

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

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

Current tax collections for the Town were approximately 97.53% of the total tax certification for the fiscal year ended June 30, 2019.

NOTE 7 - INFORMATION ABOUT CAPITAL ASSETS

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

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 7 - INFORMATION ABOUT CAPITAL ASSETS (CONTINUED)

Capital asset activity for the fiscal year ended June 30, 2019 was as follows:

	Primary Government			Ending Balance
	Beginning Balance	Increases	Decreases	
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,825,033	\$ -	\$ -	\$ 1,825,033
Construction in progress	520,300	276,090	520,300	276,090
Total capital assets not being depreciated	<u>2,345,333</u>	<u>276,090</u>	<u>520,300</u>	<u>2,101,123</u>
Other capital assets:				
Infrastructure	36,472,762	-	-	36,472,762
Buildings and improvements	86,415,740	1,234,688	-	87,650,428
Land improvements	6,797,853	2,030,028	-	8,827,881
Office furniture and equipment	602,510	-	-	602,510
Motor vehicles	6,198,854	228,456	142,939	6,284,371
Machinery and equipment	4,344,376	166,387	-	4,510,763
Total other capital assets at historical cost	<u>140,832,095</u>	<u>3,659,559</u>	<u>142,939</u>	<u>144,348,715</u>
Less accumulated depreciation for:				
Infrastructure	36,472,762	-	-	36,472,762
Buildings and improvements	17,827,875	1,901,965	-	19,729,840
Land improvements	2,288,827	361,286	-	2,650,113
Office furniture and equipment	506,226	23,146	-	529,372
Motor vehicles	4,132,356	299,660	98,149	4,333,867
Machinery and equipment	3,058,481	250,760	-	3,309,241
Total accumulated depreciation	<u>64,286,527</u>	<u>2,836,817</u>	<u>98,149</u>	<u>67,025,195</u>
Governmental activities capital assets, net	<u>\$ 78,890,901</u>	<u>\$ 1,098,832</u>	<u>\$ 565,090</u>	<u>\$ 79,424,643</u>

Depreciation expense was charged to functions as follows:

Governmental activities:	
Legislative, judicial and general administrative	\$ 144,276
Public safety	502,225
Public works	608,594
Parks and recreation	56,619
Education	1,525,103
Total governmental activities depreciation expense	<u>\$ 2,836,817</u>

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 7 - INFORMATION ABOUT CAPITAL ASSETS (CONTINUED)

Capital asset activity for the fiscal year ended June 30, 2019 was as follows:

	Primary Government			Ending Balance
	Beginning Balance	Increases	Decreases	
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 15,372	\$ -	\$ -	\$ 15,372
Construction in progress	5,289,628	520,465	4,037,248	1,772,845
Total capital assets not being depreciated	<u>5,305,000</u>	<u>520,465</u>	<u>4,037,248</u>	<u>1,788,217</u>
Other capital assets:				
Sewer facility	20,933,664	1,068,701	-	\$ 22,002,365
Equipment and fixtures	654,548	2,991,847	-	3,646,395
Motor vehicles	174,072	79,223	-	253,295
Sewer lines	32,376,713	-	-	32,376,713
Total other capital assets at historical cost	<u>54,138,997</u>	<u>4,139,771</u>	<u>-</u>	<u>58,278,768</u>
Less accumulated depreciation for:				
Sewer facility	10,862,758	500,460	-	11,363,218
Equipment and fixtures	487,368	165,899	-	653,267
Motor vehicles	158,163	12,539	-	170,702
Sewer lines	8,977,154	809,042	-	9,786,196
Total accumulated depreciation	<u>20,485,443</u>	<u>1,487,940</u>	<u>-</u>	<u>21,973,383</u>
Business-type activities capital assets, net	<u>\$ 38,958,554</u>	<u>\$ 3,172,296</u>	<u>\$ 4,037,248</u>	<u>\$ 38,093,602</u>

Depreciation expense was charged to functions as follows:

Business-type activities:	
Sewer Fund	\$ 1,487,940
Total business-type activities depreciation expense	<u>\$ 1,487,940</u>

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

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

"Total fund balances" of the Towns' governmental funds \$13,031,884 differs from "net position" of governmental activities \$(22,323,983) reported in the statement of net position. This difference primarily results from the long-term economic focus of the statement of net position versus the current financial resources focus of the governmental fund balance sheets. The effect of the differences is illustrated below.

	Balance Sheet/Statement of Net Position			
	Total Governmental Funds	Long-term Assets/ Liabilities (1)	Reclassifications and Eliminations	Statement Net Position Totals
Assets				
Cash and cash equivalents	\$ 12,029,581	\$ -	\$ -	\$ 12,029,581
Receivables:				
Property taxes, net	2,855,115	-	-	2,855,115
Intergovernmental	320,270	-	-	320,270
Other	975,654	-	-	975,654
Internal balances	38,961,601	-	(38,961,601)	-
Deposits with institutions	2,016,699	-	-	2,016,699
Other assets	70,558	-	-	70,558
Property, plant and equipment - net	-	79,424,643	-	79,424,643
Net pension asset	-	4,255,103	-	4,255,103
Total assets	<u>\$ 57,229,478</u>	<u>\$ 83,679,746</u>	<u>\$ (38,961,601)</u>	<u>\$ 101,947,623</u>
Deferred outflows of resources	-	20,583,493	-	20,583,493
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued expenses	\$ 5,435,317	\$ 2,957,625	\$ -	\$ 8,392,942
Internal balances	35,531,626	-	(38,961,601)	(3,429,975)
Long-term liabilities				
Due within one year	-	2,370,819	-	2,370,819
Due in more than one year	-	41,199,545	-	41,199,545
Net OPEB liability	-	30,200,399	-	30,200,399
Net pension liability	-	50,088,499	-	50,088,499
Total liabilities	<u>40,966,943</u>	<u>126,816,887</u>	<u>(38,961,601)</u>	<u>128,822,229</u>
Deferred inflows of resources	3,230,651	12,802,219	-	16,032,870
Fund Balances/Net Position				
Total fund balances/net position	13,031,884	(35,355,867)	-	(22,323,983)
Total liabilities and fund balances/net position	<u>\$ 57,229,478</u>	<u>\$ 104,263,239</u>	<u>\$ (38,961,601)</u>	<u>\$ 122,531,116</u>

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

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

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

Cost of capital assets	\$	146,449,838
Accumulated depreciation		(67,025,195)
		\$ 79,424,643

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

Adjustment of unearned revenue	\$	3,230,651
Accrued interest		(288,714)
Bond premiums		(2,668,911)
		\$ 273,026

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

Bonds payable	\$	(42,032,532)
Accrued compensated absences		(964,928)
Claims, judgments, and settlements		(572,904)
Net OPEB liability		(30,200,399)
Net pension liability		(50,088,499)
		\$ (123,859,262)

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

Net pension asset - MERS Town	\$	874,006
Net pension asset - TSB		3,381,097
		\$ 4,255,103

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

Deferred inflows of resources - pensions		(7,874,976)
Deferred outflows of resources - pensions		18,837,513
Deferred outflows on refunding debt		-
Deferred inflows of resources - OPEB		(8,157,894)
Deferred outflows of resources - OPEB		1,745,980

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

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

The "net change in the fund balances" for governmental funds (\$642,696) differs from the "change in net position" for governmental activities \$8,907,712 reported in the statement of activities. The differences arise primarily from the long-term economic focus of the statement of activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

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

	<u>Total Governmental Funds</u>	<u>Long-term Revenues/ Expenses (1)</u>	<u>Capital- related Items (2)</u>	<u>Long-term Debt Transactions (3)</u>	<u>Statement of Activities Totals</u>
Revenues					
General property tax	\$ 55,729,993	\$ 216,997	\$ -	\$ -	\$ 55,946,990
Intergovernmental and departmental revenues	8,521,140	-	-	-	8,521,140
License and permits	1,306,004	-	-	-	1,306,004
Interest on investments	53,363	-	-	-	53,363
Tuitions	66,400	-	-	-	66,400
Other revenues	5,000,779	179,874	-	-	5,180,653
Total revenues	<u>70,677,679</u>	<u>396,871</u>	<u>-</u>	<u>-</u>	<u>71,074,550</u>
Expenditures					
Current:					
Legislative, judicial and general administrative	6,869,052	(472,631)	144,276	(3,452,024)	3,088,673
Financial administration	575,612	-	-	2,730,138	3,305,750
Information technology	674,422	-	-	-	674,422
Public safety	8,347,296	-	502,225	(6,060,159)	2,789,362
Public works	3,597,031	-	653,384	(1,236,803)	3,013,612
Public health and welfare	182,302	-	-	-	182,302
Parks and recreation	891,814	-	56,619	-	948,433
Town planner	211,227	-	-	-	211,227
Education	42,344,620	(2,252,838)	1,304,371	3,640,537	45,036,690
Grants and contributions	27,000	-	-	-	27,000
Library	525,000	-	-	-	525,000
Financing costs	850	-	-	-	850
Capital outlay	3,194,617	-	(3,194,617)	-	-
Non capital outlay expenditures	190,048	-	-	-	190,048
Long-term obligations:					
Principal	3,596,833	-	-	(3,596,833)	-
Interest	2,172,037	-	-	1,432	2,173,469
Total expenditures	<u>73,399,761</u>	<u>(2,725,469)</u>	<u>(533,742)</u>	<u>(7,973,712)</u>	<u>62,166,838</u>
Other financing sources (uses)					
Issuance of debt	2,079,386	-	-	(2,079,386)	-
Total other financing sources (uses)	<u>2,079,386</u>	<u>-</u>	<u>-</u>	<u>(2,079,386)</u>	<u>-</u>
Net change for the year	<u>\$ (642,696)</u>	<u>\$ 3,122,340</u>	<u>\$ 533,742</u>	<u>\$ 5,894,326</u>	<u>\$ 8,907,712</u>

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

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

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

Unearned revenue property tax	\$	216,997
		<u>216,997</u>

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

Accrued interest	\$	(1,432)
Amortization bond premium costs		179,874
Total expenditure adjustment	\$	<u>178,442</u>

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

Capital outlay	\$	3,415,349
Depreciation expense		(2,836,817)
Difference	\$	<u>578,532</u>

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

Loss on disposal of equipment	\$	<u>(44,790)</u>
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- (3) Repayment of bond principal is reported as an expenditure in the governmental funds and, thus, has the effect of reducing fund balance because current financial resources have been used. For the town as a whole, however, the principal payments reduce the liabilities in the statement of net position and do not result in an expense in the statement of activities.

Issuance of debt	\$	(2,079,386)
Amortization of deferred loss on refunding debt		(13,934)
Principal payments made		3,596,833
Difference	\$	<u>1,503,513</u>

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

Net (increase)/decrease in net OPEB liability	\$	8,721,450
Net decrease claims, judgments, and settlements		10,215
Net (increase)/decrease in compensated absences		1,638,518
Net (increase)/decrease in net pension liability		(3,892,100)
Net increase/(decrease) in net pension asset		630,366
Net increase/(decrease) in deferred outflows		(364,053)
Net increase/(decrease) in deferred outflows OPEB		1,745,980
Net (increase)/decrease in deferred inflows		1,343,542
Net (increase)/decrease in deferred inflows OPEB		(2,716,204)
Change	\$	<u>7,117,714</u>

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 10 - INTERFUND BALANCES

Inter-fund balances represent loans to various funds for use in operations when funds are either not available through operations or funding is being requested through other funding sources. These amounts are expected to be repaid at certain future dates. Below are the balances as of June 30, 2019:

	<u>Due from other funds</u>		<u>Due to other funds</u>
General Fund	\$ 35,922,794		\$ 34,081,675
School Bond 52m Capital Fund	-		396,680
Special Revenue Funds:			
School Restricted	349,817		956,552
Town Restricted	2,218,585		-
Town Projects Fund	311,654	2,880,056	1,137
Other Non-major Funds			
Permanent Funds	158,751		95,582
Enterprise Funds			
Sewer	-		3,429,975
Totals	\$ 38,961,601		\$ 38,961,601

NOTE 11 - LONG-TERM LIABILITIES

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

Rhode Island general laws cap the amount of each municipality's general obligation bonds that may be outstanding to 3% of its assessed property values. Exceptions apply to bonds financed from non-tax revenues and special exemptions are granted for other purposes as well. The net assessed value of the Town's properties at December 31, 2017 was \$2,434,502,407 limiting the amount of non-excepted general obligation bond authority to \$73,035,072. The outstanding bonded debt applicable to the debt limit as of June 30, 2019 was \$16,401,674 which is \$56,633,398 below the maximum level.

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 11 - LONG TERM LIABILITIES (CONTINUED)

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

Long-term liability activity for the fiscal year ended June 30, 2019 was as follows:

	Date of Issuance	Interest Rate	Date of Maturity	Authorized	Outstanding July 1, 2018	Additions	Maturities During Year	Issues Refunded	Outstanding June 30, 2019	Amounts due within one year	Interest Paid
GOVERNMENTAL ACTIVITIES											
General Obligation Bonds & Notes Payable											
Health and Education Building Corp	2/2/2012	2.5 to 5.0%	6/30/2037	\$ 35,640,000	\$ 30,180,000	\$ -	\$ 1,100,000	\$ -	\$ 29,080,000	\$ 1,145,000	\$ 1,266,450
Health and Education Building Corp	11/15/2010	0.897%	5/15/2029	10,635,000	6,499,168	-	590,833	-	5,908,335	590,833	679,150
Town Hall Sidewalk/Step Repair	4/29/2009	2.0-4.0%	4/15/2019	190,000	18,600	-	18,600	-	-	-	630
Senior Center/Public Works Offices	4/29/2009	2.0-4.0%	4/15/2019	3,050,000	341,400	-	341,400	-	-	-	11,970
RI Infrastructure Water Road & Bridge	5/25/2015	.023-1.73%	9/1/2024	2,000,000	1,577,000	-	214,000	-	1,363,000	217,000	28,096
Road & Bridge Revolving Loan Fund Loan	5/30/2017	1.76%	9/1/2036	5,000,000	1,693,811	2,079,386	222,000	-	3,551,197	225,000	79,576
Refunding Bond	9/8/2016	3.00 to 4.0%	10/1/2028	2,085,000	680,000	-	680,000	-	-	-	13,600
School Fields - RIHBC	2/25/2009	2.5-4.125%	5/15/2024	6,000,000	2,560,000	-	430,000	-	2,130,000	-	93,287
Total general obligation bonds payable				64,600,000	43,549,979	2,079,386	3,596,833	-	42,032,532	2,177,833	2,172,759
Capital leases											
Capital leases	various		various		-	-	-	-	-	-	-
Total governmental activates bonds, BANs and leases payable					43,549,979	2,079,386	3,596,833	-	42,032,532	2,177,833	2,172,759
Accrued expenses											
Compensated absences - Town					2,553,623	-	1,624,813	-	928,810	185,762	-
Compensated absences - School Department					49,823	-	13,705	-	36,118	7,224	-
Claims, judgments and settlements					583,119	-	10,215	-	572,904	-	-
Net OPEB liability					38,921,849	-	8,721,450	-	30,200,399	-	-
Net pension liability					46,196,399	917,790	(2,974,310)	-	50,088,499	-	-
Total accrued expenses					88,304,813	917,790	7,395,873	-	81,826,730	192,986	-
Total long-term liabilities - governmental activities					\$ 131,854,792	\$ 2,997,176	\$ 10,992,706	\$ -	\$ 123,859,262	\$ 2,370,819	\$ 2,172,759
BUSINESS TYPE ACTIVITIES											
General Obligation Bonds Payable											
Sewer General Obligation Bonds	11/1/2008	4.0-4.2%	6/30/2023	\$ 6,000,000	\$ 300,000	\$ -	\$ 300,000	\$ -	\$ -	\$ -	\$ 6,300
Refunding Bond	9/8/2016	2.75 to 4.0%	10/1/2028	2,970,000	2,920,000	-	5,000	-	2,915,000	-	98,762
Total general obligation bonds payable				\$ 8,970,000	\$ 3,220,000	\$ -	\$ 305,000	\$ -	\$ 2,915,000	\$ -	\$ 105,062
Notes payable											
RI Infrastructure Bank	8/25/1999	5.09%	9/1/2019	\$ 8,500,000	\$ 894,738	\$ -	\$ 447,368	\$ -	\$ 447,370	\$ 447,370	18,327
RI Infrastructure Bank	10/30/2002	3.90%	9/1/2022	11,100,000	3,436,610	-	654,184	-	2,782,426	670,349	46,191
RI Infrastructure Bank	12/21/2006	1.27%	9/1/2027	7,600,000	4,126,000	-	381,000	-	3,745,000	387,000	61,930
RI Infrastructure Bank	9/14/2009	0.41-2.68%	9/1/2029	2,462,252	1,614,897	-	115,471	-	1,499,426	118,018	45,149
RI Infrastructure Bank	6/2/2016	0.31-2.24%	9/1/1935	6,000,000	5,727,000	-	275,000	-	5,452,000	278,000	116,262
RI Infrastructure Bank	6/10/2010	0.61-3.25%	9/1/2031	3,000,000	2,260,000	-	132,000	-	2,128,000	136,000	70,934
Total Sewer notes payable				38,662,252	18,059,245	-	2,005,023	-	16,054,222	2,036,737	358,793
Total business-type activities funds bonds and loans payable					21,279,245	-	2,310,023	-	18,969,222	2,036,737	463,855
Accrued expenses											
Compensated absences					16,702	6,978	-	-	23,680	1,823	-
Total long-term liabilities - business-type activities					\$ 21,295,947	\$ 6,978	\$ 2,310,023	\$ -	\$ 18,992,902	\$ 2,038,560	\$ 463,855

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 11 - LONG-TERM LIABILITIES (Continued)

SCHEDULE OF DEBT SERVICE REQUIREMENTS

GOVERNMENTAL ACTIVITIES

<u>Fiscal Year Ended June 30,</u>	<u>Percentage of Maturity</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2020	12.16%	2,607,833	2,085,340	4,693,173
2021	12.16%	2,653,833	2,020,512	4,674,345
2022	18.40%	2,696,833	1,964,895	4,661,728
2023	24.79%	2,763,833	1,881,451	4,645,284
2024	31.35%	2,837,833	1,793,802	4,631,635
2025	37.07%	2,474,833	1,715,265	4,190,098
2026	42.38%	2,296,833	1,653,598	3,950,431
2027	47.80%	2,346,833	1,605,982	3,952,815
2028	53.34%	2,396,833	1,556,507	3,953,340
2029-2037	100.00%	20,183,838	7,465,837	27,649,675
		<u>\$ 43,259,335</u>	<u>\$ 23,743,189</u>	<u>\$ 67,002,524</u>

BUSINESS-TYPE ACTIVITIES

2020	12.34%	2,341,737	422,599	2,764,336
2021	22.48%	1,923,327	353,582	2,276,909
2022	32.78%	1,952,697	316,258	2,268,955
2023	43.26%	1,988,486	300,261	2,288,747
2024	50.05%	1,287,603	264,980	1,552,583
2025	56.94%	1,307,999	232,304	1,540,303
2026	63.93%	1,325,244	202,189	1,527,433
2027	71.00%	1,341,490	170,448	1,511,938
2028	78.18%	1,361,735	137,326	1,499,061
2029-2037	100.00%	4,138,904	860,458	4,999,362
		<u>\$ 18,969,222</u>	<u>\$ 3,260,405</u>	<u>\$ 22,229,627</u>

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 12 – LITIGATION, CLAIMS, JUDGMENTS AND SETTLEMENTS

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

B. Federally Assisted Programs - Compliance Audits

The Town participates in a number of federally assisted programs. The audits of these programs through the year ended June 30, 2019 were audited in connection with the accompanying financial statements under the Single Audit Concept and the auditor's reports thereon are presented in the Single Audit Report. Management believes that the amounts, if any, of expenditures, which may be disallowed, will not be material to the financial position of the Town.

NOTE 13 - FUND TRANSFERS

Transfers are made to provide revenue for annual expenditures of various funds. Transfers are not expected to be repaid to the originating (source) fund. Listed below is the transfer activity for fiscal year ended June 30, 2019.

<u>Fund / Department</u>	Transfers from other funds	Transfers to other funds
General Fund	\$ -	\$ -
Capital Projects Fund	-	-
Special Revenue Fund	-	-
Totals	<u>\$ -</u>	<u>\$ -</u>

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 14 - RETIREMENT PLANS & POST EMPLOYEMENT BENEFITS

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

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

MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing the ERSRI website at www.ersri.org

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

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

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

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

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.

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 14 - RETIREMENT PLANS & POST EMPLOYEMENT BENEFITS

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

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

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

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

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

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

Police and Fire employees

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

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

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

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

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).

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 14 - RETIREMENT PLANS & POST EMPLOYEMENT BENEFITS

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

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

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

Other benefit provisions

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

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

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

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

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

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

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 14 - RETIREMENT PLANS

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

Employees covered by benefit terms

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

	Town General Employees MERS Plan	Town COLA Employees MERS Plan	Town Fire Non-Cert Employees MERS Plan	Police Employees MERS Plan	Fire Employees MERS Plan
Retirees and Beneficiaries	53	51	1	31	33
Inactive, Nonretired Members	51	48	1	5	4
Active Members	16	173	0	34	39
Total	120	272	2	70	76

Contributions - The amount of employee and employer contributions have been established under Rhode Island General Law Chapter 45-21. General employees with less than 20 years of service as of June 30, 2012 are required to contribute 1% (employer should report 2% if opted to provide a COLA) of their salaries. General employees with more than 20 years of service as of June 30, 2012 are required to contribute 8.25%. Public safety employees are required to contribute 9% (employer should report 10% if opted to provide a COLA) of their salaries. The Town of East Greenwich contributes at a rate of covered employee payroll as determined by an independent actuary on an annual basis. The General Assembly can amend the amount of these contribution requirements. The Town of East Greenwich contributed \$1,780,447 in the year ended June 30, 2019 which averaged out to 14.82% of the annual payroll.

Net Pension Liability (Asset) - The total pension liability was determined by actuarial valuations performed as of June 30, 2017 and rolled forward to June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement.

Summary of Actuarial Assumptions Used in the Valuations to determine the Net Pension Liability at the June 30, 2018 measurement date (June 30, 2017 valuation rolled forward to June 30, 2018)	
Actuarial Cost Method	Entry Age Normal - the Individual Entry Age Actuarial Cost methodology is used.
Amortization Method	Level Percent of Payroll – Closed
Actuarial Assumptions	
Investment Rate of Return	7.00%
Projected Salary Increases	General Employees - 3.5% to 7.5% ; Police & Fire Employees - 4.0% to 14.0%
Inflation	2.50%
Mortality	Mortality - variants of the RP-2014 mortality tables - for the improvement scale, update to the ultimate rates of the MP-2016 projection scale.
Cost of Living Adjustments	A 2% COLA is assumed after January 1, 2014.

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 14 - RETIREMENT PLANS (CONTINUED)

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

The actuarial assumptions used in the June 30, 2017 valuation rolled forward to June 30, 2018 and the calculation of the total pension liability at June 30, 2018 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 34 sources. The June 30, 2018 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Arithmetic Real Rate of Return
GROWTH		
Global Equity		
US Equity	20.80%	6.43%
International Developed Equity	14.40%	6.72%
Emerging Markets Equity	4.80%	8.90%
Sub-total	40.00%	
Private Growth		
Private Equity	11.30%	9.08%
Non-Core Real Estate	2.20%	5.03%
Opportunistic Private Credit	1.50%	9.08%
Sub-total	15.00%	
INCOME		
High Yield Infrastructure	1.00%	3.81%
REITS	1.00%	5.03%
Liquid Credit	2.80%	3.81%
Private Credit	3.20%	3.81%
Sub-total	8.00%	
STABILITY		
Crisis Protection Class		
Treasury Duration	4.00%	0.61%
Systematic Trend	4.00%	4.00%
Sub-total	8.00%	
Inflation Protection		
Core Real Estate	3.60%	5.03%
Private Infrastructure	2.40%	5.61%
TIPs	1.00%	1.75%
Natural Resources	1.00%	3.81%
Sub-total	8.00%	
Volatility Protection		
IG Fixed Income	11.50%	2.14%
Absolute Return	6.50%	4.00%
Cash	3.00%	0.61%
Sub-total	21.00%	
Total	100.00%	

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.

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 14 - RETIREMENT PLANS (CONTINUED)

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

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.

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

Changes in Net Pension Liability (Asset) - Town Employees			
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of June 30, 2017	\$ 6,648,521	\$ 7,192,528	\$ (544,007)
Changes for the Year			
Service Cost	120,085		120,085
Interest on the total pension liability	452,499		452,499
Changes in benefits	-		-
Difference between expected and actual experience	(208,304)		(208,304)
Changes in assumptions	-		-
Employer contributions		57,949	(57,949)
Employee contributions		45,568	(45,568)
Net investment income		553,595	(553,595)
Benefit payments, including employee refunds	(488,582)	(488,582)	-
Administrative expense		(7,370)	7,370
Other changes		44,537	(44,537)
Net changes	(124,302)	205,697	(329,999)
Balances as of June 30, 2018	\$ 6,524,219	\$ 7,398,225	\$ (874,006)

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 14 - RETIREMENT PLANS (CONTINUED)

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

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

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of June 30, 2017	\$ 23,274,591	\$ 22,844,486	\$ 430,105
Changes for the Year			
Service Cost	550,204		550,204
Interest on the total pension liability	1,613,891		1,613,891
Changes in benefits	-		-
Difference between expected and actual experience	(328,885)		(328,885)
Changes in assumptions	-		-
Employer contributions		265,658	(265,658)
Employee contributions		190,667	(190,667)
Net investment income		1,738,621	(1,738,621)
Benefit payments, including employee refunds	(988,226)	(988,226)	-
Administrative expense		(23,145)	23,145
Other changes		(793,177)	793,177
Net changes	<u>846,984</u>	<u>390,398</u>	<u>456,586</u>
Balances as of June 30, 2018	<u>\$ 24,121,575</u>	<u>\$ 23,234,884</u>	<u>\$ 886,691</u>

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

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of June 30, 2017	\$ 417,342	\$ 312,446	\$ 104,896
Changes for the Year			
Service Cost	2,863		2,863
Interest on the total pension liability	28,565		28,565
Changes in benefits	-		-
Difference between expected and actual experience	(8,232)		(8,232)
Changes in assumptions	-		-
Employer contributions		2,868	(2,868)
Employee contributions		571	(571)
Net investment income		12,267	(12,267)
Benefit payments, including employee refunds	(21,409)	(21,409)	-
Administrative expense		(163)	163
Other changes		(142,643)	142,643
Net changes	<u>1,787</u>	<u>(148,509)</u>	<u>150,296</u>
Balances as of June 30, 2018	<u>\$ 419,129</u>	<u>\$ 163,937</u>	<u>\$ 255,192</u>

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 14 - RETIREMENT PLANS (CONTINUED)

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

Changes in Net Pension Liability (Asset) - Police Employees

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of June 30, 2017	\$ 22,614,548	\$ 14,764,793	\$ 7,849,755
Changes for the Year			
Service Cost	527,840		527,840
Interest on the total pension liability	1,561,693		1,561,693
Changes in benefits	-		-
Difference between expected and actual experience	(403,981)		(403,981)
Changes in assumptions	-		-
Employer contributions		696,413	(696,413)
Employee contributions		248,627	(248,627)
Net investment income		1,177,373	(1,177,373)
Benefit payments, including employee refunds	(1,137,148)	(1,137,148)	-
Administrative expense		(15,674)	15,674
Other changes		-	-
Net changes	<u>548,404</u>	<u>969,591</u>	<u>(421,187)</u>
Balances as of June 30, 2018	<u>\$ 23,162,952</u>	<u>\$ 15,734,384</u>	<u>\$ 7,428,568</u>

Changes in Net Pension Liability (Asset) - Fire Employees

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of June 30, 2017	\$ 21,079,187	\$ 13,270,004	\$ 7,809,183
Changes for the Year			
Service Cost	534,564		534,564
Interest on the total pension liability	1,456,481		1,456,481
Changes in benefits	-		-
Difference between expected and actual experience	640,190		640,190
Changes in assumptions	-		-
Employer contributions		738,829	(738,829)
Employee contributions		260,379	(260,379)
Net investment income		1,054,324	(1,054,324)
Benefit payments, including employee refunds	(1,079,187)	(1,079,187)	-
Administrative expense		(14,036)	14,036
Other changes		(140,356)	140,356
Net changes	<u>1,552,048</u>	<u>819,953</u>	<u>732,095</u>
Balances as of June 30, 2018	<u>\$ 22,631,235</u>	<u>\$ 14,089,957</u>	<u>\$ 8,541,278</u>

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 14 - RETIREMENT PLANS (CONTINUED)

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

Sensitivity of the Net Pension Liability to changes in the discount rate. The following presents the net pension liability (asset) of the employers calculated using the discount rate of 7.0 percent, as well as what the employers' net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

Plan:	1.00% Decrease (6.0%)	Current Discount Rate (7.0%)	1.00% Increase (8.0%)
Town Employees	(100,931)	(874,006)	(1,449,864)
Town COLA	3,648,644	886,691	(1,169,741)
Town Fire Non Cert	303,649	255,192	219,110
Police	10,103,032	7,428,568	5,437,050
Fire	11,150,675	8,541,278	6,598,241

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, 2019 the employer recognized pension expense of \$57,052 for Town Employees, \$265,016 for Town COLA, \$693,687 for Police Employees and \$764,691 for Fire Employees. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	General Town Employees MERS Plan	Town COLA Employees MERS Plan	Town Non- Cert Fire Employees MERS Plan	Police Employees MERS Plan	Fire Employees MERS Plan
Deferred Outflows of Resources:					
Contributions subsequent to measurement date	\$ 57,052	\$ 265,016	\$ -	\$ 693,687	\$ 764,691
Difference between expected and actual experience	-	38,455	5,610	16,947	818,823
Net difference between projected and actual earnings	75,475	174,213	9,045	87,021	7,564
Changes in assumptions	-	670,284	-	795,325	831,248
Total Deferred Outflows of Resources:	\$ 132,527	\$ 1,147,968	\$ 14,655	\$ 1,592,980	\$ 2,422,326
Deferred Inflows of Resources:					
Difference between actual and expected experience	76,215	488,292	6,910	377,669	-
Difference between projected and actual earnings	-	-	-	-	-
Changes in assumptions	-	17,478	2,768	12,506	31,633
Total Deferred Inflows of Resources:	\$ 76,215	\$ 505,770	\$ 9,678	\$ 390,175	\$ 31,633

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 14 - RETIREMENT PLANS (CONTINUED)

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

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

Town Employees		Town Employees - COLA		Town Employees - Non Cert Fire	
Year Ending	Net Deferred	Year Ending	Net Deferred	Year Ending	Net Deferred
June 30	(outflows)/inflows of resources	June 30	(outflows)/inflows of resources	June 30	(outflows)/inflows of resources
2020	\$ 39,172	2020	\$ 370,509	2020	\$ 5,017
2021	37,995	2021	158,601	2021	1,709
2022	(65,449)	2022	(157,464)	2022	(1,896)
2023	(12,458)	2023	46,655	2023	599
2024	-	2024	(27,714)	2024	(452)
Thereafter	-	Thereafter	(13,405)	Thereafter	-
Total	\$ (740)	Total	\$ 377,182	Total	\$ 4,977

Police Employees		Fire Employees	
Year Ending	Net Deferred	Year Ending	Net Deferred
June 30	(outflows)/inflows of resources	June 30	(outflows)/inflows of resources
2020	\$ 315,357	2020	\$ 448,246
2021	187,597	2021	335,856
2022	(20,040)	2022	184,925
2023	79,235	2023	281,261
2024	(53,031)	2024	298,438
Thereafter	-	Thereafter	77,276
Total	\$ 509,118	Total	\$ 1,626,002

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

Plan description - Certain employees of the East Greenwich School Department participate in a cost-sharing multiple-employer defined benefit pension plan - the Employees' Retirement System plan - administered by the Employees' Retirement System of the State of Rhode Island (System). Under a cost-sharing plan, pension obligations for employees of all employers are pooled and plan assets are available to pay the benefits of the employees of any participating employer providing pension benefits through the plan, regardless of the status of the employers' payment of its pension obligation to the plan. The plan provides retirement and disability benefits and death benefits to plan members and beneficiaries. The System issues a publicly available financial report that includes financial statements and required supplementary information for the plans. The report may be obtained at <http://www.ersri.org>.

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 14 - RETIREMENT PLANS (CONTINUED)

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

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

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

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

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

Contributions - The funding policy, as set forth in the General Laws, Section 16-16-22, provides for actuarially determined periodic contributions to the plan. For fiscal 2017, East Greenwich teachers were required to contribute 3.75% of their annual covered salary, except for teachers with twenty or more years of service as of June 20, 2012 must contribute 11% of their annual covered salary. The state and the East Greenwich School Department are required to contribute at an actuarially determined rate, 40% of which is to be paid by the state and the remaining 60% is to be paid by East Greenwich School Department; the rates were 10.06% and 13.45% of annual covered payroll for the fiscal year ended June 30, 2019 for the State and East Greenwich School Department, respectively. The East Greenwich School Department contributed \$2,559,780, \$2,455,896 and \$2,297,196 for the fiscal years ended June 30, 2019, 2018 and 2017, respectively, equal to 100% of the required contributions for each year. The State's share of contribution for fiscal 2019 was \$1,914,592 and is reported as on-behalf payments and included in both revenue and expenditures on the financial statements.

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

At June 30, 2019, the East Greenwich School Department reported a liability of \$32,976,770 for its proportionate share of the net pension liability that reflected a reduction for contributions made by the state. The amount recognized by the East Greenwich School Department as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with the East Greenwich School Department are as follows:

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 14 - RETIREMENT PLANS (CONTINUED)

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

East Greenwich School Dept's proportionate share of the net pension liability		\$ 32,976,770
State's proportionate share of the net pension liability associated with the East Greenwich School Dept.		<u>24,598,302</u>
Total net pension liability		<u><u>\$ 57,575,072</u></u>

The net pension liability was measured as of June 30, 2018, 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, 2017 rolled forward to June 30, 2018. The East Greenwich School Department's proportion of the net pension liability was based on a projection of the Department's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the state, actuarially determined. At June 30, 2019 the East Greenwich School District's proportion was 1.03790351%

For the year ended June 30, 2019 the East Greenwich School Department recognized gross pension expense of \$5,791,599 and revenue of \$2,616,924 for support provided by the State. At June 30, 2019 the East Greenwich School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred outflows of resources:

Changes in assumptions		\$ 2,395,383
Changes in proportion and differences between employer contributions and proportionate share of contributions		3,239,730
Net Difference between projected and actual investment earnings on pension plan investments		393,894
Difference between expected and actual experience		482,336
Contributions made subsequent to the measurement date		<u>2,559,780</u>
Total		<u><u>\$ 9,071,123</u></u>

Deferred inflows of resources:

Differences between expected and actual experience		\$ 628,970
Change of assumptions		388,068
Changes in proportion and differences between employer contributions and proportionate share of contributions		<u>1,837,347</u>
Total		<u><u>\$ 2,854,385</u></u>

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 14 - RETIREMENT PLANS (CONTINUED)

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

\$2,559,780 reported as deferred outflows of resources related to pensions resulting from the East Greenwich School Department contributions in fiscal year 2019 subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Net Deferred (outflows)/inflows of resources
2020	\$ 1,127,365
2021	724,871
2022	150,695
2023	599,733
2024	553,844
thereafter	500,450
	\$ 3,656,958

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

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

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

The actuarial assumptions used in the June 30, 2017 valuation rolled forward to June 30, 2018 and the calculation of the total pension liability at June 30, 2018 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 34 sources. The June 30, 2018 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 14 - RETIREMENT PLANS (CONTINUED)

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

Asset Class	Target Asset Allocation	Long-Term Expected Arithmetic Real Rate of Return
GROWTH		
Global Equity		
US Equity	20.80%	6.43%
International Developed Equity	14.40%	6.72%
Emerging Markets Equity	4.80%	8.90%
Sub-total	40.00%	
Private Growth		
Private Equity	11.30%	9.08%
Non-Core Real Estate	2.20%	5.03%
Opportunistic Private Credit	1.50%	9.08%
Sub-total	15.00%	
INCOME		
High Yield Infrastructure	1.00%	3.81%
REITS	1.00%	5.03%
Liquid Credit	2.80%	3.81%
Private Credit	3.20%	3.81%
Sub-total	8.00%	
STABILITY		
Crisis Protection Class		
Treasury Duration	4.00%	0.61%
Systematic Trend	4.00%	4.00%
Sub-total	8.00%	
Inflation Protection		
Core Real Estate	3.60%	5.03%
Private Infrastructure	2.40%	5.61%
TIPs	1.00%	1.75%
Natural Resources	1.00%	3.81%
Sub-total	8.00%	
Volatility Protection		
IG Fixed Income	11.50%	2.14%
Absolute Return	6.50%	4.00%
Cash	3.00%	0.61%
Sub-total	21.00%	
Total	100.00%	

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

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

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 14 - RETIREMENT PLANS (CONTINUED)

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

Sensitivity of the net pension liability (asset) to changes in the discount rate - the following presents the net pension liability (asset) calculated using the discount rate of 7.0 percent as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

1.00% Decrease (6.0%)	Current Discount Rate (7.0%)	1.00% Increase (8.0%)
\$ 41,490,425	\$ 32,976,770	\$ 26,635,603

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

C. TEACHERS SURVIVOR BENEFITS

General Information about the Pension Plan

Plan description - Certain employees of the East Greenwich School Department participate in a cost-sharing multiple-employer defined benefit pension plan - the Teachers' Survivors Benefit plan - administered by the Employees' Retirement System of the State of Rhode Island (System). Under a cost-sharing plan, pension obligations for employees of all employers are pooled and plan assets are available to pay the benefits of the employees of any participating employer providing pension benefits through the plan, regardless of the status of the employers' payment of its pension obligation to the plan. The plan provides a survivor benefit to public school teachers in lieu of Social Security since not all school districts participate in Social Security. The System issues a publicly available financial report that includes financial statements and required supplementary information for the plans. The report may be obtained at <http://www.ersri.org>.

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

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

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

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 14 - RETIREMENT PLANS (CONTINUED)

C. TEACHERS SURVIVOR BENEFITS

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

<u>Highest Annual Salary</u>	<u>Basic Monthly Spouse's Benefit</u>
\$17,000 or less	\$ 825.00
\$17,001 to \$25,000	\$ 962.50
\$25,001 to \$33,000	\$ 1,100.00
\$33,001 to \$40,000	\$ 1,237.50
\$40,001 and over	\$ 1,375.00

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 \$11,500; one-half (1/2) of the cost is contributed by the member by deductions from his or her salary, and the other half (1/2) is contributed and paid by the respective school district by which the member is employed. These contributions are in addition to the contributions required for regular pension benefits. The East Greenwich School Department contributed \$27,981, \$28,193 and \$23,136 for the fiscal years ended June 30, 2019, 2018 and 2017, 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, 2019 the East Greenwich School Department reported an asset of \$3,381,097 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, 2018, 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, 2017 rolled forward to June 30, 2018. The Department's proportion of the net pension asset was based on its share of contributions to the TSB for fiscal year 2018 relative to the total contributions of all participating employers for that fiscal year. At June 30, 2018 the Department's proportion was 3.78922298%.

For the year ended June 30, 2019 the East Greenwich School Department recognized pension credit of \$88,605 – an increase in the net pension asset. At June 30, 2019 the East Greenwich School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 14 - RETIREMENT PLANS (CONTINUED)

C. TEACHERS SURVIVOR BENEFITS

Deferred Outflows of resources	
Differences between expected and actual experience	\$ 576,078
Changes in assumptions	445,490
Net difference between projected and actual investment earnings	76,732
Changes in proportion and differences between employer contributions and proportionate share of contributions	13,300
Contributions subsequent to the measurement date	27,981
Total	<u><u>1,139,581</u></u>
Deferred inflows of resources	
Differences between expected and actual experience	\$ 567,374
Changes in proportion and differences between employer contributions and proportionate share of contributions	123,393
Total	<u><u>\$ 690,767</u></u>

\$27,981 reported as deferred outflows of resources related to pensions resulting from the East Greenwich School Department contributions in fiscal year 2019 subsequent to the measurement date will be recognized as an addition to the net pension asset in the subsequent period. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 14 - RETIREMENT PLANS (CONTINUED)

C. TEACHERS SURVIVOR BENEFITS

Year Ending June 30	Net Deferred (outflows)/inflows of resources
2020	234,333
2021	121,960
2022	(43,356)
2023	48,216
2024	71,105
Thereafter	(11,425)
	420,833

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 2.5% cost of living adjustment is assumed.

The actuarial assumptions used in the June 30, 2017 valuation and the calculation of the total pension liability at June 30, 2018 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 34 sources. The June 30, 2018 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 14 - RETIREMENT PLANS (CONTINUED)

C. TEACHERS SURVIVOR BENEFITS

Asset Class	Target Asset Allocation	Long-Term Expected Arithmetic Real Rate of Return
GROWTH		
Global Equity		
US Equity	20.80%	6.43%
International Developed Equity	14.40%	6.72%
Emerging Markets Equity	4.80%	8.90%
Sub-total	40.00%	
Private Growth		
Private Equity	11.30%	9.08%
Non-Core Real Estate	2.20%	5.03%
Opportunistic Private Credit	1.50%	9.08%
Sub-total	15.00%	
INCOME		
High Yield Infrastructure	1.00%	3.81%
REITS	1.00%	5.03%
Liquid Credit	2.80%	3.81%
Private Credit	3.20%	3.81%
Sub-total	8.00%	
STABILITY		
Crisis Protection Class		
Treasury Duration	4.00%	0.61%
Systematic Trend	4.00%	4.00%
Sub-total	8.00%	
Inflation Protection		
Core Real Estate	3.60%	5.03%
Private Infrastructure	2.40%	5.61%
TIPs	1.00%	1.75%
Natural Resources	1.00%	3.81%
Sub-total	8.00%	
Volatility Protection		
IG Fixed Income	11.50%	2.14%
Absolute Return	6.50%	4.00%
Cash	3.00%	0.61%
Sub-total	21.00%	
Total	100.00%	

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

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

Sensitivity of the net pension liability (asset) to changes in the discount rate - the following presents the net pension liability (asset) calculated using the discount rate of 7.0 percent as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 14 - RETIREMENT PLANS (CONTINUED)

C. TEACHERS SURVIVOR BENEFITS

1.00% Decrease (6.0%)	Current Discount Rate (7.0%)	1.00% Increase (8.0%)
\$ (2,346,308)	\$ (3,381,097)	\$ (4,151,511)

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

D. DEFINED CONTRIBUTION PLAN

Plan Description

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

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

The East Greenwich School Department recognized pension expense of \$487,651 for the fiscal year ended June 30, 2019.

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>.

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

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 15 – OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

OPEB Trust (the Trust)

Plan Description

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

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

Benefits Provided

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

Eligibility

General Employees

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

Police and Fire

Members who have retired under the Municipal Employee Retirement System for police and fire shall be eligible to receive medical benefits for self and spouse. Minimum eligibility for retirement as of July 1, 2018 is age 50 with completion of 25 years of service. At the time retiree becomes eligible for Medicare they will become covered under the Group Plan 65.

Teachers and Administrators

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

Employees Covered by Benefit Terms

At June 30, 2019, the following employees were covered by the benefit terms:

	<u>Participants</u>
Active employees	382
Retirees and beneficiaries	97
Total	<u>479</u>

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

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

Contributions

Town, DPW, NEARI and Other divisions

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

Police and Fire

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

School Employees

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

Investments

Investment policy: The Trust's policy in regard to the allocation of invested assets is established and may be amended by the VIAS discretionary investment management agreement approved and signed by the Town's plan administrator and any other investment policy established by the Town. It is the policy of the Town to pursue an investment strategy that reduced risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The Town's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short term time span. The following was the Board's adopted asset allocation policy as of June 30, 2019:

Rate of Return: For the year ended June 30, 2019, the annual money-weighted rate of return on investments, net of investment expense was 6.84%. 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, 2019, were as follows:

Total OPEB liability	\$	33,335,950
Plan fiduciary net position		(3,135,551)
Town's net OPEB liability	\$	30,200,399
Plan fiduciary net position as a percentage of the total OPEB liability		9.41%

Actuarial assumptions: The total OPEB liability was determined by an actuarial valuation as of June 30, 2019, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

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

Summary of Actuarial Assumptions Used in the Valuations to determine the Net OPEB Liability at the June 30, 2019 measurement date (June 30, 2018 valuation rolled forward to June 30, 2019)	
Actuarial Cost Method	Entry Age Normal - the Individual Entry Age Actuarial Cost methodology is used.
Actuarial Assumptions	
Investment Rate of Return	7.00%
Discount rate	3.13% / 3.19%
Projected Salary Increases	3.00% annually
Health Care Cost Trend Rates	5.40% per year graded down by the getzen model to an ultimate rate of 3.84% per year.
Participation Rate	90% of eligible future retirees are assumed to elect medical coverage. 100% of current retirees are assumed to participate.
Mortality	2010 Public sector Retirement Plans Mortality table for total teacher, public safety and general employee populations with MP-2019

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

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

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

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

Discount Rate

The discount rate used to measure the total OPEB liability was 3.13% for the Town and 3.19% for the School. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plans fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in Net Opeb Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances as of June 30, 2018	\$ 41,856,531	\$ 2,934,682	\$ 38,921,849
Changes for the Year			
Service Cost	1,423,070		1,423,070
Interest on the total OPEB liability	1,502,779		1,502,779
Changes in benefit terms	(8,326,565)		(8,326,565)
Difference between expected and actual experience	(3,804,850)		(3,804,850)
Changes in assumptions	1,674,253		1,674,253
Employer contributions		989,268	(989,268)
Net investment income		200,869	(200,869)
Benefit payments, including employee refunds	(989,268)	(989,268)	-
Net changes	(8,520,581)	200,869	(8,721,450)
Balances as of June 30, 2019	\$ 33,335,950	\$ 3,135,551	\$ 30,200,399

Sensitivity of the net OPEB liability to changes in the discount rate: The following presents the net OPEB liability of the Town, calculated using the discount rate of 3.13%/3.19%, as well as what the Town's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.13%/2.19%) or 1 percentage point higher (4.13%/4.19%) than the current discount rate:

1.00% Decrease (2.13%/2.19%)	Current Discount Rate (3.13%/3.19%)	1.00% Increase (4.13%/4.19%)
\$ 34,355,581	\$ 30,200,399	\$ 26,722,254

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

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

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates: The following presents the net OPEB liability of the Town as of June 30, 2019 calculated using the trend rate of 5.40% per year graded down by the getzen model to an ultimate rate of 3.84% per year, as well as what the Town's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (2.84%) or 1 percentage point higher (4.84%) than the current healthcare trend rates:

4.40% per year graded down by the getzen model to an ultimate rate of 2.84% per year	5.40% per year graded down by the getzen model to an ultimate rate of 3.84% per year	6.40% per year graded down by the getzen model to an ultimate rate of 4.84% per year
\$ 26,658,396	\$ 30,200,399	\$ 34,464,473

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

For the year ended June 30, 2019, the Town recognized OPEB credit of \$6,612,791. At June 30, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 250,100	\$(4,944,787)
Changes of assumptions	1,492,233	(3,141,055)
Net difference between projected and actual earnings on OPEB plan investments	<u>3,647</u>	<u>(72,052)</u>
Total	<u>\$ 1,745,980</u>	<u>\$(8,157,894)</u>

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

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

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

Year Ending June 30	OPEB Plan Net Deferred (outflows)/inflows of resources
2020	\$ (1,006,647)
2021	(1,006,647)
2022	(980,077)
2023	(973,774)
2024	(974,685)
Thereafter	<u>(1,470,084)</u>
Total	<u>\$ (6,411,914)</u>

NOTE 16 - JOINTLY GOVERNED ORGANIZATION

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

NOTE 17 - RELATED PARTIES

The Town reviews its records on an annual basis to determine if any related party transactions exist that would represent a conflict of interest with parties related to its officers and department heads. No such transactions were noted in the fiscal year ended June 30, 2019.

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 18 - RISK MANAGEMENT

Self-insurance:

The School Department participates in a multi-employer cost reimbursement healthcare self-insurance risk pool managed by WB Community Health (WBCH). The School Department pays WBCH monthly premiums based upon "working rates" that are periodically adjusted to reflect changes in actual costs. Funds on deposit with WBCH are made available to pay claims, claim reserves and administrative costs. As of June 30, 2019, the reported premiums exceeded expenditures on deposit by \$633,965. This was net of a \$200,000 deposit refund which resulted in a \$2,016,699 balance in the net adjusted reserves.

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

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

	Year ended June 30, 2019	Year ended June 30, 2018
Beginning cumulative surplus (deficit)	\$ 1,749,029	\$ 1,793,032
Premium deposits	4,660,608	5,209,498
Incurred claims (including IBNR)	(4,026,643)	(4,824,830)
Administrative fees	(159,695)	(378,671)
Surplus reimbursement	<u>(206,600)</u>	<u>(50,000)</u>
Ending cash deposit balance	<u>\$ 2,016,699</u>	<u>\$ 1,749,029</u>

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

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

NOTE 19 – LANDFILL CLOSURE COSTS

GASBS 49 — *Accounting and Financial Reporting for Pollution Remediation Obligations*, addresses accounting and financial reporting standards for pollution (including contamination) remediation obligations, which are obligations to address the current or potential detrimental effects of *existing* pollution by participating in pollution remediation activities such as site assessments and cleanups. The prior outlays have been capitalized as outlays to prepare for use property acquired with suspected pollution that was expected to be remediated. For the fiscal year ended June 30, 2019, there were no landfill expenditures. The substantial completion of the feasibility study in 2007 is a measurement benchmark requiring the Town to accrue all components of the pollution remediation liability. As of June 30, 2019, the cleanup project was substantially complete.

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 20 – PRIOR PERIOD ADJUSTMENT

The governmental funds and government-wide financial statements had a reclassification of net position in the amount of \$11,685 for old years encumbrances carried forward and an adjustment to the school lunch fund balance. The resulting change increased opening fund balance and net position by that amount.

The Sewer department has reclassified part of the cumulative fund balance as unearned revenue for the long-term portion of sewer assessments as of July 1, 2018. The amount of unearned revenue as of that date was \$7,446,992 resulting in a reduction of net position in that amount.

NOTE 21 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 27, 2020 the date the financial statements were available to be issued. As a result of this review no material subsequent events were noted.

REQUIRED SUPPLEMENTARY INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
Budgetary Comparison Schedule - General Fund
Schedule of Revenues - Non-GAAP Budgetary Basis
For the Fiscal Year Ended June 30, 2019

	<u>Original Budget Revenues</u>	<u>Revised Budget Revenues</u>	<u>Actual Revenues</u>	<u>Variance</u>
General property tax				
Taxes - current	\$ 55,164,382	\$ 55,164,382	\$ 54,557,775	\$ (606,607)
Taxes - prior year	750,000	750,000	1,172,218	422,218
Total general property taxes	<u>55,914,382</u>	<u>55,914,382</u>	<u>55,729,993</u>	<u>(184,389)</u>
General revenue				
Grants and departmental revenue	27,750	27,750	178,667	150,917
Municipal court	21,000	21,000	817	(20,183)
School other revenues	658,310	658,310	713,002	54,692
School revenue	1,736,246	1,736,246	1,967,471	231,225
Total general revenue	<u>2,443,306</u>	<u>2,443,306</u>	<u>2,859,957</u>	<u>416,651</u>
State aid				
School housing aid	1,300,000	1,300,000	1,604,104	304,104
State aid to education	3,093,206	3,093,206	3,091,316	(1,890)
Telephone tax	163,835	163,835	165,389	1,554
Pilot	659,856	659,856	661,504	1,648
Motor vehicle phase out	428,812	428,812	436,064	7,252
Meals tax	914,251	914,251	685,232	(229,019)
Total state aid	<u>6,559,960</u>	<u>6,559,960</u>	<u>6,643,609</u>	<u>83,649</u>
Licenses, permits and usage fees				
Town clerk department	518,000	518,000	705,222	187,222
Department of public works	309,400	309,400	384,553	75,153
Rescue billing - fire department	-	-	2,315	2,315
Planning	13,000	13,000	30,563	17,563
Police department	158,450	158,450	183,351	24,901
Total licenses, permits and usage fees	<u>998,850</u>	<u>998,850</u>	<u>1,306,004</u>	<u>307,154</u>
Interest on investments	15,000	15,000	50,080	35,080
Total revenues	<u>65,931,498</u>	<u>65,931,498</u>	<u>66,589,643</u>	<u>658,145</u>
Other financing sources				
Reappropriated fund balance	1,197,830	1,197,830	1,197,830	-
Total other financing sources	<u>1,197,830</u>	<u>1,197,830</u>	<u>1,197,830</u>	<u>-</u>
Total revenue and other financing sources	<u>\$ 67,129,328</u>	<u>\$ 67,129,328</u>	<u>\$ 67,787,473</u>	<u>\$ 658,145</u>

TOWN OF EAST GREENWICH, RHODE ISLAND
 REQUIRED SUPPLEMENTARY INFORMATION
 Budgetary Comparison Schedule - General Fund
 Schedule of Expenditures - Non-GAAP Budgetary Basis
 For the Fiscal Year Ended June 30, 2019

	Original Budgeted Expenditures	Revised Budgeted Expenditures	Actual Expenditures	Variance
Administration				
Town manager				
Salaries and wages	238,300	238,300	231,475	6,825
Outside services	6,775	6,775	10,287	(3,512)
Supplies	7,000	7,000	10,712	(3,712)
Total town manager	<u>252,075</u>	<u>252,075</u>	<u>252,474</u>	<u>(399)</u>
Town clerks				
Salaries and wages	232,804	232,804	233,243	(439)
Outside services	16,700	16,700	10,769	5,931
Supplies	1,500	1,500	1,490	10
Total town clerks	<u>251,004</u>	<u>251,004</u>	<u>245,502</u>	<u>5,502</u>
Town solicitor				
Outside services	300,000	300,000	415,573	(115,573)
Total town solicitor	<u>300,000</u>	<u>300,000</u>	<u>415,573</u>	<u>(115,573)</u>
Municipal court and judges				
Salaries	10,500	10,500	10,500	-
Outside services	100	100	75	25
Total municipal court and judges	<u>10,600</u>	<u>10,600</u>	<u>10,575</u>	<u>25</u>
Board of canvassers				
Salaries and wages	20,500	20,500	17,926	2,574
Outside services	6,500	6,500	3,225	3,275
Supplies	2,000	2,000	2,448	(448)
Total board of canvassers	<u>29,000</u>	<u>29,000</u>	<u>23,599</u>	<u>5,401</u>

(Continued)

TOWN OF EAST GREENWICH, RHODE ISLAND
REQUIRED SUPPLEMENTARY INFORMATION
Budgetary Comparison Schedule - General Fund
Schedule of Expenditures - Non-GAAP Budgetary Basis
For the Fiscal Year Ended June 30, 2019

	Original Budgeted Expenditures	Revised Budgeted Expenditures	Actual Expenditures	Variance
Employee benefits				
Outside services	5,285,866	5,285,866	5,385,038	(99,172)
Total employee benefits	<u>5,285,866</u>	<u>5,285,866</u>	<u>5,385,038</u>	<u>(99,172)</u>
Insurance				
Outside services	441,250	441,250	392,749	48,501
Total insurance	<u>441,250</u>	<u>441,250</u>	<u>392,749</u>	<u>48,501</u>
Contingency fund				
Outside services	75,000	75,000	200,628	(125,628)
Total contingency fund	<u>75,000</u>	<u>75,000</u>	<u>200,628</u>	<u>(125,628)</u>
Total Administration	<u>6,644,795</u>	<u>6,644,795</u>	<u>6,926,138</u>	<u>(281,343)</u>
Finance department				
Salaries	481,588	481,588	458,991	22,597
Outside services	62,200	62,200	78,399	(16,199)
Supplies	7,500	7,500	5,134	2,366
Communications	32,000	32,000	33,088	(1,088)
Total finance department	<u>583,288</u>	<u>583,288</u>	<u>575,612</u>	<u>7,676</u>
Information technology				
Salaries	163,000	163,000	163,440	(440)
Outside services	260,360	260,360	230,495	29,865
Supplies	20,200	20,200	18,287	1,913
Equipment	116,160	116,160	183,948	(67,788)
Communications	79,624	79,624	78,252	1,372
Total information technology	<u>639,344</u>	<u>639,344</u>	<u>674,422</u>	<u>(35,078)</u>
Public safety				
Police department				
Salaries and wages	3,222,394	3,222,394	3,317,845	(95,451)
Outside services	61,400	61,400	46,523	14,877
Supplies	94,600	94,600	90,195	4,405
Equipment	10,000	10,000	8,345	1,655
Communications	1,500	1,500	663	837
Total police department	<u>3,389,894</u>	<u>3,389,894</u>	<u>3,463,571</u>	<u>(73,677)</u>

(Continued)

TOWN OF EAST GREENWICH, RHODE ISLAND
REQUIRED SUPPLEMENTARY INFORMATION
Budgetary Comparison Schedule - General Fund
Schedule of Expenditures - Non-GAAP Budgetary Basis
For the Fiscal Year Ended June 30, 2019

	<u>Original Budgeted Expenditures</u>	<u>Revised Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Variance</u>
Fire Department				
Salaries and wages	4,064,929	4,064,929	3,990,035	74,894
Outside services	659,749	659,749	644,974	14,775
Supplies	140,000	140,000	180,927	(40,927)
Total Fire District	<u>4,864,678</u>	<u>4,864,678</u>	<u>4,815,936</u>	<u>48,742</u>
Total public safety	<u>8,254,572</u>	<u>8,254,572</u>	<u>8,279,507</u>	<u>(24,935)</u>
Public works administration				
Salaries and wages	1,462,509	1,462,509	1,435,088	27,421
Outside services	1,181,640	1,181,640	1,179,404	2,236
Supplies and expense	1,125,280	1,125,280	1,034,700	90,580
Equipment	46,900	46,900	26,021	20,879
Total public works administration	<u>3,816,329</u>	<u>3,816,329</u>	<u>3,675,213</u>	<u>141,116</u>
Parks & grounds				
Salaries and wages	743,914	743,914	713,474	30,440
Outside services	63,361	63,361	64,019	(658)
Supplies	126,350	126,350	111,404	14,946
Equipment	3,000	3,000	2,927	73
Total parks and grounds	<u>936,625</u>	<u>936,625</u>	<u>891,824</u>	<u>44,801</u>
Town planner				
Salaries and wages	202,665	202,665	199,839	2,826
Outside services	10,450	10,450	11,217	(767)
Supplies	900	900	569	331
Equipment	-	-	158	(158)
Total town planner	<u>214,015</u>	<u>214,015</u>	<u>211,783</u>	<u>2,232</u>

(Continued)

TOWN OF EAST GREENWICH, RHODE ISLAND
REQUIRED SUPPLEMENTARY INFORMATION
Budgetary Comparison Schedule - General Fund
Schedule of Expenditures - Non-GAAP Budgetary Basis
For the Fiscal Year Ended June 30, 2019

	Original Budgeted Expenditures	Revised Budgeted Expenditures	Actual Expenditures	Variance
Grants and contributions				
Contributions	27,000	27,000	27,000	-
Total grants and contributions	<u>27,000</u>	<u>27,000</u>	<u>27,000</u>	<u>-</u>
East Greenwich Land Trust				
Boesch farm rehabilitation	14,500	14,500	-	14,500
Total East Greenwich Land Trust	<u>14,500</u>	<u>14,500</u>	<u>-</u>	<u>14,500</u>
Library				
Town contributions	525,000	525,000	525,000	-
Total library	<u>525,000</u>	<u>525,000</u>	<u>525,000</u>	<u>-</u>
Capital improvements				
Capital outlays	686,471	686,471	814,457	(127,986)
Total capital improvements	<u>686,471</u>	<u>686,471</u>	<u>814,457</u>	<u>(127,986)</u>
School department				
Education	38,936,603	39,199,473	39,123,795	75,678
Total school department	<u>38,936,603</u>	<u>39,199,473</u>	<u>39,123,795</u>	<u>75,678</u>
Total expenditures	<u>61,278,542</u>	<u>61,541,412</u>	<u>61,724,751</u>	<u>(183,339)</u>
Other financing uses				
Debt service				
Principal	5,161,635	2,161,674	3,596,833	(1,435,159)
Interest	679,151	3,679,112	2,172,037	1,507,075
Financing costs	10,000	10,000	850	9,150
Total debt service	<u>5,850,786</u>	<u>5,850,786</u>	<u>5,769,720</u>	<u>81,066</u>
Total expenditures and other financing uses	<u>\$ 67,129,328</u>	<u>\$ 67,392,198</u>	<u>\$ 67,494,471</u>	<u>\$ (102,273)</u>

(Concluded)

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

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, 2019:

Excess of revenues and other sources over expenditures and other uses (Non-GAAP Budgetary Basis).....	\$ 293,002
Less: Use of prior years fund balance	(1,197,830)
Add: Encumbrances.....	<u>201,719</u>
Excess of revenues and other sources over expenditures and other uses (GAAP).....	<u><u>\$ (703,109)</u></u>

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

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

	<u>Revenues and Transfers</u>	<u>Expenditures and Transfers</u>
<i>General Fund:</i>		
<i>Schedule of Revenues, Expenditures and Other Financing Sources</i>		
<i>(Non-GAAP Budgetary Basis) Budget and Actual</i>	\$ 67,787,473	\$ 67,494,471
Adjustment for pension contribution made by State of Rhode Island on behalf of employees.....	1,914,592	1,914,592
Less: Use of prior years fund balance.....	(1,197,830)	-
Less: Encumbrances	-	(201,719)
<i>Statement of Revenues, Expenditures and Changes in Fund</i>		
<i>Balances GAAP Basis</i>	<u><u>\$ 68,504,235</u></u>	<u><u>\$ 69,207,344</u></u>

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2019

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

	Measurement Date Fiscal Year Ending June 30,				
	2018	2017	2016	2015	2014
A. Total pension liability					
1. Service Cost	\$ 120,085	\$ 103,137	\$ 105,287	\$ 103,703	\$ 99,292
2. Interest on the Total Pension Liability	452,499	464,122	471,552	471,823	470,293
3. Changes of benefit terms	-	-	-	115,576	-
4. Difference between expected and actual experience of the Total Pension Liability	(208,304)	(133,067)	(141,746)	(187,642)	-
5. Changes of assumptions	-	350,998	-	-	(51,335)
6. Benefit payments, including refunds of employee contributions	(488,582)	(546,798)	(519,351)	(496,385)	(503,723)
7. Net change in total pension liability	(124,302)	238,392	(84,258)	7,075	14,527
8. Total pension liability – beginning	6,648,521	6,410,129	6,494,387	6,487,312	6,472,785
9. Total pension liability – ending (a)	<u>\$ 6,524,219</u>	<u>\$ 6,648,521</u>	<u>\$ 6,410,129</u>	<u>\$ 6,494,387</u>	<u>\$ 6,487,312</u>
B. Plan fiduciary net position					
1. Contributions – employer	\$ 57,949	\$ 65,206	\$ 59,728	\$ 78,349	\$ 59,487
2. Contributions – employee	45,568	42,978	39,342	22,842	19,825
3. Net investment income	553,595	763,822	13,936	171,162	1,032,284
4. Benefit payments, including refunds of employee contributions	(488,582)	(546,798)	(519,351)	(496,385)	(503,723)
5. Pension Plan Administrative Expense	(7,370)	(7,216)	(22,741)	(6,879)	(6,464)
6. Other	44,537	(18)	-	(215,978)	(189,935)
7. Net change in plan fiduciary net position	205,697	317,974	(429,086)	(446,889)	411,474
8. Plan fiduciary net position – beginning	7,192,528	6,874,554	7,303,640	7,750,529	7,339,055
9. Plan fiduciary net position – ending (b)	<u>\$ 7,398,225</u>	<u>\$ 7,192,528</u>	<u>\$ 6,874,554</u>	<u>\$ 7,303,640</u>	<u>\$ 7,750,529</u>
C. Net pension liability/(asset) - ending (a) - (b)	(874,006)	(544,007)	(464,425)	(809,253)	(1,263,217)
D. Plan fiduciary net position as a percentage of the total pension liability	108.18%	108.18%	107.25%	112.46%	119.47%
E. Covered employee payroll	\$ 1,308,111	\$ 1,268,599	\$ 1,158,274	\$ 1,142,107	\$ 1,093,519
F. Net pension liability as a percentage of covered payroll	-66.81%	-42.88%	-40.10%	-70.86%	-115.52%

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

	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 57,052	\$ 57,949	\$ 65,206	\$ 59,728	\$ 78,349
Contributions in relation to the actuarially determined contribution	57,052	57,949	65,206	59,728	78,349
Contribution deficiency (excess)	-	-	-	-	-
Covered-employee payroll	1,251,154	1,308,111	1,268,599	1,158,274	1,142,107
Contributions as a percentage of covered-employee payroll	4.56%	4.43%	5.14%	5.16%	6.86%

Notes:

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

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2019

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

	Measurement Date Fiscal Year Ending June 30,				
	2018	2017	2016	2015	2014
A. Total pension liability					
1. Service Cost	\$ 550,204	\$ 551,263	\$ 530,518	\$ 519,936	\$ 532,162
2. Interest on the Total Pension Liability	1,613,891	1,580,018	1,511,717	1,400,259	1,330,029
3. Changes of benefit terms	-	-	-	319,194	-
4. Difference between expected and actual experience of the Total Pension Liability	(328,885)	(146,524)	(228,251)	100,087	-
5. Changes of assumptions	-	990,834	-	-	(64,708)
6. Benefit payments, including refunds of employee contributions	(988,226)	(984,562)	(842,771)	(874,547)	(835,413)
7. Net change in total pension liability	846,984	1,991,029	971,213	1,464,929	962,070
8. Total pension liability – beginning	23,274,591	21,283,562	20,312,349	18,847,420	17,885,350
9. Total pension liability – ending (a)	<u>\$ 24,121,575</u>	<u>\$ 23,274,591</u>	<u>\$ 21,283,562</u>	<u>\$ 20,312,349</u>	<u>\$ 18,847,420</u>
B. Plan fiduciary net position					
1. Contributions – employer	\$ 265,658	\$ 305,983	\$ 312,577	\$ 392,668	\$ 322,223
2. Contributions – employee	190,667	186,912	188,573	114,931	113,285
3. Net investment income	1,738,621	2,426,006	(17,348)	496,830	2,795,391
4. Benefit payments, including refunds of employee contributions	(988,226)	(984,562)	(842,771)	(874,547)	(835,413)
5. Pension Plan Administrative Expense	(23,145)	(22,920)	(9,336)	(16,732)	(17,505)
6. Other	(793,177)	100,104	1,050	98,895	2,356
7. Net change in plan fiduciary net position	390,398	2,011,523	(367,255)	212,045	2,380,337
8. Plan fiduciary net position – beginning	22,844,486	20,832,963	21,200,218	20,988,173	18,607,836
9. Plan fiduciary net position – ending (b)	<u>\$ 23,234,884</u>	<u>\$ 22,844,486</u>	<u>\$ 20,832,963</u>	<u>\$ 21,200,218</u>	<u>\$ 20,988,173</u>
C. Net pension liability/(asset) - ending (a) - (b)	886,691	430,105	450,599	(887,869)	(2,140,753)
D. Plan fiduciary net position as a percentage of the total pension liability	96.32%	98.15%	97.88%	104.37%	111.36%
E. Covered employee payroll	5,993,504	5,998,511	5,836,278	5,726,172	\$ 5,526,086
F. Net pension liability as a percentage of covered payroll	14.79%	7.17%	7.72%	-15.51%	-38.74%

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

	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 265,016	\$ 265,514	\$ 305,983	\$ 312,577	\$ 392,668
Contributions in relation to the actuarially determined contribution	265,016	265,514	305,983	312,577	392,668
Contribution deficiency (excess)	-	-	-	-	-
Covered-employee payroll	5,811,747	5,993,504	5,998,511	5,836,278	5,726,172
Contributions as a percentage of covered-employee payroll	4.56%	4.43%	5.10%	5.36%	6.86%

Notes:

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

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2019

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

	Measurement Date Fiscal Year Ending June 30,				
	2018	2017	2016	2015	2014
A. Total pension liability					
1. Service Cost	\$ 2,863	\$ -	\$ 815	\$ 3,849	\$ 3,139
2. Interest on the Total Pension Liability	28,565	26,099	25,013	25,448	25,307
3. Changes of benefit terms	-	-	-	5,514	-
4. Difference between expected and actual experience of the Total Pension Liability	(8,232)	38,950	-	-	-
5. Changes of assumptions	-	15,205	10,839	(17,586)	(5,663)
6. Benefit payments, including refunds of employee contributions	(21,409)	(21,804)	(21,752)	(21,252)	(21,263)
7. Net change in total pension liability	1,787	58,450	14,915	(4,027)	1,520
8. Total pension liability – beginning	417,342	358,892	343,977	348,004	346,484
9. Total pension liability – ending (a)	<u>\$ 419,129</u>	<u>\$ 417,342</u>	<u>\$ 358,892</u>	<u>\$ 343,977</u>	<u>\$ 348,004</u>
B. Plan fiduciary net position					
1. Contributions – employer	\$ 2,868	\$ -	\$ 929	\$ 7,766	\$ 4,970
2. Contributions – employee	571	-	207	987	747
3. Net investment income	12,267	33,181	(105)	7,556	43,637
4. Benefit payments, including refunds of employee contributions	(21,409)	(21,804)	(21,752)	(21,252)	(21,263)
5. Pension Plan Administrative Expense	(163)	(313)	(281)	(303)	(273)
6. Other	(142,643)	(2)	-	(1)	1
7. Net change in plan fiduciary net position	(148,509)	11,062	(21,002)	(5,247)	27,819
8. Plan fiduciary net position – beginning	312,446	301,384	322,386	327,633	299,814
9. Plan fiduciary net position – ending (b)	<u>\$ 163,937</u>	<u>\$ 312,446</u>	<u>\$ 301,384</u>	<u>\$ 322,386</u>	<u>\$ 327,633</u>
C. Net pension liability/(asset) - ending (a) - (b)	255,192	104,896	57,508	21,591	20,371
D. Plan fiduciary net position as a percentage of the total pension liability	39.11%	74.87%	83.98%	93.72%	94.15%
E. Covered employee payroll	\$ 28,542	\$ -	\$ 10,334	\$ 49,341	\$ 37,371
F. Net pension liability as a percentage of covered payroll	894.09%	N/A	556.49%	43.76%	54.51%

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

	2019	2018	2017	2016	2015
Actuarially determined contribution	N/A	\$ 2,868	N/A	\$ 929	\$ 7,766
Contributions in relation to the actuarially determined contribution	N/A	2,868	N/A	929	7,766
Contribution deficiency (excess)	N/A	-	N/A	-	-
Covered-employee payroll	-	28,542	-	10,334	49,341
Contributions as a percentage of covered-employee payroll	0.00%	10.05%	0.00%	8.99%	15.74%

Notes:

- 1.) Employers participating in the Municipal Employee's Retirement System are required by RI General Laws, Section 45-21-42, to contribute an actuarially determined contribution rate each year.
- 2.) These schedules are intended to show information for 10 years - additional years will be displayed as they become available.
- 3) For fiscal year 2019 and 2017 there were no contributions or employees covered by the Fire Non-certification plan

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2019

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

	Measurement Date Fiscal Year Ending June 30,				
	2018	2017	2016	2015	2014
A. Total pension liability					
1. Service Cost	\$ 527,840	\$ 453,432	\$ 427,351	\$ 390,013	\$ 372,758
2. Interest on the Total Pension Liability	1,561,693	1,520,628	1,466,942	1,374,698	1,334,421
3. Changes of benefit terms	-	-	-	520,782	-
4. Difference between expected and actual experience of the Total Pension Liability	(403,981)	(37,646)	(43,323)	51,859	-
5. Changes of assumptions	-	1,201,903	-	-	(96,981)
6. Benefit payments, including refunds of employee contributions	(1,137,148)	(1,144,199)	(1,152,174)	(1,100,046)	(1,063,538)
7. Net change in total pension liability	548,404	1,994,118	698,796	1,237,306	546,660
8. Total pension liability – beginning	22,614,548	20,620,430	19,921,634	18,684,328	18,137,668
9. Total pension liability – ending (a)	<u>\$ 23,162,952</u>	<u>\$ 22,614,548</u>	<u>\$ 20,620,430</u>	<u>\$ 19,921,634</u>	<u>\$ 18,684,328</u>
B. Plan fiduciary net position					
1. Contributions – employer	\$ 696,413	\$ 680,149	\$ 641,008	\$ 565,061	\$ 410,654
2. Contributions – employee	248,627	236,164	228,603	173,534	164,093
3. Net investment income	1,177,373	1,567,970	(4,665)	321,983	1,838,387
4. Benefit payments, including refunds of employee contributions	(1,137,148)	(1,144,199)	(1,152,174)	(1,100,046)	(1,063,538)
5. Pension Plan Administrative Expense	(15,674)	(14,814)	(12,549)	(11,067)	(11,512)
6. Other	-	(33)	(2)	(12,993)	1
7. Net change in plan fiduciary net position	969,591	1,325,237	(299,779)	(63,528)	1,338,085
8. Plan fiduciary net position – beginning	14,764,793	13,439,556	13,739,335	13,802,863	12,464,778
9. Plan fiduciary net position – ending (b)	<u>\$ 15,734,384</u>	<u>\$ 14,764,793</u>	<u>\$ 13,439,556</u>	<u>\$ 13,739,335</u>	<u>\$ 13,802,863</u>
C. Net pension liability/(asset) - ending (a) - (b)	7,428,568	7,849,755	7,180,874	6,182,299	4,881,465
D. Plan fiduciary net position as a percentage of the total pension liability	67.93%	65.29%	65.18%	68.97%	73.87%
E. Covered employee payroll	\$ 2,486,294	\$ 2,361,623	\$ 2,292,658	\$ 2,169,150	\$ 2,084,775
F. Net pension liability as a percentage of covered payroll	298.78%	332.39%	313.21%	285.01%	234.15%

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

	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 693,687	\$ 696,413	\$ 680,149	\$ 641,008	\$ 565,061
Contributions in relation to the actuarially determined contribution	693,687	696,413	680,149	641,008	565,061
Contribution deficiency (excess)	-	-	-	-	-
Covered-employee payroll	2,402,808	2,486,294	2,361,623	2,292,658	2,169,150
Contributions as a percentage of covered-employee payroll	28.87%	28.01%	28.80%	27.96%	26.05%

Notes:

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

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2019

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

	Measurement Date Fiscal Year Ending June 30,				
	2018	2017	2016	2015	2014
A. Total pension liability					
1. Service Cost	\$ 534,564	\$ 494,010	\$ 453,527	\$ 408,699	\$ 391,401
2. Interest on the Total Pension Liability	1,456,481	1,394,410	1,339,670	1,239,901	1,206,908
3. Changes of benefit terms	-	-	-	557,617	-
4. Difference between expected and actual experience of the Total Pension Liability	640,190	268,706	23,103	151,465	-
5. Changes of assumptions	-	1,159,532	-	-	(111,133)
6. Benefit payments, including refunds of employee contributions	(1,079,187)	(1,165,198)	(1,048,145)	(1,051,556)	(1,060,261)
7. Net change in total pension liability	1,552,048	2,151,460	768,155	1,306,126	426,915
8. Total pension liability – beginning	21,079,187	18,927,727	18,159,572	16,853,446	16,426,531
9. Total pension liability – ending (a)	<u>\$ 22,631,235</u>	<u>\$ 21,079,187</u>	<u>\$ 18,927,727</u>	<u>\$ 18,159,572</u>	<u>\$ 16,853,446</u>
B. Plan fiduciary net position					
1. Contributions – employer	\$ 738,829	\$ 767,306	\$ 666,079	\$ 623,185	\$ 455,828
2. Contributions – employee	260,379	268,892	255,969	195,953	184,574
3. Net investment income	1,054,324	1,409,229	(3,814)	260,782	1,477,703
4. Benefit payments, including refunds of employee contributions	(1,079,187)	(1,165,198)	(1,048,145)	(1,051,556)	(1,060,261)
5. Pension Plan Administrative Expense	(14,036)	(13,314)	(10,261)	(10,467)	(9,253)
6. Other	(140,356)	1,014,368	1,096	15,104	2,462
7. Net change in plan fiduciary net position	819,953	2,281,283	(139,076)	33,001	1,051,053
8. Plan fiduciary net position – beginning	13,270,004	10,988,721	11,127,797	11,094,796	10,043,743
9. Plan fiduciary net position – ending (b)	<u>\$ 14,089,957</u>	<u>\$ 13,270,004</u>	<u>\$ 10,988,721</u>	<u>\$ 11,127,797</u>	<u>\$ 11,094,796</u>
C. Net pension liability/(asset) - ending (a) - (b)	8,541,278	7,809,183	7,939,006	7,031,775	5,758,650
D. Plan fiduciary net position as a percentage of the total pension liability	62.26%	62.95%	58.06%	61.28%	65.83%
E. Covered employee payroll	\$ 2,598,755	\$ 2,668,882	\$ 2,515,401	\$ 2,385,864	\$ 2,296,956
F. Net pension liability as a percentage of covered payroll	328.67%	292.60%	315.62%	294.73%	250.71%

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

	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 764,691	\$ 738,829	\$ 767,306	\$ 666,079	\$ 623,185
Contributions in relation to the actuarially determined contribution	764,691	738,829	767,306	666,079	623,185
Contribution deficiency (excess)	-	-	-	-	-
Covered-employee payroll	2,551,515	2,598,755	2,668,882	2,515,401	2,385,864
Contributions as a percentage of covered-employee payroll	29.97%	28.43%	28.75%	26.48%	26.12%

Notes:

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

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2019

Schedule of Town Contributions

Last 10 Fiscal Years

State of Rhode Island Employees Retirement System

	Fiscal Year En				
	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 2,559,780	\$ 2,455,896	\$ 2,224,435	\$ 2,314,652	2,179,538
Contributions in relation to the actuarially determined contribution	2,559,780	2,455,896	2,224,435	2,314,652	2,179,538
Contribution deficiency/(excess)	-	-	-	-	-
Covered employee payroll	19,031,733	18,269,242	18,297,483	17,784,726	16,931,742
Contributions as a percentage of covered-employee payroll	13.45%	13.44%	12.16%	13.01%	12.87%

Notes:

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

Schedule of East Greenwich's Proportionate Share of Net Pension Liability

Last 10 Fiscal Years

State of Rhode Island Employees Retirement System

	Fiscal Year Ending June 30,				
	2019	2018	2017	2016	2015
Measurement Date	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
East Greenwich proportion of the net pension liability	1.03790351%	0.95122501%	1.03437259%	0.96922104%	0.98234027%
East Greenwich proportionate share of the net pension liability	32,976,770	30,002,460	30,861,308	26,682,681	23,910,166
State's proportionate share of the net pension liability associated with the school district	24,598,302	22,674,651	21,135,464	18,228,770	16,396,302
East Greenwich covered payroll	18,269,242	18,297,483	17,784,726	16,931,742	16,995,774
East Greenwich proportionate share of the net pension liability as a percentage of it's covered employee payroll	180.50%	163.97%	173.53%	157.59%	141.22%
Plan fiduciary net position as a percentage of the total pension liability	54.30%	54.00%	54.06%	57.55%	61.40%

Notes:

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

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2019

Schedule of East Greenwich Contributions

Last 10 Fiscal Years

Teachers Survivor Benefit Plan

	Fiscal Year Ending June 30,				
	2019	2018	2017	2016	2015
Statutorily determined contribution	\$ 27,981	\$ 28,193	\$ 21,967	\$ 22,545	\$ 21,984
Contributions in relation to the actuarially determined contribution	27,981	28,193	21,967	22,545	21,984
Contribution deficiency/(excess)	-	-	-	-	-
Covered employee payroll	19,031,733	18,269,242	18,297,483	17,784,726	16,931,742
Contributions as a percentage of covered-employee payroll	0.15%	0.15%	0.12%	0.13%	0.13%

Notes:

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

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

Last 10 Fiscal Years

Teachers Survivor Benefit Plan

	Fiscal Year Ending June 30,				
	2019	2018	2017	2016	2015
Measurement Date	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
East Greenwich proportion of the net pension asset	3.78922298%	3.72399849%	3.69238314%	3.64342859%	3.66518874%
East Greenwich proportionate share of the net pension asset	3,381,097	3,080,730	3,676,575	3,401,345	4,556,589
East Greenwich covered payroll	18,269,242	18,297,483	17,784,726	16,931,742	16,995,774
East Greenwich proportionate share of the net pension liability as a percentage of it's covered employee payroll	18.51%	16.84%	20.67%	20.09%	26.81%
Plan fiduciary net position as a % of the total pension liability	137.4%	136.1%	153.3%	146.6%	173.3%

Notes:

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

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2019

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

	Fiscal Year Ending June 30,		
	2019	2018	2017
A. Total OPEB liability			
1. Service Cost	\$ 1,423,070	\$ 1,706,680	\$ 1,975,959
2. Interest on the Total OPEB Liability	1,502,779	1,461,805	1,263,671
3. Changes of benefit terms	(8,326,565)	-	-
4. Difference between expected and actual experience of the Total OPEB Liability	(3,804,850)	(1,591,045)	(361,481)
5. Changes of assumptions	1,674,253	(414,579)	(4,140,148)
6. Benefit payments, including refunds of employee contributions	(989,268)	(910,710)	(844,912)
7. Net change in total OPEB liability	(8,520,581)	252,151	(2,106,911)
8. Total OPEB liability – beginning	41,856,531	41,604,380	43,711,291
9. Total OPEB liability – ending (a)	<u>\$ 33,335,950</u>	<u>\$ 41,856,531</u>	<u>\$ 41,604,380</u>
B. Plan fiduciary net position			
1. Contributions – employer	\$ 989,268	\$ 1,260,710	\$ 1,194,912
2. Contributions – employee	-	-	-
3. Net investment income	200,869	198,547	257,366
4. Benefit payments, including refunds of employee contributions	(989,268)	(910,710)	(844,912)
5. OPEB Plan Administrative Expense	-	-	-
6. Other	-	-	-
7. Net change in plan fiduciary net position	200,869	548,547	607,366
8. Plan fiduciary net position – beginning	2,934,682	2,386,135	1,778,769
9. Plan fiduciary net position – ending (b)	<u>\$ 3,135,551</u>	<u>\$ 2,934,682</u>	<u>\$ 2,386,135</u>
C. Net OPEB liability - ending (a) - (b)	30,200,399	38,921,849	39,218,245
D. Plan fiduciary net position as a percentage of the total OPEB liability	9.41%	7.01%	5.74%
E. Covered employee payroll	\$ 27,983,733	\$ 26,200,000	\$ 25,437,378
F. Net OPEB liability as a percentage of covered payroll	107.92%	148.56%	154.18%

Notes:

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

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2019

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

	Fiscal Year Ending June 30,		
	2019 7/1/2018	2018 7/1/2017	2017 7/1/2016
Actuarially determined contribution	\$ 3,578,114	\$ 3,857,406	\$ 4,095,673
Contributions in relation to the actuarially determined contribution	989,268	1,260,710	1,194,912
Contribution deficiency/(excess)	2,588,846	2,596,696	2,900,761
Covered payroll per employee	27,983,733	26,200,000	25,437,378
Contributions as a percentage of covered-employee payroll	3.54%	4.81%	4.70%

Notes:

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

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

	Fiscal Year Ending June 30,		
	2019	2018	2017
Annual money-weighted rate of return, net of investment expense	6.84%	7.75%	13.17%

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

SUPPLEMENTARY INFORMATION

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
Combining Balance Sheet - Non-Major Governmental Funds
June 30, 2019

	Town Special Revenue Funds	Town Special Revenue Projects Fund	School Special Revenue Funds	Capital Projects Funds	Town Permanent Funds	Total Non-Major Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 2,111	\$ -	\$ 748,629	\$ -	\$ 285,536	\$ 1,036,276
Internal balances	2,218,585	311,654	349,817	-	158,751	3,038,807
Due from other governments	-	-	320,270	-	-	320,270
Inventories	-	-	5,086	-	-	5,086
TOTAL ASSETS	<u>\$ 2,220,696</u>	<u>\$ 311,654</u>	<u>\$ 1,423,802</u>	<u>\$ -</u>	<u>\$ 444,287</u>	<u>\$ 4,400,439</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable and accrued expenses	\$ 31,193	\$ 1,770	\$ 91,160	\$ -	\$ -	\$ 124,123
Internal balances	-	1,137	956,552	-	95,582	1,053,271
Unearned revenue	-	-	137	-	-	137
Total liabilities	<u>31,193</u>	<u>2,907</u>	<u>1,047,849</u>	<u>-</u>	<u>95,582</u>	<u>1,177,531</u>
Fund balances						
<i>Nonspendable</i>						
Permanent fund principal	-	-	-	-	348,705	348,705
<i>Restricted for:</i>						
Educational programs	-	-	441,599	-	-	441,599
Public works programs	1,412,301	-	-	-	-	1,412,301
<i>Assigned for:</i>						
Legislative, judicial	-	161,463	-	-	-	161,463
Public safety programs	89,668	43,231	-	-	-	132,899
Community programs	-	105,190	-	-	-	105,190
Public works programs	118,487	-	-	-	-	118,487
Culture and recreation	569,047	-	-	-	-	569,047
<i>Unassigned</i>	-	(1,137)	(65,646)	-	-	(66,783)
Total fund balances (deficits)	<u>2,189,503</u>	<u>308,747</u>	<u>375,953</u>	<u>-</u>	<u>348,705</u>	<u>3,222,908</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,220,696</u>	<u>\$ 311,654</u>	<u>\$ 1,423,802</u>	<u>\$ -</u>	<u>\$ 444,287</u>	<u>\$ 4,400,439</u>

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance - Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2019

	Town Special Revenue Funds	Town Special Revenue Projects Fund	School Special Revenue Funds	Capital Projects Funds	Town Permanent Funds	Total Non-Major Governmental Funds
Revenues						
Intergovernmental revenue	\$ 131,962	\$ 86,524	\$ 1,149,791	\$ -	\$ -	\$ 1,368,277
Earnings on investments	-	-	-	-	3,283	3,283
Other revenue	337,438	-	464,446	-	-	801,884
Total revenues	<u>469,400</u>	<u>86,524</u>	<u>1,614,237</u>	<u>-</u>	<u>3,283</u>	<u>2,173,444</u>
Expenditures						
Public safety	-	35,791	-	49,358	32,148	117,297
Public health and welfare	175,935	6,367	-	-	-	182,302
Education	-	-	1,306,233	-	-	1,306,233
Non capital expenditures	1,026	-	-	-	-	1,026
Capital outlay	-	-	-	2,030,028	-	2,030,028
Total expenditures	<u>176,961</u>	<u>42,158</u>	<u>1,306,233</u>	<u>2,079,386</u>	<u>32,148</u>	<u>3,636,886</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	292,439	44,366	308,004	(2,079,386)	(28,865)	(1,463,442)
Other financing sources (uses)						
Issuance of debt	-	-	-	2,079,386	-	2,079,386
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,079,386</u>	<u>-</u>	<u>2,079,386</u>
Excess (deficiency) of revenues over (under) expenditures	<u>292,439</u>	<u>44,366</u>	<u>308,004</u>	<u>-</u>	<u>(28,865)</u>	<u>615,944</u>
Fund balances - beginning	1,897,064	264,381	67,949	-	377,570	2,606,964
Fund balances - ending	<u>\$ 2,189,503</u>	<u>\$ 308,747</u>	<u>\$ 375,953</u>	<u>\$ -</u>	<u>\$ 348,705</u>	<u>\$ 3,222,908</u>

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
Town Special Revenue Funds
Combining Balance Sheet - Non-Major Governmental Funds
June 30, 2019

	Recreation Development Fund	Impact Fees	Comprehensive Plan Land Use	Community Development	EMA Funds
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 2,111	\$ -
Internal balances	289,744	1,413,811	73,527	42,849	31,887
TOTAL ASSETS	<u>\$ 289,744</u>	<u>\$ 1,413,811</u>	<u>\$ 73,527</u>	<u>\$ 44,960</u>	<u>\$ 31,887</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable and accrued expenses	\$ -	\$ 1,510	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>1,510</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances					
<i>Restricted for:</i>					
Public works programs	-	1,412,301	-	-	-
<i>Assigned for:</i>					
Public safety programs	-	-	-	-	31,887
Public works programs	-	-	73,527	44,960	-
Culture and recreation	289,744	-	-	-	-
<i>Unassigned</i>					
Total fund balances (deficits)	<u>289,744</u>	<u>1,412,301</u>	<u>73,527</u>	<u>44,960</u>	<u>31,887</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 289,744</u>	<u>\$ 1,413,811</u>	<u>\$ 73,527</u>	<u>\$ 44,960</u>	<u>\$ 31,887</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
Town Special Revenue Funds
Combining Balance Sheet - Non-Major Governmental Funds
June 30, 2019

	Plan Review	Recreation Activities Fund	Smoke Detector	Recycling Program	Totals
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 2,111
Internal balances	27,744	297,680	8,506	32,837	2,218,585
TOTAL ASSETS	<u>\$ 27,744</u>	<u>\$ 297,680</u>	<u>\$ 8,506</u>	<u>\$ 32,837</u>	<u>\$ 2,220,696</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable and accrued expenses	\$ -	\$ 26,883	\$ -	\$ 2,800	\$ 31,193
Total liabilities	<u>-</u>	<u>26,883</u>	<u>-</u>	<u>2,800</u>	<u>31,193</u>
Fund balances					
<i>Restricted for:</i>					
Public works programs	-	-	-	-	1,412,301
<i>Assigned for:</i>					
Public safety programs	27,744	-	-	30,037	89,668
Public works programs	-	-	-	-	118,487
Culture and recreation	-	270,797	8,506	-	569,047
<i>Unassigned</i>	-	-	-	-	-
Total fund balances (deficits)	<u>27,744</u>	<u>270,797</u>	<u>8,506</u>	<u>30,037</u>	<u>2,189,503</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 27,744</u>	<u>\$ 297,680</u>	<u>\$ 8,506</u>	<u>\$ 32,837</u>	<u>\$ 2,220,696</u>

(Concluded)

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
Town Special Revenue Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance - Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2019

	Recreation Development Fund	Impact Fees	Comprehensive Plan Land Use	Community Development	EMA Funds
Revenues					
Intergovernmental revenue	\$ 87,002	\$ -	\$ -	\$ 44,960	\$ -
Other revenue	-	92,760	-	-	1,350
Total revenues	<u>87,002</u>	<u>92,760</u>	<u>-</u>	<u>44,960</u>	<u>1,350</u>
Expenditures					
Public health and welfare	-	-	-	-	-
Non capital expenditures	1,026	-	-	-	-
Total expenditures	<u>1,026</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	85,976	92,760	-	44,960	1,350
Excess of revenues and other sources over (under) expenditures	<u>85,976</u>	<u>92,760</u>	<u>-</u>	<u>44,960</u>	<u>1,350</u>
Fund balances - beginning	<u>203,768</u>	<u>1,319,541</u>	<u>73,527</u>	<u>-</u>	<u>30,537</u>
Fund balances - ending	<u>\$ 289,744</u>	<u>\$ 1,412,301</u>	<u>\$ 73,527</u>	<u>\$ 44,960</u>	<u>\$ 31,887</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
Town Special Revenue Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance - Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2019

	Plan Review	Recreation Activities Fund	Smoke Detector	Recycling Program	Totals
Revenues					
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ 131,962
Other revenue	27,744	201,564	8,506	5,514	337,438
Total revenues	<u>27,744</u>	<u>201,564</u>	<u>8,506</u>	<u>5,514</u>	<u>469,400</u>
Expenditures					
Public health and welfare	-	164,907	-	11,028	175,935
Non capital expenditures	-	-	-	-	1,026
Total expenditures	<u>-</u>	<u>164,907</u>	<u>-</u>	<u>11,028</u>	<u>176,961</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	27,744	36,657	8,506	(5,514)	292,439
Excess of revenues and other sources over (under) expenditures	<u>27,744</u>	<u>36,657</u>	<u>8,506</u>	<u>(5,514)</u>	<u>292,439</u>
Fund balances - beginning	-	234,140	-	35,551	1,897,064
Fund balances - ending	<u>\$ 27,744</u>	<u>\$ 270,797</u>	<u>\$ 8,506</u>	<u>\$ 30,037</u>	<u>\$ 2,189,503</u>

(Concluded)

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
Combining Balance Sheet - Non-Major Governmental Funds
Special Revenue Project Funds - Town
June 30, 2019

	Juvenile Hearing Board	Police Seizures State	Main Street Stroll	Tobacco Grant	Affordable Housing	Alcohol Compliance	Energy Grant ARRA/EPA	Senior Donations
ASSETS								
Due from other governments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Internal balances	3,676	5,546	5,105	137	57,932	-	9,857	9,975
TOTAL ASSETS	<u>\$ 3,676</u>	<u>\$ 5,546</u>	<u>\$ 5,105</u>	<u>\$ 137</u>	<u>\$ 57,932</u>	<u>\$ -</u>	<u>\$ 9,857</u>	<u>\$ 9,975</u>
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Internal balances	-	-	-	-	-	611	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>611</u>	<u>-</u>	<u>-</u>
Fund balances								
<i>Assigned for:</i>								
Legislative, judicial	-	-	-	-	-	-	-	-
Public safety programs	3,676	5,546	-	137	-	-	-	-
Community programs	-	-	5,105	-	57,932	-	9,857	9,975
<i>Unassigned</i>	-	-	-	-	-	(611)	-	-
Total fund balances (deficits)	<u>3,676</u>	<u>5,546</u>	<u>5,105</u>	<u>137</u>	<u>57,932</u>	<u>(611)</u>	<u>9,857</u>	<u>9,975</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,676</u>	<u>\$ 5,546</u>	<u>\$ 5,105</u>	<u>\$ 137</u>	<u>\$ 57,932</u>	<u>\$ -</u>	<u>\$ 9,857</u>	<u>\$ 9,975</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
Combining Balance Sheet - Non-Major Governmental Funds
Special Revenue Project Funds - Town
June 30, 2019

	Byrne Grant	Tobacco Free Signs	Animal Enforcement	Senior Services	Document Preservation & Technology	Historic Trust Fund	MIPPA Grant	RIDOH Code 1
ASSETS								
Due from other governments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Internal balances	-	891	26,386	8,979	109,426	47,532	1,424	4,851
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 891</u>	<u>\$ 26,386</u>	<u>\$ 8,979</u>	<u>\$ 109,426</u>	<u>\$ 47,532</u>	<u>\$ 1,424</u>	<u>\$ 4,851</u>
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,770
Internal balances	181	-	-	-	-	-	-	-
Total liabilities	<u>181</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,770</u>
Fund balances								
<i>Assigned for:</i>								
Legislative, judicial	-	-	-	-	109,426	47,532	1,424	3,081
Public safety programs	-	891	26,386	-	-	-	-	-
Community programs	-	-	-	8,979	-	-	-	-
<i>Unassigned</i>	(181)	-	-	-	-	-	-	-
Total fund balances (deficits)	<u>(181)</u>	<u>891</u>	<u>26,386</u>	<u>8,979</u>	<u>109,426</u>	<u>47,532</u>	<u>1,424</u>	<u>3,081</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ 891</u>	<u>\$ 26,386</u>	<u>\$ 8,979</u>	<u>\$ 109,426</u>	<u>\$ 47,532</u>	<u>\$ 1,424</u>	<u>\$ 4,851</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
Combining Balance Sheet - Non-Major Governmental Funds
Special Revenue Project Funds - Town
June 30, 2019

	Holiday Basket	Police Seizures Federal	EMA Grant	Spay & Neuter	ISSP Grant	Cops That Care	AFG Grant	Totals
ASSETS								
Due from other governments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Internal balances	13,331	5,732	-	863	-	-	11	311,654
TOTAL ASSETS	<u>\$ 13,331</u>	<u>\$ 5,732</u>	<u>\$ -</u>	<u>\$ 863</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11</u>	<u>\$ 311,654</u>
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,770
Internal balances	-	-	-	-	345	-	-	1,137
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>345</u>	<u>-</u>	<u>-</u>	<u>2,907</u>
Fund balances								
<i>Assigned for:</i>								
Legislative, judicial	-	-	-	-	-	-	-	161,463
Public safety programs	-	5,732	-	863	-	-	-	43,231
Community programs	13,331	-	-	-	-	-	11	105,190
<i>Unassigned</i>	-	-	-	-	(345)	-	-	(1,137)
Total fund balances (deficits)	<u>13,331</u>	<u>5,732</u>	<u>-</u>	<u>863</u>	<u>(345)</u>	<u>-</u>	<u>11</u>	<u>308,747</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 13,331</u>	<u>\$ 5,732</u>	<u>\$ -</u>	<u>\$ 863</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11</u>	<u>\$ 311,654</u>

(Concluded)

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance - Non-Major Governmental Funds
Special Revenue Project Funds - Town
For the Fiscal Year Ended June 30, 2019

	Juvenile Hearing Board	Police Seizures State	Main Street Stroll	Tobacco Grant	Affordable Housing	Alcohol Compliance	Energy Grant ARRA/EPA	Senior Donations
Revenues								
Intergovernmental revenue	\$ -	\$ 1,134	\$ -	\$ -	\$ -	\$ 617	\$ -	\$ 10,300
Total revenues	<u>-</u>	<u>1,134</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>617</u>	<u>-</u>	<u>10,300</u>
Expenditures								
Public safety	-	2,699	-	-	-	617	-	-
Public health and welfare	-	-	-	-	-	-	-	325
Total expenditures	<u>-</u>	<u>2,699</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>617</u>	<u>-</u>	<u>325</u>
Excess (deficiency) of revenues over (under)								
expenditures before other financing sources (uses)	-	(1,565)	-	-	-	-	-	9,975
Excess (deficiency) of revenues								
over (under) expenditures	<u>-</u>	<u>(1,565)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,975</u>
Fund balances - beginning	3,676	7,111	5,105	137	57,932	(611)	9,857	-
Fund balances - ending	<u>\$ 3,676</u>	<u>\$ 5,546</u>	<u>\$ 5,105</u>	<u>\$ 137</u>	<u>\$ 57,932</u>	<u>\$ (611)</u>	<u>\$ 9,857</u>	<u>\$ 9,975</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance - Non-Major Governmental Funds
Special Revenue Project Funds - Town
For the Fiscal Year Ended June 30, 2019

	Byrne Grant	Tobacco Free Signs	Animal Enforcement	Senior Services	Document Preservation & Technology	Historic Trust Fund	MIPPA Grant	RIDOH Code 1
Revenues								
Intergovernmental revenue	\$ 15,890	\$ -	\$ 1,538	\$ 3,200	\$ 14,636	\$ 2,542	\$ 237	\$ 5,000
Total revenues	<u>15,890</u>	<u>-</u>	<u>1,538</u>	<u>3,200</u>	<u>14,636</u>	<u>2,542</u>	<u>237</u>	<u>5,000</u>
Expenditures								
Public safety	-	-	3,576	-	-	-	-	-
Public health and welfare	-	-	-	1,987	3	-	-	1,919
Total expenditures	<u>-</u>	<u>-</u>	<u>3,576</u>	<u>1,987</u>	<u>3</u>	<u>-</u>	<u>-</u>	<u>1,919</u>
Excess (deficiency) of revenues over (under)								
expenditures before other financing sources (uses)	15,890	-	(2,038)	1,213	14,633	2,542	237	3,081
Excess (deficiency) of revenues								
over (under) expenditures	<u>15,890</u>	<u>-</u>	<u>(2,038)</u>	<u>1,213</u>	<u>14,633</u>	<u>2,542</u>	<u>237</u>	<u>3,081</u>
Fund balances - beginning	<u>(16,071)</u>	<u>891</u>	<u>28,424</u>	<u>7,766</u>	<u>94,793</u>	<u>44,990</u>	<u>1,187</u>	<u>-</u>
Fund balances - ending	<u>\$ (181)</u>	<u>\$ 891</u>	<u>\$ 26,386</u>	<u>\$ 8,979</u>	<u>\$ 109,426</u>	<u>\$ 47,532</u>	<u>\$ 1,424</u>	<u>\$ 3,081</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance - Non-Major Governmental Funds
Special Revenue Project Funds - Town
For the Fiscal Year Ended June 30, 2019

	Holiday Basket	Police Seizures Federal	EMA Grant	Spay & Neuter	ISSP Grant	Cops That Care	AFG Grant	Totals
Revenues								
Intergovernmental revenue	\$ 4,675	\$ -	\$ -	\$ 770	\$ 25,985	\$ -	\$ -	\$ 86,524
Total revenues	<u>4,675</u>	<u>-</u>	<u>-</u>	<u>770</u>	<u>25,985</u>	<u>-</u>	<u>-</u>	<u>86,524</u>
Expenditures								
Public safety	-	1,092	3,024	1,019	23,764	-	-	35,791
Public health and welfare	2,133	-	-	-	-	-	-	6,367
Total expenditures	<u>2,133</u>	<u>1,092</u>	<u>3,024</u>	<u>1,019</u>	<u>23,764</u>	<u>-</u>	<u>-</u>	<u>42,158</u>
Excess (deficiency) of revenues over (under)								
expenditures before other financing sources (uses)	2,542	(1,092)	(3,024)	(249)	2,221	-	-	44,366
Excess (deficiency) of revenues								
over (under) expenditures	<u>2,542</u>	<u>(1,092)</u>	<u>(3,024)</u>	<u>(249)</u>	<u>2,221</u>	<u>-</u>	<u>-</u>	<u>44,366</u>
Fund balances - beginning	10,789	6,824	3,024	1,112	(2,566)	-	11	264,381
Fund balances - ending	<u>\$ 13,331</u>	<u>\$ 5,732</u>	<u>\$ -</u>	<u>\$ 863</u>	<u>\$ (345)</u>	<u>\$ -</u>	<u>\$ 11</u>	<u>\$ 308,747</u>

(Concluded)

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
School Special Revenue Restricted Funds
Combining Balance Sheet - Non-Major Governmental Funds
June 30, 2019

	Title I	Title III	RTTT Instructional	Computer Fund	EDC	NEA Foundation	IDEA Preschool
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Internal balances	-	-	1,226	8,615	-	542	-
Due from other governments	39,986	260	-	-	-	-	3,868
Inventory	-	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 39,986</u>	<u>\$ 260</u>	<u>\$ 1,226</u>	<u>\$ 8,615</u>	<u>\$ -</u>	<u>\$ 542</u>	<u>\$ 3,868</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable and accrued expenses	\$ -	\$ 257	\$ -	\$ -	\$ -	\$ -	\$ 2,274
Internal balances	39,986	-	-	-	34	-	1,594
Unearned revenue	-	-	-	-	137	-	-
Total liabilities	<u>39,986</u>	<u>257</u>	<u>-</u>	<u>-</u>	<u>171</u>	<u>-</u>	<u>3,868</u>
Fund balances							
<i>Restricted for:</i>							
Educational programs	-	3	1,226	8,615	-	542	-
<i>Unassigned</i>							
Total fund balances (deficit)	<u>-</u>	<u>3</u>	<u>1,226</u>	<u>8,615</u>	<u>(171)</u>	<u>542</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 39,986</u>	<u>\$ 260</u>	<u>\$ 1,226</u>	<u>\$ 8,615</u>	<u>\$ -</u>	<u>\$ 542</u>	<u>\$ 3,868</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
School Special Revenue Restricted Funds
Combining Balance Sheet - Non-Major Governmental Funds
June 30, 2019

	School Lunch	Title II	Title II part D	IDEA Part B	RI Full Day Kindergarten	Gen. Youth Foundation	Strategic Support
ASSETS							
Cash and cash equivalents	\$ 748,629	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Internal balances	-	-	65,475	-	2	123	41,977
Due from other governments	6,524	37,457	-	230,102	-	-	-
Inventory	5,086	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 760,239</u>	<u>\$ 37,457</u>	<u>\$ 65,475</u>	<u>\$ 230,102</u>	<u>\$ 2</u>	<u>\$ 123</u>	<u>\$ 41,977</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable and accrued expenses	\$ 54,008	\$ 4,522	\$ -	\$ 20,619	\$ -	\$ -	\$ -
Internal balances	606,172	98,410	-	209,468	-	-	-
Unearned revenue	-	-	-	-	-	-	-
Total liabilities	<u>660,180</u>	<u>102,932</u>	<u>-</u>	<u>230,087</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances							
<i>Restricted for:</i>							
Educational programs	100,059	-	65,475	15	2	123	41,977
Unassigned	-	(65,475)	-	-	-	-	-
Total fund balances (deficit)	<u>100,059</u>	<u>(65,475)</u>	<u>65,475</u>	<u>15</u>	<u>2</u>	<u>123</u>	<u>41,977</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 760,239</u>	<u>\$ 37,457</u>	<u>\$ 65,475</u>	<u>\$ 230,102</u>	<u>\$ 2</u>	<u>\$ 123</u>	<u>\$ 41,977</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
School Special Revenue Restricted Funds
Combining Balance Sheet - Non-Major Governmental Funds
June 30, 2019

	<u>RI State Council on Arts</u>	<u>RI Foundation</u>	<u>English Lang. Learners</u>	<u>Legislative Tech</u>	<u>Champlin Grant</u>	<u>Education Foundation</u>	<u>Wendy's Corporation</u>
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Internal balances	800	4	-	4,655	8	56	2,015
Due from other governments	-	-	753	-	-	-	-
Inventory	-	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 800</u>	<u>\$ 4</u>	<u>\$ 753</u>	<u>\$ 4,655</u>	<u>\$ 8</u>	<u>\$ 56</u>	<u>\$ 2,015</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable and accrued expenses	\$ -	\$ -	\$ 143	\$ -	\$ -	\$ -	\$ -
Internal balances	-	-	608	-	-	-	-
Unearned revenues	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>751</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances							
<i>Restricted for:</i>							
Educational programs	800	4	2	4,655	8	56	2,015
Unassigned	-	-	-	-	-	-	-
Total fund balances (deficit)	<u>800</u>	<u>4</u>	<u>2</u>	<u>4,655</u>	<u>8</u>	<u>56</u>	<u>2,015</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 800</u>	<u>\$ 4</u>	<u>\$ 753</u>	<u>\$ 4,655</u>	<u>\$ 8</u>	<u>\$ 56</u>	<u>\$ 2,015</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
School Special Revenue Restricted Funds
Combining Balance Sheet - Non-Major Governmental Funds
June 30, 2019

	<u>Healthier US Schools Grant</u>	<u>New England Dairy Council</u>	<u>IDEA SSS Grant</u>	<u>RI Office of Library Service</u>	<u>Wireless Classroom</u>	<u>Totals</u>
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 748,629
Internal balances	1,000	5,000	-	4,586	213,733	349,817
Due from other governments	-	500	280	540	-	320,270
Inventory	-	-	-	-	-	5,086
TOTAL ASSETS	<u>\$ 1,000</u>	<u>\$ 5,500</u>	<u>\$ 280</u>	<u>\$ 5,126</u>	<u>\$ 213,733</u>	<u>\$ 1,423,802</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable and accrued expenses	\$ -	\$ 4,211	\$ -	\$ 5,126	\$ -	91,160
Internal balances	-	-	280	-	-	956,552
Unearned revenues	-	-	-	-	-	137
Total liabilities	<u>-</u>	<u>4,211</u>	<u>280</u>	<u>5,126</u>	<u>-</u>	<u>1,047,849</u>
Fund balances						
<i>Restricted for:</i>						
Educational programs	1,000	1,289	-	-	213,733	441,599
Unassigned	-	-	-	-	-	(65,646)
Total fund balances (deficit)	<u>1,000</u>	<u>1,289</u>	<u>-</u>	<u>-</u>	<u>213,733</u>	<u>375,953</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,000</u>	<u>\$ 5,500</u>	<u>\$ 280</u>	<u>\$ 5,126</u>	<u>\$ 213,733</u>	<u>\$ 1,423,802</u>

(Concluded)

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
School Special Revenue Restricted Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2019

	Title I	Title III	RTTT Insturctional	Computer Fund	EDC	NEA Foundation	IDEA Preschool
Revenues							
Intergovernmental revenue	\$ 157,533	\$ 2,374	\$ -	\$ -	\$ -	\$ -	\$ 15,191
Other	-	-	-	-	-	-	-
Total revenues	<u>157,533</u>	<u>2,374</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,191</u>
Expenditures							
Education	157,533	2,371	-	-	-	-	15,191
Total expenditures	<u>157,533</u>	<u>2,371</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,191</u>
Excess revenues over (under) expenditures	-	3	-	-	-	-	-
Excess of revenues and other sources over (under) expenditures	<u>-</u>	<u>3</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - beginning	-	-	1,226	8,615	(171)	542	-
Fund balances - ending	<u>\$ -</u>	<u>\$ 3</u>	<u>\$ 1,226</u>	<u>\$ 8,615</u>	<u>\$ (171)</u>	<u>\$ 542</u>	<u>\$ -</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
School Special Revenue Restricted Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2019

	<u>School Lunch</u>	<u>Title II</u>	<u>Title II part D</u>	<u>IDEA Part B</u>	<u>RI Full Day Kindergarten</u>	<u>Gen. Youth Foundation</u>	<u>Strategic Support</u>
Revenues							
Intergovernmental revenue	\$ 109,571	\$ 84,251	\$ -	\$ 552,944	\$ -	\$ -	\$ -
Other	457,744	-	-	-	-	-	-
Total revenues	<u>567,315</u>	<u>84,251</u>	<u>-</u>	<u>552,944</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures							
Education	474,339	84,251	-	552,944	-	-	-
Total expenditures	<u>474,339</u>	<u>84,251</u>	<u>-</u>	<u>552,944</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess revenues over (under) expenditures	92,976	-	-	-	-	-	-
Excess of revenues and other sources over (under) expenditures	<u>92,976</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - beginning	7,083	(65,475)	65,475	15	2	123	41,977
Fund balances - ending	<u>\$ 100,059</u>	<u>\$ (65,475)</u>	<u>\$ 65,475</u>	<u>\$ 15</u>	<u>\$ 2</u>	<u>\$ 123</u>	<u>\$ 41,977</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
School Special Revenue Restricted Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2019

	<u>RI State Council on Arts</u>	<u>RI Foundation</u>	<u>English Lang. Learners</u>	<u>Legislative Tech</u>	<u>Champlin Grant</u>	<u>Education Foundation</u>	<u>Wendy's Corporation</u>
Revenues							
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	-	449	753	-	-	-	-
Total revenues	<u>-</u>	<u>449</u>	<u>753</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures							
Education	-	448	751	-	-	-	-
Total expenditures	<u>-</u>	<u>448</u>	<u>751</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess revenues over (under) expenditures	-	1	2	-	-	-	-
Excess of revenues and other sources over (under) expenditures	<u>-</u>	<u>1</u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - beginning	<u>800</u>	<u>3</u>	<u>-</u>	<u>4,655</u>	<u>8</u>	<u>56</u>	<u>2,015</u>
Fund balances - ending	<u>\$ 800</u>	<u>\$ 4</u>	<u>\$ 2</u>	<u>\$ 4,655</u>	<u>\$ 8</u>	<u>\$ 56</u>	<u>\$ 2,015</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
School Special Revenue Restricted Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2019

	<u>Healthier US Schools Grant</u>	<u>New England Dairy Council</u>	<u>IDEA SSS Grant</u>	<u>RI Office of Library Service</u>	<u>Wireless Classroom</u>	<u>Totals</u>
Revenues						
Intergovernmental revenue	\$ -	\$ -	\$ 4,204	\$ 9,990	\$ 213,733	\$ 1,149,791
Other	-	5,500	-	-	-	464,446
Total revenues	<u>-</u>	<u>5,500</u>	<u>4,204</u>	<u>9,990</u>	<u>213,733</u>	<u>1,614,237</u>
Expenditures						
Education	-	4,211	4,204	9,990	-	1,306,233
Total expenditures	<u>-</u>	<u>4,211</u>	<u>4,204</u>	<u>9,990</u>	<u>-</u>	<u>1,306,233</u>
Excess revenues over (under) expenditures	-	1,289	-	-	213,733	308,004
Excess of revenues and other sources over (under) expenditures	<u>-</u>	<u>1,289</u>	<u>-</u>	<u>-</u>	<u>213,733</u>	<u>308,004</u>
Fund balances - beginning	1,000	-	-	-	-	67,949
Fund balances - ending	<u>\$ 1,000</u>	<u>\$ 1,289</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 213,733</u>	<u>\$ 375,953</u>

(Concluded)

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
Capital Projects Funds
Combining Balance Sheet - Non-Major Governmental Funds
June 30, 2019

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

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
Capital Project Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance - Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2019

	<u>\$5 Million</u> <u>Asphalt</u>	<u>Totals</u>
Revenues		
Intergovernmental Revenue	\$ -	\$ -
Investment income	-	-
Total revenues	<u>-</u>	<u>-</u>
Expenditures		
Capital	2,030,028	2,030,028
Non capital expenditures	49,358	49,358
Total expenditures	<u>2,079,386</u>	<u>2,079,386</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources	(2,079,386)	(2,079,386)
Other financing sources (uses)		
Issuance of debt	2,079,386	2,079,386
Total other financing sources (uses)	<u>2,079,386</u>	<u>2,079,386</u>
Excess of revenues and other sources over (under) expenditures	<u>-</u>	<u>-</u>
Fund balances - beginning	<u>-</u>	<u>-</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
 Town Permanent Funds
 Combining Balance Sheet - Non-Major Governmental Funds
 June 30, 2019

	Briggs Fund	Spencer Maxwell Fund	Tillinghast Fund	Casey Fund	Darius Allen Fund	Estate of Thomas Johnson Fund	F. Robert E. Bergsten Fund	Howland Family Trust Fund	Rose Trust Fund	Totals
ASSETS										
Cash and cash equivalents	\$ 1,338	\$ 16,063	\$ 892	\$ (2,194)	\$ 446	\$ 3,122	\$ 1,338	\$ 3,124	\$ 261,405	\$ 285,536
Internal Balances	4,763	57,150	3,175	65,088	1,588	11,113	4,763	11,113	-	158,751
TOTAL ASSETS	<u>\$ 6,101</u>	<u>\$ 73,213</u>	<u>\$ 4,067</u>	<u>\$ 62,894</u>	<u>\$ 2,034</u>	<u>\$ 14,235</u>	<u>\$ 6,101</u>	<u>\$ 14,237</u>	<u>\$ 261,405</u>	<u>\$ 444,287</u>
LIABILITIES AND FUND BALANCES										
Liabilities										
Other liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Internal Balances	-	-	-	-	-	-	-	-	95,582	95,582
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>95,582</u>	<u>95,582</u>
Fund balances										
Nonspendable	6,101	73,213	4,067	62,894	2,034	14,235	6,101	14,237	165,823	348,705
Total fund balances (deficit)	<u>6,101</u>	<u>73,213</u>	<u>4,067</u>	<u>62,894</u>	<u>2,034</u>	<u>14,235</u>	<u>6,101</u>	<u>14,237</u>	<u>165,823</u>	<u>348,705</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 6,101</u>	<u>\$ 73,213</u>	<u>\$ 4,067</u>	<u>\$ 62,894</u>	<u>\$ 2,034</u>	<u>\$ 14,235</u>	<u>\$ 6,101</u>	<u>\$ 14,237</u>	<u>\$ 261,405</u>	<u>\$ 444,287</u>

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
Town Permanent Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2019

	Briggs Fund	Spencer Maxwell Fund	Tillinghast Fund	Casey Fund	Darius Allen Fund	Estate of Thomas Johnson Fund	F. Robert E. Bergsten Fund	Howland Family Trust Fund	0058 Rose Trust Fund	Totals
Revenues										
Earnings on investments	\$ -	\$ 6	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,277	\$ 3,283
Total revenues	<u>-</u>	<u>6</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,277</u>	<u>3,283</u>
Expenditures										
Expenditures	-	-	-	3	-	-	-	-	32,145	32,148
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>3</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,145</u>	<u>32,148</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources	<u>-</u>	<u>6</u>	<u>-</u>	<u>(3)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(28,868)</u>	<u>(28,865)</u>
Fund balances - beginning restated	6,101	73,207	4,067	62,897	2,034	14,235	6,101	14,237	194,691	377,570
Fund balances - ending	<u>\$ 6,101</u>	<u>\$ 73,213</u>	<u>\$ 4,067</u>	<u>\$ 62,894</u>	<u>\$ 2,034</u>	<u>\$ 14,235</u>	<u>\$ 6,101</u>	<u>\$ 14,237</u>	<u>\$ 165,823</u>	<u>\$ 348,705</u>

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
Fiduciary Funds
Combining Statement of Changes in Net Position
For the Fiscal Year Ended June 30, 2019

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2019</u>
PERFORMANCE BOND FUND				
ASSETS				
Cash and cash equivalents	\$ 239,033	\$ 10	\$ -	\$ 239,043
Other assets	359,852	16,000	-	375,852
TOTAL ASSETS	<u>\$ 598,885</u>	<u>\$ 16,010</u>	<u>\$ -</u>	<u>\$ 614,895</u>
LIABILITIES				
Other liabilities	\$ 107,715	\$ 27,651	\$ -	\$ 135,366
Deposits held in custody for others	491,170	-	11,641	479,529
TOTAL LIABILITIES	<u>\$ 598,885</u>	<u>\$ 27,651</u>	<u>\$ 11,641</u>	<u>\$ 614,895</u>
PUPIL ACTIVITY FUNDS				
ASSETS				
Cash and cash equivalents	\$ 295,549	\$ 553,079	\$ 564,525	\$ 284,103
TOTAL ASSETS	<u>\$ 295,549</u>	<u>\$ 553,079</u>	<u>\$ 564,525</u>	<u>\$ 284,103</u>
LIABILITIES				
Deposits held in custody for others	\$ 295,549	\$ 553,079	\$ 564,525	\$ 284,103
TOTAL LIABILITIES	<u>\$ 295,549</u>	<u>\$ 553,079</u>	<u>\$ 564,525</u>	<u>\$ 284,103</u>
TOTAL AGENCY FUNDS				
ASSETS				
Cash and cash equivalents	\$ 534,582	\$ 553,089	\$ 564,525	\$ 523,146
Other assets	359,852	16,000	-	375,852
TOTAL ASSETS	<u>\$ 894,434</u>	<u>\$ 569,089</u>	<u>\$ 564,525</u>	<u>\$ 898,998</u>
LIABILITIES				
Deposits held in custody for others	\$ 786,719	\$ 553,079	\$ 576,166	\$ 763,632
Other liabilities	107,715	27,651	-	135,366
TOTAL LIABILITIES	<u>\$ 894,434</u>	<u>\$ 580,730</u>	<u>\$ 576,166</u>	<u>\$ 898,998</u>

**SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
Fiduciary Funds - Pupil Activity Funds
Combining Statement of Changes in Net Position
For the Fiscal Year Ended June 30, 2019**

	<u>Cash Balance July 1, 2018</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Cash Balance June 30, 2019</u>
PUPIL ACTIVITY FUNDS				
East Greenwich High School:				
Checking	\$ 158,312	\$ 384,031	\$ 387,382	\$ 154,961
Savings	21,340	3	-	21,343
CD	44,000	-	-	44,000
Athletic Officials Fund	184	22,420	21,728	876
Athletic Camp Fund	6,557	30,079	36,116	520
Cole Middle School:			-	
Checking	46,126	79,357	83,953	41,530
Money Market	3,972	-	-	3,972
Eldridge	871	13,530	11,883	2,518
Eldridge Student Council	2,730	-	1,524	1,206
Frenchtown School	9,353	6,923	4,828	11,448
Meadowbrook	834	10,119	10,021	932
Hanaford	1,270	6,617	7,090	797
TOTALS	<u>\$ 295,549</u>	<u>\$ 553,079</u>	<u>\$ 564,525</u>	<u>\$ 284,103</u>

General Fund

School Department Operations

TOWN OF EAST GREENWICH, RHODE ISLAND
Supplementary Information
Balance Sheet
General Fund and School Unrestricted
June 30, 2019

	General Fund	School Unrestricted Fund	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 10,993,305	\$ -	\$ 10,993,305
Accounts receivable:			
Property taxes, less allowance for doubtful accounts of \$90,933	2,855,115	-	2,855,115
Other	900,011	75,643	975,654
Internal balances	31,635,985	4,286,809	35,922,794
Deposit at other institution	-	2,016,699	2,016,699
Prepays expense	65,472	-	65,472
TOTAL ASSETS	\$ 46,449,888	\$ 6,379,151	\$ 52,829,039
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued expenses	\$ 2,047,011	\$ 3,264,183	\$ 5,311,194
Internal balances	34,081,675	-	34,081,675
Total liabilities	\$ 36,128,686	\$ 3,264,183	\$ 39,392,869
 DEFERRED INFLOW OF RESOURCES			
Unavailable tax revenue	3,230,514	-	3,230,514
 Fund balances:			
<i>Non-spendable</i>			
Prepaid expense	65,472	-	65,472
Deposits held for Health and Dental Benefits	-	2,016,699	2,016,699
<i>Restricted for:</i>			
Educational programs	-	1,098,269	1,098,269
<i>Assigned for:</i>			
Encumbrances	201,716	-	201,716
<i>Unassigned:</i>	6,823,500	-	6,823,500
Total fund balances	\$ 7,090,688	\$ 3,114,968	\$ 10,205,656
TOTAL LIABILITIES AND FUND BALANCES	\$ 46,449,888	\$ 6,379,151	\$ 52,829,039

TOWN OF EAST GREENWICH, RHODE ISLAND
Supplementary Information
Schedule of Revenues, Expenditures
and Changes in Fund Balances
General Fund and School Unrestricted
For the Fiscal Year Ended June 30, 2019

	<u>General Fund</u>	<u>School Unrestricted Fund</u>	<u>Total Governmental Funds</u>
Revenues			
General property tax	\$ 55,729,993	\$ -	\$ 55,729,993
Intergovernmental and departmental revenues	2,146,955	5,005,908	7,152,863
License and permits	1,306,004	-	1,306,004
Interest on investments	50,080	-	50,080
Tuitions	-	66,400	66,400
Other revenues	3,552,293	646,602	4,198,895
Total revenues	<u>62,785,325</u>	<u>5,718,910</u>	<u>68,504,235</u>
Expenditures			
Legislative, judicial and general administrative	6,869,052	-	6,869,052
Financial administration	575,612	-	575,612
Information technology	674,422	-	674,422
Public safety	8,229,999	-	8,229,999
Public works	3,597,031	-	3,597,031
Parks and recreation	891,814	-	891,814
Town planner	211,227	-	211,227
Education	-	41,038,387	41,038,387
Grants and contributions	27,000	-	27,000
Library	525,000	-	525,000
Financing costs	850	-	850
Capital outlay	798,080	-	798,080
Long-term obligations:			
Principal	3,596,833	-	3,596,833
Interest	2,172,037	-	2,172,037
Total expenditures	<u>28,168,957</u>	<u>41,038,387</u>	<u>69,207,344</u>
Excess of revenues over (under) expenditures before other financing sources (uses)	<u>34,616,368</u>	<u>(35,319,477)</u>	<u>(703,109)</u>
Other financing sources (uses)			
Transfers from other funds	-	35,340,812	35,340,812
Transfers to other funds	(35,340,812)	-	(35,340,812)
Total other financing sources (uses)	<u>(35,340,812)</u>	<u>35,340,812</u>	<u>-</u>
Net changes in fund balances	<u>(724,444)</u>	<u>21,335</u>	<u>(703,109)</u>
Fund balances - beginning - restated	7,815,132	3,093,633	10,908,765
Fund balances - ending	<u>\$ 7,090,688</u>	<u>\$ 3,114,968</u>	<u>\$ 10,205,656</u>

TOWN OF EAST GREENWICH, RHODE ISLAND
 Supplementary Information
 Balance Sheet
 General Fund
 June 30, 2019

		<u>General Fund</u>
ASSETS		
Cash and cash equivalents	\$	10,993,305
Accounts receivable:		
Property taxes, less allowance for doubtful accounts of \$90,933		2,855,115
Other		900,011
Internal balances		31,635,985
Prepays		65,472
TOTAL ASSETS	\$	<u>46,449,888</u>
 LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable and accrued expenses	\$	2,047,011
Internal balances		34,081,675
Total liabilities		<u>36,128,686</u>
 DEFERRED INFLOW OF RESOURCES		
Unavailable tax revenue		<u>3,230,514</u>
 Fund balances:		
<i>Nonspendable:</i>		
Prepays		65,472
<i>Assigned for:</i>		
Encumbrances		201,716
<i>Unassigned:</i>		<u>6,823,500</u>
Total fund balances		<u>7,090,688</u>
TOTAL LIABILITIES AND FUND BALANCES	\$	<u>46,449,888</u>

TOWN OF EAST GREENWICH, RHODE ISLAND
Supplementary Information
Schedule of Revenues, Expenditures
and Changes in Fund Balances
General Fund
For the Fiscal Year Ended June 30, 2019

	<u>General Fund</u>
Revenues	
General property tax	\$ 55,729,993
Intergovernmental and departmental revenues	2,146,955
License and permits	1,306,004
Interest on investments	50,080
Other revenues	3,552,293
Total revenues	<u>62,785,325</u>
Expenditures	
Legislative, judicial and general administrative	6,869,052
Financial administration	575,612
Information technology	674,422
Public safety	8,229,999
Public works	3,597,031
Parks and recreation	891,814
Town planner	211,227
Grants and contributions	27,000
Library	525,000
Financing costs	850
Capital outlay	798,080
Long-term obligations:	
Principal	3,596,833
Interest	2,172,037
Total expenditures	<u>28,168,957</u>
Excess of revenues over (under) expenditures before other financing sources (uses)	<u>34,616,368</u>
Other financing sources (uses)	
Transfers to other funds	<u>(35,340,812)</u>
Total other financing sources (uses)	<u>(35,340,812)</u>
Net changes in fund balances	<u>(724,444)</u>
Fund balances - beginning - restated	7,815,132
Fund balance - ending	<u>\$ 7,090,688</u>

TOWN OF EAST GREENWICH, RHODE ISLAND
Supplementary Information
Budgetary Comparison Schedule - General Fund
Schedule of Revenues and Expenditures - Non-GAAP Budgetary Basis
For the Fiscal Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues				
General property tax	\$ 55,914,382	\$ 55,914,382	\$ 55,729,993	\$ (184,389)
General revenue	1,784,996	1,784,996	2,146,955	361,959
State aid	3,466,754	3,466,754	3,552,293	85,539
Interest on investments	15,000	15,000	50,080	35,080
License and permits	998,850	998,850	1,306,004	307,154
Total Revenues	<u>62,179,982</u>	<u>62,179,982</u>	<u>62,785,325</u>	<u>605,343</u>
Expenditures				
Administration	6,644,795	6,644,795	6,926,138	(281,343)
Finance	583,288	583,288	575,612	7,676
Information technology	639,344	639,344	674,422	(35,078)
Public safety	8,254,572	8,254,572	8,279,507	(24,935)
Public works	3,816,329	3,816,329	3,675,213	141,116
Parks and grounds	936,625	936,625	891,824	44,801
Town planner	214,015	214,015	211,783	2,232
Grants and contributions	27,000	27,000	27,000	-
East Greenwich Land Trust	14,500	14,500	-	14,500
Library	525,000	525,000	525,000	-
Capital outlays	686,471	686,471	814,457	(127,986)
Debt service:				
Principal	5,161,635	2,161,674	3,596,833	(1,435,159)
Interest	679,151	3,679,112	2,172,037	1,507,075
Financing costs	10,000	10,000	850	9,150
Total expenditures	<u>28,192,725</u>	<u>28,192,725</u>	<u>28,370,676</u>	<u>(177,951)</u>
Excess of revenues over expenditures before operating transfers	<u>33,987,257</u>	<u>33,987,257</u>	<u>34,414,649</u>	<u>427,392</u>
Other financing sources (uses)				
Reappropriated use of fund balance	1,090,685	1,090,685	1,090,685	-
Transfers to other funds	(35,077,942)	(35,077,942)	(35,340,812)	(262,870)
Total other financing sources and uses	<u>(33,987,257)</u>	<u>(33,987,257)</u>	<u>(34,250,127)</u>	<u>(262,870)</u>
Excess of revenues over (under) expenditures and operating transfers	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 164,522</u>	<u>\$ 164,522</u>

TOWN OF EAST GREENWICH, RHODE ISLAND
Supplementary Information
Budgetary Comparison Schedule - General Fund
Schedule of Revenues - Non-GAAP Budgetary Basis
For the Fiscal Year Ended June 30, 2019

	<u>Original Budget Revenues</u>	<u>Revised Budget Revenues</u>	<u>Actual Revenues</u>	<u>Variance</u>
General property tax				
Taxes - current	\$ 55,164,382	\$ 55,164,382	\$ 54,557,775	\$ (606,607)
Taxes - prior year	750,000	750,000	1,172,218	422,218
Total general property taxes	<u>55,914,382</u>	<u>55,914,382</u>	<u>55,729,993</u>	<u>(184,389)</u>
General revenue				
Grants and departmental revenue	27,750	27,750	178,667	150,917
Municipal court	21,000	21,000	817	(20,183)
Other revenue	1,736,246	1,736,246	1,967,471	231,225
Total general revenue	<u>1,784,996</u>	<u>1,784,996</u>	<u>2,146,955</u>	<u>361,959</u>
State aid				
School housing aid	1,300,000	1,300,000	1,604,104	304,104
Telephone tax	163,835	163,835	165,389	1,554
Pilot	659,856	659,856	661,504	1,648
Motor vehicle phase out	428,812	428,812	436,064	7,252
Meals tax	914,251	914,251	685,232	(229,019)
Total state aid	<u>3,466,754</u>	<u>3,466,754</u>	<u>3,552,293</u>	<u>85,539</u>
Licenses, permits and usage fees				
Town clerk department	518,000	518,000	705,222	187,222
Department of public works	309,400	309,400	384,553	75,153
Fire revenue	-	-	2,315	2,315
Planning	13,000	13,000	30,563	17,563
Police department	158,450	158,450	183,351	24,901
Total licenses, permits and usage fees	<u>998,850</u>	<u>998,850</u>	<u>1,306,004</u>	<u>307,154</u>
Other financing sources				
Reappropriated use of fund balance	1,090,685	1,090,685	1,090,685	-
Total other financing sources	<u>1,090,685</u>	<u>1,090,685</u>	<u>1,090,685</u>	<u>-</u>
Interest on investments	15,000	15,000	50,080	35,080
Total revenue and other financing sources	<u>\$ 63,270,667</u>	<u>\$ 63,270,667</u>	<u>\$ 63,876,010</u>	<u>\$ 605,343</u>

TOWN OF EAST GREENWICH, RHODE ISLAND
 Supplementary Information
 Budgetary Comparison Schedule - General Fund
 Schedule of Expenditures - Non-GAAP Budgetary Basis
 For the Fiscal Year Ended June 30, 2019

	Original Budgeted Expenditures	Revised Budgeted Expenditures	Actual Expenditures	Variance
Administration				
Town manager				
Salaries and wages	238,300	238,300	231,475	6,825
Outside services	6,775	6,775	10,287	(3,512)
Supplies	7,000	7,000	10,712	(3,712)
Total town manager	<u>252,075</u>	<u>252,075</u>	<u>252,474</u>	<u>(399)</u>
Town clerks				
Salaries and wages	232,804	232,804	233,243	(439)
Outside services	16,700	16,700	10,769	5,931
Supplies	1,500	1,500	1,490	10
Total town clerks	<u>251,004</u>	<u>251,004</u>	<u>245,502</u>	<u>5,502</u>
Town solicitor				
Outside services	300,000	300,000	415,573	(115,573)
Total town solicitor	<u>300,000</u>	<u>300,000</u>	<u>415,573</u>	<u>(115,573)</u>
Municipal court and judges				
Salaries	10,500	10,500	10,500	-
Outside services	100	100	75	25
Total municipal court and judges	<u>10,600</u>	<u>10,600</u>	<u>10,575</u>	<u>25</u>
Board of canvassers				
Salaries and wages	20,500	20,500	17,926	2,574
Outside services	6,500	6,500	3,225	3,275
Supplies	2,000	2,000	2,448	(448)
Total board of canvassers	<u>29,000</u>	<u>29,000</u>	<u>23,599</u>	<u>5,401</u>

(Continued)

TOWN OF EAST GREENWICH, RHODE ISLAND
 Supplementary Information
 Budgetary Comparison Schedule - General Fund
 Schedule of Expenditures - Non-GAAP Budgetary Basis
 For the Fiscal Year Ended June 30, 2019

	<u>Original Budgeted Expenditures</u>	<u>Revised Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Variance</u>
Employee benefits				
Outside services	5,285,866	5,285,866	5,385,038	(99,172)
Total employee benefits	<u>5,285,866</u>	<u>5,285,866</u>	<u>5,385,038</u>	<u>(99,172)</u>
Insurance				
Outside services	441,250	441,250	392,749	48,501
Total insurance	<u>441,250</u>	<u>441,250</u>	<u>392,749</u>	<u>48,501</u>
Contingency fund				
Outside services	75,000	75,000	200,628	(125,628)
Total contingency fund	<u>75,000</u>	<u>75,000</u>	<u>200,628</u>	<u>(125,628)</u>
Total Administration	<u>6,644,795</u>	<u>6,644,795</u>	<u>6,926,138</u>	<u>(281,343)</u>
Finance department				
Salaries	481,588	481,588	458,991	22,597
Outside services	62,200	62,200	78,399	(16,199)
Supplies	7,500	7,500	5,134	2,366
Communications	32,000	32,000	33,088	(1,088)
Total finance department	<u>583,288</u>	<u>583,288</u>	<u>575,612</u>	<u>7,676</u>
Information technology				
Salaries	163,000	163,000	163,440	(440)
Outside services	260,360	260,360	230,495	29,865
Supplies	20,200	20,200	18,287	1,913
Equipment	116,160	116,160	183,948	(67,788)
Communications	79,624	79,624	78,252	1,372
Total information technology	<u>639,344</u>	<u>639,344</u>	<u>674,422</u>	<u>(35,078)</u>
Public safety				
Police department				
Salaries and wages	3,222,394	3,222,394	3,317,845	(95,451)
Outside services	61,400	61,400	46,523	14,877
Supplies	94,600	94,600	90,195	4,405
Equipment	10,000	10,000	8,345	1,655
Communications	1,500	1,500	663	837
Total police department	<u>3,389,894</u>	<u>3,389,894</u>	<u>3,463,571</u>	<u>(73,677)</u>

(Continued)

TOWN OF EAST GREENWICH, RHODE ISLAND
 Supplementary Information
 Budgetary Comparison Schedule - General Fund
 Schedule of Expenditures - Non-GAAP Budgetary Basis
 For the Fiscal Year Ended June 30, 2019

	Original Budgeted Expenditures	Revised Budgeted Expenditures	Actual Expenditures	Variance
Fire Department				
Salaries and wages	4,064,929	4,064,929	3,990,035	74,894
Outside services	659,749	659,749	644,974	14,775
Supplies	140,000	140,000	180,927	(40,927)
Total Fire District	<u>4,864,678</u>	<u>4,864,678</u>	<u>4,815,936</u>	<u>48,742</u>
Total public safety	<u>8,254,572</u>	<u>8,254,572</u>	<u>8,279,507</u>	<u>(24,935)</u>
Public works administration				
Salaries and wages	1,462,509	1,462,509	1,435,088	27,421
Outside services	1,181,640	1,181,640	1,179,404	2,236
Supplies and expense	1,125,280	1,125,280	1,034,700	90,580
Equipment	46,900	46,900	26,021	20,879
Total public works administration	<u>3,816,329</u>	<u>3,816,329</u>	<u>3,675,213</u>	<u>141,116</u>
Parks & grounds				
Salaries and wages	743,914	743,914	713,474	30,440
Outside services	63,361	63,361	64,019	(658)
Supplies	126,350	126,350	111,404	14,946
Equipment	3,000	3,000	2,927	73
Total parks and grounds	<u>936,625</u>	<u>936,625</u>	<u>891,824</u>	<u>44,801</u>
Town planner				
Salaries and wages	202,665	202,665	199,839	2,826
Outside services	10,450	10,450	11,217	(767)
Supplies	900	900	569	331
Equipment	-	-	158	(158)
Total town planner	<u>214,015</u>	<u>214,015</u>	<u>211,783</u>	<u>2,232</u>

(Continued)

TOWN OF EAST GREENWICH, RHODE ISLAND
 Supplementary Information
 Budgetary Comparison Schedule - General Fund
 Schedule of Expenditures - Non-GAAP Budgetary Basis
 For the Fiscal Year Ended June 30, 2019

	<u>Original Budgeted Expenditures</u>	<u>Revised Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Variance</u>
Grants and contributions				
Contributions	27,000	27,000	27,000	-
Total grants and contributions	<u>27,000</u>	<u>27,000</u>	<u>27,000</u>	<u>-</u>
East Greenwich Land Trust				
Boesch farm rehabilitation	14,500	14,500	-	14,500
Total East Greenwich Land Trust	<u>14,500</u>	<u>14,500</u>	<u>-</u>	<u>14,500</u>
Library				
Town contributions	525,000	525,000	525,000	-
Total library	<u>525,000</u>	<u>525,000</u>	<u>525,000</u>	<u>-</u>
Capital improvements				
Capital outlays	686,471	686,471	814,457	(127,986)
Total capital improvements	<u>686,471</u>	<u>686,471</u>	<u>814,457</u>	<u>(127,986)</u>
School department				
Education	35,077,942	35,077,942	35,340,812	(262,870)
Total school department	<u>35,077,942</u>	<u>35,077,942</u>	<u>35,340,812</u>	<u>(262,870)</u>
Total expenditures	<u>57,419,881</u>	<u>57,419,881</u>	<u>57,941,768</u>	<u>(521,887)</u>
Other financing uses				
Debt service				
Principal	5,161,635	2,161,674	3,596,833	(1,435,159)
Interest	679,151	3,679,112	2,172,037	1,507,075
Financing costs	10,000	10,000	850	9,150
Total debt service	<u>5,850,786</u>	<u>5,850,786</u>	<u>5,769,720</u>	<u>81,066</u>
Total expenditures and other financing uses	<u>\$ 63,270,667</u>	<u>\$ 63,270,667</u>	<u>\$ 63,711,488</u>	<u>\$ (440,821)</u>

(Concluded)

TOWN OF EAST GREENWICH, RHODE ISLAND
Supplementary Information
Balance Sheet
School Unrestricted
June 30, 2019

	School Unrestricted Fund
ASSETS	
Accounts receivable:	75,643
Internal balances	4,286,809
Other assets - health care deposit	2,016,699
TOTAL ASSETS	\$ 6,379,151
 LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable and accrued expenses	\$ 3,264,183
Total liabilities	3,264,183
 Fund balances:	
Deposits held for Health and Dental Benefits	2,016,699
<i>Restricted for:</i>	
Educational programs	1,098,269
Total fund balances	3,114,968
TOTAL LIABILITIES AND FUND BALANCES	\$ 6,379,151

TOWN OF EAST GREENWICH, RHODE ISLAND
Supplementary Information
School Unrestricted Fund
Schedule of Revenues, Expenditures
For the Fiscal Year Ended June 30, 2019

	<u>School Unrestricted Fund</u>
Revenues	
Hanaford fund revenue	\$ 32,543
State aid to education	3,091,316
Tuition revenue	66,400
Medicaid revenue	357,748
Other revenue	256,311
Intergovernmental on behalf payments	1,914,592
Total revenues	<u>5,718,910</u>
Expenditures	
Instructional teachers	18,928,389
Substitute teachers	276,255
Instructional paraprofessionals	2,289,535
Pupil-use tech/software	286,165
Instructional materials/trips/supplies	342,435
Guidance services	785,850
Library and media	668,236
Extracurricular	635,474
Student health and services	934,297
Curriculum development	332,104
Staff development	88,195
Program management	351,986
Therapists/psychologists/evaluation	2,613,834
Academic student assessment	76,950
Transportation	1,606,140
Safety	82,190
Building upkeep/maintenance/utilities	3,132,388
Data processing	441,874
Business operations	375,025
Retiree benefits	54,230
All school pass through	1,601,987
Principals and asst principals	1,173,689
School office	845,605
Direct teaching/learning	113,881
Superintendent/school board	468,330
Legal	102,661
Capital outlay	326,382
Other expenses	189,708
Intergovernmental on behalf payments	1,914,592
Total expenditures	<u>41,038,387</u>
Excess (deficiency) of Revenues Over (Under) Expenditures Before Operating Transfers	<u>(35,319,477)</u>
Operating transfers	
Town appropriation	35,340,812
Total transfers from other funds	<u>35,340,812</u>
Net changes from operations	<u>21,335</u>
Operational reserves - beginning	<u>3,093,633</u>
Operational reserves - ending	<u>\$ 3,114,968</u>

TOWN OF EAST GREENWICH
Supplementary Information
School Unrestricted Fund
Budgetary Comparison Schedule
Schedule of Revenues - Non-GAAP Budgetary Basis
Schedule of Expenditures - Non-GAAP Budgetary Basis
For the Fiscal Year Ended June 30, 2019

	<u>Original Budgeted</u>	<u>Revised Budgeted</u>	<u>Actual</u>	<u>Variance</u>
Revenues				
Hanaford fund revenue	\$ 30,509	\$ 30,509	\$ 32,543	\$ 2,034
Tuition revenue	50,000	50,000	66,400	16,400
Other revenue	197,376	197,376	256,311	58,935
Medicaid revenue	380,425	380,425	357,748	(22,677)
Total revenues	<u>658,310</u>	<u>658,310</u>	<u>713,002</u>	<u>54,692</u>
State and federal aid and transfers				
State aid to education	3,093,206	3,093,206	3,091,316	(1,890)
Total state and federal aid and transfers	<u>3,093,206</u>	<u>3,093,206</u>	<u>3,091,316</u>	<u>(1,890)</u>
Other financing sources				
Reappropriated fund balance	107,145	107,145	107,145	-
Town appropriation	35,077,942	35,340,812	35,340,812	-
Total transfers from other funds	<u>35,185,087</u>	<u>35,447,957</u>	<u>35,447,957</u>	<u>-</u>
Total revenue and other financing sources	<u>\$ 38,936,603</u>	<u>\$ 39,199,473</u>	<u>\$ 39,252,275</u>	<u>\$ 52,802</u>
Expenditures				
Instructional teachers	\$ 19,815,517	\$ 19,738,944	\$ 18,928,389	\$ 810,555
Substitute teachers	245,501	245,501	276,255	(30,754)
Instructional paraprofessionals	2,209,704	2,210,372	2,289,535	(79,163)
Pupil-use tech/software	145,695	321,319	286,165	35,154
Instructional materials/trips/supplies	356,692	405,348	342,435	62,913
Guidance services	753,716	753,153	785,850	(32,697)
Library and media	671,287	671,567	668,236	3,331
Extracurricular	594,460	702,889	635,474	67,415
Student health and services	884,731	927,871	934,297	(6,426)
Curriculum development	278,447	282,272	332,104	(49,832)
Staff development	141,354	110,772	88,195	22,577
Program management	394,574	316,466	351,986	(35,520)
Therapists/psychologists/evaluation	2,295,943	2,312,101	2,613,834	(301,733)
Academic student assessment	50,577	50,577	76,950	(26,373)
Transportation	1,601,263	1,601,263	1,606,140	(4,877)
Safety	69,705	69,305	82,190	(12,885)
Building upkeep/maintenance/utilities	2,925,394	2,954,490	3,132,388	(177,898)
Data processing	649,415	412,636	441,874	(29,238)
Business operations	272,744	278,879	375,025	(96,146)
Retiree Benefits	56,500	56,500	54,230	2,270
All school pass through	1,615,691	1,582,462	1,601,987	(19,525)
Principals and asst principals	1,120,347	1,119,088	1,173,689	(54,601)
School office	867,441	872,175	845,605	26,570
Direct teaching/learning	-	144,723	113,881	30,842
Superintendent/school board	323,435	319,520	468,330	(148,810)
Legal	126,000	126,000	102,661	23,339
Capital outlay	305,470	448,280	326,382	121,898
Other expenses	165,000	165,000	189,708	(24,708)
Total expenditures	<u>38,936,603</u>	<u>39,199,473</u>	<u>39,123,795</u>	<u>75,678</u>
Net changes	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 128,480</u>	<u>\$ 128,480</u>

TOWN OF EAST GREENWICH
Supplementary Information
School Unrestricted Fund
Budgetary Comparison Schedule
Schedule of Revenues - Non-GAAP Budgetary Basis
For the Fiscal Year Ended June 30, 2019

	<u>Original Budgeted Revenues</u>	<u>Revised Budgeted Revenues</u>	<u>Actual Revenues</u>	<u>Variance</u>
Revenues				
Hanaford fund revenue	\$ 30,509	\$ 30,509	\$ 32,543	\$ 2,034
Tuition revenue	50,000	50,000	66,400	16,400
Other revenue	197,376	197,376	256,311	58,935
Medicaid revenue	380,425	380,425	357,748	(22,677)
Total revenues	<u>658,310</u>	<u>658,310</u>	<u>713,002</u>	<u>54,692</u>
State and federal aid and transfers				
State aid to education	3,093,206	3,093,206	3,091,316	(1,890)
Total state and federal aid and transfers	<u>3,093,206</u>	<u>3,093,206</u>	<u>3,091,316</u>	<u>(1,890)</u>
Other financing sources				
Reappropriated fund balance	107,145	107,145	107,145	-
Town appropriation	35,077,942	35,340,812	35,340,812	-
Total transfers from other funds	<u>35,185,087</u>	<u>35,447,957</u>	<u>35,447,957</u>	<u>-</u>
Total revenue and other financing sources	<u>\$ 38,936,603</u>	<u>\$ 39,199,473</u>	<u>\$ 39,252,275</u>	<u>\$ 52,802</u>

TOWN OF EAST GREENWICH
Supplementary Information
School Unrestricted Fund
Budgetary Comparison Schedule
Schedule of Expenditures - Non-GAAP Budgetary Basis
Fiscal Year Ended June 30, 2019

	Original Budgeted Expenditures	Revised Budgeted Expenditures	Actual Expenditures	Variance
Expenditures				
Instructional teachers	\$ 19,815,517	\$ 19,738,944	\$ 18,928,389	\$ 810,555
Substitute teachers	245,501	245,501	276,255	(30,754)
Instructional paraprofessionals	2,209,704	2,210,372	2,289,535	(79,163)
Pupil-use tech/software	145,695	321,319	286,165	35,154
Instructional materials/trips/supplies	356,692	405,348	342,435	62,913
Guidance services	753,716	753,153	785,850	(32,697)
Library and media	671,287	671,567	668,236	3,331
Extracurricular	594,460	702,889	635,474	67,415
Student health and services	884,731	927,871	934,297	(6,426)
Curriculum development	278,447	282,272	332,104	(49,832)
Staff development	141,354	110,772	88,195	22,577
Program management	394,574	316,466	351,986	(35,520)
Therapists/psychologists/evaluation	2,295,943	2,312,101	2,613,834	(301,733)
Academic student assessment	50,577	50,577	76,950	(26,373)
Transportation	1,601,263	1,601,263	1,606,140	(4,877)
Safety	69,705	69,305	82,190	(12,885)
Building upkeep/maintenance/utilities	2,925,394	2,954,490	3,132,388	(177,898)
Data processing	649,415	412,636	441,874	(29,238)
Business operations	272,744	278,879	375,025	(96,146)
Retiree Benefits	56,500	56,500	54,230	2,270
All school pass throughs	1,615,691	1,582,462	1,601,987	(19,525)
Principals and asst principals	1,120,347	1,119,088	1,173,689	(54,601)
School office	867,441	872,175	845,605	26,570
Direct teaching/learning	-	144,723	113,881	30,842
Superintendent/school board	323,435	319,520	468,330	(148,810)
Legal	126,000	126,000	102,661	23,339
Capital outlay	305,470	448,280	326,382	121,898
Other expenses	165,000	165,000	189,708	(24,708)
Total expenditures	<u>38,936,603</u>	<u>39,199,473</u>	<u>39,123,795</u>	<u>75,678</u>
Total expenditures	<u>\$ 38,936,603</u>	<u>\$ 39,199,473</u>	<u>\$ 39,123,795</u>	<u>\$ 75,678</u>

TOWN OF EAST GREENWICH, RHODE ISLAND
General Fund
JUNE 30, 2019

NOTES TO SUPPLEMENTARY INFORMATION

Budgetary to GAAP basis reconciliation

The following reconciliation summarizes the differences for the Town's General Fund between budgetary and GAAP basis accounting principles for the year ended June 30, 2019:

Excess of revenues and other sources over expenditures and other uses		
(Deficit) (Non-GAAP Budgetary Basis).....	\$	164,522
Less: Use of Prior year surplus.....		(1,090,685)
Add: Encumbrances.....		201,719
Excess of revenues and other sources over expenditures and other uses		<u>201,719</u>
(GAAP).....	\$	<u><u>(724,444)</u></u>

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

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

	Revenues and Transfers	Expenditures and Transfers
<i>General Fund:</i>		
<i>Schedule of Revenues, Expenditures and Other Financing Sources</i>		
<i>(Non-GAAP Budgetary Basis) Budget and Actual</i>	\$ 63,876,010	\$ 63,711,488
Less: Use of Prior year surplus	(1,090,685)	-
Less: Encumbrances	-	(201,719)
<i>Statement of Revenues, Expenditures and Changes in Fund</i>		
<i>Balances</i>	<u>\$ 62,785,325</u>	<u>\$ 63,509,769</u>

TOWN OF EAST GREENWICH, RHODE ISLAND
 School Unrestricted
 JUNE 30, 2019

NOTES TO SUPPLEMENTARY INFORMATION

Budgetary to GAAP basis reconciliation

The following reconciliation summarizes the differences for the School's Unrestricted Fund between budgetary and GAAP basis accounting principles for the year ended June 30, 2019:

Excess of revenues and other sources over expenditures and other uses (Non-GAAP Budgetary Basis).....	\$ 128,480
Use of prior years fund balance.....	(107,145)
Excess of revenues and other sources over expenditures and other uses (GAAP).....	\$ 21,335

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>School Unrestricted Fund:</i>		
<i>Schedule of Revenues, Expenditures and Other Financing Sources</i>		
<i>(Non-GAAP Budgetary Basis) Budget and Actual</i>	\$ 39,252,275	\$ 39,123,795
Adjustment for pension contribution made by State of Rhode Island on behalf of employees.....	1,914,592	1,914,592
Use of prior years fund balance.....	(107,145)	-
<i>Statement of Revenues, Expenditures and Changes in Fund</i>		
<i>Balances</i>	\$ 41,059,722	\$ 41,038,387

OTHER SUPPLEMENTARY INFORMATION

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

Annual Supplemental Transparency Report (MTP2) - Revenue

Annual Supplemental Transparency Report (MTP2) – Expenditures

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

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

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

Town of East Greenwich
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2019

<u>REVENUE</u>	<u>Municipal</u>	<u>Education Department</u>
Current Year Levy Tax Collection	\$ 54,557,775	\$ -
Last Year's Levy Tax Collection	1,086,219	-
Prior Years Property Tax Collection	85,998	-
Interest & Penalty	184,725	-
PILOT & Tax Treaty (excluded from levy) Collection	-	-
Other Local Property Taxes	-	-
Licenses and Permits	1,076,492	-
Fines and Forfeitures	-	-
Investment Income	50,080	-
Departmental	158,366	-
Rescue Run Revenue	877,074	-
Police & Fire Detail	122,719	-
Other Local Non-Property Tax Revenues	130,848	-
Tuition	-	66,400
Impact Aid	-	-
Medicaid	-	357,748
Federal Stabilization Funds	-	-
Federal Food Service Reimbursement	-	109,571
CDBG	-	-
COPS Grants	-	-
SAFER Grants	-	-
Other Federal Aid Funds	-	821,998
MV Excise Tax Reimbursement	84,112	-
State PILOT Program	659,856	-
Distressed Community Relief Fund	-	-
Library Resource Aid	-	-
Library Construction Aid	-	-
Public Service Corporation Tax	165,389	-
Meals & Beverage Tax / Hotel Tax	687,194	-
LEA Aid	-	3,091,316
Group Home	-	-
Housing Aid Capital Projects	123,915	-
Housing Aid Bonded Debt	1,480,191	-
State Food Service Revenue	-	6,325
Incentive Aid	-	-
Property Revaluation Reimbursement	-	-
Other State Revenue	150,000	224,925
Motor Vehicle Phase Out	351,953	-
Other Revenue	112,957	740,274
Local Appropriation for Education	-	35,340,812
Regional Appropriation for Education	-	-
Supplemental Appropriation for Education	-	-
Regional Supplemental Appropriation for Education	-	-
Other Education Appropriation	-	-
Rounding	-	-
Total Revenue	\$ 62,145,863	\$ 40,759,368
Financing Sources: Transfer from Capital Funds	\$ -	\$ -
Financing Sources: Transfer from Other Funds	86,000	-
Financing Sources: Debt Proceeds	553,462	-
Financing Sources: Other	-	-
Rounding	-	-
Total Other Financing Sources	\$ 639,462	\$ -

Town of East Greenwich
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2019

<u>EXPENDITURES</u>	General Government	Finance	Social Services	Centralized IT	Planning	Libraries	Public Works	Parks and Rec	Police Department
Compensation- Group A	\$ 493,144	\$ 453,133	\$ -	\$ 163,440	\$ 199,839	\$ -	\$ 1,338,430	\$ 709,935	\$ 2,407,446
Compensation - Group B	-	-	-	-	-	-	-	-	473,801
Compensation - Group C	-	-	-	-	-	-	-	-	-
Compensation -Volunteer	-	-	-	-	-	-	-	-	-
Overtime- Group A	-	5,858	-	-	-	-	106,308	3,539	226,140
Overtime - Group B	-	-	-	-	-	-	-	-	79,739
Overtime - Group C	-	-	-	-	-	-	-	-	-
Police & Fire Detail	-	-	-	-	-	-	-	-	122,720
Active Medical Insurance - Group A	66,347	94,476	-	24,619	35,428	-	286,827	166,332	496,333
Active Medical Insurance- Group B	-	-	-	-	-	-	-	-	94,476
Active Medical Insurance- Group C	-	-	-	-	-	-	-	-	-
Active Dental insurance- Group A	4,661	7,457	-	1,864	2,796	-	22,371	13,050	32,624
Active Dental Insurance- Group B	-	-	-	-	-	-	-	-	7,457
Active Dental Insurance- Group C	-	-	-	-	-	-	-	-	-
Payroll Taxes	37,153	34,580	-	12,313	15,056	-	108,827	53,752	242,134
Life Insurance	950	1,520	-	380	570	-	4,559	2,660	8,169
State Defined Contribution- Group A	2,573	4,117	-	1,029	1,544	-	12,351	7,205	-
State Defined Contribution - Group B	-	-	-	-	-	-	-	-	4,117
State Defined Contribution - Group C	-	-	-	-	-	-	-	-	-
Other Benefits- Group A	5,810	9,296	-	2,324	3,486	-	67,067	16,268	38,770
Other Benefits- Group B	-	-	-	-	-	-	-	-	-
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	13,509	21,614	-	5,403	8,105	-	64,841	37,824	693,687
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	21,614
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	-	-	-	-	-	-	-	-	-
Purchased Services	505,576	77,460	-	36,018	9,809	-	22,084	31,168	44,920
Materials/Supplies	9,752	5,125	-	18,287	569	-	57,648	81,910	15,699
Software Licenses	-	-	-	194,277	-	-	-	-	-
Capital Outlays	798,080	-	-	181,498	-	-	26,021	2,927	8,345
Insurance	328,946	-	-	-	-	-	-	-	-
Maintenance	57,964	-	-	-	-	-	130,645	3,365	-
Vehicle Operations	-	-	-	-	-	-	284,438	10,000	30,000
Utilities	10,000	-	-	78,252	-	-	167,933	38,279	20,000
Contingency	-	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	239,920	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	74,783	-	-
Trash Removal & Recycling	-	-	-	-	-	-	721,072	-	-
Claims & Settlements	-	-	-	-	-	-	-	-	-
Community Support	27,000	-	-	-	-	-	-	-	-
Other Operation Expenditures	29,276	34,027	-	200	1,010	525,000	72,516	30,691	55,164
Tipping Fees	-	-	-	-	-	-	210,233	-	-
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	-	-	-	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
Total Expenditures	\$ 2,390,742	\$ 748,663	\$ -	\$ 719,904	\$ 278,213	\$ 525,000	\$ 4,018,874	\$ 1,208,905	\$ 5,123,354

Town of East Greenwich
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2019

EXPENDITURES	Fire Department	Centralized Dispatch	Public Safety Other	Education Appropriation	Debt	OPEB	Total Municipal	Education Department
Compensation- Group A	\$ 2,932,695	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,698,062	\$ 18,572,542
Compensation - Group B	-	-	-	-	-	-	473,801	1,522,494
Compensation - Group C	-	-	-	-	-	-	-	3,683,383
Compensation -Volunteer	-	-	-	-	-	-	-	-
Overtime- Group A	1,205,581	-	-	-	-	-	1,547,426	-
Overtime - Group B	-	-	-	-	-	-	79,739	-
Overtime - Group C	-	-	-	-	-	-	-	73,696
Police & Fire Detail	-	-	-	-	-	-	122,720	-
Active Medical Insurance - Group A	653,614	-	-	-	-	-	1,823,976	2,078,971
Active Medical Insurance- Group B	-	-	-	-	-	-	94,476	139,191
Active Medical Insurance- Group C	-	-	-	-	-	-	-	1,287,180
Active Dental insurance- Group A	35,421	-	-	-	-	-	120,244	148,504
Active Dental Insurance- Group B	-	-	-	-	-	-	7,457	7,384
Active Dental Insurance- Group C	-	-	-	-	-	-	-	73,887
Payroll Taxes	311,770	-	-	-	-	-	815,585	590,130
Life Insurance	7,219	-	-	-	-	-	26,027	29,813
State Defined Contribution- Group A	-	-	-	-	-	-	28,819	456,811
State Defined Contribution - Group B	-	-	-	-	-	-	4,117	37,921
State Defined Contribution - Group C	-	-	-	-	-	-	-	177,649
Other Benefits- Group A	32,795	-	-	-	-	-	175,817	244,318
Other Benefits- Group B	-	-	-	-	-	-	-	926
Other Benefits- Group C	-	-	-	-	-	-	-	2,401
Local Defined Benefit Pension- Group A	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-
State Defined Benefit Pension- Group A	793,407	-	-	-	-	-	1,638,390	2,469,129
State Defined Benefit Pension - Group B	-	-	-	-	-	-	21,614	176,039
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	11,986
Other Defined Benefit / Contribution	-	-	-	-	-	-	-	-
Purchased Services	97,731	-	-	-	-	-	824,767	5,767,489
Materials/Supplies	67,540	-	-	-	-	-	256,531	361,934
Software Licenses	-	-	-	-	-	-	194,277	54,796
Capital Outlays	-	-	-	-	-	-	1,016,871	326,382
Insurance	-	-	-	-	-	-	328,946	159,490
Maintenance	6,602	-	-	-	-	-	198,576	631,531
Vehicle Operations	45,000	-	-	-	-	-	369,438	5,658
Utilities	20,000	-	-	-	-	-	334,464	899,658
Contingency	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	239,920	-
Revaluation	-	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	74,783	-
Trash Removal & Recycling	-	-	-	-	-	-	721,072	-
Claims & Settlements	-	-	-	-	-	-	-	-
Community Support	-	-	-	-	-	-	27,000	-
Other Operation Expenditures	402,306	-	-	-	-	-	1,150,190	386,534
Tipping Fees	-	-	-	-	-	-	210,233	-
Local Appropriation for Education	-	-	-	35,340,812	-	-	35,340,812	-
Regional Appropriation for Education	-	-	-	-	-	-	-	-
Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	1,476,000	-	1,476,000	-
Municipal Debt- Interest	-	-	-	-	134,704	-	134,704	-
School Debt- Principal	-	-	-	-	2,120,833	-	2,120,833	-
School Debt- Interest	-	-	-	-	2,038,175	-	2,038,175	-
Retiree Medical Insurance- Total	-	-	-	-	-	-	-	48,129
Retiree Dental Insurance- Total	-	-	-	-	-	-	-	4,072
OPEB Contribution- Total	-	-	-	-	-	773,908	773,908	-
Rounding	-	-	-	-	-	-	-	-
Total Expenditures	\$ 6,611,681	\$ -	\$ -	\$ 35,340,812	\$ 5,769,712	\$ 773,908	\$ 63,509,769	\$ 40,430,029

Financing Uses: Transfer to Capital Funds	\$ -	\$ -
Financing Uses: Transfer to Other Funds	-	-
Financing Uses: Payment to Bond Escrow Agent	-	-
Financing Uses: Other	-	-
Total Other Financing Uses	\$ -	\$ -
Net Change in Fund Balance¹	(724,444)	329,339
Fund Balance¹- beginning of year	\$7,803,300	\$3,168,044
Funds removed from Reportable Government Services (RGS)	-	-
Funds added to Reportable Government Services (RGS)	-	-
Prior period adjustments	11,832	-
Misc. Adjustment	-	(6,462)
Fund Balance¹ - beginning of year adjusted	7,815,132	3,161,582
Rounding	-	(1)
Fund Balance¹ - end of year	\$ 7,090,688	\$ 3,490,920

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

Town of East Greenwich
Annual Supplemental Transparency Report (MTP2)
Combining Schedule of
Reportable Government Services with
Reconciliation to MTP2
Municipal
Fiscal Year Ended June 30, 2019

Per Audited Fund Financial Statements Fund Description	Total Revenue	Total Other Financing Sources	Total Expenditures	Total Other Financing Uses	Net Change in Fund Balance ¹	Beginning Fund Fund Balance ² (Deficit)	Prior Period Adjustment	Restated Beginning Fund Balance ² (Deficit)	Ending Fund Balance ² (Deficit)
Fund Balance¹ - per MTP-2 at June 30, 2018						\$ 7,803,300	11,832	\$ 7,815,132	
<i>No miscellaneous adjustments made for fiscal 2018</i>						-	-	-	
Fund Balance¹ - per MTP-2 at June 30, 2018 adjusted						<u>\$ 7,803,300</u>	<u>11,832</u>	<u>\$ 7,815,132</u>	
General Fund	\$ 62,785,325	\$ -	\$ 28,168,957	\$ 35,340,812	\$ (724,444)	\$ 7,803,300	\$ 11,832	\$ 7,815,132	\$ 7,090,688
Totals per audited financial statements	<u>\$ 62,785,325</u>	<u>\$ -</u>	<u>\$ 28,168,957</u>	<u>\$ 35,340,812</u>	<u>\$ (724,444)</u>	<u>\$ 7,803,300</u>	<u>\$ 11,832</u>	<u>\$ 7,815,132</u>	<u>\$ 7,090,688</u>
<u>Reconciliation from financial statements to MTP2</u>									
Reclassify transfer of municipal appropriation to Education Department as expenditure on MTP2	\$ -	\$ -	35,340,812	(35,340,812)	\$ -	\$ -	\$ -	\$ -	\$ -
Other financing sources not recognised in financial statements	(639,462)	\$ 639,462	-	-	\$ -	\$ -	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
Totals Per MTP2	<u>\$ 62,145,863</u>	<u>\$ 639,462</u>	<u>\$ 63,509,769</u>	<u>\$ -</u>	<u>\$ (724,444)</u>	<u>\$ 7,803,300</u>	<u>\$ 11,832</u>	<u>\$ 7,815,132</u>	<u>\$ 7,090,688</u>

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

Town of East Greenwich
Annual Supplemental Transparency Report (MTP2)
Combining Schedule of
Reportable Government Services with
Reconciliation to MTP2
Education Department
Fiscal Year Ended June 30, 2019

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, 2018						\$ 3,168,044	-	\$ 3,168,044	
<i>Adjustment for indirect cost impacting ending fund balance in FY18</i>						(6,136)	-	(6,136)	
<i>Misstated FY18 ending fund balance for special revenue funds</i>						(179)	-	(179)	
<i>Misstated FY18 ending fund balance for school food services</i>						(147)	-	(147)	
<i>No miscellaneous adjustments made for fiscal 2018</i>						-	-	-	
Fund Balance¹ - per MTP-2 at June 30, 2018 adjusted						<u>\$ 3,161,582</u>	-	<u>\$ 3,161,582</u>	
School Unrestricted Fund	\$ 5,718,910	\$ 35,340,812	\$ 41,038,387	\$ -	\$ 21,335	\$ 3,093,633	\$ -	\$ 3,093,633	\$ 3,114,968
Special revenue funds	1,046,922	-	831,895	-	215,027	60,866	-	60,866	275,893
School food service	567,315	-	474,339	-	92,976	7,083	-	7,083	100,059
Totals per audited financial statements	<u>\$ 7,333,147</u>	<u>\$ 35,340,812</u>	<u>\$ 42,344,621</u>	<u>\$ -</u>	<u>\$ 329,338</u>	<u>\$ 3,161,582</u>	<u>\$ -</u>	<u>\$ 3,161,582</u>	<u>\$ 3,490,920</u>
<u>Reconciliation from financial statements to MTP2</u>									
Municipal appropriation for Education reported as a transfer on financial statements but a revenue on MTP2	\$ 35,340,812	\$ (35,340,812)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State contributions on behalf of teacher pensions on financial statements	(1,914,592)	-	(1,914,592)	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
Totals Per MTP2	<u>\$ 40,759,368</u>	<u>\$ -</u>	<u>\$ 40,430,029</u>	<u>\$ -</u>	<u>\$ 329,339</u>	<u>\$ 3,161,582</u>	<u>\$ -</u>	<u>\$ 3,161,582</u>	<u>\$ 3,490,920</u>
<u>Reconciliation from MTP2 to UCOA</u>									
Miscellaneous expenditure adjustments between MTP2 and UCOA	\$ -	-	\$ (30,648)	-	-	-	-	-	-
Re-Appropriation of Fund Balance reported as revenue in UCOA but not in financial statements or MTP2	107,146	-	-	-	-	-	-	-	-
Totals per UCOA Validated Totals Report	<u>\$ 40,866,514</u>	<u>\$ -</u>	<u>\$ 40,399,381</u>	<u>\$ -</u>	<u>\$ 329,339</u>	<u>\$ 3,161,582</u>	<u>\$ -</u>	<u>\$ 3,161,582</u>	<u>\$ 3,490,920</u>

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

TOWN OF EAST GREENWICH, RHODE ISLAND
Notes to Supplementary Information
Annual Supplemental Transparency Report (MTP2)
June 30, 2019

NOTE 1. Basis of Presentation

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

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

NOTE 2. Reportable Government Services

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

NOTE 3. Allocations

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

NOTE 4. Employee Groups - Compensation and Benefit Costs

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

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

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

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

TOWN OF EAST GREENWICH, RHODE ISLAND
Notes to Supplementary Information
Annual Supplemental Transparency Report (MTP2)
June 30, 2019

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

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

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

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

NOTE 5. Education Revenue and Expenditures

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

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

**TOWN OF EAST GREENWICH, RHODE ISLAND
TAX COLLECTOR'S ANNUAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

REAL ESTATE AND PERSONAL PROPERTY TAXES

Tax Roll Year	Balance July 1, 2018	Current Year Assessment	Refunds/ Adjustments	Additions and Adjustments	Abatements	Amount to be Collected	Current Year Collections	Balance June 30, 2019
2018	\$ -	\$ 55,981,907	\$ 12,450	\$ 110,113	\$ 164,142	55,940,328	\$ 54,557,775	\$ 1,382,553
2017	1,262,650	-	-	-	5,209	1,257,441	1,086,219	171,222
2016	185,096	-	-	-	-	185,096	10,853	174,243
2015	153,407	-	-	-	-	153,407	18,975	134,432
2014	129,970	-	-	-	-	129,970	13,044	116,926
2013	137,154	-	-	-	-	137,154	14,706	122,448
2012	103,285	-	-	295	-	103,580	7,369	96,211
2011	77,642	-	-	-	-	77,642	6,113	71,529
2010	60,038	-	-	-	3	60,035	5,649	54,386
2009	53,404	-	-	-	2,932	50,472	1,464	49,008
2008 and prior	580,811	-	-	180	176	580,815	7,725	573,090
Subtotal	2,743,457	55,981,907	12,450	110,588	172,462	58,675,940	55,729,892	2,946,048
Allowance for uncollectible accounts	90,933							90,933
	<u>\$ 2,652,524</u>							<u>\$ 2,855,115</u>

**RECONCILIATION OF CURRENT YEAR
PROPERTY TAX REVENUE**

Current year collections	\$ 55,729,892
July - August 2019 Collections Subject to 60 - day FY 2019 Accrual	\$ -
Subtotal	<u>\$ 55,729,892</u>
July - August 2018 Collections Subject to 60 - day FY 2018 Accrual	\$ -
Total property tax revenues	<u>\$ 55,729,892</u>

SCHEDULE of NET ASSESSED PROPERTY, VALUE BY CATEGORY

Description of Property	Valuations	
	December 31, 2017	Levy July 1, 2018
Real property	\$ 2,348,219,129	\$ 54,009,040
Motor vehicles	147,639,932	3,378,002
Tangible personal	80,251,353	1,845,781
TOTAL	<u>2,576,110,414</u>	<u>59,232,823</u>
Less exemptions	(141,608,007)	(3,250,916)
NET ASSESSED VALUE	<u>\$ 2,434,502,407</u>	<u>\$ 55,981,907</u>

STATISTICAL SECTION

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

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

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

Exhibit 1

Fiscal Year

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Governmental Activities										
Net investment in capital assets	\$ 37,392,111	\$ 35,340,922	\$ 35,160,076	\$ 34,519,152	\$ 32,593,083	\$ 30,022,563	\$ 26,815,085	\$ 19,739,145	\$ 16,161,958	\$ 19,176,359
Restricted	2,952,169	2,041,699	1,349,714	1,989,921	2,171,870	3,423,277	3,601,262	3,533,838	-	-
Unrestricted	(62,668,263)	(68,626,000)	(63,472,667)	(33,241,321)	(30,331,477)	(814,090)	3,172,839	7,926,272	15,679,990	11,391,385
Total governmental activities net position	<u>\$ (22,323,983)</u>	<u>\$ (31,243,379)</u>	<u>\$ (26,962,877)</u>	<u>\$ 3,267,752</u>	<u>\$ 4,433,476</u>	<u>\$ 32,631,750</u>	<u>\$ 33,589,186</u>	<u>\$ 31,199,255</u>	<u>\$ 31,841,948</u>	<u>\$ 30,567,744</u>
Business-type activities										
Net investment in capital assets	\$ 19,529,965	\$ 18,577,595	\$ 17,185,132	\$ 17,005,110	\$ 15,315,035	\$ 14,492,633	\$ 13,385,888	\$ 11,088,505	\$ 10,255,599	\$ 7,621,215
Unrestricted	466,722	7,879,795	8,219,446	7,602,117	9,258,013	10,428,707	11,765,571	13,837,395	14,660,591	16,318,603
Total business-type activities net position	<u>\$ 19,996,687</u>	<u>\$ 26,457,390</u>	<u>\$ 25,404,578</u>	<u>\$ 24,607,227</u>	<u>\$ 24,573,048</u>	<u>\$ 24,921,340</u>	<u>\$ 25,151,459</u>	<u>\$ 24,925,900</u>	<u>\$ 24,916,190</u>	<u>\$ 23,939,818</u>
Primary government										
Net investment in capital assets	\$ 56,922,076	\$ 53,918,517	\$ 52,345,208	\$ 51,524,262	\$ 47,908,118	\$ 44,515,196	\$ 40,200,973	\$ 30,827,650	\$ 26,417,557	\$ 26,797,574
Restricted	2,952,169	2,041,699	1,349,714	1,989,921	2,171,870	3,423,277	3,601,262	3,533,838	-	-
Unrestricted	(62,201,541)	(60,746,205)	(55,253,221)	(25,639,204)	(21,073,464)	9,614,617	14,938,410	21,763,667	30,340,581	27,709,988
Total primary government net position	<u>\$ (2,327,296)</u>	<u>\$ (4,785,989)</u>	<u>\$ (1,558,299)</u>	<u>\$ 27,874,979</u>	<u>\$ 29,006,524</u>	<u>\$ 57,553,090</u>	<u>\$ 58,740,645</u>	<u>\$ 56,125,155</u>	<u>\$ 56,758,138</u>	<u>\$ 54,507,562</u>
Component Unit - Land Trust										
Net investment in capital assets	\$ 5,207,374	\$ 5,212,479	\$ 5,217,614	\$ 5,176,705	\$ 5,169,183	\$ 5,018,500	\$ 5,018,500	\$ 5,018,500	\$ 5,018,500	\$ 5,018,500
Unrestricted	35,815	19,779	2,369	(9,753)	5,862	127,210	130,492	190,595	152,118	147,656
Total component unit - land trust	<u>\$ 5,243,189</u>	<u>\$ 5,232,258</u>	<u>\$ 5,219,983</u>	<u>\$ 5,166,952</u>	<u>\$ 5,175,045</u>	<u>\$ 5,145,710</u>	<u>\$ 5,148,992</u>	<u>\$ 5,209,095</u>	<u>\$ 5,170,618</u>	<u>\$ 5,166,156</u>

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

Exhibit 2

Expenses	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Governmental activities:										
Legislative, judicial and general administrative	\$ 3,088,673	\$ 9,262,434	\$ 7,937,795	\$ 9,660,610	\$ 4,159,481	\$ 6,481,781	\$ 3,508,332	\$ 5,867,286	\$ 4,383,274	\$ 4,339,118
Financial administration	3,305,750	1,745,387	2,045,771	827,362	2,591,475	3,139,959	2,562,044	180,311	373,446	499,059
Information technology	674,422	507,576	494,331	513,395	526,500	458,699	341,954	343,978	291,000	329,333
Public safety	2,979,410	10,186,989	8,531,144	7,993,445	7,808,939	7,720,518	9,108,219	3,335,498	3,362,659	3,937,506
Public works	3,013,612	5,026,382	5,430,220	5,159,473	5,104,794	4,922,694	4,564,079	4,640,995	4,288,190	4,305,209
Teen center	-	12,500	12,500	10,096	9,744	-	-	-	-	-
Public Health and Welfare	182,302	179,646	366,361	1,919,180	600,854	615,716	797,851	495,426	405,521	457,285
Parks and recreation	948,433	665,065	639,498	654,139	654,838	644,665	613,186	632,251	571,481	607,466
Town planner	211,227	216,477	195,135	183,436	168,723	190,696	171,137	175,385	152,036	191,610
Senior and Human services	-	235,757	241,738	231,868	239,665	235,186	261,342	769,945	239,353	229,342
Education	45,036,690	43,186,223	43,256,485	40,190,736	34,118,786	37,299,099	35,797,956	34,883,882	34,490,597	34,270,489
Grants and contributions	27,000	32,000	29,000	29,000	29,000	-	-	-	-	-
Library	525,000	520,235	520,235	507,546	499,141	486,875	475,000	467,175	467,175	467,175
Land trust	-	11,598	19,292	22,196	17,802	-	-	-	-	-
Interest	2,174,319	2,205,020	2,085,391	2,438,141	2,386,485	2,817,502	2,996,339	1,591,216	737,841	1,182,573
Total governmental activities expenses	62,166,838	73,993,289	71,804,896	70,340,623	58,916,227	65,013,390	61,197,439	53,383,348	49,762,573	50,816,165
Business-type activities:										
Sewer fund	3,497,211	3,272,843	3,177,273	3,121,804	3,042,941	2,924,541	2,803,715	2,924,500	2,876,482	2,756,904
Total business-type activities expenses	3,497,211	3,272,843	3,177,273	3,121,804	3,042,941	2,924,541	2,803,715	2,924,500	2,876,482	2,756,904
Total primary government expenses	\$ 65,664,049	\$ 77,266,132	\$ 74,982,169	\$ 73,462,427	\$ 61,959,168	\$ 67,937,931	\$ 64,001,154	\$ 56,307,848	\$ 52,639,055	\$ 53,573,069
Component unit - Land Trust										
Public Health and Welfare	\$ 45,615	\$ 44,295	\$ 20,947	\$ 61,798	\$ 21,483	\$ 54,752	\$ 28,025	\$ -	\$ 29,240	\$ 24,773
Total component unit expenses	\$ 45,615	\$ 44,295	\$ 20,947	\$ 61,798	\$ 21,483	\$ 54,752	\$ 28,025	\$ -	\$ 29,240	\$ 24,773

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

Exhibit 2

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Program revenues										
Governmental activities:										
<i>Charges for services:</i>										
Legislative, judicial and general administrative	\$ 711,553	\$ 663,369	\$ 719,852	\$ 728,482	\$ 516,808	\$ 637,795	\$ 599,535	\$ 558,686	\$ 550,557	\$ 599,011
Public safety	183,351	193,811	189,259	162,802	174,093	188,623	183,267	230,525	184,844	402,727
Public works	-	-	-	-	-	-	364,783	408,144	265,119	579,712
Public health and welfare	386,868	1,276,615	1,220,636	1,319,959	1,376,819	257,000	295,249	87,357	176,620	50,007
Parks and recreation	-	-	-	-	-	-	-	225,631	127,990	128,079
Town planner	-	-	-	-	-	-	-	-	930,205	344,517
Education	464,446	426,208	423,511	411,451	507,125	451,902	531,743	530,824	515,377	501,357
Interest	-	-	-	-	-	-	-	24	-	-
<i>Operating and grants contributions</i>										
Legislative, judicial and general administrative	237	1,187	4,950	-	393,555	549,711	125,068	216,590	-	-
Public safety	125,143	168,019	190,621	164,414	220,069	154,635	413,494	128,961	7,988	524,963
Public works	-	-	-	-	-	-	-	-	30,408	2,657
Parks and recreation	-	-	-	-	-	-	-	-	4,395	5,749
Public health and welfare	603,697	308,929	809,069	385,624	251,285	257,735	350,910	179,415	145,289	208,867
Education	8,472,805	7,763,792	7,790,736	7,835,647	5,586,856	6,663,785	2,538,795	1,246,325	1,531,377	1,320,089
<i>Capital grants and contributions</i>										
Legislative, judicial and general administrative	-	-	-	-	-	-	19,552	294,326	3,561	276,176
Public safety	-	-	-	-	-	-	-	-	26,236	17,412
Total governmental activities program revenues	10,948,100	10,801,930	11,348,634	11,008,379	9,026,610	9,161,186	5,422,396	4,117,882	4,499,966	4,961,323
Business-type activities:										
<i>Charges for services:</i>										
Sewer fund	4,483,500	4,325,655	3,974,624	3,155,983	2,694,649	2,941,661	2,549,636	2,408,772	3,600,454	4,401,777
Total business-type activities program revenues	4,483,500	4,325,655	3,974,624	3,155,983	2,694,649	2,941,661	2,549,636	2,408,772	3,600,454	4,401,777
Total primary government program revenues	\$ 15,431,600	\$ 15,127,585	\$ 15,323,258	\$ 14,164,362	\$ 11,721,259	\$ 12,102,847	\$ 7,972,032	\$ 6,526,654	\$ 8,100,420	\$ 9,363,100
Net (Expense)/Revenue										
Governmental activities	\$ (51,218,738)	\$ (63,191,359)	\$ (60,456,262)	\$ (59,332,244)	\$ (49,889,617)	\$ (56,082,128)	\$ (55,775,043)	\$ (49,265,466)	\$ (45,262,607)	\$ (45,854,842)
Business-type activities	986,289	1,052,812	797,351	34,179	(348,292)	17,120	(254,079)	(515,728)	723,972	1,644,873
Total primary government net expenses	\$ (50,232,449)	\$ (62,138,547)	\$ (59,658,911)	\$ (59,298,065)	\$ (50,237,909)	\$ (56,065,008)	\$ (56,029,122)	\$ (49,781,194)	\$ (44,538,635)	\$ (44,209,969)
Total component unit net expenses	\$ 45,615	\$ 44,295	\$ 20,947	\$ 61,798	\$ 21,483	\$ 54,752	\$ 28,025	\$ -	\$ 29,240	\$ 24,773
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Property taxes, levied for general purposes	55,946,990	\$ 56,046,626	\$ 57,076,518	\$ 55,387,746	\$ 53,092,082	\$ 52,039,380	\$ 50,001,198	\$ 43,986,640	\$ 43,109,254	\$ 41,833,892
Net unrestricted investment earnings	53,363	65,908	34,795	9,489	9,719	27,917	13,369	744	232	89,386
Miscellaneous	4,126,097	2,798,323	2,751,118	2,457,607	2,786,915	3,611,275	7,101,914	6,006,024	4,106,885	5,362,591
State revenue sharing	-	-	1,762	62,395	62,403	62,403	-	-	-	-
<i>Special item - Loss on disposal of equipment</i>	-	-	-	-	-	-	(27,318)	(18,145)	(20,985)	-
Total general revenues	60,126,450	58,910,857	59,864,193	57,917,237	55,951,119	55,740,975	57,089,163	49,975,263	47,195,386	47,285,869
Business-type activities:										
Unrestricted investment earnings	-	-	-	-	-	-	479,638	525,438	551,005	553,883
Total business-type activities	-	-	-	-	-	-	479,638	525,438	551,005	553,883
Total primary government	\$ 60,126,450	\$ 58,910,857	\$ 59,864,193	\$ 57,917,237	\$ 55,951,119	\$ 55,740,975	\$ 57,568,801	\$ 50,500,701	\$ 47,746,391	\$ 47,839,752
Change in Net Assets										
Governmental activities	\$ 8,907,712	\$ (4,280,502)	\$ (592,069)	\$ (1,415,007)	\$ 6,061,502	\$ (341,153)	\$ 1,314,120	\$ 709,797	\$ 1,932,779	\$ 1,431,027
Business-type activities	986,289	1,052,812	797,351	34,179	(348,292)	17,120	225,559	9,710	1,274,977	2,198,756
Total primary governmental	\$ 9,894,001	\$ (3,227,690)	\$ 205,282	\$ (1,380,828)	\$ 5,713,210	\$ (324,033)	\$ 1,539,679	\$ 719,507	\$ 3,207,756	\$ 3,629,783
Component Unit - Land Trust										
Miscellaneous	\$ 56,546	\$ 56,570	\$ 73,978	\$ 53,705	\$ 50,818	\$ 51,470	\$ 44,309	\$ 38,477	\$ 33,702	\$ 34,864
Total general revenues	\$ 56,546	\$ 56,570	\$ 73,978	\$ 53,705	\$ 50,818	\$ 51,470	\$ 44,309	\$ 38,477	\$ 33,702	\$ 34,864
Change in Net Assets - component unit	\$ 10,931	\$ 12,275	\$ 53,031	\$ (8,093)	\$ 29,335	\$ (3,282)	\$ 16,284	\$ 38,477	\$ 4,462	\$ 10,091

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

Exhibit 3

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Revenues										
General property tax	\$ 55,729,993	\$ 55,947,018	\$ 57,000,833	\$ 55,440,052	\$ 52,836,687	\$ 51,730,064	\$ 50,068,123	\$ 43,760,296	\$ 43,213,598	\$ 41,561,575
Intergovernmental and departmental revenues	8,521,140	6,905,614	7,767,445	8,888,695	5,729,112	7,328,248	7,047,875	5,691,886	4,928,030	7,159,798
License and permits	1,306,004	2,136,509	2,113,333	2,074,701	2,027,141	1,529,948	1,110,840	1,114,239	974,565	1,233,467
Fines and interest on late payments	53,363	65,908	37,455	28,015	18,585	163,641	-	-	-	164,840
Tuitions	66,400	76,285	88,110	131,276	142,000	27,917	13,369	744	232	89,386
Other revenues	5,000,779	4,301,970	3,886,519	4,246,536	3,800,160	3,644,372	4,196,947	3,292,605	2,344,348	1,446,143
Total revenues	70,677,679	69,433,304	70,903,695	68,809,275	64,553,685	64,424,190	62,437,154	53,859,770	51,460,773	51,655,209
Expenditures										
Current:										
Legislative, judicial and general administrative	6,869,052	9,479,089	7,268,997	8,297,730	6,376,501	5,904,609	3,704,108	4,717,734	3,096,108	3,002,019
Financial administration	575,612	722,264	610,009	626,687	650,170	616,624	516,025	519,975	501,807	499,059
Information technology	674,422	507,576	494,331	513,395	526,500	458,699	341,954	343,978	291,000	329,333
Public safety	8,347,296	9,539,281	7,989,933	7,450,535	7,231,582	7,169,986	8,498,052	3,036,577	3,043,576	3,606,847
Public works	3,787,079	3,789,028	3,692,554	3,548,831	3,474,684	3,340,690	2,983,305	3,039,703	2,845,876	2,793,583
Public health and welfare	182,302	12,500	366,361	358,715	438,321	615,716	797,851	710,552	405,521	457,285
Teen Center	-	179,646	12,500	10,096	9,744	6,999	5,000	9,280	-	-
Parks and recreation	891,814	608,965	579,924	595,386	597,048	574,569	548,634	569,657	522,161	557,343
Town planner	211,227	216,477	195,135	183,436	190,696	168,723	175,385	171,137	152,036	191,610
Senior and human services	-	235,757	241,738	231,868	239,665	235,186	236,342	214,953	239,353	229,342
Education	42,344,620	40,849,881	41,187,480	39,003,994	36,495,426	36,808,755	35,262,082	34,883,882	33,884,678	33,760,544
Grants and contributions	27,000	32,000	29,000	29,000	29,000	29,000	25,000	24,000	-	-
Library	525,000	520,235	520,235	507,546	499,141	486,875	475,000	467,175	467,175	467,175
Land trust	-	11,598	19,292	22,196	17,802	59,560	28,025	76,388	-	4,600
Financing costs	850	1,950	17,000	2,607	2,749	14,674	2,650	1,338,229	650,037	-
Net decrease in FMV of investments	-	-	-	-	-	1,815,421	8,204	6,961	-	-
Capital	3,194,617	2,152,130	1,674,115	2,085,678	1,445,369	229,924	4,041,601	7,946,552	19,373,150	20,972,534
Debt service:										
Principal	3,596,833	3,332,833	4,295,833	4,221,833	4,190,833	4,160,833	3,780,834	36,640,833	35,550,000	10,940,000
Interest	2,172,037	2,212,490	2,272,912	2,450,718	2,544,721	2,664,401	3,129,487	1,191,483	766,885	1,054,545
Other expenditures	-	-	6,768	1,560,465	-	-	-	-	8,538	-
Total expenditures	73,399,761	74,403,700	71,474,117	71,700,716	64,937,979	65,383,217	64,555,291	95,913,297	101,797,901	78,865,819
Excess of revenues over (under) expenditures before other financing sources (uses)	(2,722,082)	(4,970,396)	(570,422)	(2,891,441)	(384,294)	(959,027)	(2,118,137)	(42,053,527)	(50,337,128)	(27,210,610)
Other financing sources (uses)										
Issuance of debt	2,079,386	1,636,311	562,112	1,475,388	20,000	-	-	36,640,000	44,135,000	33,000,000
BAN premium proceeds	-	-	-	-	-	-	-	3,609,699	332,320	304,127
Transfers from other funds	-	605,804	(154,075)	33,276,182	32,485,772	(48,599)	322,904	239,321	723,640	30,032,915
Transfers to other funds	-	(605,804)	154,075	(33,276,182)	(32,485,772)	-	(322,904)	(239,321)	(723,640)	(30,032,915)
Total other financing sources (uses)	2,079,386	1,636,311	562,112	1,475,388	20,000	(48,599)	-	40,249,699	44,467,320	33,304,127
Net change in fund balances	(642,696)	(3,334,085)	(8,310)	(1,416,053)	(364,294)	(1,007,626)	(2,118,137)	(1,803,828)	(5,869,808)	6,093,517
Fund balances - beginning - restated	13,674,580	16,996,980	17,005,290	18,454,571	18,818,865	20,235,604	22,353,741	21,739,033	27,608,841	21,515,324
Prior period adjustments	-	-	-	-	-	-	-	-	-	-
Fund balances - ending	\$ 13,031,884	\$ 13,662,895	\$ 16,996,980	\$ 17,038,518	\$ 18,454,571	\$ 19,227,978	\$ 20,235,604	\$ 19,935,205	\$ 21,739,033	\$ 27,608,841
Debt service as a percentage of noncapital expenditures	8.22%	7.68%	9.41%	9.58%	10.61%	10.48%	11.42%	43.01%	44.06%	20.72%

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

Exhibit 4

Fiscal Year	Amount to be Collected	Current Year Tax Collections	Percent of Levy Collected	Collections in Subsequent Years	Total Collections to Date	
					Amount	Percentage of Levy
2010	41,524,344	40,155,545	96.70%	1,032,523	41,188,068	99.190%
2011	43,145,379	42,049,016	97.46%	1,087,207	43,136,223	99.979%
2012	44,015,852	42,802,430	97.24%	1,038,222	43,840,652	99.602%
2013	45,381,128	44,112,086	97.20%	1,204,135	45,316,221	99.857%
2014	51,851,944	50,684,913	97.75%	1,077,145	51,762,058	99.827%
2015	53,345,988	51,904,778	97.30%	1,034,937	52,939,715	99.238%
2016	55,464,432	54,254,999	97.82%	2,179,567	55,442,396	99.960%
2017	57,063,288	55,903,738	97.97%	985,307	56,889,045	99.695%
2018	56,128,625	54,865,975	97.75%	1,086,219	55,952,194	99.686%
2019	55,940,328	54,557,775	97.53%	-	54,557,775	97.529%

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

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

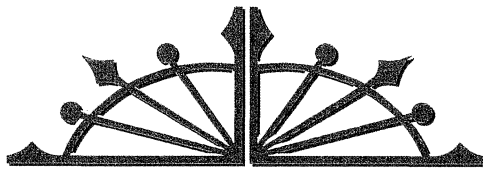
Exhibit 5

Legal Debt Margin Calculation for the Fiscal Year 2019

Assessed Value (net)	\$ 2,434,502,407
Debt Limit 3% of Assessed Value	73,035,072
<i>Debt Applicable to Limit:</i>	
Total Bonded Debt	16,401,674
Legal Debt Margin	\$ 56,633,398

		2019		2018		2017		2016		2015		2014		2013		2012		2011		2010
Debt Limit		73,035,072	\$	71,313,503	\$	73,515,232	\$	70,339,512	\$	68,850,237	\$	67,923,165	\$	67,213,371	\$	74,668,500	\$	74,226,217	\$	74,021,451
Total net debt applicable to limit		16,401,674		18,592,395		21,069,742		22,581,019		18,622,629		20,485,131		22,354,841		24,182,120		25,951,922		27,682,173
Legal debt margin		56,633,398		52,721,108		52,445,490		47,758,493		50,227,608		47,438,034		44,858,530		50,486,380		48,274,295		46,339,278
Total net debt applicable to the limit as a percentage of the debt limit		22.46%		26.07%		28.66%		32.10%		27.05%		30.16%		33.26%		32.39%		34.96%		37.40%

***TOWN OF EAST GREENWICH, RHODE ISLAND
SINGLE AUDIT
FOR THE YEAR ENDED JUNE 30, 2019***



BAXTER DANSEREAU & ASSOCIATES, LLP

Accounting, Consulting & Tax Services

Partners

William J. Baxter, Jr., CPA

Paul L. Dansereau, CPA

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of East Greenwich, Rhode Island as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Town of East Greenwich's basic financial statements, and have issued our report thereon dated February 27, 2020.

Internal Control Over Financial Reporting

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

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

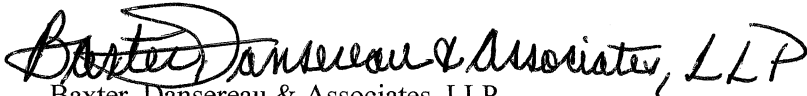
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

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

Purpose of this Report

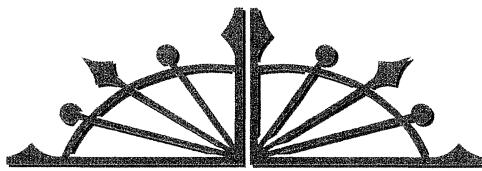
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in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



Baxter, Dansereau & Associates, LLP

West Warwick, Rhode Island

February 27, 2020



BAXTER DANSEREAU & ASSOCIATES, LLP

Accounting, Consulting & Tax Services

Partners

William J. Baxter, Jr., CPA

Paul L. Dansereau, CPA

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

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for the Major Federal Program

We have audited the Town of East Greenwich's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Town of East Greenwich, Rhode Island's major federal programs for the year ended June 30, 2019. The Town of East Greenwich's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Town of East Greenwich, Rhode Island's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town of East Greenwich, Rhode Island's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the Town of East Greenwich, Rhode Island, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

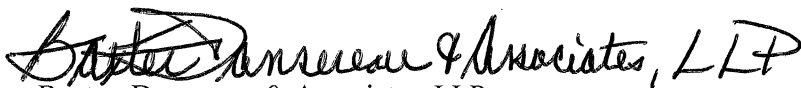
Report on Internal Control Over Compliance

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

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

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

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



Baxter, Dansereau & Associates, LLP

West Warwick, Rhode Island

February 27, 2020

TOWN OF EAST GREENWICH, RHODE ISLAND
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2019

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

	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Expenditures</u>
U.S. Department of Agriculture				
Passed through the State of Rhode Island Department of Education				
<i>Child Nutrition Cluster:</i>				
National School Breakfast Program	10.553	N/A	\$ -	\$ 13,149
National School Lunch Program	10.555	N/A	-	96,422
Food Donation (Note 4)	10.555	N/A	-	44,143
Total U.S. Department of Agriculture			<u>\$ -</u>	<u>\$ 153,714</u>
U.S. Department of Justice				
Direct Award				
Enforcing Under Age Drinking Programs	16.727	N/A	\$ -	\$ 617
Total U.S. Department of Justice			<u>\$ -</u>	<u>\$ 617</u>
U.S. Environmental Protection Agency				
Direct Award				
ARRA - Capitalization Grant for Clean Water State Revolving Fund	66.458	N/A	\$ -	\$ 20,529
Total U.S. Environmental Protection Agency			<u>\$ -</u>	<u>\$ 20,529</u>
U.S. Department of Education				
Passed-through the State of Rhode Island Department of Education				
Title I Grants to Local Education Agencies	84.010A	2725-11702-801	\$ -	\$ 157,533
<i>Special Education Cluster:</i>				
Special Education - Grants to States	84.027A	2725-13202-801	-	552,944
Special Education - Preschool Grants	84.173A	2725-13502-801	-	15,191
Total Special Education Cluster				<u>568,135</u>
English Language Acquisition State Grant	84.365A	2725-16502-801	-	2,371
Improving Teacher Quality State Grants	84.367A	2725-16402-801	-	84,251
Total U.S. Department of Education			<u>\$ -</u>	<u>\$ 812,290</u>
Total Federal Expenditures			<u>\$ -</u>	<u>\$ 987,150</u>

The accompanying notes are an integral part of this schedule

TOWN OF EAST GREENWICH, RHODE ISLAND
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2019

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness (es) identified? yes X no

Significant deficiency (ies) identified? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major federal programs:

Material weakness (es) identified? yes X no

Significant deficiency (ies) identified? yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? yes X no

Identification of major programs:

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

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

Auditee qualified as low risk auditee? X yes no

SECTION II – FINANCIAL STATEMENT FINDINGS yes X none

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

TOWN OF EAST GREENWICH, RHODE ISLAND
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2019
(continued)

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

A. Significant Deficiency in Internal Control

None Reported.

B. Compliance

None Reported.

SECTION III – FINDINGS AND QUESTIONED COST FOR FEDERAL AWARDS

A. Finding

None Reported

B. Questioned Costs

None Reported

TOWN OF EAST GREENWICH, RHODE ISLAND
Schedule of Prior Year Findings and Questioned Costs
For the Year Ended June 30, 2019

PRIOR YEAR FINDINGS AND QUESTIONED COST FOR FEDERAL AWARDS

A. Findings

None Reported

B. Questioned Costs

None Reported

TOWN OF EAST GREENWICH, RHODE ISLAND
Notes to Schedule of Expenditures of Federal Awards
June 30, 2019

NOTE 1 - *BASIS OF PRESENTATION*

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal grant activity of the Town of East Greenwich, Rhode Island under programs of the federal government for the year ended June 30, 2019. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of the Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Town of East Greenwich, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Town of East Greenwich, Rhode Island.

NOTE 2 - *SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*

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

NOTE 3 - *Indirect Cost Rates*

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

NOTE 4 - *Non-Cash Assistance*

U.S.D.A. Contributions: The United States Department of Agriculture makes available commodities for donations to schools. The amount of \$44,143 represents the market value of such commodities used during the period.