

TOWN OF EAST GREENWICH

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2016



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

**Thomas E. Coyle III
Town Manager**

**Kristen Benoit, CPA
Finance Director**

Prepared by: Finance Department

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

TOWN OF EAST GREENWICH, RHODE ISLAND COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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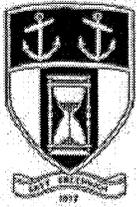
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INTRODUCTORY SECTION

This Section Contains the Following Subsections:

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



Town of East Greenwich

125 Main Street

P.O. Box 111

East Greenwich, RI 02818-0111

www.eastgreenwichri.com

125 Main Street

Town Council

Town Manager

(401)886-8665

Town Clerk

(401)886-8604

Canvassers

(401)886-8603

Probate

(401)886-8607

Finance

(401)886-8612

Tax Assessor

(401)886-8614

Municipal Court

(401)886-3212

Planning

(401)886-8645

Human Resources

(401)234-9462

111 Peirce Street

Public Works

(401)886-8618

Building Official

(401)886-8617

121 Peirce Street

**Swift Community
Center**

Senior & Human Svcs

(401)886-8669

176 First Avenue

Police Department

Dispatch

(401)884-2244

Administration

(401)886-8640

Information Technology

(401)886-8670

284 Main Street

Fire Department

Dispatch

(401)884-4211

1127 Frenchtown Road

Parks & Recreation

(401)886-8626

RI Relay #711

800-745-5555

February 20, 2017

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

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the Town of East Greenwich for the fiscal year ended June 30, 2016.

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

The Town of East Greenwich's financial statements have been audited by Baxter Dansereau & Associates LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of East Greenwich for the Fiscal year ended June 30, 2016, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluation of the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Town of East Greenwich's financial statements for the fiscal year ended June 30, 2016, are fairly presented in conformity with generally accepted accounting principles. The independent auditor's report is presented as the first component of the financial section of this report.

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

Profile of the Government

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

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

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

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

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

Factors Affecting Financial Condition

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

Local Economy: The Town of East Greenwich is an affluent, growing, suburban community on the border of a metropolitan area in central Rhode Island. The town is located about fifteen minutes south of the City of Providence. It is primarily a single-family residential community with the highest median family income in the state. The 2010 census reported a population of 13,146, which was up 3.4% from the 2000 census and ranked 26th of the thirty nine municipalities in the state. The most recent labor statistics indicates the unemployment rate for East Greenwich is approximately 4.4% as of June 2016, compared to the state with a rate of 5.5% and the national rate at 4.9%.

Approximately 84.5% of the town's assessed valuation is comprised of residential property. About 15.5% of the assessed valuation is commercial property. According to 2016 data, the median family income of the Town of East Greenwich was \$134,583 compared to the state's average of \$74,045. The median family income in East Greenwich ranks 1st of Rhode Island cities and towns. The per capita income ranks 2nd in the state.

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

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

Long Term Financial Planning: The Town Council has continued to support Capital Improvements and Projects. The fiscal year 2016-2017 budget includes appropriations for the following projects: Information Technology, Police Vehicles, a tractor/mower, a pickup truck, an impact fee study, Main St improvements, a waterfront plan, tennis court repairs at Eldredge School and the High School, asphalt and a new Fire Department rescue. The town uses tax dollars to pay for these capital improvements and money in a fund restricted for capital projects.

As part of the Town's comprehensive plan, the Town and the Council have committed funds for historic preservation of Town Hall. The Town recently secured a grant from the Historic Preservation society of \$150,000 towards the replacement of the slate roof at Town Hall.

By charter, the Town of East Greenwich maintains a six-year Capital Improvement Plan. This plan serves as a planning tool for management and council to prioritize capital improvements and expenditures in the current budget cycle as well as plan for future needs.

Relevant financial policies: The Town of East Greenwich has adopted a comprehensive set of financial policies. Relevant policies that contributed to the current period's financial statements are as follows. The Town shall adopt appropriated budgets for its General fund and Sewer fund annually. The Town Council shall be presented with a budget for each of the funds that have an appropriated annual budget, and each shall be balanced. At year end, half of any surplus in revenues will be placed in a capital reserve fund. The other relevant policy is the Town's fund balance policy. The Town shall maintain in its general fund an unreserved/undesignated fund balance equal to 8.3 to 10% to the sum of the total general fund annual operating budget and the property tax commitment for the school. The fund balance for the year ending 6/30/2016 was 11.6% of the total operating budget including the school appropriation.

Comprehensive Annual Financial Report: The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of East Greenwich for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2015. This was the seventh consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

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

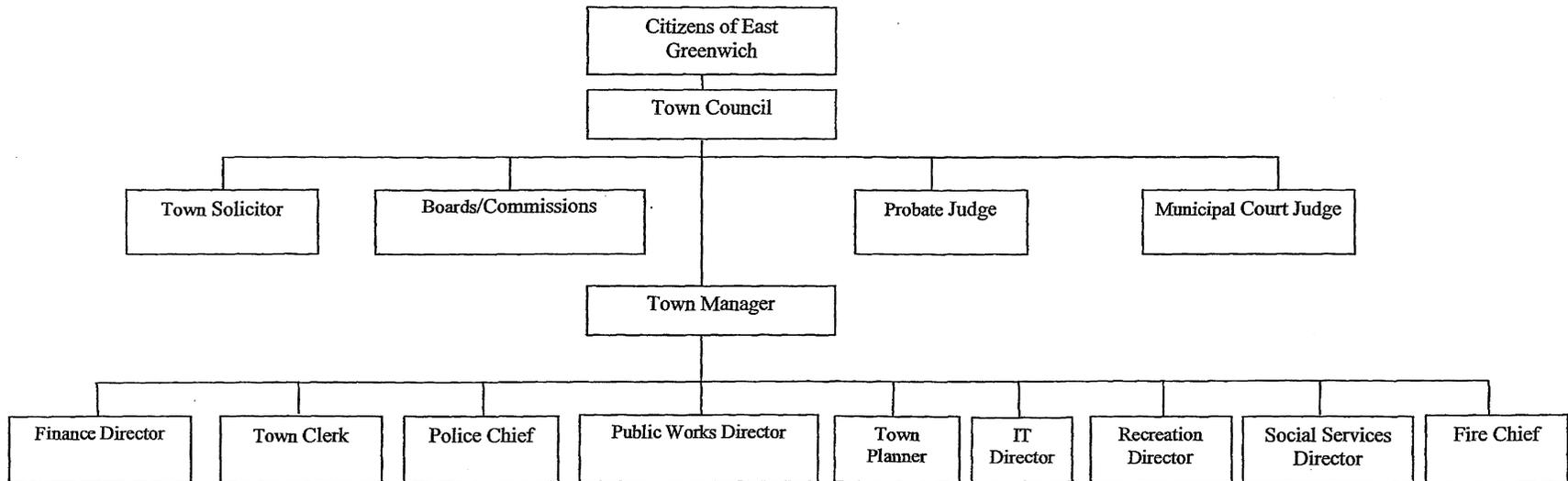
Acknowledgements: The preparation of the Comprehensive Annual Financial Report would not have been possible without the efficient and dedicated services of the entire Finance Department. I would also like to express my appreciation to all members of the various other town department's who assisted and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

Respectfully submitted,



Kristen B Benoit, CPA
Finance Director

TOWN OF EAST GREENWICH
MUNICIPAL ORGANIZATIONAL CHART



TOWN OF EAST GREENWICH, RHODE ISLAND

as of June 30, 2016

TOWN COUNCIL

Michael B. Isaacs - President
Suzanne McGee – Vice President
Mark Schwager
William Stone
Sean Todd

TOWN MANAGER

Thomas E. Coyle III

FINANCE DIRECTOR

Kristen Benoit, CPA



Government Finance Officers Association

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

Presented to

**Town of East Greenwich
Rhode Island**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

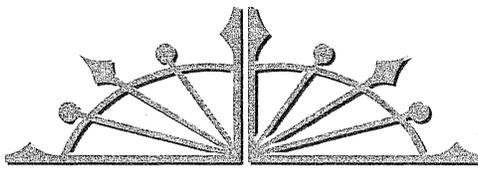
June 30, 2015

Executive Director/CEO

FINANCIAL SECTION

This Section Contains the Following Subsections:

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



BAXTER DANSEREAU & ASSOCIATES, LLP

Accounting, Consulting & Tax Services

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of East Greenwich, Rhode Island (Town) as of and for the year ended June 30, 2016, 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, 2016, and the respective changes in financial position thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4-13 and 73-85 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 and schedules 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 non-major fund financial statements, the combining fiduciary fund financial statements, other supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements, the combining fiduciary fund financial statements, other supplementary information and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 20, 2017, 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 20, 2017

Management's Discussion and Analysis

TOWN OF EAST GREENWICH, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2016
(Un-audited)

Our discussion and analysis of the Town of East Greenwich, Rhode Island's financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2016. Please read it in conjunction with the Letter of Transmittal and the Town's financial statements that follow this section.

Financial Highlights

- ❖ The Town's net position for its primary government decreased by \$1,380,828 as a result of this year's current operations. The primary reason for the current year decrease was due to an increase in the Employees' Retirement System pension liabilities. On a government-wide basis the assets of the Town of East Greenwich exceeded its liabilities at the close of the most recent fiscal year by \$27,874,979. Net position of business activities increased by \$34,179 or 0.14%, while net position of Governmental Activities decreased by \$1,415,007.
- ❖ The Town's Government-wide (governmental and business activities) operating expenses were \$73,462,427 a 18.6% increase from the prior year, while revenues collected were \$72,081,599 a 6.12% increase. The increase in operating expenses was mainly due to increases in education and general government expenses relating to pension costs. The increase in revenue was from increases in education operating grants and additional tax collections.
- ❖ As of the close of the fiscal year, the Town's governmental funds reported combined ending fund balances of \$17,038,518. Over 40% of this amount, \$6,970,040 is unassigned and available for use within the Town's designation and fiscal policies. See page nine for more detail pertaining to the fund balance categories.
- ❖ At the end of the current fiscal year, the general fund unassigned fund balance was \$7,043,991, or 10.7% of the total general fund expenditures for the fiscal year. The general fund's current fiscal year revenues and transfers were greater than the expenditures and transfers by \$887,065. On a budgetary, basis revenues and transfers exceeded expenditures and transfers by 1,105,347.

Overview of the Financial Statements

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

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

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

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

TOWN OF EAST GREENWICH, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2016
(Un-audited)

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

The *Statement of Net Position* presents information on all of the Town's assets 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, 2016
(Un-audited)

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

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

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

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

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

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

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

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

The notes to the financial statements are presented on pages 23 through 72.

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 73 through 85.

The combining statements and supplementary information referred to earlier in connection with non-major governmental funds, and proprietary funds are presented on pages 87 through 113.

TOWN OF EAST GREENWICH, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2016
(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 assets exceeded liabilities by \$3,267,752 as of June 30, 2016. This reflects a decrease of \$1,415,007 from this current year's activity. The Business Type Activities assets exceeded liabilities by \$24,607,227 as of June 30, 2016. This reflects an increase of \$34,179 from this current year's activity. See page 4 Financial Highlights above for a further explanation.

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	
	2016	2015	2016	2015	2016	2015
ASSETS						
Current and other assets	\$ 28,181,385	\$ 29,363,606	\$ 16,769,332	\$ 11,499,160	\$ 44,950,717	\$ 40,862,766
Capital assets	82,748,957	83,254,856	35,722,749	36,872,929	118,471,706	120,127,785
Net pension asset	5,098,467	7,960,559	-	-	5,098,467	7,960,559
TOTAL ASSETS	<u>116,028,809</u>	<u>120,579,021</u>	<u>52,492,081</u>	<u>48,372,089</u>	<u>168,520,890</u>	<u>168,951,110</u>
Deferred outflows of resources	9,229,118	3,848,015	-	-	9,229,118	3,848,015
LIABILITIES						
Other liabilities	12,002,130	11,899,823	1,932,040	2,241,147	13,934,170	14,140,970
Long-term liabilities	104,403,532	101,463,321	25,626,013	21,557,894	130,029,545	123,021,215
TOTAL LIABILITIES	<u>116,405,662</u>	<u>113,363,144</u>	<u>27,558,053</u>	<u>23,799,041</u>	<u>143,963,715</u>	<u>137,162,185</u>
Deferred inflows of resources	5,584,513	6,630,416	326,801	-	5,911,314	6,630,416
NET POSITION						
Net investment in capital assets	34,519,152	32,593,083	17,005,110	15,315,035	51,524,262	47,908,118
Restricted	1,989,921	2,171,870	-	-	1,989,921	2,171,870
Unrestricted	(33,241,321)	(30,331,477)	7,602,117	9,258,013	(25,639,204)	(21,073,464)
Total net position	<u>\$ 3,267,752</u>	<u>\$ 4,433,476</u>	<u>\$ 24,607,227</u>	<u>\$ 24,573,048</u>	<u>\$ 27,874,979</u>	<u>\$ 29,006,524</u>

TOWN OF EAST GREENWICH, RHODE ISLAND
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(Un-audited)

A large portion of the Town's net position, \$51,524,262 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, 2016. The Town first implemented GASB Statement 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments for the fiscal year June 30, 2003. Therefore, comparative data is now available and is presented in the following schedules. Governmental activities decreased the Town's net position by \$1,415,007 for the current period, while business-type activities increased the Town's net position by \$34,179.

The net change in fund balance for the fiscal year ended June 30, 2016 was a decrease of (\$1,416,053) for the Town's governmental fund types. In the statement of activities, expenses for capital items are not recorded as expenses but shown on the balance sheet, which resulted in a decrease of \$755,182 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 decrease of \$52,306. 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 \$2,784,821. 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, 2016
(Un-audited)

TOWN OF EAST GREENWICH, RHODE ISLAND
Changes in Net Position

	Governmental		Business-Type		Total	
	Activities		Activities			
	2016	2015	2016	2015	2016	2015
Revenues						
Program revenues						
Charges for services	\$ 2,622,694	\$ 2,574,845	\$ 3,155,983	\$ 2,694,649	\$ 5,778,677	\$ 5,269,494
Operating grants and contributions	8,385,685	6,451,765	-	-	8,385,685	6,451,765
General revenues						
Property taxes, levied for general purposes	55,387,746	53,092,082	-	-	55,387,746	53,092,082
State revenue sharing	62,395	62,403	-	-	62,395	62,403
Unrestricted investment earnings	9,489	9,719	-	-	9,489	9,719
Miscellaneous	2,457,607	2,786,915	-	-	2,457,607	2,786,915
Total revenues	<u>68,925,616</u>	<u>64,977,729</u>	<u>3,155,983</u>	<u>2,694,649</u>	<u>72,081,599</u>	<u>67,672,378</u>
Expenses						
General government	11,184,803	7,446,179	-	-	11,184,803	7,446,179
Public safety	7,993,445	7,808,939	-	-	7,993,445	7,808,939
Public works	5,159,473	5,104,794	-	-	5,159,473	5,104,794
Parks and recreation	654,139	654,838	-	-	654,139	654,838
Public and social services	2,719,886	1,396,206	-	-	2,719,886	1,396,206
Education	40,190,736	34,118,786	-	-	40,190,736	34,118,786
Interest on long-term debt	2,438,141	2,383,736	-	-	2,438,141	2,383,736
Financing costs	-	2,749	-	-	-	2,749
Sewer	-	-	3,121,804	3,042,941	3,121,804	3,042,941
Total expenses	<u>70,340,623</u>	<u>58,916,227</u>	<u>3,121,804</u>	<u>3,042,941</u>	<u>73,462,427</u>	<u>61,959,168</u>
Increase (decrease) in net position	<u>(1,415,007)</u>	<u>6,061,502</u>	<u>34,179</u>	<u>(348,292)</u>	<u>(1,380,828)</u>	<u>5,713,210</u>
Net position - beginning	<u>4,682,759</u>	<u>(1,628,026)</u>	<u>24,573,048</u>	<u>24,921,340</u>	<u>29,255,807</u>	<u>23,293,314</u>
Net position - ending	<u>\$ 3,267,752</u>	<u>\$ 4,433,476</u>	<u>\$ 24,607,227</u>	<u>\$ 24,573,048</u>	<u>\$ 27,874,979</u>	<u>\$ 29,006,524</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.

At the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$17,038,518. Approximately 41% of the total amount, or \$6,970,040 constituted unassigned fund balance. The remainder of the fund balance is non-spendable, restricted, committed or assigned. The fund balance in the General Fund increased due to a positive variance of revenues exceeding expenditures by \$887,065. The Town generated a surplus of \$562,079 and the School Department generated a surplus of \$324,986. Thus, the combined result was the positive effect to fund balance of \$629,974. The School Department had net savings from Instructional and Substitute Teachers which had a positive effect on the bottom line. The School Bond Capital Fund had a decrease in fund balance due to ongoing expenditures to complete the school projects.

TOWN OF EAST GREENWICH, RHODE ISLAND
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(Un-audited)

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	-	-	408,898	408,898
Prepays	2,579,596	-	-	2,579,596
<i>Restricted for:</i>				
Educational programs	718,264	-	132,876	851,140
Public works programs	-	-	1,138,781	1,138,781
<i>Committed for:</i>				
Education	-	2,226,519	-	2,226,519
Technology	270,000	-	-	270,000
<i>Assigned for:</i>				
Legislative, judicial	-	-	106,508	106,508
Public safety programs	-	-	848,417	848,417
Capital outlay	1,005,747	-	-	1,005,747
Technology	74,758	-	-	74,758
Community programs	-	-	93,212	93,212
Public works programs	-	-	68,461	68,461
Culture and recreation	-	-	396,441	396,441
<i>Unassigned:</i>	7,043,991	-	(73,951)	6,970,040
Total fund balances	<u>\$ 11,692,356</u>	<u>\$ 2,226,519</u>	<u>\$ 3,119,643</u>	<u>\$ 17,038,518</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 are \$7,602,117. The net increase in total net assets amounted to \$34,179.

General Fund Budgetary Highlights

Revenues:

Revenues on a budgetary basis were \$1,076,610 over budget due to the following:

General Property Taxes – were over budget by a total of \$144,574. Current year taxes were under budget by \$342,666 and the collection of prior years' taxes was over budget by \$487,240. This years' collection rate was 99.4% of budget. This was an increase over the prior year. Prior years' taxes increased due to increased collections in relation to the prior fiscal year.

State Aid – was over budget by \$184,275. The Town received \$95,944 more money than budgeted from the state based on the dollar amount of sales on meals in restaurants. Thus, we can conclude that people are dining out. During the Town's budget process the state budget is still not finalized. The Town is working with estimates from the State. Thus the budget to actual had a positive variance.

TOWN OF EAST GREENWICH, RHODE ISLAND
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Licenses, permits and usage fees – were over budget by \$467,491. This is largely attributed to ongoing construction at New England Institute of Technology. Grants and departmental revenues were also over budget by \$1,651. This was mainly attributed to an increase in participation in the Senior Service Programs.

General Revenues -- were over budget by \$6,364 mainly due to the bond subsidy we receive. Bond subsidy reimbursement was over budget by \$64,537 and was more than expected during the budget process. Also, due to more than anticipated delinquent tax payments, interest on delinquent taxes was over budget by \$3,485.

Expenditures:

Expenditures on a budgetary basis were over budget by a total of \$248,414 due to the following:

Administration – was over budget primarily due to legal settlements. However, favorable Employee Benefit costs of \$106,436 and favorable Insurance costs of \$31,820 aided in offsetting the unanticipated legal costs.

Capital Improvements -- was under budget by \$81,723. The allocated capital does not need to be spent in the fiscal year that the amounts are approved for budget. The extra money is added to Assigned Fund Balance for Capital Improvements for future expenditure. Thus, money assigned for this fiscal year for paving will be spent in a future fiscal year.

Public Works Department – was under budget by \$51,513. Overtime was under budget due to the mild winter we experienced.

Fire Department – was over budget by \$143,393. Overtime costs were over budget as a result of vacant positions due to illness, injury or attrition.

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

	June 30, 2016			June 30, 2015		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Land	\$ 1,819,958	\$ 15,372	\$ 1,835,330	\$ 1,819,958	\$ 15,372	\$ 1,835,330
Construction in progress	51,997,046	1,765,549	53,762,595	51,050,082	1,765,549	52,815,631
Infrastructure	1,922,949	-	1,922,949	3,011,037	-	3,011,037
Land improvements	2,450,843	-	2,450,843	2,637,417	-	2,637,417
Buildings and improvements	20,496,183	10,898,610	31,394,793	21,118,408	11,351,730	32,470,138
Motor vehicles	2,748,836	(2,558)	2,746,278	2,919,728	2,059	2,921,787
Office furniture and equipment	141,298	184,632	325,930	137,961	121,346	259,307
Machinery and equipment	1,171,844	-	1,171,844	809,548	-	809,548
Sewer lines	-	22,861,144	22,861,144	-	23,616,873	23,616,873
	<u>\$ 82,748,957</u>	<u>\$ 35,722,749</u>	<u>\$ 118,471,706</u>	<u>\$ 83,504,139</u>	<u>\$ 36,872,929</u>	<u>\$ 120,377,068</u>

The total decrease in the Town's investment in capital assets for the current fiscal year was about 1.61% in terms of net book value. No significant expenditures were made for the installation of sewer lines, improvements to school buildings, or to repairs and maintenance to school buildings.

TOWN OF EAST GREENWICH, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2016
(Un-audited)

Depreciation charges for the year totaled \$4,091,767 (\$2,840,860 on governmental assets and \$1,250,909 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.

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 \$74,573,927. 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, 2016			June 30, 2015		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
General Obligation Bonds	\$ 48,965,222	\$ 3,900,000	\$ 52,865,222	\$ 51,711,657	\$ 4,200,000	\$ 55,911,657
Notes Payable	-	21,708,705	21,708,705	-	17,357,894	17,357,894
	<u>\$ 48,965,222</u>	<u>\$ 25,608,705</u>	<u>\$ 74,573,927</u>	<u>\$ 51,711,657</u>	<u>\$ 21,557,894</u>	<u>\$ 73,269,551</u>

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

The Town's general obligation bond rating as assigned by Moody's Investors Service in 2014 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 \$70,339,512 at year-end. The Town's outstanding general obligation bonded debt pertaining to legal debt limit is \$2,070,000 at year-end, which is \$68,269,512 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 2016 amounts to \$60,940,538 which reflects an increase of \$1,845,324 over the fiscal 2015 budget of \$59,095,214.

The Town's tax rate for fiscal 2017 is \$24.09 per thousand, with 45% allocated for general government and 55% allocated for education. For fiscal 2016, the Town's tax rate was \$23.68 per thousand, with 45% allocated for general government and 55% allocated for education.

TOWN OF EAST GREENWICH, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2016
(Un-audited)

REQUESTS FOR INFORMATION

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

Kristen Benoit, CPA
Finance Director

BASIC FINANCIAL STATEMENTS

TOWN OF EAST GREENWICH, RHODE ISLAND
Statement of Net Position
June 30, 2016

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	East Greenwich Land Trust
ASSETS				
Cash and cash equivalents	\$ 16,413,440	\$ -	\$ 16,413,440	-
Investments	33,228	-	33,228	-
Accounts receivable:				
Accounts receivable net	2,432,612	2,262,886	4,695,498	-
Due from other governments	344,232	-	344,232	-
Other receivables	6,772,892	6,891,065	13,663,957	308,652
Other assets	2,184,981	-	2,184,981	-
Capital assets:				
Property, plant and equipment - net	28,931,953	33,941,828	62,873,781	-
Construction in progress	51,997,046	1,765,549	53,762,595	158,205
Assets not being depreciated	1,819,958	15,372	1,835,330	5,018,500
Total capital assets	<u>82,748,957</u>	<u>35,722,749</u>	<u>118,471,706</u>	<u>5,485,357</u>
Other assets				
Long-term sewer assessment receivable	-	7,615,381	7,615,381	-
Net pension asset	5,098,467	-	5,098,467	-
TOTAL ASSETS	<u>116,028,809</u>	<u>52,492,081</u>	<u>168,520,890</u>	<u>5,485,357</u>
Deferred Outflows of Resources	<u>9,229,118</u>	<u>-</u>	<u>9,229,118</u>	<u>-</u>
LIABILITIES				
Accounts payable and accrued expenses	13,734,876	199,294	13,934,170	8,405
Internal balances	(1,732,746)	1,732,746	-	-
Long-term liabilities				
Due within one year	4,445,533	1,974,759	6,420,292	-
Due in more than one year	60,039,653	23,651,254	83,690,907	310,000
Net pension liability	39,918,346	-	39,918,346	-
Total liabilities	<u>116,405,662</u>	<u>27,558,053</u>	<u>143,963,715</u>	<u>318,405</u>
Deferred Inflows of Resources	<u>5,584,513</u>	<u>326,801</u>	<u>5,911,314</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	34,519,152	17,005,110	51,524,262	5,176,705
Restricted for:				
Education programs	851,140	-	851,140	-
Public works programs	1,138,781	-	1,138,781	-
Unrestricted	(33,241,321)	7,602,117	(25,639,204)	(9,753)
Total net position	<u>\$ 3,267,752</u>	<u>\$ 24,607,227</u>	<u>\$ 27,874,979</u>	<u>5,166,952</u>

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

TOWN OF EAST GREENWICH, RHODE ISLAND
Statement of Activities
For the Year Ended June 30, 2016

	Program revenues			Net (Expense) Revenue and Changes in Net Assets			Component Unit East Greenwich Land Trust
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government		Total	
				Governmental Activities	Business-type Activities		
Functions/Programs							
Primary government							
Governmental activities:							
Legislative, judicial and general administrative	\$ 9,660,610	\$ 728,482	\$ -	\$ (8,932,128)		\$ (8,932,128)	
Financial administration	827,362	-	-	(827,362)		(827,362)	
Information technology	513,395	-	-	(513,395)		(513,395)	
Public safety	7,993,445	162,802	164,414	(7,666,229)		(7,666,229)	
Public works	5,159,473	-	-	(5,159,473)		(5,159,473)	
Teen center	10,096	-	-	(10,096)		(10,096)	
Public health and welfare	1,919,180	1,319,959	385,624	(213,597)		(213,597)	
Parks and recreation	654,139	-	-	(654,139)		(654,139)	
Town planner	183,436	-	-	(183,436)		(183,436)	
Senior and human services	231,868	-	-	(231,868)		(231,868)	
Education	40,190,736	411,451	7,835,647	(31,943,638)		(31,943,638)	
Grants and contributions	29,000	-	-	(29,000)		(29,000)	
Library	507,546	-	-	(507,546)		(507,546)	
Land trust	22,196	-	-	(22,196)		(22,196)	
Interest on long-term debt	2,438,141	-	-	(2,438,141)		(2,438,141)	
Total governmental activities	<u>70,340,623</u>	<u>2,622,694</u>	<u>8,385,685</u>	<u>(59,332,244)</u>		<u>(59,332,244)</u>	
Business-type activities:							
Sewer fund	3,121,804	3,155,983	-	-	\$ 34,179	34,179	
Total business-type activities	<u>3,121,804</u>	<u>3,155,983</u>	<u>-</u>	<u>-</u>	<u>34,179</u>	<u>34,179</u>	
Total primary government	<u>\$ 73,462,427</u>	<u>\$ 5,778,677</u>	<u>\$ 8,385,685</u>	<u>(59,332,244)</u>	<u>34,179</u>	<u>(59,298,065)</u>	
Component unit:							
East Greenwich Land Trust	\$ 61,798	\$ -	\$ -				\$ 53,705
Total Component unit:	<u>\$ 61,798</u>	<u>\$ -</u>	<u>\$ -</u>				<u>\$ 53,705</u>
General revenues:							
General property tax				55,387,746	-	55,387,746	-
State revenue sharing				62,395	-	62,395	-
Net investment income (loss)				9,489	-	9,489	-
Miscellaneous				2,457,607	-	2,457,607	-
Total general revenues				<u>57,917,237</u>	<u>-</u>	<u>57,917,237</u>	<u>-</u>
Change in net position				<u>(1,415,007)</u>	<u>34,179</u>	<u>(1,380,828)</u>	<u>(8,093)</u>
Net position - beginning - restated				4,682,759	24,573,048	29,255,807	5,175,045
Net position - ending				<u>\$ 3,267,752</u>	<u>\$ 24,607,227</u>	<u>\$ 27,874,979</u>	<u>\$ 5,166,952</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, 2016

	General Fund	School Bond 52m Capital Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 14,857,172	\$ -	\$ 1,556,268	\$ 16,413,440
Investments	-	-	33,228	33,228
Accounts receivable:				
Property taxes, less allowance for doubtful accounts of \$90,933	2,432,612	-	-	2,432,612
Intergovernmental	-	-	344,232	344,232
Other	6,745,010	-	27,882	6,772,892
Internal balances	129,579,926	2,236,662	26,193,057	158,009,645
Inventory	-	-	5,083	5,083
Prepays	2,179,898	-	-	2,179,898
TOTAL ASSETS	<u>\$ 155,794,618</u>	<u>\$ 2,236,662</u>	<u>\$ 28,159,750</u>	<u>\$ 186,191,030</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued expenditures	\$ 9,388,718	\$ 10,143	\$ 638,391	\$ 10,037,252
Internal balances	131,875,871	-	24,401,028	156,276,899
Total liabilities	<u>141,264,589</u>	<u>10,143</u>	<u>25,039,419</u>	<u>166,314,151</u>
DEFERRED INFLOW OF RESOURCES				
Unavailable tax revenue	2,837,673	-	688	2,838,361
Fund balances:				
<i>Nonspendable:</i>				
Permanent fund principal	-	-	408,898	408,898
Prepays	2,579,596	-	-	2,579,596
<i>Restricted for:</i>				
Educational programs	718,264	-	132,876	851,140
Public works programs	-	-	1,138,781	1,138,781
<i>Committed for:</i>				
Education	-	2,226,519	-	2,226,519
Technology	270,000	-	-	270,000
<i>Assigned for:</i>				
Legislative, judicial	-	-	106,508	106,508
Public safety programs	-	-	848,417	848,417
Capital outlay	1,005,747	-	-	1,005,747
Community programs	-	-	93,212	93,212
Technology	74,758	-	-	74,758
Public works programs	-	-	68,461	68,461
Culture and recreation	-	-	396,441	396,441
<i>Unassigned:</i>	7,043,991	-	(73,951)	6,970,040
Total fund balances	<u>11,692,356</u>	<u>2,226,519</u>	<u>3,119,643</u>	<u>17,038,518</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 155,794,618</u>	<u>\$ 2,236,662</u>	<u>\$ 28,159,750</u>	

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)	82,499,674
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. (see note 8)	(859,263)
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)	(95,660,460)
Net position of governmental activities	<u>\$ 3,018,469</u>

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, 2016

	<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	\$ 55,440,052	\$ -	\$ -	\$ 55,440,052
Intergovernmental and departmental revenues	5,750,700	-	1,137,995	6,888,695
License and permits	2,074,701	-	-	2,074,701
Interest on investments	8,513	-	19,502	28,015
Tuitions	131,276	-	-	131,276
Other revenues	3,457,616	-	788,920	4,246,536
Total revenues	<u>66,862,858</u>	<u>-</u>	<u>1,946,417</u>	<u>68,809,275</u>
Expenditures				
Legislative, judicial and general administrative	7,087,890	-	1,209,840	8,297,730
Financial administration	626,687	-	-	626,687
Information technology	513,395	-	-	513,395
Public safety	7,134,974	-	315,561	7,450,535
Public works	3,548,831	-	-	3,548,831
Teen Center	10,096	-	-	10,096
Public health and welfare	-	-	358,715	358,715
Parks and recreation	595,386	-	-	595,386
Town planner	183,436	-	-	183,436
Senior and human services	231,868	-	-	231,868
Education	37,624,957	-	1,379,037	39,003,994
Grants and contributions	29,000	-	-	29,000
Library	507,546	-	-	507,546
Land trust	22,196	-	-	22,196
Financing costs	2,607	-	-	2,607
Capital outlay	1,112,432	10,141	963,105	2,085,678
Non capital outlay expenditures	63,314	-	1,497,151	1,560,465
Long-term obligations:				
Principal	4,221,833	-	-	4,221,833
Interest	2,450,718	-	-	2,450,718
Total expenditures	<u>65,967,166</u>	<u>10,141</u>	<u>5,723,409</u>	<u>71,700,716</u>
Excess of revenues over (under) expenditures before other financing sources (uses)	<u>895,692</u>	<u>(10,141)</u>	<u>(3,776,992)</u>	<u>(2,891,441)</u>
Other financing sources (uses)				
Issuance of debt	-	-	1,475,388	1,475,388
Transfers from other funds	33,267,555	-	8,627	33,276,182
Transfers to other funds	(33,276,182)	-	-	(33,276,182)
Total other financing sources (uses)	<u>(8,627)</u>	<u>-</u>	<u>1,484,015</u>	<u>1,475,388</u>
Net changes in fund balances	887,065	(10,141)	(2,292,977)	(1,416,053)
Fund balances - beginning	<u>10,805,291</u>	<u>2,236,660</u>	<u>5,412,620</u>	<u>18,454,571</u>
Fund balances - ending	<u>\$ 11,692,356</u>	<u>\$ 2,226,519</u>	<u>\$ 3,119,643</u>	<u>\$ 17,038,518</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, 2016

Net change in fund balances - total governmental funds \$ (1,416,053)

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

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

Capital outlay	2,085,678	
Depreciation expense	<u>(2,840,860)</u>	(755,182)

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. (52,306)

Amortization of premiums in the current period do not represent current financial resources, however they are recognized as expenditures and revenues in the statement of activities. 168,647

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. 15,184

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	2,784,821	
Net decrease in claims, judgments and settlements	6,331	
Net decrease in compensated absences	(182,994)	
Net increase in the other post employment benefit obligation	(200,675)	
Net (increase)/decrease in net pension liability	(5,347,694)	
Net increase/(decrease) in net pension asset	(2,862,092)	
Net increase/(decrease) in deferred outflows of resources	5,381,103	
Net (increase)/decrease in deferred inflows of resources	1,045,903	
		<u>624,703</u>

Change in net assets of governmental activities \$ (1,415,007)

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, 2016

	Sewer Fund
ASSETS	
Current assets	
Cash and cash equivalents	\$ -
Accounts receivable	
User fees, net of \$50,000 allowance for doubtful accounts	1,590,392
Construction loans receivable	6,891,065
Assessments, current portion	672,494
Total current assets	9,153,951
Non-current assets	
Long-term sewer assessment receivable	7,615,381
Net capital assets	35,722,749
Total non-current assets	43,338,130
TOTAL ASSETS	52,492,081
LIABILITIES	
Current liabilities	
Accounts payable and accrued expenses	197,850
Internal balances	1,732,746
Current portion of accrued compensated absences	1,444
Current portion of long-term debt	1,974,759
Total current liabilities	3,906,799
Non-current liabilities	
Notes and bonds payable	23,633,945
Accrued compensated absences	17,309
Total non-current liabilities	23,651,254
Deferred inflows	
Other deferred revenue	326,801
Total deferred inflows	326,801
TOTAL LIABILITIES	27,884,854
Net Position	
Net investment in capital assets	17,005,110
Unrestricted	7,602,117
Total net position	\$ 24,607,227

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, 2016

	Sewer Fund
Operating revenues	
Usage sales and fees	\$ 2,766,497
Sewer assessments and interest income	389,486
Total operating revenues	3,155,983
Operating expenses	
Salaries and benefits	482,150
Materials and supplies	100,495
Contract services	234,184
Repairs and maintenance	59,568
Utilities	184,879
Administrative expenses	204,750
Depreciation and amortization	1,250,909
Total operating expenses	2,516,935
Operating income	639,048
Non-operating revenues (expenses)	
Sewer bond interest expense	(604,869)
Total non-operating (expenses)	(604,869)
Change in net position	34,179
Total net positions - beginning	24,573,048
Net position - ending	\$ 24,607,227

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, 2016

	Sewer Fund
Cash flows from operating activities	
Cash received from customers and providing services	\$ 2,988,822
Cash payments to suppliers for goods and services	(825,754)
Cash payments to employees for services	(482,150)
Net cash provided by (used for) operating activities	1,680,918
Cash flows from non-capital financing activities	
Interfund loans	89,138
Net cash provided by non-capital financing activities	89,138
Cash flows from capital and related financing activities	
Principal paid on bonds & notes	(1,949,190)
Bond proceeds	6,000,000
Additions to capital assets net	(100,729)
Sewer assessment decrease	832,960
Interest paid on long term debt	(604,869)
Accrued compensated balances	6,913
Unearned revenues	(19,170)
Construction receivables	(5,935,971)
Net cash (used for) capital and related financing activities	(1,770,056)
Cash flows from investing activities	
Interest income	-
Net cash provided by investing activities	-
Net increase (decrease) in cash and cash equivalents	-
Cash and cash equivalents at beginning of year	-
Cash and cash equivalents at end of year	\$ -
Reconciliation of operating income to net cash provided by operating activities	
Operating income (Loss)	639,048
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization	1,250,909
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	(167,161)
Increase (decrease) in accounts payable and accrued expenses	(41,878)
Total adjustments	1,041,870
Net cash provided by operating activities	\$ 1,680,918

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, 2016

	0038 OPEB Trust Fund	Agency Funds
ASSETS		
Cash and cash equivalents	\$ -	\$ 634,926
Other receivables	1,750	217,279
Investments, at fair value:		
Fixed Income	409,117	-
Equities	1,227,350	-
Mutual Funds	142,302	-
Total investments	1,778,769	-
Total Assets	1,780,519	852,205
 LIABILITIES		
Deposits held in custody for others	-	852,205
Total Liabilities	-	\$ 852,205
 NET POSITION		
Held in trust for other purposes	\$ 1,780,519	

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, 2016

	<u>0038 OPEB Trust Fund</u>
Additions	
Contributions	
Employer	\$ 1,645,946
Plan members	-
Total contributions	<u>1,645,946</u>
Investment earnings	
Net increase/(decrease) in fair value of investments	<u>135,957</u>
Total investment earnings	<u>135,957</u>
Total additions	<u>1,781,903</u>
Deductions	
Plan cost	<u>1,384</u>
Total deductions	<u>1,384</u>
Change in net position	1,780,519
Net position beginning of year	-
Net position end of year	<u><u>\$ 1,780,519</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, 2016

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 2016:

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

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

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, 2016:

- GASB Statement No. 72 – Fair Value Measurement and Application effective for the Town's fiscal year ending June 30, 2016.
- GASB Statement No. 73 – Accounting and Financial Reporting for Pensions and related Assets that are not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68 – effective for the Town's fiscal year ending June 30, 2016
- GASB Statement No. 76 – The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments – effective for the Town's fiscal year ending June 30, 2016.

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

- GASB Statement No. 74 – Financial Reporting for Postemployment Benefit Plans Other than Pension Plans – effective for the Town's fiscal year ending June 30, 2017.
- GASB Statement No. 75 – Accounting for Postemployment Benefit Plans Other than Pension Plans – effective for the Town's fiscal year ending June 30, 2018.
- GASB Statement No. 77 – Tax Abatement Disclosures – effective for the Town's fiscal year ending June 30, 2017.
- GASB Statement No. 78 – Pensions Provided through Certain Multiple-Employer Defined Pension Plans – effective for the Town's fiscal year ending June 30, 2017.

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

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, 2016

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 or Trust funds). The School Bond 52m Capital Fund is a capital projects fund and is a major fund. This fund is for a 52 million dollar school project. A new Middle School was built and major renovations were done on the middle school and elementary schools. The Town began the project by issuing BANS and refinanced the BANS into bonds in February 2012.

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

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

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, 2016

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, 2016

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, 2016

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, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Fund Balance Transactions

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

Property Taxes

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

Taxes levied during July are payable in quarterly installments on September 1, December 1, March 1 and June 1, or on September 1, if paid in one payment. Unpaid property taxes at June 30, 2016, 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, 2016

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 General Fund budget is then presented at the Financial Town meeting to the Citizens of the Town for their approval. The annual operating budgets' appropriated amounts are supported by revenue estimates and take into account the elimination of accumulated deficits and the re-appropriation of accumulated surpluses to the extent necessary. The General Fund annual operating budget is prepared on the budgetary basis of accounting which is not in conformity with Generally Accepted Accounting Principles. The budget to actual presentation in required supplementary information is reflected on the budgetary basis.

Appropriations in addition to those contained in the annual operating budgets, except for the purpose of meeting a public emergency, are made upon the recommendation of the Town Manager with the Director of Finance's certification as to General Fund surplus to meet such appropriations and with Town Council's approval and approval of the citizens at a Financial Town meeting. There were no additional supplemental appropriations for the year ended June 30, 2016. 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, 2016

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 \$70,339,512 based on the December 31, 2014 assessment. As of June 30, 2016 the Town's debt is under the debt limit by \$68,269,512.

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 143 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, 2016:

- **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.

Deficits of fund equity at June 30, 2016 were as follows: Community Development \$8,203; Byrne grant \$181; Spay & Neuter \$92; Title II \$65,475. The Town of East Greenwich anticipates funding deficits through future Town appropriations and future reimbursements from either the State or the Federal Government.

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

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, 2016, \$880,303 of the Town's balance of \$17,048,366 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, 2016

NOTE 5 - CASH AND INVESTMENTS (continued)

Cash and investments of the Town consist of the following at June 30, 2016

Cash and cash equivalents	
Deposits with financial institutions	\$ 17,048,366
Investments	
Fixed Income	409,117
Equities	1,227,350
Mutual Funds	142,302
Corporate stocks	33,228
Total investments	<u>1,811,997</u>
Total cash and investments	<u>\$ 18,860,363</u>

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

Statement of net assets	
Cash and cash equivalents	\$ 16,413,440
Investments	33,228
	<u>\$ 16,446,668</u>
Fiduciary funds	
Cash and cash equivalents	634,926
Fixed Income	409,117
Equities	1,227,350
Mutual Funds	142,302
	<u>2,413,695</u>
Total cash and investments	<u>\$ 18,860,363</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, 2016. 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, 2016.

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

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 97.9% of the total July 2015 tax certification.

NOTE 7 - INFORMATION ABOUT CAPITAL ASSETS

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

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 7 - INFORMATION ABOUT CAPITAL ASSETS (CONTINUED)

Capital asset activity for the fiscal year ended June 30, 2016 was as follows:

	Primary Government				Ending Balance
	Beginning Balance	Increases	Decreases	Transfers	
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 1,819,958	\$ -	\$ -	\$ -	\$ 1,819,958
Construction in progress	51,050,082	946,964	-	-	51,997,046
Total capital assets not being depreciated	<u>52,870,040</u>	<u>946,964</u>	<u>-</u>	<u>-</u>	<u>53,817,004</u>
Other capital assets:					
Infrastructure	36,472,762	-	-	-	36,472,762
Buildings and improvements	34,364,553	221,303	629,950	-	33,955,906
Land improvements	4,851,140	37,153	-	-	4,888,293
Office furniture and equipment	571,158	31,352	-	-	602,510
Motor vehicles	6,060,185	271,482	186,680	-	6,144,987
Machinery and equipment	3,566,592	577,424	424,692	-	3,719,324
Total other capital assets at historical cost	<u>85,886,390</u>	<u>1,138,714</u>	<u>1,241,322</u>	<u>-</u>	<u>85,783,782</u>
Less accumulated depreciation for:					
Infrastructure	33,461,725	1,088,088	-	-	34,549,813
Buildings and improvements	13,246,145	843,528	629,950	-	13,459,723
Land improvements	2,213,723	223,727	-	-	2,437,450
Office furniture and equipment	433,197	28,015	-	-	461,212
Motor vehicles	3,140,457	442,374	186,680	-	3,396,151
Machinery and equipment	2,757,044	215,128	424,692	-	2,547,480
Total accumulated depreciation	<u>55,252,291</u>	<u>2,840,860</u>	<u>1,241,322</u>	<u>-</u>	<u>56,851,829</u>
Governmental activities capital assets, net	<u>\$ 83,504,139</u>	<u>\$ (755,182)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 82,748,957</u>

Depreciation expense was charged to functions as follows:

Governmental activities:	
Legislative, judicial and general administrative	\$ 112,879
Public safety	542,910
Public works	1,610,642
Parks and recreation	58,753
Education	515,676
Total governmental activities depreciation expense	<u>\$ 2,840,860</u>

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 7 - INFORMATION ABOUT CAPITAL ASSETS (CONTINUED)

Capital asset activity for the fiscal year ended June 30, 2016 was as follows:

	Primary Government				Ending Balance
	Beginning Balance	Increases	Decreases	Adjustments	
Business-type activities:					
Capital assets not being depreciated:					
Land	\$ 15,372	\$ -	\$ -	-	\$ 15,372
Construction in progress	1,765,549	-	-	-	1,765,549
Total capital assets not being depreciated	<u>1,780,921</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,780,921</u>
Other capital assets:					
Sewer facility	20,830,712	-	-	-	\$ 20,830,712
Equipment and fixtures	482,027	100,729	-	-	582,756
Motor vehicles	174,072	-	-	-	174,072
Sewer lines	30,372,135	-	-	-	30,372,135
Total other capital assets at historical cost	<u>51,858,946</u>	<u>100,729</u>	<u>-</u>	<u>-</u>	<u>51,959,675</u>
Less accumulated depreciation for:					
Sewer facility	9,478,982	453,120	-	-	9,932,102
Equipment and fixtures	360,681	37,443	-	-	398,124
Motor vehicles	172,013	4,617	-	-	176,630
Sewer lines	6,755,262	755,729	-	-	7,510,991
Total accumulated depreciation	<u>16,766,938</u>	<u>1,250,909</u>	<u>-</u>	<u>-</u>	<u>18,017,847</u>
Business-type activities capital assets, net	<u><u>\$ 36,872,929</u></u>	<u><u>\$ (1,150,180)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 35,722,749</u></u>

Depreciation expense was charged to functions as follows:

Business-type activities:	
Sewer Fund	\$ 1,250,909
Total business-type activities depreciation expense	<u><u>\$ 1,250,909</u></u>

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

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

"Total fund balances" of the Towns' governmental funds \$17,038,518 differs from "net position" of governmental activities \$3,267,752 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	\$ 16,413,440	\$ -	\$ -	\$ 16,413,440
Investments	33,228	-	-	33,228
Receivables:				
Property taxes, net	2,432,612	-	-	2,432,612
Intergovernmental	344,232	-	-	344,232
Other	6,772,892	-	-	6,772,892
Internal balances	158,009,645	-	(158,009,645)	-
Other assets	2,184,981	-	-	2,184,981
Property, plant and equipment - net	-	82,748,957	-	82,748,957
Net pension asset	-	5,098,467	-	5,098,467
Total assets	\$ 186,191,030	\$ 87,847,424	\$ (158,009,645)	\$ 116,028,809
Deferred outflows of resources	-	9,229,118	-	9,229,118
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued expenses	\$ 10,037,252	\$ 3,697,624	\$ -	\$ 13,734,876
Internal balances	156,276,899	-	(158,009,645)	(1,732,746)
Long-term liabilities				
Due within one year	-	4,445,533	-	4,445,533
Due in more than one year	-	60,039,653	-	60,039,653
Net pension liability	-	39,918,346	-	39,918,346
Total liabilities	166,314,151	108,101,156	(158,009,645)	116,405,662
Deferred inflows of resources	2,838,361	2,746,152	-	5,584,513
Fund Balances/Net Position				
Total fund balances/net position	17,038,518	(13,770,766)	-	3,267,752
Total liabilities and fund balances/net position	\$ 186,191,030	\$ 97,076,542	\$ (158,009,645)	\$ 125,257,927

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

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	\$ 139,600,786
Accumulated depreciation	(56,851,829)
	\$ 82,748,957

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

Adjustment of unearned revenue	\$ 2,838,361
Accrued interest	(501,223)
Bond premiums	(3,196,401)
	\$ (859,263)

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	\$ (48,965,222)
Accrued compensated absences	(924,300)
Claims, judgments, and settlements	(599,547)
Capital leases payable	(44,679)
Net other post employment benefit obligation	(13,951,438)
Net pension liability	(39,918,346)
	\$ (104,403,532)

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

Net pension asset - MERS Town	\$ 809,253
Net pension asset - MERS COLA	887,869
Net pension asset - TSB	3,401,345
	\$ 5,098,467

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

Deferred inflows of resrouces - pensions	(5,584,513)
Deferred outflows of resources - pensions	9,229,118

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

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

The "net change in the fund balances" for governmental funds (\$1,416,053) differs from the "change in net position" for governmental activities (\$1,415,007) reported in the statement of activities. The differences arise primarily from the long-term economic focus of the statement of activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

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

	Total Governmental Funds	Long-term Revenues/ Expenses (1)	Capital- related Items (2)	Long-term Debt Transactions (3)	Statement of Activities Totals
Revenues					
General property tax	\$ 55,440,052	\$ (52,306)	\$ -	\$ -	\$ 55,387,746
Intergovernmental and departmental revenues	6,888,695	-	-	-	6,888,695
License and permits	2,074,701	-	-	-	2,074,701
Interest on investments	28,015	-	-	-	28,015
Tuitions	131,276	-	-	-	131,276
Other revenues	4,246,536	168,647	-	-	4,415,183
Total revenues	68,809,275	116,341	-	-	68,925,616
Expenditures					
Current:					
Legislative, judicial and general administrative	8,297,730	(3,170,313)	112,879	4,420,314	9,660,610
Financial administration	626,687	-	-	200,675	827,362
Information technology	513,395	-	-	-	513,395
Public safety	7,450,535	-	542,910	-	7,993,445
Public works	3,548,831	-	1,610,642	-	5,159,473
Teen center	10,096	-	-	-	10,096
Public health and welfare	358,715	1,560,465	-	-	1,919,180
Parks and recreation	595,386	-	58,753	-	654,139
Town planner	183,436	-	-	-	183,436
Education	39,003,994	(3,256,693)	515,676	3,927,759	40,190,736
Grants and contributions	29,000	-	-	-	29,000
Senior and human services	231,868	-	-	-	231,868
Library	507,546	-	-	-	507,546
Land trust	22,196	-	-	-	22,196
Financing costs	2,607	-	-	-	2,607
Capital outlay	2,085,678	-	(2,085,678)	-	-
Non capital outlay expenditures	1,560,465	(1,560,465)	-	-	-
Long-term obligations:					
Principal	4,221,833	-	-	(4,221,833)	-
Interest	2,450,718	-	-	(15,184)	2,435,534
Total expenditures	71,700,716	(6,427,006)	755,182	4,311,731	70,340,623
Other financing sources (uses)					
Issuance of debt	1,475,388	-	-	(1,475,388)	-
Transfers from other funds	33,276,182	-	-	-	33,276,182
Transfers to other funds	(33,276,182)	-	-	-	(33,276,182)
Total other financing sources (uses)	1,475,388	-	-	(1,475,388)	-
Net change for the year	\$ (1,416,053)	\$ 6,543,347	\$ (755,182)	\$ (5,787,119)	\$ (1,415,007)

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

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	\$ (52,306)
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Interest expense in the statement of activities differs from the amount reported in the governmental funds for two reasons. Accrued interest was reduced on the calculation for bonds payable and bond issuance costs and premiums are reported as expenditures in governmental funds while in the government-wide financial statements they are capitalized and amortized over the life of the bond.

Accrued interest	\$ 15,184
Amortization bond premium costs	168,647
Total expenditure adjustment	<u>\$ 183,831</u>

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

Capital outlay	\$ 2,085,678
Depreciation expense	(2,840,860)
Difference	<u>\$ (755,182)</u>

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

Issuance of debt	\$ (1,475,388)
Net capital lease payments/additions	38,376
Principal payments made	4,221,833
Difference	<u>\$ 2,784,821</u>

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

Net (increase) in the OPEB	\$ (200,675)
Net decrease claims, judgments, and settlements	6,331
Net (increase)/decrease in compensated absences	(182,994)
Net (increase)/decrease in net pension liability	(5,347,694)
Net increase/(decrease) in net pension asset	(2,862,092)
Net increase/(decrease) in deferred outflows	5,381,103
Net (increase)/decrease in deferred inflows	1,045,903
Change	<u>\$ (2,160,118)</u>

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

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, 2016:

	<u>Due from other funds</u>		<u>Due to other funds</u>
General Fund	\$ 125,442,659		\$ 131,875,871
School Unrestricted	4,137,267		
School Bond 52m Capital Fund	2,236,662		-
Special Revenue Funds:			
School Restricted	11,682,277		11,919,843
Town Restricted	7,971,446		6,160,808
Town Projects Fund	1,090,482	20,744,205	839,675
Other Non-major Funds			
Capital Projects Funds	5,290,101		5,419,359
Permanent Funds	158,751		61,343
Enterprise Funds			
Sewer	-		1,732,746
Totals	\$ 158,009,645		\$ 158,009,645

NOTE 11 - CAPITAL LEASES

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

Year End	Lease Payment
2017	\$ 27,736
2018	16,943
Future Minimum Rental Payments	44,679
Interest Portion of Payments	2,234
Obligation Under Capital Leases	\$ 46,913

NOTE 12 - LONG-TERM LIABILITIES

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

Rhode Island general laws cap the amount of each municipality's general obligation bonds that may be outstanding to 3% of its assessed property values. Exceptions apply to bonds financed from non-tax revenues and special exemptions are granted for other purposes as well. The assessed value of the Town's properties at December 31, 2014 was \$2,344,650,413 limiting the amount of non-excepted general obligation bond authority to \$70,339,512. The outstanding bonded debt applicable to the debt limit as of June 30, 2016 was \$2,070,000 which is \$68,269,512 below the maximum level. (See Note 3 page 33 for details.)

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 12 - LONG TERM LIABILITIES (CONTINUED)

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

Long-term liability activity for the fiscal year ended June 30, 2016 was as follows:

GOVERNMENTAL ACTIVITIES	Date of Issuance	Interest Rate	Date of Maturity	Authorized	Outstanding July 1, 2015	Additions	Maturities During Year	Outstanding June 30, 2016	Amounts due within one year	Interest Paid
General Obligation Bonds & Notes Payable										
Health and Education Building Corp	2/2/2012	2.5 to 5.0%	6/30/2037	\$ 35,640,000	\$ 33,230,000	\$ -	\$ 980,000	\$ 32,250,000	\$ 1,015,000	\$ 1,388,450
Roads	9/30/2011	1.75 to 2.0%	6/15/2016	1,000,000	200,000	-	200,000	-	-	3,500
Health and Education Building Corp	11/15/2010	0.897%	05/15/29	10,635,000	8,271,667	-	590,833	7,680,834	590,833	679,151
Open Space / School Improvements	3/15/2004	2.0-4.0%	3/15/2019	9,660,000	2,760,000	-	690,000	2,070,000	690,000	98,325
Police Station	9/1/2007	3.85%	6/15/2017	8,000,000	1,609,600	-	805,000	804,600	804,600	61,974
Landfill Reclamation	9/1/2007	3.85%	6/15/2017	1,600,000	330,400	-	165,000	165,400	165,400	12,716
Town Hall Sidewalk/Step Repair	4/29/2009	2.0-4.0%	4/15/2019	190,000	78,600	-	20,000	58,600	20,000	3,500
Senior Center/Public Works Offices	4/29/2009	2.0-4.0%	4/15/2019	3,050,000	1,361,400	-	340,000	1,021,400	340,000	45,450
RI Infrastructure Water Road & Bridge	5/25/2015	.023-1.73%	9/1/2024	2,000,000	20,000	1,475,388	1,000	1,494,388	210,000	17,064
School Fields - RIHBC	2/25/2009	2.5-4.125%	5/15/2024	6,000,000	3,850,000	-	430,000	3,420,000	430,000	140,588
Total general obligation bonds payable				<u>77,775,000</u>	<u>51,711,667</u>	<u>1,475,388</u>	<u>4,221,833</u>	<u>48,965,222</u>	<u>4,265,833</u>	<u>2,450,718</u>
cap prj fund 043										
Capital leases										
Capital leases	various		various		83,055	-	38,376	44,679	27,736	-
Total governmental activates bonds, BANs and leases payable					<u>51,794,722</u>	<u>1,475,388</u>	<u>4,260,209</u>	<u>49,009,901</u>	<u>4,293,569</u>	<u>2,450,718</u>
Accrued expenses										
Compensated absences - Town					709,349	306,346	141,869	873,826	141,869	-
Compensated absences - School Department					31,957	24,908	6,391	50,474	10,095	-
Claims, judgments and settlements					605,878	-	6,331	599,547	-	-
Net other post employment benefit obligation					13,750,763	200,675	-	13,951,438	-	-
Net pension liability					34,570,652	5,347,694	-	39,918,346	-	-
Total accrued expenses					<u>49,668,599</u>	<u>5,879,623</u>	<u>154,591</u>	<u>55,393,631</u>	<u>151,964</u>	<u>-</u>
Total long-term liabilities - governmental activities					<u>\$ 101,463,321</u>	<u>\$ 7,355,011</u>	<u>\$ 4,414,800</u>	<u>\$ 104,403,532</u>	<u>\$ 4,445,533</u>	<u>\$ 2,450,718</u>
BUSINESS TYPE ACTIVITIES										
General Obligation Bonds Payable										
Sewer General Obligation Bonds	11/1/2008	4.0-4.2%	6/30/2023	\$ 6,000,000	\$ 4,200,000	\$ -	\$ 300,000	\$ 3,900,000	\$ 300,000	\$ 173,850
Total general obligation bonds payable				<u>6,000,000</u>	<u>4,200,000</u>	<u>-</u>	<u>300,000</u>	<u>3,900,000</u>	<u>300,000</u>	<u>173,850</u>
Notes payable										
RI Infrastructure Bank	8/25/1999	5.09%	9/1/2019	\$ 8,500,000	\$ 2,236,843	\$ -	\$ 447,369	\$ 1,789,474	\$ 447,368	65,044
RI Infrastructure Bank	10/30/2002	3.90%	9/1/2022	11,100,000	5,306,023	-	607,990	4,698,033	623,014	74,304
RI Infrastructure Bank	12/21/2006	1.27%	9/1/2027	7,600,000	5,230,000	-	362,000	4,868,000	368,000	89,392
RI Infrastructure Bank	9/14/2009	0.41-2.68%	9/1/2029	2,462,252	1,946,028	-	107,830	1,838,198	110,377	52,723
RI Infrastructure Bank	6/2/2016	0.31-2.24%	9/1/1935	6,000,000	-	6,000,000	-	6,000,000	-	-
RI Infrastructure Bank	6/10/2010	0.61-3.25%	9/1/2031	3,000,000	2,639,000	-	124,000	2,515,000	126,000	79,635
Total Sewer notes payable				<u>38,662,252</u>	<u>17,357,894</u>	<u>6,000,000</u>	<u>1,649,189</u>	<u>21,708,705</u>	<u>1,674,759</u>	<u>361,098</u>
Total business-type activities funds bonds and loans payable					<u>21,557,894</u>	<u>6,000,000</u>	<u>1,949,189</u>	<u>25,608,705</u>	<u>1,974,759</u>	<u>534,948</u>
Accrued expenses										
Compensated absences					11,840	8,435	1,522	18,753	1,444	-
Total long-term liabilities - business-type activities					<u>\$ 21,569,734</u>	<u>\$ 6,008,435</u>	<u>\$ 1,950,711</u>	<u>\$ 25,627,458</u>	<u>\$ 1,976,203</u>	<u>\$ 534,948</u>

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 12 - LONG-TERM LIABILITIES (Continued)

SCHEDULE OF DEBT SERVICE REQUIREMENTS

GOVERNMENTAL ACTIVITIES

<u>Fiscal Year Ended June 30,</u>	<u>Percentage of Maturity</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2017	8.62%	4,265,833	2,333,919	6,599,752
2018	15.37%	3,337,833	2,201,880	5,539,713
2019	22.21%	3,384,833	2,105,459	5,490,292
2020	27.03%	2,382,833	2,006,678	4,389,511
2021	31.93%	2,426,833	1,942,620	4,369,453
2022	36.92%	2,465,833	1,888,019	4,353,852
2023	42.17%	2,599,833	1,805,929	4,405,762
2024	46.69%	2,232,833	1,643,242	3,876,075
2025	50.83%	2,050,833	1,584,400	3,635,233
2025-2037	100.00%	24,323,337	9,766,259	34,089,596
		<u>\$ 49,470,834</u>	<u>\$ 27,278,404</u>	<u>\$ 76,749,238</u>

BUSINESS-TYPE ACTIVITIES

2017	7.71%	1,974,759	494,891	2,469,650
2018	16.59%	2,274,701	498,305	2,773,006
2019	25.59%	2,305,023	504,623	2,809,646
2020	34.72%	2,336,735	453,786	2,790,522
2021	42.23%	1,923,327	382,769	2,306,096
2022	49.87%	1,957,697	341,771	2,299,468
2023	54.92%	1,292,603	240,586	1,533,189
2024	60.05%	1,312,999	221,441	1,534,440
2025	65.26%	1,335,245	185,161	1,520,405
2023-2029	100.00%	8,895,616	1,132,773	10,028,389
		<u>\$ 25,608,705</u>	<u>\$ 4,456,106</u>	<u>\$ 30,064,810</u>

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 13 – LITIGATION, CLAIMS, JUDGMENTS AND SETTLEMENTS

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

On June 26, 2000, the East Greenwich Fire District (Now part of the Town of East Greenwich, see Note 23) entered into a settlement agreement with a former firefighter who suffered a work-related injury. The agreement requires the Town to pay the individual a cost of living adjustment over the estimated life expectancy in which the individual will be eligible for pension benefits. The cost of living adjustment was required as it was not a component of the disability pension provided under the State of Rhode Island's Employee Retirement System for which the individual was eligible. The Town has recorded the liability at the estimated present value of the future payments utilizing an interest rate of 2.5% and estimated future life expectancy of 44 years retroactive to May 1996. Payments are made on an annual basis in May. The total estimated payments to be made under this agreement are \$919,300 while the present value of the obligation at June 30, 2016 is approximately \$536,206. In accordance with the terms of the agreement the District paid \$17,109 in May 2016.

Subsequent to June 30, 2012 the Town entered into a memorandum of understanding with an employee regarding pension benefits to be paid to the employee upon retirement. In accordance with the terms of the personnel policies and contractual agreements, the employee was to receive certain firefighter plan pension benefits from the Employees' Retirement System of Rhode Island. However, the Employees' Retirement System determined that this individual was ineligible for benefits under this plan and rather was subject to the benefits under the Town's Administrative Plan. The terms of the memorandum of understanding require annual payments of \$3,400 to commence two weeks following the employee's actual retirement and lasting for ten years. The present value of this obligation at June 30, 2015 was estimated to be \$20,984. The Town also has other claims existing at June 30, 2015 for which it has estimated the present value of the potential obligations to be \$45,075. Total claims and settlements recorded at June 30, 2016 for pension benefit obligations total \$63,342.

NOTE 14 - FUND TRANSFERS

Transfers are made to provide revenue for annual expenditures of various funds. Transfers are not expected to be repaid to the originating (source) fund. Listed below is the transfer activity for fiscal year ended June 30, 2016.

<u>Fund / Department</u>	Transfers from other funds	Transfers to other funds
General Fund	\$ 33,267,555	\$ 33,276,182
School Unrestricted	8,627	-
Totals	<u>\$ 33,276,182</u>	<u>\$ 33,276,182</u>

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 15 - RETIREMENT PLANS & POST EMPLOYMENT BENEFITS

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

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.

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

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

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

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

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

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

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

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 15 - RETIREMENT PLANS & POST EMPLOYEMENT BENEFITS

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

General employees

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

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

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

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

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

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

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

Police and Fire employees

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

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

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

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

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 15 - RETIREMENT PLANS & POST EMPLOYMENT BENEFITS

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

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

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

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

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

Other benefit provisions

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

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

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

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

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

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

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 15 - RETIREMENT PLANS & POST EMPLOYEMENT BENEFITS

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

Employees covered by benefit terms

At the June 30, 2014 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	60	36	1	30	33
Inactive, Nonretired Members	57	45	0	5	3
Active Members	14	167	1	33	36
Total	131	248	2	68	72

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 \$1,680,329 in the year ended June 30, 2016 which averaged out to 14.22% of the annual payroll.

Net Pension Liability (Asset) - The total pension liability was determined by actuarial valuations performed as of June 30, 2014 and rolled forward to June 30, 2015, using the following actuarial assumptions, applied to all periods included in the measurement.

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

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

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

Summary of Actuarial Assumptions Used in the Valuations to determine the Net Pension Liability at the June 30, 2015 measurement date (June 30, 2014 valuation rolled forward to June 30, 2015)	
Actuarial Cost Method	Entry Age Normal - the Individual Entry Age Actuarial Cost methodology is used.
Amortization Method	Level Percent of Payroll – Closed
Equivalent Single Remaining Amortization Period	20 years at June 30, 2015
Actuarial Assumptions	
Investment Rate of Return	7.50%
Projected Salary Increases	General Employees - 3.5% to 7.5% ; Police & Fire Employees - 4.0% to 14.0%
Inflation	2.75%
Mortality	<ul style="list-style-type: none"> · Male Employees, MERS General and MERS P&F: 115% of RP-2000 Combined Healthy for Males with White Collar adjustments, projected with Scale AA from 2000. · Female Employees, MERS General and MERS P&F: 95% of RP-2000 Combined Healthy for Females with White Collar adjustments, projected with Scale AA from 2000.
Cost of Living Adjustments	COLA is equal to the average five-year fund asset performance (percent) greater than 5.5% up to a maximum of 4% - the COLA is to be applied to the first \$25,000 of benefits, indexed over time. COLA is delayed until the latter of Social Security eligibility age or 3 years after retirement except for MERS Police and Fire for which the COLA is delayed until the later of age 55 or 3 years after retirement.

The actuarial assumptions used in the June 30, 2014 valuation rolled forward to June 30, 2015 and the calculation of the total pension liability at June 30, 2014 were consistent with the results of an actuarial experience study performed as of June 30, 2013.

The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from 23 sources. The June 30, 2015 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, 2016**

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

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

Type of Investment	Target Allocation	Long-term expected real rate of return
Global Equity:	38.0%	-
U.S. Equity	-	6.93%
International Developed	-	7.32%
International Emerging Markets	-	9.52%
Equity Hedge Funds	8.0%	3.98%
Private Equity	7.0%	9.99%
Core Fixed Income	15.0%	2.18%
Absolute Return Hedge Funds	7.0%	3.98%
Infrastructure	3.0%	5.70%
Real Estate	8.0%	4.85%
Other Real Return Assets:	11.0%	-
Master Limited Partnerships	-	4.51%
Credit	-	4.51%
Inflation Linked Bonds	-	1.24%
Cash, Overlay, Money Market	3.0%	7.80%
	<u>100.0%</u>	

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

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

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.

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

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

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

Changes in Net Pension Liability (Asset) - Town Employees

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of June 30, 2014	\$ 6,487,312	\$ 7,750,529	\$ (1,263,217)
Changes for the Year			
Service Cost	103,703		103,703
Interest on the total pension liability	471,823		471,823
Changes in benefits	115,576		115,576
Difference between expected and actual experience	(187,642)		(187,642)
Changes in assumptions	-		-
Employer contributions		78,349	(78,349)
Employee contributions		22,842	(22,842)
Net investment income		171,162	(171,162)
Benefit payments, including employee refunds	(496,385)	(496,385)	-
Administrative expense		(6,879)	6,879
Other changes		(215,978)	215,978
Net changes	<u>7,075</u>	<u>(446,889)</u>	<u>453,964</u>
Balances as of June 30, 2015	<u>\$ 6,494,387</u>	<u>\$ 7,303,640</u>	<u>\$ (809,253)</u>

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, 2014	\$ 18,847,420	\$ 20,988,173	\$ (2,140,753)
Changes for the Year			
Service Cost	519,936		519,936
Interest on the total pension liability	1,400,259		1,400,259
Changes in benefits	319,194		319,194
Difference between expected and actual experience	100,087		100,087
Changes in assumptions	-		-
Employer contributions		392,668	(392,668)
Employee contributions		114,931	(114,931)
Net investment income		496,830	(496,830)
Benefit payments, including employee refunds	(874,547)	(874,547)	-
Administrative expense		(16,732)	16,732
Other changes		98,895	(98,895)
Net changes	<u>1,464,929</u>	<u>212,045</u>	<u>1,252,884</u>
Balances as of June 30, 2015	<u>\$ 20,312,349</u>	<u>\$ 21,200,218</u>	<u>\$ (887,869)</u>

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

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

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

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

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of June 30, 2014	\$ 348,004	\$ 327,633	\$ 20,371
Changes for the Year			
Service Cost	3,849		3,849
Interest on the total pension liability	25,448		25,448
Changes in benefits	5,514		5,514
Difference between expected and actual experience	-		-
Changes in assumptions	(17,586)		(17,586)
Employer contributions		7,766	(7,766)
Employee contributions		987	(987)
Net investment income		7,556	(7,556)
Benefit payments, including employee refunds	(21,252)	(21,252)	-
Administrative expense		(303)	303
Other changes		(1)	1
Net changes	<u>(4,027)</u>	<u>(5,247)</u>	<u>1,220</u>
Balances as of June 30, 2015	<u>\$ 343,977</u>	<u>\$ 322,386</u>	<u>\$ 21,591</u>

Changes in Net Pension Liability (Asset) - Police Employees

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of June 30, 2014	\$ 18,684,328	\$ 13,802,863	\$ 4,881,465
Changes for the Year			
Service Cost	390,013		390,013
Interest on the total pension liability	1,374,698		1,374,698
Changes in benefits	520,782		520,782
Difference between expected and actual experience	51,859		51,859
Changes in assumptions	-		-
Employer contributions		565,061	(565,061)
Employee contributions		173,534	(173,534)
Net investment income		321,983	(321,983)
Benefit payments, including employee refunds	(1,100,046)	(1,100,046)	-
Administrative expense		(11,067)	11,067
Other changes		(12,993)	12,993
Net changes	<u>1,237,306</u>	<u>(63,528)</u>	<u>1,300,834</u>
Balances as of June 30, 2015	<u>\$ 19,921,634</u>	<u>\$ 13,739,335</u>	<u>\$ 6,182,299</u>

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

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

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

Changes in Net Pension Liability (Asset) - Fire Employees

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of June 30, 2014	\$ 16,853,446	\$ 11,094,796	\$ 5,758,650
Changes for the Year			
Service Cost	408,699		408,699
Interest on the total pension liability	1,239,901		1,239,901
Changes in benefits	557,617		557,617
Difference between expected and actual experience	151,465		151,465
Changes in assumptions	-		-
Employer contributions		623,185	(623,185)
Employee contributions		195,953	(195,953)
Net investment income		260,782	(260,782)
Benefit payments, including employee refunds	(1,051,556)	(1,051,556)	-
Administrative expense		(10,467)	10,467
Other changes		15,104	(15,104)
Net changes	<u>1,306,126</u>	<u>33,001</u>	<u>1,273,125</u>
Balances as of June 30, 2015	<u>\$ 18,159,572</u>	<u>\$ 11,127,797</u>	<u>\$ 7,031,775</u>

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

Plan:	1.00% Decrease (6.5%)	Current Discount Rate (7.5%)	1.00% Increase (8.5%)
Town Employees	(107,565)	(809,253)	(1,383,694)
Town COLA	1,234,320	(887,869)	(2,624,645)
Town Fire Non Cert	58,201	21,591	(8,376)
Police	8,289,248	6,182,299	4,457,784
Fire	8,958,050	7,031,775	5,455,098

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

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

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

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

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

For the year ended June 30, 2016 the employer recognized pension expense of \$78,349 for Town Employees, \$392,668 for Town COLA, \$7,766 for Town Fire Non-Cert, \$565,061 for Police Employees and \$623,185 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	\$ 78,349	\$ 392,668	\$ 7,766	\$ 565,061	\$ 623,185
Difference between projected and actual earnings	-	-	-	-	-
Changes in assumptions	-	-	-	-	-
Total Deferred Outflows of Resources:	\$ 78,349	\$ 392,668	\$ 7,766	\$ 565,061	\$ 623,185
Deferred Inflows of Resources:					
Difference between actual and expected experience	-	-	-	-	-
Difference between projected and actual earnings	404,108	1,132,294	17,395	737,832	592,338
Changes in assumptions	8,591	55,262	5,084	80,086	95,233
Total Deferred Inflows of Resources:	\$ 412,699	\$ 1,187,556	\$ 22,479	\$ 817,918	\$ 687,571

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

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

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

A. MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF RHODE ISLAND (CONTINUED)
pension expense as follows:

Town Employees		Town Employees - COLA		Town Employees - Non Cert Fire	
Year Ending June 30	Net Deferred (outflows)/inflows of resources	Year Ending June 30	Net Deferred (outflows)/inflows of resources	Year Ending June 30	Net Deferred (outflows)/inflows of resources
2017	\$ (68,008)	2017	\$ (63,791)	2017	\$ (4,290)
2018	(23,637)	2018	(63,791)	2018	(4,290)
2019	(23,637)	2019	(63,789)	2019	(4,289)
2020	77,391	2020	219,282	2020	60
2021	-	2021	7,376	2021	(3,248)
Thereafter	-	Thereafter	7,639	Thereafter	(3,182)
Total	\$ (37,891)	Total	\$ 42,926	Total	\$ (19,239)

Police Employees		Fire Employees	
Year Ending June 30	Net Deferred (outflows)/inflows of resources	Year Ending June 30	Net Deferred (outflows)/inflows of resources
2017	\$ (52,870)	2017	\$ (30,727)
2018	(52,870)	2018	(30,727)
2019	(52,870)	2019	(30,729)
2020	135,977	2020	117,358
2021	8,219	2021	4,967
Thereafter	-	Thereafter	27,265
Total	\$ (14,414)	Total	\$ 57,407

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

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

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

Pensions – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Employees' Retirement System plan (ERS) and the additions to/deductions from ERS' fiduciary net position have been determined on the same basis as they are reported by ERS. 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.

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>.

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

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

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

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

Contributions - The funding policy, as set forth in the General Laws, Section 16-16-22, provides for actuarially determined periodic contributions to the plan. For fiscal 2016, East Greenwich teachers were required to contribute 3.75% of their annual covered salary. The state and the East Greenwich School Department are required to contribute at an actuarially determined rate, 40% of which is to be paid by the state and the remaining 60% is to be paid by East Greenwich School Department; the rates were 9.41% and 13.73% of annual covered payroll for the fiscal year ended June 30, 2015 for the State and East Greenwich School Department, respectively. The East Greenwich School Department contributed \$2,314,652, \$2,179,538 and \$1,934,338 for the fiscal years ended June 30, 2016, 2015 and 2014, respectively, equal to 100% of the required contributions for each year.

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

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

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

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

At June 30, 2016, the East Greenwich School Department reported a liability of \$26,682,681 for its proportionate share of the net pension liability that reflected a reduction for contributions made by the state. The amount recognized by the East Greenwich School Department as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with the East Greenwich School Department are as follows:

East Greenwich School Dept's proportionate share of the net pension liability	\$ 26,682,681
State's proportionate share of the net pension liability associated with the East Greenwich School Dept.	<u>18,228,770</u>
Total net pension liability	<u><u>\$ 44,911,451</u></u>

The net pension liability was measured as of June 30, 2015, 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, 2014 rolled forward to June 30, 2015. The East Greenwich School Department's proportion of the net pension liability was based on a projection of the Department 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, 2015 the East Greenwich School District's proportion was 0.96922104%

For the year ended June 30, 2016 the East Greenwich School Department recognized gross pension expense of \$5,413,455 and revenue of \$2,213,469 for support provided by the State. At June 30, 2016 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, 2016**

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

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

Deferred outflows of resources:	
Net difference between projected and actual investment earnings	\$ 1,503,439
Contributions made subsequent to the measurement date	2,314,652
Total	<u><u>\$ 3,818,091</u></u>
 Deferred inflows of resources:	
Differences between expected and actual experience	\$ 173,741
Net difference between projected and actual earnings on pension plan investments	1,523,568
Change of assumptions	717,321
Changes in proportion and differences between employer contributions and proportionate share of contributions	310,184
Total	<u><u>\$ 2,724,814</u></u>

\$2,314,652 reported as deferred outflows of resources related to pensions resulting from the East Greenwich School Department contributions in fiscal year 2016 subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and 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, 2016**

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

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

Year Ending June 30	Net Deferred (outflows)/inflows of resources
2017	\$ 325,109
2018	\$ 325,109
2019	\$ 325,109
2020	\$ (182,747)
2021	\$ 193,113
thereafter	\$ 235,682
	\$ 1,221,375

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

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

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

The actuarial assumptions used in the June 30, 2014 valuation rolled forward to June 30, 2015 and the calculation of the total pension liability at June 30, 2015 were consistent with the results of an actuarial experience study performed as of June 30, 2013.

The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from 23 sources. The June 30, 2015 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, 2016**

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

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

<u>Type of Investment</u>	<u>Target Allocation</u>	<u>Long-term expected real rate of return</u>
Global Equity:	38.0%	-
U.S. Equity	-	6.93%
International Developed	-	7.32%
International Emerging Markets	-	9.52%
Equity Hedge Funds	8.0%	3.98%
Private Equity	7.0%	9.99%
Core Fixed Income	15.0%	2.18%
Absolute Return Hedge Funds	7.0%	3.98%
Infrastructure	3.0%	5.70%
Real Estate	8.0%	4.85%
Other Real Return Assets:	11.0%	-
Master Limited Partnerships	-	4.51%
Credit	-	4.51%
Inflation Linked Bonds	-	1.24%
Cash, Overlay, Money Market	3.0%	7.80%
	<u>100.0%</u>	

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

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

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

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

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

1.00% Decrease (6.5%)	Current Discount Rate (7.5%)	1.00% Increase (8.5%)
\$ 33,459,868	\$ 26,682,681	\$ 21,134,595

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, 2016**

NOTE 15 - RETIREMENT PLANS & POST EMPLOYMENT BENEFITS (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:

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

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

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

Contributions - The contribution requirements of active employees and the participating school districts were established under Chapter 16-16 of the Rhode Island General Laws, which may be amended by the General Assembly. The cost of the benefits provided by the plan are two percent (2%) of the member's annual salary up to but not exceeding an annual salary of \$9,600; one-half (1/2) of the cost is contributed by the member by deductions from his or her salary, and the other half (1/2) is contributed and paid by the respective school district by which the member is employed. These contributions are in addition to the contributions required for regular pension benefits. The East Greenwich School Department contributed \$22,545, \$21,984 and \$22,327 for the fiscal years ended June 30, 2016, 2015 and 2014, 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, 2016 the East Greenwich School Department reported an asset of \$3,401,345 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, 2015, 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, 2014 rolled forward to June 30, 2015. The Department's proportion of the net pension asset was based on its share of contributions to the TSB for fiscal year 2015 relative to the total contributions of all participating employers for that fiscal year. At June 30, 2015 the Department's proportion was 3.64342859%.

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

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

C. TEACHERS SURVIVOR BENEFITS

For the year ended June 30, 2016 the East Greenwich School Department recognized pension expense of \$214,050 – a decrease in the net pension asset. At June 30, 2016 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	
Differences between expected and actual experience	\$ 786,388
Net difference between projected and actual investment earnings	432,194
Changes in proportion and differences between employer contributions and proportionate share of contributions	20,959
Contributions subsequent to the measurement date	22,545
Total	1,262,086
 Deferred inflows of resources	
Net difference between projected and actual investment earnings	\$ 444,591
Net difference between projected and actual earnings on pension plan investments	596,328
Total	\$ 1,040,919

\$22,545 reported as deferred outflows of resources related to pensions resulting from the East Greenwich School Department contributions in fiscal year 2016 subsequent to the measurement date will be recognized as an addition to the net pension asset for the year ended June 30, 2017. Other amounts reported as 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
2017	58,174
2018	58,174
2019	58,174
2020	206,371
2021	98,322
Thereafter	315,735
	794,950

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

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

C. TEACHERS SURVIVOR BENEFITS

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

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

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

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

The actuarial assumptions used in the June 30, 2014 valuation rolled forward to June 30, 2015 and the calculation of the total pension liability at June 30, 2015 were consistent with the results of an actuarial experience study performed as of June 30, 2013.

The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from 23 sources. The June 30, 2015 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

Type of Investment	Target Allocation	Long-term expected real rate of return
Global Equity:	38.0%	-
U.S. Equity	-	6.93%
International Developed	-	7.32%
International Emerging Markets	-	9.52%
Equity Hedge Funds	8.0%	3.98%
Private Equity	7.0%	9.99%
Core Fixed Income	15.0%	2.18%
Absolute Return Hedge Funds	7.0%	3.98%
Infrastructure	3.0%	5.70%
Real Estate	8.0%	4.85%
Other Real Return Assets:	11.0%	-
Master Limited Partnerships	-	4.51%
Credit	-	4.51%
Inflation Linked Bonds	-	1.24%
Cash, Overlay, Money Market	3.0%	7.80%
	100.0%	

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

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

C. TEACHERS SURVIVOR BENEFITS

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

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

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

1.00% Decrease (6.5%)	Current Discount Rate (7.5%)	1.00% Increase (8.5%)
\$ (2,641,404)	\$ (3,401,345)	\$ (4,023,251)

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. POST RETIREMENT BENEFITS

OPEB Trust (the Trust)

Plan Description

The Town of East Greenwich has established an irrevocable exclusive benefit trust solely to fund retiree health care benefits. The OPEB trust fund has been established in accordance with Section 115 of the Internal Revenue Code. It complies with GASB Statement No. 45. Employees eligible for the plan are all town employees, police and fire employees. The benefit provisions and further eligibility conditions are listed on subsequent sections of this note.

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

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

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

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

D. POST RETIREMENT BENEFITS

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

Groups Covered

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

- Police Department
- Fire Department
- National Education Association of RI (NEARI)
- Department of Public Works (DPW)
- School Department

Other groups including Non-Union, Town Council, Department Heads, and Non-Police Union (Other)

Membership

At July 1, 2014, membership consisted of:

Eligible Active Members	146
Retired Members and Spouses	<u>76</u>
Total	222

Funding Policy

Contribution requirements are negotiated between the Town and the respective unions and employees. For the year-ended June 30, 2016, the plan operated on a pay as you go basis and no provision has been made to fund future benefits to be provided to plan members.

SCHEDULE OF FUNDING PROGRESS TOWN AND SCHOOL DEPARTMENT

Actuarial Valuation Date	Actuarial Value of Assets	Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	UAAL as a Covered Payroll	Percentage of Covered Payroll
<u>July 1,</u>	<u>(a)</u>	<u>(b)</u>	<u>(b-a)</u>	<u>(a/b)</u>	<u>(c)</u>	<u>((b-a)/c)</u>
7/1/2010	N/A	15,655,801	15,655,801	0%	21,121,119	74.12%
7/1/2012	N/A	16,356,981	16,356,981	0%	22,624,462	72.30%
7/1/2014	N/A	29,718,396	29,718,396	0%	23,566,660	126.10%

Actuarial Methods and Assumptions

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

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

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

D. POST RETIREMENT BENEFITS

Valuation Date:	July 1, 2014
Actuarial Cost Method:	Projected Unit Credit Funding Method
Asset Valuation Method:	Plan is currently unfunded
Amortization Method:	Level dollar thirty year open amortization basis
Remaining Amortization Period	30 Years
Health Care Trend Rate:	6.50% per year graded off 0.50% per year to an ultimate rate of 4.50% per year.
Inflation rate	2.75%
Investment rate of return	4.25%

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

Annual OPEB Cost and Net OPEB Obligation: Below are the required OPEB obligation presentations per GASB 45 for the period ending June 30, 2016.

	2016
Annual required contribution	\$ 2,989,260
Interest on OPEB	584,407
Adjustment to annual required contribution	(819,523)
Annual OPEB cost	<u>2,754,144</u>
Allocations for implicit Rate Subsidy	(196,115)
*Contributions made	<u>(2,357,354)</u>
Increase (decrease) in net OPEB obligation	<u>200,675</u>
Net OPEB beginning of year	13,750,763
Net OPEB obligation end of year	<u><u>\$ 13,951,438</u></u>
Percentage of the annual postemployment benefit cost contributed	<u><u>92.71%</u></u>

*Assumes pay-as-you-go funding

Schedule of Employer Contributions

Fiscal Year	Annual OPEB Cost	Employer Contributions	Allocation for Implicit Rate Subsidy	Total Contribution	Percentage of OPEB Cost Contributed	Net OPEB Obligation
6/30/2014	3,561,463	859,359	178,769	1,038,128	29.15%	12,049,612
6/30/2015	2,787,338	688,884	157,149	846,033	30.35%	13,750,763
6/30/2016	2,754,144	2,357,354	196,115	2,553,469	92.71%	13,951,438

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

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

E. DEFINED CONTRIBUTION PLAN

Plan Description

Employees participating in the defined benefit plan, as described above, also participate in a defined contribution plan authorized by General Law Chapter 36-10.3. The defined contribution plan is established under IRS section 401(a) and is administered by TIAA-CREF. Employees may choose among various investment options available to plan participants. Employees contribute 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.

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

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

The East Greenwich School Department recognized pension expense of \$569,802 for the fiscal year ended June 30, 2016.

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>.

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, 2016.

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 18 - RISK MANAGEMENT

Self-insurance:

The School Department participates in a multi-employer cost reimbursement healthcare self-insurance risk pool managed by West Bay Community Health (WBCH). The School Department pays WBCH monthly premiums based upon "working rates" that are periodically adjusted to reflect changes in actual costs. Funds on deposit with WBCH are made available to pay claims, claim reserves and administrative costs. As of June 30, 2016, the reported premiums exceeded expenditures on deposit by \$680,850. Incurred but not reported (IBNR) claims, of \$207,666 resulted in a \$1,173,043 balance in the net adjusted reserve.

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

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

	Year ended June 30, 2016	Year ended June 30, 2015
Beginning cumulative surplus (deficit)	\$ 1,383,770	\$ 1,243,250
Prior period adjustment	257,091	-
Beginning cumulative surplus (deficit) - restated	1,640,861	1,243,250
Premium deposits	4,909,162	4,772,639
Incurred claims (excluding IBNR)	(4,153,312)	(4,314,049)
Administrative fees	(341,002)	(318,070)
Surplus reimbursement	(75,000)	-
Ending cash deposit balance	1,980,709	1,383,770
Estimated IBNR (two month estimate)	(207,666)	(223,602)
Net adjusted reserve	<u>\$ 1,773,043</u>	<u>\$ 1,160,168</u>

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

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

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 19 – CHANGE IN ACCOUNTING POLICY

The School Department instituted a change in accounting policy pertaining to the IBNR claims for self-insurance of the health care expenditures. The School Department will start accruing for Incurred but not Recorded (IBNR) activity subsequent to their year-end. An accrual of \$174,244 was made in the current year.

NOTE 20 - SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

Federally Assisted Programs - Compliance Audits

The Town participates in a number of federally assisted programs. The audits of these programs through the year ended June 30, 2016 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.

Arbitration Ruling

The School Department was subject to an adverse arbitration ruling in August 2015, involving grievances filed by 17 teachers who claimed they were not adequately compensated as a consequence of enlarged class sizes. The arbitration ruling exposed the School Department to claims of compensation in excess of \$200,000 which is not covered by insurance. An accrual for these legal costs in the amount of \$84,088 was made in the prior fiscal year.

NOTE 21 – 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, 2016, 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, 2016, the cleanup project was substantially complete.

NOTE 22 – PILOT AGREEMENTS

On January 13, 2000 the East Greenwich Fire District (Now part of the Town of East Greenwich see note 22) entered into an agreement with St. Elizabeth Home and/or St. Elizabeth Development Corporation to establish payments in lieu of taxes to be paid to the District by St. Elizabeth. The commencement date of the agreement was January 1, 2000 with the termination date being defined as the period in which St. Elizabeth ceases to own the "Project Taxable Properties" as defined in the agreement. The PILOT payment shall be made in annual installments equal to twenty-eight percent (28%) of the amount paid to the Town of East Greenwich in lieu of taxes paid pursuant to that certain PILOT agreement of same date between the Town of East Greenwich and St. Elizabeth. On October 24, 2005 the East Greenwich Fire District entered into an agreement with the City of Warwick to provide the City with fire protection and rescue service on a first response basis in certain areas of the City of Warwick. The City agreed to furnish all hydrants and water lines in the designated area with no charges being assessed to the District. The City will be entitled to the benefit of all third party payments and reimbursements payable with respect to fire protection and/or rescue services provided by the District to persons and properties located in the City of Warwick.

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 22 – PILOT AGREEMENTS (Continued)

In consideration for the services being provided by the District, the City will compensate the District for a period of three years commencing July 1, 2005 through June 30, 2008. Annual compensation for these services is \$279,000 which is due and payable on September 1, 2005 through and including September 1, 2007 for a total compensation of \$837,000. The contract will automatically renew for successive one year terms, unless terminated in writing by either party no sooner than 15 months nor later than 12 months prior to the expiration of the three year term. The payment during the renewal term will be the payment from the preceding year adjusted by the CPI factor using the first year of the agreement as the base year for the first adjustment and the subsequent adjustments will use the prior year as the base year. During the year ended June 30, 2016 the District received \$114,826 in accordance with the terms of this contract. The City of Warwick has completed the construction of a new fire station. The City of Warwick no longer need these services.

NOTE 23 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 20, 2017 the date the financial statements were available to be issued. As a result of this review no material subsequent events were noted.

NOTE 24 – NET POSITION RESTATEMENT

The Net Position of the prior year's Governmental Activities of the Government-Wide financial statements was restated due to a correction in the capital assets and accumulated depreciation amounts. This restatement resulted in a net increase to the net position of \$249,283.

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, 2016

	<u>Original Budget Revenues</u>	<u>Revised Budget Revenues</u>	<u>Actual Revenues</u>	<u>Variance</u>
General property tax				
Taxes - current	\$ 54,595,478	\$ 54,595,478	54,252,812	\$ (342,666)
Taxes - prior year	700,000	700,000	1,187,240	487,240
Total general property taxes	<u>55,295,478</u>	<u>55,295,478</u>	<u>55,440,052</u>	<u>144,574</u>
General revenue				
Grants and departmental revenue	32,250	32,250	33,901	1,651
Municipal court	31,500	31,500	25,376	(6,124)
School other revenues	486,000	486,000	760,893	274,893
School revenue	1,329,472	1,329,472	1,340,309	10,837
Total general revenue	<u>1,879,222</u>	<u>1,879,222</u>	<u>2,160,479</u>	<u>281,257</u>
State aid				
School housing aid	1,718,548	1,718,548	1,829,503	110,955
State aid to education	2,867,381	2,867,381	2,858,605	(8,776)
Telephone tax	178,130	178,130	162,408	(15,722)
Pilot	9,276	9,276	11,522	2,246
Motor vehicle phase out	81,789	81,789	81,417	(372)
State incentive	62,395	62,395	62,395	-
Meals tax	584,810	584,810	680,754	95,944
Total state aid	<u>5,502,329</u>	<u>5,502,329</u>	<u>5,686,604</u>	<u>184,275</u>
Licenses, permits and usage fees				
Town clerk department	469,710	469,710	579,390	109,680
Department of public works	294,600	294,600	500,002	205,402
Rescue billing - fire department	650,000	650,000	819,957	169,957
Planning	10,500	10,500	12,550	2,050
Police department	181,900	181,900	162,802	(19,098)
Total licenses, permits and usage fees	<u>1,606,710</u>	<u>1,606,710</u>	<u>2,074,701</u>	<u>467,991</u>
Interest on investments	10,000	10,000	8,513	(1,487)
Total revenues	<u>64,293,739</u>	<u>64,293,739</u>	<u>65,370,349</u>	<u>1,076,610</u>
Other financing sources				
Reappropriated fund balance	218,282	218,282	218,282	-
Total other financing sources	<u>218,282</u>	<u>218,282</u>	<u>218,282</u>	<u>-</u>
Total revenue and other financing sources	<u>\$ 64,512,021</u>	<u>\$ 64,512,021</u>	<u>\$ 65,588,631</u>	<u>\$ 1,076,610</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, 2016**

	<u>Original Budgeted Expenditures</u>	<u>Revised Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Variance</u>
Administration				
Town council				
Salaries	\$ 9,300	\$ 9,300	\$ 9,300	\$ -
Total town council	<u>9,300</u>	<u>9,300</u>	<u>9,300</u>	<u>-</u>
Town manager				
Salaries and wages	218,127	218,127	222,475	(4,348)
Outside services	7,600	7,600	8,492	(892)
Supplies	1,900	1,900	3,862	(1,962)
Total town manager	<u>227,627</u>	<u>227,627</u>	<u>234,829</u>	<u>(7,202)</u>
Town clerks				
Salaries and wages	223,952	223,952	225,014	(1,062)
Outside services	18,900	18,900	13,950	4,950
Supplies	2,400	2,400	2,125	275
Total town clerks	<u>245,252</u>	<u>245,252</u>	<u>241,089</u>	<u>4,163</u>
Town solicitor				
Outside services	172,500	172,500	641,922	(469,422)
Total town solicitor	<u>172,500</u>	<u>172,500</u>	<u>641,922</u>	<u>(469,422)</u>
Municipal court and judges				
Salaries	44,061	44,061	47,994	(3,933)
Outside services	1,500	1,500	71	1,429
Total municipal court and judges	<u>45,561</u>	<u>45,561</u>	<u>48,065</u>	<u>(2,504)</u>
Board of canvassers				
Salaries and wages	15,300	15,300	15,145	155
Outside services	5,700	5,700	6,843	(1,143)
Supplies	1,500	1,500	1,342	158
Total board of canvassers	<u>22,500</u>	<u>22,500</u>	<u>23,330</u>	<u>(830)</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, 2016**

	<u>Original Budgeted Expenditures</u>	<u>Revised Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Variance</u>
Employee benefits				
Outside services	5,607,935	5,607,935	5,501,499	106,436
Total employee benefits	<u>5,607,935</u>	<u>5,607,935</u>	<u>5,501,499</u>	<u>106,436</u>
Insurance				
Outside services	406,728	406,728	374,908	31,820
Total insurance	<u>406,728</u>	<u>406,728</u>	<u>374,908</u>	<u>31,820</u>
Contingency fund				
Outside services	12,500	12,500	12,948	(448)
Total contingency fund	<u>12,500</u>	<u>12,500</u>	<u>12,948</u>	<u>(448)</u>
Total Administration	<u>6,749,903</u>	<u>6,749,903</u>	<u>7,087,890</u>	<u>(337,987)</u>
Finance department				
Salaries	461,833	461,833	449,775	12,058
Outside services	152,100	152,100	136,759	15,341
Supplies	10,250	10,250	9,449	801
Equipment	500	500	-	500
Communications	32,000	32,000	30,704	1,296
Total finance department	<u>656,683</u>	<u>656,683</u>	<u>626,687</u>	<u>29,996</u>
Information technology				
Salaries	132,406	132,406	131,479	927
Outside services	196,527	191,527	192,260	(733)
Supplies	19,000	19,000	18,693	307
Equipment	80,412	85,412	91,286	(5,874)
Communications	83,670	83,670	79,677	3,993
Total information technology	<u>512,015</u>	<u>512,015</u>	<u>513,395</u>	<u>(1,380)</u>
Public safety				
Police department				
Salaries and wages	2,757,756	2,757,756	2,715,171	42,585
Police overtime	335,739	335,739	316,677	19,062
Outside services	35,420	35,420	31,627	3,793
Supplies	130,140	130,140	117,844	12,296
Equipment	46,500	46,500	46,271	229
Communications	3,700	3,700	3,304	396
Total police department	<u>3,309,255</u>	<u>3,309,255</u>	<u>3,230,894</u>	<u>78,361</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, 2016**

	<u>Original Budgeted Expenditures</u>	<u>Revised Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Variance</u>
Fire Department				
Salaries and wages	3,139,602	3,139,602	3,282,573	(142,971)
Outside services	472,285	472,285	481,805	(9,520)
Supplies	148,800	148,800	139,702	9,098
Total Fire District	<u>3,760,687</u>	<u>3,760,687</u>	<u>3,904,080</u>	<u>(143,393)</u>
Total public safety	<u>7,069,942</u>	<u>7,069,942</u>	<u>7,134,974</u>	<u>(65,032)</u>
Public works administration				
Salaries and wages	1,443,587	1,443,587	1,390,238	53,349
Outside services	1,084,750	1,084,750	1,054,761	29,989
Supplies and expense	1,072,007	1,072,007	1,103,832	(31,825)
Total public works administration	<u>3,600,344</u>	<u>3,600,344</u>	<u>3,548,831</u>	<u>51,513</u>
Recreation department				
Salaries and wages	177,692	177,692	176,342	1,350
Outside services	12,705	12,705	8,575	4,130
Supplies	11,450	11,450	9,193	2,257
Total recreation department	<u>201,847</u>	<u>201,847</u>	<u>194,110</u>	<u>7,737</u>
Parks & grounds				
Salaries and wages	311,861	311,861	293,055	18,806
Outside services	55,174	55,174	52,199	2,975
Supplies	60,728	60,728	53,039	7,689
Equipment	3,000	3,000	2,983	17
Total parks and grounds	<u>430,763</u>	<u>430,763</u>	<u>401,276</u>	<u>29,487</u>
Teen center				
Salaries and wages	5,000	5,000	5,096	(96)
Supplies and equipment	5,000	5,000	5,000	-
Total teen center	<u>10,000</u>	<u>10,000</u>	<u>10,096</u>	<u>(96)</u>
Town planner				
Salaries and wages	173,727	173,727	174,129	(402)
Outside services	12,275	12,275	7,987	4,288
Supplies	1,400	1,400	868	532
Equipment	500	500	452	48
Total town planner	<u>187,902</u>	<u>187,902</u>	<u>183,436</u>	<u>4,466</u>
Senior and human services				
Salaries and wages	201,058	201,058	197,530	3,528
Outside services	200	200	210	(10)
Supplies	1,100	1,100	864	236
Communications	1,400	1,400	1,571	(171)
Community services	32,500	32,500	31,693	807
Total senior and human services	<u>236,258</u>	<u>236,258</u>	<u>231,868</u>	<u>4,390</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, 2016**

	<u>Original Budgeted Expenditures</u>	<u>Revised Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Variance</u>
Grants and contributions				
Contributions	29,000	29,000	29,000	-
Total grants and contributions	<u>29,000</u>	<u>29,000</u>	<u>29,000</u>	<u>-</u>
East Greenwich Land Trust				
Insurance	1,000	1,000	-	1,000
Pilot	1,300	1,300	536	764
Building maintenance	5,000	5,000	3,979	1,021
Boesch farm rehabilitation	41,000	41,000	17,681	23,319
Total East Greenwich Land Trust	<u>48,300</u>	<u>48,300</u>	<u>22,196</u>	<u>26,104</u>
Library				
Town contributions	507,546	507,546	507,546	-
Total library	<u>507,546</u>	<u>507,546</u>	<u>507,546</u>	<u>-</u>
Capital improvements				
Capital outlays	773,163	773,163	691,440	81,723
Non capital expenditures	-	-	63,314	(63,314)
Total capital improvements	<u>773,163</u>	<u>773,163</u>	<u>754,754</u>	<u>18,409</u>
School department				
Education	36,839,228	36,839,228	36,562,067	277,161
Total school department	<u>36,839,228</u>	<u>36,839,228</u>	<u>36,562,067</u>	<u>277,161</u>
Total expenditures	<u>57,852,894</u>	<u>57,852,894</u>	<u>57,808,126</u>	<u>44,768</u>
Other financing uses				
Debt service				
Principal	4,220,833	4,220,833	4,221,833	(1,000)
Interest	2,433,304	2,433,304	2,450,718	(17,414)
Financing costs	5,000	5,000	2,607	2,393
Total debt service	<u>6,659,137</u>	<u>6,659,137</u>	<u>6,675,158</u>	<u>(16,021)</u>
Other financing uses				
Transfers to other funds	-	-	-	-
Total other financing uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures and other financing uses	<u>\$ 64,512,031</u>	<u>\$ 64,512,031</u>	<u>\$ 64,483,284</u>	<u>\$ 28,747</u>

(Concluded)

TOWN OF EAST GREENWICH, RHODE ISLAND
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2016

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, 2016:

Excess of revenues and other sources over expenditures and other uses (Non-GAAP Budgetary Basis).....	\$ 1,105,347
Less: Use of prior years fund balance	<u>(218,282)</u>
Excess of revenues and other sources over expenditures and other uses (GAAP).....	<u><u>\$ 887,065</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>	<i>\$ 65,588,631</i>	<i>\$ 64,483,284</i>
<i>Statement of Revenues, Expenditures and Changes in Fund</i>		
<i>Balances GAAP Basis</i>	<i>\$ 65,370,349</i>	<i>\$ 64,483,284</i>

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2016

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
A. Total pension liability											
1. Service Cost	\$ 103,703	\$ 99,292	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Interest on the Total Pension Liability	471,823	470,293	-	-	-	-	-	-	-	-	-
3. Changes of benefit terms	115,576	-	-	-	-	-	-	-	-	-	-
4. Difference between expected and actual experience of the Total Pension Liability	(187,642)	-	-	-	-	-	-	-	-	-	-
5. Changes of assumptions	-	(51,335)	-	-	-	-	-	-	-	-	-
6. Benefit payments, including refunds of employee contributions	(496,385)	(503,723)	-	-	-	-	-	-	-	-	-
7. Net change in total pension liability	7,075	14,527	-	-	-	-	-	-	-	-	-
8. Total pension liability – beginning	6,487,312	6,472,785	-	-	-	-	-	-	-	-	-
9. Total pension liability – ending (a)	\$ 6,494,387	\$ 6,487,312	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
B. Plan fiduciary net position											
1. Contributions – employer	\$ 78,349	\$ 59,487	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Contributions – employee	22,842	19,825	-	-	-	-	-	-	-	-	-
3. Net investment income	171,162	1,032,284	-	-	-	-	-	-	-	-	-
4. Benefit payments, including refunds of employee contributions	(496,385)	(503,723)	-	-	-	-	-	-	-	-	-
5. Pension Plan Administrative Expense	(6,879)	(6,464)	-	-	-	-	-	-	-	-	-
6. Other	(215,978)	(189,935)	-	-	-	-	-	-	-	-	-
7. Net change in plan fiduciary net position	(446,889)	411,474	-	-	-	-	-	-	-	-	-
8. Plan fiduciary net position – beginning	7,750,529	7,339,055	-	-	-	-	-	-	-	-	-
9. Plan fiduciary net position – ending (b)	\$ 7,303,640	\$ 7,750,529	-	-	-	-	-	-	-	-	-
C. Net pension liability/(asset) - ending (a) - (b)	(809,253)	(1,263,217)	-	-	-	-	-	-	-	-	-
D. Plan fiduciary net position as a percentage of the total pension liability	112.46%	119.47%	-	-	-	-	-	-	-	-	-
E. Covered employee payroll	\$ 1,142,107	\$ 1,093,519	-	-	-	-	-	-	-	-	-
F. Net pension liability as a percentage of covered payroll	-70.86%	-115.52%	-	-	-	-	-	-	-	-	-

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Actuarially determined contribution	\$ 61,724	\$ 78,349	\$ 59,487	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	61,724	78,349	59,487	-	-	-	-	-	-	-	-
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-	-
Covered-employee payroll	1,158,274	1,142,107	1,093,519	-	-	-	-	-	-	-	-
Contributions as a percentage of covered-employee payroll	5.33%	6.86%	5.44%	0%	0%	0%	0%	0%	0%	0%	0%

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

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2016

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
A. Total pension liability										
1. Service Cost	519,936	\$ 532,162	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Interest on the Total Pension Liability	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	100,087	-	-	-	-	-	-	-	-	-
5. Changes of assumptions	-	(64,708)	-	-	-	-	-	-	-	-
6. Benefit payments, including refunds of employee contributions	(874,547)	(835,413)	-	-	-	-	-	-	-	-
7. Net change in total pension liability	1,464,929	962,070	-	-	-	-	-	-	-	-
8. Total pension liability – beginning	18,847,420	17,885,350	-	-	-	-	-	-	-	-
9. Total pension liability – ending (a)	\$ 20,312,349	\$ 18,847,420	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
B. Plan fiduciary net position										
1. Contributions – employer	\$ 392,668	\$ 322,223	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Contributions – employee	114,931	113,285	-	-	-	-	-	-	-	-
3. Net investment income	496,830	2,795,391	-	-	-	-	-	-	-	-
4. Benefit payments, including refunds of employee contributions	(874,547)	(835,413)	-	-	-	-	-	-	-	-
5. Pension Plan Administrative Expense	(16,732)	(17,505)	-	-	-	-	-	-	-	-
6. Other	98,895	2,356	-	-	-	-	-	-	-	-
7. Net change in plan fiduciary net position	212,045	2,380,337	-	-	-	-	-	-	-	-
8. Plan fiduciary net position – beginning	20,988,173	18,607,836	-	-	-	-	-	-	-	-
9. Plan fiduciary net position – ending (b)	\$ 21,200,218	\$ 20,988,173	-	-	-	-	-	-	-	-
C. Net pension liability/(asset) - ending (a) - (b)	(887,869)	(2,140,753)	-	-	-	-	-	-	-	-
D. Plan fiduciary net position as a percentage of the total pension liability	104.37%	111.36%	-	-	-	-	-	-	-	-
E. Covered employee payroll	5,726,172	\$ 5,526,086	-	-	-	-	-	-	-	-
F. Net pension liability as a percentage of covered payroll	-15.51%	-38.74%	-	-	-	-	-	-	-	-

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Actuarially determined contribution	\$ 310,590	\$ 379,303	\$ 322,223	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	310,590	379,303	322,223	-	-	-	-	-	-	-
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Covered-employee payroll	5,836,278	5,547,710	5,526,086	-	-	-	-	-	-	-
Contributions as a percentage of covered-employee payroll	5.32%	6.84%	5.83%	0%	0%	0%	0%	0%	0%	0%

Notes:

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

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2016

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
A. Total pension liability										
1. Service Cost	\$ 3,849	\$ 3,139	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Interest on the Total Pension Liability	25,448	25,307	-	-	-	-	-	-	-	-
3. Changes of benefit terms	5,514	-	-	-	-	-	-	-	-	-
4. Difference between expected and actual experience of the Total Pension Liability	-	-	-	-	-	-	-	-	-	-
5. Changes of assumptions	(17,586)	(5,663)	-	-	-	-	-	-	-	-
6. Benefit payments, including refunds of employee contributions	(21,252)	(21,263)	-	-	-	-	-	-	-	-
7. Net change in total pension liability	(4,027)	1,520	-	-	-	-	-	-	-	-
8. Total pension liability – beginning	348,004	346,484	-	-	-	-	-	-	-	-
9. Total pension liability – ending (a)	\$ 343,977	\$ 348,004	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
B. Plan fiduciary net position										
1. Contributions – employer	\$ 7,766	\$ 4,970	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Contributions – employee	987	747	-	-	-	-	-	-	-	-
3. Net investment income	7,556	43,637	-	-	-	-	-	-	-	-
4. Benefit payments, including refunds of employee contributions	(21,252)	(21,263)	-	-	-	-	-	-	-	-
5. Pension Plan Administrative Expense	(303)	(273)	-	-	-	-	-	-	-	-
6. Other	(1)	1	-	-	-	-	-	-	-	-
7. Net change in plan fiduciary net position	(5,247)	27,819	-	-	-	-	-	-	-	-
8. Plan fiduciary net position – beginning	327,633	299,814	-	-	-	-	-	-	-	-
9. Plan fiduciary net position – ending (b)	\$ 322,386	\$ 327,633	-	-	-	-	-	-	-	-
C. Net pension liability/(asset) - ending (a) - (b)	21,591	20,371	-	-	-	-	-	-	-	-
D. Plan fiduciary net position as a percentage of the total pension liability	93.72%	94.15%	-	-	-	-	-	-	-	-
E. Covered employee payroll	\$ 49,341	\$ 37,371	-	-	-	-	-	-	-	-
F. Net pension liability as a percentage of covered payroll	43.76%	54.51%	-	-	-	-	-	-	-	-

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Actuarially determined contribution	\$ 929	\$ 7,766	\$ 4,970	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	929	7,766	4,970	-	-	-	-	-	-	-
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Covered-employee payroll	10,334	49,341	37,371	-	-	-	-	-	-	-
Contributions as a percentage of covered-employee payroll	8.99%	15.74%	13.30%	0%	0%	0%	0%	0%	0%	0%

Notes:

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

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2016

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

Lat 10 Fiscal Years

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
A. Total pension liability											
1. Service Cost	\$ 390,013	\$ 372,758	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Interest on the Total Pension Liability	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	51,859	-	-	-	-	-	-	-	-	-	-
5. Changes of assumptions	-	(96,981)	-	-	-	-	-	-	-	-	-
6. Benefit payments, including refunds of employee contributions	(1,100,046)	(1,063,538)	-	-	-	-	-	-	-	-	-
7. Net change in total pension liability	1,237,306	546,660	-	-	-	-	-	-	-	-	-
8. Total pension liability – beginning	18,684,328	18,137,668	-	-	-	-	-	-	-	-	-
9. Total pension liability – ending (a)	\$ 19,921,634	\$ 18,684,328	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
B. Plan fiduciary net position											
1. Contributions – employer	\$ 565,061	\$ 410,654	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Contributions – employee	173,534	164,093	-	-	-	-	-	-	-	-	-
3. Net investment income	321,983	1,838,387	-	-	-	-	-	-	-	-	-
4. Benefit payments, including refunds of employee contributions	(1,100,046)	(1,063,538)	-	-	-	-	-	-	-	-	-
5. Pension Plan Administrative Expense	(11,067)	(11,512)	-	-	-	-	-	-	-	-	-
6. Other	(12,993)	1	-	-	-	-	-	-	-	-	-
7. Net change in plan fiduciary net position	(63,528)	1,338,085	-	-	-	-	-	-	-	-	-
8. Plan fiduciary net position – beginning	13,802,863	12,464,778	-	-	-	-	-	-	-	-	-
9. Plan fiduciary net position – ending (b)	\$ 13,739,335	\$ 13,802,863	-	-	-	-	-	-	-	-	-
C. Net pension liability/(asset) - ending (a) - (b)	6,182,299	4,881,465	-	-	-	-	-	-	-	-	-
D. Plan fiduciary net position as a percentage of the total pension liability	68.97%	73.87%	-	-	-	-	-	-	-	-	-
E. Covered employee payroll	\$ 2,169,150	\$ 2,084,775	-	-	-	-	-	-	-	-	-
F. Net pension liability as a percentage of covered payroll	285.01%	234.15%	-	-	-	-	-	-	-	-	-

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Actuarially determined contribution	\$ 641,008	\$ 565,061	\$ 410,654	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	641,008	565,061	410,654	-	-	-	-	-	-	-	-
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-	-
Covered-employee payroll	2,292,658	2,169,150	2,084,775	-	-	-	-	-	-	-	-
Contributions as a percentage of covered-employee payroll	27.96%	26.05%	19.70%	0%	0%	0%	0%	0%	0%	0%	0%

Notes:

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

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2016

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
A. Total pension liability										
1. Service Cost	\$ 408,699	\$ 391,401	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Interest on the Total Pension Liability	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	151,465	-	-	-	-	-	-	-	-	-
5. Changes of assumptions	-	(111,133)	-	-	-	-	-	-	-	-
6. Benefit payments, including refunds of employee contributions	(1,051,556)	(1,060,261)	-	-	-	-	-	-	-	-
7. Net change in total pension liability	1,306,126	426,915	-	-	-	-	-	-	-	-
8. Total pension liability – beginning	16,853,446	16,426,531	-	-	-	-	-	-	-	-
9. Total pension liability – ending (a)	\$ 18,159,572	\$ 16,853,446	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
B. Plan fiduciary net position										
1. Contributions – employer	\$ 623,185	\$ 455,828	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Contributions – employee	195,953	184,574	-	-	-	-	-	-	-	-
3. Net investment income	260,782	1,477,703	-	-	-	-	-	-	-	-
4. Benefit payments, including refunds of employee contributions	(1,051,556)	(1,060,261)	-	-	-	-	-	-	-	-
5. Pension Plan Administrative Expense	(10,467)	(9,253)	-	-	-	-	-	-	-	-
6. Other	15,104	2,462	-	-	-	-	-	-	-	-
7. Net change in plan fiduciary net position	33,001	1,051,053	-	-	-	-	-	-	-	-
8. Plan fiduciary net position – beginning	11,094,796	10,043,743	-	-	-	-	-	-	-	-
9. Plan fiduciary net position – ending (b)	\$ 11,127,797	\$ 11,094,796	-	-	-	-	-	-	-	-
C. Net pension liability/(asset) - ending (a) - (b)	7,031,775	5,758,650	-	-	-	-	-	-	-	-
D. Plan fiduciary net position as a percentage of the total pension liability	61.28%	65.83%	-	-	-	-	-	-	-	-
E. Covered employee payroll	\$ 2,385,864	\$ 2,296,956	-	-	-	-	-	-	-	-
F. Net pension liability as a percentage of covered payroll	294.73%	250.71%	-	-	-	-	-	-	-	-

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Actuarially determined contribution	\$ 666,079	\$ 623,185	\$ 455,828	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	666,079	623,185	455,828	-	-	-	-	-	-	-
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Covered-employee payroll	2,515,401	2,369,477	2,296,956	-	-	-	-	-	-	-
Contributions as a percentage of covered-employee payroll	26.48%	26.30%	19.84%	0%	0%	0%	0%	0%	0%	0%

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

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2016

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

	Fiscal Year Ending June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Actuarially determined contribution	\$ 2,314,652	\$ 2,179,538	-	-	-	-	-	-	-	-
Contributions in relation to the actuarially determined contribution	2,314,652	2,179,538	-	-	-	-	-	-	-	-
Contribution deficiency/(excess)	-	-	-	-	-	-	-	-	-	-
Covered employee payroll	17,784,726	16,931,742	-	-	-	-	-	-	-	-
Contributions as a percentage of covered-employee payroll	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,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
East Greenwich proportion of the net pension liability	0.96922104%	0.98234027%	-	-	-	-	-	-	-	-
East Greenwich proportionate share of the net pension liability	26,682,681	23,910,166	-	-	-	-	-	-	-	-
State's proportionate share of the net pension liability associated with the school district	18,228,770	16,396,302	-	-	-	-	-	-	-	-
East Greenwich covered payroll	17,784,726	16,931,742	-	-	-	-	-	-	-	-
East Greenwich proportionate share of the net pension liability as a percentage of it's covered employee payroll	150.03%	141.22%	-	-	-	-	-	-	-	-
Plan fiduciary net position as a % of the total pension liability	57.6%	61.4%	-	-	-	-	-	-	-	-

Notes:

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

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2016

Schedule of East Greenwich Contributions

Last 10 Fiscal Years

Teachers Survivor Benefit Plan

	Fiscal Year Ending June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Statutorily determined contribution	\$ 22,545	\$ 21,984	-	-	-	-	-	-	-	-
Contributions in relation to the actuarially determined contribution	22,545	21,984	-	-	-	-	-	-	-	-
Contribution deficiency/(excess)	-	-	-	-	-	-	-	-	-	-
Covered employee payroll	17,784,726	16,931,742	-	-	-	-	-	-	-	-
Contributions as a percentage of covered-employee payroll	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,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
East Greenwich proportion of the net pension asset	3.64342859%	3.66518874%	-	-	-	-	-	-	-	-
East Greenwich proportionate share of the net pension asset	3,401,345	4,556,589	-	-	-	-	-	-	-	-
East Greenwich covered payroll	17,784,726	16,931,742	-	-	-	-	-	-	-	-
East Greenwich proportionate share of the net pension liability as a percentage of it's covered employee payroll	19.13%	26.91%	-	-	-	-	-	-	-	-
Plan fiduciary net position as a % of the total pension liability	173.3%	173.3%	-	-	-	-	-	-	-	-

Notes:

- 1.) Employers participating in the Teachers' Survivor's Benefit Plan contribute at a rate established
- 2.) 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, 2016

	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	\$ 481,176	\$ -	\$ 61,413	\$ 735,417	\$ 278,262	\$ 1,556,268
Investments	-	-	-	-	33,228	33,228
Internal balances	7,971,446	1,090,482	11,682,277	5,290,101	158,751	26,193,057
Due from other governments	-	-	344,232	-	-	344,232
Other receivables	27,882	-	-	-	-	27,882
Inventories	-	-	5,083	-	-	5,083
TOTAL ASSETS	\$ 8,480,504	\$ 1,090,482	\$ 12,093,005	\$ 6,025,518	\$ 470,241	\$ 28,159,750
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable and accrued expenses	\$ 31,342	\$ 447	\$ 105,073	\$ 501,529	\$ -	\$ 638,391
Internal balances	6,160,808	839,675	11,919,843	5,419,359	61,343	24,401,028
Unearned revenue	-	-	688	-	-	688
Total liabilities	6,192,150	840,122	12,025,604	5,920,888	61,343	25,040,107
Fund balances						
<i>Nonspendable</i>						
Permanent fund principal	-	-	-	-	408,898	408,898
<i>Restricted for:</i>						
Educational programs	-	-	132,876	-	-	132,876
Public works programs	1,138,781	-	-	-	-	1,138,781
<i>Assigned for:</i>						
Legislative, judicial	-	106,508	-	-	-	106,508
Public safety programs	797,504	50,913	-	-	-	848,417
Community programs	-	93,212	-	-	-	93,212
Public works programs	64,181	-	-	4,280	-	68,461
Culture and recreation	296,091	-	-	100,350	-	396,441
<i>Unassigned</i>	(8,203)	(273)	(65,475)	-	-	(73,951)
Total fund balances (deficits)	2,288,354	250,360	67,401	104,630	408,898	3,119,643
TOTAL LIABILITIES AND FUND BALANCES	\$ 8,480,504	\$ 1,090,482	\$ 12,093,005	\$ 6,025,518	\$ 470,241	\$ 28,159,750

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, 2016

	<u>Town Special Revenue Funds</u>	<u>Town Special Revenue Projects Fund</u>	<u>School Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Town Permanent Funds</u>	<u>Total Non-Major Governmental Funds</u>
Revenues						
Intergovernmental revenue	\$ 166,746	\$ 77,112	\$ 894,137	\$ -	\$ -	\$ 1,137,995
Earnings on investments	18,526	-	-	-	976	19,502
Other revenue	377,469	-	411,451	-	-	788,920
Total revenues	<u>562,741</u>	<u>77,112</u>	<u>1,305,588</u>	<u>-</u>	<u>976</u>	<u>1,946,417</u>
Expenditures						
Legislative	1,209,840	-	-	-	-	1,209,840
Public safety	277,146	29,025	-	-	9,390	315,561
Public health and welfare	306,255	52,460	-	-	-	358,715
Education	-	-	1,379,037	-	-	1,379,037
Non capital expenditures	21,763	-	-	1,475,388	-	1,497,151
Capital outlay	16,141	-	-	946,964	-	963,105
Total expenditures	<u>1,831,145</u>	<u>81,485</u>	<u>1,379,037</u>	<u>2,422,352</u>	<u>9,390</u>	<u>5,723,409</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	(1,268,404)	(4,373)	(73,449)	(2,422,352)	(8,414)	(3,776,992)
Other financing sources (uses)						
Issuance of debt	-	-	-	1,475,388	-	1,475,388
Transfers from other funds	-	-	8,627	-	-	8,627
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>8,627</u>	<u>1,475,388</u>	<u>-</u>	<u>1,484,015</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	<u>(1,268,404)</u>	<u>(4,373)</u>	<u>(64,822)</u>	<u>(946,964)</u>	<u>(8,414)</u>	<u>(2,292,977)</u>
Fund balances - beginning	<u>3,556,758</u>	<u>254,733</u>	<u>132,223</u>	<u>1,051,594</u>	<u>417,312</u>	<u>5,412,620</u>
Fund balances - ending	<u>\$ 2,288,354</u>	<u>\$ 250,360</u>	<u>\$ 67,401</u>	<u>\$ 104,630</u>	<u>\$ 408,898</u>	<u>\$ 3,119,643</u>

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
Town Special Revenue Funds
Combining Balance Sheet - Non-Major Governmental Funds
June 30, 2016

	Recreation Development Fund 0017	Impact Fees 0044	Courthouse Fund 0019	Community Development 0028	Substance Abuse 0029	EMA Funds 0016	Comprehensive Plan Land Use 0034
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Internal balances	202,349	2,511,931	730,617	1,938,083	-	51,330	127,998
Other receivables	-	-	-	27,882	-	-	-
TOTAL ASSETS	<u>\$ 202,349</u>	<u>\$ 2,511,931</u>	<u>\$ 730,617</u>	<u>\$ 1,965,965</u>	<u>\$ -</u>	<u>\$ 51,330</u>	<u>\$ 127,998</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable and accrued expenses	\$ 135	\$ -	\$ -	\$ 20,684	\$ -	\$ -	\$ -
Internal balances	171,438	1,373,150	714,554	1,953,484	-	19,368	54,130
Total liabilities	<u>171,573</u>	<u>1,373,150</u>	<u>714,554</u>	<u>1,974,168</u>	<u>-</u>	<u>19,368</u>	<u>54,130</u>
Fund balances							
<i>Restricted for:</i>							
Public works programs	-	1,138,781	-	-	-	-	-
<i>Assigned for:</i>							
Public safety programs	-	-	-	-	-	31,962	-
Public works programs	-	-	16,063	-	-	-	-
Culture and recreation	30,776	-	-	-	-	-	73,868
<i>Unassigned</i>							
	-	-	-	(8,203)	-	-	-
Total fund balances (deficits)	<u>30,776</u>	<u>1,138,781</u>	<u>16,063</u>	<u>(8,203)</u>	<u>-</u>	<u>31,962</u>	<u>73,868</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 202,349</u>	<u>\$ 2,511,931</u>	<u>\$ 730,617</u>	<u>\$ 1,965,965</u>	<u>\$ -</u>	<u>\$ 51,330</u>	<u>\$ 127,998</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
Town Special Revenue Funds
Combining Balance Sheet - Non-Major Governmental Funds
June 30, 2016

	Plan Review 0052	Recreation Activities Fund 0018	Farmer's Market 0022	Smoke Detector 0051	Muni Recycling Program 0032	Machinery Equipment 0059	GASB 45 0038
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Internal balances	170,118	1,849,395	33,484	28,929	81,254	245,956	-
Other receivables	-	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 170,118</u>	<u>\$ 1,849,395</u>	<u>\$ 33,484</u>	<u>\$ 28,929</u>	<u>\$ 81,254</u>	<u>\$ 245,956</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable and accrued expenses	\$ -	\$ 10,473	\$ 50	\$ -	\$ -	\$ -	\$ -
Internal balances	34,880	1,655,775	25,134	375	33,136	3,720	-
Total liabilities	<u>34,880</u>	<u>1,666,248</u>	<u>25,184</u>	<u>375</u>	<u>33,136</u>	<u>3,720</u>	<u>-</u>
Fund balances							
<i>Restricted for:</i>							
Public works programs	-	-	-	-	-	-	-
<i>Assigned for:</i>							
Public safety programs	135,238	-	-	28,554	-	242,236	-
Public works programs	-	-	-	-	48,118	-	-
Culture and recreation	-	183,147	8,300	-	-	-	-
<i>Unassigned</i>							
	-	-	-	-	-	-	-
Total fund balances (deficits)	<u>135,238</u>	<u>183,147</u>	<u>8,300</u>	<u>28,554</u>	<u>48,118</u>	<u>242,236</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 170,118</u>	<u>\$ 1,849,395</u>	<u>\$ 33,484</u>	<u>\$ 28,929</u>	<u>\$ 81,254</u>	<u>\$ 245,956</u>	<u>\$ -</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
Town Special Revenue Funds
Combining Balance Sheet - Non-Major Governmental Funds
June 30, 2016

	<u>0060</u> <u>Impact Fees</u>	<u>Totals</u>
ASSETS		
Cash and cash equivalents	\$ 481,176	\$ 481,176
Internal balances	2	7,971,446
Other receivables	-	27,882
TOTAL ASSETS	<u>\$ 481,178</u>	<u>\$ 8,480,504</u>
 LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable and accrued expenses	\$ -	\$ 31,342
Internal balances	121,664	6,160,808
Total liabilities	<u>121,664</u>	<u>6,192,150</u>
 Fund balances		
<i>Restricted for:</i>		
Public works programs	-	1,138,781
<i>Assigned for:</i>		
Public safety programs	359,514	797,504
Public works programs	-	64,181
Culture and recreation	-	296,091
<i>Unassigned</i>	-	(8,203)
Total fund balances (deficits)	<u>359,514</u>	<u>2,288,354</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 481,178</u>	<u>\$ 8,480,504</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, 2016

	Recreation Development Fund 0017	Impact Fees 0044	Courthouse Fund 0019	Community Development 0028	Substance Abuse 0029	EMA Funds 0016	Comprehensive Plan Land Use 0034
Revenues							
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ 148,213	\$ -		-
Interest on investments	-	-	-	-	-	-	-
Other revenue	-	94,806	30,000	-	-		-
Total revenues	<u>-</u>	<u>94,806</u>	<u>30,000</u>	<u>148,213</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures							
Legislative	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Public health and welfare	6,847	-	-	146,168	1,230	-	-
Non capital expenditures	-	-	21,763	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Total expenditures	<u>6,847</u>	<u>-</u>	<u>21,763</u>	<u>146,168</u>	<u>1,230</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under)							
expenditures before other financing sources (uses)	(6,847)	94,806	8,237	2,045	(1,230)	-	-
Other financing sources (uses)							
Operating transfers from (to) other funds	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other sources							
over (under) expenditures	<u>(6,847)</u>	<u>94,806</u>	<u>8,237</u>	<u>2,045</u>	<u>(1,230)</u>	<u>-</u>	<u>-</u>
Fund balances - beginning	<u>37,623</u>	<u>1,043,975</u>	<u>7,826</u>	<u>(10,248)</u>	<u>1,230</u>	<u>31,962</u>	<u>73,868</u>
Fund balances - ending	<u>\$ 30,776</u>	<u>\$ 1,138,781</u>	<u>\$ 16,063</u>	<u>\$ (8,203)</u>	<u>\$ -</u>	<u>\$ 31,962</u>	<u>\$ 73,868</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
Town Special Revenue Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance - Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2016

	Plan Review 0052	Recreation Activities Fund 0018	Farmer's Market 0022	Smoke Detector 0051	Muni Recycling Progarm 0032	Machinery Equipment 0059	GASB 45 0038
Revenues							
Intergovernmental revenue	\$ -	\$ -	\$ 1,968	\$ 7,696	\$ 8,869	\$ -	\$ -
Interest on investments	-	-	-	-	-	11,887	-
Other revenue	123,716	128,947	-	-	-	-	-
Total revenues	<u>123,716</u>	<u>128,947</u>	<u>1,968</u>	<u>7,696</u>	<u>8,869</u>	<u>11,887</u>	<u>-</u>
Expenditures							
Legislative	-	-	-	-	-	-	1,209,840
Public safety	11,021	-	4,852	-	-	140,841	-
Public health and welfare	-	139,969	-	-	12,041	-	-
Non capital expenditures	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	16,141	-
Total expenditures	<u>11,021</u>	<u>139,969</u>	<u>4,852</u>	<u>-</u>	<u>12,041</u>	<u>156,982</u>	<u>1,209,840</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	112,695	(11,022)	(2,884)	7,696	(3,172)	(145,095)	(1,209,840)
Other financing sources (uses)							
Operating transfers from (to) other funds	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures	<u>112,695</u>	<u>(11,022)</u>	<u>(2,884)</u>	<u>7,696</u>	<u>(3,172)</u>	<u>(145,095)</u>	<u>(1,209,840)</u>
Fund balances - beginning	22,543	194,169	11,184	20,858	51,290	387,331	1,209,840
Fund balances - ending	<u>\$ 135,238</u>	<u>\$ 183,147</u>	<u>\$ 8,300</u>	<u>\$ 28,554</u>	<u>\$ 48,118</u>	<u>\$ 242,236</u>	<u>\$ -</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, 2016

	0060 Impact Fees	Totals
Revenues		
Intergovernmental revenue	\$ -	\$ 166,746
Interest on investments	6,639	18,526
Other revenue	-	377,469
Total revenues	6,639	562,741
Expenditures		
Legislative	-	1,209,840
Public safety	120,432	277,146
Public health and welfare	-	306,255
Non capital expenditures	-	21,763
Capital outlay	-	16,141
Total expenditures	120,432	1,831,145
Excess (deficiency) of revenues over (under)		
expenditures before other financing sources (uses)	(113,793)	(1,268,404)
Other financing sources (uses)		
Operating transfers from (to) other funds	-	-
Total other financing sources (uses)	-	-
Excess of revenues and other sources		
over (under) expenditures	(113,793)	(1,268,404)
Fund balances - beginning	473,307	3,556,758
Fund balances - ending	\$ 359,514	\$ 2,288,354

(Concluded)

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
Combining Balance Sheet - Non-Major Governmental Funds
Special Revenue Project Funds - Town - Fund 0036
June 30, 2016

	<u>Juvenile Hearing Board</u>	<u>Police Seizures State</u>	<u>Main Street Stroll</u>	<u>Tobacco Grant</u>	<u>Affordable Housing</u>	<u>Alcohol Compliance</u>	<u>Energy Grant ARRA/EPA</u>
ASSETS							
Due from other governments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Internal balances	4,504	139,313	59,465	3,028	63,130	4,360	176,584
TOTAL ASSETS	<u>\$ 4,504</u>	<u>\$ 139,313</u>	<u>\$ 59,465</u>	<u>\$ 3,028</u>	<u>\$ 63,130</u>	<u>\$ 4,360</u>	<u>\$ 176,584</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable and accrued expenses		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Internal balances	828	123,351	54,360	2,887	5,198	4,360	166,727
Total liabilities	<u>828</u>	<u>123,351</u>	<u>54,360</u>	<u>2,887</u>	<u>5,198</u>	<u>4,360</u>	<u>166,727</u>
Fund balances							
<i>Assigned for:</i>							
Legislative, judicial	-	-	-	-	-	-	-
Public safety programs	3,676	15,962	-	141	-	-	-
Community programs	-	-	5,105	-	57,932	-	9,857
<i>Unassigned</i>	-	-	-	-	-	-	-
Total fund balances (deficits)	<u>3,676</u>	<u>15,962</u>	<u>5,105</u>	<u>141</u>	<u>57,932</u>	<u>-</u>	<u>9,857</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 4,504</u>	<u>\$ 139,313</u>	<u>\$ 59,465</u>	<u>\$ 3,028</u>	<u>\$ 63,130</u>	<u>\$ 4,360</u>	<u>\$ 176,584</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
Combining Balance Sheet - Non-Major Governmental Funds
Special Revenue Project Funds - Town - Fund 0036
June 30, 2016

	Byrne Grant	Car Seat	Animal Enforcement	Senior Services	Document Preservation & Technology	Historic Trust Fund	Energy Performance Grant
ASSETS							
Due from other governments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Internal balances	87,514	2,925	26,696	84,032	177,333	52,905	9,731
TOTAL ASSETS	<u>\$ 87,514</u>	<u>\$ 2,925</u>	<u>\$ 26,696</u>	<u>\$ 84,032</u>	<u>\$ 177,333</u>	<u>\$ 52,905</u>	<u>\$ 9,731</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable and accrued expenses	\$ -	\$ -	\$ 447	\$ -	\$ -	\$ -	\$ -
Internal balances	87,695	2,925	846	77,999	112,137	11,593	9,731
Total liabilities	<u>87,695</u>	<u>2,925</u>	<u>1,293</u>	<u>77,999</u>	<u>112,137</u>	<u>11,593</u>	<u>9,731</u>
Fund balances							
<i>Assigned for:</i>							
Legislative, judicial	-	-	-	-	65,196	41,312	-
Public safety programs	-	-	25,403	-	-	-	-
Community programs	-	-	-	6,033	-	-	-
<i>Unassigned</i>	(181)	-	-	-	-	-	-
Total fund balances (deficits)	<u>(181)</u>	<u>-</u>	<u>25,403</u>	<u>6,033</u>	<u>65,196</u>	<u>41,312</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 87,514</u>	<u>\$ 2,925</u>	<u>\$ 26,696</u>	<u>\$ 84,032</u>	<u>\$ 177,333</u>	<u>\$ 52,905</u>	<u>\$ 9,731</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
Combining Balance Sheet - Non-Major Governmental Funds
Special Revenue Project Funds - Town - Fund 0036
June 30, 2016

	<u>Holiday Basket</u>	<u>Police Seizures Federal</u>	<u>NHTSA Grant</u>	<u>Spay & Neuter</u>	<u>ISSP Grant</u>	<u>Totals</u>
ASSETS						
Due from other governments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Internal balances	81,943	52,587	16,950	2,294	45,188	1,090,482
TOTAL ASSETS	<u>\$ 81,943</u>	<u>\$ 52,587</u>	<u>\$ 16,950</u>	<u>\$ 2,294</u>	<u>\$ 45,188</u>	<u>\$ 1,090,482</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -	447
Internal balances	67,658	46,856	16,950	2,386	45,188	839,675
Total liabilities	<u>67,658</u>	<u>46,856</u>	<u>16,950</u>	<u>2,386</u>	<u>45,188</u>	<u>840,122</u>
Fund balances						
<i>Assigned for:</i>						
Legislative, judicial	-	-	-	-	-	106,508
Public safety programs	-	5,731	-	-	-	50,913
Community programs	14,285	-	-	-	-	93,212
<i>Unassigned</i>	-	-	-	(92)	-	(273)
Total fund balances (deficits)	<u>14,285</u>	<u>5,731</u>	<u>-</u>	<u>(92)</u>	<u>-</u>	<u>250,360</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 81,943</u>	<u>\$ 52,587</u>	<u>\$ 16,950</u>	<u>\$ 2,294</u>	<u>\$ 45,188</u>	<u>\$ 1,090,482</u>

(Concluded)

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance - Non-Major Governmental Funds
Special Revenue Project Funds - Town - Fund 0036
For the Fiscal Year Ended June 30, 2016

	Juvenile Hearing Board	Police Seizures State	Main Street Stroll	Tobacco Grant	Affordable Housing	Alcohol Compliance	Energy Grant ARRA/EPA
Revenues							
Intergovernmental revenue		\$ 919	\$ -	\$ 958	\$ -	\$ 593	\$ 1
Total revenues	-	919	-	958	-	593	1
Expenditures							
Public safety	-	25,584	-	958	-	593	-
Public health and welfare	-	-	-	-	-	-	-
Total expenditures	-	25,584	-	958	-	593	-
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	-	(24,665)	-	-	-	-	1
Other financing sources (uses)							
Transfers from other funds	-	-	-	-	-	-	-
Transfers to other funds	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	(24,665)	-	-	-	-	1
Fund balances - beginning	3,676	40,627	5,105	141	57,932	-	9,856
Fund balances - ending	\$ 3,676	\$ 15,962	\$ 5,105	\$ 141	\$ 57,932	\$ -	\$ 9,857

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance - Non-Major Governmental Funds
Special Revenue Project Funds - Town - Fund 0036
For the Fiscal Year Ended June 30, 2016

	<u>Byrne Grant</u>	<u>Car Seat</u>	<u>Animal Enforcement</u>	<u>Senior Services</u>	<u>Document Preservation & Technology</u>	<u>Historic Trust Fund</u>	<u>Energy Performance Grant</u>
Revenues							
Intergovernmental revenue	\$ 8,342	\$ 597	\$ 1,450	\$ 5,658	\$ 14,180	\$ 3,171	\$ -
Total revenues	<u>8,342</u>	<u>597</u>	<u>1,450</u>	<u>5,658</u>	<u>14,180</u>	<u>3,171</u>	<u>-</u>
Expenditures							
Public safety	-	597	1,293	-	-	-	-
Public health and welfare	8,342	-	-	16,080	1,313	1,890	-
Total expenditures	<u>8,342</u>	<u>597</u>	<u>1,293</u>	<u>16,080</u>	<u>1,313</u>	<u>1,890</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	-	-	157	(10,422)	12,867	1,281	-
Other financing sources (uses)							
Transfers from other funds	-	-	-	-	-	-	-
Transfers to other funds	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	157	(10,422)	12,867	1,281	-
Fund balances - beginning	(181)	-	25,246	16,455	52,329	40,031	-
Fund balances - ending	<u>\$ (181)</u>	<u>\$ -</u>	<u>\$ 25,403</u>	<u>\$ 6,033</u>	<u>\$ 65,196</u>	<u>\$ 41,312</u>	<u>\$ -</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance - Non-Major Governmental Funds
Special Revenue Project Funds - Town - Fund 0036
For the Fiscal Year Ended June 30, 2016

	<u>Holiday Basket</u>	<u>Police Seizures Federal</u>	<u>NHTSA Grant</u>	<u>Spay & Neuter</u>	<u>ISSP Grant</u>	<u>Totals</u>
Revenues						
Intergovernmental revenue	\$ 4,017	\$ 10,574	\$ 4,068	\$ 725	\$ 21,859	77,112
Total revenues	<u>4,017</u>	<u>10,574</u>	<u>4,068</u>	<u>725</u>	<u>21,859</u>	<u>77,112</u>
Expenditures						
Public safety	-	-	-	-	-	29,025
Public health and welfare	2,300	-	-	676	21,859	52,460
Total expenditures	<u>2,300</u>	<u>-</u>	<u>-</u>	<u>676</u>	<u>21,859</u>	<u>81,485</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	1,717	10,574	4,068	49	-	(4,373)
Other financing sources (uses)						
Transfers from other funds	-	-	-	-	-	-
Transfers to other funds	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,717</u>	<u>10,574</u>	<u>4,068</u>	<u>49</u>	<u>-</u>	<u>(4,373)</u>
Fund balances - beginning	12,568	(4,843)	(4,068)	(141)	-	254,733
Fund balances - ending	<u>\$ 14,285</u>	<u>\$ 5,731</u>	<u>\$ -</u>	<u>\$ (92)</u>	<u>\$ -</u>	<u>\$ 250,360</u>

(Concluded)

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
School Special Revenue Restricted Funds
Combining Balance Sheet - Non-Major Governmental Funds
June 30, 2016

	Title I 2102	Title III 2105	RTTT Instructional 2127	Computer Fund 0083	EDC 2413	NEA Foundation 2130	IDEA Preschool 2181	IDEA State Program 2183
ASSETS								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Internal balances	973,204	590	25,741	10,148	11,577	5,000	128,448	-
Due from other governments	37,283	-	-	-	-	-	4,289	3,409
Inventory	-	-	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 1,010,487</u>	<u>\$ 590</u>	<u>\$ 25,741</u>	<u>\$ 10,148</u>	<u>\$ 11,577</u>	<u>\$ 5,000</u>	<u>\$ 132,737</u>	<u>\$ 3,409</u>
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts payable and accrued expenses	\$ 5,505	\$ -	\$ -	\$ -	\$ 116	\$ -	\$ -	\$ -
Internal balances	1,004,982	590	24,515	1,533	11,324	4,458	132,737	3,409
Unearned revenue	-	-	-	-	137	-	-	-
Total liabilities	<u>1,010,487</u>	<u>590</u>	<u>24,515</u>	<u>1,533</u>	<u>11,577</u>	<u>4,458</u>	<u>132,737</u>	<u>3,409</u>
Fund balances								
<i>Nonspendable</i>								
Inventories	-	-	-	-	-	-	-	-
<i>Restricted for:</i>								
Educational programs	-	-	1,226	8,615	-	542	-	-
<i>Unassigned</i>	-	-	-	-	-	-	-	-
Total fund balances (deficit)	<u>-</u>	<u>-</u>	<u>1,226</u>	<u>8,615</u>	<u>-</u>	<u>542</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,010,487</u>	<u>\$ 590</u>	<u>\$ 25,741</u>	<u>\$ 10,148</u>	<u>\$ 11,577</u>	<u>\$ 5,000</u>	<u>\$ 132,737</u>	<u>\$ 3,409</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
School Special Revenue Restricted Funds
Combining Balance Sheet - Non-Major Governmental Funds
June 30, 2016

	School Lunch 6001	Title II 2103	Title II part D 2113	IDEA Part B 2191	RI Full Day Kindergarten 2361	Rising 2141	Strategic Support 2405
ASSETS							
Cash and cash equivalents	\$ 61,413	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Internal balances	4,329,495	815,604	97,474	5,054,564	36,327	2,000	44,207
Due from other governments	7,453	23,343	180	252,021	-	-	-
Inventory	5,083	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 4,403,444</u>	<u>\$ 838,947</u>	<u>\$ 97,654</u>	<u>\$ 5,306,585</u>	<u>\$ 36,327</u>	<u>\$ 2,000</u>	<u>\$ 44,207</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable and accrued expenses	\$ 47,529	\$ 12,848	\$ -	\$ 38,916	\$ -	\$ -	\$ -
Internal balances	4,350,024	891,574	32,000	5,267,669	36,325	1,449	2,230
Unearned revenue	-	-	-	-	-	551	-
Total liabilities	<u>4,397,553</u>	<u>904,422</u>	<u>32,000</u>	<u>5,306,585</u>	<u>36,325</u>	<u>2,000</u>	<u>2,230</u>
Fund balances							
<i>Nonspendable</i>							
Inventories	-	-	-	-	-	-	-
<i>Restricted for:</i>							
Educational programs	5,891	-	65,654	-	2	-	41,977
<i>Unassigned</i>	-	(65,475)	-	-	-	-	-
Total fund balances (deficit)	<u>5,891</u>	<u>(65,475)</u>	<u>65,654</u>	<u>-</u>	<u>2</u>	<u>-</u>	<u>41,977</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 4,403,444</u>	<u>\$ 838,947</u>	<u>\$ 97,654</u>	<u>\$ 5,306,585</u>	<u>\$ 36,327</u>	<u>\$ 2,000</u>	<u>\$ 44,207</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
School Special Revenue Restricted Funds
Combining Balance Sheet - Non-Major Governmental Funds
June 30, 2016

	RI State Council on Arts 2314	Perkins Voc Ed 2107	Perkins 2109	Legislative Tech 0185/2311	Champlin Grant 2407	Education Foundation 2402	Wendy's Corporation 2403
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Internal balances	1,600	28	92,102	4,655	30,050	6,463	12,000
Due from other governments	-	-	16,254	-	-	-	-
Inventory	-	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 1,600</u>	<u>\$ 28</u>	<u>\$ 108,356</u>	<u>\$ 4,655</u>	<u>\$ 30,050</u>	<u>\$ 6,463</u>	<u>\$ 12,000</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ 159	\$ -	\$ -
Internal balances	1,200	28	108,356	-	29,048	6,407	9,985
Unearned revenues	-	-	-	-	-	-	-
Total liabilities	<u>1,200</u>	<u>28</u>	<u>108,356</u>	<u>-</u>	<u>29,207</u>	<u>6,407</u>	<u>9,985</u>
Fund balances							
<i>Nonspendable</i>							
Inventories	-	-	-	-	-	-	-
<i>Restricted for:</i>							
Educational programs	400	-	-	4,655	843	56	2,015
<i>Unassigned</i>	-	-	-	-	-	-	-
Total fund balances (deficit)	<u>400</u>	<u>-</u>	<u>-</u>	<u>4,655</u>	<u>843</u>	<u>56</u>	<u>2,015</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,600</u>	<u>\$ 28</u>	<u>\$ 108,356</u>	<u>\$ 4,655</u>	<u>\$ 30,050</u>	<u>\$ 6,463</u>	<u>\$ 12,000</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
School Special Revenue Restricted Funds
Combining Balance Sheet - Non-Major Governmental Funds
June 30, 2016

	Healthier US Schools Grant 2406	Totals
ASSETS		
Cash and cash equivalents	\$ -	\$ 61,413
Internal balances	1,000	11,682,277
Due from other governments	-	344,232
Inventory	-	5,083
TOTAL ASSETS	\$ 1,000	\$ 12,093,005
 LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable and accrued expenses	\$ -	105,073
Internal balances	-	11,919,843
Unearned revenues	-	688
Total liabilities	-	12,025,604
 Fund balances		
<i>Nonspendable</i>		
Inventories	-	-
<i>Restricted for:</i>		
Educational programs	1,000	132,876
Unassigned	-	(65,475)
Total fund balances (deficit)	1,000	67,401
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,000	\$ 12,093,005

(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, 2016

	<u>Title I 2102</u>	<u>Title III 2105</u>	<u>RTTT Insturctional 2127</u>	<u>Computer Fund 0083</u>	<u>EDC 2413</u>	<u>NEA Foundation 2130</u>	<u>IDEA Preschool 2181</u>	<u>IDEA State Program 2183</u>
Revenues								
Intergovernmental revenue	\$ 87,135	\$ 1,700	\$ -	\$ 366	\$ 11,440	\$ -	\$ 13,535	\$ -
Other	-	-	-	4,613	-	-	-	-
Total revenues	<u>87,135</u>	<u>1,700</u>	<u>-</u>	<u>4,979</u>	<u>11,440</u>	<u>-</u>	<u>13,535</u>	<u>-</u>
Expenditures								
Education	87,135	1,700	-	4,979	11,440	-	13,535	-
Total expenditures	<u>87,135</u>	<u>1,700</u>	<u>-</u>	<u>4,979</u>	<u>11,440</u>	<u>-</u>	<u>13,535</u>	<u>-</u>
Excess revenues over (under) expenditures	-	-	-	-	-	-	-	-
Other financing sources (uses)								
Transfers from other funds	-	-	-	-	-	-	-	-
Transfers to other funds	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>1,226</u>	<u>8,615</u>	<u>-</u>	<u>542</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,226</u>	<u>\$ 8,615</u>	<u>\$ -</u>	<u>\$ 542</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
School Special Revenue Restricted Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2016

	School Lunch 6001	Title II 2103	Title II part D 2113	IDEA Part B 2191	RI Full Day Kindergarten 2361	RISING 2141	Strategic Support 2405
Revenues							
Intergovernmental revenue	\$ 112,115	\$ 54,514	\$ -	\$ 569,470	\$ 36,327	\$ 1,449	\$ -
Other	389,174	-	-	-	-	-	-
Total revenues	<u>501,289</u>	<u>54,514</u>	<u>-</u>	<u>569,470</u>	<u>36,327</u>	<u>1,449</u>	<u>-</u>
Expenditures							
Education	514,025	85,317	-	578,097	36,325	1,449	-
Total expenditures	<u>514,025</u>	<u>85,317</u>	<u>-</u>	<u>578,097</u>	<u>36,325</u>	<u>1,449</u>	<u>-</u>
Excess revenues over (under) expenditures	(12,736)	(30,803)	-	(8,627)	2	-	-
Other financing sources (uses)							
Transfers from other funds	-	-	-	8,627	-	-	-
Transfers to other funds	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,627</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures	<u>(12,736)</u>	<u>(30,803)</u>	<u>-</u>	<u>-</u>	<u>2</u>	<u>-</u>	<u>-</u>
Fund balances - beginning	18,627	(34,672)	65,654	-	-	-	41,977
Fund balances - ending	<u>\$ 5,891</u>	<u>\$ (65,475)</u>	<u>\$ 65,654</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ -</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, 2016

	<u>RI State Council on Arts 2314</u>	<u>Perkins Voc Ed 2107</u>	<u>Perkins 2109</u>	<u>Legislative Tech 0185/2311</u>	<u>Champlin Grant 2407</u>	<u>Education Foundation 2402</u>	<u>Wendy's Corporation 2403</u>
Revenues							
Intergovernmental revenue	\$ -	\$ -	\$ 6,086	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-	-	17,664	-
Total revenues	<u>-</u>	<u>-</u>	<u>6,086</u>	<u>-</u>	<u>-</u>	<u>17,664</u>	<u>-</u>
Expenditures							
Education	-	-	6,086	-	11,356	17,608	9,985
Total expenditures	<u>-</u>	<u>-</u>	<u>6,086</u>	<u>-</u>	<u>11,356</u>	<u>17,608</u>	<u>9,985</u>
Excess revenues over (under) expenditures	-	-	-	-	(11,356)	56	(9,985)
Other financing sources (uses)							
Transfers from other funds	-	-	-	-	-	-	-
Transfers to other funds	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,356)</u>	<u>56</u>	<u>(9,985)</u>
Fund balances - beginning	400	-	-	4,655	12,199	-	12,000
Fund balances - ending	<u>\$ 400</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,655</u>	<u>\$ 843</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, 2016

	<u>Healthier US Schools Grant 2406</u>	<u>Totals</u>
Revenues		
Intergovernmental revenue	\$ -	\$ 894,137
Other	-	411,451
Total revenues	<u>-</u>	<u>1,305,588</u>
Expenditures		
Education	-	1,379,037
Total expenditures	<u>-</u>	<u>1,379,037</u>
Excess revenues over (under) expenditures	-	(73,449)
Other financing sources (uses)		
Transfers from other funds	-	8,627
Transfers to other funds	-	-
Total other financing sources (uses)	<u>-</u>	<u>8,627</u>
Excess of revenues and other sources over (under) expenditures	<u>-</u>	<u>(64,822)</u>
Fund balances - beginning	<u>1,000</u>	<u>132,223</u>
Fund balances - ending	<u>\$ 1,000</u>	<u>\$ 67,401</u>

(Concluded)

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
Capital Projects Funds
Combining Balance Sheet - Non-Major Governmental Funds
June 30, 2016

	Riverbank Restoration 0026	School Fields Fund 0076	Asphalt 0043	Totals
ASSETS				
Cash and cash equivalents		\$ 735,417	\$ -	\$ 735,417
Internal balances	25,518	5,264,583	-	5,290,101
TOTAL ASSETS	<u>\$ 25,518</u>	<u>\$ 6,000,000</u>	<u>\$ -</u>	<u>\$ 6,025,518</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ 501,529	\$ -	\$ 501,529
Internal balances	21,238	5,398,121	-	5,419,359
Total liabilities	<u>21,238</u>	<u>5,899,650</u>	<u>-</u>	<u>5,920,888</u>
Fund balances				
<i>Assigned for:</i>				
Culture and recreation	-	100,350	-	100,350
Public works programs	4,280	-	-	4,280
<i>Unassigned</i>	-	-	-	-
Total fund balances (deficit)	<u>4,280</u>	<u>100,350</u>	<u>-</u>	<u>104,630</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 25,518</u>	<u>\$ 6,000,000</u>	<u>\$ -</u>	<u>\$ 6,025,518</u>

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
Capital Project Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance - Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2016

	Riverbank Restoration 0026	School Fields Fund 0076	Asphalt 0043	Totals
Revenues				
Intergovernmental Revenue	\$ -	\$ -	\$ -	\$ -
Investment income	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
Capital	-	946,964	-	946,964
Non capital expenditures	-	-	1,475,388	1,475,388
Total expenditures	<u>-</u>	<u>946,964</u>	<u>1,475,388</u>	<u>2,422,352</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources	-	(946,964)	(1,475,388)	(2,422,352)
Other financing sources (uses)				
Issuance of debt	-	-	1,475,388	1,475,388
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>1,475,388</u>	<u>1,475,388</u>
Excess of revenues and other sources over (under) expenditures	-	(946,964)	-	(946,964)
Fund balances - beginning	4,280	1,047,314	-	1,051,594
Fund balances - ending	<u>\$ 4,280</u>	<u>\$ 100,350</u>	<u>\$ -</u>	<u>\$ 104,630</u>

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
Town Permanent Funds
Combining Balance Sheet - Non-Major Governmental Funds
June 30, 2016

	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	\$ 401	\$ 4,813	\$ 268	\$ 16,235	\$ 135	\$ 933	\$ 401	\$ 934	\$ 254,142	\$ 278,262
Internal Balances	5,699	68,396	3,799	46,658	1,898	13,301	5,699	13,301	-	158,751
Investments	-	-	-	33,228	-	-	-	-	-	33,228
TOTAL ASSETS	<u>\$ 6,100</u>	<u>\$ 73,209</u>	<u>\$ 4,067</u>	<u>\$ 96,121</u>	<u>\$ 2,033</u>	<u>\$ 14,234</u>	<u>\$ 6,100</u>	<u>\$ 14,235</u>	<u>\$ 254,142</u>	<u>\$ 470,241</u>
LIABILITIES AND FUND BALANCES										
Liabilities										
Other liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Internal Balances	-	-	-	-	-	-	-	-	61,343	61,343
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>61,343</u>	<u>61,343</u>
Fund balances										
Nonspendable	6,100	73,209	4,067	96,121	2,033	14,234	6,100	14,235	192,799	408,898
Total fund balances (deficit)	<u>6,100</u>	<u>73,209</u>	<u>4,067</u>	<u>96,121</u>	<u>2,033</u>	<u>14,234</u>	<u>6,100</u>	<u>14,235</u>	<u>192,799</u>	<u>408,898</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 6,100</u>	<u>\$ 73,209</u>	<u>\$ 4,067</u>	<u>\$ 96,121</u>	<u>\$ 2,033</u>	<u>\$ 14,234</u>	<u>\$ 6,100</u>	<u>\$ 14,235</u>	<u>\$ 254,142</u>	<u>\$ 470,241</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, 2016

	<u>Briggs Fund</u>	<u>Spencer Maxwell Fund</u>	<u>Tillinghast Fund</u>	<u>Casey Fund</u>	<u>Darius Allen Fund</u>	<u>Estate of Thomas Johnson Fund</u>	<u>F. Robert E. Bergsten Fund</u>	<u>Howland Family Trust Fund</u>	<u>0058 Rose Trust Fund</u>	<u>Totals</u>
Revenues										
Earnings on investments	\$ -	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 975	\$ 976
Total revenues	<u>-</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>975</u>	<u>976</u>
Expenditures										
Net decrease (increase) in FMV of investment	-	-	-	9,390	-	-	-	-	-	9,390
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,390</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,390</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources	<u>-</u>	<u>1</u>	<u>-</u>	<u>(9,390)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>975</u>	<u>(8,414)</u>
Fund balances - beginning	<u>6,100</u>	<u>73,208</u>	<u>4,067</u>	<u>105,511</u>	<u>2,033</u>	<u>14,234</u>	<u>6,100</u>	<u>14,235</u>	<u>191,824</u>	<u>417,312</u>
Fund balances - ending	<u>\$ 6,100</u>	<u>\$ 73,209</u>	<u>\$ 4,067</u>	<u>\$ 96,121</u>	<u>\$ 2,033</u>	<u>\$ 14,234</u>	<u>\$ 6,100</u>	<u>\$ 14,235</u>	<u>\$ 192,799</u>	<u>\$ 408,898</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, 2016

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2016</u>
PERFORMANCE BOND FUND				
ASSETS				
Cash and cash equivalents	\$ 239,002	\$ 136,801	\$ -	\$ 375,803
Other assets	742,162	31,000	-	773,162
TOTAL ASSETS	<u>\$ 981,164</u>	<u>\$ 167,801</u>	<u>\$ -</u>	<u>\$ 1,148,965</u>
LIABILITIES				
Other liabilities	\$ 482,664	\$ 73,219	\$ -	\$ 555,883
Deposits held in custody for others	\$ 498,500	139,791	45,209	593,082
TOTAL LIABILITIES	<u>\$ 981,164</u>	<u>\$ 213,010</u>	<u>\$ 45,209</u>	<u>\$ 1,148,965</u>
PUPIL ACTIVITY FUNDS				
ASSETS				
Cash and cash equivalents	\$ 232,320	\$ 689,497	\$ 662,694	\$ 259,123
TOTAL ASSETS	<u>\$ 232,320</u>	<u>\$ 689,497</u>	<u>\$ 662,694</u>	<u>\$ 259,123</u>
LIABILITIES				
Deposits held in custody for others	\$ 232,320	\$ 689,497	\$ 662,694	\$ 259,123
TOTAL LIABILITIES	<u>\$ 232,320</u>	<u>\$ 689,497</u>	<u>\$ 662,694</u>	<u>\$ 259,123</u>
TOTAL AGENCY FUNDS				
ASSETS				
Cash and cash equivalents	\$ 471,322	\$ 826,298	\$ 662,694	\$ 634,926
Internal balances	742,162	31,000	-	773,162
TOTAL ASSETS	<u>\$ 1,213,484</u>	<u>\$ 857,298</u>	<u>\$ 662,694</u>	<u>\$ 1,408,088</u>
LIABILITIES				
Deposits held in custody for others	\$ 730,820	\$ 829,288	\$ 707,903	\$ 852,205
Internal balances	482,664	73,219	-	555,883
TOTAL LIABILITIES	<u>\$ 1,213,484</u>	<u>\$ 902,507</u>	<u>\$ 707,903</u>	<u>\$ 1,408,088</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, 2016**

	<u>Cash Balance July 1, 2015</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Cash Balance June 30, 2016</u>
PUPIL ACTIVITY FUNDS				
East Greenwich High School:				
Checking	\$ 92,950	\$ 375,457	\$ 341,535	\$ 126,872
Savings	21,331	2	-	21,333
CD	44,000	-	-	44,000
Athletic Officials Fund	437	33,877	34,295	19
Athletic Camp Fund	9,392	49,593	47,518	11,467
Cole Middle School:				
Checking	46,243	178,135	185,346	39,032
Money Market	3,966	1	-	3,967
Eldridge	1,781	23,130	23,520	1,391
Eldridge Student Council	1,669	2,754	2,195	2,228
Frenchtown School	7,642	4,078	4,792	6,928
Meadowbrook	2,278	6,907	8,386	799
Hanaford	631	15,563	15,107	1,087
TOTALS	<u>\$ 232,320</u>	<u>\$ 689,497</u>	<u>\$ 662,694</u>	<u>\$ 259,123</u>

General Fund

School Department Operations

TOWN OF EAST GREENWICH, RHODE ISLAND
Supplementary Information
Balance Sheet
General Fund and School Unrestricted
June 30, 2016

	General Fund	School Unrestricted Fund	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 14,857,172	\$ -	\$ 14,857,172
Accounts receivable:			
Property taxes, less allowance for doubtful accounts of \$90,933	2,432,612	-	2,432,612
Other	6,567,155	177,855	6,745,010
Internal balances	125,442,659	4,137,267	129,579,926
Prepays expense	-	2,179,898	2,179,898
TOTAL ASSETS	\$ 149,299,598	\$ 6,495,020	\$ 155,794,618
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued expenses	\$ 6,885,645	\$ 2,503,073	\$ 9,388,718
Internal balances	131,875,871	-	131,875,871
Total liabilities	138,761,516	2,503,073	141,264,589
 DEFERRED INFLOW OF RESOURCES			
Unavailable tax revenue	2,837,673	-	2,837,673
 Fund balances:			
<i>Non-spendable</i>			
Prepaid expense	399,698	2,179,898	2,579,596
<i>Restricted for:</i>			
Educational programs	-	718,264	718,264
<i>Committed for:</i>			
Technology	210,000	60,000	270,000
<i>Assigned for:</i>			
Capital outlays	46,720	959,027	1,005,747
Technology	-	74,758	74,758
<i>Unassigned:</i>	7,043,991	-	7,043,991
Total fund balances	7,700,409	3,991,947	11,692,356
TOTAL LIABILITIES AND FUND BALANCES	\$ 149,299,598	\$ 6,495,020	\$ 155,794,618

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, 2016

	<u>General Fund</u>	<u>School Unrestricted Fund</u>	<u>Total Governmental Funds</u>
Revenues			
General property tax	\$ 55,440,052	\$ -	\$ 55,440,052
Intergovernmental and departmental revenues	1,399,586	4,351,114	5,750,700
License and permits	2,074,701	-	2,074,701
Interest on investments	8,513	-	8,513
Tuitions	-	131,276	131,276
Other revenues	2,827,999	629,617	3,457,616
Total revenues	<u>61,750,851</u>	<u>5,112,007</u>	<u>66,862,858</u>
Expenditures			
Legislative, judicial and general administrative	7,087,890	-	7,087,890
Financial administration	626,687	-	626,687
Information technology	513,395	-	513,395
Public safety	7,134,974	-	7,134,974
Public works	3,548,831	-	3,548,831
Teen center	10,096	-	10,096
Parks and recreation	595,386	-	595,386
Town planner	183,436	-	183,436
Senior and human services	231,868	-	231,868
Education	-	37,624,957	37,624,957
Grants and contributions	29,000	-	29,000
Library	507,546	-	507,546
Land trust	22,196	-	22,196
Financing costs	2,607	-	2,607
Capital outlay	691,440	420,992	1,112,432
Non capital expenditures	63,314	-	63,314
Long-term obligations:			
Principal	4,221,833	-	4,221,833
Interest	2,450,718	-	2,450,718
Total expenditures	<u>27,921,217</u>	<u>38,045,949</u>	<u>65,967,166</u>
Excess of revenues over (under) expenditures before other financing sources (uses)	<u>33,829,634</u>	<u>(32,933,942)</u>	<u>895,692</u>
Other financing sources (uses)			
Transfers from other funds	-	33,267,555	33,267,555
Transfers to other funds	(33,267,555)	(8,627)	(33,276,182)
Total other financing sources (uses)	<u>(33,267,555)</u>	<u>33,258,928</u>	<u>(8,627)</u>
Net changes in fund balances	<u>562,079</u>	<u>324,986</u>	<u>887,065</u>
Fund balances - beginning	7,138,330	3,666,961	10,805,291
Fund balances - ending	<u>\$ 7,700,409</u>	<u>\$ 3,991,947</u>	<u>\$ 11,692,356</u>

TOWN OF EAST GREENWICH, RHODE ISLAND
Supplementary Information
Balance Sheet
General Fund
June 30, 2016

	General Fund
ASSETS	
Cash and cash equivalents	\$ 14,857,172
Accounts receivable:	
Property taxes, less allowance for doubtful accounts of \$90,933	2,432,612
Other	6,567,155
Internal balances	125,442,659
TOTAL ASSETS	\$ 149,299,598
 LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable and accrued expenses	\$ 6,885,645
Internal balances	131,875,871
Total liabilities	138,761,516
 DEFERRED INFLOW OF RESOURCES	
Unavailable tax revenue	2,837,673
 Fund balances:	
<i>Nonspendable:</i>	
Prepays	399,698
<i>Committed for:</i>	
Technology	210,000
<i>Assigned for:</i>	
Capital outlays	46,720
<i>Unassigned:</i>	7,043,991
Total fund balances	7,700,409
TOTAL LIABILITIES AND FUND BALANCES	\$ 149,299,598

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, 2016

	General Fund
Revenues	
General property tax	\$ 55,440,052
Intergovernmental and departmental revenues	1,399,586
License and permits	2,074,701
Interest on investments	8,513
Other revenues	2,827,999
Total revenues	61,750,851
Expenditures	
Legislative, judicial and general administrative	7,087,890
Financial administration	626,687
Information technology	513,395
Public safety	7,134,974
Public works	3,548,831
Teen center	10,096
Parks and recreation	595,386
Town planner	183,436
Senior and human services	231,868
Grants and contributions	29,000
Library	507,546
Land trust	22,196
Financing costs	2,607
Capital outlay	691,440
Non capital expenditures	63,314
Long-term obligations:	
Principal	4,221,833
Interest	2,450,718
Total expenditures	27,921,217
Excess of revenues over (under) expenditures before other financing sources (uses)	33,829,634
Other financing sources (uses)	
Transfers to other funds	(33,267,555)
Total other financing sources (uses)	(33,267,555)
Net changes in fund balances	562,079
Fund balances - beginning	7,138,330
Fund balance - ending	\$ 7,700,409

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, 2016

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues				
General property tax	\$ 55,295,478	\$ 55,295,478	\$ 55,440,052	\$ 144,574
General revenue	1,393,222	1,393,222	1,399,586	6,364
State aid	2,634,948	2,634,948	2,827,999	193,051
Interest on investments	10,000	10,000	8,513	(1,487)
License and permits	1,606,710	1,606,710	2,074,701	467,991
Total Revenues	<u>60,940,358</u>	<u>60,940,358</u>	<u>61,750,851</u>	<u>810,493</u>
Expenditures				
Administration	6,749,903	6,749,903	7,087,890	(337,987)
Finance	656,683	656,683	626,687	29,996
Information technology	512,015	512,015	513,395	(1,380)
Public safety	7,069,942	7,069,942	7,134,974	(65,032)
Public works	3,600,344	3,600,344	3,548,831	51,513
Recreation	201,847	201,847	194,110	7,737
Parks and grounds	430,763	430,763	401,276	29,487
Teen center	10,000	10,000	10,096	(96)
Town planner	187,902	187,902	183,436	4,466
Senior and human services	236,258	236,258	231,868	4,390
Grants and contributions	29,000	29,000	29,000	-
East Greenwich Land Trust	48,300	48,300	22,196	26,104
Library	507,546	507,546	507,546	-
Capital outlays	773,163	773,163	691,440	81,723
Non capital expenditures	-	-	63,314	(63,314)
Debt service:				
Principal	4,220,833	4,220,833	4,221,833	(1,000)
Interest	2,433,304	2,433,304	2,450,718	(17,414)
Financing costs	5,000	5,000	2,607	2,393
Total expenditures	<u>27,672,803</u>	<u>27,672,803</u>	<u>27,921,217</u>	<u>(248,414)</u>
Excess of revenues over expenditures before operating transfers	<u>33,267,555</u>	<u>33,267,555</u>	<u>33,829,634</u>	<u>562,079</u>
Transfers to other funds	(33,267,555)	(33,267,555)	(33,267,555)	-
Total operating transfers	<u>(33,267,555)</u>	<u>(33,267,555)</u>	<u>(33,267,555)</u>	<u>-</u>
Excess of revenues over (under) expenditures and operating transfers	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 562,079</u>	<u>\$ 562,079</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, 2016

	<u>Original Budget Revenues</u>	<u>Revised Budget Revenues</u>	<u>Actual Revenues</u>	<u>Variance</u>
General property tax				
Taxes - current	\$ 54,595,478	54,595,478	\$ 54,252,812	\$ (342,666)
Taxes - prior year	700,000	700,000	1,187,240	487,240
Total general property taxes	<u>55,295,478</u>	<u>55,295,478</u>	<u>55,440,052</u>	<u>144,574</u>
General revenue				
Grants and departmental revenue	32,250	32,250	33,901	1,651
Municipal court	31,500	31,500	25,376	(6,124)
Other revenue	1,329,472	1,329,472	1,340,309	10,837
Total general revenue	<u>1,393,222</u>	<u>1,393,222</u>	<u>1,399,586</u>	<u>6,364</u>
State aid				
School housing aid	1,718,548	1,718,548	1,829,503	110,955
Telephone tax	178,130	178,130	162,408	(15,722)
Pilot	9,276	9,276	11,522	2,246
Motor vehicle phase out	81,789	81,789	81,417	(372)
State incentive	62,395	62,395	62,395	-
Meals tax	584,810	584,810	680,754	95,944
Total state aid	<u>2,634,948</u>	<u>2,634,948</u>	<u>2,827,999</u>	<u>193,051</u>
Licenses, permits and usage fees				
Town clerk department	469,710	469,710	579,390	109,680
Department of public works	294,600	294,600	500,002	205,402
Fire revenue	650,000	650,000	819,957	169,957
Planning	10,500	10,500	12,550	2,050
Police department	181,900	181,900	162,802	(19,098)
Total licenses, permits and usage fees	<u>1,606,710</u>	<u>1,606,710</u>	<u>2,074,701</u>	<u>467,991</u>
Interest on investments	10,000	10,000	8,513	(1,487)
Total revenues	<u><u>60,940,358</u></u>	<u><u>60,940,358</u></u>	<u><u>61,750,851</u></u>	<u><u>810,493</u></u>

TOWN OF EAST GREENWICH, RHODE ISLAND
Supplementary Information
Budgetary Comparison Schedule - General Fund
Schedule of Expenditures - Non-GAAP Budgetary Basis
For the Fiscal Year Ended June 30, 2016

	<u>Original Budgeted Expenditures</u>	<u>Revised Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Variance</u>
Administration				
Town council				
Salaries	\$ 9,300	\$ 9,300	\$ 9,300	\$ -
Total town council	<u>9,300</u>	<u>9,300</u>	<u>9,300</u>	<u>-</u>
Town manager				
Salaries and wages	218,127	218,127	222,475	(4,348)
Outside services	7,600	7,600	8,492	(892)
Supplies	1,900	1,900	3,862	(1,962)
Total town manager	<u>227,627</u>	<u>227,627</u>	<u>234,829</u>	<u>(7,202)</u>
Town clerks				
Salaries and wages	223,952	223,952	225,014	(1,062)
Outside services	18,900	18,900	13,950	4,950
Supplies	2,400	2,400	2,125	275
Total town clerks	<u>245,252</u>	<u>245,252</u>	<u>241,089</u>	<u>4,163</u>
Town solicitor				
Outside services	172,500	172,500	641,922	(469,422)
Total town solicitor	<u>172,500</u>	<u>172,500</u>	<u>641,922</u>	<u>(469,422)</u>
Municipal court and judges				
Salaries	44,061	44,061	47,994	(3,933)
Outside services	1,500	1,500	71	1,429
Total municipal court and judges	<u>45,561</u>	<u>45,561</u>	<u>48,065</u>	<u>(2,504)</u>
Board of canvassers				
Salaries and wages	15,300	15,300	15,145	155
Outside services	5,700	5,700	6,843	(1,143)
Supplies	1,500	1,500	1,342	158
Total board of canvassers	<u>22,500</u>	<u>22,500</u>	<u>23,330</u>	<u>(830)</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, 2016

	<u>Original Budgeted Expenditures</u>	<u>Revised Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Variance</u>
Employee benefits				
Outside services	5,607,935	5,607,935	5,501,499	106,436
Total employee benefits	<u>5,607,935</u>	<u>5,607,935</u>	<u>5,501,499</u>	<u>106,436</u>
Insurance				
Outside services	406,728	406,728	374,908	31,820
Total insurance	<u>406,728</u>	<u>406,728</u>	<u>374,908</u>	<u>31,820</u>
Contingency fund				
Outside services	12,500	12,500	12,948	(448)
Total contingency fund	<u>12,500</u>	<u>12,500</u>	<u>12,948</u>	<u>(448)</u>
Total Administration	<u>6,749,903</u>	<u>6,749,903</u>	<u>7,087,890</u>	<u>(337,987)</u>
Finance department				
Salaries	461,833	461,833	449,775	12,058
Outside services	152,100	152,100	136,759	15,341
Supplies	10,250	10,250	9,449	801
Equipment	500	500	-	500
Communications	32,000	32,000	30,704	1,296
Total finance department	<u>656,683</u>	<u>656,683</u>	<u>626,687</u>	<u>29,996</u>
Information technology				
Salaries	132,406	132,406	131,479	927
Outside services	196,527	191,527	192,260	(733)
Supplies	19,000	19,000	18,693	307
Equipment	80,412	85,412	91,286	(5,874)
Communications	83,670	83,670	79,677	3,993
Total information technology	<u>512,015</u>	<u>512,015</u>	<u>513,395</u>	<u>(1,380)</u>
Public safety				
Police department				
Salaries and wages	2,757,756	2,757,756	2,715,171	42,585
Police overtime	335,739	335,739	316,677	19,062
Outside services	35,420	35,420	31,627	3,793
Supplies	130,140	130,140	117,844	12,296
Equipment	46,500	46,500	46,271	229
Communications	3,700	3,700	3,304	396
Total police department	<u>3,309,255</u>	<u>3,309,255</u>	<u>3,230,894</u>	<u>78,361</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, 2016

	<u>Original Budgeted Expenditures</u>	<u>Revised Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Variance</u>
Fire Department				
Salaries and wages	3,139,602	3,139,602	3,282,573	(142,971)
Outside services	472,285	472,285	481,805	(9,520)
Supplies	148,800	148,800	139,702	9,098
Total Fire District	<u>3,760,687</u>	<u>3,760,687</u>	<u>3,904,080</u>	<u>(143,393)</u>
Total public safety	<u>7,069,942</u>	<u>7,069,942</u>	<u>7,134,974</u>	<u>(65,032)</u>
Public works administration				
Salaries and wages	1,443,587	1,443,587	1,390,238	53,349
Outside services	1,084,750	1,084,750	1,054,761	29,989
Supplies and expense	1,072,007	1,072,007	1,103,832	(31,825)
Total public works administration	<u>3,600,344</u>	<u>3,600,344</u>	<u>3,548,831</u>	<u>51,513</u>
Recreation department				
Salaries and wages	177,692	177,692	176,342	1,350
Outside services	12,705	12,705	8,575	4,130
Supplies	11,450	11,450	9,193	2,257
Total recreation department	<u>201,847</u>	<u>201,847</u>	<u>194,110</u>	<u>7,737</u>
Parks & grounds				
Salaries and wages	311,861	311,861	293,055	18,806
Outside services	55,174	55,174	52,199	2,975
Supplies	60,728	60,728	53,039	7,689
Equipment	3,000	3,000	2,983	17
Total parks and grounds	<u>430,763</u>	<u>430,763</u>	<u>401,276</u>	<u>29,487</u>
Teen center				
Salaries and wages	5,000	5,000	5,096	(96)
Supplies and equipment	5,000	5,000	5,000	-
Total teen center	<u>10,000</u>	<u>10,000</u>	<u>10,096</u>	<u>(96)</u>
Town planner				
Salaries and wages	173,727	173,727	174,129	(402)
Outside services	12,275	12,275	7,987	4,288
Supplies	1,400	1,400	868	532
Equipment	500	500	452	48
Total town planner	<u>187,902</u>	<u>187,902</u>	<u>183,436</u>	<u>4,466</u>
Senior and human services				
Salaries and wages	201,058	201,058	197,530	3,528
Outside services	200	200	210	(10)
Supplies	1,100	1,100	864	236
Communications	1,400	1,400	1,571	(171)
Community services	32,500	32,500	31,693	807
Total senior and human services	<u>236,258</u>	<u>236,258</u>	<u>231,868</u>	<u>4,390</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, 2016

	<u>Original Budgeted Expenditures</u>	<u>Revised Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Variance</u>
Grants and contributions				
Contributions	29,000	29,000	29,000	-
Total grants and contributions	<u>29,000</u>	<u>29,000</u>	<u>29,000</u>	<u>-</u>
East Greenwich Land Trust				
Insurance	1,000	1,000	-	1,000
Pilot	1,300	1,300	536	764
Building maintenance	5,000	5,000	3,979	1,021
Boesch farm rehabilitation	41,000	41,000	17,681	23,319
Total East Greenwich Land Trust	<u>48,300</u>	<u>48,300</u>	<u>22,196</u>	<u>26,104</u>
Library				
Town contributions	507,546	507,546	507,546	-
Total library	<u>507,546</u>	<u>507,546</u>	<u>507,546</u>	<u>-</u>
Capital improvements				
Capital outlays	773,163	773,163	691,440	81,723
Non capital expenditures	-	-	63,314	(63,314)
Total capital improvements	<u>773,163</u>	<u>773,163</u>	<u>754,754</u>	<u>18,409</u>
School department				
Education	33,267,555	33,267,555	33,267,555	-
Total school department	<u>33,267,555</u>	<u>33,267,555</u>	<u>33,267,555</u>	<u>-</u>
Total expenditures	<u>54,281,221</u>	<u>54,281,221</u>	<u>54,513,614</u>	<u>(232,393)</u>
Other financing uses				
Debt service				
Principal	4,220,833	4,220,833	4,221,833	(1,000)
Interest	2,433,304	2,433,304	2,450,718	(17,414)
Financing costs	5,000	5,000	2,607	2,393
Total debt service	<u>6,659,137</u>	<u>6,659,137</u>	<u>6,675,158</u>	<u>(16,021)</u>
Other financing uses				
Transfers to other funds	-	-	-	-
Total other financing uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures and other financing uses	<u>\$ 60,940,358</u>	<u>\$ 60,940,358</u>	<u>\$ 61,188,772</u>	<u>\$ (248,414)</u>

(Concluded)

TOWN OF EAST GREENWICH, RHODE ISLAND
Supplementary Information
Balance Sheet
School Unrestricted
June 30, 2016

	School Unrestricted Fund
ASSETS	
Accounts receivable:	177,855
Internal balances	4,137,267
Prepaid asset	2,179,898
TOTAL ASSETS	\$ 6,495,020
 LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable and accrued expenses	\$ 2,503,073
Total liabilities	2,503,073
 Fund balances:	
<i>Non-spendable</i>	
Prepaid expenses	2,179,898
<i>Restricted for:</i>	
Educational programs	718,264
<i>Committed for:</i>	
Technology	60,000
<i>Assigned for:</i>	
Technology	74,758
Capital	959,027
Total fund balances	3,991,947
TOTAL LIABILITIES AND FUND BALANCES	\$ 6,495,020

TOWN OF EAST GREENWICH, RHODE ISLAND
Supplementary Information
School Unrestricted Fund
Schedule of Revenues, Expenditures
For the Fiscal Year Ended June 30, 2016

	School Unrestricted Fund
Revenues	
Hanaford fund revenue	\$ 37,189
State aid to education	2,858,605
Tuition revenue	131,276
Medicaid revenue	317,731
Other revenue	274,697
Intergovernmental on behalf payments	1,492,509
Total revenues	<u>5,112,007</u>
Expenditures	
Instructional teachers	17,389,903
Substitute teachers	200,254
Instructional paraprofessionals	1,885,464
Pupil-use tech/software	248,826
Instructional materials/trips/supplies	455,692
Guidance services	696,401
Library and media	604,586
Extracurricular	585,069
Student health and services	841,484
Curriculum development	311,103
Staff development	401,142
Program management	346,322
Therapists/psychologists/evaluation	2,338,219
Academic student assessment	74,929
Transportation	1,462,029
Safety	135,684
Building upkeep/maintenance/utilities	2,780,326
Data processing	573,593
Business operations	421,489
Retiree benefits	41,673
All school pass through	1,587,124
Principals and asst principals	1,121,756
School office	966,950
Superintendent/school board	406,520
Legal	109,161
Capital outlay	420,992
Other expenses	146,749
Intergovernmental on behalf payments	1,492,509
Total expenditures	<u>38,045,949</u>
Excess (deficiency) of Revenues Over (Under) Expenditures Before Operating Transfers	<u>(32,933,942)</u>
Operating transfers	
Transfers out	(8,627)
Town appropriation	33,267,555
Total transfers from other funds	<u>33,258,928</u>
Net changes from operations	<u>324,986</u>
Operational reserves - beginning	<u>3,666,961</u>
Operational reserves - ending	<u>\$ 3,991,947</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, 2016

	<u>Original Budgeted</u>	<u>Revised Budgeted</u>	<u>Actual</u>	<u>Variance</u>
Revenues				
Hanaford fund revenue	\$ 33,000	\$ 33,000	\$ 37,189	\$ 4,189
Tuition revenue	92,000	92,000	131,276	39,276
Other revenue	65,000	65,000	274,697	209,697
Medicaid revenue	296,000	296,000	317,731	21,731
Total revenues	<u>486,000</u>	<u>486,000</u>	<u>760,893</u>	<u>274,893</u>
State and federal aid and transfers				
State aid to education	2,867,381	2,867,381	2,858,605	(8,776)
Total state and federal aid and transfers	<u>2,867,381</u>	<u>2,867,381</u>	<u>2,858,605</u>	<u>(8,776)</u>
Other financing sources				
Reappropriated fund balance	218,282	218,282	218,282	-
Town appropriation	33,267,565	33,267,565	33,267,555	(10)
Total transfers from other funds	<u>33,485,847</u>	<u>33,485,847</u>	<u>33,485,837</u>	<u>(10)</u>
Total revenue and other financing sources	<u>\$ 36,839,228</u>	<u>\$ 36,839,228</u>	<u>\$ 37,105,335</u>	<u>\$ 266,107</u>
Expenditures				
Instructional teachers	\$ 17,892,407	\$ 17,870,751	\$ 17,389,903	\$ 480,848
Substitute teachers	149,414	151,064	200,254	(49,190)
Instructional paraprofessionals	2,276,078	2,277,578	1,885,464	392,114
Pupil-use tech/software	41,697	255,682	248,826	6,856
Instructional materials/trips/supplies	565,389	555,571	455,692	99,879
Guidance services	734,681	685,635	696,401	(10,766)
Library and media	607,016	608,666	604,586	4,080
Extracurricular	625,638	627,937	585,069	42,868
Student health and services	794,601	860,162	841,484	18,678
Curriculum development	324,603	396,121	311,103	85,018
Staff development	114,825	164,068	401,142	(237,074)
Program management	349,167	310,034	346,322	(36,288)
Therapists/psychologists/evaluation	2,029,148	2,032,093	2,338,219	(306,126)
Academic student assessment	75,070	75,070	74,929	141
Transportation	1,559,833	1,525,523	1,462,029	63,494
Safety	101,895	101,895	135,684	(33,789)
Building upkeep/maintenance/utilities	2,828,031	2,789,919	2,780,326	9,593
Data processing	883,738	562,860	573,593	(10,733)
Business operations	456,374	429,902	421,489	8,413
Retiree Benefits	49,166	49,166	41,673	7,493
All school pass through	1,466,632	1,509,632	1,587,124	(77,492)
Principals and asst principals	1,120,637	1,119,918	1,121,756	(1,838)
School office	932,631	930,780	966,950	(36,170)
Superintendent/school board	423,434	419,722	406,520	13,202
Legal	123,000	123,000	109,161	13,839
Capital outlay	165,470	261,428	420,992	(159,564)
Other expenses	148,653	145,051	146,749	(1,698)
Transfers out	-	-	8,627	(8,627)
Total expenditures	<u>36,839,228</u>	<u>36,839,228</u>	<u>36,562,067</u>	<u>277,161</u>
Net changes	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 543,268</u>	<u>\$ 543,268</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, 2016

	<u>Original Budgeted Revenues</u>	<u>Revised Budgeted Revenues</u>	<u>Actual Revenues</u>	<u>Variance</u>
Revenues				
Hanaford fund revenue	\$ 33,000	\$ 33,000	\$ 37,189	\$ 4,189
Tuition revenue	92,000	92,000	131,276	39,276
Other revenue	65,000	65,000	274,697	209,697
Medicaid revenue	296,000	296,000	317,731	21,731
Total revenues	<u>486,000</u>	<u>486,000</u>	<u>760,893</u>	<u>274,893</u>
State and federal aid and transfers				
State aid to education	2,867,381	2,867,381	2,858,605	(8,776)
Total state and federal aid and transfers	<u>2,867,381</u>	<u>2,867,381</u>	<u>2,858,605</u>	<u>(8,776)</u>
Other financing sources				
Reappropriated fund balance	218,282	218,282	218,282	-
Town appropriation	33,267,565	33,267,565	33,267,555	(10)
Total transfers from other funds	<u>33,485,847</u>	<u>33,485,847</u>	<u>33,485,837</u>	<u>(10)</u>
Total revenue and other financing sources	<u>\$ 36,839,228</u>	<u>\$ 36,839,228</u>	<u>\$ 37,105,335</u>	<u>\$ 266,107</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, 2016

	Original Budgeted Expenditures	Revised Budgeted Expenditures	Actual Expenditures	Variance
Expenditures				
Instructional teachers	\$ 17,892,407	\$ 17,870,751	\$ 17,389,903	\$ 480,848
Substitute teachers	149,414	151,064	200,254	(49,190)
Instructional paraprofessionals	2,276,078	2,277,578	1,885,464	392,114
Pupil-use tech/software	41,697	255,682	248,826	6,856
Instructional materials/trips/supplies	565,389	555,571	455,692	99,879
Guidance services	734,681	685,635	696,401	(10,766)
Library and media	607,016	608,666	604,586	4,080
Extracurricular	625,638	627,937	585,069	42,868
Student health and services	794,601	860,162	841,484	18,678
Curriculum development	324,603	396,121	311,103	85,018
Staff development	114,825	164,068	401,142	(237,074)
Program management	349,167	310,034	346,322	(36,288)
Therapists/psychologists/evaluation	2,029,148	2,032,093	2,338,219	(306,126)
Academic student assessment	75,070	75,070	74,929	141
Transportation	1,559,833	1,525,523	1,462,029	63,494
Safety	101,895	101,895	135,684	(33,789)
Building upkeep/maintenance/utilities	2,828,031	2,789,919	2,780,326	9,593
Data processing	883,738	562,860	573,593	(10,733)
Business operations	456,374	429,902	421,489	8,413
Retiree Benefits	49,166	49,166	41,673	7,493
All school pass throughs	1,466,632	1,509,632	1,587,124	(77,492)
Principals and asst principals	1,120,637	1,119,918	1,121,756	(1,838)
School office	932,631	930,780	966,950	(36,170)
Superintendent/school board	423,434	419,722	406,520	13,202
Legal	123,000	123,000	109,161	13,839
Capital outlay	165,470	261,428	420,992	(159,564)
Other expenses	148,653	145,051	146,749	(1,698)
Transfers out	-	-	8,627	(8,627)
Total expenditures	<u>36,839,228</u>	<u>36,839,228</u>	<u>36,562,067</u>	<u>277,161</u>
Total expenditures and transfers	<u>\$ 36,839,228</u>	<u>\$ 36,839,228</u>	<u>\$ 36,562,067</u>	<u>\$ 277,161</u>

TOWN OF EAST GREENWICH, RHODE ISLAND
 General Fund
 JUNE 30, 2016

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, 2016:

Excess of revenues and other sources over expenditures and other uses (Deficit) (Non-GAAP Budgetary Basis).....	\$ 562,079
Excess of revenues and other sources over expenditures and other uses (GAAP).....	<u>\$ 562,079</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>
General Fund:		
<i>Schedule of Revenues, Expenditures and Other Financing Sources</i>		
<i>(Non-GAAP Budgetary Basis) Budget and Actual</i>	\$ 61,750,851	\$ 61,188,772
<i>Statement of Revenues, Expenditures and Changes in Fund</i>		
<i>Balances</i>	<u>\$ 61,750,851</u>	<u>\$ 61,188,772</u>

TOWN OF EAST GREENWICH, RHODE ISLAND
School Unrestricted
JUNE 30, 2016

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, 2016:

Excess of revenues and other sources over expenditures and other uses (Non-GAAP Budgetary Basis).....	\$ 543,268
Use of prior years fund balance.....	<u>(218,282)</u>
Excess of revenues and other sources over expenditures and other uses (GAAP).....	<u>\$ 324,986</u>

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

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

	<u>Revenues and Transfers</u>	<u>Expenditures and Transfers</u>
<i>School Unrestricted Fund:</i>		
<i>Schedule of Revenues, Expenditures and Other Financing Sources</i>		
<i>(Non-GAAP Budgetary Basis) Budget and Actual</i>	\$ 37,105,335	\$ 36,562,067
Adjustment for pension contribution made by State of Rhode Island on behalf of employees.....	\$ 1,492,509	\$ 1,492,509
Use of prior years fund balance.....	<u>(218,282)</u>	<u>-</u>
<i>Statement of Revenues, Expenditures and Changes in Fund</i>		
<i>Balances</i>	<u>\$ 38,379,562</u>	<u>\$ 38,054,576</u>

**TOWN OF EAST GREENWICH, RHODE ISLAND
TOWN TAX COLLECTOR'S ANNUAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

REAL ESTATE AND PERSONAL PROPERTY TAXES

Tax Roll Year	Balance July 1, 2015	Current Year Assessment	Additions and Adjustments	Abatements and Adjustments	Amount to be Collected	Collections	Balance June 30, 2016
2015	\$ -	\$ 55,456,409	\$ 88,536	\$ 139,335	\$ 55,405,610	\$ 54,254,999	\$ 1,150,611
2014	1,308,277	-	1,618	229	1,309,666	1,124,257	185,409
2013	237,225	-	-	224	237,001	40,178	196,823
2012	152,246	-	-	43	152,203	9,680	142,523
2011	106,896	-	-	35	106,861	6,577	100,284
2010	75,139	-	-	33	75,106	1,757	73,349
2009	63,689	-	-	3	63,686	1,263	62,423
2008	65,170	-	-	-	65,170	711	64,459
2007	72,702	-	-	-	72,702	1,062	71,640
2006	63,366	-	-	-	63,366	1,284	62,082
2005	46,295	-	-	-	46,295	79	46,216
2004 and prior	368,281	-	-	6	368,275	549	367,726
Subtotal	<u>2,559,286</u>	<u>55,456,409</u>	<u>90,154</u>	<u>139,908</u>	<u>57,965,941</u>	<u>55,442,396</u>	<u>2,523,545</u>
Allowance for uncollectible taxes	90,933						90,933
	<u>\$ 2,468,353</u>						<u>\$ 2,432,612</u>

SCHEDULE OF MOST RECENT NET ASSESSED PROPERTY VALUE BY CATEGORY

Description of Property	Valuations	Levy	Current year collections
Real property	\$ 2,241,978,733	\$ 51,480,402	\$ 55,442,396
Motor vehicles	163,905,252	2,207,572	Adjustments, refunds net (2,344)
Tangible personal	76,147,634	1,755,827	Total property tax revenues <u>\$ 55,440,052</u>
<i>Total</i>	<u>2,482,031,619</u>	<u>55,443,801</u>	
Exemptions:			
Real property	67,975,261	-	
Motor vehicles	67,420,430	-	
Tangible personal	1,985,515	-	
Miscellaneous adjustment	-	12,608	
<i>Total exemptions</i>	<u>137,381,206</u>	<u>12,608</u>	
<i>Net assessed value</i>	<u>\$ 2,344,650,413</u>		
Current year assessment		<u>\$ 55,456,409</u>	

Current Tax Rates:	
Residential	\$ 23.68
Commercial	\$ 23.68
Motor Vehicles	\$ 22.88
Tangibles	\$ 23.68

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									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Governmental Activities										
Net investment in capital assets	\$ 34,519,152	\$ 32,593,083	\$ 30,022,563	\$ 26,815,085	\$ 19,739,145	\$ 16,161,958	\$ 19,176,359	\$ 20,744,380	\$ 14,653,361	\$ 19,342,095
Restricted	1,989,921	2,171,870	3,423,277	3,601,262	3,533,838	-	-	-	-	3,603,644
Unrestricted	(33,241,321)	(30,331,477)	(814,090)	3,172,839	7,926,272	15,679,990	11,391,385	8,392,337	13,641,861	5,539,243
Total governmental activities net position	<u>\$ 3,267,752</u>	<u>\$ 4,433,476</u>	<u>\$ 32,631,750</u>	<u>\$ 33,589,186</u>	<u>\$ 31,199,255</u>	<u>\$ 31,841,948</u>	<u>\$ 30,567,744</u>	<u>\$ 29,136,717</u>	<u>\$ 28,295,222</u>	<u>\$ 28,484,982</u>
Business-type activities										
Net investment in capital assets	\$ 17,005,110	\$ 15,315,035	\$ 14,492,633	\$ 13,385,888	\$ 11,088,505	\$ 10,255,599	\$ 7,621,215	\$ 11,732,800	\$ 15,346,522	\$ 13,343,742
Unrestricted	7,602,117	9,258,013	10,428,707	11,765,571	13,837,395	14,660,591	16,318,603	9,919,947	2,005,368	4,389,133
Total business-type activities net position	<u>\$ 24,607,227</u>	<u>\$ 24,573,048</u>	<u>\$ 24,921,340</u>	<u>\$ 25,151,459</u>	<u>\$ 24,925,900</u>	<u>\$ 24,916,190</u>	<u>\$ 23,939,818</u>	<u>\$ 21,652,747</u>	<u>\$ 17,351,890</u>	<u>\$ 17,732,875</u>
Primary government										
Net investment in capital assets	\$ 51,524,262	\$ 47,908,118	\$ 44,515,196	\$ 40,200,973	\$ 30,827,650	\$ 26,417,557	\$ 26,797,574	\$ 32,477,180	\$ 29,999,883	\$ 32,685,837
Restricted	1,989,921	2,171,870	3,423,277	3,601,262	3,533,838	-	-	-	-	3,603,644
Unrestricted	(25,639,204)	(21,073,464)	(9,614,617)	14,938,410	21,763,667	30,340,581	27,709,988	18,312,284	15,647,229	9,928,376
Total primary government net position	<u>\$ 27,874,979</u>	<u>\$ 29,006,524</u>	<u>\$ 57,553,090</u>	<u>\$ 58,740,645</u>	<u>\$ 56,125,155</u>	<u>\$ 56,758,138</u>	<u>\$ 54,507,562</u>	<u>\$ 50,789,464</u>	<u>\$ 45,647,112</u>	<u>\$ 46,217,857</u>
Component Unit - Land Trust										
Net investment in capital assets	\$ 5,176,705	\$ 5,169,183	\$ 5,018,500	\$ 5,018,500	\$ 5,018,500	\$ 5,018,500	\$ 5,018,500	\$ 5,018,500	\$ 5,018,500	\$ 5,018,500
Unrestricted	(9,753)	5,862	127,210	130,492	190,595	152,118	147,656	137,565	133,344	143,631
Total component unit - land trust	<u>\$ 5,166,952</u>	<u>\$ 5,175,045</u>	<u>\$ 5,145,710</u>	<u>\$ 5,148,992</u>	<u>\$ 5,209,095</u>	<u>\$ 5,170,618</u>	<u>\$ 5,166,156</u>	<u>\$ 5,156,065</u>	<u>\$ 5,151,844</u>	<u>\$ 5,162,131</u>

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

Exhibit 2

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Expenses										
Governmental activities:										
Legislative, judicial and general administrative	\$ 9,660,610	\$ 4,159,481	\$ 6,481,781	\$ 3,508,332	\$ 5,867,286	\$ 4,383,274	\$ 4,339,118	\$ 4,185,051	\$ 3,132,955	\$ 3,306,789
Financial administration	827,362	2,591,475	3,139,959	2,562,044	180,311	373,446	499,059	498,266	486,637	453,747
Information technology	513,395	526,500	458,699	341,954	343,978	291,000	329,333	347,956	279,149	258,937
Public safety	7,993,445	7,808,939	7,720,518	9,108,219	3,335,498	3,362,659	3,937,506	3,719,021	3,775,116	3,643,029
Public works	5,159,473	5,104,794	4,922,694	4,564,079	4,640,995	4,288,190	4,305,209	4,264,987	3,884,001	3,772,241
Teen center	10,096	9,744	-	-	-	-	-	-	-	-
Public Health and Welfare	1,919,180	600,854	615,716	797,851	495,426	405,521	457,285	474,880	715,504	809,787
Parks and recreation	654,139	654,838	644,665	613,186	632,251	571,481	607,466	598,106	176,116	188,772
Town planner	183,436	168,723	190,696	171,137	175,385	152,036	191,610	190,516	185,712	182,181
Senior and Human services	231,868	239,665	235,186	261,342	769,945	239,353	229,342	245,204	228,993	193,227
Education	40,190,736	34,118,786	37,299,099	35,797,956	34,883,882	34,490,597	34,270,489	35,045,679	33,162,664	31,663,741
Grants and contributions	29,000	29,000	-	-	-	-	-	-	-	-
Library	507,546	499,141	486,875	475,000	467,175	467,175	467,175	467,175	455,775	434,071
Non capital outlay	-	-	229,924	-	-	-	-	-	1,698,602	504,915
Land trust	22,196	17,802	-	-	-	-	-	28,342	129,581	141,339
Interest	2,438,141	2,386,485	2,817,502	2,996,339	1,591,216	737,841	1,182,573	679,380	597,214	333,085
Total governmental activities expenses	<u>70,340,623</u>	<u>58,916,227</u>	<u>65,243,314</u>	<u>61,197,439</u>	<u>53,383,348</u>	<u>49,762,573</u>	<u>50,816,165</u>	<u>50,744,563</u>	<u>48,908,019</u>	<u>45,885,861</u>
Business-type activities:										
Sewer fund	3,121,804	3,042,941	2,924,541	2,803,715	2,924,500	2,876,482	2,756,904	2,077,958	2,234,066	2,136,408
Total business-type activities expenses	<u>3,121,804</u>	<u>3,042,941</u>	<u>2,924,541</u>	<u>2,803,715</u>	<u>2,924,500</u>	<u>2,876,482</u>	<u>2,756,904</u>	<u>2,077,958</u>	<u>2,234,066</u>	<u>2,136,408</u>
Total primary government expenses	<u>\$ 73,462,427</u>	<u>\$ 61,959,168</u>	<u>\$ 68,167,855</u>	<u>\$ 64,001,154</u>	<u>\$ 56,307,848</u>	<u>\$ 52,639,055</u>	<u>\$ 53,573,069</u>	<u>\$ 52,822,521</u>	<u>\$ 51,142,085</u>	<u>\$ 48,022,269</u>
Component unit - Land Trust										
Public Health and Welfare	\$ 61,798	\$ 21,483	\$ 54,752	\$ 28,025	\$ -	\$ 29,240	\$ 24,773	\$ 37,652	\$ 57,970	\$ 14,623
Total component unit expenses	<u>\$ 61,798</u>	<u>\$ 21,483</u>	<u>\$ 54,752</u>	<u>\$ 28,025</u>	<u>\$ -</u>	<u>\$ 29,240</u>	<u>\$ 24,773</u>	<u>\$ 37,652</u>	<u>\$ 57,970</u>	<u>\$ 14,623</u>

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

Exhibit 2

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Program revenues										
Governmental activities:										
<i>Charges for services:</i>										
Legislative, judicial and general administrative	\$ 728,482	\$ 516,808	\$ 637,795	\$ 599,535	\$ 558,686	\$ 550,557	\$ 599,011	\$ 639,690	\$ 691,384	\$ 675,892
Public safety	162,802	174,093	188,623	183,267	230,525	184,844	402,727	618,109	195,899	178,486
Public works	-	-	-	364,783	408,144	265,119	579,712	254,332	267,875	374,505
Public health and welfare	1,319,959	1,376,819	257,000	295,249	87,357	176,620	50,007	55,045	-	-
Parks and recreation	-	-	-	-	225,631	127,990	128,079	126,491	31,806	14,532
Town planner	-	-	-	-	-	930,205	344,517	296,856	-	-
Education	411,451	507,125	451,902	531,743	530,824	515,377	501,357	961,299	37,197	180,452
Interest	-	-	-	-	24	-	-	-	-	-
<i>Operating and grants contributions</i>										
Legislative, judicial and general administrative	-	393,555	549,711	125,068	216,590	-	-	-	-	-
Public safety	164,414	220,069	154,635	413,494	128,961	7,988	524,963	27,283	-	-
Public works	-	-	-	-	-	30,408	2,657	-	-	-
Parks and recreation	-	-	-	-	11,074	4,395	5,749	3,408	-	-
Public health and welfare	385,624	251,285	257,735	350,910	179,415	145,289	208,867	295,974	-	-
Education	7,835,647	5,586,856	6,663,785	2,538,795	1,246,325	1,531,377	1,320,089	2,549,745	370,018	230,462
Other	-	-	-	-	-	-	-	-	2,033,706	2,058,336
<i>Capital grants and contributions</i>										
Legislative, judicial and general administrative	-	-	-	19,552	294,326	3,561	276,176	408,777	-	-
Public safety	-	-	-	-	-	26,236	17,412	57,541	-	-
Public health and welfare	-	-	-	-	-	-	-	50,000	-	-
Total governmental activities program revenues	11,008,379	9,026,610	9,161,186	5,422,396	4,117,882	4,499,966	4,961,323	6,344,550	3,627,885	3,712,665
Business-type activities:										
<i>Charges for services:</i>										
Sewer fund	3,155,983	2,694,649	2,941,661	2,549,636	2,408,772	3,600,454	4,401,777	6,170,324	1,485,497	2,366,389
Total business-type activities program revenues	3,155,983	2,694,649	2,941,661	2,549,636	2,408,772	3,600,454	4,401,777	6,170,324	1,485,497	2,366,389
Total primary government program revenues	\$ 14,164,362	\$ 11,721,259	\$ 12,102,847	\$ 7,972,032	\$ 6,526,654	\$ 8,100,420	\$ 9,363,100	\$ 12,514,874	\$ 5,113,382	\$ 6,079,054
Net (Expense)/Revenue										
Governmental activities	\$ (59,332,244)	\$ (49,889,617)	\$ (56,082,128)	\$ (55,775,043)	\$ (49,265,466)	\$ (45,262,607)	\$ (45,854,842)	\$ (44,400,013)	\$ (45,280,134)	\$ (42,173,196)
Business-type activities	34,179	(348,292)	17,120	(254,079)	(515,728)	723,972	1,644,873	4,092,366	(748,569)	229,981
Total primary government net expenses	\$ (59,298,065)	\$ (50,237,909)	\$ (56,065,008)	\$ (56,029,122)	\$ (49,781,194)	\$ (44,538,635)	\$ (44,209,969)	\$ (40,307,647)	\$ (46,028,703)	\$ (41,943,215)
Total component unit net expenses	\$ 61,798	\$ 21,483	\$ 54,752	\$ 28,025	\$ -	\$ 29,240	\$ 24,773	\$ 37,652	\$ 57,970	\$ 14,623
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Property taxes, levied for general purposes	\$ 55,387,746	\$ 53,092,082	\$ 52,039,380	\$ 50,001,198	\$ 43,986,640	\$ 43,109,254	\$ 41,833,892	\$ 39,648,780	\$ 37,851,734	\$ 35,134,479
Net unrestricted investment earnings	9,489	9,719	27,917	13,369	744	232	89,386	94,635	204,322	353,610
Miscellaneous	2,457,607	2,786,915	3,611,275	7,101,914	6,006,024	4,106,885	5,362,591	3,847,486	6,289,962	5,610,041
State revenue sharing	62,395	62,403	62,403	-	-	-	-	-	-	25,041
<i>Special Item - Loss on disposal of equipment</i>	-	-	-	(27,318)	(18,145)	(20,985)	-	(64,575)	-	(32,012)
Total general revenues	57,917,237	55,951,119	55,740,975	57,089,163	49,975,263	47,195,386	47,285,869	43,526,326	44,346,018	41,091,159
Business-type activities:										
Unrestricted investment earnings	-	-	-	479,638	525,438	551,005	553,883	472,065	367,584	315,278
Transfers	-	-	-	-	-	-	-	-	-	(25,041)
Total business-type activities	-	-	-	479,638	525,438	551,005	553,883	472,065	367,584	290,237
Total primary government	\$ 57,917,237	\$ 55,951,119	\$ 55,740,975	\$ 57,568,801	\$ 50,500,701	\$ 47,746,391	\$ 47,839,752	\$ 43,998,391	\$ 44,713,602	\$ 41,381,396
Change in Net Assets										
Governmental activities	\$ (1,415,007)	\$ 6,061,502	\$ (341,153)	\$ 1,314,120	\$ 709,797	\$ 1,932,779	\$ 1,431,027	\$ (873,687)	\$ (934,116)	\$ (1,082,037)
Business-type activities	34,179	(348,292)	17,120	225,559	9,710	1,274,977	2,198,756	4,564,431	(380,985)	520,218
Total primary governmental	\$ (1,380,828)	\$ 5,713,210	\$ (324,033)	\$ 1,539,679	\$ 719,507	\$ 3,207,756	\$ 3,629,783	\$ 3,690,744	\$ (1,315,101)	\$ (561,819)
Component Unit - Land Trust										
Miscellaneous	\$ 53,705	\$ 50,818	\$ 51,470	\$ 44,309	\$ 38,477	\$ 33,702	\$ 34,864	\$ 41,873	\$ 47,683	\$ 42,010
Total general revenues	\$ 53,705	\$ 50,818	\$ 51,470	\$ 44,309	\$ 38,477	\$ 33,702	\$ 34,864	\$ 41,873	\$ 47,683	\$ 42,010
Change in Net Assets - component unit	\$ (8,093)	\$ 29,335	\$ (3,282)	\$ 16,284	\$ 38,477	\$ 4,462	\$ 10,091	\$ 4,221	\$ (10,287)	\$ 56,633

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

Exhibit 3	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Fund - Fund Balance Categories:										
Nonspendable:	2,579,596	2,003,737	-	595,204	-	18,847	*	*	*	*
Restricted:	718,264	966,083	6,931,891	2,507,549	2,478,727	2,278,668	*	*	*	*
Committed:	270,000	60,000	-	100,000	230,000	1,247,870	*	*	*	*
Assigned:	1,080,505	1,353,180	-	1,251,037	1,259,510	804,205	*	*	*	*
Unassigned:	7,043,991	6,422,291	-	6,721,114	5,842,439	5,181,016	*	*	*	*
Reserved										
Reserved for contingency	-	-	-	-	-	-	210,000	210,000	210,000	210,000
Reserved for prepaids	-	-	-	-	-	-	29,077	288,675	101,868	-
Unreserved:										
Designated for capital reserve vehicles	-	-	-	-	-	-	595,145	595,145	963,410	1,324,100
Designated for other improvements	-	-	-	-	-	-	436,638	444,327	1,082,424	648,529
Unreserved	-	-	-	-	-	-	4,445,470	2,622,685	1,988,024	2,937,042
Total general fund	\$ 11,692,356	\$ 10,805,291	\$ 6,931,891	\$ 11,174,904	\$ 9,810,676	\$ 9,530,606	\$ 5,716,330	\$ 4,160,832	\$ 4,345,726	\$ 5,119,671
School Bond 52m Capital Fund										
Committed for: Education	2,226,519	2,236,660	-	3,421,077	6,434,194	8,326,692	*	*	*	*
Unreserved	-	-	-	-	-	-	16,700,799	7,939,707	-	-
Total School Bond 52m Capital Fund	\$ 2,226,519	\$ 2,236,660	\$ -	\$ 3,421,077	\$ 6,434,194	\$ 8,326,692	\$ 16,700,799	\$ 7,939,707	\$ -	\$ -
Non-Major Governmental Funds										
Nonspendable:										
Inventories	-	5,083	5,083	5,083	6,121	4,532	*	*	*	*
Permanent fund principal	408,898	417,312	412,038	445,969	203,343	210,280	*	*	*	*
Restricted for:										
Education	132,876	161,812	100,497	52,226	298,361	291,393	*	*	*	*
Culture and recreation	-	-	-	-	728,562	728,562	*	*	*	*
Public works programs	1,138,781	1,043,975	1,051,205	1,041,487	28,188	93,894	*	*	*	*
Assigned for:										
Legislative, judicial	106,508	1,302,200	912,802	461,190	164,714	84,799	*	*	*	*
Long term obligations	-	-	178,390	391,891	609,391	585,896	*	*	*	*
Public safety programs	848,417	1,006,921	1,360,889	1,575,056	110,363	108,837	*	*	*	*
Community programs	93,212	101,775	106,298	115,530	120,161	128,055	*	*	*	*
Public works programs	68,461	63,396	206,820	209,076	154,232	457,385	*	*	*	*
Culture and recreation	396,441	1,364,158	1,401,739	1,383,367	1,490,547	1,435,172	*	*	*	*
Unassigned:	(73,951)	(54,012)	(86,653)	(41,252)	(223,648)	(247,070)	*	*	*	*
Reserved										
Reserved by trust agreements	-	-	-	-	-	-	218,586	215,288	240,495	297,548
Reserved for inventory	-	-	-	-	-	-	5,303	11,201	9,313	15,601
Reserved for prepaids	-	-	-	-	-	-	-	5,847	-	-
Unreserved, reported in:										
Capital Projects Funds	-	-	-	-	-	-	1,843,824	6,844,984	5,931,848	1,274,643
Permanent Funds	-	-	-	-	-	-	-	-	-	-
Special Revenue Funds	-	-	-	-	-	-	1,706,748	1,617,191	1,467,074	1,429,856
Total non-major governmental funds	\$ 3,119,643	\$ 5,412,620	\$ 5,649,108	\$ 5,639,623	\$ 3,690,335	\$ 3,881,735	\$ 3,774,461	\$ 8,694,511	\$ 7,648,730	\$ 3,017,648

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

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

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

Exhibit 4

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Revenues										
General property tax	\$ 55,440,052	\$ 52,836,687	\$ 51,730,064	\$ 50,068,123	\$ 43,760,296	\$ 43,213,598	\$ 41,561,575	\$ 39,757,548	\$ 37,755,081	\$ 34,936,384
Intergovernmental and departmental revenues	6,888,695	5,729,112	7,328,248	7,047,875	5,691,886	4,928,030	7,159,798	6,957,190	6,375,848	5,572,917
License and permits	2,074,701	2,027,141	1,529,948	1,110,840	1,114,239	974,565	1,233,467	1,064,372	1,155,158	1,228,883
Fines and interest on late payments	28,015	18,585	163,641	-	-	-	164,840	234,271	186,159	143,619
Tuitions	131,276	142,000	27,917	13,369	744	232	89,386	94,635	204,322	353,610
Other revenues	4,246,536	3,800,160	3,644,372	4,196,947	3,292,605	2,344,348	1,446,143	1,999,295	2,187,885	2,364,183
Total revenues	68,809,275	64,553,685	64,424,190	62,437,154	53,859,770	51,460,773	51,655,209	50,107,311	47,864,453	44,599,596
Expenditures										
Current:										
Legislative, judicial and general administrative	8,297,730	6,376,501	5,904,609	3,704,108	4,717,734	3,096,108	3,002,019	3,153,800	3,147,094	\$ 3,006,065
Financial administration	626,687	650,170	616,624	516,025	519,975	501,807	499,059	498,266	486,637	453,747
Information technology	513,395	526,500	458,699	341,954	343,978	291,000	329,333	347,956	279,149	258,937
Public safety	7,450,535	7,231,582	7,169,986	8,498,052	3,036,577	3,043,576	3,606,847	3,458,574	3,684,137	3,513,905
Public works	3,548,831	3,474,684	3,340,690	2,983,305	3,039,703	2,845,876	2,793,583	2,903,501	2,537,042	2,428,387
Public health and welfare	358,715	438,321	615,716	797,851	710,552	405,521	457,285	474,880	715,504	809,787
Teen Center	10,096	9,744	6,999	5,000	9,280	-	-	-	-	-
Parks and recreation	595,386	597,048	574,569	548,634	569,657	522,161	557,343	542,383	121,236	138,963
Town planner	183,436	168,723	190,696	171,137	175,385	152,036	191,610	190,516	185,712	182,181
Senior and human services	231,868	239,665	235,186	236,342	214,953	239,353	229,342	245,204	228,993	193,227
Education	39,003,994	36,495,426	36,808,755	35,262,082	34,883,882	33,884,678	33,760,544	34,417,055	32,604,632	31,097,374
Grants and contributions	29,000	29,000	29,000	25,000	24,000	-	-	-	-	-
Library	507,546	499,141	486,875	475,000	467,175	467,175	467,175	467,175	455,775	434,071
Land trust	22,196	17,802	59,560	28,025	76,388	-	4,600	-	30,828	14,532
Financing costs	2,607	2,749	14,674	2,650	1,338,229	650,037	-	28,342	96,603	124,707
Net decrease in FMV of investments	-	-	1,815,421	8,204	6,961	-	-	-	-	-
Capital	2,085,678	1,445,369	229,924	4,041,601	7,946,552	19,373,150	20,972,534	10,314,538	6,924,789	3,747,244
Debt service:										
Principal	4,221,833	4,190,833	4,160,833	3,780,834	36,640,833	35,550,000	10,940,000	1,940,000	1,840,000	970,000
Interest	2,450,718	2,544,721	2,664,401	3,129,487	1,191,483	766,885	1,054,545	604,260	587,889	322,383
Other expenditures	1,560,465	-	-	-	-	8,538	-	-	2,150	2,100
Total expenditures	71,700,716	64,937,979	65,383,217	64,555,291	95,913,297	101,797,901	78,865,819	59,586,450	53,928,170	47,697,610
Excess of revenues over (under) expenditures before other financing sources (uses)	(2,891,441)	(384,294)	(959,027)	(2,118,137)	(42,053,527)	(50,337,128)	(27,210,610)	(9,479,139)	(6,063,717)	(3,098,014)
Other financing sources (uses)										
Issuance of debt	1,475,388	20,000	-	-	36,640,000	44,135,000	33,000,000	18,240,000	9,600,000	-
BAN premium proceeds	-	-	-	-	3,609,699	332,320	304,127	-	-	-
Transfers from other funds	33,276,182	32,485,772	(48,599)	322,904	239,321	723,640	30,032,915	31,291,902	28,582,517	27,433,721
Transfers to other funds	(33,276,182)	(32,485,772)	-	(322,904)	(239,321)	(723,640)	(30,032,915)	(31,291,902)	(28,582,517)	(27,408,680)
Total other financing sources (uses)	1,475,388	20,000	(48,599)	-	40,249,699	44,467,320	33,304,127	18,240,000	9,600,000	25,041
Net change in fund balances	(1,416,053)	(364,294)	(1,007,626)	(2,118,137)	(1,803,828)	(5,869,808)	6,093,517	8,760,861	3,536,283	(3,072,973)
Fund balances - beginning - restated	18,454,571	18,818,865	20,235,604	22,353,741	21,739,033	27,608,841	21,515,324	12,837,786	8,513,315	11,586,288
Prior period adjustments	-	-	-	-	-	-	(83,323)	788,188	-	-
Fund balances - ending	\$ 17,038,518	\$ 18,454,571	\$ 19,227,978	\$ 20,235,604	\$ 19,935,205	\$ 21,739,033	\$ 27,608,841	\$ 21,515,324	\$ 12,837,786	\$ 8,513,315
Debt service as a percentage of noncapital expenditures	9.58%	10.61%	10.48%	11.42%	43.01%	44.06%	20.72%	5.16%	5.17%	2.94%

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

Exhibit 5

Fiscal Year	REAL PROPERTY		PERSONAL PROPERTY		TOTAL		Total Direct Tax Rate	Ratio of Total Assessed Value to Total Estimated Actual Value
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
2007	2,539,740,260	2,619,166,280	147,873,277	210,263,290	2,687,613,537	2,829,429,570	13.80	94.99%
2008	2,586,013,339	2,669,036,190	151,455,900	215,802,125	2,737,469,239	2,884,838,315	14.38	94.89%
2009	2,619,904,759	2,704,309,590	150,203,612	215,813,070	2,770,108,371	2,920,122,660	14.76	94.86%
2010	2,324,960,270	2,408,085,400	142,421,444	130,387,443	2,467,381,714	2,538,472,843	17.12	97.20%
2011	2,332,584,161	2,405,615,200	141,623,065	82,775,361	2,474,207,226	2,552,032,756	17.25	96.95%
2012	2,151,158,443	2,437,884,602	211,448,926	149,876,034	2,362,607,369	2,587,760,636	17.49	91.30%
2013	2,083,973,157	2,151,158,443	223,865,943	223,865,943	2,307,839,100	2,375,024,386	20.14	97.17%
2014	2,107,035,453	2,173,164,780	157,070,032	225,790,670	2,264,105,485	2,398,955,450	22.90	94.38%
2015	2,132,786,050	2,195,241,680	162,221,837	230,776,207	2,295,007,887	2,426,017,887	23.26	94.60%
2016	2,174,003,472	2,241,978,733	170,646,941	240,052,886	2,344,650,413	2,482,031,619	23.68	94.46%

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

Exhibit 6

Fiscal Year			General Fund			Fiscal Year			General Fund		
2007	Real Estate Residential	12.86	2012	Real Estate Residential	17.49						
	Motor Vehicles	22.88		Motor Vehicles	22.88						
	Tangible	12.86		Tangible	17.49						
	Inventory	4.74									
2008	Real Estate Residential	13.54	2013**	Real Estate Residential	22.24						
	Motor Vehicles	22.88		Motor Vehicles	22.88						
	Tangible	13.54		Tangible	22.24						
	Inventory	2.37									
2009	Real Estate Residential	14.00	2014	Real Estate Residential	22.90						
	Motor Vehicles	22.88		Motor Vehicles	22.88						
	Tangible	14.00		Tangible	22.90						
2010	Real Estate Residential	16.64	2015	Real Estate Residential	23.26						
	Motor Vehicles	22.88		Motor Vehicles	22.88						
	Tangible	16.64		Tangible	23.26						
2011	Real Estate Residential	17.25	2016	Real Estate Residential	23.68						
	Motor Vehicles	22.88		Motor Vehicles	22.88						
	Tangible	17.25		Tangible	23.68						

The average total direct rate for 2016 is \$ 23.65

Note: Taken from annual certified tax role

Description of Property	Valuations	Rate	Levy
Real property	\$ 2,174,003,472	23.68	51,480,402
Motor vehicles	96,484,822	22.88	2,207,241
Tangible personal	74,162,119	23.68	1,756,159
<i>Total</i>	<u>2,344,650,413</u>		<u>55,443,802</u>
			<u>23.65</u>
Average total direct rate for 2016			<u>23.65</u>

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

**TOWN OF EAST GREENWICH
PRINCIPAL TAXPAYERS
JUNE 30, 2016
UNAUDITED**

Exhibit 7

<u>Taxpayer</u>	<u>Type of Business</u>	<u>(1) Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
East Greenwich Square LLC	Real Estate	27,678,100	1.19%
Saint Elizabeth Development	Nursing	24,911,311	1.07%
Valley Place Office Park LLC	Medical Offices	18,670,000	0.81%
Briggs Drive Associates	Warehouse	12,808,100	0.55%
National Grid	Various Locations	9,997,480	0.43%
Narragansett Electric Gas	Various Locations	9,264,593	0.40%
Cove Homes Inc	Elderly Apt Complex	9,261,100	0.40%
Esmond Realty Corporation	Shopping Center	7,040,600	0.30%
Medical Assets Venture	Medical Office Building	6,657,400	0.29%
CNL Retirement HB2 (Assisted Living)	Real Estate	6,350,200	0.27%
		<u>\$ 132,638,884</u>	<u>5.72%</u>
Total assessed valuation (gross)		<u><u>\$ 2,318,126,367</u></u>	

(1) Source tax assessors office

Note: Information for prior nine years was not available

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

Exhibit 8

Fiscal Year	Taxes Levied for the Tax Year	Current Year Tax Collections	Percent of Levy Collected	Collections in Subsequent Years	Total Collections to Date	
					Amount	Percentage of Levy
2007	35,290,852	34,074,641	96.55%	1,070,681	35,145,322	99.588%
2008	37,726,180	36,636,049	97.11%	861,743	37,497,792	99.395%
2009	39,575,719	38,591,813	97.51%	951,505	39,543,318	99.918%
2010	41,524,344	40,155,545	96.70%	1,027,942	41,183,487	99.179%
2011	43,145,379	42,049,016	97.46%	1,078,070	43,127,086	99.958%
2012	44,015,852	42,802,430	97.24%	1,026,096	43,828,526	99.574%
2013	45,381,128	44,112,086	97.20%	1,177,449	45,289,535	99.798%
2014	51,851,944	50,684,913	97.75%	1,045,151	51,730,064	99.765%
2015	53,345,988	51,904,778	97.30%	1,021,893	52,926,671	99.214%
2016	55,456,409	54,254,999	97.83%	1,187,397	55,442,396	99.975%

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

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

Exhibit 9

Fiscal Year	Governmental Activities			Business-Type Activities		Total Primary Government	Population	Personal Income	Per Capita ¹	Total Debt per Personal Income
	General Obligation Bonds	Bond Anticipation Notes	Capital Leases	General Obligation Bonds	Notes Payable					
2007	9,429,873	-	293,832	-	23,086,586	32,810,291	*	*	*	*
2008	17,080,000	3,900,000	216,583	-	22,139,078	43,335,661	11,865	582,192	3,652.39	74.44
2009	24,380,000	9,000,000	33,333	6,000,000	20,857,215	60,270,548	13,293	652,261	4,534.01	92.40
2010	22,440,000	33,000,000	-	5,800,000	25,019,939	86,259,939	13,648	652,261	6,320.34	132.25
2011	30,525,000	33,500,000	-	5,470,000	23,600,396	93,095,396	13,382	665,261	6,956.76	139.94
2012	63,824,167	-	71,164	5,140,000	22,161,709	91,197,040	13,146	652,473	6,937.25	139.77
2013	60,043,333	-	43,168	4,820,000	20,583,547	85,490,048	13,146	655,429	6,503.13	130.44
2014	55,882,500	-	18,600	4,500,000	18,982,722	79,383,822	13,146	655,429	6,503.13	130.44
2015	51,711,667	-	83,055	4,200,000	17,357,894	73,352,616	13,146	655,429	6,503.13	130.44
2016	48,965,222	-	44,679	3,900,000	21,708,705	74,618,606	13,146	655,429	6,503.13	130.44

* Information unavailable as of date of report

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

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

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

Exhibit 10

Legal Debt Margin Calculation for the Fiscal Year 2016

Assessed Value (net)	\$ 2,344,650,413
Debt Limit 3% of Assessed Value	70,339,512
<i>Debt Applicable to Limit:</i>	
Total Bonded Debt	2,070,000
Legal Debt Margin	\$ 68,269,512

	2016		2015		2014		2013		2012		2011		2010		2009		2008		2007
Debt Limit	\$ 70,339,512	\$	68,850,237	\$	67,923,165	\$	67,213,371	\$	74,668,500	\$	74,226,217	\$	74,021,451	\$	83,103,251	\$	82,124,077	\$	81,206,687
Total net debt applicable to limit	2,070,000		530,400		895,300		1,260,200		1,625,100		990,000		1,155,000		1,320,100		1,485,000		-
Legal debt margin	\$ 68,269,512		68,850,237		67,027,865		65,953,171		73,043,400		73,236,217		72,866,451		81,783,151		80,639,077		81,206,687
Total net debt applicable to the limit as a percentage of the debt limit	2.94%		0.77%		1.32%		1.87%		2.18%		1.33%		1.56%		1.59%		1.81%		0.00%

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

Exhibit 11

Fiscal Year	Principal	Interest	Total Debt Service	Total General Expenditures (1)	Ratio of Annual Debt Service to Total General Expenditures Estimated
2007	970,000	322,383	1,292,383	47,697,610	2.71%
2008	1,840,000	587,889	2,427,889	53,928,170	4.50%
2009	1,940,000	604,260	2,544,260	59,586,450	4.27%
2010	1,940,000	875,046	2,815,046	54,626,911	5.15%
2011	2,550,000	766,885	3,316,885	49,288,794	6.73%
2012	3,140,833	690,379	3,831,212	51,049,633	7.50%
2013	3,780,834	3,129,484	6,910,318	59,083,149	11.70%
2014	4,160,833	2,664,401	6,825,234	60,744,547	11.24%
2015	4,190,833	2,544,721	6,735,554	62,084,163	10.85%
2016	4,221,833	2,450,718	6,672,551	71,700,716	9.31%

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

Note: There is direct or overlapping debt related to governmental activities

TOWN OF EAST GREENWICH
PRINCIPAL EMPLOYERS
JUNE 30, 2016
UNAUDITED

Exhibit 12

Name	Type of Business	Number of Employees								Percentage of Total Town Employment							
		2016	2015	2014	2013	2012	2011	2010	2009	2016	2015	2014	2013	2012	2011	2010	2009
Corvias Group LLC (Previously Picerme)	Construction	836	808	801	773	815	806	*	*	14.35%	13.87%	13.75%	13.27%	13.99%	13.84%	*	*
Alex and Ani	Retail/Warehouse	107	**	**	**	**	*	*	*	1.84%	*	*	*	*	*	*	*
Town of East Greenwich	Government	491	491	464	454	454	463	463	488	8.43%	8.43%	7.97%	7.79%	7.79%	7.95%	7.95%	8.38%
Dave's Market Palce	Retail	310	295	264	264	264	237	*	*	5.32%	5.06%	4.53%	4.53%	4.53%	4.07%	*	*
New England Linen Supply	Retail	65	65	78	**	**	*	*	*	1.12%	1.12%	1.34%	*			*	*
Meridian Printing	Restaurant	59	**	**	**	**	*	*	*	1.01%	*	*	*			*	*
Saint Elizabeth Home	Nursing Home/Assisted Living	284	284	313	200	280	200	185	200	4.88%	4.88%	5.37%	3.43%	4.81%	3.43%	3.18%	3.43%
Paul Bailey's EG Ford Inc.	Auto Sales	125	115	99	97	107	103	103	103	2.15%	1.97%	1.70%	1.67%	1.84%	1.77%	*	*
Eagle Pitcher Technologies	Manufacturing	111	126	128	*	*	*	*	*	1.91%	2.16%						
CBOCS	Restaurant	102	113	113	105	113	*	*	*	1.75%	1.94%	1.94%	1.80%	1.94%	*	*	*
NE Technology	Education	633	606	597	554	556	*	*	*	10.87%	10.40%	10.25%	9.51%	9.55%	*	*	*

*Information unavailable as of date of report

** Low employee count or closed business.

**EAST GREENWICH PUBLIC SCHOOLS
MISCELLANEOUS STATISTICS
JUNE 30, 2016
UNAUDITED**

Exhibit 13

BUILDINGS

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

STUDENTS

	K-5	Middle	High	Total
2016	1118	653	747	2518
2015	1115	631	735	2481
2014	1089	598	718	2405
2013	1081	592	729	2402
2012	1025	572	766	2363
2011	1169	400	741	2310
2010	1223	419	760	2402
2009	1187	405	784	2376
2008	1180	417	789	2386
2007	1185	422	778	2385

Administrative

Certified Staff:

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

Non- Certified Staff

Secretary and Clerical	26.0
Building and Maintenance	23.0
Teacher Assistants	57.5
Technicians	2.0
Attendance Officer	0.0
	<u>108.5</u>

Total FTE's	<u><u>346.0</u></u>
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Data collected from School Department

**TOWN OF EAST GREENWICH
MISCELLANEOUS STATISTICS
JUNE 30, 2016
UNAUDITED**

Exhibit 14

Founded	1644	Police Protection	
Town Incorporation	1677	Buildings	1
		Employees:	
		Law Enforcement	33
Type of Government	Council / Town Manager	Dispatchers	6
		Community Service Officers	10
Fiscal Year begins	July 1		
		Recreation	
Population	Official US Census	Natural Parks	5
	1950 4,923	Playgrounds	12
	1960 6,100	Ball Diamonds	
	1970 9,577	Hard Ball	3
	1980 10,211	Soft Ball	3
	1990 11,865	Multi-purpose fields	14
	2000 12,948		
	2010 13,146		
Area of Town	16.7 square miles	Inline Rink	1
Land Area	16.6 square miles	Skating Arenas	1
		Basketball Courts	6
		Walking Paths	1
		Running Tracks	1
Miles of Streets		Tennis Courts	12
Local Paved	80		
State Paved	11	Historical Cemeteries	85
Elections - November 2012		Municipal Buildings	
Registered Voters	10,612	Town Hall	1
Number of Votes Cast	7,356	Public Works Garage	1
Percentage Voting	69%	Parks & Recreation	3
Fire Protection			
# Fire Stations	2	Other Municipal Employees:	
Employees : Uniformed	35	Directors and admin	11
		Other municipal full-time	51
Library		Part time	26
Full Time Employees	5		
Part Time Employees	13		
Town Unemployment Rate:	4.40%		

Note: Data collected from various Town departments

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

Exhibit 15

Function	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Government	*	22	22	22	21	23	24	22	22	23
Public Safety										
Police										
Officers	*	30	29	32	32	31	33	33	31	32
Civilians	*	8	8	8	8	8	8	8	8	8
Fire Department							40	36	38	35
Parks	*	11	11	10	10	10	10	10	10	9
Public Works	*	23	23	24	24	25	25	24	25	24
Senior Services	*	5	5	4	4	4	4	4	4	4
Sewer	*	1	1	5	5	5	5	5	5	5
Total	*	100	99	105	104	106	149	142	143	140

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

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

Exhibit 16

Function	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Public Safety										
Police:										
Stations	*	1	1	1	1	1	1	1	1	1
Patrol units	*	30	29	32	32	32	32	32	32	32
Fire Stations	*	2	2	2	2	2	2	2	2	2
Highways and Streets										
Streets (miles)	*	80	80	80	80	80	80	80	80	80
Culture and recreation										
Parks	*	4	4	5	5	5	5	5	5	5
Skating Arenas	*	1	1	1	1	1	1	1	1	1
Tennis Courts	*	12	12	12	12	12	12	12	12	12
Ball Diamonds	*	5	5	6	6	6	6	6	6	6
Playgrounds	*	12	12	12	12	12	12	12	12	12
Basketball Courts	*	6	6	6	6	6	6	6	6	6
Running Tracks	*	1	1	1	1	1	1	1	1	1

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

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

Exhibit 17

Function	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Police										
Physical Arrests	*	380	331	439	212	254	248	327	291	261
Parking Violations	*	971	1,112	902	1,052	915	1,417	821	1,039	836
Traffic Violations	*	1,620	1,126	2,619	1,542	2,166	2,712	2,700	2,122	1,038
Highway and Street										
Street Resurfacing (miles)	*	4.50	3.00	3.00	5.90	6.50	0	1	6.04	1.75
Sanitation										
Refuse Collected (tons/day)	*	13.44	11.83	12.07	12.09	11.31	10.92	10.46	10.33	14.9
Paper Recyclables Collected (tons/day)	*	1.77	1.79	2.89	2.71	0	0	0	0	0
Mixed Recyclables Collected (tons/day)	*	3.09	3.03	1.91	1.93	0	0	0	0	0
Total Recyclables **						4.51	4.67	4.57	4.52	4.12
Wastewater										
Average Daily Sewage Treatment (thousands of gallons)	*	974	1,080	1,240	1,006	1,069	978	816	822	765

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

** New program that combines both types of recyclables.

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

Exhibit 18

Fiscal Year Ended June 30	Population¹	Median Family Income⁴	Median Home Price²	Personal Income² (amounts expressed in thousands)	Per Capita Personal Income⁴	Median Age⁴	School Enrollment³	Unemployment Rate⁴
2007	*	*	*	*	*	*	2,385	*
2008	11,865	85620	475,000	582,192	49,068	40.50	2,386	7.10%
2009	13,293	79691	463,750	652,261	49,068	41.30	2,376	10.06%
2010	13,648	79691	450,000	652,261	49,068	40.50	2,402	10.90%
2011	13,146	112484	460,000	665,269	45,703	44.60	2,310	10.70%
2012	13,146	114605	479,100	652,473	49,479	44.60	2,363	9.70%
2013	13,146	122,418	486,800	655,429	53,060	44.60	2,402	7.50%
2014	13,142	121,658	435,000	655,000	54,768	43.20	2,405	6.20%
2015	13,146	128,836	416,900	655,000	57,628	44.60	2,481	4.30%
2016	13,128	134,583	383,400	661,259	57,453	43.40	2,518	4.40%

* Information unavailable as of date of report

Data sources

¹ US Census Bureau

² US Census Community Survey (year average)

³ East Greenwich School Department

⁴ Rhode Island Department of Labor and Training

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

Exhibit 19

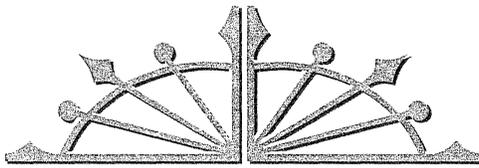
Fiscal Year	General Obligation Bonds	Estimated Actual Value of Property 1	Per Capita 2
2016	48,965,222	2,482,031,619	0.027%
2015	55,911,667	2,426,017,887	0.024%
2014	60,382,500	2,398,955,450	0.022%
2013	64,863,333	2,375,024,386	0.020%
2012	68,964,167	2,587,760,636	0.019%
2011	35,995,000	2,552,032,756	0.037%
2010	28,240,000	2,538,472,843	0.048%
2009	24,380,000	2,920,122,660	0.055%
2008	17,080,000	2,884,838,315	0.069%
2007	9,429,873	2,829,429,570	*

1 - See the Schedule of Assessed Value and Estimated Value of Taxable Property on page 132 for property value data

2 - See the Schedule of Demographic and Economic Statistics on page 147 for population data

* - Information unavailable as of the date of this report

***TOWN OF EAST GREENWICH, RHODE ISLAND
SINGLE AUDIT
FOR THE YEAR ENDED JUNE 30, 2016***



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, 2016, 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 20, 2017.

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

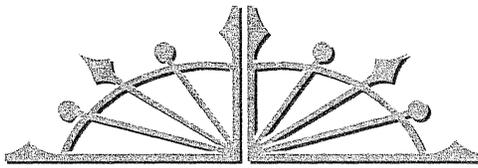
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in 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 20, 2017



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, 2016. 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, 2016.

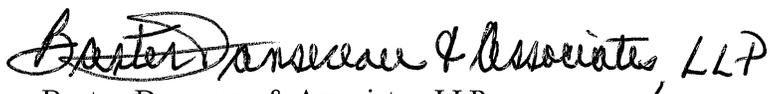
Report on Internal Control Over Compliance

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 20, 2017

TOWN OF EAST GREENWICH, RHODE ISLAND
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2016

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	\$ -	\$ 7,453
National School Lunch Program	10.555	N/A	-	104,662
Food Donation (Note 4)	10.555	N/A	-	35,186
Total U.S. Department of Agriculture			<u>\$ -</u>	<u>\$ 147,301</u>
U.S. Department of Housing and Urban Development				
Passed through the State of Rhode Island Office of Housing and Community Development				
Community Development Block Grant/States Program	14.228	Various	\$ -	\$ 148,168
Total U.S. Department of Housing and Urban Development			<u>\$ -</u>	<u>\$ 148,168</u>
U.S. Department of Justice				
Direct Award				
ARRA - Edward Byrne Memorial JAG Program	16.804	N/A	\$ -	\$ 8,342
Total U.S. Department of Justice			<u>\$ -</u>	<u>\$ 8,342</u>
U.S. Department of Health and Human services				
Direct Award				
Substance Abuse	92.243	N/A	\$ -	\$ 1,229
Total U.S. Department of Health and Human Services			<u>\$ -</u>	<u>\$ 1,229</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	2725-11702-601	\$ -	\$ 87,135
<i>Special Education Cluster:</i>				
Special Education - Grants to States	84.027A	2725-13202-601	-	569,470
Special Education - Preschool Grants	84.173A	2725-13502-601	-	13,535
Total Special Education Cluster				<u>583,005</u>
English Language Acquisition State Grant	84.365A	2725-16502-601	-	1,700
Improving Teacher Quality State Grants	84.367A	2725-16402-601	-	85,317
Career and Technical Education Basic Grants to States	84.048A	2725-15302-601	-	6,086
ARRA - Race to the Top	84.395A	4572-13502-140	-	1,449
Total U.S. Department of Education			<u>\$ -</u>	<u>\$ 764,692</u>
Total Federal Expenditures			<u>\$ -</u>	<u>\$ 1,069,732</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, 2016

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? yes X 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, 2016
(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, 2016

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, 2016

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, 2016. 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 \$35,186 represents the market value of such commodities used during the period.