

TOWN OF GLOCESTER

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



Photo by Jean Fecteau

Town Hall
Glocester, Rhode Island

Diane Brennan
Director of Finance

Prepared by: Finance Department

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

**TOWN OF GLOCESTER, RHODE ISLAND
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INTRODUCTORY SECTION

This Section Contains the Following Subsections:

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



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

1145 Putnam Pike, P.O. Box B
Chepachet, Rhode Island 02814-0702
Town Hall: (401) 568-6206, Ext. 218 Fax (401) 567-4554

Dbrennan@Glocesterri.org

Diane L. Brennan
Director
Director
Business Manager

December 21, 2016

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

We hereby submit the Comprehensive Annual Financial Report for the Town of Gloucester (Town), for the fiscal year ended June 30, 2016. The report has been prepared in accordance with generally accepted accounting principles (GAAP), adhering to the format promulgated through the Governmental Accounting Board's Statement 34. Responsibility for the accuracy of the data presented, as well the fairness of the representations contained within the report, rests with the Town's management. To provide a reasonable basis for making these representations, the Town has established a comprehensive internal control framework that is designed to protect the Town's assets from theft, loss, or misuse, and to promote the compilation of reliable financial information for reporting and forecasting purposes. Since the cost of the internal control system should not outweigh its benefits, the Town's internal control system has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatements. As management, we assert that, to the best of our knowledge, and in all material respects, this report is fair, complete, and summarizes the Town's financial position in a comprehensive manner.

The Comprehensive Annual Financial Report is presented in three sections: Introductory, Financial and Statistical. The Introductory Section contains this letter of transmittal, the Town's Organizational Chart, a listing of Town Officials and the prior year's Certificate of Achievement for Excellence in Financial Reporting. The Financial Section contains the independent auditor's report, the Management Discussion and Analysis (which should be read in conjunction with this transmittal letter to provide the reader with a greater understanding of the Town's net position and fund activity), the government-wide financial statements, the basic financial statements of major and non-major funds, notes to the financial statements, and other supplementary information. The Statistical Section provides selected financial and demographic information presented on a multi-year basis. A Single Audit section has not been included in this presentation. Due to the new Uniform Guidance standards adopted by the Town, Gloucester was not required to have a Single Audit performed. Federal funds are reported within the body of the financial statements. Gloucester was part of a pilot group for the state of Rhode Island. The Annual Supplemental Transparency Report (MTP2) is a new supplemental schedule required by the State of Rhode Island. As a pilot community, Gloucester has provided information consistent with newly enacted legislation to allow for data consistency and comparability among Rhode Island cities and towns.

Government Profile

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

The Town operates under a Home Rule Charter adopted in 1991 providing for a Town Council form of government with a five-member Town Council, elected at-large for terms of two years, and headed by a Council President. All legislative powers of the Town are vested in the Town Council by the Charter including all powers to enact, amend or repeal ordinances relating to the Town's property, affairs and government. This includes the power to create offices, departments or agencies of the Town, and establish personnel policies. The Town Council works to preserve the public peace, health and safety, of its residents. A charter revision passed on November 4, 2014, requiring the annual budget questions to be presented to the voters as an all-day referendum.

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

The Budget Board is a seven member board charged with quarterly budgetary oversight and the submission of the annual budget to the Town Council. Departments present annual budget requests to the budget board for consideration for the upcoming year. By the third Thursday of the month of March, the Budget Board submits a budget, town and school, to the Town Council. A public hearing is held by the Town Council for discussion of the budget contents. The town council votes to approve the budget questions to be acted on by the voters. The referendum is held no later than May 31. The voters decide the ordering of any tax, approve appropriations, and special appropriations annually through the budget questions on the ballot. Voter approval is required for the are the issuance of bonds.

Component Unit

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

Public Education

The Town of Glocester's public school system consists of two elementary schools, Fogarty Memorial and West Glocester Elementary School. The elementary schools provide learning for kindergarten through grade five. Grades 6 through 12 are served by the Foster-Glocester Regional School District of which the Town of Glocester and the Town of Foster are member communities.

The Foster-Glocester Regional School District was incorporated and its fiscal authority established by Acts of the General Assembly in 1958 and 1959. The general administration of the Gloucester School Department is directed by a six-member School Committee whose members are elected at-large with three members being elected at each regular biennial election. These six members of the Gloucester School Committee along with the three School Committee members from the Town of Foster are ex-officio members of the Foster-Glocester School Committee.

The Gloucester School Committee determines and controls all policies affecting the administration, maintenance, and operation of the public schools in the Town. The School Committee appoints a Superintendent as their chief administrative agent and such other administrative officers as deemed necessary. The school committee submits a budget of expenditures and revenues to the budget board. The Town Charter provides that, based on budget estimates submitted by the Gloucester School Committee, the Town Council establishes the Gloucester School Department's appropriation in total only. The Gloucester School Department budget is included with the Town annual budget for voter approval at the all-day referendum. Upon approval, the School Committee determines the allocations of the amounts appropriated. The Foster-Glocester Regional School District holds an annual Financial Town Meeting on the third Tuesday in March. The regional budget is adopted at the Financial Town Meeting and the appropriation for Gloucester is included in the Gloucester Town budget for consideration at the all-day referendum.

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

The cost of operation of the Town's elementary school system for fiscal year 2016 was \$8,966,759. In fiscal year ending June 30, 2016, the Town paid \$10,032,361 to the Foster-Glocester Regional School District (FGRSD). The Town will pay \$10,371,037 to the FGRSD for fiscal year 2017, a 3.4% increase. The FGRSD appropriation for 2017 budget increased by \$338,675. This included increases for operations (\$332,097) and debt (\$6,579). Cost of operations is based on actual enrollment of students attending FGRSD from the Town of Gloucester and the Town of Foster. A change or shift in actual enrollment from the estimate used to prepare the budget may cause an increase or decrease in the budget allocation for each town.

The Fogarty Memorial and West Gloucester elementary schools were constructed in 1975 and 1991 respectively. There is presently a staff of 86 full and part time employees. There are 57 of whom are teachers and professional staff, 52 of which are full time. The full time support staff consists of 26 employees and 3 part time workers. The Gloucester average per pupil expenditure for 2015 is \$17,102 as listed by the Rhode Island Department of Education.

A new Ponaganset Middle School building was completed in August 2007. The Ponaganset High School South building was constructed in 1960 and the Ponaganset High School North building was constructed in 1965. Both the North and South buildings were renovated in 2010. There is presently a staff of 172.3 in both schools, 112.8 of whom are teachers, and 15 are teachers' aides. Per 2015 state statistics, the average per pupil expenditure amounts to approximately \$20,319.

In the graduating class of 2015, 64% and 34% of all high school graduates continued their education by attending four- and two-year colleges, respectively. Two percent enlisted in the military. At the time of issuance of this report 2016 information was not available.

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

<u>Year</u>	<u>Grades kindergarten through 5 Gloucester</u>	<u>Grades 6 through 12 Gloucester</u>	<u>Total student population Gloucester</u>	<u>Grades 6 through 12 Foster</u>	<u>Total population grades 6 thru 12 F-G Region</u>
Actual enrollment					
1995-96	892	1,009	1,901	[403	1,412]
1996-97	890	1,044	1,934	[417	1,461]
1997-98	886	1,060	1,946	[442	1,502]
1998-99	876	1,130	2,006	[434	1,564]
1999-00	890	1,108	1,998	[478	1,586]
2000-01	893	1,117	2,010	[481	1,598]
2001-02	802	1,134	1,936	[496	1,630]
2002-03	794	1,157	1,951	[542	1,699]
2003-04	813	1,134	1,947	[552	1,686]
2004-05	754	1,140	1,894	[548	1,688]
2005-06	689	980	1,669	[654	1,634]
2006-07	826	1,038	1,864	[559	1,597]
2007-08	639	1,097	1,736	[425	1,522]
2008-09	638	976	1,614	[435	1,411]
2009-10	597	926	1,523	[430	1,356]
2010-11	598	868	1,466	[410	1,278]
2011-12	626	873	1,499	[403	1,276]
2012-13	591	874	1,465	[400	1,274]
2013-14	538	782	1,320	[363	1,145]
2014-15	533	777	1,310	[350	1,127]
2015-16	545	746	1,291	[363	1,155]

Projected enrollment

2016-17	530	760	1,290	[346	1,106]
2017-18	520	751	1,271	[344	1,095]
2018-19	515	755	1,270	[344	1,099]

During fiscal year 2016, the Gloucester School Department expended \$9,425,593. This included \$8,966,761 in the General Fund and \$313,657 in several special revenue funds. Their fiscal 2017 expense appropriation for operations is \$9,872,499. The fiscal 2017 State Aid for school operations has been budgeted at \$2,508,770.

Town Services

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

Executive and Administration

The Town Council exercises general oversight of the Town. The Office of the Town Clerk, the Department of Finance which includes Human Resources, and the Town Solicitor provide direct assistance to the council with daily operations. The Town Clerk's Office is responsible for all record maintenance and supervision of the probate court. During fiscal 2016, the Central Administration and Financial Administration groups expended \$1,377,897. This amount includes \$757,406 in Central Administration expense (page 117) and \$620,491 in Financial Administration expense (page 118). Included in this total are transfers for Financial Administration of \$5,000 (page 124) to a revaluation reserve account and a \$2,492 transfer in Central Administration for the comprehensive plan. The fiscal 2017 budget has been set at \$1,520,157.

Public Safety

Police: The Town Police Department is responsible for Public Safety and has a force of 15 full-time sworn officers, including the Chief, Captain, Lieutenant, 2 Sergeants and 10 police officers. The department also has 5 full- and 1 part-time Dispatchers. The Chief of Police is the Town's Public Safety Officer. The Dispatchers address police and three independent fire districts. The police station, built in 1990, provides facilities for public safety issues. During fiscal 2016, the Police Department expended \$2,074,266. This includes department expense of \$2,006,648 (page 119), a transfer of \$33,000 for the mobile radio equipment reserve, a transfer of \$33,000 for portable radio reserve (page 112) and grant related transfer expenses of \$1,617. For fiscal 2017, \$2,229,847 has been designated for police operations. Emergency Management (EMA) operations fall under the duties of the Chief of Police. There is a part time employee devoted to the coordination of these activities for the town. The financial commitment for fiscal 2016 was \$14,222. The fiscal 2017 budget includes \$17,480 for EMA operations.

Office of Animal Control: The Police Department is also responsible for the Office of Animal Control which has 1 full- and 2 part-time Animal Control Officers. They are responsible for the care of animals in their custody, encouraging adoptions, and the general protection of the public against stray and wild animals. During fiscal 2016, the Office of Animal Control expended \$74,899 (page 119). For fiscal 2017, \$96,474 has been designated for operations.

Fire and Rescue: Fire protection and rescue services in the Town of Gloucester are provided by three separate political entities created by State statute: the Harmony Fire District, the Chepachet Fire District and the West Gloucester Fire District. Each district is responsible for the acquisition and maintenance of fire equipment, facilities and stations in the respective areas served by the districts. There is one station in each of the Harmony and Chepachet districts. There are two stations in the West Gloucester district. The districts are independent of the Town of Gloucester and the Town is not directly responsible for their expenditures nor does the Town derive any income from their operations. By statute, the fire districts have separate ad valorem taxing powers

on the real property situated in the area served by each district. Staff includes approximately 85 volunteers, 23 per diem EMT's, and 2 full-time employees.

Building/Zoning Office: The Building/Zoning Officer and 4 part-time inspectors are responsible for insuring compliance with state and local building code ordinances and laws. The budget for the Building/Zoning Office is included with the Central Administration total. In Fiscal 2016, the building and zoning department expenditures were \$155,349 (page 116). For Fiscal 2017, the budget allocation for this department is \$172,082.

Social Services

Parks and Recreation: The Town employs a part-time Recreation Director who oversees activities at 2 Town beaches, 3 parks and various other recreational locations. Housed within the parks are 2 little league fields, 2 softball fields, 4 tennis courts, 4 basketball courts, 3 playgrounds, and walking trails. The Town also uses the facilities at the schools for basketball, tennis, and baseball programs. The 4th of July Ancients & Horribles parade, held in the Village of Chepachet, is a major event for the Town. This Parade is the second longest running Independence Day parade in Rhode Island celebrated for 89 consecutive years. Attendance has been upwards of 10,000 spectators annually. During fiscal 2016, the Recreation Department expended \$98,332. The Town made a contribution for the Independence Day parade of \$13,000 in Fiscal 2016 (page 124). For fiscal 2017, \$126,998 has been allocated for recreational activities and \$14,000 has been budgeted for the parade.

Libraries: There are two libraries (Glocester Manton Free Public Library and Harmony Library in the villages of Chepachet and Harmony, respectively) which operate independently from Town government. Each library is governed by a Board of Trustees. The Glocester Manton Free Public Library offers a collection of over 22,379 items and the Harmony Library offers over 39,959 items. As members of Ocean State Libraries, they both provide and promote open access to a broad range of informational, educational, cultural, and recreational materials and services including access to 49,935 E-book titles, 14,586 audio-downloadable titles and 601 video-downloadable titles. To further their mission, the libraries maintain membership in the Ponaganset Regional Libraries Network which was established to promote an awareness of library resources and services available to the residents of the Towns of Foster and Glocester through resource sharing and inter-library cooperation among the school and public libraries. Total library related expenditures for fiscal 2016 were \$193,650 for Manton Free Public Library and \$236,549 for Harmony Library. The Town contributed \$146,810 to the Manton Free Public Library and \$190,236 to the Harmony Library in 2016. These funds supported the acquisition of books and materials as well as an authorized staff of 4 librarians (2 full- and 2 part-time) holding masters degrees in Library and Information Services and support staffs of 10 part-time employees. Both libraries serve a total of 41,482 visitors per year. Budgeted Town aid for fiscal 2017 is \$153,631 for the Manton Free Public Library and \$193,282 for the Harmony Library. Together, both libraries circulate over 70,000 items per year, a per capita circulation of 7.0. Of Glocester's residents, 3,234 are registered borrowers of its libraries. In addition, Glocester Manton Free Library offered 297 programs that were attended by 3,600 people. Harmony Library offered 298 programs that were attended by 4,335 people. The Glocester Manton Free Public Library has 11

public-use computers, one hand held device, wireless printing and wireless access to the internet. Harmony Library has 21 computers, four hand held devices and wireless access to the internet. Combined Gloucester libraries had 6,088 users of public computers and 2,523 wireless sessions in 2016.

Human Services: The Human Services department provides transportation for Town residents to doctor offices, medical facilities, and for shopping trips for senior citizens and citizens with disabilities. It also operates a food bank and provides information assistance and emergency energy funds for residents in need. Fiscal 2016 expenditures totaled \$47,157. This includes department expense of \$34,157 (page 122) and transfers \$13,000 (page 124) to Emergency Energy Fund. The Human Services department has \$53,010 budgeted for fiscal 2017.

Senior Center: Social services including a lunch-time meal-site and various daily activities and programs are provided to the Town's seniors at our senior center building completed in 2007. Fiscal 2016 expenditures totaled \$144,982 (page 122). \$160,487 is budgeted for fiscal 2017. The senior center services residents of nearby towns. The Town of Burrillville has made a contribution towards operations during fiscal 2016 and has pledged to continue to do so in the Fiscal 2017 budget.

Physical Resources

Planning and Community Development: The Town Planner provides guidance on the physical development of the Town. The budget for the Town Planner is included in the Central Administration total budget. Fiscal 2016 expenditures for the Town Planner's Office totaled \$105,560 (page 116). This includes a transfer of \$2,493 (page 124) for the comprehensive plan. The Federal Community Development Block Grant (CDBG) program is administered under the guidance of the Town Planner. For fiscal 2017, \$155,165 is budgeted for the planning department.

Public Works: An authorized staff of 15 full-time and 2 part-time employee maintains 108.5 the Town's 148.8 miles of roads [38.3 miles of the 148.8 miles are state roads] and 3 bridges, monitors the disposal operations of 2,568 tons of trash and 1,380 tons of recyclables per year, maintains the Town's vehicles and equipment, and maintains 10 buildings. During fiscal 2016, the Department expended \$1,628,603. This amount includes \$1,478,603 (page 121) in department expense and budgeted transfers (page 124) of \$150,000 to the Storm/snow related reserve account. \$1,988,444 has been allocated for fiscal 2017.

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

Economic Conditions and Outlook

Population

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

<u>Year</u>	<u>Population</u>	<u>Year</u>	<u>Population</u>
1940	2,099	2000	9,948
1950	2,682	2010	9,746
1960	3,397	2012	9,746
1970	5,160	2014	9,746
1980	7,550	2015	9,931
1990	9,227	2016	9,844

Employment

The census bureau provides information based on (NAICS) industry code for the Town. Based on the most recent reported information which is for 2014, Gloucester had 137 private business and industrial firms subject to the payment of employment security taxes. During that period, the annualized payrolls for those entities totaled \$27,019,000 and the average number of persons employed was 824. The following is a listing of the various types of industry as listed in the governmental census data for 2012, 2013 and 2014. (censtats.census.gov)

	<u>Number of units</u>		
<u>Industry</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Agriculture, forestry, fishing & hunting	2	2	1
Construction	48	45	48
Manufacturing	4	4	
4			
Wholesale trade	0	1	1
Retail trade	18	19	19
Transportation & warehousing	6	6	5
Information	2	2	2
Finance & insurance	4	5	5
Real estate & rental & leasing	5	4	
3			
Professional & technical services	9	6	6
Management of companies & enterprises	0	1	
0			
Administrative support & waste management	5	5	4
Educational services	2	3	3
Health care & social assistance	9	10	9
Arts, entertainment, & recreation	1	1	1
Accommodation & food services	10	11	9
Other services (except Public Administration)	<u>12</u>	<u>12</u>	<u>12</u>
Total	<u>137</u>	<u>137</u>	<u>132</u>

Income Levels

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

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

Housing

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

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

Economic Development

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

Assessed values as of December 2016 for the town are \$926,669,967. The net assessed value has remained relatively constant from the prior year with a less the .02% increase. The town is performing a statistical revaluation for fiscal 2017 with first indications of an overall increase in value.

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

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

In 2003, the company spent approximately \$89 million in refurbishing and replacement of their facilities and expanded their operations. The number of employees at the site increased from 40 to 88 with that expansion. At that time, they entered into a 20 year payment-in-lieu-of-taxes (PILOT) agreement with the Town. Total payments from that original agreement will amount to \$27,937,500. As part of the original agreement, FMIC paid \$1,671,000 in fiscal 2015 and in 2016 paid 1,711,500. Included in the agreement was the transfer to the Town of 98 acres of land valued (at that time) at \$466,884 to be used for public purposes.

The company expanded their facilities again in the summer of 2009, spending another \$45 million. The project included a new “natural hazard” testing facility (75,000 sq. ft.) which included a 10’ by 10’ earthquake simulation table and other natural disaster testing equipment. A new water treatment plant was constructed which allows reuse of the water used during the testing procedures. A 17,000 sq. ft. warehouse was also constructed. The number of employees increased to 96. The town has received \$2,307,997 in fiscal 2016 and is to receive \$2,363,899 in fiscal 2017.

The company spent another \$2 million to build an addition to the hydraulics laboratory and office space. The work was completed as of April 2013. The PILOT agreement was amended to include this addition on June 20, 2013 and will provide an additional \$781,884 in tax revenue from Phase 3 from 2013 through 2021. The additional taxes received for fiscal 2016 was \$55,902. This will increase by \$55,902 for fiscal 2017.

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

There are several projects at various stages of approval underway in Glocester. The Bella Vista project is currently underway with approval for 35 residential duplexes on 36.15 acres. Spring Grove is a 36.89 acre project with preliminary plan approval for six lots. Glacier Ridge has a proposed plan to create a twenty lot business park. First estimates are to be completed in four phases. The center of town is undergoing several changes. The former state police building has been purchased by a private developer. Currently a retail liquor store is being built. The town is constructing a pavilion on land situated in the center of town utilizing a grant from the state of RI. This is expected to serve as a gathering place for outdoor town activities. Expected completion of the pavilion is by early January 2017.

Major Initiatives

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

At the November 2, 2004 general election, the taxpayers approved a change to the Town Charter to include a policy of maintaining an unassigned general fund balance at 12% (minimum) of proposed operating expenditures. The unassigned fund balance at June 30, 2016 is \$4,443,472 a decrease of \$747,087 from the prior year. The unassigned fund balance is 15.47% of general fund expenses budgeted for fiscal year 2017. The decrease is due to a decision to finance a capital improvement program for the Gloucester schools. The state or RI has removed the moratorium for school housing aid. The town is eligible to receive state reimbursement of 35% for approved school improvement projects. The town has submitted a \$4,000,000 list of school renovation projects to the Rhode Island Department of Education. The funding is to come from \$1,500,00 from the town and \$1,500,000 from the Gloucester school department cumulative fund balance. The Town has assigned \$975,000 and restricted \$300,000 of the fund balance towards the completion of the school improvements. The \$300,000 was included in the annual voter approved 2017 budget. The Gloucester school department has committed \$1,500,000 through an assignment towards the projects as well. It is expected the projects will be completed over a five year period. The town is steadfast to finance the projects from existing funds rather than to incur additional debt. The assignment of the funds in the current year have been the most significant change affecting the unassigned fund balance for 2016. There are favorable budgeting operating results of over \$750,000 for fiscal 2016 when the transfer of \$975,000 for school projects is factored in the equation. The total governmental fund balance has increased in 2016 by \$423,192 or 5.46%. The town has undertaken other projects over a period of time in the past. The transfer station upgrade has been completed with capital funds set aside over a two year period. The cost of the project was over \$400,000. The transfer station project became operational during December 2015. The project was completed within budget utilizing capital expenditure appropriations over multiple years.

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

The Town remains committed to preserving recreational and open space areas. The Gloucester Land Trust (which, as noted above is presented in the government-wide financial statements as a component unit) owns a total of 2,242 acres with an estimated value of 7,230,977 as of June 30, 2016.

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

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

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

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

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

The Glocester Town Hall, built in 1935, has, since 2008, undergone numerous improvements in order to improve energy efficiency, improve comfort for occupants and to remedy years of deferred maintenance. The improvements cost approximately \$626,356. In 2008, the exterior trim was repainted, the brick exterior was re-pointed, and the exterior doors were replaced with energy efficient doors with interior grids that resemble the original doors for the building. The original insulation in the attic was removed and new insulation installed in 2010. In 2011, new floors were installed in the main hall and Town Council Chambers. Additionally, ceiling tiles in the halls, restrooms, conference room and Town Council Chambers were replaced. The main hall, Town Council Chambers, restrooms and copy room were updated in 2011. Rooms in the southern wing

were renovated as well. In 2012, new recording equipment was installed in two conference rooms and upgraded in the Town Council Chambers. A generator was purchased and installed to power the Town Hall during electric power outages. Also, the bathrooms were refurbished and modernized, the building interior common areas were repainted, and new exterior doors were installed at the south wing handicap entrance door together with energy efficient windows. The administrative finance offices were the last group to be renovated. These were completed during fiscal 2014. Funds for continued improvements to the building have been set aside in capital during 2016 and 2017.

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

The Town commissioned an actuarial study as required by the Governmental Accounting Standards Board Statement # 45 [Other Post-Employment Benefits (GASB 45)]. The study was completed by USI Consulting Group and a report was issued on July 1, 2012. . The town has completed an update study during 2014 and again in 2016. The town has established an OPEB trust in cooperation with the Rhode Island Interlocal Trust during 2016. The State of Rhode Island enacted legislation to allow the Interlocal Trust to pursue the establishing of an OPEB trust on behalf of cities and towns. Funds are held independently for the Town of Gloucester with PARS (Public Agency Retirement Services). Further information regarding Other Post-Employment Benefits is provided in Note 14 on pages 66 and 67 of the financial statements.

Financial Information

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

Budgetary Control

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

- The Town Council appoints a Budget Board of seven members from the qualified electors of the Town.
- Each Department, Commission, Office and Agency submits a written detailed budget to the Budget Board no later than January 2nd in each year.
- The Budget Board holds budget hearings at which the various Departments, Commissions, Offices and Agencies justify their requests.

- The Budget Board submits to the Town Council, no later than the third Thursday in March, its recommendations regarding all requests for appropriations together with revenue estimates and the projected tax levy required to support the budget recommendation.
- The Town Council reviews recommendations of Budget Board and makes such changes as it deems appropriate.
- The Town Council holds a Public Hearing (at which taxpayers are given an opportunity to comment on the budget) on its preliminary recommended budget at least 21 days prior to the All-day referendum. The voters have the authority to approve or reject the budget questions.
- The Town Council, by affirmative vote of the majority, adopts the recommended budget for the ballot for the all-day referendum.
- The final Budget is approved or rejected by the voters and a Tax Levy is set by resolution by the Town Council based on the vote of the people.

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

Reserves and Fund Balance

The Town adopted a Fund Balance Policy on June 16, 2011 to comply with GASB Statement No. 54 which required new categories for fund balance. The Fund Balance Policy was amended on March 5, 2015 to incorporate the changes due to an all-day referendum. The categories are non-spendable, restricted, assigned and unassigned which are more fully described in Note 1 of the financial statements. The policy authorizes and directs the Department of Finance to prepare financial reports which accurately categorize the assigned fund balance.

Cash Management

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

Risk Management

The Town is a member of the Rhode Island Interlocal Risk Management Trust. This organization was established as a public entity risk pool to provide insurance coverage to local municipalities. The Town of Gloucester maintains insurance coverage for property, general liability, public officials' liability, auto liability, workers compensation, and medical and dental coverage. General liability and public officials' liability coverage is \$5,000,000. Further information is provided in Note 17 on page 68 and Note 20 on page 70 of the financial statements.

Debt Administration

The ratios of net debt service to budget, net bonded debt to total assessed (property) valuation and net bonded debt per capita provide useful information when evaluating the Town's financial position. These indicators were as follows on June 30, 2014, June 30, 2015, and June 30, 2016:

	<u>Net Direct Bonded Debt</u>	<u>Ratio of Net Debt Service to Budget</u>	<u>Ratio of Bonded Debt to Assessed Value</u>	<u>Debt per Capita</u>
June 30, 2014	\$2,940,000	2.30%	0.31%	\$300.55
June 30, 2015	\$2,495,000	2.20%	0.27%	\$251.23
June 30, 2016	\$2,030,000	2.30%	0.22%	\$206.22

(Please see statistical schedules 4, 9, 12 and 14 for additional information)

Independent Audit

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

Reporting Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Glocester for its comprehensive annual financial reports for the fiscal year ended June 30, 2015. This was the ninth consecutive year that the Town has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgment

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

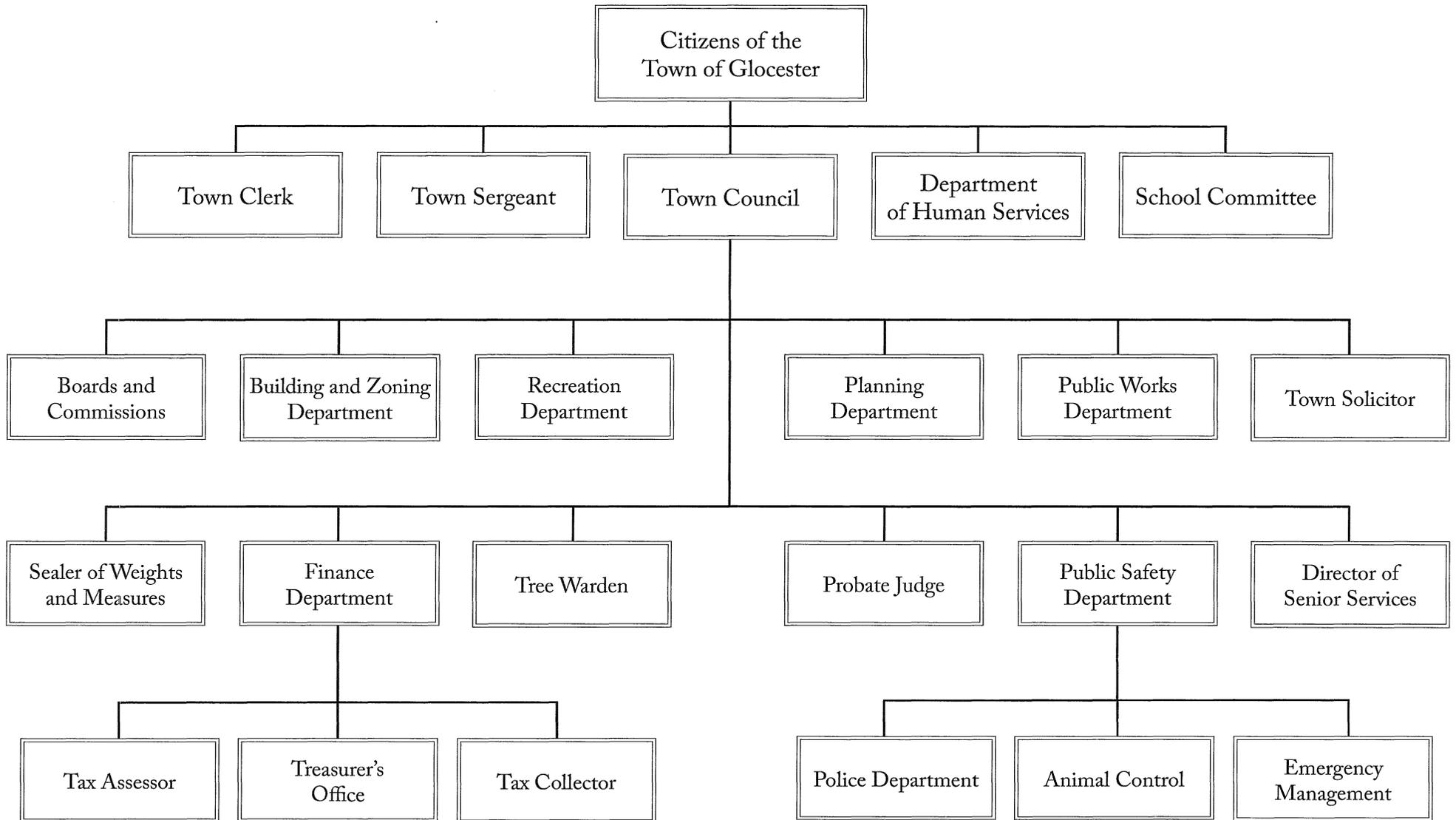
Respectfully submitted,


Diane L. Brennan, MBA
Director of Finance


Jaclynn M. DiPietro
Financial Analyst


Jeanne F. Carcieri
Clerk

Town of Glocester, Rhode Island Organization Chart



TOWN OF GLOCESTER, RHODE ISLAND
AS OF JUNE 30, 2016

TOWN COUNCIL

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

DIRECTOR OF FINANCE

Diane Brennan



Government Finance Officers Association

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

Presented to

**Town of Gloucester
Rhode Island**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

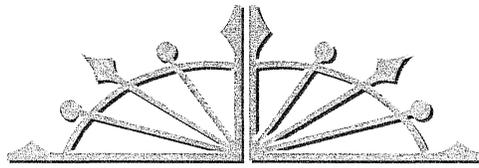
June 30, 2015

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 Glocester
Glocester, Rhode Island

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Glocester, Rhode Island (Town) as of and for the year ended June 30, 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 Glocester, 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 4-19 and 91-94 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2016, on our consideration of the Town of Glocester, Rhode Island's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Glocester, Rhode Island's internal control over financial reporting and compliance.



Baxter Dansereau & Associates, LLP

West Warwick, Rhode Island

December 21, 2016

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

Management of the Town of Glocester provides this Management's Discussion and Analysis of the Town of Glocester's Annual Financial Report for the readers of the Town's financial statements. This narrative overview and analysis of the financial statements of the Town of Glocester is for the fiscal year ended June 30, 2016. We encourage readers to consider this information in conjunction with the Town's financial statements that follow.

Financial Highlights

- In fiscal year 2016, the Town's General Fund's revenues and other financing sources of funds exceeded expenditures and other uses of funds by \$423,192. The School Unrestricted revenues and other financing sources exceeded expenditures by \$75,858 during fiscal 2016.
- As of the close of the fiscal year, the Town's governmental funds reported combined ending fund balances of \$14,318,457. The general fund unassigned fund balance of \$4,443,472 represents 31% of this total.
- On a government-wide basis, the assets of the governmental activities of the Town of Glocester exceeded its liabilities at June 30, 2016 by \$22,474,087.
- There was decrease in net position of \$398,261 in the governmental activities. The inflows and outflows of the pension system were the most significant change. The net position of the Town's component unit increased by \$44,757, or .6%, to \$7,557,170. The net position of business type activities, increased by \$3,544, or 5.9% to \$63,658.
- The Town's Government-wide operating expenses were \$28,585,522. This is a \$2,237,700 increase from the prior year. The changes are due to the focus of long-term economic conditions that are included in the statement. These changes are illustrated in note 10 of the notes to financial statements found on page 54.

Overview of the Financial Statements

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

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

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

TOWN OF GLOCESTER, 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 similar to that of private-sector businesses. They are presented on the accrual basis of accounting where revenues and expenditures are recognized in the period they occur as opposed to the period in which they are collected or paid.

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

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

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

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

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

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

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

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

Information is presented separately in the *Governmental Fund Balance Sheet* and in the *Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances* for the General Fund, the School Unrestricted Special Revenue Fund, and the Capital Reserve Fund, which are considered major funds. Data from all other funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements on pages 99 through 118 in this report. The individual funds within the component unit have been summarized into the data presented.

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

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

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

Notes to Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are found on pages 30 through 90.

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

Other Information - In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information pertinent to the Town's operations. Required Supplementary information is presented on pages 91 through 98.

Government-wide Financial Analysis

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

Analysis of the Town of Gloucester's Net Position

The Town's net position may be a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future. On a government-wide basis, the assets of the Town exceeded its liabilities at June 30, 2016 by \$22,537,745 a decrease of \$319,324 or 1.4% from the prior year. The most significant change is due to the recognition of deferred outflows and inflows when compared to the prior year.

Current assets decreased by \$143,212 or .86%, from 2015.

Capital assets decreased by \$65,555 due to annual depreciation costs that were more than additions.

Other liabilities decreased by \$336,310 due to fewer liabilities due within one year.

Long-term liabilities in the current year increased by \$2,249,376 from 2015. This was due mostly to the Town's net pension liability increase offset by decreases in bonds payable. See note 9 to the financial statements for additional detail.

Net investment in capital assets increased from the prior year by \$413,341.

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

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

Town of Gloucester
Net Position

	<i>June 30, 2015</i>				<i>June 30, 2016</i>			
	Govern- mental Activities	Business Type Activities	Total	Component Unit	Govern- mental Activities	Business Type Activities	Total	Component Unit
Current and Other Assets	\$ 16,709,264	\$ 76,383	\$ 16,785,647	315,121	\$ 16,566,052	\$ 73,466	\$ 16,639,518	\$ 348,960
Capital assets	18,273,296	-	18,273,296	7,213,538	18,207,741	-	18,207,741	7,213,538
Total Assets	<u>34,982,560</u>	<u>76,383</u>	<u>35,058,943</u>	<u>7,528,659</u>	<u>34,773,793</u>	<u>73,466</u>	<u>34,847,259</u>	<u>7,562,498</u>
Deferred Outflow of Resources	1,034,879	-	1,034,879	-	2,748,429	-	2,748,429	-
Other Liabilities	1,103,824	16,269	1,120,093	16,246	767,514	9,808	777,322	5,328
Long-Term Liabilities	10,507,978	-	10,507,978	-	12,757,354	-	12,757,354	-
Total Liabilities	<u>11,611,802</u>	<u>16,269</u>	<u>11,628,071</u>	<u>16,246</u>	<u>13,524,868</u>	<u>9,808</u>	<u>13,534,676</u>	<u>5,328</u>
Deferred inflow of Resources	1,608,682	-	1,608,682	-	1,523,268	-	1,523,268	-
Net Position:								
Net investment in capital assets	15,758,086	-	15,758,086	7,213,538	16,171,427	-	16,171,427	7,213,538
Restricted	3,391,797	-	3,391,797	-	2,099,156	-	2,099,156	-
Unrestricted	3,647,072	60,114	3,707,186	298,875	4,203,504	63,658	4,267,162	343,632
Total Net Position	<u>\$ 22,796,955</u>	<u>\$ 60,114</u>	<u>\$ 22,857,069</u>	<u>\$ 7,512,413</u>	<u>\$ 22,474,087</u>	<u>\$ 63,658</u>	<u>\$ 22,537,745</u>	<u>\$ 7,557,170</u>

The largest portion, \$16,171,427 or 72%, of the Town's net position consists of its investments in capital assets such as land, buildings and improvements, motor vehicles, furniture and equipment and infrastructure, less any outstanding debt used to acquire these assets. The Town uses these capital assets to provide services to its citizens. Consequently, these assets are not available for future spending. Although the Town's investment in its capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves are unlikely to be used to liquidate these liabilities.

An additional portion \$2,099,156 of the Town's net position represents resources that are subject to external restriction on how they may be used. The remaining balance of the Town's unrestricted net position may be used to meet the government's ongoing obligations to its citizens and creditors.

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As of June 30, 2016, the Town of Glocester reports positive balances in all three categories of Net Position for the government as a whole.

Analysis of the Town of Glocester's Operations

The following analysis provides a summary of the Town's operations for the year ended June 30, 2016.

Governmental activities decreased the net position by \$398,261 in the current period.

Business type activities remained relatively unchanged.

The Town's component unit activities increased by \$44,757.

Total revenues net change was an increase of \$207,543 from 2015.

- *Charges for Services decreased* by \$114,226 from 2015.
- *Property tax revenues* increased by \$370,578 and gains increased by \$74,745.
- *Operating Grants and Contributions* were \$119,939 less than 2015 largely due to less funding from educational funds for special revenue and operations during 2016.

Total expenses increased by \$2,255,573 from 2015. The difference is primarily from the long-term economic focus of the net position statement. The changes from 2015 to 2016 have a greater swing than current activities.

- *Business type activities*, the School Lunch program, net position increased by \$3,544 due to operations.
- The town's *component unit*, The Glocester Land Trust, net position increased by \$44,757. This is due to the increase in revenues during the year.

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

Town of Gloucester, Rhode Island
Change in Net Position

	June 30, 2015				June 30, 2016			
	Govern- mental Activities	Business Type Activities	Total	Component Unit	Govern- mental Activities	Business Type Activities	Total	Component Unit
<i>Revenues</i>								
<i>Program revenues</i>								
Charges for services	\$ 610,451	\$ 162,616	\$ 773,067	\$ -	\$ 496,225	\$ 81,779	\$ 578,004	\$ -
Operating grants	3,821,746	-	3,821,746	62,495	3,741,067	66,935	3,808,002	76,789
Capital grants	39,260	-	39,260	-	-	-	-	-
<i>General Revenues</i>								
Property taxes	23,143,308	-	23,143,308	-	23,513,886	-	23,513,886	-
Investment earnings	112,281	-	112,281	17	108,666	-	108,666	8
Gain (loss)	107,502	-	107,502	-	182,247	-	182,247	-
Total revenues	<u>27,834,548</u>	<u>162,616</u>	<u>27,997,164</u>	<u>62,512</u>	<u>28,042,091</u>	<u>148,714</u>	<u>28,190,805</u>	<u>76,797</u>
<i>Expenses</i>								
Administration	671,232	-	671,232	-	1,970,608	-	1,970,608	-
Finance	593,176	-	593,176	-	601,595	-	601,595	-
Public Safety	2,341,273	-	2,341,273	-	2,341,021	-	2,341,021	-
Public Works	2,394,808	-	2,394,808	-	2,364,144	-	2,364,144	-
Recreation and senior center	385,788	-	385,788	-	346,339	-	346,339	-
Social Services	228,336	-	228,336	-	308,136	-	308,136	-
Operational expenses	389,605	-	389,605	-	376,743	-	376,743	-
Aid Requests	336,441	-	336,441	-	344,446	-	344,446	-
Education	18,718,145	-	18,718,145	-	19,682,541	-	19,682,541	-
Interest	125,975	-	125,975	-	104,779	-	104,779	-
School Lunch Program	-	163,043	163,043	-	-	145,170	145,170	-
Glocester Land Trust	-	-	-	30,997	-	-	-	32,040
Total expenses	<u>26,184,779</u>	<u>163,043</u>	<u>26,347,822</u>	<u>30,997</u>	<u>28,440,352</u>	<u>145,170</u>	<u>28,585,522</u>	<u>32,040</u>
Change in net position	1,649,769	(427)	1,649,342	31,515	(398,261)	3,544	(394,717)	44,757
Net position beginning	21,147,186	60,541	21,207,727	7,480,898	22,872,347	60,114	22,932,461	7,512,413
Net position ending	<u>\$ 22,796,955</u>	<u>\$ 60,114</u>	<u>\$ 22,857,069</u>	<u>\$ 7,512,413</u>	<u>\$ 22,474,087</u>	<u>\$ 63,658</u>	<u>\$ 22,537,745</u>	<u>\$ 7,557,170</u>

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Financial Analysis of the Town of Gloucester's Funds

Governmental Funds

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

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

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

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

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

Unassigned – items that have no restrictions placed on them.

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

General Fund

The total fund balance has increased by \$423,192. The category breakdown of the fund balance is listed below.

Non-spendable

- *Prepaid:* The \$2,000 prepaid expense is for payments made in 2015 for items covered in 2016.

Committed

- *Education:* The town has committed \$180,000 for an anticipated loss in local state education aid. This is to plan for a future reduction. The town committed an additional \$75,000 towards future proration cost increases due to population shifts from one district to another at the regional schools.
- *Capital Projects:* The Town has committed \$400,000 towards two capital projects. \$300,000 is an appropriation for school building renovations and improvements. \$100,000 is for the purchase of recreational fields for the town. These items were included in the fiscal 2017 budget and approved by the voters.

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

Assigned

- *Administration:* The assignment for Revaluation Reserve increased by \$7,289 from \$308,761 in 2015 to \$316,050 in 2016 and the Comprehensive Plan decreased by \$1,129 from \$34,824 in 2015 to \$33,695 in 2016. Future technology increased by \$34,483 to \$91,459 from \$56,976 in 2015. The assignment of \$1,508 for Tree Planting remains unchanged from 2015.
- *Public safety:* The assignment for Radio Equipment decreased by \$10,932 from \$75,673 to \$64,741. The assignment for Police Equipment Maintenance decreased by \$12,537 from \$52,388 in 2015 to \$39,851 in 2016. An assignment of \$33,000 for mobile radios and \$33,000 for portable radios was done to plan for future technology upgrades for public safety. The Town self-insures for damage to police equipment and maintenance on radio towers.
- *Public Works:* The assignment for Storm Related Services decreased by \$7,621 from \$348,773 in 2015 to \$341,152 for the fiscal year ended June 30, 2016.
- *Recreation:* The assignment for Senior Center Dues increased by \$187 from \$6,397 in 2015 to \$6,584 in 2016. Amounts are to supplement activities and events at the Senior Center
- *Matching state grant funds:* The \$50,000 reserve for grant matches remains unchanged.
- *Contractual obligations:* The assignment for Accrued Compensated Absences increased by \$45,062 from \$454,123 in 2015 to \$499,185 in 2016 due to anticipated future expenses. The \$122,255 assigned for OPEB obligations decreased by \$310,985 from \$433,240 in 2016. An OPEB Trust was established with initial funding of \$384,191. This amount exceeds the amount needed to cover the Town's cumulative Net OPEB Obligation.
- *Employee benefits:* The amount assigned for Health Insurance increased by \$32,750 from \$350,170 in 2015 to \$382,920 in 2016. This amount is to smooth fluctuations of health insurance costs. Working rates are derived through the RI Interlocal Risk Management Trust operating a self-insurance health program for the Town of Glocester.
- *Education:* The Town assigned \$975,000 for school building renovations and improvements. This is part of a five year project funded by the school and the town with funds set aside in this year. These projects have preliminary approval from the Rhode Island Department of Education for reimbursement from school housing aid funds up to 35% of the costs. The estimated cost is \$4,200,000. The school has assigned \$1,500,000 from their cumulative fund balance towards the plan as well. The voters passed the fiscal 2017 budget committing an additional \$300,000 on the town side and the school side towards the five-year plan.

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Unassigned

The General Fund Unassigned fund balance in 2016 is \$4,443,472. This is a decrease of \$747,088 from the unassigned fund balance of \$5,190,560 in 2015. The unassigned fund balance is 15.53% of the fiscal 2017 budget. The reduction is due to the assignments for those specific purposes listed above.

School Unrestricted

Restricted

- *Education:* This amount decreased by \$1,345,729 from \$2,536,504 in 2015 to \$1,190,775 in 2016. This decrease was due to an assignment of \$1,500,000 for school building renovations and improvements.

Assigned

- *Contractual obligations:* The assigned amount of \$180,274 for OPEB did not change from 2015 to 2016. This amount exceeds the amount needed to cover the School's cumulative Net OPEB Obligation.
- *Employee benefits:* The assigned amount for Sick Day Buy-Out for certified employees remained the same \$375,250 in 2016. This amount is for payments to certified staff when they retire.
- *Medicaid expenditures:* This amount increased by \$29,560 from \$332,704 in 2015 to \$362,264 in 2016.
- *Education:* The \$2,055,066 amount is partially for operational expenses of \$555,066 for fiscal 2016. The balance \$1,500,000 is for future costs of school building improvements and renovations. This is a commitment made by the town and the school over a five-year period.

Capital Reserve Fund

Committed

Capital projects: This restricted fund balance decreased by \$420,311 from \$1,492,766 in 2015 to \$1,072,475 in 2016. The most significant project completed during 2016 was the transfer station. The town committed \$ 508,794 for capital projects in 2016.

Other Governmental Funds

Non-Spendable

Perpetual care: The amount of non-spendable reserves remained the same at \$3,100 for the fiscal year ended 2016

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Restricted

- *Administration:* The total administration has decreased to \$33,477 in 2016. This is a decrease of \$14,221 from the amount of \$47,698 in 2015. The recycling grant and the historic records amount make up the majority of the decrease.
- *Public safety:* The amount restricted in *Public safety* is \$45,384 for 2016. This is a decrease of \$14,114 from 2015. The Bramley grant decrease of \$16,288 for drug and alcohol prevention is the largest change in this category. The MEDS program and the DARE program had modest increases to make up the balance.
- *Recreation:* The restricted amount increased by \$15,477 from the amount in 2015. The total restricted portion of the recreation category is \$77,825 for 2016. The parade account increased by \$7,531 and a new grant for \$7,450 for recreational field improvements are the changes in 2016.
- *Social Services:* The social service restricted amount for 2016 is \$297,251. This is an increase of \$75,445 from 2015. The change is due largely to a \$75,120 increase in the CDBG program due to early loan repayments.
- *Education:* This restricted fund balance for 2016 is \$36,342. This represents a decrease of \$9,623 from \$45,965 in 2015. The change is largely due to a decrease of \$8,879 in professional development category for 2016. There is a modest decrease in library donations and CAST funding.
- *Capital Projects:* This restricted fund balance increased by \$123 from 2015 to \$409,005 in 2016. Capital improvements are reported in this category. The change is due to an increase from a transfer in for roads for 2016 of \$5,123 and property survey advance of \$5,000.
- *Perpetual Care:* This restricted amount remained the same at \$9,087 in 2016. This is to maintain cemetery property.

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Town of Gloucester
Fund Balances

	<i>June 30, 2015</i>	<i>June 30, 2016</i>	
	Total	Total	
	Governmental	Governmental	Increase
	Funds	Funds	(Decrease)
Nonspendable	25,003	5,100	(19,903)
Restricted	3,391,797	2,099,156	(1,292,641)
Committed	1,827,786	1,807,475	(20,311)
Assigned	3,751,484	5,963,254	2,211,770
Unassigned	5,190,560	4,443,472	(747,088)
Total	14,186,630	14,318,457	131,827

General Fund Budgetary Highlights

Revenues

Total revenues reported in 2016 were more than budgeted amounts by \$254,934 or 1.2%.

General Property Taxes collected exceeded budget by \$83,556 or 0.5%. Included in taxes collected was \$2,307,997 from Factory Mutual Insurance Company from a payment-in-lieu-of-taxes (PILOT) agreement, which commenced in 2003.

Revenues from *licenses, fees and fines* were \$335,225, or \$60,225 over the budget amount. This is primarily due to additional revenue from building permits and realty tax collections

Interest and investment income was greater than budget by \$13,836 or 16% due to revenue from interest on taxes of \$14,084 more than the budget amount.

Expenses

Total expenditures and other financing uses in the Town's General Fund were more than the amount budgeted by \$460,871. This is due to the expense allocation of \$975,000 for the school improvements during 2016. Significant savings were realized in *central administration* of \$25,000; *financial administration* of \$42,000; *public safety* net savings of \$95,000; *public works* net savings of \$90,000; *recreation* \$36,000; *human services* of \$17,000; *other operational expenses* savings of \$182,000. Savings were due to salary and benefit costs for several departments. The treasurer, tax assessor, planning, public works and public safety offices had personnel changes due to retirements or resignations during 2016. A mild winter, favorable utility costs, lower costs for tipping fees and purchased services were additional factors creating budgetary savings.

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The Town of Gloucester's Capital Assets

The Town of Gloucester's investment in capital assets for its governmental activities amounts to \$18,207,741 net of accumulated depreciation at June 30, 2016. Included are land, buildings and improvements, construction in progress, motor vehicles, furniture, machinery and equipment, and infrastructure.

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

Town of Gloucester
Capital Assets (Net of Accumulated Depreciation)

	June 30, 2015		June 30, 2016	
	Govern- mental Activities	Component Unit	Govern- mental Activities	Component Unit
Land	\$ 1,697,814	\$ 7,120,112	\$ 1,697,814	\$ 7,120,112
Historical Building	-	93,426	-	93,426
Construction in Progress	103,832	-	71,436	-
Land Improvements	1,376,176	-	1,305,222	-
Buildings & Improvements	10,511,108	-	10,814,206	-
Motor Vehicles	671,668	-	565,546	-
Office Furniture/Equipment	194,669	-	141,453	-
Machinery & Equipment	486,131	-	446,219	-
Infrastructure	3,231,898	-	3,165,845	-
Total	\$ 18,273,296	\$ 7,213,538	\$ 18,207,741	\$ 7,213,538

The decrease in *Construction in Progress* was primarily due to the completion of the transfer station building at the Department of Public Works and the animal control facility.

The \$70,954 decrease in *Land Improvements* was due to annual depreciation costs.

The \$303,098 increase in *Buildings & Improvements* was due to the building completions.

The \$106,122 decrease in *Motor Vehicles* was due to the purchase and disposal of vehicles

The \$53,216 decrease in *Office Furniture/Equipment* was due to annual depreciation costs.

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The \$39,912 decrease in *Machinery & Equipment* was the net effect of purchases and disposal of equipment and an increase in depreciation expense.

The \$66,053 decrease in *Infrastructure* was due to the less road paving costs as compared to depreciation.

The Town of Glocester's Debt Administration

The Town did not issue any new debt in 2016. The Town made payments on debt principal of \$465,000. The outstanding General Obligation debt decreased to a total of \$2,030,000 at June 30, 2016. All outstanding debt is backed by the full faith and credit of the government, including the Town's power to levy additional taxes to ensure repayment of the debt. Accordingly, all general obligation debt was approved by a vote of the citizens.

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

Town of Glocester
Outstanding Debt
General Obligation Debt

	<i>June 30, 2015</i>	<i>June 30, 2016</i>
	Govern- mental Activities	Govern- mental Activities
Road Improvements	\$ 265,000	\$ -
Open Space (Land Trust)	245,000	185,000
Senior Center	1,555,000	1,455,000
Fogarty Elementary School Roof	430,000	390,000
Totals	\$ 2,495,000	\$ 2,030,000

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

Except as provided below, under Section 45-12-2 of the General Laws of Rhode Island, the Town may not, without special statutory authorization, incur any debt, which would increase its aggregate indebtedness not otherwise excepted by law to an amount greater than 3% of the taxable property of the Town. Deducted from the computation of aggregated indebtedness is the amount of any borrowing in anticipation of taxes authorized by law and the amount of any sinking funds maintained by the Town. The 3% debt limit of the Town for 2016 was \$27,800,099 [based on the net assessed valuation at December 31, 2014 of \$926,669,967]. As of June 30, 2016, the Town had \$2,030,000 in outstanding bonds and notes issued within the 3% debt limit leaving a borrowing capacity of \$25,770,099.

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The State legislature may, by special act, permit the Town to incur indebtedness outside the limitations imposed by the 3% debt limit. Special legislation adopted by the Legislature authorizing the Town to incur debt is subject to referendum by the electors of the Town. As of June 30, 2016, the town has no outstanding debt outside the 3% debt limit.

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

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

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

Economic Factors and Next Year's Budgets and Rates

- Unemployment rates for 2016 are listed below : (www.census.gov) (www.dlt.ri.gov)

<u>6/30/2013</u>	<u>6/30/2014</u>	<u>6/30/2015</u>	<u>6/30/2016</u>	
6.4%	5.0%	3.6%	4.0%	Town of Glocester
8.5%	7.1%	4.9%	5.0%	State of Rhode Island
7.6%	6.1%	5.0%	4.9%	United States

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

<u>6/30/2013</u>	<u>6/30/2014</u>	<u>6/30/2015</u>	<u>6/30/2016</u>	
1.5%	1.4%	.5%	.7%	Northeast Urban area
1.8%	1.7%	.2%	1.0%	United States

- The estimated median household income for Glocester is \$82,193 compared to the State's median income of \$56,423 for the for 2014 period. (www.dlt.ri.gov)

- The median house or condo value in 2014 is \$246,162 for Glocester. This compares to the state median value of \$232,300 for the same period. (www.city-data.com)

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

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- The Town's total general fund budget for fiscal year 2017 amounts to \$28,717,303. The portion for education is \$20,243,536 or 70%, and \$8,473,767 or 30%, for general fund activities.
- The unassigned fund balance in the general fund decreased in 2016 due to additional assignments. The unassigned fund balance is 15.53% of proposed expenditures for 2017, which is above the 12% minimum required by the Town Charter.
- Since December 2000, per Rhode Island General Law 44-5-11.6, municipalities in Rhode Island are required to perform full revaluations on all "ratable" property every nine years and statistical revaluations every three years for the years in-between. A full revaluation was performed as of December 31, 2010, which affected fiscal year 2012. A statistical revaluation was completed in 2014. The Town of Glocester will complete a statistical revaluation during Fiscal 2017 for the Fiscal 2018 tax year.
- Net assessed values for fiscal year 2017 are \$935,345,365 an increase of \$8,675,398 over 2016. In fiscal year 2016, the assessed values were \$926,669,967.
- The State of Rhode Island has a 4% tax cap for all municipalities. Glocester's increase for 2016 was 1.8 % and 2.2% for 2017. This is below the allowable increase. The Town's tax rates for 2015, 2016 and 2017 are listed below. The tax on *Motor vehicles* has been frozen by the State of Rhode Island at \$24.37. Rates are per \$1,000 of valuation.

Tax Rates

	<u>Fiscal</u> <u>2014-15</u>	<u>Fiscal</u> <u>2015-16</u>	<u>Fiscal</u> <u>2016-17</u>	<u>Change</u> <u>from prior year</u>
Residential	\$ 21.77	\$22.12	\$ 22.45	\$.33
Commercial	24.74	25.13	25.51	.38
Motor vehicle	24.37	24.37	24.37	-
Tangible	43.34	44.03	44.69	.66

Request for Information

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

Diane L. Brennan
Finance Director

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements

Fund Financial Statements

Governmental Funds

Proprietary Funds

Fiduciary Funds

Government-Wide Financial Statements

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

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Glocester Land Trust
ASSETS				
Cash and cash equivalents	\$ 14,253,835	\$ 836	\$ 14,254,671	\$ 328,270
Accounts receivable:				
Taxes receivable - net	753,077	-	753,077	-
Loans receivables	525,559	-	525,559	-
Due from other governments	126,930	14,952	141,882	750
Other receivables	145,412	-	145,412	-
Prepaid expenses	2,000	-	2,000	-
Internal balances	(57,678)	57,678	-	-
Other Assets - net	-	-	-	19,940
Capital assets:				
Property, plant and equipment - net	16,438,491	-	16,438,491	-
Non-depreciable	1,769,250	-	1,769,250	7,213,538
Total capital assets	18,207,741	-	18,207,741	7,213,538
Net pension asset	816,917	-	816,917	-
TOTAL ASSETS	34,773,793	73,466	34,847,259	7,562,498
Deferred Outflows of Resources	2,748,429	-	2,748,429	-
LIABILITIES				
Accounts payable	111,883	9,808	121,691	4,578
Accrued expenses	213,457	-	213,457	-
Due to other governments	-	-	-	750
Other liabilities	151,944	-	151,944	-
Long-term liabilities				
Due within one year	290,230	-	290,230	-
Due in more than one year	12,757,354	-	12,757,354	-
Total liabilities	13,524,868	9,808	13,534,676	5,328
Deferred Inflows of Resources	1,523,268	-	1,523,268	-
NET POSITION				
Net investment in capital assets	16,171,427	-	16,171,427	7,213,538
Restricted for:				
Administration	33,477	-	33,477	-
Public safety	45,384	-	45,384	-
Recreation	77,825	-	77,825	-
Social services	297,251	-	297,251	-
Capital projects	409,015	-	409,015	-
Educational programs	1,227,117	-	1,227,117	-
Perpetual care	9,087	-	9,087	-
Unrestricted	4,203,504	63,658	4,267,162	343,632
Total net position	\$ 22,474,087	\$ 63,658	\$ 22,537,745	\$ 7,557,170

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

TOWN OF GLOCESTER, RHODE ISLAND
Statement of Activities
For the Fiscal Year Ended June 30, 2016

<u>Functions/ Programs</u>	Program revenues			Net (Expense) Revenue and Changes in Net Assets			<u>Component Unit Glocester Land Trust</u>
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Primary Government Business-type Activities</u>	<u>Total</u>	
Primary government							
Governmental activities:							
Administration	\$ 1,970,608	\$ 12,963	\$ 1,484	\$ (1,956,161)		\$ (1,956,161)	
Finance	601,595	335,225	-	(266,370)		(266,370)	
Public safety	2,341,021	-	43,733	(2,297,288)		(2,297,288)	
Public works	2,364,144	-	111,244	(2,252,900)		(2,252,900)	
Recreation and senior center	346,339	3,426	-	(342,913)		(342,913)	
Social services	308,136	2,828	379,563	74,255		74,255	
Operational expenses	376,743	-	373,009	(3,734)		(3,734)	
Aid requests	344,446	-	-	(344,446)		(344,446)	
Education	19,682,541	141,783	2,832,034	(16,708,724)		(16,708,724)	
Interest	104,779	-	-	(104,779)		(104,779)	
Total governmental activities	28,440,352	496,225	3,741,067	(24,203,060)		(24,203,060)	
Business type activities:							
School Lunch	145,170	81,779	66,935	-	\$ 3,544	3,544	
Total business-type activities	145,170	81,779	66,935	-	3,544	3,544	
Total primary government	\$ 28,585,522	\$ 578,004	\$ 3,808,002	(24,203,060)	3,544	(24,199,516)	
Component Unit							
Glocester Land Trust	\$ 32,040	\$ -	\$ 76,789				\$ 44,749
General revenues:							
Taxes:							
Property taxes, levied for general purposes				23,513,886	-	23,513,886	-
Unrestricted investment earnings				108,666	-	108,666	8
Miscellaneous				182,247	-	182,247	-
Total general revenues				23,804,799	-	23,804,799	8
Change in net assets				(398,261)	3,544	(394,717)	44,757
Net position-beginning - restated - see note 23				22,872,347	60,114	22,932,461	7,512,413
Net position-ending				\$ 22,474,087	\$ 63,658	\$ 22,537,745	\$ 7,557,170

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

Fund Financial Statements

Governmental Funds
Proprietary Funds
Fiduciary Funds

TOWN OF GLOCESTER, RHODE ISLAND

**Balance Sheet
Governmental Funds
June 30, 2016**

	General Fund	School Unrestricted	Capital Reserve Fund	Other Non-Major Governmental Funds	Total Governmental Funds
ASSETS:					
Cash and cash equivalents	\$ 8,532,013	\$ 4,436,351	\$ 1,144,583	\$ 140,888	\$ 14,253,835
Accounts receivable:					
Taxes, net of allowance of \$327,000	753,077	-	-	-	753,077
Loans	-	-	-	525,559	525,559
Other	24,958	79,710	-	40,744	145,412
Prepaid items	2,000	-	-	-	2,000
Due from other funds	74,643	216,978	27,411	762,004	1,081,036
Due from other governments	-	-	-	126,930	126,930
TOTAL ASSETS	\$ 9,386,691	\$ 4,733,039	\$ 1,171,994	\$ 1,596,125	\$ 16,887,849
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts payable	\$ 60,309	\$ 35,058	\$ 5,296	\$ 11,220	\$ 111,883
Accrued payroll and benefits	167,372	28,041	-	7,995	203,408
Due to other funds	398,310	506,311	94,223	139,870	1,138,714
Unearned revenue	-	-	-	525,559	525,559
Other liabilities	151,944	-	-	-	151,944
TOTAL LIABILITIES	777,935	569,410	99,519	684,644	2,131,508
Deferred Inflows of Resources	437,884	-	-	-	437,884
FUND BALANCES:					
Nonspendable for:					
Perpetual care	-	-	-	3,100	3,100
Prepays	2,000	-	-	-	2,000
Restricted for:					
Administration	-	-	-	33,477	33,477
Public safety	-	-	-	45,384	45,384
Recreation	-	-	-	77,825	77,825
Social services	-	-	-	297,251	297,251
Capital projects	-	-	-	409,015	409,015
Educational programs	-	1,190,775	-	36,342	1,227,117
Perpetual care	-	-	-	9,087	9,087
Committed for:					
Education	255,000	-	-	-	255,000
Capital projects	400,000	-	1,072,475	-	1,472,475
Recreation	80,000	-	-	-	80,000
Assigned for:					
Administration	442,712	-	-	-	442,712
Public safety	170,592	-	-	-	170,592
Public works programs	341,152	-	-	-	341,152
Recreation	6,584	-	-	-	6,584
Matching state grant funds	50,000	-	-	-	50,000
Contractual obligations	621,440	180,274	-	-	801,714
Employee benefits	382,920	375,250	-	-	758,170
Medicaid expenditures	-	362,264	-	-	362,264
Education	975,000	2,055,066	-	-	3,030,066
Unassigned:	4,443,472	-	-	-	4,443,472
TOTAL FUND BALANCES	8,170,872	4,163,629	1,072,475	911,481	14,318,457
TOTAL LIABILITIES AND FUND BALANCES	\$ 9,386,691	\$ 4,733,039	\$ 1,171,994	\$ 1,596,125	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. (Note 9)	18,207,741
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. (Note 9)	953,395
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. (Note 9)	(11,005,506)
Net position of governmental activities	\$ 22,474,087

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

TOWN OF GLOCESTER, RHODE ISLAND
Statement of Revenues, Expenditures, Other Financing Sources (Uses),
and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2016

	<u>General Fund</u>	<u>School Unrestricted</u>	<u>Capital Reserve Fund</u>	<u>Other Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES:					
Property tax	\$ 23,485,584	\$ -	\$ -	\$ -	\$ 23,485,584
Intergovernmental and departmental revenue	373,009	2,528,318	-	677,891	3,579,218
Federal revenue - Medicaid reimbursement	-	84,529	-	-	84,529
Tuitions	-	50,754	-	-	50,754
Licenses, fees, and fines	335,225	-	-	-	335,225
Investment Income	108,038	481	146	1	108,666
Other	230,169	6,500	-	181,066	417,735
TOTAL REVENUES	<u>24,532,025</u>	<u>2,670,582</u>	<u>146</u>	<u>858,958</u>	<u>28,061,711</u>
EXPENDITURES:					
Current:					
Administration	1,180,068	-	-	34,004	1,214,072
Finance	615,491	-	-	-	615,491
Public safety	2,150,847	-	538	147,495	2,298,880
Public works	1,636,224	-	58,687	100,765	1,795,676
Recreation & senior center	243,314	-	-	29,013	272,327
Social services	49,895	-	-	258,241	308,136
Operational expenses	376,743	-	-	-	376,743
Aid requests	344,446	-	-	-	344,446
Education	10,032,361	8,966,441	-	313,657	19,312,459
Debt service:					
Principal	465,000	-	-	49,151	514,151
Interest	103,538	-	-	3,605	107,143
Capital:					
Capital outlay	-	-	176,707	593,653	770,360
TOTAL EXPENDITURES	<u>17,197,927</u>	<u>8,966,441</u>	<u>235,932</u>	<u>1,529,584</u>	<u>27,929,884</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	<u>7,334,098</u>	<u>(6,295,859)</u>	<u>(235,786)</u>	<u>(670,626)</u>	<u>131,827</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	140	6,372,035	508,794	727,216	7,608,185
Transfers out	(6,911,046)	(318)	(693,319)	(3,502)	(7,608,185)
NET OTHER FINANCING SOURCES (USES)	<u>(6,910,906)</u>	<u>6,371,717</u>	<u>(184,525)</u>	<u>723,714</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>423,192</u>	<u>75,858</u>	<u>(420,311)</u>	<u>53,088</u>	<u>131,827</u>
FUND BALANCES - BEGINNING	<u>7,747,680</u>	<u>4,087,771</u>	<u>1,492,786</u>	<u>858,393</u>	<u>14,186,630</u>
FUND BALANCES - ENDING	<u>\$ 8,170,872</u>	<u>\$ 4,163,629</u>	<u>\$ 1,072,475</u>	<u>\$ 911,481</u>	<u>\$ 14,318,457</u>

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

TOWN OF GLOCESTER, RHODE ISLAND
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2016

Net change in fund balances-total governmental funds \$ 131,827

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

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

Capital Outlay	\$ 959,173	
Depreciation Expense	<u>(1,100,120)</u>	(140,947)

Reductions in deferred revenue that provide current financial resources to governmental funds are not reported as revenues in the statement of activities. (19,620)

Some expenditures reported in the governmental funds that require the use of current financial resources are not reported as expenditures in the statement of activities. This is the net effect of those activities. 2,365

Changes in the Town's Net Pension Assets, Deferred Outflows of Resources related to pension plans or Net Pension Liability and Deferred Inflows of Resources related to pension plans result in an increase or decrease to the pension expense reported in the Statement of Activities.

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

Net increase in compensated absences	\$ (15,510)	
Net increase in OPEB obligation	(155,507)	
Principal payments on long term debt	523,851	
Payments on leases payable	13,896	
Net (increase)/decrease in net pension liability	(2,296,530)	
Net increase/(decrease) in net pension asset	(241,049)	
Net increase/(decrease) in deferred outflows	1,713,550	
Net (increase)/decrease in deferred inflows	85,414	
		<u>(371,885)</u>

Change in net position of governmental activities \$ (398,261)

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

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

TOWN OF GLOCESTER, RHODE ISLAND
Statement of Net Position
Proprietary Funds
June 30, 2016

	<u>School Lunch</u>
ASSETS:	
<i>Current assets:</i>	
Cash and cash equivalents	\$ 836
Due from other funds	57,678
Due from other governments	14,952
Total current assets	<u>73,466</u>
 TOTAL ASSETS	 <u>73,466</u>
 LIABILITIES:	
<i>Current liabilities:</i>	
Accounts payable	9,808
Total current liabilities	<u>9,808</u>
 TOTAL LIABILITIES	 <u>9,808</u>
 NET POSITION:	
Unrestricted	<u>63,658</u>
 TOTAL NET POSITION	 <u>\$ 63,658</u>

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

TOWN OF GLOCESTER, RHODE ISLAND
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2016

	School Lunch
<i>OPERATING REVENUES:</i>	
Charges for usage and service	\$ 81,779
<i>Total operating revenues</i>	81,779
<i>OPERATING EXPENSES:</i>	
Operations	145,170
<i>Total operating expenses</i>	145,170
<i>OPERATING INCOME (LOSS)</i>	(63,391)
<i>NON-OPERATING REVENUES:</i>	
Intergovernmental	66,935
<i>Total non-operating revenues</i>	66,935
<i>CHANGE IN NET POSITION</i>	3,544
<i>TOTAL NET POSITION - BEGINNING</i>	60,114
<i>TOTAL NET POSITION - ENDING</i>	\$ 63,658

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

TOWN OF GLOCESTER, RHODE ISLAND
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2016

	School Lunch
<i>CASH FLOWS FROM OPERATING ACTIVITIES:</i>	
Cash received from customers	\$ 72,154
Cash payments to suppliers	(151,631)
<i>Net cash provided by (used for) operating activities</i>	<i>(79,477)</i>
<i>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</i>	
Non-operating grants received	66,935
Decrease in due from other funds	8,008
<i>Net cash provided (used for) non-capital and related financing activities</i>	<i>74,943</i>
<i>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</i>	<i>(4,534)</i>
<i>CASH AND CASH EQUIVALENTS - BEGINNING</i>	<i>5,370</i>
<i>CASH AND CASH EQUIVALENTS - ENDING</i>	<i>\$ 836</i>
<i>Reconciliation of operating income to net cash provided by operating activities:</i>	
Operating income (Loss)	\$ (63,391)
<i>Changes in assets and liabilities:</i>	
(Increase) decrease in accounts receivable	(9,625)
Increase (decrease) in accounts payable	(6,461)
<i>Total adjustments</i>	<i>(16,086)</i>
<i>Net cash provided by (used for) operating activities</i>	<i>\$ (79,477)</i>

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

TOWN OF GLOCESTER, RHODE ISLAND
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2016

	<u>OPEB Trust Fund</u>
ASSETS	
Cash	\$ -
Investments, at fair value:	
Mutual funds	399,133
Total investments	<u>399,133</u>
Total Assets	<u>399,133</u>
 NET POSITION	
Held in trust for OPEB benefits and other purposes	<u>\$ 399,133</u>

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

TOWN OF GLOCESTER, RHODE ISLAND
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2016

	OPEB Trust Fund
Additions	
Contributions	
Employer	\$ 384,191
Total contributions	384,191
Investment earnings	
Net increase/(decrease) in fair value of investments	15,581
Total investment earnings	15,581
Total additions	399,772
Deductions	
Plan cost	639
Total deductions	639
Change in net position	399,133
Net position beginning of year	-
Net position end of year	\$ 399,133

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

Notes to Financial Statements

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Reporting Entity

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

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

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

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

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity (Continued)

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

Recently Issued Accounting Standards

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

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation

Government – Wide Financial Statements

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

Fund Financial Statements

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

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

The funds of the financial reporting entity are described below:

Governmental Funds

General Fund

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

Special Revenue Funds

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

Capital Project Funds

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

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Permanent Funds

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

Proprietary Funds

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

Fiduciary Funds

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

Major and Non-Major Funds

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

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

Major:

General Fund:	See above for description
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Special Revenue:	School Unrestricted - This fund accounts for the operation and maintenance of the West Glocester and Fogarty Memorial Elementary Schools. Revenue Sources: Town funded appropriation State of Rhode Island: Annual aid to education
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Capital Project:	Capital Reserve Fund - This fund accounts for monies utilized for capital improvements set forth in the Capital Program approved at the Financial Town Meeting.
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Proprietary:	School Lunch - This fund is used to account for the activities of the lunch programs at the West Glocester and Fogarty Memorial Elementary Schools.
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TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Major and Non-Major Funds

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

Major:

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

Non-Major:

Special Revenue: Town Funds:

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

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

School Funds:

Rural Education Grant, Performing Arts, Technology, Professional Development, Title I, Title II, CAST Mini Grant, Donations Library, IDEA Preschool, IDEA Part B, Common Core, Wireless Classroom.

Permanent: Perpetual Care Fund.

Measurement Focus

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

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus (Continued)

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

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

Basis of Accounting

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

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

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

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

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting

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

Accounts Receivable

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based on historical trends and the periodic aging of accounts receivable. The allowance for uncollectible accounts totaled \$327,000 for property taxes. Business-type activities report usage fees as its major receivables.

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

Deposits and Investments

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

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

Prepaid Items

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

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, Plant, and Equipment

Property, Plant and Equipment

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

Government-Wide Statements

In the government-wide financial statements, long-lived assets are accounted for as capital assets. All fixed assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated fixed assets, which are recorded at their estimated fair value at the date of donation. The capitalization threshold is any individual item with a total cost of greater than \$5,000.

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

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

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

Fund Financial Statements

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

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accrued Compensated Absences

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

Use of Estimates

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

Short-Term Interfund Receivables/Payables

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

Interfund Transfers

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

Bond Issuance Costs

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

Deferred Outflows of Resources

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

Deferred Inflows of Resources

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

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equity Classifications

Government-Wide Statements

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

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

Fund Financial Statements

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

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

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (Continued)

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

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

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

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (Continued)

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

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

Pensions

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

2. BUDGETARY PROCESS

(a) Adoption

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

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

2. BUDGETARY PROCESS (Continued)

(a) Adoption (Continued)

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

(b) Reconciliation - Budgetary to GAAP

The Town Charter requires annual budgets for the General Fund and Special Revenue - General School Activities. The practices used in the preparation of the 2016 budget differ in certain respects from the presentation of the actual results of operations prepared in accordance with GAAP. The actual results of operations, for purposes of the Statement of Revenues, Expenditures, Other Financing Sources (Uses) Budget and Actual on a Budgetary Basis -General Fund, and Special Revenue Fund -School Unrestricted Fund, have been adjusted to a basis consistent with the Town's budget for 2016. See Pages 81 through 84.

3. DEPOSITS AND INVESTMENTS

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

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

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

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

**TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

3. DEPOSITS AND INVESTMENTS (Continued)

Custodial Credit Risk

Deposits: This is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of June 30, 2016, \$ -0- of the Town's balance of \$14,582,941 was uninsured and uncollateralized.

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

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

<i>Cash and Cash Equivalents</i>	
Deposits with financial institutions	\$ 14,582,941
Total cash and cash equivalents	14,582,941
<i>Investments</i>	
Institutional Mutual Funds	399,133
Total Investments	399,133
<i>Total Cash and Investments</i>	\$ 14,982,074

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

<i>Statement of Net Position</i>	
Cash and cash equivalents	\$ 14,582,941
<i>Fiduciary Funds</i>	
Investments	399,133
<i>Total Cash and Investments</i>	\$ 14,982,074

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.

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 GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

4. TAXES RECEIVABLE AND UNEARNED REVENUE

The Town's property tax is levied each July 1, for its next fiscal year on the assessed values listed as of the prior December 31 (lien date), for all real property, tangible property, and motor vehicles located in the Town. Assessed values of real property and tangible personal property were established by the Town Assessor's office at 100% of appraised market value as of December 31, 2014. The assessed value of motor vehicles is determined annually at 100% as established by the State Vehicle Value Commission.

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

Net property taxes levied at the May 19, 2015 at the all day referendum for the fiscal year 2016 were based on a net assessed value of approximately \$926,669,969 at December 31, 2014 and amounted to \$21,228,682.

The Town recognizes property tax revenues in accordance with Section P70, "Property Taxes" of the Codification of Governmental Accounting and Financial Reporting Standards. Unpaid property taxes as of June 30, 2016 (\$753,077) are recorded as a receivable, net of an allowance for uncollectible property taxes of \$327,000. Those net property taxes receivable which were not collected within the 60 days immediately following June 30, 2016 are recorded as unearned revenue and amounted to \$437,884 at June 30, 2016. Property taxes recognized as revenue for the fiscal year ended June 30, 2016 (due to their collection within the 60 days immediately following June 30, 2016) amounted to \$324,749.

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

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

5. INTERFUND BALANCES

Inter-fund balances represent loans to various funds for use in operations when funds are either not available through operations or funding is being requested through other funding sources. These amounts are expected to be repaid at certain future dates. Below are the balances as of June 30, 2016:

	Due From Other Funds	Due To Other Funds
<i>Governmental Activities:</i>		
<i>Major Funds:</i>		
General Fund	\$ 74,643	\$ 398,310
School Unrestricted Fund	216,978	506,311
Capital Reserve Fund	27,411	94,223
<i>Non-major Funds:</i>		
Town Special Revenue Funds	238,993	30,807
School Special Revenue Funds	41,002	40,454
Capital Projects Funds	482,009	68,409
Permanent Funds	-	200
<i>Total Governmental Activities</i>	1,081,036	1,138,714
<i>Business Type Activities:</i>		
School Lunch	57,678	-
<i>Total Business Type Activities</i>	57,678	-
TOTALS	\$ 1,138,714	\$ 1,138,714

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

6. CAPITAL ASSETS

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

	Primary Government				Ending Balance
	Beginning Balance	Increases	Decreases	Adjustments	
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 1,697,814	\$ -	\$ -	\$ -	\$ 1,697,814
Construction in Progress	103,832	59,823	(92,029)	(190)	71,436
Total capital assets not being depreciated	<u>1,801,646</u>	<u>59,823</u>	<u>(92,029)</u>	<u>(190)</u>	<u>1,769,250</u>
Other capital assets:					
Land improvements	1,905,695	4,428	-	-	1,910,123
Buildings and improvements	15,573,975	626,148	-	-	16,200,123
Infrastructure	8,440,266	246,437	-	111,825	8,798,528
Machinery and equipment	1,619,832	49,378	(19,589)	-	1,649,621
Motor vehicles	2,320,304	64,988	(82,152)	(36,243)	2,266,897
Office furniture and equipment	686,848	-	-	-	686,848
Total other capital assets at historical cost	<u>30,546,920</u>	<u>991,379</u>	<u>(101,741)</u>	<u>75,582</u>	<u>31,512,140</u>
Less accumulated depreciation for:					
Land improvements	529,519	75,382	-	-	604,901
Buildings and improvements	5,062,867	323,050	-	-	5,385,917
Infrastructure	5,208,368	424,315	-	-	5,632,683
Machinery and equipment	1,133,701	89,290	(19,589)	-	1,203,402
Motor vehicles	1,648,636	134,867	(82,152)	-	1,701,351
Office furniture and equipment	492,179	53,216	-	-	545,395
Total accumulated depreciation	<u>14,075,270</u>	<u>1,100,120</u>	<u>(101,741)</u>	<u>-</u>	<u>15,073,649</u>
Governmental activities capital assets, net	<u>\$ 18,273,296</u>	<u>\$ (48,918)</u>	<u>\$ (92,029)</u>	<u>\$ 75,392</u>	<u>\$ 18,207,741</u>

Depreciation expense was charged to functions as follows:

Governmental activities:

Administration	\$ 140,194
Public safety	116,368
Public works	568,468
Recreation	74,012
Public education	<u>201,078</u>
Total governmental activities depreciation expense	<u>\$ 1,100,120</u>

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

7. CAPITAL ASSETS (Continued)

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

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

Depreciation expense was charged to functions as follows:

Discretely presented component unit

Depreciation expense	\$ -
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**TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

8. LONG-TERM LIABILITIES

(a) Long-Term Liability Activity

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

	Balance			Balance	Amounts
	July 1, 2015	Additions	Retirements	June 30, 2016	Due within
					One Year
Governmental Activities					
General obligation debt	\$ 2,495,000	\$ -	\$ 465,000	\$ 2,030,000	\$ 205,000
Loan payable	195,761	-	49,151	146,610	25,000
Capital leases	20,210	-	13,896	6,314	6,314
Total debt	<u>2,710,971</u>	<u>-</u>	<u>528,047</u>	<u>2,182,924</u>	<u>236,314</u>
Other liabilities:					
Accrued compensated absences	977,407	671,786	656,276	992,917	44,216
Net OPEB Obligation	203,179	155,507	-	358,686	-
Net Pension Liability	6,993,427	2,296,530	-	9,289,957	-
Landfill post-closure costs	232,800	-	9,700	223,100	9,700
Total other liabilities	<u>8,406,813</u>	<u>3,123,823</u>	<u>665,976</u>	<u>10,864,660</u>	<u>53,916</u>
Governmental Activities long-term liabilities	<u>\$ 11,117,784</u>	<u>\$ 3,123,823</u>	<u>\$ 1,194,023</u>	<u>\$ 13,047,584</u>	<u>\$ 290,230</u>

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

	Interest Rates	Principal	Due Dates
Governmental bonds and notes payable	2.58% - 5.50%	\$ 2,030,000	2017-2027
Total All Funds		<u>\$ 2,030,000</u>	

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

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

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

8. LONG-TERM LIABILITIES (Continued)

(b) Bonds Outstanding

At June 30, 2016, The Town's Government Activities bonds payable are comprised of the following:

	DATE OF ISSUANCE	INTEREST RATE	DATE OF MATURITY	AUTHORIZED AND ISSUED	OUTSTANDING July 1, 2015	ADDITIONS	MATURITIES DURING YEAR	OUTSTANDING June 30, 2016
GENERAL OBLIGATION BONDS PAYABLE								
Road improvements	4/15/2001	4.00-5.50%	4/15/2016	\$ 3,200,000	\$ 265,000	\$ -	\$ 265,000	\$ -
Senior center	10/1/2006	3.50-5.00%	10/1/2026	2,215,000	1,555,000	-	100,000	1,455,000
School roof	5/15/2007	4.00-5.50%	4/1/2027	750,000	430,000	-	40,000	390,000
Land trust	5/13/2010	4.200%	5/1/2019	500,000	245,000	-	60,000	185,000
TOTAL GENERAL OBLIGATION BONDS PAYABLE				6,665,000	2,495,000	-	465,000	2,030,000
TOTAL BONDS PAYABLE - GOVERNMENTAL ACTIVITIES				\$ 6,665,000	\$ 2,495,000	\$ -	\$ 465,000	\$ 2,030,000

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

(c) Loan Payable

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

**TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

8. LONG-TERM LIABILITIES (Continued)

(c) Loan Payable (Continued)

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

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

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

Governmental Activities

Annual principal and interest requirements on general obligation bonds for the year ending June 30, 2016 are as follows:

Fiscal Year Ended June 30	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	205,000	82,111	287,111
2018	205,000	73,588	278,588
2019	215,000	64,818	279,818
2020	155,000	55,638	210,638
2021	160,000	48,988	208,988
2022	165,000	42,138	207,138
2023	170,000	35,438	205,438
Thereafter	755,000	66,077	821,077
TOTALS	<u>\$ 2,030,000</u>	<u>\$ 468,796</u>	<u>\$ 2,498,796</u>

**TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

8. LONG-TERM LIABILITIES (Continued)

(d) Capital Leases

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

The following schedule summarizes the future minimum lease payments under those capital leases, and the present value of the net minimum lease payments at June 30, 2016:

<i>Governmental Activities</i>	<i>FISCAL YEAR</i>
<u><i>ENDED JUNE 30,</i></u>	<u><i>PAYMENTS</i></u>
2017	<u>6,438</u>
<i>Future Minimum Rental Payments</i>	6,438
Interest Portion of Payments	<u>(124)</u>
<i>Obligation Under Capital Leases</i>	<u><u>\$ 6,314</u></u>

TOWN OF GLOCESTER
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

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

"Total fund balances" of the town's governmental funds \$14,318,457 differs from "net position" of governmental activities \$22,474,087 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	\$ 14,253,835	\$ -	\$ -	\$ 14,253,835
Accounts receivable:				
Taxes receivable net	753,077	-	-	753,077
Loans receivable	525,559	-	-	525,559
Other receivables	145,412	-	-	145,412
Prepaid expenses	2,000	-	-	2,000
Due from other governments	126,930	-	-	126,930
Internal balances	1,081,036	-	(1,081,036)	-
Capital assets - net	-	18,207,741	-	18,207,741
Net pension asset	-	816,917	-	816,917
Total assets	16,887,849	19,024,658	(1,081,036)	34,831,471
Deferred outflows of resources	-	2,748,429	-	2,748,429
 LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	111,883	-	-	111,883
Accrued expenses	203,408	10,049	-	213,457
Internal balances	1,138,714	-	(1,081,036)	57,678
Unearned revenue	525,559	(525,559)	-	-
Other liabilities	151,944	-	-	151,944
Long-term liabilities				
Due within one year	-	290,230	-	290,230
Due in more than one year	-	12,757,354	-	12,757,354
Total liabilities	2,131,508	12,532,074	(1,081,036)	13,582,546
Deferred inflows of resources	437,884	1,085,384	-	1,523,268
Fund Balances/Net Position				
Total fund balances/net position	14,318,457	8,155,630	-	22,474,087
Total liabilities and fund balances/net position	\$ 16,887,849	\$ 21,773,087	\$ (1,081,036)	\$ 37,579,900

TOWN OF GLOCESTER
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

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

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

Cost of capital assets	\$	33,281,390
Accumulated depreciation		(15,073,649)
		\$ 18,207,741

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

Accrued interest	\$	(10,049)
Unearned revenue		525,559
Adjustment of deferred inflow		437,884
		\$ 953,395

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

Bonds & loans payable	\$	2,176,610
Capital leases		6,314
Landfill post-closure costs		223,100
Accrued compensated absences		992,917
Net OPEB obligation		358,686
Net pension liability		9,289,957
		\$ 13,047,584

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

Net pension asset	\$	816,917
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Deferred inflows and outflows of resources are amounts used under GASB 68 in developing the annual pension expense. Deferred inflows and outflows arise with difference between expected and actual experiences and changes of assumptions. The portion of these amounts not included in pension expense should be included as deferred outflows or inflows to be recognized in future periods.

Deferred inflows of resources - pensions	\$	(1,523,268)
Deferred outflows of resources - pensions		\$ 2,748,429

TOWN OF GLOCESTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

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

The "net change in the fund balances" for governmental funds \$131,827 differs from the "change in net position" for governmental activities of (\$398,261) reported in the statement of activities. The differences arise primarily from the long-term economic focus of the statement of activities verses the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

Statement of Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities					
	Total Governmental Funds	Long-term Revenues/ Expenses (1)	Capital- related Items (2)	Long-term Debt Transactions (3)	Statement of Activities Totals
Revenues					
General property tax	\$ 23,485,584	\$ 28,302	\$ -	\$ -	\$ 23,513,886
Intergovernmental and departmental revenues	3,579,218	-	-	-	3,579,218
Federal revenue - State fiscal stabilization	84,529	-	-	-	84,529
Tuitions	50,754	-	-	-	50,754
License and permits	335,225	-	-	-	335,225
Interest on investments	108,666	-	-	-	108,666
Other revenues	417,735	(47,922)	-	-	369,813
Total revenues	28,061,711	(19,620)	-	-	28,042,091
Expenditures					
Current:					
Administration	1,214,072	(601,647)	129,194	1,228,989	1,970,608
Finance	615,491	(13,896)	-	-	601,595
Public safety	2,298,880	-	51,841	(9,700)	2,341,021
Public works	1,795,676	-	568,468	-	2,364,144
Recreation and senior center	272,327	-	74,012	-	346,339
Social services	308,136	-	-	-	308,136
Operational expenses	376,743	-	-	-	376,743
Aid requests	344,446	-	-	-	344,446
Education	19,312,459	(1,197,317)	87,792	1,479,607	19,682,541
Capital outlay	770,360	-	(770,360)	-	-
Debt service:					
Principal	514,151	-	-	(514,151)	-
Interest	107,143	-	-	(2,365)	104,779
Total expenditures	27,929,884	(1,812,860)	140,947	2,182,381	28,440,352
Net change for the year	\$ 131,827	\$ 1,793,240	\$ (140,947)	\$ (2,182,381)	\$ (398,261)

TOWN OF GLOCESTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

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

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

Property taxes	\$	28,302
Other		(47,922)
		(19,620)
	\$	(19,620)

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

Accrued interest		2,365
	\$	2,365

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

Capital outlay	\$	959,173
Depreciation expense		(1,100,120)
Difference		(140,947)

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

Capital leases		13,896
Landfill post-closure costs		9,700
Principal payments on bonds and loans		514,151
	\$	537,747

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

Net (increase)/decrease in compensated absences	\$	(15,510)
(Increase)/decrease in the OPEB obligation		(155,507)
Net (increase)/decrease in net pension liability		(2,296,530)
Net increase/(decrease) in net pension asset		(241,049)
Net increase/(decrease) in deferred outflows		1,713,550
Net (increase)/decrease in deferred inflows		85,414
Change	\$	(909,632)

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

11. FUND EQUITY

(a) Fund Balance Constraints

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

	<u>General Fund</u>	<u>School Unrestricted</u>	<u>Capital Reserve Fund</u>	<u>Other Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
<i>Nonspendable for:</i>					
Perpetual care cemetery	\$ -	\$ -	\$ -	\$ 3,100	\$ 3,100
Prepaid expenditures service contract	2,000	-	-	-	2,000
<i>Restricted for:</i>					
Administration - historic records, recycling trees	-	-	-	33,477	33,477
Public safety - meds plans, drug education	-	-	-	45,384	45,384
Recreation - parades, senior center, recreation programs	-	-	-	77,825	77,825
Social services- septic and other loan programs, food bank	-	-	-	297,251	297,251
Capital projects- school & town	-	-	-	409,015	409,015
Educational programs- federal programs	-	1,190,775	-	36,342	1,227,117
Perpetual care cemetery care funds	-	-	-	9,087	9,087
<i>Committed to:</i>					
Education- future funding for school region	255,000	-	-	-	255,000
Capital projects- capital projects, school renovations	400,000	-	1,072,475	-	1,472,475
Recreation- purchase and development rights	80,000	-	-	-	80,000
<i>Assigned for:</i>					
Administration - comprehensive plan, revaluation	442,712	-	-	-	442,712
Public safety- radio maintenance & replacements	170,592	-	-	-	170,592
Public works- storm fund	341,152	-	-	-	341,152
Recreation- senior center dues reserve	6,584	-	-	-	6,584
Matching state grant funds- anticipated funds	50,000	-	-	-	50,000
Contractual obligations- compensated absences & OPEB	621,440	180,274	-	-	801,714
Employee benefits -healthcare reserves sick day buyout	382,920	375,250	-	-	758,170
Medical expenses	-	362,264	-	-	362,264
Education- school renovation & improvements	975,000	2,055,066	-	-	3,030,066
<i>Unassigned:</i>	4,443,472	-	-	-	4,443,472
TOTAL FUND BALANCES	<u>\$ 8,170,872</u>	<u>\$ 4,163,629</u>	<u>\$ 1,072,475</u>	<u>\$ 911,481</u>	<u>\$ 14,318,457</u>

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

12. RETIREMENT PLANS & POST EMPLOYMENT BENEFITS

(a) Municipal Employees' Retirement System of Rhode Island

Summary of Significant Accounting Policies

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.

General Information about the Pension Plan

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

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

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

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

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

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

12. RETIREMENT PLANS & POST EMPLOYEMENT BENEFITS (Continued)

(a) Municipal Employees' Retirement System of Rhode Island

General Information about the Pension Plan

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

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

General Employees

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

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

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

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

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

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

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

12. RETIREMENT PLANS & POST EMPLOYMENT BENEFITS (Continued)

(a) Municipal Employees' Retirement System of Rhode Island

General Employees

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

Police and Fire Employees

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

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

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

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

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

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

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

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.

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

12. RETIREMENT PLANS & POST EMPLOYMENT BENEFITS (Continued)

(a) Municipal Employees' Retirement System of Rhode Island

Other Benefit Provisions

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

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

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

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

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

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

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

12. RETIREMENT PLANS & POST EMPLOYEMENT BENEFITS (Continued)

(a) Municipal Employees' Retirement System of Rhode Island

Employees covered by benefit terms

At the June 30, 2015 valuation date, the following employees were covered by the benefit terms:

Town General Employees:

Retirees and Beneficiaries	35
Inactive, Nonretired Members	30
Active Members	70
<u>Total</u>	<u>135</u>

Police Employees:

Retirees and Beneficiaries	11
Inactive, Nonretired Members	1
Active Members	17
<u>Total</u>	<u>29</u>

Contributions - The amount of employee and employer contributions have been established under Rhode Island General Law Chapter 45-21. General employees with less than 20 years of service as of June 30, 2012 are required to contribute 1% of their salaries. General employees with more than 20 years of service as of June 30, 2012 are required to contribute 8.25%. Public safety employees are required to contribute 9% of their salaries. The Town of Glocester 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 Glocester contributed \$435,390 in the year ended June 30, 2016 which was 12% of annual covered 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 GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

12. RETIREMENT PLANS & POST EMPLOYEMENT BENEFITS (Continued)

(a) Municipal Employees' Retirement System of Rhode Island

Summary of Actuarial Assumptions Used in the Valuations to determine the Net Pension Liability at the June 30, 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
Actuarial Assumptions	
Investment Rate of Return	7.50%
Projected Salary Increases	General Employees - 3.50% to 7.50% ; Police & Fire Employees - 4.00% to 14.00%
Inflation	2.75%
Mortality	<ul style="list-style-type: none"> • 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	A 2% COLA is assumed after January 1, 2014.

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, 2014.

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 GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

12. RETIREMENT PLANS & POST EMPLOYEMENT BENEFITS (Continued)

(a) Municipal Employees' Retirement System of Rhode Island

The June 30, 2015 expected arithmetic returns over the medium term by asset class as developed by the State Investment Commission's investment consultant, which are generally consistent with the averages utilized by the actuary, are summarized in the following table:

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%	

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

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

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

12. RETIREMENT PLANS & POST EMPLOYMENT BENEFITS (Continued)

(a) Municipal Employees' Retirement System of Rhode Island

Changes in Net Pension Liability (Asset) - Town Employees

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of June 30, 2014	\$ 8,783,760	\$ 8,241,328	\$ 542,432
Changes for the Year			
Service Cost	220,834		220,834
Interest on the total pension liability	650,675		650,675
Benefit changes	157,189		157,189
Changes in assumptions	130,426		130,426
Employer contributions		245,541	(245,541)
Employee contributions		49,257	(49,257)
Net investment income		193,700	(193,700)
Benefit payments, including employee refunds	(437,012)	(437,012)	-
Administrative expense		(7,771)	7,771
Other changes		(19,664)	19,664
Net changes	722,112	24,051	698,061
Balances as of June 30, 2015	\$ 9,505,872	\$ 8,265,379	\$ 1,240,493

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	\$ 6,619,169	\$ 5,685,081	\$ 934,088
Changes for the Year			
Service Cost	183,789		183,789
Interest on the total pension liability	492,184		492,184
Benefit changes	292,640		292,640
Difference between expected and actual experience	(213,417)		(213,417)
Employer contributions		184,094	(184,094)
Employee contributions		81,099	(81,099)
Net investment income		135,529	(135,529)
Benefit payments, including employee refunds	(297,222)	(297,222)	-
Administrative expense		(5,437)	5,437
Net changes	457,974	98,063	359,911
Balances as of June 30, 2015	\$ 7,077,143	\$ 5,783,144	\$ 1,293,999

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

12. RETIREMENT PLANS & POST EMPLOYEMENT BENEFITS (Continued)

(a) Municipal Employees' Retirement System of Rhode Island

Sensitivity of the Net Pension Liability to changes in the discount rate. The following presents the net pension liability (asset) of the employers calculated using the discount rate of 7.5 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	2,236,541	1,240,493	425,314
Police	2,032,581	1,293,999	689,558

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

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

For the year ended June 30, 2016 the employer recognized pension expense of \$245,696 for Town employees and \$189,694 for Police employees. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Town Employees</u>		<u>Police Employees</u>	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to measurement date	\$ 245,696	\$ -	\$ 189,694	\$ -
Difference between expected and actual experience	104,047	-	-	178,341
Differences in assumptions	53,770	-	-	38,272
Net difference between projected and actual earnings on pension plan investments	334,430	333,536	231,558	231,833
Total	<u>\$ 737,943</u>	<u>\$ 333,536</u>	<u>\$ 421,252</u>	<u>\$ 448,446</u>

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

12. RETIREMENT PLANS & POST EMPLOYEMENT BENEFITS (Continued)

(a) Municipal Employees' Retirement System of Rhode Island

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

Town Employees		Police Employees	
Year Ending June 30	Net Deferred (outflows)/inflows of resources	Year Ending June 30	Net Deferred (outflows)/inflows of resources
2017	\$ 16,778	2017	\$ (62,108)
2018	16,778	2018	(62,108)
2019	16,639	2019	(62,107)
2020	108,516	2020	15,172
Thereafter	-	2021	(42,719)
		Thereafter	(3,018)
Total	<u>\$ 158,711</u>	Total	<u>\$ (216,888)</u>

(b) Defined Contribution Plan

Plan Description:

Employees participating in the defined benefit plan, as described above, also participate in a defined contribution plan authorized by General Law Chapter 36-10.3. The defined contribution plan is established under IRS section 401(a) and is administered by TIAA-CREF. Employees may choose among various investment options available to plan participants. As of July 1, 2015, due to pension settlement, contributions are as follows for employees with a certain number of years as of June 30, 2012:

	<u>Employee</u>	<u>Employer</u>
20 plus years	0%	0%
15 years/less than 20	7%	3.5%
10 years/less than 15	7%	3.25%
Less than 10 years	7%	3%
	<u>NON-CERTIFIED</u>	
20 plus years	0%	0%
15 years/less than 20	5%	1.5%
10 years/less than 15	5%	1.25%
Less than 10 years	5%	1%

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.

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

12. RETIREMENT PLANS & POST EMPLOYMENT BENEFITS (Continued)

(b) Defined Contribution Plan (continued)

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

The Town of Gloucester recognized pension expense of \$82,801 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>.

(c) Employees' Retirement System 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.

General Information about the Pension Plan

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

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

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

12. RETIREMENT PLANS & POST EMPLOYEMENT BENEFITS (Continued)

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

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.

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

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

Contributions - The funding policy, as set forth in the General Laws, Section 16-16-22, provides for actuarially determined periodic contributions to the plan. For fiscal 2016, the Gloucester School Department teachers were required to contribute 3.75% of their annual covered salary, except for teachers with twenty or more years of service as of June 30, 2012 must contribute 11% of their annual covered salary. The state and the Gloucester School Department are required to contribute at an actuarially determined rate, 40% of which is to be paid by the state and the remaining 60% is to be paid by Gloucester School Department; the rates were 9.41% and 13.73% of annual covered payroll for the fiscal year ended June 30, 2016 for the state and Gloucester School Department, respectively. The Gloucester School Department contributed \$539,645, \$534,704 and \$446,319 for the fiscal years ended June 30, 2016, 2015 and 2014, respectively, equal to 100% of the required contributions for each year.

**TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

RETIREMENT PLANS & POST EMPLOYEMENT BENEFITS (Continued)

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

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

At June 30, 2016, the Gloucester School Department reported a liability of \$6,755,465 for its proportionate share of the net pension liability that reflected a reduction for contributions made by the state. The amount recognized by the Gloucester School Department as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with the Gloucester School Department were as follows:

Glocester School Department's proportionate share of the net pension liability	\$ 6,755,465
State's proportionate share of the net pension liability associated with the Gloucester School Department	<u>4,615,121</u>
Total net pension liability	<u><u>\$ 11,370,586</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 Gloucester School Department's proportion of the net pension liability was based on a projection of the Department's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the state, actuarially determined. At June 30, 2015 the Gloucester School Department's proportion was .24538533%.

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

12. RETIREMENT PLANS & POST EMPLOYEMENT BENEFITS (Continued)

(c) Employees' Retirement System of Rhode Island

For the year ended June 30, 2016 the Gloucester School Department recognized gross pension expense of \$1,451,140 and revenue of \$560,401 for support provided by the State. At June 30, 2016 the Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred outflows of resources:

Net difference between projected and actual investment earnings	\$ 380,637
Changes in proportion and differences between employer contributions and proportionate share of contributions	442,730
Contributions made subsequent to the measurement date	<u>539,645</u>
Total	<u><u>1,363,012</u></u>

Deferred inflows of resources:

Differences between actual and expected and actual experience	\$ 43,987
Change of Assumptions	181,610
Net difference between projected and actual earnings on pension plan investments	<u>385,734</u>
Total	<u><u>\$ 611,331</u></u>

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

12. RETIREMENT PLANS & POST EMPLOYEMENT BENEFITS (Continued)

(c) Employees' Retirement System of Rhode Island

\$539,645 reported as deferred outflows of resources related to pensions resulting from the Gloucester School Department's 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:

Year ended June 30:	
2017	\$ 1,738
2018	\$ 1,738
2019	\$ 1,738
2020	\$ (126,840)
2021	\$ (31,681)
thereafter	<u>\$ (58,729)</u>
	<u>\$ (212,036)</u>

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

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

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

The actuarial assumptions used in the June 30, 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.

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

12. RETIREMENT PLANS & POST EMPLOYEMENT BENEFITS (Continued)

(c) Employees' Retirement System of Rhode Island

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:

<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.

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

12. RETIREMENT PLANS & POST EMPLOYMENT BENEFITS (Continued)

(c) Employees' Retirement System of Rhode Island

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

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

1.00% Decrease (6.5%)	Current Discount Rate (7.5%)	1.00% Increase (8.5%)
\$ 8,471,299	\$ 6,755,465	\$ 5,350,812

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

(d) Teachers Survivor's Benefit Plan

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 Teachers' Survivors Benefit plan (TSB) and the additions to/deductions from TSB fiduciary net position have been determined on the same basis as they are reported by TSB. 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.

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

12. RETIREMENT PLANS & POST EMPLOYMENT BENEFITS (Continued)

(d) Teachers Survivor's Benefit Plan

General Information about the Pension Plan

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

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

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

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 GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

12. RETIREMENT PLANS & POST EMPLOYMENT BENEFITS (Continued)

(d) Teachers Survivor's Benefit Plan

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

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

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

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

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

The Gloucester School Department contributed \$5,288, \$5,281 and \$5,184 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 Gloucester School Department reported an asset of \$816,917 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 Gloucester School 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 proportion was 0.87505927%.

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

12. RETIREMENT PLANS & POST EMPLOYMENT BENEFITS (Continued)

(d) Teachers Survivor's Benefit Plan

For the year ended June 30, 2016 the Gloucester School Department recognized pension expense of \$54,846 – a decrease in the net pension asset. At June 30, 2016 the Gloucester School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflows of resources	
Differences between expected and actual experience	\$ 188,871
Net difference between projected and actual investment earnings	103,802
Contributions subsequent to the measurement date	<u>\$ 5,288</u>
Deferred inflows of resources	
Changes in proportion and differences between employer contributions and proportionate share of contributions	\$ 23,176
Net difference between projected and actual earnings on pension plan investments	<u>\$ 106,779</u>

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

12. RETIREMENT PLANS & POST EMPLOYMENT BENEFITS (Continued)

(d) Teachers Survivor's Benefit Plan

\$5,288 reported as deferred outflows of resources related to pensions resulting from the Gloucester 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, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2017	(10,536)
2018	(10,536)
2019	(10,536)
2020	(46,129)
20201	(20,178)
Thereafter	<u>(64,803)</u>
	<u><u>(162,718)</u></u>

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

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

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

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

The actuarial assumptions used in the June 30, 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.

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

12. RETIREMENT PLANS & POST EMPLOYMENT BENEFITS (Continued)

(d) Teachers Survivor's Benefit Plan

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%	

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

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

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

12. RETIREMENT PLANS & POST EMPLOYMENT BENEFITS (Continued)

(d) Teachers Survivor's Benefit Plan

Sensitivity of the net pension liability (asset) to changes in the discount rate - the following presents the net pension liability (asset) calculated using the discount rate of 7.5 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%)
\$ (634,398)	\$ (816,917)	\$ (966,283)

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

13. CONTINGENT LIABILITIES

Grants

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

Self-Insurance

The Town has elected to pay unemployment compensation on a claims-made basis rather than as a percentage of payroll. No accrual has been made for claims expected to arise from service related to fiscal 2016 because Town officials are of the opinion that any claims relating to this period will be immaterial.

Litigation

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

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

14. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS

OPEB Trust (the Trust)

Plan Description

The Town of Glocester 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 45. Eligible town employees are town clerks, town police, and town non-contract employees. The benefit provisions and further eligibility conditions are as listed on subsequent sections of this note.

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

The cost of postemployment health care benefits, like the cost of pension benefits, generally should be associated with the periods in which the cost occurs, rather than in future years when it will be paid. The Town adopted the requirements of GASB No. 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.

Summary of Significant Accounting

Benefit Provisions and Contributions

Funding Policy

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

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

14. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Benefit Provisions and Contributions

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

School -Teachers and Administrators

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

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

Teachers: Benefit/Cost Sharing

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

School - Educational Support

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

Plan type: Medical Blue Cross/Blue Shield or Healthmate, Dental: RI Delta Dental

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

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

14. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Benefit Provisions and Contributions

Town – Clerks

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

Plan type: - Medical - Healthmate

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

Town – Police

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

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

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

Town – Non-contract

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

Plan type: Healthmate

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

**TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

14. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Benefit Provisions and Contributions

All Employee Groups

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

Classes of Employees Covered

As of July 1, 2015, membership data was as follows.

Active Employees	101
Retirees	<u>10</u>
Total Plan Members	<u>111</u>

Annual OPEB Cost and Net OPEB Obligation

The Town may contribute the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* to a trust. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. For fiscal year ending June 30, 2016, the Town created an OPEB Trust with the Rhode Island Interlocal Trust and made a contribution of \$384,191. The Town also elected to continue funding on a pay-as-you-go basis, which was determined to be \$99,426. These costs are recognized as an expense when claims or premiums are paid. The following table shows the components of the Town's annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the Town's net OPEB obligation.

Annual required contribution	\$ 190,131
Interest on OPEB	8,128
Adjustment to annual required contribution	<u>(12,546)</u>
Annual OPEB cost	185,713
Anticipated Contributions per actuarial report*	<u>(30,206)</u>
Increase (decrease) in net OPEB obligation	<u>155,507</u>
Net OPEB beginning of year	<u>203,180</u>
Net OPEB obligation end of year	<u>\$ 358,687</u>
Percentage of the annual anticipated postemployment benefit cost contributed	<u>16.26%</u>

* Contributions made was assumed to equal Expected Benefits Payments

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

14. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Benefit Provisions and Contributions

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

Schedule of Employer Contributions

<u>Fiscal Year</u>	<u>Annual OPEB Cost</u>	<u>Actual Employer Contributions</u>	<u>Percentage of OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
06/30/14	197,790	115,182	58.23%	151,631
06/30/15	203,691	99,426	48.81%	203,180
06/30/16	185,713	72,443	39.01%	358,687

(1) The most recent actuarial valuation date was July 1, 2015.

Funded Status and Funding Progress

Actuarial Valuation Date <u>July 1,</u>	Actuarial Value of Assets <u>(a)</u>	Accrued Liability (AAL) <u>(b)</u>	Unfunded AAL (UAAL) <u>(b-a)</u>	Funded Ratio <u>(a/b)</u>	UAAL as a Covered Payroll <u>(c)</u>	Percentage of Covered Payroll <u>((b-a)/c)</u>
7/1/2010	-	2,307,873	2,307,873	0.00%	N/A	N/A
7/1/2012	-	2,104,978	2,104,978	0.00%	N/A	N/A
7/1/2015	-	1,355,979	1,355,979	0.00%	N/A	N/A

- This amount is an estimate based on the 7/1/2015 Actuarial Report.

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

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

14. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Actuarial Methods and Assumptions

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

Benefit Provisions and Contributions

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

Investment Return Interest Rate	4.00%
Inflation Rate.....	2.75%
2015 Medical Trend Rate.....	9.00%
Ultimate Medical Trend Rate	5.00%
Year Ultimate Medical Trend Rate Reached	2019
Post Retirement Benefit Increases.....	N/A
Actuarial Cost Method.....	Entry Age Normal
Amortization Method.....	Level Dollar
The remaining amortization period at June 30, 2016	28.15 years Closed
Annual Payroll Increase.....	2.5%
Valuation Type.....	Closed Group

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

15. MAJOR REVENUE SOURCE

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

<u>June 30,</u>		
2017	.....	2,363,899
2018	.....	2,419,801
2019	.....	2,475,703
2020	.....	2,541,290
2021	.....	2,598,524
2022	.....	<u>2,655,758</u>
Total		<u>\$ 17,307,070</u>

During fiscal year ending June 30, 2016 the Town received \$2,307,997 in payments from FM.

16. FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT

The Foster-Glocester Regional School District (Regional School) was created to include the high school (Grades 9-12) and middle schools (Grades 6-8) for the Towns of Foster and Glocester (the Towns). The Regional School is a separate legal entity from the Towns. The voters of the participating Towns elect their respective School Committee members who are also ex-officio School Committee members for the Regional School District. The Regional School cannot assess and levy property taxes. Revenues are derived principally from the participating Towns of the Regional School, which contribute funds according to a financial formula based upon each Town's enrollment and from the State of Rhode Island. The Town of Glocester's budgeted contribution for the fiscal year ended June 30, 2016 was \$10,032,361. Financial statements for the Regional School are issued separately and may be obtained from the Foster-Glocester Regional School District Business Office, Central Administration Office, 91 Anan Wade Road, North Scituate, Rhode Island 02857.

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

17. RISK MANAGEMENT

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

The Trust is obligated to make payments on the Town's behalf without any further obligation of the Town, unless the Town's applicable limit of liability was exhausted by the size of the loss or the nature of the loss would fall outside the parameters of the Trust policy. As of June 30, 2016, the Town believes there is minimal, if any, potential exposure for outstanding claims which would fall outside the parameter of the Trust policy.

18. INTERFUND TRANSFERS

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

<u>Governmental Activities</u>	<u>Transfers in</u>	<u>Transfers out</u>
<u>Major Funds</u>		
General Fund	\$ 140	\$ 6,911,046
School Unrestricted Fund	6,372,035	318
Capital Projects Fund	694,681	140
Capital Reserve-Major Fund	508,794	693,319
Non-Major Funds	<u>32,535</u>	<u>3,362</u>
Total Governmental Activities	<u>\$ 7,608,185</u>	<u>\$ 7,608,185</u>

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

19. LANDFILL POSTCLOSURE CARE COSTS

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

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

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

Town Landfill	Year of Closure	Capping Cost (Estimate)	Monitoring Costs (Estimate)	Years Remaining	Projected Liability	Short-Term Liability	Long-Term Liability
Chestnut Hill Rd.	1979	\$ -	\$ 9,700	24	\$ 232,800	\$ 9,700	\$ 223,100

20. PUBLIC ENTITY RISK POOL

The Health Pool

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

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

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

20. PUBLIC ENTITY RISK POOL

The Health Pool (CONTINUED)

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

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

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

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

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

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

For the year ended June 30, 2016, unaudited results indicate that the Pool generated \$129,590,219 in revenues and had a change in net position, revenues less expenses, of \$7,389,364. The Pool had \$62,921,919 in total assets and \$33,311,344 in total equity as of June 30, 2016.

The Pool retains certain levels of insurance risk. Specific losses in excess of \$1 million to a limit of \$2 million are covered by a Health Excess Claims Stoploss Account internal to the Trust that is funded by annual Stoploss Account payments from the Health Pool. As of June 30, 2016, the Pool's membership consisted of 47 cities, towns or other governmental units.

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

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

21. *SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES*

Federally Assisted Programs - Compliance Audits

The Town participates in a number of federally assisted programs. The audits of these programs through the year ended June 30, 2016 were audited in connection with the accompanying financial statements under the Single Audit Uniform Guidance Concept. The Town used the current standards of that guidance to determine that a Single Audit was not required for the fiscal year ended June 30, 2016.

NOTE 22 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 21, 2016 the date the financial statements were available to be issued. As a result of this review no material subsequent events were noted.

NOTE 23 – NET POSITION RESTATEMENT

The Town restated their net position due to corrections made to capital assets in prior years. The amount of the correction was a net increase to the prior year's net position of \$75,392.

REQUIRED SUPPLEMENTARY INFORMATION

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

Such information includes:

Budgetary Comparison Schedules – General Fund
And Gloucester School General Fund

Pension Fund Disclosures

REQUIRED SUPPLEMENTARY INFORMATION
TOWN OF GLOCESTER, RHODE ISLAND
Budgetary Comparison Schedule - General Fund
Schedule of Revenues and Expenditures (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2016

	GENERAL FUND			
	Original Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance
REVENUES:				
Property tax	\$ 23,402,028	\$ 23,402,028	\$ 23,485,584	\$ 83,556
General state aid	302,159	302,159	347,232	45,073
State housing aid	25,777	25,777	25,777	-
License, fees and fines	275,000	275,000	335,225	60,225
Interest and investment income	88,500	88,500	102,336	13,836
Other revenues	162,000	162,000	214,244	52,244
TOTAL REVENUES	<u>24,255,464</u>	<u>24,255,464</u>	<u>24,510,398</u>	<u>254,934</u>
EXPENDITURES:				
<i>Current:</i>				
Central administration	779,948	779,948	754,913	25,035
Financial administration	658,084	658,084	615,491	42,593
Public safety	2,257,577	2,257,577	2,095,770	161,807
Public works	1,721,227	1,721,227	1,478,603	242,624
Recreation and senior center	279,200	279,200	243,314	35,886
Social services	51,018	51,018	34,157	16,861
Other operational expenses	558,777	558,777	376,743	182,034
Aid requests	344,446	344,446	344,446	-
Education	10,032,361	10,032,361	10,032,361	-
<i>Debt service:</i>				
Principal	465,000	465,000	465,000	-
Interest	103,540	103,540	103,538	2
TOTAL EXPENDITURES	<u>17,251,178</u>	<u>17,251,178</u>	<u>16,544,336</u>	<u>706,842</u>
Excess of revenues over (under) expenditures before other financing sources (uses)	<u>7,004,286</u>	<u>7,004,286</u>	<u>7,966,062</u>	<u>961,776</u>
OTHER FINANCING SOURCES (USES):				
Appropriated fund balance	232,000	232,000	232,000	-
Transfers from other funds	-	-	140	140
Transfers to other funds	(7,236,286)	(7,236,286)	(8,403,999)	(1,167,713)
TOTAL OTHER FINANCING USES	<u>(7,004,286)</u>	<u>(7,004,286)</u>	<u>(8,171,859)</u>	<u>(1,167,573)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (205,797)</u>	<u>\$ (205,797)</u>
Less: appropriated fund balance			(232,000)	
Add: excess of revenues and other sources over expenditures and other uses of funds classified with the Gloucester General Fund for purposes of GASB Statement No. 54			860,989	
Fund Balance, beginning of year			<u>7,747,680</u>	
Fund Balance, end of year			<u>\$ 8,170,872</u>	

SUPPLEMENTARY INFORMATION
TOWN OF GLOCESTER, RHODE ISLAND
Budgetary Comparison Schedule - School Department Operations
Schedule of Revenues and Expenditures (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2016

	<u>Original Adopted Budget</u>	<u>Final Approved Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance</u>
REVENUES:				
State aid	\$ 2,521,917	\$ 2,521,917	\$ 2,528,318	\$ 6,401
Federal revenue - Medicaid reimbursement	94,000	94,000	84,529	(9,471)
Tuitions	37,128	37,128	50,754	13,626
Earnings on investments	1,500	1,500	481	(1,019)
Other	4,000	4,000	6,500	2,500
TOTAL REVENUES	<u>2,658,545</u>	<u>2,658,545</u>	<u>2,670,582</u>	<u>12,037</u>
EXPENDITURES:				
Fogarty Memorial	109,450	109,450	115,120	(5,670)
West Gloucester	90,250	90,250	85,965	4,285
Central administration	226,980	226,980	216,268	10,712
System-wide	1,949,211	1,949,211	1,587,086	362,125
Salaries and fringes	7,194,736	7,194,736	6,962,002	232,734
TOTAL EXPENDITURES	<u>9,570,627</u>	<u>9,570,627</u>	<u>8,966,441</u>	<u>604,186</u>
Excess of revenues over (under) expenditures before other financing sources (uses)	<u>(6,912,082)</u>	<u>(6,912,082)</u>	<u>(6,295,859)</u>	<u>616,223</u>
OTHER FINANCING SOURCES (USES):				
Transfers from Town	6,372,035	6,372,035	6,372,035	-
Appropriated fund balance	540,047	540,047	540,047	-
Transfers to other funds	-	-	(318)	(318)
NET OTHER FINANCING SOURCES	<u>6,912,082</u>	<u>6,912,082</u>	<u>6,911,764</u>	<u>(318)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 615,905</u>	<u>\$ 615,905</u>
Less: appropriated fund balance			(540,047)	
Fund Balance, beginning of year			<u>4,087,771</u>	
Fund Balance, end of year			<u>\$ 4,163,629</u>	

TOWN OF GLOCESTER, 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).....	\$	(205,797)
Fund balance reappropriated.....		(232,000)
Excess of revenues and other sources over expenditures and other uses of funds classified with the General Fund for purposes of GASB Statement No. 54.....		860,989
Excess of revenues and other sources over expenditures and other uses (GAAP).....	\$	423,192

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>	\$ 24,742,538	\$ 24,948,335
Fund balance reappropriated.....	(232,000)	-
Revenues and other sources and expenditures and other uses of funds classified with the General Fund for purposes of GASB Statement No. 54.....	21,627	(839,362)
<i>Statement of Revenues, Expenditures and Changes in Fund</i>		
<i>Balances</i>	\$ 24,532,165	\$ 24,108,973

**TOWN OF GLOCESTER, 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 School 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).....	\$	615,905
Fund balance reappropriated.....		(540,047)
Excess of revenues and other sources over expenditures and other uses (GAAP).....	\$	<u>75,858</u>

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

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

	<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>	\$ 9,582,664	\$ 8,966,759
Fund balance reappropriated.....	(540,047)	\$ -
 <i>Statement of Revenues, Expenditures and Changes in Fund</i>		
<i>Balances</i>	<u>\$ 9,042,617</u>	<u>\$ 8,966,759</u>

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

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

	Fiscal Year Ending June 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
A. Total pension liability										
1. Service Cost	\$ 220,834	\$ 231,786	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Interest on the Total Pension Liability	650,675	613,211	-	-	-	-	-	-	-	-
3. Changes of benefit terms	157,189	-	-	-	-	-	-	-	-	-
4. Difference between expected and actual experience of the Total Pension Liability	-	-	-	-	-	-	-	-	-	-
5. Changes of assumptions	130,426	89,708	-	-	-	-	-	-	-	-
6. Benefit payments, including refunds of employee contributions	(437,012)	(422,389)	-	-	-	-	-	-	-	-
7. Net change in total pension liability	722,112	512,316	-	-	-	-	-	-	-	-
8. Total pension liability – beginning	8,783,760	8,271,444	-	-	-	-	-	-	-	-
9. Total pension liability – ending (a)	\$ 9,505,872	\$ 8,783,760	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
B. Plan fiduciary net position										
1. Contributions – employer	\$ 245,541	\$ 228,215	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Contributions – employee	49,257	46,244	-	-	-	-	-	-	-	-
3. Net investment income	193,700	1,097,653	-	-	-	-	-	-	-	-
4. Benefit payments, including refunds of employee contributions	(437,012)	(422,389)	-	-	-	-	-	-	-	-
5. Pension Plan Administrative Expense	(7,771)	(6,873)	-	-	-	-	-	-	-	-
6. Other	(19,664)	(4,809)	-	-	-	-	-	-	-	-
7. Net change in plan fiduciary net position	24,051	938,041	-	-	-	-	-	-	-	-
8. Plan fiduciary net position – beginning	8,241,328	7,303,287	-	-	-	-	-	-	-	-
9. Plan fiduciary net position – ending (b)	\$ 8,265,379	8,241,328	-	-	-	-	-	-	-	-
C. Net pension liability - ending (a) - (b)	1,240,493	542,432	-	-	-	-	-	-	-	-
D. Plan fiduciary net position as a percentage of the total pension liability	86.95%	93.82%	-	-	-	-	-	-	-	-
E. Covered employee payroll	\$ 2,467,418	2,409,421	-	-	-	-	-	-	-	-
F. Net pension liability as a percentage of covered payroll	50.27%	22.51%	-	-	-	-	-	-	-	-

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Actuarially determined contribution	\$ 245,696	\$ 245,541	\$ 228,215	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	245,696	245,541	228,215	-	-	-	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	-	-	-	-	-	-	-
Covered-employee payroll	\$ 2,514,799	\$ 2,467,418	\$ 2,409,421	-	-	-	-	-	-	-
Contributions as a percentage of covered-employee payroll	9.77%	9.95%	9.47%	0%	0%	0%	0%	0%	0%	0%

Notes:

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

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

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

	Fiscal Year Ending June 30,									
	2015	2014	2012	2011	2010	2009	2008	2007	2006	2005
A. Total pension liability										
1. Service Cost	\$ 183,789	\$ 171,293	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Interest on the Total Pension Liability	492,184	468,506	-	-	-	-	-	-	-	-
3. Changes of benefit terms	292,640	-	-	-	-	-	-	-	-	-
4. Difference between expected and actual experience of the Total Pension Liability	(213,417)	-	-	-	-	-	-	-	-	-
5. Changes of assumptions	-	(53,558)	-	-	-	-	-	-	-	-
6. Benefit payments, including refunds of employee contributions	(297,222)	(256,354)	-	-	-	-	-	-	-	-
7. Net change in total pension liability	457,974	329,887	-	-	-	-	-	-	-	-
8. Total pension liability – beginning	6,619,169	6,289,282	-	-	-	-	-	-	-	-
9. Total pension liability – ending (a)	\$ 7,077,143	\$ 6,619,169	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
B. Plan fiduciary net position										
1. Contributions – employer	\$ 184,094	\$ 150,971	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Contributions – employee	81,099	77,420	-	-	-	-	-	-	-	-
3. Net investment income	135,529	757,189	-	-	-	-	-	-	-	-
4. Benefit payments, including refunds of employee contributions	(297,222)	(256,354)	-	-	-	-	-	-	-	-
5. Pension Plan Administrative Expense	(5,437)	(4,741)	-	-	-	-	-	-	-	-
6. Other	-	480	-	-	-	-	-	-	-	-
7. Net change in plan fiduciary net position	98,063	724,965	-	-	-	-	-	-	-	-
8. Plan fiduciary net position – beginning	5,685,081	4,960,116	-	-	-	-	-	-	-	-
9. Plan fiduciary net position – ending (b)	\$ 5,783,144	\$ 5,685,081	-	-	-	-	-	-	-	-
C. Net pension liability - ending (a) - (b)	1,293,999	934,088	-	-	-	-	-	-	-	-
D. Plan fiduciary net position as a percentage of the total pension liability	81.72%	85.89%	-	-	-	-	-	-	-	-
E. Covered employee payroll	\$ 1,013,728	967,759	-	-	-	-	-	-	-	-
F. Net pension liability as a percentage of covered payroll	127.65%	96.52%	-	-	-	-	-	-	-	-

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Actuarially determined contribution	\$ 189,694	\$ 184,094	\$ 150,971	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	189,694	184,094	150,971	-	-	-	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	-	-	-	-	-	-	-
Covered-employee payroll	1,060,337	1,013,728	967,759	-	-	-	-	-	-	-
Contributions as a percentage of covered-employee payroll	17.89%	18.16%	15.60%	0%	0%	0%	0%	0%	0%	0%

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

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

Schedule of Gloucester's 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	\$ 539,645	\$ 526,120	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	539,645	526,120	-	-	-	-	-	-	-	-
Contribution deficiency/(excess)	-	-	-	-	-	-	-	-	-	-
Covered employee payroll	3,930,408	3,923,339	-	-	-	-	-	-	-	-
Contributions as a percentage of covered-employee payroll	13.73%	13.41%	N/A							

Notes:

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

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

	Fiscal Year Ending June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Glocester proportion of the net pension liability	0.24538533%	0.22666009%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Glocester proportionate share of the net pension liability	\$ 6,755,465	\$ 5,516,907	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
State's proportionate share of the net pension liability associated with the school district	4,615,121	3,783,198	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	\$ 11,370,586	\$ 9,300,105	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Glocester covered payroll	3,930,408	3,923,339	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Glocester proportionate share of the net pension liability as a percentage of it's covered employee payroll	171.88%	140.62%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a % of the total pension liability	57.6%	61.4%	N/A							

Notes:

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

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

Schedule of Gloucester 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	\$ 5,288	\$ 5,192	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	5,288	5,192	-	-	-	-	-	-	-	-
Contribution deficiency/(excess)	-	-	-	-	-	-	-	-	-	-
Covered employee payroll	3,930,408	3,923,339	-	-	-	-	-	-	-	-
Contributions as a percentage of covered-employee payroll	0.13%	0.13%	N/A							

Notes:

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

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

	Fiscal Year Ending June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Glocester proportion of the net pension asset	0.87505927%	0.85099703%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Glocester proportionate share of the net pension asset	\$ 816,917	\$ 1,057,966	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Glocester covered payroll	\$ 3,930,408	\$ 3,923,339	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Glocester proportionate share of the net pension liability as a percentage of it's covered employee payroll	20.78%	26.97%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a % of the total pension liability	173.3%	173.3%	N/A							

Notes:

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

SUPPLEMENTARY INFORMATION

Combining Fund Financial Statements for Non-major Governmental Funds

Other Supplementary Information

**SUPPLEMENTARY INFORMATION
TOWN OF GLOCESTER, RHODE ISLAND
Combining Balance Sheet - Non-Major Governmental Funds
JUNE 30, 2016**

	Town Special Revenue Funds	School Special Revenue Funds	Capital Projects Funds	Permanent Funds	Totals
ASSETS:					
Cash and cash equivalents	\$ 128,501	\$ -	\$ -	\$ 12,387	\$ 140,888
Loans receivable	525,559	-	-	-	525,559
Other receivables	40,744	-	-	-	40,744
Due from other governments	83,141	43,789	-	-	126,930
Due from other funds	238,993	41,002	482,009	-	762,004
TOTAL ASSETS	\$ 1,016,938	\$ 84,791	\$ 482,009	\$ 12,387	\$ 1,596,125
LIABILITIES AND FUND BALANCES:					
LIABILITIES:					
Accounts payable	\$ 6,635	\$ -	\$ 4,585	\$ -	\$ 11,220
Accrued expenses	-	7,995	-	-	7,995
Due to other funds	30,807	40,454	68,409	200	139,870
Unearned revenues	525,559	-	-	-	525,559
TOTAL LIABILITIES	563,001	48,449	72,994	200	684,644
FUND BALANCES (DEFICITS):					
Nonspendable for:					
Perpetual care	-	-	-	3,100	3,100
Restricted for:					
Administration	33,477	-	-	-	33,477
Public safety	45,384	-	-	-	45,384
Recreation	77,825	-	-	-	77,825
Social services	297,251	-	-	-	297,251
Education	-	36,342	-	-	36,342
Capital projects	-	-	409,015	-	409,015
Perpetual care	-	-	-	9,087	9,087
Unassigned:	-	-	-	-	-
FUND BALANCES (DEFICITS)	453,937	36,342	409,015	12,187	911,481
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,016,938	\$ 84,791	\$ 482,009	\$ 12,387	\$ 1,596,125

SUPPLEMENTARY INFORMATION
TOWN OF GLOCESTER, RHODE ISLAND
Combining Statement of Revenues, Expenditures, Other Financing Source (Uses)
and Changes in Fund Balances - Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2016

	Town Special Revenue Funds	School Special Revenue Funds	Capital Projects Funds	Permanent Funds	Totals
REVENUES:					
Intergovernmental	\$ 376,175	\$ 301,716	\$ -	\$ -	\$ 677,891
Interest on investments	-	-	-	1	1
Other	179,066	2,000	-	-	181,066
TOTAL REVENUES	<u>555,241</u>	<u>303,716</u>	<u>-</u>	<u>1</u>	<u>858,958</u>
EXPENDITURES:					
<i>Current:</i>					
Administration	34,004	-	-	-	34,004
Public Safety	147,495	-	-	-	147,495
Public Works	-	-	100,765	-	100,765
Recreation	29,013	-	-	-	29,013
Social Services	258,241	-	-	-	258,241
Education	-	313,657	-	-	313,657
<i>Debt service:</i>					
Principal	49,151	-	-	-	49,151
Interest	3,605	-	-	-	3,605
<i>Capital:</i>	-	-	593,653	-	593,653
TOTAL EXPENDITURES	<u>521,509</u>	<u>313,657</u>	<u>694,418</u>	<u>-</u>	<u>1,529,584</u>
<i>Excess of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)</i>	33,732	(9,941)	(694,418)	1	(670,626)
OTHER FINANCING SOURCES (USES)					
Transfers in	32,217	318	694,681	-	727,216
Transfers out	(3,362)	-	(140)	-	(3,502)
NET OTHER FINANCING SOURCES (USES)	<u>28,855</u>	<u>318</u>	<u>694,541</u>	<u>-</u>	<u>723,714</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	62,587	(9,623)	123	1	53,088
FUND BALANCE AT BEGINNING OF YEAR	<u>391,350</u>	<u>45,965</u>	<u>408,892</u>	<u>12,186</u>	<u>858,393</u>
FUND BALANCE AT END OF YEAR	<u>\$ 453,937</u>	<u>\$ 36,342</u>	<u>\$ 409,015</u>	<u>\$ 12,187</u>	<u>\$ 911,481</u>

SUPPLEMENTARY INFORMATION
TOWN OF GLOCESTER, RHODE ISLAND
Special Revenue Restricted Funds - Town
Combining Balance Sheet
June 30, 2016

	Bramley Bill	The Meds Plan	Bullet Proof Vests	Recycling Grant	Public Library Grant	July 4th Parade	MHRH Grant
ASSETS:							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Loans receivable	-	-	-	-	-	-	-
Other receivables	6,752	-	-	-	-	-	40
Due from other governments	-	-	-	-	-	-	-
Due from other funds	21,734	6,042	-	13,923	-	43,829	-
TOTAL ASSETS	<u>\$ 28,486</u>	<u>\$ 6,042</u>	<u>\$ -</u>	<u>\$ 13,923</u>	<u>\$ -</u>	<u>\$ 43,829</u>	<u>\$ 40</u>
LIABILITIES AND FUND BALANCE:							
LIABILITIES:							
Accounts payable and accrued expenses	\$ 895	\$ -	\$ -	\$ 362	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	40
Unearned revenues	-	-	-	-	-	-	-
TOTAL LIABILITIES	<u>895</u>	<u>-</u>	<u>-</u>	<u>362</u>	<u>-</u>	<u>-</u>	<u>40</u>
FUND BALANCE:							
Restricted for:							
Administration	-	-	-	13,561	-	-	-
Public safety	27,591	6,042	-	-	-	-	-
Recreation	-	-	-	-	-	43,829	-
Social services	-	-	-	-	-	-	-
Unassigned:	-	-	-	-	-	-	-
TOTAL FUND BALANCE	<u>27,591</u>	<u>6,042</u>	<u>-</u>	<u>13,561</u>	<u>-</u>	<u>43,829</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 28,486</u>	<u>\$ 6,042</u>	<u>\$ -</u>	<u>\$ 13,923</u>	<u>\$ -</u>	<u>\$ 43,829</u>	<u>\$ 40</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF GLOCESTER, RHODE ISLAND
Special Revenue Restricted Funds - Town
Combining Balance Sheet
June 30, 2016

	<u>Emergency Energy</u>	<u>Grass Roots</u>	<u>Pollard Mimosa Trees</u>	<u>Police Grant JAG</u>	<u>Central Police Legislative Grant</u>	<u>Blue Rip Tide Grant</u>	<u>Historic Records Trust</u>
ASSETS:							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 268
Loans receivable	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	168	-
Due from other governments	-	-	-	-	-	-	-
Due from other funds	42,512	179	2,000	-	-	168	19,589
TOTAL ASSETS	<u>\$ 42,512</u>	<u>\$ 179</u>	<u>\$ 2,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 336</u>	<u>\$ 19,857</u>
LIABILITIES AND FUND BALANCE:							
LIABILITIES:							
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 336	\$ 1,941
Due to other funds	-	-	-	-	-	-	-
Unearned revenues	-	-	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>336</u>	<u>1,941</u>
FUND BALANCE:							
Restricted for:							
Administration	-	-	2,000	-	-	-	17,916
Public safety	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-
Social services	42,512	179	-	-	-	-	-
Unassigned:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL FUND BALANCE	<u>42,512</u>	<u>179</u>	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,916</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 42,512</u>	<u>\$ 179</u>	<u>\$ 2,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 336</u>	<u>\$ 19,857</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF GLOCESTER, RHODE ISLAND
Special Revenue Restricted Funds - Town
Combining Balance Sheet
June 30, 2016

	<u>Senior Center Donations</u>	<u>Food Bank</u>	<u>Animal Shelter Amy Angilly Fund</u>	<u>Community Septic System Loan Program</u>	<u>BHDDH CAST</u>	<u>DARE</u>	<u>Community Development Block Grant</u>
ASSETS:							
Cash and cash equivalents	\$ 60	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 128,173
Loans receivable	-	-	-	164,790	-	-	360,769
Other receivables	-	-	-	-	16,079	-	17,705
Due from other governments	-	-	-	82,564	-	-	577
Due from other funds	26,570	43,246	10,748	-	-	1,003	-
TOTAL ASSETS	<u>\$ 26,630</u>	<u>\$ 43,246</u>	<u>\$ 10,748</u>	<u>\$ 247,354</u>	<u>\$ 16,079</u>	<u>\$ 1,003</u>	<u>\$ 507,224</u>
LIABILITIES AND FUND BALANCE:							
LIABILITIES:							
Accounts payable and accrued expenses	\$ 84	\$ -	\$ -	\$ -	\$ 1,017	\$ -	\$ 2,000
Due to other funds	-	-	-	-	15,062	-	15,705
Unearned revenues	-	-	-	164,790	-	-	360,769
TOTAL LIABILITIES	<u>84</u>	<u>-</u>	<u>-</u>	<u>164,790</u>	<u>16,079</u>	<u>-</u>	<u>378,474</u>
FUND BALANCE:							
Restricted for:							
Administration	-	-	-	-	-	-	-
Public safety	-	-	10,748	-	-	1,003	-
Recreation	26,546	-	-	-	-	-	-
Social services	-	43,246	-	82,564	-	-	128,750
Unassigned:	-	-	-	-	-	-	-
TOTAL FUND BALANCE	<u>26,546</u>	<u>43,246</u>	<u>10,748</u>	<u>82,564</u>	<u>-</u>	<u>1,003</u>	<u>128,750</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 26,630</u>	<u>\$ 43,246</u>	<u>\$ 10,748</u>	<u>\$ 247,354</u>	<u>\$ 16,079</u>	<u>\$ 1,003</u>	<u>\$ 507,224</u>

(Continued)

**SUPPLEMENTARY INFORMATION
TOWN OF GLOCESTER, RHODE ISLAND
Special Revenue Restricted Funds - Town
Combining Balance Sheet
June 30, 2016**

	Meal Site Senate Grant	Fema Grant	LEJA Field	TOTAL
<i>ASSETS:</i>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 128,501
Loans receivable	-	-	-	525,559
Other receivables	-	-	-	40,744
Due from other governments	-	-	-	83,141
Due from other funds	-	-	7,450	238,993
TOTAL ASSETS	\$ -	\$ -	\$ 7,450	1,016,938
 <i>LIABILITIES AND FUND BALANCE:</i>				
<i>LIABILITIES:</i>				
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	6,635
Due to other funds	-	-	-	30,807
Unearned revenues	-	-	-	525,559
TOTAL LIABILITIES	-	-	-	563,001
 <i>FUND BALANCE:</i>				
<i>Restricted for:</i>				
Administration	-	-	-	33,477
Public safety	-	-	-	45,384
Recreation	-	-	7,450	77,825
Social services	-	-	-	297,251
<i>Unassigned:</i>	-	-	-	-
TOTAL FUND BALANCE	-	-	7,450	453,937
 TOTAL LIABILITIES AND FUND BALANCE	\$ -	\$ -	\$ 7,450	\$ 1,016,938

(Concluded)

SUPPLEMENTARY INFORMATION
TOWN OF GLOCESTER, RHODE ISLAND
Special Revenue Restricted Funds - Town
Combining Statement of Revenues, Expenditures Other Financing Sources (Uses), and
Changes in Fund Balances
For the Fiscal year Ended June 30, 2016

	<u>Bramley Bill</u>	<u>The Meds Plan</u>	<u>Bullet Proof Vest</u>	<u>Recycling Grant</u>	<u>Public Library Grant</u>	<u>July 4th Parade</u>	<u>MHRH Grant</u>
REVENUES:							
Intergovernmental revenue	\$ 32,201	\$ 2,576	\$ 1,484	\$ 6,820	\$ 70,625	\$ 7,000	\$ 805
Other revenue	2,833	-	-	-	-	16,544	-
TOTAL REVENUES	<u>35,034</u>	<u>2,576</u>	<u>1,484</u>	<u>6,820</u>	<u>70,625</u>	<u>23,544</u>	<u>805</u>
EXPENDITURES:							
<i>Current:</i>							
Administration	-	-	-	23,584	-	-	-
Public safety	54,929	-	2,968	-	-	-	-
Recreation	-	-	-	-	-	29,013	-
Social Services	-	-	-	-	70,625	-	805
<i>Debt service:</i>							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>54,929</u>	<u>-</u>	<u>2,968</u>	<u>23,584</u>	<u>70,625</u>	<u>29,013</u>	<u>805</u>
Excess of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)	<u>(19,895)</u>	<u>2,576</u>	<u>(1,484)</u>	<u>(16,764)</u>	<u>-</u>	<u>(5,469)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):							
Transfers in	3,607	-	1,484	-	-	13,000	-
Transfers out	-	-	-	-	-	-	-
NET OTHER FINANCING SOURCES (USES)	<u>3,607</u>	<u>-</u>	<u>1,484</u>	<u>-</u>	<u>-</u>	<u>13,000</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	<u>(16,288)</u>	<u>2,576</u>	<u>-</u>	<u>(16,764)</u>	<u>-</u>	<u>7,531</u>	<u>-</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>43,879</u>	<u>3,466</u>	<u>-</u>	<u>30,325</u>	<u>-</u>	<u>36,298</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 27,591</u>	<u>\$ 6,042</u>	<u>\$ -</u>	<u>\$ 13,561</u>	<u>\$ -</u>	<u>\$ 43,829</u>	<u>\$ -</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF GLOCESTER, RHODE ISLAND
Special Revenue Restricted Funds - Town
Combining Statement of Revenues, Expenditures Other Financing Sources (Uses), and
Changes in Fund Balances
For the Fiscal year Ended June 30, 2016

	<u>Emergency Energy</u>	<u>Grass Roots</u>	<u>Pollard Mimosa Trees</u>	<u>Police Grant JAG</u>	<u>Central Police Legislative Grant</u>	<u>Blue Rip Tide Grant</u>	<u>Historic Records Trust</u>
REVENUES:							
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ 3,005	\$ 1,000	\$ 4,065	\$ -
Other revenue	3,426	500	-	-	-	-	12,963
TOTAL REVENUES	<u>3,426</u>	<u>500</u>	<u>-</u>	<u>3,005</u>	<u>1,000</u>	<u>4,065</u>	<u>12,963</u>
EXPENDITURES:							
Current:							
Administration	-	-	-	-	-	-	10,420
Public safety	-	-	-	3,054	1,040	4,149	-
Recreation	-	-	-	-	-	-	-
Social Services	5,976	321	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>5,976</u>	<u>321</u>	<u>-</u>	<u>3,054</u>	<u>1,040</u>	<u>4,149</u>	<u>10,420</u>
Excess of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)	<u>(2,550)</u>	<u>179</u>	<u>-</u>	<u>(49)</u>	<u>(40)</u>	<u>(84)</u>	<u>2,543</u>
OTHER FINANCING SOURCES (USES):							
Transfers in	13,000	-	-	49	-	84	-
Transfers out	-	-	-	-	-	-	-
NET OTHER FINANCING SOURCES (USES)	<u>13,000</u>	<u>-</u>	<u>-</u>	<u>49</u>	<u>-</u>	<u>84</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	<u>10,450</u>	<u>179</u>	<u>-</u>	<u>-</u>	<u>(40)</u>	<u>-</u>	<u>2,543</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>32,062</u>	<u>-</u>	<u>2,000</u>	<u>-</u>	<u>40</u>	<u>-</u>	<u>15,373</u>
FUND BALANCE AT END OF YEAR	<u>\$ 42,512</u>	<u>\$ 179</u>	<u>\$ 2,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,916</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF GLOCESTER, RHODE ISLAND
Special Revenue Restricted Funds - Town
Combining Statement of Revenues, Expenditures Other Financing Sources (Uses), and
Changes in Fund Balances
For the Fiscal year Ended June 30, 2016

	Senior Center Donations	Food Bank	Animal Shelter Amy Angilly Fund	Community Septic System Loan Program	BHDDH CAST	DARE	Community Development Block Grant
REVENUES:							
Intergovernmental revenue	\$ -	\$ 5,000	\$ -	\$ -	\$ 82,726	\$ -	\$ 148,789
Other revenue	2,828	10,096	-	52,756	-	1,000	76,120
TOTAL REVENUES	<u>2,828</u>	<u>15,096</u>	<u>-</u>	<u>52,756</u>	<u>82,726</u>	<u>1,000</u>	<u>224,909</u>
EXPENDITURES:							
<i>Current:</i>							
Administration	-	-	-	-	-	-	-
Public safety	-	-	-	-	80,726	-	-
Recreation	-	-	-	-	-	-	-
Social Services	2,332	8,400	-	18,000	-	-	149,782
<i>Debt service:</i>							
Principal	-	-	-	49,151	-	-	-
Interest	-	-	-	3,605	-	-	-
TOTAL EXPENDITURES	<u>2,332</u>	<u>8,400</u>	<u>-</u>	<u>70,756</u>	<u>80,726</u>	<u>-</u>	<u>149,782</u>
Excess of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)	<u>496</u>	<u>6,696</u>	<u>-</u>	<u>(18,000)</u>	<u>2,000</u>	<u>1,000</u>	<u>75,127</u>
OTHER FINANCING SOURCES (USES):							
Transfers in	-	-	-	-	-	-	993
Transfers out	-	-	(1,362)	-	(2,000)	-	-
NET OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>(1,362)</u>	<u>-</u>	<u>(2,000)</u>	<u>-</u>	<u>993</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	<u>496</u>	<u>6,696</u>	<u>(1,362)</u>	<u>(18,000)</u>	<u>-</u>	<u>1,000</u>	<u>76,120</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>26,050</u>	<u>36,550</u>	<u>12,110</u>	<u>100,564</u>	<u>-</u>	<u>3</u>	<u>52,630</u>
FUND BALANCE AT END OF YEAR	<u>\$ 26,546</u>	<u>\$ 43,246</u>	<u>\$ 10,748</u>	<u>\$ 82,564</u>	<u>\$ -</u>	<u>\$ 1,003</u>	<u>\$ 128,750</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF GLOCESTER, RHODE ISLAND
Special Revenue Restricted Funds - Town
Combining Statement of Revenues, Expenditures Other Financing Sources (Uses), and
Changes in Fund Balances
For the Fiscal year Ended June 30, 2016

	Meal Site Senate Grant	Fema Grant	LEJA Field	TOTAL
REVENUES:				
Intergovernmental revenue	\$ 2,000	\$ 629	\$ 7,450	\$ 376,175
Other revenue	-	-	-	179,066
TOTAL REVENUES	<u>2,000</u>	<u>629</u>	<u>7,450</u>	<u>555,241</u>
EXPENDITURES:				
<i>Current:</i>				
Administration	-	-	-	34,004
Public safety	-	629	-	147,495
Recreation	-	-	-	29,013
Social Services	2,000	-	-	258,241
<i>Debt service:</i>				
Principal	-	-	-	49,151
Interest	-	-	-	3,605
TOTAL EXPENDITURES	<u>2,000</u>	<u>629</u>	<u>-</u>	<u>521,509</u>
<i>Excess of Revenues Over (Under) Expenditures</i> <i>Before Other Financing Sources (Uses)</i>	<u>-</u>	<u>-</u>	<u>7,450</u>	<u>33,732</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	32,217
Transfers out	-	-	-	(3,362)
NET OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,855</u>
<i>Excess of revenues and other financing sources</i> <i>over (under) expenditures and other financing uses</i>	<u>-</u>	<u>-</u>	<u>7,450</u>	<u>62,587</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>391,350</u>
FUND BALANCE AT END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,450</u>	<u>\$ 453,937</u>

(Concluded)

SUPPLEMENTARY INFORMATION
TOWN OF GLOCESTER, RHODE ISLAND
Special Revenue Restricted Funds - School
Combining Balance Sheet
June 30, 2016

	<u>Rural Education Grant</u>	<u>Performing Arts</u>	<u>Technology</u>	<u>Professional Development</u>	<u>Title I</u>
ASSETS:					
Due from federal and state governments	\$ -	\$ -	\$ -	\$ -	\$ 25,937
Due from other funds	<u>-</u>	<u>-</u>	<u>1,694</u>	<u>33,298</u>	<u>-</u>
TOTAL ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,694</u>	<u>\$ 33,298</u>	<u>\$ 25,937</u>
LIABILITIES AND FUND BALANCE:					
LIABILITIES:					
Accrued expenses	\$ -	\$ -	\$ -	\$ 341	\$ 5,746
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,191</u>
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>341</u>	<u>25,937</u>
FUND BALANCE:					
Restricted for:					
Education	<u>-</u>	<u>-</u>	<u>1,694</u>	<u>32,957</u>	<u>-</u>
TOTAL FUND BALANCE	<u>-</u>	<u>-</u>	<u>1,694</u>	<u>32,957</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,694</u>	<u>\$ 33,298</u>	<u>\$ 25,937</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF GLOCESTER, RHODE ISLAND
Special Revenue Restricted Funds - School
Combining Balance Sheet
June 30, 2016

	<u>Title II</u>	<u>CAST Mini Grant</u>	<u>Donations - Library</u>	<u>IDEA Preschool</u>	<u>IDEA Part B</u>
ASSETS:					
Due from federal and state governments	\$ 16,837	\$ -	\$ -		\$ -
Due from other funds	<u>-</u>	<u>521</u>	<u>1,170</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 16,837</u>	<u>\$ 521</u>	<u>\$ 1,170</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE:					
LIABILITIES:					
Accrued expenses	\$ 1,908	\$ -	\$ -	\$ -	\$ -
Due to other funds	<u>14,929</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>16,837</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE:					
<i>Restricted for:</i>					
Education	<u>-</u>	<u>521</u>	<u>1,170</u>	<u>-</u>	<u>-</u>
TOTAL FUND BALANCE	<u>-</u>	<u>521</u>	<u>1,170</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 16,837</u>	<u>\$ 521</u>	<u>\$ 1,170</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF GLOCESTER, RHODE ISLAND
Special Revenue Restricted Funds - School
Combining Balance Sheet
June 30, 2016

	Common Core	Wireless Classroom	TOTAL
<i>ASSETS:</i>			
Due from federal and state governments	\$ 1,015	\$ -	\$ 43,789
Due from other funds/ Receivables	-	4,319	41,002
TOTAL ASSETS	\$ 1,015	4,319	\$ 84,791
 <i>LIABILITIES AND FUND BALANCE:</i>			
<i>LIABILITIES:</i>			
Accrued expenses	\$ -	-	\$ 7,995
Due to other funds	1,015	4,319	40,454
TOTAL LIABILITIES	1,015	4,319	48,449
 <i>FUND BALANCE:</i>			
<i>Restricted for:</i>			
Education	-	-	36,342
TOTAL FUND BALANCE	-	-	36,342
TOTAL LIABILITIES AND FUND BALANCE	\$ 1,015	4,319	\$ 84,791

(Concluded)

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

	<u>Rural Education Grant</u>	<u>Performing Arts</u>	<u>Technology</u>	<u>Professional Development</u>	<u>Title I</u>
REVENUES:					
Intergovernmental	\$ 16,508	\$ -	\$ -	\$ -	\$ 80,447
Other revenue	-	1,000	-	-	-
TOTAL REVENUES	<u>16,508</u>	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>80,447</u>
EXPENDITURES:					
Education	16,558	1,300	-	8,879	80,447
TOTAL EXPENDITURES	<u>16,558</u>	<u>1,300</u>	<u>-</u>	<u>8,879</u>	<u>80,447</u>
<i>Excess of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)</i>	<u>(50)</u>	<u>(300)</u>	<u>-</u>	<u>(8,879)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	50	268	-	-	-
NET OTHER FINANCING SOURCES (USES)	<u>50</u>	<u>268</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess of revenues and other financing sources over (under) expenditures and other financing uses</i>	<u>-</u>	<u>(32)</u>	<u>-</u>	<u>(8,879)</u>	<u>-</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>-</u>	<u>32</u>	<u>1,694</u>	<u>41,836</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,694</u>	<u>\$ 32,957</u>	<u>\$ -</u>

(Continued)

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

	<u>Title II</u>	<u>CAST Mini Grant</u>	<u>Donations - Library</u>	<u>IDEA Preschool</u>	<u>IDEA Part B</u>
REVENUES:					
Intergovernmental	\$ 46,501	\$ -	\$ -	\$ 11,831	\$ 145,231
Other revenue	-	-	1,000	-	-
TOTAL REVENUES	<u>46,501</u>	<u>-</u>	<u>1,000</u>	<u>11,831</u>	<u>145,231</u>
EXPENDITURES:					
Education	46,501	122	1,590	11,831	145,231
TOTAL EXPENDITURES	<u>46,501</u>	<u>122</u>	<u>1,590</u>	<u>11,831</u>	<u>145,231</u>
<i>Excess of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)</i>	<u>-</u>	<u>(122)</u>	<u>(590)</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
NET OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess of revenues and other financing sources over (under) expenditures and other financing uses</i>	<u>-</u>	<u>(122)</u>	<u>(590)</u>	<u>-</u>	<u>-</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>-</u>	<u>643</u>	<u>1,760</u>	<u>-</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ -</u>	<u>\$ 521</u>	<u>\$ 1,170</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

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

	Common Core	Wireless Classroom	TOTAL
REVENUES:			
Intergovernmental	\$ 1,198	-	\$ 301,716
Other revenue	-	-	2,000
TOTAL REVENUES	1,198	-	303,716
EXPENDITURES:			
Education	1,198	-	313,657
TOTAL EXPENDITURES	1,198	-	313,657
<i>Excess of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)</i>	-	-	(9,941)
OTHER FINANCING SOURCES (USES):			
Transfers in	-	-	318
NET OTHER FINANCING SOURCES (USES)	-	-	318
<i>Excess of revenues and other financing sources over (under) expenditures and other financing uses</i>	-	-	(9,623)
FUND BALANCE AT BEGINNING OF YEAR	-	-	45,965
FUND BALANCE AT END OF YEAR	\$ -	-	\$ 36,342

(Concluded)

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

	<u>Chepachet River Park</u>	<u>Roads</u>	<u>Senior Center Fund</u>	<u>Chepachet River Cleanup</u>	<u>Chepachet Wastewater / Stormwater Project</u>	<u>Geothermal Project</u>
ASSETS:						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	16,397	29,711	3,004	30,000	133,979	37,811
TOTAL ASSETS	<u>\$ 16,397</u>	<u>\$ 29,711</u>	<u>\$ 3,004</u>	<u>\$ 30,000</u>	<u>\$ 133,979</u>	<u>\$ 37,811</u>
LIABILITIES AND FUND BALANCE:						
LIABILITIES:						
Accounts payable	\$ -	\$ 4,585	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	825	-	24,773	37,811
TOTAL LIABILITIES	<u>-</u>	<u>4,585</u>	<u>825</u>	<u>-</u>	<u>24,773</u>	<u>37,811</u>
FUND BALANCE:						
Restricted for:						
Capital projects	16,397	25,126	2,179	30,000	109,206	-
TOTAL FUND BALANCE	<u>16,397</u>	<u>25,126</u>	<u>2,179</u>	<u>30,000</u>	<u>109,206</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 16,397</u>	<u>\$ 29,711</u>	<u>\$ 3,004</u>	<u>\$ 30,000</u>	<u>\$ 133,979</u>	<u>\$ 37,811</u>

(Continued)

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

	School Capital Improvement	Animal Control Project	Transfer Station Upgrade	Recreational Land	TOTAL
ASSETS:					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	231,107	-	-	-	482,009
TOTAL ASSETS	\$ 231,107	\$ -	\$ -	\$ -	\$ 482,009
LIABILITIES AND FUND BALANCE:					
LIABILITIES:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 4,585
Due to other funds	-	-	-	5,000	68,409
TOTAL LIABILITIES	-	-	-	5,000	72,994
FUND BALANCE:					
Restricted for:					
Capital projects	231,107	-	-	(5,000)	409,015
TOTAL FUND BALANCE	231,107	-	-	(5,000)	409,015
TOTAL LIABILITIES AND FUND BALANCE	\$ 231,107	\$ -	\$ -	\$ -	\$ 482,009

(Concluded)

SUPPLEMENTARY INFORMATION
TOWN OF GLOCESTER, RHODE ISLAND
Non-Major Capital Projects Funds
Combining Statement of Revenues, Expenditures, Other Financing Sources (Uses) and
Changes in Fund Balances
For the Fiscal Year Ended June 30, 2016

	<u>Chepachet River Park</u>	<u>Roads</u>	<u>Senior Center Fund</u>	<u>Chepachet River Cleanup</u>	<u>Chepachet Wastewater / Stormwater Project</u>	<u>Geothermal Project</u>
REVENUES:						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-	-	-
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES:						
<i>Current:</i>						
Public works	-	96,734	-	-	-	-
<i>Capital outlay:</i>	-	246,437	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>343,171</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess of Revenues Over (Under)</i>						
<i>Expenditures Before Other Financing Sources (Uses)</i>	<u>-</u>	<u>(343,171)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES:						
Transfers in	-	348,294	-	-	-	-
Transfers out	-	-	-	-	-	-
NET OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>348,294</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess of revenues and other financing sources over (under) expenditures and other financing uses</i>	<u>-</u>	<u>5,123</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>16,397</u>	<u>20,003</u>	<u>2,179</u>	<u>30,000</u>	<u>109,206</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 16,397</u>	<u>\$ 25,126</u>	<u>\$ 2,179</u>	<u>\$ 30,000</u>	<u>\$ 109,206</u>	<u>\$ -</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF GLOCESTER, RHODE ISLAND
Non-Major Capital Projects Funds
Combining Statement of Revenues, Expenditures, Other Financing Sources (Uses) and
Changes in Fund Balances
For the Fiscal Year Ended June 30, 2016

	School Capital Improvement	Animal Control Project	Transfer Station Upgrade	Recreational Land	TOTAL
REVENUES:					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-	-
TOTAL REVENUES	-	-	-	-	-
EXPENDITURES:					
<i>Current:</i>					
Public works	-	-	4,031	-	100,765
<i>Capital outlay:</i>	-	1,362	340,854	5,000	593,653
TOTAL EXPENDITURES	-	1,362	344,885	5,000	694,418
<i>Excess of Revenues Over (Under)</i>					
<i>Expenditures Before Other Financing Sources (Uses)</i>	-	(1,362)	(344,885)	(5,000)	(694,418)
OTHER FINANCING SOURCES:					
Transfers in	-	1,362	345,025	-	694,681
Transfers out	-	-	(140)	-	(140)
NET OTHER FINANCING SOURCES (USES)	-	1,362	344,885	-	694,541
<i>Excess of revenues and other financing sources over (under) expenditures and other financing uses</i>	-	-	-	(5,000)	123
FUND BALANCE AT BEGINNING OF YEAR	231,107	-	-	-	408,892
FUND BALANCE AT END OF YEAR	\$ 231,107	\$ -	\$ -	\$ (5,000)	\$ 409,015

(Concluded)

Funds Combined for GASB 54 Reporting Purposes

General Fund

School General Fund

SUPPLEMENTARY INFORMATION
TOWN OF GLOCESTER, RHODE ISLAND
Town General Fund Balance Sheet
Funds Combined with Town General Fund for GASB 54 Purposes
June 30, 2016

	General Fund	Revaluation Reserve	Comprehensive Plan	Accrued Compensated Absences Reserve	Police Vehicle Replacement	Tree Planting	Health Reserve	Matching State Grant Funds	Portable RA	Mobile Radio	School Renovations
ASSETS:											
Cash and cash equivalents	\$ 7,672,710	\$ 311,050	\$ -	\$ 499,185	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables:											
Taxes, net	753,077	-	-	-	-	-	-	-	-	-	-
Other	23,458	-	-	-	-	-	-	-	-	-	-
Prepaid expenditures	2,000	-	-	-	-	-	-	-	-	-	-
Due from:											
Other funds	74,643	-	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 8,525,888</u>	<u>\$ 311,050</u>	<u>\$ -</u>	<u>\$ 499,185</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES:											
LIABILITIES:											
Accounts payable	\$ 58,221	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll and benefits	167,372	-	-	-	-	-	-	-	-	-	-
Due to:											
Other funds	2,864,995	(5,000)	(33,695)	-	-	(1,508)	(382,920)	(50,000)	(33,000)	(33,000)	(975,000)
Other Liabilities	151,944	-	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	<u>3,242,532</u>	<u>(5,000)</u>	<u>(33,695)</u>	<u>-</u>	<u>-</u>	<u>(1,508)</u>	<u>(382,920)</u>	<u>(50,000)</u>	<u>(33,000)</u>	<u>(33,000)</u>	<u>(975,000)</u>
Deferred Inflows of Resources	437,884	-	-	-	-	-	-	-	-	-	-
FUND BALANCE:											
Nonspendable for:											
Prepaid expenditures	2,000	-	-	-	-	-	-	-	-	-	-
Committed to:											
Education	-	-	-	-	-	-	-	-	-	-	-
Capital projects	400,000	-	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-	-	-
Assigned for:											
Administration	-	316,050	33,695	-	-	1,508	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	33,000	33,000	-
Public works	-	-	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-	-	-
Matching state grant funds	-	-	-	-	-	-	-	50,000	-	-	-
Contractual obligations	-	-	-	499,185	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-	-	-	-
Employee benefits	-	-	-	-	-	-	382,920	-	-	-	975,000
Unassigned:											
4,443,472	4,443,472	-	-	-	-	-	-	-	-	-	-
TOTAL FUND BALANCE	<u>4,845,472</u>	<u>316,050</u>	<u>33,695</u>	<u>499,185</u>	<u>-</u>	<u>1,508</u>	<u>382,920</u>	<u>50,000</u>	<u>33,000</u>	<u>33,000</u>	<u>975,000</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 8,525,888</u>	<u>\$ 311,050</u>	<u>\$ -</u>	<u>\$ 499,185</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF GLOCESTER, RHODE ISLAND
Town General Fund Balance Sheet
Funds Combined with Town General Fund for GASB 54 Purposes
June 30, 2016

	Storm Related Services	Other Post Employment Benefits	Police Equipment Maintenance	Senior Center Dues	Radio Equipment	Maintenance Purchase of Fields	State Aid Reduction	Technology	Foster Glocester Proration	TOTAL
ASSETS:										
Cash and cash equivalents	\$ -	\$ 49,068	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,532,013
Receivables:										
Taxes, net	-	-	-	-	-	-	-	-	-	753,077
Other	-	-	-	1,500	-	-	-	-	-	24,958
Prepaid expenditures	-	-	-	-	-	-	-	-	-	2,000
Due from:										
Other funds	-	-	-	-	-	-	-	-	-	74,643
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 49,068</u>	<u>\$ -</u>	<u>\$ 1,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,386,691</u>
LIABILITIES AND FUND BALANCES:										
LIABILITIES:										
Accounts payable	\$ -	\$ -	\$ -	\$ 2,088	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,309
Accrued payroll and benefits	-	-	-	-	-	-	-	-	-	167,372
Due to:										
Other funds	(341,152)	(73,187)	(39,851)	(7,172)	(64,741)	(80,000)	(180,000)	(91,459)	(75,000)	398,310
Other Liabilities	-	-	-	-	-	-	-	-	-	151,944
TOTAL LIABILITIES	<u>(341,152)</u>	<u>(73,187)</u>	<u>(39,851)</u>	<u>(5,084)</u>	<u>(64,741)</u>	<u>(80,000)</u>	<u>(180,000)</u>	<u>(91,459)</u>	<u>(75,000)</u>	<u>777,935</u>
Deferred Inflows of Resources	-	-	-	-	-	-	-	-	-	437,884
FUND BALANCE:										
Nonspendable for:										
Prepaid expenditures	-	-	-	-	-	-	-	-	-	2,000
Committed to:										
Education	-	-	-	-	-	-	180,000	-	75,000	255,000
Capital projects	-	-	-	-	-	-	-	-	-	400,000
Recreation	-	-	-	-	-	80,000	-	-	-	80,000
Assigned for:										
Administration	-	-	-	-	-	-	-	91,459	-	442,712
Public safety	-	-	39,851	-	64,741	-	-	-	-	170,592
Public works	341,152	-	-	-	-	-	-	-	-	341,152
Recreation	-	-	-	6,584	-	-	-	-	-	6,584
Matching state grant funds	-	-	-	-	-	-	-	-	-	50,000
Contractual obligations	-	122,255	-	-	-	-	-	-	-	621,440
Education	-	-	-	-	-	-	-	-	-	975,000
Employee benefits	-	-	-	-	-	-	-	-	-	382,920
Unassigned:	-	-	-	-	-	-	-	-	-	4,443,472
TOTAL FUND BALANCE	<u>341,152</u>	<u>122,255</u>	<u>39,851</u>	<u>6,584</u>	<u>64,741</u>	<u>80,000</u>	<u>180,000</u>	<u>91,459</u>	<u>75,000</u>	<u>8,170,872</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ -</u>	<u>\$ 49,068</u>	<u>\$ -</u>	<u>\$ 1,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,386,691</u>

(Concluded)

SUPPLEMENTARY INFORMATION
TOWN OF GLOCESTER, RHODE ISLAND
 Schedule of Revenues, Expenditures, Other Financing Sources (Uses) and
 Changes in Fund Balance
 Funds Combined with Town General Fund for GASB 54 Purposes
 June 30, 2016

	General Fund	Revaluation Reserve	Comprehensive Plan	Accrued Compensated Absences Reserve	Police Vehicle Replacement	Tree Planting	Health Reserve	Matching State Grant Funds	Portable RA	Mobile Radio	School Renovations
REVENUES:											
General property taxes	\$ 23,485,584	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue	373,009	-	-	-	-	-	-	-	-	-	-
Licenses, fees and fines	335,225	-	-	-	-	-	-	-	-	-	-
Investment income	102,336	2,289	-	3,397	-	-	-	-	-	-	-
Other revenue	214,244	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUES	24,510,398	2,289	-	3,397	-	-	-	-	-	-	-
EXPENDITURES:											
<i>Current:</i>											
Administration	754,913	-	2,629	38,335	-	-	-	-	-	-	-
Finance	615,491	-	-	-	-	-	-	-	-	-	-
Public safety	2,095,770	-	-	-	31,578	-	-	-	-	-	-
Public works	1,478,603	-	-	-	-	-	-	-	-	-	-
Recreation and senior center	243,314	-	-	-	-	-	-	-	-	-	-
Social services	34,157	-	-	-	-	-	-	-	-	-	-
Operational expenses	376,743	-	-	-	-	-	-	-	-	-	-
Aid requests	344,446	-	-	-	-	-	-	-	-	-	-
Education	10,032,361	-	-	-	-	-	-	-	-	-	-
<i>Debt service:</i>											
Principal	465,000	-	-	-	-	-	-	-	-	-	-
Interest and other costs	103,538	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	16,544,336	-	2,629	38,335	31,578	-	-	-	-	-	-
<i>Excess of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)</i>	7,966,062	2,289	(2,629)	(34,938)	(31,578)	-	-	-	-	-	-
OTHER FINANCING SOURCES (USES)											
Transfers in	140	-	-	-	-	-	-	-	-	-	-
Transfers out	(8,403,999)	5,000	1,500	80,000	-	-	32,750	-	33,000	33,000	975,000
NET OTHER FINANCING SOURCES (USES)	(8,403,859)	5,000	1,500	80,000	-	-	32,750	-	33,000	33,000	975,000
NET CHANGE IN FUND BALANCE	(437,797)	7,289	(1,129)	45,062	(31,578)	-	32,750	-	33,000	33,000	975,000
FUND BALANCE AT BEGINNING OF YEAR	5,283,269	308,761	34,824	454,123	31,578	1,508	350,170	50,000	-	-	-
FUND BALANCE AT END OF YEAR	\$ 4,845,472	\$ 316,050	\$ 33,695	\$ 499,185	\$ -	\$ 1,508	\$ 382,920	\$ 50,000	\$ 33,000	\$ 33,000	\$ 975,000

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF GLOCESTER, RHODE ISLAND
Schedule of Revenues, Expenditures, Other Financing Sources (Uses) and
Changes in Fund Balance
Funds Combined with Town General Fund for GASB 54 Purposes
June 30, 2016

	Storm Related Services	Other Post Employment Benefits	Police Equipment Maintenance	Senior Center Dues	Radio Equipment	Maintenance Purchase of Fields	State Aid Reduction	Technology	Foster Glocester Proration	TOTAL
REVENUES:										
General property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,485,584
Intergovernmental revenue	-	-	-	-	-	-	-	-	-	373,009
Licenses, fees and fines	-	-	-	-	-	-	-	-	-	335,225
Investment income	-	16	-	-	-	-	-	-	-	108,038
Other revenue	-	-	-	15,925	-	-	-	-	-	230,169
TOTAL REVENUES	-	16	-	15,925	-	-	-	-	-	24,532,025
EXPENDITURES:										
<i>Current:</i>										
Administration	-	384,191	-	-	-	-	-	-	-	1,180,068
Finance	-	-	-	-	-	-	-	-	-	615,491
Public safety	-	30	12,537	-	10,932	-	-	-	-	2,150,847
Public works	157,621	-	-	-	-	-	-	-	-	1,636,224
Recreation and senior center	-	-	-	-	-	-	-	-	-	243,314
Social services	-	-	-	15,738	-	-	-	-	-	49,895
Operational expenses	-	-	-	-	-	-	-	-	-	376,743
Aid requests	-	-	-	-	-	-	-	-	-	344,446
Education	-	-	-	-	-	-	-	-	-	10,032,361
<i>Debt service:</i>										
Principal	-	-	-	-	-	-	-	-	-	465,000
Interest and other costs	-	-	-	-	-	-	-	-	-	103,538
TOTAL EXPENDITURES	157,621	384,221	12,537	15,738	10,932	-	-	-	-	17,197,927
<i>Excess of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)</i>	(157,621)	(384,205)	(12,537)	187	(10,932)	-	-	-	-	7,334,098
OTHER FINANCING SOURCES (USES)										
Transfers in	-	-	-	-	-	-	-	-	-	140
Transfers out	150,000	73,220	-	-	-	-	-	34,483	75,000	(6,911,046)
NET OTHER FINANCING SOURCES (USES)	150,000	73,220	-	-	-	-	-	34,483	75,000	(6,910,906)
NET CHANGE IN FUND BALANCE	(7,621)	(310,985)	(12,537)	187	(10,932)	-	-	34,483	75,000	423,192
FUND BALANCE AT BEGINNING OF YEAR	348,773	433,240	52,388	6,397	75,673	80,000	180,000	56,976	-	7,747,680
FUND BALANCE AT END OF YEAR	\$ 341,152	\$ 122,255	\$ 39,851	\$ 6,584	\$ 64,741	\$ 80,000	\$ 180,000	\$ 91,459	\$ 75,000	\$ 8,170,872

(Concluded)

**SUPPLEMENTARY INFORMATION
TOWN OF GLOCESTER, RHODE ISLAND**

School Balance Sheet

Funds Combined with School Unrestricted (School General Fund) for GASB 54 Purposes

June 30, 2016

	<u>School Unrestricted</u>	<u>Other Post Employment Benefits</u>	<u>Total Governmental Funds</u>
ASSETS:			
Cash and cash equivalents	\$ 4,436,351	\$ -	\$ 4,436,351
Receivables:			
Other	79,710	-	79,710
Due from:			
Other funds	36,704	180,274	216,978
TOTAL ASSETS	\$ 4,552,765	\$ 180,274	\$ 4,733,039
 LIABILITIES AND FUND BALANCES:			
LIABILITIES:			
Accounts payable	\$ 35,058	\$ -	\$ 35,058
Accrued payroll and benefits	28,041	-	28,041
Due to:			
Other funds	506,311	-	506,311
TOTAL LIABILITIES	569,410	-	569,410
 FUND BALANCE:			
Restricted for:			
Education	1,190,775	-	1,190,775
Assigned for:			
Education	2,055,066	-	2,055,066
Medicaid expenditures	362,264	-	362,264
Employee benefits	375,250	-	375,250
Contractual obligations	-	180,274	180,274
Unassigned:	-	-	-
TOTAL FUND BALANCE	3,983,355	180,274	4,163,629
 TOTAL LIABILITIES AND FUND BALANCE	\$ 4,552,765	\$ 180,274	\$ 4,733,039

SUPPLEMENTARY INFORMATION
TOWN OF GLOCESTER, RHODE ISLAND
Schedule of Revenues, Expenditures, Other Financing Sources (Uses) and
Changes in Fund Balance
Funds Combined with School Unrestricted (School General Fund) for GASB 54 Purposes
June 30, 2016

	<u>School Unrestricted</u>	<u>Other Post Employment Benefits</u>	<u>Total Governmental Funds</u>
REVENUES:			
Intergovernmental revenue	\$ 2,528,318	\$ -	\$ 2,528,318
Federal revenue-Medicaid reimbursement	84,529	-	84,529
Tuitions	50,754	-	50,754
Investment income	481	-	481
Other revenue	6,500	-	6,500
TOTAL REVENUES	<u>2,670,582</u>	<u>-</u>	<u>2,670,582</u>
EXPENDITURES:			
<i>Current:</i>			
Education	8,966,441	-	8,966,441
TOTAL EXPENDITURES	<u>8,966,441</u>	<u>-</u>	<u>8,966,441</u>
<i>Excess of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)</i>	<u>(6,295,859)</u>	<u>-</u>	<u>(6,295,859)</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	6,372,035	-	6,372,035
Transfers out	(318)	-	(318)
NET OTHER FINANCING SOURCES (USES)	<u>6,371,717</u>	<u>-</u>	<u>6,371,717</u>
NET CHANGE IN FUND BALANCE	<u>75,858</u>	<u>-</u>	<u>75,858</u>
FUND BALANCE BEGINNING OF YEAR	<u>3,907,497</u>	<u>180,274</u>	<u>4,087,771</u>
FUND BALANCE END OF YEAR	<u>\$ 3,983,355</u>	<u>\$ 180,274</u>	<u>\$ 4,163,629</u>

Budgetary Schedules

General Fund (Non-GAAP Basis)

School General Fund (Non-GAAP Basis)

TOWN OF GLOCESTER, RHODE ISLAND
Budgetary Comparison Schedule - Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP Budgetary Basis) - General Fund
For the Fiscal Year Ended June 30, 2016

	Original Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance
REVENUES:				
Property tax	\$ 23,402,028	23,402,028	\$ 23,485,584	83,556
General state aid	302,159	302,159	347,232	45,073
State housing aid	25,777	25,777	25,777	-
License, fees and fines	275,000	275,000	335,225	60,225
Interest and investment income	88,500	88,500	102,336	13,836
Other revenues	162,000	162,000	214,244	52,244
TOTAL REVENUES	<u>24,255,464</u>	<u>24,255,464</u>	<u>24,510,398</u>	<u>254,934</u>
EXPENDITURES:				
CENTRAL ADMINISTRATION:				
<i>Town Council:</i>				
Salaries	13,000	13,000	13,000	-
Payroll taxes and benefits	1,925	1,925	1,898	27
Miscellaneous expense	3,750	3,750	1,050	2,700
Contingency	11,000	11,000	2,530	8,470
Total Town Council	<u>29,675</u>	<u>29,675</u>	<u>18,478</u>	<u>11,197</u>
<i>Town Clerk:</i>				
Town clerk salary	66,400	66,400	66,400	-
Deputy salary	44,010	44,010	44,010	-
Clerical salaries	78,679	78,679	80,079	(1,400)
Longevity	6,378	6,378	6,377	1
Payroll taxes and benefits	84,580	84,580	94,019	(9,439)
Advertising - general/ordinances	1,500	1,500	916	584
Printing	1,500	1,500	1,743	(243)
Microfilming	500	500	80	420
Supplies	400	400	37	363
Education and training	2,700	2,700	2,400	300
Travel and dues	600	600	295	305
Publications and subscriptions	1,000	1,000	1,088	(88)
Office equipment and furniture	4,350	4,350	3,495	855
Purchased services - indexing, restoration, other	6,000	6,000	1,807	4,193
Miscellaneous expense	500	500	1,655	(1,155)
Total Town Clerk	<u>299,097</u>	<u>299,097</u>	<u>304,401</u>	<u>(5,304)</u>
<i>Board of Canvassers:</i>				
Salaries	975	975	975	-
Police services	1,500	1,500	1,713	(213)
Poll workers	6,250	6,250	3,584	2,666
Payroll taxes and benefits	228	228	226	2
Advertising	2,250	2,250	2,512	(262)
Miscellaneous expense	3,000	3,000	1,811	1,189
Total Board of Canvassers	<u>14,203</u>	<u>14,203</u>	<u>10,821</u>	<u>3,382</u>
<i>Probate Court:</i>				
Probate judge salary	4,205	4,205	4,205	-
Worker's compensation	23	23	12	11
Microfilming	300	300	142	158
Restoration and miscellaneous expense	250	250	90	160
Total Probate Court	<u>4,778</u>	<u>4,778</u>	<u>4,449</u>	<u>329</u>

(Continued)

TOWN OF GLOCESTER, RHODE ISLAND
Budgetary Comparison Schedule - Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP Budgetary Basis) - General Fund
For the Fiscal Year Ended June 30, 2016

	Original Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance
<i>Building and Zoning Office:</i>				
Building/zoning official salary	43,669	43,669	49,311	(5,642)
Administrative aide salary	40,357	40,357	39,917	440
Longevity	1,055	1,055	1,055	-
Payroll taxes and benefits	43,797	43,797	41,436	2,361
Fees - electrical inspector	10,000	10,000	10,125	(125)
Fees - plumbing inspector	5,000	5,000	4,745	255
Fees - mechanical inspector	8,000	8,000	7,220	780
Education and training	800	800	477	323
Travel and dues	140	140	40	100
Publications and subscriptions	200	200	102	98
Forms and maps	400	400	224	176
Emergency board-ups	600	600	-	600
Miscellaneous expense	800	800	383	417
Office equipment and furniture	300	300	314	(14)
<i>Total Building and Zoning Office</i>	155,118	155,118	155,349	(231)
<i>Planning Office:</i>				
Town planner salary	46,238	46,238	41,053	5,185
Clerk salary	36,392	36,392	26,104	10,288
GIS consultant	12,550	12,550	12,548	2
Payroll taxes and benefits	25,688	25,688	21,856	3,832
Engineering and permitting	300	300	-	300
Advertising	100	100	393	(293)
Education and training	750	750	550	200
Dues	500	500	106	394
Forms and maps	300	300	-	300
Publications and subscriptions	100	100	-	100
Miscellaneous expense	1,600	1,600	457	1,143
<i>Total Planning Office</i>	124,518	124,518	103,067	21,451
<i>Planning Board:</i>				
Clerk salary	3,770	3,770	2,175	1,595
Payroll taxes and benefits	309	309	176	133
Advertising	500	500	-	500
Publications and subscriptions	135	135	42	93
Stenographic services	460	460	-	460
<i>Total Planning Board</i>	5,174	5,174	2,393	2,781
<i>Zoning Board:</i>				
Clerk salary	1,740	1,740	1,160	580
Payroll taxes and benefits	143	143	94	49
Advertising	1,500	1,500	346	1,154
<i>Total Zoning Board</i>	3,383	3,383	1,600	1,783

(Continued)

TOWN OF GLOCESTER, RHODE ISLAND
Budgetary Comparison Schedule - Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP Budgetary Basis) - General Fund
For the Fiscal Year Ended June 30, 2016

	<u>Original Adopted Budget</u>	<u>Final Approved Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance</u>
<i>Conservation Commission:</i>				
Advertising	75	75	71	4
Dues	180	180	180	-
Water watch program	1,100	1,100	1,200	(100)
Tree seedling program	700	700	606	94
<i>Total Conservation Commission</i>	<u>2,055</u>	<u>2,055</u>	<u>2,057</u>	<u>(2)</u>
<i>Land Trust:</i>				
Land purchase and reconditioning	45,000	45,000	76,765	(31,765)
<i>Total Land Trust</i>	<u>45,000</u>	<u>45,000</u>	<u>76,765</u>	<u>(31,765)</u>
<i>Community Resource Commission:</i>				
Advertising	1,800	1,800	1,800	-
<i>Total Community Resource Commission</i>	<u>1,800</u>	<u>1,800</u>	<u>1,800</u>	<u>-</u>
<i>Town Solicitor:</i>				
Legal services	95,000	95,000	73,587	21,413
<i>Total Town Solicitor</i>	<u>95,000</u>	<u>95,000</u>	<u>73,587</u>	<u>21,413</u>
<i>Town Sergeant:</i>				
Salary	135	135	135	-
Payroll taxes and benefits	12	12	11	1
<i>Total Town Sergeant</i>	<u>147</u>	<u>147</u>	<u>146</u>	<u>1</u>
<i>TOTAL CENTRAL ADMINISTRATION</i>	<u>779,948</u>	<u>779,948</u>	<u>754,913</u>	<u>25,035</u>
<i>FINANCIAL ADMINISTRATION:</i>				
<i>Finance Director's Office:</i>				
Finance director salary	77,063	77,063	77,063	-
Payroll taxes and benefits	16,467	16,467	16,339	128
Education and training	2,000	2,000	355	1,645
Dues	250	250	250	-
Office equipment and furniture	250	250	-	250
Publications and subscriptions	100	100	-	100
<i>Total Finance Director's Office</i>	<u>96,130</u>	<u>96,130</u>	<u>94,007</u>	<u>2,123</u>
<i>Treasurer's Office:</i>				
Clerk salaries	80,644	80,644	64,717	15,927
Administrative aide salary	42,876	42,876	51,199	(8,323)
Longevity	3,194	3,194	1,920	1,274
Payroll taxes and benefits	57,754	57,754	46,578	11,176
Advertising	1,750	1,750	-	1,750
Printing	300	300	-	300
Education and training	700	700	128	572
Office equipment and furniture	350	350	96	254
Publications and subscriptions	100	100	-	100
Computer/payroll services	22,000	22,000	16,630	5,370
Travel	125	125	-	125
Miscellaneous expense	100	100	95	5
GASB	3,500	3,500	6,500	(3,000)
Audit	32,000	32,000	28,125	3,875
<i>Total Treasurer's Office</i>	<u>245,393</u>	<u>245,393</u>	<u>215,988</u>	<u>29,405</u>

(Continued)

TOWN OF GLOCESTER, RHODE ISLAND
Budgetary Comparison Schedule - Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP Budgetary Basis) - General Fund
For the Fiscal Year Ended June 30, 2016

	<u>Original Adopted Budget</u>	<u>Final Approved Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance</u>
<i>Personnel Office:</i>				
Advertising	2,000	2,000	2,694	(694)
Education and training	250	250	-	250
Publications and subscriptions	100	100	-	100
Miscellaneous expense	100	100	-	100
<i>Total Personnel Office</i>	<u>2,450</u>	<u>2,450</u>	<u>2,694</u>	<u>(244)</u>
<i>Tax Collection Office:</i>				
Tax collector salary	49,127	49,127	52,689	(3,562)
Clerk salary	40,322	40,322	40,322	-
Longevity	3,355	3,355	3,467	(112)
Payroll taxes and benefits	44,154	44,154	41,827	2,327
Advertising	250	250	142	108
Postage	4,300	4,300	8,000	(3,700)
Education and training	250	250	110	140
Dues	100	100	-	100
Other purchased services	5,200	5,200	4,829	371
Tax collection fee	25,000	25,000	31,897	(6,897)
Miscellaneous expense	350	350	120	230
<i>Total Tax Collection Office</i>	<u>172,408</u>	<u>172,408</u>	<u>183,403</u>	<u>(10,995)</u>
<i>Tax Assessor's Office:</i>				
Assessor salary	52,481	52,481	52,481	-
Clerical salary	38,357	38,357	29,693	8,664
Longevity	1,151	1,151	-	1,151
Payroll taxes and benefits	42,514	42,514	35,307	7,207
Cartography Services	1,000	1,000	-	1,000
Advertising	250	250	129	121
Education and training	2,000	2,000	400	1,600
Travel	-	-	-	-
Dues	350	350	240	110
Publications and subscriptions	1,500	1,500	464	1,036
Office equipment and furniture	500	500	295	205
Other purchased services	1,100	1,100	-	1,100
Miscellaneous expense	500	500	390	110
<i>Total Tax Assessor's Office</i>	<u>141,703</u>	<u>141,703</u>	<u>119,399</u>	<u>22,304</u>
<i>TOTAL FINANCIAL ADMINISTRATION</i>	<u>658,084</u>	<u>658,084</u>	<u>615,491</u>	<u>42,593</u>

(Continued)

TOWN OF GLOCESTER, RHODE ISLAND
Budgetary Comparison Schedule - Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP Budgetary Basis) - General Fund
For the Fiscal Year Ended June 30, 2016

	<u>Original Adopted Budget</u>	<u>Final Approved Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance</u>
<i>PUBLIC SAFETY:</i>				
<i>Police Department:</i>				
Chief salary	78,310	78,310	78,310	-
Captain, lieutenant, and sergeant's salaries	264,639	264,639	264,638	1
Police officers' salaries	600,942	600,942	601,207	(265)
Administrative aide	66,396	66,396	66,396	-
Dispatchers	188,100	188,100	190,021	(1,921)
Special and boat patrols	9,375	9,375	10,469	(1,094)
Court time reimbursement	7,150	7,150	4,288	2,862
Overtime, vacation and illness coverage	110,738	110,738	98,783	11,955
Longevity	53,477	53,477	51,020	2,457
Payroll taxes and benefits	610,065	610,065	587,681	22,384
Education and training	11,000	11,000	11,036	(36)
Telephone	4,000	4,000	2,633	1,367
Postage	500	500	554	(54)
Other purchased services	7,000	7,000	850	6,150
Communications	67,100	67,100	1,690	65,410
Miscellaneous expense	2,900	2,900	2,694	206
Ammunition and range supplies	3,070	3,070	3,110	(40)
Investigative supplies	1,500	1,500	3,337	(1,837)
Fingerprinting expense	2,450	2,450	2,790	(340)
Conference, travel and dues	800	800	911	(111)
Heat and electricity	19,500	19,500	16,596	2,904
Service contracts	12,469	12,469	6,326	6,143
Special equipment - non-office	16,995	16,995	1,309	15,686
Office equipment and furniture	4,500	4,500	-	4,500
<i>Total Police Department</i>	<u>2,142,976</u>	<u>2,142,976</u>	<u>2,006,649</u>	<u>136,327</u>
<i>Emergency Management Agency:</i>				
Coordinator salary	7,027	7,027	7,027	-
Payroll taxes and benefits	575	575	557	18
Heat and electricity	2,700	2,700	1,885	815
Service contracts	7,000	7,000	4,753	2,247
Education and training	150	150	-	150
<i>Total Emergency Management Agency</i>	<u>17,452</u>	<u>17,452</u>	<u>14,222</u>	<u>3,230</u>
<i>Animal Control:</i>				
Animal control officer salary	44,380	44,380	35,550	8,830
Assistant officer salary	10,000	10,000	8,342	1,658
Longevity	1,665	1,665	-	1,665
Payroll taxes and benefits	28,912	28,912	22,608	6,304
Education and training	100	100	-	100
Telephone	350	350	330	20
Heat and electricity	3,650	3,650	2,102	1,548
Supplies - animal	1,100	1,100	789	311
Other purchased services	3,000	3,000	2,829	171
Service contracts	192	192	-	192
Miscellaneous expense	850	850	863	(13)
Furniture and fixtures	1,150	1,150	784	366
Rabies vaccinations	750	750	-	750
Dog damage	250	250	-	250
Equipment - non-office	800	800	702	98
<i>Total Animal Control</i>	<u>97,149</u>	<u>97,149</u>	<u>74,899</u>	<u>22,250</u>
<i>TOTAL PUBLIC SAFETY</i>	<u>2,257,577</u>	<u>2,257,577</u>	<u>2,095,770</u>	<u>161,807</u>

(Continued)

TOWN OF GLOCESTER, RHODE ISLAND
Budgetary Comparison Schedule - Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP Budgetary Basis) - General Fund
For the Fiscal Year Ended June 30, 2016

	Original Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance
<i>PUBLIC WORKS DEPARTMENT:</i>				
<i>Director's Office</i>				
Director's salary	74,774	74,774	74,774	-
Clerk's salary	42,877	42,877	46,169	(3,292)
Longevity	3,343	3,343	3,343	-
Payroll taxes and benefits	49,576	49,576	46,821	2,755
Telephone	900	900	466	434
Education and training	200	200	-	200
Office furniture and equipment	350	350	506	(156)
Safety equipment	250	250	-	250
Service contracts	350	350	-	350
Miscellaneous expense	520	520	245	275
Mandatory drug testing	250	250	180	70
<i>Total Director's Office</i>	173,390	173,390	172,504	886
<i>Highway Division</i>				
Salaries	281,806	281,806	279,514	2,292
Overtime	2,000	2,000	434	1,566
Longevity	9,762	9,762	9,644	118
Payroll taxes and benefits	181,994	181,994	162,456	19,538
Heat and electricity	18,800	18,800	9,267	9,533
Education and training	250	250	-	250
Safety equipment	1,000	1,000	472	528
Purchased services	7,000	7,000	11,160	(4,160)
Road signs and miscellaneous expense	4,500	4,500	3,494	1,006
Tools	1,500	1,500	601	899
<i>Total Highway Division</i>	508,612	508,612	477,042	31,570
<i>Maintenance Division - Buildings, Grounds & Parks:</i>				
Salaries	90,280	90,280	89,536	744
Salaries - grass cutting	8,890	8,890	-	8,890
Salaries - GMP Winsor park support	3,200	3,200	1,520	1,680
Longevity	2,745	2,745	2,745	-
Payroll taxes and benefits	48,612	48,612	46,275	2,337
Supplies	7,200	7,200	4,442	2,758
Safety equipment	400	400	5	395
Other purchased services	12,000	12,000	15,877	(3,877)
Service contracts	300	300	449	(149)
Miscellaneous expense	3,000	3,000	2,311	689
Repairs, maintenance and construction material	21,200	21,200	20,460	740
Tools	4,000	4,000	3,555	445
Electricity - GMP	2,000	2,000	3,128	(1,128)
<i>Total Maintenance Division - Building, Grounds & Parks</i>	203,827	203,827	190,303	13,524

(Continued)

TOWN OF GLOCESTER, RHODE ISLAND
Budgetary Comparison Schedule - Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP Budgetary Basis) - General Fund
For the Fiscal Year Ended June 30, 2016

	Original Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance
Maintenance Division - Vehicle & Equipment				
Salaries	104,297	104,297	101,311	2,986
Overtime	1,300	1,300	-	1,300
Longevity	1,565	1,565	1,564	1
Payroll taxes and benefits	44,163	44,163	38,328	5,835
Safety equipment	600	600	15	585
Purchased services	17,500	17,500	14,515	2,985
Service contracts	650	650	-	650
Propane - paver	200	200	140	60
Miscellaneous expense	6,500	6,500	6,355	145
Gasoline	80,000	80,000	48,769	31,231
Lubricating oil	9,000	9,000	5,446	3,554
Diesel Fuel	72,223	72,223	21,545	50,678
Repair parts	110,001	110,001	93,227	16,774
Tools	4,500	4,500	4,372	128
Tires and tubes	13,000	13,000	15,388	(2,388)
Total Maintenance Division - Vehicle & Equipment	465,499	465,499	350,975	114,524
Waste Disposal Division:				
Salaries	141,818	141,818	122,528	19,290
Overtime	5,000	5,000	4,134	866
Longevity	4,278	4,278	2,759	1,519
Youth litter corps	3,000	3,000	2,093	907
Payroll taxes and benefits	56,703	56,703	43,085	13,618
Telephone	500	500	293	207
Heat and electricity	7,200	7,200	2,097	5,103
Purchased services	9,200	9,200	13,789	(4,589)
Advertising	200	200	649	(449)
Safety equipment	300	300	-	300
Diesel fuel	27,700	27,700	15,126	12,574
Miscellaneous expense	9,000	9,000	6,363	2,637
Tipping fees	105,000	105,000	74,863	30,137
Total Waste Disposal Division	369,899	369,899	287,779	82,120
TOTAL PUBLIC WORKS	1,721,227	1,721,227	1,478,603	242,624
RECREATION AND SENIOR CENTER				
Recreation:				
Director salary	16,401	16,401	16,401	-
Assistant director salary	600	600	400	200
Salaries - swim, gymnastics, tennis, arts & crafts	61,159	61,159	53,689	7,470
Police detail - July 4th	300	300	701	(401)
Payroll taxes and benefits	10,617	10,617	7,968	2,649
Advertising	100	100	71	29
Telephone	850	850	804	46
Electricity - beaches & Winsor	650	650	732	(82)
Water testing - beaches and GMP	500	500	300	200
Materials and equipment	1,800	1,800	6,853	(5,053)
Recreation programs	17,900	17,900	10,413	7,487
Total Recreation	110,877	110,877	98,332	12,545

(Continued)

TOWN OF GLOCESTER, RHODE ISLAND
Budgetary Comparison Schedule - Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP Budgetary Basis) - General Fund
For the Fiscal Year Ended June 30, 2016

	Original Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance
<i>Senior Center:</i>				
Director's salary	35,154	35,154	35,154	-
Interim director's salary	4,500	4,500	3,324	1,176
Senior meal site - kitchen aid	15,707	15,707	14,945	762
Maintenance - custodian	22,545	22,545	11,077	11,468
Longevity	1,675	1,675	1,675	-
Payroll taxes and benefits	36,923	36,923	28,482	8,441
Electricity, heat, propane and diesel	24,500	24,500	17,609	6,891
Telephone	850	850	1,132	(282)
Office supplies	3,500	3,500	3,058	442
Repair/maintenance/construction material	1,500	1,500	-	1,500
Programs and activities	8,000	8,000	925	7,075
Other purchased services	10,919	10,919	23,730	(12,811)
License fees	350	350	204	146
Miscellaneous	1,200	1,200	915	285
Water testing	800	800	2,186	(1,386)
Advertising	200	200	566	(366)
<i>Total Senior Center</i>	<u>168,323</u>	<u>168,323</u>	<u>144,982</u>	<u>23,341</u>
TOTAL RECREATION AND SENIOR CENTER	<u>279,200</u>	<u>279,200</u>	<u>243,314</u>	<u>35,886</u>
<i>SOCIAL SERVICES:</i>				
<i>Human Services Department:</i>				
Director's salary	15,413	15,413	15,413	-
Van driver's salary	25,000	25,000	13,026	11,974
Payroll taxes and benefits	8,505	8,505	4,109	4,396
Telephone	600	600	343	257
Advertising	1,000	1,000	497	503
Miscellaneous expense	500	500	769	(269)
<i>Total Human Services Department</i>	<u>51,018</u>	<u>51,018</u>	<u>34,157</u>	<u>16,861</u>
TOTAL SOCIAL SERVICES	<u>51,018</u>	<u>51,018</u>	<u>34,157</u>	<u>16,861</u>

(Continued)

TOWN OF GLOCESTER, RHODE ISLAND
Budgetary Comparison Schedule - Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP Budgetary Basis) - General Fund
For the Fiscal Year Ended June 30, 2016

	Original Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance
OTHER OPERATION EXPENSES:				
Town Hall:				
Utilities	43,000	43,000	31,385	11,615
Water	-	-	347	(347)
Postage, meter and supplies	19,000	19,000	14,061	4,939
Reclassifications & salary negotiations	10,000	10,000	-	10,000
Office and computer supplies	18,000	18,000	17,457	543
Security	5,000	5,000	2,665	2,335
Service Contracts	2,600	2,600	1,536	1,064
Advertising	12,000	12,000	8,022	3,978
Telephone, modem, fax and TDD	5,000	5,000	4,347	653
Copier rental	3,000	3,000	605	2,395
RI League of Cities & Towns dues	4,000	4,000	3,960	40
Insurance - property/liability/other	125,000	125,000	92,423	32,577
Unemployment compensation	2,000	2,000	-	2,000
Retired personnel cost	99,800	99,800	44,430	55,370
Bond disclosure fees	2,000	2,000	1,450	550
Total Town Hall	350,400	350,400	222,688	127,712
Information Technology Office:				
Information Technology's salary	28,080	28,080	20,397	7,683
Payroll taxes and benefits	2,297	2,297	1,734	563
Internet	11,300	11,300	10,572	728
Computer systems support/repairs	85,200	85,200	10,089	75,111
Computer system equipment	23,500	23,500	18,595	4,905
Computer system licenses	5,000	5,000	1,176	3,824
Server replacement program	24,500	24,500	64,525	(40,025)
Workstation replacement program	28,000	28,000	26,967	1,033
Computer systems cable/tools	500	500	-	500
Total Information Technology Office	208,377	208,377	154,055	54,322
TOTAL OTHER OPERATION EXPENSES	558,777	558,777	376,743	182,034
AID REQUESTS:				
Aid to Libraries:				
Glocester Manton	146,810	146,810	146,810	-
Harmony	190,236	190,236	190,236	-
Total Aid to Libraries	337,046	337,046	337,046	-
Cultural Services:				
Glocester light infantry - Memorial day parade	1,000	1,000	1,000	-
Total Cultural Services	1,000	1,000	1,000	-
Social Services:				
Glocester Little League	3,400	3,400	3,400	-
NW Community Nursing & Health Service	3,000	3,000	3,000	-
Total Social Services	6,400	6,400	6,400	-
TOTAL AID REQUESTS	344,446	344,446	344,446	-
EDUCATION:				
Foster-Glocester Region	10,032,361	10,032,361	10,032,361	-
TOTAL EDUCATION	10,032,361	10,032,361	10,032,361	-
DEBT SERVICE:				
Non-School Bonds:				
Road bond 2001 - 2016	265,000	265,000	265,000	-
Fogerty school roof	40,000	40,000	40,000	-
Land trust bond 2010 - 2019	60,000	60,000	60,000	-
Senior center 2007 - 2027	100,000	100,000	100,000	-
Interest	103,540	103,540	103,538	2
Total Non-School Bonds	568,540	568,540	568,538	2
TOTAL DEBT SERVICE	568,540	568,540	568,538	2

(Continued)

TOWN OF GLOCESTER, RHODE ISLAND
Budgetary Comparison Schedule - Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP Budgetary Basis) - General Fund
For the Fiscal Year Ended June 30, 2016

	<u>Original Adopted Budget</u>	<u>Final Approved Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance</u>
TOTAL EXPENDITURES	17,251,178	17,251,178	16,544,336	706,842
<i>Excess of revenues over (under) expenditures before other financing sources (uses)</i>	\$ 7,004,286	\$ 7,004,286	\$ 7,966,062	\$ 961,776
OTHER FINANCING SOURCES (USES):				
Appropriated fund balance	232,000	232,000	232,000	-
Transfer in from Transfer Station Upgrade	-	-	140	140
Transfer to Gloucester School Department	(6,372,035)	(6,372,035)	(6,372,035)	-
Transfer to capital projects fund	(508,794)	(508,794)	(508,794)	-
Transfer to storm/snow related services	(150,000)	(150,000)	(150,000)	-
Transfer to Blue Rip Tide	-	-	(84)	(84)
Transfer to revaluation reserve account	(5,000)	(5,000)	(5,000)	-
Transfer to Police Jag Grant	-	-	(49)	(49)
Transfer to comprehensive plan - 5 year update	-	-	(2,493)	(2,493)
Transfer to emergency energy	(13,000)	(13,000)	(13,000)	-
Transfer to Computer Technology	-	-	(34,483)	(34,483)
Transfer to Bramley grant	(1,607)	(1,607)	(1,607)	-
Transfer to independence day parade	(13,000)	(13,000)	(13,000)	-
Transfer to Foster-Glocester Proration	(75,000)	(75,000)	(75,000)	-
Transfer to potable radio equipment	-	-	(33,000)	(33,000)
Transfer to bullet proof vest	-	-	(1,484)	(1,484)
Transfer to mobile radio equipment	-	-	(33,000)	(33,000)
Transfer to other post employment benefits	(17,850)	(17,850)	(73,220)	(55,370)
Transfer to compensated absences reserve	(80,000)	(80,000)	(80,000)	-
Transfer to School Education	-	-	(975,000)	(975,000)
Transfer to health reserve	-	-	(32,750)	(32,750)
NET OTHER FINANCING SOURCES (USES)	<u>(7,004,286)</u>	<u>(7,004,286)</u>	<u>(8,171,859)</u>	<u>(1,167,573)</u>
<i>Excess of revenues and other financing sources over (under) expenditures and other financing uses</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (205,797)</u>	<u>\$ (205,797)</u>

(Concluded)

SUPPLEMENTARY INFORMATION
TOWN OF GLOCESTER, RHODE ISLAND
Budgetary Comparison Schedule - Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP Budgetary Basis) - School General Fund
For the Fiscal Year Ended June 30, 2016

	<u>Original Adopted Budget</u>	<u>Final Approved Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance</u>
REVENUES:				
State Aid	\$ 2,521,917	\$ 2,521,917	\$ 2,528,318	\$ 6,401
Federal revenue-Medicaid reimbursement	94,000	94,000	84,529	(9,471)
Tuitions	37,128	37,128	50,754	13,626
Earnings on investments	1,500	1,500	481	(1,019)
Other	4,000	4,000	6,500	2,500
TOTAL REVENUES	<u>2,658,545</u>	<u>2,658,545</u>	<u>2,670,582</u>	<u>12,037</u>
EXPENDITURES				
<i>Fogarty Memorial:</i>				
Kindergarten	2,100	2,100	1,856	244
Art	3,000	3,000	2,229	771
Computer education	25,300	25,300	24,336	964
English, language arts	6,000	6,000	6,638	(638)
Health/physical education	1,500	1,500	1,248	252
Special education support	200	200	-	200
Mathematics	4,500	4,500	4,707	(207)
Music	1,350	1,350	1,372	(22)
Science	4,000	4,000	10,448	(6,448)
School library	6,450	6,450	6,475	(25)
Speech	600	600	247	353
Resource program	-	-	-	-
Self-contained program	1,000	1,000	842	158
Social work services	1,000	1,000	1,039	(39)
Psychological services	1,000	1,000	1,026	(26)
Health services	4,900	4,900	5,816	(916)
Telephone	2,000	2,000	1,882	118
Police and fire details	500	500	168	332
School management/general	44,050	44,050	44,791	(741)
Total	<u>109,450</u>	<u>109,450</u>	<u>115,120</u>	<u>(5,670)</u>
<i>West Gloucester:</i>				
Kindergarten	1,200	1,200	1,195	5
Art	3,000	3,000	2,761	239
Computer education	19,200	19,200	12,786	6,414
English, language arts	5,000	5,000	4,359	641
Health/physical education	1,850	1,850	541	1,309
Mathematics	3,400	3,400	2,578	822
Music	1,300	1,300	1,164	136
Science	3,350	3,350	10,077	(6,727)
School library	5,600	5,600	5,473	127
Speech	600	600	593	7
Resource program	500	500	686	(186)
Self-contained program	500	500	431	69
Pre-school program	800	800	443	357
Social work services	1,000	1,000	1,457	(457)
Psychological services	1,000	1,000	511	489
Health services	2,900	2,900	3,273	(373)
Telephone	2,000	2,000	2,163	(163)
Police and fire details	500	500	100	400
School management/general	36,550	36,550	35,374	1,176
Total	<u>\$ 90,250</u>	<u>\$ 90,250</u>	<u>\$ 85,965</u>	<u>\$ 4,285</u>

(Continued)

TOWN OF GLOCESTER, RHODE ISLAND
Budgetary Comparison Schedule - Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP Budgetary Basis) - School General Fund
For the Fiscal Year Ended June 30, 2016

	<u>Original Adopted Budget</u>	<u>Final Approved Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance</u>
Central administration:				
Systemwide Management	\$ 104,400	104,400	\$ 113,013	(8,613)
Fiscal services	29,500	29,500	27,528	1,972
Policy formulation	47,880	47,880	59,549	(11,669)
Legal services	44,000	44,000	16,000	28,000
Non-public textbooks	1,200	1,200	178	1,022
Total	<u>226,980</u>	<u>226,980</u>	<u>216,268</u>	<u>10,712</u>
Systemwide:				
Special education services	239,460	239,460	86,433	153,027
Operations - buildings and grounds	327,990	327,990	376,407	(48,417)
Transportation, regular	633,538	633,538	524,237	109,301
Transportation, special education	96,797	96,797	47,987	48,810
Transportation, Foster-Glocester Regional	651,426	651,426	552,022	99,404
Total	<u>1,949,211</u>	<u>1,949,211</u>	<u>1,587,086</u>	<u>362,125</u>
Salaries and fringes:				
Classroom instruction	2,507,317	2,507,317	2,444,780	62,537
Kindergarten instruction	436,880	436,880	443,223	(6,343)
Physical education instruction	138,818	138,818	138,436	382
Music instruction	86,307	86,307	85,981	326
Art instruction	117,318	117,318	115,791	1,527
Pre-kindergarten instruction	100,532	100,532	120,280	(19,748)
School library	139,041	139,041	140,143	(1,102)
Special education	451,572	451,572	434,473	17,099
Speech	154,333	154,333	153,908	425
Social work services	77,459	77,459	77,246	213
Psychological services	54,267	54,267	54,118	149
Health services	131,531	131,531	131,178	353
Principals	193,439	193,439	193,634	(195)
Bus transportation, regular	9,847	9,847	10,086	(239)
Clerical	106,156	106,156	105,757	399
School management	63,827	63,827	70,469	(6,642)
Custodial	254,770	254,770	243,282	11,488
Fringe benefits	2,171,322	2,171,322	1,999,217	172,105
Total Salaries and Fringes	<u>7,194,736</u>	<u>7,194,736</u>	<u>6,962,002</u>	<u>232,734</u>
TOTAL EXPENDITURES	<u>9,570,627</u>	<u>9,570,627</u>	<u>8,966,441</u>	<u>604,186</u>
Excess of revenues over (under) expenditures before other financing sources (uses)	<u>(6,912,082)</u>	<u>(6,912,082)</u>	<u>(6,295,859)</u>	<u>616,223</u>
OTHER FINANCING SOURCES (USES):				
Transfers from Town	6,372,035	6,372,035	6,372,035	-
Transfers to other funds	-	-	(318)	(318)
Reappropriated fund balance	540,047	540,047	540,047	-
NET OTHER FINANCING SOURCES (USE)	<u>6,912,082</u>	<u>6,912,082</u>	<u>6,911,764</u>	<u>(318)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 615,905</u>	<u>\$ 615,905</u>

(Concluded)

TOWN OF GLOCESTER, RHODE ISLAND
Notes to Supplementary Information
Annual Supplemental Transparency Report (MTP2)
June 30, 2016

NOTE 1. Basis of Presentation

The *Annual Supplemental Transparency Report (MTP2)* is a new supplemental schedule required by the State of Rhode Island, as a result of newly enacted legislation, Article 8 of the Appropriations Act (2016 House Bill 7454 sub A as amended). This supplementary schedule included within the audit report is part of a broader project to create a municipal transparency portal (MTP) on the Division of Municipal Finance website to host municipal financial information in a centralized location.

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

NOTE 2. Reportable Government Services

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

NOTE 3. Allocations

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

NOTE 4. Employee Groups

Group A - This item includes compensation (salaries, longevity, stipends, clothing, shift differential, out-of-rank, holiday pay, and bonuses) and benefits (medical and dental insurance, pension contributions, OPEB (pay-go and ADC contributions) for the primary work force of the department (Police Department: Police Officers, Fire Department: Fire Fighters, Education Department: Certified Employees, and Other Departments: All Employees).

Group B - This item would only include compensation (salaries, longevity, stipend, clothing, shift differential, out-of-rank, holiday pay, and bonuses) and benefits (medical and dental insurance, pension contributions, OPEB (pay-go and ADC contributions) for administrative and civilian dispatch employees in Police and Fire Departments and Non-Certified employees for Education Department.

TOWN OF GLOCESTER, RHODE ISLAND
Notes to Supplementary Information
Annual Supplemental Transparency Report (MTP2)
June 30, 2016

NOTE 5. Education Revenue and Expenditures

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

Town of Gloucester
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2016

<u>REVENUE</u>	<u>Municipal</u>	<u>Education Department</u>
100 Current Year Property Tax Collection	\$ 20,655,264	\$ -
101 Prior Year Property Tax Collection	522,323	-
102 Interest & Penalty	101,539	-
103 PILOT & Tax Treaty (excluded from certified levy)	2,307,997	-
104 Other Local Property Taxes	-	-
150 Licenses and Permits	336,215	-
151 Fines and Forfeitures	-	-
152 Investment Income	6,499	-
153 Departmental	151,834	-
154 Rescue Run Revenue	-	-
155 Police & Fire Detail	99,415	-
156 Other Local Non-Property Tax Revenues	39,635	-
157 Tuition	-	50,755
200 Impact Aid	-	-
201 Medicaid	-	73,850
202 Federal Stabilization Funds	-	-
203 Federal Food Service Reimbursement	-	64,130
204 CDBG	-	-
205 COPS Grants	-	-
206 SAFER Grants	-	-
207 Other Federal Aid Funds	37,711	311,197
300 MV Excise Tax Reimbursement	102,420	-
301 State PILOT Program	-	-
302 Distressed Community Relief Fund	-	-
303 Library Resource Aid	-	-
304 Library Construction Aid	-	-
305 Public Service Corporation Tax	121,286	-
306 Meals & Beverage Tax	73,492	-
307 Hotel Tax	2,137	-
308 LEA Aid	-	2,528,318
310 Housing Aid Capital Projects	-	-
311 Housing Aid Bonded Debt	25,777	-
312 State Food Service Revenue	-	2,805
313 Incentive Aid	47,897	-
314 Property Revaluation Reimbursement	-	-
315 Other State Revenue	-	1,198
400 Other Revenue	-	91,078
500 Local Appropriation for Education	-	6,372,035
501 Regional Appropriation for Education	-	-
502 Other Education Appropriation	-	-
Rounding	-	-
999 Total Revenue	<u>\$ 24,631,442</u>	<u>\$ 9,495,366</u>
100 Transfer from Capital Projects Funds	\$ -	\$ -
102 Transfer from Other Funds	140	-
200 Debt Proceeds	-	-
300 Other Financing Sources	-	-
Rounding	-	-
Total Other Financing Sources	<u>\$ 140</u>	<u>\$ -</u>

Town of Gloucester
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2016

<u>EXPENDITURES</u>	General Government	Finance	Social Services	Information Technology	Planning	Libraries	Public Works	Parks and Rec	Police Department
Compensation- Group A	\$ 223,814	\$ 409,435	\$ 94,727	\$ 20,397	\$ 192,078	\$ -	\$ 741,364	\$ 71,176	\$ 1,050,521
Compensation - Group B	-	-	-	-	-	-	-	-	259,960
Compensation -Volunteer	-	-	-	-	-	-	-	-	-
Overtime- Group A	-	-	-	-	-	-	29,436	-	70,821
Overtime - Group B	-	-	-	-	-	-	-	-	27,962
Police & Fire Detail	-	-	-	-	-	-	-	-	93,995
Active Medical Insurance - Group A	54,372	64,816	13,202	-	26,241	-	157,614	-	143,957
Active Medical Insurance- Group B	-	-	-	-	-	-	-	-	69,981
Active Dental insurance- Group A	3,083	4,278	837	-	2,207	-	32,519	-	9,068
Active Dental Insurance- Group B	-	-	-	-	-	-	-	-	3,309
Payroll Taxes	15,741	30,398	7,171	1,657	14,757	-	57,487	5,562	106,593
Life Insurance	1,014	1,788	245	-	441	-	3,718	-	5,603
Defined Contribution- Group A	1,618	3,002	778	-	1,627	-	6,262	-	-
Defined Contribution - Group B	-	-	-	-	-	-	-	-	1,871
Other Benefits- Group A	629	2,239	3,500	77	2,084	-	36,557	2,406	10,451
Other Benefits- Group B	-	-	-	-	-	-	-	-	1,375
Local Pension- Group A	-	-	-	-	-	-	-	-	-
Local Pension - Group B	-	-	-	-	-	-	-	-	-
State Pension- Group A	19,979	35,972	6,745	-	15,936	-	43,002	-	183,916
State Pension - Group B	-	-	-	-	-	-	-	-	22,331
Other Pension	-	-	-	-	-	-	-	-	-
Purchased Services	84,298	88,062	39,687	-	522	-	55,789	300	32,334
Materials/Supplies	8,044	-	3,057	-	224	-	6,984	7,907	6,447
Software Licenses	-	-	-	91,620	-	-	-	-	-
Capital Outlays	-	-	-	26,967	-	-	-	-	31,579
Insurance	92,423	-	-	-	-	-	-	-	-
Maintenance	-	-	851	-	-	-	13,874	-	4,043
Vehicle Operations	-	-	-	-	-	-	188,606	-	20,923
Utilities	35,732	-	19,159	10,571	273	-	15,390	1,535	19,229
Contingency	-	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	124,101	-	-
Trash Removal & Recycling	-	-	-	-	-	-	77,052	-	-
Claims & Settlements	-	-	-	-	-	-	-	-	-
Community Support	-	-	-	-	-	-	-	-	-
Other Operation Expenditures	124,004	15,290	11,537	2,765	12,990	337,046	21,501	10,446	9,808
Local Appropriation for Education	-	-	-	-	-	-	-	-	-
Regional Appropriation for Education	-	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	-	-	-	-	-
Municipal Debt- Interest	-	-	-	-	-	-	-	-	-
School Debt- Principal	-	-	-	-	-	-	-	-	-
School Debt- Interest	-	-	-	-	-	-	-	-	-
Retiree Medical Insurance- Total	-	-	-	-	-	-	-	-	-
Retiree Dental Insurance- Total	-	-	-	-	-	-	-	-	-
OPEB Contribution- Total	-	-	-	-	-	-	-	-	-
Non-Qualified OPEB Trust Contribution	-	-	-	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
Total Expenditures	\$ 664,751	\$ 655,280	\$ 201,495	\$ 154,054	\$ 269,379	\$ 337,046	\$ 1,611,255	\$ 99,332	\$ 2,186,076

Town of Gloucester
Combining Schedule of
Reportable Government Services with
Reconciliation to MTP2
Municipal
Fiscal Year Ended June 30, 2016

Per Audited Fund Financial Statements Fund Description	Total Revenue	Total Other Financing Sources	Total Expenditures	Total Other Financing Uses	Net Change in Fund Balance	Fund Balance/ (Deficit) - Beginning	Fund Balance/ (Deficit) - Ending
General Fund	\$ 24,532,025	\$ 140	\$ 17,197,927	\$ 6,911,046	\$ 423,192	\$ 7,747,680	\$ 8,170,872
Totals per audited financial statements	\$ 24,532,025	\$ 140	\$ 17,197,927	\$ 6,911,046	\$ 423,192	\$ 7,747,680	\$ 8,170,872

Reconciliation from financial statements to MTP2

Police detail expenditure is classified net of police detail revenue on financial statements. On MTP2, police detail are posted as gross revenue and expenditure.

	\$ 99,415	\$ -	\$ 99,415	\$ -	\$ -	\$ -	\$ -
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Reclassify transfer of municipal appropriation to Education Department as expenditure on MTP2 report.

	-	-	6,372,035	(6,372,035)	-	-	-
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Rounding

	2	-	(1)	-	3	-	3
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Totals Per MTP2

	\$ 24,631,442	\$ 140	\$ 23,669,376	\$ 539,011	\$ 423,195	\$ 7,747,680	\$ 8,170,875
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Town of Gloucester
Combining Schedule of
Reportable Government Services with
Reconciliation to MTP2
Education Department
Fiscal Year Ended June 30, 2016

Per Audited Fund Financial Statements Fund Description	Total Revenue	Total Other Financing Sources	Total Expenditures	Total Other Financing Uses	Net Change in Fund Balance	Fund Balance/ (Deficit) - Beginning	Fund Balance/ (Deficit) - Ending
School Unrestricted Fund	\$ 2,670,582	\$ 6,372,035	\$ 8,966,441	\$ 318	\$ 75,858	\$ 4,087,771	\$ 4,163,629
Enterprise Fund	148,714	-	145,170	-	3,544	60,114	63,658
School Special Revenue Funds	303,716	318	313,657	-	(9,623)	45,965	36,342
Totals per audited financial statements	\$ 3,123,012	\$ 6,372,353	\$ 9,425,268	\$ 318	\$ 69,779	\$ 4,193,850	\$ 4,263,629

Reconciliation from financial statements to MTP2

Municipal appropriation for Education reported as a transfer on financial statements but a revenue on MTP2.	\$ 6,372,035	\$ (6,372,035)	\$ -	\$ -	\$ -	\$ -	\$ -
Reclassification for UCOA and MTP2 on transfer in.	318	(318)	318	(318)	-	-	-
Miscellaneous variances between UCOA, MTP2, & Financial Statements, (rounding).	1	-	7	-	(6)	-	(6)
Totals Per MTP2	\$ 9,495,366	\$ -	\$ 9,425,593	\$ -	\$ 69,773	\$ 4,193,850	\$ 4,263,623

TOWN OF GLOCESTER, RHODE ISLAND
SCHEDULE OF TAX COLLECTIONS
For the Fiscal Year Ended June 30, 2016

FISCAL YEAR END	BALANCE July 1, 2015	CURRENT YEAR ASSESSMENT	REFUNDS	ADDITIONS AND ADJUSTMENTS	ABATEMENTS	AMOUNT TO BE COLLECTED	CURRENT YEAR COLLECTIONS	BALANCE June 30, 2016
2016	\$ -	\$ 21,228,682	\$ 30,871	\$ 3,488	\$ 16,233	\$ 21,246,808	\$ 20,637,061	\$ 609,747
2015	655,264		-	5,927	1,079	660,112	561,343	98,769
2014	104,321		-	201	912	103,610	33,676	69,934
2013	78,757		-	267	137	78,887	5,416	73,471
2012	74,965		-	-	-	74,965	4,698	70,267
2011	45,676		-	-	-	45,676	1,229	44,447
2010	29,703		-	-	-	29,703	350	29,353
2009	28,258		-	-	-	28,258	339	27,919
2008	27,617		-	-	-	27,617	229	27,388
2007	29,260		-	-	-	29,260	474	28,786
2006	26,816		-	-	26,742	74	74	-
	<u>\$ 1,100,637</u>	<u>\$ 21,228,682</u>	<u>\$ 30,871</u>	<u>\$ 9,883</u>	<u>\$ 45,103</u>	<u>\$ 22,324,970</u>	<u>\$ 21,244,889</u>	<u>\$ 1,080,081</u>

ASSESSED PROPERTY VALUE BY CATEGORY

DESCRIPTION OF PROPERTY	VALUATIONS	LEVY
Real property - Residential	\$ 855,851,600	\$ 18,931,437
Real property - Commercial/Industrial	56,895,900	1,429,794
Motor vehicles	104,565,190	2,548,254
Tangible personal	16,532,794	727,939
TOTAL	1,033,845,484	23,637,424
Less exemptions	(107,175,515)	(2,408,742)
NET ASSESSED VALUE	<u>\$ 926,669,969</u>	<u>\$ 21,228,682</u>

RECONCILIATION OF CURRENT YEAR PROPERTY TAX REVENUE

Current year collections	\$ 21,244,889
Reserve collected within 60 days subsequent to fiscal year ending June 30, 2016	324,749
Prior year revenue received in current year	(379,463)
Plus: Pilot	2,307,997
Miscellaneous adjustment	(12,588)
CURRENT YEAR RE PROPERTY TAX & EXCISE TAX REVENUE	<u>\$ 23,485,584</u>

STATISTICAL SECTION

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

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Primary Government										
Governmental activities										
Net investment in capital assets	\$ 10,596,849	\$ 12,183,517	\$ 12,366,231	\$ 13,195,876	\$ 13,815,360	\$ 15,094,315	15,636,833	15,982,202	15,758,086	16,171,427
Restricted	1,263,293	1,255,618	571,210	3,100	3,438,859	4,738,724	5,044,716	4,737,642	3,391,797	2,099,156
Unrestricted	5,614,738	5,459,871	6,267,056	8,268,698	6,386,528	6,027,370	7,266,099	8,142,089	3,647,072	4,203,504
Total governmental activities net position	<u>\$ 17,474,880</u>	<u>\$ 18,899,006</u>	<u>\$ 19,204,497</u>	<u>\$ 21,467,674</u>	<u>\$ 23,640,747</u>	<u>\$ 25,860,409</u>	<u>\$ 27,947,648</u>	<u>\$ 28,861,933</u>	<u>\$ 22,796,955</u>	<u>\$ 22,474,087</u>
Business-type activities										
Net investment in capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	-	-	-
Unrestricted	-	22,364	23,468	43,413	50,642	57,785	62,929	60,541	60,114	63,658
Total business-type activities net position	<u>\$ -</u>	<u>\$ 22,364</u>	<u>\$ 23,468</u>	<u>\$ 43,413</u>	<u>\$ 50,642</u>	<u>\$ 57,785</u>	<u>\$ 62,929</u>	<u>\$ 60,541</u>	<u>\$ 60,114</u>	<u>\$ 63,658</u>
Primary government										
Net investment in capital assets	\$ 10,596,849	\$ 12,183,517	\$ 12,366,231	\$ 13,195,876	\$ 13,815,360	\$ 15,094,315	\$ 15,636,833	\$ 15,982,202	\$ 15,758,086	\$ 16,171,427
Restricted	1,263,293	1,255,618	571,210	3,100	3,438,859	4,738,724	5,044,716	4,737,642	3,391,797	2,099,156
Unrestricted	5,614,738	5,482,235	6,290,524	8,312,111	6,437,170	6,085,155	7,329,028	8,202,630	3,707,186	4,267,162
Total primary government net position	<u>\$ 17,474,880</u>	<u>\$ 18,921,370</u>	<u>\$ 19,227,965</u>	<u>\$ 21,511,087</u>	<u>\$ 23,691,389</u>	<u>\$ 25,918,194</u>	<u>\$ 28,010,577</u>	<u>\$ 28,922,474</u>	<u>\$ 22,857,069</u>	<u>\$ 22,537,745</u>

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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental activities:										
Administration	\$ 864,730	\$ 962,851	\$ 827,540	\$ 816,185	\$ 856,404	\$ 839,967	\$ 785,087	\$ 928,912	\$ 671,232	\$ 1,970,608
Finance	512,820	564,677	614,551	584,712	585,586	652,595	619,435	547,164	593,176	601,595
Public safety	1,742,763	1,900,041	2,084,153	1,911,181	1,954,111	2,151,464	2,207,975	2,146,761	2,341,273	2,341,021
Public works	2,169,528	2,355,418	2,871,973	2,130,372	2,207,085	2,095,239	2,095,284	2,427,577	2,394,808	2,364,144
Recreation	330,353	285,306	328,676	368,063	388,751	344,940	358,137	379,978	385,788	346,339
Social services	377,340	386,997	534,967	383,393	399,230	506,408	142,306	273,844	228,336	308,136
Operational expenses	305,365	307,052	417,912	265,543	312,695	315,689	327,098	559,608	389,605	376,743
Aid requests	330,853	344,868	333,083	317,533	318,533	322,750	322,914	325,970	336,441	344,446
Education	17,728,396	18,725,978	19,212,152	19,107,353	19,165,949	19,118,861	19,024,086	19,330,423	18,718,145	19,682,541
Interest on debt	263,100	295,357	260,885	236,437	224,607	197,988	144,345	144,723	125,975	104,779
Gloucester Land Trust	90,368	81,473	1,487	-	58,235	84,858	32,064	43,237	30,997	32,040
Total governmental activities expenses	\$ 24,628,616	\$ 26,210,018	\$ 27,487,379	\$ 26,120,772	\$ 26,471,186	\$ 26,630,759	\$ 26,058,731	\$ 27,108,197	\$ 26,215,776	\$ 28,472,392
Business-type activities:										
School Lunch	\$ -	\$ 155,788	\$ 153,610	\$ 124,224	\$ 134,636	\$ 147,749	\$ 140,718	\$ 148,336	\$ 163,043	\$ 145,170
Total primary government expenses	\$ 24,628,616	\$ 26,365,806	\$ 27,640,989	\$ 26,244,996	\$ 26,605,822	\$ 26,778,508	\$ 26,199,449	\$ 27,256,533	\$ 26,378,819	\$ 28,617,562
Program Revenues										
Governmental activities:										
Charges for services:										
Administration	\$ 407,245	\$ 359,774	\$ 352,433	\$ 329,306	\$ 284,709	\$ 154,714	\$ 14,473	\$ 13,457	\$ 12,353	\$ 12,963
Finance	8,197	12,108	26,214	10,949	15,571	34,987	408,769	487,411	459,001	335,225
Public safety	141,522	102,047	129,937	111,540	94,781	154,708	-	-	-	-
Public works	12,394	21,881	42,477	45,494	71,203	78,603	-	3,583	-	-
Recreation	3,504	4,066	6,662	8,826	8,415	-	-	-	5,752	3,426
Social services	3,230	4,313	23,107	53,629	90,273	26,929	6,000	5,125	2,661	2,828
Operational expenses	-	-	-	15,816	6,437	-	-	-	-	-
Aid requests	-	-	-	-	-	12,501	-	-	-	-
Education	211,683	148,131	184,493	292,772	333,722	196,202	138,238	136,074	130,684	141,783
Operating grants and contributions:										
Administration	471	68,500	146,712	152,325	170,684	258,723	-	48,713	-	1,484
Finance	-	-	-	-	-	-	-	-	-	-
Public safety	75,287	59,752	13,668	15,931	61,899	67,705	62,086	78,854	52,965	43,733
Public works	-	-	-	82,615	-	152,886	119,627	115,399	109,707	111,244
Recreation	10,079	13,714	20,726	22,308	26,234	21,776	-	-	-	-
Social services	371,759	263,902	474,412	487,188	591,912	223,833	137,784	199,813	302,322	379,563
Operational expenses	-	-	-	-	-	-	292,495	358,548	382,794	373,009
Education	4,208,544	3,995,286	3,783,450	3,622,793	3,777,064	3,601,729	3,581,361	3,447,432	2,973,958	2,832,034
Interest	199,208	206,509	-	-	-	-	-	-	-	-
Gloucester Land trust	-	-	-	-	-	-	5,833	166,233	-	-
Capital grants and contributions:										
Administration	-	-	-	-	-	-	-	-	-	-
Public safety	6,000	3,000	61,597	101,248	1,087	-	-	-	-	-
Public works	-	34,738	108,705	292,414	85,422	620,013	530,670	93,116	39,260	-
Recreation and cultural services	46,436	-	-	-	-	106,299	-	-	-	-
Social services	-	-	-	-	-	-	-	-	-	-
Operational expenses	-	-	-	-	-	-	-	-	-	-
Aid requests	-	-	-	-	-	159,363	-	-	-	-
Education	-	-	255,832	216,945	262,271	70,318	-	-	-	-
Total governmental activities program revenues	\$ 5,705,559	\$ 5,297,721	\$ 5,630,425	\$ 5,862,099	\$ 5,881,684	\$ 5,941,289	\$ 5,297,336	\$ 5,153,758	\$ 4,471,457	\$ 4,237,292

(Continued)

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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Business-type activities:										
Charges for services:										
School Lunch	\$ -	\$ 84,370	\$ 80,130	\$ 63,167	\$ 59,975	\$ 67,556	\$ 58,211	\$ 58,210	\$ 78,107	\$ 81,779
Operating grants and contributions:										
School Lunch	-	73,176	74,584	81,002	81,890	87,336	87,651	87,738	84,509	66,935
Total business-type activities program revenues	<u>\$ -</u>	<u>\$ 157,546</u>	<u>\$ 154,714</u>	<u>\$ 144,169</u>	<u>\$ 141,865</u>	<u>\$ 154,892</u>	<u>\$ 145,862</u>	<u>\$ 145,948</u>	<u>\$ 162,616</u>	<u>\$ 148,714</u>
Total primary government revenues	<u>\$ 5,705,559</u>	<u>\$ 5,455,267</u>	<u>\$ 5,785,139</u>	<u>\$ 6,006,268</u>	<u>\$ 6,023,549</u>	<u>\$ 6,096,181</u>	<u>\$ 5,443,198</u>	<u>\$ 5,299,706</u>	<u>\$ 4,634,073</u>	<u>\$ 4,386,006</u>
Net (expenses) revenues:										
Governmental activities	\$ (18,923,057)	\$ (20,912,297)	\$ (21,856,954)	\$ (20,258,673)	\$ (20,589,502)	\$ (20,689,470)	\$ (20,761,395)	\$ (21,954,439)	\$ (21,744,319)	\$ (24,235,100)
Business-type activities	-	1,758	1,104	19,945	7,229	7,143	5,144	(2,388)	(427)	3,544
Total primary government net expense	<u>\$ (18,923,057)</u>	<u>\$ (20,910,539)</u>	<u>\$ (21,855,850)</u>	<u>\$ (20,238,728)</u>	<u>\$ (20,582,273)</u>	<u>\$ (20,682,327)</u>	<u>\$ (20,756,251)</u>	<u>\$ (21,956,827)</u>	<u>\$ (21,744,746)</u>	<u>\$ (24,231,556)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes, levied for general purposes	\$ 17,616,681	\$ 19,114,197	\$ 20,634,864	\$ 22,953,234	\$ 22,650,126	\$ 22,783,814	\$ 22,654,085	\$ 22,925,740	\$ 23,143,308	\$ 23,513,886
Unrestricted investment earnings	285,429	279,633	154,478	118,156	112,449	126,810	111,739	119,900	112,281	108,666
Other revenues	2,025,214	2,785,647	1,436,958	-	-	(30,200)	29,142	16,073	107,502	182,247
Transfers to component unit and other revenue	-	-	(63,855)	(549,540)	-	-	-	-	62,512	76,797
Total primary government	<u>\$ 19,927,324</u>	<u>\$ 22,179,477</u>	<u>\$ 22,162,445</u>	<u>\$ 22,521,850</u>	<u>\$ 22,762,575</u>	<u>\$ 22,880,424</u>	<u>\$ 22,794,966</u>	<u>\$ 23,061,713</u>	<u>\$ 23,425,603</u>	<u>\$ 23,881,596</u>
Change in Net Position										
Governmental activities	\$ 1,004,267	\$ 1,267,180	\$ 305,491	\$ 2,263,177	\$ 2,173,073	\$ 2,190,954	\$ 2,059,753	\$ 984,263	\$ 1,649,769	\$ (398,261)
Glocester land trust	-	-	-	-	-	-	(26,182)	123,011	31,515	44,757
Business-type activities	-	1,758	1,104	19,945	7,229	7,143	5,144	(2,388)	(427)	3,544
Total primary government	<u>\$ 1,004,267</u>	<u>\$ 1,268,938</u>	<u>\$ 306,595</u>	<u>\$ 2,283,122</u>	<u>\$ 2,180,302</u>	<u>\$ 2,198,097</u>	<u>\$ 2,038,715</u>	<u>\$ 1,104,886</u>	<u>\$ 1,680,857</u>	<u>\$ (349,960)</u>

(Concluded)

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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Reserved	\$ 21,523	\$ 13,960	\$ 33,805	\$ 15,480	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	4,317,178	4,225,999	3,896,715	4,246,583	-	-	-	-	-	-
Nonspendable	-	-	-	-	7,769	27,220	20,536	25,495	17,709	2,000
Restricted	-	-	-	-	961,063	-	-	-	-	-
Committed	-	-	-	-	573,460	149,244	104,244	613,099	335,000	735,000
Assigned	-	-	-	-	525,125	1,801,918	2,050,504	2,127,865	2,204,411	2,990,400
Unassigned	-	-	-	-	3,904,064	4,302,080	4,834,262	4,618,771	5,190,560	4,443,472
Total general fund	\$ 4,338,701	\$ 4,239,959	\$ 3,930,520	\$ 4,262,063	\$ 5,971,481	\$ 6,280,462	\$ 7,009,546	\$ 7,385,230	\$ 7,747,680	\$ 8,170,872
Education										
Reserved	\$ -	\$ 2,435	\$ 122,988	\$ 60,323	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	415,693	345,913	607,566	1,645,575	-	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	-	4,194	-
Restricted	-	-	-	-	-	2,370,412	2,900,834	2,807,840	2,536,504	1,190,775
Committed	-	-	-	-	180,000	-	-	-	-	-
Assigned	-	-	-	-	780,686	748,954	807,983	1,300,863	1,547,073	2,972,854
Unassigned	-	-	-	-	1,690,484	-	-	-	-	-
Total education fund	\$ 415,693	\$ 348,348	\$ 730,554	\$ 1,705,898	\$ 2,651,170	\$ 3,119,366	\$ 3,708,817	\$ 4,108,703	\$ 4,087,771	\$ 4,163,629
Capital Reserve Project Fund										
Unreserved	\$ 749,049	\$ 715,966	\$ 545,660	\$ 748,087	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Committed	-	-	-	-	759,820	638,203	922,362	988,677	1,492,786	1,072,475
Total capital reserve project fund	\$ 749,049	\$ 715,966	\$ 545,660	\$ 748,087	\$ 759,820	\$ 638,203	\$ 922,362	\$ 988,677	\$ 1,492,786	\$ 1,072,475
Community Development Block Grant										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 430,381	\$ -	\$ -	\$ -	\$ -
Unassigned	-	-	-	-	-	(379,906)	-	-	-	-
Total community development block grant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,475	\$ -	\$ -	\$ -	\$ -
All Other Governmental Funds										
Reserved:										
Perpetual care	\$ 3,100	\$ 3,100	\$ 3,100	\$ 3,100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds:										
Education	283,828	407,025	540,289	283,763	-	-	-	-	-	-
Other	1,159,170	1,157,433	1,403,119	1,714,349	-	-	-	-	-	-
Capital projects funds	1,325,501	702,232	836,151	852,039	-	-	-	-	-	-
Permanent Fund	9,202	9,238	9,247	9,261	-	-	-	-	-	-
Nonspendable	-	-	-	-	336,535	3,100	3,100	3,100	3,100	3,100
Restricted	-	-	-	-	1,373,672	1,269,408	1,197,884	912,530	855,293	908,381
Unassigned,	-	-	-	-	(89,551)	-	-	-	-	-
Total all other governmental funds	\$ 2,780,801	\$ 2,279,028	\$ 2,791,906	\$ 2,862,512	\$ 1,620,656	\$ 1,272,508	\$ 1,200,984	\$ 915,630	\$ 858,393	\$ 911,481

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

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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
General property taxes	\$ 17,605,367	\$ 19,184,312	\$ 20,575,766	\$ 21,898,410	\$ 22,495,323	\$ 22,537,037	\$ 22,701,157	\$ 22,877,211	\$ 23,146,974	\$ 23,485,584
Intergovernmental and departmental revenue	7,094,716	6,665,094	5,998,069	5,539,730	4,692,744	4,656,720	4,338,108	3,946,050	3,743,485	3,663,747
Licenses and fees	552,183	482,153	510,253	472,033	442,361	525,877	439,162	504,411	459,001	335,225
Interest on investments	285,429	273,633	154,478	118,156	112,449	126,759	110,810	115,159	112,281	108,666
Other revenues	140,634	166,449	308,447	435,119	523,108	319,649	256,033	277,346	366,415	468,489
Intergovernmental-pension contribution	-	-	246,586	285,107	264,180	332,744	288,222	316,349	-	-
Total revenues	<u>\$ 25,678,329</u>	<u>\$ 26,771,641</u>	<u>\$ 27,793,599</u>	<u>\$ 28,748,555</u>	<u>\$ 28,530,165</u>	<u>\$ 28,498,786</u>	<u>\$ 28,133,492</u>	<u>\$ 28,036,526</u>	<u>\$ 27,828,156</u>	<u>\$ 28,061,711</u>
Expenditures										
Central Administration	\$ 831,213	\$ 988,144	\$ 785,565	\$ 766,545	\$ 831,297	\$ 803,666	\$ 767,489	\$ 922,645	\$ 943,920	\$ 1,214,072
Finance Administration	509,814	561,671	596,070	587,715	590,140	620,597	632,644	579,654	605,514	615,491
Public Safety Department	1,829,558	1,873,749	1,804,769	1,791,933	1,787,760	2,036,564	2,072,097	2,062,419	2,211,680	2,298,880
Public Works Department	1,858,272	2,273,444	1,871,028	1,555,594	1,727,750	1,585,909	1,651,437	1,870,542	1,892,305	1,795,676
Recreation Department	1,903,600	202,247	230,431	273,980	291,048	255,834	270,498	299,853	311,711	272,327
Social Services (3)	483,269	499,160	530,627	379,053	366,945	439,399	137,966	206,745	182,935	308,136
Operational expenses	355,075	307,052	294,543	404,529	313,737	315,689	327,098	559,608	389,605	376,743
Aid Request	330,853	344,868	333,083	317,533	318,533	322,750	322,914	325,970	336,441	344,446
Education-Elementary	10,152,139	10,843,415	9,509,781	9,292,913	9,360,130	9,321,435	9,225,612	9,243,581	10,100,965	10,032,361
Education-Secondary-Regional (1)	7,385,896	8,476,681	9,340,823	9,328,376	9,453,321	9,349,077	9,330,162	9,571,341	9,146,735	9,280,098
Glocester Land Trust	90,368	81,473	65,342	549,540	58,235	-	-	-	-	-
Intergovernmental-pension contribution	-	-	246,586	285,107	264,180	332,744	288,222	316,349	-	-
Capital Outlay	-	-	818,159	1,213,379	734,378	1,793,486	1,033,233	872,330	319,301	770,360
Principal	587,677	708,616	689,658	697,741	784,224	759,960	429,347	451,873	470,455	514,151
Interest	235,524	291,458	261,795	233,669	222,645	203,789	164,078	146,610	128,199	107,143
Bond issuance costs	-	-	-	5,500	1,275	-	-	-	-	-
Total Expenditures	<u>\$ 26,553,258</u>	<u>\$ 27,451,978</u>	<u>\$ 27,378,260</u>	<u>\$ 27,683,107</u>	<u>\$ 27,105,598</u>	<u>\$ 28,140,899</u>	<u>\$ 26,652,797</u>	<u>\$ 27,429,520</u>	<u>\$ 27,039,766</u>	<u>\$ 27,929,884</u>
Excess of revenues over (under) expenditures	\$ (874,929)	\$ (680,337)	\$ 415,339	\$ 1,065,448	\$ 1,424,567	\$ 357,887	\$ 1,480,695	\$ 607,006	\$ 788,390	\$ 131,827
Other Financing Sources (uses)										
Proceeds of capital leases	\$ -	\$ -	\$ -	\$ 14,472	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers from other funds	7,479,823	7,291,361	8,166,617	8,582,238	7,703,474	8,683,045	7,777,542	8,070,209	7,735,107	7,608,185
Transfers to other funds	(7,479,823)	(7,291,361)	(8,166,617)	(8,582,238)	(7,703,474)	(8,683,045)	(7,777,542)	(8,070,209)	(7,735,107)	(7,608,185)
Proceeds from issuance of bonds	2,965,000	-	-	500,000	-	-	-	-	-	-
Total other financing sources (uses)	<u>2,965,000</u>	<u>-</u>	<u>-</u>	<u>514,472</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 2,090,071</u>	<u>\$ (680,337)</u>	<u>\$ 415,339</u>	<u>\$ 1,579,920</u>	<u>\$ 1,424,567</u>	<u>\$ 357,887</u>	<u>\$ 1,480,695</u>	<u>\$ 607,006</u>	<u>\$ 788,390</u>	<u>\$ 131,827</u>
Debt service as a percentage of noncapital expenditures	3.4%	3.8%	3.6%	3.5%	3.8%	3.7%	2.3%	2.3%	2.2%	2.3%

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

Fiscal Year Ended June 30	Real Property		Personal Property		Less: Tax Exempt Property	Total Taxable Assessed Value	Total Effective Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Motor Vehicles	Other					
2007	1,058,215,120	59,778,900	84,266,684	20,458,860	117,330,916	1,105,388,648	15.00	1,324,707,457	83.44%
2008	1,067,493,900	60,015,000	86,124,833	20,463,280	125,302,544	1,108,794,469	16.36	1,231,235,068	90.06%
2009 (2)	1,059,225,120	65,090,700	88,301,288	18,618,060	130,448,838	1,100,786,330	17.75	1,199,136,425	91.80%
2010	1,065,503,820	66,145,300	79,407,366	18,620,740	136,245,602	1,093,431,624	18.64	1,109,017,190	98.59%
2011	1,071,062,920	65,889,900	94,392,665	18,600,760	128,139,328	1,121,806,917	18.68	992,719,368	113.00%
2012 (1)	855,150,110	57,855,300	96,931,960	18,641,800	96,976,087	931,603,083	22.51	946,415,571	98.43%
2013	860,245,870	57,448,800	101,158,350	18,218,040	102,906,239	934,164,821	22.12	934,164,821	100.00%
2014	864,734,870	58,265,600	101,709,774	17,881,680	103,890,779	938,701,145	22.57	938,701,145	100.00%
2015	852,399,400	57,095,000	102,461,135	16,343,430	101,845,251	926,453,714	22.57	926,453,714	100.00%
2016	855,851,600	56,895,900	104,565,190	16,532,794	107,175,515	926,669,969	22.91	926,669,969	100.00%

Source: Town of Glocester Tax Assessor

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

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

Fiscal Year	Town Direct Rates (a)					Total Effective Rate (b)	Overlapping Rates (c)			
	Real Property		Motor Vehicles	Tangible Property			Chepachet Fire District	Harmony Fire District	West Glocester Fire District	West Glocester Fire District
	Residential	Commercial		Personal	Inventory				Residential	Commercial
2007	14.24	16.33	24.37	31.14	5.04	15.00	0.750	1.20	1.30	-
2008	15.66	17.91	24.37	31.32	2.52	16.36	0.750	1.20	1.30	-
2009	17.03	19.37	24.37	33.92	-	17.75	0.750	1.20	1.30	-
2010	17.98	20.43	24.37	35.80	-	18.64	0.750	1.20	1.30	-
2011	17.87	20.31	24.37	35.58	-	18.68	0.750	1.20	1.30	-
2012	21.66	24.62	24.37	43.13	-	22.51	0.950	1.48	1.55	-
2013	21.25	24.15	24.37	42.31	-	22.12	0.965	1.48	1.55	-
2014	21.77	24.74	24.37	43.34	-	22.11	0.975	1.54	1.55	-
2015	22.12	25.13	24.37	44.03	-	22.57	0.975	1.58	1.55	1.65
2016	22.12	25.13	24.37	44.03	-	22.91	0.975	1.77	1.55	1.65

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

Schedule 7

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

	Fiscal Year				Fiscal Year			
	2016				2007			
	Taxable assessed value	Rank	Percentage of total taxable assessed value	Taxes assessed (3)	Taxable assessed value	Rank	Percentage of total taxable assessed value	Taxes assessed (3)
Factory Mutual Insurance Co. (1)(4)	PILOT	1	PILOT	\$ 2,307,997	PILOT	1	PILOT	1,060,000
Narragansett Electric, Co.	\$ 8,817,515	2	0.95%	332,917	9,070,300	2	0.83%	232,245
CVS	2,910,400	3	0.34%	73,138	-	-	0.00%	-
CoxCom	2,769,115	4	0.30%	121,924	3,885,710	3	0.36%	121,001
Providence, City of (PWSB) (2)	2,396,419	5	0.26%	60,222	2,772,500	6	0.25%	45,275
Kopeski Stephen M.	2,016,800	6	0.22%	50,682	3,004,070	-	0.28%	54,075
Melody Hill Country Club	2,274,000	7	0.25%	57,146	3,239,420	5	0.30%	54,220
Criterion Atlantic Property	1,848,000	8	0.20%	46,440	3,610,100	4	0.33%	78,846
Glocester Country Club	1,690,600	9	0.18%	42,485	2,498,250	7	0.23%	44,589
Watmough Jr., Roy P.	1,639,500	10	-	41,201	1,821,401	8	0.17%	30,601
Adler Brothers Construction			0.18%	-	-	-	0.00%	-
Tillinghast Holding Co LLC	-	-	-	-	1,726,350	9	0.16%	28,543
Totals	<u>\$ 26,362,349</u>		<u>2.88%</u>	<u>\$ 3,134,152</u>	<u>31,628,101</u>		<u>2.91%</u>	<u>\$ 1,749,395</u>

Sources: Town of Glocester Tax Assessor and Tax Collector

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

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

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year (as originally certified)	Collected within the Fiscal Year of the Levy		Subsequent abatements and additions	Total Tax Levy for Fiscal Year (adjusted for all subsequent abatements and additions)	Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Original Levy				Amount	Percentage of adjusted Levy
2007	16,578,703	16,062,164	96.88%	2,927	16,581,630	490,281	16,552,445	99.82%
2008	18,134,554	17,589,870	97.00%	8,780	18,143,334	525,520	18,115,390	99.85%
2009	19,541,335	19,044,425	97.46%	29,969	19,571,304	499,307	19,543,732	99.86%
2010	20,380,911	19,767,563	96.99%	8,958	20,389,869	592,938	20,360,501	99.86%
2011	20,960,378	20,285,517	96.78%	9,865	20,970,243	639,846	20,925,363	99.79%
2012	20,971,376	20,211,714	96.38%	(30,806)	20,940,570	656,085	20,867,799	99.65%
2013	20,666,155	19,934,607	96.46%	(3,682)	20,662,473	654,230	20,588,837	99.64%
2014	20,750,248	20,012,788	96.45%	25,060	20,775,308	670,034	20,682,822	99.55%
2015	20,914,232	20,248,104	96.81%	(6,016)	20,908,216	561,343	20,809,447	99.53%
2016	21,228,682	20,637,061	97.21%	18,126	21,246,808	-	20,637,061	97.13%

Source: Town of Gloucester Tax Collector

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

Fiscal Year	Governmental Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Loan Payable	Capital Lease			
2007	6,750,000	210,088	29,429	6,989,517	3.07%	703
2008	6,085,000	166,472	20,569	6,272,041	2.75%	630
2009	5,415,000	152,845	13,401	5,581,246	2.45%	561
2010	5,240,000	136,571	20,261	5,396,832	1.74%	554
2011	4,515,000	112,226	8,526	4,635,752	1.50%	476
2012	3,775,000	154,936	55,447	3,985,383	1.29%	409
2013	3,365,000	135,589	42,238	3,542,827	1.16%	364
2014	2,940,000	175,815	32,548	3,148,363	0.98%	322
2015	2,495,000	195,761	20,210	2,710,971	0.81%	273
2016	2,030,000	146,610	6,314	2,182,924	0.66%	222

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

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

Fiscal Year	<u>General Bonded Debt Outstanding</u>		Percentage of Actual Taxable Value (a) of Property	Per Capita (b)
	General Obligation Bonds	Total		
2007	6,750,000	6,750,000	0.61%	678.53
2008	6,085,000	6,085,000	0.55%	611.68
2009	5,415,000	5,415,000	0.49%	544.33
2010	5,240,000	5,240,000	0.48%	537.66
2011	4,515,000	4,515,000	0.40%	463.27
2012	3,775,000	3,775,000	0.41%	387.34
2013	3,365,000	3,365,000	0.36%	345.27
2014	2,940,000	2,940,000	0.31%	300.55
2015	2,495,000	2,495,000	0.27%	251.23
2016	2,030,000	2,030,000	0.22%	206.22

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

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

Schedule 11
Town of Glocester, Rhode Island
Direct and Overlapping Governmental Activities Debt
As of June 30, 2016
Unaudited

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt	Estimated Share of Overlapping Debt Less Housing Aid (b)
Debt repaid with property taxes				
Foster-Glocester Regional School District	\$ 39,155,851	65.31% (a)	\$ 25,573,078	\$ 10,229,231
Chepachet Fire District	58,821	100.00%	58,821	58,821
Harmony Fire District	126,672	100.00%	126,672	126,672
West Glocester Fire District	136,590	100.00%	136,590	136,590
			25,895,161	10,551,314
Subtotal, overlapping debt				
Town direct debt			2,182,924	2,182,924
Total direct and overlapping debt			\$ 28,078,085	\$ 12,734,238

Sources: Debt outstanding data provided by each governmental unit.

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

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

Legal Debt Margin Calculation for Fiscal Year 2016	
Assessed Value	\$ 926,669,969
Debt limit (3% of assessed value)	27,800,099
Debt applicable to limit:	
General obligation bonds	2,030,000
Less: Amount set aside for repayment of general obligation debt	-
Total net debt applicable to limit	<u>2,030,000</u>
Legal debt margin	<u>\$ 25,770,099</u>

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Debt limit	\$ 33,161,659	\$ 33,263,834	\$ 33,023,590	\$ 32,802,949	\$ 33,654,208	\$ 27,948,092	\$ 28,024,945	\$ 28,161,034	\$ 27,793,611	\$ 27,800,099
Total net debt applicable to limit	<u>6,750,000</u>	<u>6,085,000</u>	<u>5,415,000</u>	<u>5,240,000</u>	<u>4,515,000</u>	<u>3,775,000</u>	<u>3,365,000</u>	<u>2,940,000</u>	<u>2,495,000</u>	<u>2,030,000</u>
Legal debt margin	<u>\$ 26,411,659</u>	<u>\$ 27,178,834</u>	<u>\$ 27,608,590</u>	<u>\$ 27,562,949</u>	<u>\$ 29,139,208</u>	<u>\$ 24,173,092</u>	<u>\$ 24,659,945</u>	<u>\$ 25,221,034</u>	<u>\$ 25,298,611</u>	<u>\$ 25,770,099</u>
Total net debt applicable to the limit as a percentage of debt limit	20.35%	18.29%	16.40%	15.97%	13.42%	13.51%	12.01%	10.44%	8.98%	7.30%

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

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

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

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

Fiscal Year Ended June 30	Population (1)	Personal Income (1)	Per Capita Personal Income (1)	Median Age(1)	School Enrollment (2)	Unemployment Rate (3)
2007	9,948	227,948,472	22,914	38.2	1,864	4.2%
2008	9,948	227,948,472	22,914	38.2	1,736	6.1%
2009	9,948	227,948,472	22,914	38.2	1,614	8.8%
2010	9,746	310,049,498	31,813	42.7	1,523	9.6%
2011	9,746	310,049,498	31,813	42.7	1,466	7.0%
2012	9,746	310,049,498	31,813	42.7	1,499	8.1%
2013	9,746	306,482,462	31,447	42.7	1,465	8.8%
2014	9,782	320,869,164	32,802	43.9	1,320	7.1%
2015	9,931	334,883,251	33,721	45.3	1,310	5.9%
2016	9,844	330,333,667	33,721	45.3	1,291	4.0%

Sources:

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

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

Employer	Fiscal Year			Fiscal Year		
	2016			2007		
	Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Foster-Glocester Regional School	173	1	2.83%	177	2	3.00%
Town of Glocester	167	2	2.73%	179	1	4.76%
Harmony Hill School Inc	132	3	2.16%	149	3	2.32%
Factory Mutual Insurance Co.	150	4	2.45%	97	4	1.40%
Dino's Park-n-Shop	85	5	1.39%	89	5	1.27%
Chester's Restaurant	30	6	0.49%	40	6	0.63%
Dunkin' Donuts	25	7	0.41%	30	7	0.41%
Jacques Bus Line	23	8	0.38%			0.44%
CVS	24	9	0.39%	26	8	
Concrete Products	21	10	0.34%	23	9	
Total	<u>830</u>		<u>13.57%</u>	<u>810</u>		

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

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

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Central Administration										
Town Council	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Town Clerk office	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Town Sergeant	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Building/Zoning office	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Planning office	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Board of Canvassers	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Probate Court	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Historic District Commission	0.1	0.1	0.1	0.1	-	-	-	-	-	-
Land Trust	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Planning Board	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Wastewater Commission	0.1	0.1	0.1	0.1	-	-	-	-	-	-
Zoning Board	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Financial Administration										
Treasurer's office	3.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Tax Collection office	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Tax Assessor office	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Public Safety										
Police										
Officers	14.0	15.0	15.0	14.0	15.0	15.0	15.0	15.0	15.0	15.0
Dispatchers [civilians]	5.3	5.3	5.3	5.3	5.3	5.3	5.3	4.4	4.4	4.4
Animal Control										
Officer	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Civilians	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
Emergency Management	1.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Public Works Department										
Director	3.0	3.0	3.0	3.0	3.0	3.0	3.0	2.0	2.0	2.0
Transfer Station										
Refuse collection	2.6	2.6	2.6	2.6	2.3	2.3	2.3	3.0	3.0	3.0
Highway										
Driver/laborer	6.4	6.4	6.4	6.4	6.2	6.2	6.2	6.0	6.0	6.0
Maintenance										
Building/grounds	2.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Custodial	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.4	1.4	1.0
Vehicles & equipment	2.0	2.0	2.0	1.0	1.0	1.1	2.0	2.0	2.0	2.0
Recreation Department										
Director	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
Summer programs	2.9	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8
Human Services Department										
Director	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Senior Van driver	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Senior Center										
Director	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Mealsite	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7

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

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Public Safety (1)										
Police										
Calls	15,075	15,605	15,381	16,969	20,222	24,960	24,068	25,029	25,576	14,169
Physical arrests	400	353	351	346	380	326	308	315	227	120
Citations	3,303	3,260	2,803	2,482	2,897	2,457	1,933	1,926	1,764	951
Accidents	251	249	280	236	258	227	232	243	264	111
Animal Control										
Dog licenses issued	503	473	471	470	395	333	439	317	241	250
Public Works										
Transfer Station										
Refuse collected (avg. tons per month)	285	275	281	221	250	232	228	216	211	214
Recyclables collected (avg. tons per month)	74	79	77	96	129	123	119	121	126	115
Highway										
Street resurfacing (miles)	0	0.4	1.5	2.8	3.9	2.5	4.47	5.1	9.2	8.73
Street repairs (miles)	0.15	0	0	0	0	0	0	0	0	0
Building/Zoning (1)										
Commercial construction permits	25	20	26	20	14	12	2	7	18	9
Residential construction permits - new homes	19	15	13	17	20	13	8	17	19	12
Residential construction permits - other	253	277	177	205	190	86	83	184	239	91
Parks and Recreation										
Athletic field permits	3	3	3	3	3	3	3	3	3	3
Human Services										
Mini-bus passenger transports	676	658	750	700	711	746	840	557	461	325

Sources: Various Town departments.

(1) Statistics for Public Safety and Building/Zoning are based on a calendar year. Totals for 2016 are for the period January 1, 2016 through June 30, 2016.

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

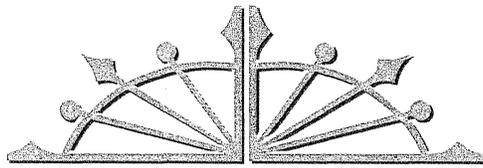
Schedule 18
Town of Glocester, Rhode Island
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years
Unaudited

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Zone offices	-	-	-	-	-	-	-	-	-	-
Police patrol vehicles	11	11	11	11	11	11	16	14	15	15
Animal Control										
Animal shelters	1	1	1	1	1	1	1	1	1	1
Public Works										
Transfer Station										
Roll-off truck	2	2	2	2	2	2	2	2	2	2
Streets and Highways (in miles)										
Highways (State owned)	38.3	38.3	38.3	38.3	38.3	38.3	38.3	38.3	38.3	38.3
Roads (Town owned)	78.1	78.1	78.1	78.1	78.1	78.1	78.1	78.1	78.1	78.1
Roads - Private (non-Town)	30.4	30.4	30.4	30.4	30.4	30.4	30.4	30.4	30.4	30.4
Park access	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Driftway	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Total highway and road miles	148.8	148.8	148.8	148.8	148.8	148.8	148.8	148.8	148.8	<u>148.8</u>
Streetlights	-	-	-	-	-	-	-	-	-	-
Traffic signals (State owned)	2.0	2.0	2.0	2.0	2.0	2.0	3.0	4.0	4	4
Parks and Recreation										
Acreage	165.3	165.3	165.3	165.3	165.3	165.3	165.3	165.3	165.3	165.3
Playgrounds	3	3	3	3	3	3	3	3	3	3
Tennis courts	4	4	4	4	4	4	4	4	4	4
Beaches	2	2	2	2	2	2	2	2	2	2
Baseball/softball diamonds	4	4	4	4	4	4	4	4	4	4
Soccer/football fields	1	1	1	1	1	1	1	1	1	1
Basketball courts	4	4	4	4	4	4	4	4	4	4
Senior Center	1	1	1	1	1	1	1	1	1	1
Human Services										
Transit mini-bus	1	1	1	1	1	1	1	1	1	1

Sources: Various Town Departments

***TOWN OF GLOCESTER
RHODE ISLAND***

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



BAXTER DANSEREAU & ASSOCIATES, LLP

Accounting, Consulting & Tax Services

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

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Glocester, Rhode Island as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Town of Glocester's basic financial statements, and have issued our report thereon dated December 21, 2016.

Internal Control Over Financial Reporting

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

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

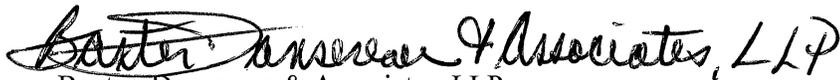
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Gloucester'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

December 21, 2016

TOWN OF GLOCESTER, RHODE ISLAND
Schedule of Findings
For The Year Ended June 30, 2016

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of Auditors report issued:

Unmodified

Internal control over financial reporting:

Significant deficiency (ies) identified?

___ yes X no

Significant deficiency (ies) identified that are
considered material weaknesses?

___ yes X none reported

Noncompliance material to financial statements noted?

___ yes X no

SECTION II – FINANCIAL STATEMENT FINDINGS

___ yes X none