

# **TOWN OF EAST GREENWICH**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**



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

**William Sequino, Jr.  
Town Manager**

**Kathy Raposa, CPA  
Finance Director**

**Prepared by: Finance Department**

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

**TOWN OF EAST GREENWICH, RHODE ISLAND  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

---

**TABLE OF CONTENTS**

	<u>PAGE</u>
<b>I. INTRODUCTORY SECTION</b>	
<i>LETTER OF TRANSMITTAL</i>	i
<i>ORGANIZATIONAL CHART</i>	vi
<i>LIST OF TOWN OFFICIALS</i>	vii
<i>CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING</i>	viii
 <b>II. FINANCIAL SECTION</b>	
<i>INDEPENDENT AUDITORS' REPORT</i>	1
<i>MANAGEMENT'S DISCUSSION AND ANALYSIS</i>	3
 <b>BASIC FINANCIAL STATEMENTS</b>	
 <i><u>Government Wide Financial Statements</u></i>	
Statement of Net Assets	12
Statement of Activities	13
 <i><u>Fund Financial Statements</u></i>	
Balance Sheet – Governmental Funds	14
Statement of Revenues, Expenditures and Changes in Unreserved Fund Balances - Governmental Funds	15
Reconciliation of the Statement of Revenues, Expenditures and Changes in Unreserved Fund Balances of the Governmental Funds to the Statement of Activities	16
Statement of Net Assets – Proprietary Funds	17
Statement of Revenue, Expenses, and Changes in Fund Net Assets – Proprietary Funds	18
Statement of Cash Flows – Proprietary Funds	19
Statement of Fiduciary Net Assets	20
 <i><u>Notes to the Financial Statements</u></i>	
Required Disclosures and Other Information	21

(Continued)

**TOWN OF EAST GREENWICH, RHODE ISLAND  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

---

**TABLE OF CONTENTS**  
*(continued)*

	<u>PAGE</u>
<b><i>REQUIRED SUPPLEMENTARY INFORMATION (RSI)</i></b>	
Budgetary Comparison Schedule – General Fund	57
Schedule of Revenues – Non-GAAP Budgetary Basis	58
Budgetary Comparison Schedule – General Fund	62
Schedule of Expenditures – Non-GAAP Budgetary Basis	63
Notes to Required Supplementary Information	63
Pension Plan – Schedule of Funding Progress	63
 <i>Supplementary Information</i>	
Combining Balance Sheet – Non-Major Governmental Funds	65
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Governmental Funds	66
Combining Balance Sheet – Non-Major Governmental Funds – Special Revenue Funds – Town	67
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Governmental Funds – Special Revenue Funds – Town	69
Combining Balance Sheet – Non-Major Governmental Funds – Special Revenue Project Funds – Town	71
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Governmental Funds – Special Revenue Project Funds – Town	73
Combining Balance Sheet – Non-Major Governmental Funds – Special Revenue Funds – School Restricted	75
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Governmental Funds – Special Revenue Funds – School Restricted	78
Combining Balance Sheet – Non-Major Governmental Funds – Capital Project Funds	81
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Governmental Funds – Capital Project Funds	82
Combining Balance Sheet – Non-Major Governmental Funds – Town Permanent Funds	83
Combining Statement of Revenues, Expenses and Changes in Net Assets – Non-Major Governmental Funds – Town Permanent Funds	84
Combining Statement of Changes in Assets and Liabilities – Fiduciary Funds	85
Combining Statement of Changes in Assets and Liabilities – Fiduciary Funds- Pupil Activity Funds	86

*(Continued)*

**TOWN OF EAST GREENWICH, RHODE ISLAND  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**TABLE OF CONTENTS**  
*(continued)*

	<u>PAGE</u>
<b>III. GENERAL FUND AND SCHOOL UNRESTRICTED FUND</b>	
Balance Sheet – General Fund and School Unrestricted	87
Statement of Revenues, Expenditures and Changes in Fund Balances - General Fund and School Unrestricted	88
Balance Sheet – General Fund	89
Statement of Revenues, Expenditures and Changes in Fund Balances - General Fund	90
Budgetary Comparison Schedule – General Fund	91
Schedule of Revenues and Expenditures – Non-GAAP Budgetary Basis	
Budgetary Comparison Schedule – General Fund	92
Schedule of Revenues – Non-GAAP Budgetary Basis	
Budgetary Comparison Schedule – General Fund	93
Schedule of Expenditures – Non-GAAP Budgetary Basis	
Balance Sheet – School Department	97
Statement of Revenues, Expenditures and Changes in Fund Balances – School Unrestricted Fund	98
Budgetary Comparison Schedule – School Unrestricted Fund	
Schedule of Revenues and Expenditures – Non-GAAP Budgetary Basis	99
Budgetary Comparison Schedule – School Unrestricted Fund	
Schedule of Revenues – Non-GAAP Budgetary Basis	100
Budgetary Comparison Schedule – School Unrestricted Fund	
Schedule of Expenditures – Non-GAAP Budgetary Basis	101
Notes to Supplementary Information Budgetary to GAAP – General Fund	102
Notes to Supplementary Information Budgetary to GAAP – General Fund	103
<b>IV. STATISTICAL SECTION</b>	
Tax Collectors Annual Report	104
Net Assets by Component	105
Changes in Net Assets	106
Fund Balances, Governmental Funds	108
Changes in Fund Balances - Governmental Funds	109
Assessed and Estimated Actual Value of Taxable Property	110
Property Tax rates	111
Principal Taxpayers	112
Property Tax Levies and Collections	113
Ratio of Net General Bond Debt to Assessed Value	114
Computation of Legal Debt Margin	115
Ratio of Annual Debt Service Expenditures for Bond General Bonded Debt to Total General Expenditures	116
Principal Employers	117
Public Schools Miscellaneous Statistics	118
Town of East Greenwich Miscellaneous Statistics	119
Full-time Equivalent Town Government Employees by Function	120
Capital Asset Statistics By Function	121
Operating Indicators By Function	122
Demographic And Economic Statistics	123
Ratio of General Bonded Debt Outstanding	124

*(Continued)*

**TOWN OF EAST GREENWICH, RHODE ISLAND  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

---

**TABLE OF CONTENTS**  
*(continued)*

**V. SINGLE AUDIT SECTION**

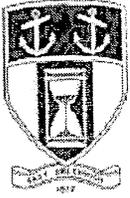
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	125
Independent Auditor's Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133	127
Schedule of Expenditures of Federal Awards	129
Schedule of Findings and Questioned Costs	130
Schedule of Prior Year Findings and Questioned Costs	133
Notes to Schedule of Expenditures of Federal Awards	134

*(Concluded)*

## **INTRODUCTORY SECTION**

This Section Contains the Following Subsections:

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



## Town of East Greenwich

125 Main Street  
P.O. Box 111  
East Greenwich, RI 02818

October 31, 2012

Town Council  
Town Manager  
886-8665

Town Clerk  
886-8604

Canvassers  
886-8603

Probate  
886-8607

Finance  
886-8612

Tax Assessor  
886-8614

Municipal Court  
886-3212

Planning  
886-8645

111 Peirce Street  
Public Works  
886-8618

Building Official  
886-8617

121 Peirce Street  
Swift Community  
Center  
Senior & Human  
Services  
886-8669

176 First Avenue  
Police Department  
Dispatch  
884-2244  
Administration  
886-8640

Information  
Technology  
886-8670

1127 Frenchtown  
Road  
Parks & Recreation  
886-8626

RI Relay #711  
800-745-5555

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

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the Town of East Greenwich for the fiscal year ended June 30, 2012.

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

The Town of East Greenwich's financial statements have been audited by Baxter Dansereau & Associates LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of East Greenwich for the Fiscal year ended June 30, 2012, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluation of the overall financial statement presentation. The independent auditor concluded based upon the audit, that there was a

reasonable basis for rendering an unqualified opinion that the Town of East Greenwich's financial statements for the fiscal year ended June 30, 2012, are fairly presented in conformity with generally accepted accounting principles. The independent auditor's report is presented as the first component of the financial section of this report.

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

### **Profile of the Government**

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

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

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

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

The annual budget serves as the foundation of the Town of East Greenwich's financial planning and control. All departments of the Town of East Greenwich are required to submit requests for appropriation to the Town Manager. The manager uses these requests

as the starting point for developing a proposed budget. The manager then presents this proposed budget to the council for review. The Town Council and the School Committee are required to hold public hearings on the proposed budgets and then are required to adopt a final budget. The appropriated budget is prepared by function and department. Budget to actual comparisons are provided in this report, for only the governmental fund for which an appropriated annual budget has been adopted.

### **Factors Affecting Financial Condition**

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

**Local Economy:** The Town of East Greenwich is an affluent, growing, suburban community on the border of a metropolitan area in central Rhode Island. The town is located about fifteen minutes south of the City of Providence. It is primarily a single-family residential community with the 2<sup>nd</sup> highest median family income in the state. The 2010 census reported a population of 13,146, which was up 3.4% from the 2000 census and ranked 26<sup>th</sup> of the thirty nine municipalities in the state. The most recent labor statistics indicates the unemployment rate for East Greenwich is approximately 9.7% as of June 2012, compared to the state with a rate of 10.4% and the national rate at 8.4%.

Approximately 81.4% of the town's assessed valuation is comprised of residential property. About 18.6% of the assessed valuation is commercial property. According to 2012 data, the median family income of the Town of East Greenwich was \$114,605 compared to the state's average of \$67,814. The median family income in East Greenwich ranks 2<sup>nd</sup> among Rhode Island cities and towns. The per capita income also ranks 1<sup>st</sup> in the state.

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

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

**Long Term Financial Planning:** The Town Council has continued to support Capital Improvements and Projects. The fiscal year 2012-2013 budget includes appropriations

for following projects: paving, revaluation, Information Technology, police cars, recreation pick-up truck, 2 dump trucks, public works sander and 2 snow plows. The town uses tax dollars to pay for these capital improvements. The town is in the process of completing the middle school and renovations on other schools and financed \$35,640,000 bonds in February 2012. The Town also financed road improvements with \$1,000,000 bonds in September 2011.

***Cash Management Policies and Practices:*** Cash temporarily idle during the year is invested in money market funds and government securities. The average yield on the investments is approximately .24% for fiscal year 2012. Investment income includes appreciation in the value of the investments. Increases in the value during the current year, however, do not necessarily represent trends that will continue. A report is provided to the Town Council on a monthly basis. The monthly report includes values and interest rates.

***Risk Management:*** The Town of East Greenwich is exposed to a variety of potential losses and has established a risk management strategy that attempts to minimize the losses and the carrying cost of insurance. The primary technique used for risk financing is the purchase of insurance coverage from commercial insurers. The expected portion of uninsured losses is not expected to be significant when considered in relation to the overall financial position of the town.

***Pension and Other Post Employment Benefits:*** All employees of the town are provided pension benefits through the Town's participation in the State of Rhode Island Municipal Employees Retirement System (MERS). Each year, an independent actuary is engaged to calculate the annual contribution that the town must make to MERS to ensure that the plan will be able to fully meet its obligations to retired employees. As a matter of policy, the town fully funds each year's annual required contribution as determined by the actuary.

The Town of East Greenwich also provides postretirement health care benefits to certain employees who have fulfilled the retirement requirements of their respective contracts. As of the end of the current fiscal year, there were fifty-three retired employees receiving these benefits, which are financed on a pay as you go basis. The Governmental Accounting Standards Board (GASB) recently promulgated Statements 43 and 45. These statements require public sector entities to report the future costs of these non-pension benefits.

Additional information on the Town of East Greenwich's post employment benefits and pension arrangements can be found in Note 16 to the financial statements.

***Comprehensive Annual Financial Report:*** The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of East Greenwich for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2011. This was the third consecutive year that the government has achieved this

prestigious award. In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

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

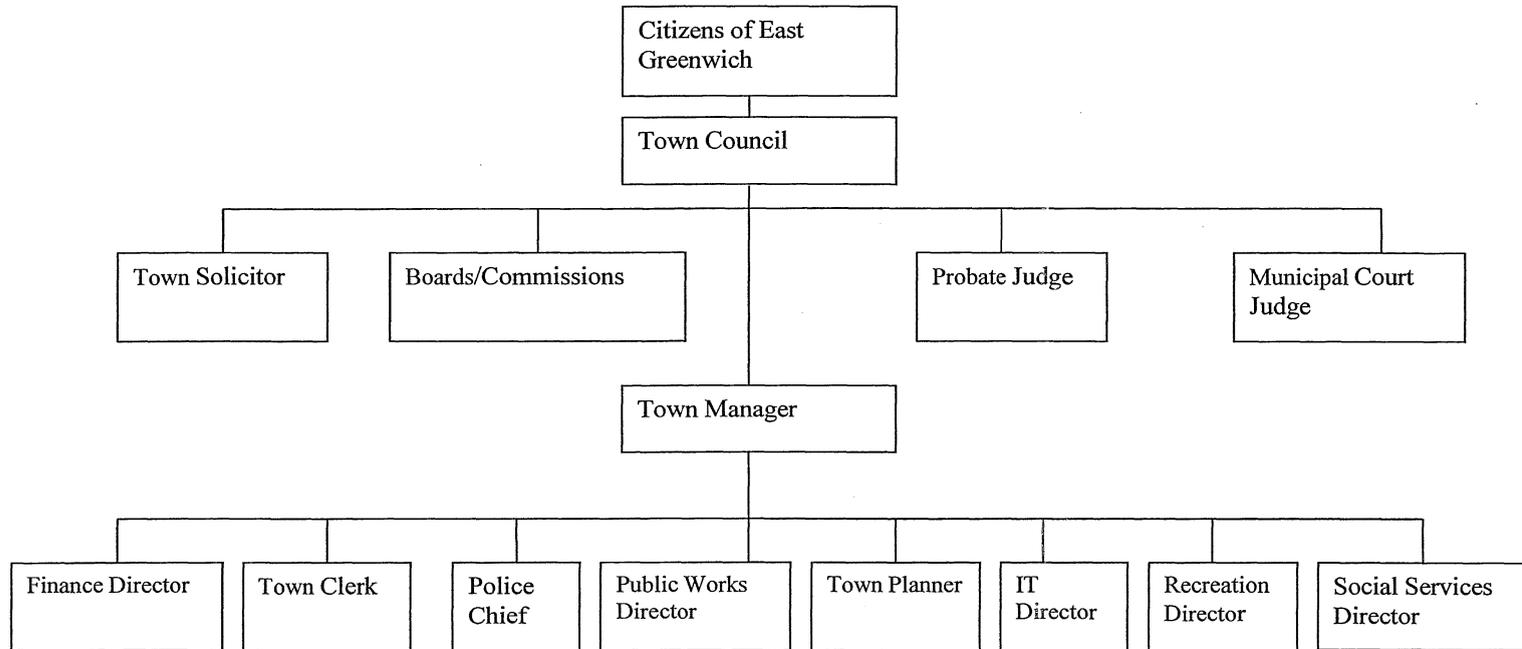
**Acknowledgements:** The preparation of the Comprehensive Annual Financial Report would not have been possible without the efficient and dedicated services of the entire Finance Department. I would also like to express my appreciation to all members of the various other town department's who assisted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

Respectfully submitted,



Kathleen A. Raposa, CPA  
Finance Director

TOWN OF EAST GREENWICH  
MUNICIPAL ORGANIZATION CHART



**TOWN OF EAST GREENWICH, RHODE ISLAND**

**as of June 30, 2012**

**TOWN COUNCIL**

Michael B. Isaacs - President  
Henry V. Boezi - Vice President  
Jeffrey B. Cianciolo  
Michael S. Kiernan  
Mark W. Gee

**TOWN MANAGER**

William Sequino, Jr.

**FINANCE DIRECTOR**

Kathleen A. Raposa, CPA

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of East Greenwich  
Rhode Island

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Christopher P. Moynell*

President

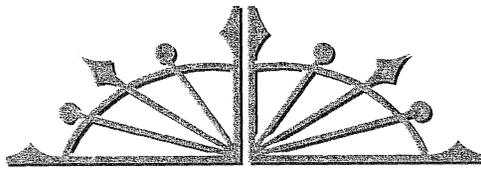
*Jeffrey R. Emer*

Executive Director

## **FINANCIAL SECTION**

This Section Contains the Following Subsections:

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



## BAXTER DANSEREAU & ASSOCIATES, LLP

Accounting, Consulting & Tax Services

---

*Partners*

William J. Baxter, Jr., CPA

Paul L. Dansereau, CPA

### **INDEPENDENT AUDITOR'S REPORT**

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

We have audited the accompanying financial statements of the governmental activities, the business type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of East Greenwich, Rhode Island (Town) as of and for the year ended June 30, 2012, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of East Greenwich, Rhode Island's management. Our responsibility is to express an opinion 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, business type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Town of East Greenwich, Rhode Island as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 31, 2012 on our consideration of the Town of East Greenwich, Rhode Island's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 11 and 57 through 63 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 management discussion and analysis information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's financial statements as a whole. The introductory section, combining and individual non-major fund financial statements and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The combining and individual non-major fund financial statements, the budgetary comparison schedules on pages 57-62 and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 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.

  
Baxter Dansereau & Associates, LLP  
October 31, 2012

## **Management's Discussion and Analysis**

**TOWN OF EAST GREENWICH, RHODE ISLAND**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2012**  
**(Un-audited)**

---

Our discussion and analysis of the Town of East Greenwich, Rhode Island's financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2012. Please read it in conjunction with the Letter of Transmittal and the Town's financial statements that follow this section.

#### Financial Highlights

- ❖ The Town's net assets decreased by (\$625,683) as a result of this year's current operations. However, prior period adjustments decreased the net assets by an amount of (\$7,300), making the total decrease (\$632,983). The primary reason for the decrease was a large non-capital expenditure in the capital projects funds. On a government-wide basis the assets of the Town of East Greenwich exceeded its liabilities at the close of the most recent fiscal year by \$56,125,155. Net assets of business activities increased by \$9,710 or 0.04%, while net assets of Governmental Activities decreased by (\$635,393) and prior period adjustments decreased the net assets of Government Activities an additional (\$7,300) for a total decrease of (\$642,693) or 2.02%.
- ❖ The Town's Government-wide (governmental and business activities) operating expenses were \$57,653,038 a 8.17% increase from the prior year, while revenues collected were \$57,045,500 a 2.11% increase. The increase in operating expenses was mainly due to increases in legislative, judicial & general administrative, public works, senior and human services and the net decrease in the fair market value of investments. The increase in revenue was from increases in general property tax, State revenue sharing and capital grants and contributions. The revenues for the business like activities decreased due to a larger sewer project being completed and billed in the prior years.
- ❖ As of the close of the fiscal year, the Town's governmental funds reported combined ending fund balances of \$19,935,205. Over 28% of this amount, \$5,618,791 is unassigned and available for use within the Town's designation and fiscal policies. See page eight for more detail pertaining to the fund balance categories.
- ❖ At the end of the current fiscal year, the general fund unassigned fund balance was \$5,842,439, or 11.4% of the total general fund expenditures for the fiscal year. The general fund's current fiscal year revenues and transfers exceeded expenditures and transfers by \$280,070. On a budgetary basis revenues and transfers exceeded expenditures and transfers by \$227,662. The difference being that prior year encumbrances and stabilization stimulus monies are not included in the budgetary amounts.

#### Overview of the Financial Statements

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

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

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

The Town's basic financial statements and supplementary financial information provide information about all of the Town's activities. They provide both a short-term and a long-term view of the Town's financial health as well as

**TOWN OF EAST GREENWICH, RHODE ISLAND**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2012**  
**(Un-audited)**

---

information about activities for which the Town acts solely as a trustee for the benefit of those outside of the Town's government.

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

The *Statement of Net Assets* presents information on all of the Town's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the fiscal year. All changes in net assets are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods. Examples are uncollected taxes and earned but unused compensated absences.

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

The government wide financial statements are reported on pages 12 through 13.

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

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

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

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

The basic governmental fund financial statements can be found on pages 14 through 15.

---

**TOWN OF EAST GREENWICH, RHODE ISLAND**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2012**  
**(Un-audited)**

---

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

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

The basic proprietary fund financial statements are presented on pages 17 through 19.

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

The fiduciary fund financial statements can be found on page 20.

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

The notes to the financial statements are presented on pages 21 through 56.

**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 57 through 64.

The combining statements and supplementary information referred to earlier in connection with non-major governmental funds, and proprietary funds are presented on pages 65 through 103.

## **Government-wide Financial Analysis**

### **Analysis of the Town of East Greenwich's Net Assets**

As noted earlier, over time net assets may serve as a useful indicator of a government's financial position, and an important determinant of its ability to finance services in the future. For the Town of East Greenwich, governmental activities assets exceeded liabilities by \$31,199,255 as of June 30, 2012. This reflects a decrease of (\$635,393) from this current year's activity and a prior period adjustment in the amount of (\$7,300). The Business Type Activities assets exceeded liabilities by \$24,925,900 as of June 30, 2012. This reflects an increase of \$9,710 from this current year's activity. See page 3 **Financial Highlights** above for a further explanation.

**TOWN OF EAST GREENWICH, RHODE ISLAND**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2012**  
**(Un-audited)**

**Analysis of the Town of East Greenwich's Net Assets (Continued)**

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

**TOWN OF EAST GREENWICH, RHODE ISLAND**  
**Net Assets**

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
<b>ASSETS</b>						
Current and other assets	\$ 25,641,430	\$ 27,979,117	\$ 16,124,177	\$ 17,215,062	\$ 41,765,607	\$ 45,194,179
Capital assets	82,466,418	76,905,474	38,390,214	39,325,995	120,856,632	116,231,469
<b>Total assets</b>	<b>108,107,848</b>	<b>104,884,591</b>	<b>54,514,391</b>	<b>56,541,057</b>	<b>162,622,239</b>	<b>161,425,648</b>
<b>LIABILITIES</b>						
Other liabilities	7,466,881	4,560,938	2,277,422	2,532,206	9,744,303	7,093,144
Long-term liabilities	69,441,712	68,481,705	27,311,069	29,092,661	96,752,781	97,574,366
<b>Total liabilities</b>	<b>76,908,593</b>	<b>73,042,643</b>	<b>29,588,491</b>	<b>31,624,867</b>	<b>106,497,084</b>	<b>104,667,510</b>
<b>NET ASSETS</b>						
Invested in capital assets, net of related debt	19,739,145	16,161,958	11,088,505	10,255,599	30,827,650	26,417,557
Restricted	3,533,838	-	-	-	3,533,838	-
Unrestricted	7,926,272	15,679,990	13,837,395	14,660,591	21,763,667	30,340,581
<b>Total net assets</b>	<b>\$ 31,199,255</b>	<b>\$ 31,841,948</b>	<b>\$ 24,925,900</b>	<b>\$ 24,916,190</b>	<b>\$ 56,125,155</b>	<b>\$ 56,758,138</b>

A large portion of the Town's net assets, \$30,827,650 consists of its investments in capital assets such as land, buildings and improvements, motor vehicles, furniture and equipment and infrastructure, less any debt used to acquire these assets, which is still outstanding. The Town uses these capital assets to provide services to its citizens. Consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves are unlikely to be used to liquidate these liabilities.

**Analysis of the Town of East Greenwich's Operations**

The following analysis provides a summary of the Town's operations for the year ended June 30, 2012. The Town first implemented GASB Statement 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments for the fiscal year June 30, 2003. Therefore, comparative data is now available and is presented in the following schedules. Governmental activities decreased the Town's net assets by (\$635,393) for the current period, which is a decrease of 1.99% in the Town's governmental net assets, while business-type activities increased the Town's net assets by \$9,710, accounting for 0.04% increase in business-type net assets. Overall the Town's net assets decreased by (\$625,683) which is a 1.11% decrease over the prior year's net assets.

**TOWN OF EAST GREENWICH, RHODE ISLAND**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2012**  
**(Un-audited)**

**Analysis of the Town of East Greenwich's Operations (continued)**

The net change in fund balance for the fiscal year ended June 30, 2012 was a decrease of (\$1,803,828) for the Town's governmental fund types. In the statement of activities, expenses for capital items are not recorded as expenses but shown on the balance sheet, which resulted in an increase of \$5,497,080 net of depreciation to our net assets; also revenues from the increase in deferred revenues are not recorded as revenues in the fund financial statements, but in the statement of activities this resulted in an increase of \$226,344. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets, which increased net assets by \$36,840,833. The Town received bond proceeds in the governmental funds of \$36,640,000 but in the government-wide financial statements this increases long-term debt, which decreased fund revenues. See Note 8 and 9 in the notes to the financial statements and page 16 of the financial statements for a more detailed explanation of changes in net assets.

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

**TOWN OF EAST GREENWICH, RHODE ISLAND**  
**Changes in net assets**

	Governmental		Business-Type		Total	
	Activities		Activities			
	2012	2011	2012	2011	2012	2011
<b>Revenues</b>						
Program revenues						
Charges for services	\$ 2,041,191	\$ 2,750,712	\$ 2,408,772	\$ 3,600,454	\$ 4,449,963	\$ 6,351,166
Operating grants and contributions	1,782,365	1,719,457	-	-	1,782,365	1,719,457
Capital grants and contributions	294,326	29,797	-	-	294,326	29,797
General revenues						
Property taxes, levied for general purposes	43,986,640	43,109,254	-	-	43,986,640	43,109,254
State revenue sharing	4,120,811	3,746,977	-	-	4,120,811	3,746,977
Unrestricted investment earnings	744	232	525,438	551,005	526,182	551,237
Miscellaneous	1,885,213	359,908	-	-	1,885,213	359,908
Gain (loss) on sale of assets	(18,145)	(20,985)	-	-	(18,145)	(20,985)
<b>Total revenues</b>	<u>54,093,145</u>	<u>51,695,352</u>	<u>2,934,210</u>	<u>4,151,459</u>	<u>57,027,355</u>	<u>55,846,811</u>
<b>Expenses</b>						
General government	6,566,960	5,199,756	-	-	6,566,960	5,199,756
Public safety	3,335,498	3,362,659	-	-	3,335,498	3,362,659
Public works	4,640,995	4,288,190	-	-	4,640,995	4,288,190
Parks and recreation	632,251	571,481	-	-	632,251	571,481
Public and social services	1,739,507	1,120,587	-	-	1,739,507	1,120,587
Education	34,883,882	34,490,597	-	-	34,883,882	34,490,597
Interest on long-term debt	1,591,216	737,841	-	-	1,591,216	737,841
Financing costs	1,338,229	650,037	-	-	1,338,229	650,037
Sewer	-	-	2,924,500	2,876,482	2,924,500	2,876,482
<b>Total expenses</b>	<u>54,728,538</u>	<u>50,421,148</u>	<u>2,924,500</u>	<u>2,876,482</u>	<u>57,653,038</u>	<u>53,297,630</u>
Increase (decrease) in net assets	<u>\$ (635,393)</u>	<u>\$ 1,274,204</u>	<u>\$ 9,710</u>	<u>\$ 1,274,977</u>	<u>\$ (625,683)</u>	<u>\$ 2,549,181</u>

**TOWN OF EAST GREENWICH, RHODE ISLAND**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2012**  
**(Un-audited)**

**Financial Analysis of the Town of East Greenwich's Funds**

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

At the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$19,935,205. Approximately 28% of the total amount, or \$5,618,791, constituted unassigned fund balance. The remainder of the fund balance is non-spendable, restricted, committed or assigned. The fund balance in the General Fund increased due to a positive variance of revenues in excess of expenditures of \$280,070. The Town generated a loss of (\$149,989) and the School Department generated a gain of \$430,059. Thus, the combined result was the positive effect to fund balance of \$280,070. The Town appeared to have a loss, although the Capital Improvement line was over budget due to items that were budgeted from the previous year being expensed in the current year. Thus, the loss did not have a full impact on the Unassigned Fund Balance but on the Assigned for Capital Outlay line. The Town Unassigned Fund Balance did increase. The School had savings from their Healthcare Expenditures which had a positive effect on the bottom line. The School Bond Capital Fund had a decrease in fund balance due to ongoing expenditures to complete the school projects.

**TOWN OF EAST GREENWICH, RHODE ISLAND**  
**Fund Balance Categories**

	General Fund	School Bond 52m Capital Fund	Non-Major Governmental Funds	Total Governmental Funds
<i>Nonspendable:</i>				
Inventories	\$ -	\$ -	\$ 6,121	\$ 6,121
Permanent fund principal	-	-	203,343	203,343
<i>Restricted for:</i>				
Educational programs	1,541,450	-	298,361	1,839,811
Public works programs	-	-	28,188	28,188
Public health and welfare	937,277	-	-	937,277
Culture and recreation	-	-	728,562	728,562
<i>Committed for:</i>				
Education	130,000	6,434,194	-	6,564,194
Capital outlay	100,000	-	-	100,000
<i>Assigned for:</i>				
Legislative, judicial	-	-	164,714	164,714
Public safety programs	-	-	110,363	110,363
Capital outlay	1,049,510	-	-	1,049,510
Community programs	210,000	-	120,161	330,161
Public works programs	-	-	154,232	154,232
Long term obligations	-	-	609,391	609,391
Culture and recreation	-	-	1,490,547	1,490,547
<i>Unassigned:</i>	5,842,439	-	(223,648)	5,618,791
<b>Total fund balances</b>	<u>\$ 9,810,676</u>	<u>\$ 6,434,194</u>	<u>\$ 3,690,335</u>	<u>\$ 19,935,205</u>

**Proprietary Funds** - The Town of East Greenwich's proprietary fund statements provide the same type of information as presented in the government-wide financial statements, but in more detail. Unrestricted net assets of the proprietary funds are \$13,837,395. The net growth in total net assets amounted to \$9,710.

**TOWN OF EAST GREENWICH, RHODE ISLAND**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2012**  
**(Un-audited)**

---

**General Fund Budgetary Highlights**

**Revenues:**

Revenues on a budgetary basis were \$ 421,375 over budget due to the following:

General Property Taxes – were under budget by a total of \$ 194,795. Current year taxes were under budget by \$812,206 and the collection of prior years' taxes was over budget by \$ 617,411. This years' collection rate was 98.14% of budget. This was a decrease over the prior year. Prior years' taxes decreased due to the high collection rate in 2011 of 99.7%

State Aid – was over budget by \$ 149,975 due to School Housing Aid and Meals Tax. The Town received more School Housing Aid than budgeted because more school projects were completed than anticipated during the budget phase. The Town receives money from the state based on the dollar amount of sales on meals in restaurants. The Town received more money than budgeted. Thus, we can conclude that people are dining out.

Licenses, permits and usage fees – were over budget by \$ 334,489 due mainly to a non-budgeted source of revenue of \$158,879 for the hurricane which is offset in Department of Public Works non budgeted expenses. The Building and Mechanical Permits was over budget by \$ 37,576 due to renovations and Police Detail Cruiser revenue was over budget by \$ 65,432 and Service Charges and Moving Violations by \$ 13,795 and \$ 13,842. All of these types of revenue are estimates for budget purposes. The Building and Mechanical Permits is an unknown. The Town is not aware during the budget process which taxpayers will be building a new home or making changes to their existing home. The Police Detail Cruiser revenue is derived from street details. When utility companies do road work they need to utilize a Police Cruiser for traffic control. When additional Police Details are done then the Services Charges increase as well. In all these instances the results are an unknown and the Town budgeted less than we received.

General Revenues -- was over budget by \$ 98,286 mainly due to Miscellaneous Income. General Revenues was over budget by \$ 98,286 mainly due to Miscellaneous Income. The library reimbursed the Town money for payroll taxes since the Town does the payroll for the library. The Town also received funds from RI Resource Recovery for a profit sharing program that they share with municipalities throughout the state when they make a profit. Also, Municipal Court Received more activity than expected during the budget process.

**Expenditures:**

Expenditures on a budgetary basis were over budget by a total of \$ 133,713 due to the following:

Administration – was under budget primarily due to favorable Employee Benefit costs of \$ 190,340 and favorable Insurance costs of \$ 78,828. The Health Benefits were under budget due to the deductibles that the Town pays not turning out to be as high as expected. Also some people had switched to Plan 65 which was a much cheaper plan. Also, some individuals changed from insured to uninsured. There was also a favorable variance in Social Security. The Insurance costs for the Property and Worker's Compensation were less than expected. The Town received a premium refund when then worker's compensation audit was performed.

Capital Improvements -- was over budget by \$ 792,564. The allocated capital does not need to be spent in the fiscal year that the amounts are approved for budget. The extra money is added to Assigned Fund Balance for Capital Improvements for future expenditure. Thus, money assigned for previous years was spent in fiscal year 2012, making the account look like it was over budget.

Education – was under budget by \$ 480,139 due to Health Care expenses being less than anticipated. The school is on a self insured plan and pays on actual claims.

**TOWN OF EAST GREENWICH, RHODE ISLAND**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2012**  
**(Un-audited)**

**The Town of East Greenwich's Capital Assets**

The Town of East Greenwich's investment in capital assets for its governmental and business-type activities amounts to \$120,856,632 net of accumulated depreciation at June 30, 2012. Included are land, building and improvements, construction in progress, motor vehicles, furniture and equipment and infrastructure. Additional information on the Town of East Greenwich's capital assets is located in Note 7 of the notes to the financial statements. The following page presents the Capital Assets after the current year's activity.

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

	June 30, 2012			June 30, 2011		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Land	\$ 1,723,703	\$ 15,372	\$ 1,739,075	\$ 1,723,703	\$ 15,372	\$ 1,739,075
Construction in progress	48,949,593	2,851,910	51,801,503	42,128,183	2,708,952	44,837,135
Infrastructure	6,275,302	-	6,275,302	7,363,390	-	7,363,390
Land improvements	3,868,088	-	3,868,088	2,078,367	-	2,078,367
Buildings and improvements	19,685,544	12,690,889	32,376,433	21,900,093	13,140,324	35,040,417
Motor vehicles	1,212,780	15,910	1,228,690	902,765	20,527	923,292
Office furniture and equipment	29,090	49,513	78,603	43,776	18,550	62,326
Machinery and equipment	722,318	-	722,318	765,197	-	765,197
Sewer lines	-	22,766,620	22,766,620	-	23,422,270	23,422,270
	<u>\$ 82,466,418</u>	<u>\$ 38,390,214</u>	<u>\$ 120,856,632</u>	<u>\$ 76,905,474</u>	<u>\$ 39,325,995</u>	<u>\$ 116,231,469</u>

The total increase in the Town's investment in capital assets for the current fiscal year was about 3.97% in terms of net book value. Significant expenditures were made for the installation of sewer lines, improvements to school buildings, and repairs and maintenance to school buildings. Depreciation charges for the year totaled \$3,547,414 (\$2,431,327 on governmental assets and \$1,116,087 on the assets of the business-type activities). Additional information on the Town's capital assets can be found in Note 7 of the notes to the financial statements.

**The Town of East Greenwich's Debt Administration**

At the end of the current fiscal year, the Town of East Greenwich's Governmental Activities and Business Activities had a total bonded debt of \$68,964,167. Of this amount, 100% comprises bonded debt backed by the full faith and credit of the government.

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

**TOWN OF EAST GREENWICH, RHODE ISLAND**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2012**  
**(Un-audited)**

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

	June 30, 2012			June 30, 2011		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
General Obligation Bonds	\$ 63,824,167	\$ 5,140,000	\$ 68,964,167	\$ 30,525,000	\$ 5,470,000	\$ 35,995,000
Notes Payable	-	22,161,709	22,161,709	33,500,000	23,600,396	57,100,396
	<u>\$ 63,824,167</u>	<u>\$ 27,301,709</u>	<u>\$ 91,125,876</u>	<u>\$ 64,025,000</u>	<u>\$ 29,070,396</u>	<u>\$ 93,095,396</u>

The Town issued general obligation bonds of \$35,640,000 in February 2, 2012 and 1,000,000 on September 30, 2011.

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

The Town's general obligation bond rating as assigned by Moody's Investors Service in 2012 is Aa1 and AA+ by Standard and Poor's. The State of Rhode Island imposes a limit of 3 percent of the fair value of all taxable Town property on the general obligation debt that a municipality can issue. The Town of East Greenwich's limit is \$74,688,916 at year-end. The Town's outstanding general obligation bonded debt is \$68,964,167 at year-end, which is \$5,724,749, under the State imposed limitation.

**Economic Factors and Next Year's Budgets and Rates**

The Town of East Greenwich's total general fund budget for fiscal year 2013 amounts to \$47,478,275 which reflects an increase of \$2,618,070 over the fiscal 2012 budget of \$44,860,205. Of the Town's 2012 budget of \$47,478,275 64.2% is budgeted for educational purposes and 35.8% is budgeted for general government.

The Town's tax rate for fiscal 2013 is \$17.49 per thousand, with 31% allocated for general government and 69% allocated for education. For fiscal 2012, the Town's tax rate was \$17.25 per thousand, with 30% allocated for general government and 70% allocated for education.

**REQUESTS FOR INFORMATION**

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

Kathleen Raposa, CPA  
Finance Director

## **BASIC FINANCIAL STATEMENTS**

## **Government-Wide Financial Statements**

**TOWN OF EAST GREENWICH, RHODE ISLAND**  
**Statement of Net Assets**  
**June 30, 2012**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	East Greenwich Land Trust
<b>ASSETS</b>				
Cash and cash equivalents	\$ 21,280,442	\$ -	\$ 21,280,442	-
Investments	20,483	-	20,483	-
<b>Accounts receivable:</b>				
Accounts receivable net	2,099,542	1,980,851	4,080,393	-
Due from other governments	515,547	-	515,547	-
Other receivables	114,984	2,973,999	3,088,983	190,595
Deposits with institutions	937,277	-	937,277	-
Other assets	673,155	217,685	890,840	-
<b>Capital assets:</b>				
Property, plant and equipment - net	31,793,122	35,522,932	67,316,054	-
Construction in progress	48,949,593	2,851,910	51,801,503	-
Assets not being depreciated	1,723,703	15,372	1,739,075	5,018,500
<b>Total capital assets</b>	<u>82,466,418</u>	<u>38,390,214</u>	<u>120,856,632</u>	<u>5,018,500</u>
<b>Other assets</b>				
Long-term sewer assessment receivable	-	10,951,642	10,951,642	-
<b>TOTAL ASSETS</b>	<u>108,107,848</u>	<u>54,514,391</u>	<u>162,622,239</u>	<u>5,209,095</u>
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	9,104,297	204,897	9,309,194	-
Internal balances	(1,670,858)	1,670,858	-	-
Deferred revenue	33,442	401,667	435,109	-
<b>Long-term liabilities</b>				
Due within one year	3,968,703	1,898,162	5,866,865	-
Due in more than one year	65,473,009	25,412,907	90,885,916	-
<b>Total liabilities</b>	<u>76,908,593</u>	<u>29,588,491</u>	<u>106,497,084</u>	<u>-</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	19,739,145	11,088,505	30,827,650	5,018,500
Restricted for:				
Education programs	1,839,811	-	1,839,811	-
Public works programs	28,188	-	28,188	-
Public health and welfare	937,277	-	937,277	-
Culture and recreation	728,562	-	728,562	-
Unrestricted	7,926,272	13,837,395	21,763,667	190,595
<b>Total net assets</b>	<u>\$ 31,199,255</u>	<u>\$ 24,925,900</u>	<u>\$ 56,125,155</u>	<u>5,209,095</u>

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

**TOWN OF EAST GREENWICH, RHODE ISLAND**  
**Statement of Activities**  
**For the Year Ended June 30, 2012**

	Program revenues				Net (Expense) Revenue and Changes in Net Assets			Component Unit East Greenwich Land Trust
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
<b>Functions/Programs</b>								
<b>Primary government</b>								
Governmental activities:								
Legislative, judicial and general administrative	\$ 5,867,286	\$ 558,686	\$ 216,590	\$ 294,326	\$ (4,797,684)		\$ (4,797,684)	
Financial administration	180,311	-	-	-	(180,311)		(180,311)	
Information technology	343,978	-	-	-	(343,978)		(343,978)	
Public safety	3,335,498	230,525	128,961	-	(2,976,012)		(2,976,012)	
Public works	4,640,995	408,144	-	-	(4,232,851)		(4,232,851)	
Public health and welfare	495,426	87,357	179,415	-	(228,654)		(228,654)	
Parks and recreation	632,251	225,631	11,074	-	(395,546)		(395,546)	
Town planner	175,385	-	-	-	(175,385)		(175,385)	
Senior and human services	769,945	-	-	-	(769,945)		(769,945)	
Education	34,883,882	530,824	1,246,325	-	(33,106,733)		(33,106,733)	
Library	467,175	-	-	-	(467,175)		(467,175)	
Net decrease in FMV of investments	6,961	-	-	-	(6,961)		(6,961)	
Financing costs	1,338,229	-	-	-	(1,338,229)		(1,338,229)	
Interest on long-term debt	1,591,216	24	-	-	(1,591,192)		(1,591,192)	
<b>Total governmental activities</b>	<u>54,728,538</u>	<u>2,041,191</u>	<u>1,782,365</u>	<u>294,326</u>	<u>(50,610,656)</u>		<u>(50,610,656)</u>	
<b>Business-type activities:</b>								
Sewer fund	2,924,500	2,408,772	-	-	-	\$ (515,728)	(515,728)	
<b>Total business-type activities</b>	<u>2,924,500</u>	<u>2,408,772</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(515,728)</u>	<u>(515,728)</u>	
<b>Total primary government</b>	<u>\$ 57,653,038</u>	<u>\$ 4,449,963</u>	<u>\$ 1,782,365</u>	<u>\$ 294,326</u>	<u>(50,610,656)</u>	<u>(515,728)</u>	<u>(51,126,384)</u>	
<b>Component unit:</b>								
East Greenwich Land Trust	\$ -	\$ -	\$ 38,477	\$ -				\$ 38,477
<b>Total Component unit:</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,477</u>	<u>\$ -</u>				<u>\$ 38,477</u>
<b>General revenues:</b>								
General property tax					43,986,640	-	43,986,640	-
State revenue sharing					4,120,811	-	4,120,811	-
Unrestricted investment earnings					744	525,438	526,182	-
Special Item - loss on disposal of capital assets					(18,145)	-	(18,145)	-
Miscellaneous					1,885,213	-	1,885,213	-
<b>Total general revenues</b>					<u>49,975,263</u>	<u>525,438</u>	<u>50,500,701</u>	<u>38,477</u>
<b>Change in net assets</b>					<u>(635,393)</u>	<u>9,710</u>	<u>(625,683)</u>	<u>38,477</u>
Net assets - beginning					31,841,948	24,916,190	56,758,138	5,170,618
Prior period adjustment (Note 13)					(7,300)	-	(7,300)	-
Net assets - beginning (restated)					31,834,648	24,916,190	56,750,838	5,170,618
<b>Net assets - ending</b>					<u>\$ 31,199,255</u>	<u>\$ 24,925,900</u>	<u>\$ 56,125,155</u>	<u>\$ 5,209,095</u>

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

## **Fund Financial Statements**

**TOWN OF EAST GREENWICH, RHODE ISLAND**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2012**

	<b>General Fund</b>	<b>School Bond 52m Capital Fund</b>	<b>Non-Major Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 19,872,697	\$ -	\$ 1,407,745	\$ 21,280,442
Investments	-	-	20,483	20,483
<b>Accounts receivable:</b>				
Property taxes, less allowance for doubtful accounts of \$57,000	2,099,542	-	-	2,099,542
Intergovernmental	179,652	-	335,895	515,547
Other	103,385	-	11,600	114,985
Internal balances	113,175,615	48,903,587	23,391,025	185,470,227
Inventory	-	-	6,121	6,121
Deposits with institutions	937,277	-	-	937,277
<b>TOTAL ASSETS</b>	<b>\$ 136,368,168</b>	<b>\$ 48,903,587</b>	<b>\$ 25,172,869</b>	<b>\$ 210,444,624</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable and accrued expenses	\$ 3,755,694	\$ 502,571	\$ 191,008	\$ 4,449,273
Internal balances	120,702,254	41,966,822	21,258,084	183,927,160
Deferred revenue	2,099,544	-	33,442	2,132,986
<b>Total liabilities</b>	<b>126,557,492</b>	<b>42,469,393</b>	<b>21,482,534</b>	<b>190,509,419</b>
<b>Fund balances:</b>				
<i>Nonspendable:</i>				
Inventories	-	-	6,121	6,121
Permanent fund principal	-	-	203,343	203,343
<i>Restricted for:</i>				
Educational programs	1,541,450	-	298,361	1,839,811
Public works programs	-	-	28,188	28,188
Public health and welfare	937,277	-	-	937,277
Culture and recreation	-	-	728,562	728,562
<i>Committed for:</i>				
Educational programs	130,000	6,434,194	-	6,564,194
Capital outlay	100,000	-	-	100,000
<i>Assigned for:</i>				
Legislative, judicial	-	-	164,714	164,714
Public safety programs	-	-	110,363	110,363
Capital outlay	1,049,510	-	-	1,049,510
Community programs	210,000	-	120,161	330,161
Public works programs	-	-	154,232	154,232
Long term obligations	-	-	609,391	609,391
Culture and recreation	-	-	1,490,547	1,490,547
<i>Unassigned:</i>	5,842,439	-	(223,648)	5,618,791
<b>Total fund balances</b>	<b>9,810,676</b>	<b>6,434,194</b>	<b>3,690,335</b>	<b>19,935,205</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 136,368,168</b>	<b>\$ 48,903,587</b>	<b>\$ 25,172,869</b>	<b>\$ 210,444,624</b>

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. (see note 8)	82,466,418
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. (see note 8)	(1,760,655)
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. (see note 8)	(69,441,712)
<b>Net assets of governmental activities</b>	<b>\$ 31,199,255</b>

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

**TOWN OF EAST GREENWICH, RHODE ISLAND**  
**Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2012**

	<u>General Fund</u>	<u>School Bond 52m Capital Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>				
General property tax	\$ 43,760,296	\$ -	\$ -	\$ 43,760,296
Intergovernmental and departmental revenues	4,024,024	-	1,667,862	5,691,886
License and permits	1,114,239	-	-	1,114,239
Interest on investments	-	-	744	744
Tuitions	162,400	-	-	162,400
Other revenues	2,235,324	-	894,881	3,130,205
<b>Total revenues</b>	<u>51,296,283</u>	<u>-</u>	<u>2,563,487</u>	<u>53,859,770</u>
<b>Expenditures</b>				
Legislative, judicial and general administrative	3,696,496	-	1,021,238	4,717,734
Financial administration	519,975	-	-	519,975
Information technology	343,978	-	-	343,978
Public safety	2,962,067	-	74,510	3,036,577
Public works	3,039,703	-	-	3,039,703
Teen Center	9,280	-	-	9,280
Public health and welfare	-	-	710,552	710,552
Parks and recreation	569,657	-	-	569,657
Town planner	175,385	-	-	175,385
Senior and human services	214,953	-	-	214,953
Education	33,510,864	-	1,373,018	34,883,882
Grants and contributions	24,000	-	-	24,000
Library	467,175	-	-	467,175
Land trust	76,388	-	-	76,388
Financing costs	990,306	347,923	-	1,338,229
Net decrease in FMV of investments	-	-	6,961	6,961
Capital outlay	618,194	6,759,750	568,608	7,946,552
Long-term obligations:				
Principal	3,140,833	33,500,000	-	36,640,833
Interest	690,379	501,104	-	1,191,483
<b>Total expenditures</b>	<u>51,049,633</u>	<u>41,108,777</u>	<u>3,754,887</u>	<u>95,913,297</u>
<b>Excess of revenues over (under) expenditures before other financing sources (uses)</b>	<u>246,650</u>	<u>(41,108,777)</u>	<u>(1,191,400)</u>	<u>(42,053,527)</u>
<b>Other financing sources (uses)</b>				
Issuance of debt	-	35,640,000	1,000,000	36,640,000
Bond premium proceeds	33,420	3,576,279	-	3,609,699
Transfers from other funds	-	-	239,321	239,321
Transfers to other funds	-	-	(239,321)	(239,321)
<b>Total other financing sources (uses)</b>	<u>33,420</u>	<u>39,216,279</u>	<u>1,000,000</u>	<u>40,249,699</u>
<b>Net changes in fund balances</b>	280,070	(1,892,498)	(191,400)	(1,803,828)
<b>Fund balances - beginning</b>	<u>9,530,606</u>	<u>8,326,692</u>	<u>3,881,735</u>	<u>21,739,033</u>
<b>Fund balances - ending</b>	<u>\$ 9,810,676</u>	<u>\$ 6,434,194</u>	<u>\$ 3,690,335</u>	<u>\$ 19,935,205</u>

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

**TOWN OF EAST GREENWICH, RHODE ISLAND**  
**Reconciliation of the Statement of Revenues,**  
**Expenditures, and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**For the Year Ended June 30, 2012**

Net change in fund balances - total governmental funds \$ (1,803,828)

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

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

Capital outlay	7,946,552	
Depreciation expense	(2,431,327)	
Loss on disposal of fixed assets	<u>(18,145)</u>	5,497,080

Property taxes that are not collected in the current period and do not represent current financial resources are deferred in the fund financial statements, however they are recognized as revenues in the statement of activities. 226,344

Amortization of bond issuance costs and premiums in the current period do not represent current financial resources, however they are recognized as expenditures and revenues in the statement of activities. (3,281,539)

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. (384,607)

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

Principal payments made on long-term debt	36,840,833	
Issuance of debt	(36,640,000)	
Net decrease in compensated absences	120,037	
Net increase in the other post employment benefit obligation	<u>(1,209,713)</u>	<u>(888,843)</u>

Change in net assets of governmental activities \$ (635,393)

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

**TOWN OF EAST GREENWICH, RHODE ISLAND**  
**Statement of Net Assets**  
**Proprietary Funds**  
**June 30, 2012**

	<b>Sewer Fund</b>
<b>ASSETS</b>	
<b>Current assets</b>	
Cash and cash equivalents	\$ -
<b>Accounts receivable</b>	
User fees, net of \$50,000 allowance for doubtful accounts	1,710,619
Construction loans receivable	2,973,999
Assessments, current portion	270,232
<b>Total current assets</b>	<b>4,954,850</b>
<b>Non-current assets</b>	
Deferred charges, net of amortization	217,685
Long-term sewer assessment receivable	10,951,642
Net capital assets	38,390,214
<b>Total non-current assets</b>	<b>49,559,541</b>
<b>TOTAL ASSETS</b>	<b>54,514,391</b>
<b>LIABILITIES</b>	
<b>Current liabilities</b>	
Accounts payable and accrued expenses	204,897
Internal balances	1,670,858
Current portion of long-term debt	1,898,162
<b>Total current liabilities</b>	<b>3,773,917</b>
<b>Non-current liabilities</b>	
Notes and bonds payable	25,403,547
Accrued compensated absences	9,360
Deferred revenues	401,667
<b>Total non-current liabilities</b>	<b>25,814,574</b>
<b>TOTAL LIABILITIES</b>	<b>29,588,491</b>
<b>Net Assets</b>	
Invested in capital assets, net of related debt	11,088,505
Unrestricted	13,837,395
<b>Total net assets</b>	<b>\$ 24,925,900</b>

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

**TOWN OF EAST GREENWICH, RHODE ISLAND**  
**Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2012**

	<b>Sewer Fund</b>
<b>Operating revenues</b>	
Usage sales and fees	\$ 2,320,008
Other income	88,764
<b>Total operating revenues</b>	2,408,772
<b>Operating expenses</b>	
Salaries and benefits	410,310
Materials and supplies	26,100
Construction	55,992
Contract services	115,518
Repairs and maintenance	24,227
Utilities	142,146
Administrative expenses	334,083
Depreciation and amortization	1,134,171
<b>Total operating expenses</b>	2,242,547
<b>Operating income</b>	166,225
<b>Non-operating revenues (expenses)</b>	
Assessment interest income	525,438
Sewer bond interest expense	(681,953)
<b>Total non-operating (expenses)</b>	(156,515)
<b>Change in net assets</b>	9,710
<b>Total net assets - beginning</b>	24,916,190
<b>Total net assets - ending</b>	\$ 24,925,900

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

**TOWN OF EAST GREENWICH, RHODE ISLAND**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2012**

	<b>Sewer Fund</b>
<b>Cash flows from operating activities</b>	
Cash received from customers and providing services	\$ 2,720,951
Cash payments to suppliers for goods and services	(1,090,452)
Cash payments to employees for services	(410,310)
<b>Net cash provided by (used for) operating activities</b>	<b>1,220,189</b>
<b>Cash flows from non-capital financing activities</b>	
Interfund loans	173,678
<b>Net cash provided by non-capital financing activities</b>	<b>173,678</b>
<b>Cash flows from capital and related financing activities</b>	
Principal paid on bonds & notes	(1,768,687)
Change in compensated absences and deferred revenue	(48,982)
Additions to capital assets	(180,306)
Interest paid on long term debt	(681,953)
Construction receivables	760,623
<b>Net cash (used for) capital and related financing activities</b>	<b>(1,919,305)</b>
<b>Cash flows from investing activities</b>	
Interest income	525,438
<b>Net cash provided by investing activities</b>	<b>525,438</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	-
<b>Cash and cash equivalents at beginning of year</b>	-
<b>Cash and cash equivalents at end of year</b>	<b>\$ -</b>
<b>Reconciliation of operating income to net cash provided by operating activities</b>	
<b>Operating income (Loss)</b>	\$ 166,225
<b>Adjustments to reconcile operating income to net cash provided by operating activities:</b>	
Depreciation and amortization	1,134,171
<b>Changes in assets and liabilities:</b>	
(Increase) decrease in accounts receivable	312,179
Increase (decrease) in accounts payable and accrued expenses	(392,386)
<b>Total adjustments</b>	<b>1,053,964</b>
<b>Net cash provided by operating activities</b>	<b>\$ 1,220,189</b>

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

**TOWN OF EAST GREENWICH, RHODE ISLAND**  
**Statement of Fiduciary Net Assets**  
**Fiduciary Funds**  
**June 30, 2012**

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 334,704
Internal balances	127,791
<b>Total Assets</b>	<u>462,495</u>
<b>LIABILITIES</b>	
Deposits held in custody for others	<u>462,495</u>
<b>Total Liabilities</b>	<u>\$ 462,495</u>

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

## **Notes to Financial Statements**

**TOWN OF EAST GREENWICH, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

---

**NOTE 1 - REPORTING ENTITY**

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

The Town complies with generally accepted accounting principles (GAAP). Generally accepted accounting principles (GAAP) includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide Statement of Net Assets and Statement of Activities, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, 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 these notes.

**Primary Government**

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

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

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

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

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

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

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

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

The following entities were considered for classification as component units for fiscal year 2012:

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

**TOWN OF EAST GREENWICH, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

---

***NOTE 1 - REPORTING ENTITY (CONTINUED)***

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

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

***NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES***

**BASIS OF PRESENTATION**

***Government-Wide Financial Statements***

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

***Fund Financial Statements***

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

---

(Continued)

**TOWN OF EAST GREENWICH, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

---

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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

**GOVERNMENTAL FUND TYPES**

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

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

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

**Capital Projects Funds** - are used to account for resources restricted for the acquisition or construction of specific capital projects or items (other than those financed by Proprietary or Trust funds). The School Bond 52m Capital Fund is a capital projects fund and is a major fund. This fund is for a 52 million dollar school project. A new Middle School was built and major renovations were done on the middle school and elementary schools. The Town began the project by issuing BANS and refinanced the BANS into bonds in February 2012.

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

**PROPRIETARY FUND TYPES**

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

**FIDUCIARY FUND TYPES**

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

**TOWN OF EAST GREENWICH, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

---

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**BASIS OF ACCOUNTING**

***Measurement Focus***

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

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

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

***Basis of Accounting***

In the government-wide Statement of Net Assets and Statement of Activities, both governmental and business-like 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, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

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

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

---

(Continued)

**TOWN OF EAST GREENWICH, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

---

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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

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

**Cash and Cash Equivalents**

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

**Investments**

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

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

**Receivables**

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

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

**Prepaid items**

Prepaid items are accounted for under the consumption 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.

**Inventories**

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

---

(Continued)

**TOWN OF EAST GREENWICH, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

---

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Capital Assets**

**Property, Plant and Equipment**

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

**Government-Wide Statements**

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

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

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

**Fund Financial Statements**

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

**Equity Classifications**

**Government-Wide Statements**

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

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

---

(Continued)

**TOWN OF EAST GREENWICH, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

---

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Governmental Fund Financial Statements**

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

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

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

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

**Fund Balance Transactions**

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

**Property Taxes**

The Town is permitted by state law to levy property taxes. Taxes are recognized as revenue when they are collected. Taxes are levied each July on (a) 100% of the full and fair value of real and tangible personal property owned within the Town on the previous December 31; and, (b) the value, as determined by the Rhode Island Vehicle Valuation Commission, of vehicles registered within the Town the previous calendar year, prorated for the actual number of days so registered, reduced by the amount exempt under the Motor Vehicle Phase-Out Program. Taxes levied during July are payable in quarterly installments on September 1, December 1, March 1 and June 1, or on September 1, if paid in one payment. Unpaid property taxes at June 30, 2012, include delinquent installments of the current and prior years. The Town does not record interest earned on delinquent taxes until payment is received.

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

---

(Continued)

**TOWN OF EAST GREENWICH, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

---

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**Deferred Revenues**

Deferred revenues represent funds received in advance of being owed or receivables, which will be collected and included in revenues of future fiscal years. In the General Fund, deferred revenues relate to property tax receivables, which will be collected in future years.

**Vacation, Sick Leave, and Other Compensated Absences**

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

**Short-Term Interfund Receivable/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 "internal balances" on the balance sheet.

**Advances to Other Funds**

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

**Uses of Estimates**

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

**Budgetary Process**

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

---

(Continued)

**TOWN OF EAST GREENWICH, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

---

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Appropriations in addition to those contained in the annual operating budgets, except for the purpose of meeting a public emergency, are made upon the recommendation of the Town Manager with the Director of Finance's certification as to General Fund surplus to meet such appropriations and with Town Council's approval and approval of the citizens at a Financial Town meeting. There were no additional supplemental appropriations for the year ended June 30, 2012. Amendments to the operating budgets that do not result in additional appropriations may be made within departments by means of a transfer.

**NOTE 3 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**Legal Debt Margin**

The Town's legal debt margin as set forth by State Statute is limited to three percent of total assessed value, which approximates \$74,688,916 based on the December 31, 2010 assessment. As of June 30, 2012 the Town's debt is under the debt limit by \$5,724,749.

In addition to the bonding authority granted under §45-12-2 of the RI General Laws, the Town of East Greenwich can authorize bond issues pursuant to a special act of the RI General Assembly. Bond issues authorized by a special act of the General Assembly are normally not subject to any legal debt limit, but are subject to financial constraints such as the Town's ability and willingness to service the bonded debt. See page 94 in the statistical section for computation of the legal debt margin.

**NOTE 4 - FUND EQUITY**

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

The following fund balance categories are recorded on the Balance Sheet of Government Funds in the financial statements at June 30, 2012:

- **Non-spendable** – are balances that are permanently precluded from conversion to cash such as permanent funds, prepaids, deposits and inventories. \$209,464.
- **Restricted** – requires that inflows and outflows of resources and balances be constrained to a specific purpose of enabling legislation, external parties or constitutional provisions. \$3,533,838.
- **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. \$6,664,194.
- **Assigned** – are balances intended for a specific purpose by the government's management and are also appropriations of existing fund balances. \$3,908,918.
- **Unassigned** – are balances available for any purpose. They are not precluded by a management decision, law constitutional provision in the general fund. \$5,618,791.

Deficits of fund equity at June 30, 2012 were as follows: Community Development \$42,923; Revaluation \$294; Banner, Flower Baskets \$1,290; Energy Grant ARRA \$59,104; Police Seizures Fund \$668; Byrne grant \$5,776; School Lunch \$101,819; Title II \$6; Title IV \$118 and Landfill Project \$5,529. The Town of East Greenwich anticipates funding deficits through future Town appropriations and future reimbursements from either the State or the Federal Government.

---

(Continued)

**TOWN OF EAST GREENWICH, RHODE ISLAND  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012**

**NOTE 5 - CASH AND INVESTMENTS**

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

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

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

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

**Custodial Credit Risk**

*Deposits:* This is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of June 30, 2012, \$ -0- of the Town's balance of \$21,635,629 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, 2012

<b><i>Cash and cash equivalents</i></b>	
Deposits with financial institutions	\$ 21,615,146
<b><i>Investments</i></b>	
Permanent funds	
Corporate stocks	20,483
Total permanent fund investments	<u>20,483</u>
<b><i>Total cash and investments</i></b>	<u><u>\$ 21,635,629</u></u>

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

<b><i>Statement of net assets</i></b>	
Cash and cash equivalents	\$ 21,280,442
Investments	20,483
	<u>\$ 21,300,925</u>
<b><i>Fiduciary funds</i></b>	
Cash and cash equivalents	334,704
	<u>334,704</u>
<b><i>Total cash and investments</i></b>	<u><u>\$ 21,635,629</u></u>

**TOWN OF EAST GREENWICH, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

---

**NOTE 5 - CASH AND INVESTMENTS (CONTINUED)**

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, 2012. If applicable, information about the exposure of the Town's debt type investments to this risk is reported using the segment time distribution model.

Credit Risk: Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. The Town did not have any debt type investments that were exposed to credit risk as defined by GASB 40 as of June 30, 2012.

**NOTE 6 - PROPERTY TAXES**

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

All property taxes for fund statement purposes are recognized in compliance with NCGA Interpretation-3 (Revenue Recognition - Property Taxes), which states that such revenue is recorded when it becomes measurable and available. Available means due, or past due and receivable within the current period and collected no longer than 60 days after the close of the current period. The Town uses the allowance method for bad debts. Under this method, the Town has reserved the sum of \$57,000.00.

Current tax collections for the Town were approximately 97.24% of the total July 2011 tax certification.

**NOTE 7 - INFORMATION ABOUT CAPITAL ASSETS**

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

**TOWN OF EAST GREENWICH, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 7 - INFORMATION ABOUT CAPITAL ASSETS (CONTINUED)**

Capital asset activity for the fiscal year ended June 30, 2012 was as follows:

	Primary Government					Ending Balance
	Beginning Balance	Increases	Decreases	Adjustments	Transfers	
<b>Governmental activities:</b>						
Capital assets not being depreciated:						
Land	\$ 1,723,703	\$ -	\$ -		\$ -	\$ 1,723,703
Construction in progress	42,128,183	7,035,293	-	-	(213,883)	48,949,593
<b>Total capital assets not being depreciated</b>	<b>43,851,886</b>	<b>7,035,293</b>	<b>-</b>	<b>-</b>	<b>(213,883)</b>	<b>50,673,296</b>
Other capital assets:						
Infrastructure	36,472,762	-	-	-	-	36,472,762
Buildings and improvements	31,753,617	29,100	-	(1,612,903)	213,883	30,383,697
Land improvements	2,798,231	404,313	-	1,551,873	-	4,754,417
Office furniture and equipment	261,164	-	-	-	-	261,164
Motor vehicles	1,968,572	400,967	(67,895)	217,694	-	2,519,338
Machinery and equipment	2,921,244	76,879	(122,308)	10,592	-	2,886,407
<b>Total other capital assets at historical cost</b>	<b>76,175,590</b>	<b>911,259</b>	<b>(190,203)</b>	<b>167,256</b>	<b>213,883</b>	<b>77,277,785</b>
Less accumulated depreciation for:						
Infrastructure	29,109,372	1,088,088	-	-	-	30,197,460
Buildings and improvements	9,853,524	844,629	-	-	-	10,698,153
Land improvements	719,864	166,465	-	-	-	886,329
Office furniture and equipment	217,388	14,686	-	-	-	232,074
Motor vehicles	1,065,807	197,701	(49,750)	92,800	-	1,306,558
Machinery and equipment	2,156,047	119,758	(122,308)	10,592	-	2,164,089
<b>Total accumulated depreciation</b>	<b>43,122,002</b>	<b>2,431,327</b>	<b>(172,058)</b>	<b>103,392</b>	<b>-</b>	<b>45,484,663</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 76,905,474</b>	<b>\$ 5,515,225</b>	<b>\$ (18,145)</b>	<b>\$ 63,864</b>	<b>\$ -</b>	<b>\$ 82,466,418</b>

Depreciation expense was charged to functions as follows:

<b>Governmental activities:</b>	
Legislative, judicial and general administrative	\$ 23,196
Public safety	298,921
Public works	1,524,904
Parks and recreation	53,314
Education	530,992
<b>Total governmental activities depreciation expense</b>	<b>\$ 2,431,327</b>

**TOWN OF EAST GREENWICH, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 7 - INFORMATION ABOUT CAPITAL ASSETS (CONTINUED)**

Capital asset activity for the fiscal year ended June 30, 2012 was as follows:

	Primary Government				Ending Balance
	Beginning Balance	Increases	Decreases	Adjustments	
<b>Business-type activities:</b>					
Capital assets not being depreciated:					
Land	\$ 15,372	\$ -	\$ -	-	\$ 15,372
Construction in progress	2,708,952	142,958	-	-	2,851,910
Total capital assets not being depreciated	<u>2,724,324</u>	<u>142,958</u>	<u>-</u>	<u>-</u>	<u>2,867,282</u>
Other capital assets:					
Sewer facility	20,820,912	-	-	-	\$ 20,820,912
Equipment and fixtures	331,615	37,348	-	-	368,963
Motor vehicles	174,072	-	-	-	174,072
Sewer lines	27,346,763	-	-	-	27,346,763
Total other capital assets at historical cost	<u>48,673,362</u>	<u>37,348</u>	<u>-</u>	<u>-</u>	<u>48,710,710</u>
Less accumulated depreciation for:					
Sewer facility	7,680,588	449,435	-	-	8,130,023
Equipment and fixtures	313,065	6,385	-	-	319,450
Motor vehicles	153,545	4,617	-	-	158,162
Sewer lines	3,924,493	655,650	-	-	4,580,143
Total accumulated depreciation	<u>12,071,691</u>	<u>1,116,087</u>	<u>-</u>	<u>-</u>	<u>13,187,778</u>
<b>Business-type activities capital assets, net</b>	<u>\$ 39,325,995</u>	<u>\$ (935,781)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,390,214</u>

Depreciation expense was charged to functions as follows:

Business-type activities:	
Sewer Fund	\$ 1,116,087
Total business-type activities depreciation expense	<u>\$ 1,116,087</u>

**TOWN OF EAST GREENWICH, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

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

"Total fund balances" of the Towns' governmental funds \$19,935,205 differs from "net assets" of governmental activities \$31,199,255 reported in the statement of net assets. This difference primarily results from the long-term economic focus of the statement of net assets versus the current financial resources focus of the governmental fund balance sheets. The effect of the differences is illustrated below.

<b>Balance Sheet/Statement of Net Assets</b>				
	<b>Total Governmental Funds</b>	<b>Long-term Assets/ Liabilities (1)</b>	<b>Reclassifications and Eliminations</b>	<b>Statement Net Assets Totals</b>
<b>Assets</b>				
Cash and cash equivalents	\$ 21,280,442	\$ -	\$ -	\$ 21,280,442
Investments	20,483	-	-	20,483
<b>Receivables:</b>				
Property taxes, net	2,099,542	-	-	2,099,542
Intergovernmental	515,547	-	-	515,547
Other	114,985	-	-	114,984
Internal balances	185,470,227	-	(185,470,227)	-
Deposits with institutions	937,277	-	-	937,277
Other assets	6,121	667,034	-	673,155
Property, plant and equipment - net	-	80,742,715	-	80,742,715
Assets not being depreciated	-	1,723,703	-	1,723,703
<b>Total assets</b>	<b>\$ 210,444,624</b>	<b>\$ 83,133,452</b>	<b>\$ (185,470,227)</b>	<b>\$ 108,107,848</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable and accrued expenses	\$ 4,449,273	\$ 4,527,233	\$ 127,791	\$ 9,104,297
Internal balances	183,927,160	-	(185,598,018)	(1,670,858)
Deferred revenue	2,132,986	(2,099,544)	-	33,442
<b>Long-term liabilities</b>				
Due within one year	-	3,968,703	-	3,968,703
Due in more than one year	-	65,473,009	-	65,473,009
<b>Total liabilities</b>	<b>190,509,419</b>	<b>71,869,401</b>	<b>(185,470,227)</b>	<b>76,908,593</b>
<b>Fund Balances/Net Assets</b>				
Total fund balances/net assets	19,935,205	11,264,051	-	31,199,255
Total liabilities and fund balances/net assets	<b>\$ 210,444,624</b>	<b>\$ 83,133,452</b>	<b>\$ (185,470,227)</b>	<b>\$ 108,107,848</b>

(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 assets includes those capital assets among the assets of the Town as a whole.

Cost of capital assets	\$ 127,951,081
Accumulated depreciation	(45,484,663)
	<u>\$ 82,466,418</u>

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

Adjustment of deferred revenue	\$ 2,099,544
Accrued interest	(656,239)
Bond premiums	(3,870,994)
Bond issuance costs	667,034
	<u>\$ (1,760,655)</u>

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

Bonds payable	\$ (63,824,167)
Accrued compensated absences	(799,372)
Capital leases payable	(71,164)
Net other post employment benefit obligation	(4,747,009)
	<u>\$ (69,441,712)</u>

**TOWN OF EAST GREENWICH, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

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

The "net change in the fund balances" for governmental funds (\$1,803,828) differs from the "change in net assets" for governmental activities (\$635,393) reported in the statement of activities. The differences arise primarily from the long-term economic focus of the statement of activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

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

	<u>Total Governmental Funds</u>	<u>Long-term Revenues/ Expenses (1)</u>	<u>Capital- related Items (2)</u>	<u>Long-term Debt Transactions (3)</u>	<u>Statement of Activities Totals</u>
<b>Revenues</b>					
General property tax	\$ 43,760,296	\$ 226,344	\$ -	\$ -	\$ 43,986,640
Intergovernmental and departmental revenues	5,691,886	-	-	-	5,691,886
License and permits	1,114,239	-	-	-	1,114,239
Interest on investments	744	-	-	-	744
Tuitions	162,400	-	-	-	162,400
Other revenues	3,130,205	25,176	-	-	3,155,381
<b>Total revenues</b>	<u>53,859,770</u>	<u>251,520</u>	<u>-</u>	<u>-</u>	<u>54,111,290</u>
<b>Expenditures</b>					
<b>Current:</b>					
Legislative, judicial and general administrative	4,717,734	36,680	23,196	1,089,676	5,867,286
Financial administration	519,975	-	-	(339,664)	180,311
Information technology	343,978	-	-	-	343,978
Public safety	3,036,577	-	298,921	-	3,335,498
Public works	3,116,091	-	1,524,904	-	4,640,995
Teen center	9,280	-	-	-	9,280
Public health and welfare	710,552	-	-	(215,126)	495,426
Parks and recreation	569,657	-	53,314	-	622,971
Town planner	175,385	-	-	-	175,385
Education	34,883,882	-	-	-	34,883,882
Senior and human services	238,953	-	530,992	-	769,945
Library	467,175	-	-	-	467,175
Financing costs	1,338,229	-	-	-	1,338,229
Net decrease in FMV of investments	6,961	-	-	-	6,961
Capital outlay	7,946,552	-	(7,946,552)	-	-
<b>Long-term obligations:</b>					
Principal	36,640,833	-	-	(36,640,833)	-
Interest	1,191,483	384,607	-	15,126	1,591,216
<b>Total expenditures</b>	<u>95,913,297</u>	<u>421,287</u>	<u>(5,515,225)</u>	<u>(36,090,821)</u>	<u>54,728,538</u>
<b>Other financing sources (uses)</b>					
Issuance of debt	36,640,000	-	-	(36,640,000)	-
Bond premium proceeds	3,609,699	-	-	(3,609,699)	-
Gain (loss) on disposal of equipment	-	-	(18,145)	-	(18,145)
Transfers from other funds	30,740,398	-	-	-	30,740,398
Transfers to other funds	(30,740,398)	-	-	-	(30,740,398)
<b>Total other financing sources (uses)</b>	<u>40,249,699</u>	<u>-</u>	<u>(18,145)</u>	<u>(40,249,699)</u>	<u>(18,145)</u>
<b>Net change for the year</b>	<u>\$ (1,803,828)</u>	<u>\$ (169,767)</u>	<u>\$ 5,497,080</u>	<u>\$ (4,158,878)</u>	<u>\$ (635,393)</u>

TOWN OF EAST GREENWICH, RHODE ISLAND  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

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

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

Deferred revenue property tax	\$ 226,344
-------------------------------	------------

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

Accrued interest	\$ (384,607)
Bond issuance costs	339,664
Amortization bond issuance costs	(36,680)
Amortization bond premium costs	(3,584,523)
Total expenditure adjustment	<u>\$ (3,666,146)</u>

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

Capital outlay	\$ 7,946,552
Depreciation expense	(2,431,327)
Difference	<u>\$ 5,515,225</u>

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

Loss on disposal of equipment	<u>\$ (18,145)</u>
-------------------------------	--------------------

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

Issuance of debt	(36,640,000)
Principal payments made	36,840,833
Difference	<u>\$ 200,833</u>

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

Net increase in the OPEB	\$ (1,209,713)
Net decrease in compensated absences	120,037
Change	<u>\$ (1,089,676)</u>

**TOWN OF EAST GREENWICH, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 10 - INTERFUND BALANCES**

Inter-fund balances represent loans to various funds for use in operations. These amounts are expected to be repaid at certain future dates. Below are the balances as of June 30, 2012:

	<u>Due from other funds</u>	<u>Due to other funds</u>
<b>General Fund</b>	\$ 113,175,615	\$ 120,702,254
<b>School Bond 52m Capital Fund</b>	48,903,587	41,966,822
<b>Special Revenue Funds:</b>		
School Restricted	7,119,828	7,468,076
Town Restricted	7,304,962	5,308,009
Town Projects Fund	525,274	392,929
<b>Other Non-major Funds</b>		13,169,014
Capital Projects Funds	8,282,210	8,089,070
Permanent Funds	158,751	-
<b>Enterprise Funds</b>		
Sewer	-	1,670,858
<b>Fiduciary Funds</b>		
Agency Fund	127,791	-
<b>Totals</b>	\$ 185,598,018	\$ 185,598,018

**NOTE 11 - CAPITAL LEASES**

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

Year End	Lease Payment
2013	\$ 27,996
2014	24,568
2015	18,600
<b>Future Minimum Rental Payments</b>	71,164
Interest Portion of Payments	3,558
<b>Obligation Under Capital Leases</b>	\$ 74,722

**NOTE 12 - LONG-TERM LIABILITIES**

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

Rhode Island general laws cap the amount of each municipality's general obligation bonds that may be outstanding to 3% of its assessed property values. Exceptions apply to bonds financed from non-tax revenues and special exemptions are granted for other purposes as well. The assessed value of the Town's properties at December 31, 2010 was \$2,489,630,523, limiting the amount of non-excepted general obligation bond authority to \$74,688,916. The outstanding bonded debt as of June 30, 2012 was \$68,964,167, which is \$5,724,749 below the maximum level. (See Note 3 page 29 for details.)

(Continued)

TOWN OF EAST GREENWICH, RHODE ISLAND  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

**NOTE 12 - LONG TERM LIABILITIES (CONTINUED)**

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

Long-term liability activity for the fiscal year ended June 30, 2012 was as follows:

GOVERNMENTAL ACTIVITIES	Date of Issuance	Interest Rate	Date of Maturity	Authorized	Outstanding July 1, 2011	Additions	Maturities During Year	Outstanding June 30, 2012	Amounts due within one year	Interest Paid
<b>General Obligation Bonds Payable</b>										
Health and Education Building Corp	2/2/2012	2.5 to 5.0%	6/30/2037	\$ 35,640,000	\$ -	\$ 35,640,000	\$ -	\$ 35,640,000	\$ 540,000	\$ -
Roads	9/30/2011	1.75 to 2.0%	6/15/2016	1,000,000	-	1,000,000	200,000	800,000	200,000	15,826
Health and Education Building Corp	11/15/2010	0.897%	05/15/29	10,635,000	10,635,000	-	590,833	10,044,167	590,833	986,656
Open Space Bonds	10/1/2001	4.25-4.7%	10/1/2011	1,000,000	100,000	-	100,000	-	-	2,350
Open Space / School Improvements	3/15/2004	2.0-4.0%	3/15/2019	9,660,000	5,520,000	-	690,000	4,830,000	690,000	189,021
Police Station	9/1/2007	3.85%	6/15/2017	8,000,000	4,830,000	-	805,100	4,024,900	805,100	185,978
Landfill Reclamation	9/1/2007	3.85%	6/15/2017	1,600,000	990,000	-	164,900	825,100	164,900	38,092
Town Hall Sidewalk/Step Repair	4/29/2009	2.0-4.0%	4/15/2019	190,000	165,000	-	21,600	143,400	21,600	5,184
Senior Center/Public Works Offices	4/29/2009	2.0-4.0%	4/15/2019	3,050,000	2,715,000	-	338,400	2,376,600	338,400	81,216
School Fields - RIHBC	2/25/2009	2.5-4.125%	5/15/2024	6,000,000	5,570,000	-	430,000	5,140,000	430,000	192,188
<b>Total general obligation bonds payable</b>				<u>76,775,000</u>	<u>30,525,000</u>	<u>36,640,000</u>	<u>3,340,833</u>	<u>63,824,167</u>	<u>3,780,833</u>	<u>1,696,511</u>
<b>Bond Anticipation Notes Payable</b>										
Bond Anticipation Notes	2/16/2011	0.658%	2/16/2012	33,500,000	33,500,000	-	33,500,000	-	-	501,104
<b>Total bond anticipation notes payable</b>				<u>33,500,000</u>	<u>33,500,000</u>	<u>-</u>	<u>33,500,000</u>	<u>-</u>	<u>-</u>	<u>501,104</u>
<b>Capital leases</b>										
Capital leases	various		various		-	80,560	9,396	71,164	27,996	
<b>Total governmental activates bonds, BANs and leases payable</b>					<u>64,025,000</u>	<u>36,720,560</u>	<u>36,850,229</u>	<u>63,895,331</u>	<u>3,808,829</u>	<u>2,197,615</u>
<b>Accrued expenses</b>										
Compensated absences - Town					905,212	63,573	181,042	787,743	157,549	-
Compensated absences - School Department					14,197	1,604	4,172	11,629	2,326	-
Net other post employment benefit obligation					3,537,296	1,209,713	-	4,747,009	-	-
<b>Total accrued expenses</b>					<u>4,456,705</u>	<u>1,274,890</u>	<u>185,214</u>	<u>5,546,381</u>	<u>159,874</u>	<u>-</u>
<b>Total long-term liabilities - governmental activities</b>					<u>\$ 68,481,705</u>	<u>\$ 37,995,450</u>	<u>\$ 37,035,443</u>	<u>\$ 69,441,712</u>	<u>\$ 3,968,703</u>	<u>\$ 2,197,615</u>
<b>BUSINESS TYPE ACTIVITIES</b>										
<b>General Obligation Bonds Payable</b>										
Sewer General Obligation Bonds	11/1/2008	4.0-4.2%	6/30/2023	\$ 6,000,000	\$ 5,470,000	\$ -	\$ 330,000	\$ 5,140,000	\$ 320,000	\$ 224,050
<b>Total general obligation bonds payable</b>				<u>6,000,000</u>	<u>5,470,000</u>	<u>-</u>	<u>330,000</u>	<u>5,140,000</u>	<u>320,000</u>	<u>224,050</u>
<b>Notes payable</b>										
Clean Water	8/25/1999	5.09%	9/1/2019	\$ 8,500,000	\$ 4,026,316	\$ -	\$ 551,433	\$ 3,474,883	\$ 565,059	\$ 122,872
Clean Water	10/30/2002	3.90%	9/1/2022	11,100,000	7,594,867	-	447,368	7,147,499	447,368	108,726
Clean Water	12/21/2006	1.27%	9/1/2027	7,600,000	6,618,000	-	338,000	6,280,000	344,000	113,808
Clean Water	9/14/2009	0.41-2.68%	9/1/2029	2,462,252	2,361,213	-	101,886	2,259,327	102,735	58,690
Clean Water	6/10/2010	0.61-3.25%	9/1/2031	3,000,000	3,000,000	-	-	3,000,000	119,000	69,513
<b>Total Sewer notes payable</b>				<u>32,662,252</u>	<u>23,600,396</u>	<u>-</u>	<u>1,438,687</u>	<u>22,161,709</u>	<u>1,578,162</u>	<u>473,609</u>
<b>Total business-type activities funds bonds and loans payable</b>					<u>29,070,396</u>	<u>-</u>	<u>1,768,687</u>	<u>27,301,709</u>	<u>1,898,162</u>	<u>697,659</u>
<b>Accrued expenses</b>										
Compensated absences					22,265	3,425	13,990	11,700	2,340	-
<b>Total long-term liabilities - business-type activities</b>					<u>\$ 29,092,661</u>	<u>\$ 3,425</u>	<u>\$ 1,782,677</u>	<u>\$ 27,313,409</u>	<u>\$ 1,900,502</u>	<u>\$ 697,659</u>

(Continued)

**TOWN OF EAST GREENWICH, RHODE ISLAND  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012**

**NOTE 12 - LONG TERM LIABILITIES (CONTINUED)**

**SCHEDULE OF DEBT SERVICE REQUIREMENTS**

**GOVERNMENTAL ACTIVITIES**

<u>Fiscal Year Ended June 30,</u>	<u>Percentage of Maturity</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2013	5.92%	3,780,833	2,538,307	6,319,140
2014	12.44%	4,160,833	2,073,237	6,234,070
2015	19.01%	4,190,833	1,957,967	6,148,800
2016	25.62%	4,220,833	1,841,997	6,062,830
2017	31.98%	4,055,833	1,709,802	5,765,635
2018	36.87%	3,125,833	1,579,707	4,705,540
2019	41.84%	3,170,833	1,486,057	4,656,890
2020	45.24%	2,165,833	1,390,682	3,556,515
2021-2037	100.00%	34,952,503	13,247,904	48,200,407
		<u><u>\$ 63,824,167</u></u>	<u><u>\$ 27,825,656</u></u>	<u><u>\$ 91,649,823</u></u>

**BUSINESS-TYPE ACTIVITIES**

2013	6.95%	1,898,163	670,059	2,568,222
2014	13.99%	1,920,824	626,061	2,546,885
2015	21.04%	1,924,829	580,847	2,505,677
2016	28.18%	1,949,189	535,089	2,484,278
2017	35.41%	1,974,759	488,085	2,462,844
2018	42.74%	2,001,701	439,818	2,441,519
2019	50.18%	2,030,023	390,639	2,420,662
2020	57.72%	2,058,735	340,609	2,399,345
2021-2029	100.00%	11,543,486	1,443,241	12,986,727
		<u><u>\$ 27,301,709</u></u>	<u><u>\$ 5,514,448</u></u>	<u><u>\$ 32,816,158</u></u>

**TOWN OF EAST GREENWICH, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

---

**NOTE 13 - PRIOR PERIOD ADJUSTMENTS**

Two vehicles with a net book value of \$63,854 were incorrectly not included in the prior years' fixed assets listings. In addition a lease payable amount of \$71,164 was incorrectly not included in prior years' long term debt. These were corrected in the current year ended June 30, 2012 via a prior period adjustment of \$7,300, the net of the vehicles and lease payable.

**NOTE 14 - LITIGATION**

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

**NOTE 15 - FUND TRANSFERS**

Transfers are made to provide revenue for annual expenditures of various funds. Transfers are not expected to be repaid to the originating (source) fund. Listed below is the transfer activity for fiscal year ended June 30, 2012.

<u>Fund / Department</u>	Transfers from other funds	Transfers to other funds
General Fund	\$ -	\$ -
Town Special Revenue Funds	239,321	-
School Special Revenue Funds	-	-
Capital Projects	-	(239,321)
Totals	<u>\$ 239,321</u>	<u>\$ (239,321)</u>

---

(Continued)

**TOWN OF EAST GREENWICH, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

---

**NOTE 16 - RETIREMENT PLANS & POST EMPLOYEMENT BENEFITS**

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

The Town of East Greenwich participates in the Municipal Employees' Retirement System of the State of Rhode Island ("System"), an agent multiple employer defined benefit plan. The System includes a normal plan for general employees and both a normal and optional plan for police personnel. All full-time Town and non-certified School Department general employees participate in the System. The System issues a publicly available financial report that includes financial statements and required supplementary information for the Town. The financial report may be obtained by writing to Employees Retirement System of Rhode Island, 40 Fountain Street, Providence, Rhode Island, 02903-1854, by calling (401) 222-2203 or by accessing their website at [www.ersri.org](http://www.ersri.org).

**Legislative Changes**

In November 2011, the State enacted The Rhode Island Retirement Security Act of 2011 (the Act), as described in S1111A and H6319A. The Act makes broad changes to ERSRI effective July 1, 2012. The most significant changes include:

- Changing the structure of the retirement program from a traditional defined benefit plan to a hybrid plan designed with a smaller defined benefit plan and a supplemental defined contribution plan.
- Changing the automatic COLA to a formula contingent on the actual investment performance over time.
- Suspension/reduction of the COLA during times when the funded ratio is lower than targeted 80% levels. This is applied by individual MERS unit.
- Re-amortization of the significantly reduced Unfunded Actuarial Accrued Liability (UAAL) to 25 years from the 19 year schedule as of June 30, 2010.
- Public Safety personnel not covered by Social Security will participate in additional defined contribution allocations equal to 3% member plus 3% employer.

Included within the significant changes noted above, there are certain rules for transitioning from the prior defined benefit structure to the smaller defined benefit plan going forward. Most notably:

- The accumulated benefit multiplier as of June 30, 2012 will be preserved and any changes to accruals will only be made prospectively.
- The final average compensation as calculated on June 30, 2012 will be preserved and any changes to the definition of salary or to the averaging period will not impact the final average compensation used to determine the retirement benefit until after the new calculation is greater than the preserved calculation.
- The calculated accrued benefit as of June 30, 2012 using the accumulated benefit multiplier as of that date and the final average compensation as of that date can be commenced on the date the member would have reached retirement eligibility prior to the Act if the member retires on that retirement date.
- Any past post-retirement benefit adjustments that have been given will be preserved. Only future adjustments will be modified and/or suspended.
- All members currently eligible to retire will retain the ability to retire in accordance with the provisions prior to the Act.
- Current municipal employees who have five years of service as of June 30, 2012 will have a new retirement age delayed in proportion to the amount of service they have earned as of June 30, 2012 and to their current expected retirement age, but not less than age 59. In no circumstance will the retirement age of the member reduce from the retirement age prior to the Act.
- Current Public Safety personnel who are age 45 with ten years of service as of June 30, 2012, and had a retirement age prior to the Act based on continued service prior to age 52, will have unreduced retirement eligibility at age 52.

---

(Continued)

**TOWN OF EAST GREENWICH, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

---

**NOTE 16 - RETIREMENT PLANS & POST EMPLOYEMENT BENEFITS**

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

- A plan that has had four consecutive benefit adjustments suspended due to the 80% funding criteria will be eligible to receive an adjustment in the fifth year regardless of the funding level.

The changes to the defined benefit plan instituted by the Act have been fully reflected in this actuarial valuation as of June 30, 2012 as the contribution rates from this valuation will be applicable after the new provisions are effective. As noted above for further information the financial report may be obtained by writing to Employees Retirement System of Rhode Island, 40 Fountain Street, Providence, Rhode Island, 02903-1854, by calling (401) 222-2203 or by accessing their website at [www.ersri.org](http://www.ersri.org).

Eligibility: General employees, police officers and firefighters employed by electing municipalities participate in MERS. Teachers and administrators are covered by the separate Employees' Retirement System of Rhode Island, but other school employees may be covered by 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 classified as such by the municipality, in which case the special contribution and benefit provisions described below will apply to them, or they may be classified as general employees with no special benefits. Members designated as police officers and/or firefighters are treated as belonging to a separate unit from the general employees, with separate contribution rates applicable.

Employee Contributions: General employees contribute 7.00% of their salary per year, and police officers and firefighters contribute 7.00%. In addition, if the municipality has elected one of the optional cost-of-living provisions, an additional member contribution of 1.00% of salary is required. If a municipality elects the optional 20-year retirement provision for its police officers and/or its firefighters, an additional contribution of 1.00% of salary will be required from these members. The municipality, at its election, may choose to "pick up" the members' contributions for its employees under the provisions of Internal Revenue Code (IRC) Section 414(h).

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.

Employer Contributions: Each participating unit's contribution rate is determined actuarially. Contributions determined in a given actuarial valuation go into effect two years after the actuarial valuation.

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

Final Average Compensation (FAC): Prior to July 1, 2012 and for general employee members eligible to retire as of June 30, 2012, the average was based on the highest three consecutive annual salaries. Effective July 1, 2012, the average of 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.

---

(Continued)

**TOWN OF EAST GREENWICH, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

---

**NOTE 16 - RETIREMENT PLANS & POST EMPLOYEMENT BENEFITS**

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

**Retirement Benefits**

General employees: Eligibility

- 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.
- 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 in Section (e) 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 option is elected, the retirement benefit will be calculated using the benefits you have 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, 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 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 designated as police officers or firefighters may retire 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 may retire and receive a reduced benefit if they are at least age 50 and have at least 20 years of service. If the municipality elects to adopt the 20-year retirement provisions for police officers and/or firefighters, then such a member may retire at any age with 20 or more years of service.

General employees: Monthly Benefit:

- For service prior to July 1, 2012, 2.00% of the member's monthly FAC for each year of service, up to 37.5 years (75% of FAC maximum). For service after July 1, 2012, 1.00% of the member's monthly FAC for each year of service.

Police and Fire employees: Eligibility

- Members are eligible to retire when they are at least 55 years old and have a minimum of 25 years of contributing service. Members with at least 10 years of service, had achieved age 45, and had a retirement age prior to age 52 as of June 30, 2012 may retire at age 52.

Police and Fire employees: Monthly Benefit

- 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 and the member has attained 20 years of service, the benefit is 2.50% of the member's monthly FAC for each year of service prior to July 1, 2012.

---

(Continued)

**TOWN OF EAST GREENWICH, RHODE ISLAND  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012**

**NOTE 16 - RETIREMENT PLANS & POST EMPLOYEMENT BENEFITS**

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

**SCHEDULE OF FUNDING PROGRESS**

Actuarial Valuation Date June 30,	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
<b>General Employees</b>						
2007	8,680,821	4,872,345	(3,808,476)	178%	1,065,758	-357%
2008	9,233,655	5,444,173	(3,789,482)	170%	1,172,412	-323%
2009	7,611,272	6,218,210	(1,393,062)	122%	1,129,564	-123%
2010	7,235,232	7,132,310	(102,922)	101%	1,131,628	-9%
2011	7,461,158	6,504,664	(956,494)	115%	1,163,020	-82%
2012	*N/A	*N/A	*N/A	*N/A	*N/A	*N/A
<b>Police Employees</b>						
2007	8,662,445	10,523,945	1,861,500	82%	2,112,367	88%
2008	12,227,676	12,050,993	(176,683)	101%	1,914,960	-9%
2009	12,515,512	13,549,427	1,033,915	92%	1,933,255	53%
2010	12,447,820	18,047,649	5,599,829	69%	1,931,364	290%
2011	12,317,410	15,806,249	3,488,839	78%	1,939,443	180%
2012	*N/A	*N/A	*N/A	*N/A	*N/A	*N/A

\*Unavailable at time of report

**Actuarial Methods and Assumptions**

The information presented was determined as part of the actuarial valuation. Additional information as of the last actuarial valuations follows:

Valuation date	June 30, 2011
Actuarial cost method	Entry Age Actuarial Cost Method
Amortization method	Level Percent of Payroll – Closed 30-yr period
Remaining amortization period	17 Years
Asset valuation method	5 Year Smoothed Market
<b>Actuarial assumptions:</b>	
Investment rate of return	7.50%, Compounded Annually
Projected salary increases	4.00-8.00%
Cost-of-living adjustments	2.75%
Inflation Rate	2.75% Annually
Post Retirement Benefit Increases	2.00% Of Original Retirement Benefit

(Continued)

**TOWN OF EAST GREENWICH, RHODE ISLAND  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012**

**NOTE 16 - RETIREMENT PLANS & POST EMPLOYMENT BENEFITS (CONTINUED)**

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

**Annual Pension Cost** - For 2012, the Town contributed \$943,853 for MERS. The required contribution was determined as part of the June 30, 2009 actuarial valuation using the entry age normal cost method with frozen initial liability. The actuarial value of MERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a three-year period. MERS unfunded actuarial accrued liability is being amortized using the weighted average method over a 30-year period.

Required contributions:

**SCHEDULE OF CONTRIBUTIONS FROM THE TOWN**

Year Ended June 30,	Police	General	Total Annual Pension Cost	Total Amount Contributed	Total Percentage Contributed
2008	139,460	451,739	591,199	591,199	100%
2009	200,885	482,723	683,608	683,608	100%
2010	179,893	420,959	600,852	600,852	100%
2011	395,048	519,118	914,166	914,166	100%
2012	513,073	430,780	943,853	943,854	100%

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

All Town of East Greenwich, Rhode Island certified school personnel participate in the Employees' Retirement System of the State of Rhode Island ("System"), a cost-sharing multiple-employer public employee retirement system. The System issues a publicly available financial report that includes financial statements and required supplementary information. The financial report may be obtained by writing to Employees Retirement System of Rhode Island, 40 Fountain Street, Providence, Rhode Island, 02903-1854, by calling (401) 222-2203 or by accessing their website at [www.ersri.org](http://www.ersri.org).

**Legislative Changes**

In November 2011, the State enacted The Rhode Island Retirement Security Act of 2011 (the Act), as described in S1111A and H6319A. The Act makes broad changes to ERSRI effective July 1, 2012. The most significant changes include:

- Changing the structure of the retirement program from a traditional defined benefit plan to a hybrid plan designed with a smaller defined benefit plan and a supplemental defined contribution plan.
- Changing the automatic COLA from a CPI related formula to a formula contingent on the actual investment performance over time.
- Suspension/reduction of the COLA during times when the funded ratio is lower than targeted 80% levels. State employees, teachers, BHDDH nurses, correctional officers, judges (including pay as you go), and state police (including pay as you go) will be aggregated to determine if the 80% requirement has been reached.

**TOWN OF EAST GREENWICH, RHODE ISLAND  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012**

---

**NOTE 16 - RETIREMENT PLANS & POST EMPLOYEMENT BENEFITS (CONTINUED)**

**B. EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF RHODE ISLAND (CONTINUED)**

- Re-amortization of the significantly reduced Unfunded Actuarial Accrued Liability (UAAL) to 25 years from the 19 year schedule as of June 30, 2010.
- Teachers and Public Safety personnel not covered by Social Security (except State Police) will participate in additional defined contribution allocations equal to 2% member plus 2% employer for Teachers and 3% member plus 3% employer for Public Safety.

Included within the significant changes noted above, there are certain rules for transitioning from the prior defined benefit structure to the smaller defined benefit plan going forward. Most notably:

- The accumulated benefit multiplier as of June 30, 2012 will be preserved and any changes to accruals will only be made prospectively.
- The final average compensation as calculated on June 30, 2012 will be preserved and any changes to the definition of salary or to the averaging period will not impact the final average compensation used to determine the retirement benefit until after the new calculation is greater than the preserved calculation.
- The calculated accrued benefit as of June 30, 2012 using the accumulated benefit multiplier as of that date and the final average compensation as of that date can be commenced on the date the member would have reached retirement eligibility prior to the Act if the member retires on that retirement date.
- Any past post-retirement benefit adjustments that have been given will be preserved. Only future adjustments will be modified and/or suspended.
- All members currently eligible to retire will retain the ability to retire in accordance with the provisions prior to the Act.
- Current State Employees and Teachers who have five years of service as of June 30, 2012 will have a new retirement age delayed in proportion to the amount of service they have earned as of June 30, 2012 and to their current expected retirement age, but not less than age 59. In no circumstance will the retirement age of the member reduce from the retirement age prior to the Act.
- Current Public Safety personnel who are age 45 with ten years of service as of June 30, 2012, and had a retirement age prior to the Act based on continued service prior to age 52, will have unreduced retirement eligibility at age 52.
- A plan that has had four consecutive benefit adjustments suspended due to the 80% funding criteria will be eligible to receive an adjustment in the fifth year regardless of the funding level.

The changes to the defined benefit plan instituted by the Act have been fully reflected in this actuarial valuation as of June 30, 2012 as the contribution rates from this valuation will be applicable after the new provisions are effective. As noted above for further information the financial report may be obtained by writing to Employees Retirement System of Rhode Island, 40 Fountain Street, Providence, Rhode Island, 02903-1854, by calling (401) 222-2203 or by accessing their website at [www.ersri.org](http://www.ersri.org).

Plan Year: A twelve-month period ending June 30th.

Administration: ERSRI is administered by the State of Rhode Island Retirement Board. However, the State Treasurer is responsible for the investment of the trust assets, including the establishment of the asset allocation policy.

**TOWN OF EAST GREENWICH, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

---

**NOTE 16 - RETIREMENT PLANS & POST EMPLOYMENT BENEFITS (CONTINUED)**

**B. EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF RHODE ISLAND (CONTINUED)**

Type of Plan: ERSRI is a qualified governmental defined benefit retirement plan. Separate contribution rates are determined for state employees and for teachers. For Governmental Accounting Standards Board purposes, it is a cost-sharing multiple employer plan.

Eligibility: Most Rhode Island state employees and certified public school teachers participate in ERSRI. Certain employees of the Airport Corporation, the Economic Development Corporation, and the Narragansett Bay Commission participate in the plan as though they were state employees. State police officers, state judges, and teachers and administrators in the public colleges and universities are covered by their own separate systems, and are therefore excluded. Certain elected state officials are excluded unless they make an election to join ERSRI. Superintendents, principals, business agents and other administrators participate as teachers. Non-certified public school employees, such as teacher's aides, janitors, secretaries, and bus drivers, cannot participate in ERSRI, although they may be covered by the Municipal Employees Retirement System (MERS) or a separate plan maintained by the town or city. Eligible employees become members as of their date of employment.

Employee Contributions: State Employees generally contribute 8.75% of their salary per year. Teachers contribute 9.50% per year. The state "picks up" the members' contributions for its employees under the provisions of Internal Revenue Code (IRC) Section 414(h). At their option, the city or town employing a Teacher may also pick up their members' contributions.

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.

Employer Contributions: For Teachers, the state contributes 40% of the employer contribution rate and the city, town or other local employer contributes the remaining 60%. (This basic 40-60 split is further adjusted, since the State bears the cost of repaying certain amounts taken from the trust in the early 1990's.) Contributions determined in a given actuarial valuation go into effect two years after the actuarial valuation. In fiscal years beginning after June 30, 2005, if the State's contribution on behalf of State Employees decreases, the State shall appropriate an additional amount to the retirement trust. Such amount shall be equal to 20% of any decrease in expected contributions.

Service: Employees receive credit for service while a member. In addition, a member may purchase credit for certain periods, such as time spent teaching at a public school in another state, by making an additional contribution to purchase the additional service and those costs will be determined at full actuarial value, except for purchases of military service and redeposits of previously refunded contributions. Special rules and limits govern the purchase of additional service and the contribution required.

Final Average Compensation (FAC): For members eligible to retire as of September 30, 2009, their Final Average Compensation (FAC) will be based on the highest three consecutive annual salaries. For members not eligible to retire as of September 30, 2009, their FAC will be based on the highest five consecutive years of salary. Monthly benefits are based on one-twelfth of this amount.

**TOWN OF EAST GREENWICH, RHODE ISLAND  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012**

---

**NOTE 16 - RETIREMENT PLANS & POST EMPLOYEMENT BENEFITS (CONTINUED)**

**B. EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF RHODE ISLAND (CONTINUED)**

**Retirement Benefits**

Eligibility: As of July 1, 2012, retirement eligibility dates will be as follows.

- 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.
- 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 Article 7 Retirement Date, described in Section 11(c) below, and the retirement age applicable to members hired after June 30, 2012 in (i) above. The interpolation is based on service as of June 30, 2012 divided by projected service at the member's Article 7 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 Article 7 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 you have 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, described in this section, and has 20 or more years of service, may elect to retire at any time with an actuarially reduced benefit.
- Nurses (RNs) employed by MHRH are eligible to retire when they are at least 55 years old and have a minimum of 25 years of contributing service. If the Article 7 Retirement Date was prior to June 30, 2012, they retain that eligibility date.
- Correctional officers are eligible to retire when they are at least 55 years old and have a minimum of 25 years of contributing service. If the Article 7 Retirement Date was prior to June 30, 2012, they retain that eligibility date. Correctional officers who do not work for 25 years will not receive their pension benefit until they reach their Social Security normal retirement age.

Article 7 Retirement Date (member's retirement date as of September 30, 2009):

- Grandfathered Schedule A members—members with at least 10 years of contributory service at June 30, 2005 and eligible for retirement at September 30, 2009—are eligible to retire on or after age 60 if they have credit for 10 years of service, or at any age if they have credit for 28 years of service.
- Correctional officers who have reached age 50 and have credit for 20 years of service as of September 30, 2009 are eligible to retire and are grandfathered.
- Nurses (RNs) employed by MHRH who have reached age 50 with 25 years of service by September 30, 2009 are eligible to retire and are grandfathered.
- Schedule B members—members with less than 10 years of contributory service as of June 30, 2005 and members hired on or after that date—are eligible for retirement on or after age 65 if they have credit for 10 years of service, or on or after age 62 if they have credit for 29 years of service. In addition, a member who attains age 62 with at least 20 years of service credit may retire with an actuarially reduced retirement benefit. The reduction is based on the difference between 65 and the member's age at retirement.
- Correctional officers who are hired after September 30, 2009 become eligible to retire when they have reach age 55 and have credit for 25 years of service.
- Nurses (RNs) employed by MHRH who are hired after September 30, 2009 become eligible when they have reach age 55 and have credit for 25 years of service.

**TOWN OF EAST GREENWICH, RHODE ISLAND  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012**

---

**NOTE 16 - RETIREMENT PLANS & POST EMPLOYEMENT BENEFITS (CONTINUED)**

**B. EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF RHODE ISLAND (CONTINUED)**

**Retirement Benefits**

- Schedule A members who are not grandfathered, i.e., members who had at least 10 years of creditable service at June 30, 2005 but who were not eligible to retire on September 30, 2009, will be eligible for retirement at an individually determined age. This age is the result of interpolating between the retirement age under the rules applicable to grandfathered employees in (i) above and the retirement age applicable to members hired after September 30, 2009 in (iv) above. The interpolation is based on service as of September 30, 2009 divided by projected service at the retirement age under (i) above.
- Correctional officers hired on or before September 30, 2009 who are not eligible for retirement at that date will have an individually determined retirement age. This age is the result of interpolating between the retirement age for grandfathered employees in (ii) above and the retirement age applicable to members hired after September 30, 2009 in (v) above.
- Similarly, MHRH nurses (RNs) hired on or before September 30, 2009 who are not eligible to retire at that date will have an individually determined retirement age. This age is the result of interpolating between the retirement age for grandfathered employees in (iii) above and the retirement age applicable to members hired after September 30, 2009 in (vi) above.

Monthly Benefit: Upon retirement, members are eligible to commence a benefit determined as the sum of:

- Benefit accrual of 1.0% per year for all service after June 30, 2012, and
- Benefit accruals earned as of June 30, 2012, described in Section (d), below.

For purposes of calculating benefit accruals for service after June 30, 2012, the FAC is determined through retirement. Additionally, Correctional Officers who have completed 25 years of service on or before June 30, 2012 will continue to receive the benefit accrual rate under previous law for years 31 through 35 of service.

Benefit accruals earned as of June 30, 2012: The retirement benefit is a percentage of the member's monthly FAC. This percentage is a function of the member's service as described below. For purposes of determining the benefit accruals earned as of June 30, 2012, the service and FAC are frozen as of June 30, 2012.

- For grandfathered Schedule A members (members with at least 10 years of contributory service at June 30, 2005 and eligible for retirement at September 30, 2009), benefits are based under this schedule (Schedule A):

For Service In:	Years	Benefit Percentage Earned
The first 10 years of service	1 – 10	1.7% per year
The next 10 years of service	11 – 20	1.9% per year
The next 14 years of service	21 – 34	3.0% per year
The next 1 year of service	35	2.0% per year

The maximum benefit is 80% of FAC.

---

(Continued)

**TOWN OF EAST GREENWICH, RHODE ISLAND  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012**

**NOTE 16 - RETIREMENT PLANS & POST EMPLOYEMENT BENEFITS (CONTINUED)**

**B. EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF RHODE ISLAND (CONTINUED)**

- For Schedule B members (members with less than 10 years of contributory service as of June 30, 2005) and for all future hires, benefits are based on the following schedule (Schedule B):

For Service In:	Years	Benefit Percentage Earned
The first 10 years of service	1 – 10	1.6% per year
The next 10 years of service	11 – 20	1.8% per year
The next 5 years of service	21 – 25	2.0% per year
The next 5 years of service	26 – 30	2.25% per year
The next 7 years of service	31 – 37	2.50% per year
The next 1 year of service	38	2.25% per year

The maximum benefit is 75% of FAC.

- For Schedule A members who are not grandfathered, i.e., members who had at least 10 years of creditable service at June 30, 2005 but who were not eligible to retire on September 30, 2009, benefits are based on Schedule A (under (i) above) for service through September 30, 2009 and on Schedule B (under (ii) above) for service after September 30, 2009. The maximum benefit is 80% of FAC.
- MHRH nurses receive a benefit determined under the appropriate formula above.
- Correctional Officers receive a benefit computed under a different formula:

For Service In:	Years	Benefit Percentage Earned
The first 30 years of service	1 – 30	2.0% per year
The next 1 year of service	31	6.0% per year
The next 1 year of service	32	5.0% per year
The next 1 year of service	33	4.0% per year
The next 1 year of service	34	3.0% per year
The next 14 years of service	35	2.0% per year

The maximum benefit for correctional officers is 80% of FAC.

**TOWN OF EAST GREENWICH, RHODE ISLAND  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012**

**NOTE 16 - RETIREMENT PLANS & POST EMPLOYEMENT BENEFITS (CONTINUED)**

**B. EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF RHODE ISLAND (CONTINUED)**

Payment Form: Benefits are paid as a monthly life annuity. Optional forms of payment are available; see Item 16 below.

Death benefit: After retirement, death benefits are based on the form of annuity elected. If no option is elected, i.e., if payments are made as a life annuity, there is a minimum death benefit equal to the sum of the member's contributions without interest, less the sum of the monthly benefit payments made before the member's death. In addition, a lump-sum death benefit is payable upon the death of any retired member, regardless of option elected. This lump sum is equal to a percentage of the lump-sum death benefit that was available to the member at the time of retirement. The percentage is 100% in the first year of retirement, 75% in the second year, 50% in the third year, and 25% in the fourth and subsequent years of retirement. However, in no event will the lump sum death benefit be less than \$4,000.

As prescribed by Rhode Island general law, the State pays the entire portion of the annual required contribution attributable to the costs of contributions deferred by the State in prior years plus 40% of contributions assessed to employers on payroll not reimbursable through Federal programs. This resulted in contribution rates paid by the State on behalf of the School Department of 8.18% of non-federally reimbursable payrolls totaling \$1,166,742 for the fiscal year ended June 30, 2012. These on-behalf payments of fringe benefits have been recognized as revenues and expenditures in the fiscal period. The School Department does not have any investments or related party investment with the State Plan.

The amounts contributed to the plan are as follows:

<u>Fiscal Years Ending</u>	<u>Annual Required Pension Cost</u>	<u>Percentage Contributed</u>
June 30, 2010	\$ 1,676,045	100%
June 30, 2011	\$ 1,704,748	100%
June 30, 2012	\$ 2,102,885	100%

In accordance with GASB 27, "Accounting for Pensions by State and Local Governmental Employers," the Town has determined that there are no assets or liabilities relating to the funding requirements of the plan.

***Actuarial Methods and Assumptions***

The information presented was determined as part of the actuarial valuation. Additional information as of the last actuarial valuations follows:

Valuation date	June 30, 2011
Actuarial cost method	Entry Age Normal
Amortization method	Level Percentage Closed
Remaining amortization period	24 Years
Asset valuation method	5 Year Smoothed Market
Actuarial assumptions:	
Investment rate of return	7.50%, Compounded Annually
Projected salary increases	4.00-7.00%
Cost-of-living adjustments	2.00%
Inflation Rate	2.75% Annually

(Continued)

**TOWN OF EAST GREENWICH, RHODE ISLAND  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012**

**NOTE 16 - RETIREMENT PLANS & POST EMPLOYEMENT BENEFITS (CONTINUED)**

**C. POST RETIREMENT BENEFITS**

***Plan Description***

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

**Groups Covered**

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

- Police Department
- National Education Association of RI (NEARI)
- Department of Public Works (DPW)
- School
- Other groups including Non-Union, Town Council, Department Heads, and Non-Police Union (Other)

**Membership**

At July 1, 2010, membership consisted of:

Eligible Active Members	345
Retired Members and Spouses	<u>53</u>
Total	398

***Funding Policy***

Contribution requirements are negotiated between the Town and the respective unions and employees. For the year-ended June 30, 2012, the plan operated on a pay as you go basis and no provision has been made to fund future benefits to be provided to plan members.

**SCHEDULE OF FUNDING PROGRESS**

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>
7/1/2008	N/A	13,840,762	13,840,762	N/A	20,291,634	68.21%
7/1/2010	N/A	15,655,801	15,655,801	N/A	21,121,119	74.12%
7/1/2011	N/A	N/A	N/A	N/A	N/A	N/A

(Continued)

**TOWN OF EAST GREENWICH, RHODE ISLAND  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012**

**NOTE 16 - RETIREMENT PLANS & POST EMPLOYMENT BENEFITS (CONTINUED)**

**C. POST RETIREMENT BENEFITS (CONTINUED)**

**Actuarial Methods and Assumptions**

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

Valuation Date:	July 1, 2010
Actuarial Cost Method:	Projected Unit Credit Funding Method
Asset Valuation Method:	Plan is currently unfunded
Amortization Method:	Level dollar thirty year open amortization basis
Remaining Amortization Period	30 Years
Health Care Trend Rate:	8.50% per year graded off 0.50% per year to an ultimate rate of 4.50% per year.
Inflation rate	2.75%
Investment rate of return	4.25%

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

*Annual OPEB Cost and Net OPEB Obligation:* Below are the required OPEB obligation presentations per GASB 45 for the period ending June 30, 2012.

	2012	2011
Annual required contribution	\$ 1,861,270	\$ 1,861,270
Interest on OPEB	150,335	98,300
Adjustment to annual required contribution	<u>(210,818)</u>	<u>(137,847)</u>
Annual OPEB cost	1,800,787	1,821,723
Allocations for implicit Rate Subsidy	(145,436)	(174,572)
*Contributions made	(445,638)	(422,773)
**Adjustment at beginning of year	-	-
Increase (decrease) in net OPEB obligation	<u>1,209,713</u>	<u>1,224,378</u>
Net OPEB beginning of year	<u>3,537,294</u>	<u>2,312,918</u>
Net OPEB obligation end of year	<u>\$ 4,747,007</u>	<u>\$ 3,537,296</u>
Percentage of the annual postemployment benefit cost contributed	<u>32.82%</u>	<u>32.79%</u>

\*Assumes pay-as-you-go funding

**TOWN OF EAST GREENWICH, RHODE ISLAND  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012**

---

**NOTE 16 - RETIREMENT PLANS & POST EMPLOYMENT BENEFITS (CONTINUED)**

**C. POST RETIREMENT BENEFITS (CONTINUED)**

Schedule of Employer Contributions

Fiscal Year	Annual OPEB Cost	Employer Contributions	Allocation for Implicit Rate Subsidy	Total Contribution	Percentage of OPEB Cost Contributed	Net OPEB Obligation
06/30/10	1,722,663	428,826	219,444	648,270	37.60%	2,312,918
06/30/11	1,821,723	422,773	174,572	597,345	32.79%	3,537,296
06/30/12	1,800,787	445,638	145,436	591,074	32.82%	4,747,007

**NOTE 17 - JOINTLY GOVERNED ORGANIZATION**

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

**NOTE 18 - RELATED PARTIES**

The Town reviews its records on an annual basis to determine if any related party transactions exist that would represent a conflict of interest with parties related to its officers and department heads. No such transactions were noted in the fiscal year ended June 30, 2012.

**NOTE 19 - RISK MANAGEMENT**

**Self-insurance:**

The School Department participates in a multi-employer cost reimbursement healthcare self-insurance risk pool managed by West Bay Community Health (WBCH). The School Department pays WBCH monthly premiums based upon "working rates" that are periodically adjusted to reflect changes in actual costs. Funds on deposit with WBCH are made available to pay claims, claim reserves and administrative costs. As of June 30, 2012, the reported premiums exceeded expenditures on deposit by \$367,163. Incurred but not reported (IBNR) claims, of \$127,700 resulted in a \$600,880 balance in the net adjusted reserve.

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

(Continued)

**TOWN OF EAST GREENWICH, RHODE ISLAND  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012**

**NOTE 19 - RISK MANAGEMENT (CONTINUED)**

**Self-insurance: (continued)**

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

	Year ended June 30, 2012	Year ended June 30, 2011
Beginning cumulative surplus (deficit)	\$ 361,417	\$ (86,328)
Premium deposits	4,173,635	3,843,984
Incurred claims (excluding IBNR)	(3,559,270)	(3,122,438)
Administrative fees	<u>(247,202)</u>	<u>(273,801)</u>
Ending cash deposit balance	728,580	361,417
Estimated IBNR (two month estimate)	(127,700)	(105,904)
Net adjusted reserve	<u>\$ 600,880</u>	<u>\$ 255,513</u>

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

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

**NOTE 20 - SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES**

**Federally Assisted Programs - Compliance Audits**

The Town participates in a number of federally assisted programs. The audits of these programs through the year ended June 30, 2012 were audited in connection with the accompanying financial statements under the Single Audit Concept and the auditor's reports thereon are presented in the Single Audit Report. Management believes that the amounts, if any, of expenditures, which may be disallowed, will not be material to the financial position of the Town.

**NOTE 21 - LANDFILL CLOSURE COSTS**

GASBS 49 — *Accounting and Financial Reporting for Pollution Remediation Obligations*, addresses accounting and financial reporting standards for pollution (including contamination) remediation obligations, which are obligations to address the current or potential detrimental effects of *existing* pollution by participating in pollution remediation activities such as site assessments and cleanups.

The prior outlays have been capitalized as outlays to prepare for use property acquired with suspected pollution that was expected to be remediated. For the fiscal year ended June 30, 2012, \$162,717 was included in capital expenditures for remediation activities.

(Continued)

**TOWN OF EAST GREENWICH, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

---

**NOTE 21 – LANDFILL CLOSURE COSTS (CONTINUED)**

The substantial completion of the feasibility study in 2007 is a measurement benchmark requiring the Town to accrue all components of the pollution remediation liability. As of June 30, 2012, the cleanup project was substantially complete.

**NOTE 22 – STATE FISCAL STABILIZATION FUNDS**

State education aid to school districts was reduced for fiscal year 2012 as part of a State budget crisis. To offset this reduction, Federal State Fiscal Stabilization Funds (SFSF) were allocated to each school district. The fiscal impact to school district operations aid was intended to be neutral. These Stabilization Funds were part of the American Recovery and Reinvestment Act of 2009 (ARRA) and under guidance provided by Rhode Island General Law R.I.G.L. 45-12-22.2. School Departments were required to account for Stabilization Funds in a separate restricted fund, however for financial statement purposes districts are required to include expenditures covered by the Stabilization Funds as part of the General Fund. For fiscal year 2012, the East Greenwich School Department was awarded and received \$60,789 in Stabilization Funds.

**NOTE 23 – GASB 54 – FUND BALANCE REPORTING AND GOVERNMENTAL FUND TYPE DEFINITIONS**

The Town has adopted the requirements of the Government Accounting Standards Board GASB Statement No. 54 - *Fund Balance Reporting and Governmental Fund Type Definitions*. Acceptance of this statement has changed the Town's presentation of the elements of fund balances, a key indicator of inter-period equity. It has also changed the presentation of the Town's fund reporting. By definition Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes other than debt or capital projects. The term *proceeds of specific revenue sources* establish that one or more specific restricted or committed revenues should be the foundation for a special revenue fund. In prior years before the issuance of GASB 54 the Town presented the School Departments revenue and expenditure activity as special revenue fund in their basic financial statements. GASB 54 states that the restricted or committed proceeds of a specific revenue source should be expected to comprise a "substantial portion" of the inflows reported in the special revenue funds. Governments should discontinue reporting a special revenue fund, and instead report the funds remaining resources in the General Fund, if the government no longer expects that a substantial portion of the inflows will derive from restricted or committed revenue sources such as Rhode Island State Aid to Schools. Guidance on what defines "substantial" has not been clear.

Due to the issuance of the Government Accounting Standards Board GASB Statement No. 54 - *Fund Balance Reporting and Governmental Fund Type Definitions* the Town has discontinued reporting the School Departments fund activity as a separate major fund in the basic financial statements and has combined its activity for the fiscal year ended June 30, 2012 with the General Fund.

**NOTE 24 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through October 31, 2012, the date the financial statements were available to be issued. As a result of this review no material subsequent events were noted.

---

(Continued)

**REQUIRED SUPPLEMENTARY INFORMATION**

**REQUIRED SUPPLEMENTARY INFORMATION  
TOWN OF EAST GREENWICH, RHODE ISLAND  
Budgetary Comparison Schedule - General Fund  
Schedule of Revenues - Non-GAAP Budgetary Basis  
For the Fiscal Year Ended June 30, 2012**

	<u>Original Budget Revenues</u>	<u>Revised Budget Revenues</u>	<u>Actual Revenues</u>	<u>Variance</u>
<b>General property tax</b>				
Taxes - current	\$ 43,555,091	\$ 43,555,091	\$ 42,742,885	\$ (812,206)
Taxes - prior year	400,000	400,000	1,017,411	617,411
<b>Total general property taxes</b>	<u>43,955,091</u>	<u>43,955,091</u>	<u>43,760,296</u>	<u>(194,795)</u>
<b>General revenue</b>				
Grants and departmental revenue	18,264	18,264	24,379	6,115
Municipal court	23,000	23,000	36,966	13,966
Other revenue	2,259,227	2,349,369	2,427,574	78,205
<b>Total general revenue</b>	<u>2,300,491</u>	<u>2,390,633</u>	<u>2,488,919</u>	<u>98,286</u>
<b>State aid</b>				
School housing aid	250,000	250,000	318,524	68,524
Telephone tax	140,191	140,191	147,963	7,772
State aid to education	1,442,708	1,442,708	1,443,106	398
Pilot	7,274	7,274	8,724	1,450
Motor vehicle phase out	123,478	123,478	120,869	(2,609)
Meals tax	390,000	390,000	464,440	74,440
<b>Total state aid</b>	<u>2,353,651</u>	<u>2,353,651</u>	<u>2,503,626</u>	<u>149,975</u>
<b>Licenses, permits and usage fees</b>				
Town clerk department	447,150	447,150	475,570	28,420
Department of public works	200,800	200,800	408,144	207,344
Police department	131,800	131,800	230,525	98,725
<b>Total licenses, permits and usage fees</b>	<u>779,750</u>	<u>779,750</u>	<u>1,114,239</u>	<u>334,489</u>
<b>Total revenues</b>	<u>49,388,983</u>	<u>49,479,125</u>	<u>49,867,080</u>	<u>387,955</u>
<b>Other financing sources</b>				
Transfers from other funds	120,142	-	-	-
Bond premium proceeds	-	-	33,420	33,420
Reappropriated fund	-	60,000	-	(60,000)
<b>Total other financing sources</b>	<u>120,142</u>	<u>60,000</u>	<u>33,420</u>	<u>(26,580)</u>
<b>Total revenue and other financing sources</b>	<u>\$ 49,509,125</u>	<u>\$ 49,539,125</u>	<u>\$ 49,900,500</u>	<u>\$ 361,375</u>

(Continued)

**REQUIRED SUPPLEMENTARY INFORMATION  
TOWN OF EAST GREENWICH, RHODE ISLAND  
Budgetary Comparison Schedule - General Fund  
Schedule of Expenditures - Non-GAAP Budgetary Basis  
For the Fiscal Year Ended June 30, 2012**

	<u>Original Budgeted Expenditures</u>	<u>Revised Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Variance</u>
<b>Administration</b>				
<b>Town council</b>				
Salaries	\$ 9,300	\$ 9,300	\$ 7,650	\$ 1,650
<b>Total town council</b>	<u>9,300</u>	<u>9,300</u>	<u>7,650</u>	<u>1,650</u>
<b>Town manager</b>				
Salaries and wages	166,138	178,138	178,639	(501)
Outside services	11,350	11,350	12,723	(1,373)
Supplies	4,400	4,400	1,655	2,745
<b>Total town manager</b>	<u>181,888</u>	<u>193,888</u>	<u>193,017</u>	<u>871</u>
<b>Town clerks</b>				
Salaries and wages	207,876	207,876	219,965	(12,089)
Outside services	17,900	17,900	9,016	8,884
Supplies	2,400	2,400	2,271	129
<b>Total town clerks</b>	<u>228,176</u>	<u>228,176</u>	<u>231,252</u>	<u>(3,076)</u>
<b>Town solicitor</b>				
Outside services	155,500	155,500	151,313	4,187
<b>Total town solicitor</b>	<u>155,500</u>	<u>155,500</u>	<u>151,313</u>	<u>4,187</u>
<b>Municipal court and judges</b>				
Salaries	41,346	41,346	41,910	(564)
Outside services	2,000	2,000	836	1,164
<b>Total municipal court and judges</b>	<u>43,346</u>	<u>43,346</u>	<u>42,746</u>	<u>600</u>
<b>Board of canvassers</b>				
Salaries and wages	18,150	14,150	12,866	1,284
Outside services	6,200	6,200	2,566	3,634
Supplies	1,850	5,850	3,455	2,395
<b>Total board of canvassers</b>	<u>26,200</u>	<u>26,200</u>	<u>18,887</u>	<u>7,313</u>

(Continued)

**REQUIRED SUPPLEMENTARY INFORMATION**  
**TOWN OF EAST GREENWICH, RHODE ISLAND**  
**Budgetary Comparison Schedule - General Fund**  
**Schedule of Expenditures - Non-GAAP Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2012**

	<u>Original Budgeted Expenditures</u>	<u>Revised Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Variance</u>
<b>Employee benefits</b>				
Outside services	2,752,718	2,752,718	2,562,378	190,340
<b>Total employee benefits</b>	<u>2,752,718</u>	<u>2,752,718</u>	<u>2,562,378</u>	<u>190,340</u>
<b>Insurance</b>				
Outside services	340,134	340,134	261,306	78,828
<b>Total insurance</b>	<u>340,134</u>	<u>340,134</u>	<u>261,306</u>	<u>78,828</u>
<b>Contingency fund</b>				
Outside services	12,500	12,500	8,427	4,073
<b>Total contingency fund</b>	<u>12,500</u>	<u>12,500</u>	<u>8,427</u>	<u>4,073</u>
<b>Total Administration</b>	<u>3,749,762</u>	<u>3,761,762</u>	<u>3,476,976</u>	<u>284,786</u>
<b>Finance department</b>				
Salaries	419,478	428,478	424,669	3,809
Outside services	60,100	60,100	55,091	5,009
Supplies	10,000	10,000	10,845	(845)
Equipment	500	500	-	500
Communications	32,000	32,000	29,370	2,630
<b>Total finance department</b>	<u>522,078</u>	<u>531,078</u>	<u>519,975</u>	<u>11,103</u>
<b>Information technology</b>				
Salaries	76,996	76,996	76,102	894
Outside services	106,437	106,437	122,583	(16,146)
Supplies	10,500	10,500	13,948	(3,448)
Equipment	49,268	50,268	54,165	(3,897)
Communications	76,324	76,324	77,180	(856)
<b>Total information technology</b>	<u>319,525</u>	<u>320,525</u>	<u>343,978</u>	<u>(23,453)</u>
<b>Police department</b>				
Salaries and wages	2,487,305	2,487,305	2,507,610	(20,305)
Police overtime	284,232	284,232	319,875	(35,643)
Outside services	30,970	31,220	26,307	4,913
Supplies	87,765	88,259	88,025	234
Equipment	17,500	17,500	17,149	351
Communications	3,700	2,956	3,101	(145)
<b>Total police department</b>	<u>2,911,472</u>	<u>2,911,472</u>	<u>2,962,067</u>	<u>(50,595)</u>

(Continued)

**REQUIRED SUPPLEMENTARY INFORMATION  
TOWN OF EAST GREENWICH, RHODE ISLAND  
Budgetary Comparison Schedule - General Fund  
Schedule of Expenditures - Non-GAAP Budgetary Basis  
For the Fiscal Year Ended June 30, 2012**

	<u>Original Budgeted Expenditures</u>	<u>Revised Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Variance</u>
<b>Public works administration</b>				
Salaries and wages	1,194,824	1,203,824	1,108,348	95,476
Outside services	1,073,638	1,073,638	1,125,324	(51,686)
Supplies and expense	764,582	763,582	829,682	(66,100)
Equipment	-	-	28,630	(28,630)
<b>Total public works administration</b>	<u>3,033,044</u>	<u>3,041,044</u>	<u>3,091,984</u>	<u>(50,940)</u>
<b>Recreation department</b>				
Salaries and wages	160,259	160,259	162,651	(2,392)
Outside services	11,980	12,463	11,639	824
Supplies	10,850	10,367	9,837	530
<b>Total recreation department</b>	<u>183,089</u>	<u>183,089</u>	<u>184,127</u>	<u>(1,038)</u>
<b>Parks &amp; grounds</b>				
Salaries and wages	283,684	283,684	278,837	4,847
Outside services	54,880	54,880	53,345	1,535
Supplies	53,785	53,785	50,555	3,230
Equipment	2,800	2,800	2,793	7
<b>Total recreation department</b>	<u>395,149</u>	<u>395,149</u>	<u>385,530</u>	<u>9,619</u>
<b>Teen center</b>				
Salaries and wages	2,500	2,500	5,096	(2,596)
Supplies and equipment	6,500	6,500	4,184	2,316
<b>Total teen center</b>	<u>9,000</u>	<u>9,000</u>	<u>9,280</u>	<u>(280)</u>
<b>Town planner</b>				
Salaries and wages	166,162	166,162	166,728	(566)
Outside services	11,975	11,975	8,039	3,936
Supplies	1,900	1,900	618	1,282
Equipment	500	500	-	500
<b>Total town planner</b>	<u>180,537</u>	<u>180,537</u>	<u>175,385</u>	<u>5,152</u>
<b>Senior and human services</b>				
Salaries and wages	202,281	202,281	186,543	15,738
Outside services	200	200	50	150
Supplies	1,000	1,000	979	21
Communications	1,500	1,500	458	1,042
Community services	31,000	31,000	26,923	4,077
<b>Total senior and human services</b>	<u>235,981</u>	<u>235,981</u>	<u>214,953</u>	<u>21,028</u>

(Continued)

**REQUIRED SUPPLEMENTARY INFORMATION  
TOWN OF EAST GREENWICH, RHODE ISLAND  
Budgetary Comparison Schedule - General Fund  
Schedule of Expenditures - Non-GAAP Budgetary Basis  
For the Fiscal Year Ended June 30, 2012**

	<u>Original Budgeted Expenditures</u>	<u>Revised Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Variance</u>
<b>Grants and contributions</b>				
Contributions	24,000	24,000	24,000	-
<b>Total grants and contributions</b>	<u>24,000</u>	<u>24,000</u>	<u>24,000</u>	<u>-</u>
<b>East Greenwich Land Trust</b>				
Insurance	2,000	1,000	-	1,000
Pilot	6,300	1,300	478	822
Building maintenance	5,000	5,000	19,852	(14,852)
Boesch farm rehabilitation	35,000	41,000	56,058	(15,058)
<b>Total East Greenwich Land Trust</b>	<u>48,300</u>	<u>48,300</u>	<u>76,388</u>	<u>(28,088)</u>
<b>Library</b>				
Town contributions	467,175	467,175	467,175	-
<b>Total library</b>	<u>467,175</u>	<u>467,175</u>	<u>467,175</u>	<u>-</u>
<b>Capital improvements</b>				
Capital outlays	45,150	45,150	618,194	(573,044)
Non capital expenditures	-	-	219,520	(219,520)
<b>Total capital improvements</b>	<u>45,150</u>	<u>45,150</u>	<u>837,714</u>	<u>(792,564)</u>
<b>School department</b>				
Education	32,561,927	32,561,927	32,081,788	480,139
<b>Total school department</b>	<u>32,561,927</u>	<u>32,561,927</u>	<u>32,081,788</u>	<u>480,139</u>
<b>Total expenditures</b>	<u>44,686,189</u>	<u>44,716,189</u>	<u>44,851,320</u>	<u>(135,131)</u>
<b>Other financing uses</b>				
<b>Debt service</b>				
Principal	3,140,834	3,140,834	3,140,833	1
Interest	690,446	690,446	690,379	67
Financing costs	991,656	991,656	990,306	1,350
<b>Total debt service</b>	<u>4,822,936</u>	<u>4,822,936</u>	<u>4,821,518</u>	<u>1,418</u>
<b>Total expenditures and other financing uses</b>	<u>\$ 49,509,125</u>	<u>\$ 49,539,125</u>	<u>\$ 49,672,838</u>	<u>\$ (133,713)</u>

(Continued)

TOWN OF EAST GREENWICH, RHODE ISLAND  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2012

**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, 2012:

Excess of revenues and other sources over expenditures and other uses (Non-GAAP Budgetary Basis).....	\$ 227,662
Prior year encumbrances.....	\$ 52,281
Stabilization Stimulus.....	127
Excess of revenues and other sources over expenditures and other uses (GAAP).....	<u>\$ 280,070</u>

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

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

	<u>Revenues and Transfers</u>	<u>Expenditures and Transfers</u>
<b>General Fund:</b>		
<b>Schedule of Revenues, Expenditures and Other Financing Sources</b>		
<b>(Non-GAAP Budgetary Basis) Budget and Actual .....</b>	<b>\$ 49,900,500</b>	<b>\$ 49,672,838</b>
Adjustment for pension contribution made by State of Rhode Island on behalf of employees.....	1,368,414	1,368,414
Prior year encumbrances.....	-	(52,281)
Stabilization Stimulus.....	60,789	60,662
<b>Statement of Revenues, Expenditures and Changes in Fund</b>		
<b>Balances .....</b>	<u><b>\$ 51,329,703</b></u>	<u><b>\$ 51,049,633</b></u>

**TOWN OF EAST GREENWICH, RHODE ISLAND  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012**

**MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM  
(UNAUDITED)**

**SCHEDULE OF FUNDING PROGRESS**

Actuarial Valuation Date June 30,	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
<b>General Employees</b>						
2007	8,680,821	4,872,345	(3,808,476)	178%	1,065,758	-357%
2008	9,233,655	5,444,173	(3,789,482)	170%	1,172,412	-323%
2009	7,611,272	6,218,210	(1,393,062)	122%	1,129,564	-123%
2010	7,235,232	7,132,310	(102,922)	101%	1,131,628	-9%
2011	7,461,158	6,504,664	(956,494)	115%	1,163,020	-82%
2012	*N/A	*N/A	*N/A	*N/A	*N/A	*N/A
<b>Police Employees</b>						
2007	8,662,445	10,523,945	1,861,500	82%	2,112,367	88%
2008	12,227,676	12,050,993	(176,683)	101%	1,914,960	-9%
2009	12,515,512	13,549,427	1,033,915	92%	1,933,255	53%
2010	12,447,820	18,047,649	5,599,829	69%	1,931,364	290%
2011	12,317,410	15,806,249	3,488,839	78%	1,939,443	180%
2012	*N/A	*N/A	*N/A	*N/A	*N/A	*N/A

\* Unavailable at the time of the report

**SCHEDULE OF CONTRIBUTIONS FROM THE TOWN**

Year Ended June 30,	Police	General	Total Annual Pension Cost	Total Amount Contributed	Total Percentage Contributed
2008	139,460	451,739	591,199	591,199	100%
2009	200,885	482,723	683,608	683,608	100%
2010	179,893	420,959	600,852	600,852	100%
2011	395,048	519,118	914,166	914,166	100%
2012	513,073	430,780	943,853	943,854	100%

**TOWN OF EAST GREENWICH, RHODE ISLAND  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012**

---

**MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM  
(UNAUDITED)**

**Notes to Schedules**

Additional information as of the latest actuarial valuation follows:

Valuation date	June 30, 2011
Actuarial cost method	Entry Age Actuarial Cost Method
Amortization method	Level Percent of Payroll – Closed 30-yr period
Remaining amortization period	18 Years
Asset valuation method	5 Year Smoothed Market
Actuarial assumptions:	
Investment rate of return	7.50%, Compounded Annually
Projected salary increases	4.00-8.00%, Compounded Annually
Cost-of-living adjustments	2.75% Non-Compounded
Inflation	2.75% Annually
Post Retirement Benefit Increases	3.00% Of Original Retirement Benefit

**SUPPLEMENTARY INFORMATION**

**SUPPLEMENTARY INFORMATION**  
**TOWN OF EAST GREENWICH, RHODE ISLAND**  
**Combining Balance Sheet - Non-Major Governmental Funds**  
**June 30, 2012**

	Town Special Revenue Funds	Town Special Revenue Projects Fund	School Special Revenue Funds	Capital Projects Funds	Town Permanent Funds	Total Non-Major Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 190,274	\$ -	\$ 96,468	\$ 1,096,894	\$ 24,109	\$ 1,407,745
Investments	-	-	-	-	20,483	20,483
Internal balances	7,304,962	525,274	7,119,828	8,282,210	158,751	23,391,025
Due from other governments	-	-	335,895	-	-	335,895
Other receivables	11,600	-	-	-	-	11,600
Inventories	-	-	6,121	-	-	6,121
<b>TOTAL ASSETS</b>	<b>\$ 7,506,836</b>	<b>\$ 525,274</b>	<b>\$ 7,558,312</b>	<b>\$ 9,379,104</b>	<b>\$ 203,343</b>	<b>\$ 25,172,869</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities</b>						
Accounts payable and accrued expenses	\$ 43,140	\$ 1,063	\$ 101,286	\$ 45,519	\$ -	\$ 191,008
Internal balances	5,308,009	392,929	7,468,076	8,089,070	-	21,258,084
Deferred revenue	801	-	32,641	-	-	33,442
<b>Total liabilities</b>	<b>5,351,950</b>	<b>393,992</b>	<b>7,602,003</b>	<b>8,134,589</b>	<b>-</b>	<b>21,482,534</b>
<b>Fund balances</b>						
<i>Nonspendable</i>						
Inventories	-	-	6,121	-	-	6,121
Permanent fund principal	-	-	-	-	203,343	203,343
<i>Restricted for:</i>						
Educational programs	240,109	-	58,252	-	-	298,361
Public works programs	28,188	-	-	-	-	28,188
Culture and recreation	728,562	-	-	-	-	728,562
<i>Assigned for:</i>						
Legislative, judicial	123,481	41,233	-	-	-	164,714
Public safety programs	74,927	35,436	-	-	-	110,363
Community programs	-	120,161	-	-	-	120,161
Public works programs	1,102	-	-	153,130	-	154,232
Long term obligations	609,391	-	-	-	-	609,391
Culture and recreation	393,633	-	-	1,096,914	-	1,490,547
Unassigned	(44,507)	(65,548)	(108,064)	(5,529)	-	(223,648)
<b>Total fund balances (deficits)</b>	<b>2,154,886</b>	<b>131,282</b>	<b>(43,691)</b>	<b>1,244,515</b>	<b>203,343</b>	<b>3,690,335</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 7,506,836</b>	<b>\$ 525,274</b>	<b>\$ 7,558,312</b>	<b>\$ 9,379,104</b>	<b>\$ 203,343</b>	<b>\$ 25,172,869</b>

**SUPPLEMENTARY INFORMATION**  
**TOWN OF EAST GREENWICH, RHODE ISLAND**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balance - Non-Major Governmental Funds**  
**For the Fiscal Year Ended June 30, 2012**

	Town Special Revenue Funds	Town Special Revenue Projects Fund	School Special Revenue Funds	Capital Projects Funds	Town Permanent Funds	Total Non-Major Governmental Funds
<b>Revenues</b>						
Intergovernmental revenue	\$ 386,975	\$ 119,791	\$ 866,770	\$ 294,326	\$ -	\$ 1,667,862
Earnings on investments	720	-	-	-	24	744
Other revenue	364,057	-	530,824	-	-	894,881
<b>Total revenues</b>	<u>751,752</u>	<u>119,791</u>	<u>1,397,594</u>	<u>294,326</u>	<u>24</u>	<u>2,563,487</u>
<b>Expenditures</b>						
Public safety	29,491	45,019	-	-	-	74,510
Public health and welfare	550,468	160,084	-	-	-	710,552
Education	-	-	1,373,018	-	-	1,373,018
Non capital expenditures	-	-	-	1,021,238	-	1,021,238
Net decrease in FMV of investments	-	-	-	-	6,961	6,961
Capital outlay	222,841	-	-	345,767	-	568,608
<b>Total expenditures</b>	<u>802,800</u>	<u>205,103</u>	<u>1,373,018</u>	<u>1,367,005</u>	<u>6,961</u>	<u>3,754,887</u>
<b>Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)</b>	(51,048)	(85,312)	24,576	(1,072,679)	(6,937)	(1,191,400)
<b>Other financing sources (uses)</b>						
Issuance of debt	-	-	-	1,000,000	-	1,000,000
Transfers from other funds	239,321	-	-	-	-	239,321
Transfers to other funds	-	-	-	(239,321)	-	(239,321)
<b>Total other financing sources (uses)</b>	<u>239,321</u>	<u>-</u>	<u>-</u>	<u>760,679</u>	<u>-</u>	<u>1,000,000</u>
<b>Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)</b>	<u>188,273</u>	<u>(85,312)</u>	<u>24,576</u>	<u>(312,000)</u>	<u>(6,937)</u>	<u>(191,400)</u>
<b>Fund balances - beginning</b>	<u>1,966,613</u>	<u>216,594</u>	<u>(68,267)</u>	<u>1,556,515</u>	<u>210,280</u>	<u>3,881,735</u>
<b>Fund balances - ending</b>	<u>\$ 2,154,886</u>	<u>\$ 131,282</u>	<u>\$ (43,691)</u>	<u>\$ 1,244,515</u>	<u>\$ 203,343</u>	<u>\$ 3,690,335</u>

**SUPPLEMENTARY INFORMATION**  
**TOWN OF EAST GREENWICH, RHODE ISLAND**  
**Town Special Revenue Funds**  
**Combining Balance Sheet - Non-Major Governmental Funds**  
**June 30, 2012**

	Recreation Development Fund 0017	Impact Fees 0044	Courthouse Fund 0019	Community Development 0028	Substance Abuse 0029	EMA Funds 0016	Comprehensive Plan Land Use 0034
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 66,793	\$ -	\$ -	\$ -
Due from other governments	-	-	-	-	-	-	-
Internal balances	165,625	2,130,009	506,000	1,474,273	285,768	48,080	127,998
Other receivables	-	-	-	11,600	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 165,625</u>	<u>\$ 2,130,009</u>	<u>\$ 506,000</u>	<u>\$ 1,552,666</u>	<u>\$ 285,768</u>	<u>\$ 48,080</u>	<u>\$ 127,998</u>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities</b>							
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ 11,000	\$ 6,242	\$ -	\$ -
Internal balances	81,509	1,133,150	504,898	1,583,788	238,148	14,531	27,368
Deferred revenue	-	-	-	801	-	-	-
<b>Total liabilities</b>	<u>81,509</u>	<u>1,133,150</u>	<u>504,898</u>	<u>1,595,589</u>	<u>244,390</u>	<u>14,531</u>	<u>27,368</u>
<b>Fund balances</b>							
<i>Restricted for:</i>							
Public works programs	-	28,188	-	-	-	-	-
Education	-	240,109	-	-	-	-	-
Culture and recreation	-	728,562	-	-	-	-	-
<i>Assigned for:</i>							
Public safety programs	-	-	-	-	41,378	33,549	-
Public works programs	-	-	1,102	-	-	-	-
Long term obligations	-	-	-	-	-	-	-
Culture and recreation	84,116	-	-	-	-	-	100,630
<i>Unassigned</i>	-	-	-	(42,923)	-	-	-
<b>Total fund balances (deficits)</b>	<u>84,116</u>	<u>996,859</u>	<u>1,102</u>	<u>(42,923)</u>	<u>41,378</u>	<u>33,549</u>	<u>100,630</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 165,625</u>	<u>\$ 2,130,009</u>	<u>\$ 506,000</u>	<u>\$ 1,552,666</u>	<u>\$ 285,768</u>	<u>\$ 48,080</u>	<u>\$ 127,998</u>

(Continued)

SUPPLEMENTARY INFORMATION  
TOWN OF EAST GREENWICH, RHODE ISLAND  
Town Special Revenue Funds  
Combining Balance Sheet - Non-Major Governmental Funds  
June 30, 2012

	Revaluation Fund 0031	Recreation Activities Fund 0018	Farmer's Market 0022	Debt Service 0003	Banner, Flowers, Baskets 0037	GASB 45 0038	Totals
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 123,481	\$ 190,274
Due from other governments	-	-	-	-	-	-	-
Internal balances	448,073	1,276,059	17,860	825,217	-	-	7,304,962
Other receivables	-	-	-	-	-	-	11,600
<b>TOTAL ASSETS</b>	<u>\$ 448,073</u>	<u>\$ 1,276,059</u>	<u>\$ 17,860</u>	<u>\$ 825,217</u>	<u>\$ -</u>	<u>\$ 123,481</u>	<u>\$ 7,506,836</u>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities</b>							
Accounts payable and accrued expenses	\$ 15,786	\$ 9,477	\$ 635	\$ -	\$ -	\$ -	\$ 43,140
Internal balances	432,581	1,063,959	10,961	215,826	1,290	-	5,308,009
Deferred revenue	-	-	-	-	-	-	801
<b>Total liabilities</b>	<u>448,367</u>	<u>1,073,436</u>	<u>11,596</u>	<u>215,826</u>	<u>1,290</u>	<u>-</u>	<u>5,351,950</u>
<b>Fund balances</b>							
<i>Restricted for:</i>							
Public works programs	-	-	-	-	-	-	28,188
Education	-	-	-	-	-	-	240,109
Culture and recreation	-	-	-	-	-	-	728,562
<i>Assigned for:</i>							
Legislative, judicial	-	-	-	-	-	123,481	123,481
Public safety programs	-	-	-	-	-	-	74,927
Public works programs	-	-	-	-	-	-	1,102
Long term obligations	-	-	-	609,391	-	-	609,391
Culture and recreation	-	202,623	6,264	-	-	-	393,633
<i>Unassigned</i>	(294)	-	-	-	(1,290)	-	(44,507)
<b>Total fund balances (deficits)</b>	<u>(294)</u>	<u>202,623</u>	<u>6,264</u>	<u>609,391</u>	<u>(1,290)</u>	<u>123,481</u>	<u>2,154,886</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 448,073</u>	<u>\$ 1,276,059</u>	<u>\$ 17,860</u>	<u>\$ 825,217</u>	<u>\$ -</u>	<u>\$ 123,481</u>	<u>\$ 7,506,836</u>

(Concluded)

**SUPPLEMENTARY INFORMATION**  
**TOWN OF EAST GREENWICH, RHODE ISLAND**  
**Town Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balance - Non-Major Governmental Funds**  
**For the Fiscal Year Ended June 30, 2012**

	Recreation Development Fund 0017	Impact Fees 0044	Courthouse Fund 0019	Community Development 0028	Substance Abuse 0029	EMA Funds 0016	Comprehensive Plan Land Use 0034
<b>Revenues</b>							
Intergovernmental revenue	\$ -		\$ 30,000	\$ 143,118	\$ 23,236	\$ 4,500	\$ -
Interest on investments	-	-	-	720	-	-	-
Other revenue	-	87,381	-	-	-	-	89,738
<b>Total revenues</b>	<u>-</u>	<u>87,381</u>	<u>30,000</u>	<u>143,838</u>	<u>23,236</u>	<u>4,500</u>	<u>89,738</u>
<b>Expenditures</b>							
Public safety	-	-	-	-	29,491	-	-
Public health and welfare	-	-	-	133,912	-	-	-
Capital outlay	-	153,087	69,754	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>153,087</u>	<u>69,754</u>	<u>133,912</u>	<u>29,491</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)</b>	-	(65,706)	(39,754)	9,926	(6,255)	4,500	89,738
<b>Other financing sources (uses)</b>							
Operating transfers from (to) other funds	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess of revenues and other sources over (under) expenditures</b>	<u>-</u>	<u>(65,706)</u>	<u>(39,754)</u>	<u>9,926</u>	<u>(6,255)</u>	<u>4,500</u>	<u>89,738</u>
<b>Fund balances - beginning</b>	84,116	1,062,565	40,856	(52,849)	47,633	29,049	10,892
<b>Fund balances - ending</b>	<u>\$ 84,116</u>	<u>\$ 996,859</u>	<u>\$ 1,102</u>	<u>\$ (42,923)</u>	<u>\$ 41,378</u>	<u>\$ 33,549</u>	<u>\$ 100,630</u>

(Continued)

**SUPPLEMENTARY INFORMATION**  
**TOWN OF EAST GREENWICH, RHODE ISLAND**  
**Town Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balance - Non-Major Governmental Funds**  
**For the Fiscal Year Ended June 30, 2012**  
 (Continued)

	Revaluation Fund 0031	Recreation Activities Fund 0018	Farmer's Market 0022	Debt Service 0003	Banner, Flower. Baskets 0037	GASB 45 0038	Totals
<b>Revenues</b>							
Intergovernmental revenue	\$ 62,640	\$ -	\$ -	\$ -	\$ -	\$ 123,481	\$ 386,975
Interest on investments	-	-	-	-	-	-	720
Other revenue	46,150	135,893	4,895	-	-	-	364,057
<b>Total revenues</b>	<u>108,790</u>	<u>135,893</u>	<u>4,895</u>	<u>-</u>	<u>-</u>	<u>123,481</u>	<u>751,752</u>
<b>Expenditures</b>							
Public safety	-	-	-	-	-	-	29,491
Public health and welfare	67,361	128,705	3,374	215,826	1,290	-	550,468
Capital outlay	-	-	-	-	-	-	222,841
<b>Total expenditures</b>	<u>67,361</u>	<u>128,705</u>	<u>3,374</u>	<u>215,826</u>	<u>1,290</u>	<u>-</u>	<u>802,800</u>
<b>Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)</b>	41,429	7,188	1,521	(215,826)	(1,290)	123,481	(51,048)
<b>Other financing sources (uses)</b>							
Operating transfers from (to) other funds	-	-	-	239,321	-	-	239,321
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>239,321</u>	<u>-</u>	<u>-</u>	<u>239,321</u>
<b>Excess of revenues and other sources over (under) expenditures</b>	41,429	7,188	1,521	23,495	(1,290)	123,481	188,273
<b>Fund balances - beginning</b>	(41,723)	195,435	4,743	585,896	-	-	1,966,613
<b>Fund balances - ending</b>	<u>\$ (294)</u>	<u>\$ 202,623</u>	<u>\$ 6,264</u>	<u>\$ 609,391</u>	<u>\$ (1,290)</u>	<u>\$ 123,481</u>	<u>\$ 2,154,886</u>

(Concluded)

SUPPLEMENTARY INFORMATION  
TOWN OF EAST GREENWICH, RHODE ISLAND  
Combining Balance Sheet - Non-Major Governmental Funds  
Special Revenue Project Funds - Town - Fund 0036  
June 30, 2012

	Juvenile Hearing Board	Police Seizures State	Main Street Stroll	Tobacco Grant	Affordable Housing	Alcohol Compliance	Energy Grant ARRA/EPA	Holiday Basket	Police Seizures Federal
<b>ASSETS</b>									
Due from other governments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Internal balances	4,504	25,329	59,386	485	63,130	3,767	-	61,013	36,288
<b>TOTAL ASSETS</b>	<u>\$ 4,504</u>	<u>\$ 25,329</u>	<u>\$ 59,386</u>	<u>\$ 485</u>	<u>\$ 63,130</u>	<u>\$ 3,767</u>	<u>\$ -</u>	<u>\$ 61,013</u>	<u>\$ 36,288</u>
<b>LIABILITIES AND FUND BALANCES</b>									
<b>Liabilities</b>									
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 900	\$ -
Internal balances	796	14,011	48,835	485	5,198	3,767	59,104	53,774	36,956
<b>Total liabilities</b>	<u>796</u>	<u>14,011</u>	<u>48,835</u>	<u>485</u>	<u>5,198</u>	<u>3,767</u>	<u>59,104</u>	<u>54,674</u>	<u>36,956</u>
<b>Fund balances</b>									
<i>Assigned for:</i>									
Legislative, judicial	-	-	-	-	-	-	-	-	-
Public safety programs	3,708	11,318	-	-	-	-	-	-	-
Community programs	-	-	10,550	-	57,932	-	-	6,340	-
<i>Unassigned</i>	-	-	-	-	-	-	(59,104)	-	(668)
<b>Total fund balances (deficits)</b>	<u>3,708</u>	<u>11,318</u>	<u>10,550</u>	<u>-</u>	<u>57,932</u>	<u>-</u>	<u>(59,104)</u>	<u>6,340</u>	<u>(668)</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 4,504</u>	<u>\$ 25,329</u>	<u>\$ 59,385</u>	<u>\$ 485</u>	<u>\$ 63,130</u>	<u>\$ 3,767</u>	<u>\$ -</u>	<u>\$ 61,014</u>	<u>\$ 36,288</u>

(Continued)

SUPPLEMENTARY INFORMATION  
TOWN OF EAST GREENWICH, RHODE ISLAND  
Combining Balance Sheet - Non-Major Governmental Funds  
Special Revenue Project Funds - Town - Fund 0036  
June 30, 2012  
(Continued)

	Byrne Grant	Car Seat	Animal Enforcement	Senior Services	Document Preservation & Technology	Historic Trust Fund	Energy Performance Grant	Totals
<b>ASSETS</b>								
Due from other governments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Internal balances	24,238	570	20,410	62,984	113,885	39,553	9,732	525,274
<b>TOTAL ASSETS</b>	<u>\$ 24,238</u>	<u>\$ 570</u>	<u>\$ 20,410</u>	<u>\$ 62,984</u>	<u>\$ 113,885</u>	<u>\$ 39,553</u>	<u>\$ 9,732</u>	<u>\$ 525,274</u>
<b>LIABILITIES AND FUND BALANCES</b>								
<b>Liabilities</b>								
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ 163	\$ -	\$ -	\$ -	1,063
Internal balances	30,014	570	-	17,482	104,183	8,022	9,732	392,929
<b>Total liabilities</b>	<u>30,014</u>	<u>570</u>	<u>-</u>	<u>17,645</u>	<u>104,183</u>	<u>8,022</u>	<u>9,732</u>	<u>393,992</u>
<b>Fund balances</b>								
<i>Assigned for:</i>								
Legislative, judicial	-	-	-	-	9,702	31,531	-	41,233
Public safety programs	-	-	20,410	-	-	-	-	35,436
Community programs	-	-	-	45,339	-	-	-	120,161
<i>Unassigned</i>	(5,776)	-	-	-	-	-	-	(65,548)
<b>Total fund balances (deficits)</b>	<u>(5,776)</u>	<u>-</u>	<u>20,410</u>	<u>45,339</u>	<u>9,702</u>	<u>31,531</u>	<u>-</u>	<u>131,282</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 24,238</u>	<u>\$ 570</u>	<u>\$ 20,410</u>	<u>\$ 62,984</u>	<u>\$ 113,885</u>	<u>\$ 39,553</u>	<u>\$ 9,732</u>	<u>\$ 525,274</u>

(Concluded)

**SUPPLEMENTARY INFORMATION**  
**TOWN OF EAST GREENWICH, RHODE ISLAND**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balance - Non-Major Governmental Funds**  
**Special Revenue Project Funds - Town - Fund 0036**  
**For the Fiscal Year Ended June 30, 2012**

	Juvenile Hearing Board	Police Seizures State	Main Street Stroll	Tobacco Grant	Affordable Housing	Alcohol Compliance	Energy Grant ARRA/EPA	Holiday Basket	Police Seizures Federal
<b>Revenues</b>									
Intergovernmental revenue	\$ -	\$ 7,313	\$ 6,179	\$ 239	\$ -	\$ 715	\$ -	\$ 9,132	\$ 36,288
Other revenue	-	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<u>-</u>	<u>7,313</u>	<u>6,179</u>	<u>239</u>	<u>-</u>	<u>715</u>	<u>-</u>	<u>9,132</u>	<u>36,288</u>
<b>Expenditures</b>									
Public safety	-	5,894	-	-	-	-	-	-	36,956
Public health and welfare	-	-	7,666	239	7,267	715	59,104	9,705	-
<b>Total expenditures</b>	<u>-</u>	<u>5,894</u>	<u>7,666</u>	<u>239</u>	<u>7,267</u>	<u>715</u>	<u>59,104</u>	<u>9,705</u>	<u>36,956</u>
<b>Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)</b>	-	1,419	(1,487)	-	(7,267)	-	(59,104)	(573)	(668)
<b>Other financing sources (uses)</b>									
Transfers from other funds	-	-	-	-	-	-	-	-	-
Transfers to other funds	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of revenues and other sources over (under) expenditures and other uses</b>	-	1,419	(1,487)	-	(7,267)	-	(59,104)	(573)	(668)
<b>Fund balances - beginning</b>	3,708	9,899	12,037	-	65,199	-	-	6,913	-
<b>Fund balances - ending</b>	<u>\$ 3,708</u>	<u>\$ 11,318</u>	<u>\$ 10,550</u>	<u>\$ -</u>	<u>\$ 57,932</u>	<u>\$ -</u>	<u>\$ (59,104)</u>	<u>\$ 6,340</u>	<u>\$ (668)</u>

(Continued)

**SUPPLEMENTARY INFORMATION**  
**TOWN OF EAST GREENWICH, RHODE ISLAND**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balance - Non-Major Governmental Funds**  
**Special Revenue Project Funds - Town - Fund 0036**  
**For the Fiscal Year Ended June 30, 2012**  
 (Continued)

	Byrne Grant	Car Seat	Animal Enforcement	Senior Services	Document Preservation & Technology	Historic Trust Fund	Energy Performance Grant	Totals
<b>Revenues</b>								
Intergovernmental revenue	\$ 24,238	\$ 570	\$ 1,862	\$ 2,786	\$ 17,662	\$ 3,075	\$ 9,732	\$ 119,791
Other revenue	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<u>24,238</u>	<u>570</u>	<u>1,862</u>	<u>2,786</u>	<u>17,662</u>	<u>3,075</u>	<u>9,732</u>	<u>119,791</u>
<b>Expenditures</b>								
Public safety	1,599	570	-	-	-	-	-	45,019
Public health and welfare	-	-	-	1,353	64,303	-	9,732	160,084
<b>Total expenditures</b>	<u>1,599</u>	<u>570</u>	<u>-</u>	<u>1,353</u>	<u>64,303</u>	<u>-</u>	<u>9,732</u>	<u>205,103</u>
<b>Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)</b>	22,639	-	1,862	1,433	(46,641)	3,075	-	(85,312)
<b>Other financing sources (uses)</b>								
Transfers from other funds	-	-	-	-	-	-	-	-
Transfers to other funds	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of revenues and other sources over (under) expenditures and other uses</b>	<u>22,639</u>	<u>-</u>	<u>1,862</u>	<u>1,433</u>	<u>(46,641)</u>	<u>3,075</u>	<u>-</u>	<u>(85,312)</u>
<b>Fund balances - beginning</b>	<u>(28,415)</u>	<u>-</u>	<u>18,548</u>	<u>43,906</u>	<u>56,343</u>	<u>28,456</u>	<u>-</u>	<u>216,594</u>
<b>Fund balances - ending</b>	<u>\$ (5,776)</u>	<u>\$ -</u>	<u>\$ 20,410</u>	<u>\$ 45,339</u>	<u>\$ 9,702</u>	<u>\$ 31,531</u>	<u>\$ -</u>	<u>\$ 131,282</u>

(Concluded)

**SUPPLEMENTARY INFORMATION**  
**TOWN OF EAST GREENWICH, RHODE ISLAND**  
**School Special Revenue Restricted Funds**  
**Combining Balance Sheet - Non-Major Governmental Funds**  
**June 30, 2012**

	Title I 2102	RI Learn & Serve 2111	ARRA IDEA Part B 2101	Computer Fund 0083	FS-RTTT Educator Effectiveness 2128	NEA Foundation 2130	IDEA Preschool 2181	Title V Innovative Strategies 2106
<b>ASSETS</b>								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Internal balances	640,667	40,940	584,397	10,148	-	4,500	87,645	20,327
Due from other governments	27,591	-	-	-	5,688	-	2,144	-
Inventory	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 668,258</u>	<u>\$ 40,940</u>	<u>\$ 584,397</u>	<u>\$ 10,148</u>	<u>\$ 5,688</u>	<u>\$ 4,500</u>	<u>\$ 89,789</u>	<u>\$ 20,327</u>
<b>LIABILITIES AND FUND BALANCES</b>								
<b>Liabilities</b>								
Accounts payable and accrued expenses	\$ 1,756	\$ -	\$ -	\$ -	\$ 875	\$ 1,072	\$ -	\$ -
Internal balances	666,496	40,940	584,397	1,533	4,813	866	89,789	20,327
Deferred revenues	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<u>668,252</u>	<u>40,940</u>	<u>584,397</u>	<u>1,533</u>	<u>5,688</u>	<u>1,938</u>	<u>89,789</u>	<u>20,327</u>
<b>Fund balances</b>								
<i>Nonspendable</i>								
Inventories	-	-	-	-	-	-	-	-
<i>Restricted for:</i>								
Educational programs	6	-	-	8,615	-	2,562	-	-
<i>Unassigned</i>	-	-	-	-	-	-	-	-
<b>Total fund balances (deficit)</b>	<u>6</u>	<u>-</u>	<u>-</u>	<u>8,615</u>	<u>-</u>	<u>2,562</u>	<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 668,258</u>	<u>\$ 40,940</u>	<u>\$ 584,397</u>	<u>\$ 10,148</u>	<u>\$ 5,688</u>	<u>\$ 4,500</u>	<u>\$ 89,789</u>	<u>\$ 20,327</u>

(Continued)

**SUPPLEMENTARY INFORMATION**  
**TOWN OF EAST GREENWICH, RHODE ISLAND**  
**School Special Revenue Restricted Funds**  
**Combining Balance Sheet - Non-Major Governmental Funds**  
**June 30, 2012**

	<u>School Lunch 6001</u>	<u>Title II 2103</u>	<u>Title IV 2104</u>	<u>IDEA Part B 2191</u>	<u>New England Dairy &amp; Food Council 2131</u>	<u>RTTT Instructor Improvement 2132</u>	<u>Strategic Support 0098</u>	<u>ARRA IDEA Preschool 2171</u>
<b>ASSETS</b>								
Cash and cash equivalents	\$ 96,468	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Internal balances	2,040,550	512,496	70,406	2,906,559	4,000	4,107	40,698	24,074
Due from other governments	4,752	73,030	-	210,544	-	-	-	-
Inventory	6,121	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 2,147,891</u>	<u>\$ 585,526</u>	<u>\$ 70,406</u>	<u>\$ 3,117,103</u>	<u>\$ 4,000</u>	<u>\$ 4,107</u>	<u>\$ 40,698</u>	<u>\$ 24,074</u>
<b>LIABILITIES AND FUND BALANCES</b>								
<b>Liabilities</b>								
Accounts payable and accrued expenses	\$ 65,687	\$ 29,447	\$ -	\$ 366	\$ -	\$ -	\$ -	\$ -
Internal balances	2,151,382	556,085	70,524	3,116,737	-	4,107	2,231	24,074
Deferred revenues	32,641	-	-	-	-	-	-	-
<b>Total liabilities</b>	<u>2,249,710</u>	<u>585,532</u>	<u>70,524</u>	<u>3,117,103</u>	<u>-</u>	<u>4,107</u>	<u>2,231</u>	<u>24,074</u>
<b>Fund balances</b>								
<i>Nonspendable</i>								
Inventories	6,121	-	-	-	-	-	-	-
<i>Restricted for:</i>								
Educational programs	-	-	-	-	4,000	-	38,467	-
<i>Unassigned</i>	(107,940)	(6)	(118)	-	-	-	-	-
<b>Total fund balances (deficit)</b>	<u>(101,819)</u>	<u>(6)</u>	<u>(118)</u>	<u>-</u>	<u>4,000</u>	<u>-</u>	<u>38,467</u>	<u>-</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 2,147,891</u>	<u>\$ 585,526</u>	<u>\$ 70,406</u>	<u>\$ 3,117,103</u>	<u>\$ 4,000</u>	<u>\$ 4,107</u>	<u>\$ 40,698</u>	<u>\$ 24,074</u>

(Continued)

**SUPPLEMENTARY INFORMATION**  
**TOWN OF EAST GREENWICH, RHODE ISLAND**  
**School Special Revenue Restricted Funds**  
**Combining Balance Sheet - Non-Major Governmental Funds**  
**June 30, 2012**

	Title II Part D 2113	FSF-RTTT Standards & Curriculum 2126	Perkins 2109	Legislative Tech 0185/2311	RTTT Educator Effectiveness 2133	RTTT Human Development 2134	RI State Council on Arts 2314	Totals
<b>ASSETS</b>								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 96,468
Internal balances	32,000	-	84,790	10,304	20	-	1,200	7,119,828
Due from other governments	-	1,978	10,168	-	-	-	-	335,895
Inventory	-	-	-	-	-	-	-	6,121
<b>TOTAL ASSETS</b>	<u>\$ 32,000</u>	<u>\$ 1,978</u>	<u>\$ 94,958</u>	<u>\$ 10,304</u>	<u>\$ 20</u>	<u>\$ -</u>	<u>\$ 1,200</u>	<u>\$ 7,558,312</u>
<b>LIABILITIES AND FUND BALANCES</b>								
<b>Liabilities</b>								
Accounts payable and accrued expenses	\$ -	\$ -	\$ 2,083	\$ -	\$ -	\$ -	\$ -	\$ 101,286
Internal balances	32,000	1,978	92,875	6,102	20	-	800	7,468,076
Deferred revenues	-	-	-	-	-	-	-	32,641
<b>Total liabilities</b>	<u>32,000</u>	<u>1,978</u>	<u>94,958</u>	<u>6,102</u>	<u>20</u>	<u>-</u>	<u>800</u>	<u>7,602,003</u>
<b>Fund balances</b>								
<i>Nonspendable</i>								
Inventories	-	-	-	-	-	-	-	6,121
<i>Restricted for:</i>								
Educational programs	-	-	-	4,202	-	-	400	58,252
<i>Unassigned</i>	-	-	-	-	-	-	-	(108,064)
<b>Total fund balances (deficit)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,202</u>	<u>-</u>	<u>-</u>	<u>400</u>	<u>(43,691)</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 32,000</u>	<u>\$ 1,978</u>	<u>\$ 94,958</u>	<u>\$ 10,304</u>	<u>\$ 20</u>	<u>\$ -</u>	<u>\$ 1,200</u>	<u>\$ 7,558,312</u>

(Concluded)

**SUPPLEMENTARY INFORMATION**  
**TOWN OF EAST GREENWICH, RHODE ISLAND**  
**School Special Revenue Restricted Funds**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balances - Non-Major Governmental Funds**  
**For the Fiscal Year Ended June 30, 2012**

	Title I 2102	RI Learn & Serve 2111	ARRA IDEA Part B 2101	Computer Fund 0083	FS-RTTT Educator Effectiveness 2128	NEA Foundation 2130	IDEA Preschool 2181	Title V Innovative Strategies 2106
<b>Revenues</b>								
Intergovernmental revenue	\$ 92,716	\$ -	\$ 13,297	\$ -	\$ 5,688	\$ -	\$ 9,380	\$ -
Other	-	-	-	-	-	4,500	-	-
<b>Total revenues</b>	<u>92,716</u>	<u>-</u>	<u>13,297</u>	<u>-</u>	<u>5,688</u>	<u>4,500</u>	<u>9,380</u>	<u>-</u>
<b>Expenditures</b>								
Education	92,710	-	13,297	-	5,688	1,938	9,380	-
<b>Total expenditures</b>	<u>92,710</u>	<u>-</u>	<u>13,297</u>	<u>-</u>	<u>5,688</u>	<u>1,938</u>	<u>9,380</u>	<u>-</u>
<b>Excess revenues over (under) expenditures</b>	6	-	-	-	-	2,562	-	-
<b>Other financing sources (uses)</b>								
Transfers from other funds	-	-	-	-	-	-	-	-
Transfers to other funds	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess of revenues and other sources over (under) expenditures</b>	<u>6</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,562</u>	<u>-</u>	<u>-</u>
<b>Fund balances - beginning</b>	-	-	-	8,615	-	-	-	-
<b>Fund balances - ending</b>	<u>\$ 6</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,615</u>	<u>\$ -</u>	<u>\$ 2,562</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

**SUPPLEMENTARY INFORMATION**  
**TOWN OF EAST GREENWICH, RHODE ISLAND**  
**School Special Revenue Restricted Funds**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balances - Non-Major Governmental Funds**  
**For the Fiscal Year Ended June 30, 2012**

	School Lunch 6001	Title II 2103	Title IV 2104	IDEA Part B 2191	New England Dairy & Food Council 2131	RTTT Instructor Improvement 2132	Strategic Support 0098	ARRA IDEA Preschool 2171
<b>Revenues</b>								
Intergovernmental revenue	\$ 86,579	\$ 88,643	\$ -	\$ 546,932	\$ -	\$ 3,920	\$ -	\$ 7,008
Other	522,324	-	-	-	4,000	-	-	-
<b>Total revenues</b>	<u>608,903</u>	<u>88,643</u>	<u>-</u>	<u>546,932</u>	<u>4,000</u>	<u>3,920</u>	<u>-</u>	<u>7,008</u>
<b>Expenditures</b>								
Education	591,295	88,643	-	546,932	-	3,920	-	7,008
<b>Total expenditures</b>	<u>591,295</u>	<u>88,643</u>	<u>-</u>	<u>546,932</u>	<u>-</u>	<u>3,920</u>	<u>-</u>	<u>7,008</u>
<b>Excess revenues over (under) expenditures</b>	17,608	-	-	-	4,000	-	-	-
<b>Other financing sources (uses)</b>								
Transfers from other funds	-	-	-	-	-	-	-	-
Transfers to other funds	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess of revenues and other sources over (under) expenditures</b>	<u>17,608</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances - beginning</b>	<u>(119,427)</u>	<u>(6)</u>	<u>(118)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,467</u>	<u>-</u>
<b>Fund balances - ending</b>	<u>\$ (101,819)</u>	<u>\$ (6)</u>	<u>\$ (118)</u>	<u>\$ -</u>	<u>\$ 4,000</u>	<u>\$ -</u>	<u>\$ 38,467</u>	<u>\$ -</u>

(Continued)

**SUPPLEMENTARY INFORMATION**  
**TOWN OF EAST GREENWICH, RHODE ISLAND**  
**School Special Revenue Restricted Funds**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balances - Non-Major Governmental Funds**  
**For the Fiscal Year Ended June 30, 2012**

	Title II Part D 2113	FSF-RTTT Standards & Curriculum 2126	Perkins 2109	Legislative Tech 0185/2311	RTTT Educator Effectiveness 2133	RTTT Human Development 2134	RI State Council on Arts 2314	Totals
<b>Revenues</b>								
Intergovernmental revenue	\$ -	\$ 1,978	\$ 10,168	\$ -	\$ 20	\$ 41	\$ 400	\$ 866,770
Other	-	-	-	-	-	-	-	530,824
<b>Total revenues</b>	<u>-</u>	<u>1,978</u>	<u>10,168</u>	<u>-</u>	<u>20</u>	<u>41</u>	<u>400</u>	<u>1,397,594</u>
<b>Expenditures</b>								
Education	-	1,978	10,168	-	20	41	-	1,373,018
<b>Total expenditures</b>	<u>-</u>	<u>1,978</u>	<u>10,168</u>	<u>-</u>	<u>20</u>	<u>41</u>	<u>-</u>	<u>1,373,018</u>
<b>Excess revenues over (under) expenditures</b>	-	-	-	-	-	-	400	24,576
<b>Other financing sources (uses)</b>								
Transfers from other funds	-	-	-	-	-	-	-	-
Transfers to other funds	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess of revenues and other sources over (under) expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>400</u>	<u>24,576</u>
<b>Fund balances - beginning</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,202</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(68,267)</u>
<b>Fund balances - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,202</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 400</u>	<u>\$ (43,691)</u>

(Concluded)

**SUPPLEMENTARY INFORMATION**  
**TOWN OF EAST GREENWICH, RHODE ISLAND**  
**Capital Projects Funds**  
**Combining Balance Sheet - Non-Major Governmental Funds**  
**June 30, 2012**

	Hill & Harbor Infiltration 0025	Riverbank Restoration 0026	Capital Projects Asphalt 0043	Swift Comm Center/DPW Renovations 0033	Landfill Project Fund 0047	School Fields Fund 0076	Town Hall Steps 0023	Totals
<b>ASSETS</b>								
Cash and cash equivalents	\$ -		\$ -	\$ -	\$ -	\$ 1,096,894	\$ -	\$ 1,096,894
Internal balances	139,978	25,518	1,000,000	-	2,023,608	4,903,106	190,000	8,282,210
<b>TOTAL ASSETS</b>	<u>\$ 139,978</u>	<u>\$ 25,518</u>	<u>\$ 1,000,000</u>	<u>\$ -</u>	<u>\$ 2,023,608</u>	<u>\$ 6,000,000</u>	<u>\$ 190,000</u>	<u>\$ 9,379,104</u>
<b>LIABILITIES AND FUND BALANCES</b>								
<b>Liabilities</b>								
Accounts payable	\$ -	\$ -	\$ 43,342	\$ -	\$ 2,177	\$ -	\$ -	\$ 45,519
Internal balances	139,978	21,238	956,658	-	2,026,960	4,903,086	41,150	8,089,070
<b>Total liabilities</b>	<u>139,978</u>	<u>21,238</u>	<u>1,000,000</u>	<u>-</u>	<u>2,029,137</u>	<u>4,903,086</u>	<u>41,150</u>	<u>8,134,589</u>
<b>Fund balances</b>								
<i>Assigned for:</i>								
Culture and recreation	-	-	-	-	-	1,096,914	-	1,096,914
Public works programs	-	4,280	-	-	-	-	148,850	153,130
<i>Unassigned for:</i>	-	-	-	-	(5,529)	-	-	(5,529)
<b>Total fund balances (deficit)</b>	<u>-</u>	<u>4,280</u>	<u>-</u>	<u>-</u>	<u>(5,529)</u>	<u>1,096,914</u>	<u>148,850</u>	<u>1,244,515</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 139,978</u>	<u>\$ 25,518</u>	<u>\$ 1,000,000</u>	<u>\$ -</u>	<u>\$ 2,023,608</u>	<u>\$ 6,000,000</u>	<u>\$ 190,000</u>	<u>\$ 9,379,104</u>

**SUPPLEMENTARY INFORMATION**  
**TOWN OF EAST GREENWICH, RHODE ISLAND**  
**Capital Project Funds**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balance - Non-Major Governmental Funds**  
**For the Fiscal Year Ended June 30, 2012**

	<u>Hill &amp; Harbor Infiltration 0025</u>	<u>Riverbank Restoration 0026</u>	<u>Capital Projects Asphalt 0043</u>	<u>Swift Comm. Center/DPW Renovations 0033</u>	<u>Landfill Project Fund 0047</u>	<u>School Fields Fund 0076</u>	<u>Town Hall Steps 0023</u>	<u>Totals</u>
<b>Revenues</b>								
Intergovernmental Revenue	\$ 139,978	\$ 25,518	\$ -	\$ -	\$ 128,830	\$ -	\$ -	\$ 294,326
<b>Total revenues</b>	<u>139,978</u>	<u>25,518</u>	<u>-</u>	<u>-</u>	<u>128,830</u>	<u>-</u>	<u>-</u>	<u>294,326</u>
<b>Expenditures</b>								
Capital	139,978	-	-	-	162,717	43,072	-	345,767
Non capital expenditures	-	21,238	1,000,000	-	-	-	-	1,021,238
<b>Total expenditures</b>	<u>139,978</u>	<u>21,238</u>	<u>1,000,000</u>	<u>-</u>	<u>162,717</u>	<u>43,072</u>	<u>-</u>	<u>1,367,005</u>
<b>Excess (deficiency) of revenues over (under) expenditures before other financing sources</b>	-	4,280	(1,000,000)	-	(33,887)	(43,072)	-	(1,072,679)
<b>Other financing sources (uses)</b>								
Issuance of debt	-	-	1,000,000	-	-	-	-	1,000,000
Transfers from other funds	-	-	-	-	-	-	-	-
Transfers to other funds	-	-	-	(239,321)	-	-	-	(239,321)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>1,000,000</u>	<u>(239,321)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>760,679</u>
<b>Excess of revenues and other sources over (under) expenditures</b>	-	4,280	-	(239,321)	(33,887)	(43,072)	-	(312,000)
<b>Fund balances - beginning</b>	-	-	-	239,321	28,358	1,139,986	148,850	1,556,515
<b>Fund balances - ending</b>	<u>\$ -</u>	<u>\$ 4,280</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5,529)</u>	<u>\$ 1,096,914</u>	<u>\$ 148,850</u>	<u>\$ 1,244,515</u>

**SUPPLEMENTARY INFORMATION**  
**TOWN OF EAST GREENWICH, RHODE ISLAND**  
**Town Permanent Funds**  
**Combining Balance Sheet - Non-Major Governmental Funds**  
**June 30, 2012**

	<b>Briggs Fund</b>	<b>Spencer Maxwell Fund</b>	<b>Tillinghast Fund</b>	<b>Casey Fund</b>	<b>Darius Allen Fund</b>	<b>Estate of Thomas Johnson Fund</b>	<b>F. Robert E. Bergsten Fund</b>	<b>Howland Family Trust Fund</b>	<b>Totals</b>
<b>ASSETS</b>									
Cash and cash equivalents	\$ 866	\$ 10,387	\$ 577	\$ 7,086	\$ 289	\$ 2,019	\$ 866	\$ 2,019	\$ 24,109
Internal Balances	5,699	68,396	3,799	46,658	1,898	13,301	5,699	13,301	158,751
Investments	-	-	-	20,483	-	-	-	-	20,483
<b>TOTAL ASSETS</b>	<u>\$ 6,565</u>	<u>\$ 78,783</u>	<u>\$ 4,376</u>	<u>\$ 74,227</u>	<u>\$ 2,187</u>	<u>\$ 15,320</u>	<u>\$ 6,565</u>	<u>\$ 15,320</u>	<u>\$203,343</u>
<b>LIABILITIES AND FUND BALANCES</b>									
<b>Liabilities</b>									
Other liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances</b>									
Nonspendable	6,565	78,783	4,376	74,227	2,187	15,320	6,565	15,320	203,343
<b>Total fund balances (deficit)</b>	<u>6,565</u>	<u>78,783</u>	<u>4,376</u>	<u>74,227</u>	<u>2,187</u>	<u>15,320</u>	<u>6,565</u>	<u>15,320</u>	<u>203,343</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 6,565</u>	<u>\$ 78,783</u>	<u>\$ 4,376</u>	<u>\$ 74,227</u>	<u>\$ 2,187</u>	<u>\$ 15,320</u>	<u>\$ 6,565</u>	<u>\$ 15,320</u>	<u>\$203,343</u>

**SUPPLEMENTARY INFORMATION**  
**TOWN OF EAST GREENWICH, RHODE ISLAND**  
**Town Permanent Funds**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balances - Non-Major Governmental Funds**  
**For the Fiscal Year Ended June 30, 2012**

	<b>Briggs Fund</b>	<b>Spencer Maxwell Fund</b>	<b>Tillinghast Fund</b>	<b>Casey Fund</b>	<b>Darius Allen Fund</b>	<b>Estate of Thomas Johnson Fund</b>	<b>F. Robert E. Bergsten Fund</b>	<b>Howland Family Trust Fund</b>	<b>Totals</b>
<b>Revenues</b>									
Earnings on investments	\$ -	\$ 8	\$ -	\$ 10	\$ -	\$ 3	\$ -	\$ 3	\$ 24
<b>Total revenues</b>	<u>-</u>	<u>8</u>	<u>-</u>	<u>10</u>	<u>-</u>	<u>3</u>	<u>-</u>	<u>3</u>	<u>24</u>
<b>Expenditures</b>									
Net decrease in FMV of investment	-	-	-	6,961	-	-	-	-	6,961
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,961</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,961</u>
<b>Excess (deficiency) of revenues over (under) expenditures before other financing sources</b>	<u>-</u>	<u>8</u>	<u>-</u>	<u>(6,951)</u>	<u>-</u>	<u>3</u>	<u>-</u>	<u>3</u>	<u>(6,937)</u>
<b>Fund balances - beginning</b>	<u>6,565</u>	<u>78,775</u>	<u>4,376</u>	<u>81,178</u>	<u>2,187</u>	<u>15,317</u>	<u>6,565</u>	<u>15,317</u>	<u>210,280</u>
<b>Fund balances - ending</b>	<u>\$ 6,565</u>	<u>\$ 78,783</u>	<u>\$ 4,376</u>	<u>\$ 74,227</u>	<u>\$ 2,187</u>	<u>\$ 15,320</u>	<u>\$ 6,565</u>	<u>\$ 15,320</u>	<u>\$ 203,343</u>

**SUPPLEMENTARY INFORMATION**  
**TOWN OF EAST GREENWICH, RHODE ISLAND**  
**Fiduciary Funds**  
**Combining Statement of Changes in Assets and Liabilities**  
**For the Fiscal Year Ended June 30, 2012**

	<u>Balance July 1, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2012</u>
<b>PERFORMANCE BOND FUND</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 354,848	\$ 284,298	\$ 509,107	\$ 130,039
Internal balances	146,663	-	18,872	127,791
<b>TOTAL ASSETS</b>	<u>\$ 501,511</u>	<u>\$ 284,298</u>	<u>\$ 527,979</u>	<u>\$ 257,830</u>
<b>LIABILITIES</b>				
Deposits held in custody for others	\$ 501,511	\$ 284,298	\$ 527,979	\$ 257,830
<b>TOTAL LIABILITIES</b>	<u>\$ 501,511</u>	<u>\$ 284,298</u>	<u>\$ 527,979</u>	<u>\$ 257,830</u>
<b>PUPIL ACTIVITY FUNDS</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 249,640	\$ 887,022	\$ 931,997	\$ 204,665
<b>TOTAL ASSETS</b>	<u>\$ 249,640</u>	<u>\$ 887,022</u>	<u>\$ 931,997</u>	<u>\$ 204,665</u>
<b>LIABILITIES</b>				
Deposits held in custody for others	\$ 249,640	\$ 887,022	\$ 931,997	\$ 204,665
<b>TOTAL LIABILITIES</b>	<u>\$ 249,640</u>	<u>\$ 887,022</u>	<u>\$ 931,997</u>	<u>\$ 204,665</u>
<b>TOTAL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 604,488	\$ 1,171,320	\$ 1,441,104	\$ 334,704
Internal balances	146,663	-	18,872	127,791
<b>TOTAL ASSETS</b>	<u>\$ 751,151</u>	<u>\$ 1,171,320</u>	<u>\$ 1,459,976</u>	<u>\$ 462,495</u>
<b>LIABILITIES</b>				
Deposits held in custody for others	\$ 751,151	\$ 1,171,320	\$ 1,459,976	\$ 462,495
<b>TOTAL LIABILITIES</b>	<u>\$ 751,151</u>	<u>\$ 1,171,320</u>	<u>\$ 1,459,976</u>	<u>\$ 462,495</u>

**SUPPLEMENTARY INFORMATION**  
**TOWN OF EAST GREENWICH, RHODE ISLAND**  
**Fiduciary Funds - Pupil Activity Funds**  
**Combining Statement of Changes in Assets and Liabilities**  
**For the Fiscal Year Ended June 30, 2012**

	<u>Cash Balance July 1, 2011</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Cash Balance June 30, 2012</u>
<b>PUPIL ACTIVITY FUNDS</b>				
East Greenwich High School:				
Checking	\$ 94,768	\$ 303,452	\$ 324,704	\$ 73,516
Savings	21,308	13	-	21,321
CD	44,000	110	110	44,000
Athletic Officials Fund	3,042	29,391	30,293	2,140
Athletic Camp Fund	11,860	332,965	355,107	(10,282)
Cole Middle School:				
Checking	52,430	188,138	186,470	54,098
Money Market	3,961	2	-	3,963
Eldridge	8,286	11,063	14,880	4,469
Eldridge Student Council	1,760	1,329	1,388	1,701
Frenchtown School	5,456	8,641	6,869	7,228
Meadowbrook	1,291	8,332	8,077	1,546
Meadowbrook Library	31	-	31	-
Hanaford	1,447	3,586	4,068	965
<b>TOTALS</b>	<u>\$ 249,640</u>	<u>\$ 887,022</u>	<u>\$ 931,997</u>	<u>\$ 204,665</u>

**General Fund**  
**School Unrestricted Fund**

**TOWN OF EAST GREENWICH, RHODE ISLAND**  
**Supplementary Information**  
**Balance Sheet**  
**General Fund and School Unrestricted**  
**June 30, 2012**

	<u>General Fund</u>	<u>School Unrestricted Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 19,872,697	\$ -	\$ 19,872,697
<b>Accounts receivable:</b>			
Property taxes, less allowance for doubtful accounts of \$57,000	2,099,542	-	2,099,542
Intergovernmental	179,652	-	179,652
Other	-	103,385	103,385
Internal balances	105,598,264	7,577,351	113,175,615
Deposits with institutions	-	937,277	937,277
<b>TOTAL ASSETS</b>	<u>\$ 127,750,155</u>	<u>\$ 8,618,013</u>	<u>\$ 136,368,168</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable and accrued expenses	\$ 1,127,304	\$ 2,628,390	\$ 3,755,694
Internal balances	117,421,358	3,280,896	120,702,254
Deferred revenue	2,099,544	-	2,099,544
<b>Total liabilities</b>	<u>120,648,206</u>	<u>5,909,286</u>	<u>126,557,492</u>
<b>Fund balances:</b>			
<i>Restricted for:</i>			
Educational programs	-	1,541,450	1,541,450
Public health and welfare	-	937,277	937,277
<i>Committed for:</i>			
Educational programs	-	130,000	130,000
Capital outlay	-	100,000	100,000
<i>Assigned for:</i>			
Capital outlays	1,049,510	-	1,049,510
Community programs	210,000	-	210,000
<i>Unassigned:</i>	5,842,439	-	5,842,439
<b>Total fund balances</b>	<u>7,101,949</u>	<u>2,708,727</u>	<u>9,810,676</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 127,750,155</u>	<u>\$ 8,618,013</u>	

**TOWN OF EAST GREENWICH, RHODE ISLAND**  
**Supplementary Information**  
**Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**General Fund and School Unrestricted**  
**For the Fiscal Year Ended June 30, 2012**

	<u>General Fund</u>	<u>School Unrestricted Fund</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>			
General property tax	\$ 43,760,296	\$ -	\$ 43,760,296
Intergovernmental and departmental revenues	1,060,520	2,963,504	4,024,024
License and permits	1,114,239	-	1,114,239
Tuitions	-	162,400	162,400
Other revenues	1,921,382	313,942	2,235,324
<b>Total revenues</b>	<u>47,856,437</u>	<u>3,439,846</u>	<u>51,296,283</u>
<b>Expenditures</b>			
Legislative, judicial and general administrative	3,696,496	-	3,696,496
Financial administration	519,975	-	519,975
Information technology	343,978	-	343,978
Public safety	2,962,067	-	2,962,067
Public works	3,039,703	-	3,039,703
Teen center	9,280	-	9,280
Parks and recreation	569,657	-	569,657
Town planner	175,385	-	175,385
Senior and human services	214,953	-	214,953
Education	-	33,510,864	33,510,864
Grants and contributions	24,000	-	24,000
Library	467,175	-	467,175
Land trust	76,388	-	76,388
Financing costs	990,306	-	990,306
Capital outlay	618,194	-	618,194
Long-term obligations:			
Principal	3,140,833	-	3,140,833
Interest	690,379	-	690,379
<b>Total expenditures</b>	<u>17,538,769</u>	<u>33,510,864</u>	<u>51,049,633</u>
<b>Excess of revenues over (under) expenditures before other financing sources (uses)</b>	<u>30,317,668</u>	<u>(30,071,018)</u>	<u>246,650</u>
<b>Other financing sources (uses)</b>			
Issuance of debt	-	-	-
BAN premium proceeds	33,420	-	33,420
Transfers from other funds	-	30,501,077	30,501,077
Transfers to other funds	(30,501,077)	-	(30,501,077)
<b>Total other financing sources (uses)</b>	<u>(30,467,657)</u>	<u>30,501,077</u>	<u>33,420</u>
<b>Net changes in fund balances</b>	(149,989)	430,059	280,070
<b>Fund balances - beginning</b>	<u>7,251,938</u>	<u>2,278,668</u>	<u>9,530,606</u>
<b>Fund balances - ending</b>	<u>\$ 7,101,949</u>	<u>\$ 2,708,727</u>	<u>\$ 9,810,676</u>

**TOWN OF EAST GREENWICH, RHODE ISLAND**  
**Supplementary Information**  
**Balance Sheet**  
**General Fund**  
**June 30, 2012**

	<b>General Fund</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 19,872,697
<b>Accounts receivable:</b>	
Property taxes, less allowance for doubtful accounts of \$57,000	2,099,542
Intergovernmental	179,652
Internal balances	105,598,264
<b>TOTAL ASSETS</b>	<b>\$ 127,750,155</b>
 <b>LIABILITIES AND FUND BALANCES</b>	
<b>Liabilities:</b>	
Accounts payable and accrued expenses	\$ 1,127,304
Internal balances	117,421,358
Deferred revenue	2,099,544
<b>Total liabilities</b>	<b>120,648,206</b>
 <b>Fund balances:</b>	
<i>Assigned for:</i>	
Capital outlays	1,049,510
Community programs	210,000
<i>Unassigned:</i>	
	5,842,439
<b>Total fund balances</b>	<b>7,101,949</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 127,750,155</b>

TOWN OF EAST GREENWICH, RHODE ISLAND  
 Supplementary Information  
 Statement of Revenues, Expenditures  
 and Changes in Fund Balances  
 General Fund  
 For the Fiscal Year Ended June 30, 2012

	<b>General Fund</b>
<b>Revenues</b>	
General property tax	\$ 43,760,296
Intergovernmental and departmental revenues	1,060,520
License and permits	1,114,239
Other revenues	1,921,382
<b>Total revenues</b>	<b>47,856,437</b>
<b>Expenditures</b>	
Legislative, judicial and general administrative	3,696,496
Financial administration	519,975
Information technology	343,978
Public safety	2,962,067
Public works	3,039,703
Teen center	9,280
Parks and recreation	569,657
Town planner	175,385
Senior and human services	214,953
Grants and contributions	24,000
Library	467,175
Land trust	76,388
Financing costs	990,306
Capital outlay	618,194
Long-term obligations:	
Principal	3,140,833
Interest	690,379
<b>Total expenditures</b>	<b>17,538,769</b>
<b>Excess of revenues over (under) expenditures before other financing sources (uses)</b>	<b>30,317,668</b>
<b>Other financing sources (uses)</b>	
Bond premium proceeds	33,420
Transfers to other funds	(30,501,077)
<b>Total other financing sources (uses)</b>	<b>(30,467,657)</b>
<b>Net changes in fund balances</b>	<b>(149,989)</b>
<b>Fund balances - beginning</b>	<b>7,251,938</b>
<b>Fund balances - ending</b>	<b>\$ 7,101,949</b>

**TOWN OF EAST GREENWICH, RHODE ISLAND**  
**Supplementary Information**  
**Budgetary Comparison Schedule - General Fund**  
**Schedule of Revenues and Expenditures - Non-GAAP Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2012**

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
General property tax	\$ 43,955,091	\$ 43,955,091	\$ 43,760,296	\$ (194,795)
General revenue	1,802,491	1,832,491	1,921,382	88,891
State aid	910,943	910,943	1,060,520	149,577
License and permits	779,750	779,750	1,114,239	334,489
<b>Total Revenues</b>	<u>47,448,275</u>	<u>47,478,275</u>	<u>47,856,437</u>	<u>378,162</u>
<b>Expenditures</b>				
Administration	3,749,762	3,761,762	3,476,976	284,786
Finance	522,078	531,078	519,975	11,103
Information technology	319,525	320,525	343,978	(23,453)
Public safety	2,911,472	2,911,472	2,962,067	(50,595)
Public works	3,033,044	3,041,044	3,091,984	(50,940)
Recreation	578,238	578,238	569,657	8,581
Teen center	9,000	9,000	9,280	(280)
Town planner	180,537	180,537	175,385	5,152
Senior and human services	235,981	235,981	214,953	21,028
Grants and contributions	24,000	24,000	24,000	-
East Greenwich Land Trust	48,300	48,300	76,388	(28,088)
Library	467,175	467,175	467,175	-
Capital outlays	45,150	45,150	618,194	(573,044)
Non capital expenditures	-	-	219,520	(219,520)
Debt service:				
Principal	3,140,834	3,140,834	3,140,833	1
Interest	690,446	690,446	690,379	67
Financing costs	991,656	991,656	990,306	1,350
<b>Total expenditures</b>	<u>16,947,198</u>	<u>16,977,198</u>	<u>17,591,050</u>	<u>(613,852)</u>
<b>Excess of revenues over expenditures before operating transfers</b>	<u>30,501,077</u>	<u>30,501,077</u>	<u>30,265,387</u>	<u>(235,690)</u>
Bond premium proceeds	-	-	33,420	33,420
Transfers to other funds	(30,501,077)	(30,501,077)	(30,501,077)	-
<b>Total operating transfers</b>	<u>(30,501,077)</u>	<u>(30,501,077)</u>	<u>(30,467,657)</u>	<u>33,420</u>
<b>Excess of revenues over (under) expenditures and operating transfers</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (202,270)</u>	<u>\$ (202,270)</u>

**TOWN OF EAST GREENWICH, RHODE ISLAND**  
**Supplementary Information**  
**Budgetary Comparison Schedule - General Fund**  
**Schedule of Revenues - Non-GAAP Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2012**

	<u>Original Budget Revenues</u>	<u>Revised Budget Revenues</u>	<u>Actual Revenues</u>	<u>Variance</u>
<b>General property tax</b>				
Taxes - current	\$ 43,555,091	\$ 43,555,091	\$ 42,742,885	\$ (812,206)
Taxes - prior year	400,000	400,000	1,017,411	617,411
<b>Total general property taxes</b>	<u>43,955,091</u>	<u>43,955,091</u>	<u>43,760,296</u>	<u>(194,795)</u>
<b>General revenue</b>				
Grants and departmental revenue	18,264	18,264	24,379	6,115
Municipal court	23,000	23,000	36,966	13,966
Other revenue	1,761,227	1,791,227	1,860,037	68,810
<b>Total general revenue</b>	<u>1,802,491</u>	<u>1,832,491</u>	<u>1,921,382</u>	<u>88,891</u>
<b>State aid</b>				
School housing aid	250,000	250,000	318,524	68,524
Telephone tax	140,191	140,191	147,963	7,772
Pilot	7,274	7,274	8,724	1,450
Motor vehicle phase out	123,478	123,478	120,869	(2,609)
Meals tax	390,000	390,000	464,440	74,440
<b>Total state aid</b>	<u>910,943</u>	<u>910,943</u>	<u>1,060,520</u>	<u>149,577</u>
<b>Licenses, permits and usage fees</b>				
Town clerk department	447,150	447,150	475,570	28,420
Department of public works	200,800	200,800	408,144	207,344
Police department	131,800	131,800	230,525	98,725
<b>Total licenses, permits and usage fees</b>	<u>779,750</u>	<u>779,750</u>	<u>1,114,239</u>	<u>334,489</u>
<b>Total revenues</b>	<u>47,448,275</u>	<u>47,478,275</u>	<u>47,856,437</u>	<u>378,162</u>
<b>Other financing sources</b>				
Bond premium proceeds	-	-	33,420	33,420
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>33,420</u>	<u>33,420</u>
<b>Total revenue and other financing sources</b>	<u>\$ 47,448,275</u>	<u>\$ 47,478,275</u>	<u>\$ 47,889,857</u>	<u>\$ 411,582</u>

(concluded)

**TOWN OF EAST GREENWICH, RHODE ISLAND**  
**Supplementary Information**  
**Budgetary Comparison Schedule - General Fund**  
**Schedule of Expenditures - Non-GAAP Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2012**

	<u>Original Budgeted Expenditures</u>	<u>Revised Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Variance</u>
<b>Administration</b>				
<b>Town council</b>				
Salaries	\$ 9,300	\$ 9,300	\$ 7,650	\$ 1,650
<b>Total town council</b>	<u>9,300</u>	<u>9,300</u>	<u>7,650</u>	<u>1,650</u>
<b>Town manager</b>				
Salaries and wages	166,138	178,138	178,639	(501)
Outside services	11,350	11,350	12,723	(1,373)
Supplies	4,400	4,400	1,655	2,745
<b>Total town manager</b>	<u>181,888</u>	<u>193,888</u>	<u>193,017</u>	<u>871</u>
<b>Town clerks</b>				
Salaries and wages	207,876	207,876	219,965	(12,089)
Outside services	17,900	17,900	9,016	8,884
Supplies	2,400	2,400	2,271	129
<b>Total town clerks</b>	<u>228,176</u>	<u>228,176</u>	<u>231,252</u>	<u>(3,076)</u>
<b>Town solicitor</b>				
Outside services	155,500	155,500	151,313	4,187
<b>Total town solicitor</b>	<u>155,500</u>	<u>155,500</u>	<u>151,313</u>	<u>4,187</u>
<b>Municipal court and judges</b>				
Salaries	41,346	41,346	41,910	(564)
Outside services	2,000	2,000	836	1,164
<b>Total municipal court and judges</b>	<u>43,346</u>	<u>43,346</u>	<u>42,746</u>	<u>600</u>
<b>Board of canvassers</b>				
Salaries and wages	18,150	14,150	12,866	1,284
Outside services	6,200	6,200	2,566	3,634
Supplies	1,850	5,850	3,455	2,395
<b>Total board of canvassers</b>	<u>26,200</u>	<u>26,200</u>	<u>18,887</u>	<u>7,313</u>

(Continued)

**TOWN OF EAST GREENWICH, RHODE ISLAND**  
**Supplementary Information**  
**Budgetary Comparison Schedule - General Fund**  
**Schedule of Expenditures - Non-GAAP Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2012**

	<u>Original Budgeted Expenditures</u>	<u>Revised Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Variance</u>
<b>Employee benefits</b>				
Outside services	2,752,718	2,752,718	2,562,378	190,340
<b>Total employee benefits</b>	<u>2,752,718</u>	<u>2,752,718</u>	<u>2,562,378</u>	<u>190,340</u>
<b>Insurance</b>				
Outside services	340,134	340,134	261,306	78,828
<b>Total insurance</b>	<u>340,134</u>	<u>340,134</u>	<u>261,306</u>	<u>78,828</u>
<b>Contingency fund</b>				
Outside services	12,500	12,500	8,427	4,073
<b>Total contingency fund</b>	<u>12,500</u>	<u>12,500</u>	<u>8,427</u>	<u>4,073</u>
<b>Total Administration</b>	<u>3,749,762</u>	<u>3,761,762</u>	<u>3,476,976</u>	<u>284,786</u>
<b>Finance department</b>				
Salaries	419,478	428,478	424,669	3,809
Outside services	60,100	60,100	55,091	5,009
Supplies	10,000	10,000	10,845	(845)
Equipment	500	500	-	500
Communications	32,000	32,000	29,370	2,630
<b>Total finance department</b>	<u>522,078</u>	<u>531,078</u>	<u>519,975</u>	<u>11,103</u>
<b>Information technology</b>				
Salaries	76,996	76,996	76,102	894
Outside services	106,437	106,437	122,583	(16,146)
Supplies	10,500	10,500	13,948	(3,448)
Equipment	49,268	50,268	54,165	(3,897)
Communications	76,324	76,324	77,180	(856)
<b>Total information technology</b>	<u>319,525</u>	<u>320,525</u>	<u>343,978</u>	<u>(23,453)</u>
<b>Police department</b>				
Salaries and wages	2,487,305	2,487,305	2,507,610	(20,305)
Police overtime	284,232	284,232	319,875	(35,643)
Outside services	30,970	31,220	26,307	4,913
Supplies	87,765	88,259	88,025	234
Equipment	17,500	17,500	17,149	351
Communications	3,700	2,956	3,101	(145)
<b>Total police department</b>	<u>2,911,472</u>	<u>2,911,472</u>	<u>2,962,067</u>	<u>(50,595)</u>

(Continued)

**TOWN OF EAST GREENWICH, RHODE ISLAND**  
**Supplementary Information**  
**Budgetary Comparison Schedule - General Fund**  
**Schedule of Expenditures - Non-GAAP Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2012**

	<u>Original Budgeted Expenditures</u>	<u>Revised Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Variance</u>
<b>Public works administration</b>				
Salaries and wages	1,194,824	1,203,824	1,108,348	95,476
Outside services	1,073,638	1,073,638	1,125,324	(51,686)
Supplies and expense	764,582	763,582	829,682	(66,100)
Equipment	-	-	28,630	(28,630)
<b>Total public works administration</b>	<u>3,033,044</u>	<u>3,041,044</u>	<u>3,091,984</u>	<u>(50,940)</u>
<b>Recreation department</b>				
Salaries and wages	160,259	160,259	162,651	(2,392)
Outside services	11,980	12,463	11,639	824
Supplies	10,850	10,367	9,837	530
<b>Total recreation department</b>	<u>183,089</u>	<u>183,089</u>	<u>184,127</u>	<u>(1,038)</u>
<b>Parks &amp; grounds</b>				
Salaries and wages	283,684	283,684	278,837	4,847
Outside services	54,880	54,880	53,345	1,535
Supplies	53,785	53,785	50,555	3,230
Equipment	2,800	2,800	2,793	7
<b>Total recreation department</b>	<u>395,149</u>	<u>395,149</u>	<u>385,530</u>	<u>9,619</u>
<b>Teen center</b>				
Salaries and wages	2,500	2,500	5,096	(2,596)
Supplies and equipment	6,500	6,500	4,184	2,316
<b>Total teen center</b>	<u>9,000</u>	<u>9,000</u>	<u>9,280</u>	<u>(280)</u>
<b>Town planner</b>				
Salaries and wages	166,162	166,162	166,728	(566)
Outside services	11,975	11,975	8,039	3,936
Supplies	1,900	1,900	618	1,282
Equipment	500	500	-	500
<b>Total town planner</b>	<u>180,537</u>	<u>180,537</u>	<u>175,385</u>	<u>5,152</u>
<b>Senior and human services</b>				
Salaries and wages	202,281	202,281	186,543	15,738
Outside services	200	200	50	150
Supplies	1,000	1,000	979	21
Communications	1,500	1,500	458	1,042
Community services	31,000	31,000	26,923	4,077
<b>Total senior and human services</b>	<u>235,981</u>	<u>235,981</u>	<u>214,953</u>	<u>21,028</u>

(Continued)

**TOWN OF EAST GREENWICH, RHODE ISLAND**  
**Supplementary Information**  
**Budgetary Comparison Schedule - General Fund**  
**Schedule of Expenditures - Non-GAAP Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2012**

	<u>Original Budgeted Expenditures</u>	<u>Revised Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Variance</u>
<b>Grants and contributions</b>				
Contributions	24,000	24,000	24,000	-
<b>Total grants and contributions</b>	<u>24,000</u>	<u>24,000</u>	<u>24,000</u>	<u>-</u>
<b>East Greenwich Land Trust</b>				
Insurance	2,000	1,000	-	1,000
Pilot	6,300	1,300	478	822
Building maintenance	5,000	5,000	19,852	(14,852)
Boesch farm rehabilitation	35,000	41,000	56,058	(15,058)
<b>Total East Greenwich Land Trust</b>	<u>48,300</u>	<u>48,300</u>	<u>76,388</u>	<u>(28,088)</u>
<b>Library</b>				
Town contributions	467,175	467,175	467,175	-
<b>Total library</b>	<u>467,175</u>	<u>467,175</u>	<u>467,175</u>	<u>-</u>
<b>Capital improvements</b>				
Capital outlays	45,150	45,150	618,194	(573,044)
Non capital expenditures	-	-	219,520	(219,520)
<b>Total capital improvements</b>	<u>45,150</u>	<u>45,150</u>	<u>837,714</u>	<u>(792,564)</u>
<b>School department</b>				
Education	-	-	-	-
<b>Total school department</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total expenditures</b>	<u>12,124,262</u>	<u>12,154,262</u>	<u>12,769,532</u>	<u>(615,270)</u>
<b>Other financing uses</b>				
<b>Debt service</b>				
Principal	3,140,834	3,140,834	3,140,833	1
Interest	690,446	690,446	690,379	67
Financing costs	991,656	991,656	990,306	1,350
<b>Total debt service</b>	<u>4,822,936</u>	<u>4,822,936</u>	<u>4,821,518</u>	<u>1,418</u>
<b>Other financing uses</b>				
Transfers to other funds	-	-	-	-
Education department appropriation	30,501,077	30,501,077	30,501,077	-
<b>Total other financing uses</b>	<u>30,501,077</u>	<u>30,501,077</u>	<u>30,501,077</u>	<u>-</u>
<b>Total expenditures and other financing uses</b>	<u>\$ 47,448,275</u>	<u>\$ 47,478,275</u>	<u>\$ 48,092,127</u>	<u>\$ (613,852)</u>

(Continued)

**TOWN OF EAST GREENWICH, RHODE ISLAND**  
**Supplementary Information**  
**Balance Sheet**  
**School Unrestricted**  
**June 30, 2012**

	<b>School Unrestricted Fund</b>
<b>ASSETS</b>	
<b>Accounts receivable:</b>	
Other	103,385
Internal balances	7,577,351
Deposits with institutions	937,277
<b>TOTAL ASSETS</b>	<b>\$ 8,618,013</b>
 <b>LIABILITIES AND FUND BALANCES</b>	
<b>Liabilities:</b>	
Accounts payable and accrued expenses	\$ 2,628,390
Internal balances	3,280,896
<b>Total liabilities</b>	<b>5,909,286</b>
 <b>Fund balances:</b>	
<i>Restricted for:</i>	
Educational programs	1,541,450
Public health and welfare	937,277
<i>Committed for:</i>	
Educational programs	130,000
Capital outlay	100,000
<b>Total fund balances</b>	<b>2,708,727</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 8,618,013</b>

**TOWN OF EAST GREENWICH, RHODE ISLAND**  
**Supplementary Information**  
**School Unrestricted Fund**  
**Schedule of Revenues, Expenditures**  
**For the Fiscal Year Ended June 30, 2012**

	<u>School Unrestricted Fund</u>
<b>Revenues</b>	
Hanaford fund revenue	\$ 30,164
State aid to education	1,443,106
Tuition revenue	162,400
Medicaid revenue	313,942
Restricted grants	61,031
Other revenue	-
Intergovernmental on behalf payments	1,368,414
Federal revenue - State fiscal stabilization	60,789
<b>Total revenues</b>	<u>3,439,846</u>
<b>Expenditures</b>	
Instructional teachers	16,759,942
Substitute teachers	244,999
Instructional paraprofessionals	1,207,570
Pupil-use tech/software	78,077
Instructional materials/trips/supplies	399,468
Guidance services	636,415
Library and media	496,261
Extracurricular	480,725
Student health and services	600,351
Curriculum development	328,726
Staff development	101,115
Program management	119,033
Therapists/psychologists/evaluation	1,799,661
Academic student assessment	52,168
Transportation	1,325,240
Safety	68,461
Building upkeep/maintenance/utilities	2,642,101
Data processing	387,678
Business operations	315,518
Retiree benefits	129,126
All school pass through	1,435,643
Principals and asst principals	971,308
School office	668,795
Superintendent/school board	412,139
Legal	100,604
Capital outlay	266,535
Food services	1,920
Other expenses	112,871
Intergovernmental on behalf payments	1,368,414
<b>Total expenditures</b>	<u>33,510,864</u>
<b>Excess (deficiency) of Revenues Over (Under) Expenditures Before Operating Transfers</b>	<u>(30,071,018)</u>
<b>Operating transfers</b>	
Transfers from other funds	-
Town appropriation	30,501,077
<b>Total transfers from other funds</b>	<u>30,501,077</u>
<b>Net changes from operations</b>	430,059
<b>Operational reserves - beginning</b>	<u>2,278,668</u>
<b>Operational reserves - ending</b>	<u><u>2,708,727</u></u>

**TOWN OF EAST GREENWICH**  
**Supplementary Information**  
**School Unrestricted Fund**  
**Budgetary Comparison Schedule**  
**Schedule of Revenues - Non-GAAP Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2012**

	<u>Original Budgeted</u>	<u>Revised Budgeted</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
Hanaford fund revenue	\$ 31,000	\$ 31,000	\$ 30,164	\$ (836)
Tuition revenue	118,000	118,000	162,400	44,400
Restricted grants	-	60,142	61,031	889
Other revenue	24,000	24,000	-	(24,000)
Medicaid revenue	325,000	325,000	313,942	(11,058)
<b>Total revenues</b>	<u>498,000</u>	<u>558,142</u>	<u>567,537</u>	<u>9,395</u>
<b>State and federal aid and transfers</b>				
State aid to education	1,442,708	1,442,708	1,443,106	398
<b>Total state and federal aid and transfers</b>	<u>1,442,708</u>	<u>1,442,708</u>	<u>1,443,106</u>	<u>398</u>
<b>Transfer from other funds</b>				
Transfers from other funds	120,142	-	-	-
Reappropriated fund	-	60,000	-	(60,000)
Town appropriation	30,501,077	30,501,077	30,501,077	-
<b>Total transfers from other funds</b>	<u>30,621,219</u>	<u>30,561,077</u>	<u>30,501,077</u>	<u>(60,000)</u>
<b>Total revenue and other financing sources</b>	<u>\$ 32,561,927</u>	<u>\$ 32,561,927</u>	<u>\$ 32,511,720</u>	<u>\$ (50,207)</u>
<b>Expenditures</b>				
Instructional teachers	\$ 17,786,012	\$ 17,446,057	\$ 16,759,942	\$ 686,115
Substitute teachers	240,752	238,417	244,999	(6,582)
Instructional paraprofessionals	293,989	# 1,611,769	1,207,570	404,199
Pupil-use tech/software	65,896	67,853	78,077	(10,224)
Instructional materials/trips/supplies	182,709	551,396	399,468	151,928
Guidance services	676,848	655,818	636,415	19,403
Library and media	626,513	622,733	496,261	126,472
Extracurricular	444,375	340,338	480,725	(140,387)
Student health and services	1,329,651	625,835	600,351	25,484
Curriculum development	600	71,448	328,726	(257,278)
Staff development	40,063	137,512	101,115	36,397
Program management	197,952	159,194	119,033	40,161
Therapists/psychologists/evaluation	2,778,259	1,306,764	1,799,661	(492,897)
Academic student assessment	84,542	84,542	52,168	32,374
Transportation	1,180,642	1,475,562	1,325,240	150,322
Safety	30,800	59,700	68,461	(8,761)
Building upkeep/maintenance/utilities	2,866,243	2,558,516	2,642,101	(83,585)
Data processing	840,424	488,455	327,016	161,439
Business operations	324,112	324,112	315,518	8,594
Retiree Benefits	147,912	147,912	129,126	18,786
All school pass throughs	36,148	921,590	1,435,643	(514,053)
Principals and asst principals	1,635,498	1,111,400	971,308	140,092
School office	68,467	643,857	668,795	(24,938)
Superintendent/school board	558,520	408,520	412,139	(3,619)
Legal	-	125,000	100,604	24,396
Capital outlay	-	250,567	266,535	(15,968)
Food services	-	2,060	1,920	140
Other expenses	125,000	125,000	112,871	12,129
<b>Total expenditures</b>	<u>32,561,927</u>	<u>32,561,927</u>	<u>32,081,788</u>	<u>480,139</u>
<b>Net changes</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 429,932</u>	<u>\$ 429,932</u>

**TOWN OF EAST GREENWICH**  
**Supplementary Information**  
**School Unrestricted Fund**  
**Budgetary Comparison Schedule**  
**Schedule of Revenues - Non-GAAP Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2012**

	<u>Original Budgeted Revenues</u>	<u>Revised Budgeted Revenues</u>	<u>Actual Revenues</u>	<u>Variance</u>
<b>Revenues</b>				
Hanaford fund revenue	\$ 31,000	\$ 31,000	\$ 30,164	\$ (836)
Tuition revenue	118,000	118,000	162,400	44,400
Restricted grants	-	60,142	61,031	889
Other revenue	24,000	24,000	-	(24,000)
Medicaid revenue	325,000	325,000	313,942	(11,058)
<b>Total revenues</b>	<u>498,000</u>	<u>558,142</u>	<u>567,537</u>	<u>9,395</u>
<b>State and federal aid and transfers</b>				
State aid to education	1,442,708	1,442,708	1,443,106	398
<b>Total state and federal aid and transfers</b>	<u>1,442,708</u>	<u>1,442,708</u>	<u>1,443,106</u>	<u>398</u>
<b>Transfer from other funds</b>				
Transfers from other funds	120,142	-	-	-
Reappropriated fund	-	60,000	-	(60,000)
Town appropriation	30,501,077	30,501,077	30,501,077	-
<b>Total transfers from other funds</b>	<u>30,621,219</u>	<u>30,561,077</u>	<u>30,501,077</u>	<u>(60,000)</u>
<b>Total revenue and other financing sources</b>	<u>\$ 32,561,927</u>	<u>\$ 32,561,927</u>	<u>\$ 32,511,720</u>	<u>\$ (50,207)</u>

(Continued)

**Supplementary Information  
School Unrestricted Fund  
Budgetary Comparison Schedule  
Schedule of Expenditures - Non-GAAP Budgetary Basis  
Fiscal Year Ended June 30, 2012**

	<u>Original Budgeted Expenditures</u>	<u>Revised Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Variance</u>
<b>Expenditures</b>				
Instructional teachers	\$ 17,786,012	\$ 17,446,057	\$ 16,759,942	\$ 686,115
Substitute teachers	240,752	238,417	244,999	(6,582)
Instructional paraprofessionals	293,989	1,611,769	1,207,570	404,199
Pupil-use tech/software	65,896	67,853	78,077	(10,224)
Instructional materials/trips/supplies	182,709	551,396	399,468	151,928
Guidance services	676,848	655,818	636,415	19,403
Library and media	626,513	622,733	496,261	126,472
Extracurricular	444,375	340,338	480,725	(140,387)
Student health and services	1,329,651	625,835	600,351	25,484
Curriculum development	600	71,448	328,726	(257,278)
Staff development	40,063	137,512	101,115	36,397
Program management	197,952	159,194	119,033	40,161
Therapists/psychologists/evaluation	2,778,259	1,306,764	1,799,661	(492,897)
Academic student assessment	84,542	84,542	52,168	32,374
Transportation	1,180,642	1,475,562	1,325,240	150,322
Safety	30,800	59,700	68,461	(8,761)
Building upkeep/maintenance/utilities	2,866,243	2,558,516	2,642,101	(83,585)
Data processing	840,424	488,455	327,016	161,439
Business operations	324,112	324,112	315,518	8,594
Retiree Benefits	147,912	147,912	129,126	18,786
All school pass throughs	36,148	921,590	1,435,643	(514,053)
Principals and asst principals	1,635,498	1,111,400	971,308	140,092
School office	68,467	643,857	668,795	(24,938)
Superintendent/school board	558,520	408,520	412,139	(3,619)
Legal	-	125,000	100,604	24,396
Capital outlay	-	250,567	266,535	(15,968)
Food services	-	2,060	1,920	140
Other expenses	125,000	125,000	112,871	12,129
<b>Total expenditures</b>	<u>32,561,927</u>	<u>32,561,927</u>	<u>32,081,788</u>	<u>480,139</u>
<b>Total expenditures and transfers</b>	<u>\$ 32,561,927</u>	<u>\$ 32,561,927</u>	<u>\$ 32,081,788</u>	<u>\$ 480,139</u>

(Continued)

TOWN OF EAST GREENWICH, RHODE ISLAND  
 General Fund  
 JUNE 30, 2012

**NOTES TO SUPPLEMENTARY INFORMATION**

***Budgetary to GAAP basis reconciliation***

The following reconciliation summarizes the differences for the Town's General Fund between budgetary and GAAP basis accounting principles for the year ended June 30, 2012:

Excess of revenues and other sources over expenditures and other uses		
(Deficit) (Non-GAAP Budgetary Basis).....	\$	(202,270)
Prior year encumbrances.....		52,281
Excess of revenues and other sources over expenditures and other uses		
(GAAP).....	\$	(149,989)

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
<b><i>General Fund:</i></b>		
<b><i>Schedule of Revenues, Expenditures and Other Financing Sources</i></b>		
<b><i>(Non-GAAP Budgetary Basis) Budget and Actual</i></b> .....	\$ 47,889,857	\$ 48,092,127
Prior year encumbrances	-	(52,281)
<b><i>Statement of Revenues, Expenditures and Changes in Fund</i></b>		
<b><i>Balances</i></b> .....	\$ 47,889,857	\$ 48,039,846

(concluded)

**TOWN OF EAST GREENWICH, RHODE ISLAND**  
**School Unrestricted**  
**JUNE 30, 2012**

**NOTES TO SUPPLEMENTARY INFORMATION**

***Budgetary to GAAP basis reconciliation***

The following reconciliation summarizes the differences for the School's Unrestricted Fund between budgetary and GAAP basis accounting principles for the year ended June 30, 2012:

Excess of revenues and other sources over expenditures and other uses (Non-GAAP Budgetary Basis).....	\$ 429,932
Stabilization Stimulus reported on School Unrestricted Fund.....	<u>127</u>
Excess of revenues and other sources over expenditures and other uses (GAAP).....	<u>\$ 430,059</u>

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

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

	<u>Revenues and Transfers</u>	<u>Expenditures and Transfers</u>
<b><i>School Unrestricted Fund:</i></b>		
<b><i>Schedule of Revenues, Expenditures and Other Financing Sources</i></b>		
<b><i>(Non-GAAP Budgetary Basis) Budget and Actual</i></b> .....	\$ 32,511,720	\$ 32,081,788
Adjustment for pension contribution made by State of Rhode Island on behalf of employees.....	1,368,414	1,368,414
Stabilization Stimulus reported on School Unrestricted Fund.....	<u>60,789</u>	<u>60,662</u>
<b><i>Statement of Revenues, Expenditures and Changes in Fund</i></b>		
<b><i>Balances</i></b> .....	<u>\$ 33,940,923</u>	<u>\$ 33,510,864</u>

(concluded)

**This Page Intentionally Left Blank**

## **STATISTICAL SECTION**

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

### **Contents**

#### **Financial Trends**

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

#### **Revenue Capacity**

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

#### **Debt Capacity**

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

#### **Demographic and Economic Information**

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

**TOWN OF EAST GREENWICH, RHODE ISLAND  
TAX COLLECTOR'S ANNUAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**REAL ESTATE AND PERSONAL PROPERTY TAXES**

<b>Tax Roll Year</b>	<b>Balance July 1, 2011</b>	<b>Current Year Assessment</b>	<b>Additions and Adjustments</b>	<b>Abatements and Adjustments</b>	<b>Amount to be Collected</b>	<b>Collections</b>	<b>Balance June 30, 2012</b>
2011	\$ -	\$ 44,015,852	\$ 74,411	\$ 12,140	44,078,123	\$ 42,802,430	\$ 1,275,693
2010	1,103,262	-	1,681	20,768	1,084,175	964,343	119,832
2009	130,945	-	1,622	4,182	128,385	42,728	85,657
2008	93,776	-	-	1,852	91,924	9,118	82,806
2007	90,569	-	2,728	689	92,608	2,447	90,161
2006	79,201	-	-	(220)	79,421	2,986	76,435
2005	43,677	-	-	-	43,677	855	42,822
2004	47,802	-	-	-	47,802	949	46,853
2003	59,943	-	-	-	59,943	1,072	58,871
2002	67,115	-	-	-	67,115	911	66,204
2001 and prior	213,717	-	-	(64)	213,781	687	213,094
<b>Subtotal</b>	<b>1,930,007</b>	<b>\$ 44,015,852</b>	<b>\$ 80,442</b>	<b>\$ 39,347</b>	<b>\$ 45,986,954</b>	<b>\$ 43,828,526</b>	<b>2,156,542</b>
Allowance for uncollectible taxes	57,000						57,000
	<u>\$ 1,873,007</u>						<u>\$ 2,099,542</u>

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

<b>Description of Property</b>	<b>Valuations</b>	<b>Levy</b>	<b>Current year collections</b>	<b>\$ 43,828,526</b>
Real property	\$ 2,418,682,900	\$ 42,302,764	Adjustments, refunds net	(68,230)
Motor vehicles	152,234,761	3,482,823	Total property tax revenues	<u>\$ 43,760,296</u>
Tangible personal	59,214,165	1,035,656		
<b>Total</b>	<u>2,630,131,826</u>	<u>46,821,243</u>		
Exemptions:				
Real property	74,563,090	1,304,108		
Motor vehicles	64,568,445	1,477,326		
Tangible personal	1,369,768	23,957		
Miscellaneous adjustment	-	-		
<b>Total exemptions</b>	<u>140,501,303</u>	<u>2,805,391</u>		
<b>Net assessed value</b>	<u>\$ 2,489,630,523</u>	<u>44,015,852</u>		
<b>Current year assessment</b>		<u>\$ 44,015,852</u>		

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

**Exhibit 1**

	Fiscal Year								
	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Governmental Activities</b>									
Invested in capital assets, net of related debt	\$ 19,739,145	\$ 16,161,958	\$ 19,176,359	\$ 20,744,380	\$ 14,653,361	\$ 19,342,095	\$ 4,476,275	\$ 517,034	\$ (2,446,108)
Restricted	3,533,838	-	-	-	-	3,603,644	2,463,577	2,414,680	1,414,386
Unrestricted	7,926,272	15,679,990	11,391,385	8,392,337	13,641,861	5,539,243	9,843,336	12,063,925	13,638,119
<b>Total governmental activities net assets</b>	<u>\$ 31,199,255</u>	<u>\$ 31,841,948</u>	<u>\$ 30,567,744</u>	<u>\$ 29,136,717</u>	<u>\$ 28,295,222</u>	<u>\$ 28,484,982</u>	<u>\$ 16,783,188</u>	<u>\$ 14,995,639</u>	<u>\$ 12,606,397</u>
<b>Business-type activities</b>									
Invested in capital assets, net of related debt	\$ 11,088,505	\$ 10,255,599	\$ 7,621,215	\$ 11,732,800	\$ 15,346,522	\$ 13,343,742	\$ 11,612,669	\$ 11,631,418	\$ 11,528,174
Unrestricted	13,837,395	14,660,591	16,318,603	9,919,947	2,005,368	4,389,133	5,539,988	6,203,596	4,938,852
<b>Total business-type activities net assets</b>	<u>\$ 24,925,900</u>	<u>\$ 24,916,190</u>	<u>\$ 23,939,818</u>	<u>\$ 21,652,747</u>	<u>\$ 17,351,890</u>	<u>\$ 17,732,875</u>	<u>\$ 17,152,657</u>	<u>\$ 17,835,014</u>	<u>\$ 16,467,026</u>
<b>Primary government</b>									
Invested in capital assets, net of related debt	\$ 30,827,650	\$ 26,417,557	\$ 26,797,574	\$ 32,477,180	\$ 29,999,883	\$ 32,685,837	\$ 16,088,944	\$ 12,148,452	\$ 9,082,066
Restricted	3,533,838	-	-	-	-	3,603,644	2,463,577	2,414,680	1,414,386
Unrestricted	21,763,667	30,340,581	27,709,988	18,312,284	15,647,229	9,928,376	15,383,324	18,267,521	18,576,971
<b>Total primary government net assets</b>	<u>\$ 56,125,155</u>	<u>\$ 56,758,138</u>	<u>\$ 54,507,562</u>	<u>\$ 50,789,464</u>	<u>\$ 45,647,112</u>	<u>\$ 46,217,857</u>	<u>\$ 33,935,845</u>	<u>\$ 32,830,653</u>	<u>\$ 29,073,423</u>
<b>Component Unit - Land Trust</b>									
Invested in capital assets, net of related debt	\$ 5,018,500	\$ 5,018,500	\$ 5,018,500	\$ 5,018,500	\$ 5,018,500	\$ 5,018,500	\$ 5,018,500	\$ 4,998,500	\$ 4,978,500
Unrestricted	190,595	152,118	147,656	137,565	133,344	143,631	116,244	105,255	143,251
<b>Total component unit - land trust</b>	<u>\$ 5,209,095</u>	<u>\$ 5,170,618</u>	<u>\$ 5,166,156</u>	<u>\$ 5,156,065</u>	<u>\$ 5,151,844</u>	<u>\$ 5,162,131</u>	<u>\$ 5,134,744</u>	<u>\$ 5,103,755</u>	<u>\$ 5,121,751</u>

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

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

**Exhibit 2**

	Fiscal Year								
	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Expenses</b>									
<b>Governmental activities:</b>									
Legislative, judicial and general administrative	\$ 5,867,286	\$ 4,383,274	\$ 4,339,118	\$ 4,185,051	\$ 3,132,955	\$ 3,306,789	\$ 2,849,524	\$ 2,915,661	\$ 2,913,521
Financial administration	180,311	373,446	499,059	498,266	486,637	453,747	434,951	418,003	-
Information technology	343,978	291,000	329,333	347,956	279,149	258,937	246,951	-	-
Public safety	3,335,498	3,362,659	3,937,506	3,719,021	3,775,116	3,643,029	3,344,962	2,985,733	3,399,364
Public works	4,640,995	4,288,190	4,305,209	4,264,987	3,884,001	3,772,241	2,599,762	2,591,029	3,163,207
Public Health and Welfare	495,426	405,521	457,285	474,880	715,504	809,787	725,611	806,418	842,411
Parks and recreation	632,251	571,481	607,466	598,106	176,116	188,772	174,782	178,363	402,388
Town planner	175,385	152,036	191,610	190,516	185,712	182,181	168,074	282,993	-
Senior and Human services	769,945	239,353	229,342	245,204	228,993	193,227	190,719	183,352	-
Education	34,883,882	34,490,597	34,270,489	35,045,679	33,162,664	31,663,741	29,999,180	28,800,766	27,512,563
Library	467,175	467,175	467,175	467,175	455,775	434,071	417,376	396,399	-
Net decrease in FMV of investments	6,961	8,538	-	-	-	-	-	-	-
Financing costs	1,338,229	650,037	-	-	-	-	-	-	-
Capital	-	-	-	-	1,698,602	504,915	-	-	-
Other	-	-	-	28,342	129,581	141,339	122,212	158,323	-
Interest	1,591,216	737,841	1,182,573	679,380	597,214	333,085	394,589	328,915	196,922
Total governmental activities expenses	<u>54,728,538</u>	<u>50,421,148</u>	<u>50,816,165</u>	<u>50,744,563</u>	<u>48,908,019</u>	<u>45,885,861</u>	<u>41,668,693</u>	<u>40,045,955</u>	<u>38,430,376</u>
<b>Business-type activities:</b>									
Sewer fund	2,924,500	2,876,482	2,756,904	2,077,958	2,234,066	2,136,408	2,057,618	2,101,181	1,912,411
Total business-type activities expenses	<u>2,924,500</u>	<u>2,876,482</u>	<u>2,756,904</u>	<u>2,077,958</u>	<u>2,234,066</u>	<u>2,136,408</u>	<u>2,057,618</u>	<u>2,101,181</u>	<u>1,912,411</u>
Total primary government expenses	<u>\$ 57,653,038</u>	<u>\$ 53,297,630</u>	<u>\$ 53,573,069</u>	<u>\$ 52,822,521</u>	<u>\$ 51,142,085</u>	<u>\$ 48,022,269</u>	<u>\$ 43,726,311</u>	<u>\$ 42,147,136</u>	<u>\$ 40,342,787</u>
<b>Component unit - Land Trust</b>									
Public Health and Welfare	\$ -	\$ 29,240	\$ 24,773	\$ 37,652	\$ 57,970	\$ 14,623	\$ 2,391	\$ 17,996	\$ 977,522
Total component unit expenses	<u>\$ -</u>	<u>\$ 29,240</u>	<u>\$ 24,773</u>	<u>\$ 37,652</u>	<u>\$ 57,970</u>	<u>\$ 14,623</u>	<u>\$ 2,391</u>	<u>\$ 17,996</u>	<u>\$ 977,522</u>

(Continued)

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

Exhibit 2

	Fiscal Year								
	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Program revenues</b>									
<b>Governmental activities:</b>									
<i>Charges for services:</i>									
Legislative, judicial and general administrative	\$ 558,686	\$ 550,557	\$ 599,011	\$ 639,690	\$ 691,384	\$ 675,892	\$ 770,393	\$ 800,947	\$ 1,347,575
Public safety	230,525	184,844	402,727	618,109	195,899	178,486	231,606	158,890	520,556
Public works	408,144	265,119	579,712	254,332	267,875	374,505	473,275	327,663	-
Public health and welfare	87,357	176,620	50,007	55,045	-	-	-	-	-
Parks and recreation	225,631	127,990	128,079	126,491	31,806	14,532	21,627	14,326	130,508
Town planner	-	930,205	344,517	296,856	-	-	-	-	-
Education	530,824	515,377	501,357	961,299	37,197	180,452	105,648	85,762	2,520,853
Public Health and Welfare	-	-	-	-	-	-	-	-	21,098
Interest	24	-	-	-	-	-	-	-	-
<i>Operating and grants contributions</i>									
Legislative, judicial and general administrative	216,590	-	-	-	-	-	-	-	284
Public safety	128,961	7,988	524,963	27,283	-	-	-	-	118,517
Public works	-	30,408	2,657	-	-	-	-	-	323,911
Parks and recreation	11,074	4,395	5,749	3,408	-	-	-	-	150,000
Public health and welfare	179,415	145,289	208,867	295,974	-	-	-	-	382,623
Education	1,246,325	1,531,377	1,320,089	2,549,745	370,018	230,462	215,410	412,272	2,081,732
Other	-	-	-	-	2,033,706	2,058,336	1,952,930	1,812,264	-
<i>Capital grants and contributions</i>									
Legislative, judicial and general administrative	294,326	3,561	276,176	408,777	-	-	-	-	-
Public safety	-	26,236	17,412	57,541	-	-	-	-	-
Public health and welfare	-	-	-	50,000	-	-	-	-	-
<b>Total governmental activities program revenues</b>	<u>4,117,882</u>	<u>4,499,966</u>	<u>4,961,323</u>	<u>6,344,550</u>	<u>3,627,885</u>	<u>3,712,665</u>	<u>3,770,889</u>	<u>3,612,124</u>	<u>7,597,657</u>
<b>Business-type activities:</b>									
<i>Charges for services:</i>									
Sewer fund	2,408,772	3,600,454	4,401,777	6,170,324	1,485,497	2,366,389	1,407,347	2,823,752	841,501
<b>Total business-type activities program revenues</b>	<u>2,408,772</u>	<u>3,600,454</u>	<u>4,401,777</u>	<u>6,170,324</u>	<u>1,485,497</u>	<u>2,366,389</u>	<u>1,407,347</u>	<u>2,823,752</u>	<u>841,501</u>
<b>Total primary government program revenues</b>	<u>\$ 6,526,654</u>	<u>\$ 8,100,420</u>	<u>\$ 9,363,100</u>	<u>\$ 12,514,874</u>	<u>\$ 5,113,382</u>	<u>\$ 6,079,054</u>	<u>\$ 5,178,236</u>	<u>\$ 6,435,876</u>	<u>\$ 8,439,158</u>
<b>Net (Expense)/Revenue</b>									
Governmental activities	\$ (50,610,656)	\$ (45,921,182)	\$ (45,854,842)	\$ (44,400,013)	\$ (45,280,134)	\$ (42,173,196)	\$ (37,897,804)	\$ (36,433,831)	\$ (30,832,719)
Business-type activities	(515,728)	723,972	1,644,873	4,092,366	(748,569)	229,981	(650,271)	722,571	(1,070,910)
<b>Total primary government net expenses</b>	<u>\$ (51,126,384)</u>	<u>\$ (45,197,210)</u>	<u>\$ (44,209,969)</u>	<u>\$ (40,307,647)</u>	<u>\$ (46,028,703)</u>	<u>\$ (41,943,215)</u>	<u>\$ (38,548,075)</u>	<u>\$ (35,711,260)</u>	<u>\$ (31,903,629)</u>
<b>Total component unit net expenses</b>	<u>\$ -</u>	<u>\$ 29,240</u>	<u>\$ 24,773</u>	<u>\$ 37,652</u>	<u>\$ 57,970</u>	<u>\$ 14,623</u>	<u>\$ 2,391</u>	<u>\$ 17,996</u>	<u>\$ 977,522</u>
<b>General Revenues and Other Changes in Net Assets</b>									
<b>Governmental activities:</b>									
Property taxes, levied for general purposes	\$ 43,986,640	\$ 43,109,254	\$ 41,833,892	\$ 39,648,780	\$ 37,851,734	\$ 35,134,479	\$ 34,339,914	\$ 33,215,904	\$ 32,391,223
Unrestricted investment earnings	744	232	89,386	94,635	204,322	353,610	269,296	194,009	108,367
Miscellaneous	6,006,024	4,106,885	5,362,591	3,847,486	6,289,962	5,610,041	5,399,351	5,446,902	136,790
Transfers	-	-	-	-	-	25,041	-	-	(957,838)
<i>Special item - Loss on disposal of equipment</i>	(18,145)	(20,985)	-	(64,575)	-	(32,012)	(427,421)	-	-
<b>Total general revenues</b>	<u>49,975,263</u>	<u>47,195,386</u>	<u>47,285,869</u>	<u>43,526,326</u>	<u>44,346,018</u>	<u>41,091,159</u>	<u>39,581,140</u>	<u>38,856,815</u>	<u>31,678,542</u>
<b>Business-type activities:</b>									
Unrestricted investment earnings	525,438	551,005	553,883	472,065	367,584	315,278	796,754	-	182,009
Transfers	-	-	-	-	-	(25,041)	-	645,417	(12,591)
<b>Total business-type activities</b>	<u>525,438</u>	<u>551,005</u>	<u>553,883</u>	<u>472,065</u>	<u>367,584</u>	<u>290,237</u>	<u>796,754</u>	<u>645,417</u>	<u>169,418</u>
<b>Total primary government</b>	<u>\$ 50,500,701</u>	<u>\$ 47,746,391</u>	<u>\$ 47,839,752</u>	<u>\$ 43,998,391</u>	<u>\$ 44,713,602</u>	<u>\$ 41,381,396</u>	<u>\$ 40,377,894</u>	<u>\$ 39,502,232</u>	<u>\$ 31,847,960</u>
<b>Change in Net Assets</b>									
Governmental activities	\$ (635,393)	\$ 1,274,204	\$ 1,431,027	\$ (873,687)	\$ (934,116)	\$ (1,082,037)	\$ 1,683,336	\$ 2,422,984	\$ 845,823
Business-type activities	9,710	1,274,977	2,198,756	4,564,431	(380,985)	520,218	146,483	1,367,988	(901,492)
<b>Total primary governmental</b>	<u>\$ (625,683)</u>	<u>\$ 2,549,181</u>	<u>\$ 3,629,783</u>	<u>\$ 3,690,744</u>	<u>\$ (1,315,101)</u>	<u>\$ (561,819)</u>	<u>\$ 1,829,819</u>	<u>\$ 3,790,972</u>	<u>\$ (55,669)</u>
<b>Component Unit - Land Trust</b>									
Miscellaneous	\$ 38,477	\$ 33,702	\$ 34,864	\$ 41,873	\$ 47,683	\$ 42,010	\$ 33,380	\$ -	\$ -
<b>Total general revenues</b>	<u>\$ 38,477</u>	<u>\$ 33,702</u>	<u>\$ 34,864</u>	<u>\$ 41,873</u>	<u>\$ 47,683</u>	<u>\$ 42,010</u>	<u>\$ 33,380</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Change in Net Assets - component unit</b>	<u>\$ 38,477</u>	<u>\$ 4,462</u>	<u>\$ 10,091</u>	<u>\$ 4,221</u>	<u>\$ (10,287)</u>	<u>\$ 56,633</u>	<u>\$ 35,771</u>	<u>\$ 17,996</u>	<u>\$ 977,522</u>

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

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

Exhibit 3

	Fiscal Year								
	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>General Fund - Fund Balance Categories:</b>									
Nonspendable:	-	18,847	*	*	*	*	*	*	*
Restricted:	2,478,727	2,278,668	*	*	*	*	*	*	*
Committed:	230,000	1,247,870	*	*	*	*	*	*	*
Assigned:	1,259,510	804,205	*	*	*	*	*	*	*
Unassigned:	5,842,439	5,181,016	*	*	*	*	*	*	*
Reserved									
Reserved for contingency	-	-	210,000	210,000	210,000	210,000	400,000	-	-
Reserved for prepaids	-	-	29,077	288,675	101,868	-	104,394	-	45,683
Reserved for encumbrances	-	-	-	-	-	-	-	-	160,999
Unreserved:									
Designated for capital reserve vehicles	-	-	595,145	595,145	963,410	1,324,100	1,529,949	1,695,339	-
Designated for other improvements	-	-	436,638	444,327	1,082,424	648,529	345,611	245,420	-
Unreserved	-	-	4,445,470	2,622,685	1,988,024	2,937,042	3,237,463	3,168,705	5,129,192
<b>Total general fund</b>	<b>\$ 9,810,676</b>	<b>\$ 9,530,606</b>	<b>\$ 5,716,330</b>	<b>\$ 4,160,832</b>	<b>\$ 4,345,726</b>	<b>\$ 5,119,671</b>	<b>\$ 5,617,417</b>	<b>\$ 5,109,464</b>	<b>\$ 5,335,874</b>
<b>School Unrestricted Fund *</b>									
Reserved									
Reserved for healthcare	-	-	225,372	259,900	221,172	-	-	-	-
Reserved for settlements	-	-	-	-	-	-	-	40,000	-
Reserved for capital projects	-	-	-	-	-	-	-	300,024	-
Reserved for prepaids	-	-	314,355	-	438,265	373,926	83,623	77,873	77,053
Reserved for inventory	-	-	-	-	-	-	-	-	7,345
Reserved for encumbrances	-	-	-	-	-	-	-	-	179,174
Unreserved: Designated for other improvements	-	-	100,000	100,000	100,000	-	-	-	-
Unreserved	-	-	777,524	360,374	83,893	2,070	416,823	309,077	629,402
<b>Total school unrestricted fund</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,417,251</b>	<b>\$ 720,274</b>	<b>\$ 843,330</b>	<b>\$ 375,996</b>	<b>\$ 500,446</b>	<b>\$ 726,974</b>	<b>\$ 892,974</b>
<b>School Bond 52m Capital Fund</b>									
Committed for: Education	6,434,194	8,326,692	*	*	*	*	*	*	*
Unreserved	-	-	16,700,799	7,939,707	-	-	-	-	-
<b>Total School Bond 52m Capital Fund</b>	<b>\$ 6,434,194</b>	<b>\$ 8,326,692</b>	<b>\$ 16,700,799</b>	<b>\$ 7,939,707</b>	<b>\$ -</b>				
<b>School Renovations Fund</b>									
Reserved for capital projects	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 56,024	\$ 554,948
Unreserved	-	-	-	-	-	-	-	5,768,232	6,400,607
<b>Total School Renovations Fund</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,824,256</b>	<b>\$ 6,955,555</b>
<b>Non-Major Governmental Funds</b>									
Nonspendable:									
Inventories	6,121	4,532	*	*	*	*	*	*	*
Permanent fund principal	203,343	210,280	*	*	*	*	*	*	*
Restricted for:									
Education	298,361	291,393	*	*	*	*	*	*	*
Culture and recreation	728,562	728,562	*	*	*	*	*	*	*
Public works programs	28,188	93,894	*	*	*	*	*	*	*
Assigned for:									
Legislative, judicial	164,714	84,799	*	*	*	*	*	*	*
Long term obligations	609,391	585,896	*	*	*	*	*	*	*
Public safety programs	110,363	108,837	*	*	*	*	*	*	*
Community programs	120,161	128,055	*	*	*	*	*	*	*
Public works programs	154,232	457,385	*	*	*	*	*	*	*
Culture and recreation	1,490,547	1,435,172	*	*	*	*	*	*	*
Unassigned:	(223,648)	(247,070)	*	*	*	*	*	*	*
Reserved									
Reserved by trust agreements	-	-	218,586	215,288	240,495	297,548	-	-	-
Reserved for inventory	-	-	5,303	11,201	9,313	15,601	17,559	-	-
Reserved for prepaids	-	-	-	5,847	-	-	-	-	-
Reserved for encumbrances	-	-	-	-	-	-	-	-	35,767
Unreserved, reported in:									
Capital Projects Funds	-	-	1,843,824	6,844,984	5,931,848	1,274,643	3,895,076	201,399	164,421
Permanent Funds	-	-	-	-	-	-	288,272	276,626	265,062
Special Revenue Funds	-	-	1,706,748	1,617,191	1,467,074	1,429,856	1,267,518	1,380,104	837,315
<b>Total non-major governmental funds</b>	<b>\$ 3,690,335</b>	<b>\$ 3,881,735</b>	<b>\$ 3,774,461</b>	<b>\$ 8,694,511</b>	<b>\$ 7,648,730</b>	<b>\$ 3,017,648</b>	<b>\$ 5,468,425</b>	<b>\$ 1,858,129</b>	<b>\$ 1,302,565</b>

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

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

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

Exhibit 4

	Fiscal Year								
	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Revenues</b>									
General property tax	\$ 43,760,296	\$ 43,213,598	\$ 41,561,575	\$ 39,757,548	\$ 37,755,081	\$ 34,936,384	\$ 34,525,136	\$ 32,873,170	\$ 31,150,423
Intergovernmental and departmental revenues	5,691,886	4,928,030	7,159,798	6,957,190	6,375,848	5,572,917	6,010,198	6,259,685	6,326,886
License and permits	1,114,239	974,565	1,233,467	1,064,372	1,155,158	1,228,883	1,475,274	1,287,500	1,187,697
Fines and interest on late payments	-	-	164,840	234,271	186,159	143,619	138,690	171,336	-
Interest on investments	744	232	89,386	94,635	204,322	353,610	269,296	194,009	83,578
Other revenues	3,292,605	2,344,348	1,446,143	1,999,295	2,187,885	2,364,183	1,538,050	1,332,477	1,822,049
<b>Total revenues</b>	<u>53,859,770</u>	<u>51,460,773</u>	<u>51,655,209</u>	<u>50,107,311</u>	<u>47,864,453</u>	<u>44,599,596</u>	<u>43,956,644</u>	<u>42,118,177</u>	<u>40,570,633</u>
<b>Expenditures</b>									
Current:									
Legislative, judicial and general administrative	4,717,734	3,096,108	3,002,019	3,153,800	3,147,094	\$ 3,006,065	2,810,819	3,019,306	2,365,797
Financial administration	519,975	501,807	499,059	498,266	486,637	453,747	434,951	418,003	367,226
Information technology	343,978	291,000	329,333	347,956	279,149	258,937	246,951	-	-
Public safety	3,036,577	3,043,576	3,606,847	3,458,574	3,684,137	3,513,905	3,244,210	2,911,557	3,084,875
Public works	3,039,703	2,845,876	2,793,583	2,903,501	2,537,042	2,428,387	2,352,814	2,361,295	2,509,608
Public Health and Welfare	710,552	405,521	457,285	474,880	715,504	809,787	725,611	806,418	157,651
Teen center	9,280	-	-	-	-	-	-	-	-
Parks and recreation	569,657	522,161	557,343	542,383	121,236	138,963	128,370	134,445	577,570
Town planner	175,385	152,036	191,610	190,516	185,712	182,181	168,074	282,993	168,139
Senior and human services	214,953	239,353	229,342	245,204	228,993	193,227	190,719	183,352	-
Education	34,883,882	33,884,678	33,760,544	34,417,055	32,604,632	31,097,374	29,642,890	28,535,002	27,641,219
Grants & contributions	24,000	-	-	-	-	-	-	-	-
Library	467,175	467,175	467,175	467,175	455,775	434,071	417,376	396,399	372,676
Land trust	76,388	-	4,600	-	30,828	14,532	1,627	13,826	-
Financing costs	1,338,229	650,037	-	28,342	96,603	124,707	116,804	122,397	534,955
Net decrease in FMV of investments	6,961	-	-	-	-	-	-	-	-
Capital	7,946,552	19,373,150	20,972,534	10,314,538	6,924,789	3,747,244	4,151,237	2,170,962	2,297,927
Debt service:									
Principal	36,640,833	35,550,000	10,940,000	1,940,000	1,840,000	970,000	995,000	1,275,000	1,299,186
Interest	1,191,483	766,885	1,054,545	604,260	587,889	322,383	362,159	399,525	169,312
Other expenditures	-	8,538	-	-	2,150	2,100	3,781	22,100	11,156
<b>Total expenditures</b>	<u>95,913,297</u>	<u>101,797,901</u>	<u>78,865,819</u>	<u>59,586,450</u>	<u>53,928,170</u>	<u>47,697,610</u>	<u>45,993,393</u>	<u>43,052,580</u>	<u>41,557,297</u>
<b>Excess of revenues over (under) expenditures before other financing sources (uses)</b>	<u>(42,053,527)</u>	<u>(50,337,128)</u>	<u>(27,210,610)</u>	<u>(9,479,139)</u>	<u>(6,063,717)</u>	<u>(3,098,014)</u>	<u>(2,036,749)</u>	<u>(934,403)</u>	<u>(986,664)</u>
<b>Other financing sources (uses)</b>									
Issuance of debt	-	44,135,000	33,000,000	18,240,000	9,600,000	-	-	9,600,000	9,774,400
Bond/BAN premium proceeds	-	332,320	304,127	-	-	-	-	-	-
Transfers from other funds	36,640,000	723,640	30,032,915	31,291,902	28,582,517	27,433,721	26,345,824	25,446,196	26,405,317
Transfers to other funds	3,609,699	(723,640)	(30,032,915)	(31,291,902)	(28,582,517)	(27,408,680)	(26,345,824)	(25,446,196)	(27,363,155)
<b>Total other financing sources (uses)</b>	<u>40,249,699</u>	<u>44,467,320</u>	<u>33,304,127</u>	<u>18,240,000</u>	<u>9,600,000</u>	<u>25,041</u>	<u>-</u>	<u>9,600,000</u>	<u>(957,838)</u>
<b>Net change in fund balances</b>	<u>(1,803,828)</u>	<u>(5,869,808)</u>	<u>6,093,517</u>	<u>8,760,861</u>	<u>3,536,283</u>	<u>(3,072,973)</u>	<u>(2,036,749)</u>	<u>8,665,597</u>	<u>(1,944,502)</u>
<b>Fund balances - beginning</b>	-	26,191,590	21,515,324	12,837,786	8,513,315	11,586,288	13,518,823	14,486,968	6,657,070
<b>Prior period adjustments</b>	-	1,417,251	-	(83,323)	788,188	-	104,214	(33,742)	-
<b>Fund balances - ending</b>	<u>\$ (1,803,828)</u>	<u>\$ 21,739,033</u>	<u>\$ 27,608,841</u>	<u>\$ 21,515,324</u>	<u>\$ 12,837,786</u>	<u>\$ 8,513,315</u>	<u>\$ 11,586,288</u>	<u>\$ 23,118,823</u>	<u>\$ 4,712,568</u>
<b>Debt service as a percentage of noncapital expenditures</b>	<u>43.01%</u>	<u>44.06%</u>	<u>20.72%</u>	<u>5.16%</u>	<u>5.17%</u>	<u>2.94%</u>	<u>3.24%</u>	<u>4.10%</u>	<u>3.74%</u>

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

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

Exhibit 5

Fiscal Year	REAL PROPERTY		PERSONAL PROPERTY		TOTAL		Total Direct Tax Rate	Ratio of Total Assessed Value to Total Estimated Actual Value
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
2003	952,035,031	971,164,940	119,773,257	166,330,031	1,071,808,288	1,137,494,971	27.14	94.23%
2004	1,656,109,702	1,698,166,135	129,547,903	177,504,167	1,785,657,605	1,875,670,302	17.68	95.20%
2005	1,682,891,427	1,726,858,715	126,633,488	174,791,008	1,809,524,915	1,901,649,723	18.35	95.16%
2006	1,732,551,743	1,773,579,875	138,876,212	192,611,780	1,871,427,955	1,966,191,655	18.74	95.18%
2007	2,539,740,260	2,619,166,280	147,873,277	210,263,290	2,687,613,537	2,829,429,570	13.80	94.99%
2008	2,586,013,339	2,669,036,190	151,455,900	215,802,125	2,737,469,239	2,884,838,315	14.38	94.89%
2009	2,619,904,759	2,704,309,590	150,203,612	215,813,070	2,770,108,371	2,920,122,660	14.76	94.86%
2010	2,324,960,270	2,408,085,400	142,421,444	130,387,443	2,467,381,714	2,538,472,843	17.12	97.20%
2011	2,332,584,161	2,405,615,200	141,623,065	82,775,361	2,474,207,226	2,552,032,756	17.25	96.95%
2012	2,344,119,810	2,418,682,900	87,666,316	152,234,761	2,431,786,126	2,570,917,661	17.49	94.59%

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

**Exhibit 6**

Fiscal Year		General Fund	Fiscal Year		General Fund
2003	Real Estate Residential	27.58	2008	Real Estate Residential	13.54
	Motor Vehicles	22.88		Motor Vehicles	22.88
	Tangible	27.58		Tangible	13.54
	Inventory	14.22		Inventory	2.37
2004	Real Estate Residential	17.14	2009	Real Estate Residential	16.64
	Motor Vehicles	22.88		Motor Vehicles	22.88
	Tangible	17.14		Tangible	16.64
	Inventory	11.85			
2005	Real Estate Residential	17.91	2010	Real Estate Residential	17.25
	Motor Vehicles	22.88		Motor Vehicles	22.88
	Tangible	17.91		Tangible	17.25
	Inventory	9.48			
2006	Real Estate Residential	18.33	2011	Real Estate Residential	17.49
	Motor Vehicles	22.88		Motor Vehicles	22.88
	Tangible	18.33		Tangible	17.49
	Inventory	7.11			
2007	Real Estate Residential	12.86	2012	Real Estate Residential	17.49
	Motor Vehicles	22.88		Motor Vehicles	22.88
	Tangible	12.86		Tangible	17.49
	Inventory	4.74			

The average total direct rate for 2012 is \$ 17.68

**Note:** Taken from annual certified tax role

**Calculation of average direct rate:**

Description of Property	Valuations	Rate	Levy
Real property	\$ 2,344,119,810	17.49	40,998,655.48
Motor vehicles	87,666,316	22.88	2,005,805.31
Tangible personal	57,844,397	17.49	1,011,698.50
	-		
<i>Total</i>	2,489,630,523		44,016,159
Average total direct rate for 2012			17.68

**TOWN OF EAST GREENWICH  
PRINCIPAL TAXPAYERS  
JUNE 30, 2012  
UNAUDITED**

**Exhibit 7**

<u>Taxpayer</u>	<u>Type of Business</u>	<u>(1) Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
East Greenwich Square LLC	Real Estate	22,786,300	0.87%
Saint Elizabeth Development	Nursing	22,196,716	0.84%
Valley Place Office Park LLC	Medical Offices	17,564,100	0.67%
Stanley Bostitch	Manufacturer	16,827,367	0.64%
National Grid	Utilities	15,907,755	0.60%
Cove Homes, Inc.	Elderly Housing	8,846,700	0.34%
CNL Retirement LP	Real Estate	7,895,900	0.30%
Esmond Realty Corp	Shopping Center	7,389,300	0.28%
SBN Reo LLC	Medical Offices	6,856,900	0.26%
RI Industrial Facilities	Manufacturing	6,562,100	0.25%
		<u>\$ 132,833,138</u>	<u>5.05%</u>
<b>Total assessed valuation (gross)</b>		<u><u>\$ 2,630,131,826</u></u>	

(1) Source tax assessors office

**Note:** Information for prior nine years was not available

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

**Exhibit 8**

Fiscal Year	Taxes Levied for the Tax Year	Current Year Tax Collections	Percent of Levy Collected	Collections in Subsequent Years	Total Collections to Date	
					Amount	Percentage of Levy
2003	29,338,936	28,301,902	96.47%	956,816	29,258,718	99.73%
2004	31,085,500	30,034,280	96.62%	972,470	31,006,750	99.75%
2005	32,902,972	31,978,115	97.19%	852,319	32,830,434	99.78%
2006	34,571,313	33,649,074	97.33%	830,539	34,479,613	99.73%
2007	35,290,852	34,074,641	96.55%	1,070,681	35,145,322	99.59%
2008	37,726,180	36,636,049	97.11%	1,098,698	37,734,747	100.02%
2009	39,575,719	38,591,813	97.51%	951,505	39,543,318	99.92%
2010	41,524,344	40,155,545	96.70%	1,027,942	41,183,487	99.18%
2011	43,145,379	42,049,016	97.46%	1,196,018	43,245,034	100.23%
2012	44,015,852	42,802,430	97.24%	1,026,096	43,828,526	99.57%

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

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

**Exhibit 9**

Fiscal Year	Governmental Activities			Business-Type Activities		Total Primary Government	Population	Personal Income	Per Capita <sup>1</sup>	Total Debt per Personal Income
	General Obligation Bonds	Bond Anticipation Notes	Capital Leases	General Obligation Bonds	Notes Payable					
2003	4,155,000	-	15,929	-	18,705,264	22,876,193	*	*	*	*
2004	12,679,033	-	-	-	18,252,896	30,931,929	*	*	*	*
2005	11,396,005	-	118,113	-	17,345,707	28,859,825	*	*	*	*
2006	10,392,977	-	59,981	-	16,422,031	26,874,989	*	*	*	*
2007	9,429,873	-	293,832	-	23,086,586	32,810,291	*	*	*	*
2008	17,080,000	3,900,000	216,583	-	22,139,078	43,335,661	11,865	582,192	3,652.39	74.44
2009	24,380,000	9,000,000	33,333	6,000,000	20,857,215	60,270,548	13,293	652,261	4,534.01	92.40
2010	22,440,000	33,000,000	-	5,800,000	25,019,939	86,259,939	13,648	652,261	6,320.34	132.25
2011	30,525,000	33,500,000	-	5,470,000	23,600,396	93,095,396	13,382	665,261	6,956.76	139.94
2012	63,824,167	-	71,164	5,140,000	22,161,709	91,197,040	13,146	652,473	6,937.25	139.77

\* Information unavailable as of date of report

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

<sup>1</sup> See the Schedule of Demographics and Economic Statistics for population data

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

Exhibit 10

**Legal Debt Margin Calculation for the Fiscal Year 2012**

Assessed Value (net)	\$ 2,489,630,523
Debt Limit 3% of Assessed Value	74,688,916
<i>Debt Applicable to Limit:</i>	
Total Bonded Debt	68,964,167
 Legal Debt Margin	 \$ 5,724,749

	2012	2011	2010	2009	2008	2007	2006
Debt Limit	74,688,916	74,226,217	\$ 74,021,451	\$ 83,103,251	\$ 82,124,077	\$ 81,206,687	\$ 56,142,839
Total net debt applicable to limit	68,964,167	33,500,000	28,240,000	30,380,000	17,080,000	9,320,000	10,270,000
Legal debt margin	\$ 5,724,749	\$ 40,726,217	\$ 45,781,451	\$ 52,723,251	\$ 65,044,077	\$ 71,886,687	\$ 45,872,839
Total net debt applicable to the limit as a percentage of the debt limit	92.34%	45.13%	38.15%	36.56%	20.80%	11.48%	18.29%

**Note:** Information for prior five years was not available

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

Exhibit 11

Fiscal Year	Principal	Interest	Total Debt Service	Total General Expenditures (1)	Ratio of Annual Debt Service to Total General Expenditures Estimated
2003	1,736,142	136,283	1,872,425	37,261,519	5.03%
2004	1,299,186	169,312	1,468,498	41,557,297	3.53%
2005	1,275,000	399,525	1,674,525	43,052,580	3.89%
2006	995,000	362,159	1,357,159	45,993,393	2.95%
2007	970,000	322,383	1,292,383	47,697,610	2.71%
2008	1,840,000	587,889	2,427,889	53,928,170	4.50%
2009	1,940,000	604,260	2,544,260	59,586,450	4.27%
2010	1,940,000	875,046	2,815,046	54,626,911	5.15%
2011	2,550,000	766,885	3,316,885	49,288,794	6.73%
2012	3,140,833	690,379	3,831,212	51,049,633	7.50%

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

TOWN OF EAST GREENWICH  
PRINCIPAL EMPLOYERS  
JUNE 30, 2012  
UNAUDITED

Exhibit 12

Name	Type of Business	Number of Employees					Percentage of Total Town Employment				
		2012	2011	2010	2009	2008 to 2003	2012	2011	2010	2009	2008 to 2003
Picerne-Military Housing LLC	Construction	815	806	*	*	*	13.99%	13.84%	*	*	*
Stanley Bostich, Inc	Manufacturing	*	*	200	550	*	*	*	3.43%	9.44%	*
Town of East Greenwich	Government	454	463	463	488	*	7.79%	7.95%	7.95%	8.38%	*
Dave's Market Palce	Retail	264	237	*	*	*	4.53%	4.07%	*	*	*
University Orthopedics Inc	Medical	**	229	*	*	*	**	3.93%	*	*	*
Infor Distribution Essentials	Commerce Management	**	225	225	225	*	**	3.86%	3.86%	3.86%	*
Berkshire Construction Services, Inc.	Construction	**	200	200	200	*	**	3.43%	3.43%	3.43%	*
Saint Elizabeth Home	Nursing Home/Assisted Living	280	200	185	200	*	4.81%	3.43%	3.18%	3.43%	*
On Semiconductor Corp.	Manufacturing	104	103	110	110	*	1.79%	1.77%	1.89%	1.89%	*
Paul Bailey's EG Ford Inc.	Auto Sales	107	103	103	103	*	1.84%	1.77%	*	*	*
Bank of Newport	Bank	259	*	*	*	*	4.45%	*	*	*	*
CBOCS	Restaurant	113	*	*	*	*	1.94%	*	*	*	*
NE Technology	Education	556	*	*	*	*	9.55%	*	*	*	*

\*Information unavailable as of date of report

\*\* Low employee count or closed business.

**EAST GREENWICH PUBLIC SCHOOLS  
MISCELLANEOUS STATISTICS  
JUNE 30, 2012  
UNAUDITED**

**Exhibit 13**

**BUILDINGS**

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

**STUDENTS**

	<u>K-6</u>	<u>Middle</u>	<u>High</u>	<u>Total</u>
2012	1025	572	766	2363
2011	1169	400	741	2310
2010	1223	419	760	2402
2009	1187	405	784	2376
2008	1180	417	789	2386
2007	1185	422	778	2385
2006	1243	433	793	2469
2005	1270	450	711	2431
2004	1320	464	666	2450
2003	1348	415	674	2437

Administrative

Certified Staff:

Instructional	150
School Management	14
ESL	1
Occupational Therapists	3
Speech & language	5
Special Education	39
Other (Librarians, Counselors, Nurses, etc.)	23
Total Certified Staff	<u>235</u>

Non- Certified Staff

Secretary and Clerical	25
Building and Maintenance	23
Teacher Assistants	52
Technicians	2
Attendance Officer	1
	<u>103</u>

Total FTE's	<u><u>338</u></u>
-------------	-------------------

Data collected from School Department

**TOWN OF EAST GREENWICH  
MISCELLANEOUS STATISTICS  
JUNE 30, 2012  
UNAUDITED**

**Exhibit 14**

Founded	1644	Police Protection	
Town Incorporation	1677	Buildings	1
		Employees:	
		Law Enforcement	32
Type of Government	Council / Town Manager	Civilian	8
		Community Service Officers	15
Fiscal Year begins	July 1		
		Recreation	
Population	Official US Census	Natural Parks	5
	1950 4,923	Playgrounds	12
	1960 6,100	Ball Diamonds	
	1970 9,577	Hard Ball	3
	1980 10,211	Soft Ball	3
	1990 11,865	Multi-purpose fields	14
	2000 12,948		
	2010 13,146		
Area of Town	16.7 square miles	Inline Rink	1
Land Area	16.6 square miles	Skating Arenas	1
		Basketball Courts	6
		Walking Paths	1
		Running Tracks	1
Miles of Streets		Tennis Courts	12
Local Paved	80		
State Paved	11	Historical Cemeteries	85
Elections - November 2008		Municipal Buildings	
Registered Voters	10,210	Town Hall	1
Number of Votes Cast	7,671	Public Works Garage	1
Percentage Voting	75%	Parks & Recreation	3
Fire Protection		Other Municipal Employees:	
# Fire Stations	2	Directors and admin	11
Employees : Uniformed	38	Other municipal full-time	62
		Part time	51
Library			
Full Time Employees	5		
Part Time Employees	12		
Town Unemployment Rate:	10.70%		

**Note:** Data collected from various Town departments

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

**Exhibit 15**

<b>Function</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
General Government	*	*	*	*	*	22	22	22	21	23
Public Safety										
Police										
Officers	*	*	*	*	*	30	29	32	32	31
Civilians	*	*	*	*	*	8	8	8	8	8
Parks	*	*	*	*	*	11	11	10	10	10
Public Works	*	*	*	*	*	23	23	24	24	25
Senior Services	*	*	*	*	*	5	5	4	4	4
Sewer	*	*	*	*	*	1	1	5	5	5
<b>Total</b>	*	*	*	*	*	<b>100</b>	<b>99</b>	<b>105</b>	<b>104</b>	<b>106</b>

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

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

**Exhibit 16**

<b>Function</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>Public Safety</b>										
Police:										
Stations	*	*	*	*	*	1	1	1	1	1
Patrol units	*	*	*	*	*	30	29	32	31	32
Fire Stations	*	*	*	*	*	2	2	2	2	2
<b>Highways and Streets</b>										
Streets (miles)	*	*	*	*	*	80	80	80	80	80
<b>Culture and recreation</b>										
Parks	*	*	*	*	*	4	4	5	5	5
Skating Arenas	*	*	*	*	*	1	1	1	1	1
Tennis Courts	*	*	*	*	*	12	12	12	12	12
Ball Diamonds	*	*	*	*	*	5	5	6	6	6
Playgrounds	*	*	*	*	*	12	12	12	12	12
Basketball Courts	*	*	*	*	*	6	6	6	6	6
Running Tracks	*	*	*	*	*	1	1	1	1	1

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

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

**Exhibit 17**

<b>Function</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>Police</b>										
Physical Arrests	*	*	*	*	*	380	331	439	212	254
Parking Violations	*	*	*	*	*	971	1,112	902	1,052	915
Traffic Violations	*	*	*	*	*	1,620	1,126	2,619	1,542	2166
<b>Highway and Street</b>										
Street Resurfacing (miles)	*	*	*	*	*	4.50	3.00	3.00	5.90	6.5
<b>Sanitation</b>										
Refuse Collected (tons/day)	*	*	*	*	*	13.44	11.83	12.07	12.09	11.31
Paper Recyclables Collected (tons/day)	*	*	*	*	*	1.77	1.79	2.89	2.71	
Mixed Recyclables Collected (tons/day)	*	*	*	*	*	3.09	3.03	1.91	1.93	
Total Recyclables **										4.51
<b>Wastewater</b>										
Average Daily Sewage Treatment (thousands of gallons)	*	*	*	*	*	974	1,080	1,240	1,006	1069

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

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

Exhibit 18

Fiscal Year Ended June 30	Population <sup>1</sup>	Median Family Income <sup>1</sup>	Median Home Price <sup>1</sup>	Personal Income <sup>2</sup> (amounts expressed in thousands)	Per Capita Personal Income <sup>4</sup>	Median Age <sup>2</sup>	School Enrollment <sup>3</sup>	Unemployment Rate <sup>4</sup>
2003	*	*	*	*	*	*	2,437	*
2004	*	*	*	*	*	*	2,450	*
2005	*	*	*	*	*	*	2,431	*
2006	*	*	*	*	*	*	2,469	*
2007	*	*	*	*	*	*	2,385	*
2008	11,865	85,620	475,000	582,192	49,068	40.5	2,386	7.10%
2009	13,293	79,691	463,750	652,261	49,068	41.30	2,376	10.06%
2010	13,648	79,691	450,000	652,261	49,068	40.50	2,402	10.90%
2011	13,146	112,484	460,000	665,269	45,703	44.60	2,310	10.70%
2012	13,146	114,605	479,100	652,473	49,479	44.60	2,363	9.70%

\* Information unavailable as of date of report

Data sources

<sup>1</sup> US Census Bureau

<sup>2</sup> City-Data.com

<sup>3</sup> East Greenwich School Department

<sup>4</sup> Rhode Island Department of Labor and Training

<sup>5</sup> riving.com

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

**Exhibit 19**

Fiscal Year	General Obligation Bonds	Estimated Actual Value of Property <b>1</b>	Per Capita <b>2</b>
2012	68,964,167	2,570,917,661	0.019%
2011	35,995,000	2,552,032,756	0.037%
2010	28,240,000	2,538,472,843	0.048%
2009	24,380,000	2,920,122,660	0.055%
2008	17,080,000	2,884,838,315	0.069%
2007	9,429,873	2,829,429,570	*
2006	10,392,977	1,966,191,655	*
2005	11,396,005	1,901,649,723	*
2004	12,679,033	1,875,670,302	*
2003	4,155,000	1,137,494,971	*

1 - See the Schedule of Assessed Value and Estimated Value of Taxable Property on page 93 for property value data

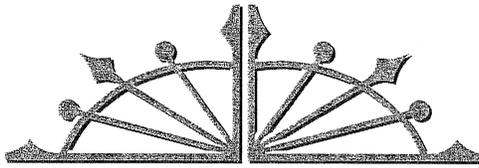
2 - See the Schedule of Demographic and Economic Statistics on page 106 for population data

\* - Information unavailable as of the date of this report

**This Page Intentionally Left Blank**

*TOWN OF EAST GREENWICH, RHODE ISLAND*

*SINGLE AUDIT SECTION*



**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***

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

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of East Greenwich, Rhode Island, as of and for the year fiscal ended June 30, 2012, and have issued our report thereon dated October 31, 2012. 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.

**Internal Control Over Financial Reporting**

Management of the Town of East Greenwich, Rhode Island is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Town's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over financial reporting.

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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Town's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

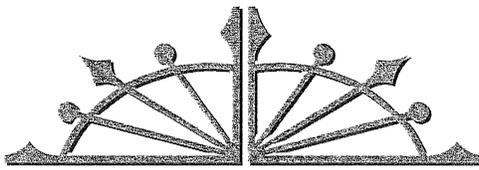
**Compliance and Other Matter**

As part of obtaining reasonable assurance about whether Town's financial statements are free of 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*.

This report is intended solely for the information and use of management, the Town Council, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

  
Baxter Dansereau & Associates, LLP  
October 31, 2012



**BAXTER DANSEREAU & ASSOCIATES, LLP**

Accounting, Consulting & Tax Services

---

*Partners*

William J. Baxter, Jr., CPA

Paul L. Dansereau, CPA

**REPORT ON COMPLIANCE WITH REQUIREMENTS  
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB  
CIRCULAR A-133**

**INDEPENDENT AUDITOR'S REPORT**

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

**Compliance**

We have audited the Town of East Greenwich, Rhode Island, compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Town's major federal programs for the year ended June 30, 2012. The Town of East Greenwich's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Town of East Greenwich's management. Our responsibility is to express an opinion on the Town of East Greenwich's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Town's compliance with those requirements.

In our opinion, the Town, complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

**Internal Control Over Compliance**

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal

programs. In planning and performing our audit, we considered the Town's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

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

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

This report is intended solely for the information and use of management, the Town Council, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

  
Baxter Dansereau & Associates, LLP

October 31, 2012

**TOWN OF EAST GREENWICH, RHODE ISLAND**  
**Schedule of Expenditures of Federal Awards**  
**For the Fiscal Year Ended June 30, 2012**

	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures</u>
<b>U.S. Department of Agriculture</b>			
<b>Passed through the State of Rhode Island Department of Education</b>			
<i>Child Nutrition Cluster:</i>			
National School Breakfast Program	10.553	N/A	\$ 5,149
National School Lunch Program	10.555	N/A	81,430
Food Donation (Note 4)	10.550	N/A	19,694
<b>Total Passed through State of RI Department of Education</b>			<u>106,273</u>
<b>Passed through the State of Rhode Island Department of Environmental Management</b>			
Wildlife Habitat Incentive Program	10.914	WHIP	128,830
<b>Total U.S. Department of Agriculture</b>			<u>\$ 128,830</u>
<b>U.S. Department of Energy</b>			
<b>Passed through the State of Rhode Island Office of Energy</b>			
Energy Grant	81.128	N/A	9,732
Energy Grant ARRA/EPA	81.128	N/A	\$ 59,104
<b>Total U.S. Department of Energy</b>			<u>\$ 68,836</u>
<b>U.S. Department of Housing and Urban Development</b>			
<b>Passed through the State of Rhode Island Office of Housing and Community Development</b>			
Community Development Block Grant/States Program	14.228	Various	\$ 133,117
<b>Total U.S. Department of Housing and Urban Development</b>			<u>\$ 133,117</u>
<b>U.S. Department of Justice</b>			
<b>Passed through the State of Rhode Island Department of Justice</b>			
Enforcing Underage Drinking Laws Program	16.727	15-0405-0-1-754	\$ 715
ARRA - Edward Byrne Memorial Justice Assistance Program Grants to Units of Local Government	16.807	2009-SB-B9-2059	1,599
<b>Total U.S. Department of Justice</b>			<u>\$ 2,314</u>
<b>U.S. Department of Education</b>			
<b>Passed-through the State of Rhode Island Department of Education</b>			
Title I Grants to Local Education Agencies	84.010A	2725-11702-001	\$ 92,710
ARRA - Education Jobs Fund	84.410	4572-13102-101	61,031
<i>Special Education Cluster:</i>			
Special Education - Grants to States	84.027A	2725-13202-001	546,932
Special Education - Preschool Grants	84.173A	2725-13502-001	9,380
ARRA - Special Education - Grants to States	84.391	4572-10202-001	13,297
ARRA - Special Education - Preschool Grants	84.392	4572-10802-001	7,008
Improving Teacher Quality State Grants	84.367A	2725-16402-001	88,643
ARRA -State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	84.394	4572-10502-001	60,662
RTTT - Race to the TOP	84.395A	4572-13502	11,656
<b>Passed-through the State of Rhode Island Department of Education and the Warwick School Department</b>			
Career and Technical Education - Basic Grants to States	84.048A	10-2725-15302-35-01	10,168
<b>Total U.S. Department of Education</b>			<u>\$ 901,487</u>
<b>Total Federal Expenditures</b>			<u>\$ 1,340,857</u>

**TOWN OF EAST GREENWICH, RHODE ISLAND**  
*Schedule of Findings and Questioned Costs*  
*For The Fiscal Year Ended June 30, 2012*

**SECTION I - SUMMARY OF AUDITORS' RESULTS**

***Financial Statements***

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weakness (es) identified?      yes   X   no

Significant deficiency (ies) identified that are not considered to be material weaknesses?      yes   X   none reported

Noncompliance material to financial statements noted?      yes   X   no

***Federal Awards***

Internal control over major programs:

Material weakness (es) identified?      yes   X   no

Significant deficiency (ies) identified that are not considered to be material weakness (es)?      yes   X   none reported

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

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB circular A-133?      yes   X   no

***Identification of major programs:***

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

Dollar threshold used to distinguish between Type A and Type B programs: \$ 300,000

Auditee qualified as a low risk auditee?   X   yes      no

**TOWN OF EAST GREENWICH, RHODE ISLAND**  
**Schedule of Findings and Questioned Costs**  
**For The Fiscal Year Ended June 30, 2012**  
**(continued)**

**SECTION II – FINANCIAL STATEMENT FINDINGS**

\_\_\_\_\_ yes        X   none

**SECTION III – FEDERAL AWARDS FINDINGS AND  
QUESTIONED COSTS**

\_\_\_\_\_ yes        X   none

*TOWN OF EAST GREENWICH, RHODE ISLAND*  
*Schedule of Findings and Questioned Costs*  
*For The Fiscal Year Ended June 30, 2012*  
*(continued)*

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

**A. Significant Deficiency in Internal Control**

None Reported

**B. Compliance**

None Reported

**SECTION III – FINDINGS AND QUESTIONED COST FOR FEDERAL AWARDS**

**A. Findings**

None Reported

**B. Questioned Costs**

None Reported

*TOWN OF EAST GREENWICH, RHODE ISLAND*  
*Schedule of Prior Year Findings and Questioned Costs*  
*Year Ended June 30, 2012*

**PRIOR YEAR FINDINGS AND QUESTIONED COST FOR FEDERAL AWARDS**

**A. Findings**

None Reported

**B. Questioned Costs**

None Reported

**TOWN OF EAST GREENWICH, RHODE ISLAND**  
**Notes to Schedule of Expenditures of Federal Awards**  
**June 30, 2012**

1. **General** - The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal programs of the Town of East Greenwich, Rhode Island.
2. **Basis of Accounting** - The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting.
3. **Determination of Type A, Type B and Major Programs** - The determination of Type A and Type B federal programs was based upon the expenditures for all federal programs for the Town of East Greenwich, Rhode Island. As such, the threshold for determining Type A vs. Type B programs is determined at the entity level. For the fiscal year-ended June 30, 2012, grants with expenditures exceeding \$300,000 were determined to be Type A programs and all other grants were considered Type B programs. The following programs were considered major programs:

<u>CFDA</u>	<u>Program Name</u>
	<i>Special Education Cluster</i>
84.027	Special Education Grants to States
84.173	Special Education Preschool Grants
84.391	ARRA Special Education Grants to States
84.392	ARRA Special Education Preschool Grants

4. **Non-Cash Assistance**

U.S.D.A. Contributions: The United States Department of Agriculture makes available commodities for donations to schools. The amount of \$19,694 represents the market value of such commodities used during the period.