

TOWN OF EAST GREENWICH

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2013



**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, 2013

TABLE OF CONTENTS

	<u>PAGE</u>
I. INTRODUCTORY SECTION	
<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
 II. FINANCIAL SECTION	
<i>INDEPENDENT AUDITORS' REPORT</i>	1
<i>MANAGEMENT'S DISCUSSION AND ANALYSIS</i>	4
 <i>BASIC FINANCIAL STATEMENTS</i>	
 <u><i>Government Wide Financial Statements</i></u>	
Statement of Net Position	14
Statement of Activities	15
 <u><i>Fund Financial Statements</i></u>	
Balance Sheet – Governmental Funds	16
Statement of Revenues, Expenditures and Changes in Unreserved Fund Balances - Governmental Funds	17
Reconciliation of the Statement of Revenues, Expenditures and Changes in Unreserved Fund Balances of the Governmental Funds to the Statement of Activities	18
Statement of Net Assets – Proprietary Funds	19
Statement of Revenue, Expenses, and Changes in Fund Net Assets – Proprietary Funds	20
Statement of Cash Flows – Proprietary Funds	21
Statement of Fiduciary Net Assets	22
 <u><i>Notes to the Financial Statements</i></u>	
Required Disclosures and Other Information	23

(Continued)

**TOWN OF EAST GREENWICH, RHODE ISLAND
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

TABLE OF CONTENTS
(Continued)

	<u>PAGE</u>
<i>REQUIRED SUPPLEMENTARY INFORMATION (RSI)</i>	
Budgetary Comparison Schedule – General Fund Schedule of Revenues – Non-GAAP Budgetary Basis	63
Budgetary Comparison Schedule – General Fund Schedule of Expenditures – Non-GAAP Budgetary Basis	64
Notes to Required Supplementary Information	68
Pension Plan – Schedule of Funding Progress	69
 <i>Supplementary Information</i>	
Combining Balance Sheet – Non-Major Governmental Funds	71
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Governmental Funds	72
Combining Balance Sheet – Non-Major Governmental Funds – Special Revenue Funds – Town	73
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Governmental Funds – Special Revenue Funds – Town	76
Combining Balance Sheet – Non-Major Governmental Funds – Special Revenue Project Funds – Town	79
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Governmental Funds – Special Revenue Project Funds – Town	81
Combining Balance Sheet – Non-Major Governmental Funds – Special Revenue Funds – School Restricted	83
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Governmental Funds – Special Revenue Funds – School Restricted	86
Combining Balance Sheet – Non-Major Governmental Funds – Capital Project Funds	89
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Governmental Funds – Capital Project Funds	90
Combining Balance Sheet – Non-Major Governmental Funds – Town Permanent Funds	91
Combining Statement of Revenues, Expenses and Changes in Net Assets – Non-Major Governmental Funds – Town Permanent Funds	92
Combining Statement of Changes in Assets and Liabilities – Fiduciary Funds	93
Combining Statement of Changes in Assets and Liabilities – Fiduciary Funds- Pupil Activity Funds	94

(Continued)

**TOWN OF EAST GREENWICH, RHODE ISLAND
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

TABLE OF CONTENTS

(Continued)

	<u>PAGE</u>
III. GENERAL FUND AND SCHOOL UNRESTRICTED FUND	
Balance Sheet – General Fund and School Unrestricted	95
Statement of Revenues, Expenditures and Changes in Fund	
Balances - General Fund and School Unrestricted	96
Balance Sheet – General Fund	97
Statement of Revenues, Expenditures and Changes in Fund	
Balances - General Fund	98
Budgetary Comparison Schedule – General Fund	
Schedule of Revenues and Expenditures – Non-GAAP Budgetary Basis	99
Budgetary Comparison Schedule – General Fund	
Schedule of Revenues – Non-GAAP Budgetary Basis	100
Budgetary Comparison Schedule – General Fund	
Schedule of Expenditures – Non-GAAP Budgetary Basis	101
Balance Sheet – School Department	105
Statement of Revenues, Expenditures and Changes in Fund	
Balances – School Unrestricted Fund	106
Budgetary Comparison Schedule – School Unrestricted Fund	
Schedule of Revenues and Expenditures – Non-GAAP Budgetary Basis	107
Budgetary Comparison Schedule – School Unrestricted Fund	
Schedule of Revenues – Non-GAAP Budgetary Basis	108
Budgetary Comparison Schedule – School Unrestricted Fund	
Schedule of Expenditures – Non-GAAP Budgetary Basis	109
Notes to Supplementary Information Budgetary to GAAP – General Fund	110
Notes to Supplementary Information Budgetary to GAAP – School Unrestricted Fund	111
 IV. STATISTICAL SECTION	
Tax Collectors Annual Report - Town	112
Tax Collectors Annual Report – Fire District	113
Net Assets by Component	114
Changes in Net Assets	115
Fund Balances, Governmental Funds	117
Changes in Fund Balances - Governmental Funds	118
Assessed and Estimated Actual Value of Taxable Property	119
Property Tax rates	120
Principal Taxpayers	121
Property Tax Levies and Collections	122
Ratio of Net General Bond Debt to Assessed Value	123
Computation of Legal Debt Margin	124
Ratio of Annual Debt Service Expenditures for Bond	
General Bonded Debt to Total General Expenditures	125
Principal Employers	126
Public Schools Miscellaneous Statistics	127
Town of East Greenwich Miscellaneous Statistics	128
Full-time Equivalent Town Government Employees by Function	129
Capital Asset Statistics By Function	130
Operating Indicators By Function	131
Demographic And Economic Statistics	132
Ratio of General Bonded Debt Outstanding	133

(Continued)

**TOWN OF EAST GREENWICH, RHODE ISLAND
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

TABLE OF CONTENTS

(Continued)

V. SINGLE AUDIT SECTION

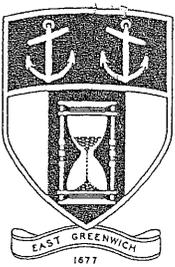
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	134
Report on Compliance for Major Federal Program; Report on Internal Control over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133	136
Schedule of Expenditures of Federal Awards	138
Schedule of Findings and Questioned Costs	139
Schedule of Prior Year Findings and Questioned Costs	141
Notes to Schedule of Expenditures of Federal Awards	142

(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 02818-0111

Town Council
886-8665

Town Manager
886-8665
Fax: 886-8623

Town Clerk
886-8606
Fax: 886-8625

Canvassers
886-8603

Probate
886-8607

Finance
886-8610
886-8612

Human Services
886-8669

Tax Assessor
886-8614

Municipal Court
886-3212

Planning
886-8645
Fax: 886-8657

111 Peirce Street Offices

Police
884-2244
886-8640
Fax: 886-8653

Public Works
886-8618
Fax: 886-8652

Building Official
886-8618

Recreation
1127 Frenchtown Rd.
886-8626

TDD
401-886-8606

December 6, 2013

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, 2013.

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, 2013 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, 2013 are fairly presented and 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 fishermen. As East Greenwich grew as a trade center, so did the needs for goods and services. Industry flourished with manufacturers of textiles, machinery and shipbuilding. The Town of East Greenwich is proud of its heritage and its designation as a National Historic District.

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

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

The annual budget serves as the foundation of the Town of East Greenwich's financial planning and control. All departments of the Town of East Greenwich are required to

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

Factors Affecting Financial Condition

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

Local Economy: The Town of East Greenwich is an affluent, growing, suburban community on the border of a metropolitan area in central Rhode Island. The town is located about fifteen minutes south of the City of Providence. It is primarily a single-family residential community with the highest median family income in the state. The 2010 census reported a population of 13,146, which was up 3.4% from the 2000 census and ranked 26th of the thirty nine municipalities in the state. The most recent labor statistics indicate the unemployment rate for East Greenwich is approximately 7.5% as of June 2013, compared to the state rate of 8.8%, and the national rate 7.6%.

Approximately 84.4% of the town's assessed valuation is comprised of residential property. About 15.6% of the assessed valuation is commercial property. According to 2013 data, the median family income of the Town of East Greenwich was \$122,418 compared to the state's average of \$55,975. The median family income in East Greenwich ranks 2nd of all Rhode Island cities and towns. The per capita income also ranks 1st 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 type, 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 2013-2014 budget includes appropriations for the following projects: Information Technology, pick-up truck, two tractors, a trailer, 2 snow plows, a flatbed truck, town hall maintenance, two trucks, a staff car, road resurfacing, 3 police cars, bombardier tracks and a tire balance machine. The town uses tax dollars to pay for these capital improvements. Money in a restricted fund account is used for capital projects.

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 .21% for fiscal year 2013. 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 post-retirement 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 seventy-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 15 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, 2012. This was the fourth 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.

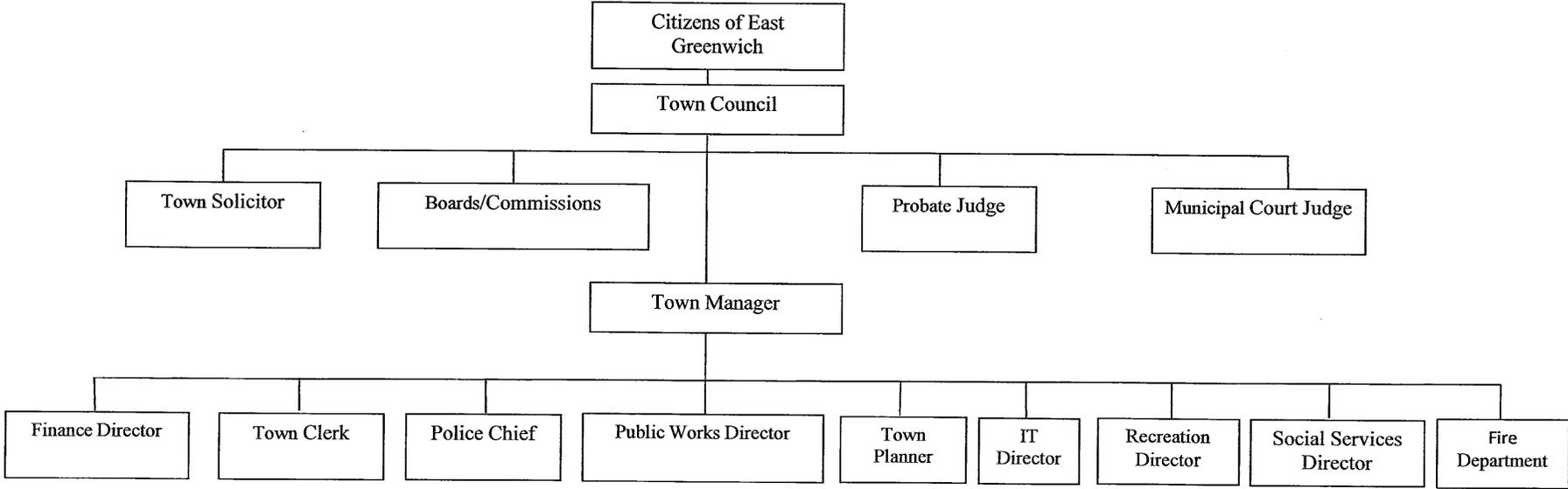
A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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 departments 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 ORGANIZATIONAL CHART



TOWN OF EAST GREENWICH, RHODE ISLAND

as of June 30, 2013

TOWN COUNCIL

Michael B. Isaacs - President
Jeffrey B. Cianciolo – Vice President
Bradford C. Bishop
Michael S. Kiernan
Mark W. Gee

TOWN MANAGER

William Sequino, Jr.

FINANCE DIRECTOR

Kathleen A. Raposa, CPA



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Town of East Greenwich
Rhode Island

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

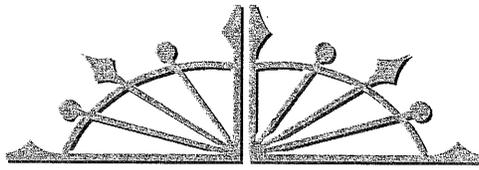
June 30, 2012

Executive Director/CEO

FINANCIAL SECTION

This Section Contains the Following Subsections:

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



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

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of East Greenwich, Rhode Island (Town) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Town of East Greenwich, Rhode Island as of June 30, 2013, and the respective changes in financial position thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

In June of 2013 the General Assembly of State of Rhode Island enacted public law Chapter 047 2013-H5901 which authorized the Town of East Greenwich, Rhode Island to acquire the property, assets and personnel of the East Greenwich Fire District. Prior to that the East Greenwich Fire District was a separate and independent legal entity established by state Charter initially passed by the Rhode General Assembly in 1797. The financial activity of the Fire District for the above period ended June 30, 2013 has been combined with that of the Town within the format of its financial reporting entity. Our opinion is not modified with respect to this matter. A further explanation is presented in the notes to the financial statements see note 22.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4-13 and 63-67 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of East Greenwich, Rhode Island's basic financial statements. The introductory section, combining non-major fund financial statements, the combining fiduciary fund financial statements, other supplementary information and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by 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 basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2013, on our consideration of the Town of East Greenwich, Rhode Island's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of East Greenwich, Rhode Island's internal control over financial reporting and compliance.

 Baxter Dansereau & Associates, LLP

Baxter Dansereau & Associates, LLP

West Warwick, Rhode Island

December 6, 2013

Management's Discussion and Analysis

TOWN OF EAST GREENWICH, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2013
(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, 2013. Please read it in conjunction with the Letter of Transmittal and the Town's financial statements that follow this section.

Financial Highlights

- ❖ The Town's net position increased by \$1,528,825 as a result of this year's current operations. Additionally, prior period adjustments further increased the net position by an amount of \$1,086,665, making the total increase \$2,615,490. The primary reason for the increase was due to surplus in the School Department budget of \$865,361 and a surplus in the Proprietary Funds of \$225,559. 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 \$58,740,645. Net position of business activities increased by \$225,559 or 0.89%, while net position of Governmental Activities increased by \$1,303,266 and prior period adjustments increased the Town's net position of Government Activities an additional \$1,086,665 for a total increase of \$2,389,931 or 7.66%.
- ❖ The Town's Government-wide (governmental and business activities) operating expenses were \$64,012,008 an 11.02% increase from the prior year, while revenues collected were \$65,512,808 a 14.84% increase. The increase in operating expenses was mainly due to increases in public safety, education and interest on long-term debt. The increase in revenue was from increases in general property tax, and operating grants and contributions.
- ❖ As of the close of the fiscal year, the Town's governmental funds reported combined ending fund balances of \$20,235,604. Over 33% of this amount, \$6,679,862 is unassigned and available for use within the Town's designation and fiscal policies. See page nine for more detail pertaining to the fund balance categories.
- ❖ At the end of the current fiscal year, the general fund unassigned fund balance was \$6,721,114, 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 \$554,116. On a budgetary, basis revenues and transfers exceeded expenditures and transfers by \$734,116. The difference being the use of fund balances are included in the budgetary amounts.
- ❖ In June of 2013 the General Assembly of State of Rhode Island enacted public law Chapter 047 2013-H5901 which authorized the Town of East Greenwich, Rhode Island to acquire the property, assets and personnel of the East Greenwich Fire District. Prior to that the East Greenwich Fire District was a separate and independent legal entity established by state Charter initially passed by the Rhode General Assembly in 1797. The financial activity of the Fire District for the above period ended June 30, 2013 has been combined with that of the Town within the format of its financial reporting entity. A further explanation is presented in the notes to the financial statements see note 22.

Overview of the Financial Statements

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

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

TOWN OF EAST GREENWICH, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2013
(Un-audited)

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

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

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

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

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

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

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

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

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

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

TOWN OF EAST GREENWICH, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2013
(Un-audited)

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

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

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

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

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

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

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

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

The notes to the financial statements are presented on pages 23 through 62.

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 63 through 70.

The combining statements and supplementary information referred to earlier in connection with non-major governmental funds, and proprietary funds are presented on pages 71 through 93.

Government-wide Financial Analysis

Analysis of the Town of East Greenwich's Net Position

As noted earlier, over time the Town's net position may serve as a useful indicator of a government's financial position, and an important determinant of its ability to finance services in the future. For the Town of East Greenwich, governmental activities assets exceeded liabilities by \$33,589,186 as of June 30, 2013. This reflects an increase of \$1,303,266 from this current year's activity and a prior period adjustment in the amount of \$1,086,665. The Business Type Activities assets exceeded liabilities by \$25,151,459 as of June 30, 2013. This reflects an increase of \$225,559 from this current year's activity. See page 4 Financial Highlights above for a further explanation.

TOWN OF EAST GREENWICH, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2013
(Un-audited)

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

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

TOWN OF EAST GREENWICH, RHODE ISLAND
Net Position

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
ASSETS						
Current and other assets	\$ 28,345,491	\$ 25,641,430	\$ 13,959,901	\$ 16,124,177	\$ 42,305,392	\$ 41,765,607
Capital assets	85,761,524	82,466,418	38,789,435	38,390,214	124,550,959	120,856,632
Total assets	<u>114,107,015</u>	<u>108,107,848</u>	<u>52,749,336</u>	<u>54,514,391</u>	<u>166,856,351</u>	<u>162,622,239</u>
LIABILITIES						
Other liabilities	9,394,285	7,466,881	2,185,544	2,277,422	11,579,829	9,744,303
Long-term liabilities	71,123,544	69,441,712	25,412,333	27,311,069	96,535,877	96,752,781
Total liabilities	<u>80,517,829</u>	<u>76,908,593</u>	<u>27,597,877</u>	<u>29,588,491</u>	<u>108,115,706</u>	<u>106,497,084</u>
NET POSITION						
Net investment in capital asset:	26,815,085	19,739,145	13,385,888	11,088,505	40,200,973	30,827,650
Restricted	3,601,262	3,533,838	-	-	3,601,262	3,533,838
Unrestricted	3,172,839	7,926,272	11,765,571	13,837,395	14,938,410	21,763,667
Total net position	<u>\$ 33,589,186</u>	<u>\$ 31,199,255</u>	<u>\$ 25,151,459</u>	<u>\$ 24,925,900</u>	<u>\$ 58,740,645</u>	<u>\$ 56,125,155</u>

A large portion of the Town's net position, \$40,200,973 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, 2013. 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 increased the Town's net position by \$1,303,266 for the current period, which is an increase of 4.2% in the Town's governmental net position, while business-type activities increased the Town's net position by \$225,559, accounting for 0.90% increase in business-type net position. Overall the Town's net position increased by \$1,525,825 which is a 2.7% increase over the prior year's net position.

TOWN OF EAST GREENWICH, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2013
(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, 2013 was a decrease of (\$2,118,137) 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 \$1,203,580 net of depreciation to our net position; also revenues from the increase in unearned revenues are not recorded as revenues in the fund financial statements, but in the statement of activities this resulted in a decrease of \$66,925. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position, which increased the Town's net position by \$3,808,830. See Note 8 and 9 in the notes to the financial statements and page 18 of the financial statements for a more detailed explanation of changes in net position.

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

TOWN OF EAST GREENWICH, RHODE ISLAND
Changes in Net Position

	Governmental		Business-Type		Total	
	Activities		Activities			
	2013	2012	2013	2012	2013	2012
Revenues						
Program revenues						
Charges for services	\$ 1,974,577	\$ 2,041,191	\$ 2,549,636	\$ 2,408,772	\$ 4,524,213	\$ 4,449,963
Operating grants and contributions	3,428,267	1,782,365	-	-	3,428,267	1,782,365
Capital grants and contributions	19,552	294,326	-	-	19,552	294,326
General revenues						
Property taxes, levied for general purposes	50,001,198	43,986,640	-	-	50,001,198	43,986,640
State revenue sharing	4,439,201	4,120,811	-	-	4,439,201	4,120,811
Unrestricted investment earnings	13,369	744	479,638	525,438	493,007	526,182
Miscellaneous	2,662,713	1,885,213	-	-	2,662,713	1,885,213
Gain (loss) on sale of assets	(27,318)	(18,145)	-	-	(27,318)	(18,145)
Total revenues	<u>62,511,559</u>	<u>54,093,145</u>	<u>3,029,274</u>	<u>2,934,210</u>	<u>65,540,833</u>	<u>57,027,355</u>
Expenses						
General government	6,583,467	6,566,960	-	-	6,583,467	6,566,960
Public safety	9,108,219	3,335,498	-	-	9,108,219	3,335,498
Public works	4,564,079	4,640,995	-	-	4,564,079	4,640,995
Parks and recreation	613,186	632,251	-	-	613,186	632,251
Public and social services	1,542,397	1,739,507	-	-	1,542,397	1,739,507
Education	35,797,956	34,883,882	-	-	35,797,956	34,883,882
Interest on long-term debt	2,996,339	1,591,216	-	-	2,996,339	1,591,216
Financing costs	2,650	1,338,229	-	-	2,650	1,338,229
Sewer	-	-	2,803,715	2,924,500	2,803,715	2,924,500
Total expenses	<u>61,208,293</u>	<u>54,728,538</u>	<u>2,803,715</u>	<u>2,924,500</u>	<u>64,012,008</u>	<u>57,653,038</u>
Increase (decrease) in net position	<u>\$ 1,303,266</u>	<u>\$ (635,393)</u>	<u>\$ 225,559</u>	<u>\$ 9,710</u>	<u>\$ 1,528,825</u>	<u>\$ (625,683)</u>

TOWN OF EAST GREENWICH, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2013
(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 \$20,235,604. Approximately 33% of the total amount, or \$6,679,862 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 \$554,116. The Town generated a loss of (\$311,245) and the School Department generated a gain of \$865,361. Thus, the combined result was the positive effect to fund balance of \$554,116. The School Department had net savings from Instructional and Substitute Teachers which had a positive effect on the bottom line. The School Bond Capital Fund had a decrease in fund balance due to ongoing expenditures to complete the school projects.

TOWN OF EAST GREENWICH, RHODE ISLAND
Fund Balance Categories

	<u>General Fund</u>	<u>School Bond 52m Capital Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
<i>Nonspendable:</i>				
Inventories	\$ -	\$ -	\$ 5,083	\$ 5,083
Permanent fund principal	-	-	445,969	445,969
Prepays	595,204	-	-	595,204
<i>Restricted for:</i>				
Educational programs	1,440,839	-	52,226	1,493,065
Public works programs	-	-	1,041,487	1,041,487
Public health and welfare	1,066,710	-	-	1,066,710
<i>Committed for:</i>				
Education	100,000	3,421,077	-	3,521,077
<i>Assigned for:</i>				
Legislative, judicial	-	-	461,190	461,190
Public safety programs	-	-	1,575,056	1,575,056
Capital outlay	941,037	-	-	941,037
Technology	100,000	-	-	100,000
Community programs	210,000	-	115,530	325,530
Public works programs	-	-	209,076	209,076
Long term obligations	-	-	391,891	391,891
Culture and recreation	-	-	1,383,367	1,383,367
<i>Unassigned:</i>	6,721,114	-	(41,252)	6,679,862
Total fund balances	<u>\$ 11,174,904</u>	<u>\$ 3,421,077</u>	<u>\$ 5,639,623</u>	<u>\$ 20,235,604</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 \$11,765,571. The net growth in total net assets amounted to \$225,559.

TOWN OF EAST GREENWICH, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2013
(Un-audited)

General Fund Budgetary Highlights

Revenues:

Revenues on a budgetary basis were \$217,540 over budget due to the following:

General Property Taxes – were under budget by a total of \$355,011. Current year taxes were under budget by \$757,017 and the collection of prior years' taxes was over budget by \$477,442. This years' collection rate was 98.3% of budget. This was an increase over the prior year. Prior years' taxes increased due to collection notices being sent out on all types of delinquent taxes.

State Aid – was over budget by \$141,235. The Town received less School Housing Aid than budgeted because less school projects were completed than anticipated during the budget phase. This amounted to an \$83,300 reduction in income. The Town received \$65,623 more money than budgeted from the state based on the dollar amount of sales on meals in restaurants. Thus, we can conclude that people are dining out. The Town received \$143,209 more in Education State Aid than budgeted. During the Town's budget process that state budget is still not finalized. The Town is working with estimates from the State. Thus the budget to actual had a positive variance.

Licenses, permits and usage fees – were over budget by \$240,490. The Building, Electrical and Mechanical Permits were over budget by \$91,977 due to new homes and home renovations. All of these types of revenue are estimates for budget purposes. The Building, Electrical and Mechanical Permits are 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 homes. The Realty Transfer line was over budget by \$84,399. There were more home sales during the fiscal year than anticipated during the budget session. Since home sales were up, the Land Recording Fee line was also over budget by \$36,215 due to increased recordings of the home sales. In all these instances the results are an unknown and the Town budgeted less than we received.

General Revenues -- was over budget by \$190,826 mainly due to Miscellaneous Income. The library reimbursed the Town money for payroll taxes. The Town does the payroll for the library. Municipal Lien Certificates fees are deposited into this account. Due to more than anticipated home sales per the Realty Transfer line being over budget, additional Municipal Lien Certificates had to be completed and a fee collected. Thus more Municipal Lien Fees were collected than anticipated. Also, Municipal Court received more activity than expected during the budget process.

Expenditures:

Expenditures on a budgetary basis were under budget by a total of \$516,576 due to the following:

Administration – was under budget primarily due to favorable Employee Benefit costs of \$95,138 and favorable Insurance costs of \$34,062. 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 \$818,375. 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 2013, making the account look like it was over budget.

TOWN OF EAST GREENWICH, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2013
(Un-audited)

General Fund Budgetary Highlights (Continued)

Expenditures (Continued):

Education – was under budget by \$850,375.

Public Works Department – was under budget by \$153,333. The solid waste tonnage was lower than expected. A higher rate was assumed during the budget process for solid waste and the rate remained the same for residential and the Town did not go over the cap for commercial. Salary and wages were under budget due to state reimbursement for storms. Electricity was under budget due to an energy saving program. The cost of sand went down resulting in additional savings to the Town.

Fire Department – was under budget by \$172,498. This amount does not include a capital expenditure of \$111,791. This amount was reclassified to the Capital Outlay line. The balance of the under budget amount was due to savings in health care costs.

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 \$124,550,959 net of accumulated depreciation at June 30, 2013. 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, 2013			June 30, 2012		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Land	\$ 1,819,958	\$ 15,372	\$ 1,835,330	\$ 1,723,703	\$ 15,372	\$ 1,739,075
Construction in progress	49,865,666	1,377,876	51,243,542	48,949,593	2,851,910	51,801,503
Infrastructure	5,187,214	-	5,187,214	6,275,302	-	6,275,302
Land improvements	3,062,907	-	3,062,907	3,868,088	-	3,868,088
Buildings and improvements	22,228,457	12,241,454	34,469,911	19,685,544	12,690,889	32,376,433
Motor vehicles	2,964,734	11,293	2,976,027	1,212,780	15,910	1,228,690
Office furniture and equipment	(210,863)	43,128	(167,735)	29,090	49,513	78,603
Machinery and equipment	843,451	-	843,451	722,318	-	722,318
Sewer lines	-	25,100,312	25,100,312	-	22,766,620	22,766,620
	\$ 85,761,524	\$ 38,789,435	\$ 124,550,959	\$ 82,466,418	\$ 38,390,214	\$ 120,856,632

The total increase in the Town's investment in capital assets for the current fiscal year was about 3.05% 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 \$3,962,820 (\$2,810,703 on governmental assets and \$1,152,117 on the assets of the business-type activities). Additional information on the Town's capital assets can be found in Note 7 of the notes to the financial statements.

TOWN OF EAST GREENWICH, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2013
(Un-audited)

The Town of East Greenwich's Debt Administration

At the end of the current fiscal year, the Town of East Greenwich's Governmental Activities and Business Activities had a total bonded debt of \$64,863,333. Of this amount, 100% comprises bonded debt backed by the full faith and credit of the government.

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

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

	June 30, 2013			June 30, 2012		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
General Obligation Bonds	\$ 60,043,333	\$ 4,820,000	\$ 64,863,333	\$ 63,824,167	\$ 5,140,000	\$ 68,964,167
Notes Payable	-	20,583,547	20,583,547	-	22,161,709	22,161,709
	<u>\$ 60,043,333</u>	<u>\$ 25,403,547</u>	<u>\$ 85,446,880</u>	<u>\$ 63,824,167</u>	<u>\$ 27,301,709</u>	<u>\$ 91,125,876</u>

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

The Town's general obligation bond rating as assigned by Moody's Investors Service in 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 \$67,213,371 at year-end. The Town's outstanding general obligation bonded debt pertaining to legal debt limit is \$1,260,200 at year-end, which is \$65,953,171, 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 2014 amounts to \$58,095,214 which reflects an increase of \$1,915,505 over the fiscal 2013 budget of \$56,179,709. The Total town budget for 2013 changed due to the Town's acquisition of the Fire District. The budget includes the Town budget and the Fire District's budget at the time of acquisition. The Fire District was a separate entity and is now a department of the Town.

The Town's tax rate for fiscal 2014 is \$22.90 per thousand, with 45% allocated for general government and 55% allocated for education. For fiscal 2013, the Town's tax rate was \$20.14 per thousand, with 39% allocated for general government and 61% allocated for education. The tax rate increased in 2014 due to the acquisition of the Fire District. See Note 22 for additional information on the Fire District.

TOWN OF EAST GREENWICH, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2013
(Un-audited)

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Town of East Greenwich's finances for all of the Town of East Greenwich's citizens, taxpayers, customers, investors and creditors. This financial report seeks to demonstrate the Town's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: Town of East Greenwich, Finance Director's Office, P.O. Box 111, East Greenwich, RI 02818; Attention: 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 Position
June 30, 2013

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	East Greenwich Land Trust
ASSETS				
Cash and cash equivalents	\$ 19,845,654	\$ -	\$ 19,845,654	-
Investments	32,201	-	32,201	-
Accounts receivable:				
Accounts receivable net	2,325,155	2,125,542	4,450,697	-
Due from other governments	446,620	-	446,620	-
Other receivables	3,412,581	1,430,165	4,842,746	130,492
Deposits with institutions	-	-	-	-
Other assets	2,283,280	199,603	2,482,883	-
Capital assets:				
Property, plant and equipment - net	34,075,900	37,396,187	71,472,087	-
Construction in progress	49,865,666	1,377,876	51,243,542	-
Assets not being depreciated	1,819,958	15,372	1,835,330	5,018,500
Total capital assets	85,761,524	38,789,435	124,550,959	5,018,500
Other assets				
Long-term sewer assessment receivable	-	10,204,591	10,204,591	-
TOTAL ASSETS	114,107,015	52,749,336	166,856,351	5,148,992
LIABILITIES				
Accounts payable and accrued expenses	10,972,136	224,290	11,196,426	-
Internal balances	(1,577,851)	1,577,851	-	-
Unearned revenue	-	383,403	383,403	-
Long-term liabilities				
Due within one year	4,382,163	1,906,860	6,289,023	-
Due in more than one year	66,741,381	23,505,473	90,246,854	-
Total liabilities	80,517,829	27,597,877	108,115,706	-
NET POSITION				
Net investment in capital assets	26,815,085	13,385,888	40,200,973	5,018,500
Restricted for:				
Education programs	1,493,065	-	1,493,065	-
Public works programs	1,041,487	-	1,041,487	-
Public health and welfare	1,066,710	-	1,066,710	-
Unrestricted	3,172,839	11,765,571	14,938,410	130,492
Total net position	\$ 33,589,186	\$ 25,151,459	\$ 58,740,645	5,148,992

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, 2013

	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	Governmental Activities	Primary Government Business-type Activities	Total	
Functions/Programs								
Primary government								
Governmental activities:								
Legislative, judicial and general administrative	\$ 3,508,332	\$ 599,535	\$ 125,068	\$ 19,552	\$ (2,764,177)		\$ (2,764,177)	
Financial administration	2,562,044	-	-	-	(2,562,044)		(2,562,044)	
Information technology	341,954	-	-	-	(341,954)		(341,954)	
Public safety	9,108,219	183,267	413,494	-	(8,511,458)		(8,511,458)	
Public works	4,564,079	364,783	-	-	(4,199,296)		(4,199,296)	
Public health and welfare	797,851	295,249	350,910	-	(151,692)		(151,692)	
Parks and recreation	613,186	-	-	-	(613,186)		(613,186)	
Town planner	171,137	-	-	-	(171,137)		(171,137)	
Senior and human services	261,342	-	-	-	(261,342)		(261,342)	
Education	35,797,956	531,743	2,538,795	-	(32,727,418)		(32,727,418)	
Library	475,000	-	-	-	(475,000)		(475,000)	
Net decrease in FMV of investments	8,204	-	-	-	(8,204)		(8,204)	
Financing costs	2,650	-	-	-	(2,650)		(2,650)	
Interest on long-term debt	2,996,339	-	-	-	(2,996,339)		(2,996,339)	
Total governmental activities	61,208,293	1,974,577	3,428,267	19,552	(55,785,897)		(55,785,897)	
Business-type activities:								
Sewer fund	2,803,715	2,549,636	-	-	-	\$ (254,079)	(254,079)	
Total business-type activities	2,803,715	2,549,636	-	-	-	(254,079)	(254,079)	
Total primary government	\$ 64,012,008	\$ 4,524,213	\$ 3,428,267	\$ 19,552	(55,785,897)		(56,039,976)	
Component unit:								
East Greenwich Land Trust	\$ 28,025	\$ -	\$ 44,309	\$ -				\$ 16,284
Total Component unit:	\$ 28,025	\$ -	\$ 44,309	\$ -				\$ 16,284
General revenues:								
General property tax					50,001,198	-	50,001,198	-
State revenue sharing					4,439,201	-	4,439,201	-
Unrestricted investment earnings					13,369	479,638	493,007	-
Loss on disposal of capital assets					(27,318)	-	(27,318)	-
Miscellaneous					2,662,713	-	2,662,713	-
Total general revenues					57,089,163	479,638	57,568,801	-
Change in net position					1,303,266	225,559	1,528,825	16,284
Net position - beginning					31,199,255	24,925,900	56,125,155	5,209,095
Prior period adjustment (Note 22)					1,086,665	-	1,086,665	(76,387)
Net position - beginning (restated)					32,285,920	24,925,900	57,211,820	5,132,708
Net position - ending					\$ 33,589,186	\$ 25,151,459	\$ 58,740,645	\$ 5,148,992

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, 2013

	<u>General Fund</u>	<u>School Bond 52m Capital Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 16,710,154	\$ -	\$ 3,135,500	\$ 19,845,654
Investments	-	-	32,201	32,201
Accounts receivable:				
Property taxes, less allowance for doubtful accounts of \$57,000	1,833,454	-	-	1,833,454
Property taxes, less allowance for doubtful accounts of \$166,811	491,701	-	-	491,701
Intergovernmental	90,607	-	356,013	446,620
Other	3,402,350	-	10,231	3,412,581
Internal balances	118,354,758	3,446,244	19,147,967	140,948,969
Inventory	-	-	5,083	5,083
Deposit at other institution	1,066,710	-	-	1,066,710
Prepays	595,204	-	-	595,204
TOTAL ASSETS	<u>\$ 142,544,938</u>	<u>\$ 3,446,244</u>	<u>\$ 22,686,995</u>	<u>\$ 168,678,177</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued expenses	\$ 6,423,170	\$ 25,167	\$ 161,404	\$ 6,609,741
Internal balances	122,621,709	-	16,885,167	139,506,876
Unearned revenue	2,325,155	-	801	2,325,956
Total liabilities	<u>131,370,034</u>	<u>25,167</u>	<u>17,047,372</u>	<u>148,442,573</u>
Fund balances:				
<i>Nonspendable:</i>				
Inventories	-	-	5,083	5,083
Permanent fund principal	-	-	445,969	445,969
Prepays	595,204	-	-	595,204
<i>Restricted for:</i>				
Educational programs	1,440,839	-	52,226	1,493,065
Public works programs	-	-	1,041,487	1,041,487
Public health and welfare	1,066,710	-	-	1,066,710
<i>Committed for:</i>				
Educational programs	100,000	3,421,077	-	3,521,077
<i>Assigned for:</i>				
Legislative, judicial	-	-	461,190	461,190
Public safety programs	-	-	1,575,056	1,575,056
Capital outlay	941,037	-	-	941,037
Technology	100,000	-	-	100,000
Community programs	210,000	-	115,530	325,530
Public works programs	-	-	209,076	209,076
Long term obligations	-	-	391,891	391,891
Culture and recreation	-	-	1,383,367	1,383,367
<i>Unassigned:</i>	6,721,114	-	(41,252)	6,679,862
Total fund balances	<u>11,174,904</u>	<u>3,421,077</u>	<u>5,639,623</u>	<u>20,235,604</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 142,544,938</u>	<u>\$ 3,446,244</u>	<u>\$ 22,686,995</u>	

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)	85,761,524
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. (see note 8)	(1,284,398)
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)	(71,123,544)
Net position of governmental activities	<u>\$ 33,589,186</u>

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

TOWN OF EAST GREENWICH, RHODE ISLAND
Statement of Revenues, Expenditures
and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2013

	General Fund	School Bond 52m Capital Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues				
General property tax	\$ 50,068,123	\$ -	\$ -	\$ 50,068,123
Intergovernmental and departmental revenues	5,544,800	-	1,503,075	7,047,875
License and permits	1,110,840	-	-	1,110,840
Interest on investments	-	-	13,369	13,369
Tuitions	162,061	-	-	162,061
Other revenues	2,921,495	-	1,113,391	4,034,886
Total revenues	<u>59,807,319</u>	<u>-</u>	<u>2,629,835</u>	<u>62,437,154</u>
Expenditures				
Legislative, judicial and general administrative	3,704,108	-	-	3,704,108
Financial administration	516,025	-	-	516,025
Information technology	341,954	-	-	341,954
Public safety	8,312,342	-	185,710	8,498,052
Public works	2,983,305	-	-	2,983,305
Teen Center	5,000	-	-	5,000
Public health and welfare	-	-	797,851	797,851
Parks and recreation	548,634	-	-	548,634
Town planner	171,137	-	-	171,137
Senior and human services	236,342	-	-	236,342
Education	33,889,792	-	1,372,290	35,262,082
Grants and contributions	25,000	-	-	25,000
Library	475,000	-	-	475,000
Land trust	28,025	-	-	28,025
Financing costs	2,650	-	-	2,650
Net decrease in FMV of investments	-	-	8,204	8,204
Capital outlay	933,514	3,013,117	94,970	4,041,601
Long-term obligations:				
Principal	3,780,834	-	-	3,780,834
Interest	3,129,487	-	-	3,129,487
Total expenditures	<u>59,083,149</u>	<u>3,013,117</u>	<u>2,459,025</u>	<u>64,555,291</u>
Excess of revenues over (under) expenditures before other financing sources (uses)	<u>724,170</u>	<u>(3,013,117)</u>	<u>170,810</u>	<u>(2,118,137)</u>
Other financing sources (uses)				
Transfers from other funds	-	-	322,904	322,904
Transfers to other funds	(170,054)	-	(152,850)	(322,904)
Total other financing sources (uses)	<u>(170,054)</u>	<u>-</u>	<u>170,054</u>	<u>-</u>
Net changes in fund balances	554,116	(3,013,117)	340,864	(2,118,137)
Fund balances - beginning	<u>9,810,676</u>	<u>6,434,194</u>	<u>3,690,335</u>	<u>19,935,205</u>
Prior period adjustment see note 22	<u>810,112</u>	<u>-</u>	<u>1,608,424</u>	<u>2,418,536</u>
Fund balances - beginning (restated)	<u>10,620,788</u>	<u>6,434,194</u>	<u>5,298,759</u>	<u>22,353,741</u>
Fund balances - ending	<u>\$ 11,174,904</u>	<u>\$ 3,421,077</u>	<u>\$ 5,639,623</u>	<u>\$ 20,235,604</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, 2013

Net change in fund balances - total governmental funds \$ (2,118,137)

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	4,041,601	
Depreciation expense	(2,810,703)	
Loss on disposal of fixed assets	<u>(27,318)</u>	1,203,580

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. (66,925)

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. 117,897

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. 133,148

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	3,808,830	
Net decrease in claims, judgments and settlements	3,842	
Net decrease in compensated absences	216,299	
Net increase in the other post employment benefit obligation	<u>(1,995,268)</u>	<u>2,033,703</u>

Change in net assets of governmental activities \$ 1,303,266

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

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

TOWN OF EAST GREENWICH, RHODE ISLAND
Statement of Net Assets
Proprietary Funds
June 30, 2013

	Sewer Fund
ASSETS	
Current assets	
Cash and cash equivalents	\$ -
Accounts receivable	
User fees, net of \$50,000 allowance for doubtful accounts	1,854,760
Construction loans receivable	1,430,165
Assessments, current portion	270,782
Total current assets	3,555,707
Non-current assets	
Deferred charges, net of amortization	199,603
Long-term sewer assessment receivable	10,204,591
Net capital assets	38,789,435
Total non-current assets	49,193,629
TOTAL ASSETS	52,749,336
LIABILITIES	
Current liabilities	
Accounts payable and accrued expenses	224,290
Internal balances	1,577,851
Current portion of long-term debt	1,906,860
Total current liabilities	3,709,001
Non-current liabilities	
Notes and bonds payable	23,496,687
Accrued compensated absences	8,786
Unearned revenues	383,403
Total non-current liabilities	23,888,876
TOTAL LIABILITIES	27,597,877
Net Assets	
Invested in capital assets, net of related debt	13,385,888
Unrestricted	11,765,571
Total net assets	\$ 25,151,459

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, 2013

	Sewer Fund
Operating revenues	
Usage sales and fees	\$ 2,462,146
Other income	87,490
Total operating revenues	2,549,636
Operating expenses	
Salaries and benefits	406,193
Materials and supplies	22,870
Construction	58,839
Contract services	131,600
Repairs and maintenance	9,824
Utilities	121,629
Administrative expenses	348,366
Depreciation and amortization	1,170,201
Total operating expenses	2,269,522
Operating income	280,114
Non-operating revenues (expenses)	
Assessment interest income	479,638
Sewer bond interest expense	(534,193)
Total non-operating (expenses)	(54,555)
Change in net assets	225,559
Total net positions - beginning	24,925,900
Total net position - ending	\$ 25,151,459

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, 2013

	Sewer Fund
Cash flows from operating activities	
Cash received from customers and providing services	\$ 2,387,231
Cash payments to suppliers for goods and services	(693,128)
Cash payments to employees for services	(387,924)
Net cash provided by (used for) operating activities	1,306,179
Cash flows from non-capital financing activities	
Interfund loans	(93,007)
Net cash provided by non-capital financing activities	(93,007)
Cash flows from capital and related financing activities	
Principal paid on bonds & notes	(1,898,162)
Additions to capital assets net	(1,551,338)
Sewer assessment decrease	747,051
Interest paid on long term debt	(534,193)
Construction receivables	1,543,832
Net cash (used for) capital and related financing activities	(1,692,810)
Cash flows from investing activities	
Interest income	479,638
Net cash provided by investing activities	479,638
Net increase (decrease) in cash and cash equivalents	-
Cash and cash equivalents at beginning of year	-
Cash and cash equivalents at end of year	\$ -
Reconciliation of operating income to net cash provided by operating activities	
Operating income (Loss)	280,114
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization	1,170,201
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	(162,405)
Increase (decrease) in accounts payable and accrued expenses	18,269
Total adjustments	1,026,065
Net cash provided by operating activities	\$ 1,306,179

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, 2013

	Agency Funds
ASSETS	
Cash and cash equivalents	\$ 433,689
Internal balances	135,758
Total Assets	569,447
 LIABILITIES	
Deposits held in custody for others	569,447
Total Liabilities	\$ 569,447

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, 2013

NOTE 1 - REPORTING ENTITY

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

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

Primary Government

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

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

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

In evaluating the inclusion of how to define the government for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria 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 2013:

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

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

Government-Wide Financial Statements

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

Fund Financial Statements

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

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

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements (Continued)

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.

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.

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

BASIS OF ACCOUNTING

Measurement Focus

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

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

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

Basis of Accounting

In the government-wide Statement of Net Position 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.

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.

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting (Continued)

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.

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.

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide Statements

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

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

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

Fund Financial Statements

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

Equity Classifications

Government-Wide Statements

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

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

Governmental Fund Financial Statements

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

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Fund Financial Statements (Continued)

- **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, via a resolution, 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 an expenditure is incurred for purposes for which amounts in any other unrestricted fund balance could be used.

Fund Balance Transactions

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

Property Taxes

The Town is permitted by state law to levy property taxes. Taxes are recognized as revenue when they are collected. Taxes are levied each July on (a) 100% of the full and fair value of real and tangible personal property owned within the Town on the previous December 31; and, (b) the value, as determined by the Rhode Island Vehicle Valuation Commission, of vehicles registered within the Town the previous calendar year, prorated for the actual number of days so registered, reduced by the amount exempt under the Motor Vehicle Phase-Out Program. Taxes levied during July are payable in quarterly installments on September 1, December 1, March 1 and June 1, or on September 1, if paid in one payment. Unpaid property taxes at June 30, 2013, 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.

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

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 current 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 Inter-fund 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.

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

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, 2013. 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 \$67,213,371 based on the December 31, 2011 assessment. As of June 30, 2013 the Town's debt is under the debt limit by \$65,953,171.

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 124 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, 2013:

- **Non-spendable** – are balances that are permanently precluded from conversion to cash such as permanent funds, prepaids, deposits and inventories. \$1,046,256.
- **Restricted** – requires that inflows and outflows of resources and balances be constrained to a specific purpose of enabling legislation, external parties or constitutional provisions. \$3,601,262.
- **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. \$3,521,077.
- **Assigned** – are balances intended for a specific purpose by the government's management and are also appropriations of existing fund balances. \$5,387,147.
- **Unassigned** – are balances available for any purpose. They are not precluded by a management decision, law constitutional provision in the general fund. \$6,575,450.

Deficits of fund equity at June 30, 2013 were as follows: Community Development \$25,273; Revaluation \$4,536; Police Seizures Fund \$10,568; Byrne grant \$181 and School Lunch \$694. The Town of East Greenwich anticipates funding deficits through future Town appropriations and future reimbursements from either the State or the Federal Government.

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

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, 2013, \$ -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, 2013

<i>Cash and cash equivalents</i>	
Deposits with financial institutions	\$ 20,279,343
<i>Investments</i>	
Permanent funds	
Corporate stocks	32,201
Total permanent fund investments	32,201
<i>Total cash and investments</i>	\$ 20,311,544

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

<i>Statement of net assets</i>	
Cash and cash equivalents	\$ 19,845,654
Investments	32,201
	\$ 19,877,855
<i>Fiduciary funds</i>	
Cash and cash equivalents	433,689
	433,689
<i>Total cash and investments</i>	\$ 20,311,544

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 5 - CASH AND INVESTMENTS (CONTINUED)

Custodial Credit Risk (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, 2013. 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, 2013.

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 \$223,811.

Current tax collections for the Town were approximately 97.2% of the total July 2013 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, 2013

NOTE 7 - INFORMATION ABOUT CAPITAL ASSETS (CONTINUED)

Capital asset activity for the fiscal year ended June 30, 2013 was as follows:

	Beginning Balance	(1) Beginning Balances Adjustments	Adjusted Beginning Balances	Primary Government				Ending Balance
				Increases	Decreases	Adjustments	Transfers	
Governmental activities:								
Capital assets not being depreciated:								
Land	\$ 1,723,703	\$ 101,328	\$ 1,825,031	\$ -	\$ -	\$ (5,073)	\$ -	\$ 1,819,958
Construction in progress	48,949,593	-	48,949,593	3,108,087	-	-	(2,192,014)	49,865,666
Total capital assets not being depreciated	50,673,296	101,328	50,774,624	3,108,087	-	(5,073)	(2,192,014)	51,685,624
Other capital assets:								
Infrastructure	36,472,762	-	36,472,762	-	-	-	-	36,472,762
Buildings and improvements	30,383,697	1,117,625	31,501,322	150,937	-	(48,920)	2,192,014	33,795,353
Land improvements	4,754,417	43,505	4,797,922	37,657	-	(2,105)	-	4,833,474
Office furniture and equipment	261,164	144,966	406,130	-	-	(50,097)	-	356,033
Motor vehicles	2,519,338	2,589,056	5,108,394	626,345	168,111	(12,531)	-	5,554,097
Machinery and equipment	2,886,407	602,016	3,488,423	118,575	75,500	(99,441)	-	3,432,057
Total other capital assets at historical cost	77,277,785	4,497,168	81,774,953	933,514	243,611	(213,094)	2,192,014	84,443,776
Less accumulated depreciation for:								
Infrastructure	30,197,460	-	30,197,460	1,088,088	-	-	-	31,285,548
Buildings and improvements	10,698,153	645,502	11,343,655	234,437	-	(11,196)	-	11,566,896
Land improvements	886,329	32,118	918,447	852,511	-	(391)	-	1,770,567
Office furniture and equipment	232,074	101,658	333,732	257,326	-	(24,162)	-	566,896
Motor vehicles	1,306,558	1,238,601	2,545,159	191,227	140,793	(6,230)	-	2,589,363
Machinery and equipment	2,164,089	398,112	2,562,201	187,114	75,500	(85,209)	-	2,588,606
Total accumulated depreciation	45,484,663	2,415,991	47,900,654	2,810,703	216,293	(127,188)	-	50,367,876
Governmental activities capital assets, net	\$ 82,466,418	\$ 2,182,505	\$ 84,648,923	\$ 1,230,898	\$ 27,318	\$ (90,979)	\$ -	\$ 85,761,524

Depreciation expense was charged to functions as follows:

Governmental activities:	
Legislative, judicial and general administrative	\$ 52,361
Public safety	610,167
Public works	1,552,749
Parks and recreation	59,552
Education	535,874
Total governmental activities depreciation expense	\$ 2,810,703

(1) These assets represent the beginning balance of the East Greenwich Fire District which was made part of the Town's reporting entity as of June 30, 2013

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 7 - INFORMATION ABOUT CAPITAL ASSETS (CONTINUED)

Capital asset activity for the fiscal year ended June 30, 2013 was as follows:

	Primary Government				Ending Balance
	Beginning Balance	Increases	Decreases	Adjustments	
Business-type activities:					
Capital assets not being depreciated:					
Land	\$ 15,372	\$ -	\$ -	-	\$ 15,372
Construction in progress	2,851,910	1,551,338	3,025,372	-	1,377,876
Total capital assets not being depreciated	<u>2,867,282</u>	<u>1,551,338</u>	<u>3,025,372</u>	<u>-</u>	<u>1,393,248</u>
Other capital assets:					
Sewer facility	20,820,912	-	-	-	\$ 20,820,912
Equipment and fixtures	368,963	-	-	-	368,963
Motor vehicles	174,072	-	-	-	174,072
Sewer lines	27,346,763	3,025,372	-	-	30,372,135
Total other capital assets at historical cost	<u>48,710,710</u>	<u>3,025,372</u>	<u>-</u>	<u>-</u>	<u>51,736,082</u>
Less accumulated depreciation for:					
Sewer facility	8,130,023	449,435	-	-	8,579,458
Equipment and fixtures	319,450	6,385	-	-	325,835
Motor vehicles	158,162	4,617	-	-	162,779
Sewer lines	4,580,143	691,680	-	-	5,271,823
Total accumulated depreciation	<u>13,187,778</u>	<u>1,152,117</u>	<u>-</u>	<u>-</u>	<u>14,339,895</u>
Business-type activities capital assets, net	<u><u>\$ 38,390,214</u></u>	<u><u>\$ 3,424,593</u></u>	<u><u>\$ 3,025,372</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 38,789,435</u></u>

Depreciation expense was charged to functions as follows:

Business-type activities:	
Sewer Fund	\$ 1,152,117
Total business-type activities depreciation expense	<u><u>\$ 1,152,117</u></u>

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

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

"Total fund balances" of the Towns' governmental funds \$20,235,604 differs from "net position" of governmental activities \$33,589,186 reported in the statement of net position. This difference primarily results from the long-term economic focus of the statement of net position versus the current financial resources focus of the governmental fund balance sheets. The effect of the differences is illustrated below.

Balance Sheet/Statement of Net Position

	Total Governmental Funds	Long-term Assets/ Liabilities (1)	Reclassifications and Eliminations	Statement Net Position Totals
Assets				
Cash and cash equivalents	\$ 19,845,654	\$ -	\$ -	\$ 19,845,654
Investments	32,201	-	-	32,201
Receivables:				
Property taxes, net	2,325,155	-	-	2,325,155
Intergovernmental	446,620	-	-	446,620
Other	3,412,581	-	-	3,412,581
Internal balances	140,948,969	-	(140,948,969)	-
Deposits with institutions	-	-	-	-
Other assets	1,666,997	616,283	-	2,283,280
Property, plant and equipment - net	-	85,761,524	-	85,761,524
Assets not being depreciated	-	-	-	-
Total assets	\$ 168,678,177	\$ 86,377,807	\$ (140,948,969)	\$ 114,107,015
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued expenses	\$ 6,609,741	\$ 4,226,637	\$ 135,758	\$ 10,972,136
Internal balances	139,506,876	-	(141,084,727)	(1,577,851)
Unearned revenue	2,325,956	(2,325,956)	-	-
Long-term liabilities				
Due within one year	-	4,382,163	-	4,382,163
Due in more than one year	-	66,741,381	-	66,741,381
Total liabilities	148,442,573	73,024,225	(140,948,969)	80,517,829
Fund Balances/Net Position				
Total fund balances/net position	20,235,604	13,353,582	-	33,589,186
Total liabilities and fund balances/net position	\$ 168,678,177	\$ 86,377,807	\$ (140,948,969)	\$ 114,107,015

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

Cost of capital assets	\$ 136,129,400
Accumulated depreciation	(50,367,876)
	<u>\$ 85,761,524</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 unearned revenue	\$ 2,325,956
Accrued interest	(524,291)
Bond premiums	(3,702,346)
Bond issuance costs	616,283
	<u>\$ (1,284,398)</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 position.

Bonds payable	\$ (60,043,333)
Accrued compensated absences	(895,710)
Claims, judgments, and settlements	(615,056)
Capital leases payable	(43,168)
Net other post employment benefit obligation	(9,526,277)
	<u>(71,123,544)</u>

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

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

The "net change in the fund balances" for governmental funds (\$2,118,137) differs from the "change in net position" for governmental activities \$1,303,266 reported in the statement of activities. The differences arise primarily from the long-term economic focus of the statement of activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

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

	Total Governmental Funds	Long-term Revenues/ Expenses (1)	Capital- related Items (2)	Long-term Debt Transactions (3)	Statement of Activities Totals
Revenues					
General property tax	\$ 50,068,123	\$ (66,925)	\$ -	\$ -	\$ 50,001,198
Intergovernmental and departmental revenues	7,047,875	-	-	-	7,047,875
License and permits	1,110,840	-	-	-	1,110,840
Interest on investments	13,369	-	-	-	13,369
Tuitions	162,061	-	-	-	162,061
Other revenues	4,034,886	168,648	-	-	4,203,534
Total revenues	62,437,154	101,723	-	-	62,538,877
Expenditures					
Current:					
Legislative, judicial and general administrative	3,704,108	-	52,361	(248,137)	3,508,332
Financial administration	516,025	-	-	2,046,019	2,562,044
Information technology	341,954	-	-	-	341,954
Public safety	8,498,052	-	610,167	-	9,108,219
Public works	3,011,330	-	1,552,749	-	4,564,079
Teen center	5,000	-	-	-	5,000
Public health and welfare	797,851	-	-	-	797,851
Parks and recreation	548,634	-	59,552	-	608,186
Town planner	171,137	-	-	-	171,137
Education	35,262,082	-	535,874	-	35,797,956
Senior and human services	261,342	-	-	-	261,342
Library	475,000	-	-	-	475,000
Financing costs	2,650	-	-	-	2,650
Net decrease in FMV of investments	8,204	-	-	-	8,204
Capital outlay	4,041,601	-	(4,041,601)	-	-
Long-term obligations:					
Principal	3,780,834	-	-	(3,780,834)	-
Interest	3,129,487	-	-	(133,148)	2,996,339
Total expenditures	64,555,291	-	(1,230,898)	(2,116,100)	61,208,293
Other financing sources (uses)					
Issuance of debt	-	-	-	-	-
Bond premium proceeds	-	-	-	-	-
Gain (loss) on disposal of equipment	-	-	(27,318)	-	(27,318)
Transfers from other funds	322,904	-	-	-	322,904
Transfers to other funds	(322,904)	-	-	-	(322,904)
Total other financing sources (uses)	-	-	(27,318)	-	(27,318)
Net change for the year	\$ (2,118,137)	\$ 101,723	\$ 1,203,580	\$ 2,116,100	\$ 1,303,266

(Continued)

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

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

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

Unearned revenue property tax	\$ <u>(66,925)</u>
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Interest expense in the statement of activities differs from the amount reported in the governmental funds for two reasons. Accrued interest was reduced on the calculation for bonds payable and bond issuance costs and premiums are reported as expenditures in governmental funds while in the government-wide financial statements they are capitalized and amortized over the life of the bond.

Accrued interest	\$ 133,148
Amortization bond issuance costs	(50,751)
Amortization bond premium costs	<u>168,648</u>
Total expenditure adjustment	<u>\$ 251,045</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	\$ 4,041,601
Depreciation expense	(2,810,703)
Difference	<u>\$ 1,230,898</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>(27,318)</u>
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- (3) Repayment of bond principal is reported as an expenditure in the governmental funds and, thus, has the effect of reducing fund balance because current financial resources have been used. For the town as a whole, however, the principal payments reduce the liabilities in the statement of net position and do not result in an expense in the statement of activities.

Capital lease payments	\$ 27,996
Principal payments made	<u>3,780,834</u>
Difference	<u>\$ 3,808,830</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	\$ (1,995,268)
Net decrease claims, judgments, and settlements	3,842
Net decrease in compensated absences	<u>216,299</u>
Change	<u>\$ (1,775,127)</u>

(Concluded)

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

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, 2013:

	<u>Due from other funds</u>	<u>Due to other funds</u>
General Fund	\$ 118,354,758	\$ 122,621,709
School Bond 52m Capital Fund	3,446,244	-
Special Revenue Funds:		
School Restricted	2,759,104	2,969,716
Town Restricted	8,133,416	6,012,486
Town Projects Fund	789,216	578,351
Other Non-major Funds		
Capital Projects Funds	7,307,480	7,307,480
Permanent Funds	158,751	17,134
Enterprise Funds		
Sewer	-	1,577,851
Fiduciary Funds		
Agency Fund	135,758	-
Totals	\$ 141,084,727	\$ 141,084,727

NOTE 11 - CAPITAL LEASES

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

Year End	Lease Payment
2014	\$ 24,568
2015	18,600
Future Minimum Rental Payments	43,168
Interest Portion of Payments	2,158
Obligation Under Capital Leases	\$ 45,326

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, 2012 was \$2,240,445,689, limiting the amount of non-excepted general obligation bond authority to \$64,863,334. The outstanding bonded debt as of June 30, 2013 was \$1,260,000, which is \$65,953,171 below the maximum level. (See Note 3 page 31 for details.)

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

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, 2013 was as follows:

GOVERNMENTAL ACTIVITIES	Date of Issuance	Interest Rate	Date of Maturity	Authorized	Outstanding July 1, 2012	Additions	Maturities During Year	Outstanding June 30, 2013	Amounts due within one year	Interest Paid		
General Obligation Bonds Payable												
Health and Education Building Corp	2/2/2012	2.5 to 5.0%	6/30/2037	\$ 35,640,000	\$ 35,640,000	\$ -	\$ 540,000	\$ 35,100,000	\$ 920,000	\$ 1,826,612		
Roads	9/30/2011	1.75 to 2.0%	6/15/2016	1,000,000	800,000	-	200,000	600,000	200,000	17,500		
Health and Education Building Corp	11/15/2010	0.897%	05/15/29	10,635,000	10,044,167	-	590,834	9,453,333	590,833	679,150		
Open Space / School Improvements	3/15/2004	2.0-4.0%	3/15/2019	9,660,000	4,830,000	-	690,000	4,140,000	690,000	164,737		
Police Station	9/1/2007	3.85%	6/15/2017	8,000,000	4,024,900	-	805,100	3,219,800	805,100	154,962		
Landfill Reclamation	9/1/2007	3.85%	6/15/2017	1,600,000	825,100	-	164,900	660,200	164,900	31,762		
Town Hall Sidewalk/Step Repair	4/29/2009	2.0-4.0%	4/15/2019	190,000	143,400	-	21,600	121,800	21,600	4,536		
Senior Center/Public Works Offices	4/29/2009	2.0-4.0%	4/15/2019	3,050,000	2,376,600	-	338,400	2,038,200	338,400	71,064		
School Fields - RIHBC	2/25/2009	2.5-4.125%	5/15/2024	6,000,000	5,140,000	-	430,000	4,710,000	430,000	179,161		
Total general obligation bonds payable				75,775,000	63,824,167	-	3,780,834	60,043,333	4,160,833	3,129,484		
Capital leases												
Capital leases	various		various		71,164	-	27,996	43,168	24,568	-		
Total governmental activates bonds, BANs and leases payable					63,895,331	-	3,808,830	60,086,501	4,185,401	3,129,484		
					Outstanding July 1, 2012	Begining Balance Adjustments	Adjusted Begining Balance					
Accrued expenses												
Compensated absences - Town					787,743	312,637	1,100,380	64,169	282,649	881,900	176,380	-
Compensated absences - School Department					11,629	-	11,629	4,507	2,326	13,810	2,762	-
Claims, judgments and settlements					-	618,898	618,898	-	3,842	615,056	17,620	-
Net other post employment benefit obligation					4,747,009	2,784,000	7,531,009	1,995,268	-	9,526,277	-	-
Total accrued expenses					5,546,381	3,715,535	9,261,916	2,063,944	288,817	11,037,043	196,762	-
Total long-term liabilities - governmental activities					\$ 5,546,381	\$ 3,715,535	\$ 73,157,247	\$ 2,063,944	\$ 4,097,647	\$ 71,123,544	\$ 4,382,163	\$ 3,129,484
BUSINESS TYPE ACTIVITIES												
General Obligation Bonds Payable												
Sewer General Obligation Bonds	11/1/2008	4.0-4.2%	6/30/2023	\$ 6,000,000	\$ 5,140,000	\$ -	\$ 320,000	\$ 4,820,000	\$ 320,000	\$ 211,050		
Total general obligation bonds payable				6,000,000	5,140,000	-	320,000	4,820,000	320,000	211,050		
Notes payable												
Clean Water	8/25/1999	5.09%	9/1/2019	\$ 8,500,000	\$ 3,578,883	\$ 64	\$ 447,368	\$ 3,131,579	\$ 447,368	122,871		
Clean Water	10/30/2002	3.90%	9/1/2022	11,100,000	7,043,434	-	565,059	6,478,375	565,059	72,129		
Clean Water	12/21/2006	1.27%	9/1/2027	7,600,000	6,280,000	-	344,000	5,936,000	350,000	55,133		
Clean Water	9/14/2009	0.41-2.68%	9/1/2029	2,462,252	2,259,327	-	102,734	2,156,593	104,433	18,264		
Clean Water	6/10/2010	0.61-3.25%	9/1/2031	3,000,000	3,000,000	-	119,000	2,881,000	120,000	42,275		
Total Sewer notes payable				32,662,252	22,161,644	64	1,578,161	20,583,547	1,586,860	310,672		
Total business-type activities funds bonds and loans payable					27,301,644	64	1,898,161	25,403,547	1,906,860	521,722		
Accrued expenses												
Compensated absences					11,700	-	2,914	8,786	1,757	-		
Total long-term liabilities - business-type activities					\$ 27,313,344	\$ 64	\$ 1,901,075	\$ 25,412,333	\$ 1,908,617	\$ 521,722		

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

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>
2014	6.93%	4,160,833	1,920,824	6,081,657
2015	13.91%	4,190,833	1,924,829	6,115,662
2016	20.94%	4,220,833	1,949,189	6,170,022
2017	27.69%	4,055,833	1,974,759	6,030,592
2018	32.90%	3,125,833	2,001,701	5,127,534
2019	38.18%	3,170,833	2,030,023	5,200,856
2020	41.79%	2,165,833	2,058,735	4,224,568
2021	45.46%	2,205,833	1,641,327	3,847,160
2022-2037	100.00%	32,746,670	9,785,961	42,532,631
		<u><u>\$ 60,043,334</u></u>	<u><u>\$ 25,287,349</u></u>	<u><u>\$ 85,330,683</u></u>

BUSINESS-TYPE ACTIVITIES

2014	7.56%	1,920,824	626,061	2,546,885
2015	15.14%	1,924,829	580,847	2,505,677
2016	22.81%	1,949,189	535,089	2,484,278
2017	30.58%	1,974,759	488,085	2,462,844
2018	38.46%	2,001,701	439,818	2,441,519
2019	46.46%	2,030,023	390,639	2,420,662
2020	54.56%	2,058,735	340,609	2,399,345
2021	61.02%	1,641,327	272,981	1,914,309
2022-2029	100.00%	9,902,160	1,170,260	11,072,420
		<u><u>\$ 25,403,547</u></u>	<u><u>\$ 4,844,389</u></u>	<u><u>\$ 30,247,937</u></u>

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 13 – LITIGATION, CLAIMS, JUDGMENTS AND SETTLEMENTS

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

On June 26, 2000, the East Greenwich Fire District (Now part of the Town of East Greenwich, see Note 23) entered into a settlement agreement with a former firefighter who suffered a work-related injury. The agreement requires the Town to pay the individual a cost of living adjustment over the estimated life expectancy in which the individual will be eligible for pension benefits. The cost of living adjustment was required as it was not a component of the disability pension provided under the State of Rhode Island's Employee Retirement System for which the individual was eligible. The Town has recorded the liability at the estimated present value of the future payments utilizing an interest rate of 2.5% and estimated future life expectancy of 44 years retroactive to May 1996. Payments are made on an annual basis in May. The total estimated payments to be made under this agreement are \$919,300 while the present value of the obligation at June 30, 2013 is approximately \$543,815. In accordance with the terms of the agreement the District paid \$14,089 in May 2013.

Subsequent to June 30, 2012 the Town entered into a memorandum of understanding with an employee regarding pension benefits to be paid to the employee upon retirement. In accordance with the terms of the personnel policies and contractual agreements, the employee was to receive certain firefighter plan pension benefits from the Employees' Retirement System of Rhode Island. However, the Employees' Retirement System determined that this individual was ineligible for benefits under this plan and rather was subject to the benefits under the Town's Administrative Plan. The terms of the memorandum of understanding require annual payments of \$3,400 to commence two weeks following the employee's actual retirement and lasting for ten years. The present value of this obligation at June 30, 2013 was estimated to be \$26,166. The Town also has other claims existing at June 30, 2013 for which it has estimated the present value of the potential obligations to be \$45,075. Total claims and settlements recorded at June 30, 2013 for pension benefit obligations total \$71,241.

NOTE 14 - FUND TRANSFERS

Transfers are made to provide revenue for annual expenditures of various funds. Transfers are not expected to be repaid to the originating (source) fund. Listed below is the transfer activity for fiscal year ended June 30, 2013.

<u>Fund / Department</u>	Transfers from other funds	Transfers to other funds
General Fund	\$ -	\$ 114,335
Town Special Revenue Funds	223,067	-
School Special Revenue Funds	44,118	4,000
Capital Projects	-	\$ 148,850
Totals	<u>\$ 267,185</u>	<u>\$ 267,185</u>

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 15 - RETIREMENT PLANS & POST EMPLOYEMENT BENEFITS

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

The Town of East Greenwich, Rhode Island 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 plan provides retirement, death and disability benefits and an optional cost of living adjustment (COLA) as outlined in Chapter 45-21 and Chapter 45-21.2 for Police and Fire of the Rhode Island General Laws (RIGL). The benefits may be amended by the Rhode Island General Assembly. 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, 50 Service Avenue, Warwick, Rhode Island 02886, by calling (401) 462-7600 or by accessing their website at 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.

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

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

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, 2013 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.

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.

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

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

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.

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

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

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)
General Employees						
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	7,436,954	6,500,407	(936,547)	114%	1,185,062	-79%
2013	N/A	N/A	N/A	N/A	N/A	N/A
Police Employees						
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	12,504,590	17,185,092	4,680,502	73%	1,856,181	252%
2013	N/A	N/A	N/A	N/A	N/A	N/A
Fire General Employees						
2008	9,801,221	11,668,363	1,867,142	84%	2,176,092	86%
2009	10,154,829	12,629,805	2,474,976	80%	2,302,492	107%
2010	10,172,916	16,663,479	6,490,563	61%	2,179,829	298%
2011	9,964,018	14,818,083	4,854,065	67%	2,262,734	215%
2012	10,169,176	16,028,667	5,859,491	63%	2,232,243	262%
2013	N/A	N/A	N/A	N/A	N/A	N/A
Fire Administrative Employees						
2011	169,927	248,473	78,546	68%	88,879	88%
2012	166,054	261,734	95,680	63%	90,274	106%
2013	N/A	N/A	N/A	N/A	N/A	N/A

*N/A Unavailable at time of report

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

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

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

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, 2012
Actuarial cost method	Entry Age Actuarial Cost Method
Amortization method	Level Percent of Payroll – Closed 30-yr period
Remaining amortization period	23 Years
Asset valuation method	5 Year Smoothed Market
Actuarial assumptions:	
Investment rate of return	7.50%, Compounded Annually
Salary increases-General Employees	4.00-8.00%
Salary increases-Police/Fire Employees	4.25-14.25%
Cost-of-living adjustments - 2012	0.00%
Inflation Rate	2.75% Annually
Post Retirement Benefit Increases	2.00% Of Original Retirement Benefit

Annual Pension Cost - For 2013, the Town contributed \$1,029,090 for MERS. The required contribution was determined as part of the June 30, 2012 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.

Required contributions:

SCHEDULE OF CONTRIBUTIONS

Year Ended June 30,	Police	General	Fire Administrative	Fire General	Total Annual Pension Cost	Total Amount Contributed	Total Percentage Contributed
2011	395,048	519,118	14,400	395,000	1,323,566	1,323,566	100%
2012	513,073	430,780	16,200	448,100	1,408,153	1,408,153	100%
2013	348,264	228,131	10,428	442,267	1,029,090	1,029,090	100%

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

All full-time teachers, principals, school nurses and certain other school officials (including the superintendent) in the Town's school system must participate in ERS, a cost-sharing multiple employer defined benefit plan administered by the Employees' Retirement System of Rhode Island (the System). The plan provides retirement, death and disability benefits (as well as annual cost of living allowances if certain conditions have been met) as outlined in Chapters 36-10 and 16-16 of the Rhode Island General Laws (RIGL). The benefits may be amended by the Rhode Island General Assembly. 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.

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

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

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

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.
- 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.

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

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

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

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.

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.

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.

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

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

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

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 re-deposits 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.

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.

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

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

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

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.

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.

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

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

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

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.

- 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.

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

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

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

- 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.

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 \$1,128,617 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.

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

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

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

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, 2011	\$ 1,704,748	100%
June 30, 2012	\$ 2,102,885	100%
June 30, 2013	\$ 1,733,207	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, 2012
Actuarial cost method	Entry Age
Amortization method	Level Percentage 25 Years
Remaining amortization period	23 Years
Asset valuation method	5 Year Phase-in of Actual
Actuarial assumptions:	
Investment rate of return	7.50%, Compounded Annually
Projected salary increases	4.00-12.75%
Cost-of-living adjustments	2.00%
Inflation Rate	2.75% Annually

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.

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

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

C. POST RETIREMENT BENEFITS (CONTINUED)

Groups Covered

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

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

Membership

At July 1, 2013, membership consisted of:

Eligible Active Members		N/A
Retired Members and Spouses		N/A
Total		N/A

Funding Policy

Contribution requirements are negotiated between the Town and the respective unions and employees. For the year-ended June 30, 2013, the plan operated on a pay as you go basis and no provision has been made to fund future benefits to be provided to plan members.

SCHEDULE OF FUNDING PROGRESS TOWN AND SCHOOL DEPARTMENT

Actuarial Valuation Date <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	0%	20,291,634	68.21%
7/1/2010	N/A	15,655,801	15,655,801	0%	21,121,119	74.12%
7/1/2012	N/A	16,356,981	16,356,981	0%	22,624,462	72.30%

SCHEDULE OF FUNDING PROGRESS FORMER FIRE DISTRICT

Actuarial Valuation Date	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>
6/30/2010	N/A	12,471,329	12,471,329	0%	2,341,336	532.66%
6/30/2012	N/A	19,618,165	19,618,165	0%	2,350,000	834.82%

The information included in the former Fire Districts schedule of funding progress was derived using the Alternative Method in accordance with GASB #45. The former District did not engage the services of an actuary to conduct a full actuarial valuation of the OPEB obligation.

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 15 - 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 information noted above is the latest available for the Town and does not reflect the actuarial assumptions of the former Fire District.

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, 2013.

	2013
Annual required contribution	\$ 3,440,443
Interest on OPEB	285,262
Adjustment to annual required contribution	<u>(422,102)</u>
Annual OPEB cost	3,303,603
Allocations for implicit Rate Subsidy	(187,010)
*Contributions made	(1,121,081)
**Adjustment at beginning of year	<u>(242)</u>
Increase (decrease) in net OPEB obligation	<u>1,995,270</u>
Net OPEB beginning of year	7,531,007
Net OPEB obligation end of year	<u><u>\$ 9,526,277</u></u>
Percentage of the annual postemployment benefit cost contributed	<u>39.60%</u>

*Assumes pay-as-you-go funding

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 15 - 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
06/30/11	3,108,723	776,773	174,572	951,345	32.79%	5,397,296
06/30/12	3,323,787	1,044,638	145,436	1,190,074	32.82%	7,531,007
06/30/13	3,303,603	1,121,081	187,010	1,308,091	39.60%	9,526,277

D. DEFINED CONTRIBUTION PLAN

Plan Description

The Town of East Greenwich participates in the State of Rhode Island Defined Contribution Retirement Plan (the "Plan"). The plan is a defined contribution (money purchase) plan that operates under Section 401(a) of the Internal Revenue Code (IRC). The Plan is established pursuant to Chapter 10.3 of Title 36 of the Rhode Island General Laws. ("RIGL 36-10.3"). The Plan is effective as of July 1, 2012, and contributions to the Plan will begin on the first full payroll cycle in July, 2012. The purpose of the Plan is to provide retirement benefits for participating employees. The Plan issues a publicly available financial report that includes financial statements and required supplementary information. 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.

Employee contributions are immediately vested while employer contributions are vested after three years on contributory service. Contributions required under the plan by both the employees and employer are established by General Laws, which are subject to amendment by the General assembly.

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

Benefits are provided through:

Teachers Insurance and Annuity Association (TIAA). TIAA provides traditional annuities (and a variable annuity through its real estate account). You can receive more information about TIAA by writing to: TIAA, 730 Third Avenue, New York, NY 10017. You also can receive information by calling 1 (800) 842-2733.

College Retirement Equities Fund (CREF). CREF is TIAA's companion organization, providing variable annuities. You can receive more information about CREF by writing to: CREF, 730 Third Avenue, New York, N.Y. 10017. You also can receive information by calling 1 (800) 842-2733.

The Retirement Board is the Plan Administrator and Trustee responsible for Plan operation. The State Investment Commission is responsible for selecting the investment alternatives available under the Plan (the "Funding Vehicles"). Employee contributions and Employer's contributions are invested in the Funding Vehicles selected by the employee's. The Plan Year begins on July 1 and ends on June 30. All plan assets are stated at fair value.

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

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

D. DEFINED CONTRIBUTION PLAN (CONTINUED)

The Employer's current selection of Funding Vehicles isn't intended to limit future additions or deletions of Funding Vehicles. The selection of available Funding Vehicles is made by the Rhode Island State Investment Commission. Refer to the Plan's microsite www.tiaa-cref.org/ri for a current listing of Funding Vehicles and the investments thereunder.

Municipalities with teachers that do not contribute to Social Security:

a. Plan Funding Policy

The funding policy is outlined in RIGL chapter 36-10.3 (which can be amended by the Rhode Island General Assembly). Active plan members must contribute 7% of his/her compensation and the city/town is required to contribute 3%. The plan members and city/town contributed \$1,282,224 and \$513,970, respectively, during the fiscal year ended June 30, 2013.

Municipalities with general employees (not police and fire units) in MERS that contribute to Social Security:

b. Plan Funding Policy

The funding policy is outlined in RIGL chapter 36-10.3 (which can be amended by the Rhode Island General Assembly). Active non-police and fire members must contribute 5% of his/her compensation and the city/town is required to contribute 1%. The plan members and city/town contributed \$181,005 and \$35,708, respectively, during the fiscal year ended June 30, 2013.

NOTE 16 - JOINTLY GOVERNED ORGANIZATION

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

NOTE 17 - RELATED PARTIES

The Town reviews its records on an annual basis to determine if any related party transactions exist that would represent a conflict of interest with parties related to its officers and department heads. No such transactions were noted in the fiscal year ended June 30, 2013.

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 18 - RISK MANAGEMENT

Self-insurance:

The School Department participates in a multi-employer cost reimbursement healthcare self-insurance risk pool managed by West Bay Community Health (WBCH). The School Department pays WBCH monthly premiums based upon "working rates" that are periodically adjusted to reflect changes in actual costs. Funds on deposit with WBCH are made available to pay claims, claim reserves and administrative costs. As of June 30, 2013, the reported premiums exceeded expenditures on deposit by \$366,410. Incurred but not reported (IBNR) claims, of \$232,310 resulted in a \$611,934 balance in the net adjusted reserve.

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

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

	Year ended June 30, 2013	Year ended June 30, 2012
Beginning cumulative surplus (deficit)	\$ 728,580	\$ 361,417
Premium deposits	4,158,749	4,173,635
Incurred claims (excluding IBNR)	(3,792,339)	(3,559,270)
Administrative fees	<u>(250,746)</u>	<u>(247,202)</u>
Ending cash deposit balance	844,244	728,580
Estimated IBNR (two month estimate)	(232,310)	(127,700)
Net adjusted reserve	<u>\$ 611,934</u>	<u>\$ 600,880</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 19 - 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, 2013 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.

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 20 – 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, 2013, \$19,742 was included in capital expenditures for remediation activities.

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, 2013, the cleanup project was substantially complete.

NOTE 21 – PILOT AGREEMENTS

On January 13, 2000 the East Greenwich Fire District (Now part of the Town of East Greenwich see note 22) entered into an agreement with St. Elizabeth Home and/or St. Elizabeth Development Corporation to establish payments in lieu of taxes to be paid to the District by St. Elizabeth. The commencement date of the agreement was January 1, 2000 with the termination date being defined as the period in which St. Elizabeth ceases to own the "Project Taxable Properties" as defined in the agreement. The PILOT payment shall be made in annual installments equal to twenty-eight percent (28%) of the amount paid to the Town of East Greenwich in lieu of taxes paid pursuant to that certain PILOT agreement of same date between the Town of East Greenwich and St. Elizabeth.

On October 24, 2005 the East Greenwich Fire District entered into an agreement with the City of Warwick to provide the City with fire protection and rescue service on a first response basis in certain areas of the City of Warwick. The City agreed to furnish all hydrants and water lines in the designated area with no charges being assessed to the District. The City will be entitled to the benefit of all third party payments and reimbursements payable with respect to fire protection and/or rescue services provided by the District to persons and properties located in the City of Warwick. In consideration for the services being provided by the District, the City will compensate the District for a period of three years commencing July 1, 2005 through June 30, 2008. Annual compensation for these services is \$279,000 which is due and payable on September 1, 2005 through and including September 1, 2007 for a total compensation of \$837,000. The contract will automatically renew for successive one year terms, unless terminated in writing by either party no sooner than 15 months nor later than 12 months prior to the expiration of the three year term. The payment during the renewal term will be the payment from the preceding year adjusted by the CPI factor using the first year of the agreement as the base year for the first adjustment and the subsequent adjustments will use the prior year as the base year. During the year ended June 30, 2012 the District received \$313,000 in accordance with the terms of this contract. The District expects to receive approximately \$334,000 in fiscal 2013 under this agreement with the City of Warwick. The estimated payment to be received for fiscal 2013 using an estimated CPI factor of 3% is \$322,000. The estimate is included as a result of the agreement not being terminated by either party within the time period specified in the agreement and therefore being automatically extended for an additional one year term.

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 22 – EAST GREENWICH FIRE DISTRICT ACT

In June of 2013 the General Assembly of State of Rhode Island enacted public law Chapter 047 2013-H5901 which authorized the Town of East Greenwich, Rhode Island to acquire the property, assets and personnel of the East Greenwich Fire District. Prior to that the East Greenwich Fire District was a separate and independent legal entity established by state Charter initially passed by the Rhode General Assembly in 1797. The financial activity of the Fire District for the period ended June 30, 2013 has been combined with that of the Town within the format of its financial reporting entity. The implications of this act are noted below:

It is enacted by the General Assembly as follows:

SECTION 1. The Town of East Greenwich shall acquire the property, assets and Personnel of the East Greenwich Fire District, which may hereafter be referred to as the East Greenwich Fire Department. The action of the Town of East Greenwich in acquiring the East Greenwich Fire District is done so in accordance with a referendum approved by the qualified voters of the Town of East Greenwich by a vote of 4426 in favor and 2239 opposed which took place on November 6, 2012.

SECTION 2. Upon the effective date of this Act, the East Greenwich Fire District, established by Charter initially passed by the General Assembly in 1797 and most recently amended by the General Assembly in 2010 (Chapter 268 of the Public Laws) shall cease to exist, and the Charter shall at that time be revoked by the General Assembly.

SECTION 3. Upon the effective date of this Act: The Town of East Greenwich will acquire and exclusively possess all the rights, privileges, immunities and franchises of a public as well as of a private nature, of the East Greenwich Fire District; and all property and assets, tangible, intangible, real, personal and mixed, including, but not limited to, equipment, vehicles, bank accounts, cash and cash equivalents, all debts due on whatever account, all other causes in action, and all and every other interest of or belonging to or due the East Greenwich Fire District, is taken and deemed to be transferred to and vested in the Town of East Greenwich without further act or deed;

The Town of East Greenwich shall be responsible and liable for all debts, litigation, grievances, arbitrations, liabilities and obligations of the East Greenwich Fire District, including retiree benefits; and any claim existing or action or proceeding pending by or against the East Greenwich Fire District or which may arise by or against the East Greenwich Fire District after the effective date of this Act on account of matters preceding said date, may be prosecuted against the Town of East Greenwich or the Town of East Greenwich may be substituted in its place;

All permanent and part-time employees of the East Greenwich Fire District who are so employed by the East Greenwich Fire District as of the date of the enactment of this Act, shall become employees of the Town of East Greenwich, and shall retain all accumulated rank, benefits and other rights of employment as existed with the East Greenwich Fire District without any action by the Town of East Greenwich.

SECTION 4. Without limiting the generality of Section 2 of this Act, upon the effective date of this Act:

The Collective Bargaining Agreement and all other binding commitments and agreements entered into between the East Greenwich Fire District, the East Greenwich Fire Fighters Association Local 3328, and any retired members, in effect on the date of enactment of this Act, shall remain in full force and effect and shall be treated from that point forward as entered into between the Town of East Greenwich and the East Greenwich Fire Fighters Association Local 3328.

In the event that the Collective Bargaining Agreement between the East Greenwich Fire District and the East Greenwich Fire Fighters Association Local 3328 for the period July 1, 2010 through June 30, 2013 has expired on or after the date of enactment of this legislation, the Town of East Greenwich shall be bound by the terms of that agreement and, in the event a successor agreement is not reached, shall participate in and be bound by interest arbitration pursuant to R.I.G.L. 28-9.1 -1 et seq.

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 22 – EAST GREENWICH FIRE DISTRICT ACT (CONTINUED)

The Town of East Greenwich shall have no obligation or authority to consider for employment any individual who is not employed by the East Greenwich Fire District as of the date of the enactment of this Act until such time as a subsequent vacancy or new opening shall exist.

SECTION 5. The Town Council of the Town of East Greenwich is hereby authorized to and may pass such ordinances, enter into such agreements, and do all things deemed useful and necessary to effectuate the acquisition and assumption of the property, assets and personnel of the East Greenwich Fire District, as well as all debts, duties, liabilities and obligations of the East Greenwich Fire District.

SECTION 6. If, as a result of the action of the Town of East Greenwich to acquire the East Greenwich Fire District, the combination of the Town's tax levy and Fire Districts levy causes the Town to experience and/or forecast expenditures which would result in an increase in the tax levy, then the Town's tax levy in that year may increase by more than the percentage increase specified in R.I.G.L. 44-5-2(a) or (b). In any subsequent year, the Town shall comply with the maximum levy pursuant to R.I.G.L. 44-5-2(a) or (b) for the Town's levy.

SECTION 7. The Town of East Greenwich shall indemnify, defend and hold harmless from and after the passage of this Act, each of the former Fire District Commissioners, employees, treasurers, clerks, assessors of the East Greenwich Fire District for, any and all costs, amounts, payments, losses, damages or liabilities (including without limitation, reasonable attorneys' fees) suffered by any of the foregoing with respect to, as a result of, or in connection with any actions or inactions by any of the foregoing relating to the operation of the East Greenwich Fire District.

SECTION 8. Any and all funds acquired by the Town of East Greenwich hereunder which at the time of the passage of this Act are held by the East Greenwich Fire District in accounts restricted by prior voter approval, testamentary bequest or state law (including , but not limited to, the Rhode Island Development Impact Fee Act, R.I.G.L. 45-22.4-1 et seq.) shall be held, used or applied, spent, expended and administered by the Town of East Greenwich in accordance with the restrictions imposed thereon until the funds have been exhausted.

SECTION 9: This Act shall take effect upon passage.

In addition to the above, a prior period adjustment was made so as to restate fund balance for prior year expenditures paid by the General Fund and incorrectly not charged to the Component Unit.

NOTE 23 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 6, 2013, the date the financial statements were available to be issued. As a result of this review no material subsequent events were noted.

REQUIRED SUPPLEMENTARY INFORMATION

**REQUIRED SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
Budgetary Comparison Schedule - General Fund
Schedule of Revenues - Non-GAAP Budgetary Basis
For the Fiscal Year Ended June 30, 2013**

	<u>Original Budget Revenues</u>	<u>Revised Budget Revenues</u>	<u>Actual Revenues</u>	<u>Variance</u>
General property tax				
Taxes - current	\$ 45,040,970	\$ 44,869,110	\$ 44,112,093	\$ (757,017)
Taxes - prior year	700,000	700,000	1,177,442	477,442
In lieu of taxes - Fire District	334,000	334,000	319,211	(14,789)
Taxes - Fire District	4,520,024	4,520,024	4,459,377	\$ (60,647)
Total general property taxes	<u>50,594,994</u>	<u>50,423,134</u>	<u>50,068,123</u>	<u>(355,011)</u>
General revenue				
Grants, intergovernmental revenue	18,300	18,300	20,285	1,985
Municipal court	28,500	28,500	36,745	8,245
Other revenue	2,885,341	2,885,341	3,065,937	180,596
Total general revenue	<u>2,932,141</u>	<u>2,932,141</u>	<u>3,122,967</u>	<u>190,826</u>
State aid				
School housing aid	1,550,000	1,721,860	1,638,060	(83,800)
Telephone tax	147,900	147,900	158,212	10,312
State aid to education	1,801,453	1,801,453	1,944,662	143,209
Pilot	8,724	8,724	18,674	9,950
Motor vehicle phase out	123,400	123,400	119,341	(4,059)
Meals tax	432,200	432,200	497,823	65,623
Total state aid	<u>4,063,677</u>	<u>4,235,537</u>	<u>4,376,772</u>	<u>141,235</u>
Licenses, permits and usage fees				
Town clerk department	429,250	429,250	562,790	133,540
Department of public works	253,300	253,300	348,934	95,634
Planning	13,500	13,500	15,849	2,349
Police department	174,300	174,300	183,267	8,967
Total licenses, permits and usage fees	<u>870,350</u>	<u>870,350</u>	<u>1,110,840</u>	<u>240,490</u>
Total revenues	<u>58,461,162</u>	<u>58,461,162</u>	<u>58,678,702</u>	<u>217,540</u>
Other financing sources				
Use of prior year fund balance	180,000	180,000	180,000	-
Total other financing sources	<u>180,000</u>	<u>180,000</u>	<u>180,000</u>	<u>-</u>
Total revenue and other financing sources	<u>\$ 58,641,162</u>	<u>\$ 58,641,162</u>	<u>\$ 58,858,702</u>	<u>\$ 217,540</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, 2013

	<u>Original Budgeted Expenditures</u>	<u>Revised Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Variance</u>
Administration				
Town council				
Salaries	\$ 9,300	\$ 9,300	\$ 9,300	\$ -
Total town council	<u>9,300</u>	<u>9,300</u>	<u>9,300</u>	<u>-</u>
Town manager				
Salaries and wages	181,281	181,281	176,615	4,666
Outside services	9,700	9,700	9,895	(195)
Supplies	1,900	1,900	1,897	3
Total town manager	<u>192,881</u>	<u>192,881</u>	<u>188,407</u>	<u>4,474</u>
Town clerks				
Salaries and wages	202,985	202,985	205,205	(2,220)
Outside services	22,900	22,900	19,947	2,953
Supplies	2,400	2,400	2,123	277
Total town clerks	<u>228,285</u>	<u>228,285</u>	<u>227,275</u>	<u>1,010</u>
Town solicitor				
Outside services	154,500	154,500	156,420	(1,920)
Total town solicitor	<u>154,500</u>	<u>154,500</u>	<u>156,420</u>	<u>(1,920)</u>
Municipal court and judges				
Salaries	41,662	41,662	42,930	(1,268)
Outside services	1,500	1,500	1,003	497
Total municipal court and judges	<u>43,162</u>	<u>43,162</u>	<u>43,933</u>	<u>(771)</u>
Board of canvassers				
Salaries and wages	30,600	30,600	20,234	10,366
Outside services	10,000	10,000	5,372	4,628
Supplies	2,000	2,000	1,191	809
Total board of canvassers	<u>42,600</u>	<u>42,600</u>	<u>26,797</u>	<u>15,803</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, 2013

	Original Budgeted Expenditures	Revised Budgeted Expenditures	Actual Expenditures	Variance
Employee benefits				
Outside services	2,894,812	2,894,812	2,799,674	95,138
Total employee benefits	<u>2,894,812</u>	<u>2,894,812</u>	<u>2,799,674</u>	<u>95,138</u>
Insurance				
Outside services	270,023	270,023	235,961	34,062
Total insurance	<u>270,023</u>	<u>270,023</u>	<u>235,961</u>	<u>34,062</u>
Contingency fund				
Outside services	12,500	12,500	16,341	(3,841)
Total contingency fund	<u>12,500</u>	<u>12,500</u>	<u>16,341</u>	<u>(3,841)</u>
Total Administration	<u>3,848,063</u>	<u>3,848,063</u>	<u>3,704,108</u>	<u>143,955</u>
Finance department				
Salaries	427,934	427,934	426,796	1,138
Outside services	52,800	52,800	52,006	794
Supplies	10,000	10,000	9,782	218
Equipment	500	500	411	89
Communications	32,000	32,000	27,030	4,970
Total finance department	<u>523,234</u>	<u>523,234</u>	<u>516,025</u>	<u>7,209</u>
Information technology				
Salaries	82,686	76,986	75,561	1,425
Outside services	120,140	119,140	116,779	2,361
Supplies	11,000	16,700	17,130	(430)
Equipment	42,932	43,932	51,192	(7,260)
Communications	76,324	76,324	81,292	(4,968)
Total information technology	<u>333,082</u>	<u>333,082</u>	<u>341,954</u>	<u>(8,872)</u>
Police department				
Salaries and wages	2,589,502	2,589,502	2,448,323	141,179
Police overtime	288,510	288,510	374,228	(85,718)
Outside services	30,970	28,386	29,750	(1,364)
Supplies	105,365	107,949	111,888	(3,939)
Equipment	17,500	17,500	18,025	(525)
Communications	3,700	3,700	3,502	198
Total police department	<u>3,035,547</u>	<u>3,035,547</u>	<u>2,985,716</u>	<u>49,831</u>
Fire district				
Fire district	5,499,124	5,499,124	5,326,626	172,498
Total fire district	<u>5,499,124</u>	<u>5,499,124</u>	<u>5,326,626</u>	<u>172,498</u>
Total public safety	<u>8,534,671</u>	<u>8,534,671</u>	<u>8,312,342</u>	<u>222,329</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, 2013

	Original Budgeted Expenditures	Revised Budgeted Expenditures	Actual Expenditures	Variance
Public works administration				
Salaries and wages	1,242,161	1,242,161	1,192,392	49,769
Outside services	1,077,515	1,077,515	959,057	118,458
Supplies and expense	816,982	816,982	803,381	13,601
Equipment	-	-	28,475	(28,475)
Total public works administration	<u>3,136,658</u>	<u>3,136,658</u>	<u>2,983,305</u>	<u>153,353</u>
Recreation department				
Salaries and wages	158,264	158,264	150,767	7,497
Outside services	11,980	11,980	12,579	(599)
Supplies	10,850	10,850	10,629	221
Total recreation department	<u>181,094</u>	<u>181,094</u>	<u>173,975</u>	<u>7,119</u>
Parks & grounds				
Salaries and wages	283,820	283,820	278,791	5,029
Outside services	54,650	54,650	43,438	11,212
Supplies	53,585	53,585	49,635	3,950
Equipment	2,800	2,800	2,795	5
Total recreation department	<u>394,855</u>	<u>394,855</u>	<u>374,659</u>	<u>20,196</u>
Teen center				
Salaries and wages	2,500	5,000	5,000	-
Supplies and equipment	5,000	2,500	-	2,500
Total teen center	<u>7,500</u>	<u>7,500</u>	<u>5,000</u>	<u>2,500</u>
Town planner				
Salaries and wages	170,778	170,778	165,224	5,554
Outside services	11,975	11,975	5,212	6,763
Supplies	1,900	1,900	588	1,312
Equipment	500	500	113	387
Total town planner	<u>185,153</u>	<u>185,153</u>	<u>171,137</u>	<u>14,016</u>
Senior and human services				
Salaries and wages	204,128	204,128	203,607	521
Outside services	200	200	230	(30)
Supplies	1,000	1,000	1,241	(241)
Communications	1,200	1,200	947	253
Community services	31,000	31,000	30,317	683
Total senior and human services	<u>237,528</u>	<u>237,528</u>	<u>236,342</u>	<u>1,186</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, 2013

	<u>Original Budgeted Expenditures</u>	<u>Revised Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Variance</u>
Grants and contributions				
Contributions	25,000	25,000	25,000	-
Total grants and contributions	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>
East Greenwich Land Trust				
Insurance	2,000	1,000	-	1,000
Pilot	6,300	1,300	486	814
Building maintenance	5,000	5,000	18,627	(13,627)
Boesch farm rehabilitation	35,000	41,000	8,912	32,088
Total East Greenwich Land Trust	<u>48,300</u>	<u>48,300</u>	<u>28,025</u>	<u>20,275</u>
Library				
Town contributions	475,000	475,000	475,000	-
Total library	<u>475,000</u>	<u>475,000</u>	<u>475,000</u>	<u>-</u>
Capital improvements				
Capital outlays	115,139	115,139	933,514	(818,375)
Non capital expenditures	-	-	-	-
Total capital improvements	<u>115,139</u>	<u>115,139</u>	<u>933,514</u>	<u>(818,375)</u>
School department				
Education	33,611,573	33,611,573	32,761,175	850,398
Total school department	<u>33,611,573</u>	<u>33,611,573</u>	<u>32,761,175</u>	<u>850,398</u>
Total expenditures	<u>51,656,850</u>	<u>51,656,850</u>	<u>51,041,561</u>	<u>615,289</u>
Other financing uses				
Principal	3,780,834	3,780,834	3,780,834	-
Interest	3,129,617	3,129,617	3,129,487	130
Financing costs	5,000	5,000	2,650	2,350
Transfers Out	68,861	68,861	170,054	(101,193)
Total other financing uses	<u>6,984,312</u>	<u>6,984,312</u>	<u>7,083,025</u>	<u>(98,713)</u>
Total expenditures and other financing uses	<u>\$ 58,641,162</u>	<u>\$ 58,641,162</u>	<u>\$ 58,124,586</u>	<u>\$ 516,576</u>

(Concluded)

TOWN OF EAST GREENWICH, RHODE ISLAND
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2013

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, 2013:

Excess of revenues and other sources over expenditures and other uses (Non-GAAP Budgetary Basis).....	\$ 734,116
Use of prior years surplus	(180,000)
Excess of revenues and other sources over expenditures and other uses (GAAP).....	<u>\$ 554,116</u>

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

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

	Revenues and Transfers	Expenditures and Transfers
<i>General Fund:</i>		
<i>Schedule of Revenues, Expenditures and Other Financing Sources</i>		
<i>(Non-GAAP Budgetary Basis) Budget and Actual</i>	\$ 58,858,702	\$ 58,124,586
Adjustment for pension contribution made by State of Rhode Island on behalf of employees.....	1,128,617	1,128,617
Use of Prior year surplus.....	(180,000)	-
	<u>\$ 59,807,319</u>	<u>\$ 59,253,203</u>
<i>Statement of Revenues, Expenditures and Changes in Fund</i>		
<i>Balances</i>	<u>\$ 59,807,319</u>	<u>\$ 59,253,203</u>

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

MUNICIPAL EMPLOYEES' TIREMENT 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)
General Employees						
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	7,436,954	6,500,407	(936,547)	114%	1,185,062	-79%
2013	N/A	N/A	N/A	N/A	N/A	N/A
Police Employees						
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	12,504,590	17,185,092	4,680,502	73%	1,856,181	252%
2013	N/A	N/A	N/A	N/A	N/A	N/A
Fire General Employees						
2008	9,801,221	11,668,363	1,867,142	84%	2,176,092	86%
2009	10,154,829	12,629,805	2,474,976	80%	2,302,492	107%
2010	10,172,916	16,663,479	6,490,563	61%	2,179,829	298%
2011	9,964,018	14,818,083	4,854,065	67%	2,262,734	215%
2012	10,169,176	16,028,667	5,859,491	63%	2,232,243	262%
2013	N/A	N/A	N/A	N/A	N/A	N/A
Fire Administrative Employees						
2011	169,927	248,473	78,546	68%	88,879	88%
2012	166,054	261,734	95,680	63%	90,274	106%
2013	N/A	N/A	N/A	N/A	N/A	N/A

SCHEDULE OF CONTRIBUTIONS

Year Ended June 30,	Police	General	Fire Administrative	Fire General	Total Annual Pension Cost	Total Amount Contributed	Total Percentage Contributed
2011	395,048	519,118	14,400	395,000	1,323,566	1,323,566	100%
2012	513,073	430,780	16,200	448,100	1,408,153	1,408,153	100%
2013	348,264	228,131	10,428	442,267	1,029,090	1,029,090	100%

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

**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, 2013

	Town Special Revenue Funds	Town Special Revenue Projects Fund	School Special Revenue Funds	Capital Projects Funds	Town Permanent Funds	Total Non-Major Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 1,736,461	\$ -	\$ 29,994	\$ 1,096,894	\$ 272,151	\$ 3,135,500
Investments	-	-	-	-	32,201	32,201
Internal balances	8,133,416	789,216	2,759,104	7,307,480	158,751	19,147,967
Due from other governments	-	-	356,013	-	-	356,013
Other receivables	10,231	-	-	-	-	10,231
Inventories	-	-	5,083	-	-	5,083
TOTAL ASSETS	\$ 9,880,108	\$ 789,216	\$ 3,150,194	\$ 8,404,374	\$ 463,103	\$ 22,686,995
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable and accrued expenses	\$ 28,436	\$ 3,945	\$ 123,863	\$ 5,160	\$ -	\$ 161,404
Internal balances	6,012,486	578,351	2,969,716	7,307,480	17,134	16,885,167
Unearned revenue	801	-	-	-	-	801
Total liabilities	6,041,723	582,296	3,093,579	7,312,640	17,134	17,047,372
Fund balances						
<i>Nonspendable</i>						
Inventories	-	-	5,083	-	-	5,083
Permanent fund principal	-	-	-	-	445,969	445,969
<i>Restricted for:</i>						
Educational programs	-	-	52,226	-	-	52,226
Public works programs	1,041,487	-	-	-	-	1,041,487
<i>Assigned for:</i>						
Legislative, judicial	397,447	63,743	-	-	-	461,190
Public safety programs	1,536,660	38,396	-	-	-	1,575,056
Community programs	-	115,530	-	-	-	115,530
Public works programs	204,796	-	-	4,280	-	209,076
Long term obligations	391,891	-	-	-	-	391,891
Culture and recreation	295,913	-	-	1,087,454	-	1,383,367
<i>Unassigned</i>	(29,809)	(10,749)	(694)	-	-	(41,252)
Total fund balances (deficits)	3,838,385	206,920	56,615	1,091,734	445,969	5,639,623
TOTAL LIABILITIES AND FUND BALANCES	\$ 9,880,108	\$ 789,216	\$ 3,150,194	\$ 8,404,374	\$ 463,103	\$ 22,686,995

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, 2013

	Town Special Revenue Funds	Town Special Revenue Projects Fund	School Special Revenue Funds	Capital Projects Funds	Town Permanent Funds	Total Non-Major Governmental Funds
Revenues						
Intergovernmental revenue	\$ 325,841	\$ 256,947	\$ 900,735	\$ 19,552	\$ -	\$ 1,503,075
Earnings on investments	250	-	-	-	13,119	13,369
Other revenue	574,654	6,994	531,743	-	-	1,113,391
Total revenues	<u>900,745</u>	<u>263,941</u>	<u>1,432,478</u>	<u>19,552</u>	<u>13,119</u>	<u>2,629,835</u>
Expenditures						
Public safety	131,512	54,198	-	-	-	185,710
Public health and welfare	663,746	134,105	-	-	-	797,851
Education	-	-	1,372,290	-	-	1,372,290
Non capital expenditures	-	-	-	-	-	-
Net decrease in FMV of investments	-	-	-	-	8,204	8,204
Capital outlay	65,768	-	-	29,202	-	94,970
Total expenditures	<u>861,026</u>	<u>188,303</u>	<u>1,372,290</u>	<u>29,202</u>	<u>8,204</u>	<u>2,459,025</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	39,719	75,638	60,188	(9,650)	4,915	170,810
Other financing sources (uses)						
Transfers from other funds	273,067	-	44,118	5,719	-	322,904
Transfers to other funds	-	-	(4,000)	(148,850)	-	(152,850)
Total other financing sources (uses)	<u>273,067</u>	<u>-</u>	<u>40,118</u>	<u>(143,131)</u>	<u>-</u>	<u>170,054</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	<u>312,786</u>	<u>75,638</u>	<u>100,306</u>	<u>(152,781)</u>	<u>4,915</u>	<u>340,864</u>
Fund balances - beginning	2,154,886	131,282	(43,691)	1,244,515	203,343	3,690,335
Prior period adjustment	1,370,713	-	-	-	237,711	1,608,424
Fund balances - beginning (restated)	<u>3,525,599</u>	<u>131,282</u>	<u>(43,691)</u>	<u>1,244,515</u>	<u>441,054</u>	<u>5,298,759</u>
Fund balances - ending	<u>\$ 3,838,385</u>	<u>\$ 206,920</u>	<u>\$ 56,615</u>	<u>\$ 1,091,734</u>	<u>\$ 445,969</u>	<u>\$ 5,639,623</u>

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
Town Special Revenue Funds
Combining Balance Sheet - Non-Major Governmental Funds
June 30, 2013

	Recreation Development Fund 0017	Impact Fees 0044	Courthouse Fund 0019	Community Development 0028	Substance Abuse 0029	EMA Funds 0016	Comprehensive Plan Land Use 0034
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 68,413	\$ -	\$ -	\$ -
Internal balances	165,625	2,254,637	690,618	1,590,060	309,004	49,830	127,998
Other receivables	-	-	-	10,231	-	-	-
TOTAL ASSETS	<u>\$ 165,625</u>	<u>\$ 2,254,637</u>	<u>\$ 690,618</u>	<u>\$ 1,668,704</u>	<u>\$ 309,004</u>	<u>\$ 49,830</u>	<u>\$ 127,998</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ 8,000	\$ 5,500	\$ -	\$ 10,383
Internal balances	119,165	1,213,150	521,134	1,685,176	265,412	14,531	41,204
Deferred revenue	-	-	-	801	-	-	-
Total liabilities	<u>119,165</u>	<u>1,213,150</u>	<u>521,134</u>	<u>1,693,977</u>	<u>270,912</u>	<u>14,531</u>	<u>51,587</u>
Fund balances							
<i>Restricted for:</i>							
Public works programs	-	1,041,487	-	-	-	-	-
Education	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
<i>Assigned for:</i>							
Legislative, judicial	-	-	-	-	-	-	-
Public safety programs	-	-	-	-	38,092	35,299	-
Public works programs	-	-	169,484	-	-	-	-
Long term obligations	-	-	-	-	-	-	-
Culture and recreation	46,460	-	-	-	-	-	76,411
<i>Unassigned</i>	-	-	-	(25,273)	-	-	-
Total fund balances (deficits)	<u>46,460</u>	<u>1,041,487</u>	<u>169,484</u>	<u>(25,273)</u>	<u>38,092</u>	<u>35,299</u>	<u>76,411</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 165,625</u>	<u>\$ 2,254,637</u>	<u>\$ 690,618</u>	<u>\$ 1,668,704</u>	<u>\$ 309,004</u>	<u>\$ 49,830</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, 2013

	Revaluation Fund 0031	Recreation Activities Fund 0018	Farmer's Market 0022	Debt Service 0003	Muni Recycling Program 0032	Banner, Flowers, Baskets 0037	GASB 45 0038
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 248,545
Internal balances	453,429	1,415,830	23,184	825,217	35,312	-	148,902
Other receivables	-	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 453,429</u>	<u>\$ 1,415,830</u>	<u>\$ 23,184</u>	<u>\$ 825,217</u>	<u>\$ 35,312</u>	<u>\$ -</u>	<u>\$ 397,447</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable and accrued expenses	\$ -	\$ 4,548	\$ 1	\$ -	\$ -	\$ -	\$ -
Internal balances	457,965	1,247,172	14,251	433,326	-	-	-
Deferred revenue	-	-	-	-	-	-	-
Total liabilities	<u>457,965</u>	<u>1,251,720</u>	<u>14,252</u>	<u>433,326</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances							
<i>Restricted for:</i>							
Public works programs	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
<i>Assigned for:</i>							
Legislative, judicial	-	-	-	-	-	-	397,447
Public safety programs	-	-	-	-	-	-	-
Public works programs	-	-	-	-	35,312	-	-
Long term obligations	-	-	-	391,891	-	-	-
Culture and recreation	-	164,110	8,932	-	-	-	-
<i>Unassigned</i>	(4,536)	-	-	-	-	-	-
Total fund balances (deficits)	<u>(4,536)</u>	<u>164,110</u>	<u>8,932</u>	<u>391,891</u>	<u>35,312</u>	<u>-</u>	<u>397,447</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 453,429</u>	<u>\$ 1,415,830</u>	<u>\$ 23,184</u>	<u>\$ 825,217</u>	<u>\$ 35,312</u>	<u>\$ -</u>	<u>\$ 397,447</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
Town Special Revenue Funds
Combining Balance Sheet - Non-Major Governmental Funds
June 30, 2013

	<u>Impact Fees</u>	<u>Machinery Equipment</u>	<u>Smoke Detector</u>	<u>Plan Review</u>	<u>Totals</u>
ASSETS					
Cash and cash equivalents	\$ 466,631	\$ 952,872	\$ -	\$ -	\$ 1,736,461
Internal balances	2	24,307	7,709	11,752	8,133,416
Other receivables	-	-	-	-	10,231
TOTAL ASSETS	<u>\$ 466,633</u>	<u>\$ 977,179</u>	<u>\$ 7,709</u>	<u>\$ 11,752</u>	<u>\$ 9,880,108</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable and accrued expenses	\$ -	\$ -	\$ 4	\$ -	\$ 28,436
Internal balances	-	-	-	-	6,012,486
Unearned revenue	-	-	-	-	801
Total liabilities	<u>-</u>	<u>-</u>	<u>4</u>	<u>-</u>	<u>6,041,723</u>
Fund balances					
<i>Restricted for:</i>					
Public works programs	-	-	-	-	1,041,487
<i>Assigned for:</i>					
Legislative, judicial	-	-	-	-	397,447
Public safety programs	466,633	977,179	7,705	11,752	1,536,660
Public works programs	-	-	-	-	204,796
Long term obligations	-	-	-	-	391,891
Culture and recreation	-	-	-	-	295,913
<i>Unassigned</i>	-	-	-	-	(29,809)
Total fund balances (deficits)	<u>466,633</u>	<u>977,179</u>	<u>7,705</u>	<u>11,752</u>	<u>3,838,385</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 466,633</u>	<u>\$ 977,179</u>	<u>\$ 7,709</u>	<u>\$ 11,752</u>	<u>\$ 9,880,108</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, 2013

	Recreation Development Fund 0017	Impact Fees 0044	Courthouse Fund 0019	Community Development 0028	Substance Abuse 0029	EMA Funds 0016	Comprehensive Plan Land Use 0034
Revenues							
Intergovernmental revenue	\$ -	\$ -	\$ 60,000	\$ 115,787	\$ 23,236	\$ 1,750	\$ -
Interest on investments	-	-	-	250	-	-	-
Other revenue	-	124,628	-	-	-	-	-
Total revenues	<u>-</u>	<u>124,628</u>	<u>60,000</u>	<u>116,037</u>	<u>23,236</u>	<u>1,750</u>	<u>-</u>
Expenditures							
Public safety	-	-	43,561	-	-	-	-
Public health and welfare	37,656	80,000	-	98,387	26,522	-	24,219
Capital outlay	-	-	65,768	-	-	-	-
Total expenditures	<u>37,656</u>	<u>80,000</u>	<u>109,329</u>	<u>98,387</u>	<u>26,522</u>	<u>-</u>	<u>24,219</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	(37,656)	44,628	(49,329)	17,650	(3,286)	1,750	(24,219)
Other financing sources (uses)							
Operating transfers from (to) other funds	-	-	217,711	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>217,711</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures	(37,656)	44,628	168,382	17,650	(3,286)	1,750	(24,219)
Fund balances - beginning	84,116	996,859	1,102	(42,923)	41,378	33,549	100,630
Fund balances - ending	<u>\$ 46,460</u>	<u>\$ 1,041,487</u>	<u>\$ 169,484</u>	<u>\$ (25,273)</u>	<u>\$ 38,092</u>	<u>\$ 35,299</u>	<u>\$ 76,411</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, 2013

	Revaluation Fund 0031	Recreation Activities Fund 0018	Farmer's Market 0022	Debt Service 0003	Muni Recycling Program 0032	Banner, Flower, Baskets 0037	GASB 45 0038
Revenues							
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 125,068
Interest on investments	-	-	-	-	-	-	-
Other revenue	-	128,906	5,113	-	35,312	1,290	-
Total revenues	<u>-</u>	<u>128,906</u>	<u>5,113</u>	<u>-</u>	<u>35,312</u>	<u>1,290</u>	<u>125,068</u>
Expenditures							
Public safety	-	-	-	-	-	-	-
Public health and welfare	9,598	167,419	2,445	217,500	-	-	-
Capital outlay	-	-	-	-	-	-	-
Total expenditures	<u>9,598</u>	<u>167,419</u>	<u>2,445</u>	<u>217,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	(9,598)	(38,513)	2,668	(217,500)	35,312	1,290	125,068
Other financing sources (uses)							
Operating transfers from (to) other funds	5,356	-	-	-	-	-	50,000
Total other financing sources (uses)	<u>5,356</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,000</u>
Excess of revenues and other sources over (under) expenditures	(4,242)	(38,513)	2,668	(217,500)	35,312	1,290	175,068
Fund balances - beginning	(294)	202,623	6,264	609,391	-	(1,290)	123,481
Prior period adjustment	-	-	-	-	-	-	98,898
Fund balances - beginning restated	(294)	202,623	6,264	609,391	-	(1,290)	222,379
Fund balances - ending	<u>\$ (4,536)</u>	<u>\$ 164,110</u>	<u>\$ 8,932</u>	<u>\$ 391,891</u>	<u>\$ 35,312</u>	<u>\$ -</u>	<u>\$ 397,447</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, 2013

	<u>Impact Fees</u>	<u>Machinery Equipment</u>	<u>Smoke Detector</u>	<u>Plan Review</u>	<u>Totals</u>
Revenues					
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ 325,841
Interest on investments	-	-	-	-	250
Other revenue	204,499	55,354	7,800	11,752	574,654
Total revenues	<u>204,499</u>	<u>55,354</u>	<u>7,800</u>	<u>11,752</u>	<u>900,745</u>
Expenditures					
Public safety	39,501	44,499	3,951	-	131,512
Public health and welfare	-	-	-	-	663,746
Capital outlay	-	-	-	-	65,768
Total expenditures	<u>39,501</u>	<u>44,499</u>	<u>3,951</u>	<u>-</u>	<u>861,026</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	164,998	10,855	3,849	11,752	39,719
Other financing sources (uses)					
Operating transfers from (to) other funds	-	-	-	-	273,067
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>273,067</u>
Excess of revenues and other sources over (under) expenditures	<u>164,998</u>	<u>10,855</u>	<u>3,849</u>	<u>11,752</u>	<u>312,786</u>
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,154,886</u>
Prior period adjustment	301,635	966,324	3,856	-	1,370,713
Fund balances - beginning restated	<u>301,635</u>	<u>966,324</u>	<u>3,856</u>	<u>-</u>	<u>3,525,599</u>
Fund balances - ending	<u>\$ 466,633</u>	<u>\$ 977,179</u>	<u>\$ 7,705</u>	<u>\$ 11,752</u>	<u>\$ 3,838,385</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, 2013

	Juvenile Hearing Board	Police Seizures State	Main Street Stroll	Tobacco Grant	Affordable Housing	Alcohol Compliance	Energy Grant ARRA/EPA	Holiday Basket	Police Seizures Federal
ASSETS									
Internal balances	\$ 4,504	\$ 27,729	\$ 59,466	\$ 1,033	\$ 63,130	\$ 3,767	\$ 176,584	\$ 68,007	\$ 36,288
TOTAL ASSETS	<u>\$ 4,504</u>	<u>\$ 27,729</u>	<u>\$ 59,466</u>	<u>\$ 1,033</u>	<u>\$ 63,130</u>	<u>\$ 3,767</u>	<u>\$ 176,584</u>	<u>\$ 68,007</u>	<u>\$ 36,288</u>
LIABILITIES AND FUND BALANCES									
Liabilities									
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ 50	\$ -	\$ -	\$ -	\$ -	\$ -
Internal balances	828	15,515	54,361	585	5,198	3,767	166,728	58,891	46,856
Total liabilities	<u>828</u>	<u>15,515</u>	<u>54,361</u>	<u>635</u>	<u>5,198</u>	<u>3,767</u>	<u>166,728</u>	<u>58,891</u>	<u>46,856</u>
Fund balances									
<i>Assigned for:</i>									
Legislative, judicial	-	-	-	-	-	-	-	-	-
Public safety programs	3,676	12,214	-	398	-	-	-	-	-
Community programs	-	-	5,105	-	57,932	-	9,856	9,116	-
<i>Unassigned</i>	-	-	-	-	-	-	-	-	(10,568)
Total fund balances (deficits)	<u>3,676</u>	<u>12,214</u>	<u>5,105</u>	<u>398</u>	<u>57,932</u>	<u>-</u>	<u>9,856</u>	<u>9,116</u>	<u>(10,568)</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 4,504</u>	<u>\$ 27,729</u>	<u>\$ 59,466</u>	<u>\$ 1,033</u>	<u>\$ 63,130</u>	<u>\$ 3,767</u>	<u>\$ 176,584</u>	<u>\$ 68,007</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, 2013

	Byrne Grant	Car Seat	Animal Enforcement	Senior Services	Document Preservation & Technology	Historic Trust Fund	Energy Performance Grant	Totals
ASSETS								
Internal balances	\$ 70,867	\$ 1,047	\$ 22,108	\$ 66,040	\$ 135,021	\$ 43,893	\$ 9,732	\$ 789,216
TOTAL ASSETS	<u>\$ 70,867</u>	<u>\$ 1,047</u>	<u>\$ 22,108</u>	<u>\$ 66,040</u>	<u>\$ 135,021</u>	<u>\$ 43,893</u>	<u>\$ 9,732</u>	<u>\$ 789,216</u>
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ 3,895	\$ -	\$ -	\$ -	3,945
Internal balances	71,048	1,047	-	28,624	105,467	9,704	9,732	578,351
Total liabilities	<u>71,048</u>	<u>1,047</u>	<u>-</u>	<u>32,519</u>	<u>105,467</u>	<u>9,704</u>	<u>9,732</u>	<u>582,296</u>
Fund balances								
<i>Assigned for:</i>								
Legislative, judicial	-	-	-	-	29,554	34,189	-	63,743
Public safety programs	-	-	22,108	-	-	-	-	38,396
Community programs	-	-	-	33,521	-	-	-	115,530
<i>Unassigned</i>	(181)	-	-	-	-	-	-	(10,749)
Total fund balances (deficits)	<u>(181)</u>	<u>-</u>	<u>22,108</u>	<u>33,521</u>	<u>29,554</u>	<u>34,189</u>	<u>-</u>	<u>206,920</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 70,867</u>	<u>\$ 1,047</u>	<u>\$ 22,108</u>	<u>\$ 66,040</u>	<u>\$ 135,021</u>	<u>\$ 43,893</u>	<u>\$ 9,732</u>	<u>\$ 789,216</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, 2013

	Juvenile Hearing Board	Police Seizures State	Main Street Stroll	Tobacco Grant	Affordable Housing	Alcohol Compliance	Energy Grant ARRA/EPA	Holiday Basket	Police Seizures Federal
Revenues									
Intergovernmental revenue	\$ -	\$ 2,400	\$ 80	\$ 548	\$ -	\$ -	\$ 176,584	\$ -	\$ -
Other revenue	-	-	-	-	-	-	-	6,994	-
Total revenues	<u>-</u>	<u>2,400</u>	<u>80</u>	<u>548</u>	<u>-</u>	<u>-</u>	<u>176,584</u>	<u>6,994</u>	<u>-</u>
Expenditures									
Public safety	-	1,504	-	-	-	-	-	-	9,900
Public health and welfare	32	-	5,525	150	-	-	107,624	4,218	-
Total expenditures	<u>32</u>	<u>1,504</u>	<u>5,525</u>	<u>150</u>	<u>-</u>	<u>-</u>	<u>107,624</u>	<u>4,218</u>	<u>9,900</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	(32)	896	(5,445)	398	-	-	68,960	2,776	(9,900)
Other financing sources (uses)									
Transfers from other funds	-	-	-	-	-	-	-	-	-
Transfers to other funds	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(32)	896	(5,445)	398	-	-	68,960	2,776	(9,900)
Fund balances - beginning	3,708	11,318	10,550	-	57,932	-	(59,104)	6,340	(668)
Fund balances - ending	<u>\$ 3,676</u>	<u>\$ 12,214</u>	<u>\$ 5,105</u>	<u>\$ 398</u>	<u>\$ 57,932</u>	<u>\$ -</u>	<u>\$ 9,856</u>	<u>\$ 9,116</u>	<u>\$ (10,568)</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, 2013

	<u>Byrne Grant</u>	<u>Car Seat</u>	<u>Animal Enforcement</u>	<u>Senior Services</u>	<u>Document Preservation & Technology</u>	<u>Historic Trust Fund</u>	<u>Energy Performance Grant</u>	<u>Totals</u>
Revenues								
Intergovernmental revenue	\$ 46,629	\$ 477	\$ 1,698	\$ 3,056	\$ 21,135	\$ 4,340	\$ -	256,947
Other revenue	-	-	-	-	-	-	-	6,994
Total revenues	<u>46,629</u>	<u>477</u>	<u>1,698</u>	<u>3,056</u>	<u>21,135</u>	<u>4,340</u>	<u>-</u>	<u>263,941</u>
Expenditures								
Public safety	41,034	477	-	-	1,283	-	-	54,198
Public health and welfare	-	-	-	14,874	-	1,682	-	134,105
Total expenditures	<u>41,034</u>	<u>477</u>	<u>-</u>	<u>14,874</u>	<u>1,283</u>	<u>1,682</u>	<u>-</u>	<u>188,303</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	5,595	-	1,698	(11,818)	19,852	2,658	-	75,638
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	5,595	-	1,698	(11,818)	19,852	2,658	-	75,638
Fund balances - beginning	(5,776)	-	20,410	45,339	9,702	31,531	-	131,282
Fund balances - ending	<u>\$ (181)</u>	<u>\$ -</u>	<u>\$ 22,108</u>	<u>\$ 33,521</u>	<u>\$ 29,554</u>	<u>\$ 34,189</u>	<u>\$ -</u>	<u>\$ 206,920</u>

(Concluded)

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
School Special Revenue Restricted Funds
Combining Balance Sheet - Non-Major Governmental Funds
June 30, 2013

	Title I 2102	Title III 2105	RTTT Instructional 2127	Computer Fund 0083	FS-RTTT Educator Effectiveness 2128	NEA Foundation 2130	IDEA Preschool 2181	IDEA State Program 2183
ASSETS								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Internal balances	-	8,096	-	10,148	-	542	-	-
Due from other governments	23,210	-	1,050	-	27,812	-	2,010	3,509
Inventory	-	-	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 23,210</u>	<u>\$ 8,096</u>	<u>\$ 1,050</u>	<u>\$ 10,148</u>	<u>\$ 27,812</u>	<u>\$ 542</u>	<u>\$ 2,010</u>	<u>\$ 3,509</u>
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts payable and accrued expenses	\$ -	\$ 8,096	\$ -	\$ -	\$ 6,688	\$ -	\$ -	\$ 2,500
Internal balances	23,210	-	1,050	1,533	21,124	-	2,010	1,009
Deferred revenues	-	-	-	-	-	-	-	-
Total liabilities	<u>23,210</u>	<u>8,096</u>	<u>1,050</u>	<u>1,533</u>	<u>27,812</u>	<u>-</u>	<u>2,010</u>	<u>3,509</u>
Fund balances								
<i>Nonspendable</i>								
Inventories	-	-	-	-	-	-	-	-
<i>Restricted for:</i>								
Educational programs	-	-	-	8,615	-	542	-	-
<i>Unassigned</i>	-	-	-	-	-	-	-	-
Total fund balances (deficit)	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,615</u>	<u>-</u>	<u>542</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 23,210</u>	<u>\$ 8,096</u>	<u>\$ 1,050</u>	<u>\$ 10,148</u>	<u>\$ 27,812</u>	<u>\$ 542</u>	<u>\$ 2,010</u>	<u>\$ 3,509</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
School Special Revenue Restricted Funds
Combining Balance Sheet - Non-Major Governmental Funds
June 30, 2013

	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 2405
ASSETS							
Cash and cash equivalents	\$ 29,994	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Internal balances	2,696,449	-	-	-	-	-	38,467
Due from other governments	54,520	26,578	-	206,026	-	-	-
Inventory	5,083	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 2,786,046	\$ 26,578	\$ -	\$ 206,026	\$ -	\$ -	\$ 38,467
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable and accrued expenses	\$ 74,416	\$ 16,324	\$ -	\$ 15,839	\$ -	\$ -	\$ -
Internal balances	2,707,241	10,254	-	190,187	-	-	-
Deferred revenues	-	-	-	-	-	-	-
Total liabilities	2,781,657	26,578	-	206,026	-	-	-
Fund balances							
<i>Nonspendable</i>							
Inventories	5,083	-	-	-	-	-	-
<i>Restricted for:</i>							
Educational programs	-	-	-	-	-	-	38,467
<i>Unassigned</i>	(694)	-	-	-	-	-	-
Total fund balances (deficit)	4,389	-	-	-	-	-	38,467
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,786,046	\$ 26,578	\$ -	\$ 206,026	\$ -	\$ -	\$ 38,467

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
School Special Revenue Restricted Funds
Combining Balance Sheet - Non-Major Governmental Funds
June 30, 2013

	RI State Council on Arts 2314	FSF-RTTT Standards & Curriculum 2126	Perkins 2109	Legislative Tech 0185/2311	RTTT Educator Effectiveness 2133	RTTT Human Development 2134	Totals
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,994
Internal balances	1,200	-	-	4,202	-	-	2,759,104
Due from other governments	-	1,130	10,168	-	-	-	356,013
Inventory	-	-	-	-	-	-	5,083
TOTAL ASSETS	<u>\$ 1,200</u>	<u>\$ 1,130</u>	<u>\$ 10,168</u>	<u>\$ 4,202</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,150,194</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 123,863
Internal balances	800	1,130	10,168	-	-	-	2,969,716
Unearned revenues	-	-	-	-	-	-	-
Total liabilities	<u>800</u>	<u>1,130</u>	<u>10,168</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,093,579</u>
Fund balances							
<i>Nonspendable</i>							
Inventories	-	-	-	-	-	-	5,083
<i>Restricted for:</i>							
Educational programs	400	-	-	4,202	-	-	52,226
Unassigned	-	-	-	-	-	-	(694)
Total fund balances (deficit)	<u>400</u>	<u>-</u>	<u>-</u>	<u>4,202</u>	<u>-</u>	<u>-</u>	<u>56,615</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,200</u>	<u>\$ 1,130</u>	<u>\$ 10,168</u>	<u>\$ 4,202</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,150,194</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, 2013

	Title I 2102	Title III 2105	RTTT Instrctional 2127	Computer Fund 0083	FS-RTTT Educator Effectiveness 2128	NEA Foundation 2130	IDEA Preschool 2181	IDEA State Program 2183
Revenues								
Intergovernmental revenue	\$ 85,288	\$ 8,096	\$ 5,542	\$ -	\$ 33,119	\$ 500	\$ 9,447	\$ 3,509
Other	-	-	-	-	-	-	-	-
Total revenues	<u>85,288</u>	<u>8,096</u>	<u>5,542</u>	<u>-</u>	<u>33,119</u>	<u>500</u>	<u>9,447</u>	<u>3,509</u>
Expenditures								
Education	85,294	8,096	5,542	-	33,119	2,520	9,447	3,509
Total expenditures	<u>85,294</u>	<u>8,096</u>	<u>5,542</u>	<u>-</u>	<u>33,119</u>	<u>2,520</u>	<u>9,447</u>	<u>3,509</u>
Excess revenues over (under) expenditures	(6)	-	-	-	-	(2,020)	-	-
Other financing sources (uses)								
Transfers from other funds	-	-	-	-	-	-	-	-
Transfers to other funds	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures	(6)	-	-	-	-	(2,020)	-	-
Fund balances - beginning	6	-	-	8,615	-	2,562	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,615</u>	<u>\$ -</u>	<u>\$ 542</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
School Special Revenue Restricted Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2013

	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 2405
Revenues							
Intergovernmental revenue	\$ 96,263	\$ 57,905	\$ -	\$ 552,969	\$ -	\$ 21,119	\$ -
Other	531,743	-	-	-	-	-	-
Total revenues	<u>628,006</u>	<u>57,905</u>	<u>-</u>	<u>552,969</u>	<u>-</u>	<u>21,119</u>	<u>-</u>
Expenditures							
Education	565,798	57,899	-	552,969	-	21,119	-
Total expenditures	<u>565,798</u>	<u>57,899</u>	<u>-</u>	<u>552,969</u>	<u>-</u>	<u>21,119</u>	<u>-</u>
Excess revenues over (under) expenditures	62,208	6	-	-	-	-	-
Other financing sources (uses)							
Transfers from other funds	44,000	-	118	-	-	-	-
Transfers to other funds	-	-	-	-	(4,000)	-	-
Total other financing sources (uses)	<u>44,000</u>	<u>-</u>	<u>118</u>	<u>-</u>	<u>(4,000)</u>	<u>-</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures	<u>106,208</u>	<u>6</u>	<u>118</u>	<u>-</u>	<u>(4,000)</u>	<u>-</u>	<u>-</u>
Fund balances - beginning	<u>(101,819)</u>	<u>(6)</u>	<u>(118)</u>	<u>-</u>	<u>4,000</u>	<u>-</u>	<u>38,467</u>
Fund balances - ending	<u>\$ 4,389</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,467</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, 2013

	RI State Council on Arts 2314	FSF-RTTT Standards & Curriculum 2126	Perkins 2109	Legislative Tech 0185/2311	RTTT Educator Effectiveness 2133	RTTT Human Development 2134	Totals
Revenues							
Intergovernmental revenue	\$ -	\$ 2,018	\$ -	\$ -	\$ 1,869	\$ 23,091	\$ 900,735
Other	-	-	-	-	-	-	531,743
Total revenues	<u>-</u>	<u>2,018</u>	<u>-</u>	<u>-</u>	<u>1,869</u>	<u>23,091</u>	<u>1,432,478</u>
Expenditures							
Education	-	2,018	-	-	1,869	23,091	1,372,290
Total expenditures	<u>-</u>	<u>2,018</u>	<u>-</u>	<u>-</u>	<u>1,869</u>	<u>23,091</u>	<u>1,372,290</u>
Excess revenues over (under) expenditures	-	-	-	-	-	-	60,188
Other financing sources (uses)							
Transfers from other funds	-	-	-	-	-	-	44,118
Transfers to other funds	-	-	-	-	-	-	(4,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,118</u>
Excess of revenues and other sources over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100,306</u>
Fund balances - beginning	400	-	-	4,202	-	-	(43,691)
Fund balances - ending	<u>\$ 400</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,202</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56,615</u>

(Concluded)

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
Capital Projects Funds
Combining Balance Sheet - Non-Major Governmental Funds
June 30, 2013

	Hill & Harbor Infiltration 0025	Riverbank Restoration 0026	Landfill Project Fund 0047	School Fields Fund 0076	Town Hall Steps 0023	Totals
ASSETS						
Cash and cash equivalents	\$ -		\$ -	\$ 1,096,894	\$ -	\$ 1,096,894
Internal balances	139,978	25,517	2,048,879	4,903,106	190,000	7,307,480
TOTAL ASSETS	<u>\$ 139,978</u>	<u>\$ 25,517</u>	<u>\$ 2,048,879</u>	<u>\$ 6,000,000</u>	<u>\$ 190,000</u>	<u>\$ 8,404,374</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ -	\$ -	\$ -	\$ 5,160	\$ -	\$ 5,160
Internal balances	139,978	21,237	2,048,879	4,907,386	190,000	7,307,480
Total liabilities	<u>139,978</u>	<u>21,237</u>	<u>2,048,879</u>	<u>4,912,546</u>	<u>190,000</u>	<u>7,312,640</u>
Fund balances						
<i>Assigned for:</i>						
Culture and recreation	-	-	-	1,087,454	-	1,087,454
Public works programs	-	4,280	-	-	-	4,280
<i>Unassigned</i>	-	-	-	-	-	-
Total fund balances (deficit)	<u>-</u>	<u>4,280</u>	<u>-</u>	<u>1,087,454</u>	<u>-</u>	<u>1,091,734</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 139,978</u>	<u>\$ 25,517</u>	<u>\$ 2,048,879</u>	<u>\$ 6,000,000</u>	<u>\$ 190,000</u>	<u>\$ 8,404,374</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, 2013

	Hill & Harbor Infiltration 0025	Riverbank Restoration 0026	Landfill Project Fund 0047	School Fields Fund 0076	Town Hall Steps 0023	Totals
Revenues						
Intergovernmental Revenue	\$ -	\$ -	\$ 19,552	\$ -	\$ -	\$ 19,552
Total revenues	<u>-</u>	<u>-</u>	<u>19,552</u>	<u>-</u>	<u>-</u>	<u>19,552</u>
Expenditures						
Capital	-	-	19,742	9,460	-	29,202
Non capital expenditures	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>19,742</u>	<u>9,460</u>	<u>-</u>	<u>29,202</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources	-	-	(190)	(9,460)	-	(9,650)
Transfers from other funds	-	-	5,719	-	-	5,719
Transfers to other funds	-	-	-	-	(148,850)	(148,850)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>5,719</u>	<u>-</u>	<u>(148,850)</u>	<u>(143,131)</u>
Excess of revenues and other sources over (under) expenditures	<u>-</u>	<u>-</u>	<u>5,529</u>	<u>(9,460)</u>	<u>(148,850)</u>	<u>(152,781)</u>
Fund balances - beginning	<u>-</u>	<u>4,280</u>	<u>(5,529)</u>	<u>1,096,914</u>	<u>148,850</u>	<u>1,244,515</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ 4,280</u>	<u>\$ -</u>	<u>\$ 1,087,454</u>	<u>\$ -</u>	<u>\$ 1,091,734</u>

SUPPLEMENTARY INFORMATION
TOWN OF EAST GREENWICH, RHODE ISLAND
Town Permanent Funds
Combining Balance Sheet - Non-Major Governmental Funds
June 30, 2013

	Briggs Fund	Spencer Maxwell Fund	Tillinghast Fund	Casey Fund	Darius Allen Fund	Estate of Thomas Johnson Fund	F. Robert E. Bergsten Fund	Howland Family Trust Fund	Rose Trust Fund	Totals
ASSETS										
Cash and cash equivalents	\$ 866	\$ 10,390	\$ 577	\$ 7,089	\$ 289	\$ 2,019	\$ 866	\$ 2,020	\$ 248,035	\$ 272,151
Internal Balances	5,699	68,396	3,799	46,658	1,898	13,301	5,699	13,301	-	158,751
Investments	-	-	-	32,201	-	-	-	-	-	32,201
TOTAL ASSETS	<u>\$ 6,565</u>	<u>\$ 78,786</u>	<u>\$ 4,376</u>	<u>\$ 85,948</u>	<u>\$ 2,187</u>	<u>\$ 15,320</u>	<u>\$ 6,565</u>	<u>\$ 15,321</u>	<u>\$ 248,035</u>	<u>\$ 463,103</u>
LIABILITIES AND FUND BALANCES										
Liabilities										
Internal Balances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,134	\$ 17,134
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,134</u>	<u>17,134</u>
Fund balances										
Nonspendable	6,565	78,786	4,376	85,948	2,187	15,320	6,565	15,321	230,901	445,969
Total fund balances (deficit)	<u>6,565</u>	<u>78,786</u>	<u>4,376</u>	<u>85,948</u>	<u>2,187</u>	<u>15,320</u>	<u>6,565</u>	<u>15,321</u>	<u>230,901</u>	<u>445,969</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 6,565</u>	<u>\$ 78,786</u>	<u>\$ 4,376</u>	<u>\$ 85,948</u>	<u>\$ 2,187</u>	<u>\$ 15,320</u>	<u>\$ 6,565</u>	<u>\$ 15,321</u>	<u>\$ 248,035</u>	<u>\$ 463,103</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, 2013

	Briggs Fund	Spencer Maxwell Fund	Tillinghast Fund	Casey Fund	Darius Allen Fund	Estate of Thomas Johnson Fund	F. Robert E. Bergsten Fund	Howland Family Trust Fund	Rose Trust Fund	Totals
Revenues										
Earnings on investments	\$ -	\$ 3	\$ -	\$ 11,721	\$ -	\$ 1	\$ -	\$ 1	\$ 1,393	\$ 13,119
Total revenues	<u>-</u>	<u>3</u>	<u>-</u>	<u>11,721</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>1</u>	<u>1,393</u>	<u>13,119</u>
Expenditures										
Net decrease in FMV of investment	-	-	-	-	-	1	-	-	8,203	8,204
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>8,203</u>	<u>8,204</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources	<u>-</u>	<u>3</u>	<u>-</u>	<u>11,721</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>(6,810)</u>	<u>4,915</u>
Fund balances - beginning	6,565	78,783	4,376	74,227	2,187	15,320	6,565	15,320	-	203,343
Prior period adjustment	-	-	-	-	-	-	-	-	237,711	237,711
Fund balances - beginning (restated)	<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>237,711</u>	<u>441,054</u>
Fund balances - ending	<u>\$ 6,565</u>	<u>\$ 78,786</u>	<u>\$ 4,376</u>	<u>\$ 85,948</u>	<u>\$ 2,187</u>	<u>\$ 15,320</u>	<u>\$ 6,565</u>	<u>\$ 15,321</u>	<u>\$ 230,901</u>	<u>\$ 445,969</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, 2013

	<u>Balance</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2013</u>
PERFORMANCE BOND FUND				
ASSETS				
Cash and cash equivalents	\$ 130,039	\$ 65,816	\$ -	\$ 195,855
Internal balances	127,791	7,967	-	135,758
TOTAL ASSETS	<u>\$ 257,830</u>	<u>\$ 73,783</u>	<u>\$ -</u>	<u>\$ 331,613</u>
LIABILITIES				
Deposits held in custody for others	\$ 257,830	\$ 73,783	\$ -	\$ 331,613
TOTAL LIABILITIES	<u>\$ 257,830</u>	<u>\$ 73,783</u>	<u>\$ -</u>	<u>\$ 331,613</u>
PUPIL ACTIVITY FUNDS				
ASSETS				
Cash and cash equivalents	\$ 204,666	\$ 520,085	\$ 486,917	\$ 237,834
TOTAL ASSETS	<u>\$ 204,666</u>	<u>\$ 520,085</u>	<u>\$ 486,917</u>	<u>\$ 237,834</u>
LIABILITIES				
Deposits held in custody for others	\$ 204,666	\$ 520,085	\$ 486,917	\$ 237,834
TOTAL LIABILITIES	<u>\$ 204,666</u>	<u>\$ 520,085</u>	<u>\$ 486,917</u>	<u>\$ 237,834</u>
TOTAL AGENCY FUNDS				
ASSETS				
Cash and cash equivalents	\$ 334,705	\$ 585,901	\$ 486,917	\$ 433,689
Internal balances	127,791	7,967	-	135,758
TOTAL ASSETS	<u>\$ 462,496</u>	<u>\$ 593,868</u>	<u>\$ 486,917</u>	<u>\$ 569,447</u>
LIABILITIES				
Deposits held in custody for others	\$ 462,496	\$ 593,868	\$ 486,917	\$ 569,447
TOTAL LIABILITIES	<u>\$ 462,496</u>	<u>\$ 593,868</u>	<u>\$ 486,917</u>	<u>\$ 569,447</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, 2013

	<u>Cash Balance July 1, 2012</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Cash Balance June 30, 2013</u>
PUPIL ACTIVITY FUNDS				
East Greenwich High School:				
Checking	\$ 73,516	\$ 262,240	\$ 244,440	\$ 91,316
Savings	21,322	8	-	21,330
CD	44,000	110	110	44,000
Athletic Officials Fund	2,140	19,904	21,814	230
Athletic Camp Fund	(10,282)	32,096	18,870	2,944
Cole Middle School:				
Checking	54,098	163,561	162,776	54,883
Money Market	3,963	3	-	3,966
Eldridge	4,469	9,241	9,167	4,543
Eldridge Student Council	1,701	1,978	2,407	1,272
Frenchtown School	7,228	10,289	6,731	10,786
Meadowbrook	1,546	10,809	10,894	1,461
Hanaford	965	9,846	9,708	1,103
TOTALS	<u>\$ 204,666</u>	<u>\$ 520,085</u>	<u>\$ 486,917</u>	<u>\$ 237,834</u>

General Fund
School Department Operations

TOWN OF EAST GREENWICH, RHODE ISLAND
Supplementary Information
Balance Sheet
General Fund and School Unrestricted
June 30, 2013

	<u>General Fund</u>	<u>School Unrestricted Fund</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ 16,710,154	\$ -	\$ 16,710,154
Accounts receivable:			
Property taxes, less allowance for doubtful accounts of \$57,000	1,833,454	-	1,833,454
Fire district property taxes less allowance for doubtful accounts of \$525,098	491,701	-	491,701
Intergovernmental	78,209	12,398	90,607
Other	3,322,548	79,802	3,402,350
Internal balances	114,218,380	4,136,378	118,354,758
Deposit at other institution	-	1,066,710	1,066,710
Prepays expense	228,665	366,539	595,204
TOTAL ASSETS	<u>\$ 136,883,111</u>	<u>\$ 5,661,827</u>	<u>\$ 142,544,938</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued expenses	\$ 4,335,431	\$ 2,087,739	\$ 6,423,170
Internal balances	122,621,709	-	122,621,709
Unearned revenue	2,325,155	-	2,325,155
Total liabilities	<u>129,282,295</u>	<u>2,087,739</u>	<u>131,370,034</u>
Fund balances:			
<i>Non-spendable</i>			
Prepaid expense	228,665	366,539	595,204
<i>Restricted for:</i>			
Educational programs	-	1,440,839	1,440,839
Public health and welfare	-	1,066,710	1,066,710
<i>Committed for:</i>			
Educational programs	-	100,000	100,000
<i>Assigned for:</i>			
Capital outlays	441,037	500,000	941,037
Technology	-	100,000	100,000
Community programs	210,000	-	210,000
<i>Unassigned:</i>	6,721,114	-	6,721,114
Total fund balances	<u>7,600,816</u>	<u>3,574,088</u>	<u>11,174,904</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 136,883,111</u>	<u>\$ 5,661,827</u>	<u>\$ 142,544,938</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, 2013

	<u>General Fund</u>	<u>School Unrestricted Fund</u>	<u>Total Governmental Funds</u>
Revenues			
General property tax	\$ 50,068,123	\$ -	\$ 50,068,123
Intergovernmental and departmental revenues	2,432,109	3,112,691	5,544,800
License and permits	1,110,840	-	1,110,840
Tuitions	-	162,061	162,061
Other revenues	2,551,096	370,399	2,921,495
Total revenues	<u>56,162,168</u>	<u>3,645,151</u>	<u>59,807,319</u>
Expenditures			
Legislative, judicial and general administrative	3,704,108	-	3,704,108
Financial administration	516,025	-	516,025
Information technology	341,954	-	341,954
Public safety	8,312,342	-	8,312,342
Public works	2,983,305	-	2,983,305
Teen center	5,000	-	5,000
Parks and recreation	548,634	-	548,634
Town planner	171,137	-	171,137
Senior and human services	236,342	-	236,342
Education	-	33,889,792	33,889,792
Grants and contributions	25,000	-	25,000
Library	475,000	-	475,000
Land trust	28,025	-	28,025
Financing costs	2,650	-	2,650
Capital outlay	933,514	-	933,514
Long-term obligations:			
Principal	3,780,834	-	3,780,834
Interest	3,129,487	-	3,129,487
Total expenditures	<u>25,193,357</u>	<u>33,889,792</u>	<u>59,083,149</u>
Excess of revenues over (under) expenditures before other financing sources (uses)	<u>30,968,811</u>	<u>(30,244,641)</u>	<u>724,170</u>
Other financing sources (uses)			
Transfers from other funds	-	31,150,120	31,150,120
Transfers to other funds	(31,280,056)	(40,118)	(31,320,174)
Total other financing sources (uses)	<u>(31,280,056)</u>	<u>31,110,002</u>	<u>(170,054)</u>
Net changes in fund balances	<u>(311,245)</u>	<u>865,361</u>	<u>554,116</u>
Fund balances - beginning	<u>7,101,949</u>	<u>2,708,727</u>	<u>9,810,676</u>
Prior period adjustment	<u>810,112</u>	<u>-</u>	<u>810,112</u>
Fund balances - beginning (restated)	<u>7,912,061</u>	<u>2,708,727</u>	<u>10,620,788</u>
Fund balances - ending	<u>\$ 7,600,816</u>	<u>\$ 3,574,088</u>	<u>\$ 11,174,904</u>

TOWN OF EAST GREENWICH, RHODE ISLAND
Supplementary Information
Balance Sheet
General Fund
June 30, 2013

	General Fund
ASSETS	
Cash and cash equivalents	\$ 16,710,154
Accounts receivable:	
Property taxes, less allowance for doubtful accounts of \$57,000	1,833,454
Fire district receivables less allowance for doubtful accounts of \$166,811	491,701
Intergovernmental	78,209
Other	3,322,548
Internal balances	114,218,380
Prepays	228,665
TOTAL ASSETS	\$ 136,883,111
 LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable and accrued expenses	\$ 4,335,431
Internal balances	122,621,709
Unearned revenue	2,325,155
Total liabilities	129,282,295
 Fund balances:	
<i>Nonspendable:</i>	
Prepays	228,665
<i>Assigned for:</i>	
Capital outlays	441,037
Community programs	210,000
<i>Unassigned:</i>	6,721,114
Total fund balances	7,600,816
TOTAL LIABILITIES AND FUND BALANCES	\$ 136,883,111

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, 2013

	General Fund
Revenues	
General property tax	\$ 45,289,535
General property tax - fire district	4,459,377
In lieu of taxes- fire district	319,211
Intergovernmental and departmental revenues	2,432,109
License and permits	1,110,840
Other revenues	2,551,096
Total revenues	56,162,168
Expenditures	
Legislative, judicial and general administrative	3,704,108
Financial administration	516,025
Information technology	341,954
Public safety	8,312,342
Public works	2,983,305
Teen center	5,000
Parks and recreation	548,634
Town planner	171,137
Senior and human services	236,342
Grants and contributions	25,000
Library	475,000
Land trust	28,025
Financing costs	2,650
Capital outlay	933,514
Long-term obligations:	
Principal	3,780,834
Interest	3,129,487
Total expenditures	25,193,357
Excess of revenues over (under) expenditures before other financing sources (uses)	30,968,811
Other financing sources (uses)	
Transfers to other funds	(31,280,056)
Total other financing sources (uses)	(31,280,056)
Net changes in fund balances	(311,245)
Fund balances - beginning	7,101,949
Prior period adjustment	810,112
Fund balances - beginning (restated)	7,912,061
Fund balances - ending	\$ 7,600,816

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, 2013

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues				
General property tax	\$ 50,594,994	\$ 50,423,134	\$ 50,068,123	\$ (355,011)
General revenue	2,402,141	2,402,141	2,551,096	148,955
State aid	2,262,224	2,434,084	2,432,109	(1,975)
License and permits	870,350	870,350	1,110,840	240,490
Total Revenues	<u>56,129,709</u>	<u>56,129,709</u>	<u>56,162,168</u>	<u>32,459</u>
Expenditures				
Administration	3,848,063	3,848,063	3,704,108	143,955
Finance	523,234	523,234	516,025	7,209
Information technology	333,082	333,082	341,954	(8,872)
Public safety	8,534,671	8,534,671	8,312,342	222,329
Public works	3,136,658	3,136,658	2,983,305	153,353
Recreation	575,949	575,949	548,634	27,315
Teen center	7,500	7,500	5,000	2,500
Town planner	185,153	185,153	171,137	14,016
Senior and human services	237,528	237,528	236,342	1,186
Grants and contributions	25,000	25,000	25,000	-
East Greenwich Land Trust	48,300	48,300	28,025	20,275
Library	475,000	475,000	475,000	-
Capital outlays	115,139	115,139	933,514	(818,375)
Debt service:				
Principal	3,780,834	3,780,834	3,780,834	-
Interest	3,129,617	3,129,617	3,129,487	130
Financing costs	5,000	5,000	2,650	2,350
Total expenditures	<u>24,960,728</u>	<u>24,960,728</u>	<u>25,193,357</u>	<u>(232,629)</u>
Excess of revenues over expenditures before operating transfers	<u>31,168,981</u>	<u>31,168,981</u>	<u>30,968,811</u>	<u>(200,170)</u>
Reappropriated fund	50,000	50,000	50,000	-
Transfers to other funds	(31,218,981)	(31,218,981)	(31,280,056)	(61,075)
Total operating transfers	<u>(31,168,981)</u>	<u>(31,168,981)</u>	<u>(31,230,056)</u>	<u>(61,075)</u>
Excess of revenues over (under) expenditures and operating transfers	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (261,245)</u>	<u>\$ (261,245)</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, 2013

	<u>Original Budget Revenues</u>	<u>Revised Budget Revenues</u>	<u>Actual Revenues</u>	<u>Variance</u>
General property tax				
Taxes - current	\$ 45,040,970	\$ 44,869,110	\$ 44,112,093	\$ (757,017)
Taxes - prior year	700,000	700,000	1,177,442	477,442
Taxes - Fire District	4,520,024	4,520,024	4,459,377	(60,647)
In lieu of taxes-fire district	334,000	334,000	319,211	(14,789)
Total general property taxes	<u>50,594,994</u>	<u>50,423,134</u>	<u>50,068,123</u>	<u>(355,011)</u>
General revenue				
Grants and departmental revenue	18,300	18,300	20,285	1,985
Municipal court	28,500	28,500	36,745	8,245
Other revenue	2,355,341	2,355,341	2,494,066	138,725
Total general revenue	<u>2,402,141</u>	<u>2,402,141</u>	<u>2,551,096</u>	<u>148,955</u>
State aid				
School housing aid	1,550,000	1,721,860	1,638,060	(83,800)
Telephone tax	147,900	147,900	158,212	10,312
Pilot	8,724	8,724	18,674	9,950
Motor vehicle phase out	123,400	123,400	119,341	(4,059)
Meals tax	432,200	432,200	497,822	65,622
Total state aid	<u>2,262,224</u>	<u>2,434,084</u>	<u>2,432,109</u>	<u>(1,975)</u>
Licenses, permits and usage fees				
Town clerk department	429,250	429,250	562,790	133,540
Department of public works	253,300	253,300	348,934	95,634
Planning	13,500	13,500	15,849	2,349
Police department	174,300	174,300	183,267	8,967
Total licenses, permits and usage fees	<u>870,350</u>	<u>870,350</u>	<u>1,110,840</u>	<u>240,490</u>
Total revenues	<u>56,129,709</u>	<u>56,129,709</u>	<u>56,162,168</u>	<u>32,459</u>
Other financing sources				
Reappropriated fund balance	50,000	50,000	50,000	-
Total other financing sources	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Total revenue and other financing sources	<u>\$ 56,179,709</u>	<u>\$ 56,179,709</u>	<u>\$ 56,212,168</u>	<u>\$ 32,459</u>

TOWN OF EAST GREENWICH, RHODE ISLAND
 Supplementary Information
 Budgetary Comparison Schedule - General Fund
 Schedule of Expenditures - Non-GAAP Budgetary Basis
 For the Fiscal Year Ended June 30, 2013

	<u>Original Budgeted Expenditures</u>	<u>Revised Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Variance</u>
Administration				
Town council				
Salaries	\$ 9,300	\$ 9,300	\$ 9,300	\$ -
Total town council	<u>9,300</u>	<u>9,300</u>	<u>9,300</u>	<u>-</u>
Town manager				
Salaries and wages	181,281	181,281	176,615	4,666
Outside services	9,700	9,700	9,895	(195)
Supplies	1,900	1,900	1,897	3
Total town manager	<u>192,881</u>	<u>192,881</u>	<u>188,407</u>	<u>4,474</u>
Town clerks				
Salaries and wages	202,985	202,985	205,205	(2,220)
Outside services	22,900	22,900	19,947	2,953
Supplies	2,400	2,400	2,123	277
Total town clerks	<u>228,285</u>	<u>228,285</u>	<u>227,275</u>	<u>1,010</u>
Town solicitor				
Outside services	154,500	154,500	156,420	(1,920)
Total town solicitor	<u>154,500</u>	<u>154,500</u>	<u>156,420</u>	<u>(1,920)</u>
Municipal court and judges				
Salaries	41,662	41,662	42,930	(1,268)
Outside services	1,500	1,500	1,003	497
Total municipal court and judges	<u>43,162</u>	<u>43,162</u>	<u>43,933</u>	<u>(771)</u>
Board of canvassers				
Salaries and wages	30,600	30,600	20,234	10,366
Outside services	10,000	10,000	5,372	4,628
Supplies	2,000	2,000	1,191	809
Total board of canvassers	<u>42,600</u>	<u>42,600</u>	<u>26,797</u>	<u>15,803</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, 2013

	Original Budgeted Expenditures	Revised Budgeted Expenditures	Actual Expenditures	Variance
Employee benefits				
Outside services	2,894,812	2,894,812	2,796,815	97,997
Total employee benefits	<u>2,894,812</u>	<u>2,894,812</u>	<u>2,796,815</u>	<u>97,997</u>
Insurance				
Outside services	270,023	270,023	238,820	31,203
Total insurance	<u>270,023</u>	<u>270,023</u>	<u>238,820</u>	<u>31,203</u>
Contingency fund				
Outside services	12,500	12,500	16,341	(3,841)
Total contingency fund	<u>12,500</u>	<u>12,500</u>	<u>16,341</u>	<u>(3,841)</u>
Total Administration	<u>3,848,063</u>	<u>3,848,063</u>	<u>3,704,108</u>	<u>143,955</u>
Finance department				
Salaries	427,934	427,934	426,796	1,138
Outside services	52,800	52,800	52,006	794
Supplies	10,000	10,000	9,782	218
Equipment	500	500	411	89
Communications	32,000	32,000	27,030	4,970
Total finance department	<u>523,234</u>	<u>523,234</u>	<u>516,025</u>	<u>7,209</u>
Information technology				
Salaries	82,686	82,686	75,561	7,125
Outside services	120,140	120,140	116,779	3,361
Supplies	11,000	11,000	17,130	(6,130)
Equipment	42,932	42,932	51,192	(8,260)
Communications	76,324	76,324	81,292	(4,968)
Total information technology	<u>333,082</u>	<u>333,082</u>	<u>341,954</u>	<u>(8,872)</u>
Police department				
Salaries and wages	2,589,502	2,589,502	2,448,323	141,179
Police overtime	288,510	288,510	374,228	(85,718)
Outside services	30,970	30,970	29,750	1,220
Supplies	105,365	105,365	111,888	(6,523)
Equipment	17,500	17,500	18,025	(525)
Communications	3,700	3,700	3,502	198
Total police department	<u>3,035,547</u>	<u>3,035,547</u>	<u>2,985,716</u>	<u>49,831</u>
Fire District				
Fire District	5,499,124	5,499,124	5,326,626	172,498
Total Fire District	<u>5,499,124</u>	<u>5,499,124</u>	<u>5,326,626</u>	<u>172,498</u>
Total public safety	<u>8,534,671</u>	<u>8,534,671</u>	<u>8,312,342</u>	<u>222,329</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, 2013

	Original Budgeted Expenditures	Revised Budgeted Expenditures	Actual Expenditures	Variance
Public works administration				
Salaries and wages	1,242,161	1,242,161	1,192,392	49,769
Outside services	1,077,515	1,077,515	958,614	118,901
Supplies and expense	816,982	816,982	803,824	13,158
Equipment	-	-	28,475	(28,475)
Total public works administration	<u>3,136,658</u>	<u>3,136,658</u>	<u>2,983,305</u>	<u>153,353</u>
Recreation department				
Salaries and wages	158,264	158,264	150,767	7,497
Outside services	11,980	11,980	12,579	(599)
Supplies	10,850	10,850	10,629	221
Total recreation department	<u>181,094</u>	<u>181,094</u>	<u>173,975</u>	<u>7,119</u>
Parks & grounds				
Salaries and wages	283,820	283,820	278,791	5,029
Outside services	54,650	54,650	43,438	11,212
Supplies	53,585	53,585	49,635	3,950
Equipment	2,800	2,800	2,795	5
Total parks and grounds	<u>394,855</u>	<u>394,855</u>	<u>374,659</u>	<u>20,196</u>
Teen center				
Salaries and wages	2,500	5,000	5,000	-
Supplies and equipment	5,000	2,500	-	2,500
Total teen center	<u>7,500</u>	<u>7,500</u>	<u>5,000</u>	<u>2,500</u>
Town planner				
Salaries and wages	170,778	170,778	165,224	5,554
Outside services	11,975	11,975	5,212	6,763
Supplies	1,900	1,900	588	1,312
Equipment	500	500	113	387
Total town planner	<u>185,153</u>	<u>185,153</u>	<u>171,137</u>	<u>14,016</u>
Senior and human services				
Salaries and wages	204,128	204,128	203,607	521
Outside services	200	200	230	(30)
Supplies	1,000	1,000	1,241	(241)
Communications	1,200	1,200	947	253
Community services	31,000	31,000	30,317	683
Total senior and human services	<u>237,528</u>	<u>237,528</u>	<u>236,342</u>	<u>1,186</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, 2013

	Original Budgeted Expenditures	Revised Budgeted Expenditures	Actual Expenditures	Variance
Grants and contributions				
Contributions	25,000	25,000	25,000	-
Total grants and contributions	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>
East Greenwich Land Trust				
Insurance	2,000	2,000	-	2,000
Pilot	6,300	6,300	486	5,814
Building maintenance	5,000	5,000	18,627	(13,627)
Boesch farm rehabilitation	35,000	35,000	8,912	26,088
Total East Greenwich Land Trust	<u>48,300</u>	<u>48,300</u>	<u>28,025</u>	<u>20,275</u>
Library				
Town contributions	475,000	475,000	475,000	-
Total library	<u>475,000</u>	<u>475,000</u>	<u>475,000</u>	<u>-</u>
Capital improvements				
Capital outlays	115,139	115,139	933,514	(818,375)
Non capital expenditures	-	-	-	-
Total capital improvements	<u>115,139</u>	<u>115,139</u>	<u>933,514</u>	<u>(818,375)</u>
School department				
Education	31,150,120	31,150,120	31,150,120	-
Total school department	<u>31,150,120</u>	<u>31,150,120</u>	<u>31,150,120</u>	<u>-</u>
Total expenditures	<u>49,195,397</u>	<u>49,195,397</u>	<u>49,430,506</u>	<u>(235,109)</u>
Other financing uses				
Debt service				
Principal	3,780,834	3,780,834	3,780,834	-
Interest	3,129,617	3,129,617	3,129,487	130
Financing costs	5,000	5,000	2,650	2,350
Total debt service	<u>6,915,451</u>	<u>6,915,451</u>	<u>6,912,971</u>	<u>2,480</u>
Other financing uses				
Transfers to other funds	68,861	68,861	129,936	(61,075)
Education department appropriation	-	-	-	-
Total other financing uses	<u>68,861</u>	<u>68,861</u>	<u>129,936</u>	<u>(61,075)</u>
Total expenditures and other financing uses	<u>\$ 56,179,709</u>	<u>\$ 56,179,709</u>	<u>\$ 56,473,413</u>	<u>\$ (293,704)</u>

(Concluded)

TOWN OF EAST GREENWICH, RHODE ISLAND
Supplementary Information
Balance Sheet
School Unrestricted
June 30, 2013

	<u>School Unrestricted Fund</u>
ASSETS	
Accounts receivable:	
Intergovernmental	12,398
Other	79,802
Internal balances	4,136,378
Prepaid asset	1,066,710
Prepaid expenses	366,539
TOTAL ASSETS	<u><u>\$ 5,661,827</u></u>
 LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable and accrued expenses	\$ 2,087,739
Total liabilities	<u>2,087,739</u>
 Fund balances:	
<i>Non-spendable</i>	
Prepaid expenses	366,539
<i>Restricted for:</i>	
Educational programs	1,440,839
Public health and welfare	1,066,710
<i>Committed for:</i>	
Educational programs	100,000
<i>Assigned for:</i>	
Technology	100,000
Capital outlay	500,000
Total fund balances	<u>3,574,088</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 5,661,827</u></u>

TOWN OF EAST GREENWICH, RHODE ISLAND
Supplementary Information
School Unrestricted Fund
Schedule of Revenues, Expenditures
For the Fiscal Year Ended June 30, 2013

	<u>School Unrestricted Fund</u>
Revenues	
Hanaford fund revenue	\$ 39,412
State aid to education	1,944,662
Tuition revenue	162,061
Medicaid revenue	298,550
Other revenue	71,849
Intergovernmental on behalf payments	1,128,617
Total revenues	<u>3,645,151</u>
Expenditures	
Instructional teachers	15,802,284
Substitute teachers	170,136
Instructional paraprofessionals	1,893,909
Pupil-use tech/software	75,159
Instructional materials/trips/supplies	411,194
Guidance services	699,875
Library and media	576,603
Extracurricular	504,946
Student health and services	583,300
Curriculum development	336,133
Staff development	239,990
Program management	106,970
Therapists/psychologists/evaluation	2,103,412
Academic student assessment	56,393
Transportation	1,343,652
Safety	95,317
Building upkeep/maintenance/utilities	2,723,018
Data processing	404,564
Business operations	349,603
Retiree benefits	164,953
All school pass through	1,376,121
Principals and asst principals	1,090,519
School office	772,937
Superintendent/school board	387,012
Legal	133,443
Capital outlay	244,733
Food services	1,920
Other expenses	113,079
Intergovernmental on behalf payments	1,128,617
Total expenditures	<u>33,889,792</u>
Excess (deficiency) of Revenues Over (Under) Expenditures Before Operating Transfers	<u>(30,244,641)</u>
Operating transfers	
Transfer Out School	(40,118)
Town appropriation	31,150,120
Total transfers from other funds	<u>31,110,002</u>
Net changes from operations	865,361
Operational reserves - beginning	<u>2,708,727</u>
Operational reserves - ending	<u>\$ 3,574,088</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, 2013

	<u>Original Budgeted</u>	<u>Revised Budgeted</u>	<u>Actual</u>	<u>Variance</u>
Revenues				
Hanaford fund revenue	\$ 31,000	\$ 31,000	\$ 39,412	\$ 8,412
Tuition revenue	150,000	150,000	162,061	12,061
Other revenue	24,000	24,000	71,849	47,849
Medicaid revenue	325,000	325,000	298,550	(26,450)
Total revenues	<u>530,000</u>	<u>530,000</u>	<u>571,872</u>	<u>41,872</u>
State and federal aid and transfers				
State aid to education	1,801,453	1,801,453	1,944,662	143,209
Total state and federal aid and transfers	<u>1,801,453</u>	<u>1,801,453</u>	<u>1,944,662</u>	<u>143,209</u>
Other financing sources				
Reappropriated fund balance	130,000	130,000	130,000	-
Town appropriation	31,150,120	31,150,120	31,150,120	-
Total transfers from other funds	<u>31,280,120</u>	<u>31,280,120</u>	<u>31,280,120</u>	<u>-</u>
Total revenue and other financing sources	<u>\$ 33,611,573</u>	<u>\$ 33,611,573</u>	<u>\$ 33,796,654</u>	<u>\$ 185,081</u>
Expenditures				
Instructional teachers	\$ 17,052,285	\$ 16,851,335	\$ 15,802,284	\$ 1,049,051
Substitute teachers	224,224	312,268	170,136	142,132
Instructional paraprofessionals	1,194,779	1,194,779	1,893,909	(699,130)
Pupil-use tech/software	82,816	87,886	75,159	12,727
Instructional materials/trips/supplies	534,103	540,128	411,194	128,934
Guidance services	798,984	752,416	699,875	52,541
Library and media	630,903	629,878	576,603	53,275
Extracurricular	547,744	566,080	504,946	61,134
Student health and services	622,936	645,436	583,300	62,136
Curriculum development	303,365	337,933	336,133	1,800
Staff development	80,830	115,830	239,990	(124,160)
Program management	216,932	202,592	106,970	95,622
Therapists/psychologists/evaluation	2,129,288	2,170,628	2,103,412	67,216
Academic student assessment	56,855	56,855	56,393	462
Transportation	1,260,593	1,225,593	1,343,652	(118,059)
Safety	26,400	59,900	95,317	(35,417)
Building upkeep/maintenance/utilities	2,819,802	2,784,242	2,723,018	61,224
Data processing	435,464	435,464	404,564	30,900
Business operations	357,396	357,396	349,603	7,793
Retiree Benefits	197,542	197,542	164,953	32,589
All school pass throughs	1,294,550	1,377,050	1,376,121	929
Principals and asst principals	1,109,440	1,098,940	1,090,519	8,421
School office	695,971	695,971	772,937	(76,966)
Superintendent/school board	447,984	422,984	387,012	35,972
Legal	115,000	115,000	133,443	(18,443)
Capital outlay	250,387	250,387	244,733	5,654
Food services	-	2,060	1,920	140
Other expenses	125,000	125,000	113,079	11,921
Transfer Out School	-	-	40,118	(40,118)
Total expenditures	<u>33,611,573</u>	<u>33,611,573</u>	<u>32,801,293</u>	<u>810,280</u>
Net changes	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 995,361</u>	<u>\$ 995,361</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, 2013

	Original Budgeted Revenues	Revised Budgeted Revenues	Actual Revenues	Variance
Revenues				
Hanaford fund revenue	\$ 31,000	\$ 31,000	\$ 39,412	\$ 8,412
Tuition revenue	150,000	150,000	162,061	12,061
Other revenue	24,000	24,000	71,849	47,849
Medicaid revenue	325,000	325,000	298,550	(26,450)
Total revenues	<u>530,000</u>	<u>530,000</u>	<u>571,872</u>	<u>41,872</u>
State and federal aid and transfers				
State aid to education	1,801,453	1,801,453	1,944,662	143,209
Total state and federal aid and transfers	<u>1,801,453</u>	<u>1,801,453</u>	<u>1,944,662</u>	<u>143,209</u>
Other financing sources				
Reappropriated fund balance	130,000	130,000	130,000	-
Town appropriation	31,150,120	31,150,120	31,150,120	-
Total transfers from other funds	<u>31,280,120</u>	<u>31,280,120</u>	<u>31,280,120</u>	<u>-</u>
Total revenue and other financing sources	<u>\$ 33,611,573</u>	<u>\$ 33,611,573</u>	<u>\$ 33,796,654</u>	<u>\$ 185,081</u>

TOWN OF EAST GREENWICH
Supplementary Information
School Unrestricted Fund
Budgetary Comparison Schedule
Schedule of Expenditures - Non-GAAP Budgetary Basis
Fiscal Year Ended June 30, 2013

	Original Budgeted Expenditures	Revised Budgeted Expenditures	Actual Expenditures	Variance
Expenditures				
Instructional teachers	\$ 17,052,285	\$ 16,851,335	\$ 15,802,284	\$ 1,049,051
Substitute teachers	224,224	312,268	170,136	142,132
Instructional paraprofessionals	1,194,779	1,194,779	1,893,909	(699,130)
Pupil-use tech/software	82,816	87,886	75,159	12,727
Instructional materials/trips/supplies	534,103	540,128	411,194	128,934
Guidance services	798,984	752,416	699,875	52,541
Library and media	630,903	629,878	576,603	53,275
Extracurricular	547,744	566,080	504,946	61,134
Student health and services	622,936	645,436	583,300	62,136
Curriculum development	303,365	337,933	336,133	1,800
Staff development	80,830	115,830	239,990	(124,160)
Program management	216,932	202,592	106,970	95,622
Therapists/psychologists/evaluation	2,129,288	2,170,628	2,103,412	67,216
Academic student assessment	56,855	56,855	56,393	462
Transportation	1,260,593	1,225,593	1,343,652	(118,059)
Safety	26,400	59,900	95,317	(35,417)
Building upkeep/maintenance/utilities	2,819,802	2,784,242	2,723,018	61,224
Data processing	435,464	435,464	404,564	30,900
Business operations	357,396	357,396	349,603	7,793
Retiree Benefits	197,542	197,542	164,953	32,589
All school pass throughs	1,294,550	1,377,050	1,376,121	929
Principals and asst principals	1,109,440	1,098,940	1,090,519	8,421
School office	695,971	695,971	772,937	(76,966)
Superintendent/school board	447,984	422,984	387,012	35,972
Legal	115,000	115,000	133,443	(18,443)
Capital outlay	250,387	250,387	244,733	5,654
Food services	-	2,060	1,920	140
Other expenses	125,000	125,000	113,079	11,921
Transfer Out School	-	-	40,118	(40,118)
Total expenditures	<u>33,611,573</u>	<u>33,611,573</u>	<u>32,801,293</u>	<u>810,280</u>
Total expenditures and transfers	<u>\$ 33,611,573</u>	<u>\$ 33,611,573</u>	<u>\$ 32,801,293</u>	<u>\$ 810,280</u>

TOWN OF EAST GREENWICH, RHODE ISLAND
 General Fund
 JUNE 30, 2013

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, 2013:

Excess of revenues and other sources over expenditures and other uses (Deficit) (Non-GAAP Budgetary Basis).....	\$ (261,245)
Use of Prior year surplus.....	<u>(50,000)</u>
Excess of revenues and other sources over expenditures and other uses (GAAP).....	<u><u>\$ (311,245)</u></u>

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

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

	<u>Revenues and Transfers</u>	<u>Expenditures and Transfers</u>
General Fund:		
Schedule of Revenues, Expenditures and Other Financing Sources		
(Non-GAAP Budgetary Basis) Budget and Actual	\$ 56,212,168	\$ 56,473,413
Use of Prior year surplus	<u>(50,000)</u>	<u>-</u>
Statement of Revenues, Expenditures and Changes in Fund		
Balances	<u><u>\$ 56,162,168</u></u>	<u><u>\$ 56,473,413</u></u>

TOWN OF EAST GREENWICH, RHODE ISLAND
 School Unrestricted
 JUNE 30, 2013

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, 2013:

Excess of revenues and other sources over expenditures and other uses (Non-GAAP Budgetary Basis).....	\$ 995,361
Use of prior years fund balance.....	(130,000)
Excess of revenues and other sources over expenditures and other uses (GAAP).....	<u>\$ 865,361</u>

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

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

	<u>Revenues and Transfers</u>	<u>Expenditures and Transfers</u>
<i>School Unrestricted Fund:</i>		
<i>Schedule of Revenues, Expenditures and Other Financing Sources</i>		
<i>(Non-GAAP Budgetary Basis) Budget and Actual</i>	\$ 33,796,654	\$ 32,801,293
Adjustment for pension contribution made by State of Rhode Island on behalf of employees.....	1,128,617	1,128,617
Use of prior years fund balance.....	<u>(130,000)</u>	<u>-</u>
 <i>Statement of Revenues, Expenditures and Changes in Fund</i>		
<i>Balances</i>	<u>\$ 34,795,271</u>	<u>\$ 33,929,910</u>

**TOWN OF EAST GREENWICH, RHODE ISLAND
TOWN TAX COLLECTOR'S ANNUAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

REAL ESTATE AND PERSONAL PROPERTY TAXES

Tax Roll Year	Balance July 1, 2012	Current Year Assessment	Additions and Adjustments	Abatements and Adjustments	Amount to be Collected	Collections	Balance June 30, 2013
2012	\$ -	\$ 45,381,128	\$ 49,565	\$ 135,485	45,295,208	\$ 44,112,086	\$ 1,183,122
2011	1,275,693	-	-	105,217	1,170,476	1,121,344	49,132
2010	119,832	-	-	95,206	24,626	24,535	91
2009	85,657	-	-	64,271	21,386	9,387	11,999
2008	82,806	-	-	916	81,890	7,080	74,810
2007	90,161	-	-	1,133	89,028	4,293	84,735
2006	76,435	-	-	1,189	75,246	2,504	72,742
2005	42,822	-	-	488	42,334	2,265	40,069
2004	46,853	-	-	2,341	44,512	1,590	42,922
2003	58,871	-	-	118	58,753	1,207	57,546
2002 and prior	277,412	-	-	882	276,530	3,244	275,172
Subtotal	<u>2,156,542</u>	<u>\$ 45,381,128</u>	<u>\$ 49,565</u>	<u>\$ 407,246</u>	<u>\$ 47,179,989</u>	<u>\$ 45,289,535</u>	<u>1,890,454</u>
Allowance for uncollectible taxes	57,000						57,000
	<u>\$ 2,099,542</u>						<u>\$ 1,833,454</u>

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

Description of Property	Valuations	Levy	Current year collections
Real property	\$ 2,151,145,443	\$ 43,324,069	\$ 45,289,535
Motor vehicles	160,308,095	3,667,849	-
Tangible personal	63,557,848	1,280,055	-
<i>Total</i>	<u>2,375,011,386</u>	<u>48,271,973</u>	<u>\$ 45,289,535</u>
Exemptions:			
Real property	67,185,286	1,353,112	
Motor vehicles	65,930,729	1,508,495	
Tangible personal	1,449,682	29,197	
Miscellaneous adjustment	-	41	
<i>Total exemptions</i>	<u>134,565,697</u>	<u>2,890,845</u>	
<i>Net assessed value</i>	<u>\$ 2,240,445,689</u>	<u>45,381,128</u>	
Current year assessment		<u>\$ 45,381,128</u>	

**TOWN OF EAST GREENWICH, RHODE ISLAND
FIRE DISTRICT
TAX COLLECTOR'S ANNUAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

REAL ESTATE AND PERSONAL PROPERTY TAXES

Tax Roll Year	Balance July 1, 2012	Current Year Assessment	Additions and Adjustments	Abatements and Adjustments	Amount to be Collected	Collections	Balance June 30, 2013
2012	\$ -	\$ 4,520,812	\$ (4)	\$ 8,473	4,512,335	\$ 4,400,389	\$ 111,946
2011	112,755	-	327	505	112,577	108,385	4,192
2010	3,170	-	348	416	3,102	496	2,606
2009	4,756	-	344	2,454	2,646	271	2,375
2008	(175)	-	-	-	(175)	-	(175)
2007	1,269	-	-	-	1,269	133	1,136
2006	7,236	-	(488)	3,572	3,176	338	2,838
2005	7,376	-	(375)	2,445	4,556	582	3,974
2004	1,759	-	(65)	1,212	482	146	336
2003	4,159	-	(648)	-	3,511	-	3,511
2002 and prior	4,772	-	(582)	3,228	962	280	682
Subtotal	<u>147,077</u>	<u>\$ 4,520,812</u>	<u>\$ (1,143)</u>	<u>\$ 22,305</u>	<u>\$ 4,644,441</u>	<u>\$ 4,511,020</u>	<u>133,421</u>
Allowance for uncollectible taxes	33,933						33,933
	<u>\$ 113,144</u>						<u>\$ 99,488</u>

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

Description of Property	Valuations	Levy	Current year collections
Real property	\$ 2,151,158,443	\$ 4,530,587	\$ 4,511,020
Tangible personal	63,557,848	134,586	(51,643)
<i>Total</i>	<u>2,214,716,291</u>	<u>4,665,173</u>	<u>\$ 4,459,377</u>
Exemptions:			
Real property	69,517,886	145,988	
Tangible personal	1,647,366	3,459	
Miscellaneous adjustment	-	(5,086)	
<i>Total exemptions</i>	<u>71,165,252</u>	<u>144,361</u>	
<i>Net assessed value</i>	<u>\$ 2,143,551,039</u>	<u>4,520,812</u>	
Current year assessment		<u>\$ 4,520,812</u>	

STATISTICAL SECTION

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

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

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

Exhibit 1

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Governmental Activities										
Net investment in capital assets	\$ 26,815,085	\$ 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	3,601,262	3,533,838	-	-	-	-	3,603,644	2,463,577	2,414,680	1,414,386
Unrestricted	3,172,839	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
Total governmental activities net position	\$ 33,589,186	\$ 31,199,255	\$ 31,841,948	\$ 30,567,744	\$ 29,136,717	\$ 28,295,222	\$ 28,484,982	\$ 16,783,188	\$ 14,995,639	\$ 12,606,397
Business-type activities										
Net investment in capital assets	\$ 13,385,888	\$ 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
Restricted	11,765,571	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
Total business-type activities net position	\$ 25,151,459	\$ 24,925,900	\$ 24,916,190	\$ 23,939,818	\$ 21,652,747	\$ 17,351,890	\$ 17,732,875	\$ 17,152,657	\$ 17,835,014	\$ 16,467,026
Primary government										
Net investment in capital assets	\$ 40,200,973	\$ 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	3,601,262	3,533,838	-	-	-	-	3,603,644	2,463,577	2,414,680	1,414,386
Unrestricted	14,938,410	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
Total primary government net position	\$ 58,740,645	\$ 56,125,155	\$ 56,758,138	\$ 54,507,562	\$ 50,789,464	\$ 45,647,112	\$ 46,217,857	\$ 33,935,845	\$ 32,830,653	\$ 29,073,423
Component Unit - Land Trust										
Net investment in capital assets	\$ 5,018,500	\$ 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	130,492	190,595	152,118	147,656	137,565	133,344	143,631	116,244	105,255	143,251
Total component unit - land trust	\$ 5,148,992	\$ 5,209,095	\$ 5,170,618	\$ 5,166,156	\$ 5,156,065	\$ 5,151,844	\$ 5,162,131	\$ 5,134,744	\$ 5,103,755	\$ 5,121,751

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 TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

Exhibit 2

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Expenses										
Governmental activities:										
Legislative, judicial and general administrative	\$ 3,508,332	\$ 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	2,562,044	180,311	373,446	499,059	498,266	486,637	453,747	434,951	418,003	-
Information technology	341,954	343,978	291,000	329,333	347,956	279,149	258,937	246,951	-	-
Public safety	9,108,219	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	4,564,079	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	797,851	495,426	405,521	457,285	474,880	715,504	809,787	725,611	806,418	842,411
Parks and recreation	613,186	632,251	571,481	607,466	598,106	176,116	188,772	174,782	178,363	402,388
Town planner	171,137	175,385	152,036	191,610	190,516	185,712	182,181	168,074	282,993	-
Senior and Human services	261,342	769,945	239,353	229,342	245,204	228,993	193,227	190,719	183,352	-
Education	35,797,956	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	475,000	467,175	467,175	467,175	467,175	455,775	434,071	417,376	396,399	-
Net decrease in FMV of investments	8,204	6,961	8,538	-	-	-	-	-	-	-
Financing costs	2,650	1,338,229	650,037	-	-	-	-	-	-	-
Capital	-	-	-	-	-	1,698,602	504,915	-	-	-
Other	-	-	-	-	28,342	129,581	141,339	122,212	158,323	-
Interest	2,996,339	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>61,208,293</u>	<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>
Business-type activities:										
Sewer fund	2,803,715	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>2,803,715</u>	<u>2,924,500</u>	<u>2,876,482</u>	<u>2,756,904</u>	<u>2,077,958</u>	<u>2,234,066</u>	<u>2,136,408</u>	<u>2,057,618</u>	<u>2,101,181</u>	<u>1,912,411</u>
Total primary government expenses	<u>\$ 64,012,008</u>	<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>
Component unit - Land Trust										
Public Health and Welfare	\$ 28,025	\$ -	\$ 29,240	\$ 24,773	\$ 37,652	\$ 57,970	\$ 14,623	\$ 2,391	\$ 17,996	\$ 977,522
Total component unit expenses	<u>\$ 28,025</u>	<u>\$ -</u>	<u>\$ 29,240</u>	<u>\$ 24,773</u>	<u>\$ 37,652</u>	<u>\$ 57,970</u>	<u>\$ 14,623</u>	<u>\$ 2,391</u>	<u>\$ 17,996</u>	<u>\$ 977,522</u>

(Continued)

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

Exhibit 2

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Program revenues										
Governmental activities:										
Charges for services:										
Legislative, judicial and general administrative	\$ 599,535	\$ 558,686	\$ 550,557	\$ 599,011	\$ 639,690	\$ 691,384	\$ 675,892	\$ 770,393	\$ 800,947	\$ 1,347,575
Public safety	183,267	230,525	184,844	402,727	618,109	195,899	178,486	231,606	158,890	520,556
Public works	364,783	408,144	265,119	579,712	254,332	267,875	374,505	473,275	327,663	-
Public health and welfare	295,249	87,357	176,620	50,007	55,045	-	-	-	-	21,098
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	531,743	530,824	515,377	501,357	961,299	37,197	180,452	105,648	85,762	2,520,853
Interest	-	24	-	-	-	-	-	-	-	-
Operating and grants contributions										
Legislative, judicial and general administrative	125,068	216,590	-	-	-	-	-	-	-	284
Public safety	413,494	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	350,910	179,415	145,289	208,867	295,974	-	-	-	-	382,623
Education	2,538,795	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	-
Capital grants and contributions										
Legislative, judicial and general administrative	19,552	294,326	3,561	276,176	408,777	-	-	-	-	-
Public safety	-	-	26,236	17,412	57,541	-	-	-	-	-
Public health and welfare	-	-	-	-	50,000	-	-	-	-	-
Total governmental activities program revenues	<u>5,422,396</u>	<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>
Business-type activities:										
Charges for services:										
Sewer fund	2,549,636	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
Total business-type activities program revenues	<u>2,549,636</u>	<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>
Total primary government program revenues	<u>\$ 7,972,032</u>	<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>
Net (Expense)/Revenue										
Governmental activities	\$ (55,785,897)	\$ (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	(254,079)	(515,728)	723,972	1,644,873	4,092,366	(748,569)	229,981	(650,271)	722,571	(1,070,910)
Total primary government net expenses	<u>\$ (56,039,976)</u>	<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>
Total component unit net expenses	<u>\$ 28,025</u>	<u>\$ -</u>	<u>\$ 29,240</u>	<u>\$ 24,773</u>	<u>\$ 37,652</u>	<u>\$ 57,970</u>	<u>\$ 14,623</u>	<u>\$ 2,391</u>	<u>\$ 17,996</u>	<u>\$ 977,522</u>
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Property taxes, levied for general purposes	\$ 50,001,198	\$ 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	13,369	744	232	89,386	94,635	204,322	353,610	269,296	194,009	108,367
Miscellaneous	7,101,914	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)
Special item - Loss on disposal of equipment	(27,318)	(18,145)	(20,985)	-	(64,575)	-	(32,012)	(427,421)	-	-
Total general revenues	<u>57,089,163</u>	<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>
Business-type activities:										
Unrestricted investment earnings	479,638	525,438	551,005	553,883	472,065	367,584	315,278	796,754	-	182,009
Transfers	-	-	-	-	-	-	(25,041)	-	645,417	(12,591)
Total business-type activities	<u>479,638</u>	<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>
Total primary government	<u>\$ 57,568,801</u>	<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>
Change in Net Assets										
Governmental activities	\$ 1,303,266	\$ (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	225,559	9,710	1,274,977	2,198,756	4,564,431	(380,985)	520,218	146,483	1,367,988	(901,492)
Total primary governmental	<u>\$ 1,528,825</u>	<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>
Component Unit - Land Trust										
Miscellaneous	\$ 44,309	\$ 38,477	\$ 33,702	\$ 34,864	\$ 41,873	\$ 47,683	\$ 42,010	\$ 33,380	\$ -	\$ -
Total general revenues	<u>\$ 44,309</u>	<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>
Change in Net Assets - component unit	<u>\$ 16,284</u>	<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 Ten Years

Exhibit 3	2013	2012	2011	Fiscal Year		2009	2008	2007	2006	2005	2004
				2010							
General Fund - Fund Balance Categories:											
Nonspendable:	595,204	-	18,847	*	*	*	*	*	*	*	*
Restricted:	2,507,549	2,478,727	2,278,668	*	*	*	*	*	*	*	*
Committed:	100,000	230,000	1,247,870	*	*	*	*	*	*	*	*
Assigned:	1,251,037	1,259,510	804,205	*	*	*	*	*	*	*	*
Unassigned:	6,721,114	5,842,439	5,181,016	*	*	*	*	*	*	*	*
Reserved											
Reserved for contingency	-	-	-	210,000	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	1,695,339	-
Designated for other improvements	-	-	-	436,638	444,327	1,082,424	648,529	345,611	245,420	245,420	-
Unreserved	-	-	-	4,445,470	2,622,685	1,988,024	2,937,042	3,237,463	3,168,705	3,168,705	5,129,192
Total general fund	\$ 11,174,904	\$ 9,810,676	\$ 9,530,606	\$ 5,716,330	\$ 4,160,832	\$ 4,345,726	\$ 5,119,671	\$ 5,617,417	\$ 5,109,464	\$ 5,109,464	\$ 5,335,874
School Unrestricted Fund *											
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	77,873	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	309,077	629,402
Total school unrestricted fund	\$ -	\$ -	\$ -	\$ 1,417,251	\$ 720,274	\$ 843,330	\$ 375,996	\$ 500,446	\$ 726,974	\$ 726,974	\$ 892,974
School Bond 52m Capital Fund											
Committed for: Education	3,421,077	6,434,194	8,326,692	*	*	*	*	*	*	*	*
Unreserved	-	-	-	16,700,799	7,939,707	-	-	-	-	-	-
Total School Bond 52m Capital Fund	\$ 3,421,077	\$ 6,434,194	\$ 8,326,692	\$ 16,700,799	\$ 7,939,707	\$ -					
School Renovations Fund											
Reserved for capital projects	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 56,024	\$ 554,948
Unreserved	-	-	-	-	-	-	-	-	-	5,768,232	6,400,607
Total School Renovations Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,824,256	\$ 6,955,555
Non-Major Governmental Funds											
Nonspendable:											
Inventories	5,083	6,121	4,532	*	*	*	*	*	*	*	*
Permanent fund principal	445,969	203,343	210,280	*	*	*	*	*	*	*	*
Restricted for:											
Education	52,226	298,361	291,393	*	*	*	*	*	*	*	*
Culture and recreation	-	728,562	728,562	*	*	*	*	*	*	*	*
Public works programs	1,041,487	28,188	93,894	*	*	*	*	*	*	*	*
Assigned for:											
Legislative, judicial	461,190	164,714	84,799	*	*	*	*	*	*	*	*
Long term obligations	391,891	609,391	585,896	*	*	*	*	*	*	*	*
Public safety programs	1,575,056	110,363	108,837	*	*	*	*	*	*	*	*
Community programs	115,530	120,161	128,055	*	*	*	*	*	*	*	*
Public works programs	209,076	154,232	457,385	*	*	*	*	*	*	*	*
Culture and recreation	1,383,367	1,490,547	1,435,172	*	*	*	*	*	*	*	*
Unassigned:	(41,252)	(223,648)	(247,070)	*	*	*	*	*	*	*	*
Reserved											
Reserved by trust agreements	-	-	-	218,586	215,288	240,495	297,548	-	-	-	-
Reserved for inventory	-	-	-	5,303	11,201	9,313	15,601	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	201,399	164,421
Permanent Funds	-	-	-	-	-	-	-	288,272	276,626	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	1,380,104	837,315
Total non-major governmental funds	\$ 5,639,623	\$ 3,690,335	\$ 3,881,735	\$ 3,774,461	\$ 8,694,511	\$ 7,648,730	\$ 3,017,648	\$ 5,468,425	\$ 1,858,129	\$ 1,858,129	\$ 1,302,565

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

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

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

Exhibit 4

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Revenues										
General property tax	\$ 50,068,123	\$ 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	7,047,875	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	1,110,840	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	13,369	744	232	89,386	94,635	204,322	353,610	269,296	194,009	83,578
Other revenues	4,196,947	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
Total revenues	62,437,154	53,859,770	51,460,773	51,655,209	50,107,311	47,864,453	44,599,596	43,956,644	42,118,177	40,570,633
Expenditures										
Current:										
Legislative, judicial and general administrative	3,704,108	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	516,025	519,975	501,807	499,059	498,266	486,637	453,747	434,951	418,003	367,226
Information technology	341,954	343,978	291,000	329,333	347,956	279,149	258,937	246,961	-	-
Public safety	8,498,052	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	2,983,305	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	797,851	710,552	405,521	457,285	474,880	715,504	809,787	725,611	806,418	157,651
Teen Center	5,000	9,280	-	-	-	-	-	-	-	-
Parks and recreation	548,634	569,657	522,161	557,343	542,383	121,236	138,963	128,370	134,445	577,570
Town planner	171,137	175,385	152,036	191,610	190,516	185,712	182,181	168,074	282,993	168,139
Senior and human services	236,342	214,953	239,353	229,342	245,204	228,993	193,227	190,719	183,352	-
Education	35,262,082	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 and contributions	25,000	24,000	-	-	-	-	-	-	-	-
Library	475,000	467,175	467,175	467,175	467,175	455,775	434,071	417,376	396,399	372,676
Land trust	28,025	76,388	-	4,600	-	30,828	14,532	1,627	13,826	-
Financing costs	2,650	1,338,229	650,037	-	28,342	96,603	124,707	116,804	122,397	534,955
Net decrease in FMV of investments	8,204	6,961	-	-	-	-	-	-	-	-
Capital	4,041,601	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	3,780,834	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	3,129,487	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
Total expenditures	64,555,291	95,913,297	101,797,901	78,865,819	59,586,450	53,928,170	47,697,610	45,993,393	43,052,580	41,557,297
Excess of revenues over (under) expenditures before other financing sources (uses)	(2,118,137)	(42,053,527)	(50,337,128)	(27,210,610)	(9,479,139)	(6,063,717)	(3,098,014)	(2,036,749)	(934,403)	(986,664)
Other financing sources (uses)										
Issuance of debt	-	36,640,000	44,135,000	33,000,000	18,240,000	9,600,000	-	-	9,600,000	9,774,400
BAN premium proceeds	-	3,609,699	332,320	304,127	-	-	-	-	-	-
Transfers from other funds	322,904	239,321	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	(322,904)	(239,321)	(723,640)	(30,032,915)	(31,291,902)	(28,582,517)	(27,408,680)	(26,345,824)	(25,446,196)	(27,363,155)
Total other financing sources (uses)	-	40,249,699	44,467,320	33,304,127	18,240,000	9,600,000	25,041	-	9,600,000	(957,838)
Net change in fund balances	(2,118,137)	(1,803,828)	(5,869,808)	6,093,517	8,760,861	3,536,283	(3,072,973)	(2,036,749)	8,665,597	(1,944,502)
Fund balances - beginning	19,935,205	21,739,033	26,191,590	21,515,324	12,837,786	8,513,315	11,586,288	13,518,823	14,486,968	6,657,070
Prior period adjustments	2,418,536	-	1,417,251	-	(83,323)	788,188	-	104,214	(33,742)	-
Fund balances - ending	\$ 20,235,604	\$ 19,935,205	\$ 21,739,033	\$ 27,608,841	\$ 21,515,324	\$ 12,837,786	\$ 8,513,315	\$ 11,586,288	\$ 23,118,823	\$ 4,712,568
Debt service as a percentage of noncapital expenditures	11.99%	65.14%	55.46%	17.94%	4.46%	4.71%	2.78%	3.04%	4.05%	3.66%

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		
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	2,151,158,443	2,437,884,602	211,448,926	149,876,034	2,362,607,369	2,587,760,636	17.49	91.30%
2013	2,083,973,157	2,151,158,443	223,865,943	223,865,943	2,307,839,100	2,375,024,386	20.14	97.17%

**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
2004	Real Estate Residential	17.14	2009	Real Estate Residential	14.00
	Motor Vehicles	22.88		Motor Vehicles	22.88
	Tangible	17.14		Tangible	14.00
	Inventory	11.85			
2005	Real Estate Residential	17.91	2010	Real Estate Residential	16.64
	Motor Vehicles	22.88		Motor Vehicles	22.88
	Tangible	17.91		Tangible	16.64
	Inventory	9.48			
2006	Real Estate Residential	18.33	2011	Real Estate Residential	17.25
	Motor Vehicles	22.88		Motor Vehicles	22.88
	Tangible	18.33		Tangible	17.25
	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			
2008	Real Estate Residential	13.54	2013**	Real Estate Residential	22.90
	Motor Vehicles	22.88		Motor Vehicles	22.88
	Tangible	13.54		Tangible	22.90
	Inventory	2.37			

The average total direct rate for 2013 is \$ 20.26

Note: Taken from annual certified tax role

Description of Property	Valuations	Rate	Levy
Real property	\$ 2,083,973,157	20.14	41,971,219.38
Motor vehicles	94,377,366	22.88	2,159,354.13
Tangible personal	62,108,166	20.14	1,250,858.46
<i>Total</i>	<u>2,240,458,689</u>		<u>45,381,432</u>
Average total direct rate for 2013			<u>20.26</u>

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

**TOWN OF EAST GREENWICH
PRINCIPAL TAXPAYERS
JUNE 30, 2013
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	24,085,700	1.01%
Saint Elizabeth Development	Nursing	21,149,426	0.89%
Valley Place Office Park LLC	Medical Offices	16,284,600	0.69%
National Grid	Utilities	14,284,836	0.60%
Stanley Bostitch	Manufacturer	13,433,660	0.57%
Cove Homes, Inc.	Elderly Housing	7,092,900	0.30%
Esmond Realty Corp	Shopping Center	6,594,800	0.28%
Linear retail EG #1 LLC	Shopping Center	6,408,300	0.27%
CNL Retirement LP	Real Estate	6,381,600	0.27%
John J Mchale & Sons	Medical Offices	5,731,100	0.24%
		<u>\$ 121,446,922</u>	<u>5.11%</u>
Total assessed valuation (gross)		<u><u>\$ 2,375,024,386</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%	861,743	37,497,792	99.39%
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%	1,078,070	43,127,086	99.96%
2012	44,015,852	42,802,430	97.24%	1,026,096	43,828,526	99.57%
2013	45,381,128	44,112,086	97.20%	1,177,449	45,289,535	99.80%

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

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

Exhibit 9

Fiscal Year	Governmental Activities			Business-Type Activities		Total Primary Government	Population	Personal Income	Per Capita ¹	Total Debt per Personal Income
	General Obligation Bonds	Bond Anticipation Notes	Capital Leases	General Obligation Bonds	Notes Payable					
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
2013	60,043,333	-	43,168	4,820,000	20,583,547	85,490,048	13,146	655,429	6,503.13	130.44

* Information unavailable as of date of report

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

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

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

Exhibit 10

Legal Debt Margin Calculation for the Fiscal Year 2013

Assessed Value (net)	\$ 2,240,445,689
Debt Limit 3% of Assessed Value	67,213,371
<i>Debt Applicable to Limit:</i>	
Total Bonded Debt	1,260,200
Legal Debt Margin	\$ 65,953,171

	2013	2012	2011	2010	2009	2008	2007	2006
Debt Limit	67,213,371	74,668,500	74,226,217	\$ 74,021,451	\$ 83,103,251	\$ 82,124,077	\$ 81,206,687	\$ 56,142,839
Total net debt applicable to limit	1,260,200	1,625,100	990,000	1,155,000	1,320,100	1,485,000	-	-
Legal debt margin	\$ 65,953,171	\$ 73,043,400	\$ 73,236,217	\$ 72,866,451	\$ 81,783,151	\$ 80,639,077	\$ 81,206,687	\$ 56,142,839
Total net debt applicable to the limit as a percentage of the debt limit	1.87%	2.18%	1.33%	1.56%	1.59%	1.81%	0.00%	0.00%

Note: Information for prior four 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
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%
2013	3,780,834	3,129,484	6,910,318	59,083,149	11.70%

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

TOWN OF EAST GREENWICH
 PRINCIPAL EMPLOYERS
 JUNE 30, 2013
 UNAUDITED

Exhibit 12

Name	Type of Business	Number of Employees					Percentage of Total Town Employment				Number of Employees		Number of Employees		Number of Employees
		2013	2012	2011	2010	2009	2012	2011	2010	2009	2008	2007	2006	2005	2004
Piceme-Military Housing LLC	Construction	773	815	806	*	*	13.99%	13.84%	*	*	*	*	*	*	*
Stanley Bostich, Inc	Manufacturing	**	**	*	200	550		*	3.43%	9.44%	*	*	*	*	*
Town of East Greenwich	Government	454	454	463	463	488	7.79%	7.95%	7.95%	8.38%	*	*	*	*	*
Dave's Market Palce	Retail	264	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	200	280	200	185	200	4.81%	3.43%	3.18%	3.43%	*	*	*	*	*
Semi Components of RI	Manufacturing	85	104	103	110	110	1.79%	1.77%	1.89%	1.89%	*	*	*	*	*
Paul Bailey's EG Ford Inc.	Auto Sales	97	107	103	103	103	1.84%	1.77%	*	*	*	*	*	*	*
Bank of Newport	Bank	257	259	*	*	*	4.45%	*	*	*	*	*	*	*	*
CBOCS	Restaurant	105	113	*	*	*	1.94%	*	*	*	*	*	*	*	*
NE Technology	Education	554	556	*	*	*	9.55%	*	*	*	*	*	*	*	*

*Information unavailable as of date of report

** Low employee count or closed business.

**EAST GREENWICH PUBLIC SCHOOLS
MISCELLANEOUS STATISTICS
JUNE 30, 2013
UNAUDITED**

Exhibit 13

BUILDINGS

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

STUDENTS

	K-5	Middle	High	Total
2013	1081	592	729	2402
2012	1025	572	766	2363
2011	1169	400	741	2310
2010	1223	419	760	2402
2009	1187	405	784	2376
2008	1180	417	789	2386
2007	1185	422	778	2385
2006	1243	433	793	2469
2005	1270	450	711	2431
2004	1320	464	666	2450

Administrative

Certified Staff:

Instructional	152.4
School Management	14.0
ESL	1.0
Occupational Therapists	4.0
Speech & language	5.3
Special Education	38.0
Other (Librarians, Counselors, Nurses, etc.)	<u>23.8</u>

Total Certified Staff

238.5

Non- Certified Staff

Secretary and Clerical	26.0
Building and Maintenance	23.0
Teacher Assistants	57.2
Technicians	2.0
Attendance Officer	<u>1.0</u>
	<u>109.2</u>

Total FTE's

347.7

Data collected from School Department

**TOWN OF EAST GREENWICH
MISCELLANEOUS STATISTICS
JUNE 30, 2013
UNAUDITED**

Exhibit 14

Founded	1644	Police Protection	
Town Incorporation	1677	Buildings	1
		Employees:	
Type of Government	Council / Town Manager	Law Enforcement	33
		Dispatchers	6
Fiscal Year begins	July 1	Community Service Officers	13
Population	Official US Census	Recreation	
	1950 4,923	Natural Parks	5
	1960 6,100	Playgrounds	12
	1970 9,577	Ball Diamonds	
	1980 10,211	Hard Ball	3
	1990 11,865	Soft Ball	3
	2000 12,948	Multi-purpose fields	14
	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
Miles of Streets		Running Tracks	1
Local Paved	80	Tennis Courts	12
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	60
		Part time	26
Library			
Full Time Employees	5		
Part Time Employees	12		
Town Unemployment Rate:	7.75%		

Note: Data collected from various Town departments

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

Exhibit 15

Function	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Government	*	*	*	*	22	22	22	21	23	24
Public Safety										
Police										
Officers	*	*	*	*	30	29	32	32	31	33
Civilians	*	*	*	*	8	8	8	8	8	8
Fire Department										40
Parks	*	*	*	*	11	11	10	10	10	10
Public Works	*	*	*	*	23	23	24	24	25	25
Senior Services	*	*	*	*	5	5	4	4	4	4
Sewer	*	*	*	*	1	1	5	5	5	5
Total	*	*	*	*	100	99	105	104	106	149

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

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

Exhibit 16

Function	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Public Safety										
Police:										
Stations	*	*	*	*	1	1	1	1	1	1
Patrol units	*	*	*	*	30	29	32	32	32	32
Fire Stations	*	*	*	*	2	2	2	2	2	2
Highways and Streets										
Streets (miles)	*	*	*	*	80	80	80	80	80	80
Culture and recreation										
Parks	*	*	*	*	4	4	5	5	5	5
Skating Arenas	*	*	*	*	1	1	1	1	1	1
Tennis Courts	*	*	*	*	12	12	12	12	12	12
Ball Diamonds	*	*	*	*	5	5	6	6	6	6
Playgrounds	*	*	*	*	12	12	12	12	12	12
Basketball Courts	*	*	*	*	6	6	6	6	6	6
Running Tracks	*	*	*	*	1	1	1	1	1	1

* Information unavailable as of date of report

Sources: Various government departments

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

Exhibit 17

Function	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Police										
Physical Arrests	*	*	*	*	380	331	439	212	254	248
Parking Violations	*	*	*	*	971	1,112	902	1,052	915	1417
Traffic Violations	*	*	*	*	1,620	1,126	2,619	1,542	2,166	2712
Highway and Street										
Street Resurfacing (miles)	*	*	*	*	4.50	3.00	3.00	5.90	6.50	0
Sanitation										
Refuse Collected (tons/day)	*	*	*	*	13.44	11.83	12.07	12.09	11.31	10.92
Paper Recyclables Collected (tons/day)	*	*	*	*	1.77	1.79	2.89	2.71	0	
Mixed Recyclables Collected (tons/day)	*	*	*	*	3.09	3.03	1.91	1.93	0	
Total Recyclables **									4.51	4.67
Wastewater										
Average Daily Sewage Treatment (thousands of gallons)	*	*	*	*	974	1,080	1,240	1,006	1,069	978

* Information unavailable as of date of report

Sources: Various government departments

** New program that combines both types of recyclables.

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

Exhibit 18

Fiscal Year Ended June 30	Population¹	Median Family Income⁴	Median Home Price²	Personal Income² (amounts expressed in thousands)	Per Capita Personal Income⁴	Median Age⁴	School Enrollment³	Unemployment Rate⁴
2004	*	*	*	*	*	*	2,450	*
2005	*	*	*	*	*	*	2,431	*
2006	*	*	*	*	*	*	2,469	*
2007	*	*	*	*	*	*	2,385	*
2008	11,865	85,620	475,000.00	582,191.82	49,068.00	40.50	2,386	7.10%
2009	13,293	79,691.00	463,750.00	652,260.92	49,068.00	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%
2013	13,146	122,418	486,800	655,429	53,060	44.60	2,402	7.50%

* Information unavailable as of date of report

Data sources

¹ US Census Bureau

² US Census Community Survey (year average)

³ East Greenwich School Department

⁴ Rhode Island Department of Labor and Training

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

Exhibit 19

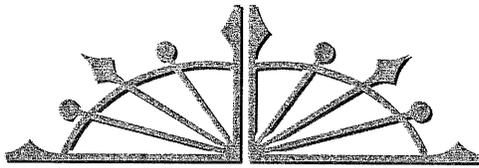
Fiscal Year	General Obligation Bonds	Estimated Actual Value of Property 1	Per Capita 2
2013	64,863,333	2,375,024,386	0.020%
2012	68,964,167	2,587,760,636	0.019%
2011	35,995,000	2,552,032,756	0.037%
2010	28,240,000	2,538,472,843	0.048%
2009	24,380,000	2,920,122,660	0.055%
2008	17,080,000	2,884,838,315	0.069%
2007	9,429,873	2,829,429,570	*
2006	10,392,977	1,966,191,655	*
2005	11,396,005	1,901,649,723	*
2004	12,679,033	1,875,670,302	*

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

***TOWN OF EAST GREENWICH, RHODE ISLAND
SINGLE AUDIT
FOR THE YEAR ENDED JUNE 30, 2013***



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

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

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of East Greenwich, Rhode Island as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Town of East Greenwich's basic financial statements, and have issued our report thereon dated December 06, 2013

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Town of East Greenwich's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests

disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

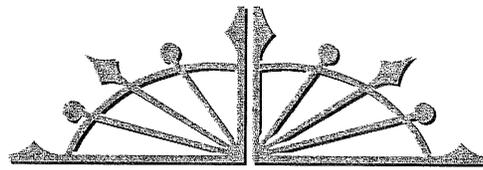
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in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

A handwritten signature in cursive script that reads "Baxter Dansereau & Associates, LLP". The signature is written in dark ink and is positioned above the printed name of the firm.

Baxter, Dansereau & Associates, LLP

West Warwick, Rhode Island

December 6, 2013



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

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

REPORT ON COMPLIANCE FOR MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for the Major Federal Program

We have audited the Town of East Greenwich's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Town of East Greenwich, Rhode Island's major federal programs for the year ended June 30, 2013. The Town of East Greenwich's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Town of East Greenwich's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 Town of East Greenwich's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, Town of East Greenwich, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of Town of East Greenwich is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Town of East Greenwich's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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 Town of East Greenwich's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.


Baxter, Dansereau & Associates, LLP
West Warwick, Rhode Island
December 6, 2013

TOWN OF EAST GREENWICH, RHODE ISLAND
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2013

	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures</u>
U.S. Department of Agriculture			
Passed through the State of Rhode Island Department of Education			
<i>Child Nutrition Cluster:</i>			
National School Breakfast Program	10.553	N/A	\$ 270
National School Lunch Program	10.555	N/A	95,994
Food Donation (Note 4)	10.550	N/A	29,413
Total Passed through State of RI Department of Education			<u>125,677</u>
Passed through the State of Rhode Island Department of Environmental Management			
Wildlife Habitat Incentive Program	10.914	WHIP	19,742
Total U.S. Department of Agriculture			<u>\$ 19,742</u>
U.S. Department of Energy			
Passed through the State of Rhode Island Office of Energy			
ARRA - Energy Efficiency & Conservation Block Grant	81.128	N/A	\$ 107,624
Total U.S. Department of Energy			<u>\$ 107,624</u>
U.S. Department of Housing and Urban Development			
Passed through the State of Rhode Island Office of Housing and Community Development			
Community Development Block Grant/States Program	14.228	Various	\$ 98,387
Total U.S. Department of Housing and Urban Development			<u>\$ 98,387</u>
U.S. Department of Justice			
Passed through the State of Rhode Island Department of Justice			
ARRA - Edward Byrne Memorial Justice Assistance Program Grants to Units of Local Government	16.807	2009-SB-B9-2059	41,033
Total U.S. Department of Justice			<u>\$ 41,033</u>
U.S. Department of Education			
Passed-through the State of Rhode Island Department of Education			
Title I Grants to Local Education Agencies	84.010A	2725-11702-001	\$ 85,294
<i>Special Education Cluster:</i>			
Special Education - Grants to States	84.027A	2725-13202-001	552,969
School Support Implementation Grant	84.027A	2725-13202-310	3,509
Special Education - Preschool Grants	84.173A	2725-13502-001	9,447
English Language Acquisition State Grant	84.365	N/A	8,096
Improving Teacher Quality State Grants	84.367A	2725-16402-001	57,989
ARRA - Race to the Top	84.395A	4572-13502	81,216
Total U.S. Department of Education			<u>\$ 798,520</u>
Total Federal Expenditures			<u>\$ 1,190,983</u>

TOWN OF EAST GREENWICH, RHODE ISLAND
Schedule of Findings and Questioned Costs
For The Year Ended June 30, 2013

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness (es) identified? yes X no

Significant deficiency (ies) identified 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: Unmodified

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
84.027	School Support Implementation Grant
84.173	Special Education Grants to States - Preschool

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

Auditee qualified as low risk auditee? X yes no

SECTION II – FINANCIAL STATEMENT FINDINGS yes X none

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

TOWN OF EAST GREENWICH, RHODE ISLAND
Schedule of Findings and Questioned Costs
For The Year Ended June 30, 2013
(continued)

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

A. Significant Deficiency in Internal Control

None Reported.

B. Compliance

None Reported.

SECTION III – FINDINGS AND QUESTIONED COST FOR FEDERAL AWARDS

A. Finding

None Reported

B. Questioned Costs

None Reported

TOWN OF EAST GREENWICH, RHODE ISLAND
Schedule of Prior Year Findings and Questioned Costs
For the Year Ended June 30, 2013

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, 2013

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, 2013, 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
84.027	School Support Implementation Grant
84.173	Special Education Grants to States - Preschool

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 \$29,413 represents the market value of such commodities used during the period.