
TOWN OF GLOCESTER

***COMPREHENSIVE ANNUAL
FINANCIAL REPORT***

***FOR THE FISCAL YEAR ENDED
JUNE 30, 2014***

GLOCESTER, RHODE ISLAND

TOWN OF GLOCESTER RHODE ISLAND

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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DIRECTOR OF FINANCE
PREPARED BY: FINANCE DEPARTMENT**

TOWN OF GLOCESTER, RHODE ISLAND COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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INTRODUCTORY SECTION

This Section Contains the Following Subsections:

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



TOWN OF GLOUCESTER

DEPARTMENT OF FINANCE

DEPARTMENT OF HUMAN RESOURCES

GLOUCESTER SCHOOL DISTRICT BUSINESS OFFICE

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Diane L. Brennan

Director

Director

Business Manager

December 17, 2014

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

We hereby submit the Comprehensive Annual Financial Report for the Town of Gloucester (Town), for the fiscal year ended June 30, 2014. The report has been prepared in accordance with generally accepted accounting principles (GAAP), adhering to the format promulgated through the Governmental Accounting Board's Statement 34. Responsibility for the accuracy of the data presented, as well the fairness of the representations contained within the report, rests with the Town's management. To provide a reasonable basis for making these representations, the Town has established a comprehensive internal control framework that is designed to protect the Town's assets from theft, loss, or misuse, and to promote the compilation of reliable financial information for reporting and forecasting purposes. Since the cost of the internal control system should not outweigh its benefits, the Town's internal control system has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatements. As management, we assert that, to the best of our knowledge, and in all material respects, this report is fair, complete, and summarizes the Town's financial position in a comprehensive manner.

The Comprehensive Annual Financial Report is presented in four sections: Introductory, Financial, Statistical and Single Audit Section. The Introductory Section contains this letter of transmittal, the Town's Organizational Chart, a listing of Town Officials and the prior year's Certificate of Achievement for Excellence in Financial Reporting. The Financial Section contains the independent auditor's report, the Management Discussion and Analysis (which should be read in conjunction with this transmittal letter to provide the reader with a greater understanding of the Town's net position and fund activity), the government-wide financial statements, the basic financial statements of major and non-major funds, notes to the financial statements, and other supplementary information. The Statistical Section provides selected financial and demographic information presented on a multi-year basis. The Single Audit Section reflects the Town's conformity with the Single Audit Act of 1996 and the United States Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," the Town is required to submit to an annual audit of all federal grant awards. The Single Audit contains the schedule of expenditures of federal grant awards.

Government Profile

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

The Town operates under a Home Rule Charter adopted in 1991 providing for a Town Council form of government with a five-member Town Council, elected at-large for terms of two years, and headed by a Council President. All legislative powers of the Town are vested in the Town Council by the Charter including all powers to enact, amend or repeal ordinances relating to the Town's property, affairs and government (which include the power to create offices, departments or agencies of the Town, preserving the public peace, health and safety, and establishing personnel policies) except such powers as are reserved by State Law to the annual Financial Town Meeting (which include the ordering of any tax, making appropriations, giving effect to any vote of the Financial Town Meeting authorizing the issuance of bonds, providing for an annual audit of the Town's accounts and transacting any other business pertaining to the financial affairs of the Town).

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

Component Unit

The Glocester Land Trust (Land Trust) has been presented as a component unit of the Town in the accompanying government-wide financial statements. Further information regarding the purpose of the Land Trust and the definition of component unit is provided in Note 1, page 30 of the financial statements.

Public Education

The public school system of the Town consists of two elementary schools, grades kindergarten through 5, and is served by the Glocester School Department. Grades 6 through 12 are served by the Foster-Glocester Regional School District of which the Town of Glocester and the Town of Foster are member communities. The Foster-Glocester Regional School District was incorporated and its fiscal authority established by Acts of the General Assembly in 1958 and 1959.

The general administration of the Glocester School Department is directed by a six-member School Committee whose members are elected at-large with three members being elected at each regular biennial election. These six members of the Glocester School Committee along with the three School Committee members from the Town of Foster are ex-officio members of the Foster-Glocester School Committee.

The Gloucester School Committee determines and controls all policies affecting the administration, maintenance, and operation of the public schools in the Town. The School Committee appoints a Superintendent as their chief administrative agent and such other administrative officers as deemed necessary. The school committee submits a budget of expenditures and revenues to the voters at the annual Financial Town Meeting. The Town of Gloucester holds an annual Financial Town Meeting on the first Saturday after the first Friday in May. The Gloucester elementary school budget is adopted at that meeting. Upon approval, the School Committee determines the allocations of the amounts appropriated. The Foster-Glocester Regional School District holds an annual Financial Town Meeting on the third Tuesday in March. The regional budget is adopted at that meeting.

The Town Charter provides that, based on budget estimates submitted by the Gloucester School Committee, the Town Council establishes the Gloucester School Department's appropriation in total only. The School Committee determines the allocation of the amounts appropriated.

The Town of Gloucester's school system consists of two elementary schools, Fogarty Memorial and West Gloucester Elementary School. The elementary schools provide learning for kindergarten through grade five.

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

The cost of operation of the Town's elementary school system for fiscal year 2014 was \$8,803,363. In fiscal year ending June 30, 2014, the Town paid \$9,571,341 to the Foster-Glocester Regional School District (FGRSD). The Town will pay \$9,692,789 to the FGRSD for fiscal year 2015, a 1% increase. This 2015 budget includes an increase of \$121,448 for Gloucester. Cost of operations is based on actual enrollment of students attending FGRSD from the Town of Gloucester and the Town of Foster. A change or shift in actual enrollment from the estimate used to prepare the budget causes an increase or decrease in the budget.

The Fogarty Memorial and West Gloucester elementary schools were constructed in 1975 and 1991 respectively. There is presently a staff of 75 in both schools, 54 of whom are teachers and professional staff and 26 are support staff. The Gloucester average per pupil expenditure for 2013 is \$16,276 as listed by the Rhode Island Department of Education.

A new Ponaganset Middle School building was completed in August 2007. The Ponaganset High School South building was constructed in 1960 and the Ponaganset High School North building was constructed in 1965. Both the North and South buildings were recently renovated (completed in 2010). There is presently a staff of 172.3 in both schools, 112.8 of whom are teachers, and 15 are teachers' aides. Per 2013 state statistics, the average per pupil expenditure amounts to approximately \$16,414. In the graduating class of 2014, 64% and 34% of all high school graduates continued their education by attending four- and two-year colleges, respectively. Two percent enlisted in the military.

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

<u>Year</u>	<u>Grades kindergarten through 5 Glocester</u>	<u>Grades 6 through 12 Glocester</u>	<u>Total student population Glocester</u>	<u>Grades 6 through 12 Foster</u>	<u>Total population grades 6 thru 12 F-G Region</u>
Actual enrollment					
1994-95	879	987	1,866	[397]	1,384]
1995-96	892	1,009	1,901	[403]	1,412]
1996-97	890	1,044	1,934	[417]	1,461]
1997-98	886	1,060	1,946	[442]	1,502]
1998-99	876	1,130	2,006	[434]	1,564]
1999-00	890	1,108	1,998	[478]	1,586]
2000-01	893	1,117	2,010	[481]	1,598]
2001-02	802	1,134	1,936	[496]	1,630]
2002-03	794	1,157	1,951	[542]	1,699]
2003-04	813	1,134	1,947	[552]	1,686]
2004-05	754	1,140	1,894	[548]	1,688]
2005-06	689	980	1,669	[654]	1,634]
2006-07	826	1,038	1,864	[559]	1,597]
2007-08	639	1,097	1,736	[425]	1,522]
2008-09	638	976	1,614	[435]	1,411]
2009-10	597	926	1,523	[430]	1,356]
2010-11	598	868	1,466	[410]	1,278]
2011-12	626	873	1,499	[403]	1,276]
2012-13	591	874	1,465	[400]	1,274]
2013-14	538	782	1,320	[363]	1,145]

Projected enrollment

2014-15	539	787	1,326	[348]	1,135]
2015-16	530	760	1,290	[346]	1,106]
2016-17	520	751	1,271	[344]	1,095]
2017-18	515	755	1,270	[344]	1,099]

During fiscal year 2014, the Glocester School Department expended \$9,559,930. This included \$8,803,363 in the General Fund; \$316,349 pension contribution for certified employees by the State of Rhode Island; and \$440,218 in several special revenue funds. Their fiscal 2015 expense appropriation for operations is \$9,669,169. The fiscal 2015 State Aid for school operations has been budgeted at \$2,636,080.

Town Services

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

Executive and Administration

The Town Council exercises general oversight of the Town. The Office of the Town Clerk, the Department of Finance which includes Human Resources and the Town Solicitor provide direct assistance to the council with daily operations. The Town Clerk's Office is responsible for all record maintenance and supervision of the probate court. During fiscal 2014, the Central Administration and Financial Administration groups expended \$1,380,404. This amount includes \$723,750 in Central Administration expense (page 105); \$579,654 in Financial Administration expense (page 106). Included in this total are transfers for Financial Administration of \$50,000 (page 112) to a revaluation reserve account and \$27,000 in Central Administration for the comprehensive plan. The fiscal 2015 budget has been set at \$1,485,556.

Public Safety

Police: The Town Police Department is responsible for Public Safety and has a force of 15 full-time sworn officers, including the Chief, Captain, Lieutenant, 2 Sergeants and 10 police officers. The department also has 5 full- and 1 part-time Dispatchers. The Chief of Police is the Town's Public Safety Officer. The Dispatchers address police and three independent fire districts. The police station, built in 1990, provides facilities for public safety issues. During fiscal 2014, the Police Department expended \$1,824,825. This includes department expense of \$1,812,923 (page 107), and a net transfer of \$11,902 for the equipment maintenance reserve (page 112). For fiscal 2015, \$1,981,451 has been designated for operations.

Office of Animal Control: The Police Department is also responsible for the Office of Animal Control which has 1 full- and 3 part-time Animal Control Officers. They are responsible for the care of animals in their custody, encouraging adoptions, and the general protection of the public against stray and wild animals. During fiscal 2014, the Office of Animal Control expended \$89,707 (page 107). For fiscal 2015, \$97,172 has been designated for operations.

Fire and Rescue: Fire protection and rescue services in the Town of Glocester are provided by three separate political entities created by State statute: the Harmony Fire District, the Chepachet Fire District and the West Glocester Fire District. Each districts is responsible for the acquisition and maintenance of fire equipment, facilities and stations in the respective areas served by the districts. There is one station in each of the Harmony and Chepachet districts. There are two stations in the West Glocester district. The districts are independent of the Town of Glocester and the Town is not directly responsible for their expenditures nor does the Town derive any income from their operations. By statute, the fire districts have separate ad valorem taxing powers on the real property situated in the area served by each district. Staff includes approximately 80 volunteers, 20 per diem EMT's, and 1 full-time employee.

Building/Zoning Office: The Building/Zoning Officer and 4 part-time inspectors are responsible for insuring compliance with state and local building code ordinances and laws. The budget for the Building/Zoning Office is included with the Central Administration total. In Fiscal 2014, the building and zoning department expenditures were \$154,219 (page 104). For Fiscal 2015, the budget allocation for this department is \$165,266.

Social Services

Parks and Recreation: The Town employs a part-time Recreation Director who oversees activities at 2 Town beaches, 3 parks and various other recreational locations. Housed within the parks are 2 little league fields, 2 softball fields, 4 tennis courts, 4 basketball courts, 3 playgrounds, and walking trails. The Town also uses the facilities at the schools for basketball, tennis, and baseball programs. The 4th of July Ancients & Horribles parade, held in the Village of Chepachet, is a major event for the Town. This Parade is the second longest running Independence Day parade in Rhode Island celebrated for 88 consecutive years. Attendance has been upwards of 10,000 spectators annually. During fiscal 2014, the Recreation Department expended \$98,519. The Town made a contribution for the Independence Day parade of \$10,000 in Fiscal 2014 (page 112). For fiscal 2015, \$108,756 has been allocated for recreational activities and \$13,000 has been budgeted for the parade.

Libraries: There are two libraries (Glocester Manton Free Public Library and Harmony Library in the villages of Chepachet and Harmony, respectively) which operate independently from Town government. Each library is governed by a Board of Trustees. The Glocester Manton Free Public Library offers a collection of over 31,356 items and the Harmony Library offers over 44,243 items. As members of Ocean State Libraries, they both provide and promote open access to a broad range of informational, educational, cultural, and recreational materials and services (including wireless access to the internet) to the residents and the business community in Glocester. To further their mission, the libraries maintain membership in the Ponaganset Regional Libraries Network which was established to promote an awareness of library resources and services available to the residents of the Towns of Foster and Glocester through resource sharing and inter-library cooperation among the school and public libraries. Total library related expenditures for fiscal 2014 were \$205,883 for Manton Free Public Library and \$240,141 for Harmony Library. The Town contributed \$128,321 to the Manton Free Public Library and \$188,249 to the Harmony Library in 2014. These funds supported the acquisition of books and materials as well as an authorized staff of 4 librarians (2 full- and 2 part-time) holding masters degrees in Library and Information Services and support staffs of 10 part-time employees. Both libraries serve a total of 50,876 visitors per year. Budgeted Town aid for fiscal 2015 is \$137,805 for the Manton Free Public Library and \$190,236 for the Harmony Library. Together, both libraries circulate over 84,267 items per year, a per capita circulation of 8.4. Nearly half of Glocester's residents are registered borrowers of its libraries. In addition, Glocester Manton Free Library offered 169 programs that were attended by 2,355 people. Harmony Library offered 325 programs that were attended by 3,680 people. The Glocester Manton Free Public Library has 14 public-use computers and two hand held devices and the Harmony Library has 21 computers and five hand held devices.

Human Services: The Human Services department provides transportation for Town residents to doctor offices, medical facilities, and for shopping trips for senior citizens and citizens with disabilities. It also operates a food bank and provides information assistance and emergency energy funds for residents in need. Fiscal 2014 expenditures totaled \$44,900. This includes department expense of \$31,900 (page 110) and transfers \$13,000 (page 112) to Emergency Energy Fund. The Human Services department has \$63,621 budgeted for fiscal 2015.

Senior Center: Social services including a lunch-time meal-site and various daily activities and programs are provided to the Town's seniors at our senior center building (completed in January 2007). Fiscal 2014 expenditures totaled \$159,328 (page 110). \$169,847 is budgeted for fiscal 2015.

Physical Resources

Planning and Community Development: The Town Planner provides guidance on the physical development of the Town. The budget for the Town Planner is included in the Central Administration total budget. Fiscal 2014 expenditures for the Town Planner's Office totaled \$170,355. This includes a transfer of \$27,000 (page 112) for the comprehensive plan. The Federal Community Development Block Grant (CDBG) program is administered under the guidance of the Town Planner. For fiscal 2015, \$169,143 is budgeted for the planning department.

Public Works: An authorized staff of 15 full-time and 1 part-time employee maintains 97.6 the Town's 148.8 miles of roads [38.3 miles of the 148.8 miles are state roads] and 3 bridges, monitors the disposal operations of 2,592 tons of trash and 1,452 tons of recyclables per year, maintains the Town's vehicles and equipment, and maintains 10 buildings. During fiscal 2014, the Department expended \$1,754,272. This amount includes \$1,572,059, (page 109) in department expense and budgeted transfers (page 112) of \$150,000 to the Storm/snow related reserve account, \$27,011 to the road account, and \$5,202 for the Kent property improvements. \$1,827,202 has been allocated for fiscal 2015.

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

Economic Conditions and Outlook

Population

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

<u>Year</u>	<u>Population</u>	<u>Year</u>	<u>Population</u>
1930	1,693	1990	9,227
1940	2,099	2000	9,948
1950	2,682	2010	9,746
1960	3,397	2012	9,746
1970	5,160	2013	9,746
1980	7,550	2014	9,746

Employment

The census bureau provides information based on (NAICS) industry code for the Town. Based on reported information for 2012, Gloucester had 132 private business and industrial firms subject to the payment of employment security taxes. During that period, the annualized payrolls for those entities totaled \$25,071,000 and the average number of persons employed was 820. The following is a listing of the various types of industry as listed in the governmental census data for 2012 and 2011. In prior reports, governmental units were included. (censtats.census.gov)

Number of units

<u>Industry</u>	<u>2012</u>	<u>2011</u>
Agriculture, forestry, fishing & hunting	1	1
Construction	48	45
Manufacturing	4	3
Wholesale trade	1	1
Retail trade	19	20
Transportation & warehousing	5	5
Information	2	2
Finance & insurance	5	3
Real estate & rental & leasing	3	2
Professional & technical services	6	6
Management of companies & enterprises	0	1
Administrative support & waste management	4	4
Educational services	3	4
Health care & social assistance	9	11
Arts, entertainment, & recreation	1	1
Accommodation & food services	9	12
Other services (except Public Administration)	<u>12</u>	<u>13</u>
Total	<u>132</u>	<u>134</u>

Income Levels

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

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

Housing

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

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

Economic Development

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

A full Town-wide revaluation was completed as of December 31, 2010 which affected values for fiscal year 2012. Net values for fiscal year 2014 have been assessed at \$938,701,744, an increase of \$4,536,323 from the prior year. The Town completed a statistical revaluation as of December 2013 for the taxes to be raised for fiscal 2015. The net assessed value has decreased by 1.3% due primarily to a change in residential property values. Economic conditions in the Northeast may have contributed to the value decrease.

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

Former Chepachet Pharmacy Building: A local business owner purchased the building and has been renovated to house professional offices and a specialty restaurant.

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

In 2003, the company spent approximately \$89 million in refurbishing and replacement of their facilities and expanded their operations. The number of employees at the site increased from 40 to 88 with that expansion. At that time, they entered into a 20 year payment-in-lieu-of-taxes (PILOT) agreement with the Town. Total payments from that original agreement will amount to \$27,937,500. As part of the original agreement, FMIC paid \$1,630,500 in fiscal 2014, and will pay \$1,671,000 in fiscal 2015. Included in the agreement was the transfer to the Town of 98 acres of land valued (at that time) at \$466,884 to be used for public purposes.

The company expanded their facilities again in the summer of 2009, spending another \$45 million. The project included a new “natural hazard” testing facility (75,000 sq. ft.) which included a 10’ by 10’ earthquake simulation table and other natural disaster testing equipment. A new water treatment plant was constructed which allows reuse of the water used during the testing procedures. A 17,000 sq. ft. warehouse was also constructed. The number of employees increased to 96. With that expansion, the PILOT agreement was amended. FMIC paid an additional amount of \$488,125 in fiscal 2014. The amount is to increase to \$501,200 in fiscal 2015. An additional \$6,718,626 will be paid from this phase of the agreement and total payments from the PILOT will amount to \$34,656,126.

The company spent another \$2 million to build an addition to the hydraulics laboratory and office space. The work was completed as of April 2013. The PILOT agreement was amended to include this addition on June 20, 2013 and will provide an additional \$781,884 in tax revenue from Phase 3 from 2013 through 2021. The additional taxes received due to Phase 3 for fiscal 2014 was \$77,568. This will increase to \$79,895 for fiscal 2015.

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

Major Initiatives

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

At the November 2, 2004 general election, the taxpayers approved a change to the Town Charter to include a policy of maintaining an unassigned general fund balance at 12% (minimum) of proposed operating expenditures. The unassigned fund balance at June 30, 2014 was \$4,618,771 a decrease of \$215,491 or 4% less than the prior year. The unassigned fund balance is 16.8% of general fund expenses budgeted for fiscal year 2015. The decrease is due to the additional fund balance assignments for defined purposes. The overall fund balance has increased from 2013 by \$875,990 or 12%. Management has made an effort to identify the use of the fund balance reserves for those items deemed a priority by the community.

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

The Town remains committed to preserving recreational and open space areas. The Gloucester Land Trust (which, as noted above is presented in the government-wide financial statements as a component unit) purchased 41.39 acres in fiscal 2013 with a value of \$211,278. The Land Trust owns a total of 2,242 acres with an estimated value of 7,235,977 as of June 30, 2014.

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

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

The Town remains committed to maintaining the high quality of public education, allocating approximately 70.7% of the operating budget to education. Also, at the November 2, 2004 general election, the voters of the Towns of Foster and Gloucester approved a \$45,720,000 bond to finance the acquisition of land for and the construction of a new middle school and for the renovation of the Ponaganset High School and Ponaganset Middle School. The work was completed in September 2010.

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

In a collaborative effort with the Town, the Rhode Island Department of Transportation began construction in 2008 of over \$3,000,000 in infrastructure improvement to Chepachet Village.

These improvements include drainage reconstruction, new brick treatment sidewalks, benches, period lighting, street trees, and road reconstruction and intersection reconfiguration. These improvements will make the village safer, more pedestrian friendly and move traffic safely through the village. It is anticipated that these improvements will spur further investment into the businesses and residences in Chepachet by improving the business climate of the village. The first phase of this project was completed in November 2008 with the installation of a detention pond, landscaping, new sidewalks and curbing in one area of the village. The remaining improvements have begun and a round-about intersection to replace the stop light at the north junction of routes 44 and 102 in the spring of 2015. Plans continue to be worked on in conjunction with the Town and the State.

The Gloucester Town Hall, built in 1935, has, since 2008, undergone numerous improvements in order to improve energy efficiency, improve comfort for occupants and to remedy years of deferred maintenance. The improvements cost approximately \$626,356. In 2008, the exterior trim was repainted, the brick exterior was re-pointed, and the exterior doors were replaced with energy efficient doors with interior grids that resemble the original doors for the building. The original insulation in the attic was removed and new insulation installed in 2010. In 2011, new floors were installed in the main hall and Town Council Chambers. Additionally, ceiling tiles in the halls, restrooms, conference room and Town Council Chambers were replaced. The main hall, Town Council Chambers, restrooms and copy room were painted in 2011. Rooms in the southern wing were renovated as well. In 2012, new recording equipment was installed in two conference rooms and upgraded in the Town Council Chambers. A generator was purchased and installed to power the Town Hall during electric power outages. Also, the bathrooms were refurbished and modernized, the building interior common areas were repainted, and new exterior doors were installed at the south wing handicap entrance door together with energy efficient windows. The administrative finance offices were the last group to be renovated. These were completed during fiscal 2014.

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

The Town commissioned an actuarial study as required by the Governmental Accounting Standards Board Statement # 45 [Other Post-Employment Benefits (GASB 45)]. The study was completed by USI Consulting Group and a report was issued on July 1, 2012. Further information regarding Other Post-Employment Benefits is provided in Note 14 on pages 66 and 67 of the financial statements.

Financial Information

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

Budgetary Control

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

- The Town Council appoints a Budget Board of seven members from the qualified electors of the Town.
- Each Department, Commission, Office and Agency submits a written detailed budget to the Budget Board no later than January 2nd in each year.
- The Budget Board holds budget hearings at which the various Departments, Commissions, Offices and Agencies justify their requests.
- The Budget Board submits to the Town Council, no later than the third Thursday in March, its recommendations regarding all requests for appropriations together with revenue estimates and the projected tax levy required to support the budget recommendation.
- The Town Council reviews recommendations of Budget Board and makes such changes as it deems appropriate.
- The Town Council holds a Public Hearing (at which taxpayers are given an opportunity to comment on the budget) on its preliminary recommended budget at least 21 days prior to the Annual Financial Town Meeting. The Council has the authority to increase or decrease budget line items.
- The Town Council, by affirmative vote of the majority, adopts a recommended budget for presentation to the Financial Town Meeting no later than 15 days preceding its date.
- The final Budget is approved and a Tax Levy set by resolution at the Financial Town Meeting.

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

Reserves and Fund Balance

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

Cash Management

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

Risk Management

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

Debt Administration

The ratios of net debt service to budget, net bonded debt to total assessed (property) valuation and net bonded debt per capita provide useful information when evaluating the Town's financial position. These indicators were as follows on June 30, 2012, June 30, 2013, and June 30, 2014:

	<u>Net Direct Bonded Debt</u>	<u>Ratio of Net Debt Service to Budget</u>	<u>Ratio of Bonded Debt to Assessed Value</u>	<u>Debt per Capita</u>
June 30, 2012	\$3,775,000	2.67%	0.41%	\$387.34
June 30, 2013	\$3,365,000	2.30%	0.36%	\$345.27
June 30, 2014	\$2,940,000	2.75%	0.31%	\$300.55

(Please see statistical schedules 5, 9, 12 and 14 for additional information)

Independent Audit

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

Reporting Achievement

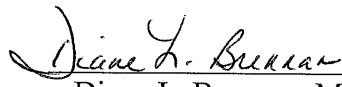
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Glocester for its comprehensive annual financial reports for the fiscal year ended June 30, 2013. This was the eighth consecutive year that the Town has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

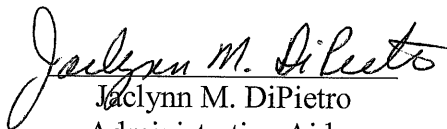
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

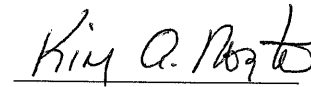
Acknowledgment

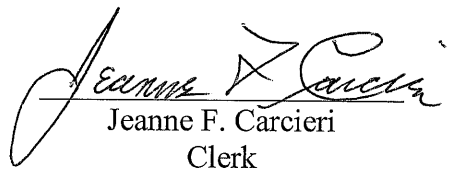
The preparation of this Comprehensive Annual Financial Report would not have been possible without the efficient and dedicated efforts of the staff of the Department of Finance and all of the employees of the Town of Gloucester. Their initiative, enthusiasm and proficiency are greatly appreciated. Special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

Respectfully submitted,

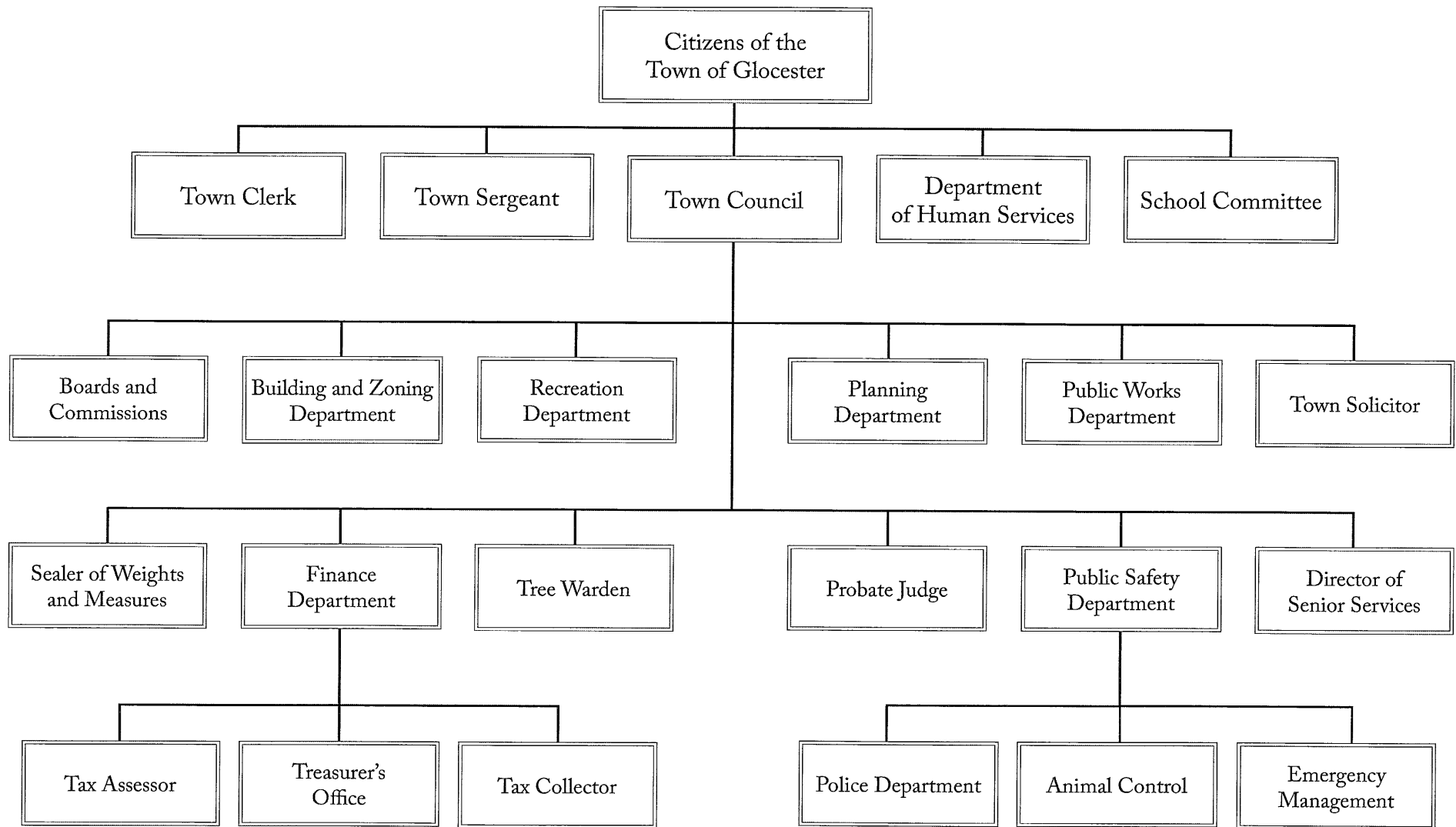

Diane L. Brennan, MBA
Director of Finance


Jaclynn M. DiPietro
Administrative Aide


Kim A. Montie
Financial Clerk


Jeanne F. Carcieri
Clerk

Town of Glocester, Rhode Island Organization Chart



TOWN OF GLOCESTER, RHODE ISLAND

TOWN COUNCIL

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

DIRECTOR OF FINANCE

Diane Brennan



Government Finance Officers Association

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

Presented to

**Town of Glocester
Rhode Island**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

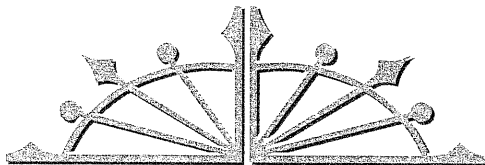
June 30, 2013

Executive Director/CEO

FINANCIAL SECTION

This Section Contains the Following Subsections:

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



BAXTER DANSEREAU & ASSOCIATES, LLP

Accounting, Consulting & Tax Services

Partners

William J. Baxter, Jr., CPA

Paul L. Dansereau, CPA

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Glocester, Rhode Island (Town) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Town of Glocester, Rhode Island as of June 30, 2014, and the respective changes in financial position thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4-20 and 73-76 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information


Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Glocester, Rhode Island's basic financial statements. The introductory section, combining nonmajor fund financial statements, 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 nonmajor 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 17, 2014, on our consideration of the Town of Glocester, Rhode Island's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Glocester, Rhode Island's internal control over financial reporting and compliance.


Baxter Dahsereau & Associates, LLP
West Warwick, Rhode Island
December 17, 2014

Management's Discussion and Analysis

TOWN OF GLOCESTER, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2014
(Un-audited)

Our discussion and analysis of the Town of Glocester, Rhode Island's financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2014. 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 as a result of operations during fiscal 2014. On a government-wide basis, the assets of the governmental activities of the Town of Glocester exceeded its liabilities at June 30, 2014 by \$28,861,933, which was an increase of \$914,285, which is net of a prior period adjustment of \$69,978 or 3.27% from the prior fiscal year. The net position of the Town's component unit increased by \$123,011, or 1.67%, to \$7,480,898. The net position of the Town's business type activities decreased by \$2,388, or 3.79%, to \$60,541.
- The Town's Government-wide operating expenses were \$27,213,296; this is a 4% or \$1,045,911 increase from the prior year. This is due mainly to an increase in the Department of Public Works expense of \$332,293, Educational expenses of \$306,337, Operational Expenses of \$232,510, and Social Services of \$131,538. The department of public works had increased cost due to road projects and storm related expenses. There were also increased expenses due to vehicle and equipment repairs and general highway cost. The harsh winter also accounted for part of this increase. The educational increase is due to a planned increase to the regional district budget. Population shifts and strength of tax capacity contributed to an increase in Glocester's share of the regional education costs. Operational expenses overages included an earlier than planned computer upgrade due to some hardware issues. The social services area increased due to town maintain control of the CDBG program that had been dormant in the previous year.
- As of the close of the fiscal year, the Town's governmental funds reported combined ending fund balances of \$13,398,240. The general fund unassigned fund balance of \$4,618,771 represents 34% of this total. This is also 19% of expenditures and other uses of funds for fiscal 2014.
- In fiscal year 2014 the Town's General Fund's revenues and other financing sources of funds exceeded expenditures and other uses of funds by \$375,684. On a budgetary basis, revenues and other sources of funds exceeded expenditures and other uses of funds by \$505,055.

Overview of the Financial Statements

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

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

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

TOWN OF GLOCESTER, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2014
(Un-audited)

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

Government-wide financial statements - are designed to provide readers with a broad overview of the Town's finances in a manner similar to that of private-sector businesses. They are presented on the accrual basis of accounting where revenues and expenditures are recognized in the period they occur as opposed to the period in which they are collected or paid.

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

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

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

The government-wide financial statements are reported on pages 21 through 22.

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

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.

TOWN OF GLOCESTER, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2014
(Un-audited)

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

Information is presented separately in the *Governmental Fund Balance Sheet* and in the *Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances* for the General Fund, the School Unrestricted Special Revenue Fund and the Capital Reserve Fund, which are considered major funds. Data from all other funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements on pages 77 through 102 in this report. The individual funds within the component unit have been summarized into the data presented.

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

Notes to Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are found on pages 29 through 71.

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 72 through 76.

Government-wide Financial Analysis

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

TOWN OF GLOCESTER, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2014
(Un-audited)

Analysis of the Town of Gloucester's Net Position

The Town's net position may be a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future. On a government-wide basis, the assets of the Town exceeded its liabilities at June 30, 2014 by \$28,861,933, an increase of \$914,285, or 3.27% from the prior year.

Current assets increased by \$218,228 or 1.48%, from 2013. This is due primarily to an increase in cash of \$549,095 and decrease of due from other governments of \$331,679.

Capital assets decreased slightly changing by \$47,083 overall.

Other liabilities decreased by \$318,241 due to a decrease in accounts payable and accrued expenses.

Long-term liabilities decreased by \$422,511 due primarily to debt service payments.

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

<i>Town of Gloucester</i>								
<i>Net Position</i>								
	<i>June 30, 2013</i>				<i>June 30, 2014</i>			
	Govern- mental Activities	Business Type Activities	Total	Component Unit	Govern- mental Activities	Business Type Activities	Total	Component Unit
Current and Other Assets	\$ 14,630,946	\$ 76,007	\$ 14,706,953	403,708	\$ 14,856,868	\$ 68,313	\$ 14,925,181	\$ 284,492
Capital assets	19,001,833	-	19,001,833	7,213,538	18,954,750	-	18,954,750	7,213,538
Total Assets	<u>33,632,779</u>	<u>76,007</u>	<u>33,708,786</u>	<u>7,617,246</u>	<u>33,811,618</u>	<u>68,313</u>	<u>33,879,931</u>	<u>7,498,030</u>
Other Liabilities	1,363,889	13,078	1,376,967	259,359	1,050,954	7,772	1,058,726	17,132
Long-Term Liabilities	4,321,242	-	4,321,242	-	3,898,731	-	3,898,731	-
Total Liabilities	<u>5,685,131</u>	<u>13,078</u>	<u>5,698,209</u>	<u>259,359</u>	<u>4,949,685</u>	<u>7,772</u>	<u>4,957,457</u>	<u>17,132</u>
Net Position:								
Net investment in capital assets	15,636,833	-	15,636,833	7,213,538	15,982,202	-	15,982,202	7,213,538
Restricted/Nonspendable	23,636	-	23,636	-	28,595	-	28,595	-
Restricted	5,021,080	-	5,021,080	-	4,709,047	-	4,709,047	-
Unrestricted	7,266,099	62,929	7,329,028	144,349	8,142,089	60,541	8,202,630	267,360
Total Net Position	<u>\$ 27,947,648</u>	<u>\$ 62,929</u>	<u>\$ 28,010,577</u>	<u>\$ 7,357,887</u>	<u>\$ 28,861,933</u>	<u>\$ 60,541</u>	<u>\$ 28,922,474</u>	<u>\$ 7,480,898</u>

TOWN OF GLOCESTER, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2014
(Un-audited)

The largest portion \$15,982,202 of the Town's net position consists of its investments in capital assets such as land, buildings and improvements, motor vehicles, furniture and equipment and infrastructure, less any outstanding debt used to acquire these assets. The Town uses these capital assets to provide services to its citizens. Consequently, these assets are not available for future spending. Although the Town's investment in its capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves are unlikely to be used to liquidate these liabilities.

An additional portion \$4,737,642 of the Town's net position represents resources that are subject to external restriction on how they may be used. The remaining balance of the Town's unrestricted net position may be used to meet the government's ongoing obligations to its citizens and creditors.

As of June 30, 2014, the Town of Glocester reports positive balances in all three categories of Net Position for the government as a whole.

Analysis of the Town of Glocester's Operations

The following analysis provides a summary of the Town's operations for the year ended June 30, 2014. Governmental activities increased the Town's net position by \$914,285, or 3.27%, for the current period. The Town's component unit activities increased its net position by \$123,011, or 1.67%, from the prior fiscal year ended June 30, 2014.

Total revenues net change was a slight decrease \$37,479, or .13%, from 2013. Operating Grants and Contributions were \$55,406 more than 2013 due to an increase from administration, public safety, social services, and operational expenses offset by less funding from education aide and school special revenue funds and public works for 2014. Capital Grants and Contributions decreased by \$437,554 due to the completion of the Chepachet River Cleanup and Chepachet wastewater /stormwater projects during fiscal 2013. Charges for Services increased by \$78,170 due primarily to an increase administration fees. Property tax revenues increased by \$271,655 over the prior year.

Total expenses increased by \$1,038,293 or 3.99% from 2013. This increase is due primarily to a public works increase of \$332,293, education costs of \$306,337, and operational expenses increased by \$232,510.

The Town's business-type activities net position decreased by \$2,388. The School Lunch program is the sole business-type activity in the Town.

The Town's Component unit net position increased by \$123,011, or 1.67%, and Capital Grants and Contributions increased by \$160,400, while expenses decreased by \$11,173. The increase in the component unit was due primarily to the decrease of liabilities. The final improvements of the Hawkins dam by Public Works were completed during Fiscal 2014.

TOWN OF GLOCESTER, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2014
(Un-audited)

Town of Gloucester, Rhode Island
Change in Net Position

	June 30, 2013				June 30, 2014			
	Govern- mental Activities	Business Type Activities	Total	Component Unit	Govern- mental Activities	Business Type Activities	Total	Component Unit
Revenues								
Program revenues								
Charges for services	\$ 567,480	\$ 58,211	\$ 625,691	\$ -	\$ 645,650	\$ 145,948	\$ 791,598	\$ -
Operating grants	4,193,353	87,651	4,281,004	5,833	4,248,759	-	4,248,759	166,233
Capital grants	530,670	-	530,670	-	93,116		93,116	-
General Revenues								
Property taxes	22,654,085	-	22,654,085	-	22,925,740	-	22,925,740	-
Investment earnings	111,690	-	111,690	49	119,885	-	119,885	15
Gain (loss)	29,142	-	29,142	-	16,073		16,073	-
Total revenues	<u>28,086,420</u>	<u>145,862</u>	<u>28,232,282</u>	<u>5,882</u>	<u>28,049,223</u>	<u>145,948</u>	<u>28,195,171</u>	<u>166,248</u>
Expenses								
Administration	785,087	-	785,087	-	928,912	-	928,912	-
Finance	619,435	-	619,435	-	547,164	-	547,164	-
Public Safety	2,207,975	-	2,207,975	-	2,146,761	-	2,146,761	-
Public Works	2,095,284	-	2,095,284	-	2,427,577	-	2,427,577	-
Recreation and senior center	358,137	-	358,137	-	379,978	-	379,978	-
Social Services	142,306	-	142,306	-	273,844	-	273,844	-
Operational expenses	327,098	-	327,098	-	559,608	-	559,608	-
Aid Requests	322,914	-	322,914	-	325,970	-	325,970	-
Education	19,024,086	-	19,024,086	-	19,330,423	-	19,330,423	-
Interest	144,345	-	144,345	-	144,723	-	144,723	-
School Lunch Program	-	140,718	140,718	-	-	148,336	148,336	-
Gloucester Land Trust	-	-	-	32,064	-	-	-	43,237
Total expenses	<u>26,026,667</u>	<u>140,718</u>	<u>26,167,385</u>	<u>32,064</u>	<u>27,064,960</u>	<u>148,336</u>	<u>27,213,296</u>	<u>43,237</u>
Change in net position	2,059,753	5,144	2,064,897	(26,182)	984,263	(2,388)	981,875	123,011
Net position beginning	25,860,409	57,785	25,918,194	7,384,069	27,947,648	62,929	28,010,577	7,357,887
Prior period adjustment	27,486	-	27,486	-	(69,978)	-	(69,978)	-
Net position ending	<u>\$ 27,947,648</u>	<u>\$ 62,929</u>	<u>\$ 28,010,577</u>	<u>\$ 7,357,887</u>	<u>\$ 28,861,933</u>	<u>\$ 60,541</u>	<u>\$ 28,922,474</u>	<u>\$ 7,480,898</u>

TOWN OF GLOCESTER, RHODE ISLAND
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Financial Analysis of the Town of Gloucester's Funds

Governmental Funds

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

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

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

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

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

Unassigned – items that have no restrictions placed on them.

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

General Fund

Nonspendable

Prepays: The \$25,495 prepaid expense is for payments made in 2014 for items covered in 2015. Included are annual software maintenance items for the Police Department, Treasurer's Office, Tax Assessor's revaluation support, and the cost for the annual code red telephone support.

Committed

Education: The town has committed \$180,000 for an anticipated loss in state education revenue aid. This is to plan for a future reduction.

Capital Projects: The town has committed an additional amount of \$353,099 for the purposes of increasing the capital reserves.

Recreation: The town has committed \$80,000 devoted to the purchase of /or maintaining existing recreational sites.

TOWN OF GLOCESTER, RHODE ISLAND
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Assigned

Administration: The assignment for Revaluation Reserve increased by \$29,340 from \$267,938 in 2013 to \$297,278 in 2014 and the Comprehensive Plan increased by \$9,554 from \$28,770 in 2013 to \$38,324 in 2014. The assignment of \$1,508 for Tree Planting remains unchanged from 2013.

Public safety: The assignment for Radio Equipment decreased by \$6,146 from \$80,943 to \$74,797. The assignment for Police Equipment Maintenance increased by \$8,482 from \$40,482 in 2013 to \$48,964 in 2014. Rather than pay annual maintenance fees, the Town self-insures for damage to police equipment and maintenance on radio towers.

Public Works: The assignment for Storm Related Services decreased by \$67,625 from \$608,365 in 2013 to \$540,740 for the fiscal year ended June 30, 2014.

Recreation: The assignment for Senior Center Dues decreased by \$6,633 from \$21,859 in 2013 to \$15,226 in 2014. Amounts are to supplement activities and events at the Senior Center

Matching state grant funds: The \$50,000 reserve for grant matches remains unchanged.

Contractual obligations: The assignment for Accrued Compensated Absences increased by \$19,611 from \$360,308 in 2013 to \$379,919 in 2014 due to anticipated future expenses. The \$384,191 assigned for OPEB obligations increased by \$59,474 from \$324,717 in 2013. This amount exceeds the amount needed to cover the Town's cumulative Net OPEB Obligation.

Employee benefits: The amount assigned for Health Insurance increased by \$70,566 from \$226,352 in 2013 to \$296,918 in 2014. This amount is to smooth fluctuations of health insurance costs. Working rates are derived through the RI Interlocal Risk Management Trust operating a self-insurance health program for the Town of Gloucester.

Unassigned

The General Fund Unassigned fund balance in 2014 is \$4,618,771. This is a decrease of \$215,491 from the Unassigned fund balance of \$4,834,262. The committed reserve increases have offset this decrease.

School Unrestricted

Restricted

Education: This amount decreased from by \$92,994 from \$2,900,834 in 2013 to \$2,807,840 in 2014.

Assigned

Contractual obligations: The assigned amount of \$180,274 for OPEB did not change from 2013 to 2014. This amount exceeds the amount needed to cover the School's cumulative Net OPEB Obligation.

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Employee benefits: The assigned amount for Sick Day Buy-Out for certified employees remained the same \$375,250 in 2014. This amount is for payments to certified staff when they retire.

Medicaid expenditures: This amount increased by \$48,666 from \$252,305 in 2013 to \$300,971 due to an increase in Medicaid expenditures in 2014.

Education: The \$444,368 amount is for operational expenses in Fiscal 2015.

Capital Reserve Fund

Restricted

Capital projects: This restricted fund balance increased by \$66,315 from \$922,362 in 2013 to \$988,677 in 2014 due to projects funded but not yet completed.

Other Governmental Funds

Non-Spendable

Perpetual care: The amount of non-spendable reserves remained the same at \$3,100 for the fiscal year ended 2014.

Restricted

Administration: The total administration has increased to \$54,178 in 2014. This is an increase of \$8,175 from the amount of \$46,003 in 2013. The recycling grant and the historic records amount make up the majority of the increase.

Public safety: The amounts restricted in *Public safety* is \$72,022 for 2014. This is a decrease of \$8,719 from 2013. The Bramley grant decrease of \$8,530 for drug and alcohol prevention is the largest change in this category.

Recreation: The restricted amount has increased by \$13,800 from the amount in 2013. The total restricted portion of the recreation category is \$81,429 for 2014. The largest change in this category is a \$12,200 increase in Town's annual July 4th Ancients & Horribles parade account.

Social Services: The social service restricted amount for 2014 is \$242,329. This is a decrease of \$66,495 from 2013. The change is due to a \$66,435 reduction in the community septic system loan program

Education: This restricted fund balance for 2014 is \$64,397. This represents a decrease of \$3,788 from \$68,185 in 2013. The decrease in the professional development category for 2014 is \$3,579.

TOWN OF GLOCESTER, RHODE ISLAND
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Capital Projects: This restricted fund balance decreased by \$228,329 from \$617,218 in 2013 to \$388,889 in 2014. Capital improvements are reported in this category. The majority of the change is due to an increase expenses in the roads account of \$206,849 from 2013. The Fogarty roof project decreased by \$21,480, making up the significant changes for capital projects.

Perpetual Care: This restricted amount increased by \$2 from \$9,284 in 2013 to \$9,286 in 2014.

Town of Gloucester
Fund Balances

	<u><i>June 30, 2013</i></u>	<u><i>June 30, 2014</i></u>	
	Total Governmental Funds	Total Governmental Funds	Increase (Decrease)
Nonspendable	23,636	28,595	4,959
Restricted	5,021,080	4,709,047	(312,033)
Committed	104,244	613,099	508,855
Assigned	2,858,487	3,428,728	570,241
Unassigned	4,834,262	4,618,771	(215,491)
Total	<u>12,841,709</u>	<u>13,398,240</u>	<u>556,531</u>

General Fund Budgetary Highlights

Revenues

Total revenues reported in 2014 were more than budgeted amounts by \$285,211 or 1.2%.

Actual *General Property Taxes* collected exceeded budget by \$125,980 or 0.5%. Included in taxes collected was \$2,196,193 from Factory Mutual Insurance Company from a payment-in-lieu-of-taxes (PILOT) agreement, which commenced in 2003.

TOWN OF GLOCESTER, RHODE ISLAND
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Glocester received \$6,144 or 22.5% less than budgeted in *State housing aid*. The State's current practice is to pay housing aid for debt service for school construction projects in the year after the eligible project is completed. There has been a state imposed moratorium on school housing project reimbursement.

Revenues from licenses, fees and fines were \$487,411, or \$77,411 over the budget amount. This is primarily due to \$49,140 more collected for police detail vehicle fees, \$5,712 more in recycling fees and \$23,193 more in state realty tax stamps.

Interest and investment income was greater than budget by \$20,812 or 23% due to interest on taxes revenue of \$22,569 more than the budget amount. Receipts for interest on investments was less than budgeted by \$1,757 due to continued low interest rates.

Factory Mutual Phase III revenue of \$77,568 and additional Municipal State Aid of \$46,378 were items not included in the original budget and had a favorable impact on total revenues.

Expenses

Total expenditures and other financing uses in the Town's General Fund were less than the amount budgeted by \$219,844 or .9%. Significant positive variances were salary savings of \$64,629 for two positions. \$12,717 savings for a new *Planner* hired as 4/5th position and \$51,912 for the *Finance Director salary* and benefit savings due to a retirement and five month delay in filling the position with a permanent director; additional salary and benefit savings of \$38,386 were also realized in the *Police Department*; savings of \$54,456 due to increased recycling efforts also affected positive results. *Insurance – property/liability/other* resulted in savings of \$25,021 due to favorable rates from the RI Interlocal Trust. Other positive variance items of note are \$25,157 in *Legal services*; \$11,391 in *Human Services* due to fewer medical services and positive variances in the Department of Public Works division salary accounts are offset by negative variances elsewhere in the department due to the allocation of actual time worked recorded to the appropriate labor accounts.

TOWN OF GLOCESTER, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2014
(Un-audited)

The Town of Gloucester's Capital Assets

The Town of Gloucester's investment in capital assets for its governmental activities amounts to \$18,954,750, net of accumulated depreciation at June 30, 2014. Included are land, buildings and improvements, construction in progress, motor vehicles, furniture, machinery and equipment, and infrastructure.

Additional information on the Town of Gloucester's capital assets is located in notes 6 & 7 on pages 44 through 45 of the notes to the financial statements.

Town of Gloucester
Capital Assets (Net of Accumulated Depreciation)

	June 30, 2013		June 30, 2014	
	Govern- mental Activities	Component Unit	Govern- mental Activities	Component Unit
Land	\$ 1,697,814	\$ 7,120,112	\$ 1,697,814	\$ 7,120,112
Historical Building	-	93,426	-	93,426
Construction in Progress	289,374	-	72,702	-
Land Improvements	1,302,264	-	1,456,880	-
Buildings & Improvements	11,065,830	-	10,763,562	-
Motor Vehicles	604,683	-	740,686	-
Office Furniture/Equipment	202,852	-	312,824	-
Machinery & Equipment	537,360	-	523,595	-
Infrastructure	3,301,656	-	3,386,687	-
Total	<u>\$ 19,001,833</u>	<u>\$ 7,213,538</u>	<u>\$ 18,954,750</u>	<u>\$ 7,213,538</u>

The \$216,672 decrease in *Construction in Progress* was primarily due to the completion on the storm water/drainage project in the village of Chepachet.

The \$154,616 increase in *Land Improvements* was due to the completion of the storm water project, offset by annual depreciation.

The \$302,268 decrease in *Buildings & Improvements* was due to increased depreciation for the Animal Control Building.

TOWN OF GLOCESTER, RHODE ISLAND
Management's Discussion and Analysis
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(Un-audited)

The \$136,003 increase in *Motor Vehicles* was due to the purchase of a three (3) police vehicles at a cost of \$75,927; cost to purchase and refurbished a DPW vehicle for \$10,000; and the purchase of a six wheel dump truck \$57,845.

The \$109,972 increase in *Office Furniture/Equipment* was for the continued purchase of office furniture due to the restoration of town hall offices.

The \$13,765 decrease in *Machinery & Equipment* was the disposal of obsolete equipment no longer of use in the DPW or police departments.

The \$85,031 increase in *Infrastructure* was due to the addition of road paving costs and associated depreciation.

The Town of Gloucester's Debt Administration

The Town did not issue any new debt in 2014. The Town made payments on debt principal of \$425,000. The outstanding General Obligation debt decreased to a total of \$2,940,000 at June 30, 2014. All outstanding debt is backed by the full faith and credit of the government, including the Town's power to levy additional taxes to ensure repayment of the debt. Accordingly, all general obligation debt was approved by a vote of the citizens.

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

Town of Gloucester
Outstanding Debt
General Obligation Debt

	<u><i>June 30, 2013</i></u>	<u><i>June 30, 2014</i></u>
	Govern- mental Activities	Govern- mental Activities
Road Improvements	\$ 760,000	\$ 520,000
Open Space (Land Trust)	355,000	300,000
Senior Center	1,740,000	1,650,000
Fogarty Elementary School Roof	510,000	470,000
Totals	<u>\$ 3,365,000</u>	<u>\$ 2,940,000</u>

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

Except as provided below, under Section 45-12-2 of the General Laws of Rhode Island, the Town may not, without special statutory authorization, incur any debt, which would increase its aggregate indebtedness not otherwise excepted by law to an amount greater than 3% of the taxable property of the Town. Deducted from the computation of aggregated indebtedness is the amount of any borrowing in anticipation of taxes authorized by law and the amount of any sinking funds maintained by the Town. The 3% debt limit of the Town for 2014 was \$28,161,034 [based on the net assessed valuation at December 31, 2012 of \$938,701,145. As of June 30, 2014, the Town had \$2,940,000 in outstanding bonds and notes issued within the 3% debt limit leaving a borrowing capacity of \$25,221,034.

The State legislature may, by special act, permit the Town to incur indebtedness outside the limitations imposed by the 3% debt limit. Special legislation adopted by the Legislature authorizing the Town to incur debt is subject to referendum by the electors of the Town. As of June 30, 2014, the town has no outstanding debt outside the 3% debt limit.

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

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

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

TOWN OF GLOCESTER, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2014
(Un-audited)

Economic Factors and Next Year's Budgets and Rates

- Unemployment rates from www.homefacts.com for 2014 are listed below (www.homefacts.com):

<u>6/30/2011</u>	<u>6/30/2012</u>	<u>6/30/2013</u>	<u>6/30/2014</u>	
7.0%	8.1%	6.4%	5.0%	Town of Glocester
10.8%	10.9%	8.5%	7.1%	State of Rhode Island
9.2%	8.2%	7.6%	6.1%	United States

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

<u>6/30/2011</u>	<u>6/30/2012</u>	<u>6/30/2013</u>	<u>6/30/2014</u>	
3.4%	1.5%	1.5%	1.4%	Northeast Urban area
3.6%	1.7%	1.8%	1.7%	United States

- The estimated median household income for Glocester is \$74,896 compared to the State's median income of \$54,554 for the for 2012 period. (www.City-data.com)

- The median house or condo value in 2012, according to the same site, is \$252,365 for Glocester. This compares to the state median value of \$234,600 for the same period.

- Glocester ranks 30th in population among Rhode Island's 39 cities and towns. The listed population is 9,782(www.rhodeisland-demographics.com).

- The Town's total general fund budget for fiscal year 2015 amounts to \$27,740,078. The portion for education is \$19,514,346 or 70.3%, and \$8,225,732 or 29.7%, for general fund activities. This reflects an increase of \$546,440 or 2.01% from 2014. The increase is comprised of an additional \$199,395 for capital reserves, \$149,493 in departmental expenses, \$121,448 to the Foster/Glocester Regional school, and \$80,000 reserve for recreation.

TOWN OF GLOCESTER, RHODE ISLAND
Management's Discussion and Analysis
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(Un-audited)

- The unassigned fund balance in the general fund decreased by \$215,491, or 4% to \$4,618,771 in 2014. The fund balance is 16.65% of proposed expenditures for 2015, which is above the 12% minimum required by the Town Charter.
- Since December 2000, per Rhode Island General Law 44-5-11.6, municipalities in Rhode Island are required to perform full revaluations on all "ratable" property every nine years and statistical revaluations every three years for the years in-between. Full revaluations were performed as of December 31, 2001 and December 31, 2010, which affected fiscal years 2003 and 2012, respectively. The Town of Glocester completed a statistical revaluation during Fiscal 2014 for the Fiscal 2015 tax year.

Net values for fiscal year 2015 have been assessed at \$926,453,713 a decrease of \$12,247,431 or 1.3%. The decrease is due primarily to a change in the residential property values. In fiscal year 2014, the assessed values were \$938,701,144. Economic conditions in the Northeast may have contributed to the value decrease.

The Town's tax rates for 2013, 2014 and 2015 are listed below. The tax on *Motor vehicles* has been frozen by the State of Rhode Island at \$24.37. Rates are per \$1,000 of valuation.

<u>Tax Rates</u>					
	<u>Fiscal</u> <u>2012-13</u>	<u>Increase</u> <u>(decrease)</u>	<u>Fiscal</u> <u>2013-14</u>	<u>Increase</u> <u>(decrease)</u>	<u>Fiscal</u> <u>2014-15</u>
Residential	\$ 21.25	\$ (0.01)	\$ 21.24	\$ 0.53	\$ 21.77
Commercial	24.15	(0.01)	24.14	0.70	24.74
Motor vehicle	24.37	-	24.37	-	24.37
Tangible	42.31	(0.02)	42.29	1.05	43.34

TOWN OF GLOCESTER, RHODE ISLAND
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Request for Information

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

Diane Brennan
Finance Director

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements

Fund Financial Statements

Governmental Funds

Proprietary Funds

Government-Wide Financial Statements

TOWN OF GLOCESTER, RHODE ISLAND
Statement of Net Position
June 30, 2014

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Glocester Land Trust
ASSETS				
Cash and cash equivalents	13,014,726	4,327	13,019,053	246,962
Accounts receivable:				
Taxes receivable - net	842,800	-	842,800	-
Loans receivables	563,423	-	563,423	-
Due from other governments	328,659	5,122	333,781	15,090
Other receivables	89,503	-	89,503	-
Prepaid expenses	76,621	-	76,621	-
Internal balances	(58,864)	58,864	-	-
Other Assets - net	-	-	-	22,440
Capital assets:				
Property, plant and equipment - net	17,184,234	-	17,184,234	7,213,538
Non-depreciable	1,770,516	-	1,770,516	-
Total capital assets	<u>18,954,750</u>	<u>-</u>	<u>18,954,750</u>	<u>7,213,538</u>
TOTAL ASSETS	<u>33,811,618</u>	<u>68,313</u>	<u>33,879,931</u>	<u>7,498,030</u>
LIABILITIES				
Accounts payable	217,310	7,772	225,082	2,042
Accrued expenses	198,682	-	198,682	-
Due to other governments	-	-	-	15,090
Unearned revenue	9,551	-	9,551	-
Other liabilities	71,051	-	71,051	-
Long-term liabilities				
Due within one year	554,360	-	554,360	-
Due in more than one year	3,898,731	-	3,898,731	-
Total liabilities	<u>4,949,685</u>	<u>7,772</u>	<u>4,957,457</u>	<u>17,132</u>
NET POSITION				
Net investment in capital assets	15,982,202	-	15,982,202	7,213,538
Restricted - nonspendable	28,595		28,595	-
Restricted for:				
Administration	54,178	-	54,178	-
Public safety	72,022	-	72,022	-
Recreation	81,429	-	81,429	-
Social services	242,329	-	242,329	-
Capital projects	1,377,566	-	1,377,566	-
Educational programs	2,872,237	-	2,872,237	-
Perpetual care	9,286	-	9,286	-
Unrestricted	8,142,089	60,541	8,202,630	267,360
Total net position	<u>28,861,933</u>	<u>60,541</u>	<u>28,922,474</u>	<u>7,480,898</u>

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

TOWN OF GLOCESTER, RHODE ISLAND
Statement of Activities
For the Fiscal Year Ended June 30, 2014

Functions/ Programs	Expenses	Program revenues		Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets			Component Unit Glocester Land Trust
		Charges for Services	Operating Grants and Contributions		Governmental Activities	Business-type Activities	Total	
Primary government								
Governmental activities:								
Administration	\$ 928,912	\$ 13,457	\$ 48,713	\$ -	\$ (866,742)		\$ (866,742)	
Finance	547,164	487,411	-	-	(59,753)		(59,753)	
Public safety	2,146,761	-	78,854	-	(2,067,907)		(2,067,907)	
Public works	2,427,577	3,583	115,399	93,116	(2,215,479)		(2,215,479)	
Recreation and senior center	379,978	-	-	-	(379,978)		(379,978)	
Social services	273,844	5,125	199,813	-	(68,906)		(68,906)	
Operational expenses	559,608	-	358,548	-	(201,060)		(201,060)	
Aid requests	325,970	-	-	-	(325,970)		(325,970)	
Education	19,330,423	136,074	3,447,432	-	(15,746,917)		(15,746,917)	
Interest	144,723	-	-	-	(144,723)		(144,723)	
Total governmental activities	27,064,960	645,650	4,248,759	93,116	(22,077,435)		(22,077,435)	
Business type activities:								
School Lunch	148,336	145,948	-	-	-	\$ (2,388)	(2,388)	
Total business-type activities	148,336	145,948	-	-	-	(2,388)	(2,388)	
Total primary government	\$ 27,213,296	\$ 791,598	\$ 4,248,759	\$ 93,116	(22,077,435)	(2,388)	(22,079,823)	
Component Unit								
Glocester Land Trust	\$ 43,237	\$ -	\$ 166,233	\$ -				\$ 122,996
General revenues:								
Taxes:								
Property taxes, levied for general purposes					22,925,740	-	22,925,740	-
Unrestricted investment earnings					119,885	-	119,885	15
Miscellaneous					16,073	-	16,073	-
Total general revenues					23,061,698	-	23,061,698	15
Change in net assets					984,263	(2,388)	981,875	123,011
Net position-beginning					27,947,648	62,929	28,010,577	7,357,887
Prior period adjustment (see note 24)					(69,978)	-	(69,978)	-
Net position-beginning - restated					27,877,670	62,929	27,940,599	7,357,887
Net position-ending					\$ 28,861,933	\$ 60,541	\$ 28,922,474	\$ 7,480,898

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

Fund Financial Statements

Governmental Funds
Proprietary Funds

TOWN OF GLOCESTER, RHODE ISLAND
Balance Sheet
Governmental Funds
June 30, 2014

	General Fund	School Unrestricted	Capital Reserve Fund	Other Non-Major Governmental Funds	Total Governmental Funds
ASSETS:					
Cash and cash equivalents	\$ 7,559,614	\$ 4,362,762	\$ 1,070,575	\$ 21,775	\$ 13,014,726
Accounts receivable:					
Taxes, net of allowance of \$323,353	842,800	-	-	-	842,800
Loans	-	-	-	563,423	563,423
Other	14,314	47,428	-	27,761	89,503
Prepaid items	25,495	51,126	-	-	76,621
Due from other funds	1,339,696	270,627	32,929	843,924	2,487,176
Due from other governments	13,367	-	-	315,292	328,659
TOTAL ASSETS	<u>\$ 9,795,286</u>	<u>\$ 4,731,943</u>	<u>\$ 1,103,504</u>	<u>\$ 1,772,175</u>	<u>\$ 17,402,908</u>
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts payable	\$ 110,256	\$ 47,024	\$ 251	\$ 59,779	\$ 217,310
Accrued payroll and benefits	134,614	41,414	-	8,017	184,045
Due to other funds	1,671,336	534,802	114,576	225,326	2,546,040
Unearned revenue	422,799	-	-	563,423	986,222
Other liabilities	71,051	-	-	-	71,051
TOTAL LIABILITIES	<u>2,410,056</u>	<u>623,240</u>	<u>114,827</u>	<u>856,545</u>	<u>4,004,668</u>
FUND BALANCES:					
Nonspendable for:					
Perpetual care	-	-	-	3,100	3,100
Prepays	25,495	-	-	-	25,495
Restricted for:					
Administration	-	-	-	54,178	54,178
Public safety	-	-	-	72,022	72,022
Recreation	-	-	-	81,429	81,429
Social services	-	-	-	242,329	242,329
Capital projects	-	-	988,677	388,889	1,377,566
Educational programs	-	2,807,840	-	64,397	2,872,237
Perpetual care	-	-	-	9,286	9,286
Committed for:					
Education	180,000	-	-	-	180,000
Capital projects	353,099	-	-	-	353,099
Recreation	80,000	-	-	-	80,000
Assigned for:					
Administration	337,110	-	-	-	337,110
Public safety	123,761	-	-	-	123,761
Public works programs	540,740	-	-	-	540,740
Recreation	15,226	-	-	-	15,226
Matching state grant funds	50,000	-	-	-	50,000
Contractual obligations	764,110	180,274	-	-	944,384
Employee benefits	296,918	375,250	-	-	672,168
Medicaid expenditures	-	300,971	-	-	300,971
Education	-	444,368	-	-	444,368
Unassigned:	<u>4,618,771</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,618,771</u>
TOTAL FUND BALANCES	<u>7,385,230</u>	<u>4,108,703</u>	<u>988,677</u>	<u>915,630</u>	<u>13,398,240</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 9,795,286</u>	<u>\$ 4,731,943</u>	<u>\$ 1,103,504</u>	<u>\$ 1,772,175</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. (Note 9)	18,954,750
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. (Note 9)	962,034
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. (Note 9)	(4,453,091)
Net position of governmental activities	<u>\$ 28,861,933</u>

TOWN OF GLOCESTER, RHODE ISLAND
Statement of Revenues, Expenditures, Other Financing Sources (Uses),
and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2014

	General Fund	School Unrestricted	Capital Reserve Fund	Other Non-Major Governmental Funds	Total Governmental Funds
REVENUES:					
Property tax	\$ 22,877,211	\$ -	\$ -	\$ -	\$ 22,877,211
Intergovernmental and departmental revenue	358,548	2,694,909	4,726	780,050	3,838,233
Federal revenue - Medicaid reimbursement	-	107,817	-	-	107,817
Tuitions	-	17,000	-	-	17,000
Licenses, fees, and fines	487,411	-	-	-	487,411
Investment Income	110,937	487	137	3,598	115,159
Other	51,905	11,257	-	214,184	277,346
Intergovernmental - pension contribution	-	316,349	-	-	316,349
TOTAL REVENUES	23,886,012	3,147,819	4,863	997,832	28,036,526
EXPENDITURES:					
Current:					
Administration	801,637	-	-	121,008	922,645
Finance	579,654	-	-	-	579,654
Public safety	1,922,638	-	-	139,781	2,062,419
Public works	1,789,684	-	985	79,873	1,870,542
Recreation & senior center	270,615	-	-	29,238	299,853
Social services	31,900	-	-	174,845	206,745
Operational expenses	551,819	-	7,789	-	559,608
Aid requests	325,970	-	-	-	325,970
Education	9,571,341	8,803,363	-	440,218	18,814,922
Intergovernmental - pension contribution	-	316,349	-	-	316,349
Debt service:					
Principal	385,000	-	-	66,873	451,873
Interest	119,026	-	-	27,584	146,610
Capital:					
Capital outlay	-	-	370,273	502,057	872,330
TOTAL EXPENDITURES	16,349,284	9,119,712	379,047	1,581,477	27,429,520
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	7,536,728	(5,971,893)	(374,184)	(583,645)	607,006
OTHER FINANCING SOURCES (USES):					
Transfers in	682,417	6,372,035	664,582	351,175	8,070,209
Transfers out	(7,843,461)	(256)	(224,083)	(2,409)	(8,070,209)
NET OTHER FINANCING SOURCES (USES)	(7,161,044)	6,371,779	440,499	348,766	-
NET CHANGE IN FUND BALANCES	375,684	399,886	66,315	(234,879)	607,006
FUND BALANCES - BEGINNING	7,009,546	3,708,817	922,362	1,200,984	12,841,709
Prior period adjustment	-	-	-	(50,475)	(50,475)
FUND BALANCES - BEGINNING RESTATED	7,009,546	3,708,817	922,362	1,150,509	12,791,234
FUND BALANCES - ENDING	\$ 7,385,230	\$ 4,108,703	\$ 988,677	\$ 915,630	\$ 13,398,240

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

TOWN OF GLOCESTER, RHODE ISLAND
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2014

Net change in fund balances-total governmental funds	\$ 607,006
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Amounts reported for governmental activities in the statement of activities are different from the amounts reported as fund expenditures because:

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

Capital Outlay	\$ 1,120,638	
Depreciation Expense	<u>(1,168,002)</u>	(47,364)

Reductions in deferred revenue that provide current financial resources to governmental funds are not reported as revenues in the statement of activities.	12,697
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Some expenditures reported in the governmental funds that require the use of current financial resources are not reported as expenditures in the statement of activities. This is the net effect of those activities.	1,887
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Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which principal was reduced.

Net decrease in compensated absences	\$ 16,219	
Net increase in OPEB obligation	(10,346)	
Issuance of debt	(67,099)	
Principal payments on long term debt	461,573	
Payments on leases payable	<u>9,690</u>	<u>410,037</u>

Change in net position of governmental activities	<u>\$ 984,263</u>
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Please see Note 9 for a more detailed explanation of the differences between the Government-Wide Financial Statements and the Fund Financial Statements

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

TOWN OF GLOCESTER, RHODE ISLAND
Statement of Net Position
Proprietary Funds
June 30, 2014

	<u>School Lunch</u>
<i>ASSETS:</i>	
<i>Current assets:</i>	
Cash and cash equivalents	\$ 4,327
Due from other funds	58,864
Due from other governments	5,122
<i>Total current assets</i>	<u>68,313</u>
 <i>TOTAL ASSETS</i>	 <u>68,313</u>
 <i>LIABILITIES:</i>	
<i>Current liabilities:</i>	
Accounts payable	7,772
<i>Total current liabilities</i>	<u>7,772</u>
 <i>TOTAL LIABILITIES</i>	 <u>7,772</u>
 <i>NET POSITION:</i>	
Unrestricted	<u>60,541</u>
 <i>TOTAL NET POSITION</i>	 <u><u>\$ 60,541</u></u>

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

TOWN OF GLOCESTER, RHODE ISLAND
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2014

	<u>School Lunch</u>
<i>OPERATING REVENUES:</i>	
Charges for usage and service	\$ 145,948
<i>Total operating revenues</i>	<u>145,948</u>
<i>OPERATING EXPENSES:</i>	
Operations	<u>148,336</u>
<i>Total operating expenses</i>	<u>148,336</u>
<i>OPERATING INCOME (LOSS)</i>	<u>(2,388)</u>
<i>NON-OPERATING REVENUES:</i>	
Intergovernmental	<u>-</u>
<i>Total non-operating revenues</i>	<u>-</u>
<i>CHANGE IN NET POSITION</i>	(2,388)
<i>TOTAL NET POSITION - BEGINNING</i>	<u>62,929</u>
<i>TOTAL NET POSITION - ENDING</i>	<u><u>\$ 60,541</u></u>

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

TOWN OF GLOCESTER, RHODE ISLAND
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2014

	School Lunch
<i>CASH FLOWS FROM OPERATING ACTIVITIES:</i>	
Cash received from customers	\$ 149,572
Cash payments to suppliers	(153,642)
<i>Net cash provided by (used for) operating activities</i>	<u>(4,070)</u>
<i>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</i>	
Decrease in due from other funds	(4,268)
<i>Net cash provided (used for) non-capital and related financing activities</i>	<u>(4,268)</u>
<i>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</i>	(8,338)
<i>CASH AND CASH EQUIVALENTS - BEGINNING</i>	12,665
<i>CASH AND CASH EQUIVALENTS - ENDING</i>	<u>\$ 4,327</u>
<i>Reconciliation of operating income to net cash provided by operating activities:</i>	
Operating income (Loss)	\$ (2,388)
<i>Changes in assets and liabilities:</i>	
(Increase) decrease in accounts receivable	3,624
Increase (decrease) in accounts payable	(5,306)
<i>Total adjustments</i>	<u>(1,682)</u>
<i>Net cash provided by (used for) operating activities</i>	<u>\$ (4,070)</u>

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

Notes to Financial Statements

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Reporting Entity

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

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

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

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity (Continued)

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

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

Recently Issued Accounting Standards

The Town implemented the following accounting pronouncements for the year ended June 30, 2014:

- GASB Statement No. 65 - Items Previously Reported as Assets and Liabilities effective for the Town's fiscal year ending June 30, 2014
- GASB Statement No. 66 – Technical Corrections – 2012 an amendment of GASB Statements No. 10 and No. 62 effective for the Town's fiscal year ending June 30, 2014.
- GASB Statement No. 67 – Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25 effective for the Town's fiscal year ending June 30, 2014.
- GASB Statement No. 70 Accounting and Reporting for Non-exchange Financial Guarantees effective for the Town's fiscal year ending June 30, 2014.

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

- GASB Statement No. 68 - Accounting and Financial Reporting for Pension – an amendment of GASB Statement No. 27 effective for the Town's fiscal year ending June 30, 2015.
- GASB Statement No. 69 Government Combinations and Disposals of Government Operations effective for the Town's fiscal year ending June 30, 2015.
- GASB Statement No. 71 Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68 effective for the Town's fiscal year ending June 30, 2015.

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

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation

Government – Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for 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 meets the following criteria:

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

The funds of the financial reporting entity are described below:

Governmental Funds

General Fund

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

Special Revenue Funds

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

Capital Project Funds

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

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Permanent Funds

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

Proprietary Funds

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

Fiduciary Funds (Not included in government-wide statements)

Agency Funds

Agency Funds account for assets held by the Town in a purely custodial capacity. Since agency funds are custodial in nature (Le. assets equal liabilities), they do not involve the measurement of results of operations. For the year ended June 30, 2014, the Town had no agency funds.

Major and Non-Major Funds

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

<u>Fund</u>	<u>Brief Description</u>
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Major:

General:	See above for description
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Special Revenue:	School Unrestricted - This fund accounts for the operation and maintenance of the West Glocester and Fogarty Memorial Elementary Schools. Revenue Sources: Town funded appropriation State of Rhode Island: Annual aid to education
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Capital Project:	Capital Reserve Fund - This fund accounts for monies utilized for capital improvements set forth in the Capital Program approved at the Financial Town Meeting.
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Proprietary:	School Lunch - This fund is used to account for the activities of the lunch programs at the West Glocester and Fogarty Memorial Elementary Schools.
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**TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Non-Major:

Special Revenue: Town Funds:

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

School Funds:

All Day K, Performing Arts, Technology, Professional Development, Common Core State Standards, Title I, Title II, CAST Mini Grant, Common Core Standards, IDEA Preschool, IDEA Part B, Rural Education Grant, Race to the Top and Donations-Library.

Capital Projects: Chepachet River Park, Roads, Senior Center Fund, Chepachet River Cleanup, Chepachet Wastewater / Storm-water Project, Geothermal Project, Fogarty School Roof, School Capital Improvement, Animal Control Project, Money Hill Road, Transfer Station Upgrade and Kent Property.

Permanent: Perpetual Care Fund.

Measurement Focus

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

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

- a) All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period. The Town considers property taxes, franchise taxes, licenses, and interest as available if they are collected within 60 days after year-end. Substantially all other revenue of the governmental funds is recognized utilizing the modified accrual method of accounting, and as such, it is recognized as earned.

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus (Continued)

- b) The proprietary fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of net income, financial position and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.
- 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 financial statements the Statement of Net Position and Statement of Activities (governmental and business-type activities) are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expense, gains, losses, assets, deferred outflows of resources, liabilities and deferred inflows of resources resulting from exchange and exchange-like transactions should be recognized when the exchange takes place. . Revenues, expense, gains, losses, assets, deferred outflows of resources, liabilities and deferred inflows of resources resulting from non-exchange transactions should be recognized in accordance with the requirements of Section N50.

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

All proprietary funds 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.

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

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

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based on historical trends and the periodic aging of accounts receivable. The allowance for uncollectible accounts totaled \$323,352 for property taxes. Business-type activities report usage fees as its major receivables.

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

Deposits and Investments

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

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

Prepaid Items

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

Property, Plant, and Equipment

Property, Plant and Equipment

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

Government-Wide Statements

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

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, Plant, and Equipment (Continued)

Government-Wide Statements (Continued)

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

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

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

Fund Financial Statements

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

Accrued Compensated Absences

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

Use of Estimates

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

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Short-Term Interfund Receivables/Payables

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

Interfund Transfers

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

Bond Issuance Costs

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

Equity Classifications

Government-Wide Statements

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

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

Fund Financial Statements

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

- ***Non-spendable*** – are balances that are not in a spendable form or are legally or contractually required to be maintained intact or are permanently precluded from conversion to cash. Examples are prepaid amounts, inventories, endowments and permanent funds.

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equity Classifications (Continued)

Fund Financial Statements (Continued)

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

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

- a) For committed fund balances: the Town Financial Meeting is the highest level of decision making authority and formal action by vote at a Financial Town Meeting is required to establish, modify or rescind a fund balance commitment.
- b) For assigned fund balances in the General Fund: The Town Council is authorized to assign amounts to a purpose and under the same authority remove the assignment. For assigned fund balances in the School Unrestricted Fund: The Gloucester School Committee is authorized to assign amounts to a purpose and under the same authority remove the assignment..
- c) Order of expenditure of funds by classifications: Expenditures may be incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available. Composition of the ending fund balance is determined by applying the following: In those instances where both restricted and unrestricted amounts are available, restricted amounts will be considered to have been spent first [as allowed and in compliance with stated and specified terms or requirements], followed by committed amounts, followed by assigned amounts, and then unassigned amounts.
- d) Minimum unassigned fund balance: An adequate level of unassigned fund balance is essential to mitigate current and future risks and to ensure service levels. Specifically, amounts are and will be held in unassigned fund balance for:
 - Economic uncertainty (i.e., to cushion the Town against fluctuations in revenues and costs due to economic conditions),

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equity Classifications (Continued)

Fund Financial Statements (Continued)

- Extreme events (i.e., allows the Town to respond quickly and decisively to events such as natural disasters, catastrophic accidents, etc.)
- Working capital (i.e., to cushion the Town against revenue shortfalls or expenditure fluctuations associated with routine Town business (e.g., property tax revenues are received quarterly, but the Town delivers police services year-round).

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

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

2. BUDGETARY PROCESS

(a) Adoption

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

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

2. BUDGETARY PROCESS (Continued)

(a) Adoption (Continued)

The General Fund and School Unrestricted Fund annual operating budget amounts are supported by revenue estimates and take into account the elimination of accumulated deficits and the re-appropriation of accumulated surpluses to the extent necessary. The legal level of control for the General Fund is at the fund level and the School Unrestricted Fund is at the fund level. Amendments that would change the total appropriation must be approved by the voters at a Financial Town Meeting. There were no supplemental budgetary appropriations in fiscal year 2014. Appropriations which are not expended or encumbered lapse at year end.

(b) Reconciliation - Budgetary to GAAP

The Town Charter requires annual budgets for the General Fund and Special Revenue - General School Activities. The practices used in the preparation of the 2014 budget differ in certain respects from the presentation of the actual results of operations prepared in accordance with GAAP. The actual results of operations, for purposes of the Statement of Revenues, Expenditures, Other Financing Sources (Uses) - Budget and Actual on a Budgetary Basis -General Fund, and Special Revenue Fund -School Unrestricted Fund, have been adjusted to a basis consistent with the Town's budget for 2014. See Pages 73 and 76.

3. DEPOSITS AND INVESTMENTS

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

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

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

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

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

3. DEPOSITS AND INVESTMENTS (Continued)

Custodial Credit Risk

Deposits: This is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of June 30, 2014, \$ -0- of the Town's balance of \$13,243,021 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, 2014:

<i>Cash and Cash Equivalents</i>	
Deposits with financial institutions	\$ 13,243,021
Petty cash and cash on hand	22,994
Total cash and cash equivalents	<u>13,266,015</u>
<i>Total Cash and Investments</i>	<u>\$ 13,266,015</u>

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

<i>Statement of Net Position</i>	
Cash and cash equivalents	<u>\$ 13,266,015</u>
<i>Total Cash and Investments</i>	<u>\$ 13,266,015</u>

Interest Rate Risk: This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The town does not have any investments that are subject to interest rate risk for the fiscal year ended June 30, 2014.

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, 2014.

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

4. *TAXES RECEIVABLE AND UNEARNED REVENUE*

The Town's property tax is levied each July 1, for its next fiscal year on the assessed values listed as of the prior December 31 (lien date), for all real property, tangible property, and motor vehicles located in the Town. Assessed values of real property and tangible personal property were established by the Town Assessor's office at 100% of appraised market value as of December 31, 2012. The assessed value of motor vehicles is determined annually at 100% as established by the State Vehicle Value Commission.

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

Net property taxes levied at the May 8, 2013 Financial Town Meeting for the fiscal year 2014 were based on a net assessed value of approximately \$938,701,144 at December 31, 2012 and amounted to \$20,750,248.

The Town recognizes property tax revenues in accordance with Section P70, "Property Taxes" of the Codification of Governmental Accounting and Financial Reporting Standards. Unpaid property taxes as of June 30, 2014 (\$842,800) are recorded as a receivable, net of an allowance for uncollectible property taxes of \$323,352. Those net property taxes receivable which were not collected within the 60 days immediately following June 30, 2014 are recorded as unearned revenue and amounted to \$413,247 at June 30, 2014. Property taxes recognized as revenue for the fiscal year ended June 30, 2014 (due to their collection within the 60 days immediately following June 30, 2014) amounted to \$429,553.

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

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

5. INTERFUND BALANCES

Interfund receivable and payable balances at June 30, 2014 are as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
<i>Governmental Activities:</i>		
<i>Major Funds:</i>		
General Fund	\$ 1,339,696	\$ 1,671,336
School Unrestricted Fund	270,627	534,802
Capital Reserve Fund	32,929	114,576
<i>Non-major Funds:</i>		
Town Special Revenue Funds	262,478	61,807
School Special Revenue Funds	64,653	91,954
Capital Projects Funds	516,793	71,565
<i>Total Governmental Activities</i>	<u>2,487,176</u>	<u>2,546,040</u>
<i>Business Type Activities:</i>		
School Lunch	58,864	-
<i>Total Business Type Activities</i>	<u>58,864</u>	<u>-</u>
<i>TOTALS</i>	<u><u>\$ 2,546,040</u></u>	<u><u>\$ 2,546,040</u></u>

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

6. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2014 was as follows:

	Primary Government				
	Beginning Balance	Increases	Decreases	Adjustments	Ending Balance
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 1,697,814	\$ -	\$ -	\$ -	\$ 1,697,814
Construction in Progress	289,374	15,899	-	(232,571)	72,702
Total capital assets not being depreciated	1,987,188	15,899	-	(232,571)	1,770,516
Other capital assets:					
Land improvements	1,667,368	15,756	-	222,571	1,905,695
Buildings and improvements	15,506,218	5,860	-	-	15,512,078
Infrastructure	7,672,713	494,589	-	-	8,167,302
Machinery and equipment	1,492,603	93,952	(27,000)	-	1,559,555
Motor vehicles	2,163,255	324,988	(131,682)	10,000	2,366,561
Office furniture and equipment	533,693	169,594	(16,439)	-	686,848
Total other capital assets at historical cost	29,035,850	1,104,739	(175,121)	232,571	30,198,039
Less accumulated depreciation for:					
Land improvements	365,104	83,711	-	-	448,815
Buildings and improvements	4,440,388	308,409	-	(281)	4,748,516
Infrastructure	4,371,057	409,558	-	-	4,780,615
Machinery and equipment	955,243	107,717	(27,000)	-	1,035,960
Motor vehicles	1,558,572	198,985	(131,682)	-	1,625,875
Office furniture and equipment	330,841	59,622	(16,439)	-	374,024
Total accumulated depreciation	12,021,205	1,168,002	(175,121)	(281)	13,013,805
Governmental activities capital assets, net	\$ 19,001,833	\$ (47,364)	\$ -	\$ 281	\$ 18,954,750

Depreciation expense was charged to functions as follows:

Governmental activities:

Administration	\$ 121,801
Public safety	134,677
Public works	626,184
Recreation	80,125
Public education	205,215
Total governmental activities depreciation expense	\$ 1,168,002

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

7. CAPITAL ASSETS (Continued)

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

Depreciation expense was charged to functions as follows:

Discretely presented component unit

Depreciation expense	<u>\$ -</u>
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TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

8. LONG-TERM LIABILITIES

(a) Long-Term Liability Activity

Long-term liability activity for the year ended June 30, 2014 is as follows:

	Balance			Balance	Amounts
	July 1, 2013	Additions	Retirements	June 30, 2014	Due within
					One Year
Governmental Activities					
General obligation debt	\$ 3,365,000	\$ -	\$ 425,000	\$ 2,940,000	\$ 445,000
Loan payable	135,589	67,099	26,873	175,815	-
Capital leases	42,238	-	9,690	32,548	12,338
Total bonds payable	<u>3,542,827</u>	<u>67,099</u>	<u>461,563</u>	<u>3,148,363</u>	<u>457,338</u>
Other liabilities:					
Accrued compensated absences	926,816	652,830	669,049	910,597	87,322
Net OPEB Obligation	141,285	10,346	-	151,631	-
Landfill post-closure costs	252,200	-	9,700	242,500	9,700
Total other liabilities	<u>1,320,301</u>	<u>663,176</u>	<u>678,749</u>	<u>1,304,728</u>	<u>97,022</u>
Governmental Activities long-term liabilities	<u>\$ 4,863,128</u>	<u>\$ 730,275</u>	<u>\$ 1,140,312</u>	<u>\$ 4,453,091</u>	<u>\$ 554,360</u>

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

	Interest Rates	Principal	Due Dates
Governmental bonds and notes payable	2.58% - 5.50%	\$ 2,940,000	2015-2027
Total All Funds		<u>\$ 2,940,000</u>	

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

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

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

8. LONG-TERM LIABILITIES (Continued)

(b) Bonds Outstanding

At June 30, 2014, The Town's Government Activities bonds payable are comprised of the following:

	DATE OF ISSUANCE	INTEREST RATE	DATE OF MATURITY	AUTHORIZED AND ISSUED	OUTSTANDING July 1, 2013	ADDITIONS	MATURITIES DURING YEAR	OUTSTANDING June 30, 2014
GENERAL OBLIGATION BONDS PAYABLE								
Road improvements	4/15/2001	4.00-5.50%	4/15/2016	\$ 3,200,000	\$ 760,000	\$ -	\$ 240,000	\$ 520,000
Senior center	10/1/2006	3.50-5.00%	10/1/2026	2,215,000	1,740,000	-	90,000	1,650,000
School roof	5/15/2007	4.00-5.50%	4/1/2027	750,000	510,000	-	40,000	470,000
Land trust	5/13/2010	4.200%	5/1/2019	500,000	355,000	-	55,000	300,000
TOTAL GENERAL OBLIGATION BONDS PAYABLE				6,665,000	3,365,000	-	425,000	2,940,000
TOTAL BONDS PAYABLE - GOVERNMENTAL ACTIVITIES				\$ 6,665,000	\$ 3,365,000	\$ -	\$ 425,000	\$ 2,940,000

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

(c) Loan Payable

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

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

8. LONG-TERM LIABILITIES (Continued)

(c) Loan Payable (Continued)

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

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

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

Governmental Activities

Annual principal and interest requirements on general obligation bonds for the year ending June 30, 2014 are as follows:

Fiscal Year Ended	<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	445,000	124,354	569,354	
2016	465,000	103,539	568,539	
2017	205,000	82,111	287,111	
2018	205,000	73,588	278,588	
2019	215,000	64,818	279,818	
2020	155,000	55,638	210,638	
2021	160,000	48,988	208,988	
2022	165,000	42,138	207,138	
Thereafter	925,000	101,515	1,026,515	
TOTALS	<u>\$ 2,940,000</u>	<u>\$ 696,689</u>	<u>\$ 3,636,689</u>	

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

8. LONG-TERM LIABILITIES (Continued)

(d) Capital Leases

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

The following schedule summarizes the future minimum lease payments under those capital leases, and the present value of the net minimum lease payments at June 30, 2014:

Governmental Activities	
<u>ENDED JUNE 30,</u>	<u>FISCAL YEAR PAYMENTS</u>
2015	15,408
2016	15,408
2017	6,438
<i>Future Minimum Rental Payments</i>	<u>37,254</u>
Interest Portion of Payments	<u>(4,706)</u>
<i>Obligation Under Capital Leases</i>	<u><u>\$ 32,548</u></u>

TOWN OF GLOCESTER
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

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

"Total fund balances" of the town's governmental funds \$13,398,240 differs from "net position" of governmental activities \$28,861,933 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	\$ 13,014,726	\$ -	\$ -	\$ 13,014,726
Accounts receivable:				
Taxes receivable net	842,800	-	-	842,800
Loans receivable	563,423			563,423
Other receivables	89,503	-	-	89,503
Prepaid expenses	76,621			76,621
Due from other governments	328,659			328,659
Internal balances	2,487,176	-	(2,487,176)	-
Capital assets - net	-	18,954,750	-	18,954,750
Total assets	<u>17,402,908</u>	<u>18,954,750</u>	<u>(2,487,176)</u>	<u>33,870,482</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	217,310	-	-	217,310
Accrued expenses	184,045	14,637	-	198,682
Internal balances	2,546,040	-	(2,487,176)	58,864
Unearned revenue	986,222	(976,671)	-	9,551
Other liabilities	71,051			71,051
Long-term liabilities				
Due within one year	-	554,360	-	554,360
Due in more than one year	-	3,898,731	-	3,898,731
Total liabilities	<u>4,004,668</u>	<u>3,491,057</u>	<u>(2,487,176)</u>	<u>5,008,549</u>
Fund Balances/Net Position				
Total fund balances/net position	13,398,240	15,463,693	-	28,861,933
Total liabilities and fund balances/net position	<u>\$ 17,402,908</u>	<u>\$ 18,954,750</u>	<u>\$ (2,487,176)</u>	<u>\$ 33,870,482</u>

- (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	\$ 31,968,555
Accumulated depreciation	(13,013,805)
	<u>\$ 18,954,750</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.

Accrued interest	\$ (14,637)
Adjustment of unearned revenue	976,671
	<u>\$ 962,034</u>

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

Bonds & loans payable	\$ 3,115,815
Capital leases	32,548
Landfill post-closure costs	242,500
Accrued compensated absences	910,597
Net OPEB obligation	151,631
	<u>\$ 4,453,091</u>

TOWN OF GLOCESTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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

The "net change in the fund balances" for governmental funds \$607,006 differs from the "change in net position" for governmental activities of \$984,263 reported in the statement of activities. The differences arise primarily from the long-term economic focus of the statement of activities verses the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

	Statement of Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities				
	Total Governmental Funds	Long-term Revenues/ Expenses (1)	Capital- related Items (2)	Long-term Debt Transactions (3)	Statement of Activities Totals
Revenues					
General property tax	\$ 22,877,211	\$ 48,529	\$ -	\$ -	\$ 22,925,740
Intergovernmental and departmental revenues	4,154,582	-	-	-	4,154,582
Federal revenue - State fiscal stabilization	107,817	-	-	-	107,817
Tuitions	17,000	-	-	-	17,000
License and permits	487,411	-	-	-	487,411
Interest on investments	115,159	-	-	-	115,159
Other revenues	277,346	(35,832)	-	-	241,514
Total revenues	28,036,526	12,697	-	-	28,049,223
Expenditures					
Current:					
Administration	922,645		12,140	(5,873)	928,912
Finance	579,654	(9,690)	(22,800)	-	547,164
Public safety	2,062,419	-	94,042	(9,700)	2,146,761
Public works	1,870,542	-	557,035	-	2,427,577
Recreation and senior center	299,853	-	80,125	-	379,978
Social services	206,745	-	-	67,099	273,844
Operational expenses	559,608	-	-	-	559,608
Aid requests	325,970	-	-	-	325,970
Education	19,131,271	-	199,152	-	19,330,423
Capital outlay	872,330	-	(872,330)	-	-
Debt service:					
Principal	451,873	-	-	(451,873)	-
Interest	146,610	(1,887)	-	-	144,723
Total expenditures	27,429,520	(11,577)	47,364	(400,347)	27,064,960
Net change for the year	\$ 607,006	\$ 24,274	\$ (47,364)	\$ 400,347	\$ 984,263

TOWN OF GLOCESTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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

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

Property taxes	\$ 48,529
Other	(35,832)
	<u>\$ 12,697</u>

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

Accrued interest	1,887
	<u>\$ 1,887</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 position decreases by the amount of depreciation expense charged for the year.

Capital outlay	\$ 1,120,638
Depreciation expense	(1,168,002)
Difference	<u>\$ (47,364)</u>

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

Gain on disposal	28,500
	<u>\$ 28,500</u>

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

Capital leases	9,690
Landfill post-closure costs	9,700
Issuance of debt	(67,099)
Principal payments on bonds and loans	451,873
	<u>\$ 404,164</u>

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

Net decrease in compensated absences	\$ 16,219
Increase in the OPEB obligation	(10,346)
Change	<u>\$ 5,873</u>

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

11. FUND EQUITY

(a) Fund Balance Constraints

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

	General Fund	School Unrestricted	Capital Reserve Fund	Other Non-Major Governmental Funds	Total Governmental Funds
<i>Nonspendable for:</i>					
Perpetual care	\$ -	\$ -	\$ -	\$ 3,100	\$ 3,100
Prepaid expenditures	25,495	-	-	-	25,495
<i>Restricted for:</i>					
Administration	-	-	-	54,178	54,178
Public safety	-	-	-	72,022	72,022
Recreation	-	-	-	81,429	81,429
Social services	-	-	-	242,329	242,329
Capital projects	-	-	988,677	388,889	1,377,566
Educational programs	-	2,807,840	-	64,397	2,872,237
Perpetual care	-	-	-	9,286	9,286
<i>Committed to:</i>					
Education	180,000	-	-	-	180,000
Capital projects	353,099	-	-	-	353,099
Recreation	80,000	-	-	-	80,000
<i>Assigned for:</i>					
Administration	337,110	-	-	-	337,110
Public safety	123,761	-	-	-	123,761
Public works	540,740	-	-	-	540,740
Recreation	15,226	-	-	-	15,226
Matching state grant funds	50,000	-	-	-	50,000
Contractual obligations	764,110	180,274	-	-	944,384
Employee benefits	296,918	375,250	-	-	672,168
Medical expenses	-	300,971	-	-	300,971
Education	-	444,368	-	-	444,368
<i>Unassigned:</i>	4,618,771	-	-	-	4,618,771
<i>TOTAL FUND BALANCES</i>	<u>\$ 7,385,230</u>	<u>\$ 4,108,703</u>	<u>\$ 988,677</u>	<u>\$ 915,630</u>	<u>\$ 13,398,240</u>

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

12. RETIREMENT PLANS & POST EMPLOYMENT BENEFITS

(a) Municipal Employees' Retirement System of Rhode Island

Plan Description

The Town of Glocester, 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.

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.

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

12. RETIREMENT PLANS & POST EMPLOYMENT BENEFITS (Continued)

(a) Municipal Employees' Retirement System of Rhode Island (Continued)

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, 2013 or the five year FAC as of the retirement/termination date. Monthly benefits are based on one-twelfth of this amount.

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 not to exceed 67.
- 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 that 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.

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.

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

12. RETIREMENT PLANS & POST EMPLOYMENT BENEFITS (Continued)

(a) Municipal Employees' Retirement System of Rhode Island (Continued)

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.

Cost of Living Adjustments – Pursuant to the Rhode Island Retirement Security Act, the Cost of Living Adjustment (COLA) has been suspended for any unit whose funding level is less than 80%. The COLA provision can be reviewed in a five-year interval. When the funding level of a plan exceeds 80%, eligible retirees may receive a COLA annually effective on their date of retirement plus one month. The COLA will be calculated as the five (5) year smoothed investment rate of return less 5.50%, with a 0.00% floor and a 4.00% cap. COLA will be delayed until the later of age 55 or three years after retirement. The COLA will be applied to the first \$25,000 of benefits indexed annually.

Disability retirement provisions - The plan also provides nonservice-connected disability benefits after 5 years of service; service-connected disability pensions with no minimum service requirement.

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

12. RETIREMENT PLANS & POST EMPLOYMENT BENEFITS (Continued)

(a) Municipal Employees' Retirement System of Rhode Island (Continued)

Retirement Benefits (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, 2013
Actuarial cost method	Entry Age Actuarial Cost Method
Amortization method	Level Percent of Payroll – Closed
Remaining amortization period	22 Years
Asset valuation method	5 Year Smoothed Market
Actuarial assumptions:	
Investment rate of return	7.50%,
Projected Salary Increases	<i>General Employees</i> 4.00% to 8.00%
	<i>Police & Fire Employees</i> 4.25% to 14.25%
Cost-of-living adjustments	2.75%
Inflation Rate	2.75% Annually

Annual Pension Cost - For 2014, the Town contributed \$389,696 for MERS. The required contribution was determined as part of the June 30, 2013 actuarial valuation using the entry age normal cost method with frozen initial liability. The actuarial value of MERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a three-year period. MERS unfunded actuarial accrued liability is being amortized using the weighted average method over a 30-year period.

Required contributions:

SCHEDULE OF CONTRIBUTIONS FROM THE TOWN

Year Ended June 30,	Police	General	Total Annual Pension Cost	Total Amount Contributed	Total Percentage Contributed
2012	159,441	167,989	327,430	327,430	100%
2013	131,965	231,239	363,204	363,204	100%
2014	151,847	237,849	389,696	389,696	100%

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

12. RETIREMENT PLANS & POST EMPLOYMENT BENEFITS (Continued)

(b) Employees' Retirement System of Rhode Island

Plan Description

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.

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.

Funding Policy: The funding policy is outlined in RIGL sections 16-16-22 and 36-10-2 (which can be amended by the Rhode Island General Assembly). Active plan members must contribute 3.75% of his/her compensation. The Town and the State are collectively required to contribute at an actuarially determined rate expressed as a percentage of total compensation paid to the active membership. The employer contribution is split and paid 40% by the State and 60% by the school district with the exception of teachers who work in federally funded programs where 100% is paid by the school district and reimbursed by the federal government. For fiscal 2014, the total employer rate 19.29% (7.88% State share and 11.41% local share). The State share of the employer contribution rate includes the total cost of prior contribution deferrals which was .28% for fiscal 2014.

**TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014**

12. RETIREMENT PLANS & POST EMPLOYMENT BENEFITS (Continued)

(b) Employees' Retirement System of Rhode Island (Continued)

For financial reporting purposes, the State's share of contributions are reflected as on behalf payments and are included as both revenue and expenditures in the accompanying financial statements.

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, 2013
Actuarial cost method	Entry Age Actual Cost Method
Amortization method	Level Percentage of Payroll – Closed 25-year period from June 30, 2010
Asset valuation method	5 Year Phase-in of Actual Investment Return
Actuarial assumptions:	
Investment rate of return	7.50% Compounded Annually
Projected salary increases	0.00%-12.75%
Cost-of-living adjustments	0.00%-4.00%
Inflation Rate	2.75% Annually

Required Contributions:

SCHEDULE OF CONTRIBUTIONS

<u>Year Ended June 30,</u>	<u>Employee</u>	<u>Employer</u>	<u>Total Annual Pension Cost</u>	<u>Total Amount Contributed</u>	<u>Total Percentage Contributed</u>
2012	366,228	473,347	839,575	839,575	100%
2013	147,290	418,817	566,107	582,051	97%
2014	143,385	461,118	604,503	604,503	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.

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

12. RETIREMENT PLANS & POST EMPLOYMENT BENEFITS (Continued)

(b) Defined Contribution Plan

Plan Description

The Town of Glocester 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. 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.

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

12. RETIREMENT PLANS & POST EMPLOYMENT BENEFITS (Continued)

(b) Defined Contribution Plan

Plan Description

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 Town is required to contribute 3%. The plan members and Town contributed \$267,652 and \$97,515, respectively, during the fiscal year ended June 30, 2014.

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 Town is required to contribute 1%. The plan members and Town contributed \$130,365 and \$24,095, respectively, during the fiscal year ended June 30, 2014.

13. CONTINGENT LIABILITIES

Grants

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

Self-Insurance

The Town has elected to pay unemployment compensation on a claims-made basis rather than as a percentage of payroll. No accrual has been made for claims expected to arise from service related to fiscal 2014 because Town officials are of the opinion that any claims relating to this period will be immaterial.

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

13. CONTINGENT LIABILITIES *(continued)*

Litigation

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

14. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description

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

The Town offers a single-employer healthcare benefit plan that is administered by Blue Cross/Blue Shield of Rhode Island (BCBS). The Town provides postemployment health care benefits to eligible retirees in accordance with various labor contracts and personnel policies. As of June 30, 2012, 131 employees [112 active and 91 retirees] were eligible to participate. Inasmuch as the plan has no assets, reporting an Other Post Employment Benefit (OPEB) trust fund in the accompanying financial statements is not required. An actuarial consultant, USI Consulting Group, was hired to determine the Town's actuarial valuation of the post-retirement benefits that are offered to current and future retirees as of July 1, 2012. The post-employment plan does not issue a stand-alone financial report.

Benefit Provisions and Contributions

Funding Policy

The contribution requirements of plan members and the Town are established and may be amended by the Town, subject to applicable labor contracts.

Benefit Provisions and Contributions

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

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

14. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS *(Continued)*

School - Teachers and Administrators

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

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

Benefit/Cost Sharing: For employees that retired by June 30, 2006, the Town of Glocester School Department pays 100% of the cost of medical insurance for an individual plan. For those that retire after June 30, 2006, retirees contribute the same amount as they contributed during their final year of service.

School - Educational Support

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

Plan type: Medical – Blue Cross/Blue Shield Classic or Healthmate individual plans only. Dental -Rhode Island Delta Dental III individual plan only.

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

Town – Clerks

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

Plan type: Medical - Blue Cross/Blue Shield or Healthmate individual plan only.
Dental - Rhode Island Delta Dental III individual plan only.

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

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

14. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS *(Continued)*

Town – Police

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

Plan type: Medical - Blue Cross/Blue Shield or Healthmate individual plan only.
Dental - Rhode Island Delta Dental III individual plan only.

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

Town – Non-contract

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

Plan type: Blue Cross/Blue Shield or Healthmate individual plans only.
Dental - Rhode Island Delta Dental III individual plan only.

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

All Employee Groups

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

Classes of Employees Covered

As of July 1, 2012, membership data was as follows.

Active Employees	112
Retirees	<u>19</u>
Total Plan Members	<u>131</u>

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

14. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS *(Continued)*

Annual OPEB Cost and Net OPEB Obligation

The Town may contribute the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* to a trust. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. For fiscal year ending June 30, 2014, the Town made no contributions to a trust and instead elected to continue funding on a pay-as-you-go basis, which was determined to be \$115,182. These costs are recognized as an expense when claims or premiums are paid. The following table shows the components of the Town's annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the Town's net OPEB obligation.

Annual required contribution	\$ 199,386
Interest on OPEB	5,651
Adjustment to annual required contribution	<u>(7,247)</u>
Annual OPEB cost	197,790
Anticipated Contributions per actuarial report*	<u>(187,444)</u>
Increase (decrease) in net OPEB obligation	<u>10,346</u>
Net OPEB beginning of year	<u>141,285</u>
Net OPEB obligation end of year	<u><u>\$ 151,631</u></u>
Percentage of the annual anticipated postemployment benefit cost contributed	<u><u>94.77%</u></u>

* *Contributions made was assumed to equal Expected Benefits Payments*

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

Schedule of Employer Contributions

<u>Fiscal Year</u>	<u>Annual OPEB Cost</u>	<u>Actual Employer Contributions</u>	<u>Percentage of OPEB Cost Contributed</u>
06/30/12	196,473	126,780	64.53%
06/30/13	192,667	117,139	60.80%
06/30/14	197,790	115,182	58.23%

(1) The most recent actuarial valuation date was July 1, 2012.

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

14. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Funded Status and Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	UAAL as a Covered Payroll	Percentage of Covered Payroll
<u>July 1,</u>	<u>(a)</u>	<u>(b)</u>	<u>(b-a)</u>	<u>(a/b)</u>	<u>(c)</u>	<u>((b-a)/c)</u>
7/1/2010	-	2,307,873	2,307,873	0.00%	N/A	N/A
7/1/2012	-	2,104,978	2,104,978	0.00%	N/A	N/A
7/1/2013	- *	2,106,719	2,106,719	0.00%	N/A	N/A

- This amount is an estimate based on the 7/1/2012 Actuarial Report.

Although the Town has not established a trust to fund its OPEB obligation nor made any contributions to a trust, the Town has assigned \$564,465 of its fund balance to fund its OPEB obligation. This amount exceeds the net OPEB obligation of \$151,631 at June 30, 2014 by \$412,834. The Town intends to establish an irrevocable trust in compliance with GASB Statement No. 45 in fiscal year 2015.

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

Actuarial Methods and Assumptions

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

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

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Investment Return Interest Rate	4.00%
Inflation Rate.....	2.75%
2012 Medical Trend Rate.....	9.00%
Ultimate Medical Trend Rate	5.00%
Year Ultimate Medical Trend Rate Reached	2016
Post Retirement Benefit Increases.....	N/A
Actuarial Cost Method.....	Entry Age Normal
Amortization Method.....	Level Dollar
The remaining amortization period at June 30, 2013	22.81 years Closed
Annual Payroll Increase.....	2.5%
Valuation Type.....	Closed Group

15. MAJOR REVENUE SOURCE

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

<u>June 30,</u>	
2015	2,252,095
2016	2,307,997
2017	2,363,899
2018	2,419,801
2019	2,475,703
2020	2,541,290
2021	2,598,524
2022	2,655,758
Total	\$ 19,615,067

During fiscal year ending June 30, 2014 the Town received \$2,196,193 in payments from FM.

16. FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT

The Foster-Glocester Regional School District (Regional School) was created to include the high school (Grades 9-12) and middle schools (Grades 6-8) for the Towns of Foster and Glocester (the Towns). The Regional School is a separate legal entity from the Towns. The voters of the participating Towns elect their respective School Committee members who are also ex-officio School Committee members for the Regional School District. The Regional School cannot assess and levy property taxes. Revenues are derived principally from the participating Towns of the Regional School, which contribute funds according to a financial formula based upon each Town's enrollment and from the State of Rhode Island. The Town of Glocester's budgeted contribution for the fiscal year ended June 30, 2014 was \$9,571,341. Financial statements for the Regional School are issued separately and may be obtained from the Foster-Glocester Regional School District Business Office, Central Administration Office, 91 Anan Wade Road, North Scituate, Rhode Island 02857.

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

17. RISK MANAGEMENT

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

The Trust is obligated to make payments on the Town's behalf without any further obligation of the Town, unless the Town's applicable limit of liability was exhausted by the size of the loss or the nature of the loss would fall outside the parameters of the Trust policy. As of June 30, 2014, the Town believes there is minimal, if any, potential exposure for outstanding claims which would fall outside the parameter of the Trust policy.

18. INTERFUND TRANSFERS

Interfund transfers for fiscal year ended June 30, 2014 are as follows:

<u>Governmental Activities</u>	Transfers in	Transfers out
<u>Major Funds</u>		
General Fund	\$ 682,417	\$ 7,843,461
School Unrestricted Fund	6,372,035	256
Capital Projects Fund	303,011	-
Capital Reserve-Major Fund	664,582	224,083
Non-Major Funds	48,164	2,409
Total Governmental Activities	<u>\$ 8,070,209</u>	<u>\$ 8,070,209</u>

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

19. LANDFILL POSTCLOSURE CARE COSTS

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

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

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

Town Landfill	Year of Closure	Capping Cost (Estimate)	Monitoring Costs (Estimate)	Years Remaining	Projected Liability	Short-Term Liability	Long-Term Liability
Chestnut Hill Rd.	1979	\$ -	\$ 9,700	25	\$ 242,500	\$ 9,700	\$ 232,800

20. PUBLIC ENTITY RISK POOL

The Health Pool

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

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

**TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014**

20. PUBLIC ENTITY RISK POOL (Continued)

The Health Pool (Continued)

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

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

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

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

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

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

For the year ended June 30, 2014, unaudited results indicate that the Pool generated \$129,713,598 in revenues and excess of expenses over revenues of \$14,603,858. The Pool had \$65,495,907 in total assets and \$39,384,371 in total equity as of June 30, 2014.

The Pool retains certain levels of insurance risk. Specific losses in excess of \$1 million to a limit of \$2 million are covered by a Backstop Account internal to the Trust that is funded by annual Backstop Account payments from the Health Pool. As of June 30, 2014, the Pool's membership consisted of 44 cities, towns or other governmental units.

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

21. SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

Federally Assisted Programs - Compliance Audits

The Town participates in a number of federally assisted programs. The audits of these programs through the year ended June 30, 2014 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 GLOCESTER, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 22 – SPECIAL REVENUE FUND - CDBG

The Town of Glocester's Community Development Block Grant (CDBG) program had been administered by the Western RI Home Repair Program [WRIHRP]. The WRIHRP had administered the CDBG grants for the Towns of Foster, Glocester, and Scituate for approximately 25 years. In May of 2012, the State of Rhode Island CDBG program administrators suspended WRIHRP and each participating community from incurring additional obligations/expenditures related to their housing rehabilitation program. Since the suspension of the WRIHR operations, the State of Rhode Island has been managing the operations of the old CDBG program and has hired a private company to account for the activity. For the fiscal year ended June 30, 2013 the Town did not receive any new grant monies and did not make any expenditures. The Town was not able to accurately record any activity for their CDBG fund nor produce an auditable accounting of the balances as of June 30, 2013. For the fiscal year ended June 30, 2014 the Town received new CDBG monies that have been accounted for by the Town's accounting system and internal controls. The fund is also being presented based on information provided by the State of Rhode Island, their consultants and on information the Town feels is appropriate. The auditors for the Town, Baxter, Dansereau & Associates, LLP do not believe that the current years adjustments for the prior year's balances will have any material impact on the Town's financial presentation either in the current year or in its long-term financial outlook.

NOTE 23 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 17, 2014, the date the financial statements were available to be issued. As a result of this review no material subsequent events were noted.

NOTE 24 – PRIOR PERIOD ADJUSTMENT

Government-Wide Financial Statements

In fiscal year 2014 the Town adopted the requirements of the Government Accounting Standards Board, *GASB 65 - Items Previously Reported as Assets and Liabilities*. The Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The Town has reclassified \$19,784 of prior years' debt issuance cost to expense from prepaid assets which were being amortized over various periods of time.

The Town also adjusted accumulated depreciation on the Government-Wide financial statements by \$281.

The Town was required to adjust its prior years Community Development Block Grant Fund balance by \$50,475 due to the events as described in note 22.

REQUIRED SUPPLEMENTARY INFORMATION

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

Such information includes:

Schedule of Funding Progress

Budgetary Comparison Schedules – General Fund
And Gloucester School General Fund

TOWN OF GLOCESTER, RHODE ISLAND
REQUIRED SUPPLEMENTARY INFORMATION
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 - Municipal Employees Retirement System (MERS)						
2009	6,192,776	7,649,321	(1,456,545)	81%	2,500,025	-58%
2010	6,471,874	8,937,697	(2,465,823)	72%	2,442,616	-101%
2011	6,723,988	7,777,950	(1,053,962)	86%	2,454,369	-43%
2012	7,166,323	8,002,560	(836,237)	90%	2,440,024	-34%
2013	7,456,814	8,271,444	(814,630)	90%	2,475,679	-33%
2014	*N/A	*N/A	*N/A	*N/A	*N/A	*N/A
Police Employees - Municipal Employees Retirement System (MERS)						
2009	4,476,658	5,162,180	(685,522)	87%	1,003,507	-68%
2010	4,516,760	6,498,931	(1,982,171)	70%	904,047	-219%
2011	4,656,616	5,696,880	(1,040,264)	82%	900,604	-116%
2012	4,807,013	6,008,455	(1,201,442)	80%	917,582	-131%
2013	5,064,385	6,289,282	(1,224,897)	81%	977,114	-125%
2014	*N/A	*N/A	*N/A	*N/A	*N/A	*N/A
Other Post Employment Benefits (OPEB)						
7/1/2010	-	2,307,873	(2,307,873)	0%	N/A	N/A
7/1/2012	-	2,104,978	(2,104,978)	0%	N/A	N/A
7/1/2013	-	2,106,719	(2,106,719)	0%	N/A	N/A

* Unavailable at the time of the report

REQUIRED SUPPLEMENTARY INFORMATION
TOWN OF GLOCESTER, RHODE ISLAND
Budgetary Comparison Schedule - General Fund
Schedule of Revenues and Expenditures (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2014

	GENERAL FUND			
	Original Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance
REVENUES:				
Property tax	\$ 22,751,231	\$ 22,751,231	\$ 22,877,211	\$ 125,980
General state aid	286,542	286,542	337,424	50,882
State housing aid	27,268	27,268	21,124	(6,144)
License, fees and fines	410,000	410,000	487,411	77,411
Interest and investment income	90,000	90,000	110,812	20,812
Other revenues	29,500	29,500	45,770	16,270
TOTAL REVENUES	23,594,541	23,594,541	23,879,752	285,211
EXPENDITURES:				
Current:				
Central administration	784,796	784,796	723,750	61,046
Financial administration	662,270	662,270	579,654	82,616
Public safety	2,046,641	2,046,641	1,913,072	133,569
Public works	1,614,837	1,614,837	1,572,059	42,778
Recreation and senior center	263,503	263,503	257,847	5,656
Social services	48,620	48,620	31,900	16,720
Other operational expenses	506,405	506,405	551,819	(45,414)
Aid requests	325,970	325,970	325,970	-
Education	9,571,341	9,571,341	9,571,341	-
Debt service:				
Principal	385,000	385,000	385,000	-
Interest	119,032	119,032	119,026	6
TOTAL EXPENDITURES	16,328,415	16,328,415	16,031,438	296,977
Excess of revenues over (under) expenditures before other financing sources (uses)	7,266,126	7,266,126	7,848,314	582,188
OTHER FINANCING SOURCES (USES):				
Appropriated fund balance	192,488	192,488	192,488	-
Transfers from other funds	104,244	104,244	143,507	39,263
Transfers to other funds	(7,562,858)	(7,562,858)	(7,679,254)	(116,396)
TOTAL OTHER FINANCING USES	(7,266,126)	(7,266,126)	(7,343,259)	(77,133)
Excess of revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ -	\$ 505,055	\$ 505,055
Less: appropriated fund balance			(192,488)	
Add: excess of revenues and other sources over expenditures and other uses of funds classified with the Gloucester General Fund for purposes of GASB Statement No. 54			63,117	
Fund Balance, beginning of year			7,009,546	
Fund Balance, end of year			\$ 7,385,230	

SUPPLEMENTARY INFORMATION
TOWN OF GLOCESTER, RHODE ISLAND
Budgetary Comparison Schedule - School Department Operations
Schedule of Revenues and Expenditures (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2014

	<u>Original Adopted Budget</u>	<u>Final Approved Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance</u>
REVENUES:				
State aid	\$ 2,668,625	\$ 2,668,625	\$ 2,694,909	\$ 26,284
Federal revenue - Medicaid reimbursement	84,000	84,000	107,817	23,817
Tuitions	10,034	10,034	17,000	6,966
Earnings on investments	2,340	2,340	487	(1,853)
Other	120,000	120,000	11,257	(108,743)
TOTAL REVENUES	<u>2,884,999</u>	<u>2,884,999</u>	<u>2,831,470</u>	<u>(53,529)</u>
EXPENDITURES:				
Fogarty Memorial	116,875	116,875	103,085	13,790
West Glocester	104,445	104,445	92,394	12,051
Central administration	253,530	253,530	186,576	66,954
System-wide	2,097,910	2,097,910	1,855,103	242,807
Salaries and fringes	6,953,137	6,953,137	6,566,205	386,932
TOTAL EXPENDITURES	<u>9,525,897</u>	<u>9,525,897</u>	<u>8,803,363</u>	<u>722,534</u>
<i>Excess of revenues over (under) expenditures before other financing sources (uses)</i>	<u>(6,640,898)</u>	<u>(6,640,898)</u>	<u>(5,971,893)</u>	<u>669,005</u>
OTHER FINANCING SOURCES (USES):				
Transfers from Town	6,372,035	6,372,035	6,372,035	-
Appropriated fund balance	268,863	268,863	268,863	-
Transfers to other funds	-	-	(256)	(256)
NET OTHER FINANCING SOURCES	<u>6,640,898</u>	<u>6,640,898</u>	<u>6,640,642</u>	<u>(256)</u>
<i>Excess of revenues and other financing sources over (under) expenditures and other financing uses</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 668,749</u>	<u>\$ 668,749</u>
Fund Balance, beginning of year			<u>3,708,817</u>	
Fund Balance, end of year			<u>\$ 4,108,703</u>	

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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, 2014:

Excess of revenues and other sources over expenditures and other uses (Non-GAAP Budgetary Basis).....	\$ 505,055
Fund balance reappropriated.....	(192,488)
Excess of revenues and other sources over expenditures and other uses of funds classified with the General Fund for purposes of GASB Statement No. 54.....	<u>63,117</u>
Excess of revenues and other sources over expenditures and other uses (GAAP).....	<u><u>\$ 375,684</u></u>

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

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

	<u>Revenues and Transfers</u>	<u>Expenditures and Transfers</u>
<i>General Fund:</i>		
<i>Schedule of Revenues, Expenditures and Other Financing Sources</i>		
<i>(Non-GAAP Budgetary Basis) Budget and Actual</i>	\$ 24,215,747	\$ 23,710,692
Fund balance reappropriated.....	(192,488)	-
Revenues and other sources and expenditures and other uses of funds classified with the General Fund for purposes of GASB Statement No. 54.....	<u>545,170</u>	<u>482,053</u>
<i>Statement of Revenues, Expenditures and Changes in Fund</i>		
<i>Balances</i>	<u><u>\$ 24,568,429</u></u>	<u><u>\$ 24,192,745</u></u>

TOWN OF GLOCESTER, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Budgetary to GAAP basis reconciliation

The following reconciliation summarizes the differences for the School Unrestricted Fund between budgetary and GAAP basis accounting principles for the year ended June 30, 2014:

Excess of revenues and other sources over expenditures and other uses (Non-GAAP Budgetary Basis).....	\$ 668,749
Fund balance reappropriated.....	(268,863)
Excess of revenues and other sources over expenditures and other uses (GAAP).....	<u>\$ 399,886</u>

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

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

	<u>Revenues and Transfers</u>	<u>Expenditures and Transfers</u>
<i>School Unrestricted Fund:</i>		
<i>Schedule of Revenues, Expenditures and Other Financing Sources</i>		
<i>(Non-GAAP Budgetary Basis) Budget and Actual</i>	\$ 9,472,368	\$ 8,803,619
Fund balance reappropriated.....	(268,863)	\$ -
Adjustment for pension contribution made by State of Rhode Island on behalf of employees.....	316,349	316,349
<i>Statement of Revenues, Expenditures and Changes in Fund</i>		
<i>Balances</i>	\$ 9,519,854	\$ 9,119,968

SUPPLEMENTARY INFORMATION

Combining Fund Financial Statements for Non-major Governmental Funds

Other Supplementary Information

SUPPLEMENTARY INFORMATION
TOWN OF GLOCESTER, RHODE ISLAND
Combining Balance Sheet - Non-Major Governmental Funds
JUNE 30, 2014

	Town Special Revenue Funds	School Special Revenue Funds	Capital Projects Funds	Permanent Funds	Totals
ASSETS:					
Cash and cash equivalents	\$ 9,389	\$ -	\$ -	\$ 12,386	\$ 21,775
Loans receivable	563,423	-	-	-	563,423
Other receivables	27,761	-	-	-	27,761
Due from other governments	215,577	99,715	-	-	315,292
Due from other funds	262,478	64,653	516,793	-	843,924
TOTAL ASSETS	\$ 1,078,628	\$ 164,368	\$ 516,793	\$ 12,386	\$ 1,772,175
LIABILITIES AND FUND BALANCES:					
LIABILITIES:					
Accounts payable	\$ 3,440	\$ -	\$ 56,339	\$ -	\$ 59,779
Accrued expenses	-	8,017	-	-	8,017
Due to other funds	61,807	91,954	71,565	-	225,326
Unearned revenues	563,423	-	-	-	563,423
TOTAL LIABILITIES	628,670	99,971	127,904	-	856,545
FUND BALANCES (DEFICITS):					
Nonspendable for:					
Perpetual care	-	-	-	3,100	3,100
Restricted for:					
Administration	54,178	-	-	-	54,178
Public safety	72,022	-	-	-	72,022
Recreation	81,429	-	-	-	81,429
Social services	242,329	-	-	-	242,329
Education	-	64,397	-	-	64,397
Capital projects	-	-	388,889	-	388,889
Perpetual care	-	-	-	9,286	9,286
Unassigned:	-	-	-	-	-
FUND BALANCES (DEFICITS)	449,958	64,397	388,889	12,386	915,630
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,078,628	\$ 164,368	\$ 516,793	\$ 12,386	\$ 1,772,175

SUPPLEMENTARY INFORMATION
TOWN OF GLOCESTER, RHODE ISLAND
Combining Statement of Revenues, Expenditures, Other Financing Source (Uses)
and Changes in Fund Balances - Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2014

	Town Special Revenue Funds	School Special Revenue Funds	Capital Projects Funds	Permanent Funds	Totals
REVENUES:					
Intergovernmental	\$ 329,120	\$ 435,174	\$ 15,756	\$ -	\$ 780,050
Interest on investments	3,596	-	-	2	3,598
Other	135,824	1,000	77,360	-	214,184
TOTAL REVENUES	<u>468,540</u>	<u>436,174</u>	<u>93,116</u>	<u>2</u>	<u>997,832</u>
EXPENDITURES:					
<i>Current:</i>					
Administration	121,008	-	-	-	121,008
Public Safety	139,781	-	-	-	139,781
Public Works	-	-	79,873	-	79,873
Recreation	29,238	-	-	-	29,238
Social Services	174,845	-	-	-	174,845
Education	-	440,218	-	-	440,218
<i>Debt service:</i>					
Principal	26,873	-	40,000	-	66,873
Interest	3,596	-	23,988	-	27,584
<i>Capital:</i>	21,462	-	480,595	-	502,057
TOTAL EXPENDITURES	<u>516,803</u>	<u>440,218</u>	<u>624,456</u>	<u>-</u>	<u>1,581,477</u>
<i>Excess of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)</i>	(48,263)	(4,044)	(531,340)	2	(583,645)
OTHER FINANCING SOURCES (USES)					
Transfers in	47,908	256	303,011	-	351,175
Transfers out	(2,409)	-	-	-	(2,409)
NET OTHER FINANCING SOURCES (USES)	<u>45,499</u>	<u>256</u>	<u>303,011</u>	<u>-</u>	<u>348,766</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(2,764)	(3,788)	(228,329)	2	(234,879)
FUND BALANCE AT BEGINNING OF YEAR	<u>503,197</u>	<u>68,185</u>	<u>617,218</u>	<u>12,384</u>	<u>1,200,984</u>
PRIOR PERIOD ADJUSTMENT	(50,475)	-	-	-	(50,475)
FUND BALANCE AT END OF YEAR	<u>\$ 449,958</u>	<u>\$ 64,397</u>	<u>\$ 388,889</u>	<u>\$ 12,386</u>	<u>\$ 915,630</u>

SUPPLEMENTARY INFORMATION
TOWN OF GLOCESTER, RHODE ISLAND
Special Revenue Restricted Funds - Town
Combining Balance Sheet
June 30, 2014

	<u>Bramley Bill</u>	<u>The Meds Plan</u>	<u>Revaluation Grant</u>	<u>Recycling Grant</u>	<u>Public Library Grant</u>	<u>July 4th Parade</u>	<u>MHRH Grant</u>
ASSETS:							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,800	\$ -
Loans receivable	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-
Due from other governments	-	3,000	-	-	-	-	218
Due from other funds	52,669	3,217	-	33,459	-	47,651	-
TOTAL ASSETS	<u>\$ 52,669</u>	<u>\$ 6,217</u>	<u>\$ -</u>	<u>\$ 33,459</u>	<u>\$ -</u>	<u>\$ 56,451</u>	<u>\$ 218</u>
LIABILITIES AND FUND BALANCE:							
LIABILITIES:							
Accounts payable and accrued expenses	\$ 285	\$ -	\$ -	\$ -	\$ -	\$ 163	\$ 13
Due to other funds	-	-	-	-	-	-	148
Unearned revenues	-	-	-	-	-	-	-
TOTAL LIABILITIES	<u>285</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>163</u>	<u>161</u>
FUND BALANCE:							
Restricted for:							
Administration	-	-	-	33,459	-	-	-
Public safety	52,384	6,217	-	-	-	-	-
Recreation	-	-	-	-	-	56,288	-
Social services	-	-	-	-	-	-	57
Unassigned:	-	-	-	-	-	-	-
TOTAL FUND BALANCE	<u>52,384</u>	<u>6,217</u>	<u>-</u>	<u>33,459</u>	<u>-</u>	<u>56,288</u>	<u>57</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 52,669</u>	<u>\$ 6,217</u>	<u>\$ -</u>	<u>\$ 33,459</u>	<u>\$ -</u>	<u>\$ 56,451</u>	<u>\$ 218</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF GLOCESTER, RHODE ISLAND
Special Revenue Restricted Funds - Town
Combining Balance Sheet
June 30, 2014

	<u>Emergency Energy</u>	<u>Bullet Proof Vest</u>	<u>Pollard Mimosa Trees</u>	<u>Police Grant JAG</u>	<u>Central Police Legislative Grant</u>	<u>Blue Rip Tide Grant</u>	<u>Historic Records Trust</u>
ASSETS:							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 529
Loans receivable	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-
Due from other governments	-	1,842	-	8,580	-	5,199	-
Due from other funds	23,210	-	2,000	-	-	-	19,243
TOTAL ASSETS	<u>\$ 23,210</u>	<u>\$ 1,842</u>	<u>\$ 2,000</u>	<u>\$ 8,580</u>	<u>\$ -</u>	<u>\$ 5,199</u>	<u>\$ 19,772</u>
LIABILITIES AND FUND BALANCE:							
LIABILITIES:							
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,053
Due to other funds	-	1,842	-	8,580	-	5,199	-
Unearned revenues	-	-	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>1,842</u>	<u>-</u>	<u>8,580</u>	<u>-</u>	<u>5,199</u>	<u>1,053</u>
FUND BALANCE:							
Restricted for:							
Administration	-	-	2,000	-	-	-	18,719
Public safety	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-
Social services	23,210	-	-	-	-	-	-
Unassigned:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL FUND BALANCE	<u>23,210</u>	<u>-</u>	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,719</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 23,210</u>	<u>\$ 1,842</u>	<u>\$ 2,000</u>	<u>\$ 8,580</u>	<u>\$ -</u>	<u>\$ 5,199</u>	<u>\$ 19,772</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF GLOCESTER, RHODE ISLAND
Special Revenue Restricted Funds - Town
Combining Balance Sheet
June 30, 2014

	Senior Center Donations	Food Bank	Animal Shelter Amy Angilly Fund	Community Septic System Loan Program	BHDDH CAST	DARE	Community Development Block Grant
ASSETS:							
Cash and cash equivalents	\$ 60	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Loans receivable	-	-	-	175,815	-	-	387,608
Other receivables	-	-	-	-	-	-	27,761
Due from other governments	-	-	-	145,515	11,560	-	39,663
Due from other funds	25,216	34,104	20,266	-	-	1,443	-
TOTAL ASSETS	<u>\$ 25,276</u>	<u>\$ 34,104</u>	<u>\$ 20,266</u>	<u>\$ 321,330</u>	<u>\$ 11,560</u>	<u>\$ 1,443</u>	<u>\$ 455,032</u>
LIABILITIES AND FUND BALANCE:							
LIABILITIES:							
Accounts payable and accrued expenses	\$ 135	\$ 220	\$ -	\$ -	\$ 1,046	\$ 132	\$ 393
Due to other funds	-	-	8,156	-	10,514	-	27,368
Unearned revenues	-	-	-	175,815	-	-	387,608
TOTAL LIABILITIES	<u>135</u>	<u>220</u>	<u>8,156</u>	<u>175,815</u>	<u>11,560</u>	<u>132</u>	<u>415,369</u>
FUND BALANCE:							
Restricted for:							
Administration	-	-	-	-	-	-	-
Public safety	-	-	12,110	-	-	1,311	-
Recreation	25,141	-	-	-	-	-	-
Social services	-	33,884	-	145,515	-	-	39,663
Unassigned:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL FUND BALANCE	<u>25,141</u>	<u>33,884</u>	<u>12,110</u>	<u>145,515</u>	<u>-</u>	<u>1,311</u>	<u>39,663</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 25,276</u>	<u>\$ 34,104</u>	<u>\$ 20,266</u>	<u>\$ 321,330</u>	<u>\$ 11,560</u>	<u>\$ 1,443</u>	<u>\$ 455,032</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF GLOCESTER, RHODE ISLAND
Special Revenue Restricted Funds - Town
Combining Balance Sheet
June 30, 2014

	Meal Site Senate Grant	TOTAL
ASSETS:		
Cash and cash equivalents	\$ -	\$ 9,389
Loans receivable	-	563,423
Other receivables	-	27,761
Due from other governments	-	215,577
Due from other funds	-	262,478
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 1,078,628</u>
LIABILITIES AND FUND BALANCE:		
LIABILITIES:		
Accounts payable and accrued expenses	\$ -	\$ 3,440
Due to other funds	-	61,807
Unearned revenues	-	563,423
TOTAL LIABILITIES	<u>-</u>	<u>628,670</u>
FUND BALANCE:		
Restricted for:		
Administration	-	54,178
Public safety	-	72,022
Recreation	-	81,429
Social services	-	242,329
Unassigned:	-	-
TOTAL FUND BALANCE	<u>-</u>	<u>449,958</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ -</u>	<u>\$ 1,078,628</u>

(Concluded)

SUPPLEMENTARY INFORMATION
TOWN OF GLOCESTER, RHODE ISLAND
Special Revenue Restricted Funds - Town
Combining Statement of Revenues, Expenditures Other Financing Sources (Uses), and
Changes in Fund Balances
For the Fiscal year Ended June 30, 2014

	<u>Bramley Bill</u>	<u>The Meds Plan</u>	<u>Revaluation Grant</u>	<u>Recycling Grant</u>	<u>Public Library Grant</u>	<u>July 4th Parade</u>	<u>MHRH Grant</u>
REVENUES:							
Intergovernmental revenue	\$ 32,201	\$ 6,500	\$ 48,713	\$ 9,216	\$ 71,674	\$ 3,000	\$ 1,071
Investment income	-	-	-	-	-	-	-
Other revenue	2,834	-	-	-	-	28,438	-
TOTAL REVENUES	<u>35,035</u>	<u>6,500</u>	<u>48,713</u>	<u>9,216</u>	<u>71,674</u>	<u>31,438</u>	<u>1,071</u>
EXPENDITURES:							
Current:							
Administration	-	-	69,413	2,634	-	-	-
Public safety	45,122	-	-	-	-	-	-
Recreation	-	-	-	-	-	29,238	-
Social Services	-	4,458	-	-	71,674	-	1,071
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital:							
TOTAL EXPENDITURES	<u>45,122</u>	<u>4,458</u>	<u>69,413</u>	<u>2,634</u>	<u>71,674</u>	<u>29,238</u>	<u>1,071</u>
Excess of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)	<u>(10,087)</u>	<u>2,042</u>	<u>(20,700)</u>	<u>6,582</u>	<u>-</u>	<u>2,200</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):							
Transfers in	1,607	-	20,700	-	-	10,000	-
Transfers out	-	-	-	-	-	-	-
NET OTHER FINANCING SOURCES (USES)	<u>1,607</u>	<u>-</u>	<u>20,700</u>	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	<u>(8,480)</u>	<u>2,042</u>	<u>-</u>	<u>6,582</u>	<u>-</u>	<u>12,200</u>	<u>-</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>60,864</u>	<u>4,175</u>	<u>-</u>	<u>26,877</u>	<u>-</u>	<u>44,088</u>	<u>57</u>
PRIOR PERIOD ADJUSTMENT	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 52,384</u>	<u>\$ 6,217</u>	<u>\$ -</u>	<u>\$ 33,459</u>	<u>\$ -</u>	<u>\$ 56,288</u>	<u>\$ 57</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF GLOCESTER, RHODE ISLAND
Special Revenue Restricted Funds - Town
Combining Statement of Revenues, Expenditures Other Financing Sources (Uses), and
Changes in Fund Balances
For the Fiscal year Ended June 30, 2014

	Emergency Energy	Bullet Proof Vest	Pollard Mimosa Trees	Police Grant JAG	Central Police Legislative Grant	Blue Rip Tide Grant	Historic Records Trust
REVENUES:							
Intergovernmental revenue	\$ -	\$ 1,842	\$ -	\$ 19,320	\$ 1,000	\$ 21,657	\$ -
Investment income	-	-	-	-	-	-	-
Other revenue	5,125	-	-	-	-	-	13,457
TOTAL REVENUES	<u>5,125</u>	<u>1,842</u>	<u>-</u>	<u>19,320</u>	<u>1,000</u>	<u>21,657</u>	<u>13,457</u>
EXPENDITURES:							
<i>Current:</i>							
Administration	-	-	-	-	-	-	12,270
Public safety	-	3,684	-	10,770	1,000	9,098	-
Recreation	-	-	-	-	-	-	-
Social Services	11,895	-	-	-	-	-	-
<i>Debt service:</i>							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
<i>Capital:</i>							
	-	-	-	8,580	-	12,882	-
TOTAL EXPENDITURES	<u>11,895</u>	<u>3,684</u>	<u>-</u>	<u>19,350</u>	<u>1,000</u>	<u>21,980</u>	<u>12,270</u>
<i>Excess of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)</i>	<u>(6,770)</u>	<u>(1,842)</u>	<u>-</u>	<u>(30)</u>	<u>-</u>	<u>(323)</u>	<u>1,187</u>
OTHER FINANCING SOURCES (USES):							
Transfers in	13,000	1,842	-	30	-	323	406
Transfers out	-	-	-	-	-	-	-
NET OTHER FINANCING SOURCES (USES)	<u>13,000</u>	<u>1,842</u>	<u>-</u>	<u>30</u>	<u>-</u>	<u>323</u>	<u>406</u>
<i>Excess of revenues and other financing sources over (under) expenditures and other financing uses</i>	<u>6,230</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,593</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>16,980</u>	<u>-</u>	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,126</u>
PRIOR PERIOD ADJUSTMENT	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 23,210</u>	<u>\$ -</u>	<u>\$ 2,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,719</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF GLOCESTER, RHODE ISLAND
Special Revenue Restricted Funds - Town
Combining Statement of Revenues, Expenditures Other Financing Sources (Uses), and
Changes in Fund Balances
For the Fiscal year Ended June 30, 2014

	Senior Center Donations	Food Bank	Animal Shelter Amy Angilly Fund	Community Septic System Loan Program	BHDDH CAST	DARE	Community Development Block Grant
REVENUES:							
Intergovernmental revenue	\$ -	\$ 5,000	\$ -	\$ -	\$ 69,235	\$ -	\$ 36,691
Investment income	-	-	-	3,596	-	-	-
Other revenue	3,583	14,851	-	26,873	-	1,000	39,663
TOTAL REVENUES	<u>3,583</u>	<u>19,851</u>	<u>-</u>	<u>30,469</u>	<u>69,235</u>	<u>1,000</u>	<u>76,354</u>
EXPENDITURES:							
Current:							
Administration	-	-	-	-	-	-	36,691
Public safety	-	-	-	-	69,235	872	-
Recreation	-	-	-	-	-	-	-
Social Services	1,983	15,329	-	66,435	-	-	-
Debt service:							
Principal	-	-	-	26,873	-	-	-
Interest	-	-	-	3,596	-	-	-
Capital:	-	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>1,983</u>	<u>15,329</u>	<u>-</u>	<u>96,904</u>	<u>69,235</u>	<u>872</u>	<u>36,691</u>
Excess of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)	<u>1,600</u>	<u>4,522</u>	<u>-</u>	<u>(66,435)</u>	<u>-</u>	<u>128</u>	<u>39,663</u>
OTHER FINANCING SOURCES (USES):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	(2,409)	-	-	-	-
NET OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>(2,409)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	<u>1,600</u>	<u>4,522</u>	<u>(2,409)</u>	<u>(66,435)</u>	<u>-</u>	<u>128</u>	<u>39,663</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>23,541</u>	<u>29,362</u>	<u>14,519</u>	<u>211,950</u>	<u>-</u>	<u>1,183</u>	<u>50,475</u>
PRIOR PERIOD ADJUSTMENT	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(50,475)</u>
FUND BALANCE AT END OF YEAR	<u>\$ 25,141</u>	<u>\$ 33,884</u>	<u>\$ 12,110</u>	<u>\$ 145,515</u>	<u>\$ -</u>	<u>\$ 1,311</u>	<u>\$ 39,663</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF GLOCESTER, RHODE ISLAND
Special Revenue Restricted Funds - Town
Combining Statement of Revenues, Expenditures Other Financing Sources (Uses), and
Changes in Fund Balances
For the Fiscal year Ended June 30, 2014

	Meal Site Senate Grant	TOTAL
REVENUES:		
Intergovernmental revenue	\$ 2,000	\$ 329,120
Investment income	-	3,596
Other revenue	-	135,824
TOTAL REVENUES	<u>2,000</u>	<u>468,540</u>
EXPENDITURES:		
<i>Current:</i>		
Administration	-	121,008
Public safety	-	139,781
Recreation	-	29,238
Social Services	2,000	174,845
<i>Debt service:</i>		
Principal	-	26,873
Interest	-	3,596
<i>Capital:</i>	-	21,462
TOTAL EXPENDITURES	<u>2,000</u>	<u>516,803</u>
<i>Excess of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)</i>	<u>-</u>	<u>(48,263)</u>
OTHER FINANCING SOURCES (USES):		
Transfers in	-	47,908
Transfers out	-	(2,409)
NET OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>45,499</u>
<i>Excess of revenues and other financing sources over (under) expenditures and other financing uses</i>	<u>-</u>	<u>(2,764)</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>-</u>	<u>503,197</u>
PRIOR PERIOD ADJUSTMENT	<u>-</u>	<u>(50,475)</u>
FUND BALANCE AT END OF YEAR	<u>\$ -</u>	<u>\$ 449,958</u>

(Concluded)

SUPPLEMENTARY INFORMATION
TOWN OF GLOCESTER, RHODE ISLAND
Special Revenue Restricted Funds - School
Combining Balance Sheet
June 30, 2014

	<u>All Day K</u>	<u>Performing Arts</u>	<u>Technology</u>	<u>Professional Development</u>	<u>Common Core State Standards</u>	<u>Title I</u>
ASSETS:						
Due from federal and state governments	\$ 29,174	\$ -	\$ -	\$ -	\$ 2,540	\$ 31,291
Due from other funds	<u>-</u>	<u>32</u>	<u>18,888</u>	<u>44,074</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 29,174</u>	<u>\$ 32</u>	<u>\$ 18,888</u>	<u>\$ 44,074</u>	<u>\$ 2,540</u>	<u>\$ 31,291</u>
LIABILITIES AND FUND BALANCE:						
LIABILITIES:						
Accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,604
Due to other funds	<u>29,174</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,540</u>	<u>25,687</u>
TOTAL LIABILITIES	<u>29,174</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,540</u>	<u>31,291</u>
FUND BALANCE:						
Restricted for:						
Education	<u>-</u>	<u>32</u>	<u>18,888</u>	<u>44,074</u>	<u>-</u>	<u>-</u>
TOTAL FUND BALANCE	<u>-</u>	<u>32</u>	<u>18,888</u>	<u>44,074</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 29,174</u>	<u>\$ 32</u>	<u>\$ 18,888</u>	<u>\$ 44,074</u>	<u>\$ 2,540</u>	<u>\$ 31,291</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF GLOCESTER, RHODE ISLAND
Special Revenue Restricted Funds - School
Combining Balance Sheet
June 30, 2014

	<u>Title II</u>	<u>CAST Mini Grant</u>	<u>Common Core Standards</u>	<u>IDEA Preschool</u>	<u>IDEA Part B</u>	<u>Rural Education Grant</u>
ASSETS:						
Due from federal and state governments	\$ 12,774	\$ -	\$ 20,280	\$ -	\$ -	\$ -
Due from other funds	-	643	256	-	-	-
TOTAL ASSETS	<u>\$ 12,774</u>	<u>\$ 643</u>	<u>\$ 20,536</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE:						
LIABILITIES:						
Accrued expenses	\$ 1,901	\$ -	\$ 512	\$ -	\$ -	\$ -
Due to other funds	10,873	-	20,024	-	-	-
TOTAL LIABILITIES	<u>12,774</u>	<u>-</u>	<u>20,536</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE:						
Restricted for:						
Education	-	643	-	-	-	-
TOTAL FUND BALANCE	<u>-</u>	<u>643</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 12,774</u>	<u>\$ 643</u>	<u>\$ 20,536</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF GLOCESTER, RHODE ISLAND
Special Revenue Restricted Funds - School
Combining Balance Sheet
June 30, 2014

	<u>Race to the Top</u>	<u>Donations - Library</u>	<u>TOTAL</u>
ASSETS:			
Due from federal and state governments	\$ 3,656	\$ -	\$ 99,715
Due from other funds	<u>-</u>	<u>760</u>	<u>64,653</u>
TOTAL ASSETS	<u><u>\$ 3,656</u></u>	<u><u>\$ 760</u></u>	<u><u>\$ 164,368</u></u>
LIABILITIES AND FUND BALANCE:			
LIABILITIES:			
Accrued expenses	\$ -	\$ -	\$ 8,017
Due to other funds	<u>3,656</u>	<u>-</u>	<u>91,954</u>
TOTAL LIABILITIES	<u>3,656</u>	<u>-</u>	<u>99,971</u>
FUND BALANCE:			
Restricted for:			
Education	<u>-</u>	<u>760</u>	<u>64,397</u>
TOTAL FUND BALANCE	<u>-</u>	<u>760</u>	<u>64,397</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 3,656</u></u>	<u><u>\$ 760</u></u>	<u><u>\$ 164,368</u></u>

(Concluded)

SUPPLEMENTARY INFORMATION
TOWN OF GLOCESTER, RHODE ISLAND
Special Revenue Restricted Funds - School
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Fiscal Year Ended June 30, 2014

	All Day K	Performing Arts	Technology	Professional Development	Common Core State Standards	Title I
REVENUES:						
Intergovernmental	\$ 33,000	\$ -	\$ -	\$ -	\$ 5,392	\$ 82,243
Other revenue	-	-	-	-	-	-
TOTAL REVENUES	33,000	-	-	-	5,392	82,243
EXPENDITURES:						
Education	33,000	-	-	3,579	5,392	82,243
TOTAL EXPENDITURES	33,000	-	-	3,579	5,392	82,243
<i>Excess of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)</i>	-	-	-	(3,579)	-	-
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	-	-	-
NET OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-
<i>Excess of revenues and other financing sources over (under) expenditures and other financing uses</i>	-	-	-	(3,579)	-	-
FUND BALANCE AT BEGINNING OF YEAR	-	32	18,888	47,653	-	-
FUND BALANCE AT END OF YEAR	\$ -	\$ 32	\$ 18,888	\$ 44,074	\$ -	\$ -

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF GLOCESTER, RHODE ISLAND
Special Revenue Restricted Funds - School
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Fiscal Year Ended June 30, 2014

	<u>Title II</u>	<u>CAST Mini Grant</u>	<u>Common Core Standards</u>	<u>IDEA Preschool</u>	<u>IDEA Part B</u>	<u>Rural Education Grant</u>
REVENUES:						
Intergovernmental	\$ 35,455	\$ -	\$ 21,280	\$ 9,606	\$ 202,260	\$ 19,050
Other revenue	-	-	-	-	-	-
TOTAL REVENUES	<u>35,455</u>	<u>-</u>	<u>21,280</u>	<u>9,606</u>	<u>202,260</u>	<u>19,050</u>
EXPENDITURES:						
Education	35,455	-	21,536	9,606	202,260	19,050
TOTAL EXPENDITURES	<u>35,455</u>	<u>-</u>	<u>21,536</u>	<u>9,606</u>	<u>202,260</u>	<u>19,050</u>
<i>Excess of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)</i>	<u>-</u>	<u>-</u>	<u>(256)</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	256	-	-	-
NET OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>256</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess of revenues and other financing sources over (under) expenditures and other financing uses</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>-</u>	<u>643</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ -</u>	<u>\$ 643</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF GLOCESTER, RHODE ISLAND
Special Revenue Restricted Funds - School
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Fiscal Year Ended June 30, 2014

	<u>Race to the Top</u>	<u>Donations - Library</u>	<u>TOTAL</u>
REVENUES:			
Intergovernmental	\$ 26,888	\$ -	\$ 435,174
Other revenue	-	1,000	1,000
TOTAL REVENUES	<u>26,888</u>	<u>1,000</u>	<u>436,174</u>
EXPENDITURES:			
Education	<u>26,888</u>	<u>1,209</u>	<u>440,218</u>
TOTAL EXPENDITURES	<u>26,888</u>	<u>1,209</u>	<u>440,218</u>
<i>Excess of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)</i>	<u>-</u>	<u>(209)</u>	<u>(4,044)</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	-	-	256
NET OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>256</u>
<i>Excess of revenues and other financing sources over (under) expenditures and other financing uses</i>	<u>-</u>	<u>(209)</u>	<u>(3,788)</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>-</u>	<u>969</u>	<u>68,185</u>
FUND BALANCE AT END OF YEAR	<u>\$ -</u>	<u>\$ 760</u>	<u>\$ 64,397</u>

(Concluded)

SUPPLEMENTARY INFORMATION
TOWN OF GLOCESTER, RHODE ISLAND
Non-Major Capital Projects Funds
Combining Balance Sheet
June 30, 2014

	<u>Chepachet River Park</u>	<u>Roads</u>	<u>Senior Center Fund</u>	<u>Chepachet River Cleanup</u>	<u>Chepachet Wastewater / Stormwater Project</u>	<u>Geothermal Project</u>	<u>Fogarty School Roof</u>
ASSETS:							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	16,397	56,339	3,004	30,000	133,979	37,811	-
TOTAL ASSETS	<u>\$ 16,397</u>	<u>\$ 56,339</u>	<u>\$ 3,004</u>	<u>\$ 30,000</u>	<u>\$ 133,979</u>	<u>\$ 37,811</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE:							
LIABILITIES:							
Accounts payable	\$ -	\$ 56,339	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	825	-	24,773	37,811	-
TOTAL LIABILITIES	<u>-</u>	<u>56,339</u>	<u>825</u>	<u>-</u>	<u>24,773</u>	<u>37,811</u>	<u>-</u>
FUND BALANCE:							
Restricted for:							
Capital projects	<u>16,397</u>	<u>-</u>	<u>2,179</u>	<u>30,000</u>	<u>109,206</u>	<u>-</u>	<u>-</u>
TOTAL FUND BALANCE	<u>16,397</u>	<u>-</u>	<u>2,179</u>	<u>30,000</u>	<u>109,206</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 16,397</u>	<u>\$ 56,339</u>	<u>\$ 3,004</u>	<u>\$ 30,000</u>	<u>\$ 133,979</u>	<u>\$ 37,811</u>	<u>\$ -</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF GLOCESTER, RHODE ISLAND
Non-Major Capital Projects Funds
Combining Balance Sheet
June 30, 2014

	School Capital Improvement	Animal Control Project	Money Hill Road	Transfer Station Upgrade	Kent Property	TOTAL
ASSETS:						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	231,107	8,156	-	-	-	516,793
TOTAL ASSETS	<u>\$ 231,107</u>	<u>\$ 8,156</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 516,793</u>
LIABILITIES AND FUND BALANCE:						
LIABILITIES:						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 56,339
Due to other funds	-	8,156	-	-	-	71,565
TOTAL LIABILITIES	<u>-</u>	<u>8,156</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>127,904</u>
FUND BALANCE:						
Restricted for:						
Capital projects	231,107	-	-	-	-	388,889
TOTAL FUND BALANCE	<u>231,107</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>388,889</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 231,107</u>	<u>\$ 8,156</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 516,793</u>

(Concluded)

SUPPLEMENTARY INFORMATION
TOWN OF GLOCESTER, RHODE ISLAND
Non-Major Capital Projects Funds
Combining Statement of Revenues, Expenditures, Other Financing Sources (Uses) and
Changes in Fund Balances
For the Fiscal Year Ended June 30, 2014

	<u>Chepachet River Park</u>	<u>Roads</u>	<u>Senior Center Fund</u>	<u>Chepachet River Cleanup</u>	<u>Chepachet Wastewater / Stormwater Project</u>	<u>Geothermal Project</u>	<u>Fogarty School Roof</u>
REVENUES:							
Intergovernmental	\$ -	\$ -	\$ -	\$ 15,756	\$ -	\$ -	\$ -
Other	-	75,343	-	-	-	-	2
TOTAL REVENUES	<u>-</u>	<u>75,343</u>	<u>-</u>	<u>15,756</u>	<u>-</u>	<u>-</u>	<u>2</u>
EXPENDITURES:							
Current:							
Public works	-	78,073	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	40,000
Interest	-	-	-	-	-	-	23,988
Capital outlay:	-	454,130	-	15,756	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>532,203</u>	<u>-</u>	<u>15,756</u>	<u>-</u>	<u>-</u>	<u>63,988</u>
Excess of Revenues Over (Under)							
Expenditures Before Other Financing Sources (Uses)	<u>-</u>	<u>(456,860)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(63,986)</u>
OTHER FINANCING SOURCES:							
Transfers in	-	250,011	-	-	-	-	42,506
NET OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>250,011</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,506</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	<u>-</u>	<u>(206,849)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(21,480)</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>16,397</u>	<u>206,849</u>	<u>2,179</u>	<u>30,000</u>	<u>109,206</u>	<u>-</u>	<u>21,480</u>
FUND BALANCE AT END OF YEAR	<u>\$ 16,397</u>	<u>\$ -</u>	<u>\$ 2,179</u>	<u>\$ 30,000</u>	<u>\$ 109,206</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF GLOCESTER, RHODE ISLAND
Non-Major Capital Projects Funds
Combining Statement of Revenues, Expenditures, Other Financing Sources (Uses) and
Changes in Fund Balances
For the Fiscal Year Ended June 30, 2014

	<u>School Capital Improvement</u>	<u>Animal Control Project</u>	<u>Money Hill Road</u>	<u>Transfer Station Upgrade</u>	<u>Kent Property</u>	<u>TOTAL</u>
REVENUES:						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,756
Other	-	-	-	605	1,410	77,360
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>605</u>	<u>1,410</u>	<u>93,116</u>
EXPENDITURES:						
Current:						
Public works	-	-	1,800	-	-	79,873
Debt service:						
Principal	-	-	-	-	-	40,000
Interest	-	-	-	-	-	23,988
Capital outlay:	<u>-</u>	<u>2,409</u>	<u>-</u>	<u>1,688</u>	<u>6,612</u>	<u>480,595</u>
TOTAL EXPENDITURES	<u>-</u>	<u>2,409</u>	<u>1,800</u>	<u>1,688</u>	<u>6,612</u>	<u>624,456</u>
Excess of Revenues Over (Under)						
Expenditures Before Other Financing Sources (Uses)	<u>-</u>	<u>(2,409)</u>	<u>(1,800)</u>	<u>(1,083)</u>	<u>(5,202)</u>	<u>(531,340)</u>
OTHER FINANCING SOURCES:						
Transfers in	-	2,409	1,800	1,083	5,202	303,011
NET OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>2,409</u>	<u>1,800</u>	<u>1,083</u>	<u>5,202</u>	<u>303,011</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(228,329)</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>231,107</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>617,218</u>
FUND BALANCE AT END OF YEAR	<u>\$ 231,107</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 388,889</u>

(Concluded)

Funds Combined for GASB 54

General Fund

School General Fund

SUPPLEMENTARY INFORMATION
TOWN OF GLOCESTER, RHODE ISLAND
Town General Fund Balance Sheet
Funds Combined with Town General Fund for GASB 54 Purposes
June 30, 2014

	General Fund	Revaluation Reserve	Comprehensive Plan	Accrued Compensated Absences Reserve	Proation Adjustment from FG Regional School District	Tree Planting	Health Reserve	Matching State Grant Funds
ASSETS:								
Cash and cash equivalents	\$ 6,536,967	\$ 317,978	\$ -	\$ 379,919	\$ -	\$ -	\$ -	\$ -
Receivables:								
Taxes, net	842,800	-	-	-	-	-	-	-
Other	14,314	-	-	-	-	-	-	-
Prepaid expenditures	25,495	-	-	-	-	-	-	-
Due from:								
Other funds	121,778	-	38,324	-	-	1,508	296,918	50,000
Other governments	13,367	-	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 7,554,721</u>	<u>\$ 317,978</u>	<u>\$ 38,324</u>	<u>\$ 379,919</u>	<u>\$ -</u>	<u>\$ 1,508</u>	<u>\$ 296,918</u>	<u>\$ 50,000</u>
LIABILITIES AND FUND BALANCES:								
LIABILITIES:								
Accounts payable	\$ 108,256	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll and benefits	134,614	-	-	-	-	-	-	-
Due to:								
Other funds	1,650,636	20,700	-	-	-	-	-	-
Unearned revenues	422,799	-	-	-	-	-	-	-
Other Liabilities	71,051	-	-	-	-	-	-	-
TOTAL LIABILITIES	<u>2,387,356</u>	<u>20,700</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE:								
Nonspendable for:								
Prepaid expenditures	25,495	-	-	-	-	-	-	-
Committed to:								
Education	90,000	-	-	-	-	-	-	-
Capital projects	353,099	-	-	-	-	-	-	-
Recreation	80,000	-	-	-	-	-	-	-
Assigned for:								
Administration	-	297,278	38,324	-	-	1,508	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-
Matching state grant funds	-	-	-	-	-	-	-	50,000
Contractual obligations	-	-	-	379,919	-	-	-	-
Employee benefits	-	-	-	-	-	-	296,918	-
Unassigned:	<u>4,618,771</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL FUND BALANCE	<u>5,167,365</u>	<u>297,278</u>	<u>38,324</u>	<u>379,919</u>	<u>-</u>	<u>1,508</u>	<u>296,918</u>	<u>50,000</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 7,554,721</u>	<u>\$ 317,978</u>	<u>\$ 38,324</u>	<u>\$ 379,919</u>	<u>\$ -</u>	<u>\$ 1,508</u>	<u>\$ 296,918</u>	<u>\$ 50,000</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF GLOCESTER, RHODE ISLAND
Town General Fund Balance Sheet
Funds Combined with Town General Fund for GASB 54 Purposes
June 30, 2014

	Storm Related Services	Other Post Employment Benefits	Police Equipment Maintenance	Senior Center Dues	Radio Equipment	Computer Systems Maintenance	State Aid Reduction	TOTAL
ASSETS:								
Cash and cash equivalents	\$ -	\$ 324,750	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,559,614
Receivables:								
Taxes, net	-	-	-	-	-	-	-	842,800
Other	-	-	-	-	-	-	-	14,314
Prepaid expenditures	-	-	-	-	-	-	-	25,495
Due from:								
Other funds	540,740	59,441	48,964	17,226	74,797	-	90,000	1,339,696
Other governments	-	-	-	-	-	-	-	13,367
TOTAL ASSETS	<u>\$ 540,740</u>	<u>\$ 384,191</u>	<u>\$ 48,964</u>	<u>\$ 17,226</u>	<u>\$ 74,797</u>	<u>\$ -</u>	<u>\$ 90,000</u>	<u>\$ 9,795,286</u>
LIABILITIES AND FUND BALANCES:								
LIABILITIES:								
Accounts payable	\$ -	\$ -	\$ -	\$ 2,000	\$ -	\$ -	\$ -	\$ 110,256
Accrued payroll and benefits	-	-	-	-	-	-	-	134,614
Due to:								
Other funds	-	-	-	-	-	-	-	1,671,336
Unearned revenues	-	-	-	-	-	-	-	422,799
Other Liabilities	-	-	-	-	-	-	-	71,051
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,410,056</u>
FUND BALANCE:								
Nonspendable for:								
Prepaid expenditures	-	-	-	-	-	-	-	25,495
Committed to:								
Education	-	-	-	-	-	-	90,000	180,000
Capital projects	-	-	-	-	-	-	-	353,099
Recreation	-	-	-	-	-	-	-	80,000
Assigned for:								
Administration	-	-	-	-	-	-	-	337,110
Public safety	-	-	48,964	-	74,797	-	-	123,761
Public works	540,740	-	-	-	-	-	-	540,740
Recreation	-	-	-	15,226	-	-	-	15,226
Matching state grant funds	-	-	-	-	-	-	-	50,000
Contractual obligations	-	384,191	-	-	-	-	-	764,110
Employee benefits	-	-	-	-	-	-	-	296,918
Unassigned:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,618,771</u>
TOTAL FUND BALANCE	<u>540,740</u>	<u>384,191</u>	<u>48,964</u>	<u>15,226</u>	<u>74,797</u>	<u>-</u>	<u>90,000</u>	<u>7,385,230</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 540,740</u>	<u>\$ 384,191</u>	<u>\$ 48,964</u>	<u>\$ 17,226</u>	<u>\$ 74,797</u>	<u>\$ -</u>	<u>\$ 90,000</u>	<u>\$ 9,795,286</u>

(Concluded)

SUPPLEMENTARY INFORMATION
TOWN OF GLOCESTER, RHODE ISLAND
Schedule of Revenues, Expenditures, Other Financing Sources (Uses) and
Changes in Fund Balance
Funds Combined with Town General Fund for GASB 54 Purposes
June 30, 2014

	General Fund	Revaluation Reserve	Comprehensive Plan	Accrued Compensated Absences Reserve	Proation Adjustment from FG Regional School District	Tree Planting	Health Reserve	Matching State Grant Funds
REVENUES:								
General property taxes	\$ 22,877,211	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue	358,548	-	-	-	-	-	-	-
Licenses, fees and fines	487,411	-	-	-	-	-	-	-
Investment income	110,812	40	-	52	-	-	-	-
Other revenue	45,770	-	-	-	-	-	-	-
TOTAL REVENUES	23,879,752	40	-	52	-	-	-	-
EXPENDITURES:								
<i>Current:</i>								
Administration	723,750	-	17,446	60,441	-	-	-	-
Finance	579,654	-	-	-	-	-	-	-
Public safety	1,913,072	-	-	-	-	-	-	-
Public works	1,572,059	-	-	-	-	-	-	-
Recreation and senior center	257,847	-	-	-	-	-	-	-
Social services	31,900	-	-	-	-	-	-	-
Operational expenses	551,819	-	-	-	-	-	-	-
Aid requests	325,970	-	-	-	-	-	-	-
Education	9,571,341	-	-	-	-	-	-	-
<i>Debt service:</i>								
Principal	385,000	-	-	-	-	-	-	-
Interest and other costs	119,026	-	-	-	-	-	-	-
TOTAL EXPENDITURES	16,031,438	-	17,446	60,441	-	-	-	-
Excess of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)	7,848,314	40	(17,446)	(60,389)	-	-	-	-
OTHER FINANCING SOURCES (USES)								
Transfers in	143,507	50,000	27,000	80,000	-	-	70,567	-
Transfers out	(7,679,254)	(20,700)	-	-	(104,244)	-	-	-
NET OTHER FINANCING SOURCES (USES)	(7,535,747)	29,300	27,000	80,000	(104,244)	-	70,567	-
NET CHANGE IN FUND BALANCE	312,567	29,340	9,554	19,611	(104,244)	-	70,567	-
FUND BALANCE AT BEGINNING OF YEAR	4,854,798	267,938	28,770	360,308	104,244	1,508	226,351	50,000
FUND BALANCE AT END OF YEAR	\$ 5,167,365	\$ 297,278	\$ 38,324	\$ 379,919	\$ -	\$ 1,508	\$ 296,918	\$ 50,000

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF GLOCESTER, RHODE ISLAND
Schedule of Revenues, Expenditures, Other Financing Sources (Uses) and
Changes in Fund Balance
Funds Combined with Town General Fund for GASB 54 Purposes
June 30, 2014

	Storm Related Services	Other Post Employment Benefits	Police Equipment Maintenance	Senior Center Dues	Radio Equipment	Computer Systems Maintenance	State Aid Reduction	TOTAL
REVENUES:								
General property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,877,211
Intergovernmental revenue	-	-	-	-	-	-	-	358,548
Licenses, fees and fines	-	-	-	-	-	-	-	487,411
Investment income	-	33	-	-	-	-	-	110,937
Other revenue	-	-	-	6,135	-	-	-	51,905
TOTAL REVENUES	-	33	-	6,135	-	-	-	23,886,012
EXPENDITURES:								
Current:								
Administration	-	-	-	-	-	-	-	801,637
Finance	-	-	-	-	-	-	-	579,654
Public safety	-	-	3,420	-	6,146	-	-	1,922,638
Public works	217,625	-	-	-	-	-	-	1,789,684
Recreation and senior center	-	-	-	12,768	-	-	-	270,615
Social services	-	-	-	-	-	-	-	31,900
Operational expenses	-	-	-	-	-	-	-	551,819
Aid requests	-	-	-	-	-	-	-	325,970
Education	-	-	-	-	-	-	-	9,571,341
Debt service:								
Principal	-	-	-	-	-	-	-	385,000
Interest and other costs	-	-	-	-	-	-	-	119,026
TOTAL EXPENDITURES	217,625	-	3,420	12,768	6,146	-	-	16,349,284
Excess of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)	(217,625)	33	(3,420)	(6,633)	(6,146)	-	-	7,536,728
OTHER FINANCING SOURCES (USES)								
Transfers in	150,000	59,441	11,902	-	-	-	90,000	682,417
Transfers out	-	-	-	-	-	(39,263)	-	(7,843,461)
NET OTHER FINANCING SOURCES (USES)	150,000	59,441	11,902	-	-	(39,263)	90,000	(7,161,044)
NET CHANGE IN FUND BALANCE	(67,625)	59,474	8,482	(6,633)	(6,146)	(39,263)	90,000	375,684
FUND BALANCE AT BEGINNING OF YEAR	608,365	324,717	40,482	21,859	80,943	39,263	-	7,009,546
FUND BALANCE AT END OF YEAR	\$ 540,740	\$ 384,191	\$ 48,964	\$ 15,226	\$ 74,797	\$ -	\$ 90,000	\$ 7,385,230

(Concluded)

SUPPLEMENTARY INFORMATION
TOWN OF GLOCESTER, RHODE ISLAND
School Balance Sheet
Funds Combined with School Unrestricted (School General Fund) for GASB 54 Purposes
June 30, 2014

	<u>School Unrestricted</u>	<u>Donations/ Gifts</u>	<u>Other Post Employment Benefits</u>	<u>Total Governmental Funds</u>
ASSETS:				
Cash and cash equivalents	\$ 4,362,762	\$ -	\$ -	\$ 4,362,762
Receivables:				
Other	47,428	-	-	47,428
Prepaid expenditures	51,126	-	-	51,126
Due from:				
Other funds	90,199	154	180,274	270,627
TOTAL ASSETS	<u>\$ 4,551,515</u>	<u>\$ 154</u>	<u>\$ 180,274</u>	<u>\$ 4,731,943</u>
LIABILITIES AND FUND BALANCES:				
LIABILITIES:				
Accounts payable	\$ 47,024	\$ -	\$ -	\$ 47,024
Accrued payroll and benefits	41,414	-	-	41,414
Due to:				
Other funds	534,802	-	-	534,802
TOTAL LIABILITIES	<u>623,240</u>	<u>-</u>	<u>-</u>	<u>623,240</u>
FUND BALANCE:				
Restricted for:				
Education	2,807,840	-	-	2,807,840
Assigned for:				
Education	444,214	154	-	444,368
Medicaid expenditures	300,971	-	-	300,971
Employee benefits	375,250	-	-	375,250
Contractual obligations	-	-	180,274	180,274
Unassigned:	-	-	-	-
TOTAL FUND BALANCE	<u>3,928,275</u>	<u>154</u>	<u>180,274</u>	<u>4,108,703</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 4,551,515</u>	<u>\$ 154</u>	<u>\$ 180,274</u>	<u>\$ 4,731,943</u>

SUPPLEMENTARY INFORMATION
TOWN OF GLOCESTER, RHODE ISLAND
Schedule of Revenues, Expenditures, Other Financing Sources (Uses) and
Changes in Fund Balance
Funds Combined with School Unrestricted (School General Fund) for GASB 54 Purposes
June 30, 2014

	<u>School Unrestricted</u>	<u>Donations/ Gifts</u>	<u>Other Post Employment Benefits</u>	<u>Total Governmental Funds</u>
REVENUES:				
Intergovernmental revenue	\$ 2,694,909	\$ -	\$ -	\$ 2,694,909
Federal revenue-Medicaid reimbursement	107,817			107,817
Tuitions	17,000			17,000
Investment income	487	-	-	487
Other revenue	11,257	-	-	11,257
Intergovernmental - pension contribution	316,349	-	-	316,349
TOTAL REVENUES	<u>3,147,819</u>	<u>-</u>	<u>-</u>	<u>3,147,819</u>
EXPENDITURES:				
<i>Current:</i>				
Education	8,803,363	-	-	8,803,363
Intergovernmental - pension contribution	316,349	-	-	316,349
TOTAL EXPENDITURES	<u>9,119,712</u>	<u>-</u>	<u>-</u>	<u>9,119,712</u>
Excess of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)	<u>(5,971,893)</u>	<u>-</u>	<u>-</u>	<u>(5,971,893)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	6,372,035	-	-	6,372,035
Transfers out	(256)	-	-	(256)
NET OTHER FINANCING SOURCES (USES)	<u>6,371,779</u>	<u>-</u>	<u>-</u>	<u>6,371,779</u>
NET CHANGE IN FUND BALANCE	<u>399,886</u>	<u>-</u>	<u>-</u>	<u>399,886</u>
FUND BALANCE BEGINNING OF YEAR	<u>3,528,389</u>	<u>154</u>	<u>180,274</u>	<u>3,708,817</u>
FUND BALANCE END OF YEAR	<u><u>\$ 3,928,275</u></u>	<u><u>\$ 154</u></u>	<u><u>\$ 180,274</u></u>	<u><u>\$ 4,108,703</u></u>

Budgetary Schedules

General Fund (Non-GAAP Basis)

School General Fund (Non-GAAP Basis)

TOWN OF GLOCESTER, RHODE ISLAND
Budgetary Comparison Schedule - Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP Budgetary Basis) - General Fund
For the Fiscal Year Ended June 30, 2014

	Original Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance
REVENUES:				
Property tax	\$ 22,751,231	22,751,231	\$ 22,877,211	125,980
General state aid	286,542	286,542	337,424	50,882
State housing aid	27,268	27,268	21,124	(6,144)
License, fees and fines	410,000	410,000	487,411	77,411
Interest and investment income	90,000	90,000	110,812	20,812
Other revenues	29,500	29,500	45,770	16,270
TOTAL REVENUES	23,594,541	23,594,541	23,879,752	285,211
EXPENDITURES:				
CENTRAL ADMINISTRATION:				
Town Council:				
Salaries	13,000	13,000	13,000	-
Payroll taxes and benefits	1,933	1,933	1,901	32
Miscellaneous expense	3,000	3,000	992	2,008
Contingency	8,000	8,000	8,100	(100)
Total Town Council	25,933	25,933	23,993	1,940
Town Clerk:				
Town clerk salary	61,751	61,751	62,801	(1,050)
Deputy salary	41,188	41,188	41,888	(700)
Clerical salaries	73,289	73,289	75,975	(2,686)
Overtime - clerical salaries	-	-	86	(86)
Longevity	5,746	5,746	5,854	(108)
Payroll taxes and benefits	80,591	80,591	78,401	2,190
Advertising - general/ordinances	1,500	1,500	646	854
Printing	1,500	1,500	1,348	152
Microfilming	500	500	358	142
Supplies	400	400	436	(36)
Education and training	500	500	-	500
Travel and dues	400	400	87	313
Publications and subscriptions	400	400	1,403	(1,003)
Office equipment and furniture	500	500	753	(253)
Purchased services - indexing, restoration, other	7,100	7,100	2,828	4,272
Miscellaneous expense	500	500	950	(450)
Total Town Clerk	275,865	275,865	273,814	2,051
Board of Canvassers:				
Salaries	975	975	975	-
Police services	1,000	1,000	312	688
Poll workers	2,500	2,500	1,625	875
Payroll taxes and benefits	170	170	108	62
Advertising	2,000	2,000	1,578	422
Miscellaneous expense	2,000	2,000	441	1,559
Total Board of Canvassers	8,645	8,645	5,039	3,606
Probate Court:				
Probate judge salary	4,205	4,205	4,205	-
Worker's compensation	23	23	12	11
Microfilming	300	300	447	(147)
Restoration and miscellaneous expense	250	250	45	205
Other services	300	300	-	300
Total Probate Court	5,078	5,078	4,709	369

(Continued)

TOWN OF GLOCESTER, RHODE ISLAND
Budgetary Comparison Schedule - Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP Budgetary Basis) - General Fund
For the Fiscal Year Ended June 30, 2014

	Original Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance
<i>Building and Zoning Office:</i>				
Building/zoning official salary	44,000	44,000	44,748	(748)
Administrative aide salary	33,709	33,709	34,354	(645)
Payroll taxes and benefits	55,030	55,030	51,788	3,242
Fees - electrical inspector	10,000	10,000	9,035	965
Fees - plumbing inspector	4,000	4,000	4,500	(500)
Fees - mechanical inspector	8,400	8,400	6,880	1,520
Advertising	-	-	85	(85)
Education and training	500	500	165	335
Travel and dues	300	300	35	265
Publications and subscriptions	500	500	120	380
Forms and maps	400	400	117	283
Emergency board-ups	1,000	1,000	350	650
Miscellaneous expense	400	400	107	293
Office equipment and furniture	300	300	-	300
Software support	1,875	1,875	1,935	(60)
<i>Total Building and Zoning Office</i>	160,414	160,414	154,219	6,195
<i>Planning Office:</i>				
Town planner salary	63,204	63,204	50,487	12,717
Part-time planner salary	-	-	4,070	(4,070)
Clerk salary	33,709	33,709	34,491	(782)
GIS consultant	12,500	12,500	12,513	(13)
Longevity	2,739	2,739	2,791	(52)
Payroll taxes and benefits	41,389	41,389	35,608	5,781
Engineering and permitting	300	300	-	300
Advertising	100	100	171	(71)
Education and training	750	750	346	404
Dues	483	483	235	248
Forms and maps	100	100	-	100
Publications and subscriptions	300	300	143	157
GIS software	2,500	2,500	2,500	-
Miscellaneous expense	100	100	-	100
<i>Total Planning Office</i>	158,174	158,174	143,355	14,819
<i>Planning Board:</i>				
Clerk salary	3,770	3,770	3,625	145
Payroll taxes and benefits	309	309	288	21
Miscellaneous expense	-	-	11	(11)
Publications and subscriptions	139	139	95	44
Stenographic services	461	461	-	461
<i>Total Planning Board</i>	4,679	4,679	4,019	660
<i>Zoning Board:</i>				
Clerk salary	1,305	1,305	870	435
Payroll taxes and benefits	107	107	70	37
Advertising	1,500	1,500	692	808
<i>Total Zoning Board</i>	2,912	2,912	1,632	1,280

(Continued)

TOWN OF GLOCESTER, RHODE ISLAND
Budgetary Comparison Schedule - Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP Budgetary Basis) - General Fund
For the Fiscal Year Ended June 30, 2014

	Original Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance
Conservation Commission:				
Advertising	69	69	71	(2)
Dues	140	140	140	-
Water watch program	1,100	1,100	1,100	-
Tree seedling program	640	640	383	257
Total Conservation Commission	1,949	1,949	1,694	255
Land Trust:				
Land purchase and reconditioning	45,000	45,000	40,428	4,572
Total Land Trust	45,000	45,000	40,428	4,572
Community Resource Commission:				
Travel	-	-	80	(80)
Advertising	1,000	1,000	719	281
Miscellaneous expenses	-	-	60	(60)
Total Community Resource Commission	1,000	1,000	859	141
Town Solicitor:				
Legal services	95,000	95,000	69,843	25,157
Total Town Solicitor	95,000	95,000	69,843	25,157
Town Sergeant:				
Salary	135	135	135	-
Payroll taxes and benefits	12	12	11	1
Total Town Sergeant	147	147	146	1
TOTAL CENTRAL ADMINISTRATION	784,796	784,796	723,750	61,046
FINANCIAL ADMINISTRATION:				
Finance Director's Office:				
Finance director salary	77,157	77,157	38,277	38,880
Longevity	2,894	2,894	-	2,894
Payroll taxes and benefits	21,965	21,965	8,963	13,002
Education and training	1,990	1,990	-	1,990
Dues	260	260	170	90
Office equipment and furniture	250	250	1,567	(1,317)
Publications and subscriptions	150	150	-	150
Total Finance Director's Office	104,666	104,666	48,977	55,689
Treasurer's Office:				
Clerk salaries	77,204	77,204	74,855	2,349
Administrative aide salary	40,168	40,168	40,951	(783)
Longevity	2,891	2,891	2,947	(56)
Payroll taxes and benefits	55,158	55,158	52,947	2,211
Advertising	1,450	1,450	1,564	(114)
Printing	300	300	145	155
Computer software support	7,000	7,000	3,890	3,110
Education and training	900	900	107	793
Office equipment and furniture	200	200	534	(334)
Publications and subscriptions	200	200	-	200
Computer/payroll services	18,000	18,000	8,579	9,421
Travel	125	125	29	96
Miscellaneous expense	200	200	40	160
GASB	3,500	3,500	6,500	(3,000)
Audit	28,000	28,000	26,165	1,835
Total Treasurer's Office	235,296	235,296	219,253	16,043

(Continued)

TOWN OF GLOCESTER, RHODE ISLAND
Budgetary Comparison Schedule - Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP Budgetary Basis) - General Fund
For the Fiscal Year Ended June 30, 2014

	Original Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance
<i>Personnel Office:</i>				
Advertising	700	700	4,653	(3,953)
Education and training	300	300	-	300
Publications and subscriptions	100	100	-	100
Miscellaneous expense	100	100	-	100
<i>Total Personnel Office</i>	<u>1,200</u>	<u>1,200</u>	<u>4,653</u>	<u>(3,453)</u>
<i>Tax Collection Office:</i>				
Tax collector salary	45,687	45,687	46,464	(777)
Clerk salary	37,624	37,624	38,406	(782)
Longevity	3,125	3,125	3,182	(57)
Payroll taxes and benefits	51,893	51,893	43,162	8,731
Advertising	400	400	142	258
Postage	3,900	3,900	3,638	262
Computer software support	3,600	3,600	3,525	75
Education and training	400	400	75	325
Dues	-	-	60	(60)
Other purchased services	5,200	5,200	4,876	324
Tax collection fee	22,000	22,000	25,723	(3,723)
Miscellaneous expense	100	100	-	100
<i>Total Tax Collection Office</i>	<u>173,929</u>	<u>173,929</u>	<u>169,253</u>	<u>4,676</u>
<i>Tax Assessor's Office:</i>				
Assessor salary	51,076	51,076	51,176	(100)
Clerical salary	35,666	35,666	36,449	(783)
Overtime - clerical salaries	-	-	129	(129)
Longevity	2,986	2,986	3,041	(55)
Payroll taxes and benefits	41,401	41,401	37,876	3,525
Cartography Services	1,000	1,000	-	1,000
Advertising	250	250	-	250
Computer software support	8,000	8,000	5,275	2,725
Education and training	2,400	2,400	758	1,642
Travel	-	-	49	(49)
Dues	300	300	230	70
Publications and subscriptions	1,500	1,500	1,528	(28)
Office equipment and furniture	500	500	60	440
Other purchased services	1,100	1,100	654	446
Miscellaneous expense	1,000	1,000	293	707
<i>Total Tax Assessor's Office</i>	<u>147,179</u>	<u>147,179</u>	<u>137,518</u>	<u>9,661</u>
<i>TOTAL FINANCIAL ADMINISTRATION</i>	<u>662,270</u>	<u>662,270</u>	<u>579,654</u>	<u>82,616</u>

(Continued)

TOWN OF GLOCESTER, RHODE ISLAND
Budgetary Comparison Schedule - Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP Budgetary Basis) - General Fund
For the Fiscal Year Ended June 30, 2014

	Original Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance
PUBLIC SAFETY:				
<i>Police Department:</i>				
Chief salary	72,828	72,828	74,066	(1,238)
Captain, lieutenant, and sergeant's salaries	247,953	247,953	236,389	11,564
Police officers' salaries	553,138	553,138	555,949	(2,811)
Administrative aide	58,957	58,957	58,860	97
Dispatchers	175,911	175,911	175,130	781
Special and boat patrols	4,375	4,375	6,691	(2,316)
Court time reimbursement	7,150	7,150	3,118	4,032
Overtime, vacation and illness coverage	115,738	115,738	80,137	35,601
Longevity	49,586	49,586	50,020	(434)
Payroll taxes and benefits	556,102	556,102	501,636	54,466
Education and training	11,000	11,000	9,763	1,237
Telephone	4,500	4,500	2,750	1,750
MTD wireless internet air time	6,240	6,240	5,762	478
Postage	500	500	286	214
Other purchased services	2,000	2,000	277	1,723
Communications	1,100	1,100	460	640
Miscellaneous expense	900	900	5,080	(4,180)
Ammunition and range supplies	3,070	3,070	2,945	125
Investigative supplies	1,500	1,500	1,876	(376)
Fingerprinting expense	2,450	2,450	3,060	(610)
Conference, travel and dues	2,800	2,800	1,835	965
Heat and electricity	18,000	18,000	16,617	1,383
Service contracts	29,250	29,250	17,348	11,902
Special equipment - non-office	4,995	4,995	2,868	2,127
Office equipment and furniture	2,000	2,000	-	2,000
Total Police Department	1,932,043	1,932,043	1,812,923	119,120
<i>Emergency Management Agency:</i>				
Coordinator salary	6,559	6,559	6,670	(111)
Payroll taxes and benefits	537	537	529	8
Heat and electricity	3,000	3,000	1,743	1,257
Service contracts	4,000	4,000	1,500	2,500
Education and training	150	150	-	150
Miscellaneous expense	300	300	-	300
Total Emergency Management Agency	14,546	14,546	10,442	4,104
<i>Animal Control:</i>				
Animal control officer salary	41,434	41,434	42,137	(703)
Assistant officer salary	14,000	14,000	9,320	4,680
Longevity	1,554	1,554	1,580	(26)
Payroll taxes and benefits	28,872	28,872	27,004	1,868
Education and training	100	100	-	100
Telephone	400	400	273	127
Heat and electricity	3,550	3,550	3,514	36
Supplies - animal	1,100	1,100	1,754	(654)
Office equipment	-	-	1,023	(1,023)
Other purchased services	4,800	4,800	2,104	2,696
Service contracts	192	192	-	192
Miscellaneous expense	750	750	659	91
Furniture and fixtures	900	900	122	778
Rabies vaccinations	1,000	1,000	-	1,000
Dog damage	250	250	-	250
Equipment - non-office	1,150	1,150	217	933
Total Animal Control	100,052	100,052	89,707	10,345
TOTAL PUBLIC SAFETY	2,046,641	2,046,641	1,913,072	133,569

(Continued)

TOWN OF GLOCESTER, RHODE ISLAND
Budgetary Comparison Schedule - Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP Budgetary Basis) - General Fund
For the Fiscal Year Ended June 30, 2014

	Original Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance
<i>PUBLIC WORKS DEPARTMENT:</i>				
<i>Director's Office</i>				
Director's salary	69,538	69,538	70,720	(1,182)
Clerk's salary	40,168	40,168	40,951	(783)
Longevity	2,944	2,944	2,855	89
Payroll taxes and benefits	47,019	47,019	44,598	2,421
Telephone	900	900	632	268
Education and training	200	200	85	115
Dues	110	110	436	(326)
Office furniture and equipment	350	350	-	350
Safety equipment	250	250	-	250
Service contracts	350	350	-	350
Miscellaneous expense	300	300	100	200
Mandatory drug testing	250	250	90	160
Total Director's Office	162,379	162,379	160,467	1,912
<i>Highway Division</i>				
Salaries	265,039	265,039	284,934	(19,895)
Overtime	2,000	2,000	1,389	611
Longevity	8,901	8,901	11,693	(2,792)
Payroll taxes and benefits	174,193	174,193	159,650	14,543
Heat and electricity	19,500	19,500	18,761	739
Education and training	250	250	150	100
Safety equipment	1,500	1,500	464	1,036
Advertising	-	-	643	(643)
Purchased services	8,000	8,000	5,135	2,865
Road signs and miscellaneous expense	7,500	7,500	3,557	3,943
Tools	1,500	1,500	446	1,054
Total Highway Division	488,383	488,383	486,822	1,561
<i>Maintenance Division - Buildings, Grounds & Parks:</i>				
Salaries	84,941	84,941	87,872	(2,931)
Salaries - grass cutting	-	-	8,874	(8,874)
Salaries - GMP Winsor park support	3,284	3,284	1,470	1,814
Overtime	-	-	514	(514)
Longevity	2,558	2,558	2,602	(44)
Payroll taxes and benefits	44,268	44,268	42,868	1,400
Supplies	6,700	6,700	5,949	751
Safety equipment	400	400	24	376
Other purchased services	11,000	11,000	12,793	(1,793)
Service contracts	300	300	-	300
Miscellaneous expense	3,000	3,000	2,184	816
Repairs, maintenance and construction material	20,000	20,000	8,649	11,351
Tools	1,000	1,000	683	317
Electricity - GMP	1,500	1,500	1,742	(242)
Total Maintenance Division - Building, Grounds & Parks	178,951	178,951	176,224	2,727

(Continued)

TOWN OF GLOCESTER, RHODE ISLAND
Budgetary Comparison Schedule - Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP Budgetary Basis) - General Fund
For the Fiscal Year Ended June 30, 2014

	Original Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance
<i>Maintenance Division - Vehicle & Equipment</i>				
Salaries	97,218	97,218	93,171	4,047
Overtime	1,300	1,300	306	994
Longevity	1,337	1,337	1,360	(23)
Payroll taxes and benefits	41,853	41,853	36,038	5,815
Safety equipment	600	600	23	577
Purchased services	13,500	13,500	53,864	(40,364)
Service contracts	650	650	-	650
Propane - paver	-	-	148	(148)
Miscellaneous expense	6,500	6,500	7,638	(1,138)
Gasoline	90,500	90,500	75,522	14,978
Lubricating oil	8,000	8,000	7,880	120
Diesel Fuel	70,223	70,223	61,449	8,774
Repair parts	87,500	87,500	100,724	(13,224)
Software	-	-	999	(999)
Tools	4,500	4,500	7,197	(2,697)
Tires and tubes	13,000	13,000	13,752	(752)
Total Maintenance Division - Vehicle & Equipment	436,681	436,681	460,071	(23,390)
<i>Waste Disposal Division:</i>				
Salaries	128,905	128,905	117,253	11,652
Overtime	5,000	5,000	5,259	(259)
Longevity	3,825	3,825	1,285	2,540
Youth litter corps	3,000	3,000	3,043	(43)
Payroll taxes and benefits	53,936	53,936	42,532	11,404
Telephone	500	500	295	205
Heat and electricity	8,300	8,300	6,920	1,380
Purchased services	12,200	12,200	222	11,978
Advertising	200	200	248	(48)
Safety equipment	300	300	23	277
Diesel fuel	19,777	19,777	27,706	(7,929)
Miscellaneous expense	7,500	7,500	4,379	3,121
Tipping fees	105,000	105,000	79,310	25,690
Total Waste Disposal Division	348,443	348,443	288,475	59,968
TOTAL PUBLIC WORKS	1,614,837	1,614,837	1,572,059	42,778
<i>RECREATION AND SENIOR CENTER</i>				
<i>Recreation:</i>				
Director salary	15,312	15,312	15,572	(260)
Assistant director salary	600	600	400	200
Salaries - swim, gymnastics, tennis, arts & crafts	57,379	57,379	53,465	3,914
Police detail - July 4th	600	600	234	366
Payroll taxes and benefits	9,980	9,980	7,929	2,051
Advertising	100	100	71	29
Telephone	700	700	820	(120)
Electricity - beaches & Winsor	500	500	603	(103)
Food license - GMP	150	150	-	150
Water testing - beaches and GMP	500	500	300	200
Materials and equipment	1,800	1,800	1,952	(152)
Miscellaneous	-	-	668	(668)
Recreation programs	18,900	18,900	16,505	2,395
Total Recreation	106,521	106,521	98,519	8,002

(Continued)

TOWN OF GLOCESTER, RHODE ISLAND
Budgetary Comparison Schedule - Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP Budgetary Basis) - General Fund
For the Fiscal Year Ended June 30, 2014

	Original Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance
<i>Senior Center:</i>				
Director's salary	32,710	32,710	32,621	89
Interim director's salary	4,000	4,000	828	3,172
Senior meal site - kitchen aid	11,643	11,643	14,282	(2,639)
Maintenance - custodian	21,051	21,051	19,972	1,079
Overtime - custodian	-	-	428	(428)
Salary - information tech, specialist	2,000	2,000	878	1,122
Longevity	1,561	1,561	1,586	(25)
Payroll taxes and benefits	34,367	34,367	31,377	2,990
Electricity, heat, propane and diesel	23,800	23,800	22,886	914
Telephone	850	850	977	(127)
Internet and cable	1,300	1,300	1,193	107
Janitorial supplies	-	-	1,698	(1,698)
Equipment	-	-	450	(450)
Office supplies	1,300	1,300	1,513	(213)
Repair/maintenance/construction material	1,200	1,200	5,521	(4,321)
Programs and activities	9,000	9,000	9,349	(349)
Supplies	2,000	2,000	-	2,000
Other purchased services	6,700	6,700	11,294	(4,594)
License fees	350	350	5	345
Miscellaneous	1,200	1,200	838	362
Water testing	650	650	240	410
Computer equipment and supplies	1,100	1,100	1,250	(150)
Advertising	200	200	142	58
<i>Total Senior Center</i>	<u>156,982</u>	<u>156,982</u>	<u>159,328</u>	<u>(2,346)</u>
TOTAL RECREATION AND SENIOR CENTER	<u>263,503</u>	<u>263,503</u>	<u>257,847</u>	<u>5,656</u>
<i>SOCIAL SERVICES:</i>				
<i>Human Services Department:</i>				
Director's salary	10,717	10,717	10,899	(182)
Van driver's salary	27,059	27,059	15,668	11,391
Payroll taxes and benefits	8,744	8,744	4,444	4,300
Telephone	600	600	369	231
Advertising	1,000	1,000	284	716
Miscellaneous expense	500	500	236	264
<i>Total Human Services Department</i>	<u>48,620</u>	<u>48,620</u>	<u>31,900</u>	<u>16,720</u>
TOTAL SOCIAL SERVICES	<u>48,620</u>	<u>48,620</u>	<u>31,900</u>	<u>16,720</u>

(Continued)

TOWN OF GLOCESTER, RHODE ISLAND
Budgetary Comparison Schedule - Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP Budgetary Basis) - General Fund
For the Fiscal Year Ended June 30, 2014

	Original Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance
OTHER OPERATION EXPENSES:				
<i>Town Hall:</i>				
Utilities	40,000	40,000	38,944	1,056
Water	600	600	318	282
Postage, meter and supplies	20,500	20,500	13,296	7,204
Office furniture and equipment	-	-	722	(722)
Purchased services	200	200	276	(76)
Office and computer supplies	18,000	18,000	14,882	3,118
Security	2,700	2,700	2,662	38
Service Contracts	1,600	1,600	1,536	64
Reclassification and salary negotiations	78,345	78,345	17,872	60,473
Advertising	9,500	9,500	7,987	1,513
Internet service	5,000	5,000	3,794	1,206
Telephone, modem, fax and TDD	7,000	7,000	4,454	2,546
Copier rental	7,700	7,700	726	6,974
RI League of Cities & Towns dues	3,960	3,960	3,960	-
Insurance - property/liability/other	125,000	125,000	99,979	25,021
Unemployment compensation	5,000	5,000	-	5,000
Retired personnel cost	99,800	99,800	40,359	59,441
Land purchase and reconditioning	-	-	55,268	(55,268)
Bond disclosure fees	2,000	2,000	1,525	475
Total Town Hall	426,905	426,905	308,560	118,345
<i>Information Technology Office:</i>				
Information Technology's salary	14,000	14,000	18,067	(4,067)
Payroll taxes and benefits	1,145	1,145	2,658	(1,513)
Computer systems support/repairs	38,000	38,000	40,276	(2,276)
Computer system equipment	20,855	20,855	178,719	(157,864)
Computer system licenses	5,000	5,000	3,539	1,461
Computer systems cable/tools	500	500	-	500
Total Information Technology Office	79,500	79,500	243,259	(163,759)
TOTAL OTHER OPERATION EXPENSES	506,405	506,405	551,819	(45,414)
AID REQUESTS:				
<i>Aid to Libraries:</i>				
Glocester Manton	128,321	128,321	128,321	-
Harmony	188,249	188,249	188,249	-
Total Aid to Libraries	316,570	316,570	316,570	-
<i>Cultural Services:</i>				
Glocester light infantry - Memorial day parade	1,000	1,000	1,000	-
Total Cultural Services	1,000	1,000	1,000	-
<i>Social Services:</i>				
Glocester Little League	3,400	3,400	3,400	-
Glocester Senior Association	1,000	1,000	1,000	-
NW Community Nursing & Health Service	3,000	3,000	3,000	-
Retired Senior Volunteer Program	1,000	1,000	1,000	-
Total Social Services	8,400	8,400	8,400	-
TOTAL AID REQUESTS	325,970	325,970	325,970	-
EDUCATION:				
<i>Foster-Glocester Region</i>	9,571,341	9,571,341	9,571,341	-
TOTAL EDUCATION	9,571,341	9,571,341	9,571,341	-
DEBT SERVICE:				
<i>Non-School Bonds:</i>				
Road bond 2001 - 2016	240,000	240,000	240,000	-
Land trust bond 2010 - 2019	55,000	55,000	55,000	-
Senior center 2007 - 2027	90,000	90,000	90,000	-
Interest	119,032	119,032	119,026	6
Total Non-School Bonds	504,032	504,032	504,026	6
TOTAL DEBT SERVICE	504,032	504,032	504,026	6

(Continued)

TOWN OF GLOCESTER, RHODE ISLAND
Budgetary Comparison Schedule - Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP Budgetary Basis) - General Fund
For the Fiscal Year Ended June 30, 2014

	<u>Original Adopted Budget</u>	<u>Final Approved Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance</u>
TOTAL EXPENDITURES	<u>16,328,415</u>	<u>16,328,415</u>	<u>16,031,438</u>	<u>296,977</u>
<i>Excess of revenues over (under) expenditures before other financing sources (uses)</i>	<u>\$ 7,266,126</u>	<u>\$ 7,266,126</u>	<u>\$ 7,848,314</u>	<u>\$ 582,188</u>
OTHER FINANCING SOURCES (USES):				
Appropriated fund balance	192,488	192,488	192,488	-
Transfer from proration adjustment - Foster Glocester Schools	104,244	104,244	104,244	-
Transfer from computer systems maintenance	-	-	39,263	39,263
Transfer to roads fund	-	-	(27,011)	(27,011)
Transfer to Glocester School Department	(6,372,035)	(6,372,035)	(6,372,035)	-
Transfer to capital projects fund	(662,582)	(662,582)	(664,582)	(2,000)
Transfer to storm/snow related services	(150,000)	(150,000)	(150,000)	-
Transfer to state aid reduction	(90,000)	(90,000)	(90,000)	-
Transfer to revaluation reserve account	(50,000)	(50,000)	(50,000)	-
Transfer to Fogarty School roof	(63,988)	(63,988)	(42,506)	21,482
Transfer to comprehensive plan - 5 year update	(27,000)	(27,000)	(27,000)	-
Transfer to Money Hill Road property	-	-	(1,800)	(1,800)
Transfer to Kent property	-	-	(5,202)	(5,202)
Transfer to emergency energy	(13,000)	(13,000)	(13,000)	-
Transfer to historical records	-	-	(406)	(406)
Transfer to Citizens and Students Together	(4,253)	(4,253)	-	4,253
Transfer to independence day parade	(10,000)	(10,000)	(10,000)	-
Transfer to Bramley Bill	-	-	(1,607)	(1,607)
Transfer to police JAG	-	-	(30)	(30)
Transfer to Bullet Proof Vest	-	-	(1,842)	(1,842)
Transfer to police Blue Rip Tide	-	-	(323)	(323)
Transfer to police equipment maintenance	-	-	(11,902)	(11,902)
Transfer to other post employment benefits	(40,000)	(40,000)	(59,441)	(19,441)
Transfer to compensated absences reserve	(80,000)	(80,000)	(80,000)	-
Transfer to health reserve	-	-	(70,567)	(70,567)
NET OTHER FINANCING SOURCES (USES)	<u>(7,266,126)</u>	<u>(7,266,126)</u>	<u>(7,343,259)</u>	<u>(77,133)</u>
<i>Excess of revenues and other financing sources over (under) expenditures and other financing uses</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 505,055</u>	<u>\$ 505,055</u>

(Concluded)

SUPPLEMENTARY INFORMATION
TOWN OF GLOCESTER, RHODE ISLAND
Budgetary Comparison Schedule - Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP Budgetary Basis) - School General Fund
For the Fiscal Year Ended June 30, 2014

	Original Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance
REVENUES:				
State Aid	\$ 2,668,625	\$ 2,668,625	\$ 2,694,909	\$ 26,284
Federal revenue-Medicaid reimbursement	84,000	84,000	107,817	23,817
Tuitions	10,034	10,034	17,000	6,966
Earnings on investments	2,340	2,340	487	(1,853)
Other	120,000	120,000	11,257	(108,743)
TOTAL REVENUES	2,884,999	2,884,999	2,831,470	(53,529)
EXPENDITURES				
Fogarty Memorial:				
Kindergarten	1,500	1,500	1,960	(460)
Art	3,200	3,200	2,640	560
Computer education	16,500	16,500	13,477	3,023
English, language arts	9,000	9,000	9,967	(967)
Health/physical education	1,200	1,200	1,210	(10)
Special education support	1,000	1,000	314	686
Mathematics	8,500	8,500	5,251	3,249
Music	1,950	1,950	1,753	197
Science	4,000	4,000	4,112	(112)
School library	7,050	7,050	7,507	(457)
Audio-visual services	-	-	366	(366)
Speech	525	525	250	275
Resource program	-	-	62	(62)
Self-contained program	1,900	1,900	1,409	491
Social work services	1,200	1,200	905	295
Psychological services	800	800	351	449
Health services	3,700	3,700	2,668	1,032
Telephone	2,300	2,300	1,848	452
Police and fire details	500	500	336	164
School management/general	52,050	52,050	46,699	5,351
Total	116,875	116,875	103,085	13,790
West Gloucester:				
Kindergarten	1,000	1,000	1,987	(987)
Art	4,000	4,000	3,797	203
Computer education	14,500	14,500	17,231	(2,731)
English, language arts	5,000	5,000	5,022	(22)
Health/physical education	1,550	1,550	1,100	450
Mathematics	5,000	5,000	4,923	77
Music	1,500	1,500	941	559
Science	3,000	3,000	2,909	91
School library	6,600	6,600	6,572	28
Speech	550	550	549	1
Resource program	600	600	639	(39)
Self-contained program	2,200	2,200	2,204	(4)
Pre-school program	875	875	1,907	(1,032)
Social work services	1,600	1,600	1,587	13
Psychological services	1,600	1,600	1,557	43
Health services	3,200	3,200	2,207	993
Telephone	3,000	3,000	1,863	1,137
Police and fire details	500	500	437	63
School management/general	48,170	48,170	34,962	13,208
Total	\$ 104,445	\$ 104,445	\$ 92,394	\$ 12,051

(Continued)

TOWN OF GLOCESTER, RHODE ISLAND
Budgetary Comparison Schedule - Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP Budgetary Basis) - School General Fund
For the Fiscal Year Ended June 30, 2014

	<u>Original Adopted Budget</u>	<u>Final Approved Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance</u>
Central administration:				
Systemwide Management	\$ 118,800	118,800	\$ 105,977	12,823
Fiscal services	41,150	41,150	22,346	18,804
Policy formulation	48,380	48,380	41,418	6,962
Legal services	44,000	44,000	16,000	28,000
Non-public textbooks	1,200	1,200	835	365
Total	<u>253,530</u>	<u>253,530</u>	<u>186,576</u>	<u>66,954</u>
Systemwide:				
Special education services	323,030	323,030	186,033	136,997
Operations - buildings and grounds	383,546	383,546	301,421	82,125
Transportation, regular	552,200	552,200	595,172	(42,972)
Transportation, special education	61,100	61,100	87,698	(26,598)
Transportation, Foster-Glocester Regional	778,034	778,034	684,779	93,255
Total	<u>2,097,910</u>	<u>2,097,910</u>	<u>1,855,103</u>	<u>242,807</u>
Salaries and fringes:				
Classroom instruction	2,984,355	2,984,355	2,913,524	70,831
Kindergarten instruction	314,349	314,349	236,627	77,722
Pre-kindergarten instruction	95,972	95,972	108,507	(12,535)
School library	128,707	128,707	128,707	-
Resource program	489,120	489,120	497,528	(8,408)
Social work services	74,849	74,849	74,849	-
Psychological services	49,687	49,687	46,790	2,897
Health services	128,939	128,939	121,973	6,966
Operation and maintenance of plant	360,569	360,569	341,583	18,986
Bus transportation, regular	106,171	106,171	6,955	99,216
Systemwide management	62,642	62,642	62,169	473
School management	182,212	182,212	182,212	-
Fringe benefits	1,975,565	1,975,565	1,844,781	130,784
Total Salaries and Fringes	<u>6,953,137</u>	<u>6,953,137</u>	<u>6,566,205</u>	<u>386,932</u>
TOTAL EXPENDITURES	<u>9,525,897</u>	<u>9,525,897</u>	<u>8,803,363</u>	<u>722,534</u>
Excess of revenues over (under) expenditures before other financing sources (uses)				
	<u>(6,640,898)</u>	<u>(6,640,898)</u>	<u>(5,971,893)</u>	<u>669,005</u>
OTHER FINANCING SOURCES (USES):				
Transfers from Town	6,372,035	6,372,035	6,372,035	-
Transfers to other funds	-	-	(256)	(256)
Reappropriated fund balance	268,863	268,863	268,863	-
NET OTHER FINANCING SOURCES (USE)	<u>6,640,898</u>	<u>6,640,898</u>	<u>6,640,642</u>	<u>(256)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 668,749</u>	<u>\$ 668,749</u>

(Concluded)

TOWN OF GLOCESTER, RHODE ISLAND
SCHEDULE OF TAX COLLECTIONS
For the Fiscal Year Ended June 30, 2014

FISCAL YEAR END	BALANCE July 1, 2013	CURRENT YEAR ASSESSMENT	REFUNDS	ADDITIONS AND ADJUSTMENTS	ABATEMENTS	AMOUNT TO BE COLLECTED	CURRENT YEAR COLLECTIONS	BALANCE June 30, 2014
2014	\$ -	\$ 20,750,248	\$ 15,914	\$ 7,627	\$ 18,733	\$ 20,755,056	\$ 20,013,788	\$ 741,268
2013	727,716		97	864	1,126	727,551	601,293	126,258
2012	134,157		-	424	1,488	133,093	51,759	81,334
2011	62,928		-	494	339	63,083	14,237	48,846
2010	35,488		-	761	82	36,167	4,857	31,310
2009	29,691		-	880	-	30,571	1,434	29,137
2008	29,325		-	394	-	29,719	1,499	28,220
2007	30,560		-	382	-	30,942	1,080	29,862
2006	27,337		-	377	-	27,714	687	27,027
2005	23,427		-	94	-	23,521	630	22,891
2004	25,400		-	-	25,400	-	-	-
	<u>\$ 1,126,029</u>	<u>\$ 20,750,248</u>	<u>\$ 16,011</u>	<u>\$ 12,297</u>	<u>\$ 47,168</u>	<u>\$ 21,857,417</u>	<u>\$ 20,691,264</u>	<u>\$ 1,166,153</u>

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

DESCRIPTION OF PROPERTY	VALUATIONS	LEVY
Real property - Residential	\$ 864,734,870	\$ 18,366,969
Real property - Commercial/Industrial	58,265,600	1,406,532
Motor vehicles	101,709,774	2,478,667
Tangible personal	17,881,680	756,574
TOTAL	<u>1,042,591,924</u>	<u>23,008,741</u>
Less exemptions	<u>103,890,780</u>	<u>(2,258,493)</u>
NET ASSESSED VALUE	<u>\$ 938,701,144</u>	<u>\$ 20,750,248</u>

**RECONCILIATION OF CURRENT YEAR
PROPERTY TAX REVENUE**

Current year collections	\$ 20,691,264
Add: Refunds, adjustments	3,714
Reserve collected within 60 days subsequent to fiscal year ending June 30, 2014	429,553
Prior year revenue received in current year	(437,355)
Plus: Pilot	2,196,193
Miscellaneous adjustment	<u>(6,158)</u>
CURRENT YEAR RE PROPERTY TAX & EXCISE TAX REVENUE	<u>\$ 22,877,211</u>

STATISTICAL SECTION

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

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Primary Government										
Governmental activities										
Net investment in capital assets	\$ 9,104,096	\$11,114,122	\$10,596,849	\$12,183,517	\$12,366,231	\$13,195,876	\$13,815,360	\$ 15,094,315	15,636,833	15,982,202
Restricted	689,700	794,823	1,263,293	1,255,618	571,210	3,100	3,438,859	4,738,724	5,044,716	4,737,642
Unrestricted	5,623,019	4,703,857	5,614,738	5,459,871	6,267,056	8,268,698	6,386,528	6,027,370	7,266,099	8,142,089
Total governmental activities net position	<u>\$15,416,815</u>	<u>\$16,612,802</u>	<u>\$17,474,880</u>	<u>\$18,899,006</u>	<u>\$19,204,497</u>	<u>\$21,467,674</u>	<u>\$23,640,747</u>	<u>\$ 25,860,409</u>	<u>\$ 27,947,648</u>	<u>\$ 28,861,933</u>
Business-type activities										
Net investment in capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	-
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	-	-	-	22,364	23,468	43,413	50,642	57,785	62,929	60,541
Total business-type activities net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,364</u>	<u>\$ 23,468</u>	<u>\$ 43,413</u>	<u>\$ 50,642</u>	<u>\$ 57,785</u>	<u>\$ 62,929</u>	<u>\$ 60,541</u>
Primary government										
Net investment in capital assets	\$ 9,104,096	\$11,114,122	\$10,596,849	\$12,183,517	\$12,366,231	\$13,195,876	\$13,815,360	\$ 15,094,315	\$ 15,636,833	\$ 15,982,202
Restricted	689,700	794,823	1,263,293	1,255,618	571,210	3,100	3,438,859	4,738,724	5,044,716	4,737,642
Unrestricted	5,623,019	4,703,857	5,614,738	5,482,235	6,290,524	8,312,111	6,437,170	6,085,155	7,329,028	8,202,630
Total primary government net position	<u>\$15,416,815</u>	<u>\$16,612,802</u>	<u>\$17,474,880</u>	<u>\$18,921,370</u>	<u>\$19,227,965</u>	<u>\$21,511,087</u>	<u>\$23,691,389</u>	<u>\$ 25,918,194</u>	<u>\$ 28,010,577</u>	<u>\$ 28,922,474</u>

Note: Statement of Net Assets was first instituted in FY 2002

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental activities:										
Administration	\$ 781,344	\$ 719,930	\$ 864,730	\$ 962,851	\$ 827,540	\$ 816,185	\$ 856,404	\$ 839,967	\$ 785,087	\$ 928,912
Finance	451,843	460,801	512,820	564,677	614,551	584,712	585,586	652,595	619,435	547,164
Public safety	1,555,487	1,631,389	1,742,763	1,900,041	2,084,153	1,911,181	1,954,111	2,151,464	2,207,975	2,146,761
Public works	2,081,657	2,004,415	2,169,528	2,355,418	2,871,973	2,130,372	2,207,085	2,095,239	2,095,284	2,427,577
Recreation	104,517	138,008	243,353	285,306	328,676	368,063	388,751	344,940	358,137	379,978
Social services	403,310	372,878	377,340	386,997	534,967	383,393	399,230	506,408	142,306	273,844
Operational expenses	296,016	277,190	305,365	307,052	417,912	265,543	312,695	315,689	327,098	559,608
Aid requests	297,190	307,151	330,853	344,868	333,083	317,533	318,533	322,750	322,914	325,970
Education	15,822,821	16,913,683	17,728,396	18,725,978	19,212,152	19,107,353	19,165,949	19,118,861	19,024,086	19,330,423
Interest on debt	236,219	215,994	263,100	295,357	260,885	236,437	224,607	197,988	144,345	144,723
Glocester Land Trust	87,810	100,470	90,368	81,473	1,487	-	58,235	84,858	32,064	43,237
Total governmental activities expenses	\$ 22,118,214	\$ 23,141,909	\$ 24,628,616	\$ 26,210,018	\$ 27,487,379	\$ 26,120,772	\$ 26,471,186	\$ 26,630,759	\$ 26,058,731	\$ 27,108,197
Business-type activities:										
School Lunch	\$ -	\$ -	\$ -	\$ 155,788	\$ 153,610	\$ 124,224	\$ 134,636	\$ 147,749	\$ 140,718	\$ 148,336
Total primary government expenses	\$ 22,118,214	\$ 23,141,909	\$ 24,628,616	\$ 26,365,806	\$ 27,640,989	\$ 26,244,996	\$ 26,605,822	\$ 26,778,508	\$ 26,199,449	\$ 27,256,533
Program Revenues										
Governmental activities:										
Charges for services:										
Administration	\$ 449,142	\$ 435,853	\$ 407,245	\$ 359,774	\$ 352,433	\$ 329,306	\$ 284,709	\$ 154,714	\$ 14,473	\$ 13,457
Finance	17,155	15,816	8,197	12,108	26,214	10,949	15,571	34,987	408,769	487,411
Public safety	123,031	133,606	141,522	102,047	129,937	111,540	94,781	154,708	-	-
Public works	8,362	16,699	12,394	21,881	42,477	45,494	71,203	78,603	-	3,583
Recreation	2,237	4,184	3,504	4,066	6,662	8,826	8,415	-	-	-
Social services	-	-	3,230	4,313	23,107	53,629	90,273	26,929	6,000	5,125
Operational expenses	115,968	-	-	-	-	15,816	6,437	-	-	-
Aid requests	-	-	-	-	-	-	-	12,501	-	-
Education	76,215	229,229	211,683	148,131	184,493	292,772	333,722	196,202	138,238	136,074
Operating grants and contributions:										
Administration	78,092	8,585	471	68,500	146,712	152,325	170,684	258,723	-	48,713
Finance	-	-	-	-	-	-	-	-	-	-
Public safety	83,829	50,119	75,287	59,752	13,668	15,931	61,899	67,705	62,086	78,854
Public works	-	24,700	-	-	-	82,615	-	152,886	119,627	115,399
Recreation	-	25,770	10,079	13,714	20,726	22,308	26,234	21,776	-	-
Social services	147,010	249,169	371,759	263,902	474,412	487,188	591,912	223,833	137,784	199,813
Operational expenses	-	-	-	-	-	-	-	-	292,495	358,548
Education	3,640,801	3,957,144	4,208,544	3,995,286	3,783,450	3,622,793	3,777,064	3,601,729	3,581,361	3,447,432
Interest	-	197,070	199,208	206,509	-	-	-	-	-	-
Glocester Land trust	-	-	-	-	-	-	-	-	5,833	166,233
Capital grants and contributions:										
Administration	526,384	-	-	-	-	-	-	-	-	-
Public safety	24,086	119,023	6,000	3,000	61,597	101,248	1,087	-	-	-
Public works	118,615	-	-	34,738	108,705	292,414	85,422	620,013	530,670	93,116
Recreation and cultural services	-	-	46,436	-	-	-	-	106,299	-	-
Social services	163,346	149,517	-	-	-	-	-	-	-	-
Operational expenses	-	-	-	-	-	-	-	-	-	-
Aid requests	-	-	-	-	-	-	-	159,363	-	-
Education	221,655	-	-	-	255,832	216,945	262,271	70,318	-	-
Total governmental activities program revenues	\$ 5,795,928	\$ 5,616,484	\$ 5,705,559	\$ 5,297,721	\$ 5,630,425	\$ 5,862,099	\$ 5,881,684	\$ 5,941,289	\$ 5,297,336	\$ 5,153,758

(Continued)

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Business-type activities:										
Charges for services:										
School Lunch	\$ -	\$ -	\$ -	\$ 84,370	\$ 80,130	\$ 63,167	\$ 59,975	\$ 67,556	\$ 58,211	\$ 145,948
Operating grants and contributions:										
School Lunch	-	-	-	73,176	74,584	81,002	81,890	87,336	87,651	-
Total business-type activities program revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 157,546</u>	<u>\$ 154,714</u>	<u>\$ 144,169</u>	<u>\$ 141,865</u>	<u>\$ 154,892</u>	<u>\$ 145,862</u>	<u>\$ 145,948</u>
Total primary government revenues	<u>\$ 5,795,928</u>	<u>\$ 5,616,484</u>	<u>\$ 5,705,559</u>	<u>\$ 5,455,267</u>	<u>\$ 5,785,139</u>	<u>\$ 6,006,268</u>	<u>\$ 6,023,549</u>	<u>\$ 6,096,181</u>	<u>\$ 5,443,198</u>	<u>\$ 5,299,706</u>
Net (expenses) revenues:										
Governmental activities	\$(16,322,286)	\$(17,525,425)	\$(18,923,057)	\$(20,912,297)	\$(21,856,954)	\$(20,258,673)	\$(20,589,502)	\$(20,689,470)	\$(20,761,395)	\$(21,954,439)
Business-type activities	-	-	-	1,758	1,104	19,945	7,229	7,143	5,144	(2,388)
Total primary government net expense	<u>\$(16,322,286)</u>	<u>\$(17,525,425)</u>	<u>\$(18,923,057)</u>	<u>\$(20,910,539)</u>	<u>\$(21,855,850)</u>	<u>\$(20,238,728)</u>	<u>\$(20,582,273)</u>	<u>\$(20,682,327)</u>	<u>\$(20,756,251)</u>	<u>\$(21,956,827)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes, levied for general purposes	\$ 15,959,350	\$ 16,669,163	\$ 17,616,681	\$ 19,114,197	\$ 20,634,864	\$ 22,953,234	\$ 22,650,126	\$ 22,783,814	\$ 22,654,085	\$ 22,925,740
Unrestricted investment earnings	182,589	240,483	285,429	279,633	154,478	118,156	112,449	126,810	111,739	119,900
Other revenues	1,746,283	1,811,766	2,025,214	2,785,647	1,436,958	-	-	(30,200)	29,142	16,073
Transfers to component unit	-	-	-	-	(63,855)	(549,540)	-	-	-	-
Total primary government	<u>\$ 17,888,222</u>	<u>\$ 18,721,412</u>	<u>\$ 19,927,324</u>	<u>\$ 22,179,477</u>	<u>\$ 22,162,445</u>	<u>\$ 22,521,850</u>	<u>\$ 22,762,575</u>	<u>\$ 22,880,424</u>	<u>\$ 22,794,966</u>	<u>\$ 23,061,713</u>
Change in Net Position										
Governmental activities	\$ 1,565,936	\$ 1,195,987	\$ 1,004,267	\$ 1,267,180	\$ 305,491	\$ 2,263,177	\$ 2,173,073	\$ 2,190,954	\$ 2,059,753	\$ 984,263
Glocester land trust	-	-	-	-	-	-	-	-	(26,182)	123,011
Business-type activities	-	-	-	1,758	1,104	19,945	7,229	7,143	5,144	(2,388)
Total primary government	<u>\$ 1,565,936</u>	<u>\$ 1,195,987</u>	<u>\$ 1,004,267</u>	<u>\$ 1,268,938</u>	<u>\$ 306,595</u>	<u>\$ 2,283,122</u>	<u>\$ 2,180,302</u>	<u>\$ 2,198,097</u>	<u>\$ 2,038,715</u>	<u>\$ 1,104,886</u>

(Concluded)

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund										
Reserved	\$ 10,528	\$ 9,524	\$ 21,523	\$ 13,960	\$ 33,805	\$ 15,480	\$ -	\$ -	\$ -	\$ -
Unreserved	4,321,639	4,554,671	4,317,178	4,225,999	3,896,715	4,246,583	-	-	-	-
Nonspendable	-	-	-	-	-	-	7,769	27,220	20,536	25,495
Restricted	-	-	-	-	-	-	961,063	-	-	-
Committed	-	-	-	-	-	-	573,460	149,244	104,244	613,099
Assigned	-	-	-	-	-	-	525,125	1,801,918	2,050,504	2,127,865
Unassigned	-	-	-	-	-	-	3,904,064	4,302,080	4,834,262	4,618,771
Total general fund	\$ 4,332,167	\$ 4,564,195	\$ 4,338,701	\$ 4,239,959	\$ 3,930,520	\$ 4,262,063	\$ 5,971,481	\$ 6,280,462	\$ 7,009,546	\$ 7,385,230
Education										
Reserved	\$ 376,072	\$ 149,861	\$ -	\$ 2,435	\$ 122,988	\$ 60,323	\$ -	\$ -	\$ -	\$ -
Unreserved	289,086	312,886	415,693	345,913	607,566	1,645,575	-	-	-	-
Restricted	-	-	-	-	-	-	-	2,370,412	2,900,834	2,807,840
Committed	-	-	-	-	-	-	180,000	-	-	-
Assigned	-	-	-	-	-	-	780,686	748,954	807,983	1,300,863
Unassigned	-	-	-	-	-	-	1,690,484	-	-	-
Total education fund	\$ 665,158	\$ 462,747	\$ 415,693	\$ 348,348	\$ 730,554	\$ 1,705,898	\$ 2,651,170	\$ 3,119,366	\$ 3,708,817	\$ 4,108,703
Road Bond Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	12,463	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total road bond fund	\$ 12,463	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Senior Center Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	(697,290)	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total senior center fund	\$ -	\$ (697,290)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Reserve Project Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	749,049	715,966	545,660	748,087	-	-	-	-
Restricted	-	-	-	-	-	-	759,820	638,203	922,362	988,677
Unassigned	-	-	-	-	-	-	-	-	-	-
Total capital reserve project fund	\$ -	\$ -	\$ 749,049	\$ 715,966	\$ 545,660	\$ 748,087	\$ 759,820	\$ 638,203	\$ 922,362	\$ 988,677
Community Development Block Grant										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 430,381	\$ -	\$ -
Unassigned	-	-	-	-	-	-	-	(379,906)	-	-
Total community development block grant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,475	\$ -	\$ -
All Other Governmental Funds										
Reserved:										
Perpetual care	\$ 3,100	\$ 3,100	\$ 3,100	\$ 3,100	\$ 3,100	\$ 3,100	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds:										
Education	285,511	202,841	283,828	407,025	540,289	283,763	-	-	-	-
Other	891,479	786,426	1,159,170	1,157,433	1,403,119	1,714,349	-	-	-	-
Capital projects funds	1,038,794	1,002,637	1,325,501	702,232	836,151	852,039	-	-	-	-
Permanent Fund	9,448	9,505	9,202	9,238	9,247	9,261	-	-	-	-
Nonspendable	-	-	-	-	-	-	336,535	3,100	3,100	3,100
Restricted	-	-	-	-	-	-	1,373,672	1,269,408	1,197,884	912,530
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned,	-	-	-	-	-	-	(89,551)	-	-	-
Total all other governmental funds	\$ 2,228,332	\$ 2,004,509	\$ 2,780,801	\$ 2,279,028	\$ 2,791,906	\$ 2,862,512	\$ 1,620,656	\$ 1,272,508	\$ 1,200,984	\$ 915,630

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
General property taxes	\$ 15,929,478	\$ 16,617,506	\$ 17,605,367	\$ 19,184,312	\$ 20,575,766	\$ 21,898,410	\$ 22,495,323	\$ 22,537,037	\$ 22,701,157	\$ 22,877,211
Intergovernmental and departmental revenue	6,078,886	6,791,868	7,094,716	6,665,094	5,998,069	5,539,730	4,692,744	4,656,720	4,338,108	3,946,050
Licenses and fees	599,500	583,136	552,183	482,153	510,253	472,033	442,361	525,877	439,162	504,411
Interest on investments	182,589	240,483	285,429	273,633	154,478	118,156	112,449	126,759	110,810	115,159
Other revenues	337,441	56,031	140,634	166,449	308,447	435,119	523,108	319,649	256,033	277,346
Intergovernmental-pension contribution	-	-	-	-	246,586	285,107	264,180	332,744	288,222	316,349
Total revenues	\$ 23,127,894	\$ 24,289,024	\$ 25,678,329	\$ 26,771,641	\$ 27,793,599	\$ 28,748,555	\$ 28,530,165	\$ 28,498,786	\$ 28,133,492	\$ 28,036,526
Expenditures										
Central Administration	\$ 746,646	\$ 748,833	\$ 831,213	\$ 988,144	\$ 785,565	\$ 766,545	\$ 831,297	\$ 803,666	\$ 767,489	\$ 922,645
Finance Administration	448,282	457,795	509,814	561,671	596,070	587,715	590,140	620,597	632,644	579,654
Public Safety Department	1,579,176	1,920,978	1,829,558	1,873,749	1,804,769	1,791,933	1,787,760	2,036,564	2,072,097	2,062,419
Public Works Department	1,640,900	2,330,629	1,858,272	2,273,444	1,871,028	1,555,584	1,727,750	1,585,909	1,651,437	1,870,542
Recreation Department	85,386	151,231	1,903,600	202,247	230,431	273,980	291,048	255,834	270,498	299,853
Social Services (3)	398,970	1,315,902	483,269	499,160	530,627	379,053	366,945	439,399	137,966	206,745
Operational expenses	253,774	277,190	355,075	307,052	294,543	404,529	313,737	315,689	327,098	559,608
Aid Request	297,190	307,151	330,853	344,868	333,083	317,533	318,533	322,750	322,914	325,970
Education-Elementary	9,316,350	10,199,745	10,152,139	10,843,415	9,509,781	9,292,913	9,360,130	9,321,435	9,225,612	9,243,581
Education-Secondary-Regional (1)	6,280,537	6,614,229	7,385,896	8,476,681	9,340,823	9,328,376	9,453,321	9,349,077	9,330,162	9,571,341
Glocester Land Trust	87,810	100,470	90,368	81,473	65,342	549,540	58,235	-	-	-
Intergovernmental-pension contribution	-	-	-	-	246,586	285,107	264,180	332,744	288,222	316,349
Capital Outlay	738,299	-	-	-	818,159	1,213,379	734,378	1,793,486	1,033,233	872,330
Principal	620,000	597,235	587,677	708,616	689,658	697,741	784,224	759,960	429,347	451,873
Interest	242,071	216,217	235,524	291,458	261,795	233,669	222,645	203,789	164,078	146,610
Bond issuance costs	-	-	-	-	-	5,500	1,275	-	-	-
Total Expenditures	\$ 22,735,391	\$ 25,237,605	\$ 26,553,258	\$ 27,451,978	\$ 27,378,260	\$ 27,683,107	\$ 27,105,598	\$ 28,140,899	\$ 26,652,797	\$ 27,429,520
Excess of revenues over (under) expenditures	\$ 392,503	\$ (948,581)	\$ (874,929)	\$ (680,337)	\$ 415,339	\$ 1,065,448	\$ 1,424,567	\$ 357,887	\$ 1,480,695	\$ 607,006
Other Financing Sources (uses)										
Proceeds of capital leases	\$ -	\$ 44,622	\$ -	\$ -	\$ -	\$ 14,472	\$ -	\$ -	\$ -	\$ -
Transfers from other funds	6,289,430	7,154,328	7,479,823	7,291,361	8,166,617	8,582,238	7,703,474	8,683,045	7,777,542	8,070,209
Transfers to other funds	(6,289,430)	(7,154,328)	(7,479,823)	(7,291,361)	(8,166,617)	(8,582,238)	(7,703,474)	(8,683,045)	(7,777,542)	(8,070,209)
Proceeds from issuance of bonds	-	-	2,965,000	-	-	500,000	-	-	-	-
Payments to refunded bond escrow agent	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	44,622	2,965,000	-	-	514,472	-	-	-	-
Net change in fund balances	\$ 392,503	\$ (903,959)	\$ 2,090,071	\$ (680,337)	\$ 415,339	\$ 1,579,920	\$ 1,424,567	\$ 357,887	\$ 1,480,695	\$ 607,006
Debt service as a percentage of noncapital expenditures	3.9%	3.2%	3.4%	3.8%	3.6%	3.5%	3.8%	3.7%	2.3%	2.3%

Note: This schedule includes revenues and expenditures of the General Fund, Special Revenue Funds and Capital Projects Funds

(1) This line in the schedule includes only the Town of Glocester's portion of the Foster Glocester Regional School District expenses

(2) This amount includes \$500,000 of bond proceeds transferred to Component Unit (Land Trust)

(3) In fiscal 2006, Senior Center construction costs were expended as social services. In fiscal 2007, Senior Center expenditures, including construction costs, were deemed more appropriately classified in the recreation department.

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

Fiscal Year Ended June 30	Real Property		Personal Property		Less: Tax Exempt Property	Total Taxable Assessed Value	Total Effective Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Motor Vehicles	Other					
2005	646,917,330	42,092,500	66,320,776	20,777,410	73,615,598	702,492,418	21.28	1,020,715,842	68.82%
2006 (2)	1,046,152,900	60,266,600	74,726,668	19,725,790	109,661,463	1,091,210,495	14.34	1,109,291,953	98.37%
2007	1,058,215,120	59,778,900	84,266,684	20,458,860	117,330,916	1,105,388,648	15.00	1,324,707,457	83.44%
2008	1,067,493,900	60,015,000	86,124,833	20,463,280	125,302,544	1,108,794,469	16.36	1,231,235,068	90.06%
2009 (2)	1,059,225,120	65,090,700	88,301,288	18,618,060	130,448,838	1,100,786,330	17.75	1,199,136,425	91.80%
2010	1,065,503,820	66,145,300	79,407,366	18,620,740	136,245,602	1,093,431,624	18.64	1,109,017,190	98.59%
2011	1,071,062,920	65,889,900	94,392,665	18,600,760	128,139,328	1,121,806,917	18.68	992,719,368	113.00%
2012 (1)	855,150,110	57,855,300	96,931,960	18,641,800	96,976,087	931,603,083	22.51	946,415,571	98.43%
2013	860,245,870	57,448,800	101,158,350	18,218,040	102,906,239	934,164,821	22.12	934,164,821	100.00%
2014	864,734,870	58,265,600	101,709,774	17,881,680	103,890,779	938,701,145	22.57	938,701,145	100.00%

Source: Town of Glocester Tax Assessor

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

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

	Town Direct Rates (a)						Overlapping Rates (c)		
Fiscal Year	Real Property		Motor Vehicles	Tangible Property		Total Effective Rate (b)	Chepachet Fire District	Harmony Fire District	West Glocester Fire District
	Residential	Commercial		Personal	Inventory				
2005	20.91	20.91	24.37	28.46	10.06	21.28	1.000	1.49	1.35
2006	13.56	15.55	24.37	29.65	7.55	14.34	0.750	1.55	1.30
2007	14.24	16.33	24.37	31.14	5.04	15.00	0.750	1.20	1.30
2008	15.66	17.91	24.37	31.32	2.52	16.36	0.750	1.20	1.30
2009	17.03	19.37	24.37	33.92	-	17.75	0.750	1.20	1.30
2010	17.98	20.43	24.37	35.80	-	18.64	0.750	1.20	1.30
2011	17.87	20.31	24.37	35.58	-	18.68	0.750	1.20	1.30
2012	21.66	24.62	24.37	43.13	-	22.51	0.950	1.48	1.55
2013	21.25	24.15	24.37	42.31	-	22.12	0.965	1.48	1.55
2014	21.77	24.74	24.37	43.34	-	22.57	0.975	1.54	1.55

(a) The Direct rates are derived from the records of the Town's Tax Assessor.

(b) The Total Effective Rate = Total Tax levy ÷ Total Assessed Value of all property. [Town only - excludes overlapping rates]

(c) Overlapping rates are those of the local fire districts within the Town of Glocester that apply only to owners within the named districts.

For example, the Chepachet Fire District rates do not apply to property owners in the Harmony Fire District.

Schedule 7
Town of Glocester, Rhode Island
Principal Property Tax Payers,
Current Year and Nine Years Ago
Principal Payers
Unaudited

	Fiscal Year				Fiscal Year			
	2014				2005			
	Taxable assessed value	Rank	Percentage of total taxable assessed value	Taxes assessed (3)	Taxable assessed value	Rank	Percentage of total taxable assessed value	Taxes assessed (3)
Factory Mutual Insurance Co. (1)(4)	PILOT	1	PILOT	\$ 2,196,193	PILOT	1	PILOT	634,779
Narragansett Electric, Co.	\$ 8,696,500	2	0.93%	314,720	9,352,373	2	1.33%	250,789
CoxCom	4,119,530	3	0.44%	174,215	4,712,791	3	0.67%	134,126
Criterion Atlantic Property	2,977,500	4	0.32%	89,155	2,878,471	4	0.41%	67,105
Melody Hill Country Club	2,867,320	5	0.31%	70,940	2,694,500	5	0.38%	56,953
Kopeski Stephen M.	2,472,800	6	0.26%	62,013	-	-	-	-
CVS	2,350,960	7	0.25%	61,810	2,075,440	7	0.30%	55,075
Providence, City of (PWSB) (2)	2,306,504	8	0.25%	55,679	1,860,630	8	0.26%	42,129
Glocester Country Club	2,272,760	9	0.24%	59,844	2,633,900	6	0.37%	40,102
Adler Brothers Construction	1,928,320	10	0.21%	47,800	-	-	-	-
Tillanghast, Anna	-	-	-	-	1,362,600	9	0.19%	28,492
Watmough Jr., Roy P.	-	-	-	-	1,269,165	10	0.18%	26,761
Totals	<u>\$ 29,992,194</u>		<u>3.21%</u>	<u>\$ 3,132,369</u>	<u>\$ 28,839,870</u>		<u>4.09%</u>	<u>\$ 1,336,311</u>

Sources: Town of Glocester Tax Assessor and Tax Collector

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

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

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year (as originally certified)	Collected within the Fiscal Year of the Levy		Subsequent abatements and additions	Total Tax Levy for Fiscal Year (adjusted for all subsequent abatements and additions)	Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Original Levy				Amount	Percentage of adjusted Levy
2005	14,949,359	14,553,049	97.35%	26,024	14,975,383	399,537	14,952,586	99.85%
2006	15,647,919	15,174,996	96.98%	10,400	15,658,319	456,673	15,631,669	99.83%
2007	16,578,703	16,062,164	96.88%	2,927	16,581,630	489,205	16,551,369	99.82%
2008	18,134,554	17,589,870	97.00%	8,780	18,143,334	524,819	18,114,689	99.84%
2009	19,541,335	19,044,425	97.46%	29,969	19,571,304	498,089	19,542,514	99.85%
2010	20,380,911	19,767,563	96.99%	9,045	20,389,956	591,068	20,358,631	99.85%
2011	20,960,378	20,285,517	96.78%	9,943	20,970,321	635,525	20,921,042	99.77%
2012	20,971,376	20,211,714	96.38%	(30,441)	20,940,935	645,383	20,857,097	99.60%
2013	20,666,155	19,934,607	96.46%	(3,832)	20,662,323	601,293	20,535,900	99.39%
2014	20,750,248	20,013,788	96.45%	26,360	20,776,608	-	20,013,788	96.33%

Source: Town of Glocester Tax Collector

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

Fiscal Year	Governmental Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Loan Payable	Capital Lease			
2005	4,930,000	250,000	-	5,180,000	2.27% (a)	521 (c)
2006	4,335,000	247,765	37,661	4,620,426	2.03% (a)	464 (c)
2007	6,750,000	210,088	29,429	6,989,517	3.07% (a)	703 (c)
2008	6,085,000	166,472	20,569	6,272,041	2.75% (a)	630 (c)
2009	5,415,000	152,845	13,401	5,581,246	2.45% (a)	561 (c)
2010	5,240,000	136,571	20,261	5,396,832	1.74% (b)	554 (d)
2011	4,515,000	112,226	8,526	4,635,752	1.50% (b)	476 (d)
2012	3,775,000	154,936	55,447	3,985,383	1.29% (b)	409 (d)
2013	3,365,000	135,589	42,238	3,542,827	1.14% (b)	364 (d)
2014	2,940,000	175,815	32,548	3,148,363	1.02% (b)	323 (d)

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

- (a) Ratio is calculated using personal income from 2000 census year.
- (b) Ratio is calculated using personal income from 2010 census year.
- (c) Ratio is calculated using population from 2000 census year.
- (d) Ratio is calculated using population from 2010 census year.

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

Fiscal Year	<u>General Bonded Debt Outstanding</u>		Percentage of Actual Taxable Value (a) of Property	Per Capita (b)
	General Obligation Bonds	Total		
2005	4,930,000	4,930,000	0.70%	495.58
2006	4,335,000	4,335,000	0.40%	435.77
2007	6,750,000	6,750,000	0.61%	678.53
2008	6,085,000	6,085,000	0.55%	611.68
2009	5,415,000	5,415,000	0.49%	544.33
2010	5,240,000	5,240,000	0.48%	537.66
2011	4,515,000	4,515,000	0.40%	463.27
2012	3,775,000	3,775,000	0.41%	387.34
2013	3,365,000	3,365,000	0.36%	345.27
2014	2,940,000	2,940,000	0.31%	301.66

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

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

Schedule 11
Town of Glocester, Rhode Island
Direct and Overlapping Governmental Activities Debt
As of June 30, 2014
Unaudited

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>	<u>Estimated Share of Overlapping Debt Less Housing Aid (b)</u>
Debt repaid with property taxes				
Foster-Glocester Regional School District	\$ 44,695,000	66.56% (a)	\$ 29,748,992	\$ 11,899,597
Chepachet Fire District	105,804	100.00%	105,804	105,804
Harmony Fire District	153,377	100.00%	153,377	153,377
West Glocester Fire District	23,833	100.00%	23,833	23,833
Subtotal, overlapping debt			30,032,006	12,182,611
Town direct debt			3,148,363	3,148,363
Total direct and overlapping debt			<u>\$ 33,180,369</u>	<u>\$ 15,330,974</u>

Sources: Debt outstanding data provided by each governmental unit.

- (a) Estimated percentage applicable for the Foster-Glocester Regional School District portion of the debt is from the Foster-Glocester Regional School District Fiscal 2014 budget.
- (b) It is anticipated that approximately 60% [\$28,482,000] of the Foster-Glocester Regional School District debt will be paid by the State of Rhode Island in the form of housing aid. Similarly, \$510,000 of the *Town direct debt* is for the Glocester Schools of which it is estimated that 40% will be paid by housing aid. The *Estimated Share of Overlapping Debt less Housing Aid* column is displayed here to show the net anticipated obligation of the Town.

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

Legal Debt Margin Calculation for Fiscal Year 2014										
	Assessed Value				\$ 938,701,145					
	Debt limit (3% of assessed value)				28,161,034					
	Debt applicable to limit:									
	General obligation bonds				2,940,000					
	Less: Amount set aside for repayment of general obligation debt				<u>-</u>					
	Total net debt applicable to limit				<u>2,940,000</u>					
	Legal debt margin				<u>\$ 25,221,034</u>					
	Fiscal Year									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Debt limit	\$ 21,074,773	\$ 32,736,315	\$ 33,161,659	\$ 33,263,834	\$ 33,023,590	\$ 32,802,949	\$ 33,654,208	\$ 27,948,092	\$ 28,024,945	\$ 28,161,034
Total net debt applicable to limit	<u>4,930,000</u>	<u>4,335,000</u>	<u>6,750,000</u>	<u>6,085,000</u>	<u>5,415,000</u>	<u>5,240,000</u>	<u>4,515,000</u>	<u>3,775,000</u>	<u>3,365,000</u>	<u>2,940,000</u>
Legal debt margin	<u>\$ 26,004,773</u>	<u>\$ 37,071,315</u>	<u>\$ 26,411,659</u>	<u>\$ 27,178,834</u>	<u>\$ 27,608,590</u>	<u>\$ 27,562,949</u>	<u>\$ 29,139,208</u>	<u>\$ 24,173,092</u>	<u>\$ 24,659,945</u>	<u>\$ 25,221,034</u>
Total net debt applicable to the limit as a percentage of debt limit	23.39%	13.24%	20.35%	18.29%	16.40%	15.97%	13.42%	13.51%	12.01%	10.44%

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

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

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

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

Fiscal Year Ended June 30	Population (1)	Personal Income (1)	Per Capita Personal Income (1)	Median Age(1)	School Enrollment (2)	Unemployment Rate (3)
2005	9,948	227,948,472	22,914	38.2	1,894	3.9%
2006	9,948	227,948,472	22,914	38.2	1,669	4.0%
2007	9,948	227,948,472	22,914	38.2	1,864	4.2%
2008	9,948	227,948,472	22,914	38.2	1,736	6.1%
2009	9,948	227,948,472	22,914	38.2	1,614	8.8%
2010	9,746	310,049,498	31,813	42.7	1,523	9.6%
2011	9,746	310,049,498	31,813	42.7	1,466	7.0%
2012	9,746	310,049,498	31,813	42.7	1,499	8.1%
2013	9,746	306,482,462	31,447	42.7	1,465	8.8%
2014	9,782	320,869,164	32,802	43.9	1,320	7.1%

Sources:

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

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

Employer	Fiscal Year			Fiscal Year		
	2014			2005 (1)		
	Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Foster-Glocester Regional School	169	1	2.76%			
Town of Glocester	146	2	2.39%			
Harmony Hill School Inc	136	3	2.22%			
Factory Mutual Insurance Co.	113	4	1.85%			
Dino's Park-n-Shop	71	5	1.16%			
Chester's Restaurant	34	6	0.56%			
CVS	26	7	0.42%			
Dunkin' Donuts	24	8	0.39%			
Jacques Bus Line	23	9	0.38%			
Concrete Products	18	10	0.29%			
Total	760		12.42%			

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

(1) Data is unavailable for 2005

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

Function/Program	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Central Administration										
Town Council	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Town Clerk office	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Town Sergeant	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Building/Zoning office	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Planning office	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Board of Canvassers	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Probate Court	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Historic District Commission	0.1	0.1	0.1	0.1	0.1	0.1	-	-	-	-
Land Trust	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Planning Board	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Wastewater Commission	0.1	0.1	0.1	0.1	0.1	0.1	-	-	-	-
Zoning Board	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Financial Administration										
Treasurer's office	3.0	3.0	3.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0
Tax Collection office	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Tax Assessor office	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Public Safety										
Police										
Officers	14.0	14.0	14.0	15.0	15.0	14.0	15.0	15.0	15.0	15.0
Dispatchers [civilians]	4.8	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	4.4
Animal Control										
Officer	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Civilians	0.5	0.5	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
Emergency Management	1.0	1.0	1.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Public Works Department										
Director	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	2.0
Transfer Station										
Refuse collection	2.6	2.6	2.6	2.6	2.6	2.6	2.3	2.3	2.3	3.0
Highway										
Driver/laborer	6.4	6.4	6.4	6.4	6.4	6.4	6.2	6.2	6.2	6.0
Maintenance										
Building/grounds	1.0	1.0	2.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Custodial	1.0	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.4
Vehicles & equipment	2.0	2.0	2.0	2.0	2.0	1.0	1.0	1.1	2.0	2.0
Recreation Department										
Director	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
Summer programs	2.7	2.7	2.9	2.8	2.8	2.8	2.8	2.8	2.8	2.8
Human Services Department										
Director	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Senior Van driver	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Senior Center										
Director	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Mealsite	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7

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

Function/Program	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Public Safety (1)										
Police										
Calls	15,480	15,007	15,075	15,605	15,381	16,969	20,222	24,960	24,068	12,134
Physical arrests	415	457	400	353	351	346	380	326	308	156
Citations	3,678	3,716	3,303	3,260	2,803	2,482	2,897	2,457	1,933	1,114
Accidents	286	249	251	249	280	236	258	227	232	139
Animal Control										
Dog licenses issued	515	526	503	473	471	470	395	333	439	317
Public Works										
Transfer Station										
Refuse collected (avg. tons per month)	306	289	285	275	281	221	250	232	228	216
Recyclables collected (avg. tons per month)	80	81	74	79	77	96	129	123	119	121
Highway										
Street resurfacing (miles)	3.9	3.6	0.0	0.4	1.5	2.8	3.9	2.5	4.47	5.10
Street repairs (miles)	0.0	6.7	0.2	0.0	0.0	0.0	0.0	0.0	-	-
Building/Zoning (1)										
Commercial construction permits	38	34	25	20	26	20	14	12	2	-
Residential construction permits - new homes	35	24	19	15	13	17	20	13	8	9
Residential construction permits - other	253	252	253	277	177	205	190	86	83	79
Parks and Recreation										
Athletic field permits	3	3	3	3	3	3	3	3	3	3
Human Services										
Mini-bus passenger transports	790	795	676	658	750	700	711	746	840	557

Sources: Various Town departments.

(1) Statistics for Public Safety and Building/Zoning are based on a calendar year. Totals for 2014 are for the period January 1, 2014 through June 30, 2014.

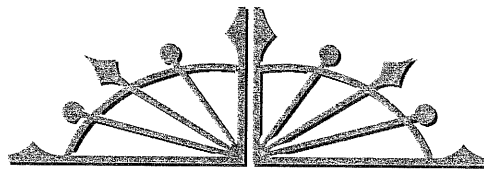
Note: Mini-bus passenger transports were down in 2014 due to, users moved to nursing homes other clients move out of Glocester or passed away.

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

Function/Program	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Zone offices	-	-	-	-	-	-	-	-	-	-
Police patrol vehicles	11	11	11	11	11	11	11	11	16	14
Animal Control										
Animal shelters	1	1	1	1	1	1	1	1	1	1
Public Works										
Transfer Station										
Roll-off truck	2	2	2	2	2	2	2	2	2	2
Streets and Highways (in miles)										
Highways (State owned)	38.3	38.3	38.3	38.3	38.3	38.3	38.3	38.3	38.3	38.3
Roads (Town owned)	78.1	78.1	78.1	78.1	78.1	78.1	78.1	78.1	78.1	78.1
Roads - Private (non-Town)	30.4	30.4	30.4	30.4	30.4	30.4	30.4	30.4	30.4	30.4
Park access	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Driftway	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Total highway and road miles	<u>148.8</u>	<u>148.8</u>	<u>148.8</u>	<u>148.8</u>	<u>148.8</u>	<u>148.8</u>	<u>148.8</u>	<u>148.8</u>	<u>148.8</u>	<u>148.8</u>
Streetlights	-	-	-	-	-	-	-	-	-	-
Traffic signals (State owned)	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	3.0	4.0
Parks and Recreation										
Acreage	165.3	165.3	165.3	165.3	165.3	165.3	165.3	165.3	165.3	165.3
Playgrounds	3	3	3	3	3	3	3	3	3	3
Tennis courts	4	4	4	4	4	4	4	4	4	4
Beaches	2	2	2	2	2	2	2	2	2	2
Baseball/softball diamonds	4	4	4	4	4	4	4	4	4	4
Soccer/football fields	1	1	1	1	1	1	1	1	1	1
Basketball courts	4	4	4	4	4	4	4	4	4	4
Senior Center	-	-	1	1	1	1	1	1	1	1
Human Services										
Transit mini-bus	1	1	1	1	1	1	1	1	1	1

Sources: Various Town Departments

***TOWN OF GLOCESTER, RHODE ISLAND
SINGLE AUDIT
FOR THE YEAR ENDED JUNE 30, 2014***



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

Partners

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

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Glocester, Rhode Island as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Town of Glocester's basic financial statements, and have issued our report thereon dated December 17, 2014.

Internal Control Over Financial Reporting

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

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

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

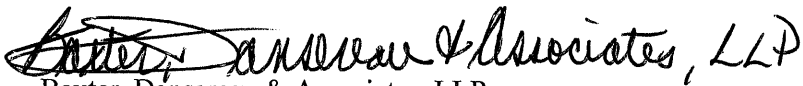
Compliance and Other Matters

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

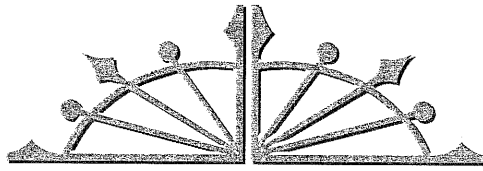
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in 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 black ink, appearing to read "Baxter, Dansereau & Associates, LLP", is written over the printed name of the firm.

Baxter, Dansereau & Associates, LLP

West Warwick, Rhode Island

December 17, 2014



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 Glocester, Rhode Island

Report on Compliance for the Major Federal Program

We have audited the Town of Glocester'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 Glocester, Rhode Island's major federal programs for the year ended June 30, 2014. The Town of Glocester'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 Glocester'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 Glocester'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 Glocester's compliance.

Opinion on Each Major Federal Program

In our opinion, the Town of Glocester, 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, 2014.

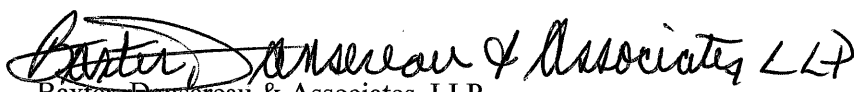
Report on Internal Control Over Compliance

Management of the Town of Glocester is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town of Glocester'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 the Town of Glocester'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 17, 2014

TOWN OF GLOCESTER, RHODE ISLAND
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2014

	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures
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	\$ 10,508
National School Lunch Program	10.555	N/A	64,910
Special Milk Program for Children	10.556	N/A	1,812
Food Donation (Note 4)	10.555	N/A	10,508
Total U.S. Department of Agriculture			<u>\$ 87,738</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	N/A	\$ 36,691
Total U.S. Department of Housing and Urban Development			<u>\$ 36,691</u>
U.S. Department of Justice			
Passed through the State of Rhode Island Department of Mental Health			
Enforcing Underage Drinking Laws Program	16.727	N/A	\$ 1,071
Passed through the State of Rhode Island Department of Public Safety			
Bulletproof Vest Partnership Program	16.607	N/A	1,842
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	19,320
Total U.S. Department of Justice			<u>\$ 22,233</u>
U.S. Department of Transportation:			
Pass-Through State of Rhode Island Department of Transportation, Governor's Office on Highway Safety			
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	N/A	\$ 21,657
Total U.S. Department of Transportation			<u>\$ 21,657</u>
U.S. Environmental Protection Agency			
<i>Direct Award</i>			
ARRA - Brownfield's Assessment and Cleanup Cooperative Agreements	66.618	N/A	\$ 15,756
Total U.S. Department of Environmental Protection Agency			<u>\$ 15,756</u>
U.S. Department of Education			
Passed-through the State of Rhode Island Department of Education			
Title I Grants to Local Education Agencies	84.010	2725-11702-401	\$ 82,243
<i>Special Education Cluster:</i>			
Special Education - Grants to States	84.027	2725-13202-401	202,260
Special Education - Preschool Grants	84.173	2725-13502-401	9,606
Rural Education Grant	84.358	N/A	19,050
Improving Teacher Quality State Grants	84.367	2725-16402-401	35,455
ARRA - State Fiscal Stabilization Fund - Race to the Top Incentive Grants	84.395	4572-13502	32,280
ARRA - Education Jobs Fund	84.410	4572-13102-401	
Total U.S. Department of Education			<u>\$ 380,894</u>
U.S. Department of Health and Human services			
Passed-through the State of Rhode Island Department of Behavioral Healthcare			
Public Health and Emergency Preparedness	93.069	N/A	\$ 4,458
Block Grants for Prevention and Treatment of Substance Abuse	93.959	N/A	69,235
Total U.S. Department of Health and Human Services			<u>\$ 73,693</u>
Total Federal Expenditures			<u>\$ 638,662</u>

TOWN OF GLOCESTER, RHODE ISLAND
Schedule of Findings and Questioned Costs
For The Year Ended June 30, 2014

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:

CFDA Number(s)	Name of Federal Program or Cluster
-----------------------	---

84.027	Special Education – Grants to States
84.173	Special Education – Pre-School

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 GLOCESTER, RHODE ISLAND
Schedule of Findings and Questioned Costs
For The Year Ended June 30, 2014
(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 GLOCESTER, RHODE ISLAND
Schedule of Prior Year Findings and Questioned Costs
For the Year Ended June 30, 2014

PRIOR YEAR FINDINGS AND QUESTIONED COST FOR FEDERAL AWARDS

A. Findings

None Reported

B. Questioned Costs

None Reported

TOWN OF GLOCESTER, RHODE ISLAND
Notes to Schedule of Expenditures of Federal Awards
June 30, 2014

1. **General** - The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal programs of the Town of Glocester, 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 Glocester, 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, 2014, 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>
84.027	Special Education – Grants to States
84.176	Special Education – Pre-School

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 \$10,508 represents the market value of such commodities used during the period.