

TOWN OF TIVERTON

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2010



James Goncalo
Town Administrator

Philip A. DiMattia
Treasurer

Prepared by: Finance Department

-----**Tiverton, Rhode Island**-----

**TOWN OF TIVERTON, RHODE ISLAND
AUDITED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

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concluded

INTRODUCTORY SECTION

This Section Contains the Following Subsections:

List of Town Officials

TOWN OF TIVERTON, RHODE ISLAND

JUNE 30, 2010

TOWN COUNCIL

Don Bollin, President
Joanne M. Arruda, Vice President
Hannibal F. Costa
Louise Durfee
Jay J. Lambert
Cecil E. Leonard
Edward A. Roderick

TOWN ADMINISTRATOR

James Goncalo

TOWN TREASURER

Philip A. DiMattia

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

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of the Town of Tiverton, Rhode Island (Town) as of and for the year ended June 30, 2010, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in "***Government Auditing Standards***" issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.


In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, business type activities, each major fund and the aggregate remaining fund information of the Town as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated January 17, 2011 on our consideration of the Town's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 12 and 61 through 72 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.

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



Parmelee, Poirier & Associates, LLP
January 17, 2011

Management's Discussion and Analysis

TOWN OF TIVERTON, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2010
(Un-audited)

Our discussion and analysis of the Town of Tiverton, Rhode Island's financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2010.

Financial Highlights

- ❖ The Town's primary governments net assets decreased by \$933,784 as a result of this year's operations. Most of this decrease was attributable to the Towns' implementation of GASB 45 other post retirement benefits, which required the Town to record the long-term liability for health benefits as a liability on the statement of net assets. The recognition of this liability caused a decrease in net assets of \$1,823,899. Other factors include depreciation expense of \$1,778,165 and an increase in the Town's pension liability of \$1,025,406. See page 17 of the financial statements for a more detailed explanation. On a government-wide basis the assets of the Town of Tiverton exceeded its liabilities at the close of the most recent fiscal year by \$8,745,604. Net assets of business activities increased by \$1,384 or .04%, while net assets of Governmental Activities decreased by \$935,168 or 16% before a prior period adjustment of (\$37,625).
- ❖ The Town's Government-wide (governmental and business activities) operating expenses were \$48,800,481 a 1.7% increase from the prior year, while revenues collected were \$47,866,697 a 3.9% increase.
- ❖ As of the close of the fiscal year, the Town's governmental funds reported combined ending fund balances of \$8,451,180. One hundred percent of this amount is unreserved and available for use within the Town's designation and fiscal policies.
- ❖ At the end of the current fiscal year, the general fund unreserved fund balance was \$1,891,446, or 5.2% of the total general fund expenditures and transfers out for the fiscal year. The current fiscal year's revenues and transfers exceeded expenditures and transfers by \$1,237,503. On a budgetary basis revenues exceeded expenditures and transfers by \$1,405,898.

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 TIVERTON, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2010
(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, which is similar to a private-sector business. They are presented on the accrual basis of accounting where revenues and expenditures are recognized on the date they occurred rather than on the date they were collected or paid.

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

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

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

The government wide financial statements are reported on pages 13 through 14.

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing

TOWN OF TIVERTON, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2010
(Un-audited)

so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental fund statements of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, School Special Revenue Unrestricted Fund, Pocasset Renovation Fund and the Ft. Barton Renovation Fund, which are considered to be major funds. Data from the other funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary Funds - The Town's proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town has two enterprise funds, the Land Acquisition Fund and the Cafeteria Fund, both are considered to be major funds for financial statement purposes.

The basic proprietary fund financial statements are presented on pages 18 through 20.

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

The fiduciary fund financial statements can be found on pages 21 and 22.

Notes to Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are presented on pages 23 through 58.

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 59 through 72.

The combining statements referred to earlier in connection with non-major governmental funds, proprietary funds and internal service funds are presented on pages 73 through 101.

TOWN OF TIVERTON, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2010
(Un-audited)

Government-wide Financial Analysis

Analysis of the Town of Tiverton's Net Assets

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position, and an important determinant of its ability to finance services in the future. The Town of Tiverton, governmental activities assets exceeded liabilities by \$4,963,931 as of June 30, 2010. This is a current years decrease of \$935,168 before the prior period adjustment from the previous year current activities.

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

	<i>Town of Tiverton</i>					
	<i>Net Assets</i>					
	<u>June 30, 2009</u>			<u>June 30, 2010</u>		
	Govern- mental Activities	Business Type Activities	Total	Govern- mental Activities	Business Type Activities	Total
Current and Other Assets	\$ 14,874,475	\$ 312,414	\$ 15,186,889	\$ 13,765,419	\$ 340,802	\$ 14,106,221
Capital assets	<u>46,527,666</u>	<u>3,520,197</u>	<u>50,047,863</u>	<u>45,489,307</u>	<u>3,517,262</u>	<u>49,006,569</u>
Total Assets	<u>61,402,141</u>	<u>3,832,611</u>	<u>65,234,752</u>	<u>59,254,726</u>	<u>3,858,064</u>	<u>63,112,790</u>
Other Liabilities	6,988,445	52,322	7,040,767	4,362,571	76,391	4,438,962
Long-Term Liabilities	<u>48,476,972</u>	<u>-</u>	<u>48,476,972</u>	<u>49,928,224</u>	<u>-</u>	<u>49,928,224</u>
Total Liabilities	<u>55,465,417</u>	<u>52,322</u>	<u>55,517,739</u>	<u>54,290,795</u>	<u>76,391</u>	<u>54,367,186</u>
Net Assets:						
Invested in Capital						
Net of Related Debt	6,130,937	3,520,197	9,651,134	6,515,346	3,517,262	10,032,608
Unrestricted	<u>(194,213)</u>	<u>260,092</u>	<u>65,879</u>	<u>(1,551,415)</u>	<u>264,411</u>	<u>(1,287,004)</u>
Total Net Assets	<u>\$ 5,936,724</u>	<u>\$ 3,780,289</u>	<u>\$ 9,717,013</u>	<u>\$ 4,963,931</u>	<u>\$ 3,781,673</u>	<u>\$ 8,745,604</u>

An additional portion of the Town's net assets, \$10,032,608 consists of its investments in capital assets such as land, buildings and improvements, motor vehicles, furniture and equipment and infrastructure, less any debt used to acquire these assets, which is still outstanding. The Town uses these capital assets to provide services to its citizens. Consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves are unlikely to be used to liquidate these liabilities.

TOWN OF TIVERTON, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2010
(Un-audited)

Analysis of the Town of Tiverton's Operations

The following analysis provides a summary of the Town's operations for the year ended June 30, 2010. The Town first implemented GASB Statement 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments for the fiscal year June 30, 2003. Therefore, comparative data is both available and presented in the following schedules. Governmental activities decreased the Town's net assets by \$935,168 for the current period, accounting for a 16% decrease in the Town's governmental net assets, while business-type activities increased the Town's net assets by \$1,384, accounting for .04% increase in the business-type growth in net assets. Overall the Town's current year's net asset decrease was \$933,784 which is a 9.6% decrease over the prior year.

In the fund financial statements the Town closed with a net increase in the overall fund balances of \$1,156,896 for the current year. In the statement of activities, expenditures for capital items are not recorded as expenses but shown in the balance sheet, which resulted in a decrease of \$1,038,359 net of depreciation; also revenues from the increase of deferred revenues and from bond payments that are not recorded as expenditures but shown in the balance sheet which resulted in an increases of \$194,178 and \$1,473,608 respectively. Other reductions were due to an increase in the Town's other post employment benefits of \$1,823,899 and an increase in the Town's net pension obligation of \$1,025,406. The overall effect was a decrease in the Town's net assets by \$935,168. Please see notes 8 and 9 to the financial statements for a more detailed presentation and page 17 of the financial statements.

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

TOWN OF TIVERTON, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2010
(Un-audited)

Town of Tiverton
Changes in Net Assets

	<u>June 30, 2009</u>			<u>June 30, 2010</u>		
	Govern- mental Activities	Business Type Activities	Total	Govern- mental Activities	Business Type Activities	Total
Revenues						
Program revenues						
Charges for services	\$ 2,614,353	\$ 575,566	\$ 3,189,919	\$ 2,448,693	\$ 533,316	\$ 2,982,009
Federal/State grants	1,195,548	153,168	1,348,716	2,248,681	174,193	2,422,874
General Revenues						
Property taxes	31,230,978	-	31,230,978	32,156,848	-	32,156,848
State aid	1,945,325	-	1,945,325	1,984,577	-	1,984,577
Investment earnings	373,459	-	373,459	240,911	-	240,911
Miscellaneous	7,982,915	-	7,982,915	8,079,478	-	8,079,478
Total revenues	<u>45,342,578</u>	<u>728,734</u>	<u>46,071,312</u>	<u>47,159,188</u>	<u>707,509</u>	<u>47,866,697</u>
Expenses						
General government	3,684,895	-	3,684,895	4,257,376	-	4,257,376
Financial administration	3,641,971	-	3,641,971	3,625,608	-	3,625,608
Public Safety	5,349,064	-	5,349,064	5,362,144	-	5,362,144
Grants, health & sanitation	919,004	-	919,004	1,476,012	-	1,476,012
Public works	1,961,077	-	1,961,077	2,149,888	-	2,149,888
Associated activities	104,413	-	104,413	101,612	-	101,612
Parks and Recreation	167,246	-	167,246	193,883	-	193,883
Education	28,506,125	-	28,506,125	28,569,112	-	28,569,112
Other	495,449	-	495,449	288,079	-	288,079
Interest	2,389,396	-	2,389,396	2,070,642	-	2,070,642
Cafeteria Fund	-	756,472	756,472	-	706,125	706,125
Total expenses	<u>47,218,640</u>	<u>756,472</u>	<u>47,975,112</u>	<u>48,094,356</u>	<u>706,125</u>	<u>48,800,481</u>
Loss on disposal of capital asset	(42,971)	-	(42,971)	-	-	-
Change in net assets	(1,919,033)	(27,738)	(1,946,771)	(935,168)	1,384	(933,784)
Net assets - beginning	7,915,817	3,808,027	11,723,844	5,936,724	3,780,289	9,717,013
Prior period adjustments	(60,060)	-	(60,060)	(37,625)	-	(37,625)
Net assets - beginning restated	<u>7,855,757</u>	<u>3,808,027</u>	<u>11,663,784</u>	<u>5,899,099</u>	<u>3,780,289</u>	<u>9,679,388</u>
Net assets - ending	<u>\$ 5,936,724</u>	<u>\$ 3,780,289</u>	<u>\$ 9,717,013</u>	<u>\$ 4,963,931</u>	<u>\$ 3,781,673</u>	<u>\$ 8,745,604</u>

TOWN OF TIVERTON, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2010
(Un-audited)

Financial Analysis of the Town of Tiverton's Funds

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

At the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$8,451,179. One hundred percent of the total amount constituted unreserved fund balances.

Proprietary Funds - The Town of Tiverton's proprietary fund statements provide the same type of information as presented in the government-wide financial statements, but in more detail.

Unrestricted net assets of the respective proprietary funds are \$264,411.

General Fund Budgetary Highlights

Revenues:

- **General Property Tax:** Collections were under budget by \$186,764. Actual collections were \$31,962,670.
- **License and Permits:** Fees were over budget by \$307,966. Actual receipts were \$1,766,856 down by \$120,306 or 6.4% from Fiscal Year 2009.
- **State Fiscal Stabilization Funds (SFSF):** Additional aid to Education Revenue of \$293,067 was issued by the Federal Government to replace Rhode Island State Aid cuts. This amount is down from the \$363,306 received in 2009 by \$70,239, which is 19%.

Expenses:

- **Financial Administration:** Expenses were under budget by \$257,934 as a result of cost control savings.
- **Public Safety:** Expenses were under budget by \$235,092 as a result of cost control savings.
- **Capital Budget:** Expenses were under budget by \$116,844 due to postponements of expenditures.

TOWN OF TIVERTON, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2010
(Un-audited)

The Town of Tiverton's Capital Assets

The Town of Tiverton's investment in capital assets for its governmental and business-type activities amounts to \$49,006,569 net of accumulated depreciation at June 30, 2010. Included are land, building and improvements, construction in progress, motor vehicles, furniture and equipment and infrastructure.

Additional information on the Town of Tiverton's capital assets is located in Note 7 of the notes to the financial statements.

Town of Tiverton
Capital Assets (Net of Accumulated Depreciation)

	<u>June 30, 2009</u>			<u>June 30, 2010</u>		
	Govern- mental Activities	Business Type Activities	Total	Govern- mental Activities	Business Type Activities	Total
Land	4,077,513	3,500,000	7,577,513	4,077,513	3,500,000	7,577,513
Buildings and improvements	36,626,366	-	36,626,366	36,350,708	-	36,350,708
Motor vehicles	789,713	-	789,713	511,726	-	511,726
Infrastructure	2,783,235	-	2,783,235	2,491,050	-	2,491,050
Machinery and equipment	2,250,839	20,197	2,271,036	2,058,310	17,262	2,075,572
Total	<u>46,527,666</u>	<u>3,520,197</u>	<u>50,047,863</u>	<u>45,489,307</u>	<u>3,517,262</u>	<u>49,006,569</u>

TOWN OF TIVERTON, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2010
(Un-audited)

The Town of Tiverton's Debt Administration

At the end of the current fiscal year, the Town of Tiverton's Governmental Activities had a total bonded debt of \$38,755,000. Of this amount, 100% comprises bonded debt backed by the full faith and credit of the government. The following is a summary of the Town's long-term debt.

Town of Tiverton
Outstanding Debt
General Obligation, Capital Leases & Notes Payable

	<i>June 30, 2009</i>			<i>June 30, 2010</i>		
	Govern- mental Activities	Business Type Activities	Total	Govern- mental Activities	Business Type Activities	Total
General Obligation Bonds	29,900,000	-	29,900,000	38,755,000	-	38,755,000
Bond Anticipation Notes Payable	10,120,000	-	10,120,000	-	-	-
Notes Payable - RIDEM	187,500	-	187,500	125,000	-	125,000
Capital Leases	376,729	-	376,729	218,961	-	218,961
Totals	40,584,229	-	40,584,229	39,098,961	-	39,098,961

Additional information on the Town's long-term debt can be found in Note 10 of the Notes to the Financial Statements on pages 40 and 41.

The Town's general obligation bond rating as assigned by Moody's Investors Service in 2006 is A2. The State of Rhode Island imposes a limit of 3 percent of the fair value of all taxable Town property on the general obligation debt that a municipality can issue. The Town of Tiverton's limit is \$66,742,301 at year-end. The Town's outstanding general obligation debt is \$38,755,000 at year-end, which is \$27,987,301 under the State imposed limitation.

Economic Factors and Next Year's Budgets and Rates

Operational Expenses:

The Town of Tiverton's total General Fund Budget for the Fiscal Year 2011 amounts to \$42,802,261 which reflects an increase of \$1,169,301 over the Fiscal Year 2010 budget of \$41,632,960. Of the Town's Fiscal Year 2011 budget \$25,520,782 or 60% is budgeted for Educational purposes and \$17,281,479 or 40% is budgeted for Municipal purposes.

Non-Recurring/Capital Expenditures:

Non-recurring budgeted expenses for the Fiscal Year 2011 are \$498,930. The Town's Municipal share is \$363,100 or 73%, while the School Department's share is \$135,830 or 27%.


TOWN OF TIVERTON, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2010
(Un-audited)

Real Property Tax Rates:

The Town's Tax Rate for Fiscal Year 2011 is \$15.35 per \$1,000 of valuation, which represents a \$1.00 increase per \$1,000, while in Fiscal Year 2010 the Town's Tax Rate was \$14.35 per \$1,000 of valuation.

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, contact the Treasurer's Office, Town of Tiverton, 343 Highland Road, Tiverton RI 02878.



Philip DiMattia, MBA, MED
Town Treasurer

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements

TOWN OF TIVERTON, RHODE ISLAND
Statement of Net Assets
June 30, 2010

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 6,940,019	\$ 76,519	\$ 7,016,538
Investments	4,166,600	-	4,166,600
Accounts receivable:			
Accounts receivable net	1,752,918	-	1,752,918
Due from other governments	634,966	15,434	650,400
Other receivables	28,459	-	28,459
Internal balances	(248,849)	248,849	-
Other assets	491,306	-	491,306
Capital assets:			
Property, plant and equipment - net	41,411,794	-	41,411,794
Assets not being depreciated	4,077,513	3,517,262	7,594,775
Total capital assets	45,489,307	3,517,262	49,006,569
TOTAL ASSETS	59,254,726	3,858,064	63,112,790
 LIABILITIES			
Accounts payable	167,539	76,391	243,930
Accrued expenses	3,171,605	-	3,171,605
Unearned revenue	1,023,427	-	1,023,427
Long-term liabilities			
Due within one year	1,839,993	-	1,839,993
Due in more than one year	48,088,231	-	48,088,231
Total liabilities	54,290,795	76,391	54,367,186
 NET ASSETS			
Invested in capital assets, net of related debt	6,515,346	3,517,262	10,032,608
Unrestricted	(1,551,415)	264,411	(1,287,004)
Total net assets	\$ 4,963,931	\$ 3,781,673	\$ 8,745,604

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

TOWN OF TIVERTON, RHODE ISLAND
Statement of Activities
For the Year Ended June 30, 2010

<u>Functions/ Programs</u>	Program revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Primary Government Business-type Activities	Total
Primary government						
Governmental activities:						
General government	\$ 4,257,376	\$ 1,496,609	\$ -	\$ (2,760,767)		\$ (2,760,767)
Financial administration	3,625,608	340,198	-	(3,285,410)		(3,285,410)
Public safety	5,362,144	485,128	-	(4,877,016)		(4,877,016)
Grants, health & sanitation	1,476,012	-	-	(1,476,012)		(1,476,012)
Public works	2,149,888	7,014	-	(2,142,874)		(2,142,874)
Associated activities	101,612	28,781	7,502	(65,329)		(65,329)
Parks and recreation	193,883	90,963	-	(102,920)		(102,920)
Education	28,569,112	-	2,241,179	(26,327,933)		(26,327,933)
Other	288,079	-	-	(288,079)		(288,079)
Interest	2,070,642	-	-	(2,070,642)		(2,070,642)
Total governmental activities	48,094,356	2,448,693	2,248,681	(43,396,982)		(43,396,982)
Business type activities:						
Land Acquisition Fund	-	-	-	-	\$ -	-
Cafeteria Fund	706,125	533,316	174,193	-	1,384	1,384
Total business-type activities	706,125	533,316	174,193	-	1,384	1,384
Total primary government	\$ 48,800,481	\$ 2,982,009	\$ 2,422,874	(43,396,982)	1,384	(43,395,598)
General revenues:						
Taxes:						
Property taxes, levied for general purposes				32,156,848	-	32,156,848
State aid, unrestricted				1,984,577	-	1,984,577
Unrestricted investment earnings				240,911	-	240,911
Miscellaneous				8,079,478	-	8,079,478
Total general revenues and transfers				42,461,814	-	42,461,814
Change in net assets				(935,168)	1,384	(933,784)
Net assets-beginning				5,936,724	3,780,289	9,717,013
Prior period adjustment - See Note 19				(37,625)	-	(37,625)
Net assets-ending				\$ 4,963,931	\$ 3,781,673	\$ 8,745,604

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

Fund Financial Statements

TOWN OF TIVERTON, RHODE ISLAND
Balance Sheet
Governmental Funds
June 30, 2010

	General Fund	School Unrestricted Fund	Pocasset Renovation	Other Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 5,571,131	\$ 4,294	\$ -	\$ 1,364,594	\$ 6,940,019
Investments	175,770	-	-	3,990,830	4,166,600
Accounts receivable:					
Real estate and personal property taxes	1,752,918	-	-	-	1,752,918
Due from other governments	418,090	21,876	-	195,000	634,966
Other receivables	28,459	-	-	-	28,459
Internal balances	177,523	2,327,426	804	1,352,002	3,857,755
TOTAL ASSETS	\$ 8,123,891	\$ 2,353,596	\$ 804	\$ 6,902,426	\$ 17,380,717
 LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 52,762	\$ 19,948	\$ -	\$ 94,829	\$ 167,539
Accrued expenditures	633,082	2,121,594	-	-	2,754,676
Internal balances	3,893,850	-	-	212,754	4,106,604
Deferred revenue	1,652,751	-	-	247,967	1,900,718
Total liabilities	6,232,445	2,141,542	-	555,550	8,929,537
 Fund balances:					
Reserve for:					
Unreserved	1,891,446	212,054	-	-	2,103,500
Unreserved, reported in non-major:					
Capital projects funds	-	-	-	4,238,855	4,238,855
Debt service	-	-	-	813,871	813,871
Special revenue funds	-	-	804	1,294,150	1,294,954
Total fund balances	1,891,446	212,054	804	6,346,876	8,451,180
TOTAL LIABILITIES AND FUND BALANCES	\$ 8,123,891	\$ 2,353,596	\$ 804	\$ 6,902,426	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. (see note 8)	45,489,307
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. (see note 8)	951,668
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. (see note 8)	(49,928,224)
Net assets of governmental activities	\$ 4,963,931

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

TOWN OF TIVERTON, RHODE ISLAND
Statement of Revenues, Expenditures
and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2010

	<u>General Fund</u>	<u>School Unrestricted Fund</u>	<u>Pocasset Renovation</u>	<u>Other Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues					
General property tax	\$ 31,962,670	\$ -	\$ -	\$ -	\$ 31,962,670
Intergovernmental and departmental revenues	2,545,373	5,272,665	-	2,851,534	10,669,572
Federal revenue - SFSF	293,067	-	-	-	293,067
License and permits	1,766,856	-	-	869,493	2,636,349
Fines and interest on late payments	281,076	-	-	-	281,076
Earnings on investments	57,860	-	2	183,049	240,911
Other revenues	87,294	-	802	757,507	845,603
Total revenues	<u>36,994,196</u>	<u>5,272,665</u>	<u>804</u>	<u>4,661,583</u>	<u>46,929,248</u>
Expenditures					
Current:					
General government	970,274	-	232,183	104,702	1,307,159
Financial administration	3,766,670	-	-	-	3,766,670
Public safety	4,940,216	-	-	135,225	5,075,441
Grants, health & welfare	533,211	-	-	1,015,598	1,548,809
Public works	1,261,391	-	-	483,026	1,744,417
Associated activities	101,612	-	-	-	101,612
Parks and recreation	129,899	-	-	48,760	178,659
Education	-	25,606,569	9,498	2,206,600	27,822,667
Other	273,157	-	-	-	273,157
Capital	-	-	180,273	412,500	592,773
Debt service:					
Principal	905,000	-	10,120,000	402,500	11,427,500
Interest	1,816,452	-	-	469,219	2,285,671
Total expenditures	<u>14,697,882</u>	<u>25,606,569</u>	<u>10,541,954</u>	<u>5,278,130</u>	<u>56,124,535</u>
Excess of revenues over (under) expenditures before other financing sources (uses)	<u>22,296,314</u>	<u>(20,333,904)</u>	<u>(10,541,150)</u>	<u>(616,547)</u>	<u>(9,195,287)</u>
Other financing sources (uses)					
Transfers from other funds	526,825	19,951,130	-	1,397,560	21,875,515
Transfers to other funds	(21,292,569)	-	189,771	(772,717)	(21,875,515)
Transfer to School Unrestricted Fund - Federal SFSF	(293,067)	293,067	-	-	-
Bond premium	-	-	252,183	-	252,183
Issuance of debt	-	-	10,100,000	-	10,100,000
Total other financing sources (uses)	<u>(21,058,811)</u>	<u>20,244,197</u>	<u>10,541,954</u>	<u>624,843</u>	<u>10,352,183</u>
Net change in fund balances	1,237,503	(89,707)	804	8,296	1,156,896
Fund balances - beginning	675,671	317,658	-	6,338,580	7,331,909
Prior period adjustment - see note 19	(21,728)	(15,897)	-	-	(37,625)
Fund balances - beginning - restated	653,943	301,761	-	6,338,580	7,294,284
Fund balances - ending	<u>\$ 1,891,446</u>	<u>\$ 212,054</u>	<u>\$ 804</u>	<u>\$ 6,346,876</u>	<u>\$ 8,451,180</u>

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

TOWN OF TIVERTON, RHODE ISLAND
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2010

Net change in fund balances-total governmental funds	\$ 1,156,896
<p>Amounts reported for governmental activities in the statement of activities are different from the amounts reported as fund expenditures because:</p>	
<p>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 depreciation (\$1,778,165) exceeded capital outlays (\$739,806) in the current period.</p>	(1,038,359)
<p>Reductions in deferred revenue that provide current financial resources to governmental funds are not reported as revenues in the statement of activities. State funded revenues that are not accrued for in the governmental funds are reported as revenues in the statement of activities.</p>	194,178
<p>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.</p>	215,029
<p>Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. 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 net amount by which principal and proceeds were adjusted.</p>	1,473,608
<p>Other 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.</p>	<u>(2,936,520)</u>
Change in net assets of governmental activities	<u><u>\$ (935,168)</u></u>

Please see Notes 8 and 9 in the Notes to Financial Statements 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 TIVERTON, RHODE ISLAND
Statement of Net Assets
Proprietary Funds
June 30, 2010

	Enterprise Funds		
	Land Acquisition Fund	Cafeteria Fund	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ -	\$ 76,519	\$ 76,519
Due from other governments	-	15,434	15,434
Due from other funds	248,849	-	248,849
Total current assets	248,849	91,953	340,802
Non-current assets			
Capital assets (net)	3,500,000	17,262	3,517,262
Total non-current assets	3,500,000	17,262	3,517,262
TOTAL ASSETS	3,748,849	109,215	3,858,064
LIABILITIES			
Current liabilities			
Accounts payable	-	76,391	76,391
Total current liabilities	-	76,391	76,391
Total liabilities	-	76,391	76,391
Net Assets			
Invested in Capital assets, net of related debt	3,500,000	17,262	3,517,262
Unrestricted	248,849	15,562	264,411
Total Net Assets	\$ 3,748,849	\$ 32,824	\$ 3,781,673

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

TOWN OF TIVERTON, RHODE ISLAND
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended June 30, 2010

	<u>Enterprise Funds</u>		
	<u>Land Acquisition Fund</u>	<u>Cafeteria Fund</u>	<u>Total</u>
Operating revenues			
Charges for usage and service	\$ -	\$ 533,316	\$ 533,316
Total operating revenues	<u>-</u>	<u>533,316</u>	<u>533,316</u>
Operating expenses			
Operations	-	706,125	706,125
Total operating expenses	<u>-</u>	<u>706,125</u>	<u>706,125</u>
Operating income (loss)	<u>-</u>	<u>(172,809)</u>	<u>(172,809)</u>
Non-operating revenues (expenses)			
Intergovernmental revenue	-	174,193	174,193
Total non-operating (expenses)	<u>-</u>	<u>174,193</u>	<u>174,193</u>
Income (loss) before transfers	<u>-</u>	<u>1,384</u>	<u>1,384</u>
Change in Net Assets	<u>-</u>	<u>1,384</u>	<u>1,384</u>
Total Net Assets - Beginning	<u>3,748,849</u>	<u>31,440</u>	<u>3,780,289</u>
Total Net Assets - Ending	<u>\$ 3,748,849</u>	<u>\$ 32,824</u>	<u>\$ 3,781,673</u>

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

TOWN OF TIVERTON, RHODE ISLAND
Statement of Cash Flows-Proprietary Funds
For the Fiscal Year Ended June 30, 2010

	Enterprise Funds		
	Land Acquisition Fund	Cafeteria Fund	Total
Cash flows from operating activities			
Cash received from providing services	\$ -	\$ 533,632	\$ 533,632
Cash payments to suppliers for goods and services	-	(682,618)	(682,618)
Net cash provided by (used for) operating activities	<u>-</u>	<u>(148,986)</u>	<u>(148,986)</u>
Cash flows from non-capital financing activities			
Nonoperating grants received	-	174,193	174,193
Inter-fund loans	-	-	-
Net cash provided by (used for) non-capital financing activities	<u>-</u>	<u>174,193</u>	<u>174,193</u>
Cash flows from capital and related financing activities			
Acquisition and construction of capital assets	-	-	-
Net cash provided (used for) capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	-	25,207	25,207
Cash and cash equivalents at beginning of year	-	51,312	51,312
Cash and cash equivalents at end of year	<u>\$ -</u>	<u>\$ 76,519</u>	<u>\$ 76,519</u>
Reconciliation of operating income to net cash provided by operating activities			
Operating income (loss)	\$ -	\$ (172,809)	\$ (172,809)
Changes in assets and liabilities:			
Decrease (increase) in other assets	-	316	316
Increase (decrease) in accounts payable and accrued expenses	-	23,507	23,507
Total adjustments	<u>-</u>	<u>23,823</u>	<u>23,823</u>
Net cash provided by operating activities	<u>\$ -</u>	<u>\$ (148,986)</u>	<u>\$ (148,986)</u>

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

TOWN OF TIVERTON, RHODE ISLAND
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2010

	Police Pension Trust	Private Purpose Trust Funds	Agency Funds
ASSETS			
Cash & cash equivalents	\$ 527,383	\$ 92,847	\$ 206,345
Investments, at fair value:			
Cash management investment funds	-	441,635	-
Fixed income bond funds	1,440,454	-	-
Domestic stocks	3,617,122	-	-
Total investments	5,057,576	441,635	-
Total Assets	5,584,959	534,482	206,345
LIABILITIES			
Deposits payable to others	-	-	206,345
Total liabilities	-	-	\$ 206,345
NET ASSETS			
Held in trust for pension benefits and other purposes	\$ 5,584,959	\$ 534,482	

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

TOWN OF TIVERTON, RHODE ISLAND
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Fiscal Year Ended June 30, 2010

	Police Pension Trust	Private Purpose Trust Funds
Additions		
Contributions		
Employer contributions	\$ 500,000	\$ -
Plan members contributions	144,064	-
Total contributions	644,064	-
Investment earnings		
Net increase (decrease) in fair value of investments	401,820	33,228
Interest and dividends	94,443	15,310
Total investment earnings	496,263	48,538
Less investment expense	32,026	-
Net investment earnings	464,237	48,538
Total additions	1,108,301	48,538
Deductions		
Benefits paid	696,756	-
Operating expenses	11,954	42,228
Total deductions	708,710	42,228
Change in net assets	399,591	6,310
Net assets beginning	5,185,368	528,172
Net assets ending	\$ 5,584,959	\$ 534,482

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

Notes to Financial Statements

TOWN OF TIVERTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Tiverton, Rhode Island, have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The government's significant accounting policies are described below.

Reporting Entity

The Town of Tiverton was founded in Massachusetts in 1694 and in Rhode Island in 1746. The Town is governed largely under the Tiverton Home Rule Charter. The Town operates under an elected Town Council, School Committee, Budget Committee, Town Clerk, and Town Treasurer form of government. The Town Council operates with assistance from a Town Administrator while the School Committee has assistance from a Superintendent of Schools. Both the Town Clerk and Town Treasurer have appropriate support staffs. The Budget Committee operates from the start of January until the annual Town Financial Meeting is held in early May. The Town provides the following services: Public Safety (police, fire, traffic safety, inspections, zoning and building), Public Works (recreation, sanitation, highways and streets, engineering and building maintenance), Education, Social Services, and General Administrative Services.

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

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

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

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

TOWN OF TIVERTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

The following entities were considered for classification as component units for fiscal year 2010:

- * Tiverton School System

Although the Tiverton School System meets certain criteria of the tests listed above, it is not deemed to have separate legal status apart from the Town. As a result, the financial data of these entities have been included as Special Revenue Funds within the Town's financial statements.

BASIS OF PRESENTATION

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for *fiduciary funds* (the activity of these funds are reported in the statements of fiduciary net assets and changes in fiduciary net assets). The government-wide financial 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.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which, is considered to be separate accounting entities. 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 (assets, liabilities, and so forth) for all funds of that category or type (that is, total governmental or total enterprise funds), and
- (b) Total assets, liabilities, revenues or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

TOWN OF TIVERTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

BASIS OF PRESENTATION (continued)

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

GOVERNMENTAL FUND TYPES

Major Governmental Funds

General Fund - is used to account for resources devoted to financing the general services that the Town performs for its citizens. General tax revenues and other sources of revenues used to finance the fundamental operations of the Town are included in this fund. The fund is charged with all costs of operating the government for which a separate fund has not been established.

School Unrestricted Fund – The School Unrestricted Fund is used to account for the budgeted resources devoted to financing the general operations of the school department.

Pocasset Renovation Fund – This Capital Projects Fund is used to account for the activity of the Pocasset School renovation.

PROPRIETARY FUND TYPE

This fund type accounts for operations that are organized to be self-supporting through user charges. The fund included in this category is as follows:

Enterprise Funds - are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy management control, accountability, or other purposes.

Major Enterprise Funds – The Land Acquisition Fund is used to account for the purchase of land for use by the town and the fees and the expenses associated with maintaining the land for future use. The Cafeteria Fund is used to account for the school lunch program and expenses related to providing breakfast and lunch to Tiverton students.

TOWN OF TIVERTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

BASIS OF PRESENTATION (continued)

FIDUCIARY FUND TYPES

These funds account for assets held by the Town as a trustee or agent for individuals, private organizations, and other units of governments. These funds are as follows:

Agency Funds - are used to account for funds that are to be used for educational and welfare expenditures and for funds held in escrow for other parties.

Pension Trust Fund - is used to account for funds that are to be used for the payment of retirement benefits to former employees. The Pension Committee oversees this fund.

Private-Purpose Trust Funds – are used to account for funds that are held by the town under various trust arrangements for the benefit of certain individuals.

BASIS OF ACCOUNTING

Measurement Focus – Government Wide Financial Statements

In the Government-Wide Financial Statements the Statement of Net Assets and Statement of Activities, the 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 and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Those revenues susceptible to accrual are property taxes, franchise taxes, special assessments, licenses, interest revenue and charges for services. Sales taxes collected and held by the state at year-end on behalf of the government also are recognized as revenue. Fines, permits, and parking meter revenues are not susceptible to accrual because generally they are not measurable until received in cash. In determining when to recognize intergovernmental revenues (grants and entitlements), the legal and contractual requirements of the individual programs are used as guidance. Revenues are recognized when the eligibility requirements have been met.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between fiduciary fund types. These charges have been reclassified as other receivables or other liabilities.

Amounts reported as program revenues included 1) charges to customers or applicants for goods, services, fines, or privileges provided, and 2) operating grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

TOWN OF TIVERTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

BASIS OF ACCOUNTING (continued)

Measurement Focus – Fund Financial Statements

The accounting and financial reporting treatment applied to the *fund financial statements* is determined by its measurement focus. All Governmental Fund Types accounted for using a “current financial resources” measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All Proprietary Fund Types and Fiduciary Fund Types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net assets) is segregated into contributed capital and retained earnings components. Proprietary Fund Type operating statements present increases (i.e., revenues) and decreases (i.e. expenses) in net assets.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the proprietary funds are charges for services. Operating expenses for enterprise funds include the cost of operations and maintenance, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

All Governmental Fund Types are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e. both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Licenses and permits, charges for services, fines, forfeits, and miscellaneous revenue are recorded as revenues when received in cash. Those revenues susceptible to accrual are property taxes and investment earnings. Fines and permits are not susceptible to accrual because generally they are not measurable until received in cash. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except expenditures for debt service and other long-term obligations, which are recognized when paid.

Non-current portions of long-term receivables of Governmental Fund Types are reported on their balance sheets, in spite of their spending measurement focus. Special reporting treatments are used to indicate however, that they should not be considered “available expendable resources” since they do not represent net current assets. Recognition of Governmental Fund Type revenues represented by non-current receivables is deferred until they become current receivables.

Because of their spending measurement focus, expenditure recognition for Governmental Fund Types excludes amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as Governmental Fund Type expenditures or fund liabilities. They are instead reported as Long-term Liabilities – Governmental Activities.

TOWN OF TIVERTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

BASIS OF ACCOUNTING (continued)

In applying the “susceptible to accrual” concept to intergovernmental revenues the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of such revenues. For one type, amounts must be expended on the specific purpose or project before any amounts will be paid to the Town; therefore revenues are recognized based upon the expenditures recorded.

For the other type, revenues are virtually unrestricted as to purpose of expenditure and revocable only for failure to comply with the prescribed requirements, such as a Community Development Block Grant. These resources are reflected as revenues at the time of receipt or earlier if they meet the “available” criteria.

All Proprietary Funds and Pension Trust Funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

In accordance with Government Accounting Standards Board Statement No. 20, the Town of Tiverton has elected to apply to all Proprietary Fund Types and Similar Trust Funds all applicable GASB Pronouncements, as well as the following pronouncements issued on or before November 30, 1989; FASB Statements and Interpretations, APB opinions and ARBs unless these pronouncements conflict with or contradict GASB pronouncements.

Cash Equivalents

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

Investments

Investments are Government Securities, Commercial Paper and various types of corporate stocks and bonds held in the Governmental and Fiduciary Fund types, which are recorded at fair value. Fair value is determined wherever possible, by use of published quoted amounts, where quotes are not available, formal valuations are obtained.

When discounts or premiums are present, the Town will capitalize and amortize the amount over the period of the related investment.

Receivables

Accounts receivable are recorded in the General, Special Revenue and Enterprise funds. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

Capital Assets

Capital assets in Governmental Fund type operations are accounted for using the “current financial resources” measurement focus. Capital assets, which include property, plant and equipment, and infrastructure (e.g. road, curbs and gutters, streets and sidewalks, and drainage systems), are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. The Town

TOWN OF TIVERTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

BASIS OF ACCOUNTING (continued)

defines capital assets as assets with an individual cost of more than \$10,000 and an estimated useful life in excess of five years. Such assets are recorded at historical cost or estimated historical cost (for certain assets acquired prior to 1960). Pursuant to the implementation of GASB Statement No. 34, the historical cost of infrastructure assets (retroactive to January 1, 1979) is included as part of the governmental capital assets reported in the government-wide statements. Donated assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are recorded as expenditures as incurred.

The Town capitalizes certain interest costs in accordance with GASB Code Section 1400 as part of constructed assets. Interest is capitalized throughout the construction period in the Capital projects fund prior to the assets being transferred to the governmental fund and placed in service.

Property, plant and equipment for Proprietary Fund Types are valued at historical cost. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance is expensed as incurred.

Property, plant and equipment of the primary government are depreciated using the straight line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives (years)</u>
Autos and information processing equipment	5
Trucks	8
Equipment, furniture and fixtures	10
Heavy equipment	25
Buildings, infrastructure, water lines and fire hydrants	40
Sewer mains and certain water assets	75-100

Bond Premiums and Debt Issuance Cost

In the Governmental Fund Financial Statements, bond premiums and debt issuance costs are treated as period costs in the year of issuance. Debt issuance costs are shown as an “expenditure” and bond premiums are reflected as an “other financing source”.

In the Government-Wide Statements, bond premiums and debt issuance costs are deferred and amortized over the term of the related debt. Bond premiums are presented as an addition to the face amount of the bonds payable whereas debt issuance costs are recorded as other assets.

TOWN OF TIVERTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

BASIS OF ACCOUNTING (continued)

Deferred Revenues

Deferred revenues represent funds received in advance of being owed or receivables, which will be collected and included in revenues of future fiscal years. In the General Fund, deferred revenues relate to property tax receivables, which were received prior to June 30th, plus delinquent balances less amounts due as of the balance sheet date and received sixty days thereafter.

Designated Fund Balances

Designated fund balances represent amounts, which the Town intends to use in future years to pay for non-contracted expenditures at year-end.

Reserved Fund Balances

Reserved fund balances represent amounts, which the Town is contractually obligated to pay but has not as of the balance sheet date received the goods or services.

Fund Equity

The unreserved fund balances for governmental funds represent the amount available for budgeting future operations. The reserved fund balances for governmental funds represent the amount that has been legally identified for specific purposes. Unreserved net assets for proprietary funds represent net assets available for future operations or distribution.

Revenues, Expenditures and Expenses

Revenues for governmental funds are recorded when they are determined to be both measurable and available. Generally, tax revenues, fees and non-tax revenues are recognized when received. Grants from other governments are recognized when qualifying expenditures are incurred. Expenditures for governmental funds are recorded when the related liability is incurred. Revenues and expenses of proprietary fund types are recognized using the full accrual basis of accounting. Revenue is recognized when earned and expenses as incurred.

Program Revenues and Expenses

In the statement of activities specific revenues are allocated to program expenses due to their direct relationships. Collections for licenses, fees, tickets and fines are among some of the revenue sources that are program revenues. Indirect expenses are not allocated to functions in the statement of activities.

Property Taxes

The Town is permitted by state law to levy property taxes. Current tax collections for the Town were 96.9% of the total December 31, 2008 levy. The Town's fiscal 2010 property taxes were levied in July of 2009 on assessed valuation as of December 31, 2008.

Upon levy, taxes are billed quarterly and are due on August 15, November 15, February 15, and May 15. Failure to mail payments by due dates will result in lien on taxpayer's property. Assessed values are established by Tax Assessor's Office and are currently calculated at 100% of assessed value for real estate and 100% of market value for motor vehicles.

TOWN OF TIVERTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

BASIS OF ACCOUNTING (continued)

Vacation, Sick Leave, and Other Compensated Absences

Town employees are granted vacation and sick leave in varying amounts. Upon retirement, termination, or death, certain employees are compensated for unused vacation and sick leave (subject to certain limitations) at their current rates of pay. The amount recorded is that unused days earned at the current rate of pay. For governmental activities the general fund is used to satisfy this liability as it becomes due, while the transfer station enterprise fund accounts for all settlement of business-type liabilities for compensated absences.

Town employees are entitled to vacation based on length of service. Up to two weeks of vacation days are allowed to carry over to succeeding years. Town employees are entitled to 1.5 sick days per month worked. Sick leave may be accumulated up to a maximum of 200 days. Upon retirement, employees have a vested interest in 50% of their accumulated sick time. Those employees hired after July 1, 1999 have a vested interest in 25% of their accumulated sick time.

Police employees are entitled to vacation based on length of service. Vacation days must be used within the fiscal year. Police are entitled to 1.25 days of sick leave for each month in which they work a minimum number of hours. Sick leave may be accumulated to a maximum of 245 days. Upon retirement, police have a vested interest in 100% of their first 100 days and 50% for each day in excess of 100 days.

Fire employees are entitled to vacation based on length of service. Vacation days must be used within the fiscal year. Fire employees are entitled to 2.5 days of sick leave each full month worked. Sick leave may be accumulated to a maximum of 272 days. Upon retirement, Fire employees have a vested interest of 20% of their first 30 days and 50% for each day in excess of 30 days.

Public works employees are entitled to vacation based on length of service. Up to 25 days of vacation are allowed to carry over to succeeding years. Public works employees are entitled to 1.25 sick days per month worked. Sick leave is not cumulative.

Inter-fund Transactions

Inter-fund transactions except advances are accounted for as transfers. Nonrecurring or non-routine transfers of equity between funds are considered equity transfers. All other inter-fund transactions are treated as operating transfers.

NOTE 2 – BUDGETARY DATA AND BUDGETARY COMPLIANCE

The Town adopts an annual budget for the General Fund at the annual Financial Town meeting based on recommendations from the Budget Committee. The Town Council with some restrictions can transfer budgeted amounts within and among departments and to authorize emergency expenditures. Any revisions that alter total expenditures must be approved by the taxpayers by a vote at the Financial Town Meeting. Management cannot make any transfers without prior Council approval. There were no supplemental budgetary appropriations during the fiscal year. The School Unrestricted Fund is subject to an annual operating budget approved by the School Committee and adopted in total by the Town Council as part of General Fund budget. The annual operating budgets' appropriation amounts are supported by revenue

**TOWN OF TIVERTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

NOTE 2 – BUDGETARY DATA AND BUDGETARY COMPLIANCE (continued)

estimates and take into account the elimination of accumulated deficits and the re-appropriation of accumulated surpluses to the extent necessary. The General Fund and Special Revenue - School Unrestricted Fund's annual operating budgets are prepared on the budgetary basis of accounting which is not in conformity with Generally Accepted Accounting Principles. The budget to actual presentation in required supplementary information is reflected on the budgetary basis. The only Special Revenue fund that has a legally enacted budget is the School Unrestricted Fund. Therefore, the budget and actual figures presented for Special Revenue Funds in the Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual only include this fund.

The Town does not budget for the combined Special Revenue Funds or the Capital Project Funds, since budgetary control is maintained on an individual basis. Since grant periods may differ from the Town's fiscal year, a comparison of budgetary information may not be meaningful and has not been presented in the accompanying financial statements.

NOTE 3 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Legal Debt Margin

The Town's legal debt margin as set forth by State Statute is limited to three percent of total assessed value, which approximates \$66,742,301 based on the December 31, 2008 assessment. As of June 30, 2010 the Town's debt is under the debt limit by \$27,987,301. In addition to the bonding authority granted under §45-12-2 of the RI General Laws, the Town of Tiverton can authorize bond issues pursuant to a special act of the RI General Assembly. Bond issues authorized by a special act of the General Assembly are normally not subject to any legal debt limit, but are subject to financial constraints such as the Town's ability and willingness to service the bonded debt. See page 105 in the statistical section for computation of the legal debt margin.

NOTE 4 - DEFICIT FUND BALANCE OR RETAINED EARNINGS OF INDIVIDUAL FUNDS

Deficit fund balances existed in the following funds:

Stormwater Management	Special Revenue	\$ 18,000
Water Quality Improvement	Special Revenue	22,115
Dingy Dock	Special Revenue	321
Keep Tiverton Beautiful	Special Revenue	3,140
Land Use Data	Special Revenue	27,270
RI Leap Agreement	Special Revenue	157,707
Student Equity	School Restricted	67,233
Old Stone Bridge	Capital Project	4,996

As of the audit date, the Town is discussing the best way to fund these deficits.

TOWN OF TIVERTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 5 – CASH AND INVESTMENTS

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

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

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

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

Custodial Credit Risk

Deposits: This is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of June 30, 2010, \$1,315,259 of the Town's bank balance of \$9,134,049 was uninsured and uncollateralized.

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

TOWN OF TIVERTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 5 – CASH AND INVESTMENTS (continued)

Cash and investments of the Town consist of the following at June 30, 2010

Cash and Cash Equivalents

Deposits with financial institutions	\$	7,843,113
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Investments

Government and agency obligations		4,166,600
Cash management investment funds		441,635
Fixed income funds		1,440,454
Domestic stocks		3,617,122

<i>Total Cash and Investments</i>	\$	<u>17,508,924</u>
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Cash and investments are classified in the accompanying financial statements as follows:

Statement of Net Assets

Cash and cash equivalents	\$	7,016,538
Investments		4,166,600

Fiduciary Funds

Cash		826,575
Investments		5,499,211

<i>Total Cash and Investments</i>	\$	<u>17,508,924</u>
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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. Information about the exposure of the town's debt type investments to this risk using the segment time distribution model is as follows:

Type of Investment	Fair Value	Investment Maturities (in Years)			
		Less Than 1 Year	1-5 Years	6-10 Years	Over 10 Years
U.S Government Securities	\$ 4,166,600	\$ 3,443,352	\$ 509,595	\$ 213,653	\$ -
Total	<u>\$ 4,166,600</u>	<u>\$ 3,443,352</u>	<u>\$ 509,595</u>	<u>\$ 213,653</u>	<u>\$ -</u>

TOWN OF TIVERTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 5 – CASH AND INVESTMENTS (continued)

Credit Risk: The Town's Pension Plan investment policy allows for investments in obligations of the U.S. Government and its agencies, state and municipal obligations, corporate debt securities, preferred stock, corporate debt, preferred stocks convertible to equities, repurchase agreements and commercial paper. These allowed investments are subject to the following limitations; at the time of purchase all investments must have a rating of A or higher from Moody's or a comparable established rating agency, fixed income investments must be rated at least Baa2 or its equivalent by at least one recognized bond rating service and at least 80% of the fixed income portfolio must carry a rating of A, and commercial paper must be rated P-1 or A-1 by Standards & Poor's or Moody's, respectively.

Average Rating	Corporate Bonds
Not Rated	\$ 1,440,454
	<u>\$ 1,440,454</u>

NOTE 6 – PROPERTY TAXES

The Town is responsible for assessing, collecting, and distributing property taxes in accordance with enabling state legislation.

All property taxes for fund statement purposes are recognized in compliance with NCGA Interpretation-3 (Revenue Recognition - Property Taxes), which states that such revenue is recorded when it becomes measurable and available. Available means due, or past due and receivable within the current period and collected no longer than 60 days after the close of the current period. The Town does not use an allowance method for bad debts. It directly writes off receivables as they become un-collectible as per state law.

NOTE 7 – PROPERTY, PLANT & EQUIPMENT

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

TOWN OF TIVERTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 7 – PROPERTY, PLANT & EQUIPMENT (continued)

Capital asset activity for the fiscal year ended June 30, 2010 was as follows:

	Primary Government			Ending Balance
	Beginning Balance	Increases	Decreases	
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 4,077,513	\$ -	\$ -	\$ 4,077,513
Total capital assets not being depreciated	<u>4,077,513</u>	<u>-</u>	<u>-</u>	<u>4,077,513</u>
Other capital assets:				
Buildings and improvements	46,133,405	727,306	-	46,860,711
Motor vehicles	3,807,835	-	-	3,807,835
Infrastructure	6,450,507	12,500	-	6,463,007
Machinery and equipment	2,888,808	-	-	2,888,808
Total other capital assets at historical cost	<u>59,280,555</u>	<u>739,806</u>	<u>-</u>	<u>60,020,361</u>
Less accumulated depreciation for:				
Buildings and improvements	9,507,039	1,002,964	-	10,510,003
Motor vehicles	3,018,122	277,987	-	3,296,109
Infrastructure	3,667,272	304,685	-	3,971,957
Machinery and equipment	637,969	192,529	-	830,498
Total accumulated depreciation	<u>16,830,402</u>	<u>1,778,165</u>	<u>-</u>	<u>18,608,567</u>
Governmental activities capital assets, net	<u>\$ 46,527,666</u>	<u>\$ (1,038,359)</u>	<u>\$ -</u>	<u>\$ 45,489,307</u>

Depreciation expense was charged to functions as follows:

Governmental activities:	
General government	\$ 13,697
Public safety	286,703
Public works	405,471
Parks and recreation	15,224
Education	1,057,070
Total governmental activities depreciation expense	<u>\$ 1,778,165</u>

TOWN OF TIVERTON
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

NOTE 8 DIFFERENCES BETWEEN GOVERNMENTAL FUND BALANCE SHEET AND THE STATEMENT OF NET ASSETS

"Total fund balances" of the Towns' governmental funds (\$8,451,180) differs from "net assets" of governmental activities (\$4,963,931) reported in the statement of net assets. This difference primarily results from the long-term economic focus of the statement of net assets versus the current financial resources focus of the governmental fund balance sheets. The effect of the differences is illustrated below.

Balance Sheet/Statement of Net Assets

	Total Governmental Funds	Long-term Assets/ Liabilities (1)	Reclassifications and Eliminations	Statement Net Assets Totals
Assets				
Cash and cash equivalents	\$ 6,940,019	\$ -	\$ -	\$ 6,940,019
Investments	4,166,600	-	-	4,166,600
Receivables:				
Property taxes, net	1,752,918	-	-	1,752,918
Intergovernmental	634,966	-	-	634,966
Other	28,459	-	-	28,459
Internal balances	3,857,755	-	(4,106,604)	(248,849)
Deferred charges	-	491,306	-	491,306
Property, plant and equipment - net	-	41,411,794	-	41,411,794
Assets not being depreciated	-	4,077,513	-	4,077,513
Total assets	\$ 17,380,717	\$ 45,980,613	\$ (4,106,604)	\$ 59,254,726
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued items	\$ 167,539	\$ -	\$ -	\$ 167,539
Accrued expenses	2,754,676	416,929	-	3,171,605
Internal balances	4,106,604	-	(4,106,604)	-
Deferred revenue	1,900,718	(877,291)	-	1,023,427
Long-term liabilities				
Due within one year	-	1,839,993	-	1,839,993
Due in more than one year	-	48,088,231	-	48,088,231
Total liabilities	8,929,537	49,467,862	(4,106,604)	54,290,795
Fund Balances/Net Assets				
Total fund balances/net assets	8,451,180	(3,487,249)	-	4,963,931
Total liabilities and fund balances/net assets	\$ 17,380,717	\$ 45,980,613	\$ (4,106,604)	\$ 59,254,726

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

Cost of capital assets	\$ 64,097,874
Accumulated depreciation	<u>(18,608,567)</u>
	<u>\$ 45,489,307</u>

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

Adjustment of deferred revenue	\$ 1,512,459
Deferred bond cost	491,306
Premium on bond	(635,168)
Accrued interest	<u>(416,929)</u>
	<u>\$ 951,668</u>

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

Bonds payable	\$ 38,755,000
Capital leases payable	218,961
Loan payable	125,000
Landfill closure	4,651,127
Accrued compensated absences	1,214,516
Net OPEB obligation	3,744,209
Net pension obligation	<u>1,219,411</u>
	<u>\$ 49,928,224</u>

TOWN OF TIVERTON
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

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

The "net change in the fund balances" for governmental funds (\$1,119,271) differs from the "change in net assets" for governmental activities \$(972,793) reported in the statement of activities. The differences arise primarily from the long-term economic focus of the statement of activities versus the current financial resources focus of the governmental funds. The effect of the differences are illustrated below with explanations on page 39.

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	\$ 31,962,670	\$ 194,178	\$ -	\$ -	\$ 32,156,848
Intergovernmental and departmental revenues	10,669,572	-	-	-	10,669,572
Federal revenue - SFSP	293,067	-	-	-	293,067
License and permits	2,636,349	-	-	-	2,636,349
Fines and interest on late payments	281,076	-	-	-	281,076
Interest on investments	240,911	-	-	-	240,911
Other revenues	845,603	-	-	35,762	881,365
Total revenues	46,929,248	194,178	-	35,762	47,159,188
Expenditures					
Current:					
General government	1,307,159	-	13,697	2,936,520	4,257,376
Financial administration	3,766,670	-	-	(141,062)	3,625,608
Public safety	5,075,441	-	286,703	-	5,362,144
Grants, health & sanitation	1,548,809	-	(72,797)	-	1,476,012
Public works	1,744,417	-	405,471	-	2,149,888
Associated activities	101,612	-	-	-	101,612
Parks and recreation	178,659	-	15,224	-	193,883
Education	27,822,667	-	995,334	(248,889)	28,569,112
Other	273,157	-	(12,500)	27,422	288,079
Capital	592,773	-	(592,773)	-	-
Long-term obligations:					
Principal	11,427,500	-	-	(11,427,500)	-
Interest	2,285,671	(215,029)	-	-	2,070,642
Total expenditures	56,124,535	(215,029)	1,038,359	(8,853,509)	48,094,356
Other financing sources (uses)					
Transfers from other funds	21,875,515	-	-	-	21,875,515
Transfers to other funds	(21,875,515)	-	-	-	(21,875,515)
Issuance of debt	10,100,000	-	-	(10,100,000)	-
Bond premium	252,183	-	-	(252,183)	-
Total other financing sources (uses)	10,352,183	-	-	(10,352,183)	-
Prior period adjustment	(37,625)	-	-	-	(37,625)
Net change for the year	\$ 1,119,271	\$ 409,207	\$ (1,038,359)	\$ (1,462,912)	\$ (972,793)

TOWN OF TIVERTON
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

NOTE 9. DIFFERENCES BETWEEN GOVERNMENTAL FUND OPERATING STATEMENTS AND THE STATEMENT OF ACTIVITIES (continued)

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

Deferred revenue property tax	<u>\$ 194,178</u>
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Interest expense in the statement of activities differs from the amount reported in the governmental funds for two reasons. Accrued interest was reduced on the calculation for bonds payable and bond issuance cost are reported as expenditures in governmental funds while in the government-wide financial statements they are capitalized and amortized over the life of the bond.

Accrued interest	<u>\$ 215,029</u>
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- (2) When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. As a result, fund balance decreases by the amount of financial resources expended, whereas net assets decrease by the amount of depreciation expense charged for the year.

Capital outlay	\$ 739,806
Depreciation expense	(1,778,165)
Difference	<u>\$ (1,038,359)</u>

- (3) Bond and capital lease proceeds provide current financial resources to governmental funds but the issuance of bonds and obtaining capital lease financing increases long-term liabilities in the statement of net assets. Repayments of bond principal is reported as an expenditure in the governmental funds and, thus, has the effect of reducing fund balance because current financial resources have been used. For the town as a whole, however, the principal payments reduce the liabilities in the statement of net assets and do not result in an expense in the statement of activities.

Bond proceeds	\$ (10,100,000)
Premium on bond	(252,183)
Amortization premium on bond	35,762
Bond issuance cost	232,183
Amortization of bond issuance cost	(27,422)
Principal payments made	11,427,500
Lease payments made	157,768
	<u>\$ 1,473,608</u>

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

Net increase in compensated absences	\$ (87,215)
Net increase in the other post employment benefit obligation	(1,823,899)
Net increase to net pension obligation	(1,025,406)
Change	<u>\$ (2,936,520)</u>

TOWN OF TIVERTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 10 - LONG-TERM DEBT

Governmental long-term liabilities do not appear in the fund financial statements but rather are a reconciling item in the presentation of the government-wide financial statements and are included in the statement of net assets. Long-Term liabilities directly related to and intended to be paid from the Proprietary Fund Types are included in the accounts of such fund.

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

Long-term liability activity for the fiscal year ended June 30, 2010 was as follows:

	<u>Balance</u> <u>July 1, 2009</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2010</u>	<u>Amounts</u> <u>Due within</u> <u>One Year</u>
Governmental Activities					
Bonds and notes payable:					
Bonds Payable	\$ 29,900,000	\$ 10,100,000	\$ 1,245,000	\$ 38,755,000	\$ 1,645,000
Bond Anticipation Notes Payable	10,120,000	-	10,120,000	-	-
Notes Payable	187,500	-	62,500	125,000	62,500
Total bonds and notes payable	<u>40,207,500</u>	<u>10,100,000</u>	<u>11,427,500</u>	<u>38,880,000</u>	<u>1,707,500</u>
Other liabilities:					
Accrued compensated absences	1,127,301	179,106	91,891	1,214,516	-
Landfill closure and postclosure care costs	4,651,127	-	-	4,651,127	-
Capital Leases	376,729	-	157,768	218,961	132,493
Net OPEB Obligation	1,920,310	1,823,899	-	3,744,209	-
Net Pension Obligation	194,005	1,025,406	-	1,219,411	-
Total other liabilities	<u>8,269,472</u>	<u>3,028,411</u>	<u>249,659</u>	<u>11,048,224</u>	<u>132,493</u>
Governmental Activities long-term liabilities	<u>\$ 48,476,972</u>	<u>\$ 13,128,411</u>	<u>\$ 11,677,159</u>	<u>\$ 49,928,224</u>	<u>\$ 1,839,993</u>

The following schedule summarizes the Town's bonds and notes

	Interest Rates	Principal	Due Dates
Governmental bonds and notes payable	0% - 6.875%	\$ 38,880,000	2011-2029
Total All Funds		<u>\$ 38,880,000</u>	

TOWN OF TIVERTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 10 - LONG-TERM DEBT (continued)

The debt service through maturity for the above Governmental bonds and notes payable are as follows:

Fiscal Year Ended June 30	Principal	Interest	Total
2011	1,707,500	2,007,312	3,714,812
2012	1,777,500	1,934,355	3,711,855
2013	1,780,000	1,857,494	3,637,494
2014	1,860,000	1,769,018	3,629,018
2015	1,935,000	1,678,800	3,613,800
2016	2,025,000	1,585,567	3,610,567
2017	2,120,000	1,486,418	3,606,418
2018	2,215,000	1,376,723	3,591,723
2019	2,330,000	1,254,423	3,584,423
Thereafter	21,130,000	5,372,683	26,502,683
TOTALS	\$ 38,880,000	\$ 20,322,793	\$ 59,202,793

The Town and school capital leases consist of computer and office equipment and are as follows:

Capital Leases	Town's Lease Payments	School's Lease Payments	Totals
Year End			
2011	115,091	17,402	132,493
2012	86,468	-	86,468
Future minimum rental payments	201,559	17,402	218,961
Interest portion of payments	13,858	1,106	14,964
Obligation under capital leases	\$ 215,417	\$ 18,508	\$ 233,925

As of June 30, 2010, all capital leases are scheduled to be paid off as of June 30, 2012.

TOWN OF TIVERTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 11 - INTERFUND RECEIVABLES AND PAYABLES

Inter-fund receivables represent loans to various funds for use in operations. These amounts are expected to be repaid at certain future dates. Below are balances at June 30, 2010.

	<u>Due from other funds</u>	<u>Due to other funds</u>
General Fund	\$ 177,523	\$ 3,893,850
Special Revenue Funds:		
School Unrestricted	2,327,426	-
School Restricted	64,823	67,233
Town Restricted	1,094,188	135,001
Capital Projects:	193,795	202,234
Enterprise Funds		10,520
Land Acquisition	248,849	-
Cafeteria Fund	-	-
Totals	<u>\$ 4,106,604</u>	<u>\$ 4,106,604</u>

Transfers are made to provide revenue for annual expenditures of various funds. Transfers are not expected to be repaid to the originating (source) fund. Listed below is the transfer activity for fiscal year ended June 30, 2010.

<u>Fund / Department</u>	<u>Transfers from other funds</u>	<u>Transfers to other funds</u>
General Fund	\$ 526,825	\$ 21,585,636
Special Revenue SRUF	20,244,197	-
Special Revenue Town	395,429	526,825
Capital Project Funds	1,191,902	217,006
Debt Service Fund	-	28,886
Totals	<u>\$ 22,358,353</u>	<u>\$ 22,358,353</u>

TOWN OF TIVERTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 12 – LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

The Town accounts for its closure and postclosure care costs under GASB Statement No. 18. This Statement is based on the October 9, 1991, U.S. Environmental Protection Agency (EPA) rule, “Solid Waste Disposal Facility Criteria”, which establishes closure requirements for all municipal solid waste landfills (MSWLF’s) that receive solid waste after October 9, 1991. The EPA rule also establishes thirty-year postclosure care requirements for MSWLF’s that accept solid waste after October 9, 1993. The effect of this EPA rule and similar state laws or regulations is to obligate MSWLF owners and operators to perform certain closing functions and postclosure monitoring and maintenance functions as a condition for the right to operate the MSWLF in the current period.

State and Federal laws and regulations require the Town to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after its closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the Town reports a portion of these closure and postclosure care costs as an operating expense in each period based on budget appropriations. The \$4,651,127 reported as landfill closure and postclosure care liability at June 30, 2010, represents the cumulative amount reported to date. These amounts are based on what it would cost to perform all closure and postclosure care in 2008. The Town expects to close the landfill in 2014. Actual costs may be higher due to inflation, changes in technology or changes in regulations.

The town intends to finance these closure and postclosure costs over the remaining life of the landfill through general fund contributions. As of June 30, 2010, the Town has accumulated \$3,836,675 in the Landfill Closure Capital Project Fund for this purpose.

NOTE 13 - SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

Litigation

In 2005, over 100 residents sued the Fall River Gas Company, in four different lawsuits in federal court in Rhode Island and Massachusetts and in Rhode Island Superior Court. These cases have all been consolidated in the United States District Court for the District of Rhode Island.

The Town of Tiverton was brought in as a Third Party Defendant by Southern Union. In September of 2009 the Town of Tiverton received \$550,000 to be used to remediate roadways and right of ways with contamination levels exceeding industrial standards. RIDEM is requiring this remediation be completed within two years unless it will be done as part of a town infrastructure upgrade. In that event, the remediation must be completed within five years. The estimated cost to clean the areas of town property that have contamination exceeding industrial levels is \$485,000. The \$550,000 settlement money is in a separate account and will be used for the remediation.

Some of the streets that were to be remediated for that \$485,000 also contain mercury contamination that was discovered several years ago and partially cleaned up by the EPA. The Town is currently involved in conversations with DEM and the EPA seeking their renewed assistance as the EPA did not completely clean up the mercury. In the event that the EPA does not step in, the funds set aside by the Town from the settlement should be approximately sufficient to pay for the combined gas waste and mercury remediation under those streets.

TOWN OF TIVERTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 13 - SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES (continued)

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

NOTE 14 – OTHER POST RETIREMENT BENEFITS

Plan Description

In addition to the pension benefits described below, the Town provides post employment health care benefits in accordance with Town union contracts. These benefits are for continued full family or individual health care for the employee groups as described below.

Plan Types

Medical: Blue Cross Classic/Blue Cross Blue Shield RI or Healthmate Coast to Coast
Dental: Delta Dental of Rhode Island
Life: \$50,000 Term Life Insurance

Eligibility – Medical, Dental

Police employees: Any age with 20 years.
Fire employees: 20 years of service or attainment of age 55, whichever comes first.
School employees: Age 55 with 10 years of service
Town Employees: Age 58 with 10 years, (those hired after July 1, 1993 shall not receive retiree medical coverage). Members covered by the Teamsters contract shall receive retiree medical insurance upon attainment of age 58 with 25 years of service, which shall end upon attainment of age 65. (those hired after July 1, 1994 shall not receive retiree medical coverage)

Benefit/Cost Sharing -Medical

Police Employees: Family and Individual plans employee pays \$400.00 per year.
Fire Employees: Individual Plan employee pays \$520 per year, Family Plan employee pays \$1,040 per year.
Town Employees: Members of Teamsters Union, no cost sharing, all others individual plan is \$525 per year, Family Plan is \$1,100 per year.
School Employees: Individual Plan, 25% to 50% based on age & service, Family Plan 25% to 50% based on age and service.

**TOWN OF TIVERTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

NOTE 14 – OTHER POST RETIREMENT BENEFITS (continued)

Benefit/Cost Sharing – Dental

Police Employees: None

Fire Employees: None

Town Employees: None

School Employees: Individual Plan, 25% to 50% based on age & service, Family Plan 25% to 50% based on age and service.

Eligibility – Life

Police employees: Any age with 20 years.

Fire employees: 20 years of service or attainment of age 55, whichever comes first.

School employees: Age 55 with 10 years of service

Town Employees: Age 58 with 10 years,

Cost Sharing: Non-Contributory

Membership

	Medical	Dental	Life
Active	394	394	394
Retirees	<u>118</u>	<u>118</u>	<u>118</u>
Total	512	512	512

Funding Policy

Contribution requirements are negotiated between the Town and the respective unions and employees. For the year-ended June 30, 2010, the plan operated on a pay as you go basis and no provision has been made to fund future benefits to be provided to plan members. For the fiscal year ended June 30, 2010 the Town contributed \$1,362,886 to the plan.

Annual OPEB Funded Status and net OPEB Obligation

Actuarial Actuarial Valuation Date <u>July 1,</u>	Actuarial Value of Assets (a)	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)
2008	\$ -0-	\$34,838,000	\$(34,838,000)	0.0%	N/A	N/A
2009	-0-	\$36,172,948	\$(36,172,948)	0.0%	N/A	N/A

TOWN OF TIVERTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 14 – OTHER POST RETIREMENT BENEFITS (continued)

Annual OPEB Cost and Net OPEB Obligation: Below are the required pension obligation presentations per GASB 45 for the period ending June 30, 2010.

Annual required contribution	\$3,222,448
Interest on OPEB obligation	67,209
Adjustment to annual required contribution	<u>(102,872)</u>
Annual pension cost	3,186,785
Contributions made	<u>1,362,886</u>
Increase (decrease) in OPEB obligation	<u>1,823,899</u>
Net OPEB obligation beginning of year	<u>1,920,310</u>
Net OPEB obligation end of year	<u>\$3,744,209</u>

Required Contributions:

Years Ending June 30	Annual Required Contributions	Percentage Contributed
2008	N/A	N/A
2009	\$ 3,175,366	39.5%
2010	\$ 3,222,448	42.80%

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include types of benefits provided at the time of each valuation and the historical pattern of sharing benefit cost between the employer and the plan members to that point. The 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, consistent with the long-term perspective of the calculations. Below are the actuarial assumptions used to project future cost of the plan.

Valuation Date:	July 1, 2009
Interest Rate	3.50%
2010 Medical Trend Rate	9.00%
2010 Dental Trend Rate	7.5%
General Inflation Assumption	3.50%
Annual Compensation Increases	4.50%
Actuarial Value of Assets	Market Value
Amortization of UAAL	30 Years
Remaining Amortization Period	29 Years

TOWN OF TIVERTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 15 - PENSION PLANS

A. Employees' Retirement System of the State of Rhode Island (ERS)

Town of Tiverton certified school personnel participate in the Employees' Retirement System of the State of Rhode Island ("System"), a cost-sharing multiple-employer public employee retirement system.

The plan issues a stand-alone, publicly available financial report that includes financial statements and required supplementary information. A copy of the report can be obtained from the State's Employee Retirement Board, 40 Fountain Street, Providence, Rhode Island, 02903, or by accessing the Retirement Board's website at www.ersri.org.

Plan Description

The Town of Tiverton school certified personnel are eligible to participate in the System if the Board of Regents certifies that they're engaged in teaching as principal occupation and are regularly employed on at least a half time basis. Schedule A benefits are available to members who possess 10 years or more of contributory service on or before July 1, 2005, Schedule A provides unreduced benefits of 1.7% of earnings for each of the first ten years of service; 1.9% for each of the next ten years; 3.0% per year for each of the next fourteen years; and 2.0% for the 35th year. Joint and survivor options are available as well as the service Retirement Allowance (SRA) Plus option that provides for the payment of a larger benefit before the attainment of age sixty-two (62) and a reduced amount thereafter. The reduced amount is equal to the benefit before age sixty-two (62), including cost-of-living increases, minus the member's estimated social security benefit payable at age sixty-two (62). The maximum benefit is 80% of final average earnings after 35 years of service. Such benefits are available to members at least age 60 with 10 years of service, or after 28 years at any age. Benefits for all employees are based on the average of the highest three consecutive years' earnings, exclusive of overtime. On the third January after retirement, a cost-of-living increase of 3.0% (compounded annually) is provided independent of actual changes in the consumer price index. The plan also provides nonservice-connected disability benefits after five years of service; service-connected disability pensions with no minimum service requirement; vested benefits after ten years of service; survivor's benefits for service-connected death; and certain lump sum death benefits. There were changes in the method and assumptions in the June 30, 2006 actuarial valuation to determine plan cost.

Schedule B benefits are provided to members who have less than 10 years of contributory service on or before July 1, 2005. For Schedule B members, the plan provides unreduced benefits of 1.6% of earnings for each of the first ten years of service; 1.8% for each of the next ten years; 2.0% per year for years 21 through 25 inclusive; 2.25% per year for years 26 through 30 inclusive; 2.5% per year for years 31 through 37 inclusive and 2.25% for the 38th year. Only single life, and joint and survivor options are available. The maximum benefit is 75% of his or her average highest three (3) years of compensation after 38 years of service. Such benefits are available to members at least age 65 with 10 years of service, or after 29 years of service and age 59. Actuarially reduced retirement is available at age 55 and 20 years of service, the benefit is reduced actuarially for each month that the age of the member is less than sixty-five (65) years. On the month following the third anniversary date of the retirement, and on the month following the anniversary date of each succeeding year, a cost-of-living increase of 3.0% (compounded annually) or the percentage of increase

TOWN OF TIVERTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 15 - PENSION PLANS (continued)

A. Employees' Retirement System of the State of Rhode Island (ERS)

Plan Description (continued)

in the Consumer Price Index for all Urban Consumers (CPI-U) as published by the United States Department of Labor Statistics, determined as of September 30 of the prior calendar year, whichever is less is provided for Schedule B members. There were changes in the method and assumptions in the June 30, 2006 actuarial valuation to determine plan cost.

Rhode Island General Laws relating to state employees and teachers benefits were amended during the fiscal year ended June 30, 2009. Members eligible to retire as of September 30, 2009 are not affected by the changes. The legislation established a minimum retirement age of 62 for all members, except those Schedule B members who retire with less than 29 years of service, their retirement eligibility remains 65 years old with a minimum of 10 years of service credit. In addition, the changes established a minimum retirement age of 55 with 25 years of service credit for correctional officers and registered nurses at the department of Mental Health Retardation and Hospitals. For affected state employees and teachers the law provides a proportional downward adjustment of the minimum retirement age based on the years of service credit of a member at September 30, 2009, a final average salary based on the 5 consecutive highest years of Salary and a cost of living adjustment (COLA) from 3% compounded annually to the COLA provided under Schedule B which is the lower of the Consumer Price Index (CPI) or 3%, compounded annually, and requires a full three year anniversary for receipt.

This legislation also amended the disability retirement provision for state employees and teachers. Effective for applications filed after September 30, 2009, accidental disability will be available at 66 2/3% for members who are permanently and totally disabled as determined by the Retirement Board. If the disability is determined to be partial and the member is able to work in other jobs, the benefit will be limited to 50%. Both benefits will be subject to an annual review by ERSRI.

The law also required service credit purchases, excluding contribution refund paybacks and military service, requested after June 16, 2009 to be calculated at full actuarial cost.

The plan provides a survivor benefit to public school teachers via a "Teachers Survivor Benefits Fund" in lieu of Social Security. Not all school districts participate in the plan. The cost of the benefits provided by the plan are two percent (3%) of the member's annual salary up to but not exceeding an annual salary of \$9,600; one-half (1/2) of the cost is contributed by the member by deductions from his or her salary, and the other half (1/2) is contributed and paid by the respective city, town or school district by which the member is employed. These contributions are in addition to the contributions required for regular pension benefits.

Spouse, parents, family and children's benefits are payable following the death of a member. A spouse shall be entitled to benefits upon attaining the age of sixty (60) years. Children's benefits are payable to the child, including a stepchild or adopted child of a deceased member if the child is unmarried and under the age of eighteen (18) years or twenty-three (23) years and a full time student, and was dependent upon the

**TOWN OF TIVERTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

NOTE 15 - PENSION PLANS (continued)

A. Employees' Retirement System of the State of Rhode Island (ERS)

Plan Description (continued)

member at the time of the member's death. Family benefits are provided if at the time of the member's death the surviving spouse has in his or her care a child of the deceased member entitled to child benefits. Parents benefits are payable to the parent or parents of a deceased member if the member did not leave a widow, widower or child who could ever qualify for monthly benefits on the member's wages and the parent has reached the age of sixty (60) years, has not remarried and received support from the member. In January, a yearly cost of living adjustment for spouse's benefits is paid and based on the annual social security adjustment.

The Teachers Survivor Benefits Fund provides benefits based on the highest salary at the time of retirement of the teacher. Benefites are payable in accordance with the following table:

**Summary of Significant Accounting Policies
Plan Description (continued)**

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

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

Parent and 1 Child	Parent and 2 Children	Parent and more than 2 Children	One Child Alone	Two Children Alone	Three or More Children
150%	175%	175%	75%	150%	175%

Basis of Accounting

The financial statements of the System are prepared on the accrual basis of accounting. Under this method revenues are recorded when earned and expenses are recorded when incurred. Plan member contributions are recognized in the period in which the contributions withheld from payroll. Employer contributions to each plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. Dividend income is recorded on the ex-dividend date. Investment transactions are recorded on a trade date

TOWN OF TIVERTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 15 - PENSION PLANS (continued)

A. Employees' Retirement System of the State of Rhode Island (ERS)

Plan Description (continued)

basis. The gains or losses on foreign currency exchange contracts are included in income in the period in which the exchange rates change. Gains and losses on contracts which hedge specific foreign currency denominated commitments are deferred and recognized in the period in which the transaction is completed. The Governmental Accounting Standards Board (GASB) has the responsibility for establishing generally accepted accounting principles for fiduciary type activities.

Method Used to Value Investments

Investments are recorded in the financial statements at fair value. Fair value is the amount that a plan can reasonably expect to receive for an investment in a current sale between a willing buyer and a willing seller – that is, other than a forced liquidation sale. The fair value of fixed income and domestic and international stocks are generally based on published market prices and quotations from national security exchanges and securities pricing services. Commingled funds consist of institutional domestic and international equity index funds and a short duration fixed income fund. The fair value of the commingled funds is based on the reported share value of the respective fund. Futures contracts are valued at the settlement price established each day by the board of trade or exchange on which they are traded. Other investments that are not traded on a national security exchange (primarily private equity and real estate investments) are generally valued based on audited December 31 net asset values adjusted for cash flows for the period January 1 to June 30 (which principally include additional investments and partnership distributions).

Contributions and Reserves

Contribution requirements for plan members and employers are established pursuant to Rhode General Laws. Employers are required to contribute at an actuarially determined rate. Plan member contributions are fixed by statute.

Concentrations

There is no single issuer exposure within the System's portfolio that comprises 5% of the overall portfolio and, therefore, there is no concentration of credit risk.

**TOWN OF TIVERTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

NOTE 15 – PENSION PLANS (continued)

A. Employees’ Retirement System of the State of Rhode Island (ERS)

Funding Policy

The Employees Retirement System of Rhode Island maintains authority to establish contribution rates for its plan members. The current required contribution rates for active plan members are, 9.5% for employees and 11.89% for employers on covered payroll paid based on the 2009 state pension reform. The annual required contribution amount, which equals annual pension cost, for the District was determined as described above and was based on an actuarial valuation as of June 30, 2010. Significant actuarial assumptions used on the June 30, 2008 valuation (the most recent actuarial valuation performed) include the following:

- Investment return - 8.25% compounded annually
- Inflation rate - 3.00%
- Net real rate of return - 5.25%
- Projected salary increases – 4.50% to 13.25%
- Cost of living adjustment – Schedule A – members eligible at 9/30/09: 3.0%, compounded; members not eligible at 9/30/09: 2.5% compounded
- Cost of living adjustment – Schedule B – 2.5% non-compounded
- Actuarial value of assets - market value

As prescribed by the Rhode Island general law, the State pays the entire portion of the annual required contribution attributable to the costs of contributions deferred by the State in prior years plus 40% of contributions assessed to employers on payroll not reimbursable through Federal programs. This resulted in contribution rates paid by the State on behalf of the School Department of 10.17% of non-federally reimbursable payrolls totaling \$978,900 for the fiscal year ended June 30, 2010. The School Department does not have any investments or related party investment with the State Plan.

Required Contributions:

<u>Years Ending June 30</u>	<u>Town's Portion of Annual Required Contributions</u>	<u>Percentage Contributed</u>
2008	\$ 1,250,286	100%
2009	\$ 1,499,666	100%
2010	\$ 1,080,135	100%

TOWN OF TIVERTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 15 – PENSION PLANS

B. Municipal Employees' Retirement System (Town Plan)

The Town of Tiverton participates in the Municipal Employees' Retirement System of the State of Rhode Island (MERS), an agent multiple employer defined benefit plan administered by the State of Rhode Island. All full-time Town and non-certified School Department general employees participate in the System as general employees. The Tiverton full-time firemen participate in the System as fire employees.

The plan issues a stand-alone, publicly available financial report that includes financial statements and required supplementary information. The Municipal Employee's Retirement System of the State of Rhode Island (MERS) issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the State of Rhode Island Employee Retirement Board, 40 Fountain Street, Providence, Rhode Island, 02903, or by accessing the Retirement Board's website at www.ersri.org.

Plan Description

The MERS was established under section one of chapter 2784 of the Rhode Island Public Laws of 1951 and placed under the management of the Retirement Board for the purpose of providing retirement allowances to employees of municipalities, housing authorities, water and sewer districts, and municipal police and fire persons that have elected to participate. The plan generally provides retirement benefits equal to 2.0% of a member's final average salary multiplied by the number of years of total service up to a maximum of 75%. Joint and survivor options are available as well as the Service Retirement Allowance (SRA) Plus option that provides for the payment of a larger benefit before the attainment of age sixty-two (62) and a reduced benefit thereafter. The reduced amount is equal to the benefit before age sixty-two (62), including cost-of-living increases minus the member's estimated social security benefit payable at age sixty-two (62). Such benefits are available to members at least age 58 with 10 years of service or after 30 years of service at any age. Police and fire personnel may retire at age 55 if they have 10 years of service or after 25 years of service at any age. An optional cost-of-living provision may be elected for police and fire personnel and general employees. An option may be elected to provide a 20 year service pension with a benefit equal to 2.5% for each year of service up to a maximum of 75% for police and fire personnel. Benefits are based on the average of the highest three consecutive years' earnings, exclusive of overtime. The plan also provides non-service-connected disability benefits after 5 years of service; service-connected disability pensions with no minimum service requirement; vested benefits after 10 years of service; survivor's benefits; and certain lump sum death benefits.

Basis of Accounting

The financial statements of the System are prepared on the accrual basis of accounting. Under this method revenues are recorded when earned and expenses are recorded when incurred. Plan member contributions are recognized in the period in which the contributions withheld from payroll. Employer contributions to each plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

TOWN OF TIVERTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 15 – PENSION PLANS (continued)

B. Municipal Employees' Retirement System (Town Plan)

Basis of Accounting

Dividend income is recorded on the ex-dividend date. Investment transactions are recorded on a trade date basis. The gains or losses on foreign currency exchange contracts are included in income in the period in which the exchange rates change. Gains and losses on contracts which hedge specific foreign currency denominated commitments are deferred and recognized in the period in which the transaction is completed. The Governmental Accounting Standards Board (GASB) has the responsibility for establishing generally accepted accounting principles for fiduciary type activities.

Method Used to Value Investments

Investments are recorded in the financial statements at fair value. Fair value is the amount that a plan can reasonably expect to receive for an investment in a current sale between a willing buyer and a willing seller – that is, other than a forced liquidation sale. The fair value of fixed income and domestic and international stocks are generally based on published market prices and quotations from national security exchanges and securities pricing services. Commingled funds consist of institutional domestic and international equity index funds and a short duration fixed income fund. The fair value of the commingled funds is based on the reported share value of the respective fund. Futures contracts are valued at the settlement price established each day by the board of trade or exchange on which they are traded. Other investments that are not traded on a national security exchange (primarily private equity and real estate investments) are generally valued based on audited December 31 net asset values adjusted for cash flows for the period January 1 to June 30 (which principally include additional investments and partnership distributions).

Contributions and Reserves

Contribution requirements for plan members and employers are established pursuant to Rhode General Laws. Employers are required to contribute at an actuarially determined rate. Plan member contributions are fixed by statute.

Concentrations

There is no single issuer exposure within the System's portfolio that comprises 5% of the overall portfolio and, therefore, there is no concentration of credit risk.

Funding Policy

The Municipal Employees Retirement System (MERS) maintains authority to establish contribution rates for its plan members. The current required contribution rates for active general plan members are, 7.0% for employees and 2.35% for employers on covered payroll paid. The current contribution rates for active fire plan members are, 10% for employees and 11% for employers on covered payroll.

**TOWN OF TIVERTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

NOTE 15 – PENSION PLANS (continued)

B. Municipal Employees’ Retirement System (Town Plan)

Funding Policy

The annual required contribution amount, which equals annual pension cost, for the Town was determined as described above and was based on an actuarial valuation as of June 30, 2006. Significant actuarial assumptions used on the June 30, 2008 valuation (the most recent valuation performed) include the following:

- Investment return - 8.25% compounded annually
- Inflation rate - 3.00%
- Net real rate of return - 5.25%
- Projected salary increases general employees – 4.50% - 8.50%
- Projected salary increases Police & Fire – 4.75% - 14.75%
- Cost of living adjustment - 3%, non-compounded with a few exceptions
- Actuarial value of assets - market value

The annual required contribution for the Town which equals the annual pension cost for the year ended June 30, 2010 was \$91,462 for general employees. This contribution represents 5.31% of covered payroll.

The annual required contribution for the Town which equals the annual pension cost for the year ended June 30, 2010 was \$136,903 for fire employees. This contribution represents 7.10% of covered payroll.

Required contributions for general employees:

<u>Fiscal Year</u>	<u>Pension Cost (APC)</u>	<u>of APC Contributed</u>
2008	\$ 96,726	100%
2009	\$ 89,757	100%
2010	\$ 91,462	100%

Required contributions for fire employees:

<u>Fiscal Year</u>	<u>Pension Cost (APC)</u>	<u>of APC Contributed</u>
2008	\$ 186,726	100%
2009	\$ 159,351	100%
2010	\$ 136,903	100%

TOWN OF TIVERTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 15 – PENSION PLANS (continued)

C. Police Pension Plan

Plan Description

The Policemen's Pension Plan of the Town of Tiverton (the Plan) is a contributory, single-employer, defined benefit plan. Bank of America is the trustee of the Plan's investment funds. All funds remain in custody of Bank of America which is also responsible for maintenance of primary accounting records.

Administration of the Plan is the responsibility of the Town Administrator. Accordingly, he reviews the records of the Plan, prepares and accumulates the actuarial data, and prepares periodic reports for submission to the Town Council. The costs of administering the Plan are paid by the Plan. All members of the Police Department of the Town of Tiverton are covered by this Plan.

Plan Provisions

The Plan provides retirement as well as death and disability benefits. Participants in the Plan are eligible for retirement on the earlier of their 55th birthday or upon completion of 20 or more years of service. The normal retirement benefit is equal to 2.5% of average compensation multiplies by the years of credited service for the first 20 years plus an additional 2% for years in excess of 20 years, subject to a maximum of 75% of average compensation.

Participants are eligible for disability benefits after 7 years of service or immediately if the disability results from performance of duties. The benefit is 66.67% of average compensation or 50% if disability is due to non-occupational causes.

Death benefits will be paid to the beneficiary in the amount of \$400 for each year of service, subject to a minimum of \$2,000 and a maximum of \$8,000. After retirement, this benefit will be reduced by 25% per year but not less than \$2,000.

Contributions

Employees in the Police Pension Fund are required to contribute 10% of their pay. The Town contribution is based on the amount determined by the actuarial valuation.

Basis of Accounting

The Police Pension Fund's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

**TOWN OF TIVERTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

NOTE 15 – PENSION PLANS (continued)

Summary of Significant Accounting Policies

Method Used to Value Investments

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value.

Annual Pension Cost and Net Pension Obligations

The Town’s net pension obligation for fiscal year ended 2010 to the Police Pension Fund is as follows:

Annual required contribution	\$ 1,023,362
Interest on net pension obligation	13,580
Adjustment to annual required contribution	<u>(11,536)</u>
Annual pension cost	1,025,406
Contributions made	<u>--0--</u>
Increase (decrease) in net pension obligation	1,025,406
Net pension obligation beginning of year	<u>194,005</u>
Net pension obligation end of year	<u>\$1,219,411</u>

For 2010, the Town’s annual pension cost was \$1,025,406 for the Police Pension Fund and actual contributions were \$0 based on the actuarial calculation. The required contribution was determined as part of the July 1, 2009 actuarial valuation using the entry age normal cost method with frozen initial liability. Significant actuarial assumptions included (a) net investment return of 7 percent compounded annually, (b) projected salary increases of 5 percent compounded annually, (c) mortality rates based on the RP 2000 Mortality Table for males and females, and (d) a retirement age of 55, or completion of service requirements, if later. The adjusted market value method has been used to determine the actuarial value of asset. Under this method, fluctuations in market values of assets are smoothed out by utilizing a five-year average of realized and unrealized investment gains and losses to calculate the actuarial value of assets.

Participant information:

Active employees	26
Retirees & beneficiaries	<u>27</u>
	<u>53</u>

TOWN OF TIVERTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 15 – PENSION PLANS (continued)

Trend Information

Police Pension Plan

<u>Fiscal Year</u>	<u>Annual Required Contribution</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>	<u>Actual Contribution</u>
2008	\$597,226	100%	\$191,982	\$597,226
2009	\$711,225	100%	\$194,005	\$711,225
2010	\$ 1,023,362	0%	\$1,219,411	\$644,063

NOTE 16 - RISK MANAGEMENT

The Town of Tiverton is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; injuries to employees; and natural disasters. As a result, the Town participates in a non-profit, public entity risk pool (Rhode Island Inter-local Risk Management Trust, Inc.) that provides coverage for property/liability claims and workers' compensation claims. Upon joining the Trust, the Town signed a participation agreement that outlines the rights and responsibilities of both the Trust and the Town. The agreement states that for premiums paid by the Town, the Trust will assume financial responsibility for the Town's losses up to the maximum amount of insurance purchased, minus the Town's 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 above the losses the Trust, retains internally for payment from the pooled contributions of its Members. Settled claims resulting from these risks have not exceeded the Trust coverage in any of the past three fiscal years. There were no reductions in the insurance coverage during the fiscal year up and through the report date.

There are several lawsuits pending against the Town. The Town Solicitor estimates that judgment against the Town from such other litigation not covered by insurance would not be material in relation to the Town's financial position.

NOTE 17 - RELATED PARTIES

The Town reviews its records on an annual basis to determine if any related party transactions exist that would represent a conflict of interest with parties related to its officers and department heads. No such transactions were noted in the fiscal year ended June 30, 2010.

NOTE 18 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 18, 2011 the date the financial statements were available to be issued. As a result of this review no material subsequent events were noted.

TOWN OF TIVERTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 19 – PRIOR PERIOD ADJUSTMENTS

Expenditures and expenses relating to the prior fiscal year's budget have been adjusted to properly reflect the current year's activity.

NOTE 20 – STATE FISCAL STABILIZATION FUNDS

State education aid to school districts was reduced for fiscal year 2010 as part of a State budget crisis. To offset this reduction in state aid, an equal amount of State Fiscal Stabilization Funds (SFSF) were allocated to each school district. The fiscal impact to school district operations aid was intended to be neutral. These Stabilization Funds were part of the American Recovery and Reinvestment Act of 2009 (ARRA) and under guidance provided by Rhode Island General Law R.I.G.L. 45-12-22.2, school districts were required to account for Stabilization Funds in a separate restricted fund, however for financial statement purposes districts are required to include expenditures covered by the Stabilization Funds as part of the School Unrestricted (General) Fund. For fiscal year 2010, the Tiverton School Department was awarded and received \$293,067 in Stabilization Funding.

NOTE 21 - FISCAL YEAR 2010 ADJUSTMENT- SCHOOL DEPARTMENT ADJUSTMENT

On reviewing the Auditor's draft, from Parmelee, Poirier & Associates, LLC, of the Tiverton Annual Financial Report and the reconciliation of the Tiverton General Fund appropriation to the Tiverton School Department's ledger for the Fiscal Year Ended June 30, 2010, it is apparent that the Tiverton School Department requested and received \$367,165 above the Financial Town Meeting Budgeted Operational Appropriation of \$19,951,130. This budgeted amount was approved by the Voters of the Town of Tiverton in May 2009 by a vote of 326 to 321. This vote was confirmed by the Tiverton Town Clerk in the Financial Town Meeting's Minutes of that day.

The Town's posted adjustment of \$367,165 was implemented on Thursday, December 16, 2010. It has resulted in a dispute with the Tiverton School Department and the School Committee. We had planned a meeting to resolve this dispute on or before January 31, 2011, however, this meeting has not been finalized and we must close the Annual Financial Report for Fiscal Year 2010 with this adjustment still in dispute.

REQUIRED SUPPLEMENTARY INFORMATION

Town of Tiverton, Rhode Island

**Schedule of Funding Progress for the Town of Tiverton Police Department Pension Plan
June 30, 2010
(Unaudited)**

(\$ amounts + 000)

	Actuarial Valuation Date (1)	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as Percentage of Covered Payroll
Police Department Pension Plan	7/1/2005	\$ 5,491	\$ 11,007	\$ 5,516	50%	\$ 1,150	480%
	7/1/2006	\$ 6,094	\$ 10,705	\$ 4,611	57%	\$ 1,275	362%
	7/1/2007	\$ 7,182	\$ 11,322	\$ 4,140	63%	\$ 1,338	309%
	7/1/2008	\$ 6,926	\$ 12,155	\$ 5,229	57%	\$ 1,512	346%
	7/1/2009	\$ 5,733	\$ 14,243	\$ 8,510	40%	\$ 1,716	496%
	7/1/2010	\$ 5,633	\$ 14,529	\$ 8,896	39%	\$ 1,762	505%

Town of Tiverton, Rhode Island

Pension Plan Required Supplemental Information
June 30, 2010
(Unaudited)

The information presented in the required supplementary schedules was determined as part of the annual actuarial valuations at the dates indicated.

Additional information as of the latest actuarial valuation (1) follows:

			Town of Tiverton Police Department <u>Pension Plan</u>
Valuation Date	7/1/2010		
Actuarial Cost Method	Individual Entry Age		
Amortization Method	Level Percent Closed		
Remaining Amortization Period	25 Years		
Asset Valuation Method	Market Value		
Actuarial assumptions:			
Investment rate of return	7.5%		
Projected Salary Increases	5.0%		
Participant Information	Active Employees		26
	Retirees and beneficiaries		<u>27</u>
			<u><u>53</u></u>

REQUIRED SUPPLEMENTARY INFORMATION
TOWN OF TIVERTON, RHODE ISLAND
Budgetary Comparison Schedule - General Fund
Schedule of Revenues and Expenditures
For the Fiscal Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Transfers</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues					
General property tax	\$ 32,149,434	\$ -	\$ 32,149,434	\$31,962,670	\$ (186,764)
Intergovernmental and departmental revenue	2,446,789	-	2,446,789	2,545,373	98,584
Federal revenue - SFSF	-	-	-	293,067	293,067
License and permits	1,458,890	-	1,458,890	1,766,856	307,966
Fines and interest on late payments	210,000	-	210,000	281,076	71,076
Interest on investments	140,000	-	140,000	57,860	(82,140)
Other revenue	65,085	-	65,085	87,294	22,209
Total Revenues	<u>36,470,198</u>	<u>-</u>	<u>36,470,198</u>	<u>36,994,196</u>	<u>523,998</u>
Expenditures					
General government	1,104,935	38,215	1,143,150	970,274	172,876
Financial administration	4,031,604	(7,000)	4,024,604	3,766,670	257,934
Public safety	5,168,308	7,000	5,175,308	4,940,216	235,092
Grants, health & sanitation	596,601	(29,039)	567,562	533,211	34,351
Public works	1,310,100	38,958	1,349,058	1,261,391	87,667
Associated activities	109,286	79	109,365	101,612	7,753
Parks and recreation	115,739	6,656	122,395	129,899	(7,504)
Capital budget	276,475	113,526	390,001	273,157	116,844
Debt service - principal	916,690	-	916,690	905,000	11,690
Debt service - interest	1,816,452	-	1,816,452	1,816,452	-
Total expenditures	<u>15,446,190</u>	<u>168,395</u>	<u>15,614,585</u>	<u>14,697,882</u>	<u>916,703</u>
Excess of revenues over expenditures before operating transfers	<u>21,024,008</u>	<u>(168,395)</u>	<u>20,855,613</u>	<u>22,296,314</u>	<u>1,440,701</u>
Operating transfers					
Operating transfers to other funds	(21,334,008)	-	(21,334,008)	(21,292,569)	41,439
School Unrestricted - Federal SFSF	-	-	-	(293,067)	(293,067)
Operating transfers from other funds	310,000	-	310,000	526,825	216,825
Carryforwards	-	168,395	168,395	168,395	-
Total operating transfers	<u>(21,024,008)</u>	<u>168,395</u>	<u>(20,855,613)</u>	<u>(20,890,416)</u>	<u>(34,803)</u>
Excess of revenues over expenditures and operating transfers	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,405,898</u>	<u>\$ 1,405,898</u>

REQUIRED SUPPLEMENTARY INFORMATION
TOWN OF TIVERTON, RHODE ISLAND
Budgetary Comparison Schedule - General Fund
Schedule of Revenues - Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended June 30, 2010

	<u>Original Budget Revenues</u>	<u>Transfers</u>	<u>Revised Budget Revenues</u>	<u>Actual Revenues</u>	<u>Variance</u>
General property taxes					
Real estate and personal property tax	\$ 32,149,434	\$ -	\$ 32,149,434	\$ 31,962,670	\$ (186,764)
Total general property taxes	<u>32,149,434</u>	<u>-</u>	<u>32,149,434</u>	<u>31,962,670</u>	<u>(186,764)</u>
Intergovernmental and departmental revenues					
State of Rhode Island	2,446,789	-	2,446,789	2,458,406	11,617
Federal emergency management administration	-	-	-	86,967	86,967
Federal revenue - SFSF	-	-	-	293,067	293,067
Total intergovernmental and departmental revenue	<u>2,446,789</u>	<u>-</u>	<u>2,446,789</u>	<u>2,838,440</u>	<u>391,651</u>
Licenses, permits and usage fees					
Business fees	476,709	-	476,709	801,328	324,619
Usage fees	982,181	-	982,181	965,528	(16,653)
Total licenses, permits and usage fees	<u>1,458,890</u>	<u>-</u>	<u>1,458,890</u>	<u>1,766,856</u>	<u>307,966</u>
Fines and interest on late payments	210,000	-	210,000	281,076	71,076
Interest on investments	140,000	-	140,000	57,860	(82,140)
Other revenues	65,085	-	65,085	87,294	22,209
Total revenues	<u>36,470,198</u>	<u>-</u>	<u>36,470,198</u>	<u>36,994,196</u>	<u>523,998</u>
Other financing sources					
Transfer from ambulance & rescue	310,000	-	310,000	407,000	97,000
Transfer from other funds	-	-	-	6,270	6,270
Transfer from impact fees	-	-	-	113,555	113,555
Appropriated fund balance	-	168,395	168,395	168,395	-
Total other financing sources	<u>310,000</u>	<u>168,395</u>	<u>478,395</u>	<u>695,220</u>	<u>216,825</u>
Total revenue and other financing sources	<u>\$ 36,780,198</u>	<u>\$ 168,395</u>	<u>\$ 36,948,593</u>	<u>\$ 37,689,416</u>	<u>\$ 740,823</u>

REQUIRED SUPPLEMENTARY INFORMATION
TOWN OF TIVERTON, RHODE ISLAND
Budgetary Comparison Schedule - General Fund
Schedule of Expenditures - Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended June 30, 2010

	Original Budgeted Expenditures	Transfers	Revised Budgeted Expenditures	Actual Expenditures	Variance
<i>Town Clerk's Office - 101</i>					
Town Clerk Salary	50,134	-	50,134	49,744	390
Clerical	124,918	-	124,918	124,757	161
Longevity	4,200	-	4,200	3,800	400
Supplies & expenses	8,400	-	8,400	8,603	(203)
Photocopier Lease	7,000	-	7,000	4,670	2,330
Recording expenses	30,000	-	30,000	29,128	872
Recode Town Code	3,000	1,600	4,600	-	4,600
<i>Total Town Clerk</i>	227,652	1,600	229,252	220,702	8,550
<i>Town Council - 102</i>					
Personal Services	17,300	-	17,300	17,300	-
Supplies & expenses	2,000	-	2,000	2,000	-
Contingency	30,000	2,000	32,000	14,045	17,955
Advertising/Ordinances	20,000	-	20,000	10,528	9,472
Future Needs	-	40,764	40,764	-	40,764
<i>Total Town Council</i>	69,300	42,764	112,064	43,873	68,191
<i>Town Administrator - 112</i>					
Town Administrator Salary	83,900	322	84,222	84,223	(1)
Clerical	36,000	(1,529)	34,471	31,704	2,767
Office Supplies	4,000	(356)	3,644	1,046	2,598
Grants/Matching Funds	5,000	-	5,000	-	5,000
Computer service	7,000	-	7,000	5,405	1,595
League of Cities/Towns	8,900	-	8,900	8,700	200
Expense Account	2,500	-	2,500	-	2,500
Vehicle Expense	2,000	-	2,000	1,424	576
Photocopier Lease	2,700	-	2,700	2,319	381
Town-Wide Internet	3,500	-	3,500	3,408	92
Tiverton Web Site	4,200	61	4,261	4,235	26
<i>Total Town Administrator</i>	159,700	(1,502)	158,198	142,464	15,734
<i>Board of Canvassers - 103</i>					
Personnel Services	3,000	-	3,000	4,200	(1,200)
Elections	7,000	(1,700)	5,300	5,454	(154)
Printing & Supplies	2,500	1,700	4,200	2,500	1,700
<i>Total board of canvassers</i>	12,500	-	12,500	12,154	346
<i>Town Hall Operating - 104</i>					
Heat	6,325	-	6,325	4,498	1,827
Electric	17,000	-	17,000	10,305	6,695
Telephone	4,200	-	4,200	3,381	819
Water & Supplies	900	-	900	761	139
Repairs	10,000	(6,197)	3,803	3,508	295
<i>Total Town Hall Operating</i>	38,425	(6,197)	32,228	22,453	9,775
<i>Legal Services - 105</i>					
Town Solicitor	96,000	-	96,000	96,000	-
Legal Zoning	15,000	1,145	16,145	16,145	-
Litigation	125,000	-	125,000	92,852	32,148
Prosecutors	24,000	-	24,000	24,000	-
Labor Counsel	25,000	-	25,000	19,242	5,758
<i>Total Legal Services</i>	285,000	1,145	286,145	248,239	37,906

REQUIRED SUPPLEMENTARY INFORMATION
TOWN OF TIVERTON, RHODE ISLAND
Budgetary Comparison Schedule - General Fund
Schedule of Expenditures - Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended June 30, 2010

	Original Budgeted Expenditures	Transfers	Revised Budgeted Expenditures	Actual Expenditures	Variance
<i>Municipal Court -196</i>					
Judge	12,500	-	12,500	12,500	-
Clerical Assistant	9,562	-	9,562	9,031	531
Bailiff	1,200	-	1,200	1,531	(331)
Telephone	350	-	350	271	79
Office Supplies & Expense	1,000	-	1,000	957	43
<i>Total Municipal Court</i>	24,612	-	24,612	24,290	322
<i>Probate Court - 197</i>					
Judge	8,500	-	8,500	8,182	318
Recording Expenses	3,000	1,600	4,600	2,837	1,763
Supplies	1,000	-	1,000	1,000	-
Program Software	300	-	300	300	-
<i>Total Probate Court</i>	12,800	1,600	14,400	12,319	2,081
<i>Building and Zoning Inspector - 106</i>					
Building Inspector Salary	55,000	-	55,000	58,644	(3,644)
Clerical	35,760	-	35,760	35,940	(180)
Longevity	1,600	-	1,600	1,600	-
Automobile Expenses	3,000	200	3,200	2,901	299
Telephone	1,680	-	1,680	1,240	440
Software maintenance	1,600	-	1,600	-	1,600
Office Supplies	3,500	-	3,500	3,431	69
Boarding for Buildings	1,000	-	1,000	-	1,000
<i>Total Building and Zoning Inspector</i>	103,140	200	103,340	103,756	(416)
<i>Planning Board - 107 & 115</i>					
Administrative Officer	6,000	-	6,000	6,000	-
Zoning Ordinances	15,000	-	15,000	-	15,000
Personnel Services	67,600	-	67,600	65,846	1,754
Planning Dept Personnel	34,206	-	34,206	34,234	(28)
Longevity	1,000	-	1,000	1,000	-
Telephone	700	-	700	700	-
Supplies and Postage	4,500	-	4,500	4,809	(309)
Publications	300	-	300	-	300
Professional/Technical Services	16,500	-	16,500	5,616	10,884
Computer Upgrades	2,000	-	2,000	917	1,083
Photo Copier Lease	1,000	-	1,000	948	52
GIS Expenses	6,500	-	6,500	7,500	(1,000)
<i>Total Planning Board</i>	155,306	-	155,306	127,570	27,736
<i>Zoning Board of Review - 108</i>					
Copy Services	600	-	600	19	581
Public Stenographer	5,700	805	6,505	5,415	1,090
Supplies	1,700	(200)	1,500	930	570
<i>Total Zoning Board</i>	8,000	605	8,605	6,364	2,241
<i>Town Sergeant - 109</i>					
	1,500	-	1,500	1,500	-
<i>Town Financial Meeting - 110</i>					
	7,000	(2,000)	5,000	4,590	410
<i>Total General Government</i>	1,104,935	38,215	1,143,150	970,274	172,876

REQUIRED SUPPLEMENTARY INFORMATION
TOWN OF TIVERTON, RHODE ISLAND
Budgetary Comparison Schedule - General Fund
Schedule of Expenditures - Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended June 30, 2010

	Original Budgeted Expenditures	Transfers	Revised Budgeted Expenditures	Actual Expenditures	Variance
<i>Finance and Administration</i>					
<i>Tax Assessors - 212</i>					
Personnel Services	63,500	-	63,500	63,744	(244)
Clerical	52,863	-	52,863	53,059	(196)
Longevity	2,700	-	2,700	2,700	-
Telephone	800	90	890	873	17
Mileage	2,500	(500)	2,000	1,660	340
Professional Services	3,100	4,510	7,610	7,265	345
Supplies	4,100	(500)	3,600	3,314	286
Computers	6,000	(2,000)	4,000	3,961	39
Printing/Postage	3,300	(1,600)	1,700	1,511	189
Publications and Periodicals	500	-	500	137	363
Total Board of Assessment Review	139,363	-	139,363	138,224	1,139
<i>Treasurer - 214</i>					
Personnel Services	62,000	230	62,230	62,238	(8)
Clerical	87,069	405	87,474	86,434	1,040
Longevity	3,700	-	3,700	3,700	-
Telephone	800	563	1,363	1,343	20
Computer/Software Maintenance	8,800	-	8,800	8,800	-
Supplies	6,200	(350)	5,850	5,354	496
Computer	1,200	(213)	987	987	-
Computerized Payroll	10,500	-	10,500	10,696	(196)
Treasurer's Report	1,000	(405)	595	530	65
Office Equipment	1,000	(230)	770	685	85
Consultants	10,000	-	10,000	9,765	235
Total Treasurer	192,269	-	192,269	190,532	1,737
<i>Tax Collector - 215</i>					
Personnel Services	30,000	-	30,000	27,506	2,494
Clerical	52,863	-	52,863	53,295	(432)
Longevity	2,700	-	2,700	2,700	-
Telephone	1,000	-	1,000	732	268
Supplies and Tax Bill Printing	8,400	-	8,400	8,044	356
Collection Service	10,000	(224)	9,776	2,240	7,536
Computer Services	3,100	-	3,100	3,100	-
Postage	6,000	224	6,224	6,224	-
Total Tax Collector	114,063	-	114,063	103,841	10,222
<i>Tax Sale - 217</i>					
	3,000	-	3,000	3,000	-
<i>Insurance - 219</i>					
Liability/Property/Workers Comp	290,000	-	290,000	248,115	41,885
Group Insurance/Health	1,943,572	(83,477)	1,860,095	1,751,485	108,610
Total Insurance	2,233,572	(83,477)	2,150,095	1,999,600	150,495
<i>Audit of Town Accounts - 220</i>					
	20,000	-	20,000	20,000	-
<i>Pension Plans - 222</i>					
Municipal	88,367	-	88,367	91,462	(3,095)
Police	500,000	-	500,000	500,000	-
Fire	196,027	-	196,027	136,902	59,125
Special retirement	16,500	-	16,500	16,500	-
Total Pension Plans	800,894	-	800,894	744,864	56,030

REQUIRED SUPPLEMENTARY INFORMATION
TOWN OF TIVERTON, RHODE ISLAND
Budgetary Comparison Schedule - General Fund
Schedule of Expenditures - Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended June 30, 2010

	<u>Original Budgeted Expenditures</u>	<u>Transfers</u>	<u>Revised Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Variance</u>
<i>Social Security - 225</i>	469,412	-	469,412	455,278	14,134
<i>Unemployment Security - 227</i>	25,000	-	25,000	1,635	23,365
<i>Unfunded Liability -230</i>	34,031	76,477	110,508	109,696	812
<i>Total Financial Administration</i>	<u>4,031,604</u>	<u>(7,000)</u>	<u>4,024,604</u>	<u>3,766,670</u>	<u>257,934</u>
<hr/> <i>Public Safety</i> <hr/>					
<i>Fire Department - 331</i>					
Chief	75,075	372	75,447	75,446	1
Personal services	1,534,460	(22,800)	1,511,660	1,491,298	20,362
Overtime	225,000	37,498	262,498	258,793	3,705
Differential	3,526	-	3,526	3,229	297
Paid Holidays	73,168	(1,729)	71,439	71,439	-
Longevity	79,635	(3,517)	76,118	76,118	-
Educational Allowance	3,000	-	3,000	2,993	7
Clothing Allowance	39,500	-	39,500	39,500	-
EMS Incentive	52,000	(1,124)	50,876	50,432	444
Fire Marshall Inspections	50,000	(8,700)	41,300	40,821	479
Misc. Operating Supplies	625	-	625	614	11
<i>Total Fire Salaries</i>	<u>2,135,989</u>	<u>-</u>	<u>2,135,989</u>	<u>2,110,683</u>	<u>25,306</u>
<i>Fire Operating Expenses - 331</i>					
Heat	30,250	-	30,250	18,276	11,974
Fuel, Oil, Tires	41,500	-	41,500	36,500	5,000
Electric	18,920	(400)	18,520	15,520	3,000
Telephone	13,776	1,500	15,276	15,170	106
Water	1,500	-	1,500	1,500	-
Office Supplies	5,000	-	5,000	5,000	-
Firefighters Training	5,000	-	5,000	3,793	1,207
Minor Equipment Replacements	9,500	1,445	10,945	10,691	254
Hazardous Equipment	2,000	-	2,000	2,000	-
Station/Building Maintenance	25,000	(490)	24,510	25,081	(571)
Apparatus Maintenance	40,000	(2,490)	37,510	37,913	(403)
Equipment Service Contract	20,000	-	20,000	17,495	2,505
Radio Maintenance	10,500	-	10,500	9,226	1,274
Medical Supplies	20,000	900	20,900	21,184	(284)
Personal & Protective Gear	20,000	-	20,000	19,993	7
Medical Physicals	9,000	-	9,000	9,000	-
Recruiting process	2,000	-	2,000	2,000	-
Software Maintenance	5,200	(465)	4,735	4,735	-
Pagers	4,800	-	4,800	4,743	57
<i>Total Fire Operating Expenses</i>	<u>283,946</u>	<u>-</u>	<u>283,946</u>	<u>259,820</u>	<u>24,126</u>
<i>Total Fire Department</i>	<u>2,419,935</u>	<u>-</u>	<u>2,419,935</u>	<u>2,370,503</u>	<u>49,432</u>
<i>Police Department Salaries - 333</i>					
Chief	77,490	400	77,890	77,788	102
Personal services	1,713,561	(6,350)	1,707,211	1,593,173	114,038
Deputy Chief	67,323	-	67,323	-	67,323
Overtime Patrol	106,000	12,013	118,013	119,238	(1,225)

REQUIRED SUPPLEMENTARY INFORMATION
TOWN OF TIVERTON, RHODE ISLAND
Budgetary Comparison Schedule - General Fund
Schedule of Expenditures - Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended June 30, 2010

	Original Budgeted Expenditures	Transfers	Revised Budgeted Expenditures	Actual Expenditures	Variance
Shift Differential	14,688	(2,000)	12,688	12,404	284
Out of Rank Pay	3,535	-	3,535	1,870	1,665
Holiday Pay	108,616	(12,400)	96,216	95,309	907
Longevity	83,967	(13,913)	70,054	70,054	-
Sick Leave Buyback	-	12,700	12,700	12,574	126
Education Incentive	38,000	700	38,700	38,665	35
<i>Total Police Salaries</i>	<u>2,213,180</u>	<u>(8,850)</u>	<u>2,204,330</u>	<u>2,021,075</u>	<u>183,255</u>
<i>Police General Expenses - 333</i>					
Prisoner Meals	350	-	350	350	-
Chief's Misc. Expenses	1,500	-	1,500	1,500	-
State Education Mandated	28,000	(5,450)	22,550	24,424	(1,874)
State Psychological Tests	1,000	-	1,000	1,000	-
State Qualifications	1,500	(161)	1,339	1,339	-
Clothing Allowance	44,000	(40)	43,960	43,959	1
Uniform/Equipment Replacement	4,000	(700)	3,300	3,299	1
Medical Expenses	1,000	-	1,000	1,000	-
In-Service Training	12,000	(2,300)	9,700	9,700	-
<i>Total Police General Expenses</i>	<u>93,350</u>	<u>(8,651)</u>	<u>84,699</u>	<u>86,571</u>	<u>(1,872)</u>
<i>Police Operations - 333</i>					
Heat	12,375	(3,880)	8,495	8,486	9
Gas & Oil	77,000	(7,000)	70,000	70,799	(799)
Electricity	25,642	(12,300)	13,342	13,329	13
Telephones	16,200	450	16,650	16,847	(197)
Water	875	-	875	868	7
Photographic Supplies	10,700	4,840	15,540	13,381	2,159
Office Supplies	10,000	9,861	19,861	20,077	(216)
Building Maintenance	7,500	22,905	30,405	30,405	-
Vehicle Parts & Maintenance	18,500	9,000	27,500	25,566	1,934
Radio Communications	12,000	-	12,000	11,987	13
Photo Copier Lease	11,556	-	11,556	11,556	-
<i>Total Police Operations</i>	<u>202,348</u>	<u>23,876</u>	<u>226,224</u>	<u>223,301</u>	<u>2,923</u>
<i>Animal Control - 334</i>					
Animal Control Officer	39,770	350	40,120	39,943	177
Animal Control - Misc	33,000	(6,725)	26,275	26,175	100
Animal Shelter	1,000	-	1,000	999	1
<i>Total Animal Control</i>	<u>73,770</u>	<u>(6,375)</u>	<u>67,395</u>	<u>67,117</u>	<u>278</u>
<i>Total Police Department 333&334</i>	<u>2,582,648</u>	<u>-</u>	<u>2,582,648</u>	<u>2,398,064</u>	<u>184,584</u>
<i>Harbor and Coastal Management - 335</i>					
Harbor Commission	125	-	125	108	17
<i>Harbor Master - 336</i>					
Salaries	5,000	-	5,000	5,000	-
Boat Operations	7,000	-	7,000	8,580	(1,580)
Communication Devices	300	-	300	300	-
Uniforms/Clothing	300	-	300	402	(102)
Supplies	700	-	700	700	-
Removal of Moorings	800	-	800	796	4
<i>Total Harbor Master</i>	<u>14,100</u>	<u>-</u>	<u>14,100</u>	<u>15,778</u>	<u>(1,678)</u>

REQUIRED SUPPLEMENTARY INFORMATION
TOWN OF TIVERTON, RHODE ISLAND
Budgetary Comparison Schedule - General Fund
Schedule of Expenditures - Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended June 30, 2010

	Original Budgeted Expenditures	Transfers	Revised Budgeted Expenditures	Actual Expenditures	Variance
Miscellaneous Public Safety - 338 & 339					
Street Lights	150,000	7,000	157,000	154,263	2,737
Stone Bridge Water Hydrants	1,500	-	1,500	1,500	-
<i>Total Miscellaneous Public Safety</i>	<u>151,500</u>	<u>7,000</u>	<u>158,500</u>	<u>155,763</u>	<u>2,737</u>
Total Public Safety	<u><u>5,168,308</u></u>	<u><u>7,000</u></u>	<u><u>5,175,308</u></u>	<u><u>4,940,216</u></u>	<u><u>235,092</u></u>
Grants, Health & Sanitation					
Economic Development Commission	5,000	-	5,000	2,191	2,809
Newport County Mental Health Assoc.	2,500	-	2,500	2,500	-
Visiting Nurses	5,500	-	5,500	5,500	-
Little Compton Nursing Association	4,000	-	4,000	4,000	-
East Bay Community Action	5,500	-	5,500	5,500	-
Newport County Women's Resources	500	-	500	500	-
Rubbish/Recycling Collection	573,601	(29,039)	544,562	513,020	31,542
Total Grants, Health & Sanitation	<u>596,601</u>	<u>(29,039)</u>	<u>567,562</u>	<u>533,211</u>	<u>34,351</u>
Public Works - 554					
Superintendent	80,000	615	80,615	80,215	400
Maintenance Workers/DPW Clerk	371,410	11,141	382,551	347,817	34,734
Overtime	43,783	-	43,783	31,600	12,183
Longevity	13,812	-	13,812	13,812	-
Sick Leave	12,367	12,311	24,678	24,147	531
<i>Public Works Salaries</i>	<u>521,372</u>	<u>24,067</u>	<u>545,439</u>	<u>497,591</u>	<u>47,848</u>
Public Works Operations - 554					
Sand/Salt/Gravel	110,000	-	110,000	106,894	3,106
Operating Supplies	13,650	930	14,580	14,435	145
Heat	13,000	-	13,000	12,101	899
Fuel/Oil/Gas	40,000	-	40,000	35,498	4,502
Electricity	9,500	-	9,500	5,119	4,381
Community Center Expenses	10,215	-	10,215	6,533	3,682
Telephone/Centrex	1,500	-	1,500	1,296	204
Water	1,350	(630)	720	607	113
Repairs/Tires	48,000	12,662	60,662	34,267	26,395
Highway Signs	3,000	-	3,000	2,965	35
Drainage & paving account	120,000	25,720	145,720	145,521	199
Tree Removal	5,000	-	5,000	4,760	240
Roadside Grass and Brush Cutting	-	225	225	-	225
Shop Equipment	1,000	-	1,000	1,000	-
Communications	6,000	(138)	5,862	4,122	1,740
Snow Removal	60,500	(25,020)	35,480	30,080	5,400
Total Public Works Operations	<u>442,715</u>	<u>13,749</u>	<u>456,464</u>	<u>405,198</u>	<u>51,266</u>
Landfill Operations - 513					
Stormwater Management	7,000	-	7,000	3,600	3,400
Landfill Workers	76,072	2,282	78,354	71,744	6,610
Overtime	8,968	-	8,968	6,472	2,495
Longevity	2,829	-	2,829	2,829	-
Sick Leave	2,533	2,522	5,055	5,234	(179)
Uniforms	6,100	-	6,100	5,607	493
Electricity	150	-	150	83	67
Landfill Equipment Rent	50,000	-	50,000	77,070	(27,070)

REQUIRED SUPPLEMENTARY INFORMATION
TOWN OF TIVERTON, RHODE ISLAND
Budgetary Comparison Schedule - General Fund
Schedule of Expenditures - Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended June 30, 2010

	Original Budgeted Expenditures	Transfers	Revised Budgeted Expenditures	Actual Expenditures	Variance
On-site Wastewater Management	15,000	-	15,000	14,086	914
Gas/Oil	10,000	-	10,000	10,000	-
Bulldozer Repairs	12,000	(2,162)	9,838	9,812	26
Engineering Testing/Permits	50,000	(1,500)	48,500	46,884	1,616
Total Landfill Operations	240,651	1,142	241,793	253,421	(11,628)
Building Maintenance					
Maintenance Foreman	47,507	-	47,507	46,815	692
Custodial Personnel	29,457	-	29,457	30,454	(997)
Mileage	5,000	(67)	4,933	4,744	189
Longevity	3,800	-	3,800	3,500	300
Clothing Allowance	1,700	67	1,767	1,767	-
Tool Replacement	500	-	500	242	258
Expenses - Rental	2,860	-	2,860	2,850	10
Maintenance/Laborer - Seasonal	14,538	-	14,538	14,809	(271)
Total Building Maintenance	105,362	-	105,362	105,181	181
Total Public Works	1,310,100	38,958	1,349,058	1,261,391	87,667
Associated Activities - Misc					
Veterans Plot - Pocasset Cemetery	150	-	150	-	150
Historical Cemetery Commission	2,000	-	2,000	1,925	75
Historical Society	100	-	100	-	100
Garden Club	250	-	250	250	-
Arts Council	500	79	579	-	579
Open Space Commission	1,500	-	1,500	1,775	(275)
Conservation Commission	600	-	600	600	-
Ft. Barton Park Maintenance	2,250	-	2,250	2,825	(575)
Tree Commission	500	-	500	500	-
Recycling Committee	125	-	125	125	-
Cooperative Extension of URI	600	-	600	600	-
Total Associated Activities - Misc.	8,575	79	8,654	8,600	54
Senior Citizens Services					
Elderly Services Busing	14,000	(990)	13,010	11,139	1,871
Director's Salary	43,931	1,690	45,621	44,100	1,521
Assistant Director	15,205	-	15,205	15,258	(53)
Longevity	1,900	-	1,900	1,900	-
Travel	440	-	440	233	207
Agency Dues	975	(700)	275	188	87
Telephone	1,000	-	1,000	759	241
Heat	5,775	-	5,775	4,432	1,343
Electric	5,035	-	5,035	4,043	992
Water	150	-	150	115	35
Building Maintenance	3,600	-	3,600	2,421	1,179
Supplies/Activities	8,700	-	8,700	8,424	276
Total Senior Services	100,711	-	100,711	93,012	7,699
Total Associated Activities	109,286	79	109,365	101,612	7,753
Parks and Recreation					
Beach Salaries	33,000	2,453	35,453	34,350	1,103
Beach Expenses	5,000	(1,000)	4,000	5,136	(1,136)
Directors and Counselors	21,000	1,256	22,256	16,258	5,998
Transportation/Fees/Equipment	6,800	(1,933)	4,867	4,867	-

REQUIRED SUPPLEMENTARY INFORMATION
TOWN OF TIVERTON, RHODE ISLAND
Budgetary Comparison Schedule - General Fund
Schedule of Expenditures - Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended June 30, 2010

	Original Budgeted Expenditures	Transfers	Revised Budgeted Expenditures	Actual Expenditures	Variance
Supplies	800	(229)	571	571	-
Winter Recreation	800	(456)	344	344	-
Field Rehabilitation	5,000	-	5,000	5,714	(714)
Personnel Mowing Services	25,639	1	25,640	26,044	(404)
Fertilizer/Seed/Lime/Sand/Stone	4,000	(1,902)	2,098	2,098	-
Preventive Maintenance	3,000	2,902	5,902	6,804	(902)
Swim Instructors	2,100	(890)	1,210	1,210	-
Supplies - Swim Program	300	(202)	98	98	-
Recreation Coordinator	8,300	-	8,300	8,268	32
Total Parks and Recreation	<u>115,739</u>	<u>-</u>	<u>115,739</u>	<u>111,762</u>	<u>3,977</u>
Debt service					
Principal	916,690	-	916,690	905,000	11,690
Interest	1,816,452	-	1,816,452	1,816,452	-
Total Debt Service	<u>2,733,142</u>	<u>-</u>	<u>2,733,142</u>	<u>2,721,452</u>	<u>11,690</u>
Capital expenditures - Town -098	179,645	15,000	194,645	162,065	32,580
Capital expenditures - School	96,830	98,526	195,356	111,092	84,264
School Buildings					
Heat	-	-	-	11,152	(11,152)
Electric	-	2,431	2,431	2,431	-
Water	-	-	-	90	(90)
Building Maintenance	-	4,225	4,225	4,464	(239)
Total School Buildings	<u>-</u>	<u>6,656</u>	<u>6,656</u>	<u>18,137</u>	<u>(11,481)</u>
Other financing uses					
<i>Transfer to other funds</i>					
Transfer to Library Services	405,355	-	405,355	394,002	11,353
Transfer to TIF Debt Service	809,219	-	809,219	777,706	31,513
Transfer to Landfill	168,304	-	168,304	168,304	-
Federal revenue - SFSF	-	-	-	293,067	(293,067)
Transfer to other funds	-	-	-	1,427	(1,427)
Tiverton school appropriation	19,951,130	-	19,951,130	19,951,130	-
Total other financing uses	<u>21,334,008</u>	<u>-</u>	<u>21,334,008</u>	<u>21,585,636</u>	<u>(251,628)</u>
Total other financing uses					
Total Town Budget	<u>\$ 36,780,198</u>	<u>\$ 168,395</u>	<u>\$ 36,948,593</u>	<u>\$ 36,283,518</u>	<u>\$ 665,075</u>

REQUIRED SUPPLEMENTARY INFORMATION
TIVERTON PUBLIC SCHOOLS
Budgetary Comparison Schedule - School Unrestricted Fund
Schedule of Revenues and Expenditures
For the Fiscal Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues				
Intergovernmental revenue	\$ 4,852,762	\$ 4,852,762	\$ 4,192,530	\$ (660,232)
Total revenue	<u>4,852,762</u>	<u>4,852,762</u>	<u>4,192,530</u>	<u>(660,232)</u>
Expenditures				
Salaries	14,102,769	14,097,577	14,492,459	(394,882)
Benefits	5,392,526	5,392,526	5,051,871	340,655
Purchased Services	4,131,970	4,129,624	3,889,469	240,155
Supplies	1,078,063	1,082,095	891,427	190,668
Capital Outlay	78,789	82,220	175,361	(93,141)
Other	19,775	19,850	25,847	(5,997)
Total expenditures	<u>24,803,892</u>	<u>24,803,892</u>	<u>24,526,434</u>	<u>277,458</u>
Excess of revenues over (under) expenditures before other financing sources	<u>(19,951,130)</u>	<u>(19,951,130)</u>	<u>(20,333,904)</u>	<u>(382,774)</u>
Other financing sources				
Operating transfer - town appropriation	19,951,130	19,951,130	19,951,130	-
Transfer from general - Federal revenue -SFSF	-	-	293,067	293,067
Total other financing sources	<u>19,951,130</u>	<u>19,951,130</u>	<u>20,244,197</u>	<u>293,067</u>
Excess revenues and other sources over (under) expenditures and other sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (89,707)</u>	<u>\$ (89,707)</u>

TOWN OF TIVERTON, RHODE ISLAND
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2010

The accompanying Statement of Revenues, Expenditures / Expenses (GAAP or Budgetary Basis Non-GAAP) presents comparisons of the legally adopted budget with actual data on a budgetary basis. Because accounting principals applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with GAAP, a reconciliation of resultant basis, entity and timing differences in the excess (deficiency) of revenues and other financial resources over expenditure / expenses and other uses of financial resources for the year ended June 30, 2010 is presented below:

	General <u>Fund</u>	School <u>Unrestricted</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses (budgetary basis)	\$ 1,405,898	\$ (89,707)
Transfer from fund balance - carryforwards	(168,395)	-
Non-budgeted revenues - State on-behalf pension benefits	-	1,080,135
Non-budgeted expenditures - State on-behalf pension benefit	-	(1,080,135)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses (GAAP basis)	<u>\$ 1,237,503</u>	<u>\$ (89,707)</u>

SUPPLEMENTARY INFORMATION

SUPPLEMENTARY INFORMATION
TOWN OF TIVERTON, RHODE ISLAND
Combining Balance Sheet - Non-Major Governmental Funds
June 30, 2010

	Town Special Revenue Funds	School Special Revenue Funds	Debt Service	Capital Projects Funds	Total Non-Major Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 136,925	\$ 2,039	\$ 813,871	\$ 411,759	\$ 1,364,594
Investments	345,732	-	-	3,645,098	3,990,830
Due from other governments	195,000	-	-	-	195,000
Due from other funds	1,093,384	64,823	-	193,795	1,352,002
Total assets	\$ 1,771,041	\$ 66,862	\$ 813,871	\$ 4,250,652	\$ 6,902,426
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable and accrued expenses	\$ 93,552	\$ -	\$ -	\$ 1,277	\$ 94,829
Due to other funds	135,001	67,233	-	10,520	212,754
Deferred Revenue	223,563	24,404	-	-	247,967
Total liabilities	452,116	91,637	-	11,797	555,550
Fund balances (deficits)					
Unreserved, reported in:					
Special revenue funds	1,318,925	(24,775)	-	-	1,294,150
Debt service	-	-	813,871	-	813,871
Capital projects funds	-	-	-	4,238,855	4,238,855
Total fund balances	1,318,925	(24,775)	813,871	4,238,855	6,346,876
Total liabilities and fund balances	\$ 1,771,041	\$ 66,862	\$ 813,871	\$ 4,250,652	\$ 6,902,426

SUPPLEMENTARY INFORMATION
TOWN OF TIVERTON, RHODE ISLAND
Coming Statement of Revenues, Expenditures and
Changes in Fund Balance - Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2010

	Town Special Revenue Funds	School Special Revenue Funds	Debt Service	Capital Projects Funds	Total Non-Major Governmental Funds
Revenues					
Intergovernmental revenue	\$ 640,454	\$ 2,211,080	\$ -	\$ -	\$ 2,851,534
Charges for services	869,493	-	-	-	869,493
Earnings on investments	48,638	-	13,179	121,232	183,049
Other revenue	600,268	30,099	-	127,140	757,507
Total revenues	<u>2,158,853</u>	<u>2,241,179</u>	<u>13,179</u>	<u>248,372</u>	<u>4,661,583</u>
Expenditures					
Current:					
General government	95,744	-	-	8,958	104,702
Public safety	135,225	-	-	-	135,225
Public works	480,657	-	-	2,369	483,026
Health & welfare	1,015,598	-	-	-	1,015,598
Parks & recreation	48,760	-	-	-	48,760
Education	-	2,177,842	-	28,758	2,206,600
Debt service	62,500	-	-	340,000	402,500
Interest expense	-	-	-	469,219	469,219
Capital expenditures	-	-	-	412,500	412,500
Total expenditures	<u>1,838,484</u>	<u>2,177,842</u>	<u>-</u>	<u>1,261,804</u>	<u>5,278,130</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	320,369	63,337	13,179	(1,013,432)	(616,547)
Other financing sources (uses)					
Operating transfers from other funds	395,429	-	-	1,002,131	1,397,560
Operating transfers to other funds	(526,825)	-	(28,886)	(217,006)	(772,717)
Total other financing sources (uses)	<u>(131,396)</u>	<u>-</u>	<u>(28,886)</u>	<u>785,125</u>	<u>624,843</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	188,973	63,337	(15,707)	(228,307)	8,296
Fund balances (deficits) - unreserved July 1, 2009	<u>1,129,952</u>	<u>(88,112)</u>	<u>829,578</u>	<u>4,467,162</u>	<u>6,338,580</u>
Fund balances - unreserved June 30, 2010	<u>\$ 1,318,925</u>	<u>\$ (24,775)</u>	<u>\$ 813,871</u>	<u>\$ 4,238,855</u>	<u>\$ 6,346,876</u>

SUPPLEMENTARY INFORMATION
TOWN OF TIVERTON, RHODE ISLAND
Combining Balance Sheet - Non-Major Governmental Funds
Special Revenue Funds - Town
June 30, 2010

	200	201	202	203	204	205	206
	Stormwater Management	Comprehensive Planning	Hydrants Fund	Gazebo Center	Senior Center Fund	Essex Library Fund	Community Development Block Grant
ASSETS							
Cash & cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,909	\$ 67,516
Investments	-	-	-	-	-	345,732	-
Due from other governments	-	-	-	-	-	-	195,000
Due from other funds	-	9,799	-	312	3,021	52,057	-
Total assets	\$ -	\$ 9,799	\$ -	\$ 312	\$ 3,021	\$ 437,698	\$ 262,516
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue	-	-	-	-	-	-	223,563
Due to other funds	18,000	-	-	-	-	-	-
Total liabilities	18,000	-	-	-	-	-	223,563
Fund balances (deficits)							
Unreserved:							
Undesignated	(18,000)	9,799	-	312	3,021	437,698	38,953
Total fund balances (deficits)	(18,000)	9,799	-	312	3,021	437,698	38,953
Total liabilities and fund balances	\$ -	\$ 9,799	\$ -	\$ 312	\$ 3,021	\$ 437,698	\$ 262,516

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF TIVERTON, RHODE ISLAND
Combining Balance Sheet - Non-Major Governmental Funds
Special Revenue Funds - Town
June 30, 2010

	<u>207</u> <u>Substance</u> <u>Abuse</u>	<u>208</u> <u>Ambulance</u> <u>and Rescue</u>	<u>209</u> <u>Historical</u> <u>Records</u>	<u>210</u> <u>Tree</u> <u>Planting</u>	<u>211</u> <u>Economic</u> <u>Development</u>	<u>212</u> <u>Water Quality</u> <u>Improvement</u>	<u>213</u> <u>Dingy</u> <u>Dock</u>
ASSETS							
Cash & cash equivalents	\$ -	\$ 730	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-
Due from other funds	31,304	-	18,045	112	-	-	-
Total assets	<u>\$ 31,304</u>	<u>\$ 730</u>	<u>\$ 18,045</u>	<u>\$ 112</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	22,115	321
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,115</u>	<u>321</u>
Fund balances (deficits)							
Unreserved:							
Undesignated	31,304	730	18,045	112	-	(22,115)	(321)
Total fund balances (deficits)	<u>31,304</u>	<u>730</u>	<u>18,045</u>	<u>112</u>	<u>-</u>	<u>(22,115)</u>	<u>(321)</u>
Total liabilities and fund balances	<u>\$ 31,304</u>	<u>\$ 730</u>	<u>\$ 18,045</u>	<u>\$ 112</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF TIVERTON, RHODE ISLAND
Combining Balance Sheet - Non-Major Governmental Funds
Special Revenue Funds - Town
June 30, 2010

	214 <u>Recreation</u>	215 <u>Police Computer Improvement</u>	217 <u>Land Evidence</u>	218 <u>Police Crime Prevention</u>	219 <u>Open Space Acquisition</u>	220 <u>Economic Development TH Chambers</u>	221 <u>Salt Shed</u>
ASSETS							
Cash & cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-
Due from other funds	5	-	77,938	8,706	105,558	-	-
Total assets	<u>\$ 5</u>	<u>\$ -</u>	<u>\$ 77,938</u>	<u>\$ 8,706</u>	<u>\$ 105,558</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficits)							
Unreserved:		-					
Undesignated	5	-	77,938	8,706	105,558	-	-
Total fund balances (deficits)	<u>5</u>	<u>-</u>	<u>77,938</u>	<u>8,706</u>	<u>105,558</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 5</u>	<u>\$ -</u>	<u>\$ 77,938</u>	<u>\$ 8,706</u>	<u>\$ 105,558</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF TIVERTON, RHODE ISLAND
Combining Balance Sheet - Non-Major Governmental Funds
Special Revenue Funds - Town
June 30, 2010

	<u>222</u> <u>Kennedy Grant</u>	<u>223</u> <u>Library</u> <u>Memorial Gifts</u>	<u>224</u> <u>Fire</u> <u>Detection</u>	<u>225</u> <u>Vicious Dog</u>	<u>227</u> <u>Keep Tiverton</u> <u>Beautiful</u>	<u>228</u> <u>Skateboard</u> <u>Park</u>	<u>231</u> <u>Drug</u> <u>Forfeiture</u>
ASSETS							
Cash & cash equivalents	\$ -	\$ 2,495	\$ -	\$ -	\$ -	\$ 26,275	\$ -
Investments	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-
Due from other funds	-	-	8,107	49,436	-	1,740	61,676
Total assets	<u>\$ -</u>	<u>\$ 2,495</u>	<u>\$ 8,107</u>	<u>\$ 49,436</u>	<u>\$ -</u>	<u>\$ 28,015</u>	<u>\$ 61,676</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	3,140	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,140</u>	<u>-</u>	<u>-</u>
Fund balances (deficits)							
Unreserved:							
Undesignated	-	2,495	8,107	49,436	(3,140)	28,015	61,676
Total fund balances (deficits)	<u>-</u>	<u>2,495</u>	<u>8,107</u>	<u>49,436</u>	<u>(3,140)</u>	<u>28,015</u>	<u>61,676</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 2,495</u>	<u>\$ 8,107</u>	<u>\$ 49,436</u>	<u>\$ -</u>	<u>\$ 28,015</u>	<u>\$ 61,676</u>

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF TIVERTON, RHODE ISLAND
Combining Balance Sheet - Non-Major Governmental Funds
Special Revenue Funds - Town
June 30, 2010

	232 Open Space Stewardship	233 Pocassetlands Stewardship	234 Wastewater Management	235 Sakonnet Arts Network	236 Coastal Arts Network	237 Impact Fees	238 Bulgermarsh Basketball Refurbishing
ASSETS							
Cash & cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-
Due from other funds	8,401	2,015	66,758	-	-	29,800	8,069
Total assets	\$ 8,401	\$ 2,015	\$ 66,758	\$ -	\$ -	\$ 29,800	\$ 8,069
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-	-
Fund balances (deficits)							
Unreserved:							
Undesignated	8,401	2,015	66,758	-	-	29,800	8,069
Total fund balances (deficits)	8,401	2,015	66,758	-	-	29,800	8,069
Total liabilities and fund balances	\$ 8,401	\$ 2,015	\$ 66,758	\$ -	\$ -	\$ 29,800	\$ 8,069

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF TIVERTON, RHODE ISLAND
Combining Balance Sheet - Non-Major Governmental Funds
Special Revenue Funds - Town
June 30, 2010

	<u>239</u> <u>Scoreboard</u> <u>and Bleachers</u>	<u>240</u> <u>Meds Grant</u>	<u>241</u> <u>Land Use Data</u>	<u>242</u> <u>Arts Express</u>	<u>243</u> <u>Senior Ctr</u> <u>Waite Account</u>	<u>244</u> <u>Byrne Stimulus</u>	<u>245</u> <u>RI Leap</u> <u>Agreement</u>
ASSETS							
Cash & cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-
Due from other funds	-	37,790	-	-	3,775	817	-
Total assets	<u>\$ -</u>	<u>\$ 37,790</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,775</u>	<u>\$ 817</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 93,552
Deferred revenue	-	-	-	-	-	-	-
Due to other funds	-	-	27,270	-	-	-	64,155
Total liabilities	<u>-</u>	<u>-</u>	<u>27,270</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>157,707</u>
Fund balances (deficits)							
Unreserved:							
Undesignated	-	37,790	(27,270)	-	3,775	817	(157,707)
Total fund balances (deficits)	<u>-</u>	<u>37,790</u>	<u>(27,270)</u>	<u>-</u>	<u>3,775</u>	<u>817</u>	<u>(157,707)</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 37,790</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,775</u>	<u>\$ 817</u>	<u>\$ -</u>

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF TIVERTON, RHODE ISLAND
Combining Balance Sheet - Non-Major Governmental Funds
Special Revenue Funds - Town
June 30, 2010

	248	249	250	Tree at	Total
	Fire FEMA	2008 America	North Tiverton	Lawton Ave	
	Grant	the Beautiful	Contamination		
ASSETS					
Cash & cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 136,925
Investments	-	-	-	-	345,732
Due from other governments	-	-	-	-	195,000
Due from other funds	-	-	508,020	123	1,093,384
Total assets	\$ -	\$ -	\$ 508,020	\$ 123	\$ 1,771,041
 LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 93,552
Deferred revenue	-	-	-	-	223,563
Due to other funds	-	-	-	-	135,001
Total liabilities	-	-	-	-	452,116
 Fund balances (deficits)					
Unreserved:					
Undesignated	-	-	508,020	123	1,318,925
Total fund balances (deficits)	-	-	508,020	123	1,318,925
Total liabilities and fund balances	\$ -	\$ -	\$ 508,020	\$ 123	\$ 1,771,041

(concluded)

SUPPLEMENTARY INFORMATION
TOWN OF TIVERTON, RHODE ISLAND
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance - Non-Major Governmental Funds
Special Revenue Funds - Town
For the Fiscal Year Ended June 30, 2010

	<u>200</u> <u>Stormwater</u> <u>Management</u>	<u>201</u> <u>Comprehensive</u> <u>Planning</u>	<u>202</u> <u>Hydrants</u> <u>Fund</u>	<u>203</u> <u>Gazebo</u> <u>Center</u>	<u>204</u> <u>Senior</u> <u>Center Fund</u>	<u>205</u> <u>Essex</u> <u>Library Fund</u>	<u>206</u> <u>Community</u> <u>Development</u> <u>Block Grant</u>
Revenues							
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ 6,983	\$ 91,028	\$ 350,272
Charges for service	-	-	-	-	-	7,502	-
Earnings on investments	-	-	-	-	-	47,508	-
Other revenue	-	-	-	-	-	11,404	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,983</u>	<u>157,442</u>	<u>350,272</u>
Expenditures							
Current:							
General	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-
Health & Welfare	-	-	-	-	7,032	657,548	350,272
Parks & Recreation	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,032</u>	<u>657,548</u>	<u>350,272</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	-	-	-	-	(49)	(500,106)	-
Other financing sources (uses)							
Operating transfers from other funds	-	-	1,427	-	-	394,002	-
Operating transfers (to) other funds	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>1,427</u>	<u>-</u>	<u>-</u>	<u>394,002</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	-	-	1,427	-	(49)	(106,104)	-
Fund balances (deficits) - unreserved July 1, 2009	(18,000)	9,799	(1,427)	312	3,070	543,802	38,953
Fund balances - unreserved June 30, 2010	<u>\$ (18,000)</u>	<u>\$ 9,799</u>	<u>\$ -</u>	<u>\$ 312</u>	<u>\$ 3,021</u>	<u>\$ 437,698</u>	<u>\$ 38,953</u>

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF TIVERTON, RHODE ISLAND
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance - Non-Major Governmental Funds
Special Revenue Funds - Town
For the Fiscal Year Ended June 30, 2010

	<u>207</u> <u>Substance</u> <u>Abuse</u>	<u>208</u> <u>Ambulance</u> <u>and Rescue</u>	<u>209</u> <u>Historical</u> <u>Records</u>	<u>210</u> <u>Tree</u> <u>Planting</u>	<u>211</u> <u>Economic</u> <u>Development</u>	<u>212</u> <u>Water Quality</u> <u>Improvement</u>	<u>213</u> <u>Dingy</u> <u>Dock</u>
Revenues							
Intergovernmental revenue	\$ 28,303	\$ -	\$ 4,000	\$ -	\$ -	\$ -	\$ -
Charges for service	-	407,253	3,133	-	-	-	-
Earnings on investments	-	-	-	-	-	-	-
Other revenue	7,318	-	-	-	-	-	-
Total revenues	<u>35,621</u>	<u>407,253</u>	<u>7,133</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures							
Current:							
General	-	-	6,350	-	-	-	-
Public Safety	48,264	1,364	-	-	-	-	-
Public Works	-	-	-	-	-	-	-
Health & Welfare	-	-	-	-	-	-	-
Parks & Recreation	-	-	-	83	-	-	-
Debt service	-	-	-	-	-	-	-
Total expenditures	<u>48,264</u>	<u>1,364</u>	<u>6,350</u>	<u>83</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	(12,643)	405,889	783	(83)	-	-	-
Other financing sources (uses)							
Operating transfers from other funds	-	-	-	-	-	-	-
Operating transfers (to) other funds	-	(407,000)	-	-	(1,101)	-	-
Total other financing sources (uses)	<u>-</u>	<u>(407,000)</u>	<u>-</u>	<u>-</u>	<u>(1,101)</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(12,643)	(1,111)	783	(83)	(1,101)	-	-
Fund balances (deficits) - unreserved July 1, 2009	43,947	1,841	17,262	195	1,101	(22,115)	(321)
Fund balances - unreserved June 30, 2010	<u>\$ 31,304</u>	<u>\$ 730</u>	<u>\$ 18,045</u>	<u>\$ 112</u>	<u>\$ -</u>	<u>\$ (22,115)</u>	<u>\$ (321)</u>

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF TIVERTON, RHODE ISLAND
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance - Non-Major Governmental Funds
Special Revenue Funds - Town
For the Fiscal Year Ended June 30, 2010

	<u>214</u>	<u>215</u>	<u>217</u>	<u>218</u>	<u>219</u>	<u>220</u>	<u>221</u>
	<u>Recreation</u>	<u>Police Computer Improvement</u>	<u>Land Evidence</u>	<u>Police Crime Prevention</u>	<u>Open Space Acquisition</u>	<u>Economic Development TH Chambers</u>	<u>Salt Shed</u>
Revenues							
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ 1,500	\$ -	\$ -	\$ -
Charges for service	-	-	18,145	-	88,656	-	-
Earnings on investments	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>18,145</u>	<u>1,500</u>	<u>88,656</u>	<u>-</u>	<u>-</u>
Expenditures							
Current:							
General	-	-	52,872	-	-	-	-
Public Safety	-	-	-	2,382	-	-	-
Public Works	-	-	-	-	-	-	-
Health & Welfare	-	-	-	-	-	-	-
Parks & Recreation	-	-	-	-	62,500	-	-
Debt service	-	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>52,872</u>	<u>2,382</u>	<u>62,500</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	-	-	(34,727)	(882)	26,156	-	-
Other financing sources (uses)							
Operating transfers from other funds	-	-	-	-	-	-	-
Operating transfers (to) other funds	-	(1)	-	-	-	(122)	(4,728)
Total other financing sources (uses)	<u>-</u>	<u>(1)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(122)</u>	<u>(4,728)</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	-	(1)	(34,727)	(882)	26,156	(122)	(4,728)
Fund balances (deficits) - unreserved July 1, 2009	5	1	112,665	9,588	79,402	122	4,728
Fund balances - unreserved June 30, 2010	<u>\$ 5</u>	<u>\$ -</u>	<u>\$ 77,938</u>	<u>\$ 8,706</u>	<u>\$ 105,558</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF TIVERTON, RHODE ISLAND
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance - Non-Major Governmental Funds
Special Revenue Funds - Town
For the Fiscal Year Ended June 30, 2010

	<u>222</u> <u>Kennedy Grant</u>	<u>223</u> <u>Library</u> <u>Memorial Gifts</u>	<u>224</u> <u>Fire</u> <u>Detection</u>	<u>225</u> <u>Vicious Dog</u>	<u>227</u> <u>Keep Tiverton</u> <u>Beautiful</u>	<u>228</u> <u>Skateboard</u> <u>Park</u>	<u>231</u> <u>Drug</u> <u>Forfeiture</u>
Revenues							
Intergovernmental revenue	\$ -	\$ -	\$ 2,500	\$ -	\$ -	\$ -	\$ 11,806
Charges for service	-	-	7,370	-	-	-	-
Earnings on investments	-	4	-	-	-	345	-
Other revenue	-	-	2,000	-	-	-	-
Total revenues	<u>-</u>	<u>4</u>	<u>11,870</u>	<u>-</u>	<u>-</u>	<u>345</u>	<u>11,806</u>
Expenditures							
Current:							
General	-	-	-	-	-	-	-
Public Safety	-	-	7,516	-	-	-	6,420
Public Works	-	-	-	-	-	-	-
Health & Welfare	-	-	-	-	-	-	-
Parks & Recreation	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>7,516</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,420</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	-	4	4,354	-	-	345	5,386
Other financing sources (uses)							
Operating transfers from other funds	-	-	-	-	-	-	-
Operating transfers (to) other funds	(10)	-	-	-	-	-	-
Total other financing sources (uses)	<u>(10)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(10)	4	4,354	-	-	345	5,386
Fund balances (deficits) - unreserved July 1, 2009	10	2,491	3,753	49,436	(3,140)	27,670	56,290
Fund balances - unreserved June 30, 2010	<u>\$ -</u>	<u>\$ 2,495</u>	<u>\$ 8,107</u>	<u>\$ 49,436</u>	<u>\$ (3,140)</u>	<u>\$ 28,015</u>	<u>\$ 61,676</u>

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF TIVERTON, RHODE ISLAND
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance - Non-Major Governmental Funds
Special Revenue Funds - Town
For the Fiscal Year Ended June 30, 2010

	<u>232</u> <u>Open Space</u> <u>Stewardship</u>	<u>233</u> <u>Pocassetlands</u> <u>Stewardship</u>	<u>234</u> <u>Wastewater</u> <u>Management</u>	<u>235</u> <u>Sakonnet</u> <u>Arts Network</u>	<u>236</u> <u>Coastal</u> <u>Arts Network</u>	<u>237</u> <u>Impact Fees</u>	<u>238</u> <u>Bulgermarsh</u> <u>Basketball</u> <u>Refurbishing</u>
Revenues							
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,926
Charges for service	-	-	259,954	-	-	77,480	-
Earnings on investments	-	-	-	-	-	-	-
Other revenue	2,751	1,446	13,278	8,500	-	-	-
Total revenues	<u>2,751</u>	<u>1,446</u>	<u>273,232</u>	<u>8,500</u>	<u>-</u>	<u>77,480</u>	<u>39,926</u>
Expenditures							
Current:							
General	-	-	-	29,657	304	-	-
Public Safety	-	-	-	-	-	-	-
Public Works	-	-	280,189	-	-	-	-
Health & Welfare	-	-	-	-	-	-	-
Parks & Recreation	1,461	2,326	-	-	-	-	34,295
Debt service	-	-	-	-	-	-	-
Total expenditures	<u>1,461</u>	<u>2,326</u>	<u>280,189</u>	<u>29,657</u>	<u>304</u>	<u>-</u>	<u>34,295</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	1,290	(880)	(6,957)	(21,157)	(304)	77,480	5,631
Other financing sources (uses)							
Operating transfers from other funds	-	-	-	-	-	-	-
Operating transfers (to) other funds	-	-	-	-	-	(113,555)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(113,555)</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	1,290	(880)	(6,957)	(21,157)	(304)	(36,075)	5,631
Fund balances (deficits) - unreserved July 1, 2009	7,111	2,895	73,715	21,157	304	65,875	2,438
Fund balances - unreserved June 30, 2010	<u>\$ 8,401</u>	<u>\$ 2,015</u>	<u>\$ 66,758</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,800</u>	<u>\$ 8,069</u>

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF TIVERTON, RHODE ISLAND
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance - Non-Major Governmental Funds
Special Revenue Funds - Town
For the Fiscal Year Ended June 30, 2010

	<u>239</u> <u>Scoreboard</u> <u>and Bleachers</u>	<u>240</u> <u>Meds Grant</u>	<u>241</u> <u>Land Use Data</u>	<u>242</u> <u>Arts Express</u>	<u>243</u> <u>Senior Ctr</u> <u>Waite Account</u>	<u>244</u> <u>Byrne Stimulus</u>	<u>245</u> <u>RI Leap</u> <u>Agreement</u>
Revenues							
Intergovernmental revenue	\$ -	\$ 34,040	\$ -	\$ -	\$ -	\$ 34,566	\$ -
Charges for service	-	-	-	-	-	-	-
Earnings on investments	-	-	-	-	-	-	-
Other revenue	-	-	3,571	-	-	-	-
Total revenues	<u>-</u>	<u>34,040</u>	<u>3,571</u>	<u>-</u>	<u>-</u>	<u>34,566</u>	<u>-</u>
Expenditures							
Current:							
General	-	-	-	1,561	-	-	-
Public Safety	-	-	-	-	-	33,749	-
Public Works	-	-	-	-	-	-	157,707
Health & Welfare	-	250	-	-	496	-	-
Parks & Recreation	-	-	10,595	-	-	-	-
Debt service	-	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>250</u>	<u>10,595</u>	<u>1,561</u>	<u>496</u>	<u>33,749</u>	<u>157,707</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	-	33,790	(7,024)	(1,561)	(496)	817	(157,707)
Other financing sources (uses)							
Operating transfers from other funds	-	-	-	-	-	-	-
Operating transfers (to) other funds	(308)	-	-	-	-	-	-
Total other financing sources (uses)	<u>(308)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	<u>(308)</u>	<u>33,790</u>	<u>(7,024)</u>	<u>(1,561)</u>	<u>(496)</u>	<u>817</u>	<u>(157,707)</u>
Fund balances (deficits) - unreserved July 1, 2009	<u>308</u>	<u>4,000</u>	<u>(20,246)</u>	<u>1,561</u>	<u>4,271</u>	<u>-</u>	<u>-</u>
Fund balances - unreserved June 30, 2010	<u>\$ -</u>	<u>\$ 37,790</u>	<u>\$ (27,270)</u>	<u>\$ -</u>	<u>\$ 3,775</u>	<u>\$ 817</u>	<u>\$ (157,707)</u>

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF TIVERTON, RHODE ISLAND
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance - Non-Major Governmental Funds
Special Revenue Funds - Town
For the Fiscal Year Ended June 30, 2010

	248	249	250	Tree at	Total
	Fire FEMA	2008 America	North Tiverton	Lawton Ave	
	Grant	the Beautiful	Contamination		
Revenues					
Intergovernmental revenue	\$ 35,530	\$ -	\$ -	\$ -	\$ 640,454
Charges for service	-	-	-	-	869,493
Earnings on investments	-	-	781	-	48,638
Other revenue	-	-	550,000	-	600,268
Total revenues	35,530	-	550,781	-	2,158,853
Expenditures					
Current:					
General	-	5,000	-	-	95,744
Public Safety	35,530	-	-	-	135,225
Public Works	-	-	42,761	-	480,657
Health & Welfare	-	-	-	-	1,015,598
Parks & Recreation	-	-	-	-	48,760
Debt service	-	-	-	-	62,500
Total expenditures	35,530	5,000	42,761	-	1,838,484
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	-	(5,000)	508,020	-	320,369
Other financing sources (uses)					
Operating transfers from other funds	-	-	-	-	395,429
Operating transfers (to) other funds	-	-	-	-	(526,825)
Total other financing sources (uses)	-	-	-	-	(131,396)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	-	(5,000)	508,020	-	188,973
Fund balances (deficits) - unreserved July 1, 2009	-	5,000	-	123	1,129,952
Fund balances - unreserved June 30, 2010	\$ -	\$ -	\$ 508,020	\$ 123	\$ 1,318,925

(concluded)

SUPPLEMENTARY INFORMATION
TIVERTON PUBLIC SCHOOLS
Combining Balance Sheet - Non-Major Governmental Funds
Special Revenue Funds - School Restricted
June 30, 2010

	IDEA Part B	ARRA IDEA	Title I	ARRA Title I	Title II	Title IV	Perkins Vocational
ASSETS							
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	-	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 LIABILITIES AND FUND BALANCES							
Liabilities							
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Revenue	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

SUPPLEMENTARY INFORMATION
TIVERTON PUBLIC SCHOOLS
Combining Balance Sheet - Non-Major Governmental Funds
Special Revenue Funds - School Restricted
June 30, 2010

	<u>Elementary Task Force</u>	<u>RI Parent Info Network</u>	<u>RI Council on the Arts</u>	<u>Beechwood Foundation</u>	<u>Performance Assessment</u>	<u>Chace Scholarship</u>
ASSETS						
Cash	\$ 120	\$ -	\$ 1,212	\$ 556	\$ 151	\$ -
Due from other funds	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 120</u>	<u>\$ -</u>	<u>\$ 1,212</u>	<u>\$ 556</u>	<u>\$ 151</u>	<u>\$ -</u>
 LIABILITIES AND FUND BALANCES						
Liabilities						
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Revenue	120	-	962	-	151	-
Total liabilities	<u>120</u>	<u>-</u>	<u>962</u>	<u>-</u>	<u>151</u>	<u>-</u>
Fund Balances	-	-	250	556	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 120</u>	<u>\$ -</u>	<u>\$ 1,212</u>	<u>\$ 556</u>	<u>\$ 151</u>	<u>\$ -</u>

(continued)

SUPPLEMENTARY INFORMATION
TIVERTON PUBLIC SCHOOLS
Combining Balance Sheet - Non-Major Governmental Funds
Special Revenue Funds - School Restricted
June 30, 2010

	<u>Literacy</u>	<u>Early Childhood</u>	<u>Technology</u>	<u>Student Equity</u>	<u>E-Rate</u>	<u>Total</u>
ASSETS						
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,039
Due from other funds	34,108	30,657	58	-	-	64,823
TOTAL ASSETS	<u>\$ 34,108</u>	<u>\$ 30,657</u>	<u>\$ 58</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 66,862</u>
 LIABILITIES AND FUND BALANCES						
Liabilities						
Due to other funds	\$ -	\$ -	\$ -	\$ 67,233	\$ -	\$ 67,233
Deferred Revenue	19,674	3,497	-	-	-	24,404
Total liabilities	<u>19,674</u>	<u>3,497</u>	<u>-</u>	<u>67,233</u>	<u>-</u>	<u>91,637</u>
Fund Balances	<u>14,434</u>	<u>27,160</u>	<u>58</u>	<u>(67,233)</u>	<u>-</u>	<u>(24,775)</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 34,108</u>	<u>\$ 30,657</u>	<u>\$ 58</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 66,862</u>

(concluded)

SUPPLEMENTARY INFORMATION
TIVERTON PUBLIC SCHOOLS
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Non-Major Governmental Funds
Special Revenue Funds - School Restricted
For the Fiscal Year Ended June 30, 2010

	<u>IDEA Part B</u>	<u>ARRA IDEA</u>	<u>Title I</u>	<u>ARRA Title I</u>	<u>Title II</u>	<u>Title IV</u>	<u>Perkins Vocational</u>
Revenues							
Intergovernmental revenue	\$ 498,321	\$ 509,624	\$ 194,245	\$ 108,270	\$ 134,789	\$ 6,894	\$ 18,604
Other	-	-	-	-	-	-	-
Total revenues	<u>498,321</u>	<u>509,624</u>	<u>194,245</u>	<u>108,270</u>	<u>134,789</u>	<u>6,894</u>	<u>18,604</u>
Expenditures							
Salaries	160,239	302,712	141,821	51,550	89,387	-	18,013
Employee benefits	50,020	120,541	39,119	19,195	21,738	-	-
Purchased services	288,062	86,371	13,263	31,934	14,308	6,894	-
Supplies and materials	-	-	42	754	9,356	-	591
Other costs	-	-	-	4,837	-	-	-
Total expenditures	<u>498,321</u>	<u>509,624</u>	<u>194,245</u>	<u>108,270</u>	<u>134,789</u>	<u>6,894</u>	<u>18,604</u>
Excess revenues over (under) expenditures	-	-	-	-	-	-	-
Fund balances - unreserved July 1, 2009	-	-	-	-	-	-	-
Fund balances - unreserved June 30, 2010	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

SUPPLEMENTARY INFORMATION
TIVERTON PUBLIC SCHOOLS
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Non-Major Governmental Funds
Special Revenue Funds - School Restricted
For the Fiscal Year Ended June 30, 2010

	Elementary Task Force	RI Parent Info Network	RI Council on the Arts	Beechwood Foundation	Performance Assessment	Chace Scholarship
Revenues						
Intergovernmental revenue	\$ 9,500	\$ -	\$ -	\$ -	\$ -	\$ -
Other	-	3,406	4,400	776	-	2,516
Total revenues	<u>9,500</u>	<u>3,406</u>	<u>4,400</u>	<u>776</u>	<u>-</u>	<u>2,516</u>
Expenditures						
Salaries	-	-	-	-	-	-
Employee benefits	9,500	-	-	-	-	-
Purchased services	-	1,628	4,150	220	-	-
Supplies and materials	-	1,778	-	-	-	-
Other costs	-	-	-	-	-	2,516
Total expenditures	<u>9,500</u>	<u>3,406</u>	<u>4,150</u>	<u>220</u>	<u>-</u>	<u>2,516</u>
Excess revenues over (under) expenditures	-	-	250	556	-	-
Fund balances - unreserved July 1, 2009	-	-	-	-	-	-
Fund balances - unreserved June 30, 2010	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 250</u>	<u>\$ 556</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

SUPPLEMENTARY INFORMATION
TIVERTON PUBLIC SCHOOLS
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Non-Major Governmental Funds
Special Revenue Funds - School Restricted
For the Fiscal Year Ended June 30, 2010

	<u>Literacy</u>	<u>Early Childhood</u>	<u>Technology</u>	<u>Student Equity</u>	<u>E-Rate</u>	<u>Total</u>
Revenues						
Intergovernmental revenue	\$ 149,744	\$ 80,361	\$ 49,024	\$ 451,704	\$ -	\$ 2,211,080
Other	-	-	-	-	19,001	30,099
Total revenues	<u>149,744</u>	<u>80,361</u>	<u>49,024</u>	<u>451,704</u>	<u>19,001</u>	<u>2,241,179</u>
Expenditures						
Salaries	102,950	52,049	27,443	313,397	-	1,259,561
Employee benefits	32,360	1,152	-	117,428	-	411,053
Purchased services	-	-	-	-	19,001	465,831
Supplies and materials	-	-	21,523	-	-	34,044
Other costs	-	-	-	-	-	7,353
Total expenditures	<u>135,310</u>	<u>53,201</u>	<u>48,966</u>	<u>430,825</u>	<u>19,001</u>	<u>2,177,842</u>
Excess revenues over (under) expenditures	14,434	27,160	58	20,879	-	63,337
Fund balances - unreserved July 1, 2009	-	-	-	(88,112)	-	(88,112)
Fund balances - unreserved June 30, 2010	<u>\$ 14,434</u>	<u>\$ 27,160</u>	<u>\$ 58</u>	<u>\$ (67,233)</u>	<u>\$ -</u>	<u>\$ (24,775)</u>

(concluded)

**SUPPLEMENTARY INFORMATION
TOWN OF TIVERTON, RHODE ISLAND
Capital Projects Funds
Combining Balance Sheet - Non-Major Governmental Fund
June 30, 2010**

	300 Landfill Fund	301 New Elementary School Bond	302 Old Stone Bridge	303 Animal Vehicle	307 Recreation Project	308 Essex Library
ASSETS						
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	3,645,098	-	-	-	-	-
Due from other funds	191,577	-	-	427	499	-
Total assets	\$ 3,836,675	\$ -	\$ -	\$ 427	\$ 499	\$ -
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	4,996	-	-	-
Total liabilities	-	-	4,996	-	-	-
Fund balances -						
Unreserved	3,836,675	-	(4,996)	427	499	-
Total fund balances (deficit)	3,836,675	-	(4,996)	427	499	-
Total liabilities and fund balances	\$ 3,836,675	\$ -	\$ -	\$ 427	\$ 499	\$ -

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF TIVERTON, RHODE ISLAND
Capital Projects Funds
Combining Balance Sheet - Non-Major Governmental Fund
June 30, 2010

	<u>309 TIF Fund</u>	<u>310 School Renovation</u>	<u>312 Ft. Barton Renovation</u>	<u>Totals</u>
ASSETS				
Cash	\$ 398,256	\$ 3	\$ 13,500	\$ 411,759
Investments	-	-	-	3,645,098
Due from other funds	-	-	1,292	193,795
Total assets	<u>\$ 398,256</u>	<u>\$ 3</u>	<u>\$ 14,792</u>	<u>\$ 4,250,652</u>
 LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 1,277	\$ -	\$ -	\$ 1,277
Due to other funds	5,524	-	-	10,520
Total liabilities	<u>6,801</u>	<u>-</u>	<u>-</u>	<u>11,797</u>
 Fund balances -				
Unreserved	391,455	3	14,792	4,238,855
Total fund balances (deficit)	<u>391,455</u>	<u>3</u>	<u>14,792</u>	<u>4,238,855</u>
Total liabilities and fund balances	<u>\$ 398,256</u>	<u>\$ 3</u>	<u>\$ 14,792</u>	<u>\$ 4,250,652</u>

(concluded)

SUPPLEMENTARY INFORMATION
TOWN OF TIVERTON, RHODE ISLAND
Capital Project Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance - Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2010

	<u>300</u> <u>Landfill</u> <u>Fund</u>	<u>301</u> <u>New Elementary</u> <u>School Bond</u>	<u>302</u> <u>Old Stone</u> <u>Bridge</u>	<u>303</u> <u>Animal</u> <u>Vehicle</u>	<u>307</u> <u>Recreation</u> <u>Project</u>	<u>308</u> <u>Essex</u> <u>Library</u>
Revenues						
Earnings on investments	\$ 119,077	\$ -	\$ -	\$ -	\$ -	\$ 81
Other	-	-	-	-	-	-
Total revenues	<u>119,077</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>81</u>
Expenditures						
Education	-	27,235	-	-	-	1,359
General government	-	-	-	-	-	-
Public works	-	-	2,369	-	-	-
Debt service	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-
Capital expenditures	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>27,235</u>	<u>2,369</u>	<u>-</u>	<u>-</u>	<u>1,359</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources	119,077	(27,235)	(2,369)	-	-	(1,278)
Other financing sources (uses)						
Transfers from other funds	168,304	27,235	-	-	-	-
Transfers (to) other funds	-	-	-	-	-	-
Bond proceeds	-	-	-	-	-	-
Total other financing sources (uses)	<u>168,304</u>	<u>27,235</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures	<u>287,381</u>	<u>-</u>	<u>(2,369)</u>	<u>-</u>	<u>-</u>	<u>(1,278)</u>
Fund balances (deficit) - unreserved July 1, 2009	<u>3,549,294</u>	<u>-</u>	<u>(2,627)</u>	<u>427</u>	<u>499</u>	<u>1,278</u>
Fund balances - unreserved June 30, 2010	<u>\$ 3,836,675</u>	<u>\$ -</u>	<u>\$ (4,996)</u>	<u>\$ 427</u>	<u>\$ 499</u>	<u>\$ -</u>

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF TIVERTON, RHODE ISLAND
Capital Project Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance - Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2010

	309 TIF Fund	310 School Renovation	312 Ft. Barton Renovation	Totals
Revenues				
Earnings on investments	\$ 769	\$ 13	\$ 1,292	\$ 121,232
Other	-	-	127,140	127,140
Total revenues	<u>769</u>	<u>13</u>	<u>128,432</u>	<u>248,372</u>
Expenditures				
Education	-	-	164	28,758
General government	8,929	29	-	8,958
Public works	-	-	-	2,369
Debt service	340,000	-	-	340,000
Interest expense	469,219	-	-	469,219
Capital expenditures	-	-	412,500	412,500
Total expenditures	<u>818,148</u>	<u>29</u>	<u>412,664</u>	<u>1,261,804</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources	(817,379)	(16)	(284,232)	(1,013,432)
Other financing sources (uses)				
Transfers from other funds	806,592	-	-	1,002,131
Transfers (to) other funds	-	-	(217,006)	(217,006)
Issuance of debt	-	-	-	-
Total other financing sources (uses)	<u>806,592</u>	<u>-</u>	<u>(217,006)</u>	<u>785,125</u>
Excess of revenues and other sources over (under) expenditures	(10,787)	(16)	(501,238)	(228,307)
Fund balances (deficit) - unreserved July 1, 2009	<u>402,242</u>	<u>19</u>	<u>516,030</u>	<u>4,467,162</u>
Fund balances - unreserved June 30, 2010	<u>\$ 391,455</u>	<u>\$ 3</u>	<u>\$ 14,792</u>	<u>\$ 4,238,855</u>

(concluded)

**SUPPLEMENTARY INFORMATION
TOWN OF TIVERTON, RHODE ISLAND
Private Purpose Trust Funds
Combining Balance Sheet
June 30, 2010**

	Burial Lots	Pocasset Hill Cemetery	Total
ASSETS			
Cash and equivalents	\$ 28,387	\$ 64,460	\$ 92,847
Investments, at fair value:			
Cash management investment funds	-	441,635	441,635
Total investments	-	441,635	441,635
TOTAL ASSETS	\$ 28,387	\$ 506,095	\$ 534,482
NET ASSETS			
Reserved for Principal	28,387	506,095	534,482
TOTAL NET ASSETS	\$ 28,387	\$ 506,095	\$ 534,482

SUPPLEMENTARY INFORMATION
TOWN OF TIVERTON, RHODE ISLAND
Private Purpose Trust Funds
Combining Statement of Revenue, Expenditures and
Changes in Net Assets
For the Fiscal Year Ended June 30, 2010

	<u>Burial Lots</u>	<u>Pocasset Hill Cemetery</u>	<u>Total</u>
ADDITIONS			
Investment income	\$ 280	\$ 15,030	\$ 15,310
Other revenue	-	33,228	33,228
Total additions	<u>280</u>	<u>48,258</u>	<u>48,538</u>
DEDUCTIONS			
Per trust agreements	\$ 2,301	\$ 39,927	\$ 42,228
Total deductions	<u>2,301</u>	<u>39,927</u>	<u>42,228</u>
Change in net assets held in trust for:			
Individuals, organizations and other governments	(2,021)	8,331	6,310
Net assets - beginning July 1, 2009	<u>30,408</u>	<u>497,764</u>	<u>528,172</u>
Net assets - ending June 30, 2010	<u>\$ 28,387</u>	<u>\$ 506,095</u>	<u>\$ 534,482</u>

**TOWN OF TIVERTON, RHODE ISLAND
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES
IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDING JUNE 30, 2010**

	Balance July 1, 2009	Additions	Deductions	Balance June 30, 2010
GRAVEL BONDS				
Assets				
Cash	\$ 10,265	\$ 27	\$ -	\$ 10,292
Total assets	\$ 10,265	\$ 27	\$ -	\$ 10,292
Liabilities				
Deposits held in custody for others	\$ 10,265	\$ 27	\$ -	\$ 10,292
Total liabilities	\$ 10,265	\$ 27	\$ -	\$ 10,292
ROAD SURETY				
Assets				
Cash	\$ 33,837	\$ 91	\$ -	\$ 33,928
Total assets	\$ 33,837	\$ 91	\$ -	\$ 33,928
Liabilities				
Deposits held in custody for others	\$ 33,837	\$ 91	\$ -	\$ 33,928
Total liabilities	\$ 33,837	\$ 91	\$ -	\$ 33,928
STUDENT ACTIVITY				
Assets				
Cash	\$ 172,834	\$ 282,213	\$ 292,922	\$ 162,125
Total assets	\$ 172,834	\$ 282,213	\$ 292,922	\$ 162,125
Liabilities				
Deposits held in custody for others	\$ 172,834	\$ 282,213	\$ 292,922	\$ 162,125
Total liabilities	\$ 172,834	\$ 282,213	\$ 292,922	\$ 162,125
TOTAL AGENCY FUNDS				
Assets				
Cash	\$ 216,936	\$ 282,331	\$ 292,922	\$ 206,345
Total assets	\$ 216,936	\$ 282,331	\$ 292,922	\$ 206,345
Liabilities				
Deposits held in custody for others	\$ 216,936	\$ 282,331	\$ 292,922	\$ 206,345
Total liabilities	\$ 216,936	\$ 282,331	\$ 292,922	\$ 206,345

STATISTICAL SECTION

The Statistical Schedules differ from other financial statement presentations because they generally disclose more than one fiscal year and may present non-accounting data such as social and economic data and financial trends of the Town.

**TOWN OF TIVERTON
TAX COLLECTOR'S ANNUAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

REAL ESTATE AND PERSONAL PROPERTY TAXES

Fiscal Year	Balance 07/01/09	Current Year Assessment	Supplemental	Transfers and Adjustments	Refunds	Abatements	Amount to be Collected	Collections	Balance 06/30/10
2009	-	32,187,296	62,637	23,607	59,400	93,614	32,239,326	31,235,435	1,003,891
2008	925,665	-	-	5,302	4,557	1,445	934,079	431,147	502,932
2007	376,425	-	-	1,101	-	1,914	375,612	298,146	77,466
2006	43,608	-	-	30	-	1,628	42,010	5,101	36,909
2005	29,208	-	-	(288)	-	376	28,544	3,065	25,479
2004	24,254	-	-	(235)	-	373	23,646	1,935	21,711
2003	20,214	-	-	138	-	400	19,952	272	19,680
2002	24,211	-	-	195	-	343	24,063	691	23,372
2001	19,522	-	-	150	-	-	19,672	439	19,233
2000	23,083	-	-	118	-	91	23,110	904	22,206
Prior	39	-	-	-	-	-	39	-	39
	1,486,229	32,187,296	62,637	30,118	63,957	100,184	33,730,053	31,977,135	1,752,918

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

Description of Property	Valuations	Levy
Real property	\$ 1,981,361,000	\$ 28,430,179
Commercial/Industrial real estate	178,772,300	2,565,383
Motor vehicles	118,404,219	2,266,257
Tangible personal	33,245,269	477,070
<i>Total</i>	2,311,782,788	33,738,888
Exemptions		
Real estate	23,871,060	342,550
Motor vehicles	63,168,377	1,209,043
<i>Net assessed value</i>	2,224,743,351	32,187,296

Current year assessment

\$ 32,187,296

**RECONCILIATION OF CURRENT YEAR
PROPERTY TAX REVENUE**

Current year collections	\$ 31,977,135
Reserve collected within 60 days subsequent to fiscal year ending June 30, 2010	240,458
	32,217,593
Prior year revenue received in current year	(168,032)
Other Adjustments	(86,891)
Current year property tax revenue	\$ 31,962,670

TOWN OF TIVERTON, RHODE ISLAND
Schedule of Long-Term Liabilities
For the fiscal year ended June 30, 2010

	Date of Issuance	Interest Rate	Date of Maturity	Authorized	Outstanding July 1, 2009	Additions	Maturities During Year	Outstanding June 30, 2010	Interest Paid
General long-term obligations									
Tax increment bonds	5/1/2002	6.875	5/1/2022	\$ 8,295,000	\$ 6,825,000	\$ -	\$ 340,000	\$ 6,485,000	\$ 498,719
Revenue Financing bonds	6/15/2006	4.0% - 5.0%	5/15/2026	3,735,000	3,215,000	-	190,000	3,025,000	147,525
BAN 10.12 million	6/26/2008	2.75%	7/2/2009	10,120,000	10,120,000	-	10,120,000	-	282,938
General Obligation Bonds	8/1/2007	4.25%-5.00%	5/15/2027	10,580,000	10,115,000	-	380,000	9,735,000	470,725
Ft. Barton 10.0 Million Bond	7/15/2008	3.75%-6.00%	5/15/2028	10,000,000	9,745,000	-	335,000	9,410,000	452,456
Pocasset 10.1 Million Bond	7/1/2009	3.00%-6.25%	5/15/2029	10,100,000	-	10,100,000	-	10,100,000	450,426
Notes Payable - RIDEM	8/10/2007	0.00%	8/10/2011	250,000	187,500	-	62,500	125,000	-
Total general obligation bonds and notes payable				53,080,000	40,207,500	10,100,000	11,427,500	38,880,000	2,302,789
Capital lease				-	376,729	-	157,768	218,961	18,648
Landfill closure and postclosure care costs				-	4,651,127	-	-	4,651,127	-
Other general long-term obligations				-	5,027,856	-	157,768	4,870,088	18,648
Accrued expenses									
Accrued vacation and sick leave					1,127,301	179,106	91,891	1,214,516	n/a
Net OPEB obligation					1,920,310	1,823,899	-	3,744,209	n/a
Net pension obligation					194,005	1,025,406	-	1,219,411	n/a
Total accrued expenses					3,241,616	3,028,411	91,891	6,178,136	
Total long-term liabilities					\$ 48,476,972	\$ 13,128,411	\$ 11,677,159	\$ 49,928,224	

**TOWN OF TIVERTON, RHODE ISLAND
SCHEDULE OF DEBT SERVICE REQUIREMENTS
TO MATURITY - GENERAL FUND
FOR THE FISCAL YEAR ENDING JUNE 30, 2010**

Fiscal Year Ended June 30,	Percentage of Maturity	Principal	Interest	Total Debt Service
2011	4.39%	1,707,500	2,007,312	3,714,812
2012	8.96%	1,777,500	1,934,355	3,711,855
2013	13.54%	1,780,000	1,857,494	3,637,494
2014	18.33%	1,860,000	1,769,018	3,629,018
2015	23.30%	1,935,000	1,678,800	3,613,800
2016	28.51%	2,025,000	1,585,567	3,610,567
2017	33.96%	2,120,000	1,486,418	3,606,418
2018	39.66%	2,215,000	1,376,723	3,591,723
2019	45.65%	2,330,000	1,254,423	3,584,423
2020-2029	100.00%	21,130,000	5,372,683	26,502,683
		\$ 38,880,000	\$ 20,322,793	\$ 59,202,793

**TOWN OF TIVERTON, RHODE ISLAND
COMPUTATION OF LEGAL DEBT MARGIN
JUNE 30, 2010**

Gross assessed value	\$ 2,311,782,788
Less exempt property	87,039,437
Total taxable assessed value	\$ 2,224,743,351
Debt Limit - 3 percent of total assessed value	\$ 66,742,301
Amount of debt applicable to debt limit:	
Total bonded debt	38,755,000
Legal debt margin	\$ 27,987,301

TOWN OF TIVERTON, RHODE ISLAND

SINGLE AUDIT SECTION

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Tiverton (Town), as of and for the year fiscal ended June 30, 2010, and have issued our report thereon dated January 27, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies' or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses. 2010-1, 2010-2

Compliance and Other Matter

As part of obtaining reasonable assurance about whether Town's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain other matters that we reported to management of the Town in a separate letter dated January 17, 2011.

The Town of Tiverton's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the Town of Tiverton's response and, accordingly, we express no opinion on it.

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



Parmelee, Poirier & Associates, LLP
Parmelee, Poirier & Associates, LLP
January 17, 2011

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

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

Compliance

We have audited the compliance of the Town of Tiverton (Town), with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2010. The Town's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Town's management. Our responsibility is to express an opinion on the Town's compliance based on our audit.

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

In our opinion, the Town, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Town's internal control over compliance with the requirements that could have a direct and material effect on a major federal program

in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

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

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

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


Parmelee, Poifier & Associates, LLP
January 17, 2011

TOWN OF TIVERTON
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2010

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures</u>
U.S. Department of Agriculture			
<i>Passed through State of Rhode Island Department of Education:</i>			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	\$ 17,422
National School Lunch Program	10.555	N/A	148,316
Special School Milk Program for Children	10.556	N/A	549
Food Donation	10.550	N/A	24,874
Total U.S. Department of Agriculture			<u>\$ 191,161</u>
U.S. Department of Housing and Urban Development			
<i>Passed through State of Rhode Island Division of Planning,</i>			
<i>Office of Housing and Community Development:</i>			
Community Development Block Grant Cluster:			
Community Development Block Grant/Small Cities Program	14.228	N/A	\$ 150,272
ARRA - Community Development Block Grant	14.255	N/A	200,000
Total U.S. Department of Housing and Urban Development			<u>\$ 350,272</u>
U.S. Department of Justice			
<i>Passed through State of Rhode Island Governor's Justice Commission</i>			
ARRA - Edward Byrne Memorial JAG Program/Grants to States	16.803	05-132-JAG	\$ 17,779
Total U.S. Department of Justice			<u>\$ 17,779</u>
U.S. Department of Homeland Security			
<i>Passed through State of Rhode Island Department of Emergency Management</i>			
Assistance to Firefighters Grant	97.044		\$ 35,530
Disaster Grants - Public Assistance	97.036		77,439
Total U.S. Department of Homeland Security			<u>\$ 112,969</u>
U.S. Department of Education			
<i>Passed through State of Rhode Island Department of Education:</i>			
Education Cluster:			
Title I Grants to Local Educational Agencies	84.010	2752-11702-001	\$ 194,245
ARRA - Title I Grants to Local Education Agencies	84.389	4572-1102-001	108,270
Special Education Cluster:			
Special Education - Grants to States	84.027	2725-13202-001	498,321
ARRA - Special Education Grants to States	84.391	4572-10202-001	509,624
Safe and Drug Free Schools and Communities	84.186	2725-12602-001	6,894
Improving Teacher Quality State Grants	84.367	2725-16402-001	134,789
ARRA - State Fiscal Stabilization Fund - Education State Grants Recovery Act	84.394	4572-10502-001	293,067
<i>Passed through City of Newport Rhode Island:</i>			
Vocational Education - Basic Grants to States	84.048	1440-53200-21-02	18,604
Total U.S. Department of Education			<u>\$ 1,763,814</u>
Total Expenditures of Federal Awards			<u>\$ 2,435,995</u>

TOWN OF TIVERTON
Schedule of Findings and Questioned Costs
For The Fiscal Year Ended June 30, 2010

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weakness (es) identified? X yes no

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

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

Material weakness (es) identified? yes X no

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

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

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

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
	<i>Community Development Block Grant Cluster</i>
14.228	Community Development Block Grant
14.255	ARRA – Community Development Block Grant
	<i>Education Cluster</i>
84.010	Title I Grants to Local Education Agencies
84.389	ARRA – Title I Grants to Local Education Agencies
	<i>Special Education Cluster</i>
84.027	Special Education Grants to States
84.391	ARRA – Special Education Grants to States
84.394	ARRA – State Fiscal Stabilization Funds, Education State Grants, Recovery Act

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

Auditee qualified as low risk auditee? yes X no

TOWN OF TIVERTON
Schedule of Findings and Questioned Costs
For The Fiscal Year Ended June 30, 2010
(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 – Material Weakness

Finding 2010-1 Financial Reporting - Town

Criteria

Accounting systems are designed and dependent upon compliance with established policies and procedures for authorizing and recording transactions properly and consistently in accordance with generally accepted accounting principles.

Condition

During our audit it was noted that some Town trial balances required material audit adjustments to reclassify financial activity or to record original financial activity. *Our audit did note improvement over internal control from the prior year but it has not reached the level required to remove these deficiencies.* These entries included:

- 1) Reclassification or recording of revenue activity, for bank account activity and landfill accounts.
- 2) Reclassification or recording of expenditures or liabilities such as accounts payable and accrued payroll.
- 3) Reclassification of inter-fund transfer activity.
- 4) Reclassifications or recording activity to reconcile account balances at year-end.

Cause

An accounting system is dependent upon compliance with established policies and procedures for authorizing and recording transactions properly and consistently. We observed that the town currently does not have a system in place to maintain this control.

Effect

The financial statements could be materially misstated.

Recommendation

We recommend that the Town review its' accounting and internal control procedures to ensure proper methods and review procedures are used during the fiscal year and at year end and also, to ensure that the financial statements are presented in conformity with generally accepted accounting principles. This goal can be achieved through additional education and training of the staff and a more comprehensive review on the year-end trial balances prior to our audit.

TOWN OF TIVERTON, RHODE ISLAND
Schedule of Findings and Questioned Costs
For The Fiscal Year Ended June 30, 2010
(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 – Material Weakness

Finding 2010-1 Financial Reporting – Town – (continued)

Management Response

By Philip A. DiMattia, Tiverton Town Treasurer

On December 20, 2010 I received an e-mail from your office identifying Internal Control issues needing improvement. Although you indicated our Audit did note improvement over Internal Control from the prior year, you indicated that it has not reached the level required to remove some deficiencies. You define the conditions below as follows:

- 1. Reclassification or recording of revenue activity for bank accounts and landfill accounts.**
- 2. Reclassification or recording of expenditures or liabilities for accounts payable and accrued payroll.**
- 3. Reclassification of inter-fund transfer activity.**
- 4. Reclassifications to reconcile account balances at year-end.**

As you know we have a limited staff in the Treasurer's Office and besides myself there is only one person in the office with an Accounting Degree. There are two clerical assistants, one full-time (Payroll Clerk) and one part-time (Accounts Payable Clerk) with no accounting training. With this limited Staff, it has been difficult to develop policies and procedures at the level expected by your firm. You advised me that the normal procedure, before I arrived, was for your Audit Staff to provide consulting services at the end of the year assist in closing out our various records and accounts. This year we provided your Audit Staff various accounting schedules to assist in the Audit. We must sit down in April 2011 and define a plan to improve our Internal Control, identifying specific policies and procedures that must be in place before Fiscal Year 2011 closes.

The following is a list of Internal Control Improvements in Fiscal Year 2010:

Bank Accounts: The General Fund in Citizens Bank is reconciled monthly, however the Beach Accounts are reconciled periodically because Beach Revenues must be removed from BankNewport and deposited into the General Fund in Citizens Bank. We have improved the Internal Control of revenue deposits for the Beaches by making night deposits into BankNewport.

Landfill Accounts: We have this year disengaged the commingling of dollars of Landfill money in the General Fund. All investments, henceforth, are segmented into investments for Landfill only. I have opened up Investments in Landfill in Citizens Investments, Charles Schwab, Washington Trust, and LaSalle Street Securities. Our Investments in Landfill never go back into General Fund at Citizens Bank but are reinvested in various banking alternatives.

Accrued Payroll: This year at year-end we had our payroll service (PAYCHEX) run ledgers for the three different types of payroll which we have in the Town – Paid to Date, Paid Two Weeks in Arrears, and Paid Monthly. This was never done before, thus we had the ability to accrue payroll correctly.

TOWN OF TIVERTON, RHODE ISLAND
Schedule of Findings and Questioned Costs
For The Fiscal Year Ended June 30, 2010
(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 – Material Weakness

Finding 2010-1 Financial Reporting – Town – (continued)

Management Response

By Philip A. DiMattia, Tiverton Town Treasurer

Accounts Payable: This year we reduced the number of encumbrances and developed policies and procedures for handling Accounts Payable at year-end. All non-recurring expenditures under \$2500 must be approved by the Town Administrator. Any expenditure that exceeds \$2500 must be approved by the Town Council. We have been able to control our Expenses in Financial Administration – we were under budget \$257,934, in Public Safety – we were under budget by \$235,092, in the Capital Budget - we were under budget by \$116,844. Our Internal Control Procedures and Accountability has helped us to reduce our budget expenditures.

Inter-Fund Transfer Activity: We just started in November 2010 this Inter-Fund Transfer Activity. I admit our controls must improve in this area. This is why I have asked the Town Administrator to budget this year \$20,000 plus benefits for an extra half-time person in the Treasurer’s Office to help the Assistant Treasurer to track and control this Inter-Fund Transfer Activity.

Year-End Account Balances: I would like to meet with you and your staff in July 2011 for a half a day to talk about reconciling of account balances at year-end. I have reviewed your Adjusting Journal Entries for June 30, 2010 and would like to make this list part of our plan to improve Internal Control.

In summary, my goal as Tiverton Town Treasurer is to improve our Internal Control but this is a condition that cannot improve within 24 hours or even one year but must be a continuous work in progress. I will do everything possible to improve Internal Control but it will have to be done with specific defined conditions by you and your audit staff. Henceforth, I am requiring that any conditions that you or your Staff identifies as Internal Control weaknesses must be brought immediately to my attention for action. We must continually work at building improvements in Internal Control.

TOWN OF TIVERTON, RHODE ISLAND
Schedule of Findings and Questioned Costs
For The Fiscal Year Ended June 30, 2010
(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 – Material Weakness

Finding 2010-2 Financial Reporting- School Department

Criteria

Accounting systems are designed and dependent upon compliance with established policies and procedures for authorizing and recording transactions properly and consistently in accordance with generally accepted accounting principles.

Condition

During our audit it was noted that the School Department did not maintain a balance sheet for its' unrestricted fund, which then required material audit adjustments to reclassify financial activity or to record original financial activity. *Our audit did note improvement over internal control from the prior year but it has not reached the level required to remove these deficiencies.* These entries included:

- 1) Reclassification or recording of expenditures or liabilities such as accounts payable and accrued payroll.

Cause

An accounting system is dependent upon compliance with established policies and procedures for authorizing and recording transactions properly and consistently. We noted that the School Department did not record all current year activity or reverse prior year activity to properly reflect the financial records in the current year.

Effect

The financial statements will be materially misstated.

Recommendation

We recommend that the School Department review its' accounting and internal control procedures to ensure proper methods and review procedures are used during the fiscal year and at year end and also, to ensure that the financial statements are presented in conformity with generally accepted accounting principles.

TOWN OF TIVERTON, RHODE ISLAND
Schedule of Findings and Questioned Costs
For The Fiscal Year Ended June 30, 2010
(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 – Material Weakness

Finding 2010-2 Financial Reporting- School Department – (continued)

Management Response

In 2010, the Tiverton School Department created and implemented a new chart of accounts, which complies with the new Rhode Island Department of Education’s Uniform Chart of Account (UCOA) standards. We also successfully processed revenue and balance sheet account transactions through our general ledger activity for the first time due to an expansion of our account structure and enhancements to our accounting software. Previously, we processed only expense activity in this manner. Although all of our general fund financial activity flows through the balance sheet accounts, we still rely on a manual process to prepare the year-end accruals. We will continue to work towards preparing a year-end balance sheet that meets the requirements of auditing standards and believe the financial system now in place will assist us with this objective.

B. Compliance

None Reported

SECTION III – FINDINGS AND QUESTIONED COST FOR FEDERAL AWARDS

A. Findings

None Reported

B. Questioned Costs

None Reported

TOWN OF TIVERTON
Schedule of Prior Year Findings and Questioned Costs
Year Ended June 30, 2010

PRIOR YEAR FINDINGS AND QUESTIONED COST FOR FEDERAL AWARDS

A. Findings

None Reported

B. Questioned Costs

None Reported

TOWN OF TIVERTON
Notes to Schedule of Expenditures of Federal Awards
June 30, 2010

1. **General** - The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal programs of the Town of Tiverton, 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 Tiverton. 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, 2010, 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:

	<i>Community Development Block Grant Cluster</i>
14.228	Community Development Block Grant
14.255	ARRA – Community Development Block Grant
	<i>Education Cluster</i>
84.010	Title I Grants to Local Education Agencies
84.389	ARRA – Title I Grants to Local Education Agencies
	<i>Special Education Cluster</i>
84.027	Special Education Grants to States
84.391	ARRA – Special Education Grants to States
84.394	ARRA – State Fiscal Stabilization Funds, Education State Grants, Recovery Act

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 \$32,720 represents the market value of such commodities used during the period.