

TOWN OF TIVERTON

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2011



James C. Goncalo
Town Administrator

Denise G. Saurette
Treasurer

Prepared by: Finance Department

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

**TOWN OF TIVERTON, RHODE ISLAND
AUDITED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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INTRODUCTORY SECTION

This Section Contains the Following Subsections:

List of Town Officials

TOWN OF TIVERTON, RHODE ISLAND

JUNE 30, 2011

TOWN COUNCIL

Jay J. Lambert, President
Cecil E. Leonard, Vice President
Joan B. Chabot
Robert D. Coulter
David Nelson
Brett N. Pelletier
Edward A. Roderick

TOWN ADMINISTRATOR

James C. Goncalo

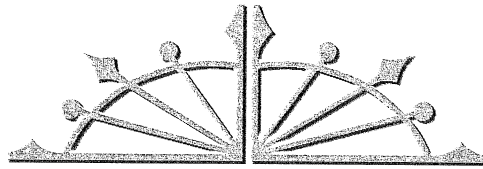
TOWN TREASURER

Denise G. Saurette

FINANCIAL SECTION

This Section Contains the Following Subsections:

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



BAXTER DANSEREAU & ASSOCIATES, LLP

Accounting, Consulting & Tax Services

Partners

William J. Baxter, Jr., CPA

Paul L. Dansereau, CPA

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Town Council
Town of 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, 2011, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Tiverton, Rhode Island's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, business type activities, each major fund and the aggregate remaining fund information of the Town of Tiverton, Rhode Island as of June 30, 2011, 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 December 22, 2011 on our consideration of the Town of Tiverton, Rhode Island's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 12 and 65 through 76 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the management discussion and analysis information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's financial statements as a whole. The introductory section, combining and individual non-major fund financial statements and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The combining and individual non-major fund financial statements, the budgetary comparison schedules on pages 65-76 and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.


Baxter Dansereau & Associates, LLP
December 22, 2011

Management's Discussion and Analysis

TOWN OF TIVERTON, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2011
(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, 2011.

For the fiscal year ended June 30, 2011 the Town has adopted the requirements of the Government Accounting Standards Board GASB Statement No. 54 - *Fund Balance Reporting and Governmental Fund Type Definitions*. Acceptance of this statement has changed the Town's presentation of the elements of fund balances, a key indicator of inter-period equity. See the Summary of Significant Accounting Policies in the Notes to the Financial Statements for a further explanation.

Financial Highlights

- ❖ The Town's primary governments net assets increased by \$760,836 as a result of this current year's operations. Most of this increase was attributable to the reclassification of long-term debt liabilities from an expenditure on the fund financial statements to a reduction of long-term debt on the statement of net assets. Other factors that increased expenses include depreciation expense of \$1,715,516 and an increase in the Town's pension liability of \$628,326. 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 \$9,467,928. Net assets of business activities decreased by \$16,592 or .04%, while net assets of Governmental Activities increased by \$777,428 or 16% before a prior period adjustment of (\$38,512).
- ❖ The Town's Government-wide (governmental and business activities) operating expenses were \$47,127,709 a 3.4% decrease from the prior year, while revenues collected were \$47,888,545 a .04% increase.
- ❖ As of the close of the fiscal year, the Town's governmental funds reported combined ending fund balances of \$9,401,982. Over 17% of this amount \$1,660,804 is unassigned and available for use within the Town's designation and fiscal policies.
- ❖ At the end of the current fiscal year, the general fund unassigned fund balance was \$1,775,691, or 4.7% 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 \$763,642. On a budgetary basis revenues exceeded expenditures and transfers by the same amount.

Overview of the Financial Statements

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

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

TOWN OF TIVERTON, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2011
(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 would include uncollected taxes and earned, 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.

TOWN OF TIVERTON, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2011
(Un-audited)

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

The Town maintains governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund and School Special Revenue Unrestricted 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 62.

Other Information - In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information pertinent to the Town's operations. Required Supplementary information is presented on pages 63 through 76.

The combining statements referred to earlier in connection with non-major governmental funds, are presented on pages 77 through 100.

TOWN OF TIVERTON, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2011
(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 \$5,702,847 as of June 30, 2011. This represents a current years' increase of \$777,428 before the prior period adjustment.

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

	<i>Town of Tiverton</i>					
	<i>Net Assets</i>					
	<u>June 30, 2010</u>			<u>June 30, 2011</u>		
	Govern- mental Activities	Business Type Activities	Total	Govern- mental Activities	Business Type Activities	Total
Current and Other Assets	\$ 13,765,419	\$ 340,802	\$ 14,106,221	\$ 17,406,042	\$ 403,288	\$ 17,809,330
Capital assets	45,489,307	3,517,262	49,006,569	44,559,487	3,514,327	48,073,814
Total Assets	<u>59,254,726</u>	<u>3,858,064</u>	<u>63,112,790</u>	<u>61,965,529</u>	<u>3,917,615</u>	<u>65,883,144</u>
Other Liabilities	4,362,571	76,391	4,438,962	7,041,329	152,534	7,193,863
Long-Term Liabilities	49,928,224	-	49,928,224	49,221,353	-	49,221,353
Total Liabilities	<u>54,290,795</u>	<u>76,391</u>	<u>54,367,186</u>	<u>56,262,682</u>	<u>152,534</u>	<u>56,415,216</u>
Net Assets:						
Invested in Capital						
Net of Related Debt	6,515,346	3,517,262	10,032,608	6,861,386	3,514,327	10,375,713
Restricted for:						
Education programs	-	-	-	269,871	-	269,871
Public safety programs	-	-	-	548,978	-	548,978
Health and human services	-	-	-	38,953	-	38,953
Unrestricted	<u>(1,551,415)</u>	<u>264,411</u>	<u>(1,287,004)</u>	<u>(2,016,341)</u>	<u>250,754</u>	<u>(1,765,587)</u>
Total Net Assets	<u>\$ 4,963,931</u>	<u>\$ 3,781,673</u>	<u>\$ 8,745,604</u>	<u>\$ 5,702,847</u>	<u>\$ 3,765,081</u>	<u>\$ 9,467,928</u>

An additional portion of the Town's net assets, \$10,375,713 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, 2011
(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, 2011. The Town first implemented GASB Statement 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments in the fiscal year June 30, 2003. Therefore, comparative data is both available and presented in the following schedules. Governmental activities increased the Town's net assets by \$777,428 for the current period, which equated to a 16% increase in the Town's governmental net assets, while business-type activities decreased the Town's net assets by \$16,592, accounting for a .04% decrease in the business-type net assets. Overall the Town's current year's net asset increase was \$760,836 which is an 8.7% increase over the prior year.

In the current fiscal year, the Town's fund financial statements ended with a net increase in the overall fund balances of \$989,314. In the statement of activities, expenditures for capital items are not recorded as expenses, but shown in the balance sheet as capital assets, with depreciation shown as an expense. This resulted in a net decrease of \$1,499,946. Bond payments are not recorded as expenditures but shown in the balance sheet as a reduction in long-term liabilities; this resulted in an increase to net assets of \$1,707,500. Other changes were due to an increase in the Town's other post employment benefits of \$160,147 and an increase in the Town's net pension obligation of \$628,326. The overall effect was an increase in the Town's Governmental net assets of \$777,428. 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, 2011
(Un-audited)

Town of Tiverton
Changes in Net Assets

	<u>June 30, 2010</u>			<u>June 30, 2011</u>		
	Govern- mental Activities	Business Type Activities	Total	Govern- mental Activities	Business Type Activities	Total
<i>Revenues</i>						
<i>Program revenues</i>						
Charges for services	\$ 2,448,693	\$ 533,316	\$ 2,982,009	\$ 2,398,153	\$ 551,662	\$ 2,949,815
Federal/State grants	2,248,681	174,193	2,422,874	6,136,990	200,811	6,337,801
<i>General Revenues</i>						
Property taxes	32,156,848	-	32,156,848	34,717,035	-	34,717,035
State aid	1,984,577	-	1,984,577	1,125,218	-	1,125,218
Investment earnings	240,911	-	240,911	148,920	-	148,920
Miscellaneous	8,079,478	-	8,079,478	2,609,756	-	2,609,756
Total revenues	<u>47,159,188</u>	<u>707,509</u>	<u>47,866,697</u>	<u>47,136,072</u>	<u>752,473</u>	<u>47,888,545</u>
<i>Expenses</i>						
General government	4,257,376	-	4,257,376	1,842,622	-	1,842,622
Financial administration	3,625,608	-	3,625,608	3,917,043	-	3,917,043
Public Safety	5,362,144	-	5,362,144	5,548,746	-	5,548,746
Grants, health & sanitation	1,476,012	-	1,476,012	1,355,013	-	1,355,013
Public works	2,149,888	-	2,149,888	2,181,407	-	2,181,407
Associated activities	101,612	-	101,612	101,970	-	101,970
Parks and Recreation	193,883	-	193,883	163,870	-	163,870
Education	28,569,112	-	28,569,112	28,852,560	-	28,852,560
Other	288,079	-	288,079	406,419	-	406,419
Interest	2,070,642	-	2,070,642	1,988,994	-	1,988,994
Cafeteria Fund	-	706,125	706,125	-	769,065	769,065
Total expenses	<u>48,094,356</u>	<u>706,125</u>	<u>48,800,481</u>	<u>46,358,644</u>	<u>769,065</u>	<u>47,127,709</u>
Change in net assets	(935,168)	1,384	(933,784)	777,428	(16,592)	760,836
Net assets - beginning	5,936,724	3,780,289	9,717,013	4,963,931	3,781,673	8,745,604
Prior period adjustments Note 19	(37,625)	-	(37,625)	(38,512)	-	(38,512)
Net assets - beginning restated	5,899,099	3,780,289	9,679,388	4,925,419	3,781,673	8,707,092
Net assets - ending	<u>\$ 4,963,931</u>	<u>\$ 3,781,673</u>	<u>\$ 8,745,604</u>	<u>\$ 5,702,847</u>	<u>\$ 3,765,081</u>	<u>\$ 9,467,928</u>

TOWN OF TIVERTON, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2011
(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 unassigned fund balance may serve as a useful measure of the Town's net resources available for spending at the end of the fiscal year.

As of the close of the fiscal year, the Town's governmental funds reported combined ending fund balances of \$9,401,982. Over 26% of this amount \$2,501,689 is unassigned and available for use within the Town's designation and fiscal policies. The remainder of the fund balance is categorized at various commitment levels as follows.

TOWN OF TIVERTON, RHODE ISLAND
Fund Balance Categories

<i>Restricted for:</i>	
Educational programs	\$ 637,036
Public safety programs	548,978
Health and human services	38,953
<i>Committed for:</i>	
Public safety programs	922,243
General government programs	233,134
Public works programs	4,673,842
Capital projects	63,917
Culture and recreation	623,075
<i>Unassigned:</i>	1,660,804
Total fund balances	<u><u>\$9,401,982</u></u>

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 proprietary funds are \$250,754.

General Fund Budgetary Highlights:

Overall, the Town recognized 100.17% of the FY2011 Expected Revenue. It should be noted that there were several revenue categories that ended the year on a positive note, earning more than 100% of their expected budget. Including but not limited to the Fire Rescue billing, prior year tax collections, tax interest and Municipal and Probate court fees. Our main source of revenue property tax collections, are at 96.79% of the projections, and efforts to collect remaining balances are ongoing. Although Operations Aid for Education did not meet the expectations set at the financial town meeting, School Housing Aid and out of district tuition was higher than expected. As well, building impact fees in the amount of \$98,340 were recognized in FY2011.

TOWN OF TIVERTON, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2011
(Un-audited)

Notwithstanding carryovers from the previous year, overall expenses for FY2011 came in at 98.2% of the budget. All department managers demonstrated careful regard for their budgetary responsibilities, and the results are obvious. The town was able to carryover approximately \$176,669 and increase FY2012's drainage and paving accounts for ongoing street repair.

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 \$48,073,814 net of accumulated depreciation at June 30, 2011. Included are land, building and improvements, 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, 2010</u>			<u>June 30, 2011</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	36,350,708	-	36,350,708	35,477,536	-	35,477,536
Motor vehicles	511,726	-	511,726	898,195	-	898,195
Infrastructure	2,491,050	-	2,491,050	2,197,972	-	2,197,972
Machinery and equipment	2,058,310	17,262	2,075,572	1,908,271	14,327	1,922,598
Total	<u>45,489,307</u>	<u>3,517,262</u>	<u>49,006,569</u>	<u>44,559,487</u>	<u>3,514,327</u>	<u>48,073,814</u>

TOWN OF TIVERTON, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2011
(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 \$37,110,000. 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, 2010</i>			<i>June 30, 2011</i>		
	Govern- mental Activities	Business Type Activities	Total	Govern- mental Activities	Business Type Activities	Total
General Obligation Bonds	38,755,000	-	38,755,000	37,110,000	-	37,110,000
Notes Payable - RIDEM	125,000	-	125,000	62,500	-	62,500
Capital Leases	218,961	-	218,961	588,101	-	588,101
Totals	39,098,961	-	39,098,961	37,760,601	-	37,760,601

Additional information on the Town's long-term debt can be found in Note 10 of the Notes to the Financial Statements on pages 41 and 42.

The Town's general obligation bond rating as assigned by Moody's Investors Service in 2007 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 \$67,364,524 at year-end. The Town's outstanding general obligation debt is \$37,110,000 at year-end, which is \$30,254,524 under the State imposed limitation.

Economic Factors and Next Year's Budgets and Rates

The town's general fund budget for FY 2012 was set at \$ 44,662,368; this resulted in a property tax rate of \$15.71 per \$1000 of valuation, a \$.36 increase over the previous years' tax rate. One of the smallest tax rate increases in recent history.

Municipal expenses of \$17,725,862 include \$526,773 which is attributable to capital and non-recurring expenditures. The remaining \$26,936,506 is budgeted for Educational expenses, and includes capital expenditures of \$57,204.

As we are all aware, today's economy has created an atmosphere of economic uncertainty for many cities, towns and states. The management of the Town of Tiverton will continue to adhere to the budgetary controls in place to ensure that all town revenue is expended wisely.

TOWN OF TIVERTON, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2011
(Un-audited)

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 Treasure's Office, Town of Tiverton, 343 Highland Road, Tiverton RI 02878.

Denise G. Saurette
Town Treasurer

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements

TOWN OF TIVERTON, RHODE ISLAND
Statement of Net Assets
June 30, 2011

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 11,158,848	\$ 134,494	\$ 11,293,342
Investments	3,636,134	-	3,636,134
Accounts receivable:			
Accounts receivable net	1,748,076	-	1,748,076
Due from other governments	619,490	19,945	639,435
Other receivables	28,459	-	28,459
Internal balances	(248,849)	248,849	-
Other assets	463,884	-	463,884
Capital assets:			
Property, plant and equipment - net	40,481,974	-	40,481,974
Assets not being depreciated	4,077,513	3,514,327	7,591,840
Total capital assets	<u>44,559,487</u>	<u>3,514,327</u>	<u>48,073,814</u>
TOTAL ASSETS	<u>61,965,529</u>	<u>3,917,615</u>	<u>65,883,144</u>
LIABILITIES			
Accounts payable	233,088	152,534	385,622
Accrued expenses	1,728,299	-	1,728,299
Unearned revenue	5,079,942	-	5,079,942
Long-term liabilities			
Due within one year	1,972,151	-	1,972,151
Due in more than one year	47,249,202	-	47,249,202
Total liabilities	<u>56,262,682</u>	<u>152,534</u>	<u>56,415,216</u>
NET ASSETS			
Invested in capital assets, net of related debt	6,861,386	3,514,327	10,375,713
<i>Restricted for:</i>			
Education programs	269,871	-	269,871
Public safety programs	548,978	-	548,978
Health and human services	38,953	-	38,953
Unrestricted	(2,016,341)	250,754	(1,765,587)
Total net assets	<u>\$ 5,702,847</u>	<u>\$ 3,765,081</u>	<u>\$ 9,467,928</u>

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, 2011

<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	\$ 1,842,622	\$ 1,436,443	\$ 144,706	\$ (261,473)		\$ (261,473)
Financial administration	3,917,043	389,858	-	(3,527,185)		(3,527,185)
Public safety	5,548,746	488,842	88,703	(4,971,201)		(4,971,201)
Grants, health & sanitation	1,355,013	-	108,857	(1,246,156)		(1,246,156)
Public works	2,181,407	18,502	-	(2,162,905)		(2,162,905)
Associated activities	101,970	7,092	-	(94,878)		(94,878)
Parks and recreation	163,870	57,416	-	(106,454)		(106,454)
Education	28,852,560	-	5,803,724	(23,048,836)		(23,048,836)
Other	406,419	-	-	(406,419)		(406,419)
Interest	1,988,994	-	-	(1,988,994)		(1,988,994)
Total governmental activities	46,358,644	2,398,153	6,145,990	(37,814,501)		(37,814,501)
Business type activities:						
Land Acquisition Fund	-	-	-	-	\$ -	-
Cafeteria Fund	769,065	551,662	200,811	-	(16,592)	(16,592)
Total business-type activities	769,065	551,662	200,811	-	(16,592)	(16,592)
Total primary government	\$ 47,127,709	\$ 2,949,815	\$ 6,346,801	(37,814,501)	(16,592)	(37,831,093)
General revenues:						
Taxes:						
Property taxes, levied for general purposes				34,717,035	-	34,717,035
State aid, unrestricted				1,125,218	-	1,125,218
Unrestricted investment earnings				148,920	-	148,920
Miscellaneous				2,600,756	-	2,600,756
Total general revenues and transfers				38,591,929	-	38,591,929
Change in net assets				777,428	(16,592)	760,836
Net assets-beginning				4,963,931	3,781,673	8,745,604
Prior period adjustment - See Note 19				(38,512)	-	(38,512)
Net assets-ending				\$ 5,702,847	\$ 3,765,081	\$ 9,467,928

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, 2011

	General Fund	School Unrestricted Fund	Other Non-Major Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 9,302,263	\$ 4,294	\$ 1,852,291	\$ 11,158,848
Investments	-	-	3,636,134	3,636,134
Accounts receivable:				
Real estate and personal property taxes	1,748,076	-	-	1,748,076
Due from other governments	256,337	-	363,153	619,490
Other receivables	28,459	-	-	28,459
Internal balances	1,449,812	2,431,792	1,295,990	5,177,594
TOTAL ASSETS	\$ 12,784,947	\$ 2,436,086	\$ 7,147,568	\$ 22,368,601
 LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 86,319	\$ 94,921	\$ 51,848	\$ 233,088
Accrued expenditures	519,179	811,200	-	1,330,379
Internal balances	3,976,631	1,304,003	145,809	5,426,443
Deferred revenue	5,586,242	-	390,467	5,976,709
Total liabilities	10,168,371	2,210,124	588,124	12,966,619
 Fund balances:				
<i>Restricted for:</i>				
Educational programs	367,165	225,962	43,909	637,036
Public safety programs	-	-	548,978	548,978
Health and human services	-	-	38,953	38,953
<i>Committed for:</i>				
Public safety programs	-	-	922,243	922,243
General government programs	233,134	-	-	233,134
Public works programs	176,669	-	4,497,173	4,673,842
Capital projects	63,917	-	-	63,917
Culture and recreation	-	-	623,075	623,075
<i>Unassigned:</i>	1,775,691	-	(114,887)	1,660,804
Total fund balances	2,616,576	225,962	6,559,444	9,401,982
TOTAL LIABILITIES AND FUND BALANCES	\$ 12,784,947	\$ 2,436,086	\$ 7,147,568	

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)	44,559,487
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. (see note 8)	962,731
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)	(49,221,353)
Net assets of governmental activities	\$ 5,702,847

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, 2011

	<u>General Fund</u>	<u>School Unrestricted Fund</u>	<u>Other Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues				
General property tax	\$ 34,733,321	\$ -	\$ -	\$ 34,733,321
Intergovernmental and departmental revenues	1,125,220	5,700,787	2,175,498	9,001,505
License and permits	1,704,129	-	1,031,709	2,735,838
Fines and interest on late payments	346,401	-	-	346,401
Earnings on investments	41,900	-	107,020	148,920
Other revenues	18,960	-	131,651	150,611
Total revenues	<u>37,969,931</u>	<u>5,700,787</u>	<u>3,445,878</u>	<u>47,116,596</u>
Expenditures				
Current:				
General government	1,009,193	-	264,316	1,273,509
Financial administration	4,100,969	-	-	4,100,969
Public safety	5,133,850	-	180,172	5,314,022
Grants, health & welfare	559,276	-	795,737	1,355,013
Public works	1,275,652	-	512,575	1,788,227
Associated activities	101,970	-	-	101,970
Parks and recreation	114,991	-	89,976	204,967
Education	-	26,430,089	1,384,334	27,814,423
Other	378,997	-	-	378,997
Capital	79,682	-	-	79,682
Debt service:				
Principal	1,280,000	-	427,500	1,707,500
Interest	1,562,159	-	445,844	2,008,003
Total expenditures	<u>15,596,739</u>	<u>26,430,089</u>	<u>4,100,454</u>	<u>46,127,282</u>
Excess of revenues over (under) expenditures before other financing sources (uses)	<u>22,373,192</u>	<u>(20,729,302)</u>	<u>(654,576)</u>	<u>989,314</u>
Other financing sources (uses)				
Transfers from other funds	521,189	20,743,210	1,396,549	22,660,948
Transfers to other funds	(22,130,739)	-	(530,209)	(22,660,948)
Total other financing sources (uses)	<u>(21,609,550)</u>	<u>20,743,210</u>	<u>866,340</u>	<u>-</u>
Net change in fund balances	763,642	13,908	211,764	989,314
Fund balances - beginning	<u>1,891,446</u>	<u>212,054</u>	<u>6,347,680</u>	<u>8,451,180</u>
Prior period adjustment - see note 19	(38,512)	-	-	(38,512)
Fund balances - beginning - restated	<u>1,852,934</u>	<u>212,054</u>	<u>6,347,680</u>	<u>8,412,668</u>
Fund balances - ending	<u>\$ 2,616,576</u>	<u>\$ 225,962</u>	<u>\$ 6,559,444</u>	<u>\$ 9,401,982</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, 2011

Net change in fund balances-total governmental funds	\$ 989,314
<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 (\$1,712,581) exceeded capital outlays (\$212,635) in the current period.</p>	(1,499,946)
<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>	(16,286)
<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>	19,009
<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>	1,916,826
<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>(631,489)</u>
Change in net assets of governmental activities	<u><u>\$ 777,428</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, 2011

	Enterprise Funds		
	Land Acquisition Fund	Cafeteria Fund	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ -	\$ 134,494	\$ 134,494
Due from other governments	-	19,945	19,945
Due from other funds	248,849	-	248,849
Total current assets	248,849	154,439	403,288
Non-current assets			
Capital assets (net)	3,500,000	14,327	3,514,327
Total non-current assets	3,500,000	14,327	3,514,327
TOTAL ASSETS	3,748,849	168,766	3,917,615
LIABILITIES			
Current liabilities			
Accounts payable	-	152,534	152,534
Total current liabilities	-	152,534	152,534
Total liabilities	-	152,534	152,534
Net Assets			
Invested in Capital assets, net of related debt	3,500,000	14,327	3,514,327
Unrestricted	248,849	1,905	250,754
Total Net Assets	\$ 3,748,849	\$ 16,232	\$ 3,765,081

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, 2011

	Enterprise Funds		
	Land Acquisition Fund	Cafeteria Fund	Total
Operating revenues			
Charges for usage and service	\$ -	\$ 551,662	\$ 551,662
Total operating revenues	-	551,662	551,662
Operating expenses			
Operations	-	766,130	766,130
Depreciation	-	2,935	2,935
Total operating expenses	-	769,065	769,065
Operating income (loss)	-	(217,403)	(217,403)
Non-operating revenues (expenses)			
Intergovernmental revenue	-	200,811	200,811
Total non-operating (expenses)	-	200,811	200,811
Income (loss) before transfers	-	(16,592)	(16,592)
Change in Net Assets	-	(16,592)	(16,592)
Total Net Assets - Beginning	3,748,849	32,824	3,781,673
Total Net Assets - Ending	\$ 3,748,849	\$ 16,232	\$ 3,765,081

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, 2011

	Enterprise Funds		
	Land Acquisition Fund	Cafeteria Fund	Total
Cash flows from operating activities			
Cash received from providing services	\$ -	\$ 547,151	\$ 547,151
Cash payments to suppliers for goods and services	-	(689,987)	(689,987)
Net cash provided by (used for) operating activities	<u>-</u>	<u>(142,836)</u>	<u>(142,836)</u>
Cash flows from non-capital financing activities			
Nonoperating grants received	-	200,811	200,811
Net cash provided by (used for) non-capital financing activities	<u>-</u>	<u>200,811</u>	<u>200,811</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	-	57,975	57,975
Cash and cash equivalents at beginning of year	-	76,519	76,519
Cash and cash equivalents at end of year	<u>\$ -</u>	<u>\$ 134,494</u>	<u>\$ 134,494</u>
Reconciliation of operating income to net cash provided by operating activities			
Operating income (loss)	\$ -	\$ (217,403)	\$ (217,403)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization	-	2,935	2,935
Changes in assets and liabilities:			
Decrease (increase) in other assets	-	(4,511)	(4,511)
Increase (decrease) in accounts payable and accrued expenses	-	76,143	76,143
Total adjustments	<u>-</u>	<u>74,567</u>	<u>74,567</u>
Net cash provided by operating activities	<u>\$ -</u>	<u>\$ (142,836)</u>	<u>\$ (142,836)</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, 2011

	Police Pension Trust	Private Purpose Trust Funds	Agency Funds
ASSETS			
Cash & cash equivalents	\$ 259,799	\$ 78,956	\$ 193,294
Investments, at fair value:			
Cash management investment funds	207,396	447,423	-
Fixed income bond funds	1,626,333	-	-
Domestic stocks	4,865,970	-	-
Total investments	6,699,699	447,423	-
Total Assets	6,959,498	526,379	193,294
LIABILITIES			
Deposits payable to others	-	-	193,294
Total liabilities	-	-	\$ 193,294
NET ASSETS			
Held in trust for pension benefits and other purposes	\$ 6,959,498	\$ 526,379	

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, 2011

	<u>Police Pension Trust</u>	<u>Private Purpose Trust Funds</u>
Additions		
Contributions		
Employer contributions	\$ 500,000	\$ -
Plan members contributions	140,153	-
Total contributions	<u>640,153</u>	<u>-</u>
Investment earnings		
Net increase (decrease) in fair value of investments	1,312,623	-
Interest and dividends	146,832	6,678
Total investment earnings	1,459,455	6,678
Less investment expense	17,992	-
Net investment earnings	<u>1,441,463</u>	<u>6,678</u>
Total additions	<u>2,081,616</u>	<u>6,678</u>
Deductions		
Benefits paid	690,479	-
Operating expenses	16,598	14,781
Total deductions	<u>707,077</u>	<u>14,781</u>
Change in net assets	<u>1,374,539</u>	<u>(8,103)</u>
Net assets beginning	<u>5,584,959</u>	<u>534,482</u>
Net assets ending	<u>\$ 6,959,498</u>	<u>\$ 526,379</u>

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, 2011

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, 2011

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 2011:

- * 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, 2011

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.

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, 2011

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, 2011

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, 2011

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, 2011

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.

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.

TOWN OF TIVERTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

BASIS OF ACCOUNTING (continued)

Equity Classifications

Government-Wide Statements

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

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

Governmental Fund Financial Statements

For the fiscal year ended June 30, 2011 the Town has adopted the requirements of the Government Accounting Standards Board GASB Statement No. 54 - *Fund Balance Reporting and Governmental Fund Type Definitions*. Acceptance of this statement has changed the Town's presentation of the elements of fund balances, a key indicator of inter-period equity. Listed below are the new fund balance categories and their definitions.

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

TOWN OF TIVERTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

BASIS OF ACCOUNTING (continued)

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

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

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 97.2% of the total December 31, 2009 levy. The Town's fiscal 2011 property taxes were levied in July of 2010 on assessed valuation as of December 31, 2009.

Upon levy, taxes are billed quarterly and are due on July 1, October 1, January 1, and April 1. 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.

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 OF TIVERTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

BASIS OF ACCOUNTING (continued)

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 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.

**TOWN OF TIVERTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 2 – BUDGETARY DATA AND BUDGETARY COMPLIANCE (continued)

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 \$67,364,524 based on the December 31, 2009 assessment. As of June 30, 2011 the Town's debt is under the debt limit by \$30,254,524. 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 107 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 *
Tree Planting	Special Revenue	387 *
Water Quality Improvement	Special Revenue	22,115 *
Dingy Dock	Special Revenue	321 *
RI Leap Agreement	Special Revenue	6,151 *
Keep Tiverton Beautiful	Special Revenue	3,140 *
Energy Grant	Special Revenue	1,907 **
Student Equity	School Restricted	56,229 *
Old Stone Bridge	Capital Project	6,367 *

* The deficit balance will require a future administration plan to fund this deficit.

** The deficit balance will be eliminated by future reimbursements from either the State or the Federal Government.

TOWN OF TIVERTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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 cannot exceed five (5) percent of that institutions capital and surplus as set forth in the institutions most recent audited financial statements. All investments are made as would be done by prudent men of discretion and intelligence in such matters who are seeking a reasonable income and preservation of their capital.

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

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

Custodial Credit Risk

Deposits: This is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of June 30, 2011, all of the Town's bank balance of \$13,437,991 was fully insured within each financial institution or through a third party collateralization agreement.

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, 2011

NOTE 5 – CASH AND INVESTMENTS (continued)

Cash and investments of the Town consist of the following at June 30, 2011

Cash and Cash Equivalents

Deposits with financial institutions	\$	11,825,391
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Investments

Government and agency obligations		3,306,232
Cash management investment funds		654,819
Fixed income funds		1,956,235
Domestic stocks		4,865,970

<i>Total Cash and Investments</i>	\$	<u>22,608,647</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	\$	11,293,342
Investments		3,636,134

Fiduciary Funds

Cash		532,049
Investments		7,147,122

<i>Total Cash and Investments</i>	\$	<u>22,608,647</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	\$ 3,306,232	\$ 142,986	\$ 1,022,710	\$2,140,536	\$ -
Total	\$ 3,306,232	\$ 142,986	\$ 1,022,710	\$2,140,536	\$ -

**TOWN OF TIVERTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

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	\$ 1,626,333
	\$ 1,626,333

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, 2011

NOTE 7 – PROPERTY, PLANT & EQUIPMENT (continued)

Capital asset activity for the fiscal year ended June 30, 2011 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	46,860,711	132,953	-	46,993,664
Motor vehicles	3,807,835	617,808	-	4,425,643
Infrastructure	6,463,007	-	-	6,463,007
Machinery and equipment	2,888,808	32,000	-	2,920,808
Total other capital assets at historical cost	<u>60,020,361</u>	<u>782,761</u>	<u>-</u>	<u>60,803,122</u>
Less accumulated depreciation for:				
Buildings and improvements	10,510,003	1,006,125	-	11,516,128
Motor vehicles	3,296,109	231,339	-	3,527,448
Infrastructure	3,971,957	293,078	-	4,265,035
Machinery and equipment	830,498	182,039	-	1,012,537
Total accumulated depreciation	<u>18,608,567</u>	<u>1,712,581</u>	<u>-</u>	<u>20,321,148</u>
Governmental activities capital assets, net	<u>\$ 45,489,307</u>	<u>\$ (929,820)</u>	<u>\$ -</u>	<u>\$ 44,559,487</u>

Depreciation expense was charged to functions as follows:

Governmental activities:	
General government	\$ 13,696
Public safety	234,724
Public works	393,180
Parks and recreation	15,784
Education	1,055,197
Total governmental activities depreciation expense	<u>\$ 1,712,581</u>

TOWN OF TIVERTON
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

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

"Total fund balances" of the Towns' governmental funds (\$9,401,982) differs from "net assets" of governmental activities (\$5,702,847) 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.

	Total Governmental Funds	Long-term Assets/ Liabilities (1)	Reclassifications and Eliminations	Statement Net Assets Totals
Assets				
Cash and cash equivalents	\$ 11,158,848	\$ -	\$ -	\$ 11,158,848
Investments	3,636,134	-	-	3,636,134
Receivables:				
Property taxes, net	1,748,076	-	-	1,748,076
Intergovernmental	619,490	-	-	619,490
Other	28,459	-	-	28,459
Internal balances	5,177,594	-	(5,426,443)	(248,849)
Deferred charges	-	463,884	-	463,884
Property, plant and equipment - net	-	40,481,974	-	40,481,974
Assets not being depreciated	-	4,077,513	-	4,077,513
Total assets	\$ 22,368,601	\$ 45,023,371	\$ (5,426,443)	\$ 61,965,529
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued items	\$ 233,088	\$ -	\$ -	\$ 233,088
Accrued expenses	1,330,379	397,920	-	1,728,299
Internal balances	5,426,443	-	(5,426,443)	-
Deferred revenue	5,976,709	(896,767)	-	5,079,942
Long-term liabilities				
Due within one year	-	1,972,151	-	1,972,151
Due in more than one year	-	47,249,202	-	47,249,202
Total liabilities	12,966,619	48,722,506	(5,426,443)	56,262,682
Fund Balances/Net Assets				
Total fund balances/net assets	9,401,982	(3,699,135)	-	5,702,847
Total liabilities and fund balances/net assets	\$ 22,368,601	\$ 45,023,371	\$ (5,426,443)	\$ 61,965,529

(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	\$ 64,880,635
Accumulated depreciation	(20,321,148)
	\$ 44,559,487

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	\$ 1,496,173
Deferred bond cost	463,884
Premium on bond	(599,406)
Accrued interest	(397,920)
	\$ 962,731

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	\$ 37,110,000
Capital leases payable	588,101
Loan payable	62,500
Landfill closure	4,651,127
Accrued compensated absences	1,057,532
Net OPEB obligation	3,904,356
Net pension obligation	1,847,737
	\$ 49,221,353

TOWN OF TIVERTON
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

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

The "net change in the fund balances" for governmental funds (\$950,802) differs from the "change in net assets" for governmental activities \$(738,916) 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 40.

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

	<u>Total Governmental Funds</u>	<u>Long-term Revenues/ Expenses (1)</u>	<u>Capital- related Items (2)</u>	<u>Long-term Debt Transactions (3)</u>	<u>Statement of Activities Totals</u>
Revenues					
General property tax	\$ 34,733,321	\$ (16,286)	\$ -	\$ -	\$ 34,717,035
Intergovernmental and departmental revenues	9,001,505	-	-	-	9,001,505
License and permits	2,735,838	-	-	-	2,735,838
Fines and interest on late payments	346,401	-	-	-	346,401
Interest on investments	148,920	-	-	-	148,920
Other revenues	150,611	-	-	35,762	186,373
Total revenues	<u>47,116,596</u>	<u>(16,286)</u>	<u>-</u>	<u>35,762</u>	<u>47,136,072</u>
Expenditures					
Current:					
General government	1,273,509	-	(62,376)	631,489	1,842,622
Financial administration	4,100,969	-	-	(183,926)	3,917,043
Public safety	5,314,022	-	234,724	-	5,548,746
Grants, health & sanitation	1,355,013	-	-	-	1,355,013
Public works	1,788,227	-	393,180	-	2,181,407
Associated activities	101,970	-	-	-	101,970
Parks and recreation	204,967	-	(41,097)	-	163,870
Education	27,814,423	-	1,055,197	(17,060)	28,852,560
Other	378,997	-	-	27,422	406,419
Capital	79,682	-	(79,682)	-	-
Long-term obligations:					
Principal	1,707,500	-	-	(1,707,500)	-
Interest	2,008,003	(19,009)	-	-	1,988,994
Total expenditures	<u>46,127,282</u>	<u>(19,009)</u>	<u>1,499,946</u>	<u>(1,249,575)</u>	<u>46,358,644</u>
Other financing sources (uses)					
Transfers from other funds	22,660,948	-	-	-	22,660,948
Transfers to other funds	(22,660,948)	-	-	-	(22,660,948)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Prior period adjustment	(38,512)	-	-	-	(38,512)
Net change for the year	<u>\$ 950,802</u>	<u>\$ 2,723</u>	<u>\$ (1,499,946)</u>	<u>\$ 1,285,337</u>	<u>\$ 738,916</u>

TOWN OF TIVERTON
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

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>\$ (16,286)</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>\$ 19,009</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	\$ 212,635
Depreciation expense	<u>(1,712,581)</u>
Difference	<u>\$ (1,499,946)</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.

Amortization premium on bond	\$ 35,762
Amortization of bond issuance cost	(27,422)
Principal payments made	1,707,500
Lease payments made	<u>200,986</u>
	<u>\$ 1,916,826</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 decrease in compensated absences	\$ 156,984
Net increase in the other post employment benefit obligation	(160,147)
Net increase to net pension obligation	<u>(628,326)</u>
Change	<u>\$ (631,489)</u>

TOWN OF TIVERTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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.

Long-term liability activity for the fiscal year ended June 30, 2011 was as follows:

	Balance July 1, 2010	Additions	Retirements	Balance June 30, 2011	Amounts Due within One Year
Governmental Activities					
Bonds and notes payable:					
Bonds Payable	\$ 38,755,000	\$ -	\$ 1,645,000	\$ 37,110,000	\$ 1,715,000
Notes Payable	125,000	-	62,500	62,500	62,500
Total bonds and notes payable	<u>38,880,000</u>	<u>-</u>	<u>1,707,500</u>	<u>37,172,500</u>	<u>1,777,500</u>
Other liabilities:					
Accrued compensated absences	1,214,516	-	156,984	1,057,532	-
Landfill closure and postclosure care costs	4,651,127	-	-	4,651,127	-
Capital Leases	218,961	570,126	200,986	588,101	132,151
Net OPEB Obligation	3,744,209	160,147	-	3,904,356	-
Net Pension Obligation	1,219,411	628,326	-	1,847,737	-
Total other liabilities	<u>11,048,224</u>	<u>1,358,599</u>	<u>357,970</u>	<u>12,048,853</u>	<u>132,151</u>
Governmental Activities long-term liabilities	<u>\$ 49,928,224</u>	<u>\$ 1,358,599</u>	<u>\$ 2,065,470</u>	<u>\$ 49,221,353</u>	<u>\$ 1,909,651</u>

The following schedule summarizes the Town's bonds and notes

	Interest Rates	Principal	Due Dates
Governmental bonds and notes payable	0% - 6.875%	\$ 37,172,500	2012-2029
Total All Funds		<u>\$ 37,172,500</u>	

TOWN OF TIVERTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 10 - LONG-TERM DEBT (continued)

Fiscal Year Ended <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	<u>21,130,000</u>	<u>5,372,683</u>	<u>26,502,683</u>
TOTALS	<u>\$ 37,172,500</u>	<u>\$ 18,315,481</u>	<u>\$ 55,487,981</u>

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

Year End	Town <u>Lease Payments</u>
2012	153,367
2013	60,291
2014	53,165
2015	55,784
2016	48,624
Thereafter	<u>216,870</u>
Future minimum rental payments	588,101
Interest portion of payments	<u>111,739</u>
Obligation under capital leases	<u>\$ 699,840</u>

As of June 30, 2011, all capital leases are scheduled to be paid off as of June 30, 2020.

TOWN OF TIVERTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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, 2011.

	<u>Due from other funds</u>	<u>Due to other funds</u>
General Fund	\$ 1,449,812	\$ 3,976,631
Special Revenue Funds:		
School Unrestricted	2,431,792	1,304,003
Town Restricted	1,100,244	128,094
	3,532,036	1,432,097
Capital Projects:	195,746	17,715
Enterprise Funds		
Land Acquisition	248,849	-
Totals	<u>\$ 5,426,443</u>	<u>\$ 5,426,443</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, 2011.

<u>Fund / Department</u>	<u>Transfers from other funds</u>	<u>Transfers to other funds</u>
General Fund	\$ 521,189	\$ 22,130,739
Special Revenue SRUF	20,743,210	-
Special Revenue Town	405,355	520,385
Capital Project Funds	991,194	804
Debt Service Fund	-	9,020
Totals	<u>\$ 22,660,948</u>	<u>\$ 22,660,948</u>

TOWN OF TIVERTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 12 – LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

The Town accounts for its closure and post-closure 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 post-closure 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 post-closure 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 post-closure 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 post-closure care costs as an operating expense in each period based on budget appropriations. The \$4,651,127 reported as landfill closure and post-closure care liability at June 30, 2011, represents the cumulative amount reported to date. These amounts are based on what it would cost to perform all closure and post-closure 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 post-closure costs over the remaining life of the landfill through general fund contributions. As of June 30, 2011, the Town has accumulated \$4,015,699 in the Landfill Closure Capital Project Fund for this purpose.

NOTE 13 - SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

A. Litigation

Bay Street Contamination

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 with the \$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

TOWN OF TIVERTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 13 - SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES (continued)

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. 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.

Tiverton School Committee v. Town of Tiverton

This case involves a dispute as to whether the Town must "indemnify" the School Committee for a shortfall in expected State Aid in the 2009-2010 fiscal year, in the amount of approximately \$367,000; and approximately \$243,092 in the 2010-2011 fiscal year; and also whether approximately \$110,000 in out-of-district tuition from Fall River, Ma. should be deposited to the General Fund accounts, or retained by the School Committee for its own discretionary use. The case was brought in December 2010 by the School Committee to the Commissioner of Education, and then subsequently appealed by the Town to the Board of Regents. The Board of Regents issued its ruling, affirming the Commissioner of Education. This is essentially a split decision, with the Town prevailing on the Fall River Ma. tuition issue, but losing on the issue of "indemnifying" the schools for their loss of state aid. The issue squarely joined, with the Board of Regents using similar language that the Town must "hold harmless" the School Department for loss of state aid.

On November 22, 2011, the Town filed a Writ of Cert Petition with the Rhode Island Supreme Court. The Town firmly believes that it should prevail in this case, however a loss could create further incalculable liabilities in future years for losses in state or federal aid to the School Department.

B. Federally Assisted Programs - Compliance Audits

The Town participates in a number of federally assisted programs. The audits of these programs through the year ended June 30, 2011 were audited in connection with the accompanying financial statements under the Single Audit Concept and the auditor's reports thereon are presented in the Single Audit Report. Management believes that the amounts, if any, of expenditures, which may be disallowed, will not be material to the financial position of the Town.

TOWN OF TIVERTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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: 20 years of service or attainment of age 55, whichever comes first.
Fire employees: Any age with 20 years.
School employees: Age 55 with 20 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 \$900.00 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 pay 10-15% of their premium based on their date of hire.
School Employees: Individual Plan, 25% to 50% based on age & service, Family Plan 25% to 50% based on age and service.

Benefit/Cost Sharing – Dental

Police Employees: None
Fire Employees: None
Town Employees: Pay 10-15% of their premium based on their date of hire.
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, 2011

NOTE 14 – OTHER POST RETIREMENT BENEFITS (continued)

Eligibility – Life Insurance

Town Employees: The Town does not provide life insurance in retirement.
School employees: Age 55 with 20 years of service until the age of 65.

Membership

	Medical	Dental	Life
Active	262	262	257
Retirees	<u>98</u>	<u>97</u>	<u>57</u>
Total	360	359	314

Funding Policy

Contribution requirements are negotiated between the Town and the respective unions and employees. For the year-ended June 30, 2011, 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, 2011 the Town contributed \$1,270,679 to the plan.

Annual OPEB Funded Status and net OPEB Obligation

Actuarial Valuation Date <u>July 1,</u>	Actuarial Value of Assets <u>(a)</u>	Accrued Liability (AAL) <u>(b)</u>	Unfunded AAL (UAAL) <u>(b-a)</u>	Funded Ratio <u>(a/b)</u>	Covered Payroll <u>(c)</u>	UAAL as a Percentage of Covered Payroll <u>((b-a)/c)</u>
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
2010	-0-	\$24,131,071	\$(24,131,071)	0.0%	N/A	N/A

Annual OPEB Cost and Net OPEB Obligation: Below are the required pension obligation presentations per GASB 45 for the period ending June 30, 2011.

Annual required contribution	\$2,420,634
Interest on OPEB obligation	131,049
Adjustment to annual required contribution	(314,098)
Amortization of actuarial (gains)/losses	<u>(806,757)</u>
Annual pension cost	1,430,828
Contributions made	<u>1,270,681</u>
Increase (decrease) in OPEB obligation	<u>160,147</u>
Net OPEB obligation beginning of year	<u>3,744,209</u>
Net OPEB obligation end of year	<u><u>\$3,904,356</u></u>

TOWN OF TIVERTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 14 – OTHER POST RETIREMENT BENEFITS (continued)

Required Contributions:

<u>Years Ending June 30</u>	<u>Town's Portion of Annual Required Contributions</u>	<u>Percentage Contributed</u>
2009	\$ 3,175,366	39.5%
2010	\$ 3,222,448	42.8%
2011	\$ 2,420,634	52.49%

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, 2010
Interest Rate	3.50%
2011 Medical Trend Rate	8.00%
2011 Dental Trend Rate	7.00%
General Inflation Assumption	3.50%
Annual Compensation Increases	4.50%
Actuarial Value of Assets	Market Value
Amortization of UAAL	30 Years
Remaining Amortization Period	28 Years

TOWN OF TIVERTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 15 - PENSION PLANS

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

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

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

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

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

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

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

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

TOWN OF TIVERTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 15 - PENSION PLANS (continued)

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

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

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

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

Retirement Benefits

Eligibility:

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

**TOWN OF TIVERTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 15 - PENSION PLANS (continued)

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

(v) Correctional officers who are hired after September 30, 2009 become eligible to retire when they have reach age 55 and have credit for 25 years of service.

(vi) Nurses (RNs) employed by MHRH who are hired after September 30, 2009 become eligible when they have reach age 55 and have credit for 25 years of service.

(vii) Schedule A members who are not grandfathered, i.e., members who had at least 10 years of creditable service at June 30, 2005 but who were not eligible to retire on September 30, 2009, will be eligible for retirement at an individually determined age. This age is the result of interpolating between the retirement age under the rules applicable to grandfathered employees in (i) above and the retirement age applicable to members hired after September 30, 2009 in (iv) above. The interpolation is based on service as of Sept. 30, 2009 divided by projected service at the retirement age under (i) above.

(viii) Correctional officers hired on or before September 30, 2009 who are not eligible for retirement at that date will have an individually determined retirement age. This age is the result of interpolating between the retirement age for grandfathered employees in (ii) above and the retirement age applicable to members hired after September 30, 2009 in (v) above.

(ix) Similarly, MHRH nurses (RNs) hired on or before September 30, 2009 who are not eligible to retire at that date will have an individually determined retirement age. This age is the result of interpolating between the retirement age for grandfathered employees in (iii) above and the retirement age applicable to members hired after September 30, 2009 in (vi) above.

Monthly Benefit: The retirement benefit is a percentage of the member's monthly FAC. This percentage is a function of the member's service as described below.

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

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

The maximum benefit is 80% of FAC.

TOWN OF TIVERTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 15 - PENSION PLANS (continued)

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

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

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

The maximum benefit is 75% of FAC.

(iii) For Schedule A members who are not grandfathered, i.e., members who had at least 10 years of creditable service at June 30, 2005 but who were not eligible to retire on September 30, 2009, benefits are based on Schedule A (under (i) above) for service through September 30, 2009 and on Schedule B (under (ii) above) for service after September 30, 2009. The maximum benefit is 80% of FAC.

(iv) MHRH nurses receive a benefit determined under the appropriate formula above.

(v) Correctional Officers receive a benefit computed under a different formula:

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

**TOWN OF TIVERTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 15 - PENSION PLANS (continued)

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

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

Retirement Benefits

Payment Form: Benefits are paid as a monthly life annuity. Optional forms of payment are available.

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

As prescribed by Rhode Island general law, the State pays the entire portion of the annual required contribution attributable to the costs of contributions deferred by the State in prior years plus 40% of contributions assessed to employers on payroll not reimbursable through Federal programs. This resulted in contribution rates paid by the State on behalf of the School Department of 8.18% of non-federally reimbursable payrolls totaling \$1,043,137 for the fiscal year ended June 30, 2011. These on-behalf payments of fringe benefits have been recognized as revenues and expenditures in the fiscal period. The School Department does not have any investments or related party investment with the State Plan.

Required Contributions:

<u>Years Ending June 30</u>	<u>Town's Portion of Annual Required Contributions</u>	<u>Percentage Contributed</u>
2009	\$ 1,499,666	100%
2010	\$ 1,080,135	100%
2011	\$ 1,409,417	100%

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

**TOWN OF TIVERTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 15 - PENSION PLANS (continued)

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

Actuarial Methods and Assumptions

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

Valuation date	June 30, 2010
Actuarial cost method	Entry Age Actuarial Cost Method
Amortization method	Level Percent of Payroll – Closed 30-yr period
Remaining amortization period	18 Years
Asset valuation method	5 Year Smoothed Market
Actuarial assumptions:	
Investment rate of return	7.50%, Compounded Annually
Projected salary increases	3.00-7.00%
Cost-of-living adjustments	2.75%
Inflation Rate	2.75% Annually

Post Retirement Benefit Increases: For grandfathered Schedule A members, i.e., members who were retired or eligible to retire by Sept. 30, 2009, the post-retirement benefit increases set by statute to be 3.00%. They are not a function of the actual increases in the cost of living. Other members receive a compound increase each year equal to the increase in the CPI, but limited to 3.00%. This limit lowers the average expected increase below the inflation assumption of 2.75%. The assumed average increase received for this group of employees is 2.35%. The indexed COLA limitation (\$35,000 for 2010) is also assumed to grow at 2.35% per annum.

B. Municipal Employees' Retirement System of the State of Rhode Island

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

TOWN OF TIVERTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 15 - PENSION PLANS (continued)

B. Municipal Employees' Retirement System of the State of Rhode Island

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

Employee Contributions: General employees contribute 6.00% of their salary per year, and police officers and firefighters contribute 7.00%. In addition, if the municipality has elected one of the optional cost-of-living provisions, an additional member contribution of 1.00% of salary is required. If a municipality elects the optional 20-year retirement provision for its police officers and/or its firefighters, an additional contribution of 1.00% of salary will be required from these members. The municipality, at its election, may choose to "pick up" the members' contributions for its employees under the provisions of Internal Revenue Code (IRC) Section 414(h).

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

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

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

Final Average Compensation (FAC): The average of the member's highest three consecutive annual salaries. Monthly benefits are based on one-twelfth of this amount.

TOWN OF TIVERTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 15 - PENSION PLANS (continued)

B. Municipal Employees' Retirement System of the State of Rhode Island

Retirement Benefits

Eligibility: General employees are eligible for retirement on or after age 58 if they have credit for 10 or more years of service, or at any age if they have credit for at least 30 years of service. Members designated as police officers or firefighters may retire at or after age 55 with credit for at least 10 years of service, or at any age with credit for 25 or more years of service. Members may retire and receive a reduced benefit if they are at least age 50 and have at least 20 years of service. If the municipality elects to adopt the 20-year retirement provisions for police officers and/or firefighters, then such a member may retire at any age with 20 or more years of service.

Monthly Benefit: 2.00% of the member's monthly FAC for each year of service, up to 37.5 years (75% of FAC maximum). If the optional 20-year retirement provisions are adopted by the municipality and the member has attained 20 years of service, the benefit is 2.50% of the member's monthly FAC for each year of service, up to 30 years (75% of FAC maximum). If a police officer or firefighter not covered by the 20-year retirement provision retires before age 55 with at least 20, but less than 25, years of service, benefits are reduced 0.5% per month that the member's age at retirement is less than 55.

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

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

TOWN OF TIVERTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 15 - PENSION PLANS (continued)

B. Municipal Employees' Retirement System of the State of Rhode Island

Retirement Benefits

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date June 30,	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (Asset) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
General Employees						
2006	9,364,841	7,740,238	(1,624,603)	121%	2,524,085	-64%
2007	10,274,621	8,633,679	(1,640,942)	119%	2,879,235	-57%
2008	11,103,716	8,936,781	(2,166,935)	124%	2,880,223	-75%
2009	11,267,260	9,423,527	(1,843,733)	120%	3,047,377	-61%
2010	11,179,417	10,830,990	(348,427)	103%	2,928,151	-12%
2011	*N/A	*N/A	*N/A	*N/A	*N/A	*N/A

* Unavailable at the time of the report

Actuarial Methods and Assumptions

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

Valuation date	June 30, 2010
Actuarial cost method	Entry Age Actuarial Cost Method
Amortization method	Level Percent of Payroll – Closed 30-yr period
Remaining amortization period	18 Years
Asset valuation method	5 Year Smoothed Market
Actuarial assumptions:	
Investment rate of return	7.50%, Compounded Annually
Projected salary increases	4.00-8.00%
Cost-of-living adjustments	2.75%
Inflation Rate	2.75% Annually
Post Retirement Benefit Increases	3.00% Of Original Retirement Benefit

**TOWN OF TIVERTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 15 - PENSION PLANS (continued)

B. Municipal Employees' Retirement System of the State of Rhode Island

The annual required contribution for the Town which equals the annual pension cost for the year ended June 30, 2011 was \$70,749 for general employees.

The annual required contribution for the Town which equals the annual pension cost for the year ended June 30, 2011 was \$155,296 for fire employees.

Required contributions for general employees:

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>
2009	\$ 89,757	100%
2010	\$ 91,462	100%
2011	\$ 70,749	100%

Required contributions for fire employees:

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>
2009	\$ 159,351	100%
2010	\$ 136,903	100%
2011	\$ 155,296	100%

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.

TOWN OF TIVERTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 15 - PENSION PLANS (continued)

C. Police Pension Plan

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.

Summary of Significant Accounting Policies

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, 2011

NOTE 15 - PENSION PLANS (continued)

C. Police Pension Plan

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 2011 to the Police Pension Fund is as follows:

Annual required contribution	\$ 1,067,884
Interest on net pension obligation	85,359
Adjustment to annual required contribution	<u>(72,510)</u>
Annual pension cost	1,080,733
Contributions made	<u>452,407</u>
Increase (decrease) in net pension obligation	628,326
Net pension obligation beginning of year	<u>1,219,411</u>
Net pension obligation end of year	<u>\$1,847,737</u>

For 2011, the Town's annual pension cost was \$1,080,733 for the Police Pension Fund and actual contributions were \$452,407 based on the actuarial calculation. The required contribution was determined as part of the July 1, 2010 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.

**TOWN OF TIVERTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 15 - PENSION PLANS (continued)

C. Police Pension Plan

Participant information:

Active employees	27
Retirees & beneficiaries	<u>27</u>
	<u>54</u>

Trend Information

Police Pension Plan

Fiscal Year	Annual Required Contribution	Percentage of APC Contributed	Net Pension Obligation	Actual Contribution
2009	\$711,225	100%	\$194,005	\$711,225
2010	\$1,023,362	63%	\$1,219,411	\$644,063
2011	\$ 1,067,884	42%	\$1,847,737	\$452,407

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.

TOWN OF TIVERTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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, 2011.

NOTE 18 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 22, 2011 the date the financial statements were available to be issued. As a result of this review no material subsequent events were noted.

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.

REQUIRED SUPPLEMENTARY INFORMATION

Town of Tiverton, Rhode Island

**Schedule of Funding Progress for the Town of Tiverton Police Department Pension Plan
June 30, 2011
(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	7/1/2006	\$ 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%
	7/1/2011	\$ 6,959	\$ 14,685	\$ 7,726	47%	\$ 1,603	482%

Town of Tiverton, Rhode Island

**Pension Plan Required Supplemental Information
June 30, 2011
(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
Pension Plan

Valuation Date	7/1/2011	
Actuarial Cost Method	Entry Age Normal	
Amortization Method	Level Percent of Payroll -Open	
Remaining Amortization Period	25 Years	
Asset Valuation Method	Market Value	
Actuarial assumptions:		
Investment rate of return	7.0%	
Projected Salary Increases	5.0%	
Participant Information	Active Employees	27
	Retirees and beneficiaries	27
		<u>54</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, 2011

	<u>Original Budget</u>	<u>Transfers</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues					
General property tax	\$ 34,753,682	\$ -	\$ 34,753,682	\$ 34,733,321	\$ (20,361)
Intergovernmental and departmental revenue	1,162,752	-	1,162,752	1,125,220	(37,532)
License and permits	1,593,805	-	1,593,805	1,704,129	110,324
Fines and interest on late payments	225,000	-	225,000	346,401	121,401
Interest on investments	65,000	-	65,000	41,900	(23,100)
Other revenue	30,280	-	30,280	18,960	(11,320)
Total Revenues	<u>37,830,519</u>	<u>-</u>	<u>37,830,519</u>	<u>37,969,931</u>	<u>139,412</u>
Expenditures					
General government	1,162,509	(7,956)	1,154,553	1,009,193	145,360
Financial administration	4,220,894	(87,435)	4,133,459	4,100,969	32,490
Public safety	5,206,142	(64,674)	5,141,468	5,133,850	7,618
Grants, health & sanitation	574,250	(14,452)	559,798	559,276	522
Public works	1,290,064	204,829	1,494,893	1,275,652	219,241
Associated activities	112,085	-	112,085	101,970	10,115
Parks and recreation	126,464	(2,451)	124,013	114,991	9,022
Capital budget	498,930	109,964	608,894	458,679	150,215
Debt service - principal	1,280,000	2,000	1,282,000	1,280,000	2,000
Debt service - interest	1,561,468	-	1,561,468	1,562,159	(691)
Total expenditures	<u>16,032,806</u>	<u>139,825</u>	<u>16,172,631</u>	<u>15,596,739</u>	<u>575,892</u>
Excess of revenues over expenditures before operating transfers	<u>21,797,713</u>	<u>(139,825)</u>	<u>21,657,888</u>	<u>22,373,192</u>	<u>715,304</u>
Operating transfers					
Operating transfers to other funds	(22,127,713)	(2,800)	(22,130,513)	(22,130,739)	(226)
Operating transfers from other funds	330,000	-	330,000	521,189	191,189
Carryforwards	-	142,625	142,625	-	(142,625)
Total operating transfers	<u>(21,797,713)</u>	<u>139,825</u>	<u>(21,657,888)</u>	<u>(21,609,550)</u>	<u>48,338</u>
Excess of revenues over expenditures and operating transfers	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 763,642</u>	<u>\$ 763,642</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, 2011

	<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	\$ 34,753,682	\$ -	\$ 34,753,682	\$ 34,733,321	\$ (20,361)
Total general property taxes	<u>34,753,682</u>	<u>-</u>	<u>34,753,682</u>	<u>34,733,321</u>	<u>(20,361)</u>
Intergovernmental and departmental revenues					
State of Rhode Island	1,162,752	-	1,162,752	1,125,220	(37,532)
Total intergovernmental and departmental revenue	<u>1,162,752</u>	<u>-</u>	<u>1,162,752</u>	<u>1,125,220</u>	<u>(37,532)</u>
Licenses, permits and usage fees					
Business fees	584,330	-	584,330	613,880	29,550
Usage fees	1,009,475	-	1,009,475	1,090,249	80,774
Total licenses, permits and usage fees	<u>1,593,805</u>	<u>-</u>	<u>1,593,805</u>	<u>1,704,129</u>	<u>110,324</u>
Fines and interest on late payments	225,000	-	225,000	346,401	121,401
Interest on investments	65,000	-	65,000	41,900	(23,100)
Other revenues	30,280	-	30,280	18,960	(11,320)
Total revenues	<u>37,830,519</u>	<u>-</u>	<u>37,830,519</u>	<u>37,969,931</u>	<u>139,412</u>
Other financing sources					
Transfer from ambulance & rescue	330,000	-	330,000	422,045	92,045
Transfer from Pocasset bond fund	-	-	-	804	804
Transfer from impact fees	-	-	-	98,340	98,340
Appropriated fund balance	-	142,625	142,625	-	(142,625)
Total other financing sources	<u>330,000</u>	<u>142,625</u>	<u>472,625</u>	<u>521,189</u>	<u>48,564</u>
Total revenue and other financing sources	<u>\$ 38,160,519</u>	<u>\$ 142,625</u>	<u>\$ 38,303,144</u>	<u>\$ 38,491,120</u>	<u>\$ 187,976</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, 2011

	Original Budgeted Expenditures	Transfers	Revised Budgeted Expenditures	Actual Expenditures	Variance
<i>Town Clerk's Office - 101</i>					
Town Clerk Salary	51,899	-	51,899	50,134	1,765
Clerical	129,782	1,535	131,317	131,317	-
Longevity	5,000	-	5,000	5,000	-
Supplies & expenses	8,400	1,500	9,900	9,900	-
Photocopier Lease	7,000	(2,363)	4,637	4,637	-
Recording expenses	30,000	(4,569)	25,431	25,431	-
Recode Town Code	2,000	6,033	8,033	5,826	2,207
<i>Total Town Clerk</i>	234,081	2,136	236,217	232,245	3,972
<i>Town Council - 102</i>					
Personal Services	17,300	-	17,300	17,300	-
Supplies & expenses	2,000	-	2,000	1,956	44
Contingency	20,000	(14,954)	5,046	5,046	-
Advertising/Ordinances	15,000	(2,231)	12,769	12,769	-
<i>Total Town Council</i>	54,300	(17,185)	37,115	37,071	44
<i>Town Administrator - 112</i>					
Town Administrator Salary	86,127	323	86,450	84,223	2,227
Clerical	37,454	(4,216)	33,238	33,136	102
Office Supplies	3,000	(6,732)	(3,732)	(3,732)	-
Computer service	5,000	(1,025)	3,975	3,710	265
League of Cities/Towns	9,375	-	9,375	9,225	150
Expense Account	2,000	(2,000)	-	-	-
Vehicle Expense	2,000	(103)	1,897	1,697	200
Photocopier Lease	2,700	-	2,700	2,319	381
Town-Wide Internet	3,500	87	3,587	3,587	-
Tiverton Web Site	4,200	500	4,700	4,610	90
<i>Total Town Administrator</i>	155,356	(13,166)	142,190	138,775	3,415
<i>Board of Canvassers - 103</i>					
Personnel Services	3,000	(1,200)	1,800	1,800	-
Elections	24,000	32,406	56,406	27,334	29,072
Printing & Supplies	2,500	59	2,559	2,559	-
<i>Total board of canvassers</i>	29,500	31,265	60,765	31,693	29,072
<i>Town Hall Operating - 104</i>					
Heat	6,325	-	6,325	5,065	1,260
Electric	12,000	-	12,000	11,007	993
Telephone	4,200	-	4,200	3,557	643
Water & Supplies	900	-	900	267	633
Repairs	7,000	-	7,000	6,263	737
<i>Total Town Hall Operating</i>	30,425	-	30,425	26,159	4,266
<i>Legal Services - 105</i>					
Town Solicitor	96,000	-	96,000	96,000	-
Legal Zoning	15,000	-	15,000	11,810	3,190
Litigation	150,000	-	150,000	113,244	36,756
Prosecutors	24,000	-	24,000	24,000	-
Labor Counsel	75,000	-	75,000	13,530	61,470
<i>Total Legal Services</i>	360,000	-	360,000	258,584	101,416

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, 2011

	Original Budgeted Expenditures	Transfers	Revised Budgeted Expenditures	Actual Expenditures	Variance
Municipal Court - 196					
Judge	12,500	-	12,500	12,500	-
Clerical Assistant	10,100	-	10,100	9,629	471
Bailiff	1,200	-	1,200	1,000	200
Telephone	350	-	350	283	67
Office Supplies & Expense	1,000	-	1,000	952	48
Total Municipal Court	25,150	-	25,150	24,364	786
Probate Court - 197					
Judge	8,500	11	8,511	8,511	-
Recording Expenses	3,000	(2,705)	295	295	-
Supplies	1,000	-	1,000	1,000	-
Program Software	300	-	300	295	5
Total Probate Court	12,800	(2,694)	10,106	10,101	5
Building and Zoning Inspector - 106					
Building Inspector Salary	55,508	211	55,719	55,211	508
Clerical	36,654	143	36,797	36,797	-
Longevity	1,600	-	1,600	1,600	-
Vacation coverage	1,000	170	1,170	1,170	-
Automobile Expenses	3,000	(730)	2,270	2,208	62
Telephone	1,600	-	1,600	1,492	108
Software maintenance	1,647	1,000	2,647	2,422	225
Office Supplies	3,500	1,337	4,837	4,837	-
Boarding for Buildings	1,000	(1,000)	-	-	-
Total Building and Zoning Inspector	105,509	1,131	106,640	105,737	903
Planning Board - 107 & 115					
Administrative Officer	6,000	-	6,000	6,000	-
Zoning Ordinances	3,500	(3,500)	-	-	-
Personnel Services	68,614	260	68,874	67,860	1,014
Planning Dept Personnel	35,202	-	35,202	35,202	-
Longevity	1,000	-	1,000	1,000	-
Telephone	800	-	800	800	-
Supplies and Postage	4,500	273	4,773	4,683	90
Publications	200	-	200	176	24
Professional/Technical Services	10,000	(3,540)	6,460	6,460	-
Computer Upgrades	2,000	(140)	1,860	1,509	351
Photo Copier Lease	1,000	-	1,000	1,000	-
GIS Expenses	7,000	-	7,000	6,999	1
Total Planning Board	139,816	(6,647)	133,169	131,689	1,480
Zoning Board of Review - 108					
Copy Services	672	(290)	382	381	1
Public Stenographer	5,700	(2,887)	2,813	2,813	-
Supplies	1,700	(208)	1,492	1,492	-
Total Zoning Board	8,072	(3,385)	4,687	4,686	1
Town Sergeant - 109					
	1,500	-	1,500	1,500	-
Town Financial Meeting - 110					
	6,000	589	6,589	6,589	-
Total General Government	1,162,509	(7,956)	1,154,553	1,009,193	145,360

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, 2011

	<u>Original Budgeted Expenditures</u>	<u>Transfers</u>	<u>Revised Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Variance</u>
<i>Finance and Administration</i>					
<i>Tax Assessors - 212</i>					
Personnel Services	64,800	258	65,058	63,744	1,314
Clerical	54,400	(1,240)	53,160	53,160	-
Longevity	3,700	-	3,700	3,700	-
Telephone	800	566	1,366	1,366	-
Mileage	2,000	(564)	1,436	1,436	-
Professional Services	3,000	2,106	5,106	5,106	-
Supplies	4,000	375	4,375	4,375	-
Computers	6,000	25	6,025	6,025	-
Printing/Postage	3,000	(300)	2,700	2,700	-
Publications and Periodicals	500	(259)	241	241	-
<i>Total Board of Assessment Review</i>	142,200	967	143,167	141,853	1,314
<i>Treasurer - 214</i>					
Personnel Services	63,162	(8,135)	55,027	55,027	-
Clerical	89,245	76	89,321	89,321	-
Longevity	3,700	-	3,700	3,700	-
Telephone	1,215	224	1,439	1,362	77
Computer/Software Maintenance	1,000	-	1,000	696	304
Supplies	6,800	(5,362)	1,438	888	550
Computer	8,900	-	8,900	8,900	-
Computerized Payroll	11,000	900	11,900	11,575	325
Treasurer's Report	1,000	-	1,000	264	736
Office Equipment	1,000	-	1,000	959	41
Consultants	10,000	1,650	11,650	11,135	515
<i>Total Treasurer</i>	197,022	(10,647)	186,375	183,827	2,548
<i>Tax Collector - 215</i>					
Personnel Services	29,355	200	29,555	28,660	895
Clerical	54,398	-	54,398	53,724	674
Longevity	2,700	-	2,700	2,700	-
Telephone	800	-	800	800	-
Supplies and Tax Bill Printing	8,400	(200)	8,200	6,309	1,891
Collection Service	10,000	(6,065)	3,935	3,935	-
Computer Services	3,193	1,500	4,693	3,522	1,171
Postage	8,185	-	8,185	8,185	-
<i>Total Tax Collector</i>	117,031	(4,565)	112,466	107,835	4,631
<i>Tax Sale - 217</i>	3,000	-	3,000	2,612	388
<i>Insurance - 219</i>					
Liability/Property/Workers Comp	265,000	(2,950)	262,050	262,050	-
Group Insurance/Health	2,141,731	(57,080)	2,084,651	2,084,651	-
<i>Total Insurance</i>	2,406,731	(60,030)	2,346,701	2,346,701	-
<i>Audit of Town Accounts - 220</i>	20,640	-	20,640	20,640	-
<i>Pension Plans - 222</i>					
Municipal	67,709	3,040	70,749	71,768	(1,019)
Police	500,000	-	500,000	500,000	-
Fire	194,815	(4,026)	190,789	155,463	35,326
Special retirement	16,500	-	16,500	16,500	-
<i>Total Pension Plans</i>	779,024	(986)	778,038	743,731	34,307

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, 2011

	<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>	480,246	-	480,246	490,944	(10,698)
<i>Unemployment Security - 227</i>	15,000	(14,309)	691	691	-
<i>Unfunded Liability -230</i>	60,000	2,135	62,135	62,135	-
<i>Total Financial Administration</i>	<u>4,220,894</u>	<u>(87,435)</u>	<u>4,133,459</u>	<u>4,100,969</u>	<u>32,490</u>
<i>Public Safety</i>					
<i>Fire Department - 325 & 331</i>					
Chief	76,201	206	76,407	75,281	1,126
Personal services	1,536,103	(89,000)	1,447,103	1,447,088	15
Overtime	245,000	109,366	354,366	361,592	(7,226)
Differential	3,526	320	3,846	3,824	22
Paid Holidays	73,168	(4,907)	68,261	68,261	-
Longevity	88,678	(15,612)	73,066	73,066	-
Educational Allowance	25,000	(816)	24,184	24,184	-
Clothing Allowance	39,500	197	39,697	39,697	-
EMS Incentive	52,000	1,568	53,568	53,567	1
Fire Marshall Inspections	40,000	921	40,921	40,921	-
Misc. Operating Supplies	625	-	625	623	2
<i>Total Fire Salaries</i>	<u>2,179,801</u>	<u>2,243</u>	<u>2,182,044</u>	<u>2,188,104</u>	<u>(6,060)</u>
<i>Fire Operating Expenses - 331</i>					
Heat	25,000	(4,300)	20,700	19,436	1,264
Fuel, Oil, Tires	41,500	51	41,551	41,551	-
Electric	18,920	(4,800)	14,120	14,019	101
Telephone	13,776	3,017	16,793	16,793	-
Water	1,500	-	1,500	1,328	172
Office Supplies	5,000	829	5,829	5,824	5
Firefighters Training	5,000	-	5,000	5,000	-
Minor Equipment Replacements	9,500	400	9,900	9,900	-
Hazardous Equipment	2,000	-	2,000	1,977	23
Station/Building Maintenance	25,000	(267)	24,733	24,673	60
Apparatus Maintenance	40,000	(1,646)	38,354	38,118	236
Equipment Service Contract	20,000	1,075	21,075	21,032	43
Radio Maintenance	10,500	-	10,500	10,375	125
Medical Supplies	20,000	4,079	24,079	23,442	637
Personal & Protective Gear	20,000	4,946	24,946	24,946	-
Medical Physicals	9,000	(5,198)	3,802	3,801	1
Sewer fee	1,000	(429)	571	446	125
Software Maintenance	5,200	-	5,200	5,200	-
Pagers	4,800	-	4,800	4,728	72
<i>Total Fire Operating Expenses</i>	<u>277,696</u>	<u>(2,243)</u>	<u>275,453</u>	<u>272,589</u>	<u>2,864</u>
<i>Total Fire Department</i>	<u>2,457,497</u>	<u>-</u>	<u>2,457,497</u>	<u>2,460,693</u>	<u>(3,196)</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, 2011

	Original Budgeted Expenditures	Transfers	Revised Budgeted Expenditures	Actual Expenditures	Variance
<i>Police Department Salaries - 333</i>					
Chief	79,591	685	80,276	77,788	2,488
Personal services	1,705,748	(24,461)	1,681,287	1,678,508	2,779
Deputy Chief	65,000	(65,000)	-	-	-
Overtime Patrol	106,000	2,078	108,078	108,078	-
Shift Differential	15,000	(669)	14,331	14,331	-
Out of Rank Pay	3,535	666	4,201	4,197	4
Holiday Pay	102,692	(6,331)	96,361	96,361	-
Longevity	80,440	(12,735)	67,705	67,705	-
Sick Leave Buyback	14,500	4,166	18,666	18,666	-
Education Incentive	38,000	1,515	39,515	39,514	1
Total Police Salaries	2,210,506	(100,086)	2,110,420	2,105,148	5,272
<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	1,690	29,690	27,917	1,773
State Psychological Tests	1,000	(430)	570	570	-
State Qualifications	1,500	-	1,500	1,500	-
Clothing Allowance	44,000	(1,176)	42,824	42,824	-
Uniform/Equipment Replacement	4,000	155	4,155	4,155	-
Medical Expenses	1,000	(308)	692	692	-
In-Service Training	12,000	-	12,000	12,000	-
Total Police General Expenses	93,350	(69)	93,281	91,508	1,773
<i>Police Operations - 333</i>					
Heat	12,375	(1,028)	11,347	11,347	-
Gas & Oil	80,000	3,710	83,710	81,738	1,972
Electricity	20,000	(1,000)	19,000	18,565	435
Telephones	16,200	1,721	17,921	17,866	55
Water	875	(62)	813	813	-
Photographic Supplies	10,700	18,830	29,530	29,530	-
Office Supplies	10,000	1,500	11,500	11,284	216
Building Maintenance	7,500	2,613	10,113	10,113	-
Vehicle Parts & Maintenance	18,500	8,734	27,234	27,066	168
Radio Communications	12,000	5,979	17,979	17,979	-
Photo Copier Lease	12,475	-	12,475	12,475	-
Total Police Operations	200,625	40,997	241,622	238,776	2,846
<i>Animal Control - 334</i>					
Animal Control Officer	40,764	103	40,867	40,867	-
Animal Control - Misc	1,000	-	1,000	1,000	-
Animal Shelter	33,500	(5,843)	27,657	27,657	-
Total Animal Control	75,264	(5,740)	69,524	69,524	-
Total Police Department 333&334	2,579,745	(64,898)	2,514,847	2,504,956	9,891
<i>Harbor and Coastal Management - 335</i>					
Harbor Commission	300	-	300	234	66

REQUIRED SUPPLEMENTARY INFORMATION
TOWN OF TIVERTON, RHODE ISLAND
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Schedule of Expenditures - Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended June 30, 2011

	<u>Original Budgeted Expenditures</u>	<u>Transfers</u>	<u>Revised Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Variance</u>
Harbor Master - 336					
Salaries	5,000	-	5,000	5,000	-
Boat Operations	10,000	(42)	9,958	9,274	684
Communication Devices	300	-	300	289	11
Uniforms/Clothing	300	-	300	160	140
Supplies	1,000	42	1,042	1,020	22
Removal of Moorings	500	-	500	500	-
Total Harbor Master	<u>17,100</u>	<u>-</u>	<u>17,100</u>	<u>16,243</u>	<u>857</u>
Miscellaneous Public Safety - 338 & 339					
Street Lights	150,000	224	150,224	150,224	-
Stone Bridge Water Hydrants	1,500	-	1,500	1,500	-
Total Miscellaneous Public Safety	<u>151,500</u>	<u>224</u>	<u>151,724</u>	<u>151,724</u>	<u>-</u>
Total Public Safety	<u>5,206,142</u>	<u>(64,674)</u>	<u>5,141,468</u>	<u>5,133,850</u>	<u>7,618</u>
Grants, Health & Sanitation					
Economic Development Commission	6,250	(5,500)	750	249	501
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	550,000	(8,952)	541,048	541,027	21
Total Grants, Health & Sanitation	<u>574,250</u>	<u>(14,452)</u>	<u>559,798</u>	<u>559,276</u>	<u>522</u>
Public Works - 554					
Superintendent	81,466	308	81,774	80,308	1,466
Maintenance Workers/DPW Clerk	373,556	(7,946)	365,610	365,610	0
Overtime	37,973	-	37,973	34,494	3,479
Longevity	13,812	1,122	14,934	14,934	0
Sick Leave	12,865	719	13,584	12,990	594
Public Works Salaries	<u>519,671</u>	<u>(5,797)</u>	<u>513,874</u>	<u>508,336</u>	<u>5,538</u>
Public Works Operations - 554					
Sand/Salt/Gravel	100,000	17,127	117,127	117,127	-
Operating Supplies	13,650	(508)	13,142	13,142	-
Heat	12,500	(363)	12,137	12,137	-
Fuel/Oil/Gas	46,000	7,935	53,935	46,148	7,787
Electricity	8,000	(2,325)	5,675	5,297	378
Community Center Expenses	8,000	-	8,000	7,934	66
Telephone/Centrex	1,500	(170)	1,330	1,330	-
Water	1,350	(576)	774	774	-
Repairs/Tires	50,000	13,913	63,913	73,436	(9,523)
Highway Signs	3,000	889	3,889	3,838	51
Drainage & paving account	108,000	185,148	293,148	116,479	176,669
Tree Removal	4,000	-	4,000	4,000	-
Uniforms	5,000	(292)	4,708	4,708	-
Shop Equipment	1,000	-	1,000	805	195
Communications	5,100	292	5,392	5,392	-
Snow Removal	60,500	(4,278)	56,222	56,222	-
Total Public Works Operations	<u>427,600</u>	<u>216,792</u>	<u>644,392</u>	<u>468,769</u>	<u>175,623</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, 2011

	Original Budgeted Expenditures	Transfers	Revised Budgeted Expenditures	Actual Expenditures	Variance
Landfill Operations - 553					
Stormwater Management	7,000	(3,049)	3,951	3,951	-
Landfill Workers	76,511	(1,627)	74,884	74,884	(0)
Overtime	7,778	-	7,778	7,066	712
Longevity	2,829	230	3,059	3,059	(0)
Sick Leave	2,635	147	2,782	2,661	121
Uniforms	1,155	-	1,155	680	475
Electricity	150	-	150	101	49
Landfill Equipment Rent	50,000	6,500	56,500	23,020	33,480
On-site Wastewater Management	15,000	-	15,000	15,000	-
Gas/Oil	10,000	-	10,000	10,000	-
Bulldozer Repairs	12,000	(1,000)	11,000	11,176	(176)
Engineering Testing/Permits	50,000	(7,392)	42,608	41,810	798
Total Landfill Operations	235,058	(6,191)	228,867	193,408	35,459
Building Maintenance					
Maintenance Foreman	48,901	-	48,901	48,896	5
Custodial Personnel	30,316	-	30,316	30,317	(1)
Mileage	5,000	(112)	4,888	4,879	9
Longevity	3,800	-	3,800	3,500	300
Clothing Allowance	1,820	137	1,957	1,956	1
Tool Replacement	500	-	500	409	91
Expenses - Rental	2,860	-	2,860	2,860	-
Maintenance/Laborer - Seasonal	14,538	-	14,538	12,322	2,216
Total Building Maintenance	107,735	25	107,760	105,139	2,621
Total Public Works	1,290,064	204,829	1,494,893	1,275,652	219,241
Associated Activities - Misc					
Veterans Plot - Pocasset Cemetery	150	-	150	150	-
Historical Cemetery Commission	2,000	-	2,000	1,975	25
Historical Society	100	-	100	-	100
Garden Club	500	-	500	456	44
Arts Council	500	-	500	-	500
Open Space Commission	1,500	-	1,500	1,324	176
Conservation Commission	600	-	600	600	-
Ft. Barton Park Maintenance	2,250	-	2,250	1,675	575
Tree Commission	500	-	500	35	465
Recycling Committee	125	-	125	-	125
Cooperative Extension of URI	600	-	600	600	-
Total Associated Activities - Misc	8,825	-	8,825	6,815	2,010
Senior Citizens Services					
Elderly Services Busing	14,000	-	14,000	12,616	1,384
Director's Salary	46,305	169	46,474	44,100	2,374
Assistant Director	16,190	-	16,190	15,676	514
Longevity	1,900	-	1,900	1,900	-
Travel	440	271	711	711	-
Agency Dues	975	(440)	535	443	92
Telephone	1,000	-	1,000	728	272
Heat	5,500	-	5,500	3,710	1,790
Electric	4,500	-	4,500	3,711	789
Water	150	-	150	135	15
Building Maintenance	3,600	31	3,631	3,606	25
Supplies/Activities	8,700	(31)	8,669	7,819	850
Total Senior Services	103,260	-	103,260	95,155	8,105
Total Associated Activities	112,085	-	112,085	101,970	10,115

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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, 2011

	Original Budgeted Expenditures	Transfers	Revised Budgeted Expenditures	Actual Expenditures	Variance
<u>Parks and Recreation</u>					
Beach Salaries	33,000	(216)	32,784	31,416	1,368
Beach Expenses	5,300	350	5,650	5,456	194
Directors and Counselors	21,000	-	21,000	18,082	2,918
Transportation/Fees/Equipment	7,047	(238)	6,809	6,809	-
Winter Recreation	800	(55)	745	721	24
Field Rehabilitation	5,000	-	5,000	4,040	960
Personnel Mowing Services	25,639	-	25,639	23,805	1,834
Fertilizer/Seed/Lime/Sand/Stone	4,100	-	4,100	3,527	573
Preventive Maintenance	3,100	-	3,100	2,231	869
Swim Instructors	2,100	98	2,198	2,198	-
Supplies - Swim Program	829	60	889	824	65
Recreation Coordinator	8,549	-	8,549	8,332	217
Total Parks and Recreation	116,464	(1)	116,463	107,441	9,022
<u>Debt service</u>					
Principal	1,280,000	2,000	1,282,000	1,280,000	2,000
Interest	1,561,468	-	1,561,468	1,562,159	(691)
Total Debt Service	2,841,468	2,000	2,843,468	2,842,159	1,309
Capital expenditures - Town -098	363,100	22,080	385,180	302,503	82,677
Capital expenditures - School	135,830	87,884	223,714	156,176	67,538
<u>School Buildings</u>					
Electric	-	4,349	4,349	4,349	-
Water	-	1,023	1,023	1,023	-
Building Maintenance	10,000	(7,822)	2,178	2,178	-
Total School Buildings	10,000	(2,450)	7,550	7,550	-
<u>Other financing uses</u>					
<i>Transfer to other funds</i>					
Transfer to Library Services	405,355	-	405,355	405,355	-
Transfer to TIF Debt Service	810,844	2,800	813,644	813,870	(226)
Transfer to Landfill	168,304	-	168,304	168,304	-
Tiverton school appropriation	20,743,210	-	20,743,210	20,743,210	-
Total other financing uses	22,127,713	2,800	22,130,513	22,130,739	(226)
Total other financing uses					
Total Town Budget	\$ 38,160,519	\$ 142,625	\$ 38,303,144	\$ 37,727,478	\$ 575,666

REQUIRED SUPPLEMENTARY INFORMATION
TIVERTON PUBLIC SCHOOLS
Budgetary Comparison Schedule - School Unrestricted Fund
Schedule of Revenues and Expenditures
For the Fiscal Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues				
Intergovernmental revenue	\$ 4,641,742	\$ 4,641,742	\$ 4,398,650	\$ (243,092)
Vocational aid	-	-	9,000	9,000
Other	-	-	250,000	250,000
Total revenue	<u>4,641,742</u>	<u>4,641,742</u>	<u>4,657,650</u>	<u>15,908</u>
Expenditures				
Salaries	14,029,341	14,005,741	14,655,413	(649,672)
Benefits	5,037,907	4,871,702	5,202,635	(330,933)
Purchased Services	5,041,776	5,313,559	4,419,749	893,810
Supplies	1,167,590	982,090	907,195	74,895
Capital Outlay	88,488	191,510	182,190	9,320
Other	19,850	20,350	19,770	580
Total expenditures	<u>25,384,952</u>	<u>25,384,952</u>	<u>25,386,952</u>	<u>(2,000)</u>
Excess of revenues over (under) expenditures before other financing sources	<u>(20,743,210)</u>	<u>(20,743,210)</u>	<u>(20,729,302)</u>	<u>13,908</u>
Other financing sources				
Operating transfer - town appropriation	20,743,210	20,743,210	20,743,210	-
Total other financing sources	<u>20,743,210</u>	<u>20,743,210</u>	<u>20,743,210</u>	<u>-</u>
Excess revenues and other sources over (under) expenditures and other sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,908</u>	<u>\$ 13,908</u>

TOWN OF TIVERTON, RHODE ISLAND
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2011

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, 2011 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)	\$ 763,642	\$ 13,908
Transfer from fund balance - carryforwards	-	-
Non-budgeted revenues - State on-behalf pension benefits	-	1,043,137
Non-budgeted expenditures - State on-behalf pension benefit	-	(1,043,137)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses (GAAP basis)	<u>\$ 763,642</u>	<u>\$ 13,908</u>

SUPPLEMENTARY INFORMATION

SUPPLEMENTARY INFORMATION
TOWN OF TIVERTON, RHODE ISLAND
Combining Balance Sheet - Non-Major Governmental Funds
June 30, 2011

	Town Special Revenue Funds	School Special Revenue Funds	Debt Service	Capital Projects Funds	Total Non-Major Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 167,898	\$ 1,691	\$ 820,570	\$ 862,132	\$ 1,852,291
Investments	329,902	-	-	3,306,232	3,636,134
Due from other governments	296,073	67,080	-	-	363,153
Due from other funds	1,100,244	-	-	195,746	1,295,990
Total assets	\$ 1,894,117	\$ 68,771	\$ 820,570	\$ 4,364,110	\$ 7,147,568
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ 51,848	\$ 51,848
Due to other funds	128,094	-	-	17,715	145,809
Deferred Revenue	309,955	80,512	-	-	390,467
Total liabilities	438,049	80,512	-	69,563	588,124
Fund balances (deficits)					
<i>Restricted for:</i>					
Educational programs	-	43,909	-	-	43,909
Public safety programs	548,978	-	-	-	548,978
Health and human services	38,953	-	-	-	38,953
<i>Committed for:</i>					
Public safety programs	101,344	329	820,570	-	922,243
Public works programs	195,989	-	-	4,301,184	4,497,173
Culture and recreation	622,825	250	-	-	623,075
<i>Assigned for:</i>					
Unassigned	(52,021)	(56,229)	-	(6,637)	(114,887)
Total fund balances	1,456,068	(11,741)	820,570	4,294,547	6,559,444
Total liabilities and fund balances	\$ 1,894,117	\$ 68,771	\$ 820,570	\$ 4,364,110	\$ 7,147,568

SUPPLEMENTARY INFORMATION
TOWN OF TIVERTON, RHODE ISLAND
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance - Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2011

	Town Special Revenue Funds	School Special Revenue Funds	Debt Service	Capital Projects Funds	Total Non-Major Governmental Funds
Revenues					
Intergovernmental revenue	\$ 808,252	\$ 1,367,246	\$ -	\$ -	\$ 2,175,498
Charges for services	1,031,709	-	-	-	1,031,709
Earnings on investments	79,792	-	14,108	13,120	107,020
Other revenue	100,501	28,828	1,611	711	131,651
Total revenues	<u>2,020,254</u>	<u>1,396,074</u>	<u>15,719</u>	<u>13,831</u>	<u>3,445,878</u>
Expenditures					
Current:					
General government	129,473	-	-	134,843	264,316
Public safety	180,172	-	-	-	180,172
Public works	510,223	-	-	2,352	512,575
Health & welfare	795,737	-	-	-	795,737
Parks & recreation	89,976	-	-	-	89,976
Education	-	1,383,040	-	1,294	1,384,334
Debt service	62,500	-	-	365,000	427,500
Interest expense	-	-	-	445,844	445,844
Total expenditures	<u>1,768,081</u>	<u>1,383,040</u>	<u>-</u>	<u>949,333</u>	<u>4,100,454</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	252,173	13,034	15,719	(935,502)	(654,576)
Other financing sources (uses)					
Operating transfers from other funds	405,355	-	-	991,194	1,396,549
Operating transfers to other funds	(520,385)	-	(9,020)	(804)	(530,209)
Total other financing sources (uses)	<u>(115,030)</u>	<u>-</u>	<u>(9,020)</u>	<u>990,390</u>	<u>866,340</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>137,143</u>	<u>13,034</u>	<u>6,699</u>	<u>54,888</u>	<u>211,764</u>
Fund balances (deficits) - unreserved July 1, 2010	<u>1,318,925</u>	<u>(24,775)</u>	<u>813,871</u>	<u>4,239,659</u>	<u>6,347,680</u>
Fund balances - unreserved June 30, 2011	<u>\$ 1,456,068</u>	<u>\$ (11,741)</u>	<u>\$ 820,570</u>	<u>\$ 4,294,547</u>	<u>\$ 6,559,444</u>

SUPPLEMENTARY INFORMATION
TOWN OF TIVERTON, RHODE ISLAND
Combining Balance Sheet - Non-Major Governmental Funds
Special Revenue Funds - Town
June 30, 2011

	200 Stormwater Management	201 Comprehensive Planning	203 Gazebo Center	204 Senior Center Fund	205 Essex Library Fund	206 Community Development Block Grant	207 Substance Abuse
ASSETS							
Cash & cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 1,923	\$ 128,908	\$ -
Investments	-	-	-	-	329,902	-	-
Due from other governments	-	-	-	-	-	220,000	-
Due from other funds	-	9,799	312	3,815	83,612	-	38,135
Total assets	\$ -	\$ 9,799	\$ 312	\$ 3,815	\$ 415,437	\$ 348,908	\$ 38,135
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue	-	-	-	-	-	309,955	-
Due to other funds	18,000	-	-	-	-	-	-
Total liabilities	18,000	-	-	-	-	309,955	-
Fund balances (deficits)							
<i>Restricted for:</i>							
Public safety programs	-	-	-	-	-	-	38,135
Health and human services	-	-	-	-	-	38,953	-
<i>Committed for:</i>							
Public safety programs	-	-	-	-	-	-	-
Public works programs	-	-	-	-	-	-	-
Culture and recreation	-	9,799	312	3,815	415,437	-	-
<i>Unassigned</i>	(18,000)	-	-	-	-	-	-
Total fund balances (deficits)	(18,000)	9,799	312	3,815	415,437	38,953	38,135
Total liabilities and fund balances	\$ -	\$ 9,799	\$ 312	\$ 3,815	\$ 415,437	\$ 348,908	\$ 38,135

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF TIVERTON, RHODE ISLAND
Combining Balance Sheet - Non-Major Governmental Funds
Special Revenue Funds - Town
June 30, 2011

	208 Ambulance and Rescue	209 Historical Records	210 Tree Planting	212 Water Quality Improvement	213 Dingy Dock	214 Recreation	217 Land Evidence
ASSETS							
Cash & cash equivalents	\$ 8,190	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-
Due from other funds	-	600	-	-	-	5	75,627
Total assets	<u>\$ 8,190</u>	<u>\$ 600</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5</u>	<u>\$ 75,627</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue	-	-	-	-	-	-	-
Due to other funds	-	-	387	22,115	321	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>387</u>	<u>22,115</u>	<u>321</u>	<u>-</u>	<u>-</u>
Fund balances (deficits)							
<i>Restricted for:</i>							
Public safety programs	-	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-	-
<i>Committed for:</i>							
Public safety programs	8,190	-	-	-	-	-	-
Public works programs	-	-	-	-	-	-	75,627
Culture and recreation	-	600	-	-	-	5	-
<i>Unassigned</i>	-	-	(387)	(22,115)	(321)	-	-
Total fund balances (deficits)	<u>8,190</u>	<u>600</u>	<u>(387)</u>	<u>(22,115)</u>	<u>(321)</u>	<u>5</u>	<u>75,627</u>
Total liabilities and fund balances	<u>\$ 8,190</u>	<u>\$ 600</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5</u>	<u>\$ 75,627</u>

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF TIVERTON, RHODE ISLAND
Combining Balance Sheet - Non-Major Governmental Funds
Special Revenue Funds - Town
June 30, 2011

	<u>218</u> <u>Police Crime</u> <u>Prevention</u>	<u>219</u> <u>Open Space</u> <u>Acquisition</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>
ASSETS							
Cash & cash equivalents	\$ -	\$ -	\$ 2,498	\$ -	\$ -	\$ -	\$ 26,379
Investments	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-
Due from other funds	7,862	117,165	-	6,121	49,436	-	1,740
Total assets	<u>\$ 7,862</u>	<u>\$ 117,165</u>	<u>\$ 2,498</u>	<u>\$ 6,121</u>	<u>\$ 49,436</u>	<u>\$ -</u>	<u>\$ 28,119</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue	-	-	-	-	-	3,140	-
Due to other funds	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,140</u>	<u>-</u>
Fund balances (deficits)							
<i>Restricted for:</i>							
Public safety programs	7,862	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-	-
<i>Committed for:</i>							
Public safety programs	-	-	-	6,121	49,436	-	-
Public works programs	-	-	-	-	-	-	-
Culture and recreation	-	117,165	2,498	-	-	-	28,119
<i>Unassigned</i>	-	-	-	-	-	(3,140)	-
Total fund balances (deficits)	<u>7,862</u>	<u>117,165</u>	<u>2,498</u>	<u>6,121</u>	<u>49,436</u>	<u>(3,140)</u>	<u>28,119</u>
Total liabilities and fund balances	<u>\$ 7,862</u>	<u>\$ 117,165</u>	<u>\$ 2,498</u>	<u>\$ 6,121</u>	<u>\$ 49,436</u>	<u>\$ -</u>	<u>\$ 28,119</u>

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF TIVERTON, RHODE ISLAND
Combining Balance Sheet - Non-Major Governmental Funds
Special Revenue Funds - Town
June 30, 2011

	231 Drug Forfeiture	232 Open Space Stewardship	233 Pocassetlands Stewardship	234 Wastewater Management	237 Impact Fees	238 Bulgermarsh Basketball Refurbishing	240 Meds Grant
ASSETS							
Cash & cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-
Due from other funds	34,015	9,382	1,163	120,362	-	36	37,597
Total assets	<u>\$ 34,015</u>	<u>\$ 9,382</u>	<u>\$ 1,163</u>	<u>\$ 120,362</u>	<u>\$ -</u>	<u>\$ 36</u>	<u>\$ 37,597</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)							
<i>Restricted for:</i>							
Public safety programs	34,015	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-	-
<i>Committed for:</i>							
Public safety programs	-	-	-	-	-	-	37,597
Public works programs	-	-	-	120,362	-	-	-
Culture and recreation	-	9,382	1,163	-	-	36	-
<i>Unassigned</i>	-	-	-	-	-	-	-
Total fund balances (deficits)	<u>34,015</u>	<u>9,382</u>	<u>1,163</u>	<u>120,362</u>	<u>-</u>	<u>36</u>	<u>37,597</u>
Total liabilities and fund balances	<u>\$ 34,015</u>	<u>\$ 9,382</u>	<u>\$ 1,163</u>	<u>\$ 120,362</u>	<u>\$ -</u>	<u>\$ 36</u>	<u>\$ 37,597</u>

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF TIVERTON, RHODE ISLAND
Combining Balance Sheet - Non-Major Governmental Funds
Special Revenue Funds - Town
June 30, 2011

	241 <u>Land Use Data</u>	243 <u>Senior Ctr Waite Account</u>	244 <u>Byrne Stimulus</u>	245 <u>RI Leap Agreement</u>	246 <u>Energy Grant</u>	247 <u>Mobile Data Printer Project</u>	250 <u>North Tiverton Contamination</u>
ASSETS							
Cash & cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	76,073	-	-
Due from other funds	-	3,274	495	-	-	-	468,471
Total assets	<u>\$ -</u>	<u>\$ 3,274</u>	<u>\$ 495</u>	<u>\$ -</u>	<u>\$ 76,073</u>	<u>\$ -</u>	<u>\$ 468,471</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue	-	-	-	-	-	-	-
Due to other funds	-	-	-	6,151	77,980	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,151</u>	<u>77,980</u>	<u>-</u>	<u>-</u>
Fund balances (deficits)							
<i>Restricted for:</i>							
Public safety programs	-	-	495	-	-	-	468,471
Health and human services	-	-	-	-	-	-	-
<i>Committed for:</i>							
Public safety programs	-	-	-	-	-	-	-
Public works programs	-	-	-	-	-	-	-
Culture and recreation	-	3,274	-	-	-	-	-
<i>Unassigned</i>	-	-	-	(6,151)	(1,907)	-	-
Total fund balances (deficits)	<u>-</u>	<u>3,274</u>	<u>495</u>	<u>(6,151)</u>	<u>(1,907)</u>	<u>-</u>	<u>468,471</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 3,274</u>	<u>\$ 495</u>	<u>\$ -</u>	<u>\$ 76,073</u>	<u>\$ -</u>	<u>\$ 468,471</u>

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF TIVERTON, RHODE ISLAND
Combining Balance Sheet - Non-Major Governmental Funds
Special Revenue Funds - Town
June 30, 2011

	251 Senior Center Roof Repair	252 Bulgermarsh Playground Equipment	Tree at Lawton Ave.	Total
ASSETS				
Cash & cash equivalents	\$ -	\$ -	\$ -	\$ 167,898
Investments	-	-	-	329,902
Due from other governments	-	-	-	296,073
Due from other funds	2,469	28,628	123	1,100,244
Total assets	<u>\$ 2,469</u>	<u>\$ 28,628</u>	<u>\$ 123</u>	<u>\$ 1,894,117</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Deferred revenue	-	-	-	309,955
Due to other funds	-	-	-	128,094
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>438,049</u>
Fund balances (deficits)				
<i>Restricted for:</i>				
Public safety programs	-	-	-	548,978
Health and human services	-	-	-	38,953
<i>Committed for:</i>				
Public safety programs	-	-	-	101,344
Public works programs	-	-	-	195,989
Culture and recreation	2,469	28,628	123	622,825
<i>Unassigned</i>	-	-	-	(52,021)
Total fund balances (deficits)	<u>2,469</u>	<u>28,628</u>	<u>123</u>	<u>1,456,068</u>
Total liabilities and fund balances	<u>\$ 2,469</u>	<u>\$ 28,628</u>	<u>\$ 123</u>	<u>\$ 1,894,117</u>

(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, 2011

	200 Stormwater Management	201 Comprehensive Planning	203 Gazebo Center	204 Senior Center Fund	205 Essex Library Fund	206 Community Development Block Grant	207 Substance Abuse
Revenues							
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ 7,483	\$ 90,485	\$ 108,857	\$ 54,221
Charges for service	-	-	-	-	8,714	-	-
Earnings on investments	-	-	-	-	71,164	-	-
Other revenue	-	-	-	-	80,367	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,483</u>	<u>250,730</u>	<u>108,857</u>	<u>54,221</u>
Expenditures							
Current:							
General	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	47,390
Public Works	-	-	-	6,689	678,346	108,857	-
Health & Welfare	-	-	-	-	-	-	-
Parks & Recreation	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,689</u>	<u>678,346</u>	<u>108,857</u>	<u>47,390</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	-	-	-	794	(427,616)	-	6,831
Other financing sources (uses)							
Operating transfers from other funds	-	-	-	-	405,355	-	-
Operating transfers (to) other funds	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>405,355</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	-	-	-	794	(22,261)	-	6,831
Fund balances (deficits) - unreserved July 1, 2010	<u>(18,000)</u>	<u>9,799</u>	<u>312</u>	<u>3,021</u>	<u>437,698</u>	<u>38,953</u>	<u>31,304</u>
Fund balances - unreserved June 30, 2011	<u>\$ (18,000)</u>	<u>\$ 9,799</u>	<u>\$ 312</u>	<u>\$ 3,815</u>	<u>\$ 415,437</u>	<u>\$ 38,953</u>	<u>\$ 38,135</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, 2011

	<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>212</u> <u>Water Quality</u> <u>Improvement</u>	<u>213</u> <u>Dingy</u> <u>Dock</u>	<u>214</u> <u>Recreation</u>	<u>217</u> <u>Land</u> <u>Evidence</u>
Revenues							
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for service	430,043	2,825	-	-	-	-	16,282
Earnings on investments	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-
Total revenues	<u>430,043</u>	<u>2,825</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,282</u>
Expenditures							
Current:							
General	-	20,270	-	-	-	-	18,593
Public Safety	538	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-
Health & Welfare	-	-	-	-	-	-	-
Parks & Recreation	-	-	499	-	-	-	-
Debt service	-	-	-	-	-	-	-
Total expenditures	<u>538</u>	<u>20,270</u>	<u>499</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,593</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	429,505	(17,445)	(499)	-	-	-	(2,311)
Other financing sources (uses)							
Operating transfers from other funds	-	-	-	-	-	-	-
Operating transfers (to) other funds	(422,045)	-	-	-	-	-	-
Total other financing sources (uses)	<u>(422,045)</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	7,460	(17,445)	(499)	-	-	-	(2,311)
Fund balances (deficits) - unreserved July 1, 2010	730	18,045	112	(22,115)	(321)	5	77,938
Fund balances - unreserved June 30, 2011	<u>\$ 8,190</u>	<u>\$ 600</u>	<u>\$ (387)</u>	<u>\$ (22,115)</u>	<u>\$ (321)</u>	<u>\$ 5</u>	<u>\$ 75,627</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, 2011

	218 Police Crime Prevention	219 Open Space Acquisition	223 Library Memorial Gifts	224 Fire Detection	225 Vicious Dog	227 Keep Tiverton Beautiful	228 Skateboard Park
Revenues							
Intergovernmental revenue	\$ 2,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for service	-	74,507	-	15,010	-	-	-
Earnings on investments	-	-	3	-	-	-	104
Other revenue	-	-	-	-	-	-	-
Total revenues	<u>2,000</u>	<u>74,507</u>	<u>3</u>	<u>15,010</u>	<u>-</u>	<u>-</u>	<u>104</u>
Expenditures							
Current:							
General	-	-	-	-	-	-	-
Public Safety	2,844	-	-	16,996	-	-	-
Public Works	-	-	-	-	-	-	-
Health & Welfare	-	-	-	-	-	-	-
Parks & Recreation	-	400	-	-	-	-	-
Debt service	-	62,500	-	-	-	-	-
Total expenditures	<u>2,844</u>	<u>62,900</u>	<u>-</u>	<u>16,996</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	(844)	11,607	3	(1,986)	-	-	104
Other financing sources (uses)							
Operating transfers from other funds	-	-	-	-	-	-	-
Operating transfers (to) other funds	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(844)	11,607	3	(1,986)	-	-	104
Fund balances (deficits) - unreserved July 1, 2010	8,706	105,558	2,495	8,107	49,436	(3,140)	28,015
Fund balances - unreserved June 30, 2011	<u>\$ 7,862</u>	<u>\$ 117,165</u>	<u>\$ 2,498</u>	<u>\$ 6,121</u>	<u>\$ 49,436</u>	<u>\$ (3,140)</u>	<u>\$ 28,119</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, 2011

	231 Drug Forfeiture	232 Open Space Stewardship	233 Pocassetlands Stewardship	234 Wastewater Management	237 Impact Fees	238 Bulgermarsh Basketball Refurbishing	240 Meds Grant
Revenues							
Intergovernmental revenue	\$ -	\$ 7,318	\$ -	\$ -	\$ -	\$ -	\$ 1,000
Charges for service	-	-	-	415,788	68,540	-	-
Earnings on investments	-	-	-	-	-	-	-
Other revenue	1,619	595	1,236	-	-	924	-
Total revenues	<u>1,619</u>	<u>7,913</u>	<u>1,236</u>	<u>415,788</u>	<u>68,540</u>	<u>924</u>	<u>1,000</u>
Expenditures							
Current:							
General	-	-	-	-	-	-	-
Public Safety	29,280	-	-	-	-	-	-
Public Works	-	-	-	362,184	-	-	-
Health & Welfare	-	-	-	-	-	-	1,193
Parks & Recreation	-	6,932	2,088	-	-	8,957	-
Debt service	-	-	-	-	-	-	-
Total expenditures	<u>29,280</u>	<u>6,932</u>	<u>2,088</u>	<u>362,184</u>	<u>-</u>	<u>8,957</u>	<u>1,193</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	(27,661)	981	(852)	53,604	68,540	(8,033)	(193)
Other financing sources (uses)							
Operating transfers from other funds	-	-	-	-	-	-	-
Operating transfers (to) other funds	-	-	-	-	(98,340)	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(98,340)</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(27,661)	981	(852)	53,604	(29,800)	(8,033)	(193)
Fund balances (deficits) - unreserved July 1, 2010	61,676	8,401	2,015	66,758	29,800	8,069	37,790
Fund balances - unreserved June 30, 2011	<u>\$ 34,015</u>	<u>\$ 9,382</u>	<u>\$ 1,163</u>	<u>\$ 120,362</u>	<u>\$ -</u>	<u>\$ 36</u>	<u>\$ 37,597</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, 2011

	241	243	244	245	246	247	250
	<u>Land Use Data</u>	<u>Senior Ctr Waite Account</u>	<u>Byrne Stimulus</u>	<u>RI Leap Agreement</u>	<u>Energy Grant</u>	<u>Mobile Data Printer Project</u>	<u>North Tiverton Contamination</u>
Revenues							
Intergovernmental revenue	\$ 27,270	\$ -	\$ 30,464	\$ 251,525	\$ 88,703	\$ 52,338	\$ -
Charges for service	-	-	-	-	-	-	-
Earnings on investments	-	-	-	-	-	-	8,521
Other revenue	-	-	-	-	-	-	-
Total revenues	<u>27,270</u>	<u>-</u>	<u>30,464</u>	<u>251,525</u>	<u>88,703</u>	<u>52,338</u>	<u>8,521</u>
Expenditures							
Current:							
General	-	-	-	-	90,610	-	-
Public Safety	-	-	30,786	-	-	52,338	-
Public Works	-	-	-	99,969	-	-	48,070
Health & Welfare	-	501	-	-	-	-	-
Parks & Recreation	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>501</u>	<u>30,786</u>	<u>99,969</u>	<u>90,610</u>	<u>52,338</u>	<u>48,070</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	27,270	(501)	(322)	151,556	(1,907)	-	(39,549)
Other financing sources (uses)							
Operating transfers from other funds	-	-	-	-	-	-	-
Operating transfers (to) other funds	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	<u>27,270</u>	<u>(501)</u>	<u>(322)</u>	<u>151,556</u>	<u>(1,907)</u>	<u>-</u>	<u>(39,549)</u>
Fund balances (deficits) - unreserved July 1, 2010	<u>(27,270)</u>	<u>3,775</u>	<u>817</u>	<u>(157,707)</u>	<u>-</u>	<u>-</u>	<u>508,020</u>
Fund balances - unreserved June 30, 2011	<u>\$ -</u>	<u>\$ 3,274</u>	<u>\$ 495</u>	<u>\$ (6,151)</u>	<u>\$ (1,907)</u>	<u>\$ -</u>	<u>\$ 468,471</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, 2011

	251 Senior Center Roof Repair	252 Bulgermarsh Playground Equipment	Tree at Lawton Ave	Total
Revenues				
Intergovernmental revenue	\$ -	\$ 86,588	\$ -	\$ 808,252
Charges for service	-	-	-	1,031,709
Earnings on investments	-	-	-	79,792
Other revenue	2,620	13,140	-	100,501
Total revenues	<u>2,620</u>	<u>99,728</u>	<u>-</u>	<u>2,020,254</u>
Expenditures				
Current:				
General	-	-	-	129,473
Public Safety	-	-	-	180,172
Public Works	-	-	-	510,223
Health & Welfare	151	-	-	795,737
Parks & Recreation	-	71,100	-	89,976
Debt service	-	-	-	62,500
Total expenditures	<u>151</u>	<u>71,100</u>	<u>-</u>	<u>1,768,081</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	2,469	28,628	-	252,173
Other financing sources (uses)				
Operating transfers from other funds	-	-	-	405,355
Operating transfers (to) other funds	-	-	-	(520,385)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(115,030)</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	2,469	28,628	-	137,143
Fund balances (deficits) - unreserved July 1, 2010	-	-	123	1,318,925
Fund balances - unreserved June 30, 2011	<u>\$ 2,469</u>	<u>\$ 28,628</u>	<u>\$ 123</u>	<u>\$ 1,456,068</u>

(concluded)

SUPPLEMENTARY INFORMATION
TIVERTON PUBLIC SCHOOLS
Combining Balance Sheet - Non-Major Governmental Funds
Special Revenue Funds - School Restricted
June 30, 2011

	IDEA Part B	IDEA Pre-School	Title I	ARRA Title I	Title II	Perkins Vocational	Race to the Top
ASSETS							
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	-	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Deferred Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES							
<i>Restricted for:</i>							
Educational programs	-	-	-	-	-	-	-
<i>Committed for:</i>							
Public safety programs	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
<i>Unassigned</i>	-	-	-	-	-	-	-
TOTAL 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, 2011

	<u>Elementary Task Force</u>	<u>North Family Grant</u>	<u>RI Council on the Arts</u>	<u>Beechwood Foundation</u>	<u>Performance Assessment</u>	<u>Chace Scholarship</u>	<u>Healthy Kids</u>
ASSETS							
Cash	\$ -	\$ -	\$ 1,212	\$ -	\$ 150	\$ -	\$ 329
Due from other governments	-	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,212</u>	<u>\$ -</u>	<u>\$ 150</u>	<u>\$ -</u>	<u>\$ 329</u>
 LIABILITIES AND FUND BALANCES							
Liabilities							
Deferred Revenue	\$ -	\$ -	\$ 962	\$ -	\$ 150	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>962</u>	<u>-</u>	<u>150</u>	<u>-</u>	<u>-</u>
FUND BALANCES							
<i>Restricted for:</i>							
Educational programs	-	-	-	-	-	-	-
<i>Committed for:</i>							
Public safety programs	-	-	-	-	-	-	329
Culture and recreation	-	-	250	-	-	-	-
<i>Unassigned</i>	-	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>-</u>	<u>-</u>	<u>250</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>329</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,212</u>	<u>\$ -</u>	<u>\$ 150</u>	<u>\$ -</u>	<u>\$ 329</u>

(continued)

SUPPLEMENTARY INFORMATION
TIVERTON PUBLIC SCHOOLS
Combining Balance Sheet - Non-Major Governmental Funds
Special Revenue Funds - School Restricted
June 30, 2011

	<u>Literacy</u>	<u>Early Childhood</u>	<u>Technology</u>	<u>Student Equity</u>	<u>E-Rate</u>	<u>Total</u>
ASSETS						
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,691
Due from other governments	37,572	29,508	-	-	-	67,080
TOTAL ASSETS	<u>\$ 37,572</u>	<u>\$ 29,508</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 68,771</u>
 LIABILITIES AND FUND BALANCES						
Liabilities						
Deferred Revenue	\$ 19,674	\$ 3,497	\$ -	\$ 56,229	\$ -	\$ 80,512
Total liabilities	<u>19,674</u>	<u>3,497</u>	<u>-</u>	<u>56,229</u>	<u>-</u>	<u>80,512</u>
 Fund Balances						
<i>Restricted for:</i>						
Educational programs	17,898	26,011	-	-	-	43,909
<i>Committed for:</i>						
Public safety programs	-	-	-	-	-	329
Culture and recreation	-	-	-	-	-	250
<i>Unassigned</i>	-	-	-	(56,229)	-	(56,229)
TOTAL FUND BALANCES	<u>17,898</u>	<u>26,011</u>	<u>-</u>	<u>(56,229)</u>	<u>-</u>	<u>(11,741)</u>
 TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 37,572</u>	<u>\$ 29,508</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 68,771</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, 2011

	IDEA Part B	IDEA Pre-School	Title I	ARRA Title I	Title II	Perkins Vocational	Race to the Top
Revenues							
Intergovernmental revenue	\$ 313,566	\$ 14,353	\$ 191,451	\$ 6,091	\$ 91,224	\$ 18,013	\$ 1,716
Other	-	-	-	-	-	-	-
Total revenues	<u>313,566</u>	<u>14,353</u>	<u>191,451</u>	<u>6,091</u>	<u>91,224</u>	<u>18,013</u>	<u>1,716</u>
Expenditures							
Salaries	138,401	-	136,453	288	57,589	-	1,584
Employee benefits	48,631	-	48,225	24	23,119	-	132
Purchased services	126,288	14,353	6,445	2,485	8,874	18,013	-
Supplies and materials	246	-	328	3,294	1,642	-	-
Other costs	-	-	-	-	-	-	-
Total expenditures	<u>313,566</u>	<u>14,353</u>	<u>191,451</u>	<u>6,091</u>	<u>91,224</u>	<u>18,013</u>	<u>1,716</u>
Excess revenues over (under) expenditures	-	-	-	-	-	-	-
Fund balances - unreserved July 1, 2010	-	-	-	-	-	-	-
Fund balances - unreserved June 30, 2011	<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, 2011

	Elementary Task Force	North Family Grant	RI Council on the Arts	Beechwood Foundation	Performance Assessment	Chace Scholarship	Healthy Kids
Revenues							
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	9,620	1,350	-	-	-	1,499	3,000
Total revenues	<u>9,620</u>	<u>1,350</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,499</u>	<u>3,000</u>
Expenditures							
Salaries	-	-	-	-	-	-	-
Employee benefits	-	-	-	-	-	-	-
Purchased services	9,620	-	-	-	-	-	2,671
Supplies and materials	-	1,350	-	556	-	-	-
Other costs	-	-	-	-	-	1,499	-
Total expenditures	<u>9,620</u>	<u>1,350</u>	<u>-</u>	<u>556</u>	<u>-</u>	<u>1,499</u>	<u>2,671</u>
Excess revenues over (under) expenditures	-	-	-	(556)	-	-	329
Fund balances - unreserved July 1, 2010	-	-	250	556	-	-	-
Fund balances - unreserved June 30, 2011	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 250</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 329</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, 2011

	<u>Literacy</u>	<u>Early Childhood</u>	<u>Technology</u>	<u>Student Equity</u>	<u>E-Rate</u>	<u>Total</u>
Revenues						
Intergovernmental revenue	\$ 149,743	\$ 80,361	\$ 49,024	\$ 451,704	\$ -	\$ 1,367,246
Other	-	-	-	-	13,359	28,828
Total revenues	<u>149,743</u>	<u>80,361</u>	<u>49,024</u>	<u>451,704</u>	<u>13,359</u>	<u>1,396,074</u>
Expenditures						
Salaries	116,847	71,555	27,443	333,315	-	883,475
Employee benefits	29,141	8,960	-	107,286	-	265,518
Purchased services	-	995	-	-	13,359	203,103
Supplies and materials	291	-	21,639	99	-	29,445
Other costs	-	-	-	-	-	1,499
Total expenditures	<u>146,279</u>	<u>81,510</u>	<u>49,082</u>	<u>440,700</u>	<u>13,359</u>	<u>1,383,040</u>
Excess revenues over (under) expenditures	3,464	(1,149)	(58)	11,004	-	13,034
Fund balances - unreserved July 1, 2010	14,434	27,160	58	(67,233)	-	(24,775)
Fund balances - unreserved June 30, 2011	<u>\$ 17,898</u>	<u>\$ 26,011</u>	<u>\$ -</u>	<u>\$ (56,229)</u>	<u>\$ -</u>	<u>\$ (11,741)</u>

(concluded)

SUPPLEMENTARY INFORMATION
TOWN OF TIVERTON, RHODE ISLAND
Capital Projects Funds
Combining Balance Sheet - Non-Major Governmental Fund
June 30, 2011

	<u>300 Landfill Fund</u>	<u>302 Old Stone Bridge</u>	<u>307 Recreation Project</u>	<u>309 TIF Fund</u>	<u>310 School Renovation</u>	<u>311 Pocasset Renovation</u>
Cash	\$ 514,647	\$ -	\$ -	\$ 333,983	\$ 3	\$ -
Investments	3,306,232	-	-	-	-	-
Due from other funds	194,820	-	499	-	-	-
Total assets	<u>\$ 4,015,699</u>	<u>\$ -</u>	<u>\$ 499</u>	<u>\$ 333,983</u>	<u>\$ 3</u>	<u>\$ -</u>
 LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ -	\$ -	\$ -	\$ 51,848	\$ -	\$ -
Due to other funds	-	6,637	-	11,078	-	-
Total liabilities	<u>-</u>	<u>6,637</u>	<u>-</u>	<u>62,926</u>	<u>-</u>	<u>-</u>
 Fund balances						
<i>Committed for:</i>						
Public works programs	4,015,699	-	499	271,057	3	-
Unassigned	-	(6,637)	-	-	-	-
Total fund balances (deficit)	<u>4,015,699</u>	<u>(6,637)</u>	<u>499</u>	<u>271,057</u>	<u>3</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 4,015,699</u>	<u>\$ -</u>	<u>\$ 499</u>	<u>\$ 333,983</u>	<u>\$ 3</u>	<u>\$ -</u>

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF TIVERTON, RHODE ISLAND
Capital Projects Funds
Combining Balance Sheet - Non-Major Governmental Fund
June 30, 2011

	312 Ft. Barton Renovation	303 Animal Vehicle	Totals
Cash	\$ 13,499	\$ -	\$ 862,132
Investments	-	-	3,306,232
Due from other funds	-	427	195,746
Total assets	\$ 13,499	\$ 427	\$ 4,364,110
 LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ -	\$ -	\$ 51,848
Due to other funds	-	-	17,715
Total liabilities	-	-	69,563
 Fund balances -			
<i>Committed for:</i>			
Public works programs	13,499	427	4,301,184
Unassigned	-	-	(6,637)
Total fund balances (deficit)	13,499	427	4,294,547
Total liabilities and fund balances	\$ 13,499	\$ 427	\$ 4,364,110

(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, 2011

	<u>300</u> <u>Landfill</u> <u>Fund</u>	<u>302</u> <u>Old Stone</u> <u>Bridge</u>	<u>307</u> <u>Recreation</u> <u>Project</u>	<u>309</u> <u>TIF</u> <u>Fund</u>	<u>310</u> <u>School</u> <u>Renovation</u>	<u>311</u> <u>Pocasset</u> <u>Renovation</u>
Revenues						
Earnings on investments	\$ 97,078	\$ -	\$ -	\$ 2,399	\$ -	\$ -
Unrealized loss on investment	(86,358)	-	-	-	-	-
Other	-	711	-	-	-	-
Total revenues	<u>10,720</u>	<u>711</u>	<u>-</u>	<u>2,399</u>	<u>-</u>	<u>-</u>
Expenditures						
Education	-	-	-	-	-	-
General government	-	-	-	134,843	-	-
Public works	-	2,352	-	-	-	-
Debt service	-	-	-	365,000	-	-
Interest expense	-	-	-	445,844	-	-
Total expenditures	<u>-</u>	<u>2,352</u>	<u>-</u>	<u>945,687</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources	10,720	(1,641)	-	(943,288)	-	-
Other financing sources (uses)						
Transfers from other funds	168,304	-	-	822,890	-	-
Transfers (to) other funds	-	-	-	-	-	(804)
Total other financing sources (uses)	<u>168,304</u>	<u>-</u>	<u>-</u>	<u>822,890</u>	<u>-</u>	<u>(804)</u>
Excess of revenues and other sources over (under) expenditures	<u>179,024</u>	<u>(1,641)</u>	<u>-</u>	<u>(120,398)</u>	<u>-</u>	<u>(804)</u>
Fund balances (deficit) - unreserved July 1, 2010	<u>3,836,675</u>	<u>(4,996)</u>	<u>499</u>	<u>391,455</u>	<u>3</u>	<u>804</u>
Fund balances - unreserved June 30, 2011	<u>\$ 4,015,699</u>	<u>\$ (6,637)</u>	<u>\$ 499</u>	<u>\$ 271,057</u>	<u>\$ 3</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, 2011

	312 Ft. Barton Renovation	303 Animal Vehicle	Totals
Revenues			
Earnings on investments	\$ 1	\$ -	\$ 99,478
Unrealized loss on investment	-	-	(86,358)
Other	-	-	711
Total revenues	<u>1</u>	<u>-</u>	<u>13,831</u>
Expenditures			
Education	1,294	-	1,294
General government	-	-	134,843
Public works	-	-	2,352
Debt service	-	-	365,000
Interest expense	-	-	445,844
Total expenditures	<u>1,294</u>	<u>-</u>	<u>949,333</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources	(1,293)	-	(935,502)
Other financing sources (uses)			
Transfers from other funds	-	-	991,194
Transfers (to) other funds	-	-	(804)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>990,390</u>
Excess of revenues and other sources over (under) expenditures	<u>(1,293)</u>	<u>-</u>	<u>54,888</u>
Fund balances (deficit) - unreserved July 1, 2010	<u>14,792</u>	<u>427</u>	<u>4,239,659</u>
Fund balances - unreserved June 30, 2011	<u>\$ 13,499</u>	<u>\$ 427</u>	<u>\$ 4,294,547</u>

(concluded)

**SUPPLEMENTARY INFORMATION
TOWN OF TIVERTON, RHODE ISLAND
Private Purpose Trust Funds
Combining Balance Sheet
June 30, 2011**

	<u>Burial Lots</u>	<u>Pocasset Hill Cemetery</u>	<u>Total</u>
ASSETS			
Cash and equivalents	\$ 28,057	\$ 50,899	\$ 78,956
Investments, at fair value:			
Cash management investment funds	-	447,423	447,423
Total investments	-	447,423	447,423
TOTAL ASSETS	<u>\$ 28,057</u>	<u>\$ 498,322</u>	<u>\$ 526,379</u>
NET ASSETS			
Reserved for Principal	28,057	498,322	526,379
TOTAL NET ASSETS	<u>\$ 28,057</u>	<u>\$ 498,322</u>	<u>\$ 526,379</u>

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, 2011

	<u>Burial Lots</u>	<u>Pocasset Hill Cemetery</u>	<u>Total</u>
ADDITIONS			
Investment income	\$ 293	\$ 6,385	\$ 6,678
Total additions	<u>293</u>	<u>6,385</u>	<u>6,678</u>
DEDUCTIONS			
Per trust agreements	\$ 623	\$ 14,158	\$ 14,781
Total deductions	<u>623</u>	<u>14,158</u>	<u>14,781</u>
Change in net assets held in trust for:			
Individuals, organizations and other governments	(330)	(7,773)	(8,103)
Net assets - beginning July 1, 2010	<u>28,387</u>	<u>506,095</u>	<u>534,482</u>
Net assets - ending June 30, 2011	<u>\$ 28,057</u>	<u>\$ 498,322</u>	<u>\$ 526,379</u>

**TOWN OF TIVERTON, RHODE ISLAND
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES
IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDING JUNE 30, 2011**

	Balance July 1, 2010	Additions	Deductions	Balance June 30, 2011
GRAVEL BONDS				
Assets				
Cash	\$ 10,292	\$ 21	\$ -	\$ 10,313
Total assets	\$ 10,292	\$ 21	\$ -	\$ 10,313
Liabilities				
Deposits held in custody for others	\$ 10,292	\$ 21	\$ -	\$ 10,313
Total liabilities	\$ 10,292	\$ 21	\$ -	\$ 10,313
ROAD SURETY				
Assets				
Cash	\$ 33,928	\$ 69	\$ -	\$ 33,997
Total assets	\$ 33,928	\$ 69	\$ -	\$ 33,997
Liabilities				
Deposits held in custody for others	\$ 33,928	\$ 69	\$ -	\$ 33,997
Total liabilities	\$ 33,928	\$ 69	\$ -	\$ 33,997
STUDENT ACTIVITY				
Assets				
Cash	\$ 162,125	\$ 264,876	\$ 278,017	\$ 148,984
Total assets	\$ 162,125	\$ 264,876	\$ 278,017	\$ 148,984
Liabilities				
Deposits held in custody for others	\$ 162,125	\$ 264,876	\$ 278,017	\$ 148,984
Total liabilities	\$ 162,125	\$ 264,876	\$ 278,017	\$ 148,984
TOTAL AGENCY FUNDS				
Assets				
Cash	\$ 206,345	\$ 264,966	\$ 278,017	\$ 193,294
Total assets	\$ 206,345	\$ 264,966	\$ 278,017	\$ 193,294
Liabilities				
Deposits held in custody for others	\$ 206,345	\$ 264,966	\$ 278,017	\$ 193,294
Total liabilities	\$ 206,345	\$ 264,966	\$ 278,017	\$ 193,294

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, 2011**

REAL ESTATE AND PERSONAL PROPERTY TAXES

Fiscal Year	Balance 07/01/10	Current Year Assessment	Supplemental	Transfers and Adjustments	Refunds	Abatements	Amount to be Collected	Collections	Balance 06/30/11
2010	-	34,703,682	66,156	53,754	51,084	53,710	34,820,966	33,852,192	968,774
2009	1,003,891	-	-	(13,481)	25,154	-	1,015,564	560,887	454,677
2008	502,932	-	-	(839)	-	-	502,093	405,181	96,912
2007	77,466	-	-	1	-	-	77,467	12,157	65,310
2006	36,909	-	-	53	-	-	36,962	1,895	35,067
2005	25,479	-	-	-	-	-	25,479	1,274	24,205
2004	21,711	-	-	100	-	-	21,811	1,139	20,672
2003	19,680	-	-	(1)	-	-	19,679	375	19,304
2002	23,372	-	-	1	-	-	23,373	552	22,821
2001	19,233	-	-	-	-	-	19,233	164	19,069
Prior	22,245	-	-	(293)	-	-	21,952	642	21,310
	1,752,918	34,703,682	66,156	39,295	76,238	53,710	36,584,579	34,836,458	1,748,121

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

Description of Property	Valuations	Levy
Real property	\$ 1,989,912,225	\$ 30,544,518
Commercial/Industrial real estate	182,639,125	2,803,511
Motor vehicles	139,503,455	2,670,096
Tangible personal	34,643,353	531,775
<i>Total</i>	<u>2,346,698,158</u>	<u>36,549,900</u>
Exemptions		
Real estate	24,015,325	368,635
Motor vehicles	77,198,687	1,477,583
<i>Net assessed value</i>	<u>2,245,484,146</u>	<u>34,703,682</u>

Current year assessment

\$ 34,703,682

**RECONCILIATION OF CURRENT YEAR
PROPERTY TAX REVENUE**

Current year collections	\$ 34,836,458
Reserve collected within 60 days subsequent to fiscal year ending June 30, 2011	252,936
	<u>35,089,394</u>
Prior year revenue received in current year	(240,485)
Other Adjustments	(115,588)
Current year property tax revenue	<u>\$ 34,733,321</u>

TOWN OF TIVERTON, RHODE ISLAND
Schedule of Long-Term Liabilities
For the fiscal year ended June 30, 2011

	Date of Issuance	Interest Rate	Date of Maturity	Authorized	Outstanding July 1, 2010	Additions	Maturities During Year	Outstanding June 30, 2011	Interest Paid
General long-term obligations									
Tax increment bonds	5/1/2002	6.875	5/1/2022	\$ 8,295,000	\$ 6,485,000	\$ -	\$ 365,000	\$ 6,120,000	\$ 445,844
Revenue Financing bonds	6/15/2006	4.0% - 5.0%	5/15/2026	3,735,000	3,025,000	-	190,000	2,835,000	138,025
General Obligation Bonds	8/1/2007	4.25%-5.00%	5/15/2027	10,580,000	9,735,000	-	395,000	9,340,000	454,575
Ft. Barton 10.0 Million Bond	7/15/2008	3.75%-6.00%	5/15/2028	10,000,000	9,410,000	-	350,000	9,060,000	452,455
Pocasset 10.1 Million Bond	7/1/2009	3.00%-6.25%	5/15/2029	10,100,000	10,100,000	-	345,000	9,755,000	516,413
Notes Payable - RIDEM	8/10/2007	0.00%	8/10/2011	250,000	125,000	-	62,500	62,500	-
Total general obligation bonds and notes payable				42,960,000	38,880,000	-	1,707,500	37,172,500	2,007,312
Capital lease				-	218,961	570,126	200,986	588,101	22,742
Landfill closure and postclosure care costs				-	4,651,127	-	-	4,651,127	-
Other general long-term obligations				-	4,870,088	570,126	200,986	5,239,228	22,742
Accrued expenses									
Accrued vacation and sick leave					1,214,516	-	156,984	1,057,532	n/a
Net OPEB obligation					3,744,209	160,147	-	3,904,356	n/a
Net pension obligation					1,219,411	628,326	-	1,847,737	n/a
Total accrued expenses					6,178,136	788,473	156,984	6,809,625	
Total long-term liabilities					\$ 49,928,224	\$ 1,358,599	\$ 2,065,470	\$ 49,221,353	

**TOWN OF TIVERTON, RHODE ISLAND
SCHEDULE OF DEBT SERVICE REQUIREMENTS
TO MATURITY - GENERAL FUND
FOR THE FISCAL YEAR ENDING JUNE 30, 2011**

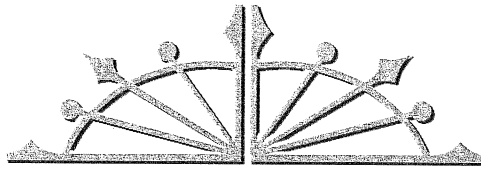
Fiscal Year Ended June 30,	Percentage of Maturity	Principal	Interest	Total Debt Service
2012	4.78%	1,777,500	1,934,355	3,711,855
2013	9.57%	1,780,000	1,857,494	3,637,494
2014	14.57%	1,860,000	1,769,018	3,629,018
2015	19.78%	1,935,000	1,678,800	3,613,800
2016	25.23%	2,025,000	1,585,567	3,610,567
2017	30.93%	2,120,000	1,486,418	3,606,418
2018	36.89%	2,215,000	1,376,723	3,591,723
2019	43.16%	2,330,000	1,254,423	3,584,423
2020-2029	100.00%	21,130,000	5,372,683	26,502,683
		\$ 37,172,500	\$ 18,315,481	\$ 55,487,981

**TOWN OF TIVERTON, RHODE ISLAND
COMPUTATION OF LEGAL DEBT MARGIN
JUNE 30, 2011**

Gross assessed value	\$ 2,346,698,158
Less exempt property	101,214,012
Total taxable assessed value	\$ 2,245,484,146
Debt Limit - 3 percent of total assessed value	\$ 67,364,524
Amount of debt applicable to debt limit:	
Total bonded debt	37,110,000
Legal debt margin	\$ 30,254,524

TOWN OF TIVERTON, RHODE ISLAND

SINGLE AUDIT SECTION



BAXTER DANSEREAU & ASSOCIATES, LLP

Accounting, Consulting & Tax Services

Partners

William J. Baxter, Jr., CPA

Paul L. Dansereau, CPA

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

The Honorable President
and Members of the Town Council
Town of 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, Rhode Island, as of and for the year fiscal ended June 30, 2011, and have issued our report thereon dated December 22, 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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Town's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance and Other Matter

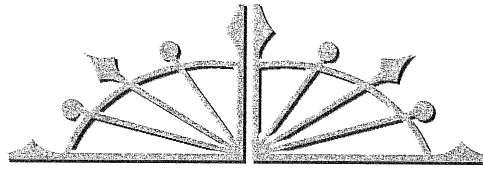
As part of obtaining reasonable assurance about whether Town's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those

provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain other matters that we reported to management of the Town in a separate letter dated December 22, 2011.

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


Baxter Dansereau & Associates, LLP
December 22, 2011



BAXTER DANSEREAU & ASSOCIATES, LLP

Accounting, Consulting & Tax Services

Partners

William J. Baxter, Jr., CPA

Paul L. Dansereau, CPA

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

INDEPENDENT AUDITOR'S REPORT

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

Compliance

We have audited the Town of Tiverton, Rhode Island, compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Town's major federal programs for the year ended June 30, 2011. The Town of Tiverton's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Town of Tiverton's management. Our responsibility is to express an opinion on the Town of Tiverton's compliance based on our audit.

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

In our opinion, the Town, complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

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

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

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

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

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


Baxter Dansereau & Associates, LLP
December 22, 2011

TOWN OF TIVERTON
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2011

<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>			
<i>Child Nutrition Cluster:</i>			
School Breakfast Program	10.553	N/A	\$ 24,127
National School Lunch Program	10.555	N/A	176,263
Special School Milk Program for Children	10.556	N/A	421
Food Donation	10.550	N/A	34,295
ARRA-Emergency Watershed Protection Program	10.923	68-1535-11-06	97,849
Total U.S. Department of Agriculture			<u>\$ 332,955</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/Small Cities Program	14.228	N/A	\$ 108,857
Total U.S. Department of Housing and Urban Development			<u>\$ 108,857</u>
U.S. Department of the Interior			
<i>Direct Program:</i>			
Partners for Fish and Wildlife	15.631		\$ 5,000
Total U.S. Department of the Interior			<u>\$ 5,000</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	\$ 30,786
Total U.S. Department of Justice			<u>\$ 30,786</u>
U.S. Department of Transportation:			
<i>Pass-Through State of Rhode Island Department of Transportation,</i>			
<i>Governor's Office on Highway Safety</i>			
<i>Transportation Cluster:</i>			
State and Community Highway Safety	20.600	N/A	\$ 3,000
Occupant Protection Incentive Grants	20.602	N/A	4,700
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	N/A	7,000
State Traffic Safety Information System Improvement Grants	20.610	N/A	42,338
Total U.S. Department of Transportation			<u>\$ 57,038</u>
U.S. Department of Energy:			
<i>Passed through State of Rhode Island Office of Energy Resources</i>			
ARRA-Energy Efficiency And Conservation Block Grant Program	81.128	N/A	\$ 90,610
Total U.S. Department of Energy			<u>\$ 90,610</u>
U.S. Department of Education			
<i>Passed through State of Rhode Island Department of Education:</i>			
<i>Education Cluster:</i>			
Title I Grants to Local Educational Agencies	84.010	2752-11702-101	\$ 191,451
ARRA - Title I Grants to Local Education Agencies	84.389	4572-1102-110	6,091
<i>Special Education Cluster:</i>			
Special Education - Grants to States	84.027	2725-13202-101	313,566
Special Education - Grants to States - Preschool	84.173	2725-13502-101	14,353
ARRA-Race to the Top - Incentive Grants	84.395	4572-13502-110	1,716
Improving Teacher Quality State Grants	84.367	2725-16402-101	91,224
<i>Passed through City of Newport Rhode Island:</i>			
Vocational Education - Basic Grants to States	84.048	1440-53200-21-02	18,013
Total U.S. Department of Education			<u>\$ 636,414</u>
Total Expenditures of Federal Awards			<u>\$ 1,261,660</u>

TOWN OF TIVERTON, RHODE ISLAND
Schedule of Findings and Questioned Costs
For The Fiscal Year Ended June 30, 2011

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weakness (es) identified? yes X no

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

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

Material weakness (es) identified? yes X no

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

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

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

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
	<i>Special Education Cluster</i>
84.027	Special Education Grants to States
84.173	Special Education Preschool Grants
	<i>Special Education Cluster</i>
84.010	Title I Grants to Local Educational Agencies
84.389	ARRA – Title I Grants to Local Educational Agencies
	<i>Nutrition Cluster</i>
10.553	School Breakfast Program
10.555	National School Lunch Program
10.556	Special School Milk Program for Children

*TOWN OF TIVERTON, RHODE ISLAND
Schedule of Findings and Questioned Costs
For The Fiscal Year Ended June 30, 2011
(continued)*

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 300,000

Auditee qualified as low risk auditee?

yes no

SECTION II – FINANCIAL STATEMENT FINDINGS

yes none

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

yes none

TOWN OF TIVERTON, RHODE ISLAND
Schedule of Findings and Questioned Costs
For The Fiscal Year Ended June 30, 2011
(continued)

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

A. Significant Deficiency in Internal Control

None Reported

B. Compliance

None Reported

SECTION III – FINDINGS AND QUESTIONED COST FOR FEDERAL AWARDS

A. Findings

None Reported

B. Questioned Costs

None Reported

TOWN OF TIVERTON, RHODE ISLAND
Schedule of Prior Year Findings and Questioned Costs
Year Ended June 30, 2011

PRIOR YEAR FINDINGS AND QUESTIONED COST FOR FEDERAL AWARDS

A. Findings

None Reported

B. Questioned Costs

None Reported

TOWN OF TIVERTON, RHODE ISLAND
Notes to Schedule of Expenditures of Federal Awards
June 30, 2011

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, Rhode Island. As such, the threshold for determining Type A vs. Type B programs is determined at the entity level. For the fiscal year-ended June 30, 2011, grants with expenditures exceeding \$300,000 were determined to be Type A programs and all other grants were considered Type B programs. The following programs were considered major programs:

<u>CFDA</u>	<u>Program Name</u>
	<i>Special Education Cluster</i>
84.027	Special Education Grants to States
84.173	Special Education Preschool Grants
	<i>Special Education Cluster</i>
84.010	Title I Grants to Local Educational Agencies
84.389	ARRA – Title I Grants to Local Educational Agencies
	<i>Nutrition Cluster</i>
10.553	School Breakfast Program
10.555	National School Lunch Program
10.556	Special School Milk Program for Children

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 \$34,295 represents the market value of such commodities used during the period.