

TOWN OF TIVERTON

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2012



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, 2012**

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<i>Cover photograph provided by Rick Barrette</i>	

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INTRODUCTORY SECTION

This Section Contains the Following Subsections:

List of Town Officials

TOWN OF TIVERTON, RHODE ISLAND

JUNE 30, 2012

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

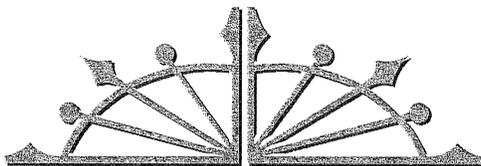
TOWN TREASURER

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, 2012, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of 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, 2012, and the respective changes in financial position and cash flows, where applicable thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 18, 2012 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 68 through 78 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 68-78 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 18, 2012

Management's Discussion and Analysis

TOWN OF TIVERTON, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2012
(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, 2012.

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 \$3,117,325 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 and a current period surplus of \$760,970 in the capital projects landfill fund. Other factors that increased expenses include depreciation expense of \$1,737,621 and an increase in the Town's pension liability of \$151,561 and an increase in other post employment benefit obligations of \$116,961. 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 \$12,161,626. Net assets of business activities increased by \$6,928 or 0.18%, while net assets of Governmental Activities increased by \$3,110,397 or 55% before a prior period adjustment of (\$423,627). See note 19 for an explanation of the prior period adjustment.
- ❖ The Town's Government-wide (governmental and business activities) operating expenses were \$47,319,173 a 0.41% increase from the prior year, while revenues collected were \$50,450,223 a 5.3% increase.
- ❖ As of the close of the fiscal year, the Town's governmental funds reported combined ending fund balances of \$10,542,446. Over 16% of this amount \$1,715,848 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 \$1,790,855, or 4.6% 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 \$218,006. On a budgetary basis revenues exceeded expenditures and transfers by \$689,420.

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

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

- Notes to financial statements

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, 2012
(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 65.

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 66 through 79.

The combining statements referred to earlier in connection with non-major governmental funds, are presented on pages 80 through 105.

TOWN OF TIVERTON, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2012
(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 \$8,389,617 as of June 30, 2012. This represents a current years' increase of \$3,110,397 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, 2011</u>			<u>June 30, 2012</u>		
	Govern- mental Activities	Business Type Activities	Total	Govern- mental Activities	Business Type Activities	Total
Current and Other Assets	\$ 17,406,042	\$ 403,288	\$ 17,809,330	\$ 19,950,524	\$ 300,423	\$ 20,250,947
Capital assets	44,559,487	3,514,327	48,073,814	44,314,951	3,511,393	47,826,344
Total Assets	<u>61,965,529</u>	<u>3,917,615</u>	<u>65,883,144</u>	<u>64,265,475</u>	<u>3,811,816</u>	<u>68,077,291</u>
Other Liabilities	7,041,329	152,534	7,193,863	8,245,956	39,807	8,285,763
Long-Term Liabilities	49,221,353	-	49,221,353	47,629,902	-	47,629,902
Total Liabilities	<u>56,262,682</u>	<u>152,534</u>	<u>56,415,216</u>	<u>55,875,858</u>	<u>39,807</u>	<u>55,915,665</u>
Net Assets:						
Invested in Capital						
Net of Related Debt	6,861,386	3,514,327	10,375,713	8,429,991	3,511,393	11,941,384
Restricted for:						
Education programs	637,036	-	637,036	824,231	-	824,231
Public safety programs	548,978	-	548,978	534,553	-	534,553
Health and human services	38,953	-	38,953	38,953	-	38,953
Unrestricted	<u>(2,383,506)</u>	<u>250,754</u>	<u>(2,132,752)</u>	<u>(1,438,111)</u>	<u>260,616</u>	<u>(1,177,495)</u>
Total Net Assets	<u>\$ 5,702,847</u>	<u>\$ 3,765,081</u>	<u>\$ 9,467,928</u>	<u>\$ 8,389,617</u>	<u>\$ 3,772,009</u>	<u>\$ 12,161,626</u>

An additional portion of the Town's net assets, \$11,941,384 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, 2012
(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, 2012. 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 \$3,110,397 for the current period, which equated to a 55% increase in the Town's governmental net assets, while business-type activities increased the Town's net assets by \$6,928, accounting for a 0.18% increase in the business-type net assets. Overall the Town's current year's net asset increase was \$3,117,325 which is a 33% 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 \$1,564,091. 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 \$431,495. 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 \$1,777,500. Other changes were due to an increase in the Town's other post employment benefits of \$116,961 and an increase in the Town's net pension obligation of \$151,561. The overall effect was an increase in the Town's Governmental net assets of \$3,110,397. 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, 2012
(Un-audited)

Town of Tiverton
Changes in Net Assets

	<u>June 30, 2011</u>			<u>June 30, 2012</u>		
	Govern- mental Activities	Business Type Activities	Total	Govern- mental Activities	Business Type Activities	Total
Revenues						
Program revenues						
Charges for services	\$ 2,398,153	\$ 551,662	\$ 2,949,815	\$ 2,515,010	\$ 593,758	\$ 3,108,768
Federal/State grants	6,136,990	200,811	6,337,801	6,830,642	223,443	7,054,085
General Revenues						
Property taxes	34,717,035	-	34,717,035	35,705,378	-	35,705,378
State aid	1,125,218	-	1,125,218	1,355,388	-	1,355,388
Investment earnings	148,920	-	148,920	159,362	-	159,362
Miscellaneous	2,609,756	-	2,609,756	3,067,242	-	3,067,242
Loss on disposal of capital assets	-	-	-	(13,725)	-	(13,725)
Total revenues	<u>47,136,072</u>	<u>752,473</u>	<u>47,888,545</u>	<u>49,619,297</u>	<u>817,201</u>	<u>50,436,498</u>
Expenses						
General government	1,842,622	-	1,842,622	1,466,087	-	1,466,087
Financial administration	3,917,043	-	3,917,043	4,131,615	-	4,131,615
Public Safety	5,548,746	-	5,548,746	4,759,896	-	4,759,896
Grants, health & sanitation	1,355,013	-	1,355,013	781,886	-	781,886
Public works	2,181,407	-	2,181,407	1,828,346	-	1,828,346
Associated activities	101,970	-	101,970	515,448	-	515,448
Parks and Recreation	163,870	-	163,870	206,800	-	206,800
Education	28,852,560	-	28,852,560	30,253,150	-	30,253,150
Other	406,419	-	406,419	659,196	-	659,196
Interest	1,988,994	-	1,988,994	1,906,476	-	1,906,476
Cafeteria Fund	-	769,065	769,065	-	810,273	810,273
Total expenses	<u>46,358,644</u>	<u>769,065</u>	<u>47,127,709</u>	<u>46,508,900</u>	<u>810,273</u>	<u>47,319,173</u>
Change in net assets	777,428	(16,592)	760,836	3,110,397	6,928	3,117,325
Net assets - beginning	4,963,931	3,781,673	8,745,604	5,702,847	3,765,081	9,467,928
Prior period adjustments Note 19	(38,512)	-	(38,512)	(423,627)	-	(423,627)
Net assets - beginning restated	<u>4,925,419</u>	<u>3,781,673</u>	<u>8,707,092</u>	<u>5,279,220</u>	<u>3,765,081</u>	<u>9,044,301</u>
Net assets - ending	<u>\$ 5,702,847</u>	<u>\$ 3,765,081</u>	<u>\$ 9,467,928</u>	<u>\$ 8,389,617</u>	<u>\$ 3,772,009</u>	<u>\$ 12,161,626</u>

TOWN OF TIVERTON, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2012
(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 \$10,542,446. Over 16% of this amount \$1,715,848 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	\$ 824,231
Public safety programs	534,553
Health and human services	38,953
<i>Committed for:</i>	
Public safety programs	921,708
General government programs	221,864
Public works programs	5,515,961
Capital projects	478,915
Culture and recreation	290,413
<i>Unassigned:</i>	1,715,848
Total fund balances	<u>\$ 10,542,446</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 \$260,616.

General Fund Budgetary Highlights:

Fiscal year June 30, 2012 ended on a positive note, resulting in an audited surplus just over \$218,000. While that translates to an overall budget that was very close to actual, a thorough review of results would reveal that the final revenue was 100.7% of actual and the final expenses came in at 98.2%. Developing a sound budget requires not only carefully reviewing necessary expenditures, but ensuring that revenue projections are reasonable. While the majority of expenses can be forecast based on contractual agreements, other energy, maintenance and health care costs continue to escalate. Add to this, the difficult task of calculating a future revenue stream. While some revenue line items are based on solid expectations, (like tax collections, licensing fee renewals, and projected State aid), other revenue items are subject to market fluctuations and the relative financial climate at that time.

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

Building permits, impact fees, and other fees collected in connection with home sales, new construction and renovations have been affected by the economy, and Tiverton has experienced a definite decline in construction related fee income. However, we are among the fortunate towns to consistently experience a 98-99% tax collection rate. While we can appreciate that any new revenue sources are unlikely, it is paramount that the town maintain the course of prudent fiscal management.

Overall, expenditures for the Town were on target, and no significant deficiencies were noted for any one line item. However it is worthy to note, that some planned expenditures did not occur. We were able to utilize last years' OPEB report, and engaging the consultants for FY12 was deemed unnecessary. We were also successfully able to maximize the RI energy grant, using grant funds to update the Town Hall's Computer Server, and a number of desktops and programs. Utilizing the grant allowed us to save the computer expenses that had been planned for the year.

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 \$47,826,344 net of accumulated depreciation at June 30, 2012. 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)

	<i>June 30, 2011</i>			<i>June 30, 2012</i>		
	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
Construction in Progress	-	-	-	16,708	-	16,708
Buildings and improvements	35,477,536	-	35,477,536	34,599,689	-	34,599,689
Motor vehicles	898,195	-	898,195	1,360,965	-	1,360,965
Infrastructure	2,197,972	-	2,197,972	2,469,043	-	2,469,043
Machinery and equipment	1,908,271	14,327	1,922,598	1,791,033	11,393	1,802,426
Total	<u>44,559,487</u>	<u>3,514,327</u>	<u>48,073,814</u>	<u>44,314,951</u>	<u>3,511,393</u>	<u>47,826,344</u>

TOWN OF TIVERTON, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2012
(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 \$35,395,000. 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, 2011</i>			<i>June 30, 2012</i>		
	Govern- mental Activities	Business Type Activities	Total	Govern- mental Activities	Business Type Activities	Total
General Obligation Bonds	37,110,000	-	37,110,000	35,395,000	-	35,395,000
Notes Payable - RIDEM	62,500	-	62,500	-	-	-
Capital Leases	588,101	-	588,101	489,960	-	489,960
Totals	37,760,601	-	37,760,601	35,884,960	-	35,884,960

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 \$67,872,431 at year-end. The Town's outstanding general obligation debt is \$35,395,000 at year-end, which is \$32,477,431 under the State imposed limitation.

Economic Factors and Next Year's Budgets and Rates

The 2013 fiscal year budget was approved at the Town of Tiverton's first Financial Town Referendum, and was set at \$45,861,285. Coupled with an overall property revaluation, the resulting property tax rate was set at \$18.99 per \$1000 of valuation. While that may seem like a hefty increase over last year's rate of \$15.71 per \$1000, the town experienced a 15.7% decline in property values.

Municipal expenses, (\$17,943,888) make up approximately 39.1% of the total budget and include \$333,762 for capital and non-recurring expenses. The remaining 60.9% (\$27,917,397) is budgeted for Educational expenses, and include capital expenditures of \$89,004.

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

The Town continues to take steps toward controlling healthcare costs and addressing the unfunded liabilities that currently exist. Fire, Police and AFSCME contracts have been negotiated and all parties have agreed to move to a High deductible health care plan which includes a Health Savings Account, (HSA). In the Private pension arena, we are all aware of the Pension reform legislation that was passed last year. Based on the State of RI's guidelines, private pension plans that are less than 60% funded, were deemed in "critical status". The Town of Tiverton has such a pension plan for the Police department. Our actuaries, based on current data, calculated that our plan was 50.6% funded. Therefore, the Town was required to submit a Pension Improvement Plan, on or before November 11, 2012. Part of the plan includes an increase in pension contribution, and sustaining that increase going forward. The FY2013 budget included a \$700,000 police pension contribution, up \$150,000 from FY2012. This contribution, which was made in July 2012, was in excess of the Annual Required Contribution, (ARC), as calculated by the actuary. If all things remain the same, and the actuarial assumptions are met, the pension improvement plan submitted this past November projects that we will emerge from critical status in approximately 8 years.

Another positive step in addressing the Town's unfunded liability – Other Post-Employment Benefits, (OPEB) has occurred. As of July 1, 2012, the police and fire department personnel have agreed to, and have started to contribute, toward OPEB costs.

Although there is much to be done, and the questions about the direction of the national economy remain, the Town of Tiverton has continued to move forward, maintain expense control, improve the general fund surplus and continue to offer our citizens a full-service community.

Request for Information

The financial report is designed to provide our citizens, taxpayers and creditors with a general overview of the Town's finances and to show the Town's accountability for the tax dollars received. If you have questions about this report or need additional financial information, contact the Treasurer's Office, Town of Tiverton, 343 Highland Road, Tiverton RI 02878.

Denise G. Saurette
Town Treasurer

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements

TOWN OF TIVERTON, RHODE ISLAND
Statement of Net Assets
June 30, 2012

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 12,894,174	\$ 41,480	\$ 12,935,654
Investments	4,501,466	-	4,501,466
Accounts receivable:			
Accounts receivable net	1,839,727	-	1,839,727
Due from other governments	496,960	10,094	507,054
Other receivables	30,584	-	30,584
Internal balances	(248,849)	248,849	-
Other assets	436,462	-	436,462
Capital assets:			
Property, plant and equipment - net	40,220,730	-	40,220,730
Assets not being depreciated	4,094,221	3,511,393	7,605,614
Total capital assets	44,314,951	3,511,393	47,826,344
TOTAL ASSETS	64,265,475	3,811,816	68,077,291
LIABILITIES			
Accounts payable	1,580,125	39,807	1,619,932
Accrued expenses	1,928,914	-	1,928,914
Unearned revenue	4,736,917	-	4,736,917
Long-term liabilities			
Due within one year	1,921,787	-	1,921,787
Due in more than one year	45,708,115	-	45,708,115
Total liabilities	55,875,858	39,807	55,915,665
NET ASSETS			
Invested in capital assets, net of related debt	8,429,991	3,511,393	11,941,384
<i>Restricted for:</i>			
Education programs	824,231	-	824,231
Public safety programs	534,553	-	534,553
Health and human services	38,953	-	38,953
Unrestricted	(1,438,111)	260,616	(1,177,495)
Total net assets	\$ 8,389,617	\$ 3,772,009	\$ 12,161,626

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, 2012

	<u>Program revenues</u>			<u>Net (Expense) Revenue and Changes in Net Assets</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Primary Government Business-type Activities</u>	<u>Total</u>
Functions/ Programs						
Primary government						
Governmental activities:						
General government	\$ 1,466,087	\$ 1,540,615	\$ 20,317	\$ 94,845		\$ 94,845
Financial administration	4,131,615	334,778	-	(3,796,837)		(3,796,837)
Public safety	4,759,896	469,179	29,660	(4,261,057)		(4,261,057)
Grants, health & sanitation	781,886	-	356,531	(425,355)		(425,355)
Public works	1,828,346	56,297	-	(1,772,049)		(1,772,049)
Associated activities	515,448	16,430	-	(499,018)		(499,018)
Parks and recreation	206,800	97,711	-	(109,089)		(109,089)
Education	30,253,150	-	6,424,134	(23,829,016)		(23,829,016)
Other	659,196	-	-	(659,196)		(659,196)
Interest	1,906,476	-	-	(1,906,476)		(1,906,476)
Total governmental activities	<u>46,508,900</u>	<u>2,515,010</u>	<u>6,830,642</u>	<u>(37,163,248)</u>		<u>(37,163,248)</u>
Business type activities:						
Land Acquisition Fund	-	-	-	-	\$ -	-
Cafeteria Fund	810,273	593,758	223,443	-	6,928	6,928
Total business-type activities	<u>810,273</u>	<u>593,758</u>	<u>223,443</u>	<u>-</u>	<u>6,928</u>	<u>6,928</u>
Total primary government	<u>\$ 47,319,173</u>	<u>\$ 3,108,768</u>	<u>\$ 7,054,085</u>	<u>(37,163,248)</u>	<u>6,928</u>	<u>(37,156,320)</u>
General revenues:						
Taxes:						
Property taxes, levied for general purposes				35,705,378	-	35,705,378
State aid, unrestricted				1,355,388	-	1,355,388
Unrestricted investment earnings				159,362	-	159,362
Miscellaneous				3,067,242	-	3,067,242
Loss on disposal of capital assets				(13,725)	-	(13,725)
Total general revenues and transfers				<u>40,273,645</u>	<u>-</u>	<u>40,273,645</u>
Change in net assets				<u>3,110,397</u>	<u>6,928</u>	<u>3,117,325</u>
Net assets-beginning				5,702,847	3,765,081	9,467,928
Prior period adjustment - See Note 19				(423,627)	-	(423,627)
Net assets-ending				<u>\$ 8,389,617</u>	<u>\$ 3,772,009</u>	<u>\$ 12,161,626</u>

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, 2012**

	<u>General Fund</u>	<u>School Unrestricted Fund</u>	<u>Other Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 11,614,258	\$ 4,294	\$ 1,275,622	\$ 12,894,174
Investments	-	-	4,501,466	4,501,466
Accounts receivable:				
Real estate and personal property taxes	1,839,727	-	-	1,839,727
Due from other governments	258,329	-	238,631	496,960
Other receivables	30,584	-	-	30,584
Internal balances	143,016	4,968,796	1,422,710	6,534,522
TOTAL ASSETS	<u>\$ 13,885,914</u>	<u>\$ 4,973,090</u>	<u>\$ 7,438,429</u>	<u>\$ 26,297,433</u>
 LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 4,096	\$ 1,576,029	\$ -	\$ 1,580,125
Accrued expenditures	547,658	999,251	-	1,546,909
Internal balances	5,453,014	1,187,340	143,017	6,783,371
Deferred revenue	5,656,821	-	187,761	5,844,582
Total liabilities	<u>11,661,589</u>	<u>3,762,620</u>	<u>330,778</u>	<u>15,754,987</u>
 Fund balances:				
<i>Restricted for:</i>				
Educational programs	-	810,470	13,761	824,231
Public safety programs	-	-	534,553	534,553
Health and human services	-	-	38,953	38,953
<i>Committed for:</i>				
Public safety programs	14,893	-	906,815	921,708
General government programs	221,864	-	-	221,864
Public works programs	117,798	-	5,398,163	5,515,961
Capital projects	78,915	400,000	-	478,915
Culture and recreation	-	-	290,413	290,413
<i>Unassigned:</i>	1,790,855	-	(75,007)	1,715,848
Total fund balances	<u>2,224,325</u>	<u>1,210,470</u>	<u>7,107,651</u>	<u>10,542,446</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 13,885,914</u>	<u>\$ 4,973,090</u>	<u>\$ 7,438,429</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. (see note 8)	44,314,951
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. (see note 8)	1,162,122
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)	(47,629,902)
Net assets of governmental activities	<u>\$ 8,389,617</u>

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, 2012

	<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	\$ 35,530,242	\$ -	\$ -	\$ 35,530,242
Intergovernmental and departmental revenues	1,355,387	6,464,908	2,028,210	9,848,505
License and permits	1,782,637	-	538,550	2,321,187
Fines and interest on late payments	310,791	-	-	310,791
Earnings on investments	21,937	-	137,425	159,362
Other revenues	440,018	-	685,007	1,125,025
Total revenues	<u>39,441,012</u>	<u>6,464,908</u>	<u>3,389,192</u>	<u>49,295,112</u>
Expenditures				
Current:				
General government	1,098,961	-	328,890	1,427,851
Financial administration	4,286,368	-	-	4,286,368
Public safety	5,091,078	-	80,623	5,171,701
Grants, health & welfare	611,996	-	169,890	781,886
Public works	1,327,490	-	449,449	1,776,939
Associated activities	515,448	-	-	515,448
Parks and recreation	119,626	-	96,974	216,600
Education	-	27,881,841	1,324,014	29,205,855
Other	631,774	-	-	631,774
Capital	-	-	16,708	16,708
Debt service:				
Principal	1,325,000	-	452,500	1,777,500
Interest	1,501,641	-	420,750	1,922,391
Total expenditures	<u>16,509,382</u>	<u>27,881,841</u>	<u>3,339,798</u>	<u>47,731,021</u>
Excess of revenues over (under) expenditures before other financing sources (uses)	<u>22,931,630</u>	<u>(21,416,933)</u>	<u>49,394</u>	<u>1,564,091</u>
Other financing sources (uses)				
Transfers from other funds	100,578	21,791,184	1,090,097	22,981,859
Transfers to other funds	<u>(22,814,202)</u>	<u>-</u>	<u>(167,657)</u>	<u>(22,981,859)</u>
Total other financing sources (uses)	<u>(22,713,624)</u>	<u>21,791,184</u>	<u>922,440</u>	<u>-</u>
Net change in fund balances	218,006	374,251	971,834	1,564,091
Fund balances - beginning	2,616,576	225,962	6,559,444	9,401,982
Prior period adjustment - see note 19	<u>(610,257)</u>	<u>610,257</u>	<u>(423,627)</u>	<u>(423,627)</u>
Fund balances - beginning - restated	2,006,319	836,219	6,135,817	8,978,355
Fund balances - ending	<u>\$ 2,224,325</u>	<u>\$ 1,210,470</u>	<u>\$ 7,107,651</u>	<u>\$ 10,542,446</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, 2012

Net change in fund balances-total governmental funds \$ 1,564,091

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

Governmental funds reported capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Also, other various capital activity is not recognized in the governmental funds but is recognized in the Statement of Activities.

Capital Outlays	1,306,126
Depreciation expense	<u>(1,737,621)</u>
Change to Net Assets	<u><u>(431,495)</u></u>

Donated assets	127,012
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Loss on disposal of capital assets	(13,725)
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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. 175,136

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. 15,915

Repayment of debt principal, leases and other debt related activity is an expenditure in the governmental funds, but the repayments and other expenses reduces long-term liabilities in the statement of net assets. This is the net amount by which these activities affected net assets. 1,957,653

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. (284,190)

Change in net assets of governmental activities \$ 3,110,397

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, 2012

	<u>Enterprise Funds</u>		
	<u>Land Acquisition Fund</u>	<u>Cafeteria Fund</u>	<u>Total</u>
ASSETS			
Current assets			
Cash and cash equivalents	\$ -	\$ 41,480	\$ 41,480
Due from other governments	-	10,094	10,094
Due from other funds	248,849	-	248,849
Total current assets	<u>248,849</u>	<u>51,574</u>	<u>300,423</u>
Non-current assets			
Capital assets (net)	3,500,000	11,393	3,511,393
Total non-current assets	<u>3,500,000</u>	<u>11,393</u>	<u>3,511,393</u>
TOTAL ASSETS	<u>3,748,849</u>	<u>62,967</u>	<u>3,811,816</u>
LIABILITIES			
Current liabilities			
Accounts payable	-	39,807	39,807
Total current liabilities	<u>-</u>	<u>39,807</u>	<u>39,807</u>
Total liabilities	<u>-</u>	<u>39,807</u>	<u>39,807</u>
Net Assets			
Invested in Capital assets, net of related debt	3,500,000	11,393	3,511,393
Unrestricted	248,849	11,767	260,616
Total Net Assets	<u>\$ 3,748,849</u>	<u>\$ 23,160</u>	<u>\$ 3,772,009</u>

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, 2012

	<u>Enterprise Funds</u>		
	<u>Land Acquisition Fund</u>	<u>Cafeteria Fund</u>	<u>Total</u>
Operating revenues			
Charges for usage and service	\$ -	\$ 593,758	\$ 593,758
Total operating revenues	<u>-</u>	<u>593,758</u>	<u>593,758</u>
Operating expenses			
Operations	-	807,338	807,338
Depreciation	-	2,935	2,935
Total operating expenses	<u>-</u>	<u>810,273</u>	<u>810,273</u>
Operating income (loss)	<u>-</u>	<u>(216,515)</u>	<u>(216,515)</u>
Non-operating revenues (expenses)			
Intergovernmental revenue	-	223,443	223,443
Total non-operating (expenses)	<u>-</u>	<u>223,443</u>	<u>223,443</u>
Income (loss) before transfers	<u>-</u>	<u>6,928</u>	<u>6,928</u>
Change in Net Assets	<u>-</u>	<u>6,928</u>	<u>6,928</u>
Total Net Assets - Beginning	<u>3,748,849</u>	<u>16,232</u>	<u>3,765,081</u>
Total Net Assets - Ending	<u>\$ 3,748,849</u>	<u>\$ 23,160</u>	<u>\$ 3,772,009</u>

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

TOWN OF TIVERTON, RHODE ISLAND
Statement of Cash Flows-Proprietary Funds
For the Fiscal Year Ended June 30, 2012

	Enterprise Funds		
	Land Acquisition Fund	Cafeteria Fund	Total
Cash flows from operating activities			
Cash received from providing services	\$ -	\$ 603,608	\$ 603,608
Cash payments to suppliers for goods and services	-	(920,065)	(920,065)
Net cash provided by (used for) operating activities	<u>-</u>	<u>(316,457)</u>	<u>(316,457)</u>
Cash flows from non-capital financing activities			
Nonoperating grants received	-	223,443	223,443
Net cash provided by (used for) non-capital financing activities	<u>-</u>	<u>223,443</u>	<u>223,443</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	-	(93,014)	(93,014)
Cash and cash equivalents at beginning of year	-	134,494	134,494
Cash and cash equivalents at end of year	<u>\$ -</u>	<u>\$ 41,480</u>	<u>\$ 41,480</u>
Reconciliation of operating income to net cash provided by operating activities			
Operating income (loss)	\$ -	\$ (216,515)	\$ (216,515)
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	-	9,850	9,850
Increase (decrease) in accounts payable and accrued expenses	-	(112,727)	(112,727)
Total adjustments	<u>-</u>	<u>(99,942)</u>	<u>(99,942)</u>
Net cash provided by operating activities	<u>\$ -</u>	<u>\$ (316,457)</u>	<u>\$ (316,457)</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, 2012

	Police Pension Trust	Private Purpose Trust Funds	Agency Funds
ASSETS			
Cash & cash equivalents	\$ 288,109	\$ 70,804	\$ 200,955
Investments, at fair value:			
Cash management investment funds	71,722	450,756	-
Fixed income bond funds	1,974,493	-	-
Domestic stocks	4,360,092	-	-
Total investments	6,406,307	450,756	-
Total Assets	6,694,416	521,560	200,955
LIABILITIES			
Deposits payable to others	-	-	200,955
Total liabilities	-	-	\$ 200,955
NET ASSETS			
Held in trust for pension benefits and other purposes	\$ 6,694,416	\$ 521,560	

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, 2012

	<u>Police Pension Trust</u>	<u>Private Purpose Trust Funds</u>
Additions		
Contributions		
Employer contributions	\$ 550,000	\$ -
Plan members contributions	161,438	-
Total contributions	<u>711,438</u>	<u>-</u>
Investment earnings		
Net increase (decrease) in fair value of investments	(367,744)	14,200
Interest and dividends	180,246	3,567
Total investment earnings	<u>(187,498)</u>	<u>17,767</u>
Less investment expense	13,412	-
Net investment earnings	<u>(200,910)</u>	<u>17,767</u>
Total additions	<u>510,528</u>	<u>17,767</u>
Deductions		
Benefits paid	755,494	-
Operating expenses	20,116	22,586
Total deductions	<u>775,610</u>	<u>22,586</u>
Change in net assets	<u>(265,082)</u>	<u>(4,819)</u>
Net assets beginning	<u>6,959,498</u>	<u>526,379</u>
Net assets ending	<u>\$ 6,694,416</u>	<u>\$ 521,560</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, 2012

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, 2012

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 2012:

- * 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, 2012

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, 2012

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, 2012

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, 2012

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, 2012

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, 2012

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

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, 2012

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 97.1% of the total December 31, 2010 levy. The Town's fiscal 2012 property taxes were levied in July of 2011 on assessed valuation as of December 31, 2010.

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, 2012

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 (10 days) are allowed to carry over to succeeding years only with written permission of the Department Head and the Town Administrator. Town employees are entitled to 18 sick days per year of service accruing at the rate of 1.5 days per month cumulative to two hundred (200) days. For all employees hired on or after January 1, 2009, Town employees are entitled to 15 sick days per year of service accruing at the rate of 1 ¼ days per month cumulative to one hundred fifty (150) days.

Police employees are entitled to vacation based on length of service. Vacation days must be used within the fiscal year. Police are entitled to sick leave at the rate of 15 working days per year. Sick days shall be accumulative to 145 overall working days.

Fire employees are entitled to vacation based on length of service. Vacations may be taken by the employee in accordance with his desires so that all personnel will be able to apply for their vacation days by the 15th of June of each year. Sick leave shall be earned at a rate of 1 ¾ working days for each full calendar month of service; provided, however, that sick leave shall not accrue in excess of 21 working days per calendar year, and further provided, however, that sick leave shall not accrue in excess of 145 working 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, 2012**

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 \$67,872,431 based on the December 31, 2010 assessment. As of June 30, 2012 the Town's debt is under the debt limit by \$32,477,431. 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:

Energy Grant	Special Revenue	42,880	**
Bulgarmarsh Playground Equipment	Special Revenue	8,782	*
Old Stone Bridge	Capital Project	23,345	**

* 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, 2012

NOTE 5 – CASH AND INVESTMENTS

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

Investments: Investment of all idle funds is made through national banks or trust companies, providing that the financial conditions and integrity of 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, 2012, the entire Town owned bank balances of \$12,935,654 were 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, 2012

NOTE 5 – CASH AND INVESTMENTS (continued)

Cash and investments of the Town consist of the following at June 30, 2012

Cash and Cash Equivalents

Deposits with financial institutions	\$	13,495,522
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Investments

Government and agency obligations		2,822,232
Cash management investment funds		522,478
Corporate Bonds		101,009
Fixed income funds		3,552,718
Domestic stocks		4,360,092
<i>Total Cash and Investments</i>	\$	<u>24,854,051</u>

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

Statement of Net Assets

Cash and cash equivalents	\$	12,935,654
Investments		4,501,466

Fiduciary Funds

Cash		559,868
Investments		6,857,063
<i>Total Cash and Investments</i>	\$	<u>24,854,051</u>

Interest Rate Risk: This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. 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
Government Securities	\$ 2,425,209	\$ -	\$ 444,184	\$1,282,049	\$ 698,976
Corporate Bonds	101,009	-	49,899	51,110	-
Fixed Income	1,578,225	512,762	1,065,463	-	-
Total	<u>\$ 4,104,443</u>	<u>\$ 512,762</u>	<u>\$ 1,559,546</u>	<u>\$1,333,159</u>	<u>\$ 698,976</u>

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

NOTE 5 – CASH AND INVESTMENTS (continued)

Credit Risk: The Town's 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
A1	\$ 51,110
Baa3	49,899
	\$ 101,009

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, 2012

NOTE 7 – PROPERTY, PLANT & EQUIPMENT (continued)

Capital asset activity for the fiscal year ended June 30, 2012 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
Construction in Progress	-	16,708	-	16,708
Total capital assets not being depreciated	<u>4,077,513</u>	<u>16,708</u>	<u>-</u>	<u>4,094,221</u>
Other capital assets:				
Buildings and improvements	46,993,664	133,184	-	47,126,848
Motor vehicles	4,425,643	734,190	450,382	4,709,451
Infrastructure	6,463,007	549,056	-	7,012,063
Machinery and equipment	2,920,808	73,672	-	2,994,480
Total other capital assets at historical cost	<u>60,803,122</u>	<u>1,490,102</u>	<u>450,382</u>	<u>61,842,842</u>
Less accumulated depreciation for:				
Buildings and improvements	11,516,128	1,011,031	-	12,527,159
Motor vehicles	3,527,448	257,695	436,657	3,348,486
Infrastructure	4,265,035	277,985	-	4,543,020
Machinery and equipment	1,012,537	190,910	-	1,203,447
Total accumulated depreciation	<u>20,321,148</u>	<u>1,737,621</u>	<u>436,657</u>	<u>21,622,112</u>
Governmental activities capital assets, net	<u>\$ 44,559,487</u>	<u>\$ (230,811)</u>	<u>\$ 13,725</u>	<u>\$ 44,314,951</u>

Depreciation expense was charged to functions as follows:

Governmental activities:	
General government	\$ 13,627
Public safety	275,385
Public works	366,036
Parks and recreation	18,218
Education	1,064,355
Total governmental activities depreciation expense	<u>\$ 1,737,621</u>

TOWN OF TIVERTON
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

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

"Total fund balances" of the Towns' governmental funds (\$10,542,446) differs from "net assets" of governmental activities (\$8,389,617) 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.

	<u>Total Governmental Funds</u>	<u>Long-term Assets/ Liabilities (1)</u>	<u>Reclassifications and Eliminations</u>	<u>Statement Net Assets Totals</u>
Assets				
Cash and cash equivalents	\$ 12,894,174	\$ -	\$ -	\$ 12,894,174
Investments	4,501,466	-	-	4,501,466
Receivables:				
Property taxes, net	1,839,727	-	-	1,839,727
Intergovernmental	496,960	-	-	496,960
Other	30,584	-	-	30,584
Internal balances	6,534,522	-	(6,783,371)	(248,849)
Deferred charges	-	436,462	-	436,462
Property, plant and equipment - net	-	40,220,730	-	40,220,730
Assets not being depreciated	-	4,094,221	-	4,094,221
Total assets	<u>\$ 26,297,433</u>	<u>\$ 44,751,413</u>	<u>\$ (6,783,371)</u>	<u>\$ 64,265,475</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued items	\$ 1,580,125	\$ -	\$ -	\$ 1,580,125
Accrued expenses	1,546,909	382,005	-	1,928,914
Internal balances	6,783,371	-	(6,783,371)	-
Deferred revenue	5,844,582	(1,107,665)	-	4,736,917
Long-term liabilities				
Due within one year	-	1,921,787	-	1,921,787
Due in more than one year	-	45,708,115	-	45,708,115
Total liabilities	<u>15,754,987</u>	<u>46,904,242</u>	<u>(6,783,371)</u>	<u>55,875,858</u>
Fund Balances/Net Assets				
Total fund balances/net assets	10,542,446	(2,152,829)	-	8,389,617
Total liabilities and fund balances/net assets	<u>\$ 26,297,433</u>	<u>\$ 44,751,413</u>	<u>\$ (6,783,371)</u>	<u>\$ 64,265,475</u>

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

Cost of capital assets	\$ 65,937,063
Accumulated depreciation	(21,622,112)
	<u>\$ 44,314,951</u>

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

Adjustment of deferred revenue	\$ 1,671,309
Deferred bond cost	436,462
Premium on bond	(563,644)
Accrued interest	(382,005)
	<u>\$ 1,162,122</u>

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

Bonds payable	\$ 35,395,000
Capital leases payable	489,960
Landfill closure	4,651,127
Accrued compensated absences	1,073,200
Net OPEB obligation	4,021,317
Net pension obligation	1,999,298
	<u>\$ 47,629,902</u>

TOWN OF TIVERTON
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

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

The "net change in the fund balances" for governmental funds (\$1,140,464) differs from the "change in net assets" for governmental activities \$(2,686,770) 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

	Total Governmental Funds	Long-term Revenues/ Expenses (1)	Capital- related Items (2)	Long-term Debt Transactions (3)	Statement of Activities Totals
Revenues					
General property tax	\$ 35,530,242	\$ 175,136	\$ -	\$ -	\$ 35,705,378
Intergovernmental and departmental revenues	9,848,505	-	-	-	9,848,505
License and permits	2,321,187	-	-	-	2,321,187
Fines and interest on late payments	310,791	-	-	-	310,791
Interest on investments	159,362	-	-	-	159,362
Other revenues	1,125,025	-	127,012	35,762	1,287,799
Total revenues	49,295,112	175,136	127,012	35,762	49,633,022
Expenditures					
Current:					
General government	1,427,851	-	(245,954)	284,190	1,466,087
Financial administration	4,286,368	-	-	(154,753)	4,131,615
Public safety	5,171,701	-	(411,805)	-	4,759,896
Grants, health & sanitation	781,886	-	-	-	781,886
Public works	1,776,939	-	51,407	-	1,828,346
Associated activities	515,448	-	-	-	515,448
Parks and recreation	216,600	-	(9,800)	-	206,800
Education	29,205,855	-	1,064,355	(17,060)	30,253,150
Other	631,774	-	-	27,422	659,196
Capital	16,708	-	(16,708)	-	-
Long-term obligations:					
Principal	1,777,500	-	-	(1,777,500)	-
Interest	1,922,391	(15,915)	-	-	1,906,476
Total expenditures	47,731,021	(15,915)	431,495	(1,637,701)	46,508,900
Other financing sources (uses)					
Transfers from other funds	22,981,859	-	-	-	22,981,859
Transfers to other funds	(22,981,859)	-	-	-	(22,981,859)
Total other financing sources (uses)	-	-	-	-	-
Prior period adjustment	(423,627)	-	-	-	(423,627)
Loss on disposal of capital asset	-	-	(13,725)	-	(13,725)
Net change for the year	\$ 1,140,464	\$ 191,051	\$ (318,208)	\$ 1,673,463	\$ 2,686,770

TOWN OF TIVERTON
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

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>\$ 175,136</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>\$ 15,915</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	\$ 1,306,126
Depreciation expense	(1,737,621)
Difference	<u>\$ (431,495)</u>

Donated assets	<u>\$ 127,012</u>
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Loss on disposal of capital assets	<u>\$ (13,725)</u>
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- (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	1,777,500
Lease payments made	171,813
	<u>\$ 1,957,653</u>

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

Net increase in compensated absences	\$ (15,668)
Net increase in the other post employment benefit obligation	(116,961)
Net increase to net pension obligation	<u>(151,561)</u>
Change	<u>\$ (284,190)</u>

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

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, 2012 was as follows:

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2012</u>	<u>Amounts</u> <u>Due within</u> <u>One Year</u>
Governmental Activities					
Bonds and notes payable:					
Bonds Payable	\$ 37,110,000	\$ -	\$ 1,715,000	\$ 35,395,000	\$ 1,780,000
Notes Payable	62,500	-	62,500	-	-
Total bonds and notes payable	<u>37,172,500</u>	<u>-</u>	<u>1,777,500</u>	<u>35,395,000</u>	<u>1,780,000</u>
Other liabilities:					
Accrued compensated absences	1,057,532	31,055	15,387	1,073,200	-
Landfill closure and postclosure care costs	4,651,127	-	-	4,651,127	-
Capital Leases	588,101	73,672	171,813	489,960	141,787
Net OPEB Obligation	3,904,356	116,961	-	4,021,317	-
Net Pension Obligation	1,847,737	151,561	-	1,999,298	-
Total other liabilities	<u>12,048,853</u>	<u>373,249</u>	<u>187,200</u>	<u>12,234,902</u>	<u>141,787</u>
Governmental Activities long-term liabilities	<u>\$ 49,221,353</u>	<u>\$ 373,249</u>	<u>\$ 1,964,700</u>	<u>\$ 47,629,902</u>	<u>\$ 1,921,787</u>

The following schedule summarizes the Town's bonds and notes

	Interest Rates	Principal	Due Dates
Governmental bonds and notes payable	0% - 6.875%	\$ 35,395,000	2013-2029
Total All Funds		<u>\$ 35,395,000</u>	

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

NOTE 10 - LONG-TERM DEBT (continued)

Fiscal Year Ended <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
2020	2,440,000	1,136,524	3,576,524
Thereafter	<u>18,690,000</u>	<u>4,236,159</u>	<u>22,926,159</u>
TOTALS	<u><u>\$ 35,395,000</u></u>	<u><u>\$ 16,381,126</u></u>	<u><u>\$ 51,776,126</u></u>

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

Year End	Town & School <u>Lease Payments</u>
2013	64,449
2014	58,255
2015	61,154
2016	64,139
2017	50,917
Thereafter	<u>218,527</u>
Future minimum rental payments	489,960
Interest portion of payments	<u>98,423</u>
Obligation under capital leases	<u>\$ 588,382</u>

As of June 30, 2012, 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, 2012

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, 2012.

	<u>Due from other funds</u>		<u>Due to other funds</u>
General Fund	\$ 143,016		\$ 5,453,014
Special Revenue Funds:			
School Unrestricted	4,968,796		1,187,340
Town Restricted	1,147,507	6,116,303	102,203
			1,289,543
Capital Projects:		275,203	40,814
Enterprise Funds			
Land Acquisition		248,849	-
Totals	<u>\$ 6,783,371</u>		<u>\$ 6,783,371</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, 2012.

<u>Fund / Department</u>	<u>Transfers from other funds</u>	<u>Tranfers to other funds</u>
General Fund	\$ 100,578	\$ 22,814,202
Special Revenue SRUF	21,791,184	-
Special Revenue Town	43,963	87,596
Special Revenue School	67,080	67,080
Capital Project Funds	979,054	926
Debt Service Fund	-	12,055
Totals	<u>\$ 22,981,859</u>	<u>\$ 22,981,859</u>

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

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, 2012, 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, 2012, the Town has accumulated \$4,776,669 in the Landfill Closure Capital Project Fund for this purpose.

NOTE 13 - SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

A. Litigation

Bay Street Contamination

This case concerns the contamination, by coal gasification waste fill, of approximately 100 residential properties and Town streets and a Town playground in a several block area of the Town abutting Fall River. The Town was named a Potentially Responsible Party by RIDEM, due to its ownership of the streets and playground.

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 were consolidated in the United States District Court for the District of Rhode Island as CORVELLO et. al. v NEW ENGLAND GAS COMPANY, and are case numbers: 05-221T, 05-274T, 05-370T, and 05-522T. The Town of Tiverton was brought in as a Third Party Defendant by Southern Union. In September, 2009, the parties settled the Federal Court case.

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

NOTE 13 - SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES (continued)

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 five years as part of a sewer system installation. Some of the streets that were to be remediated also contain mercury from a hat factory that used to be in the neighborhood. Mercury contamination was discovered several years ago and partially cleaned up by EPA. The term “partially” is used because EPA stopped at the property line and did not investigate or remediate adjacent lots or streets.

The EPA, on October 24, 2011, served Tiverton with a Notice of Potential Liability with respect to the Bay Street Mercury Site. Notwithstanding the legal language contained in such Notice, this action is actually the result of actions taken by the Town, requesting that EPA become involved (again) with the cleanup of the mercury. Over the course of 2012, the Town, using some of the settlement funds, worked with the EPA to clean up the mercury contamination. The EPA cleaned up private property and the Town cleaned up public property, basically the unpaved portions of A Connell Street. The EPA has now certified that the cleanup is complete as to the mercury.

The Town does not foresee further substantial liability for further cleanup. The Town may voluntarily undertake cleanup of some the areas of contamination underneath the paved areas of some of the streets. The Town will also always have some incremental cost to use appropriate safety protocols, and may face some localized cleanups over time, in the impacted area. The Town expects the remaining settlement funds to be sufficient for such expenses.

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, 2012 were audited in connection with the accompanying financial statements under the Single Audit Concept and the auditor's reports thereon are presented in the Single Audit Report. Management believes that the amounts, if any, of expenditures, which may be disallowed, will not be material to the financial position of the Town.

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

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, 2012

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, 2012, the plan operated on a pay as you go basis and no provision has been made to fund future benefits to be provided to plan members. For the fiscal year ended June 30, 2012 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>
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
2011	-0-	\$24,271,652	\$(24,271,652)	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, 2012.

Annual required contribution	\$2,459,295
Interest on OPEB obligation	136,653
Adjustment to annual required contribution	(327,533)
Amortization of actuarial (gains)/losses	<u>(793,323)</u>
Annual OPEB cost	1,475,092
Contributions made	<u>1,358,131</u>
Increase (decrease) in OPEB obligation	116,961
Net OPEB obligation beginning of year	<u>3,904,358</u>
Net OPEB obligation end of year	<u>\$4,021,319</u>

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

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>
2010	\$ 3,222,448	42.8%
2011	\$ 2,420,634	52.5%
2012	\$ 2,459,295	55.22%

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, 2011
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, 2012

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.

Legislative Changes

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

- Changing the structure of the retirement program from a traditional defined benefit plan to a hybrid plan designed with a smaller defined benefit plan and a supplemental defined contribution plan.
- Changing the automatic COLA from a CPI related formula to a formula contingent on the actual investment performance over time.
- Suspension/reduction of the COLA during times when funded ration is lower than targeted 80% levels. State employees, teachers, BHDDH nurses, correctional officers, judges (including pay as you go), and state police (including pay as you go) will be aggregated to determine if the 80% requirement has been reached.
- Re-amortization of the significantly reduced Unfunded Actuarial Accrued Liability (UAAL) to 25 years from the 19 year schedule as of June 30, 2010.
- Teachers and Public Safety personnel not covered by Social Security (except State Police) will participate in additional defined contribution allocations equal to 2% member plus 2% employer for Teachers and 3% member plus 3% employer for Public Safety.

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

- The accumulated benefit multiplier as of June 30, 2012 will be preserved and any changes to accruals will only be made prospectively.
- The final average compensation as calculated on June 30, 2012 will be preserved and any changes to the definition of salary or to the averaging period will not impact the final average compensation used to determine the retirement benefit until after the new calculation is greater than the preserved calculation.

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

NOTE 15 - PENSION PLANS (continued)

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

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

The changes to the defined benefit plan instituted by the Act have been fully reflected in this actuarial valuation as of June 30, 2011 as the contribution rates from this valuation will be applicable after the new provisions are effective. As noted above for further information the financial report may be obtained by writing to Employees Retirement System of Rhode Island, 40 Fountain Street, Providence, Rhode Island, 02903-1854, by calling (401) 222-2203 or by accessing their website at www.ersri.org.

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

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

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

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

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

NOTE 15 - PENSION PLANS (continued)

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

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

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

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

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

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

Retirement Benefits

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

- Members with less than five years of contributory service as of June 30, 2012 and members hired on or after that date are eligible for retirement on or after their Social Security normal retirement date.
- Members who had at least five years of contributory service as of June 30, 2012 will be eligible for retirement at an individually determined age. This age is the result of interpolating between the member's Article 7 Retirement Date, described in Section 11(c) below, and the retirement age applicable to members hired after June 30, 2012 in (i) above. The interpolation is based on service as of June 30, 2012 divided by projected service at the member's Article 7 Retirement Date. The minimum retirement age is 59.

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

NOTE 15 - PENSION PLANS (continued)

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

- Members with 10 or more years of contributory service on June 30, 2012 may choose to retire at their Article 7 Retirement Date if they continue to work and contribute until that date. If option is elected, the retirement benefit will be calculated using the benefits you have accrued as of June 30, 2012, i.e., the member will accumulate no additional defined benefits after this date, but the benefit will be paid without any actuarial reduction.
- A member who is within five years of reaching their retirement eligibility date, described in this section, and has 20 or more years of service, may elect to retire at any time with an actuarially reduced benefit.
- Nurses (RNs) employed by MHRH are eligible to retire when they are at least 55 years old and have a minimum of 25 years of contributing service. If the Article 7 Retirement Date was prior to June 30, 2012, they retain that eligibility date.
- Correctional officers are eligible to retire when they are at least 55 years old and have a minimum of 25 years of contributing service. If that Article 7 Retirement Date was prior to June 30, 2012, they retain that eligibility date. Correctional officers who do not work for 25 years will not receive their pension benefit until they reach their Social Security normal retirement date.

Article 7 Retirement Date (member's retirement date as of September 30, 200):

- Grandfathered Schedule A members – members with at least 10 years of contributory service at June 30, 2005 and eligible for retirement at September 30, 2009 – are eligible to retire on or after age 60 if they have credit for 10 years of service, or at any age if they have credit for 28 years of service.
- Correctional officers who have reached age 50 and have credit for 20 years of service as of September 30, 2009 are eligible to retire and are grandfathered.
- Nurses (RNs) employed by MHRH who have reached age 50 with 25 years of service by September 30, 2009 are eligible to retire and are grandfathered.
- Schedule B members – members with less than 10 years of contributory service at 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, on or after age 62 if they have credit for 29 years of service. In addition, a member who attains age 62 with at least 20 years of service credit may retire with an actuarially reduced retirement benefit. The reduction is based on the difference between 65 and the member's age at retirement.
- Correctional officers who are hired after September 30, 2009 become eligible to retire when they have reached age 55 and have credit for 25 years of service.
- Nurses (RNs) employed by MHRH who are hired after September 30, 2009 become eligible when they have reached age 55 and have credit for 25 years of service.
- Schedule A members who are not grandfathered, i.e., members who had at least 10 years of creditable service at June 30, 2005 but who were not eligible to retire on September 30, 2009, will be eligible for retirement at an individually determined age. This age is the result of interpolating between the retirement age under the rules applicable to grandfathered employees in (i) above and the retirement age applicable to members hired after September 30, 2009 in (iv) above. The interpolation is based on service as of September 30, 2009 divided by projected service at the retirement age under (i) above.

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

NOTE 15 - PENSION PLANS (continued)

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

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

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

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

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

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

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

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

The maximum benefit is 80% of FAC.

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

NOTE 15 - PENSION PLANS (continued)

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

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

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

The maximum benefit is 75% of FAC.

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

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

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

NOTE 15 - PENSION PLANS (continued)

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

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

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

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 \$1,130,419 for the fiscal year ended June 30, 2012. These on-behalf payments of fringe benefits have been recognized as revenues and expenditures in the fiscal period. The School Department does not have any investments or related party investment with the State Plan.

Required Contributions:

<u>Years Ending June 30</u>	<u>Town's Portion of Annual Required Contributions</u>	<u>Percentage Contributed</u>
2010	\$ 1,080,135	100%
2011	\$ 1,409,417	100%
2012	\$ 1,651,299	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, 2012

NOTE 15 - PENSION PLANS (continued)

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

Actuarial Methods and Assumptions

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

Valuation date	June 30, 2011
Actuarial cost method	Entry Age Actuarial Cost Method
Amortization method	Level Percent of Payroll – Closed 30-yr period
Remaining amortization period	18 Years
Asset valuation method	5 Year Smoothed Market
Actuarial assumptions:	
Investment rate of return	7.50%, Compounded Annually
Projected salary increases	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.

Legislative Changes

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

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

NOTE 15 - PENSION PLANS (continued)

B. Municipal Employees' Retirement System of the State of Rhode Island – (continued)

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

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

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

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

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

NOTE 15 - PENSION PLANS (continued)

B. Municipal Employees' Retirement System of the State of Rhode Island – (continued)

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

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

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

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

Final Average Compensation (FAC): Prior to July 1, 2012 and for general employee members eligible to retire as of June 30, 2012, the average was based on the highest three consecutive annual salaries. Effective July 1, 2012, the average of the member's highest five consecutive annual salaries will be used. Once a member retires or is terminated, the applicable FAC will be the greater of the member's highest three year FAC as of July 1, 2012 or the five year FAC as of the retirement/termination date. Monthly benefits are based on one-twelfth of this amount.

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

NOTE 15 - PENSION PLANS (continued)

B. Municipal Employees' Retirement System of the State of Rhode Island – (continued)

Retirement Benefits

General employees: Eligibility

- Members with less than five years of contributory service as of June 30, 2012 and members hired on or after that date are eligible for retirement on or after their Social Security normal retirement age.
- Members who had at least five years of contributory service as of June 30, 2012 will be eligible for retirement at an individually determined age. This age is the result of interpolating between the member's prior Retirement Date, described in Section (e) below, and the retirement age applicable to members hired after June 30, 2012 in (a) above. The interpolation is based on service as of June 30, 2012 divided by projected service at the member's prior Retirement Date. The minimum retirement age is 59.
- Members with 10 or more years of contributory service on June 30, 2012 may choose to retire at their prior Retirement Date if they continue to work and contribute until that date. If that option is elected, the retirement benefit will be calculated using the benefits you have accrued as of June 30, 2012, i.e., the member will accumulate no additional defined benefits after this date, but the benefit will be paid without any actuarial reduction.
- A member who is within five years of reaching their retirement eligibility date, described in this section, and has 20 or more years of service, may elect to retire at any time with an actuarially reduced benefit.
- Prior to July 1, 2012, member were eligible for retirement on or after age 58 if they had credit for 10 or more years of service, or at any age if they had credit for at least 30 years of service.
- Members designated as police officers or firefighters may retire at or after age 55 with credit for at least 10 years of service or at any age with credit for 25 of more years of service. Members may retire and receive a reduced benefit if they are at least age 50 and have at least 20 years of service. If the municipality elects to adopt the 20-year retirement provisions for police officers and/or firefighters, then such a member may retire at any age with 20 or more years of service.

General employees: Monthly Benefit

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

Police and Fire employees: Eligibility

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

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

NOTE 15 - PENSION PLANS (continued)

B. Municipal Employees' Retirement System of the State of Rhode Island – (continued)

Police and Fire employees: Monthly Benefit

- 2.00% of the member's monthly FAC for each year of service, up to 37.5 years (75% of FAC maximum). If the optional 20-year retirement provisions were adopted by the municipality prior to July 1, 2012 and the member has attained 20 years of service, the benefit is 2.50% of the members monthly FAC for each year of service prior to July 1, 2012.

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						
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	11,219,365	9,394,406	(1,824,959)	119%	3,060,009	-60%
2012	*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, 2011
Actuarial cost method	Entry Age Actuarial Cost Method
Amortization method	Level Percent of Payroll – Closed 30-yr period
Remaining amortization period	18 Years
Asset valuation method	5 Year Smoothed Market
Actuarial assumptions:	
Investment rate of return	7.50%, Compounded Annually
Projected salary increases	4.00-8.00%
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, 2012**

NOTE 15 - PENSION PLANS (continued)

B. Municipal Employees' Retirement System of the State of Rhode Island – (continued)

The annual required contribution for the Town which equals the annual pension cost for the year ended June 30, 2012 was \$100,793 for general employees.

The annual required contribution for the Town which equals the annual pension cost for the year ended June 30, 2012 was \$156,525 for fire employees.

Required contributions for general employees:

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>
2010	\$ 91,462	100%
2011	\$ 70,749	100%
2012	\$ 100,793	100%

Required contributions for fire employees:

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>
2010	\$ 136,903	100%
2011	\$ 155,296	100%
2012	\$ 156,525	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, 2012

NOTE 15 - PENSION PLANS (continued)

C. Police Pension Plan – (continued)

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, 2012

NOTE 15 - PENSION PLANS (continued)

C. Police Pension Plan – (continued)

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 June 30, 2012 to the Police Pension Fund is as follows.

Annual required contribution	\$ 682,092
Interest on net pension obligation	129,342
Adjustment to annual required contribution	<u>(109,873)</u>
Annual pension cost	701,561
Contributions made	<u>550,000</u>
Increase (decrease) in net pension obligation	151,561
Net pension obligation beginning of year	<u>1,847,737</u>
Net pension obligation end of year	<u>\$1,999,298</u>

For 2012, the Town's annual pension cost was \$701,561 for the Police Pension Fund and actual contributions were \$550,000 based on the actuarial calculation. The required contribution was determined as part of the July 1, 2011 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, 2012

NOTE 15 - PENSION PLANS (continued)

C. Police Pension Plan – (continued)

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

Trend Information

Police Pension Plan

Fiscal Year	Annual Required Contribution	Percentage of APC Contributed	Net Pension Obligation	Actual Contribution
2010	\$ 1,023,362	63%	\$ 1,219,411	\$ 644,063
2011	\$ 1,067,884	42%	\$ 1,847,737	\$ 452,407
2012	\$ 682,092	81%	\$ 1,999,298	\$ 550,000

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, 2012

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, 2012.

NOTE 18 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 18, 2012 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

In fiscal year 2012, the Town adjusted the way it accounts for certain departments and activities. Notably, the appropriation for the Lydia Essex Library was determined to not necessitate a segregated fund on the financial statements. Additionally, the Library's endowment was incorrectly recorded as a Town asset on prior years' financial statements. As such, the entire special revenue fund for the Lydia Essex Library was removed and incorporated into the General Fund of the Town as an expense funding the budgeted appropriation and corresponding salary & benefit accounts.

Additionally, the Ambulance & Rescue Fund was removed and incorporated into the General Fund as well due to the fact that the only activity consisted of collections for rescue service and subsequent transfer of funds to the General Fund. These prior period adjustments total \$423,627.

The School Department and Town were in litigation regarding the reduction in State Aid for fiscal years 2009-2010 and 2010-2011. As of June 30, 2012, the School department has been awarded additional local funds to "make whole" the reduced State Aid amounts from those years. The total amount awarded is \$610,257 which was added to the School Department's fund balance as of that date.

REQUIRED SUPPLEMENTARY INFORMATION

Town of Tiverton, Rhode Island

**Schedule of Funding Progress for the Town of Tiverton Police Department Pension Plan
June 30, 2012
(Unaudited)**

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
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%
7/1/2012	\$ 6,694	\$ 13,228	\$ 6,534	51%	\$ 1,473	444%

Town of Tiverton, Rhode Island

**Pension Plan Required Supplemental Information
June 30, 2012
(Unaudited)**

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

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

	Town of Tiverton Police Department <u>Pension Plan</u>
Valuation Date	7/1/2012
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	7.50%
Projected Salary Increases	4.00%
Participant Information	
	Active Employees 26
	Retirees and beneficiaries 27
	53

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, 2012

	<u>Original Budget</u>	<u>Transfers</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues					
General property tax	\$ 35,796,244	\$ -	\$ 35,796,244	\$35,530,242	\$ (266,002)
Intergovernmental and departmental revenue	1,278,626	-	1,278,626	1,355,387	76,761
License and permits	1,695,900	-	1,695,900	1,782,637	86,737
Fines and interest on late payments	250,000	-	250,000	310,791	60,791
Interest on investments	50,000	-	50,000	21,937	(28,063)
Other revenue	439,580	-	439,580	440,018	438
Total Revenues	<u>39,510,350</u>	<u>-</u>	<u>39,510,350</u>	<u>39,441,012</u>	<u>(69,338)</u>
Expenditures					
General government	1,243,619	156,666	1,400,285	1,098,961	301,324
Financial administration	4,263,500	35,815	4,299,315	4,286,368	12,947
Public safety	5,271,287	(28,253)	5,243,034	5,091,078	151,956
Grants, health & sanitation	605,500	12,300	617,800	611,996	5,804
Public works	1,341,799	148,435	1,490,234	1,327,490	162,744
Associated activities	526,686	4,774	531,460	515,448	16,012
Parks and recreation	129,039	-	129,039	119,626	9,413
Capital budget	583,977	153,666	737,643	631,774	105,869
Debt service - principal	1,325,000	-	1,325,000	1,325,000	-
Debt service - interest	1,513,605	(11,960)	1,501,645	1,501,641	4
Total expenditures	<u>16,804,012</u>	<u>471,443</u>	<u>17,275,455</u>	<u>16,509,382</u>	<u>766,073</u>
Excess of revenues over expenditures before operating transfers	<u>22,706,338</u>	<u>(471,443)</u>	<u>22,234,895</u>	<u>22,931,630</u>	<u>696,735</u>
Operating transfers					
Operating transfers to other funds	(22,756,338)	-	(22,756,338)	(22,814,202)	(57,864)
Operating transfers from other funds	50,000	-	50,000	100,578	50,578
Carryforwards	-	471,443	471,443	471,443	-
Total operating transfers	<u>(22,706,338)</u>	<u>471,443</u>	<u>(22,234,895)</u>	<u>(22,242,181)</u>	<u>(7,286)</u>
Excess of revenues over expenditures and operating transfers	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 689,449</u>	<u>\$ 689,449</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, 2012

	<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	\$ 35,796,244	\$ -	\$ 35,796,244	\$ 35,530,242	\$ (266,002)
Total general property taxes	<u>35,796,244</u>	<u>-</u>	<u>35,796,244</u>	<u>35,530,242</u>	<u>(266,002)</u>
Intergovernmental and departmental revenues					
State of Rhode Island	1,278,626	-	1,278,626	1,355,387	76,761
Total intergovernmental and departmental revenue	<u>1,278,626</u>	<u>-</u>	<u>1,278,626</u>	<u>1,355,387</u>	<u>76,761</u>
Licenses, permits and usage fees					
Business fees	637,250	-	637,250	624,403	(12,847)
Usage fees	1,058,650	-	1,058,650	1,158,234	99,584
Total licenses, permits and usage fees	<u>1,695,900</u>	<u>-</u>	<u>1,695,900</u>	<u>1,782,637</u>	<u>86,737</u>
Fines and interest on late payments	250,000	-	250,000	310,791	60,791
Interest on investments	50,000	-	50,000	21,937	(28,063)
Other revenues	439,580	-	439,580	440,018	438
Total revenues	<u>39,510,350</u>	<u>-</u>	<u>39,510,350</u>	<u>39,441,012</u>	<u>(69,338)</u>
Other financing sources					
Transfer from impact fees	50,000	-	50,000	77,480	27,480
Transfer from other non-major funds	-	-	-	23,098	23,098
Appropriated fund balance	-	471,443	471,443	471,443	-
Total other financing sources	<u>50,000</u>	<u>471,443</u>	<u>521,443</u>	<u>572,021</u>	<u>50,578</u>
Total revenue and other financing sources	<u>\$ 39,560,350</u>	<u>\$ 471,443</u>	<u>\$ 40,031,793</u>	<u>\$ 40,013,033</u>	<u>\$ (18,760)</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, 2012

	Original Budgeted Expenditures	Transfers	Revised Budgeted Expenditures	Actual Expenditures	Variance
<i>Town Clerk's Office - 101</i>					
Town Clerk Salary	53,715	1,765	55,480	52,135	3,345
Clerical	129,781	-	129,781	129,621	160
Longevity	4,200	-	4,200	4,200	-
Supplies & expenses	8,400	-	8,400	8,400	-
Photocopier Lease	7,000	-	7,000	5,667	1,333
Recording expenses	30,000	-	30,000	29,345	655
Recode Town Code	4,000	2,207	6,207	550	5,657
<i>Total Town Clerk</i>	237,096	3,972	241,068	229,918	11,150
<i>Town Council - 102</i>					
Personal Services	17,300	-	17,300	17,300	-
Supplies & expenses	2,500	-	2,500	1,705	795
Contingency	20,000	-	20,000	9,930	10,070
Future Needs	20,000	58,764	78,764	-	78,764
Abatements	50,000	-	50,000	-	50,000
Advertising/Ordinances	18,000	-	18,000	16,749	1,251
<i>Total Town Council</i>	127,800	58,764	186,564	45,684	140,880
<i>Town Administrator - 112</i>					
Town Administrator Salary	87,652	(273)	87,379	84,223	3,156
Clerical	37,370	-	37,370	33,409	3,961
Office Supplies	3,000	1,000	4,000	3,598	402
Computer service	5,000	(777)	4,223	4,129	94
League of Cities/Towns	9,425	-	9,425	9,225	200
Expense Account	2,000	(1,310)	690	355	335
Vehicle Expense	2,000	(350)	1,650	1,577	73
Photocopier Lease	2,500	-	2,500	2,453	47
Town-Wide Internet	3,500	-	3,500	3,056	444
Tiverton Web Site	5,000	-	5,000	4,926	74
Grant/Permit Applications	-	22,838	22,838	12,838	10,000
<i>Total Town Administrator</i>	157,447	21,128	178,575	159,789	18,786
<i>Board of Canvassers - 103</i>					
Personnel Services	3,000	-	3,000	3,000	-
Elections	35,000	24,806	59,806	33,991	25,815
Printing & Supplies	2,500	-	2,500	1,308	1,192
<i>Total board of canvassers</i>	40,500	24,806	65,306	38,299	27,007
<i>Town Hall Operating - 104</i>					
Heat	5,000	-	5,000	3,655	1,345
Electric	12,000	-	12,000	10,004	1,996
Telephone	3,900	-	3,900	3,586	314
Water & Supplies	900	-	900	518	382
Repairs	7,000	-	7,000	6,856	144
<i>Total Town Hall Operating</i>	28,800	-	28,800	24,619	4,181
<i>Legal Services - 105</i>					
Town Solicitor	96,000	-	96,000	96,000	-
Legal Zoning	15,000	4,300	19,300	17,170	2,130
Litigation	125,000	47,629	172,629	148,944	23,685
Prosecutions	24,000	-	24,000	24,000	-
Labor Counsel	100,000	(19,243)	80,757	42,855	37,902
<i>Total Legal Services</i>	360,000	32,686	392,686	328,969	63,717

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, 2012

	Original Budgeted Expenditures	Transfers	Revised Budgeted Expenditures	Actual Expenditures	Variance
Municipal Court - 196					
Judge	12,500	-	12,500	12,067	433
Clerical Assistant	10,100	-	10,100	9,196	904
Bailiff	1,200	-	1,200	1,015	185
Telephone	350	-	350	299	51
Office Supplies & Expense	1,000	-	1,000	1,000	-
Total Municipal Court	25,150	-	25,150	23,577	1,573
Probate Court - 197					
Judge	8,500	-	8,500	8,195	305
Recording Expenses	3,000	-	3,000	375	2,625
Supplies	1,000	-	1,000	965	35
Program Software	300	-	300	-	300
Total Probate Court	12,800	-	12,800	9,535	3,265
Building and Zoning Inspector - 106					
Building Inspector Salary	55,878	508	56,386	55,211	1,175
Clerical	36,654	143	36,797	36,797	-
Longevity	1,600	-	1,600	1,600	-
Vacation coverage	1,200	-	1,200	1,170	30
Automobile Expenses	3,160	(843)	2,317	2,208	109
Telephone	1,650	(362)	1,288	1,288	-
Software maintenance	1,710	33	1,743	1,743	-
Office Supplies	3,500	935	4,435	4,131	304
Education/Seminars	500	(38)	462	172	290
Boarding for Buildings	1,000	132	1,132	1,132	-
Total Building and Zoning Inspector	106,852	508	107,360	105,452	1,908
Planning Board - 107 & 115					
Administrative Officer	7,000	6	7,006	7,006	-
Zoning Ordinances	-	15,000	15,000	-	15,000
Personnel Services	69,300	(11,586)	57,714	57,201	513
Planning Dept Personnel	35,202	-	35,202	33,916	1,286
Longevity	1,000	-	1,000	1,000	-
Telephone	800	6	806	734	72
Supplies and Postage	4,500	(7)	4,493	4,490	3
Publications	250	-	250	-	250
Professional/Technical Services	500	7,500	8,000	3,245	4,755
Education/Seminars	3,000	(382)	2,618	662	1,956
Computer Upgrades	1,750	-	1,750	553	1,197
Photo Copier Lease	1,000	-	1,000	924	76
GIS Expenses	7,300	-	7,300	7,273	27
Total Planning Board	131,602	10,537	142,139	117,004	25,135
Zoning Board of Review - 108					
Copy Services	672	-	672	24	648
Public Stenographer	5,700	-	5,700	2,926	2,774
Supplies	1,700	-	1,700	1,400	300
Total Zoning Board	8,072	-	8,072	4,350	3,722
Town Sergeant - 109					
	1,500	-	1,500	1,500	-
Town Financial Meeting - 110					
	6,000	4,265	10,265	10,265	-
Total General Government	1,243,619	156,666	1,400,285	1,098,961	301,324

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, 2012

	Original Budgeted Expenditures	Transfers	Revised Budgeted Expenditures	Actual Expenditures	Variance
<i>Finance and Administration</i>					
<i>Tax Assessors - 212</i>					
Personnel Services	65,498	604	66,102	63,744	2,358
Clerical	54,400	-	54,400	54,398	2
Longevity	3,700	-	3,700	3,700	-
Telephone	850	448	1,298	1,271	27
Mileage	2,000	(1,325)	675	437	238
Professional Services	5,000	1,890	6,890	6,851	39
Supplies	4,000	(375)	3,625	3,625	-
Computer Upgrades	6,000	(339)	5,661	5,661	-
Printing/Postage	3,000	(9)	2,991	2,991	-
Education/Seminars	500	1,071	1,571	1,571	-
Publications and Periodicals	500	(290)	210	202	8
Total Board of Assessment Review	145,448	1,675	147,123	144,451	2,672
<i>Treasurer - 214</i>					
Personnel Services	63,162	243	63,405	63,405	-
Clerical	89,245	-	89,245	89,196	49
Longevity	2,900	-	2,900	2,900	-
Telephone	1,300	-	1,300	1,032	268
Supplies	6,900	(1,610)	5,290	5,234	56
Computer System	9,260	-	9,260	9,256	4
Computerized Payroll	11,220	3,321	14,541	14,541	-
Treasurer's Report	1,050	(1,050)	-	-	-
Office Equipment	1,500	(1,054)	446	446	-
Consultants	6,000	2,650	8,650	8,650	-
Total Treasurer	192,537	2,500	195,037	194,660	377
<i>Tax Collector - 215</i>					
Personnel Services	29,942	(1,000)	28,942	28,685	257
Clerical	54,190	208	54,398	54,398	-
Longevity	2,700	-	2,700	2,700	-
Telephone	840	-	840	769	71
Supplies and Tax Bill Printing	8,400	-	8,400	6,945	1,455
Collection Service	10,000	(208)	9,792	8,029	1,763
Computer Services	3,693	148	3,841	4,741	(900)
Postage	8,700	(148)	8,552	8,539	13
Total Tax Collector	118,465	(1,000)	117,465	114,806	2,659
<i>Tax Sale - 217</i>					
	3,000	-	3,000	1,400	1,600
<i>Insurance - 219</i>					
Liability/Property/Workers Comp	272,653	350	273,003	273,003	-
Group Insurance/Health	2,118,787	66,310	2,185,097	2,184,666	431
Total Insurance	2,391,440	66,660	2,458,100	2,457,669	431
<i>Audit of Town Accounts - 220</i>					
	21,270	-	21,270	21,270	-
<i>Pension Plans - 222</i>					
Municipal	95,934	5,500	101,434	100,793	641
Police	550,000	-	550,000	550,000	-
Fire	146,387	10,430	156,817	156,525	292
Special Retirement	16,500	-	16,500	16,500	-
Total Pension Plans	808,821	15,930	824,751	823,818	933

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, 2012

	Original Budgeted Expenditures	Transfers	Revised Budgeted Expenditures	Actual Expenditures	Variance
<i>Social Security - 225</i>	472,519	4,050	476,569	476,569	-
<i>Unemployment Security - 227</i>	10,000	-	10,000	5,761	4,239
<i>Unfunded Liability -230</i>	100,000	(54,000)	46,000	45,964	36
Total Financial Administration	4,263,500	35,815	4,299,315	4,286,368	12,947
Public Safety					
Fire Department - 325 & 331					
Chief	76,963	1,126	78,089	76,472	1,617
Personal services	1,519,756	-	1,519,756	1,479,297	40,459
Overtime	245,000	(18,000)	227,000	182,706	44,294
Differential	3,526	500	4,026	3,805	221
Paid Holidays	72,412	(1,200)	71,212	69,788	1,424
Longevity	76,179	(500)	75,679	74,501	1,178
Educational Allowance	24,000	-	24,000	24,000	-
Clothing Allowance	39,500	190	39,690	39,690	-
EMS Incentive	53,560	1,200	54,760	53,580	1,180
Fire Marshall Inspections	45,000	-	45,000	45,000	-
Misc. Operating Supplies	625	-	625	625	-
Total Fire Salaries	2,156,521	(16,684)	2,139,837	2,049,464	90,373
Fire Operating Expenses - 331					
Heat	29,375	(10,815)	18,560	17,080	1,480
Fuel, Oil, Tires	54,500	13,500	68,000	65,661	2,339
Electric	20,000	(5,000)	15,000	13,257	1,743
Telephone	16,140	1,160	17,300	17,300	-
Water	1,800	-	1,800	1,493	307
Office Supplies	5,500	-	5,500	5,500	-
Firefighters Training	10,000	4	10,004	9,734	270
Minor Equipment Replacements	10,000	-	10,000	10,000	-
Hazardous Equipment	2,000	-	2,000	2,000	-
Station/Building Maintenance	30,000	-	30,000	29,837	163
Apparatus Maintenance	40,000	-	40,000	39,999	1
Equipment Service Contract	24,190	795	24,985	24,985	-
Radio Maintenance	10,500	122	10,622	10,622	-
Medical Supplies	25,000	4,103	29,103	29,103	-
Personal & Protective Gear	20,000	-	20,000	20,000	-
Medical Physicals	10,000	(3,578)	6,422	6,422	-
Sewer fee	1,000	-	1,000	1,109	(109)
Computer Maintenance	5,500	75	5,575	5,575	-
Recruiting Process	3,000	-	3,000	3,000	-
Pagers	5,100	(556)	4,544	4,544	-
Total Fire Operating Expenses	323,605	(190)	323,415	317,221	6,194
Total Fire Department	2,480,126	(16,874)	2,463,252	2,366,685	96,567

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, 2012

	Original Budgeted Expenditures	Transfers	Revised Budgeted Expenditures	Actual Expenditures	Variance
<i>Police Department Salaries - 333</i>					
Chief	80,877	(1,184)	79,693	79,693	-
Personal services	1,705,748	16	1,705,764	1,705,764	-
Deputy Chief	65,000	(30,140)	34,860	-	34,860
Overtime Patrol	112,000	26,170	138,170	138,170	-
Shift Differential	15,300	(1,374)	13,926	13,926	-
Out of Rank Pay	3,535	(2,299)	1,236	1,236	-
Holiday Pay	102,692	(8,609)	94,083	94,083	-
Longevity	81,440	(11,780)	69,660	69,660	-
Sick Leave Buyback	14,500	6,764	21,264	21,264	-
Education Incentive	40,800	(164)	40,636	40,636	-
<i>Total Police Salaries</i>	<u>2,221,892</u>	<u>(22,600)</u>	<u>2,199,292</u>	<u>2,164,432</u>	<u>34,860</u>
<i>Police General Expenses - 333</i>					
Prisoner Meals	450	(4)	446	446	-
Chief's Misc. Expenses	1,500	-	1,500	1,500	-
State Education Mandated	35,000	12,075	47,075	47,075	-
State Psychological Tests	1,000	425	1,425	1,425	-
State Qualifications	1,750	-	1,750	1,750	-
Clothing Allowance	44,000	-	44,000	44,000	-
Uniform/Equipment Replacement	4,000	4,196	8,196	8,196	-
Medical Supplies	1,000	(400)	600	600	-
In-Service Training	12,000	497	12,497	12,497	-
<i>Total Police General Expenses</i>	<u>100,700</u>	<u>16,789</u>	<u>117,489</u>	<u>117,489</u>	<u>-</u>
<i>Police Operations - 333</i>					
Heat	13,750	(4,000)	9,750	9,750	-
Gas & Oil	89,300	(4,165)	85,135	85,135	-
Electricity	20,000	(6,039)	13,961	13,961	-
Telephone	16,200	469	16,669	16,669	-
Water	1,000	126	1,126	1,126	-
Photographic Supplies	10,700	20,802	31,502	16,610	14,892
Office Supplies	11,000	503	11,503	11,503	-
Building Maintenance	7,500	2,851	10,351	10,351	-
Vehicle Parts & Maintenance	18,500	6,263	24,763	24,763	-
Radio Communications	12,000	410	12,410	12,410	-
Photo Copier Lease	12,855	-	12,855	12,855	-
<i>Total Police Operations</i>	<u>212,805</u>	<u>17,220</u>	<u>230,025</u>	<u>215,133</u>	<u>14,892</u>
<i>Animal Control - 334</i>					
Animal Control Officer	40,764	182	40,946	40,946	-
Animal Control - Misc	1,000	(8,146)	(7,146)	176	(7,322)
Animal Shelter	33,700	(824)	32,876	25,554	7,322
<i>Total Animal Control</i>	<u>75,464</u>	<u>(8,788)</u>	<u>66,676</u>	<u>66,676</u>	<u>-</u>
<i>Total Police Department 333&334</i>	<u>2,610,861</u>	<u>2,621</u>	<u>2,613,482</u>	<u>2,563,730</u>	<u>49,752</u>
<i>Harbor and Coastal Management - 335</i>					
Harbor Commission	500	-	500	453	47

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, 2012

	Original Budgeted Expenditures	Transfers	Revised Budgeted Expenditures	Actual Expenditures	Variance
Harbor Master - 336					
Salaries	5,000	-	5,000	5,000	-
Boat Operations	10,525	-	10,525	10,502	23
Communication Devices	1,375	-	1,375	1,364	11
Uniforms/Clothing	300	-	300	250	50
Supplies	1,000	-	1,000	956	44
Removal of Moorings	100	-	100	95	5
Total Harbor Master	18,300	-	18,300	18,167	133
Miscellaneous Public Safety - 338 & 342					
Street Lights	160,000	(14,000)	146,000	140,543	5,457
Stone Bridge Water Hydrants	1,500	-	1,500	1,500	-
Total Miscellaneous Public Safety	161,500	(14,000)	147,500	142,043	5,457
Total Public Safety	5,271,287	(28,253)	5,243,034	5,091,078	151,956
Grants, Health & Sanitation					
Economic Development Commission	7,000	-	7,000	1,418	5,582
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	-
The Samaritans	500	-	500	500	-
Rubbish/Recycling Collection	580,000	12,300	592,300	592,078	222
Total Grants, Health & Sanitation	605,500	12,300	617,800	611,996	5,804
Public Works - 554					
Superintendent	82,281	1,466	83,747	80,308	3,439
Maintenance Workers/DPW Clerk	368,763	(2,993)	365,770	363,972	1,798
Overtime	50,000	(33,600)	16,400	15,885	515
Longevity	13,903	663	14,566	13,902	664
Sick Leave	15,000	-	15,000	11,662	3,338
Public Works Salaries	529,947	(34,464)	495,483	485,729	9,754
Public Works Operations - 554					
Sand/Salt/Gravel	100,000	(54,600)	45,400	45,351	49
Operating Supplies	13,650	109	13,759	13,759	-
Heat	12,500	(813)	11,687	9,569	2,118
Fuel/Oil/Gas	49,000	15,000	64,000	51,288	12,712
Electricity	7,000	-	7,000	4,402	2,598
Community Center Expenses	8,000	-	8,000	6,976	1,024
Telephone/Centrex	1,500	-	1,500	1,230	270
Water	1,350	(111)	1,239	1,135	104
Repairs/Tires	60,000	24,452	84,452	76,051	8,401
Highway Signs	5,000	2,500	7,500	7,472	28
Drainage & Paving Account	120,000	264,869	384,869	277,072	107,797
Tree Removal	5,000	2	5,002	5,002	-
Uniforms	5,000	-	5,000	3,525	1,475
Shop Equipment	1,000	-	1,000	799	201
Communications	7,500	-	7,500	5,859	1,641
Snow Removal	60,500	(41,952)	18,548	18,548	-
Total Public Works Operations	457,000	209,456	666,456	528,038	138,418

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, 2012

	Original Budgeted Expenditures	Transfers	Revised Budgeted Expenditures	Actual Expenditures	Variance
Landfill Operations - 553					
Stormwater Management	7,000	29	7,029	7,029	-
Landfill Workers	79,581	2,993	82,574	80,874	1,700
Overtime	750	-	750	250	500
Longevity	3,968	150	4,118	3,967	151
Sick Leave	4,000	-	4,000	3,644	356
Uniforms	1,200	-	1,200	667	533
Electricity	150	-	150	109	41
Landfill Equipment Rent	50,000	(29,700)	20,300	16,405	3,895
On-site Wastewater Management	16,090	-	16,090	16,090	-
Gas/Oil	12,000	-	12,000	12,000	-
Bulldozer Repairs	12,000	-	12,000	12,000	-
Engineering Testing/Permits	60,000	-	60,000	59,995	5
Total Landfill Operations	246,739	(26,528)	220,211	213,030	7,181
Building Maintenance					
Maintenance Foreman	48,714	187	48,901	48,901	-
Custodial Personnel	30,201	1,439	31,640	31,640	-
Mileage	5,500	1,278	6,778	6,778	-
Longevity	3,800	-	3,800	3,800	-
Clothing Allowance	2,000	-	2,000	964	1,036
Tool Replacement	500	-	500	472	28
Expenses - Rental	2,860	-	2,860	2,860	-
Maintenance/Laborer - Seasonal	14,538	(2,933)	11,605	5,278	6,327
Total Building Maintenance	108,113	(29)	108,084	100,693	7,391
Total Public Works	1,341,799	148,435	1,490,234	1,327,490	162,744
Associated Activities - Misc					
Veterans Plot - Pocasset Cemetery	150	-	150	-	150
Historical Cemetery Commission	2,000	-	2,000	1,980	20
Historical Society	150	-	150	-	150
Garden Club	550	-	550	219	331
Arts Council	500	-	500	147	353
Open Space Commission	2,000	-	2,000	2,000	-
Conservation Commission	600	-	600	600	-
Ft. Barton Park Maintenance	3,000	-	3,000	2,996	4
Tree Commission	500	-	500	500	-
Recycling Committee	150	-	150	-	150
Street Committee	-	2,400	2,400	-	2,400
Cooperative Extension of URI	600	-	600	600	-
Total Associated Activities - Misc.	10,200	2,400	12,600	9,042	3,558
Senior Citizens Services					
Elderly Services Busing	15,000	(475)	14,525	12,814	1,711
Director's Salary	47,231	2,374	49,605	44,100	5,505
Assistant Director	15,590	60	15,650	15,590	60
Longevity	1,900	-	1,900	1,900	-
Travel	440	-	440	428	12
Agency Dues	975	(66)	909	288	621
Telephone	1,000	-	1,000	709	291
Heat	5,600	-	5,600	3,447	2,153
Electric	5,200	(1,500)	3,700	3,218	482
Water	150	6	156	157	(1)
Library Services	410,000	-	410,000	410,000	-
Building Maintenance	4,400	-	4,400	3,588	812
Supplies/Activities	9,000	1,975	10,975	10,167	808
Total Senior Services	516,486	2,374	518,860	506,406	12,454
Total Associated Activities	526,686	4,774	531,460	515,448	16,012

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, 2012

	Original Budgeted Expenditures	Transfers	Revised Budgeted Expenditures	Actual Expenditures	Variance
<i>Parks and Recreation</i>					
Beach Salaries	33,000	(1,953)	31,047	29,926	1,121
Beach Expenses	6,000	1,167	7,167	7,167	-
Directors and Counselors	21,000	-	21,000	17,530	3,470
Transportation/Fees/Equipment	6,800	326	7,126	7,126	-
Recreation	800	-	800	786	14
Supplies	850	22	872	872	-
Field Rehabilitation	6,000	-	6,000	6,000	-
Mowing Services	25,639	-	25,639	25,639	-
Fertilizer/Seed/Lime/Sand/Stone	4,000	(4,000)	-	-	-
Preventive Maintenance	4,000	4,337	8,337	8,337	-
Swim Instructors	2,100	-	2,100	1,836	264
Supplies - Swim Program	300	-	300	210	90
Recreation Coordinator	8,550	101	8,651	8,651	-
<i>Total Parks and Recreation</i>	119,039	-	119,039	114,080	4,959
<i>Debt service</i>					
Principal	1,325,000	-	1,325,000	1,325,000	-
Interest	1,513,605	(11,960)	1,501,645	1,501,641	4
<i>Total Debt Service</i>	2,838,605	(11,960)	2,826,645	2,826,641	4
<i>Capital expenditures - Town -098</i>	526,773	89,749	616,522	589,568	26,954
<i>Capital expenditures - School</i>	57,204	63,917	121,121	42,206	78,915
<i>School Buildings</i>					
Electric	5,000	-	5,000	3,830	1,170
Water	1,200	-	1,200	330	870
Building Maintenance	3,800	-	3,800	1,386	2,414
<i>Total School Buildings</i>	10,000	-	10,000	5,546	4,454
<i>Other financing uses</i>					
<i>Transfer to other funds</i>					
Transfer to TIF Debt Service	810,750	-	810,750	810,750	-
Transfer to Landfill	168,304	-	168,304	168,304	-
Tiverton school appropriation	21,777,284	-	21,777,284	21,791,185	(13,901)
Transfer to other non-major funds	-	-	-	43,963	(43,963)
<i>Total other financing uses</i>	22,756,338	-	22,756,338	22,814,202	(57,864)
<i>Total other financing uses</i>					
<i>Total Town Budget</i>	\$ 39,560,350	\$ 471,443	\$ 40,031,793	\$ 39,323,584	\$ 708,209

REQUIRED SUPPLEMENTARY INFORMATION
TIVERTON PUBLIC SCHOOLS
Budgetary Comparison Schedule - School Unrestricted Fund
Schedule of Revenues and Expenditures
For the Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues				
Intergovernmental revenue	\$ 5,102,018	\$ 5,102,018	\$ 5,088,117	\$ (13,901)
Total revenue	<u>5,102,018</u>	<u>5,102,018</u>	<u>5,088,117</u>	<u>(13,901)</u>
Expenditures				
Salaries	14,897,823	14,899,823	14,899,264	559
Benefits	5,876,094	5,876,094	5,533,266	342,828
Purchased Services	5,056,706	5,057,931	4,911,567	146,364
Supplies	1,193,561	1,181,865	982,591	199,274
Capital Outlay	197,268	205,614	145,840	59,774
Other	19,850	19,975	32,522	(12,547)
Total expenditures	<u>27,241,302</u>	<u>27,241,302</u>	<u>26,505,050</u>	<u>736,252</u>
Excess of revenues over (under) expenditures before other financing sources	<u>(22,139,284)</u>	<u>(22,139,284)</u>	<u>(21,416,933)</u>	<u>722,351</u>
Other financing sources				
Operating transfer - town appropriation	21,777,284	21,777,284	21,791,184	13,900
Operating transfer - other	362,000	362,000	-	(362,000)
Total other financing sources	<u>22,139,284</u>	<u>22,139,284</u>	<u>21,791,184</u>	<u>(348,100)</u>
Excess revenues and other sources over (under) expenditures and other sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 374,251</u>	<u>\$ 374,251</u>

TOWN OF TIVERTON, RHODE ISLAND
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2012

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, 2012 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)	\$ 689,449	\$ 374,251
Transfer from fund balance - carryforwards	(471,443)	-
Non-budgeted revenues - State on-behalf pension benefits	-	1,130,419
Non-budgeted expenditures - State on-behalf pension benefit	-	(1,130,419)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses (GAAP basis)	<u>\$ 218,006</u>	<u>\$ 374,251</u>

SUPPLEMENTARY INFORMATION

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

	Town Special Revenue Funds	School Special Revenue Funds	Debt Service	Capital Projects Funds	Total Non-Major Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 40,975	\$ 13,912	\$ 815,550	\$ 405,185	\$ 1,275,622
Investments	-	-	-	4,501,466	4,501,466
Due from other governments	238,631	-	-	-	238,631
Due from other funds	1,147,507	-	-	275,203	1,422,710
Total assets	\$ 1,427,113	\$ 13,912	\$ 815,550	\$ 5,181,854	\$ 7,438,429
LIABILITIES AND FUND BALANCES					
Liabilities					
Due to other funds	102,203	-	-	40,814	143,017
Deferred Revenue	187,610	151	-	-	187,761
Total liabilities	289,813	151	-	40,814	330,778
Fund balances (deficits)					
<i>Restricted for:</i>					
Educational programs	-	13,761	-	-	13,761
Public safety programs	534,553	-	-	-	534,553
Health and human services	38,953	-	-	-	38,953
<i>Committed for:</i>					
Public safety programs	91,265	-	815,550	-	906,815
Public works programs	233,778	-	-	5,164,385	5,398,163
Culture and recreation	290,413	-	-	-	290,413
<i>Assigned for:</i>					
Unassigned	(51,662)	-	-	(23,345)	(75,007)
Total fund balances	1,137,300	13,761	815,550	5,141,040	7,107,651
Total liabilities and fund balances	\$ 1,427,113	\$ 13,912	\$ 815,550	\$ 5,181,854	\$ 7,438,429

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, 2012

	Town Special Revenue Funds	School Special Revenue Funds	Debt Service	Capital Projects Funds	Total Non-Major Governmental Funds
Revenues					
Intergovernmental revenue	\$ 613,923	\$ 1,289,720	\$ -	\$ 124,567	\$ 2,028,210
Charges for services	538,550	-	-	-	538,550
Earnings on investments	4,659	-	7,035	125,731	137,425
Other revenue	60,398	46,297	-	578,312	685,007
Total revenues	<u>1,217,530</u>	<u>1,336,017</u>	<u>7,035</u>	<u>828,610</u>	<u>3,389,192</u>
Expenditures					
Current:					
General government	320,949	-	-	7,941	328,890
Public safety	80,623	-	-	-	80,623
Public works	338,102	-	-	111,347	449,449
Health & welfare	169,890	-	-	-	169,890
Parks & recreation	96,974	-	-	-	96,974
Education	-	1,310,515	-	13,499	1,324,014
Debt service	62,500	-	-	390,000	452,500
Interest expense	-	-	-	420,750	420,750
Capital expenditures	-	-	-	16,708	16,708
Total expenditures	<u>1,069,038</u>	<u>1,310,515</u>	<u>-</u>	<u>960,245</u>	<u>3,339,798</u>
Excess (deficiency) of revenues over (under)					
expenditures before other financing sources (uses)	148,492	25,502	7,035	(131,635)	49,394
Other financing sources (uses)					
Operating transfers from other funds	43,963	67,080	-	979,054	1,090,097
Operating transfers to other funds	(87,596)	(67,080)	(12,055)	(926)	(167,657)
Total other financing sources (uses)	<u>(43,633)</u>	<u>-</u>	<u>(12,055)</u>	<u>978,128</u>	<u>922,440</u>
Excess (deficiency) of revenues and other					
financing sources over expenditures and					
other financing uses	104,859	25,502	(5,020)	846,493	971,834
Fund balances (deficits) - unreserved July 1, 2011	<u>1,456,068</u>	<u>(11,741)</u>	<u>820,570</u>	<u>4,294,547</u>	<u>6,559,444</u>
Prior period adjustment - see Note	<u>(423,627)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(423,627)</u>
Fund balances (deficits) restated - July 1, 2011	<u>1,032,441</u>	<u>(11,741)</u>	<u>820,570</u>	<u>4,294,547</u>	<u>6,135,817</u>
Fund balances - unreserved June 30, 2012	<u>\$ 1,137,300</u>	<u>\$ 13,761</u>	<u>\$ 815,550</u>	<u>\$ 5,141,040</u>	<u>\$ 7,107,651</u>

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

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38,473	\$ -
Investments	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	238,631	-
Due from other funds	-	-	-	5,497	-	-	35,252
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,497</u>	<u>\$ -</u>	<u>\$ 277,104</u>	<u>\$ 35,252</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue	-	-	-	-	-	187,610	-
Due to other funds	-	-	-	-	-	50,541	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>238,151</u>	<u>-</u>
Fund balances (deficits)							
<i>Restricted for:</i>							
Public safety programs	-	-	-	-	-	-	35,252
Health and human services	-	-	-	-	-	38,953	-
<i>Committed for:</i>							
Public safety programs	-	-	-	-	-	-	-
Public works programs	-	-	-	-	-	-	-
Culture and recreation	-	-	-	5,497	-	-	-
<i>Unassigned</i>							
	-	-	-	-	-	-	-
Total fund balances (deficits)	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,497</u>	<u>-</u>	<u>38,953</u>	<u>35,252</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,497</u>	<u>\$ -</u>	<u>\$ 277,104</u>	<u>\$ 35,252</u>

(continued)

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

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-
Due from other funds	-	3,595	-	-	-	-	77,441
Total assets	<u>\$ -</u>	<u>\$ 3,595</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 77,441</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	-	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-	-
<i>Committed for:</i>							
Public safety programs	-	-	-	-	-	-	-
Public works programs	-	-	-	-	-	-	77,441
Culture and recreation	-	3,595	-	-	-	-	-
<i>Unassigned</i>							
	-	-	-	-	-	-	-
Total fund balances (deficits)	<u>-</u>	<u>3,595</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>77,441</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 3,595</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 77,441</u>

(continued)

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

	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
ASSETS							
Cash & cash equivalents	\$ -	\$ -	\$ 2,502	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-
Due from other funds	6,737	265,086	-	5,256	49,436	-	101
Total assets	<u>\$ 6,737</u>	<u>\$ 265,086</u>	<u>\$ 2,502</u>	<u>\$ 5,256</u>	<u>\$ 49,436</u>	<u>\$ -</u>	<u>\$ 101</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	6,737	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-	-
<i>Committed for:</i>							
Public safety programs	-	-	-	5,256	49,436	-	-
Public works programs	-	-	-	-	-	-	-
Culture and recreation	-	265,086	2,502	-	-	-	101
<i>Unassigned</i>	-	-	-	-	-	-	-
Total fund balances (deficits)	<u>6,737</u>	<u>265,086</u>	<u>2,502</u>	<u>5,256</u>	<u>49,436</u>	<u>-</u>	<u>101</u>
Total liabilities and fund balances	<u>\$ 6,737</u>	<u>\$ 265,086</u>	<u>\$ 2,502</u>	<u>\$ 5,256</u>	<u>\$ 49,436</u>	<u>\$ -</u>	<u>\$ 101</u>

(continued)

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

	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	39,994	8,640	1,994	153,716	-	36	36,573
Total assets	<u>\$ 39,994</u>	<u>\$ 8,640</u>	<u>\$ 1,994</u>	<u>\$ 153,716</u>	<u>\$ -</u>	<u>\$ 36</u>	<u>\$ 36,573</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	39,994	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-	-
<i>Committed for:</i>							
Public safety programs	-	-	-	-	-	-	36,573
Public works programs	-	-	-	153,716	-	-	-
Culture and recreation	-	8,640	1,994	-	-	36	-
<i>Unassigned</i>	-	-	-	-	-	-	-
Total fund balances (deficits)	<u>39,994</u>	<u>8,640</u>	<u>1,994</u>	<u>153,716</u>	<u>-</u>	<u>36</u>	<u>36,573</u>
Total liabilities and fund balances	<u>\$ 39,994</u>	<u>\$ 8,640</u>	<u>\$ 1,994</u>	<u>\$ 153,716</u>	<u>\$ -</u>	<u>\$ 36</u>	<u>\$ 36,573</u>

(continued)

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

	Tree at Lawton Ave	243 Senior Ctr Waite Account	244 Byrne Stimulus	245 RI Leap Agreement	246 Energy Grant	250 North Tiverton Contamination	251 Senior Center Roof Repair
ASSETS							
Cash & cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-
Due from other funds	123	2,839	495	2,621	-	449,685	2,390
Total assets	<u>\$ 123</u>	<u>\$ 2,839</u>	<u>\$ 495</u>	<u>\$ 2,621</u>	<u>\$ -</u>	<u>\$ 449,685</u>	<u>\$ 2,390</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	42,880	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,880</u>	<u>-</u>	<u>-</u>
Fund balances (deficits)							
<i>Restricted for:</i>							
Public safety programs	-	-	495	-	-	449,685	2,390
Health and human services	-	-	-	-	-	-	-
<i>Committed for:</i>							
Public safety programs	-	-	-	-	-	-	-
Public works programs	-	-	-	2,621	-	-	-
Culture and recreation	123	2,839	-	-	-	-	-
<i>Unassigned</i>							
	-	-	-	-	(42,880)	-	-
Total fund balances (deficits)	<u>123</u>	<u>2,839</u>	<u>495</u>	<u>2,621</u>	<u>(42,880)</u>	<u>449,685</u>	<u>2,390</u>
Total liabilities and fund balances	<u>\$ 123</u>	<u>\$ 2,839</u>	<u>\$ 495</u>	<u>\$ 2,621</u>	<u>\$ -</u>	<u>\$ 449,685</u>	<u>\$ 2,390</u>

(continued)

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

	<u>252 Bulgermarsh Playground Equipment</u>	<u>Total</u>
ASSETS		
Cash & cash equivalents	\$ -	\$ 40,975
Investments	-	-
Due from other governments	-	238,631
Due from other funds	-	1,147,507
Total assets	<u>\$ -</u>	<u>\$ 1,427,113</u>
 LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	\$ -	\$ -
Deferred revenue	-	187,610
Due to other funds	8,782	102,203
Total liabilities	<u>8,782</u>	<u>289,813</u>
 Fund balances (deficits)		
<i>Restricted for:</i>		
Public safety programs	-	534,553
Health and human services	-	38,953
<i>Committed for:</i>		
Public safety programs	-	91,265
Public works programs	-	233,778
Culture and recreation	-	290,413
Unassigned	(8,782)	(51,662)
Total fund balances (deficits)	<u>(8,782)</u>	<u>1,137,300</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 1,427,113</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, 2012

	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	\$ -	\$ -	\$ -	\$ 8,967	\$ -	\$ 353,052	\$ 20,317
Charges for service	-	-	-	-	-	-	-
Earnings on investments	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	40,614
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,967</u>	<u>-</u>	<u>353,052</u>	<u>60,931</u>
Expenditures							
Current:							
General	-	-	-	-	-	234,426	-
Public Safety	-	-	-	-	-	-	63,814
Public Works	-	-	-	-	-	-	-
Health & Welfare	-	-	-	7,285	-	118,626	-
Parks & Recreation	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,285</u>	<u>-</u>	<u>353,052</u>	<u>63,814</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	-	-	-	1,582	-	-	(2,883)
Other financing sources (uses)							
Operating transfers from other funds	18,000	-	-	-	-	-	-
Operating transfers (to) other funds	-	(9,799)	(312)	-	-	-	-
Total other financing sources (uses)	<u>18,000</u>	<u>(9,799)</u>	<u>(312)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	<u>18,000</u>	<u>(9,799)</u>	<u>(312)</u>	<u>1,582</u>	<u>-</u>	<u>-</u>	<u>(2,883)</u>
Fund balances (deficits) - unreserved July 1, 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>
Prior period adjustment - see Note	-	-	-	-	(415,437)	-	-
Fund balances (deficits) - unreserved July 1, 2011 - restated	<u>(18,000)</u>	<u>9,799</u>	<u>312</u>	<u>3,815</u>	<u>-</u>	<u>38,953</u>	<u>38,135</u>
Fund balances - unreserved June 30, 2012	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,497</u>	<u>\$ -</u>	<u>\$ 38,953</u>	<u>\$ 35,252</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, 2012

	<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	-	2,995	-	-	-	-	17,704
Earnings on investments	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-
Total revenues	<u>-</u>	<u>2,995</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,704</u>
Expenditures							
Current:							
General	-	-	-	-	-	-	15,890
Public Safety	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-
Health & Welfare	-	-	-	-	-	-	-
Parks & Recreation	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,890</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	-	2,995	-	-	-	-	1,814
Other financing sources (uses)							
Operating transfers from other funds	-	-	387	22,115	321	-	-
Operating transfers (to) other funds	-	-	-	-	-	(5)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>387</u>	<u>22,115</u>	<u>321</u>	<u>(5)</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	-	2,995	387	22,115	321	(5)	1,814
Fund balances (deficits) - unreserved July 1, 2011	8,190	600	(387)	(22,115)	(321)	5	75,627
Prior period adjustment - see Note	(8,190)	-	-	-	-	-	-
Fund balances (deficits) - unreserved July 1, 2011 - restated	-	600	(387)	(22,115)	(321)	5	75,627
Fund balances - unreserved June 30, 2012	<u>\$ -</u>	<u>\$ 3,595</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 77,441</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, 2012

	<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>
Revenues							
Intergovernmental revenue	\$ 1,500	\$ 157,500	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for service	-	62,671	-	6,244	-	-	-
Earnings on investments	-	-	4	-	-	-	-
Other revenue	-	-	-	-	-	-	-
Total revenues	<u>1,500</u>	<u>220,171</u>	<u>4</u>	<u>6,244</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures							
Current:							
General	-	-	-	-	-	-	-
Public Safety	2,625	-	-	7,109	-	-	-
Public Works	-	-	-	-	-	-	-
Health & Welfare	-	-	-	-	-	-	-
Parks & Recreation	-	9,750	-	-	-	-	28,018
Debt service	-	62,500	-	-	-	-	-
Total expenditures	<u>2,625</u>	<u>72,250</u>	<u>-</u>	<u>7,109</u>	<u>-</u>	<u>-</u>	<u>28,018</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	(1,125)	147,921	4	(865)	-	-	(28,018)
Other financing sources (uses)							
Operating transfers from other funds	-	-	-	-	-	3,140	-
Operating transfers (to) other funds	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,140</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(1,125)	147,921	4	(865)	-	3,140	(28,018)
Fund balances (deficits) - unreserved July 1, 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>
Prior period adjustment - see Note	-	-	-	-	-	-	-
Fund balances (deficits) - unreserved July 1, 2011 - restated	<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>
Fund balances - unreserved June 30, 2012	<u>\$ 6,737</u>	<u>\$ 265,086</u>	<u>\$ 2,502</u>	<u>\$ 5,256</u>	<u>\$ 49,436</u>	<u>\$ -</u>	<u>\$ 101</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, 2012

	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	\$ 3,479	\$ 525	\$ -	\$ -	\$ -	\$ -	\$ 3,000
Charges for service	-	-	-	371,456	77,480	-	-
Earnings on investments	-	-	-	-	-	-	-
Other revenue	2,500	453	831	-	-	-	16,000
Total revenues	<u>5,979</u>	<u>978</u>	<u>831</u>	<u>371,456</u>	<u>77,480</u>	<u>-</u>	<u>19,000</u>
Expenditures							
Current:							
General	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-
Public Works	-	-	-	338,102	-	-	-
Health & Welfare	-	-	-	-	-	-	20,024
Parks & Recreation	-	1,720	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>1,720</u>	<u>-</u>	<u>338,102</u>	<u>-</u>	<u>-</u>	<u>20,024</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	5,979	(742)	831	33,354	77,480	-	(1,024)
Other financing sources (uses)							
Operating transfers from other funds	-	-	-	-	-	-	-
Operating transfers (to) other funds	-	-	-	-	(77,480)	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(77,480)</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	5,979	(742)	831	33,354	-	-	(1,024)
Fund balances (deficits) - unreserved July 1, 2011	34,015	9,382	1,163	120,362	-	36	37,597
Prior period adjustment - see Note	-	-	-	-	-	-	-
Fund balances (deficits) - unreserved July 1, 2011 - restated	34,015	9,382	1,163	120,362	-	36	37,597
Fund balances - unreserved June 30, 2012	<u>\$ 39,994</u>	<u>\$ 8,640</u>	<u>\$ 1,994</u>	<u>\$ 153,716</u>	<u>\$ -</u>	<u>\$ 36</u>	<u>\$ 36,573</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, 2012

	Tree at Lawton Ave	243 Senior Ctr Waite Account	244 Byrne Stimulus	245 RI Leap Agreement	246 Energy Grant	250 North Tiverton Contamination	251 Senior Center Roof Repair
Revenues							
Intergovernmental revenue	\$ -	\$ -	\$ 7,075	\$ 8,772	\$ 29,660	\$ -	\$ -
Charges for service	-	-	-	-	-	-	-
Earnings on investments	-	-	-	-	-	4,655	-
Other revenue	-	-	-	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>7,075</u>	<u>8,772</u>	<u>29,660</u>	<u>4,655</u>	<u>-</u>
Expenditures							
Current:							
General	-	-	-	-	70,633	-	-
Public Safety	-	-	7,075	-	-	-	-
Public Works	-	-	-	-	-	-	-
Health & Welfare	-	435	-	-	-	23,441	79
Parks & Recreation	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>435</u>	<u>7,075</u>	<u>-</u>	<u>70,633</u>	<u>23,441</u>	<u>79</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	-	(435)	-	8,772	(40,973)	(18,786)	(79)
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>-</u>	<u>(435)</u>	<u>-</u>	<u>8,772</u>	<u>(40,973)</u>	<u>(18,786)</u>	<u>(79)</u>
Fund balances (deficits) - unreserved July 1, 2011	<u>123</u>	<u>3,274</u>	<u>495</u>	<u>(6,151)</u>	<u>(1,907)</u>	<u>468,471</u>	<u>2,469</u>
Prior period adjustment - see Note	-	-	-	-	-	-	-
Fund balances (deficits) - unreserved July 1, 2011 - restated	<u>123</u>	<u>3,274</u>	<u>495</u>	<u>(6,151)</u>	<u>(1,907)</u>	<u>468,471</u>	<u>2,469</u>
Fund balances - unreserved June 30, 2012	<u>\$ 123</u>	<u>\$ 2,839</u>	<u>\$ 495</u>	<u>\$ 2,621</u>	<u>\$ (42,880)</u>	<u>\$ 449,685</u>	<u>\$ 2,390</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, 2012

	252 Bulgermarsh Playground Equipment	Total
Revenues		
Intergovernmental revenue	\$ 20,076	\$ 613,923
Charges for service	-	538,550
Earnings on investments	-	4,659
Other revenue	-	60,398
Total revenues	<u>20,076</u>	<u>1,217,530</u>
Expenditures		
Current:		
General	-	320,949
Public Safety	-	80,623
Public Works	-	338,102
Health & Welfare	-	169,890
Parks & Recreation	57,486	96,974
Debt service	-	62,500
Total expenditures	<u>57,486</u>	<u>1,069,038</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	(37,410)	148,492
Other financing sources (uses)		
Operating transfers from other funds	-	43,963
Operating transfers (to) other funds	-	(87,596)
Total other financing sources (uses)	<u>-</u>	<u>(43,633)</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	<u>(37,410)</u>	<u>104,859</u>
Fund balances (deficits) - unreserved July 1, 2011	<u>28,628</u>	<u>1,456,068</u>
Prior period adjustment - see Note	-	(423,627)
Fund balances (deficits) - unreserved July 1, 2011 - restated	<u>28,628</u>	<u>1,032,441</u>
Fund balances - unreserved June 30, 2012	<u>\$ (8,782)</u>	<u>\$ 1,137,300</u>

(concluded)

SUPPLEMENTARY INFORMATION
TIVERTON PUBLIC SCHOOLS
Combining Balance Sheet - Non-Major Governmental Funds
Special Revenue Funds - School Restricted
June 30, 2012

	21011100 IDEA Part B	21011200 IDEA Pre-School	21021100 Title I	21024100 ARRA Title I	21031100 Title II	21091100 Perkins Vocational	21254100 Education Jobs Fund
ASSETS							
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,565	\$ -
Due from other governments	-	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,565</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Due to other funds	-	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES							
<i>Restricted for:</i>							
Educational programs	-	-	-	-	-	4,565	-
<i>Unassigned</i>	-	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,565</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,565</u>	<u>\$ -</u>

(continued)

SUPPLEMENTARY INFORMATION
TIVERTON PUBLIC SCHOOLS
Combining Balance Sheet - Non-Major Governmental Funds
Special Revenue Funds - School Restricted
June 30, 2012

	21264100 RTTT Standards & Curriculum	21264101 RTTT Instructional Improvement	21264102 RTTT Educator Effectiveness	21264105 RTTT IIS - Set Aside	21264106 RTTT - Educ. Effectiveness Set Aside	21264107 RTTT - Human Capital Dev. Set Aside	23011000 Early Childhood
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							
Due to other funds	-	-	-	-	-	-	-
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>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, 2012

	23021000 Literacy	23031000 Student Equity	23453000 RI Council on the Humanities	24040003 Elementary Task Force	90000002 SAMHSA Substance Abuse	Performance Assessment	RI Council on the Arts
ASSETS							
Cash	\$ -	\$ -	\$ 6,181	\$ -	\$ -	\$ 151	\$ 1,142
Due from other governments	-	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,181</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 151</u>	<u>\$ 1,142</u>
 LIABILITIES AND FUND BALANCES							
Liabilities							
Due to other funds	-	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	151	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>151</u>	<u>-</u>
Fund Balances							
<i>Restricted for:</i>							
Educational programs	-	-	6,181	-	-	-	1,142
<i>Unassigned</i>	-	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>-</u>	<u>-</u>	<u>6,181</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,142</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,181</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 151</u>	<u>\$ 1,142</u>

(continued)

SUPPLEMENTARY INFORMATION
TIVERTON PUBLIC SCHOOLS
Combining Balance Sheet - Non-Major Governmental Funds
Special Revenue Funds - School Restricted
June 30, 2012

	<u>Action for Healthy Kids</u>	<u>Total</u>
ASSETS		
Cash	\$ 1,873	\$ 13,912
Due from other governments	-	-
TOTAL ASSETS	<u>\$ 1,873</u>	<u>\$ 13,912</u>
LIABILITIES AND FUND BALANCES		
Liabilities		
Due to other funds	-	-
Deferred Revenue	-	151
Total liabilities	<u>-</u>	<u>151</u>
Fund Balances		
<i>Restricted for:</i>		
Educational programs	1,873	13,761
<i>Unassigned</i>	-	-
TOTAL FUND BALANCES	<u>1,873</u>	<u>13,761</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,873</u>	<u>\$ 13,912</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, 2012

	20111100 IDEA Part B	21011200 IDEA Pre-School	21021100 Title I	21024100 ARRA Title I	21031100 Title II	21091100 Perkins Vocational	21254100 ARRA Education Jobs Fund
Revenues							
Intergovernmental revenue	\$ 606,773	\$ 13,325	\$ 192,053	\$ 874	\$ 122,141	\$ 23,013	\$ 245,100
Other	-	-	-	-	-	-	-
Total revenues	<u>606,773</u>	<u>13,325</u>	<u>192,053</u>	<u>874</u>	<u>122,141</u>	<u>23,013</u>	<u>245,100</u>
Expenditures							
Salaries	164,721	-	136,784	-	88,272	17,137	171,570
Employee benefits	55,934	-	50,657	-	29,141	1,311	73,530
Purchased services	385,934	13,325	4,500	-	2,400	-	-
Supplies and materials	184	-	112	874	-	-	-
Other costs	-	-	-	-	2,328	-	-
Total expenditures	<u>606,773</u>	<u>13,325</u>	<u>192,053</u>	<u>874</u>	<u>122,141</u>	<u>18,448</u>	<u>245,100</u>
Excess revenues over (under) expenditures	-	-	-	-	-	4,565	-
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 financing sources over expenditures and other financing uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,565</u>	<u>-</u>
Fund balances - unreserved July 1, 2011	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - unreserved June 30, 2012	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,565</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, 2012

	21264100 RTTT Standards & Curriculum	21264101 RTTT Instructional Improvement	21264102 RTTT Educator Effectiveness	21264105 RTTT IIS - Set Aside	21264106 RTTT - Educ. Effectiveness Set Aside	21264107 RTTT - Human Capital Dev. Set Aside	23011000 Early Childhood
Revenues							
Intergovernmental revenue	\$ 2,457	\$ 3,000	\$ 3,595	\$ 3,644	\$ 72	\$ 6,051	\$ -
Other	-	-	-	-	-	-	3,497
Total revenues	<u>2,457</u>	<u>3,000</u>	<u>3,595</u>	<u>3,644</u>	<u>72</u>	<u>6,051</u>	<u>3,497</u>
Expenditures							
Salaries	2,457	-	3,486	-	-	-	-
Employee benefits	-	-	109	-	-	-	-
Purchased services	-	3,000	-	3,644	72	6,051	-
Supplies and materials	-	-	-	-	-	-	-
Other costs	-	-	-	-	-	-	-
Total expenditures	<u>2,457</u>	<u>3,000</u>	<u>3,595</u>	<u>3,644</u>	<u>72</u>	<u>6,051</u>	<u>-</u>
Excess revenues over (under) expenditures	-	-	-	-	-	-	3,497
Other financing sources (uses)							
Operating transfers from other funds	-	-	-	-	-	-	-
Operating transfers (to) other funds	-	-	-	-	-	-	(29,508)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(29,508)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(26,011)</u>
Fund balances - unreserved July 1, 2011	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,011</u>
Fund balances - unreserved June 30, 2012	<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, 2012

	23021000 Literacy	23031000 Student Equity	23453000 RI Council on the Humanities	24040003 Elementary Task Force	90000002 SAMHSA Substance Abuse	Performance Assessment	RI Council on the Arts
Revenues							
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ 67,622	\$ -	\$ -
Other	19,674	-	8,914	9,500	-	-	2,462
Total revenues	<u>19,674</u>	<u>-</u>	<u>8,914</u>	<u>9,500</u>	<u>67,622</u>	<u>-</u>	<u>2,462</u>
Expenditures							
Salaries	-	-	1,368	-	24,545	-	-
Employee benefits	-	-	105	-	12,326	-	-
Purchased services	-	-	1,200	9,500	28,592	-	1,570
Supplies and materials	-	-	60	-	2,159	-	-
Other costs	-	10,851	-	-	-	-	-
Total expenditures	<u>-</u>	<u>10,851</u>	<u>2,733</u>	<u>9,500</u>	<u>67,622</u>	<u>-</u>	<u>1,570</u>
Excess revenues over (under) expenditures	19,674	(10,851)	6,181	-	-	-	892
Other financing sources (uses)							
Operating transfers in from other funds	-	67,080	-	-	-	-	-
Operating transfers in (to) other funds	(37,572)	-	-	-	-	-	-
Total other financing sources (uses)	<u>(37,572)</u>	<u>67,080</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(17,898)</u>	<u>56,229</u>	<u>6,181</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>892</u>
Fund balances - unreserved July 1, 2011	17,898	(56,229)	-	-	-	-	250
Fund balances - unreserved June 30, 2012	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,181</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,142</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, 2012

	<u>Action for Healthy Kids</u>	<u>Total</u>
Revenues		
Intergovernmental revenue	\$ -	\$ 1,289,720
Other	2,250	46,297
Total revenues	<u>2,250</u>	<u>1,336,017</u>
Expenditures		
Salaries	-	610,340
Employee benefits	-	223,113
Purchased services	-	459,788
Supplies and materials	706	4,095
Other costs	-	13,179
Total expenditures	<u>706</u>	<u>1,310,515</u>
Excess revenues over (under) expenditures	1,544	25,502
Other financing sources (uses)		
Operating transfers from other funds	-	67,080
Operating transfers (to) other funds	-	(67,080)
Total other financing sources (uses)	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>1,544</u>	<u>25,502</u>
Fund balances - unreserved July 1, 2011	329	(11,741)
Fund balances - unreserved June 30, 2012	<u>\$ 1,873</u>	<u>\$ 13,761</u>

(concluded)

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

	<u>300</u> <u>Landfill</u> <u>Fund</u>	<u>302</u> <u>Old Stone</u> <u>Bridge</u>	<u>303</u> <u>Animal</u> <u>Vehicle</u>	<u>307</u> <u>Recreation</u> <u>Project</u>	<u>309</u> <u>TIF</u> <u>Fund</u>	<u>310</u> <u>School</u> <u>Renovation</u>
Cash	\$ -	\$ -	\$ -	\$ -	\$ 405,185	\$ -
Investments	4,501,466	-	-	-	-	-
Due from other funds	275,203	-	-	-	-	-
Total assets	<u>\$ 4,776,669</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 405,185</u>	<u>\$ -</u>
 LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	23,345	-	-	17,469	-
Total liabilities	<u>-</u>	<u>23,345</u>	<u>-</u>	<u>-</u>	<u>17,469</u>	<u>-</u>
 Fund balances						
<i>Committed for:</i>						
Public works programs	4,776,669	-	-	-	387,716	-
Unassigned	-	(23,345)	-	-	-	-
Total fund balances (deficit)	<u>4,776,669</u>	<u>(23,345)</u>	<u>-</u>	<u>-</u>	<u>387,716</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 4,776,669</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 405,185</u>	<u>\$ -</u>

(continued)

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

	312	
	Ft. Barton	Totals
	Renovation	
	<u> </u>	<u> </u>
Cash	\$ -	\$ 405,185
Investments	-	4,501,466
Due from other funds	-	275,203
Total assets	<u>\$ -</u>	<u>\$ 5,181,854</u>
 LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	\$ -	\$ -
Due to other funds	-	40,814
Total liabilities	<u>-</u>	<u>40,814</u>
 Fund balances -		
<i>Committed for:</i>		
Public works programs	-	5,164,385
Unassigned	-	(23,345)
Total fund balances (deficit)	<u>-</u>	<u>5,141,040</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 5,181,854</u>

(concluded)

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

	<u>300</u> <u>Landfill</u> <u>Fund</u>	<u>302</u> <u>Old Stone</u> <u>Bridge</u>	<u>303</u> <u>Animal</u> <u>Vehicle</u>	<u>307</u> <u>Recreation</u> <u>Project</u>	<u>309</u> <u>TIF</u> <u>Fund</u>	<u>310</u> <u>School</u> <u>Renovation</u>
Revenues						
Earnings on investments	\$ 130,729	\$ -	\$ -	\$ -	\$ 30	\$ -
Intergovernmental revenue	-	-	-	-	124,567	-
Unrealized loss on investment	(5,028)	-	-	-	-	-
Other	578,312	-	-	-	-	-
Total revenues	<u>704,013</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>124,597</u>	<u>-</u>
Expenditures						
Education	-	-	-	-	-	-
General government	-	-	-	-	7,938	3
Public works	111,347	-	-	-	-	-
Debt service	-	-	-	-	390,000	-
Interest expense	-	-	-	-	420,750	-
Capital expenditures	-	16,708	-	-	-	-
Total expenditures	<u>111,347</u>	<u>16,708</u>	<u>-</u>	<u>-</u>	<u>818,688</u>	<u>3</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources	592,666	(16,708)	-	-	(694,091)	(3)
Other financing sources (uses)						
Transfers from other funds	168,304	-	-	-	810,750	-
Transfers (to) other funds	-	-	(427)	(499)	-	-
Total other financing sources (uses)	<u>168,304</u>	<u>-</u>	<u>(427)</u>	<u>(499)</u>	<u>810,750</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures	<u>760,970</u>	<u>(16,708)</u>	<u>(427)</u>	<u>(499)</u>	<u>116,659</u>	<u>(3)</u>
Fund balances (deficit) - unreserved July 1, 2011	<u>4,015,699</u>	<u>(6,637)</u>	<u>427</u>	<u>499</u>	<u>271,057</u>	<u>3</u>
Fund balances - unreserved June 30, 2012	<u>\$ 4,776,669</u>	<u>\$ (23,345)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 387,716</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, 2012

	<u>312</u> <u>Ft. Barton</u> <u>Renovation</u>	<u>Totals</u>
Revenues		
Earnings on investments	\$ -	\$ 130,759
Intergovernmental revenue	-	124,567
Unrealized loss on investment	-	(5,028)
Other	-	578,312
Total revenues	<u>-</u>	<u>828,610</u>
Expenditures		
Education	13,499	13,499
General government	-	7,941
Public works	-	111,347
Debt service	-	390,000
Interest expense	-	420,750
Capital expenditures	-	16,708
Total expenditures	<u>13,499</u>	<u>960,245</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources	(13,499)	(131,635)
Other financing sources (uses)		
Transfers from other funds	-	979,054
Transfers (to) other funds	-	(926)
Total other financing sources (uses)	<u>-</u>	<u>978,128</u>
Excess of revenues and other sources over (under) expenditures	<u>(13,499)</u>	<u>846,493</u>
Fund balances (deficit) - unreserved July 1, 2011	<u>13,499</u>	<u>4,294,547</u>
Fund balances - unreserved June 30, 2012	<u>\$ -</u>	<u>\$ 5,141,040</u>

(concluded)

SUPPLEMENTARY INFORMATION
TOWN OF TIVERTON, RHODE ISLAND
Private Purpose Trust Funds
Combining Balance Sheet
June 30, 2012

	Burial Lots	Pocasset Hill Cemetery	Total
ASSETS			
Cash and equivalents	\$ 25,500	\$ 45,304	\$ 70,804
Investments, at fair value:			
Cash management investment funds	-	450,756	450,756
Total investments	-	450,756	450,756
TOTAL ASSETS	\$ 25,500	\$ 496,060	\$ 521,560
NET ASSETS			
Reserved for Principal	25,500	496,060	521,560
TOTAL NET ASSETS	\$ 25,500	\$ 496,060	\$ 521,560

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, 2012

	<u>Burial Lots</u>	<u>Pocasset Hill Cemetery</u>	<u>Total</u>
ADDITIONS			
Investment income	\$ 177	\$ 3,390	\$ 3,567
Other revenue	-	14,200	14,200
Total additions	<u>177</u>	<u>17,590</u>	<u>17,767</u>
DEDUCTIONS			
Per trust agreements	\$ 2,734	\$ 19,852	\$ 22,586
Total deductions	<u>2,734</u>	<u>19,852</u>	<u>22,586</u>
Change in net assets held in trust for:			
Individuals, organizations and other governments	(2,557)	(2,262)	(4,819)
Net assets - beginning July 1, 2011	<u>28,057</u>	<u>498,322</u>	<u>526,379</u>
Net assets - ending June 30, 2012	<u>\$ 25,500</u>	<u>\$ 496,060</u>	<u>\$ 521,560</u>

**TOWN OF TIVERTON, RHODE ISLAND
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES
IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDING JUNE 30, 2012**

	Balance July 1, 2011	Additions	Deductions	Balance June 30, 2012
GRAVEL BONDS				
Assets				
Cash	\$ 10,313	\$ 16	\$ -	\$ 10,329
Total assets	\$ 10,313	\$ 16	\$ -	\$ 10,329
Liabilities				
Deposits held in custody for others	\$ 10,313	\$ 16	\$ -	\$ 10,329
Total liabilities	\$ 10,313	\$ 16	\$ -	\$ 10,329
ROAD SURETY				
Assets				
Cash	\$ 33,997	\$ 52	\$ -	\$ 34,049
Total assets	\$ 33,997	\$ 52	\$ -	\$ 34,049
Liabilities				
Deposits held in custody for others	\$ 33,997	\$ 52	\$ -	\$ 34,049
Total liabilities	\$ 33,997	\$ 52	\$ -	\$ 34,049
STUDENT ACTIVITY				
Assets				
Cash	\$ 148,984	\$ 289,011	\$ 281,418	\$ 156,577
Total assets	\$ 148,984	\$ 289,011	\$ 281,418	\$ 156,577
Liabilities				
Deposits held in custody for others	\$ 148,984	\$ 289,011	\$ 281,418	\$ 156,577
Total liabilities	\$ 148,984	\$ 289,011	\$ 281,418	\$ 156,577
TOTAL AGENCY FUNDS				
Assets				
Cash	\$ 193,294	\$ 289,079	\$ 281,418	\$ 200,955
Total assets	\$ 193,294	\$ 289,079	\$ 281,418	\$ 200,955
Liabilities				
Deposits held in custody for others	\$ 193,294	\$ 289,079	\$ 281,418	\$ 200,955
Total liabilities	\$ 193,294	\$ 289,079	\$ 281,418	\$ 200,955

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, 2012**

REAL ESTATE AND PERSONAL PROPERTY TAXES

Fiscal Year	Balance 07/01/11	Current Year Assessment	Supplemental	Transfers and Adjustments	Refunds	Abatements	Amount to be Collected	Collections	Balance 06/30/12
2011	-	35,771,753	22,630	36,728	26,244	52,998	35,804,357	34,803,822	1,000,535
2010	968,774	-	-	3,444	104	15,166	957,156	510,000	447,156
2009	454,677	-	-	56	18	-	454,751	352,137	102,614
2008	96,912	-	-	-	-	-	96,912	9,832	87,080
2007	65,310	-	-	(78)	-	-	65,232	1,181	64,051
2006	35,067	-	-	(45)	-	-	35,022	1,028	33,994
2005	24,205	-	-	27	-	-	24,232	778	23,454
2004	20,672	-	-	37	-	-	20,709	501	20,208
2003	19,304	-	-	5	-	-	19,309	170	19,139
2002	22,821	-	-	-	-	-	22,821	172	22,649
Prior	40,379	-	-	-	-	20,938	19,441	594	18,847
	1,748,121	35,771,753	22,630	40,174	26,366	89,102	37,519,942	35,680,215	1,839,727

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

Description of Property	Valuations	Levy
Real property	\$ 1,989,927,828	\$ 31,261,766
Commercial/Industrial real estate	193,661,825	3,042,427
Motor vehicles	144,214,896	2,760,273
Tangible personal	37,542,319	589,790
<i>Total</i>	<u>2,365,346,868</u>	<u>37,654,256</u>
Exemptions		
Real estate	25,500,541	400,613
Motor vehicles	77,431,964	1,482,629
<i>Net assessed value</i>	<u>2,262,414,363</u>	<u>35,771,014</u>

Current year assessment

\$ 35,771,014

**RECONCILIATION OF CURRENT YEAR
PROPERTY TAX REVENUE**

Current year collections	\$ 35,680,215
Reserve collected within 60 days subsequent to fiscal year ending June 30, 2011	168,418
	<u>35,848,633</u>
Prior year revenue received in current year	(252,936)
Other Adjustments	(65,455)
Current year property tax revenue	<u>\$ 35,530,242</u>

TOWN OF TIVERTON, RHODE ISLAND
Schedule of Long-Term Liabilities
For the fiscal year ended June 30, 2012

	Date of Issuance	Interest Rate	Date of Maturity	Authorized	Outstanding July 1, 2011	Additions	Maturities During Year	Outstanding June 30, 2012	Interest Paid
General long-term obligations									
Tax increment bonds	5/1/2002	6.875	5/1/2022	\$ 8,295,000	\$ 6,120,000	\$ -	\$ 390,000	\$ 5,730,000	\$ 420,750
Revenue Financing bonds	6/15/2006	4.0% - 5.0%	5/15/2026	3,735,000	2,835,000	-	190,000	2,645,000	130,425
General Obligation Bonds	8/1/2007	4.25%-5.00%	5/15/2027	10,580,000	9,340,000	-	415,000	8,925,000	437,787
Ft. Barton 10.0 Million Bond	7/15/2008	3.75%-6.00%	5/15/2028	10,000,000	9,060,000	-	365,000	8,695,000	439,331
Pocasset 10.1 Million Bond	7/1/2009	3.00%-6.25%	5/15/2029	10,100,000	9,755,000	-	355,000	9,400,000	506,062
Notes Payable - RIDEM	8/10/2007	0.00%	8/10/2011	250,000	62,500	-	62,500	-	-
Total general obligation bonds and notes payable				42,960,000	37,172,500	-	1,777,500	35,395,000	1,934,355
Capital lease				-	588,101	73,672	171,813	489,960	16,276
Landfill closure and postclosure care costs				-	4,651,127	-	-	4,651,127	-
Other general long-term obligations				-	5,239,228	73,672	171,813	5,141,087	16,276
Accrued expenses									
Accrued vacation and sick leave					1,057,532	31,055	15,387	1,073,200	n/a
Net OPEB obligation					3,904,356	116,961	-	4,021,317	n/a
Net pension obligation					1,847,737	151,561	-	1,999,298	n/a
Total accrued expenses					6,809,625	299,577	15,387	7,093,815	
Total long-term liabilities					\$ 49,221,353	\$ 373,249	\$ 1,964,700	\$ 47,629,902	

**TOWN OF TIVERTON, RHODE ISLAND
 SCHEDULE OF DEBT SERVICE REQUIREMENTS
 TO MATURITY - GENERAL FUND
 FOR THE FISCAL YEAR ENDING JUNE 30, 2012**

Fiscal Year Ended June 30,	Percentage of Maturity	Principal	Interest	Total Debt Service
2013	15.75%	1,780,000	1,857,494	3,637,494
2014	15.75%	1,860,000	1,769,018	3,629,018
2015	15.75%	1,935,000	1,678,800	3,613,800
2016	21.47%	2,025,000	1,585,567	3,610,567
2017	27.46%	2,120,000	1,486,418	3,606,418
2018	33.72%	2,215,000	1,376,723	3,591,723
2019	40.30%	2,330,000	1,254,423	3,584,423
2020	47.20%	2,440,000	1,136,524	3,576,524
2021-2029	100.00%	18,690,000	4,236,159	22,926,159
		\$ 35,395,000	\$ 16,381,126	\$ 51,776,126

**TOWN OF TIVERTON, RHODE ISLAND
COMPUTATION OF LEGAL DEBT MARGIN
JUNE 30, 2012**

Gross assessed value	\$ 2,365,346,868
Less exempt property	102,932,505

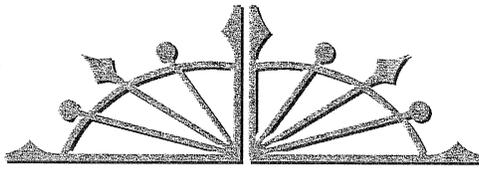
Total taxable assessed value	\$ 2,262,414,363
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Debt Limit - 3 percent of total assessed value	\$ 67,872,431
Amount of debt applicable to debt limit:	
Total bonded debt	35,395,000

Legal debt margin	\$ 32,477,431
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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, 2012, and have issued our report thereon dated December 18, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the Town of 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.

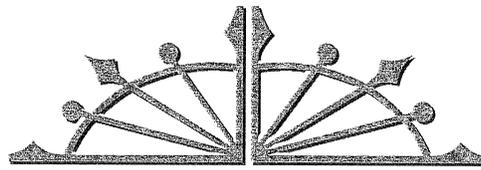
Compliance and Other Matter

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*.

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 18, 2012



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

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

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

INDEPENDENT AUDITOR'S REPORT

The Honorable President
and Members of the Town Council
Town of 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, 2012. 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, 2012.

Internal Control Over Compliance

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

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

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

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

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


Baxter Dansereau & Associates, LLP
December 18, 2012

TOWN OF TIVERTON
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2012

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures</u>
U.S. Department of Agriculture			
<i>Passed through State of Rhode Island Department of Education:</i>			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	\$ 32,190
National School Lunch Program	10.555	N/A	183,032
Special School Milk Program for Children	10.556	N/A	665
Food Donation	10.550	N/A	40,711
Total U.S. Department of Agriculture			<u>\$ 256,598</u>
U.S. Department of Housing and Urban Development			
<i>Passed through State of Rhode Island Division of Planning, Office of Housing and Community Development:</i>			
Community Development Block Grant/Small Cities Program	14.228	N/A	\$ 302,511
ARRA - Community Development Block Grant/Small Cities Program	14.228	N/A	90,000
Total U.S. Department of Housing and Urban Development			<u>\$ 392,511</u>
U.S. Department of the Interior			
<i>Direct Program:</i>			
Partners for Fish and Wildlife	15.631		\$ 525
Total U.S. Department of the Interior			<u>\$ 525</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	\$ 7,075
Total U.S. Department of Justice			<u>\$ 7,075</u>
U.S. Department of Transportation:			
<i>Pass-Through State of Rhode Island Department of Transportation, Governor's Office on Highway Safety</i>			
ARRA - Highway Planning and Construction	20.205	N/A	\$ 16,708
Transportation Cluster:			
State and Community Highway Safety	20.600	N/A	4,018
Occupant Protection Incentive Grants	20.602	N/A	2,057
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	N/A	2,553
State Traffic Safety Information System Improvement Grants	20.610	N/A	3,086
Total U.S. Department of Transportation			<u>\$ 28,422</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	\$ 70,633
Total U.S. Department of Energy			<u>\$ 70,633</u>
U.S. Department of Education			
<i>Passed through State of Rhode Island Department of Education:</i>			
Education Cluster:			
Title I Grants to Local Educational Agencies	84.010	2752-11702-101	\$ 192,053
ARRA - Title I Grants to Local Education Agencies	84.389	4572-11102-110	874
Special Education Cluster:			
Special Education - Grants to States	84.027	2725-13202-101	606,773
Special Education - Grants to States - Preschool	84.173	2725-13502-101	13,325
ARRA-Race to the Top - Incentive Grants	84.395	4572-13502-110	18,819
Improving Teacher Quality State Grants	84.367	2725-16402-101	122,141
ARRA - State Fiscal Stabilization Fund - Education State Grants Recovery Act	84.394	4572-10502-001	246,372
ARRA - Education Jobs Fund	84.410	4572-13102-101	245,100
<i>Passed through City of Newport Rhode Island:</i>			
Vocational Education - Basic Grants to States	84.048	1440-53200-21-02	18,448
Total U.S. Department of Education			<u>\$ 1,463,905</u>
Total Expenditures of Federal Awards			<u><u>\$ 2,219,669</u></u>

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

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weakness (es) identified? yes X no

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

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

Material weakness (es) identified? yes X no

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

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

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

Identification of major programs:

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
84.410	ARRA – Education Jobs Fund
	<i>CDBG – State – Administered CDBG Cluster</i>
14.228	Community Development Block Grant/States Program
14.255	ARRA Community Development Block Grant/ States Program

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

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

A. Significant Deficiency in Internal Control

None Reported

B. Compliance

None Reported

SECTION III – FINDINGS AND QUESTIONED COST FOR FEDERAL AWARDS

A. Findings

None Reported

B. Questioned Costs

None Reported

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

PRIOR YEAR FINDINGS AND QUESTIONED COST FOR FEDERAL AWARDS

A. Findings

None Reported

B. Questioned Costs

None Reported

TOWN OF TIVERTON, RHODE ISLAND
Notes to Schedule of Expenditures of Federal Awards
June 30, 2012

1. **General** - The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal programs of the Town of 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, 2012, grants with expenditures exceeding \$300,000 were determined to be Type A programs and all other grants were considered Type B programs. The following programs were considered major programs:

<u>CFDA</u>	<u>Program Name</u>
	<i>Special Education Cluster</i>
84.027	Special Education Grants to States
84.173	Special Education Preschool Grants
84.410	ARRA – Education Jobs Fund
	<i>CDBG State Administered CDBG Cluster</i>
14.228	Community Development Block Grant/States Program
14.255	ARRA – Community Development Block Grant/States Program

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 \$40,711 represents the market value of such commodities used during the period.