

TOWN OF TIVERTON

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2013



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, 2013**

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

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AUDITED FINANCIAL STATEMENTS
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INTRODUCTORY SECTION

This Section Contains the Following Subsections:

List of Town Officials

TOWN OF TIVERTON, RHODE ISLAND

JUNE 30, 2013

TOWN COUNCIL

Edward A. Roderick, President
Denise M. deMedeiros, Vice President
James Arruda
Joan B. Chabot
Bill Gerlach
Jay Lambert
Brett N. Pelletier

TOWN ADMINISTRATOR

James C. Goncalo

TOWN TREASURER

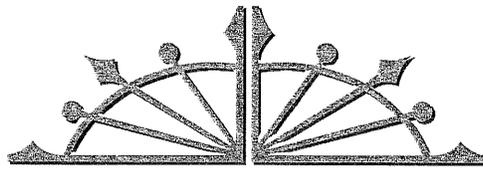
Denise G. Saurette

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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

Report on the Financial Statements

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, 2013, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4-13 and 71-82 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Tiverton, Rhode Island's basic financial statements. The introductory section, combining nonmajor fund financial statements, the combining fiduciary fund financial statements, other supplementary information and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2013, on our consideration of the Town of Tiverton, Rhode Island's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Tiverton, Rhode Island's internal control over financial reporting and compliance.


Baxter Dansereau & Associates, LLP
West Warwick, Rhode Island
December 18, 2013

Management's Discussion and Analysis

TOWN OF TIVERTON, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2013
(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, 2013.

In 2012 the Town 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 \$1,643,299 as a result of this current year's operations. Most of this increase was attributable to the reclassification of long-term debt liabilities from an expenditure on the fund financial statements to a reduction of long-term debt on the statement of net assets. Other factors that increased expenses include depreciation expense of \$1,754,816 and an increase in other post employment benefit obligations of \$367,047. See page 18 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 \$13,804,925. The net position of business activities decreased by \$10,517 or 0.28%, while the net position of Governmental Activities increased by \$1,653,816 or 19.7%.
- ❖ The Town's Government-wide (governmental and business activities) operating expenses were \$49,230,671 a 4.0% increase from the prior year, while revenues collected were \$50,929,503 a 0.95% increase over the prior year.
- ❖ As of the close of the fiscal year, the Town's governmental funds reported combined ending fund balances of \$11,625,070. Over 18.6% of this amount \$2,170,251 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 \$2,237,646, or 5.5% 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 \$300,164. On a budgetary basis revenues exceeded expenditures and transfers by \$654,718.

Overview of the Financial Statements

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

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

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

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

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

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

The *Statement of Activities* presents information which shows how the Town's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods. Examples 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 14 through 15.

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

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

TOWN OF TIVERTON, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2013
(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 19 through 21.

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

The fiduciary fund financial statements can be found on pages 22 and 23.

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 24 through 68.

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 69 through 82.

The combining statements referred to earlier in connection with non-major governmental funds, are presented on pages 83 through 103.

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

Government-wide Financial Analysis

Analysis of the Town of Tiverton's Net Position

As noted earlier, the Town's net position 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 \$10,043,433 as of June 30, 2013. This represents a current years' increase of \$1,653,816.

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

	<i>Town of Tiverton</i>					
	<i>Net Position</i>					
	<u>June 30, 2013</u>			<u>June 30, 2012</u>		
	Govern- mental Activities	Business Type Activities	Total	Govern- mental Activities	Business Type Activities	Total
Current and Other Assets	\$ 23,030,341	\$ 396,009	\$ 23,426,350	\$ 19,950,524	\$ 300,423	\$ 20,250,947
Capital assets	<u>43,989,701</u>	<u>3,508,459</u>	<u>47,498,160</u>	<u>44,314,951</u>	<u>3,511,393</u>	<u>47,826,344</u>
Total Assets	<u>67,020,042</u>	<u>3,904,468</u>	<u>70,924,510</u>	<u>64,265,475</u>	<u>3,811,816</u>	<u>68,077,291</u>
Other Liabilities	10,181,855	142,976	10,324,831	8,245,956	39,807	8,285,763
Long-Term Liabilities	<u>46,794,754</u>	<u>-</u>	<u>46,794,754</u>	<u>47,629,902</u>	<u>-</u>	<u>47,629,902</u>
Total Liabilities	<u>56,976,609</u>	<u>142,976</u>	<u>57,119,585</u>	<u>55,875,858</u>	<u>39,807</u>	<u>55,915,665</u>
Net Position:						
Net investment in capital assets	9,314,901	3,508,459	12,823,360	8,429,991	3,511,393	11,941,384
Restricted for:						
Education programs	809,903	-	809,903	824,231	-	824,231
Public safety programs	455,745	-	455,745	534,553	-	534,553
Health and human services	38,953	-	38,953	38,953	-	38,953
Unrestricted	<u>(576,069)</u>	<u>253,033</u>	<u>(323,036)</u>	<u>(1,438,111)</u>	<u>260,616</u>	<u>(1,177,495)</u>
Total Net Position	<u>\$ 10,043,433</u>	<u>\$ 3,761,492</u>	<u>\$ 13,804,925</u>	<u>\$ 8,389,617</u>	<u>\$ 3,772,009</u>	<u>\$ 12,161,626</u>

An additional portion of the Town's net position, \$12,823,360 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, 2013
(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, 2013. 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 \$1,653,816 for the current period, which equated to a 19.7% increase in the Town's governmental net position, while business-type activities decreased the Town's net position by \$10,517, accounting for a 0.27% decrease in the business-type net assets. Overall the Town's current year's net position increase was \$1,643,299 which is a 13.5% 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 \$1,082,624. 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 a current years expense which resulted in a net decrease of \$1,030,211. 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 to the Town's net position of \$1,780,000. Other changes were due to an increase in the Town's other post-employment benefits of \$367,047 and a decrease in the Town's net pension obligation of \$75,128. The overall effect was an increase in the Town's Governmental net assets of \$1,653,816. Please see Notes 8 and 9 to the financial statements for a more detailed presentation and page 18 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, 2013
(Un-audited)

Town of Tiverton
Changes in Net Position

	<i>June 30, 2013</i>			<i>June 30, 2012</i>		
	Govern- mental Activities	Business Type Activities	Total	Govern- mental Activities	Business Type Activities	Total
<i>Revenues</i>						
<i>Program revenues</i>						
Charges for services	\$ 3,206,929	\$ 568,644	\$ 3,775,573	\$ 2,515,010	\$ 593,758	\$ 3,108,768
Federal/State grants	7,521,396	242,405	7,763,801	6,830,642	223,443	7,054,085
<i>General Revenues</i>						
Property taxes	36,569,206	-	36,569,206	35,705,378	-	35,705,378
State aid	1,368,766	-	1,368,766	1,355,388	-	1,355,388
Investment earnings	89,487	-	89,487	159,362	-	159,362
Miscellaneous	1,362,670	-	1,362,670	3,067,242	-	3,067,242
Loss on disposal of capital assets	(55,533)	-	(55,533)	(13,725)	-	(13,725)
Total revenues	<u>50,062,921</u>	<u>811,049</u>	<u>50,873,970</u>	<u>49,619,297</u>	<u>817,201</u>	<u>50,436,498</u>
<i>Expenses</i>						
General government	1,560,396	-	1,560,396	1,466,087	-	1,466,087
Financial administration	4,354,154	-	4,354,154	4,131,615	-	4,131,615
Public Safety	5,883,563	-	5,883,563	4,759,896	-	4,759,896
Grants, health & sanitation	774,767	-	774,767	781,886	-	781,886
Public works	2,043,060	-	2,043,060	1,828,346	-	1,828,346
Associated activities	568,735	-	568,735	515,448	-	515,448
Parks and Recreation	152,245	-	152,245	206,800	-	206,800
Education	30,812,183	-	30,812,183	30,253,150	-	30,253,150
Other	348,822	-	348,822	659,196	-	659,196
Interest	1,911,180	-	1,911,180	1,906,476	-	1,906,476
Cafeteria Fund	-	821,566	821,566	-	810,273	810,273
Total expenses	<u>48,409,105</u>	<u>821,566</u>	<u>49,230,671</u>	<u>46,508,900</u>	<u>810,273</u>	<u>47,319,173</u>
Change in net position	1,653,816	(10,517)	1,643,299	3,110,397	6,928	3,117,325
Net position - beginning	8,389,617	3,772,009	12,161,626	5,702,847	3,765,081	9,467,928
Prior period adjustments	-	-	-	(423,627)	-	(423,627)
Net position - beginning restated	<u>8,389,617</u>	<u>3,772,009</u>	<u>12,161,626</u>	<u>5,279,220</u>	<u>3,765,081</u>	<u>9,044,301</u>
Net position - ending	<u>\$ 10,043,433</u>	<u>\$ 3,761,492</u>	<u>\$ 13,804,925</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, 2013
(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 \$11,625,070. Over 18% of this amount \$2,170,251 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>Nonspendable for:</i>	
Prepays	\$ 159,758
<i>Restricted for:</i>	
Educational programs	809,903
Public safety programs	455,745
Health and human services	38,953
<i>Committed for:</i>	
Public safety programs	898,612
Public works programs	6,034,513
Financial administration	78,000
Capital projects	688,056
Culture and recreation	291,279
<i>Unassigned:</i>	2,170,251
Total fund balances	<u><u>\$ 11,625,070</u></u>

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

Unrestricted net assets of the proprietary funds are \$253,033.

General Fund Budgetary Highlights:

Coupled with total revenue that came in very close to actual and budgeted expenses that were less than projected, Tiverton ended the fiscal year with an audited surplus of \$300,164. While a surplus is preferential, please keep in mind that the goal is to be as close to budget as possible. Proper public financial management must not only adequately control the total level of expenditures and revenue, but ensure that the government operations run as efficiently as possible.

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

Municipal budgeting is a process that includes forecasting revenue and expenses over one year in advance. While we can be reasonably assured of contractual expenses, debt service payments, and other planned expenditures, it is difficult to project all unexpected circumstances. Keeping a close watch on expenditures as the year progresses allows us to anticipate and prioritize other needs as they may arise. In addition to monitoring all financial transactions, a budget can be used as a management and planning tool.

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 \$47,498,160 net of accumulated depreciation at June 30, 2013. 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, 2013</i>			<i>June 30, 2012</i>		
	Govern- mental Activities	Business Type Activities	Total	Govern- mental Activities	Business Type Activities	Total
Land	4,196,485	3,500,000	7,696,485	4,077,513	3,500,000	7,577,513
Construction in Progress	73,397	-	73,397	16,708	-	16,708
Buildings and improvements	33,767,487	-	33,767,487	34,599,689	-	34,599,689
Motor vehicles	1,864,167	-	1,864,167	1,360,965	-	1,360,965
Infrastructure	2,416,299	-	2,416,299	2,469,043	-	2,469,043
Machinery and equipment	1,671,866	8,459	1,680,325	1,791,033	11,393	1,802,426
Total	43,989,701	3,508,459	47,498,160	44,314,951	3,511,393	47,826,344

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 \$33,615,000. 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, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2013
(Un-audited)

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

	<u>June 30, 2013</u>			<u>June 30, 2012</u>		
	Govern- mental Activities	Business Type Activities	Total	Govern- mental Activities	Business Type Activities	Total
General Obligation Bonds	33,615,000	-	33,615,000	33,395,000	-	33,395,000
Notes Payable - RIDEM	-	-	-	62,500	-	62,500
Capital Leases	1,059,800	-	1,059,800	489,960	-	489,960
Totals	<u>34,674,800</u>	<u>-</u>	<u>34,674,800</u>	<u>33,947,460</u>	<u>-</u>	<u>33,947,460</u>

Additional information on the Town's long-term debt can be found in Note 10 of the Notes to the Financial Statements on pages 42 and 43.

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 \$57,970,798 at year-end. The Town's outstanding general obligation debt is \$33,615,000 at year-end, which is \$24,355,798 under the State imposed limitation.

Economic Factors and Next Year's Budgets and Rates

The 2014 fiscal year budget was approved at the Town of Tiverton's first Financial Town Referendum, and was set at \$47,149,305; resulting in a property tax rate of \$19.37 per \$1000 of valuation.

Municipal expenses, (\$18,419,880) make up approximately 39.07% of the total budget and include \$435,045 for capital and non-recurring expenses. The remaining 60.93% (\$28,729,425) is budgeted for Educational expenses.

Continuing to address unfunded liabilities, the Town planned on and contributed \$825,000 to the Private Police Pension Fund for FY2014. The annual Pension Fund actuarial study demonstrated that this contribution exceeded the ARC (annual required contribution) by \$280,000, increasing the funding status of the plan to 54.8%. This is a significant step toward getting the plan out of critical status, and on its way to a fully funded status. If all things remain the same, and the actuarial assumptions are met, the pension improvement plan submitted last November projects that we will emerge from critical status in approximately 7 years.

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

The Town successfully refinanced the outstanding "TIF Bond" used to finance the Sewer line at Mount Hope Villages. Reducing the interest rate from 6.875% to 3.53% and with no change to the term of the bond, the Town will save close to \$125,000 per year, over the next 9 years.

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 Position

June 30, 2013

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 15,584,751	\$ 78,633	\$ 15,663,384
Investments	4,645,427	-	4,645,427
Accounts receivable:			
Accounts receivable net	1,971,859	-	1,971,859
Due from other governments	414,004	68,527	482,531
Other receivables	94,351	-	94,351
Internal balances	(248,849)	248,849	-
Other assets	409,040	-	409,040
Prepaid expenses	159,758	-	159,758
Capital assets:			
Property, plant and equipment - net	39,719,819	-	39,719,819
Assets not being depreciated	4,269,882	3,508,459	7,778,341
Total capital assets	43,989,701	3,508,459	47,498,160
TOTAL ASSETS	67,020,042	3,904,468	70,924,510
 LIABILITIES			
Accounts payable	1,496,228	142,976	1,639,204
Accrued expenses	3,527,815	-	3,527,815
Unearned revenue	5,157,812	-	5,157,812
Long-term liabilities			
Due within one year	2,024,559	-	2,024,559
Due in more than one year	44,770,195	-	44,770,195
Total liabilities	56,976,609	142,976	57,119,585
 NET POSITION			
Net investment in capital assets	9,314,901	3,508,459	12,823,360
<i>Restricted for:</i>			
Education programs	809,903	-	809,903
Public safety programs	455,745	-	455,745
Health and human services	38,953	-	38,953
Unrestricted	(576,069)	253,033	(323,036)
Total net position	\$ 10,043,433	\$ 3,761,492	\$ 13,804,925

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, 2013

	<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	\$ 1,560,396	\$ 1,662,286	\$ -	\$ 101,890		\$ 101,890
Financial administration	4,354,154	316,143	-	(4,038,011)		(4,038,011)
Public safety	5,883,563	542,887	25,877	(5,314,799)		(5,314,799)
Grants, health & sanitation	774,767	-	278,113	(496,654)		(496,654)
Public works	2,043,060	23,933	472,158	(1,546,969)		(1,546,969)
Associated activities	568,735	8,296	-	(560,439)		(560,439)
Parks and recreation	152,245	84,740	-	(67,505)		(67,505)
Education	30,812,183	-	6,745,248	(24,066,935)		(24,066,935)
Other	348,822	568,644	-	219,822		219,822
Interest	1,911,180	-	-	(1,911,180)		(1,911,180)
Total governmental activities	<u>48,409,105</u>	<u>3,206,929</u>	<u>7,521,396</u>	<u>(37,680,780)</u>		<u>(37,680,780)</u>
Business type activities:						
Land Acquisition Fund	-	-	-	-	\$ -	-
Cafeteria Fund	821,566	568,644	242,405	-	(10,517)	(10,517)
Total business-type activities	<u>821,566</u>	<u>568,644</u>	<u>242,405</u>	<u>-</u>	<u>(10,517)</u>	<u>(10,517)</u>
Total primary government	<u>\$ 49,230,671</u>	<u>\$ 3,775,573</u>	<u>\$ 7,763,801</u>	<u>(37,680,780)</u>	<u>(10,517)</u>	<u>(37,691,297)</u>
General revenues:						
Taxes:						
Property taxes, levied for general purposes				36,569,206	-	36,569,206
State aid, unrestricted				1,368,766	-	1,368,766
Unrestricted investment earnings				89,487	-	89,487
Miscellaneous				1,362,670	-	1,362,670
Loss on disposal of capital assets				(55,533)	-	(55,533)
Total general revenues and transfers				<u>39,334,596</u>	<u>-</u>	<u>39,334,596</u>
Change in net assets				<u>1,653,816</u>	<u>(10,517)</u>	<u>1,643,299</u>
Net position-beginning				8,389,617	3,772,009	12,161,626
Net position-ending				<u>\$ 10,043,433</u>	<u>\$ 3,761,492</u>	<u>\$ 13,804,925</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, 2013

	General Fund	School Unrestricted Fund	Other Non-Major Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 13,751,354	\$ 13,265	\$ 1,820,132	\$ 15,584,751
Investments	-	-	4,645,427	4,645,427
Accounts receivable:				
Real estate and personal property taxes	1,971,859	-	-	1,971,859
Due from other governments	124,811	14,171	275,022	414,004
Other receivables	94,351	-	-	94,351
Internal balances	113,161	5,454,362	1,299,985	6,867,508
Prepaid expenses	159,758	-	-	159,758
TOTAL ASSETS	\$ 16,215,294	\$ 5,481,798	\$ 8,040,566	\$ 29,737,658
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 24,507	\$ 1,453,141	\$ 18,580	\$ 1,496,228
Accrued expenditures	535,957	2,556,166	-	3,092,123
Internal balances	7,003,196	-	113,161	7,116,357
Unearned revenue	6,127,145	-	280,735	6,407,880
Total liabilities	13,690,805	4,009,307	412,476	18,112,588
Fund balances:				
<i>Nonspendable:</i>				
Prepays	159,758	-	-	159,758
<i>Restricted for:</i>				
Educational programs	-	784,435	25,468	809,903
Public safety programs	-	-	455,745	455,745
Health and human services	-	-	38,953	38,953
<i>Committed for:</i>				
Public safety programs	-	-	898,612	898,612
Public works programs	49,085	-	5,985,428	6,034,513
Financial administration	78,000	-	-	78,000
Capital projects	-	688,056	-	688,056
Culture and recreation	-	-	291,279	291,279
<i>Unassigned:</i>	2,237,646	-	(67,395)	2,170,251
Total fund balances	2,524,489	1,472,491	7,628,090	11,625,070
TOTAL LIABILITIES AND FUND BALANCES	\$ 16,215,294	\$ 5,481,798	\$ 8,040,566	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. (see note 8)	43,989,701
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. (see note 8)	1,223,416
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)	(46,794,754)
Net position of governmental activities	\$ 10,043,433

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, 2013

	<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	\$ 36,462,565	\$ -	\$ -	\$ 36,462,565
Intergovernmental and departmental revenues	1,368,766	6,657,192	1,456,145	9,482,103
License and permits	1,879,626	-	602,011	2,481,637
Fines and interest on late payments	301,727	-	-	301,727
Earnings on investments	17,013	-	72,474	89,487
Other revenues	576,976	-	581,556	1,158,532
Total revenues	<u>40,606,673</u>	<u>6,657,192</u>	<u>2,712,186</u>	<u>49,976,051</u>
Expenditures				
Current:				
General government	1,078,771	-	92,571	1,171,342
Financial administration	4,544,808	-	-	4,544,808
Public safety	5,494,952	-	101,745	5,596,697
Grants, health & welfare	599,698	-	175,069	774,767
Public works	1,463,217	-	481,076	1,944,293
Associated activities	568,735	-	-	568,735
Parks and recreation	118,674	-	12,300	130,974
Education	-	28,833,280	1,055,732	29,889,012
Other	321,400	-	-	321,400
Capital	68,913	-	244,993	313,906
Debt service:				
Principal	1,360,000	-	420,000	1,780,000
Interest	1,463,556	-	393,937	1,857,493
Total expenditures	<u>17,082,724</u>	<u>28,833,280</u>	<u>2,977,423</u>	<u>48,893,427</u>
Excess of revenues over (under) expenditures before other financing sources (uses)	<u>23,523,949</u>	<u>(22,176,088)</u>	<u>(265,237)</u>	<u>1,082,624</u>
Other financing sources (uses)				
Transfers from other funds	47,991	22,438,109	835,298	23,321,398
Transfers to other funds	<u>(23,271,776)</u>	<u>-</u>	<u>(49,622)</u>	<u>(23,321,398)</u>
Total other financing sources (uses)	<u>(23,223,785)</u>	<u>22,438,109</u>	<u>785,676</u>	<u>-</u>
Net change in fund balances	300,164	262,021	520,439	1,082,624
Fund balances - beginning	<u>2,224,325</u>	<u>1,210,470</u>	<u>7,107,651</u>	<u>10,542,446</u>
Fund balances - ending	<u>\$ 2,524,489</u>	<u>\$ 1,472,491</u>	<u>\$ 7,628,090</u>	<u>\$ 11,625,070</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, 2013

Net change in fund balances-total governmental funds \$ 1,082,624

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	724,605
Depreciation expense	<u>(1,754,816)</u>
Change to Net Assets	<u><u>(1,030,211)</u></u>

Reductions in unearned 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. 106,641

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. (53,687)

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. 1,978,994

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. (375,012)

Change in net assets of governmental activities \$ 1,653,816

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, 2013

	Enterprise Funds		
	Land Acquisition Fund	Cafeteria Fund	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ -	\$ 78,633	\$ 78,633
Due from other governments	-	68,527	68,527
Due from other funds	248,849	-	248,849
Total current assets	248,849	147,160	396,009
Non-current assets			
Capital assets (net)	3,500,000	8,459	3,508,459
Total non-current assets	3,500,000	8,459	3,508,459
TOTAL ASSETS	3,748,849	155,619	3,904,468
LIABILITIES			
Current liabilities			
Accounts payable	-	142,976	142,976
Total current liabilities	-	142,976	142,976
Total liabilities	-	142,976	142,976
Net Assets			
Invested in Capital assets, net of related debt	3,500,000	8,459	3,508,459
Unrestricted	248,849	4,184	253,033
Total Net Assets	\$ 3,748,849	\$ 12,643	\$ 3,761,492

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, 2013

	Enterprise Funds		
	Land Acquisition Fund	Cafeteria Fund	Total
Operating revenues			
Charges for usage and service	\$ -	\$ 568,644	\$ 568,644
Total operating revenues	-	568,644	568,644
Operating expenses			
Operations	-	818,632	818,632
Depreciation	-	2,934	2,934
Total operating expenses	-	821,566	821,566
Operating income (loss)	-	(252,922)	(252,922)
Non-operating revenues (expenses)			
Intergovernmental revenue	-	242,405	242,405
Total non-operating (expenses)	-	242,405	242,405
Income (loss) before transfers	-	(10,517)	(10,517)
Change in Net Assets	-	(10,517)	(10,517)
Total Net Assets - Beginning	3,748,849	23,160	3,772,009
Total Net Assets - Ending	\$ 3,748,849	\$ 12,643	\$ 3,761,492

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, 2013

	Enterprise Funds		
	Land Acquisition Fund	Cafeteria Fund	Total
Cash flows from operating activities			
Cash received from providing services	\$ -	\$ 510,211	\$ 510,211
Cash payments to suppliers for goods and services	-	(715,463)	(715,463)
Net cash provided by (used for) operating activities	<u>-</u>	<u>(205,252)</u>	<u>(205,252)</u>
Cash flows from non-capital financing activities			
Nonoperating grants received	-	242,405	242,405
Net cash provided by (used for) non-capital financing activities	<u>-</u>	<u>242,405</u>	<u>242,405</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	-	37,153	37,153
Cash and cash equivalents at beginning of year	-	41,480	41,480
Cash and cash equivalents at end of year	<u>\$ -</u>	<u>\$ 78,633</u>	<u>\$ 78,633</u>
Reconciliation of operating income to net cash provided by operating activities			
Operating income (loss)	\$ -	\$ (252,922)	\$ (252,922)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization	-	2,934	2,934
Changes in assets and liabilities:			
Decrease (increase) in other assets	-	(58,433)	(58,433)
Increase (decrease) in accounts payable and accrued expenses	-	103,169	103,169
Total adjustments	<u>-</u>	<u>47,670</u>	<u>47,670</u>
Net cash provided by operating activities	<u>\$ -</u>	<u>\$ (205,252)</u>	<u>\$ (205,252)</u>

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

TOWN OF TIVERTON, RHODE ISLAND
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2013

	Police Pension Trust	Private Purpose Trust Funds	Agency Funds
ASSETS			
Cash & cash equivalents	\$ 222,427	\$ 143,194	\$ 199,404
Investments, at fair value:			
Cash management investment funds	2,475	372,650	-
Fixed income bond funds	1,837,497	-	-
Domestic stocks	5,402,975	-	-
Total investments	7,242,947	372,650	-
Total Assets	7,465,374	515,844	199,404
LIABILITIES			
Deposits payable to others	-	-	199,404
Total liabilities	-	-	\$ 199,404
NET POSITION			
Restricted for pension benefits and other purposes	\$ 7,465,374	\$ 515,844	

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

TOWN OF TIVERTON, RHODE ISLAND
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2013

	<u>Police Pension Trust</u>	<u>Private Purpose Trust Funds</u>
Additions		
Contributions		
Employer contributions	\$ 700,000	\$ -
Plan members contributions	143,389	-
Total contributions	<u>843,389</u>	<u>-</u>
Investment earnings		
Net increase (decrease) in fair value of investments	468,309	18,650
Interest and dividends	239,190	2,527
Total investment earnings	<u>707,499</u>	<u>21,177</u>
Less investment expense	<u>(22,392)</u>	<u>-</u>
Net investment earnings	<u>685,107</u>	<u>21,177</u>
Total additions	<u>1,528,496</u>	<u>21,177</u>
Deductions		
Benefits paid	733,907	-
Operating expenses	23,631	26,893
Total deductions	<u>757,538</u>	<u>26,893</u>
Change in net assets	<u>770,958</u>	<u>(5,716)</u>
Net position beginning	<u>6,694,416</u>	<u>521,560</u>
Net position ending	<u><u>\$ 7,465,374</u></u>	<u><u>\$ 515,844</u></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, 2013

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 Referendum 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, 2013

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 2013:

- * 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 position 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, 2013

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, 2013

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 Position 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 and permits 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, 2013

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, 2013

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.

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, 2013

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, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

BASIS OF ACCOUNTING (continued)

Equity Classifications

Government-Wide Statements

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

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

Governmental Fund Financial Statements

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

- ***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, 2013

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 97.25% of the total December 31, 2011 levy. The Town's fiscal 2013 property taxes were levied in July of 2012 on assessed valuation as of December 31, 2011.

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, 2013

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 17 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 cumulative to 3 days.

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, 2013

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 \$57,970,798 based on the December 31, 2011 assessment. As of June 30, 2013 the Town's debt is under the debt limit by \$24,355,798. 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:

Planning Challenge Grant	Special Revenue	10,562	**
Old Stone Bridge	Capital Project	80,034	**

** 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, 2013

NOTE 5 – CASH AND INVESTMENTS

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

Investments: Investment of all idle funds is made through national banks or trust companies, providing that the financial conditions and integrity of 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, 2013, the entire Town owned bank balances of \$16,326,713 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, 2013

NOTE 5 – CASH AND INVESTMENTS (continued)

Cash and investments of the Town consist of the following at June 30, 2013

Cash and Cash Equivalents

Deposits with financial institutions	\$	16,228,409
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Investments

Government and agency obligations		3,810,555
Cash management investment funds		375,125
Corporate Bonds		245,301
Fixed income funds		2,427,068
Domestic stocks		5,402,975
<i>Total Cash and Investments</i>	\$	<u>28,489,433</u>

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

Statement of Net Assets

Cash and cash equivalents	\$	15,663,384
Investments		4,645,427

Fiduciary Funds

Cash		565,025
Investments		7,615,597
<i>Total Cash and Investments</i>	\$	<u>28,489,433</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:

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

NOTE 5 – CASH AND INVESTMENTS (continued)

Type of Investment	Fair Value	Investment Maturities (in Years)			
		Less Than 1 Year	1-5 Years	6-10 Years	Over 10 Years
Government Securities	\$ 1,040,763	\$ 1,040,763	\$ -	\$ -	\$ -
Corporate Bonds	245,301	-	53,655	-	191,646
Mutual Funds	2,769,792	1,659,613	1,110,179	-	-
Fixed Income	589,571	-	141,889	250,695	196,987
Total	<u>\$ 4,645,427</u>	<u>\$ 2,700,376</u>	<u>\$ 1,305,723</u>	<u>\$ 250,695</u>	<u>\$ 388,633</u>

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.

Moody's Average Rating	Corporate Bonds
A1	\$ 53,655
A2	88,358
A3	103,288
	<u>\$ 245,301</u>

NOTE 6 – PROPERTY TAXES

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

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

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

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.

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

	Primary Government				Ending Balance
	Beginning Balance	Increases	Decreases	Adjustments	
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 4,077,513	\$ 152,227	\$ 33,255	\$ -	\$ 4,196,485
Construction in Progress	16,708	56,689	-	-	73,397
Total capital assets not being depreciated	<u>4,094,221</u>	<u>208,916</u>	<u>33,255</u>	<u>-</u>	<u>4,269,882</u>
Other capital assets:					
Buildings and improvements	47,126,848	175,981	156,928	40,205	47,186,106
Motor vehicles	4,709,451	772,403	8,588	-	5,473,266
Infrastructure	7,012,063	223,162	-	-	7,235,225
Machinery and equipment	2,994,480	64,432	-	-	3,058,912
Total other capital assets at historical cost	<u>61,842,842</u>	<u>1,235,978</u>	<u>165,516</u>	<u>40,205</u>	<u>62,953,509</u>
Less accumulated depreciation for:					
Buildings and improvements	12,527,159	1,026,110	134,650	-	13,418,619
Motor vehicles	3,348,486	269,201	8,588	-	3,609,099
Infrastructure	4,543,020	275,906	-	-	4,818,926
Machinery and equipment	1,203,447	183,599	-	-	1,387,046
Total accumulated depreciation	<u>21,622,112</u>	<u>1,754,816</u>	<u>143,238</u>	<u>-</u>	<u>23,233,690</u>
Governmental activities capital assets, net	<u>\$ 44,314,951</u>	<u>\$ (309,922)</u>	<u>\$ 55,533</u>	<u>\$ 40,205</u>	<u>\$ 43,989,701</u>

Depreciation expense was charged to functions as follows:

Governmental activities:	
General government	\$ 14,042
Public safety	286,866
Public works	357,579
Parks and recreation	21,271
Education	1,075,058
Total governmental activities depreciation expense	<u>\$ 1,754,816</u>

TOWN OF TIVERTON
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

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

"Total fund balances" of the Towns' governmental funds (\$11,625,070) differs from "net position" of governmental activities (\$10,043,433) reported in the statement of net position. This difference primarily results from the long-term economic focus of the statement of net position

Balance Sheet/Statement of Net Position

	Total Governmental Funds	Long-term Assets/ Liabilities (1)	Reclassifications and Eliminations	Statement Net Position Totals
Assets				
Cash and cash equivalents	\$ 15,584,751	\$ -	\$ -	\$ 15,584,751
Investments	4,645,427	-	-	4,645,427
Receivables:				
Property taxes, net	1,971,859	-	-	1,971,859
Intergovernmental	414,004	-	-	414,004
Other	94,351	-	-	94,351
Internal balances	6,867,508	-	(7,116,357)	(248,849)
Deferred charges	-	409,040	-	409,040
Prepaid expenses	159,758	-	-	159,758
Property, plant and equipment - net	-	39,719,819	-	39,719,819
Assets not being depreciated	-	4,269,882	-	4,269,882
Total assets	<u>\$ 29,737,658</u>	<u>\$ 44,398,741</u>	<u>\$ (7,116,357)</u>	<u>\$ 67,020,042</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued items	\$ 1,496,228	\$ -	\$ -	\$ 1,496,228
Accrued expenses	3,092,123	435,692	-	3,527,815
Internal balances	7,116,357	-	(7,116,357)	-
Unearned revenue	6,407,880	(1,250,068)	-	5,157,812
Long-term liabilities				
Due within one year	-	2,024,559	-	2,024,559
Due in more than one year	-	44,770,195	-	44,770,195
Total liabilities	<u>18,112,588</u>	<u>45,980,378</u>	<u>(7,116,357)</u>	<u>56,976,609</u>
Fund Balances/Net Position				
Total fund balances/net position	11,625,070	(1,581,637)	-	10,043,433
Total liabilities and fund balances/net position	<u>\$ 29,737,658</u>	<u>\$ 44,398,741</u>	<u>\$ (7,116,357)</u>	<u>\$ 67,020,042</u>

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

Cost of capital assets	\$ 67,223,391
Accumulated depreciation	(23,233,690)
	<u>\$ 43,989,701</u>

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

Adjustment of unearned revenue	\$ 1,777,950
Deferred bond cost	409,040
Premium on bond	(527,882)
Accrued interest	(435,692)
	<u>\$ 1,223,416</u>

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

Bonds payable	\$ 33,615,000
Capital leases payable	1,059,800
Landfill closure	4,651,127
Accrued compensated absences	1,156,293
Net OPEB obligation	4,388,364
Net pension obligation	1,924,170
	<u>\$ 46,794,754</u>

TOWN OF TIVERTON
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

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

The "net change in the fund balances" for governmental funds (\$1,082,624) differs from the "change in net position" for governmental activities \$(1,653,816) 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 41.

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

	<u>Total Governmental Funds</u>	<u>Long-term Revenues/ Expenses (1)</u>	<u>Capital- related Items (2)</u>	<u>Long-term Debt Transactions (3)</u>	<u>Statement of Activities Totals</u>
Revenues					
General property tax	\$ 36,462,565	\$ 106,641	\$ -	\$ -	\$ 36,569,206
Intergovernmental and departmental revenues	9,482,103	-	-	-	9,482,103
License and permits	2,481,637	-	-	-	2,481,637
Fines and interest on late payments	301,727	-	-	-	301,727
Interest on investments	89,487	-	-	-	89,487
Other revenues	1,158,532	-	-	35,762	1,194,294
Total revenues	<u>49,976,051</u>	<u>106,641</u>	<u>-</u>	<u>35,762</u>	<u>50,118,454</u>
Expenditures					
Current:					
General government	1,171,342	-	14,042	375,012	1,560,396
Financial administration	4,544,808	-	-	(190,654)	4,354,154
Public safety	5,596,697	-	286,866	-	5,883,563
Grants, health & sanitation	774,767	-	-	-	774,767
Public works	1,944,293	-	98,767	-	2,043,060
Associated activities	568,735	-	-	-	568,735
Parks and recreation	130,974	-	21,271	-	152,245
Education	29,889,012	-	923,171	-	30,812,183
Other	321,400	-	-	27,422	348,822
Capital	313,906	-	(313,906)	-	-
Long-term obligations:					
Principal	1,780,000	-	-	(1,780,000)	-
Interest	1,857,493	53,687	-	-	1,911,180
Total expenditures	<u>48,893,427</u>	<u>53,687</u>	<u>1,030,211</u>	<u>(1,568,220)</u>	<u>48,409,105</u>
Other financing sources (uses)					
Transfers from other funds	23,321,398	-	-	-	23,321,398
Transfers to other funds	(23,321,398)	-	-	-	(23,321,398)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Prior period adjustment	-	-	-	-	-
(Gain)/Loss on disposal of capital asset	-	-	(55,533)	-	(55,533)
Net change for the year	<u>\$ 1,082,624</u>	<u>\$ 52,954</u>	<u>\$ (1,085,744)</u>	<u>\$ 1,603,982</u>	<u>\$ 1,653,816</u>

TOWN OF TIVERTON
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

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.

Unearned revenue property tax	\$ 106,641
	<u> </u>

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	\$ (53,687)
	<u> </u>

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

Capital outlay	\$ 724,605
Depreciation expense	(1,754,816)
Difference	<u>\$ (1,030,211)</u>

(Gain) / Loss on disposal of capital assets	<u>\$ (55,533)</u>
---	--------------------

- (3) Bond and capital lease proceeds provide current financial resources to governmental funds but the issuance of bonds and obtaining capital lease financing increases long-term liabilities in the statement of net position. 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 position 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	1,780,000
Lease payments made	190,654
	<u>\$ 1,978,994</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	\$ (83,093)
Net (increase) in the other post employment benefit obligation	(367,047)
Net (increase) / decrease to net pension obligation	<u>75,128</u>
Change	<u>\$ (375,012)</u>

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

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 position. 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, 2013 was as follows:

	Balance July 1, 2012	Additions	Retirements	Balance June 30, 2013	Amounts Due within One Year
Governmental Activities					
Bonds and notes payable:					
Bonds Payable	\$ 35,395,000	\$ -	\$ 1,780,000	\$ 33,615,000	\$ 1,860,000
Total bonds and notes payable	<u>35,395,000</u>	<u>-</u>	<u>1,780,000</u>	<u>33,615,000</u>	<u>1,860,000</u>
Other liabilities:					
Accrued compensated absences	1,073,200	96,965	13,872	1,156,293	-
Landfill closure and postclosure care costs	4,651,127	-	-	4,651,127	-
Capital Leases	530,165	720,289	190,654	1,059,800	164,559
Net OPEB Obligation	4,021,317	367,047	-	4,388,364	-
Net Pension Obligation	1,999,298	-	75,128	1,924,170	-
Total other liabilities	<u>12,275,107</u>	<u>1,184,301</u>	<u>279,654</u>	<u>13,179,754</u>	<u>164,559</u>
Governmental Activities long-term liabilities	<u>\$ 47,670,107</u>	<u>\$ 1,184,301</u>	<u>\$ 2,059,654</u>	<u>\$ 46,794,754</u>	<u>\$ 2,024,559</u>

The following schedule summarizes the Town's bonds and notes

	Interest Rates	Principal	Due Dates
Governmental bonds and notes payable	0% - 6.875%	\$ 33,615,000	2014-2029
Total All Funds		<u>\$ 33,615,000</u>	

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

NOTE 10 - LONG-TERM DEBT (continued)

Fiscal Year Ended <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
2021	2,570,000	1,001,408	3,571,408
Thereafter	<u>16,120,000</u>	<u>3,234,751</u>	<u>19,354,751</u>
TOTALS	<u>\$ 33,615,000</u>	<u>\$ 14,523,632</u>	<u>\$ 48,138,632</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>
2014	164,559
2015	168,826
2016	154,175
2017	144,073
Thereafter	<u>428,167</u>
Future minimum rental payments	1,059,800
Interest portion of payments	175,415
Obligation under capital leases	<u>\$ 1,235,215</u>

As of June 30, 2013, all capital leases are scheduled to be paid off as of June 30, 2022.

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

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, 2013.

	<u>Due from other funds</u>	<u>Due to other funds</u>
<i>General Fund</i>	\$ 113,161	\$ 7,003,196
<i>Special Revenue Funds:</i>		
School Unrestricted	5,454,362	-
Town Restricted	1,196,271	10,562
<i>Capital Projects:</i>	103,714	102,599
<i>Enterprise Funds</i>		
Land Acquisition	248,849	-
Totals	<u>\$ 7,116,357</u>	<u>\$ 7,116,357</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, 2013.

<u>Fund / Department</u>	<u>Transfers from other funds</u>	<u>Tranfers to other funds</u>
General Fund	\$ 47,991	\$ 23,271,776
Special Revenue SRUF	22,438,109	-
Special Revenue Town	19,730	47,991
Capital Project Funds	813,937	-
Debt Service Fund	1,631	1,631
Totals	<u>\$ 23,321,398</u>	<u>\$ 23,321,398</u>

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

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.

The most recent study performed by the PARE Corporation in November 2011, had estimated that at the current landfilling rate (3,000 tons/year) the Tiverton landfill will reach capacity between January 2017 and January 2018. PARE’s opinion of probable construction cost to cap the landfill, in 2011 dollars, is approximately \$8.0M. However it should be noted that this is an approximate cost, and the actual cost to close the landfill will be based on the availability of materials and economic climate at the time of closure. The cost of many of the materials used in landfill capping, specifically the petroleum-based products like the plastic capping material, are tied to highly volatile commodities markets, and therefore, are very difficult to predict prior to the actual landfill closure.

To fund the landfill closure costs, the Town has restricted all net funds received from the Pay-as-you-throw trash bag program. For fiscal years 2012 and 2013, the town has set aside \$488,137 and \$433,649 respectively. As of June 30, 2013, the Town has accumulated \$5,273,048 in the Landfill Closure Capital Project Fund.

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, 2013

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 Connelll 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, 2013 were audited in connection with the accompanying financial statements under the Single Audit Concept and the auditor's reports thereon are presented in the Single Audit Report. Management believes that the amounts, if any, of expenditures, which may be disallowed, will not be material to the financial position of the Town.

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

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, 2013

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	274	274	208
Retirees	<u>96</u>	<u>95</u>	<u>53</u>
Total	370	369	261

Funding Policy

Contribution requirements are negotiated between the Town and the respective unions and employees. For the year-ended June 30, 2013, the plan operated on a pay as you go basis and no provision has been made to fund future benefits to be provided to plan members. For the fiscal year ended June 30, 2013 the Town contributed \$1,292,835 to the plan. The Police and Fire personnel have agreed to contribute to the OPEB cost.

Annual OPEB Funded Status and net OPEB Obligation

Actuarial Actuarial Valuation Date July 1,	Actuarial Value of Assets (a)	Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
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
2012	-0-	\$24,492,216	\$(24,492,216)	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, 2013.

Annual required contribution	\$2,485,785
Interest on OPEB obligation	140,746
Adjustment to annual required contribution	(337,345)
Amortization of actuarial (gains)/losses	<u>(629,304)</u>
Annual OPEB cost	1,659,882
Employer Contributions	<u>1,292,835</u>
Increase (decrease) in OPEB obligation	<u>367,047</u>
Net OPEB obligation beginning of year	<u>4,021,319</u>
Net OPEB obligation end of year	<u>\$4,388,366</u>

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

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>
2011	\$ 2,420,634	52.5%
2012	\$ 2,459,295	55.22%
2013	\$ 2,485,785	52.01%

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, 2012
Interest Rate	3.50%
2013 Medical Trend Rate	6.00%
2013 Dental Trend Rate	5.50%
General Inflation Assumption	3.50%
Annual Compensation Increases	3.00%
Actuarial Value of Assets	Market Value
Amortization of UAAL	30 Years
Remaining Amortization Period	27 Years

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

NOTE 15 - PENSION PLANS

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

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

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.

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

NOTE 15 - PENSION PLANS (continued)

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

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

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

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

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

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

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

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

NOTE 15 - PENSION PLANS (continued)

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

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

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

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

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

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.

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

NOTE 15 - PENSION PLANS (continued)

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

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.
- 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, 2009):

- Grandfathered Schedule A members – members with at least 10 years of contributory service at June 30, 2005 and eligible for retirement at September 30, 2009 – are eligible to retire on or after age 60 if they have credit for 10 years of service, or at any age if they have credit for 28 years of service.
- Correctional officers who have reached age 50 and have credit for 20 years of service as of September 30, 2009 are eligible to retire and are grandfathered.
- Nurses (RNs) employed by MHRH who have reached age 50 with 25 years of service by September 30, 2009 are eligible to retire and are grandfathered.
- Schedule B members – members with less than 10 years of contributory service 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.

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

NOTE 15 - PENSION PLANS (continued)

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

- 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.
- 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, 2013, 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):

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

NOTE 15 - PENSION PLANS (continued)

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

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

The maximum benefit is 80% of FAC.

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

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

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

NOTE 15 - PENSION PLANS (continued)

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

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

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.

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

NOTE 15 - PENSION PLANS (continued)

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

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 11.41% of non-federally reimbursable payrolls totaling \$979,383 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:

Years Ending June 30	Town's Portion of Annual Required Contributions	Percentage Contributed
2011	\$ 1,409,417	100%
2012	\$ 1,651,299	100%
2013	\$ 1,486,008	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, 2013**

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, 2012
Actuarial cost method	Entry Age
Amortization method	Level Percentage 25 Years
Remaining amortization period	23 Years
Asset valuation method	5 Year Phase-in of Actual
Actuarial assumptions:	
Investment rate of return	7.50%, Compounded Annually
Projected salary increases	4.00-12.75%
Cost-of-living adjustments	2.00%
Inflation Rate	2.75% Annually

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 plan provides retirement, death and disability benefits and an optional cost of living adjustment (COLA) as outlined in Chapter 45-21 and Chapter 45-21.2 for Police and Fire of the Rhode Island General Laws (RIGL). The benefits may be amended by the Rhode Island General Assembly. The System issues a publicly available financial report that includes financial statements and required supplementary information for the Town. The financial report may be obtained by writing to Employees Retirement System of Rhode Island, 50 Service Avenue, Warwick, Rhode Island 02886, by calling (401) 462-7600 or by accessing their website at www.ersri.org.

Legislative Changes

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

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

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 or to the averaging period will not impact the final average compensation used to determine the retirement benefit until after the new calculation is greater than the preserved calculation.
- The calculated accrued benefit as of June 30, 2012 using the accumulated benefit multiplier as of that date and the final average compensation as of that date can be commenced on the date the member would have reached retirement eligibility prior to the Act if the member retires on that retirement date.
- Any past post-retirement benefit adjustments that have been given will be preserved. Only future adjustments will be modified and/or suspended.
- All members currently eligible to retire will retain the ability to retire in accordance with the provisions prior to the Act.
- Current municipal employees who have five years of service as of June 30, 2012 will have a new retirement age delayed in proportion to the amount of service they have earned as of June 30, 2012 and to their current expected retirement age, but not less than age 59. In no 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 adjustments 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, 2013

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, 2013

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, 2013

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 - GENERAL EMPLOYEES

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						
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	11,454,688	9,707,374	(1,747,314)	118%	2,933,659	-60%
2013	*N/A	*N/A	*N/A	*N/A	*N/A	*N/A

* Unavailable at the time of the report

SCHEDULE OF FUNDING PROGRESS - FIRE EMPLOYEES

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)
Fire Employees						
2008	8,421,582	7,599,400	(822,182)	111%	1,581,663	-52%
2009	8,542,359	7,729,733	(812,626)	111%	1,671,055	-49%
2010	8,622,253	10,055,412	1,433,159	86%	1,656,871	86%
2011	8,683,290	9,416,260	732,970	92%	1,796,775	41%
2012	8,793,531	10,431,958	1,638,427	84%	1,616,619	101%
2013	*N/A	*N/A	*N/A	*N/A	*N/A	*N/A

* Unavailable at the time of the report

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

NOTE 15 - PENSION PLANS (continued)

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

Actuarial Methods and Assumptions

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

Valuation date	June 30, 2012
Actuarial cost method	Entry Age Actuarial Cost Method
Amortization method	Level Percent of Payroll – Closed 30-yr period
Remaining amortization period	23 Years
Asset valuation method	5 Year Smoothed Market

Actuarial assumptions:	
Investment rate of return	7.50%, Compounded Annually
Salary increases-General Employees	4.00-8.00%
Salary increases-Police/Fire Employees	4.25-14.25%
Cost-of-living adjustments - 2012	0.00%
Inflation Rate	2.75% Annually
Post Retirement Benefit Increases	2.00% Of Original Retirement Benefit

The annual required contribution for the Town which equals the annual pension cost for the year ended June 30, 2013 was \$158,238 for general employees.

The annual required contribution for the Town which equals the annual pension cost for the year ended June 30, 2013 was \$124,623 for fire employees.

Required contributions for general employees:

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>
2011	\$ 70,749	100%
2012	\$ 100,793	100%
2013	\$ 158,238	100%

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

NOTE 15 - PENSION PLANS (continued)

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

Required contributions for fire employees:

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>
2011	\$ 155,296	100%
2012	\$ 156,525	100%
2013	\$ 124,623	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.

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. Those personnel hired after 7/1/2012 are eligible for retirement at the earlier of 55th birthday or upon 25 years of service.

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.

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

NOTE 15 - PENSION PLANS (continued)

C. Police Pension Plan – (continued)

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.

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, 2013 to the Police Pension Fund is as follows:

Annual required contribution	\$ 590,573
Interest on net pension obligation	149,947
Adjustment to annual required contribution	<u>(115,648)</u>
Annual pension cost	624,872
Contributions made	<u>700,000</u>
Increase (decrease) in net pension obligation	(75,128)
Net pension obligation beginning of year	<u>1,999,298</u>
Net pension obligation end of year	<u>\$1,924,170</u>

For 2013, the Town's annual pension cost was \$624,872 for the Police Pension Fund and actual contributions were \$700,000 based on the actuarial calculation. The required contribution was determined as part of the July 1, 2012 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, 2013**

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

<u>Fiscal Year</u>	<u>Annual Required Contribution</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>	<u>Actual Contribution</u>
2011	\$ 1,067,884	42%	\$ 1,847,737	\$ 452,407
2012	\$ 682,092	81%	\$ 1,999,298	\$ 550,000
2013	\$ 590,573	119%	\$ 1,924,170	\$ 700,000

D. Defined Contribution Plan

Plan Description

The Town of Tiverton participates in the State of Rhode Island Defined Contribution Retirement Plan (the "Plan"). The plan is a defined contribution (money purchase) plan that operates under Section 401(a) of the Internal Revenue Code (IRC). The Plan is established pursuant to Chapter 10.3 of Title 36 of the Rhode Island General Laws. ("RIGL 36-10.3"). The Plan is effective as of July 1, 2012, and contributions to the Plan will begin on the first full payroll cycle in July, 2012. The purpose of the Plan is to provide retirement benefits for participating employees. The Plan issues a publicly available financial report that includes financial statements and required supplementary information. For further information the financial report may be obtained by writing to Employees Retirement System of Rhode Island, 40 Fountain Street, Providence, Rhode Island, 02903-1854, by calling (401) 222-2203 or by accessing their website at www.ersri.org.

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

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

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

NOTE 15 - PENSION PLANS (continued)

D. Defined Contribution Plan (continued)

Benefits are provided through:

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

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

The Retirement Board is the Plan Administrator and Trustee responsible for Plan operation. The State Investment Commission is responsible for selecting the investment alternatives available under the Plan (the "Funding Vehicles"). Employee contributions and Employer's contributions are invested in the Funding Vehicles selected by the employee's. The Plan Year begins on July 1 and ends on June 30. All plan assets are stated at fair value. The Employer's current selection of Funding Vehicles isn't intended to limit future additions or deletions of Funding Vehicles. The selection of available Funding Vehicles is made by the Rhode Island State Investment Commission. Refer to the Plan's microsite www.tiaa-cref.org/ri for a current listing of Funding Vehicles and the investments thereunder.

a. Plan Funding Policy

Municipalities with teachers that do not contribute to Social Security:

The funding policy is outlined in RIGL chapter 36-10.3 (which can be amended by the Rhode Island General Assembly). Active plan members must contribute 7% of his/her compensation and the Town is required to contribute 3%. The plan members and Town contributed \$850,424 and \$364,467, respectively, during the fiscal year ended June 30, 2013

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

b. Plan Funding Policy

The funding policy is outlined in RIGL chapter 36-10.3 (which can be amended by the Rhode Island General Assembly). Active non-police and fire members must contribute 5% of his/her compensation and the Town is required to contribute 1%. The plan members and city/town contributed \$191,416 and \$37,452, respectively, during the fiscal year ended June 30, 2013.

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

NOTE 16 - RISK MANAGEMENT

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

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

NOTE 17 - RELATED PARTIES

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

NOTE 18 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 18, 2013 the date the financial statements were available to be issued. As a result of this review no material subsequent events were noted.

REQUIRED SUPPLEMENTARY INFORMATION

Town of Tiverton, Rhode Island

**Schedule of Funding Progress for the Town of Tiverton Police Department Pension Plan
June 30, 2013
(Unaudited)
(in thousands)**

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
7/1/2008	\$ 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%
7/1/2013	\$ 7,465	\$ 13,616	\$ 6,151	55%	\$ 1,448	425%

Town of Tiverton, Rhode Island

**Pension Plan Required Supplemental Information
June 30, 2013
(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	7/1/2013		
Actuarial Cost Method	Entry Age Normal Cost		
Amortization Method	Closed Period		
Remaining Amortization Period	24 Years		
Asset Valuation Method	Market Value		
Actuarial assumptions:			
Investment rate of return	7.50%		
Projected Salary Increases	3.50%		
Participant Information			
	Active Employees		25
	Retirees and beneficiaries		<u>27</u>
			<u><u>52</u></u>

REQUIRED SUPPLEMENTARY INFORMATION
TOWN OF TIVERTON, RHODE ISLAND
Budgetary Comparison Schedule - General Fund
Schedule of Revenues and Expenditures
For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Transfers</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues					
General property tax	\$ 36,616,216	\$ -	\$ 36,616,216	\$36,462,565	\$ (153,651)
Intergovernmental and departmental revenue	1,321,135	-	1,321,135	1,368,766	47,631
License and permits	1,791,950	-	1,791,950	1,879,626	87,676
Fines and interest on late payments	300,000	-	300,000	301,727	1,727
Interest on investments	20,000	-	20,000	17,013	(2,987)
Other revenue	421,700	-	421,700	576,976	155,276
Total Revenues	<u>40,471,001</u>	<u>-</u>	<u>40,471,001</u>	<u>40,606,673</u>	<u>135,672</u>
Expenditures					
General government	1,144,234	116,603	1,260,837	1,078,771	182,066
Financial administration	4,711,060	6,126	4,717,186	4,544,808	172,378
Public safety	5,406,864	89,265	5,496,129	5,494,952	1,177
Grants, health & sanitation	621,300	(16,000)	605,300	599,698	5,602
Public works	1,386,995	135,112	1,522,107	1,463,217	58,890
Associated activities	571,841	3,718	575,559	568,735	6,824
Parks and recreation	130,339	-	130,339	118,674	11,665
Capital budget	422,766	-	422,766	390,313	32,453
Debt service - principal	1,360,000	-	1,360,000	1,360,000	-
Debt service - interest	1,463,556	-	1,463,556	1,463,556	-
Total expenditures	<u>17,218,955</u>	<u>334,824</u>	<u>17,553,779</u>	<u>17,082,724</u>	<u>471,055</u>
Excess of revenues over expenditures before operating transfers	<u>23,252,046</u>	<u>(334,824)</u>	<u>22,917,222</u>	<u>23,523,949</u>	<u>606,727</u>
Operating transfers					
Operating transfers to other funds	(23,252,046)	(19,730)	(23,271,776)	(23,271,776)	-
Operating transfers from other funds	-	-	-	47,991	47,991
Appropriated fund balance	-	354,554	354,554	354,554	-
Total operating transfers	<u>(23,252,046)</u>	<u>334,824</u>	<u>(22,917,222)</u>	<u>(22,869,231)</u>	<u>47,991</u>
Excess of revenues over expenditures and operating transfers	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 654,718</u>	<u>\$ 654,718</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, 2013

	<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	\$ 36,616,216	\$ -	\$ 36,616,216	\$ 36,462,565	\$ (153,651)
Total general property taxes	<u>36,616,216</u>	<u>-</u>	<u>36,616,216</u>	<u>36,462,565</u>	<u>(153,651)</u>
Intergovernmental and departmental revenues					
State of Rhode Island	1,321,135	-	1,321,135	1,368,766	47,631
Total intergovernmental and departmental revenue	<u>1,321,135</u>	<u>-</u>	<u>1,321,135</u>	<u>1,368,766</u>	<u>47,631</u>
Licenses, permits and usage fees					
Business fees	682,200	-	682,200	686,121	3,921
Usage fees	1,109,750	-	1,109,750	1,193,505	83,755
Total licenses, permits and usage fees	<u>1,791,950</u>	<u>-</u>	<u>1,791,950</u>	<u>1,879,626</u>	<u>87,676</u>
Fines and interest on late payments	300,000	-	300,000	301,727	1,727
Interest on investments	20,000	-	20,000	17,013	(2,987)
Other revenues	421,700	-	421,700	576,976	155,276
Total revenues	<u>40,471,001</u>	<u>-</u>	<u>40,471,001</u>	<u>40,606,673</u>	<u>135,672</u>
Other financing sources					
Transfer from impact fees	-	-	-	5,960	5,960
Transfer from other non-major funds	-	-	-	42,031	42,031
Appropriated fund balance	-	354,554	354,554	354,554	-
Total other financing sources	<u>-</u>	<u>354,554</u>	<u>354,554</u>	<u>402,545</u>	<u>47,991</u>
Total revenue and other financing sources	<u>\$ 40,471,001</u>	<u>\$ 354,554</u>	<u>\$ 40,825,555</u>	<u>\$ 41,009,218</u>	<u>\$ 183,663</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, 2013

	Original Budgeted Expenditures	Transfers	Revised Budgeted Expenditures	Actual Expenditures	Variance
Town Clerk's Office - 101					
Town Clerk Salary	54,789	-	54,789	54,799	(10)
Clerical	137,781	-	137,781	130,603	7,178
Longevity	4,800	-	4,800	4,800	-
Supplies & expenses	8,400	-	8,400	8,483	(83)
Photocopier Lease	7,000	-	7,000	4,705	2,295
Recording expenses	26,000	-	26,000	21,314	4,686
Recode Town Code	4,000	5,657	9,657	9,382	275
Total Town Clerk	242,770	5,657	248,427	234,086	14,341
Town Council - 102					
Personal Services	17,300	-	17,300	17,300	-
Supplies & expenses	2,500	-	2,500	2,454	46
Contingency	20,000	10,070	30,070	15,685	14,385
Future Needs	-	10,576	10,576	7,125	3,451
WWM - RFP Planning Fund	10,000	51,000	61,000	61,000	-
Advertising/Ordinances	18,000	-	18,000	16,599	1,401
Total Town Council	67,800	71,646	139,446	120,163	19,283
Town Administrator - 112					
Town Administrator Salary	83,900	-	83,900	83,900	-
Clerical	37,370	3,961	41,331	36,641	4,690
Office Supplies	4,000	(955)	3,045	2,910	135
Computer service	5,000	-	5,000	3,946	1,054
League of Cities/Towns	9,375	-	9,375	8,700	675
Expense Account	2,000	-	2,000	1,252	748
Vehicle Expense	2,000	55	2,055	1,844	211
Photocopier Lease	2,500	-	2,500	2,409	91
Town-Wide Internet	3,500	400	3,900	4,064	(164)
Tiverton Web Site	5,000	500	5,500	5,384	116
Grant/Permit Applications	2,000	-	2,000	1,227	773
Total Town Administrator	156,645	3,961	160,606	152,277	8,329
Board of Canvassers - 103					
Personnel Services	3,600	-	3,600	3,150	450
Redistricting	3,000	-	3,000	396	2,604
Elections	38,000	24,889	62,889	31,642	31,247
Printing & Supplies	2,500	-	2,500	2,357	143
Total board of canvassers	47,100	24,889	71,989	37,545	34,444
Town Hall Operating - 104					
Heat	5,000	(182)	4,818	3,162	1,656
Electric	12,000	(2,012)	9,988	9,678	310
Telephone	4,000	-	4,000	3,624	376
Water & Supplies	500	12	512	524	(12)
Repairs	7,000	2,182	9,182	8,782	400
Total Town Hall Operating	28,500	-	28,500	25,770	2,730
Legal Services - 105					
Town Solicitor	97,000	25	97,025	97,025	-
Legal Zoning	15,000	(25)	14,975	9,790	5,185
Litigation	115,000	2,500	117,500	110,388	7,112
Prosecutions	24,500	-	24,500	24,500	-
Labor Counsel	50,000	(2,500)	47,500	26,723	20,777
Total Legal Services	301,500	-	301,500	268,426	33,074

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, 2013

	Original Budgeted Expenditures	Transfers	Revised Budgeted Expenditures	Actual Expenditures	Variance
Municipal Court -196					
Judge	12,500	-	12,500	12,452	48
Clerical Assistant	10,100	-	10,100	9,733	367
Bailiff	1,200	-	1,200	1,200	-
Telephone	350	-	350	311	39
Office Supplies & Expense	2,200	-	2,200	2,200	-
Total Municipal Court	26,350	-	26,350	25,896	454
Probate Court - 197					
Judge	8,500	-	8,500	8,489	11
Recording Expenses	3,000	-	3,000	3,000	-
Supplies	1,000	-	1,000	1,000	-
Program Software	300	-	300	295	5
Total Probate Court	12,800	-	12,800	12,784	16
Building and Zoning Inspector - 106					
Building Inspector Salary	55,000	-	55,000	55,000	-
Clerical	36,654	605	37,259	37,249	10
Longevity	1,900	(300)	1,600	1,600	-
Vacation coverage	1,200	300	1,500	1,380	120
Automobile Expenses	3,886	-	3,886	2,764	1,122
Telephone	1,650	-	1,650	1,544	106
Software maintenance	2,005	-	2,005	1,875	130
Office Supplies	4,000	(400)	3,600	3,572	28
Education/Seminars	500	850	1,350	1,350	-
Boarding for Buildings	1,000	(240)	760	210	550
Total Building and Zoning Inspector	107,795	815	108,610	106,544	2,066
Planning Board - 107 & 115					
Administrative Officer	7,000	-	7,000	7,006	(6)
Zoning Ordinances	100	5,270	5,370	5,370	-
Personnel Services	67,600	(2,500)	65,100	27,196	37,904
Planning Dept Personnel	35,202	(3,705)	31,497	24,184	7,313
Longevity	1,000	600	1,600	1,600	-
Telephone	900	-	900	783	117
Supplies and Postage	4,500	(450)	4,050	3,246	804
Publications	300	-	300	70	230
Professional/Technical Services	1,100	12,405	13,505	(1,443)	14,948
Education/Seminars	3,200	(2,000)	1,200	780	420
Computer Upgrades	1,800	(700)	1,100	650	450
Photo Copier Lease	1,000	-	1,000	1,065	(65)
GIS Expenses	7,700	-	7,700	7,260	440
Total Planning Board	131,402	8,920	140,322	77,767	62,555
Zoning Board of Review - 108					
Copy Services	672	-	672	120	552
Public Stenographer	5,700	(210)	5,490	1,750	3,740
Supplies	1,700	-	1,700	1,218	482
Total Zoning Board	8,072	(210)	7,862	3,088	4,774
Town Sergeant - 109					
	1,500	-	1,500	1,500	-
Town Financial Meeting - 110					
	12,000	925	12,925	12,925	-
Total General Government	1,144,234	116,603	1,260,837	1,078,771	182,066

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, 2013

	Original Budgeted Expenditures	Transfers	Revised Budgeted Expenditures	Actual Expenditures	Variance
<i>Finance and Administration</i>					
<i>Tax Assessors - 212</i>					
Personnel Services	63,500	1,032	64,532	64,680	(148)
Clerical	54,400	-	54,400	54,190	210
Longevity	3,700	-	3,700	3,700	-
Telephone	950	300	1,250	1,160	90
Mileage	2,000	(400)	1,600	848	752
Professional Services	5,500	(300)	5,200	4,441	759
Supplies	4,000	(156)	3,844	3,677	167
Computer Upgrades	6,000	-	6,000	5,841	159
Printing/Postage	3,000	400	3,400	3,237	163
Education/Seminars	1,000	-	1,000	777	223
Publications and Periodicals	500	156	656	656	-
Revaluation	25,000	-	25,000	-	25,000
Total Board of Assessment Review	169,550	1,032	170,582	143,207	27,375
<i>Treasurer - 214</i>					
Personnel Services	63,162	-	63,162	63,240	(78)
Clerical	89,257	-	89,257	89,086	171
Longevity	2,900	-	2,900	2,900	-
Telephone	1,300	-	1,300	1,098	202
Supplies	6,000	5,274	11,274	11,179	95
Computer System	10,800	(1,524)	9,276	9,776	(500)
Computerized Payroll	18,250	-	18,250	18,490	(240)
Treasurer's Report	500	-	500	-	500
Office Equipment	1,000	-	1,000	581	419
Consultants	8,700	(3,750)	4,950	4,900	50
Total Treasurer	201,869	-	201,869	201,250	619
<i>Tax Collector - 215</i>					
Personnel Services	28,500	855	29,355	29,344	11
Clerical	54,190	-	54,190	54,257	(67)
Longevity	2,700	-	2,700	2,700	-
Telephone	840	-	840	813	27
Supplies and Tax Bill Printing	8,580	-	8,580	8,156	424
Collection Service	10,000	-	10,000	5,415	4,585
Computer Services	3,693	-	3,693	918	2,775
Postage	8,850	-	8,850	8,461	389
Total Tax Collector	117,353	855	118,208	110,064	8,144
<i>Tax Sale - 217</i>					
	3,000	-	3,000	639	2,361
<i>Insurance - 219</i>					
Liability/Property/Workers Comp	321,286	21,000	342,286	339,627	2,659
Group Insurance/Health	2,199,481	(21,000)	2,178,481	2,121,448	57,033
Group Insurance/Dental	112,000	-	112,000	106,519	5,481
Total Insurance	2,632,767	-	2,632,767	2,567,594	65,173
<i>Audit of Town Accounts - 220</i>					
	22,950	-	22,950	22,525	425
<i>Pension Plans - 222</i>					
Municipal	170,935	-	170,935	158,238	12,697
Police	700,000	-	700,000	700,000	-
Fire	121,007	-	121,007	124,623	(3,616)
Special Retirement	16,500	-	16,500	16,500	-
Total Pension Plans	1,008,442	-	1,008,442	999,361	9,081

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, 2013

	Original Budgeted Expenditures	Transfers	Revised Budgeted Expenditures	Actual Expenditures	Variance
<i>Social Security - 225</i>	475,129	-	475,129	478,379	(3,250)
<i>Unemployment Security - 227</i>	5,000	5,239	10,239	10,157	82
<i>Unfunded Liability -230</i>	75,000	(1,000)	74,000	11,632	62,368
<i>Total Financial Administration</i>	4,711,060	6,126	4,717,186	4,544,808	172,378
<i>Public Safety</i>					
<i>Fire Department - 325 & 331</i>					
Chief	77,327	1,160	78,487	78,451	36
Personal services	1,523,614	(17,700)	1,505,914	1,494,837	11,077
Overtime	265,000	31,700	296,700	317,927	(21,227)
Differential	3,526	-	3,526	3,375	151
Paid Holidays	69,983	1,520	71,503	71,502	1
Longevity	65,976	(5,120)	60,856	60,788	68
Educational Allowance	23,000	(2,500)	20,500	20,374	126
Clothing Allowance	39,500	1,300	40,800	40,798	2
EMS Incentive	54,600	11,000	65,600	63,585	2,015
Fire Marshall Inspections	47,000	2,500	49,500	47,524	1,976
Misc. Operating Supplies	625	-	625	625	-
<i>Total Fire Salaries</i>	2,170,151	23,860	2,194,011	2,199,786	(5,775)
<i>Fire Operating Expenses - 331</i>					
Heat	29,103	(6,695)	22,408	20,822	1,586
Fuel, Oil, Tires	67,850	3,503	71,353	71,065	288
Electric	20,000	(5,178)	14,822	13,091	1,731
Telephone	20,087	(2,075)	18,012	17,996	16
Water	1,800	(40)	1,760	1,547	213
Office Supplies	5,500	-	5,500	5,500	-
Firefighters Training	11,000	(418)	10,582	10,558	24
Minor Equipment Replacements	10,000	3,171	13,171	13,168	3
Hazardous Equipment	2,000	2,418	4,418	4,418	-
Station/Building Maintenance	35,000	40	35,040	34,769	271
Apparatus Maintenance	45,000	-	45,000	44,989	11
Equipment Service Contract	30,440	-	30,440	30,374	66
Radio Maintenance	10,500	727	11,227	11,226	1
Medical Supplies	25,000	2,223	27,223	27,337	(114)
Personal & Protective Gear	20,000	-	20,000	20,647	(647)
Medical Physicals	18,000	(5,323)	12,677	11,623	1,054
Sewer fee	1,000	(500)	500	500	-
Computer Maintenance	5,500	10,500	16,000	16,157	(157)
Recruiting Process	3,000	(126)	2,874	2,874	-
Pagers	5,100	(2,227)	2,873	2,153	720
<i>Total Fire Operating Expenses</i>	365,880	-	365,880	360,814	5,066
<i>Total Fire Department</i>	2,536,031	23,860	2,559,891	2,560,600	(709)

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, 2013

	Original Budgeted Expenditures	Transfers	Revised Budgeted Expenditures	Actual Expenditures	Variance
<i>Police Department Salaries - 333</i>					
Chief	79,815	2,035	81,850	81,850	-
Personal services	1,750,950	(37,188)	1,713,762	1,713,922	(160)
Deputy Chief	65,000	(59,784)	5,216	5,216	-
Overtime Patrol	116,000	47,146	163,146	163,119	27
Shift Differential	15,300	(2,038)	13,262	13,514	(252)
Out of Rank Pay	3,535	(3,235)	300	300	-
Holiday Pay	102,692	(2,183)	100,509	100,509	-
Longevity	83,857	(10,925)	72,932	72,932	-
Sick Leave Buyback	14,500	5,849	20,349	20,349	-
Health & Wellness	-	13,000	13,000	13,000	-
Education Incentive	40,800	(1,075)	39,725	39,704	21
<i>Total Police Salaries</i>	<u>2,272,449</u>	<u>(48,398)</u>	<u>2,224,051</u>	<u>2,224,415</u>	<u>(364)</u>
<i>Police General Expenses - 333</i>					
Prisoner Meals	500	(270)	230	230	-
Chief's Misc. Expenses	1,500	(925)	575	575	-
State Education Mandated	37,000	410	37,410	37,410	-
State Psychological Tests	1,000	2,000	3,000	3,000	-
State Qualifications	1,750	(117)	1,633	1,631	2
Clothing Allowance	44,000	1,500	45,500	45,500	-
Uniform/Equipment Replacement	4,000	30,227	34,227	34,908	(681)
Medical Supplies	1,000	(204)	796	796	-
In-Service Training	13,500	1,000	14,500	14,500	-
<i>Total Police General Expenses</i>	<u>104,250</u>	<u>33,621</u>	<u>137,871</u>	<u>138,550</u>	<u>(679)</u>
<i>Police Operations - 333</i>					
Heat	15,000	(3,472)	11,528	11,528	-
Gas & Oil	110,000	(26,644)	83,356	83,049	307
Electricity	20,000	(7,569)	12,431	12,498	(67)
Telephone	16,200	(512)	15,688	15,905	(217)
Water	1,000	43	1,043	1,065	(22)
Ammunition, Photo & Other	10,700	73,607	84,307	84,517	(210)
Office Supplies	11,500	9,752	21,252	21,232	20
Building Maintenance	8,000	7,852	15,852	15,995	(143)
Vehicle Parts & Maintenance	18,500	8,084	26,584	26,552	32
Radio Communications	12,000	29,554	41,554	41,553	1
Photo Copier Lease	13,670	-	13,670	13,670	-
<i>Total Police Operations</i>	<u>236,570</u>	<u>90,695</u>	<u>327,265</u>	<u>327,564</u>	<u>(299)</u>
<i>Animal Control - 334</i>					
Animal Control Officer	40,764	(132)	40,632	40,632	-
Animal Control - Misc	1,000	(974)	26	26	-
Animal Shelter	33,700	(9,407)	24,293	24,323	(30)
<i>Total Animal Control</i>	<u>75,464</u>	<u>(10,513)</u>	<u>64,951</u>	<u>64,981</u>	<u>(30)</u>
<i>Total Police Department 333&334</i>	<u>2,688,733</u>	<u>65,405</u>	<u>2,754,138</u>	<u>2,755,510</u>	<u>(1,372)</u>
<i>Harbor and Coastal Management - 335</i>					
Harbor Commission	2,300	-	2,300	1,800	500

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, 2013

	Original Budgeted Expenditures	Transfers	Revised Budgeted Expenditures	Actual Expenditures	Variance
Harbor Master - 336					
Salaries	5,000	-	5,000	4,403	597
Boat Operations	10,525	-	10,525	10,247	278
Communication Devices	1,375	-	1,375	1,242	133
Uniforms/Clothing	300	-	300	76	224
Supplies	1,000	-	1,000	840	160
Removal of Moorings	100	-	100	-	100
Total Harbor Master	18,300	-	18,300	16,808	1,492
Miscellaneous Public Safety - 338 & 342					
Street Lights	160,000	-	160,000	158,734	1,266
Stone Bridge Water Hydrants	1,500	-	1,500	1,500	-
Total Miscellaneous Public Safety	161,500	-	161,500	160,234	1,266
Total Public Safety	5,406,864	89,265	5,496,129	5,494,952	1,177
Grants, Health & Sanitation					
Economic Development Commission	6,600	-	6,600	4,369	2,231
Wildlife Rehab Association	200	-	200	200	-
Visiting Nurses	5,500	-	5,500	5,500	-
Little Compton Nursing Association	2,500	-	2,500	2,500	-
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	600,000	(16,000)	584,000	580,629	3,371
Total Grants, Health & Sanitation	621,300	(16,000)	605,300	599,698	5,602
Public Works - 554					
Superintendent	80,000	1,200	81,200	81,154	46
Maintenance Workers/DPW Clerk	375,437	2,800	378,237	377,847	390
Overtime	50,000	10,200	60,200	57,391	2,809
Longevity	15,254	1,263	16,517	16,516	1
Sick Leave	15,000	(1,500)	13,500	12,298	1,202
Public Works Salaries	535,691	13,963	549,654	545,206	4,448
Public Works Operations - 554					
Sand/Salt/Gravel	90,000	(2,790)	87,210	82,262	4,948
Operating Supplies	14,500	2,990	17,490	17,559	(69)
Heat	15,000	-	15,000	14,713	287
Fuel/Oil/Gas	64,000	-	64,000	58,560	5,440
Electricity	6,500	(57)	6,443	4,922	1,521
Community Center Expenses	8,000	-	8,000	7,110	890
Telephone	1,500	-	1,500	1,177	323
Water	1,000	(300)	700	643	57
Repairs/Tires	65,000	13,901	78,901	78,969	(68)
Highway Signs	5,000	-	5,000	4,999	1
Drainage & Paving Account	162,820	111,297	274,117	239,826	34,291
Tree Removal	5,000	-	5,000	5,000	-
Uniforms	4,000	-	4,000	3,340	660
Shop Equipment	1,000	-	1,000	1,000	-
Communications	7,000	(500)	6,500	5,877	623
Snow Removal	60,500	(5,100)	55,400	55,356	44
Total Public Works Operations	510,820	119,441	630,261	581,313	48,948

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, 2013

	Original Budgeted Expenditures	Transfers	Revised Budgeted Expenditures	Actual Expenditures	Variance
Landfill Operations - 553					
Stormwater Management	7,000	-	7,000	7,000	-
Landfill Workers	81,173	(2,700)	78,473	79,915	(1,442)
Overtime	1,000	(1,000)	-	-	-
Longevity	3,968	151	4,119	4,128	(9)
Sick Leave	4,080	-	4,080	4,060	20
Uniforms	900	-	900	691	209
Electricity	150	57	207	187	20
Landfill Equipment Rent	35,000	2,500	37,500	36,528	972
On-site Wastewater Management	20,000	-	20,000	20,000	-
Gas/Oil	17,000	(26)	16,974	15,049	1,925
Bulldozer Repairs	12,000	2,700	14,700	13,330	1,370
Engineering Testing/Permits	50,000	-	50,000	48,090	1,910
Total Landfill Operations	232,271	1,682	233,953	228,978	4,975
Building Maintenance					
Maintenance Foreman	48,714	-	48,714	48,714	-
Custodial Personnel	30,201	-	30,201	30,201	-
Mileage	6,400	723	7,123	7,070	53
Longevity	3,800	-	3,800	3,800	-
Clothing Allowance	1,200	-	1,200	800	400
Tool Replacement	500	(95)	405	343	62
Expenses - Rental	2,860	(602)	2,258	2,860	(602)
Maintenance/Laborer - Seasonal	14,538	-	14,538	13,932	606
Total Building Maintenance	108,213	26	108,239	107,720	519
Total Public Works	1,386,995	135,112	1,522,107	1,463,217	58,890
Associated Activities - Misc					
Veterans Plot - Pocasset Cemetery	150	-	150	150	-
Historical Cemetery Commission	2,000	-	2,000	1,858	142
Historical Society	150	-	150	150	-
Garden Club	500	-	500	402	98
Arts Council	500	-	500	84	416
Open Space Commission	2,000	-	2,000	2,000	-
Conservation Commission	800	-	800	800	-
Ft. Barton Park Maintenance	3,000	-	3,000	3,000	-
Tree Commission	500	-	500	503	(3)
Recycling Committee	150	-	150	61	89
Street Committee	-	2,400	2,400	2,400	-
Cooperative Extension of URI	1,200	-	1,200	1,200	-
Total Associated Activities - Misc.	10,950	2,400	13,350	12,608	742
Senior Citizens Services					
Elderly Services Busing	16,300	(1,000)	15,300	13,299	2,001
Director's Salary	43,931	1,323	45,254	45,254	-
Assistant Director	15,590	60	15,650	15,590	60
Longevity	1,900	-	1,900	1,900	-
Travel	600	75	675	669	6
Agency Dues	975	(540)	435	175	260
Telephone	1,000	-	1,000	689	311
Heat	4,760	-	4,760	2,365	2,395
Electric	5,200	(1,700)	3,500	2,700	800
Water	175	-	175	120	55
Library Services	457,060	-	457,060	457,060	-
Building Maintenance	4,400	1,700	6,100	6,061	39
Supplies/Activities	9,000	1,400	10,400	10,245	155
Total Senior Services	560,891	1,318	562,209	556,127	6,082
Total Associated Activities	571,841	3,718	575,559	568,735	6,824

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, 2013

	Original Budgeted Expenditures	Transfers	Revised Budgeted Expenditures	Actual Expenditures	Variance
<i>Parks and Recreation</i>					
Beach Salaries	33,000	-	33,000	30,877	2,123
Beach Expenses	6,200	(2,000)	4,200	5,147	(947)
Directors and Counselors	21,000	-	21,000	16,775	4,225
Transportation/Fees/Equipment	7,000	(805)	6,195	6,195	-
Recreation	850	(76)	774	1,094	(320)
Supplies	875	(169)	706	774	(68)
Field Rehabilitation	6,300	3,492	9,792	10,537	(745)
Mowing Services	25,639	-	25,639	25,778	(139)
Fertilizer/Seed/Lime/Sand/Stone	4,250	(1,700)	2,550	2,338	212
Preventive Maintenance	4,250	1,483	5,733	5,727	6
Swim Instructors	2,100	-	2,100	1,404	696
Supplies - Swim Program	325	(225)	100	100	-
Recreation Coordinator	8,550	-	8,550	7,874	676
Total Parks and Recreation	<u>120,339</u>	<u>-</u>	<u>120,339</u>	<u>114,620</u>	<u>5,719</u>
<i>Debt service</i>					
Principal	1,360,000	-	1,360,000	1,360,000	-
Interest	1,463,556	-	1,463,556	1,463,556	-
Total Debt Service	<u>2,823,556</u>	<u>-</u>	<u>2,823,556</u>	<u>2,823,556</u>	<u>-</u>
Capital expenditures - Town -098	333,762	-	333,762	327,908	5,854
Capital expenditures - School	89,004	-	89,004	62,405	26,599
<i>School Buildings</i>					
Electric	4,000	-	4,000	1,981	2,019
Water	500	-	500	-	500
Building Maintenance	5,500	-	5,500	2,073	3,427
Total School Buildings	<u>10,000</u>	<u>-</u>	<u>10,000</u>	<u>4,054</u>	<u>5,946</u>
<i>Other financing uses</i>					
<i>Transfer to other funds</i>					
Transfer to TIF Debt Service	813,937	-	813,937	813,937	-
Transfer to Planning Grant Fund	-	19,730	19,730	19,730	-
Tiverton school appropriation	22,438,109	-	22,438,109	22,438,109	-
Total other financing uses	<u>23,252,046</u>	<u>19,730</u>	<u>23,271,776</u>	<u>23,271,776</u>	<u>-</u>
Total other financing uses					
Total Town Budget	<u>\$ 40,471,001</u>	<u>\$ 354,554</u>	<u>\$ 40,825,555</u>	<u>\$ 40,354,500</u>	<u>\$ 471,055</u>

REQUIRED SUPPLEMENTARY INFORMATION
TIVERTON PUBLIC SCHOOLS
Budgetary Comparison Schedule - School Unrestricted Fund
Schedule of Revenues and Expenditures
For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues				
Intergovernmental revenue	\$ 5,390,284	\$ 5,390,284	\$ 5,677,809	\$ 287,525
Total revenue	<u>5,390,284</u>	<u>5,390,284</u>	<u>5,677,809</u>	<u>287,525</u>
Expenditures				
Salaries	14,883,561	14,885,961	14,714,026	171,935
Benefits	6,251,532	6,251,532	5,879,570	371,962
Purchased Services	5,417,952	5,423,390	6,006,138	(582,748)
Supplies	1,155,715	1,143,615	983,536	160,079
Capital Outlay	99,783	104,290	252,030	(147,740)
Other	19,850	19,605	18,597	1,008
Total expenditures	<u>27,828,393</u>	<u>27,828,393</u>	<u>27,853,897</u>	<u>(25,504)</u>
Excess of revenues over (under) expenditures before other financing sources	<u>(22,438,109)</u>	<u>(22,438,109)</u>	<u>(22,176,088)</u>	<u>262,021</u>
Other financing sources				
Operating transfer - town appropriation	22,438,109	22,438,109	22,438,109	-
Total other financing sources	<u>22,438,109</u>	<u>22,438,109</u>	<u>22,438,109</u>	<u>-</u>
Excess revenues and other sources over (under) expenditures and other sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 262,021</u>	<u>\$ 262,021</u>

TOWN OF TIVERTON, RHODE ISLAND
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2013

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, 2013 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)	\$ 654,718	\$ 262,021
Transfer from fund balance - carryforwards	(354,554)	-
Non-budgeted revenues - State on-behalf pension benefits	-	979,383
Non-budgeted expenditures - State on-behalf pension benefit	-	(979,383)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses (GAAP basis)	<u>\$ 300,164</u>	<u>\$ 262,021</u>

SUPPLEMENTARY INFORMATION

SUPPLEMENTARY INFORMATION
TOWN OF TIVERTON, RHODE ISLAND
Combining Balance Sheet - Non-Major Governmental Funds
June 30, 2013

	Town Special Revenue Funds	School Special Revenue Funds	Debt Service	Capital Projects Funds	Total Non-Major Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 51,380	\$ 25,619	\$ 814,000	\$ 929,133	\$ 1,820,132
Investments	-	-	-	4,645,427	4,645,427
Due from other governments	275,022	-	-	-	275,022
Due from other funds	1,196,271	-	-	103,714	1,299,985
Total assets	\$ 1,522,673	\$ 25,619	\$ 814,000	\$ 5,678,274	\$ 8,040,566
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable and accrued expenses	\$ 18,580	\$ -	\$ -	\$ -	\$ 18,580
Unearned Revenue	280,584	151	-	-	280,735
Due to other funds	10,562	-	-	102,599	113,161
Total liabilities	309,726	151	-	102,599	412,476
Fund balances (deficits)					
<i>Restricted for:</i>					
Educational programs	-	25,468	-	-	25,468
Public safety programs	455,745	-	-	-	455,745
Health and human services	38,953	-	-	-	38,953
<i>Committed for:</i>					
Public safety programs	84,612	-	814,000	-	898,612
Public works programs	329,719	-	-	5,655,709	5,985,428
Culture and recreation	291,279	-	-	-	291,279
<i>Assigned for:</i>					
Unassigned	12,639	-	-	(80,034)	(67,395)
Total fund balances	1,212,947	25,468	814,000	5,575,675	7,628,090
Total liabilities and fund balances	\$ 1,522,673	\$ 25,619	\$ 814,000	\$ 5,678,274	\$ 8,040,566

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, 2013

	Town Special Revenue Funds	School Special Revenue Funds	Debt Service	Capital Projects Funds	Total Non-Major Governmental Funds
Revenues					
Intergovernmental revenue	\$ 414,098	\$ 1,042,047	\$ -	\$ -	\$ 1,456,145
Charges for services	602,011	-	-	-	602,011
Earnings on investments	9,445	-	81	62,948	72,474
Other revenue	47,764	25,392	-	508,400	581,556
Total revenues	<u>1,073,318</u>	<u>1,067,439</u>	<u>81</u>	<u>571,348</u>	<u>2,712,186</u>
Expenditures					
Current:					
General government	90,940	-	1,631	-	92,571
Public safety	101,745	-	-	-	101,745
Public works	401,052	-	-	80,024	481,076
Health & welfare	175,069	-	-	-	175,069
Parks & recreation	12,300	-	-	-	12,300
Education	-	1,055,732	-	-	1,055,732
Debt service	-	-	-	420,000	420,000
Interest expense	-	-	-	393,937	393,937
Capital expenditures	188,304	-	-	56,689	244,993
Total expenditures	<u>969,410</u>	<u>1,055,732</u>	<u>1,631</u>	<u>950,650</u>	<u>2,977,423</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	103,908	11,707	(1,550)	(379,302)	(265,237)
Other financing sources (uses)					
Operating transfers from other funds	19,730	-	1,631	813,937	835,298
Operating transfers to other funds	(47,991)	-	(1,631)	-	(49,622)
Total other financing sources (uses)	<u>(28,261)</u>	<u>-</u>	<u>-</u>	<u>813,937</u>	<u>785,676</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>75,647</u>	<u>11,707</u>	<u>(1,550)</u>	<u>434,635</u>	<u>520,439</u>
Fund balances (deficits) - unreserved July 1, 2012	<u>1,137,300</u>	<u>13,761</u>	<u>815,550</u>	<u>5,141,040</u>	<u>7,107,651</u>
Fund balances - unreserved June 30, 2013	<u>\$ 1,212,947</u>	<u>\$ 25,468</u>	<u>\$ 814,000</u>	<u>\$ 5,575,675</u>	<u>\$ 7,628,090</u>

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

	204 Senior Center Fund	206 Community Development Block Grant	207 Substance Abuse	209 Historical Records	217 Land Evidence	218 Police Crime Prevention	219 Open Space Acquisition
ASSETS							
Cash & cash equivalents	\$ -	\$ 48,880	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	-	256,442	-	-	-	-	-
Due from other funds	7,784	-	16,751	5,107	62,651	5,936	263,155
Total assets	\$ 7,784	\$ 305,322	\$ 16,751	\$ 5,107	\$ 62,651	\$ 5,936	\$ 263,155
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue	-	266,369	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
Total liabilities	-	266,369	-	-	-	-	-
Fund balances (deficits)							
<i>Restricted for:</i>							
Public safety programs	-	-	16,751	-	-	5,936	-
Health and human services	-	38,953	-	-	-	-	-
<i>Committed for:</i>							
Public safety programs	-	-	-	-	-	-	-
Public works programs	-	-	-	-	62,651	-	-
Culture and recreation	7,784	-	-	5,107	-	-	263,155
<i>Unassigned</i>							
	-	-	-	-	-	-	-
Total fund balances (deficits)	7,784	38,953	16,751	5,107	62,651	5,936	263,155
Total liabilities and fund balances	\$ 7,784	\$ 305,322	\$ 16,751	\$ 5,107	\$ 62,651	\$ 5,936	\$ 263,155

(continued)

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

	221 Planning Challenge Grant	223 Library Memorial Gifts	224 Fire Detection	225 Vicious Dog	226 FOP Substance Abuse	228 Skateboard Park	231 Drug Forfeiture
ASSETS							
Cash & cash equivalents	\$ -	\$ 2,500	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	-	-	-	-	-	-	-
Due from other funds	-	-	13,232	49,436	-	-	52,251
Total assets	\$ -	\$ 2,500	\$ 13,232	\$ 49,436	\$ -	\$ -	\$ 52,251
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue	-	-	-	-	-	-	-
Due to other funds	10,562	-	-	-	-	-	-
Total liabilities	10,562	-	-	-	-	-	-
Fund balances (deficits)							
<i>Restricted for:</i>							
Public safety programs	-	-	-	-	-	-	52,251
Health and human services	-	-	-	-	-	-	-
<i>Committed for:</i>							
Public safety programs	-	-	13,232	49,436	-	-	-
Public works programs	-	-	-	-	-	-	-
Culture and recreation	-	2,500	-	-	-	-	-
<i>Unassigned</i>	(10,562)	-	-	-	-	-	-
Total fund balances (deficits)	(10,562)	2,500	13,232	49,436	-	-	52,251
Total liabilities and fund balances	\$ -	\$ 2,500	\$ 13,232	\$ 49,436	\$ -	\$ -	\$ 52,251

(continued)

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

	232 Open Space Stewardship	233 Pocassetlands Stewardship	234 Wastewater Management	237 Impact Fees	238 Bulgermarsh Basketball Refurbishing	240 Meds Grant	243 Senior Ctr. Waite Account	Tree at Lawton Ave
ASSETS								
Cash & cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	-	-	-	-	-	-	-	-
Due from other funds	8,640	1,131	239,037	-	-	21,944	2,839	123
Total assets	<u>\$ 8,640</u>	<u>\$ 1,131</u>	<u>\$ 239,037</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,944</u>	<u>\$ 2,839</u>	<u>\$ 123</u>
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue	-	-	14,215	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>14,215</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	-	-	-	-	-	21,944	-	-
Public works programs	-	-	224,822	-	-	-	-	-
Culture and recreation	8,640	1,131	-	-	-	-	2,839	123
<i>Unassigned</i>	-	-	-	-	-	-	-	-
Total fund balances (deficits)	<u>8,640</u>	<u>1,131</u>	<u>224,822</u>	<u>-</u>	<u>-</u>	<u>21,944</u>	<u>2,839</u>	<u>123</u>
Total liabilities and fund balances	<u>\$ 8,640</u>	<u>\$ 1,131</u>	<u>\$ 239,037</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,944</u>	<u>\$ 2,839</u>	<u>\$ 123</u>

(continued)

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

	244 Byrne Stimulus	245 RI Leap Agreement	246 ARRA Energy Grant	250 North Tiverton Contamination	251 Senior Center Roof Repair	252 Bulgarmarsh Playground Equipment	253 Recycling Program	Total
ASSETS								
Cash & cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 51,380
Due from other governments	18,580	-	-	-	-	-	-	275,022
Due from other funds	-	-	-	378,417	2,390	23,201	42,246	1,196,271
Total assets	<u>\$ 18,580</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 378,417</u>	<u>\$ 2,390</u>	<u>\$ 23,201</u>	<u>\$ 42,246</u>	<u>\$ 1,522,673</u>
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts payable	\$ 18,580	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,580
Deferred revenue	-	-	-	-	-	-	-	280,584
Due to other funds	-	-	-	-	-	-	-	10,562
Total liabilities	<u>18,580</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>309,726</u>
Fund balances (deficits)								
<i>Restricted for:</i>								
Public safety programs	-	-	-	378,417	2,390	-	-	455,745
Health and human services	-	-	-	-	-	-	-	38,953
<i>Committed for:</i>								
Public safety programs	-	-	-	-	-	-	-	84,612
Public works programs	-	-	-	-	-	-	42,246	329,719
Culture and recreation	-	-	-	-	-	-	-	291,279
<i>Unassigned</i>	-	-	-	-	-	23,201	-	12,639
Total fund balances (deficits)	<u>-</u>	<u>-</u>	<u>-</u>	<u>378,417</u>	<u>2,390</u>	<u>23,201</u>	<u>42,246</u>	<u>1,212,947</u>
Total liabilities and fund balances	<u>\$ 18,580</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 378,417</u>	<u>\$ 2,390</u>	<u>\$ 23,201</u>	<u>\$ 42,246</u>	<u>\$ 1,522,673</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, 2013

	204 Senior Center Fund	206 Community Development Block Grant	207 Substance Abuse	209 Historical Records	217 Land Evidence	218 Police Crime Prevention	219 Open Space Acquisition
Revenues							
Intergovernmental revenue	\$ 8,935	\$ 94,241	\$ 24,380	\$ -	\$ -	\$ 1,500	\$ 72,500
Charges for service	-	-	-	3,429	19,584	-	87,645
Earnings on investments	-	-	-	-	-	-	-
Other revenue	-	-	9,945	-	-	-	-
Total revenues	<u>8,935</u>	<u>94,241</u>	<u>34,325</u>	<u>3,429</u>	<u>19,584</u>	<u>1,500</u>	<u>160,145</u>
Expenditures							
Current:							
General	-	-	-	1,917	22,391	-	-
Public Safety	-	-	52,826	-	-	2,301	-
Public Works	-	-	-	-	-	-	-
Health & Welfare	6,648	70,147	-	-	-	-	-
Parks & Recreation	-	-	-	-	-	-	9,849
Capital	-	24,094	-	-	11,983	-	152,227
Total expenditures	<u>6,648</u>	<u>94,241</u>	<u>52,826</u>	<u>1,917</u>	<u>34,374</u>	<u>2,301</u>	<u>162,076</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	2,287	-	(18,501)	1,512	(14,790)	(801)	(1,931)
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	2,287	-	(18,501)	1,512	(14,790)	(801)	(1,931)
Fund balances (deficits) - unreserved July 1, 2012	5,497	38,953	35,252	3,595	77,441	6,737	265,086
Fund balances - unreserved June 30, 2013	<u>\$ 7,784</u>	<u>\$ 38,953</u>	<u>\$ 16,751</u>	<u>\$ 5,107</u>	<u>\$ 62,651</u>	<u>\$ 5,936</u>	<u>\$ 263,155</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, 2013

	221 Planning Challenge Grant	223 Library Memorial Gifts	224 Fire Detection	225 Vicious Dog	226 FOP Substance Abuse	228 Skateboard Park	231 Drug Forfeiture
Revenues							
Intergovernmental revenue	\$ 35,708	\$ -	\$ 1,500	\$ -	\$ -	\$ -	\$ -
Charges for service	-	-	13,235	-	-	-	-
Earnings on investments	-	-	7,426	-	-	-	-
Other revenue	-	-	-	-	363	-	17,955
Total revenues	<u>35,708</u>	<u>-</u>	<u>22,161</u>	<u>-</u>	<u>363</u>	<u>-</u>	<u>17,955</u>
Expenditures							
Current:							
General	66,000	2	-	-	-	-	-
Public Safety	-	-	14,185	-	363	-	5,698
Public Works	-	-	-	-	-	-	-
Health & Welfare	-	-	-	-	-	-	-
Parks & Recreation	-	-	-	-	-	101	-
Capital	-	-	-	-	-	-	-
Total expenditures	<u>66,000</u>	<u>2</u>	<u>14,185</u>	<u>-</u>	<u>363</u>	<u>101</u>	<u>5,698</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	(30,292)	(2)	7,976	-	-	(101)	12,257
Other financing sources (uses)							
Operating transfers from other funds	19,730	-	-	-	-	-	-
Operating transfers (to) other funds	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>19,730</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(10,562)	(2)	7,976	-	-	(101)	12,257
Fund balances (deficits) - unreserved July 1, 2012	-	2,502	5,256	49,436	-	101	39,994
Fund balances - unreserved June 30, 2013	<u>\$ (10,562)</u>	<u>\$ 2,500</u>	<u>\$ 13,232</u>	<u>\$ 49,436</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 52,251</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, 2013

	232 Open Space Stewardship	233 Pocassetlands Stewardship	234 Wastewater Management	237 Impact Fees	238 Bulgermarsh Basketball Refurbishing	240 Meds Grant	243 Senior Ctr. Waite Account	Tree at Lawton Ave
Revenues								
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,358	\$ -	\$ -
Charges for service	-	-	472,158	5,960	-	-	-	-
Earnings on investments	-	-	-	-	-	-	-	-
Other revenue	-	887	-	-	564	-	-	-
Total revenues	<u>-</u>	<u>887</u>	<u>472,158</u>	<u>5,960</u>	<u>564</u>	<u>10,358</u>	<u>-</u>	<u>-</u>
Expenditures								
Current:								
General	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-
Public Works	-	-	401,052	-	-	-	-	-
Health & Welfare	-	-	-	-	-	24,987	-	-
Parks & Recreation	-	1,750	-	-	600	-	-	-
Capital	-	-	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>1,750</u>	<u>401,052</u>	<u>-</u>	<u>600</u>	<u>24,987</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	-	(863)	71,106	5,960	(36)	(14,629)	-	-
Other financing sources (uses)								
Operating transfers from other funds	-	-	-	-	-	-	-	-
Operating transfers (to) other funds	-	-	-	(5,960)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,960)</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>(863)</u>	<u>71,106</u>	<u>-</u>	<u>(36)</u>	<u>(14,629)</u>	<u>-</u>	<u>-</u>
Fund balances (deficits) - unreserved July 1, 2012	8,640	1,994	153,716	-	36	36,573	2,839	123
Fund balances - unreserved June 30, 2013	<u>\$ 8,640</u>	<u>\$ 1,131</u>	<u>\$ 224,822</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,944</u>	<u>\$ 2,839</u>	<u>\$ 123</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, 2013

	244 Byrne Stimulus	245 RI Leap Agreement	246 ARRA Energy Grant	250 North Tiverton Contamination	251 Senior Center Roof Repair	252 Bulgarmarsh Playground Equipment	253 Recycling Program	Total
Revenues								
Intergovernmental revenue	\$ 25,877	\$ -	\$ 43,510	\$ -	\$ -	\$ 53,343	\$ 42,246	\$ 414,098
Charges for service	-	-	-	-	-	-	-	602,011
Earnings on investments	-	-	-	2,019	-	-	-	9,445
Other revenue	-	-	-	-	-	18,050	-	47,764
Total revenues	<u>25,877</u>	<u>-</u>	<u>43,510</u>	<u>2,019</u>	<u>-</u>	<u>71,393</u>	<u>42,246</u>	<u>1,073,318</u>
Expenditures								
Current:								
General	-	-	630	-	-	-	-	90,940
Public Safety	26,372	-	-	-	-	-	-	101,745
Public Works	-	-	-	-	-	-	-	401,052
Health & Welfare	-	-	-	73,287	-	-	-	175,069
Parks & Recreation	-	-	-	-	-	-	-	12,300
Capital	-	-	-	-	-	-	-	188,304
Total expenditures	<u>26,372</u>	<u>-</u>	<u>630</u>	<u>73,287</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>969,410</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	(495)	-	42,880	(71,268)	-	71,393	42,246	103,908
Other financing sources (uses)								
Operating transfers from other funds	-	-	-	-	-	-	-	19,730
Operating transfers (to) other funds	-	(2,621)	-	-	-	(39,410)	-	(47,991)
Total other financing sources (uses)	<u>-</u>	<u>(2,621)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(39,410)</u>	<u>-</u>	<u>(28,261)</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(495)	(2,621)	42,880	(71,268)	-	31,983	42,246	75,647
Fund balances (deficits) - unreserved July 1, 2012	495	2,621	(42,880)	449,685	2,390	(8,782)	-	1,137,300
Fund balances - unreserved June 30, 2013	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 378,417</u>	<u>\$ 2,390</u>	<u>\$ 23,201</u>	<u>\$ 42,246</u>	<u>\$ 1,212,947</u>

(concluded)

SUPPLEMENTARY INFORMATION
TIVERTON PUBLIC SCHOOLS
Combining Balance Sheet - Non-Major Governmental Funds
Special Revenue Funds - School Restricted
June 30, 2013

	21011100 IDEA Part B	21011200 IDEA Pre-School	21021100 Title I	21031100 Title II	21091100 Perkins Vocational	21264100 RTTT Standards & Curriculum	21264102 RTTT Educator Effectiveness
ASSETS							
Cash	\$ -	\$ -	\$ -	\$ 834	\$ 471	\$ -	\$ -
TOTAL ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 834</u>	<u>\$ 471</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Deferred Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES							
<i>Restricted for:</i>							
Educational programs	-	-	-	834	471	-	-
<i>Unassigned</i>	-	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>834</u>	<u>471</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 834</u>	<u>\$ 471</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, 2013

	21264105 RTTT IIS - Set Aside	21264106 RTTT - Educ. Effectiveness Set Aside	21264107 RTTT - Human Capital Dev. Set Aside	23453000 RI Council on the Humanities	24040003 Elementary Task Force	90000002 SAMHSA Substance Abuse	Healthy Kids Grant
ASSETS							
Cash	\$ -	\$ -	\$ -	\$ 15	\$ -	\$ -	\$ -
TOTAL ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Deferred Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES							
<i>Restricted for:</i>							
Educational programs	-	-	-	15	-	-	-
<i>Unassigned</i>	-	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>15</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15</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, 2013

	<u>RI Council on the Arts</u>	<u>Performance Assessment</u>	<u>Action for Healthy Kids</u>	<u>Misc. Non- Major Grants</u>	<u>Total</u>
ASSETS					
Cash	\$ 1,142	\$ 151	\$ 523	\$ 22,483	\$ 25,619
TOTAL ASSETS	<u>\$ 1,142</u>	<u>\$ 151</u>	<u>\$ 523</u>	<u>\$ 22,483</u>	<u>\$ 25,619</u>
 LIABILITIES AND FUND BALANCES					
Liabilities					
Deferred Revenue	\$ -	\$ 151	\$ -	\$ -	\$ 151
Total liabilities	<u>-</u>	<u>151</u>	<u>-</u>	<u>-</u>	<u>151</u>
Fund Balances					
<i>Restricted for:</i>					
Educational programs	1,142	-	523	22,483	25,468
<i>Unassigned</i>	-	-	-	-	-
TOTAL FUND BALANCES	<u>1,142</u>	<u>-</u>	<u>523</u>	<u>22,483</u>	<u>25,468</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,142</u>	<u>\$ 151</u>	<u>\$ 523</u>	<u>\$ 22,483</u>	<u>\$ 25,619</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, 2013

	20111100 IDEA Part B	21011200 IDEA Pre-School	21021100 Title I	21031100 Title II	21091100 Perkins Vocational	21264100 RTTT Standards & Curriculum	21264102 RTTT Educator Effectiveness
Revenues							
Intergovernmental revenue	\$ 469,947	\$ 13,309	\$ 181,058	\$ 92,885	\$ 23,013	\$ 30,442	\$ 30,820
Other	-	-	-	-	-	-	-
Total revenues	<u>469,947</u>	<u>13,309</u>	<u>181,058</u>	<u>92,885</u>	<u>23,013</u>	<u>30,442</u>	<u>30,820</u>
Expenditures							
Salaries	31,442	-	127,511	61,210	25,181	28,272	4,800
Employee benefits	3,241	-	53,149	30,115	1,926	2,170	70
Purchased services	431,942	13,309	398	500	-	-	25,950
Supplies and materials	-	-	-	226	-	-	-
Other costs	3,322	-	-	-	-	-	-
Total expenditures	<u>469,947</u>	<u>13,309</u>	<u>181,058</u>	<u>92,051</u>	<u>27,107</u>	<u>30,442</u>	<u>30,820</u>
Excess revenues over (under) expenditures	-	-	-	834	(4,094)	-	-
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>834</u>	<u>(4,094)</u>	<u>-</u>	<u>-</u>
Fund balances - unreserved July 1, 2012	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,565</u>	<u>-</u>	<u>-</u>
Fund balances - unreserved June 30, 2013	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 834</u>	<u>\$ 471</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, 2013

	21264105 RTTT IIS - Set Aside	21264106 RTTT - Educ. Effectiveness Set Aside	21264107 RTTT - Human Capital Dev. Set Aside	23453000 RI Council on the Humanities	24040003 Elementary Task Force	90000002 SAMHSA Substance Abuse	Healthy Kids Grant
Revenues							
Intergovernmental revenue	\$ 29,195	\$ 6,702	\$ 17,450	\$ -	\$ 9,500	\$ 137,726	\$ -
Other	-	-	-	-	-	-	2,909
Total revenues	<u>29,195</u>	<u>6,702</u>	<u>17,450</u>	<u>-</u>	<u>9,500</u>	<u>137,726</u>	<u>2,909</u>
Expenditures							
Salaries	-	-	-	3,696	-	42,545	-
Employee benefits	-	-	-	283	-	22,930	-
Purchased services	28,030	6,702	17,450	800	9,500	50,069	2,909
Supplies and materials	-	-	-	1,387	-	22,182	-
Other costs	1,165	-	-	-	-	-	-
Total expenditures	<u>29,195</u>	<u>6,702</u>	<u>17,450</u>	<u>6,166</u>	<u>9,500</u>	<u>137,726</u>	<u>2,909</u>
Excess revenues over (under) expenditures	-	-	-	(6,166)	-	-	-
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>(6,166)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - unreserved July 1, 2012	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,181</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - unreserved June 30, 2013	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15</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, 2013

	<u>RI Council on the Arts</u>	<u>Performance Assessment</u>	<u>Action for Healthy Kids</u>	<u>Misc Non- Major Grants</u>	<u>Total</u>
Revenues					
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ 1,042,047
Other	-	-	-	22,483	25,392
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,483</u>	<u>1,067,439</u>
Expenditures					
Salaries	-	-	-	-	324,657
Employee benefits	-	-	-	-	113,884
Purchased services	-	-	1,350	-	588,909
Supplies and materials	-	-	-	-	23,795
Other costs	-	-	-	-	4,487
Total expenditures	<u>-</u>	<u>-</u>	<u>1,350</u>	<u>-</u>	<u>1,055,732</u>
Excess revenues over (under) expenditures	-	-	(1,350)	22,483	11,707
Other financing sources (uses)					
Operating transfers in from other funds	-	-	-	-	-
Operating transfers in (to) other funds	-	-	-	-	-
Total other financing sources (uses)	<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>(1,350)</u>	<u>22,483</u>	<u>11,707</u>
Fund balances - unreserved July 1, 2012	1,142	-	1,873	-	13,761
Fund balances - unreserved June 30, 2013	<u>\$ 1,142</u>	<u>\$ -</u>	<u>\$ 523</u>	<u>\$ 22,483</u>	<u>\$ 25,468</u>

(concluded)

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

	300 Landfill Fund	302 Old Stone Bridge	309 TIF Fund	Total
Cash	\$ 523,907	\$ -	\$ 405,226	\$ 929,133
Investments	4,645,427	-	-	4,645,427
Due from other funds	103,714	-	-	103,714
Total assets	\$ 5,273,048	\$ -	\$ 405,226	\$ 5,678,274
 LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	80,034	22,565	102,599
Total liabilities	-	80,034	22,565	102,599
 Fund balances				
<i>Committed for:</i>				
Public works programs	5,273,048	-	382,661	5,655,709
Unassigned	-	(80,034)	-	(80,034)
Total fund balances (deficit)	5,273,048	(80,034)	382,661	5,575,675
Total liabilities and fund balances	\$ 5,273,048	\$ -	\$ 405,226	\$ 5,678,274

(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, 2013

	<u>300</u> <u>Landfill</u> <u>Fund</u>	<u>302</u> <u>Old Stone</u> <u>Bridge</u>	<u>309</u> <u>TIF</u> <u>Fund</u>	<u>Total</u>
Revenues				
Earnings on investments	\$ 186,464	\$ -	\$ 41	\$ 186,505
Unrealized loss on investment	(123,557)	-	-	(123,557)
Other	508,400	-	-	508,400
Total revenues	<u>571,307</u>	<u>-</u>	<u>41</u>	<u>571,348</u>
Expenditures				
Public works	74,928	-	5,096	80,024
Debt service	-	-	420,000	420,000
Interest expense	-	-	393,937	393,937
Capital expenditures	-	56,689	-	56,689
Total expenditures	<u>74,928</u>	<u>56,689</u>	<u>819,033</u>	<u>950,650</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources	496,379	(56,689)	(818,992)	(379,302)
Other financing sources (uses)				
Transfers from other funds	-	-	813,937	813,937
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>813,937</u>	<u>813,937</u>
Excess of revenues and other sources over (under) expenditures	496,379	(56,689)	(5,055)	434,635
Fund balances (deficit) - unreserved July 1, 2012	4,776,669	(23,345)	387,716	5,141,040
Fund balances - unreserved June 30, 2013	<u>\$ 5,273,048</u>	<u>\$ (80,034)</u>	<u>\$ 382,661</u>	<u>\$ 5,575,675</u>

(concluded)

SUPPLEMENTARY INFORMATION
TOWN OF TIVERTON, RHODE ISLAND
Private Purpose Trust Funds
Combining Balance Sheet
June 30, 2013

	<u>Burial Lots</u>	<u>Pocasset Hill Cemetery</u>	<u>Total</u>
ASSETS			
Cash and equivalents	\$ 23,771	\$ 119,423	\$ 143,194
Investments, at fair value:			
Cash management investment funds	-	372,650	372,650
Total investments	<u>-</u>	<u>372,650</u>	<u>372,650</u>
TOTAL ASSETS	<u>\$ 23,771</u>	<u>\$ 492,073</u>	<u>\$ 515,844</u>
NET ASSETS			
Reserved for Principal	23,771	492,073	515,844
TOTAL NET ASSETS	<u>\$ 23,771</u>	<u>\$ 492,073</u>	<u>\$ 515,844</u>

SUPPLEMENTARY INFORMATION
TOWN OF TIVERTON, RHODE ISLAND
Private Purpose Trust Funds
Combining Statement of Revenue, Expenditures and
Changes in Net Assets
For the Fiscal Year Ended June 30, 2013

	<u>Burial Lots</u>	<u>Pocasset Hill Cemetery</u>	<u>Total</u>
ADDITIONS			
Investment income	\$ 133	\$ 2,394	\$ 2,527
Other revenue	-	18,650	18,650
Total additions	<u>133</u>	<u>21,044</u>	<u>21,177</u>
DEDUCTIONS			
Per trust agreements	\$ 1,862	\$ 25,031	\$ 26,893
Total deductions	<u>1,862</u>	<u>25,031</u>	<u>26,893</u>
Change in net assets held in trust for:			
Individuals, organizations and other governments	(1,729)	(3,987)	(5,716)
Net assets - beginning July 1, 2012	<u>25,500</u>	<u>496,060</u>	<u>521,560</u>
Net assets - ending June 30, 2013	<u>\$ 23,771</u>	<u>\$ 492,073</u>	<u>\$ 515,844</u>

**TOWN OF TIVERTON, RHODE ISLAND
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES
IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDING JUNE 30, 2013**

	Balance July 1, 2012	Additions	Deductions	Balance June 30, 2013
GRAVEL BONDS				
Assets				
Cash	\$ 10,329	\$ 8	\$ -	\$ 10,337
Total assets	\$ 10,329	\$ 8	\$ -	\$ 10,337
Liabilities				
Deposits held in custody for others	\$ 10,329	\$ 8	\$ -	\$ 10,337
Total liabilities	\$ 10,329	\$ 8	\$ -	\$ 10,337
ROAD SURETY				
Assets				
Cash	\$ 34,049	\$ 27	\$ -	\$ 34,076
Total assets	\$ 34,049	\$ 27	\$ -	\$ 34,076
Liabilities				
Deposits held in custody for others	\$ 34,049	\$ 27	\$ -	\$ 34,076
Total liabilities	\$ 34,049	\$ 27	\$ -	\$ 34,076
STUDENT ACTIVITY				
Assets				
Cash	\$ 156,577	\$ 301,419	\$ 303,005	\$ 154,991
Total assets	\$ 156,577	\$ 301,419	\$ 303,005	\$ 154,991
Liabilities				
Deposits held in custody for others	\$ 156,577	\$ 301,419	\$ 303,005	\$ 154,991
Total liabilities	\$ 156,577	\$ 301,419	\$ 303,005	\$ 154,991
TOTAL AGENCY FUNDS				
Assets				
Cash	\$ 200,955	\$ 301,454	\$ 303,005	\$ 199,404
Total assets	\$ 200,955	\$ 301,454	\$ 303,005	\$ 199,404
Liabilities				
Deposits held in custody for others	\$ 200,955	\$ 301,454	\$ 303,005	\$ 199,404
Total liabilities	\$ 200,955	\$ 301,454	\$ 303,005	\$ 199,404

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, 2013**

REAL ESTATE AND PERSONAL PROPERTY TAXES

Fiscal Year	Balance 07/01/12	Current Year Assessment	Supplemental	Transfers and Adjustments	Refunds	Abatements	Amount to be Collected	Collections	Balance 06/30/13
2012	\$ -	\$ 36,705,824	\$ 47,494	\$ 50,051	\$ (87,496)	\$ 139,097	36,751,768	\$ 35,741,645	\$ 1,010,123
2011	1,000,535	-	-	(4,798)	1,641	707	996,671	540,771	455,900
2010	447,156	-	-	2,857	-	2,508	447,505	303,713	143,792
2009	102,614	-	-	70	-	-	102,684	6,784	95,900
2008	87,080	-	-	(58)	-	-	87,022	2,633	84,389
2007	64,051	-	-	77	-	78	64,050	3,181	60,869
2006	33,994	-	-	-	-	72	33,922	419	33,503
2005	23,454	-	-	-	-	104	23,350	355	22,995
2004	20,208	-	-	-	-	33	20,175	54	20,121
2003	19,139	-	-	-	-	-	19,139	-	19,139
2002	22,649	-	-	-	-	-	22,649	-	22,649
Prior	18,847	-	-	-	-	16,149	2,698	218	2,480
	<u>1,839,727</u>	<u>36,705,824</u>	<u>47,494</u>	<u>48,199</u>	<u>(85,855)</u>	<u>158,748</u>	<u>38,571,633</u>	<u>36,599,773</u>	<u>1,971,860</u>

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

Description of Property	Valuations	Levy
Real property	\$ 1,671,477,300	\$ 31,741,354
Commercial/Industrial real estate	169,928,700	3,226,946
Motor vehicles	150,601,642	2,882,009
Tangible personal	39,705,516	754,008
<i>Total</i>	<u>2,031,713,158</u>	<u>38,604,317</u>
Exemptions		
Real estate	20,855,627	396,048
Motor vehicles	78,497,611	1,502,444
<i>Net assessed value</i>	<u>1,932,359,920</u>	<u>36,705,824</u>

Current year assessment

\$ 36,705,824

**RECONCILIATION OF CURRENT YEAR
PROPERTY TAX REVENUE**

Current year collections	\$ 36,599,773
Reserve collected within 60 days subsequent to fiscal year ending June 30, 2013	193,909
	<u>36,793,682</u>
Prior year revenue received in current year	(168,418)
Other Adjustments	(162,699)
Current year property tax revenue	<u>\$ 36,462,565</u>

TOWN OF TIVERTON, RHODE ISLAND
Schedule of Long-Term Liabilities
For the fiscal year ended June 30, 2013

	Date of Issuance	Interest Rate	Date of Maturity	Authorized	Outstanding July 1, 2012	Additions	Maturities During Year	Outstanding June 30, 2013	Interest Paid
General long-term obligations									
Tax increment bonds	5/1/2002	6.875	5/1/2022	\$ 8,295,000	\$ 5,730,000	\$ -	\$ 420,000	\$ 5,310,000	\$ 393,938
Revenue Financing bonds	6/15/2006	4.0% - 5.0%	5/15/2026	3,735,000	2,645,000	-	190,000	2,455,000	122,350
General Obligation Bonds	8/1/2007	4.25%-5.00%	5/15/2027	10,580,000	8,925,000	-	430,000	8,495,000	420,150
Ft. Barton 10.0 Million Bond	7/15/2008	3.75%-6.00%	5/15/2028	10,000,000	8,695,000	-	375,000	8,320,000	425,644
Pocasset 10.1 Million Bond	7/1/2009	3.00%-6.25%	5/15/2029	10,100,000	9,400,000	-	365,000	9,035,000	495,412
Total general obligation bonds and notes payable				42,710,000	35,395,000	-	1,780,000	33,615,000	1,857,494
Capital lease				-	530,165	720,289	190,654	1,059,800	27,302
Landfill closure and postclosure care costs				-	4,651,127	-	-	4,651,127	-
Other general long-term obligations				-	5,181,292	720,289	190,654	5,710,927	27,302
Accrued expenses									
Accrued vacation and sick leave					1,073,200	96,965	13,872	1,156,293	n/a
Net OPEB obligation					4,021,317	367,047	-	4,388,364	n/a
Net pension obligation					1,999,298	-	75,128	1,924,170	n/a
Total accrued expenses					7,093,815	464,012	89,000	7,468,827	
Total long-term liabilities					\$ 47,670,107	\$ 1,184,301	\$ 2,059,654	\$ 46,794,754	

**TOWN OF TIVERTON, RHODE ISLAND
SCHEDULE OF DEBT SERVICE REQUIREMENTS
TO MATURITY - GENERAL FUND
FOR THE FISCAL YEAR ENDING JUNE 30, 2013**

Fiscal Year Ended June 30,	Percentage of Maturity	Principal	Interest	Total Debt Service
2014	11.29%	1,860,000	1,769,018	3,629,018
2015	11.29%	1,935,000	1,678,800	3,613,800
2016	17.31%	2,025,000	1,585,567	3,610,567
2017	23.62%	2,120,000	1,486,418	3,606,418
2018	30.21%	2,215,000	1,376,723	3,591,723
2019	37.14%	2,330,000	1,254,423	3,584,423
2020	44.40%	2,440,000	1,136,524	3,576,524
2021	52.05%	2,570,000	1,001,408	3,571,408
2022-2029	100.00%	16,120,000	3,234,751	19,354,751
		\$ 33,615,000	\$ 14,523,632	\$ 48,138,632

**TOWN OF TIVERTON, RHODE ISLAND
COMPUTATION OF LEGAL DEBT MARGIN
JUNE 30, 2013**

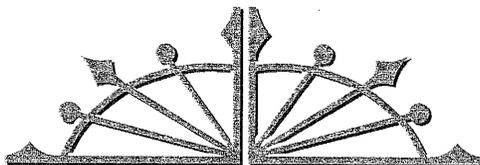
Gross assessed value	\$ 2,031,713,158
Less exempt property	99,353,238

Total taxable assessed value	\$ 1,932,359,920
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Debt Limit - 3 percent of total assessed value	\$ 57,970,798
Amount of debt applicable to debt limit:	
Total bonded debt	33,615,000

Legal debt margin	\$ 24,355,798
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***TOWN OF TIVERTON, RHODE ISLAND
SINGLE AUDIT
FOR THE YEAR ENDED JUNE 30, 2013***



BAXTER DANSEREAU & ASSOCIATES, LLP

Accounting, Consulting & Tax Services

Partners

William J. Baxter, Jr., CPA

Paul L. Dansereau, CPA

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of the Town of Tiverton, Rhode Island as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Town of Tiverton's basic financial statements, and have issued our report thereon dated December 18, 2013.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

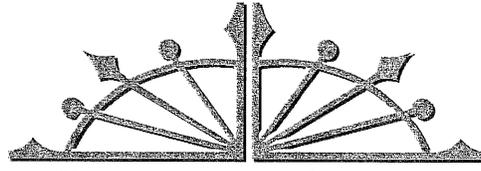
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in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



Baxter, Dansereau & Associates, LLP

West Warwick, Rhode Island

December 18, 2013



BAXTER DANSEREAU & ASSOCIATES, LLP

Accounting, Consulting & Tax Services

Partners

William J. Baxter, Jr., CPA

Paul L. Dansereau, CPA

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

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for the Major Federal Program

We have audited the Town of Tiverton's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Town of Tiverton, Rhode Island's major federal programs for the year ended June 30, 2013. 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.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Town of Tiverton's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Town of Tiverton's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

Management of Town of Tiverton is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Town of Tiverton's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Town of Tiverton's internal control over compliance.

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

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

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



Baxter, Dansereau & Associates, LLP

West Warwick, Rhode Island

December 18, 2013

TOWN OF TIVERTON
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2013

<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	\$ 34,837
National School Lunch Program	10.555	N/A	199,251
Special School Milk Program for Children	10.556	N/A	640
Food Donation	10.550	N/A	26,143
Total U.S. Department of Agriculture			<u>\$ 260,871</u>
U.S. Department of Housing and Urban Development			
<i>Passed through State of Rhode Island Division of Planning,</i>			
<i>Office of Housing and Community Development:</i>			
Community Development Block Grant/Small Cities Program	14.228	N/A	\$ 94,241
Total U.S. Department of Housing and Urban Development			<u>\$ 94,241</u>
U.S. Department of Justice			
<i>Passed through State of Rhode Island Governor's Justice Commission</i>			
Edward Byrne Memorial JAG Program/Grants to States	16.803	05-132-JAG	\$ 26,371
Total U.S. Department of Justice			<u>\$ 26,371</u>
U.S. Department of Transportation:			
<i>Pass-Through State of Rhode Island Department of Transportation,</i>			
<i>Governor's Office on Highway Safety</i>			
Highway Planning and Construction	20.205	N/A	\$ 102,959
Transportation Cluster:			
State and Community Highway Safety	20.600	N/A	3,555
Occupant Protection Incentive Grants	20.602	N/A	5,122
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	N/A	7,009
Child Safety and Child Booster Seats Incentive Grant	20.613	N/A	495
Total U.S. Department of Transportation			<u>\$ 119,140</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	\$ 630
Total U.S. Department of Energy			<u>\$ 630</u>
U.S. Department of Education			
<i>Passed through State of Rhode Island Department of Education:</i>			
Title I Grants to Local Educational Agencies	84.010	2752-11702-301	\$ 181,057
Special Education Cluster:			
Special Education - Grants to States	84.027	2725-13202-301	469,947
Special Education - Grants to States - Preschool	84.173	2725-13502-301	13,909
Improving Teacher Quality State Grants	84.367	2725-16402-301	92,885
Race to the Top Cluster			
ARRA - Race to the Top - Standards & Curriculum	84.395	4572-13502-120	30,442
ARRA - Race to the Top - Educator Effectiveness	84.395	4572-13502-130	30,820
ARRA - Race to the Top - IIS Set Aside	84.395	4572-13502-150	29,195
ARRA - Race to the Top - Educator Effectiveness Set Aside	84.395	4572-13502-170	6,702
ARRA - Race to the Top - Human Capital Development Set Aside	84.395	4572-13502-180	17,450
<i>Passed through City of Newport Rhode Island:</i>			
Vocational Education - Basic Grants to States	84.048	1440-53200-21-02	27,107
Total U.S. Department of Education			<u>\$ 899,514</u>

TOWN OF TIVERTON
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2013

<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 Health & Human Services			
<i>Passed through State of Rhode Island Department of Behavioral Health</i>			
Drug-Free Communities Support Program Grants	93.276	N/A	\$ 137,725
Block Grants for the Prevention and Treatment of Substance Abuse	93.959	N/A	<u>52,825</u>
Total U.S. Department of Health & Human Services			<u>\$ 190,550</u>
U.S. Department of Homeland Security			
<i>Passed through the State of Rhode Island Department of Administration</i>			
Disaster Grants - Public Assistance	97.036	N/A	\$ 64,435
Total U.S. Department of Homeland Security			<u>\$ 64,435</u>
Total Expenditures of Federal Awards			<u>\$ 1,655,752</u>

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

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness (es) identified? yes X no

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

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

Material weakness (es) identified? yes X no

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

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

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

Identification of major programs:

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 - Grants to States - Preschool

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

Auditee qualified as low risk auditee? X yes no

SECTION II - FINANCIAL STATEMENT FINDINGS yes X none

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

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

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

A. Significant Deficiency in Internal Control

None Reported.

B. Compliance

None Reported.

SECTION III – FINDINGS AND QUESTIONED COST FOR FEDERAL AWARDS

A. Finding

None Reported

B. Questioned Costs

None Reported

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

PRIOR YEAR FINDINGS AND QUESTIONED COST FOR FEDERAL AWARDS

A. Findings

None Reported

B. Questioned Costs

None Reported

TOWN OF TIVERTON, RHODE ISLAND
Notes to Schedule of Expenditures of Federal Awards
June 30, 2013

1. **General** - The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal programs of the Town of 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, 2013, grants with expenditures exceeding \$300,000 were determined to be Type A programs and all other grants were considered Type B programs. The following programs were considered major programs:

<u>CFDA</u>	<u>Program Name</u>
	<i>Special Education Cluster</i>
84.027	Special Education - Grants to States
84.173	Special Education – Grants to States - Preschool

4. **Non-Cash Assistance**

U.S.D.A. Contributions: The United States Department of Agriculture makes available commodities for donations to schools. The amount of \$26,143 represents the market value of such commodities used during the period.